SCB

SAIGON COMMERCIAL BANK

STRONG SPIRIT - GREAT GLORY

EXCLUSIVE PRIVILEGES

FOR CUSTOMERS

- Premier financial services
- Privileges in global personal assistance
- Excellent support staff

1800 54 54 38 | 24/7 Financial services

028 3824 0567 | Privileges in global personal assistance

SCB PREMIER

CONTENT

OVERVIEW OF SCB **2**

Message from Chairman and CEO 4

Overview of SCB 6

Organizational structure 12

Leaders 14

HIGHLIGHTS IN 2018 **30**

SCB's 10 significant highlights in 2018 32

Prominent accolades and awards in 2018 36

INNOVATION AND CREATIVITY **40**

Genetic change in banking technology 42

Innovative solutions of products & services and distinctive experience 46

Developing leadership competency – Change to take the lead 48

SCB's efforts for development and improvement 50

ASSERTING STATUS AND SUSTAINABLE DEVELOPMENT **56**

Stable business growth 58

A sustainable and strong development 63

Sustainable development with social responsibility 66

2019 STRATEGY **70**

READY FOR GOING BEYOND

AUDITED REPORTS **74**

Consolidated financial statements 79

Notes to consolidated financial statements 85

SCB'S MAP AND NETWORK **142**

SCB's map 144

SCB's network 146

OVERVIEW OF **SCB**

- MESSAGE FROM CHAIRMAN AND CEO
- OVERVIEW OF SCB
- ORGANIZATIONAL STRUCTURE
- LEADERS

MESSAGE FROM **CHAIRMAN AND CEO**

Dear shareholders, customers, partners and colleagues,

Keeping up with the pace of economic transformation, in 2018, SCB made important progress and changes in business operation, governance and financial capacity to sharpen its edge in the competitive financial market to meet customer needs. These would surely be a solid foundation for SCB's sustained development.

After major milestones, SCB has gradually asserted its status in Vietnamese financial market, obtaining customers' trust and support. Such achievements are the result of successful collaboration of more than 7,200 colleagues, customers' companion, partners' close cooperation and shareholders' trust.

SCB status became more distinctive in 2018, engraved with innovation, diverse product portfolio, improved service quality, modern banking technology and dynamic staff. SCB has been spreading out with a network reaching 28 large provinces/cities, benefiting customers, shareholders, employees and contributing to the country's development.

Stable growth in business operation: At the end of 2018, SCB maintained its status as the top 5 biggest Vietnamese commercial banks with total assets of VND508,954 billion, charter capital of VND15,232 billion, customer deposits reached VND418,338 billion and loans reached VND301,892 billion. In 2018, there was a trendy growth in non-interest revenues and in personal customer base within SCB network. Revenues in credit cards, money remittance, digital banking, insurance products, international payment and trade finance continued to generate large non-interest incomes. Total net non-interest revenues reached VND1,746 billion, increasing VND230 billion - 15.2% compared to 2017, in which the net amount from service was VND1,299 billion, an impressive increase of 49.2% compared to the previous year.

Reforming organizational structure and building a highly skilled workforce: Last year, there were significant changes in SCB organizational structure towards lean governance which simplifies procedures, leverages resources usage and reduces potential risks. These intentions have been practiced by upgrading and establishing Credit Reappraisal and Business Support Divisions, Premier Banking Department under Retail Banking Division at the end of 2018 and International Transaction Banking and Card & Digital Banking Divisions in early 2019. These new factors strengthen the business operation as well as governance capacity, laying a platform for SCB to conquer new targets in 2019.

At the same time, SCB also focused on building a competent human resource pool - the most valuable asset of SCB - to keep up with the development pace. Last year, SCB recruited approximately 2,000 new employees for vacant positions, regularly provided standardized training courses to SCB staff of all levels from senior leaders to all other staff.

Developing banking technology and optimizing operation: Together with business operation, SCB executed on large investments in advanced technology in all bank aspects to upgrade management system, customer service and create our edge in the Industry 4.0 era. Accordingly, SCB successfully went live with Core Banking and Digital Banking systems, latest version of Flexcube 12.4 and Treasury - Fis Front Arena project, marking a stepping-stone in banking development. These high-tech backgrounds brought about more modern product packages and excellent experience while improving governance competency and security. As a result, SCB was able to attract more customers, capture more market share, benefit customers and itself.

Being well perceived by domestic and overseas organizations: With relentless effort, SCB has honorably received many prestigious awards such as: Best Commercial Bank Vietnam 2018 by World Finance, Outstanding innovative banking product-service award 2018 by VNBA and IDG, Best Bank for Information Technology Vietnam 2018 by Global Banking & Finance Review, etc. These are vivid evidences for rightfully strategic directions in the past and driven motivations for the bank to grow further and best serve customers.

Given achievements from rightful strategy of the Board of Directors, close supervision from the Board of Management and united staff, SCB has been well-prepared for new adventures on the path to success, assert its status and step firmly on the further path in 2019.

On behalf of the Board of Directors, the Board of Management, we would like to send to all colleagues sincere appreciation for your constant support. We believe and strive to become the best choice to bring the highest values to our customers, shareholders and partners.

Wish you all good health and success.

Sincerely,

CHAIRMAN | **CEO**

Mr. DINH VAN THANH | **Mr. VO TAN HOANG VAN**

Given achievements from rightful strategy of the Board of Directors, close supervision from the Board of Management and united staff, SCB has been well-prepared for new adventures on the path to success, assert its status and step firmly on the further path in 2019.

OVERVIEW OF **SCB**

• GENERAL INFORMATION

SAI GON JOINT STOCK COMMERCIAL BANK

Transaction name in Vietnamese	Ngân hàng TMCP Sài Gòn
Transaction name in English	Sai Gon Joint Stock Commercial Bank
Abbreviation	SCB
Operation License	283/GP-NHNN dated 26/12/2011
Head Office	927 Tran Hung Dao, Ward 1, District 5, Ho Chi Minh City
Telephone	(84-28) 39 230 666
Fax	(84-28) 39 225 888
SWIFT	SACLVNVX
Website	www.scb.com.vn

• SCOPE OF OPERATION

Scope of operation

SCB provides all financial and banking services as stipulated in its Operation License and Business Registration Certificate to serve customers' needs under SCB's operational business strategy. Specifically:

- ACCOUNT SERVICES
- CAPITAL MOBILIZATION SERVICES (SAVINGS, BONDS, NEGOTIABLE NOTES)
- LENDING (SHORT, MEDIUM, LONG TERM)
- GUARANTEE SERVICES
- DOCUMENT DISCOUNTING SERVICES
- INTERNATIONAL PAYMENT SERVICES
- MONEY TRANSFER
- CARD SERVICES
- COLLECTION SERVICES
- FOREIGN CURRENCY TRADING
- CORRESPONDENT BANKING SERVICES
- FACTORING SERVICES
- OTHER SERVICES UNDER THE BUSINESS REGISTRATION CERTIFICATE

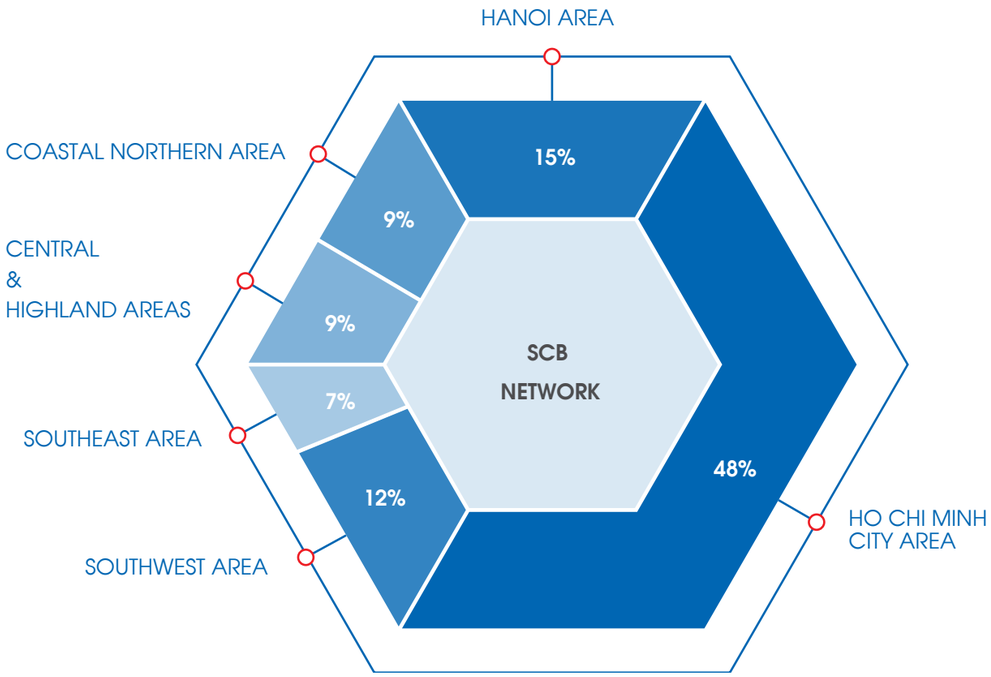
BUSINESS NETWORK

SCB has 239 units (50 branches and 189 transaction offices) at 28 provinces/cities and correspondent relationships with more than 6,300 banks/branches in 78 countries and territories around the world.

SCB's operation network is synchronously and widely spread out in key areas to meet the current development requirements as well as best serve customers' needs.

50 BRANCHES

189 TRANSACTION OFFICES



SCB NETWORK BY REGION IN 2018

OVERVIEW OF **SCB**

- **OPERATIONAL ORIENTATION: VISION, MISSION, CORE VALUES**

VISION

To gather and mobilize resources, creating sustainable values for our shareholders, customers, partners and employees in order to improve quality of life, bring prosperity to families and businesses in Vietnam and practically contribute to the revival and wealth of our nation.

MISSION

As a reliable, dedicated, and insightful partner, SCB satisfies customers with high-quality financial services and sustainable, long-term benefits.

CORE VALUES

Integrity - Transparency: SCB always conducts business with transparent information according to the highest ethical standards, legal regulations, and international practices.

Customer-centered: With deep insights and great care, SCB's activities are customer-centered. SCB's employees are responsive to customers' needs and wisely offer customers with the best solutions.

Sustainable development: SCB is committed to creating sustainable values while placing major emphasis on the long-term interests of customers and shareholders.

Innovation - Creativity: SCB continuously improves, diversifies services, applies modern technology to best serve customers. SCB cooperates, introduces, and consults customers on innovative, diverse, and effective products.

Sharing - Cooperation: SCB closely cooperates with shareholders, customers, partners and employees to create and share sustainable benefits.

COMMITMENT

OUR COMMITMENT TO CUSTOMERS

We will provide customers with sophisticated banking products and services, ensure the highest quality standards, and offer the best customer service in all we do.

We will work alongside and respect our customers, listening to their concerns, sharing information, and finding the solutions best suited to them.

OUR COMMITMENT TO SHAREHOLDERS

We will optimize shareholder value and benefits.

We are committed to sustainable development, efficient business and maintaining an excellent reputation in the market.

OUR COMMITMENT TO SOCIETY

We actively participate in community activities and contribute to a better society.

OUR COMMITMENT TO EMPLOYEES

We will provide a dynamic and creative working environment to attract and develop talents for SCB's sustainable development.

We are committed to being fair and transparent in our remuneration policies and professional development.

COMMITMENT TO THE BANK ITSELF

We continuously improve our management capability, professional skills and qualifications as well as promote professional ethics among our employees.

We are committed to continuous innovation in banking technology toward a modern and professional bank.

OVERVIEW OF **SCB**

• ESTABLISHMENT AND DEVELOPMENT

VND billion, employees

2018
Total assets: **508,954**
Charter capital: **15,232**
Loans: **301,892**
Deposits: **418,338**
Employees: **7,258**

2017
Total assets: **444,032**
Charter capital: **14,295**
Loans: **266,501**
Deposits: **353,327**
Employees: **6,428**

2016
Total assets: **361,682**
Charter capital: **14,295**
Loans: **222,183**
Deposits: **295,152**
Employees: **5,556**

2015
Total assets: **311,514**
Charter capital: **14,295**
Loans: **170,462**
Deposits: **225,978**
Employees: **4,595**

2014
Total assets: **242,222**
Charter capital: **12,295**
Loans: **133,993**
Deposits: **198,505**
Employees: **3,315**

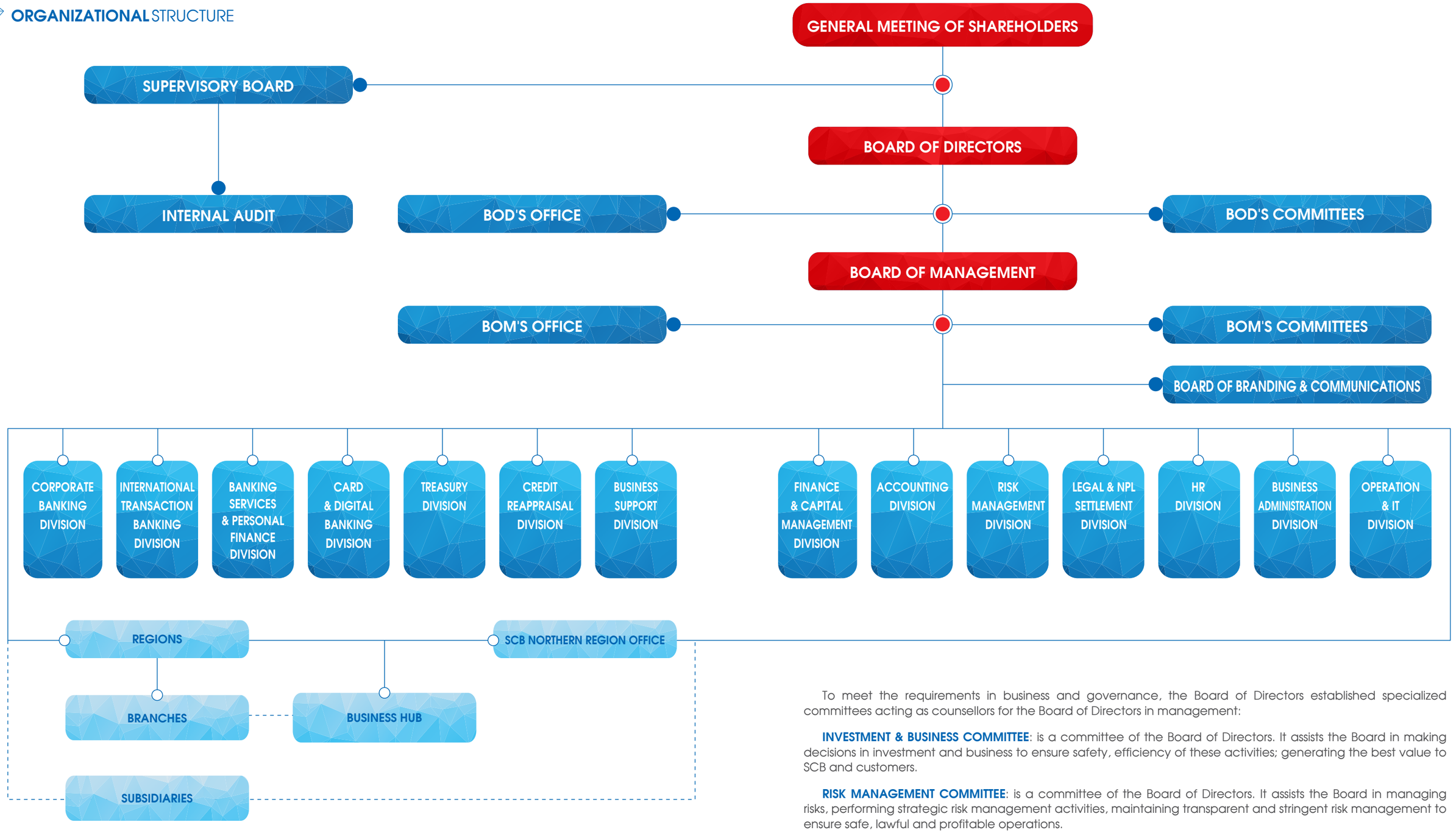
2013
Total assets: **181,019**
Charter capital: **12,295**
Loans: **89,004**
Deposits: **147,098**
Employees: **3,233**

2012
Total assets: **149,206**
Charter capital: **10.584**
Loans: **88,155**
Deposits: **79,193**
Employees: **3,959**

• SHAREHOLDERS

SHAREHOLDER COMPOSITION	NUMBER OF SHAREHOLDERS	NUMBERS OF SHARES OWNED *(VND10,000/SHARE)*	OWNERSHIP/CHARTER CAPITAL RATIO
FOREIGN SHAREHOLDERS	**5**	**424,500,000**	**27,870%**
Institutional shareholders	5	424,500,000	27,870%
Largest shareholders (institution)	*1*	*142,500,000*	*9,355%*
Individual shareholders	-	-	-
DOMESTIC SHAREHOLDERS	**3,793**	**1,094,283,353**	**71,843%**
Institutional shareholders	12	240,019,535	15,758%
Largest shareholders (institution)	*1*	*195,387,600*	*12,828%*
Individual shareholders	3,781	854,263,818	56,085%
SCB TREASURY SHARES		**4,385,457**	**0,288%**
TOTAL	**3,798**	**1,523,168,810**	**100%**

ORGANIZATIONAL STRUCTURE



To meet the requirements in business and governance, the Board of Directors established specialized committees acting as counsellors for the Board of Directors in management:

INVESTMENT & BUSINESS COMMITTEE: is a committee of the Board of Directors. It assists the Board in making decisions in investment and business to ensure safety, efficiency of these activities; generating the best value to SCB and customers.

RISK MANAGEMENT COMMITTEE: is a committee of the Board of Directors. It assists the Board in managing risks, performing strategic risk management activities, maintaining transparent and stringent risk management to ensure safe, lawful and profitable operations.

HR & REMUNERATION COMMITTEE: is a committee of the Board of Directors. It assists the Board in matters related to human resources to promote an equal, efficient working environment, creating opportunities of career advancement and planning incentive compensation programs.

RISK & NPL SETTLEMENT COMMITTEE: is a committee of the Board of Directors. It assists the Board in risk resolutions and NPL settlements to ensure the recovery of debts and the best use of assets.

LEADERS

BOARD OF DIRECTORS

Mr. **DINH VAN THANH**

CHAIRMAN

Mr. Dinh Van Thanh has more than 25 years of experience in accounting, finance and banking governance. He held several positions such as Chief Accountant of Center for Agro Chemistry - Vietnam Academy of Sciences (now the Academy of Science of Vietnam); Deputy CFO of CINCO Commercial Center - HCMC Vanguard Youth Force; Deputy CEO, Vice Chairman of the Board of Directors and Chairman of Committee of Investment and Credit - Ficombank; Standing Vice Chairman of the Board of Directors, Chairman of Committee of Investment and Credit - Sai Gon Joint Stock Commercial Bank. He has been the Chairman of the Board of Directors of Sai Gon Joint Stock Commercial Bank since March, 2014.

Mr. **HENRY SUN KA ZIANG**

VICE CHAIRMAN

Mr. Henry Sun Ka Ziang has more than 28 years of experience in finance and banking governance. He held several positions such as First Vice Chairman of Bank of America Ltd., (Asia); CFO - Dickson Construction Int'l Ltd.; CEO of SMELOAN Ltd., Egana International Technology Ltd; Independent Member of the Board of Directors - Zhongda International Holdings Ltd; Get Nice Holdings Co., Ltd.; Chairman cum CEO of Noble Capital Group Ltd. He has been the Vice Chairman of the Board of Directors of Sai Gon Joint Stock Commercial Bank since May 2015.

Mr. **NGUYEN VAN THANH HAI**

MEMBER

Mr. Nguyen Van Thanh Hai has 25 years of experience in finance and banking. He joined SCB in 2003 and held a number of positions such as Deputy Manager of Credit and Guarantee; Branch Deputy Director and Branch Director; Deputy CEO of Retail Banking Division - Sai Gon Joint Stock Commercial Bank. Currently, he is a member of the Board of Directors - Sai Gon Joint Stock Commercial Bank.

Mr. **NGUYEN TIEN THANH**

INDEPENDENT MEMBER

Mr. Nguyen Tien Thanh has more than 25 years of experience in finance, banking and securities. He held many positions such as: Manager at Vietcombank, Tan Viet Securities Service Director/Manager, Deputy CEO cum Director of Ho Chi Minh Branch; Member of the Board of Directors cum Deputy CEO; Member of BOD cum CEO at Tan Viet Securities JSC. Currently, he is an independent member of the Board of Directors at Sai Gon Joint Stock Commercial Bank.

LEADERS

BOARD OF DIRECTORS

Mr. **VO TAN HOANG VAN**

MEMBER
CUM CEO

Mr. Vo Tan Hoang Van has more than 25 years of experience in audit, finance - banking consultancy and governance. He served as the Manager, Director, Deputy CEO in charge of audit and banking consultancy at Ernst & Young Vietnam; Vice Chairman of Committee of Banking Strategy and Development - Sai Gon Joint Stock Commercial Bank; Deputy CEO, Acting CEO of Sai Gon Joint Stock Commercial Bank. He is now a member of the Board of Directors cum CEO of Sai Gon Joint Stock Commercial Bank.

Ms. **MAI THI THANH THUY**

MEMBER
CUM DEPUTY CEO

Ms. Mai Thi Thanh Thuy has more than 11 years of experience in banking. She held may positions such as: Investment Director, Assistant to CEO, Chief of the Board of Management's Office cum Assistant to CEO of Sai Gon J.S. Commercial Bank. Currently, she is a member of the Board of Directors cum Deputy CEO of Sai Gon J.S. Commercial Bank.

Ms. **NGUYEN PHUONG HONG**

MEMBER
CUM DEPUTY CEO

Ms. Nguyen Phuong Hong has more than 11 years of experience in banking. She held many positions such as: Credit Manager, Business Manager, Business Support Manager, Deputy Director, Branch Director - Sai Gon J.S. Commercial Bank. Currently, she is a member of the Board of Directors cum Deputy CEO of Sai Gon J.S. Commercial Bank.

LEADERS

SUPERVISORY BOARD

Mr. **LUU QUOC THANG**

HEAD OF SUPERVISORY BOARD

Mr. Luu Quoc Thang has 37 years of experience in trade, manufacturing, finance and banking; with 20 years of experience in banking. He held various positions such as Manager of Business Dept., Branch Director and Deputy General Director - Ficombank, Head of Risk Management Division, Deputy CEO of Risk Management Division. He is now the Head of Supervisory Board of Sai Gon Joint Stock Commercial Bank.

Mr. **TRAN CHAN NAM**

SPECIALIZED MEMBER

Mr. Tran Chan Nam has 22 years of experience in trade, finance and banking. He held several positions such as Chief of Internal Auditor of CEP Fund; Credit Analyst - Asia Commercial Joint Stock Bank; Member of the Supervisory Board of Ficombank; Specialized Member of the Supervisory Board of Sai Gon Joint Stock Commercial Bank. He is now a specialized member of the Supervisory Board of Sai Gon Joint Stock Commercial Bank.

Mr. **VU MANH TUONG**

SPECIALIZED MEMBER

Mr. Vu Manh Tuong has 21 years of experience in accounting, finance and banking. He held many positions such as: Deputy Manager of Accouting Dept., Member of the Supervisory Board of Ficombank; Head of CEO Secretariat, Assistant to Chairman of the Board of Directors, Chief of BOD Office cum Secretary to BOD, Vice President of HR & Remuneration Committee, President of Risk Handling & NPL Settlement Committee of Sai Gon J.S. Commercial Bank. Currently, he is a specialized member of the Supervisory Board of Sai Gon J.S. Commercial Bank.

Mr. **NGUYEN MANH HAI**

SPECIALIZED MEMBER

Mr. Nguyen Manh Hai has more than 09 years of experience in banking. He held positions in many departments such as: Money Market Department, Market Risk Management Department, Risk Analysis Department, Credit Risk Management Department. Currenly, he is a specialized member of the Supervisory Board of Sai Gon J.S. Commercial Bank.

LEADERS

BOARD OF MANAGEMENT

Mr. **VO TAN HOANG VAN**

MEMBER OF BOD
CUM CEO

Mr. Vo Tan Hoang Van has over 25 years of experience in audit, finance - banking consultancy and governance. He served as the Manager, Director, Deputy CEO in charge of audit and banking consultancy at Ernst & Young Vietnam; Vice Chairman of Committee of Banking Strategy and Development - Sai Gon Joint Stock Commercial Bank; Deputy CEO, Acting CEO of Sai Gon Joint Stock Commercial Bank. He is now a member of the Board of Directors cum CEO of Sai Gon Joint Stock Commercial Bank.

Mr. **DIEP BAO CHAU**

DEPUTY CEO

Mr. Diep Bao Chau has 26 years of experience in finance and banking. He joined SCB in 2007 and held several positions including managing Risk Management Division, Deputy CEO, COO - Sai Gon Joint Stock Commercial Bank. Currently, he is the Deputy CEO of Business Support Division - Sai Gon Joint Stock Commercial Bank.

Mr. **NGUYEN DUC HIEU**

DEPUTY CEO

Mr. Nguyen Duc Hieu has 25 years of experience in finance and banking. He held leadership positions in several credit institutions such as Standard Chartered Bank, VIB, OCB and Viet A Bank. Currently, he is the Deputy CEO in charge of Treasury Division - Sai Gon Joint Stock Commercial Bank.

Mr. **HOANG MINH HOAN**

DEPUTY CEO

Mr. Hoang Minh Hoan has 18 years of experience in banking. He held several positions such as Manager of Credit and Marketing Dept. - Binh Duong Branch - Indovina Joint Venture Bank; Branch Director, Director of Customer Relations Division and Deputy General Director - Vietnam Tin Nghia Joint Stock Commercial Bank; Manager of Capital Management Dept. and Head of Treasury Division, CFO - Sai Gon Joint Stock Commercial Bank. Currently, he is the Deputy CEO of Finance & Capital Management Division of Sai Gon Joint Stock Commercial Bank.

LEADERS

BOARD OF MANAGEMENT

Mr. **LE THIET HUNG**

DEPUTY CEO

Mr. Le Thiet Hung has 26 years of experience in trade, manufacturing, law, finance and banking, including over 6 years of banking. He held several positions such as Deputy Manager, Manager of Legal and Compliance, Head of Legal Division - Sai Gon Joint Stock Commercial Bank. Currently, he is the Deputy CEO of Legal & NPL Settlement Division - Sai Gon Joint Stock Commercial Bank.

Ms. **MAI THI THANH THUY**

MEMBER OF BOD
CUM DEPUTY CEO

Ms. Mai Thi Thanh Thuy has more than 11 years of experience in banking. She held may positions such as: Investment Director, Assistant to CEO, Chief of the Board of Management's Office cum Assistant to CEO of Sai Gon J.S. Commercial Bank. Currently, she is a member of the Board of Directors cum Deputy CEO of Sai Gon J.S. Commercial Bank.

Ms. **NGUYEN PHUONG HONG**

MEMBER OF BOD
CUM DEPUTY CEO

Ms. Nguyen Phuong Hong has more than 11 years of experience in banking. She held many positions such as: Credit Manager, Business Manager, Business Support Manager, Deputy Director, Branch Director - Sai Gon J.S. Commercial Bank. Currently, she is a member of the Board of Directors cum Deputy CEO of Sai Gon J.S. Commercial Bank.

Mr. **NGUYEN VAN HUNG**

CHIEF ACCOUNTANT

Mr. Hung has more than 22 years of experience in finance and banking. He held several positions such as: Deputy Head of Foreign Currency Trading Department of Main Transaction Office II - Vietinbank; Branch Deputy Director, Savings & Capital Mobilization Manager; Capital and Foreign Exchange Manager - Saigon Joint Stock Commercial Bank; Chief Accountant of Vietnam Tin Nghia Joint Stock Commercial Bank; Director of Accounting, Chief Accountant, Deputy General Director in charge of Corporate Banking Division of Saigon Commercial Joint Stock Bank; Deputy General Director cum Member of the Board of Directors of Bao Long Insurance Corporation; Deputy Head of Accouting Division of Sai Gon Joint Stock Commercial Bank. Currently, he is the Chief Accountant of Sai Gon Joint Stock Commercial Bank.

LEADERS

BOARD OF MANAGEMENT

Mr. **LE MINH HUAN**

DEPUTY CEO

Mr. Le Minh Huan has 18 years of experience in information technology, finance and banking. He held various positions such as Manager of Programming Dept., Assistant to General Director Ho Chi Minh City Center for Software Technology. In the banking field, he held several positions such as Deputy Manager of Informatics, Head of IT Project Deployment Committee, Manager of Card Issuance Dept., Manager of IT Dept.. Currently, he is the Deputy CEO in charge of IT Division Sai Gon Joint Stock Commercial Bank.

Ms. **TRAN THI MINH THAO**

HEAD OF BANKING SERVICES AND PERSONAL FINANCE DIVISION

Ms. Tran Thi Minh Thao has more than 10 years of experience in banking. She held many managerial positions such as: Deputy Director of Daklak Branch - Maritimebank, Director of Personal Customer Center of Daklak Branch - Maritimebank; Customer Services Director of Daklak Branch, Director of Premier Customers in HoChiMinh city - Techcombank; Deputy Director, Director of Customer Service Center, Deputy Head of Retail Banking Division - Sai Gon J.S. Commercial Bank. Currently, she is the Head of Banking Services and Personal Finance Division - Sai Gon J.S. Commercial Bank.

Mr. **VU DUC HUNG**

CHIEF HUMAN RESOURCES OFFICER

Mr. Vu Duc Hung has more than 17 years of experience in human resources management in multi-sector enterprises, finance and banking. He held many managerial positions in companies, groups such as: Administration Manager, HR Director. In banking industry, he held many positions such as: HR Management Director of GP Bank; HR Director, Deputy Head of HR Management Division of Viet A J.S. Commercial Bank., Director of HR Development, Director of Center of HR Management, Deputy Head of Operation Division cum Director of Center of HR Management - Sai Gon J.S. Commercial Bank. Currently, he is the Chief Human Resources Officer - Sai Gon J.S. Commercial Bank.

Ms. **DOAN QUE THANH**

HEAD OF BUSINESS ADMINISTRATION DIVISION

Ms. Doan Que Thanh has more than 15 years of experience in finance and banking. She held many managerial positions at Lee's Bros International Inc; Apave Vietnam & Southeast Asia; Techcombank; Strategy and Development Committee, Head of BOD's Office, Director of Foreign Relations and Communications, Head of Support Center, Deputy Head of Retail Banking Division - Sai Gon J.S. Commercial Bank. Currenly, she is the Head of Business Administration Division - Sai Gon J.S. Commercial Bank.

LEADERS

BOARD OF MANAGEMENT

Mr. **LAI QUOC TUAN**

DEPUTY CEO

Mr. Lai Quoc Tuan has 29 years of experience in finance and banking. He held various positions such as CFO - Hanoi Fortuna Joint Venture Company, Head of Credit & Investment - Securities - Postal Financial Company. In the banking sector, he held several positions such as Manager of Treasury Dept. - VIB Bank; Deputy Director of Ha Noi Branch - OCB Bank; Deputy General Director cum Branch Director - Nam A Bank; Deputy General Director in charge of the Northern region - Nam A Bank; Deputy General Director cum Director of Hanoi Branch - Vietnam Tin Nghia Commercial Joint Stock Bank. Currently, he is the Deputy CEO cum Director of Hanoi region - Sai Gon Joint Stock Commercial Bank.

Mr. **BUI ANH DUNG**

DEPUTY CEO

Mr. Bui Anh Dung has more than 31 years of experience in banking. He held many managerial positions at credit institutions such as: Vice Manager of International Payment Dept., Manager of Foreign Relation & Business, Deputy Branch Director, Branch Director. Currently, he is Deputy CEO cum Branch Director - Sai Gon J.S. Commercial Bank.

Mr. **PHAM THONG NHAT**

DEPUTY CEO

Mr. Pham Thong Nhat has more than 25 years of experience in finance and banking. He held many positions such as: Deputy Director of H.O. Business Dept. - Vietnam Maritime Commercial Joint Stock Bank, Deputy Director - Hai Phong Trading Import Export and Services J.S. Company, Branch Director - An Binh J.S. Commercial Bank, Director of Coastal Northern Region cum Branch Director - Sai Gon J.S. Commercial Bank. Currently, he is the Deputy CEO cum Director of Coastal Northern Region cum Branch Director - Sai Gon J.S. Commercial Bank.

Mr. **NGO NAM PHONG**

ACTING HEAD OF OPERATION AND IT DIVISION

Mr. Ngo Nam Phong has over 13 years of experience in areas of finance, banking, trade. He has held many positions such as: A member of strategic transformation project, Branch Director, Director of Southern Business Center, Director of Southern Sales and Service Excellence (SSE), Head of Personal Financial Service South (PFS), A member of the Board of Managers of The South (BOMs) - Techcombank; Strategic Advisors-Talent Capital Ltd., CFO - WeLand Air JSC. Currently, he is the Acting Head of Operation and IT Division - Sai Gon J.S. Commercial Bank.

LEADERS

BOARD OF MANAGEMENT

Mr. **DO TRUNG HIEU**

ACTING HEAD OF CARD & DIGITAL BANKING DIVISION

Mr. Do Trung Hieu has more than 12 years in IT, finance and banking. He held many positions such as: Deputy Director, Director of Card & eBanking Operation Department, Director of Card & eBanking Center, Deputy Head of Retail Banking Division - Sai Gon J.S. Commercial Bank. Currently, he is the Acting Head of Card & Digital Banking Division - Sai Gon J.S. Commercial Bank.

HIGHLIGHTS IN 2018

- SCB'S 10 SIGNIFICANT HIGHLIGHTS IN 2018
- PROMINENT ACCOLADES AND AWARDS IN 2018

SCB'S **10 SIGNIFICANT HIGHLIGHTS** IN 2018

1 AFFIRMING STATUS IN ASSET SIZE

SCB total assets reached VND508,954 billion, increasing VND65,000 billion compared to 2017, asserting its position of top 5 lagest commercial banks in Vietnam and leading bank among private commercial banks.

Total assets

VND508,954 billion

2 STABLE GROWTH IN DEPOSITS

In 2018, deposits from personal customers and economic entities amounted to VND418,338 billion, an increase of 18.4% compared to 2017. Impressive growth in recent years ensures SCB to be one of the leading banks in term of banking mobilized funds.

Deposits

VND418,338 billion

3 LAUNCH OF "SHORT-TERM DEPOSIT CERTIFICATE"

On 15/05/2018, SCB officially introduced "Short-term deposit certificate" product with outstanding features in interest rates and liquidity to maximize profits and flexibility for deposits. As of 31/12/2018, this products gererated approximately VND20,000 billion in deposits, accounting for 1/3 of total deposits with over 24,000 participants.

Total participants

24,000

4 CHARTER CAPITAL INCREASE, STRONGER FINANCIAL CAPACITY

In November 2018, SCB's charter capital grew from VND14,295 billion to VND15,232 via private offering of shares. This increase was projected to foster financial capacity, upgrade facility, and modernize banking technology to offer better and diverse product-service packages to customers. SCB is currently in the top commercial banks in terms of charter capital in Vietnam.

Charter capital

VND 15,232 billion

5 OUTSTANDING BOOST IN SERVICE INCOME

With the motto *"SCB - One stop for all services"*, SCB, in 2018, made improvements for all product-service packages to best serve customers. Net profit from service operation reached VND1,299 billion, increasing 49.2% compared to previous year.

Net profit from service operation

49,2% compared to 2017

6 SHARP INCREASE IN CARD OPERATION

In 2018, SCB issued over 121,000 new international cards, of which 94,000 was debit cards and 27,100 credit cards. Moreover, credit card turnover increased 1.97 times as much as that in 2017. Card income in 2018 amounted to VND130 billion, an increase of 187% compared to 2017.

Issued

121,000 international cards

7 A FRUITFUL OUTCOME FOR 03 YEARS OF BANCASSURANCE PARTNERSHIP

The year 2018 witnessed a 3-year-anniversary in bancassurance partnership of SCB and Manulife. This cooperation generated a remarkable outcome in sales figures, hitting the year's bussiness targets by the 3rd quarter of 2018. The total policies issued in 2018 was 14,000, premium increased by 122% compared to previous year and SCB, thus, was enlisted in the top commercial banks in terms of sales growth in bancassurance.

Premium increased

122% compared to 2017

8 HONORABLY RECEIVING 14 PRESTIGIOUS AWARDS

In 2018, SCB was honored in 14 prestigious awards from domestic and overseas organizations, including ***Outstanding innovative banking product-service award 2018*** by VNBA and IDG, ***Best Bank for Information Technology Vietnam 2018***, ***Best Deposit Certificate of the Year Vietnam 2018*** by Global Banking & Finance Review. These are vivid evidences for rightfully strategic directions in the past and driven motivations for the bank to grow further and best serve customers.

Honored

14 PRESTIGIOUS AWARDS

SCB'S **10 SIGNIFICANT HIGHLIGHTS** IN 2018

SUCCESSFUL IMPLEMENTATION OF TREASURY - FIS FRONT ARENA PROJECT; GOLIVE CORE BANKING AND DIGITAL BANKING - THE LATEST VERSION OF FLEXCUBE 12.4 OF ORACLE

In 06/2018, SCB successfully deployed and went live the Treasury- Fis Front Arena project, making SCB one of the first banks in Vietnam to operate Treasury system as per international standards. This significant event marked a giant step for SCB in applying international practices to the bank's operation. This project also contributed to the efficient operation of treasury business and satisfied stringent requirements in governance.

Started from 09/2017, after over a year of implementation, in 09/2018, SCB upgraded and went live Core Banking and Digital Banking systems, the latest version of Flexcube 12.4 of Oracle. This project was considered the main backbone for the strong development of the bank in the future.

These relentless efforts in 2018 strengthened SCB's competitiveness and status in the financial market.

Upgraded Core Banking systems

Flexcube 12.4 OF ORACLE

TOP 5 BEST PLACES TO WORK AMONG VIETNAM BANKS

SCB was honorably enlisted in "the Top 5 best places to work among Vietnam banks" in a survey named "Best places to work - Vietnam" by Anphabe - A pioneering organization in offering solutions to working environment and human resources. Being considered as the core factor in the bank development, such recognization has proven huge effort of the bank in devloping human resources, improving welfare policies, and promoting an active and professional working environment. Those are expected to enable employees to reveal their best competency and capacities.

Best places to work

TOP 5 AMONG VIETNAM BANKS

PROMINENT **ACCOLADES AND AWARDS** IN 2018

DOMESTIC

TOP 500 BIGGEST ENTERPRISES IN VIETNAM 2018

1

This award honors large enterprises that gain remarkable business achievements. With this award appreciated SCB for its advancement in investment in banking infrastructure, modern technology and business development.

by VNR500

TRUSTED PRODUCT-SERVICE VIETNAM 2017

2

This prestigious award has been held every year, serving as a bridge between the manufacturer and consumers. The award credited SCB for its diversified products, secure transactions and service quality.

by Vietnam Economic Times

STRONG BRAND VIETNAM 2018

3

On 13/04/2018, SCB honorably received the award "Strong brand Vietnam 2018" by Vietnam Economic Times and Vietnam Trade Promotion Agency (MOIT). This award was to honor 100 enterprises with excellen operation result and stable branding development. It was the 6th consecutive year that SCB got this award. This award reflected SCB's efforts in applying modern technology to its business to introduce modern, diverse and secured product-service solutions to customers.

By Vietnam Economic Times

OUTSTANDING INNOVATIVE BANKING PRODUCT/SERVICE 2018

4

This award hosted by representatives of financial technological organizations was given to SCB for diverse and innovative product-service solutions. The launch of the product "Deposit certificate" with competitive interest rates, safety and flexibility brought impressive results to SCB.

By Vietnam Banks Association (VNBA) and IDG

TOP 50 VIETNAMESE ATTRACTIVE EMPLOYERS
VIETNAM BEST PLACES TO WORK 2018

5

At the award ceremony *"Vietnam Best Places to Work"* by Anphabe, SCB was named as *"Top 50 Vietnamese attractive employers in 2018"* for its progress in building a happy and professional working environment via outstanding remuneration and welfare policies, clear and transparent career path, corporate culture.

By Anphabe

INTERNATIONAL

BEST BANK FOR INFORMATION TECHNOLOGY VIETNAM 2018

1

This award honors investment and adaption of state-of-the-art banking technology in SCB operation. This has resulted in excellent experience for customers. Voting readers include senior leaders from companies of Fortune 500, large financial institutions and state banks from many nations.

By Global Banking & Finance Review

BEST DEPOSIT CERTIFICATE OF THE YEAR VIETNAM 2018

2

SCB was awarded the title "Best Deposit Certificate of the Year Vietnam 2018" by Global Banking and Finance Review for impressive results from the product "Short-term deposit certificate" launched in 15/05/2018 with many significant features such as: term diversity, attractive interest rates, safe and flexible in transfer.

By Global Banking & Finance Review

BEST COMMERCIAL BANK VIETNAM 2018

3

This award honored SCB for its continual successes in many aspects such as: business operation, financial ratios, diverse products and services, efficient governance and clear development orientation.

By World Finance

BEST CUSTOMER SERVICE BANK VIETNAM 2018

4

This award represented SCB's serious investment and constant improvement in its service quality. SCB's effort, through this award, has been well recognized and the service quality has been improved, resulting to better serve customers. One of SCB's priorities that customers are centered is once again re-affirmed.

By Global Business Outlook

FOREIGN EXCHANGE BANK OF THE YEAR - VIETNAM 2018

5

SCB pioneered in developing new products, strengthening its resources and improving forex service quality. Then, domestic and overseas customers will gain more benefits with comprehensive financial solutions.

By The European

BRAND EXCELLENCE IN CORPORATE GOVERNANCE BANK VIETNAM 2018

6

This award was based on the evaluation and judgment from leading experts of finance sectors on SCB's effort in improving organizational structure and operation process. From such changes, SCB will be able to optimize operation costs, resources and deliver the best product-service packages to customers.

By Finance Digest

LEADERSHIP IN CROSS - BORDER PAYMENT VOLUME GROWTH 2018

7

With diverse products and outstanding service, 24/7 support, SCB has constantly promoted modern payment solutions via many promotional programs. Customers expressed their complete satisfaction when making overseas transactions with support from SCB.

By Visa

DEPOSIT PRODUCT OF THE YEAR

8

This was given by The Asian Banker - a trustworthy magazine in banking-finance in Asia Pacific - to SCB for its deposit certificate product based on the reliability, quality and impressive business results of the product.

By The Asian Banker

STP AWARD 2017

9

Through "STP Award 2017", Standard Chartered Bank highly appreciated great effort and commitment from SCB staff in providing excellent international payment service to customers with low fees, while satisfying international practices.

Straight Through Payment (STP) ratio is one of the crucial factors to evaluate the quality of international payment services of the banks. High STP ratio means all international payment transactions will be processed promptly, accurately while saving cost, time and eliminate potential risks.

By Standard Chartered Bank

SCB

INNOVATION AND CREATIVITY

- GENETIC CHANGE IN BANKING TECHNOLOGY
- INNOVATIVE SOLUTIONS OF PRODUCTS & SERVICES AND DISTINCTIVE EXPERIENCE
- DEVELOPING LEADERSHIP COMPETENCY – CHANGE TO TAKE THE LEAD
- SCB'S EFFORTS FOR DEVELOPMENT AND IMPROVEMENT

GENETIC CHANGE IN BANKING TECHNOLOGY

In the age of Industry 4.0, technology is playing a crucial role in sustainability and development of a bank, especially creating a bank's differentiated status in the financial market. Therefore, this industry has seen a great deal of investments in recent years.

In 2018, SCB executed many large investments and applied modern technologies in the banking operation. As a result, many technology-based products and service were launched to deliver an excellent experience to customers. In addition to that, governance capacity has been improved to enhance transaction security and more benefits to customers.

UPGRADE AND GOLIVE OF CORE BANKING AND DIGITAL BANKING WITH THE LATEST VERSION FLEXCUBE 12.4 OF ORACLE

It is extremely necessary for the bank to upgrade its Core Banking and Internet Banking systems. This will ensure SCB is able to take an edge in competition and offer more benefits to customers in all transactions. The new systems will operate smoother and safer, promising to enhance governance as well as transactional quality.

Thanks to the new systems with high compatibility with other systems, resulting to actively adapting to changes in business operation. The upgraded Core Banking and Digital Banking are expected to introduce newly high-tech-equipped products and services, increasing competitiveness and meeting diverse demands of customers.

Such investments in technology created new-brand utilities to customers. Most of the banking processes will become automatic, operations on screens and transactions at counters will be simplified and faster. Moreover, the new systems will support tellers in processing data, eliminating errors and preventing leaked information. They support the compatibility with the interface of Digital Banking on all browsers and electric devices, enabling customers to be more comfortable in transactions.

SUCCESSFULL DEPLOYMENT OF THE TREASURY - FIS FRONT ARENA PROJECT, MARKING A NEW DEVELOPMENT IN TREASURY BUSINESS

In order to improve governance capacity of the bank in the economic integration era, in 06/2018, SCB officially deployed and went live Treasury - Fis Front Arena project. This has been considered the core project of SCB since 2017.

SCB is currently one of the first banks in Vietnam to operate the Treasury system as per international standards. This marked an important milestone in strengthening SCB's competitiveness in treasury operation in the financial market. Operating this new system, SCB may grasp the best market opportunities, broaden its operation scope and efficiently operate the treasury business to maximize the profits.

INTRODUCTION OF A NEW WEBSITE WITH MORE UTILITIES

After a period of upgrading, on 27/03/2018, SCB eventually introduced its new website with many features and utilities: modern designs; compatibility; easy manipulation; fast search process, etc. Those features increased customers' convenience in being updated on products, services, new promotional programs.

- The new website interface is very simple, vivid, well-organized and more user-friendly. Thus, customers, partners find it more convenient to search information on website as well as getting advices from our banking staff.

- In addition, the new website is compatible with all devices such as computers, smartphones, and tablets. This helps to make transactions more seamless and time-efficient.

- Via HTTPS data transmission mode (Hypertext Transfer Protocol Secure) encrypted between computers and website, customer information will be kept confidential. Especially, with this new website, customers can open new deposit accounts, new cards or other digital banking services like Mobile Banking, Internet Banking.

- Accessing SCB's website with GPS-enabled mobile devices, customers can easily look up transaction (sub) branches and ATMs nearby.

SCB expects that the new user-friendly website will become another fast and convenient channel to provide useful information on products and advices to customers.

UPGRADING eBANKING WITH ADVANCED BANKING TECHNOLOGY

In a strategic response to market trend and the target of becoming a modern retail bank, SCB eBanking was introduced to apply new technology in developing the products and services. This is believed to help customers save their time, cost in making transactions and facilitate SCB to surpass its rivals. In the trend of providing all-in-one financial packages and exclusive experience to customers, SCB upgraded new features of its eBanking products:

SERVICE	ADDITIONAL BENEFITS TO CUSTOMERS
Upgrade of Mobile Banking	- Deliver a high-tech experience: Customers can make transfer or payment verified by QR code or fingerprint. - Transactions are easily made anytime anywhere via an application on smartphones, tablets. - Easy and user-friendly mobile banking on smartphones are characterized with high integration and best transactional experience.
SMS Banking	- Accessing SMS Banking, changes on account balance will be notified via messages. Besides, customers can easily get information on account, forex and interest rates or pay mobile top-up, mobile post-paid service. - Furthermore, customers can look for nearby ATMs or receive latest promotional news from SCB via SMS Banking.
Internet Banking	- With Internet Banking, customers can make trace, payment or termed deposits via any Internet-connected devices. Customers can also make transfers within or outside SCB's network up to VND10 billion/day. - Increase transactional security. Transactions can be verified and sent via SMS or token at customers' choice.
Integrating e-wallet to payment application	- SCB upgrades eBanking system with the possibility of integrating into e-wallets and payment application to provide a better experience to customers. The applications introduced in 2018 include QR Code, Samsung Pay, Moca e-wallet (Grab) and AirPay e-wallet (Foody and Shopee).

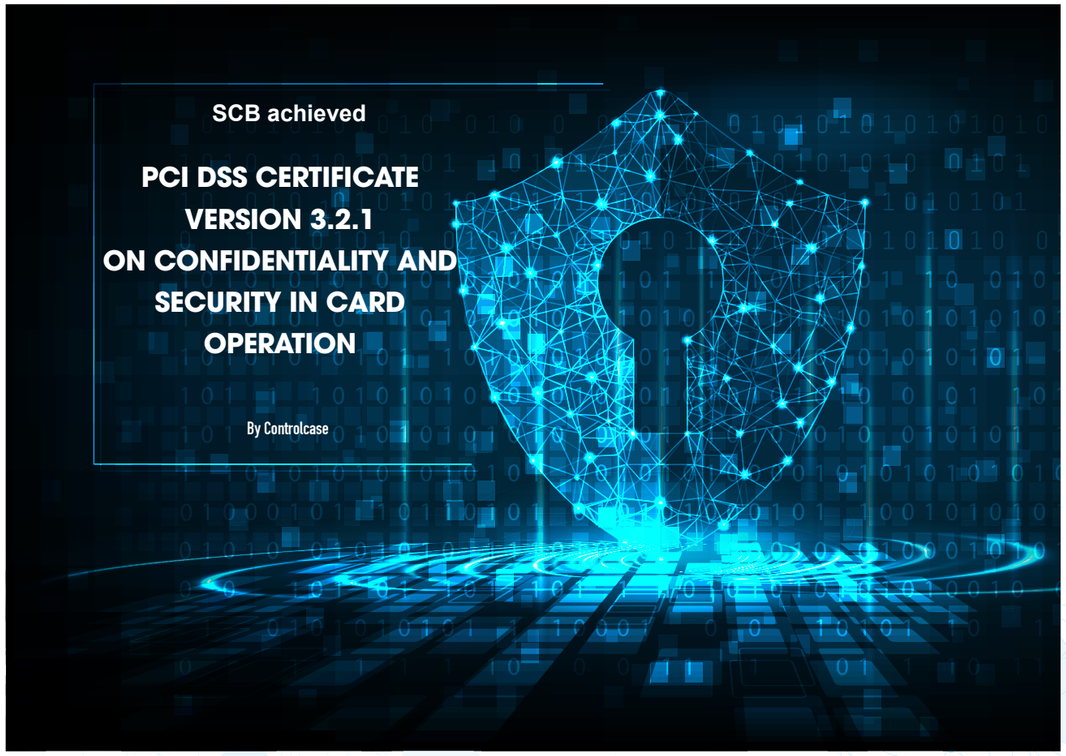
APPLYING PO WITH PROMINENT FEATURES ON ERP

To promptly and accurately update budget data, systemize all purchasing transactions of the bank, in 08/2018, the PO on ERP was officially put into operation. By carrying out the self-contained purchasing procedure, SCB can be able to actively manage the purchasing activities, prevent losses and improve productivity.

THIRD YEAR IN A ROW, SCB ACHIEVED PCI DSS CERTIFICATE WITH MOST STRINGENT STANDARDS ON CONFIDENTIALITY AND SECURITY IN CARD OPERATION

This is the certificate with the strictest security standards in payment card issuance and acceptance set up by the Payment Card Industry Security Standards Council. This is proof of SCB implementing its commitment in securing transactions of customers and partners, improving service quality and SCB's status in the financial market.

In compliance with PCI DSS's security standards, SCB reinforced the capability to secure the processing and storing card data, eliminating security vulnerability, financial & data loss for for the bank and customers in card transaction and other financial transactions.



INNOVATIVE SOLUTIONS OF PRODUCTS & SERVICES AND **DISTINCTIVE TRANSACTION EXPERIENCE**

To expand customer base and deepen customer relationship, SCB has continuously executed intensive research to develop new products, services to customers and create distinctive experience.

INTRODUCTION OF "SCB SHORT TERM DEPOSIT CERTIFICATE"

On 15/5/2018, SCB officially introduced the product "SCB short term deposit certificate" with outstanding features in interest rates and flexibility in depositing and withdrawing. As of 31/12/2018, deposits of this product amounted to nearly VND20,000 billion with more than 24,000 participants, contributing to 1/3 of total deposit growth. The attraction of this product remains high. With this deposit certificate, customers can control the flows of their deposits to maximize the deposit yields.

These certificates were termed 189 days with an interest rate of 6.8% for 6 denominations: VND100 million, VND200 million, VND500 million, VND1 billion, VND2 billion, VND5 billion. Moreover, these certificates could be easily transferred by selling, donating, exchanging, etc. with unchanged interest rates.

Due to those prominent benefits, Global Banking and Finance Review awarded the title "Best Deposit Certificate of the Year Vietnam 2018" to SCB. Another award given to this product was "Outstanding innovative banking product-service award 2018" by IDG.

DELIVERY OF PRODUCTS & SERVICES IN PACKAGES

With the motto "One stop for all services", during the past 2 years, SCB has constantly attempted to improve service quality, diversify and deliver financial product in packages, apply modern technology to meet all customer needs and increase income for the bank.

To reinforce account management, quicken transaction and reduce costs, SCB introduced many tailored all-in-one products on eBanking to satisfy diverse needs of financial transactions. These packages provide customers with many interesting promotional offers:

- For personal customers, SCB introducted the 3X account packages including normal account, multi-function account and Loc Phat account that link with 3 services: current account, eBanking (SMS Banking and/or Mobile Banking and/or Internet Banking) and SCB MasterCard Debit. With 3X, customers can manage their accounts, control cash flows and transactions on Internet Banking and Mobile Banking at any time, anywhere with the highest security.

- For corporate customers, SCB offers "S-Pro account" package, a combination of the current account and services on SMS Banking, Internet Banking, SCB C-Mastercard Debit and account statement via email. Accordingly, corporates can efficiently manage finance, control cash flows and/or verify the account daily/weekly/monthly, make money transfer, payment to partners within SCB system or to other banks anytime, anywhere. Additionally, with SCB C-Mastercard, corporate customers can pay for business fees, domestic and overseas business trips at millions of POS worldwide, purchase goods and services on all e-commerce websites such as Amazon, Lazada.vn, Microsoft Store, etc.

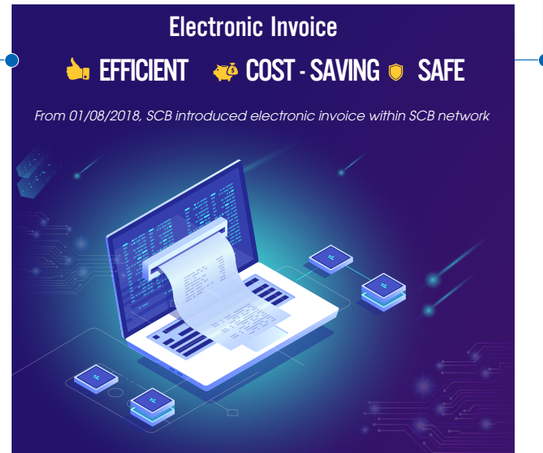
SCB offered actual values to customers by including many benefits and preferences. The growth in transactions is the clearest proof for customers' increasing trust in SCB's products and services, contributing long-lasting value to the bank, driving SCB - a modern bank - go further in future.

MULTIPLE PAYMENT METHODS FOR CARDHOLDERS

SCB implemented another payment method "Contactless payment - one touch payment" to simplify the payment process. With this method, customers do not need to handover their cards to the seller for POS scanning as in the traditional method. They only need to touch or wave the card in front of the POS screen to make a payment. This helps increase security and confidentiality for customers, avoiding cases of lost, fraudulent or copied data.

ELECTRIC INVOICE IMPLEMENTATION

From 01/08/2018, SCB introduced "Electric Invoice" within SCB network, offering an efficient, cost-saving and safe invoice solution. At the same time, to provide all-in-one packages and encourage customer experience, SCB implemented the query of electric invoice on Internet Banking for corporate customers, conveniently helping them be more effective in making accounting, verification, thereby limiting risks and reducing costs related to invoices.



DEVELOPING LEADERSHIP COMPETENCY

CHANGE TO TAKE THE LEAD

During 2012-2017, together with significant changes in business strategies "Becoming a leading retail bank in Vietnam", the HR management at SCB has witnessed remarkable transformation, creating more career opportunities. Many training programs of leadership have been performed since last year.

PROGRAM "DEVELOPING LEADERSHIP COMPETENCY"

In 2018, to improve governance efficiency, SCB cooperated with Crestcom International, a leading American company in developing leadership skills to organize the training program "Developing leadership competency" for intermediate and senior leaders at branches and Head Office. This program created many positive improvements.

The training program not only developed the leaders' skills but also ignited their potentials in leadership, then improving their self-esteem in their work and daily life.

TRAINING PROGRAM "SCB NEXT GENERATION - SNG"

With the purpose of developing a generation to hold the managerial positions in the future, SNG is designed to perfect and develop competency of all SCB staff. This hopes to create more opportunities and movivations for internal staff and a shortcut in career path for young and potential staff.

SCB'S EFFORTS FOR **DEVELOPMENT AND IMPROVEMENT**

AN IMAGE OF A PROFESSIONAL BANK, IMPROVEMENTS IN SERVICE QUALITY, ENHANCING SCB'S STATUS

With efforts in improving service quality in 2018, SCB honorably received the award

"Best Customer Service Bank Vietnam 2018"

from Global Business Outlook. In 2019, SCB is directed to improve customer service quality in the entire SCB network with the purpose that each employee will create positive experience to customers.

CUSTOMER SERVICE

Embracing customer-centered operations, SCB has always striven for the high quality of customer service. All service driving factors, especially including staff quality, have been continuously improved by SCB.

First, all employees received necessary training courses on products and customer serving skills. The courses provided basic knowledge, actual experience and updated methods from experts in customer service.

Second, SCB issued a Customer Service Assessment Kit including regulations on physical appearance, behavioral manners, service quality, etc. to build a uniform set of customer service standards.

Third, SCB regularly maintained the monitoring of customer service activities in various methods such as cameras, secret customers, customer service management activities to have a more practical insight into customer service quality so that SCB can make timely adjustments.

Fourth, SCB conducted many satisfaction surveys and used SCB fanpage or email as additional channels to assess customer satisfaction and make necessary improvements.

And more importantly, SCB carried out many enhancements of customer service procedures, shortening transaction process to bring best experiences to customers.

PRODUCT-SERVICE QUALITY

SCB diversified its products by introducing new investment channels like Short term deposit certificate and corporate bonds featured with unparalleled interest rates and flexible transferability.

Together with single financial solutions, in 2018, SCB introduced many packaged products and services with new experiences such as:

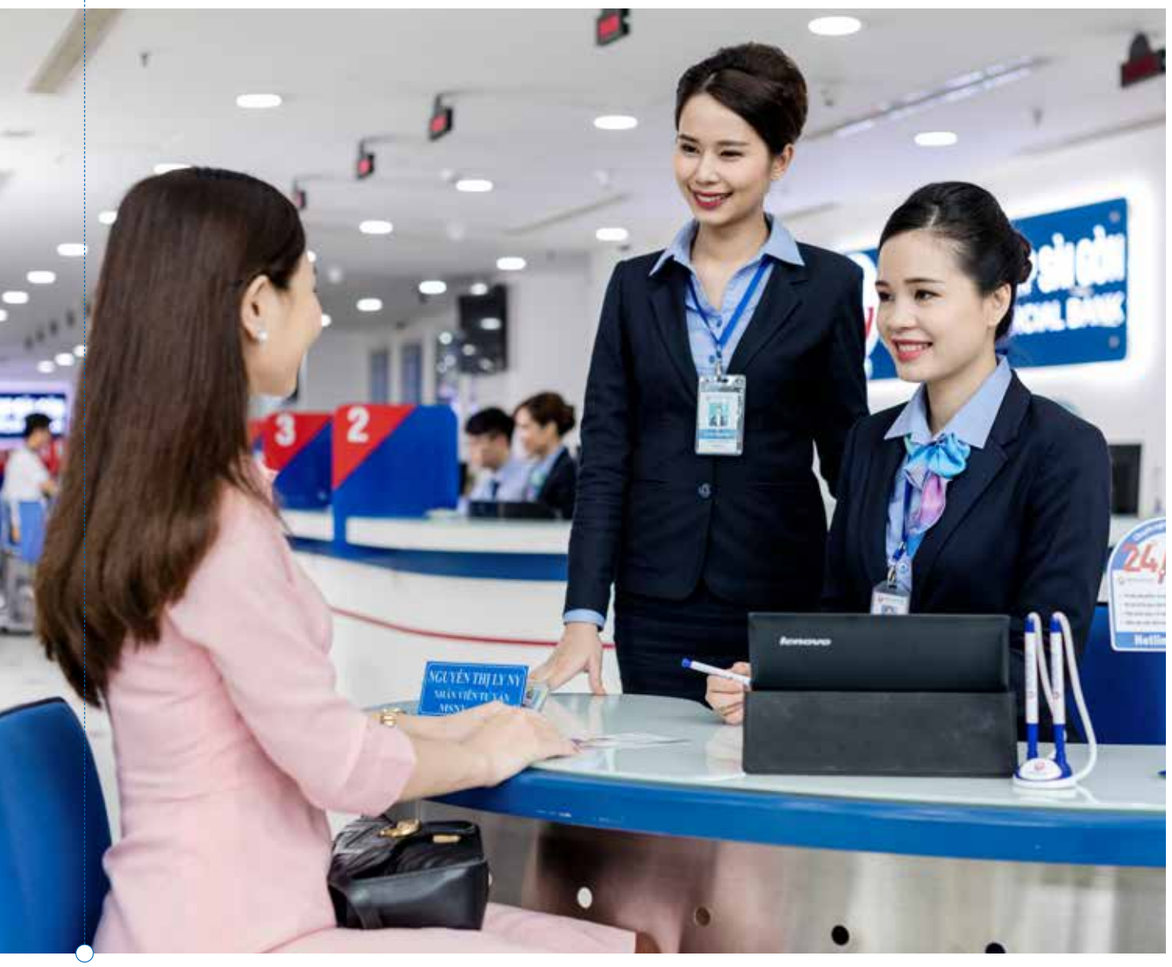
- The multi-function package linking 3 services: current account, eBanking (SMS Banking/Mobile Banking/Internet Banking) and SCB MasterCard Debit, providing all-in-one financial solutions.

- "S-Pro account" package, a combination of the current account and services on SMS Banking, Internet Banking, SCB C-Mastercard Debit and email statement. Accordingly, corporates can efficiently manage finance, control cash flows and/or verify the account daily/weekly/monthly, remit money to partners within SCB system or to other banks anytime, anywhere.

- "Dac Loc Tai savings" product combined with current account to increase the deposit interest rate by 0.08%/year.

- Insurance products linked with talk shows on benefits of healthy lifestyle and protection against financial risks.

Besides, SCB entered into partnership with other service partners to expand service portfolio and enhance transaction security. Last year, SCB introduced electric invoices, digital signatures, QR Code on savings books and smart payment methods such as Samsung Pay, QR Pay, electric wallet, ect.



OTHER UTILITIES

SCB invested in facilities, branched out transaction network to provide more access to customers. In 2018, SCB opened 02 branches and 09 transaction offices at some provinces/cities and many other office relocations.

All newly well-equiped offices were located in densely populated and convenient areas centers to give easier contacts and better experience to customers.

To be available to customers anytime, anywhere, SCB developed modern distribution channels. The digital banking system upgraded with technology-based functions helped customers not only experience better utilities but also save transaction costs.

SCB - A PLACE WHERE EACH INDIVIDUAL EMPLOYEE GROWS BETTER

In 2018, SCB was listed in "Top 5 best places to work among Vietnam banks" due to its huge effort in developing human resources, improving welfare policies and building a professional and modern working environment. In 2018. SCB hired nearly 2,000 new employees, contributing to total employees of 7,258, in which sales staff composed 44%. This resource is core to lead SCB to the path of becoming a leading modern retail bank in Vietnam.

MERITORACY

SCB always highly appreciates staff's contributions by making a clear career path, performing raise/ promotion assessment every 06 months/year and appointments of management positions to create working motivations. In 2018, SCB continued to implement KPIs Standard to Business support units and detailed KPIs Standard to each Head Office individual.

In addition, SCB was planning to apply KPIs Standard to sales staff with new business objectives from 01/01/2019 and apply KPIs to all staff as per job positions. Such implementations were initially successful in the process of building core competencies to all SCB staff.

STAFF'S MORAL AND CULTURAL VALUES

SCB paid great attention to enhance the employees' moral and cultural values via the improvement of meeting spaces, establishment of resources for reading, organization of international recreation programs. SCB created a professional and modern working environment with appropriate and harmonious welfare policies for employees. Besides regulatory policies on labor and insurance, SCB supplemented financial and non-financial policies on accident insurance, medical insurance, bonuses on holidays, bonuses on year performances, lunch allowance, other financial support for female employees on the occasions of Women's Day March 8, Vietnamese Women Day October 20. Moreover, SCB started to build internal activities such as internal communications, SCB news and other sports/ music competitions. These activities encouraged employees' moral and cultural life to flourish and then promote employees' business performance.

AN OPEN AND INCENTIVE WORKING ENVIRONMENT

In 2018, SCB carried out many programs for personal development such as leadership training program, specialized courses to sales staff and soft skill courses for all staff. Furthermore, SCB established SCB Institute under HR Division to specialize the training activity, create a learning environment to train more professional and skillful individuals.

ASSERTING **STATUS** AND **SUSTAINABLE** DEVELOPMENT

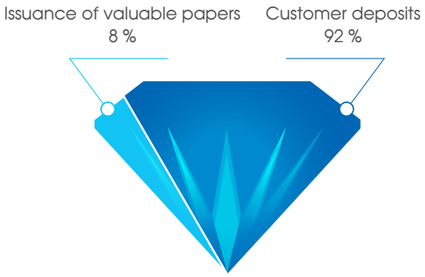
- STABLE BUSINESS GROWTH
- A SUSTAINABLE AND STRONG DEVELOPMENT
- SUSTAINABLE DEVELOPMENT WITH SOCIAL RESPONSIBILITY

2018 BUSINESS RESULT - **ASSERTING SCB' STATUS**

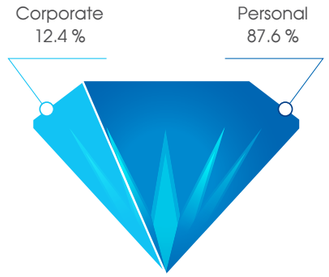
STABLE GROWTH IN DEPOSITS - AN UNDERLYING BASE FOR SCB'S SUSTAINABLE DEVELOPMENT

As a result of constant innovation of typical deposit products with flexible terms, SCB has seen positive growth in deposits. That is, personal and corporate deposits increased 18.4% compared to 2017 year-end to reach VND418,338 billion on 31/12/2018. The deposit growth rate at SCB has been steadily higher than the industry average rate for years.

To obtain such growth in personal deposits, SCB successfully launched "SCB short-termed deposit certificate" product and restructured the portfolio of personal deposits. This contributed to the 2018 increase of VND50,936 billion in personal deposits at a rate of 16.1%. The significant growth of VND14,076 billion at a rate of 38.0% in corporate deposits has resulted from the emphasis on designing products for targeted customers.



DEPOSIT STRUCTURE BY TYPES



DEPOSIT STRUCTURE BY CUSTOMERS

REMARKABLY POSITIVE CREDIT QUALITY AND GROWTH IN 2018

With the target of becoming the leading modern versatile retail bank, in 2018, SCB advocated the diversity of credit products to accommodate customers' changing needs. Accordingly, SCB implemented shortening abundant transaction procedures, diversifying credit portfolio in retail banking to meet customer's needs. 2018 credit focused on credit segment of loans for business/asset capital supplementation and loans for consumption/ cars/homes.

Furthermore, credit policy on personal customers in 2018 focused on 3 segments: home loans, car loans and agriculture loans. The centralized credit support operation shortened the processing time and simplified the lending procedures, driving the productivity of credit operation in 2018. As a result, in 2018, total customer loans grew 13.3% to VND301,892 billion in 2018, an increase of VND35,391 billion.

In addition to that, in 2018, SCB continued to reinforce standards/regulations on risk prevention and control; enhanced the quality of credit appraisal; strictly complying with credit approval processes; accelerated the collection of overdue and bad debts. Owing to this, overdue and bad debt ratios were kept at 0.61% and 0.42% respectively that far lower than regulatory rates.

VND301,892 billion

CUSTOMER LOANS 2018

13.3 % growth

A SPURT IN NON-INTEREST INCOME

Non-interest income in 2018 impressively grew to contribute to more than 25% total operating income with an amount of VND1,746 billion, an increase of 15.2% compared to 2017. The core income from bancassurance, card, eBanking, international payment, foreign exchange and currency trading boosted the non-interest proportion in total income of the Bank. Bancassurance income increased 25%. Card & eBanking activities doubled its income. Net income from international payment witnessed an increase of 130% compared to 2017. These growths eventually justified the rightful direction of SCB management board toward a capital composition supported by non-interest income.

122 % growth

2018 SCB BANCASSURANCE

A CREATIVE APPROACH TO CUSTOMERS

The year 2018 was seen as great progress in SCB's partnership with Manulife in bancassurance. Total premium increased by 122% compared to the previous year. Such result was driven by the continually enhanced quality of products, customer policy and customized financial solutions.

In the year 2018, SCB hosted seminars on health and insurance with the purpose of providing customers with the knowledge of health care and measures of protection against financial risks, therefore enhancing the close relationship between SCB and customers. A significant event in this year was a talk on ***"Health - Joyfulness - Sharing"*** co-organized by SCB and FV Hospital at Windsor Plaza to give consultation on protection against heart diseases. This event attracted more than 200 customers.

The achievements of bancassurance in 2018 were a strong proof of a wise and creative strategy of SCB in emphasizing the potential customers and leverage SCB's competitiveness in bancassurance market.

150 % growth

CARDS & eBANKING

A BREAKTHROUGH IN BOTH QUALITY AND QUANTITY

- **Cards**

SCB ended the year 2018 with a great success in international credit card issuance and revenue. The number of cards issued grew 27,100 cards, an increase of 150% compared to 2017. Card revenue increased 1.97 times compared to 2017. Apart from international credit card, SCB also actively promoted debit card issuance. The number of debit cards issued (domestic and international) in 2018 was 96,737 cards, growing 1.44 times compared to 2017.

In 11/2018, SCB honorably received the award "Leadership in cross-border payment volume growth 2018" from Visa. The award certified SCB's constant efforts and reputation in card business, creating a momentum for SCB's ongoing commitment to high service quality.

Owing to such relentless efforts, SCB successfully hit the 2018 target in card business, creating momentum for more success in 2019.

- **eBanking**

In 2018, SCB eBanking continued to get a strong growth. Customers of Internet Banking and Mobile Banking increased in large numbers thanks to the higher service quality resulted from the improvement in eBanking channel.

In addition to this, SCB also focused on opening more services such as 24/7 inter-bank money transfer at counters. SCB also broadened its bill payment list to include EVN Ho Chi Minh as a utilities supplier.

The year 2018 witnessed close cooperation between SCB and e-wallet and other payment service suppliers. SCB was one of the first banks to partner with Samsung Pay. SCB also cooperated with Moca in e-wallet to facilitate customers in making payment with Grab by Moca. Moreover, SCB partnered with two other e-wallet suppliers which are Airpay (used on Foody and Shopee) and VNPT Pay.

In the near future, SCB continues to develop more payment utilities by partnering with other e-wallet suppliers, improving its systems to meet the needs of most customers. SCB will introduce new digital applications to best serve customers and compete against other peers in this market.

30 % growth

INTERNATIONAL PAYMENT

To boost trade finance, international payment, remittance and to professionalize, standardize as well as centralize SCB trade finance, in 2018, SCB designed various packages of service for each customer segment such as payment for overseas study fees, overseas residential settlement, remittance to overseas relatives, homecoming remittance of overseas income, remittance for off-shore investment and full packages for corporate customers. With these efforts, the international payment turnover reached nearly USD3.9 billion, an increase of 125% compared to the previous year, service fees reached VND196 billion, 1.3 times the previous year fees. Besides, SCB was opted by correspondent banks for the title as the Bank having straight-through payment ratio of more than 90%.

With the advantage of a wide network of transaction outlets and correspondent banks together with the motto ***"Convenience - safety - promptness"***, SCB is committed to professional service and enthusiasm to the best satisfaction and assurance of customers. In 2019, SCB will roll out more beneficial services and options for customers like outward and inward overseas remittance on Digital Banking, new products and beneficial offers for trade financing. Moreover, SCB will implement promotional programs for new entrepreneurial and loyal customers.

VND770 billion

29 % growth

A **SUSTAINABLE** AND **STRONG DEVELOPMENT**

CURRENCY TRADING

For government bond trading, the year 2018 was featured with many complexities in the money and bond markets, both domestic and global, causing a strong downside of liquidity in the bond market. With multiple roles as a trading member of Hanoi Stock Exchange (HNX), a government bond bidding member and a member of the Vietnam Bond Market Association (VBMA), SCB actively contributed to the bond market and was proactively looking for new investment opportunities in this market.

For capital trading, on the basis of the satisfactory results in 2017 and the existing strength, in 2018, SCB continued to expand the relationship with domestic and international credit institutions, engaging in more inter-bank transactions. This positively contributed to the liquidity in the market and enhanced SCB's currency trading in 2018.

The 2018 profit in currency trading reached VND770 billion.

Based on the results achieved in the previous year, to strengthen SCB's reputation in the market and increase the business efficiency, SCB will broaden long-lasting relationship with other financial institutions, accelerate transactions and take preparation for trading derivative products.

FOREIGN EXCHANGE TRADING

The global financial market in 2018 witnessed many unanticipated significant events like the increasing FED interest rates, China-US trade wars, etc. These occurrences led to the rise of USD value v.s. most other core currencies. The rate of USD/VND also went up nearly 3% affecting customer demand for foreign currencies. Facing such market volatility in 2018 and based on the abundant source of foreign currencies, SCB sped up the launch of derivative products such as forward, swap with terms up to 365 days to hedge against exchange rate changes and supply foreign currencies for customer business. These derivative products helped customers take initiative in reasonable costs in market fluctuations. Thanks to this active move in 2018, SCB's revenue from foreign exchange trading reached VND113 billion, a growth of 29% compared to 2017.

For personal customers, SCB also developed a wide range of products to supply foreign currencies at competitive exchange rates and with simple procedures for customers' purposes abroad such as travel, medical treatment, study, living costs, residential settlement, donation to relatives, etc.

In 2018, SCB updated the Reuters and Bloomberg transaction systems, put the Fis Front Arena system into operation to make FX transactions faster, more accurate and reduce risks. At the same time, SCB introduced another payment option to import-export customers when implementing payment transactions in CNY.

REINFORCING ORGANIZATIONAL STRUCTURE

Embracing the modern corporate management and professional transaction process, in 2019, SCB implemented the organizational restructuring, creating an efficient management mechanism for achieving business targets.

First in the restructuring of organization, SCB removed intermediary centers from the managerial structure, increasing a direct rapport between leadership and staffs and therefore, enabling the decision making process faster, reducing distracted communication, ensuring the continuity of efficiency of business operation

With the changes in the operational models of the Retail Banking Division and the Corporate Banking Division together with the establishment of the International Transaction Banking Division, the Card & Digital Banking Division and the credit supporting departments, all (sub)branches' business operations have been closely supported by the managerial departments in the Head Office to ensure the fast and seamless operations.

For human resource, the HR Division was scheduled to be in close line with the modern HR management and with HR practices at other banks.

Besides, in 2018, SCB began to run a centralized model of cash treasury operation in Ho Chi Minh City. This initiative helped to minimize the cash treasury operations at (sub)branches, improve the capability of personnel resource, reduce managerial costs, enhance the operations' efficiency.

REINFORCEMENT OF RISK MANAGEMENT

In 2018, SCB continued to innovate the 3-line-of-defense risk management model in which every employee would be required to be vigilant to risks within their operation scope. With this effort, SCB completed its strategic targets in risk management like:

(1) optimizing the structure of risk management,

(2) building a skilled team of risk management,

(3) reinforcing supervision system,

(4) buiding a risk data system,

(5) developing risk culture,

(6) standardizing core risks and principles of core risk management,

(7) outlining risk appetites and classifying risk limits suited for business strategy.

For approaching risk management under Basel II, SCB was building a database, investing in information technology to systematize and enhance risk management competence in the context of economic integration and fierce competition in financial market.

Furthermore, SCB established the risk management board, capital management board, the Alco board as required by the Circular 13/2018/TT-NHNN dated 18/05/2018.

SCB thoroughly identified and assessed potential risks, residual risks in products, services and transactions to send alerts and solutions out to (sub)branches:

RISK TYPES	RISK MANAGEMENT ACTIVITIES
Credit risk management	Credit segment is a core business, SCB could always identify its potential credit risks. • Bolstering credit quality in expanding the size of credit growth to comply with adequacy ratios regulated by the State Bank. • Keeping close track of credit data to adjust risk-weighed valuation of assets; gearing the internal rating system to the Basel II stardards and international practices.
Operational risk management	• Tightening collaboration among business departments, (sub)branches in risk management. • Reviewing, amending, issuing internal regulations, policies, processes to accommodate (sub)branches' typical business. • SCB built loss data management program (LEM) and researched into the application of the Risk Control Self Assessment under Basel II (RCSA). • Applying the Treasury System in the automated currency transactions from data inputting, accounting to payment (Front office - Middle office - Back office) to reduce errors and shorten processing time; Going live the Siron System to filter and prevent anti-money laundering and financial frauds, maximize transaction transmission. With these systems, the operational risks could be mitigated as transaction details could automatically be recorded and reported for future supervision. • Risk management culture was engaged deeper in all employees via training courses, seminars, internal communication, propaganda, contests on SCB risk culture. These activities equipped SCB employees with the knowledge of self-assessment of risks, the effective control of processes and stimulated initiatives for more professional services to reduce operational risks.
Market risk management	• Exploiting the module of market risk management on the Treasury System to assess the market value of each transaction in portfolios, the portfolio sensitivity, VAR, etc. With the setting of transaction limits in this System, most trading transactions could be closely tracked, analyzed in time so that the system could send early alert for exchange risks or interest risks, etc. from market volatility.
Liquidity risk management	• Liquidity risk management with the solvency and liquid reserve ratios is always in strict compliance with the State Bank's regulations. Moreover, SCB closely monitored daily variations of fund supply and demand at SCB to ensure the business growth in harmony with the liquidity. • Toward the international standards and practices on liquidity risk management, SCB proactively adopted and implemented a full frame of liquidity risk management, especially the liquidity gap management integrated with the models of customer behaviors and early warnings to prepare for appropriate back-up plans.
Interest risk management	• SCB already established policies, regulations and processes to identify, measure, supervise and report interest risk management to international standards. SCB measured and controlled the gap of the re-pricing period of interest rate - sensitive assets and interest rate - sensitive debts, sensitivity of net interest income and owner's equity. SCB also used derivative products to mitigate the adverse effect of interest rate fluctuations.

With efforts in capital management, SCB's adequacy ratios were all improved and in strict compliance with the State Bank's regulations. The capital adequacy ratio (CAR) was always above 9% during the year 2019 and reached 9.69% on 31/12/2018.

OPTIMAL TRANSACTION PROCESS AND RISK MITIGATION

In the path of modernizing the banking technology to reduce risks and curtail processing time, SCB has made many improvements for this, including:

• Shifting from a mannual process to a computerized process on Tablet in receiving, consulting and recording customer's information and SCB was one of the first banks in Vietnam to apply this technology in banking transaction.

• Upgrading Core banking to enhance the capability to process and manage large data sources, make operation process faster and more accurate as well as deliver better experience to customers.

• Shortening the process of card issuance and the process of credit approval to improve service quality.

SUSTAINABLE DEVELOPMENT WITH **SOCIAL RESPONSIBILITY**

"**Being dedicated to community activities, social welfare to build a better society**" is SCB's strong commitment to community besides its business activities. Community and social activities have always been multiplied year after year.

In 2018, SCB donated more than VND20 billion to education campaigns, funds for the poor, funds for disadvantaged children, funds for island soldiers, community health programs, etc. SCB will regularly continue to launch many community outreach programs and social activities across the country to maintain a philanthropic tradition among SCB employees.

SOCIAL ACTIVITIES

To urge students to get closer to new technology, SCB carried out many investments and activities related to the youth, encouraging them to obtain new academic achievements.

- **Sponsoring the "Nguyen Sinh Sac" Education Fund in Dong Thap province**

Raising VND2 billion to local governmental funds for disadvantaged and talent students nation-wide.

- **SCB An Giang Branch contributing the 2018 scholarship fund "SCB support for study" in An Giang province.**

SCB cooperating with the labor authority of An Giang province to donate 51 "Support for study" scholarships for students of school term 2018-2019.

- **SCB Song Han Branch raising scholarship fund**

SCB Song Han Branch cooperating with provincial authority in Da Nang province to donate 150 scholarships to poor students with high achievements.

- **SCB contributing school equipment to primary schools in Long An province**

On 24/10/2018, SCB co-hosting with the "Public Security" Newspaper in HCM City to donate 4 computers and 2 printers valued VND50 million to Le Quang Tham Primary School.

- **SCB giving scholarships to Nguyen Tat Thanh University**

On 17/11/2018, SCB giving scholarships of VND20 million to disadvanted students with high achievements of Nguyen Tat Thanh University.

To support other disadvantaged individuals and share more community responsibilities, SCB organized many charity activities in many places nationwide.

- **SCB Khanh Hoa Branch donating gifts to orphans**

On 11/12/2018, SCB Khanh Hoa donating gifts of VND100 million to orphans in the SOS Nha Trang Orphanage in occasion of New Year 2019.

- **Sponsoring the program "Connection to Community"**

On 25/11/2018, SCB giving funds of VND1 billion to the program "Connection to Community" hosted by local authority of Binh Chanh district to organize convivial events in New Year for Binh Chanh community.

- **The program "Meaningful Mid-Autumn"**

From 16/08/2018 to 31/08/2018, SCB organizing the program "Meaningful Mid-Autumn" to raise VND1.9 billion from SCB customers for the Poor Children Fund of 28 provinces and cities nation-wide.

Philanthropic activities such as Fund for the Poor of Hoc Mon, Binh Chanh provinces, Fund for Women and Children in Hardship, Contribution to people in flooded regions, etc.

SUPPORT IN LOCAL DEVELOPMENT

ACCOMPANYING WITH VIETNAM ENTERPRISES

• **SCB sponsoring the Semiar *"US-China Trade War: Opportunities and Challenges for Vietnamese Enterprises"***

The Seminar provided many useful information on:

- Vietnam's macro-economy in the context of US-China trade war;

- Opportunities and Challenges for Vietnamese Enterprises;

- Existing legal issues;

- Financial solutions for Vietnamese enterprises through 2020.

• SCB and the Saigon Times co-hosting the Talk on Cheap Funds for Small Enterprises

On 18/7/2018, SCB and the Saigon Times co-hosting the Talk on Cheap Funds for Small Enterprises. The Talk attracted more than 150 participants. The Talk proposed solutions of access to preferential funds for SMEs in the existing circumstances.

• SCB participating the Program on Agriculture Development

On 18/05/2018, in Hanoi, SCB participated in the Program on Promotion on Trade & Technology and Capital for Development of Vietnamese Cooperatives.

In this Program, SCB signed a strategic agreement to provide credit to cooperatives' members. Besides, SCB and Agricultural Bank of Taiwan entered into an agreement to support the development of agricultural sectors.

Mr. Vo Tan Hoang Van, SCB CEO said: *"SCB will offer loans with better competitive interest rates than other normal loan packages to cooperatives' members. With over 6.5 million members plus the advantage in agriculture and labor resources, we hope that this would become an important segment of customers for SCB in the next 2-3 years".*

• SCB also participated in the Trade Promotion Fair for Cooperatives 2018" held in Hanoi from 18/05 -20/05/2018. In this event, SCB introduced various packages of products and services like working capital loans, loans for agricultural businesses, especially finance for goods imported from Taiwan, etc.

SCB ACTIVELY ENGAGED IN MANY ACTIVITIES BY LOCAL GOVERNMENTS

• SCB Quang Ninh Branch honorably received a merit certificate from the Chairman of Quang Ninh province for excellent contributions to the achievements of the province in 2018.

• SCB participating in the Friendship Contest of Football with local authority of ward 1, district 5 of Ho Chi Minh City to encourage the sports activities among SCB employees.

• Making contributions to charity events during holiday occasions. SCB has actively contributed to the community projects and social development programs such as Art light decoration on streets in Hanoi and Ho Chi Minh city and Countdown Light 2019 program.

Many events were organized by SCB to help students in their career paths.

• SCB organized career training meetings for students of Ton Duc Thang university

14/11/2018, SCB and Ton Duc Thang University co-hosting the program of consultancy on banking careers for more than 500 students of Ton Duc Thang Uninversity.

• "SCB Job Fair 2018"

On 28/07/2018, SCB hosting "**SCB Job Fair 2018**" with the attendance of nearly 300 students from banking and economy universities in Ho Chi Minh City.

• SCB sponsoring the Talk on Opportunity of Overseas Study and Scholarship

On 22/12/2018, SCB sponsoring *the Talk on Opportunity of Overseas Study and Scholarship hosted by the International Training Institution of National University in Ho Chi Minh City.* SCB would be a provider of financial solutions for students looking for opportunity to study abroad.

2019 STRATEGY

READY FOR GOING BEYOND

2019 STRATEGY
READY FOR GOING BEYOND

Under current economy and forecasts on banking industry trend in Vietnam, SCB's business operations are outlined for 2019 as follows:

- Retail banking is scheduled to grow annually at least 30% in revenues, emphasizing on delivering customer experience and raising the proportion of non-interest income. Expanding the payment services and modern banking services safely and efficiently via: launching new services, technology-based services, introducing basic services, promoting service sales, broadening customer base to hit the target of a 50% growth in service income, widening credit to new credit segments, especially personal credit, SMEs credit and agricultural credit.

- Restructuring (sub)branches according to each management region to encourage the growth in business activities in the next years.

- Upgrading the technology system and diversifying digital-based products to enhance the competitiveness in the era of digital technology

• Upgrading the technology system to support business governance, new product engineering and risk management. The technology system is expected to provide optimal resource solutions, bolster governance competence, computerize processes of operation, recording, automate manual tasks and minimize operational risks. The system can export true and accurate reports to facilitate the activities in business governance such as monitoring, post-transaction supervision and decision making. The upgrade fastens the shifting of traditional services to digital services to deliver new transaction experience and conduct customer behaviors.

• With the establishment of the Card & Digital Banking Division, in 2019, SCB will boost the digital service business to:

- Ensure that the digital banking operates seamlessly, synchronously and effectively; monitor, manage risks to comply with regulations of international card associations and the State Bank.

- Innovate the processes and quality of the system, transaction softwares.

- Cooperate with SCB's partners in multiplying features of digital banking services; broadening portfolio of products and services for distribution channels of cards and digital banking.

- In purpose of internationally integrating business operations, in 2019, SCB established the International Transaction Banking Division to motivate the business in trade finance, international payment and remittance:

• Operate, manage quality and risks in international transactions according to SCB's regulations, Vietnamese laws and international regulations.

• Carry out research, increase the variety and competitiveness of products & services in trade finance, international payment and remittance.

• Develop distribution channels, outline the strategy of business, and deepen partnerships to become more professional and more profitable in business operation.

- Building a synchronous and efficient system of risk management, internal supervision; Basel II's principles and standards will be further adopted into risk management as follows:

• In 2019, SCB continues to innovate the infrastructure, professionalize risk management personnel, standardize risk data, automate reports on risk management, capital assessment to facilitate decision making and enhance efficient business.

• SCB is strongly committed to the implementation of Basel II in a due course to sustain an efficient business and increase competitiveness in the market:

- SCB is in the process of data collection to provide inputs to the capital calculation test, establishing a board of the Project *"Implementing standards of capital adequacy under the Circular 41/2016/TT-NHNH"*. This project is scheduled to take place within the first 30 weeks of 2019.

- The systems of internal supervision and risk management will be fully calibrated in 2019 as per the State Bank's guidelines.

- Expansion of Brand identity:

• Buid and manage a brand identity system for SCB, continue to standardize working facilities, transaction spaces across SCB's (sub)branches.

• Set up a plan to expand the transaction network in 2019. The network will be relocated to have presences in potential regions. SCB will regularly review the rationality of the network and make proper adjustments of networking planning to expand SCB image throughout the country.

• Upgrade to establish the Branding Network & Business Administration Division to motivate the building of the branding strategy: research to launch appropriate campaigns to enhance public awareness of SCB brand, convey SCB's true messages and core values to targeted customers; outline and implement activities to promote branding, products and services on multi-channels from traditional channels to modern channels such as (Website SCB, Fanpage, etc.).

- Policy of remuneration to the meritocracy:

• With the existing 3P remuneration system, the employee salary is paid based on job position, contribution, performance, internal fairness and equivalent salary in the labor market to attract and retain talents as well as to encourage performance. The 3P remuneration system has proved its validity in motivating productivity and dedicated performance among employees.

• For this purpose, in 2019, the remuneration policy will be calibrated to generate more value to SCB employees. In which, the employee income will be adjusted to include the salary paid based on the performance result of units (departments, (sub) branches, etc.) plus a bonus paid for outstanding achievements. This advanced salary mechanism will factor in current developments in labor markets to be fairer across SCB network. This mechanism will closely reflect the employees' contribution and dedication. This is considered a significant milestone in changes made at SCB, not just in business operatio, but also in overall corporate governance in the spirit of ***"SCB - Speed up to lead"***.

AUDITED REPORTS

- STATEMENT OF THE BOARD OF MANAGEMENT
- INDEPENDENT AUDITORS' REPORT
- CONSOLIDATED BALANCE SHEET
- CONSOLIDATED INCOME STATEMENT
- CONSOLIDATED CASHFLOW STATEMENT
- NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF THE BOARD OF MANAGEMENT

The Board of Management of Saigon Joint Stock Commercial Bank (the "Bank") presents this report together with the Bank's consolidated financial statements for the year ended 31 December 2018.

THE BOARDS OF DIRECTORS, SUPERVISORS AND MANAGEMENT

The members of the Boards of Directors, Supervisors and Management of the Bank who held office during the year and to the date of this report are as follows:

BOARD OF DIRECTORS

Mr. **Dinh Van Thanh**	**Chairman**	
Mr. **Chiem Minh Dung**	Permanent Vice Chairman	(appointed on 1 April 2018)
Mr. **Henry Sun Ka Ziang**	Vice Chairman	
Mr. **Ta Chieu Trung**	Vice Chairman	
Mr. **Vo Tan Hoang Van**	Member	
Mr. **Nguyen Van Thanh Hai**	Member	(appointed on 28 March 2018)
Ms. **Nguyen Thi Phuong Loan**	Member	(resigned on 28 March 2018)
Mr. **Nguyen Tien Thanh**	Independent Member	

BOARD OF SUPERVISORS

Ms. **Pham Thu Phong**	**Chief Supervisor**	
Ms. **Vo Thi Muoi**	Member	
Mr. **Tran Chan Nam**	Member	
Mr. **Vu Manh Tuong**	Member	

BOARD OF MANAGEMENT

Mr. **Vo Tan Hoang Van**	**Chief Executive Officer ("CEO")**	
Mr. **Diep Bao Chau**	**Deputy CEO**	
Mr. **Nguyen Van Thanh Hai**	**Deputy CEO**	(resigned on 1 April 2018)
Mr. **Lai Quoc Tuan**	**Deputy CEO**	
Mr. **Le Minh Huan**	**Deputy CEO**	
Mr. **Nguyen Duc Hieu**	**Deputy CEO**	
Mr. **Chiem Minh Dung**	**Deputy CEO**	*(resigned on 23 October 2018)*
Mr. **Nguyen Anh Phuoc**	**Deputy CEO**	*(resigned on 16 August 2018)*
Mr. **Hoang Minh Hoan**	**Deputy CEO**	*(appointed on 20 September 2018)*
	Chief Finance Officer ("CFO")	*(resigned on 20 September 2018)*
Mr. **Luu Quoc Thang**	**Deputy CEO**	(appointed on 20 September 2018)
	Chief Risk Management Officer ("CRMO") (resigned on 20 September 2018)	
Mr. **Le Thiet Hung**	**Deputy CEO**	(appointed on 20 September 2018)
	Head of Legal & NPL Settlement Division (resigned on 20 September 2018)	
Ms. **Nguyen Phuong Hong**	**Deputy CEO**	(appointed on 16 August 2018)
Mr. **Pham Thong Nhat**	**Deputy CEO**	(appointed on 16 August 2018)
Mr. **Bui Anh Dung**	**Deputy CEO**	(appointed on 16 August 2018)
Mr. **Nguyen Van Hung**	**Chief Accountant**	
Mr. **Vu Duc Hung**	**Chief Human Resources Officer ("CHRO")** (appointed on 10 August 2018)	
Ms. **Doan Que Thanh**	**Head of Operation Division** (appointed on 16 August 2018)	
Mr. **Dang Duc Huy**	**Head of Retail Banking Division** (appointed on 20 September 2018)	

THE BOARD OF MANAGEMENT'S STATEMENT OF RESPONSIBILITY

The Board of Management of the Bank is responsible for preparing the consolidated financial statements, which give a true and fair view of the consolidated financial position of the Bank and its subsidiaries as at 31 December 2018, its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime applicable to credit institutions in Vietnam and legal regulations relating to financial reporting. In preparing these consolidated financial statements, the Board of Management is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting principles have been followed, subject to any material departures disclosed and explained in the consolidated financial statements;
- Prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Bank will continue in business; and
- Design and implement an effective internal control system for the purpose of properly preparing and presenting the consolidated financial statements so as to minimize errors and frauds.

The Board of Management is responsible for ensuring that proper accounting records are kept, which disclose, with reasonable accuracy at any time, the consolidated financial position of the Bank and its subsidiaries and that the consolidated financial statements comply with Vietnamese Accounting Standards, accounting regime applicable to credit institutions in Vietnam and legal regulations relating to financial reporting. The Board of Management is also responsible for safeguarding the assets of the Bank and its subsidiaries and hence for taking reasonable steps for the prevention and detection of frauds and other irregularities.

The Board of Management confirms that the Bank has complied with the above requirements in preparing these consolidated financial statements.

For and on behalf of the Board of Management,

M.S.D.N: 0311449990 - C.T.C.P. NGÂN HÀNG THƯƠNG MẠI CỔ PHẦN SÀI GÒN - QUẬN 5 - TP. HỒ CHÍ MINH

VO TAN HOANG VAN
CHIEF EXECUTIVE OFFICER

29 March 2019

No: 690/VN1A-HC-BC

INDEPENDENT AUDITORS' REPORT

To: The Shareholders, the Boards of Directors and Management
Saigon Joint Stock Commercial Bank

We have audited the accompanying consolidated financial statements of Saigon Joint Stock Commercial Bank (the "Bank") prepared on 29 March 2019, as set out from page 74 to page 141, which comprise the consolidated balance sheet as at 31 December 2018, the consolidated income statement, the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Management's Responsibility for the Consolidated Financial Statements

The Board of Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Vietnamese Accounting Standards, accounting regime applicable to credit institutions in Vietnam and legal regulations relating to financial reporting and for such internal control as the management determines is necessary to enable the preparation 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' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Bank's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements present fairly in all materials respects, the consolidated financial position of the Bank and its subsidiaries as at 31 December 2018, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime applicable to credit institutions in Vietnam and legal regulations relating to financial reporting.

LE DINH TU
Audit Partner
Audit Practising Registration Certificate
No. 0488-2018-001-1
BRANCH OF DELOITTE VIETNAM COMPANY LIMITED
29 March 2019
Ho Chi Minh City, S.R. Vietnam

DO HONG DUONG
Auditor
Audit Practising Registration Certificate
No. 2393-2015-001-1

CONSOLIDATED BALANCE SHEET

As at 31 December 2018

Unit: Million VND

	Notes	Closing balance	Opening balance
ASSETS			
Cash, gold and gems stone	**6**	**2,555,584**	**2,655,088**
Balances with the State Bank of Vietnam ("SBV")	**7**	**4,886,943**	**9,235,546**
Placements with and loans to other credit institutions	**8**	**28,268,931**	**24,048,346**
Placements with other credit institutions	8.1	28,268,931	23,997,568
Loans to other credit institutions	8.2	-	50,778
Trading securities	**9**	**25,839**	**61,926**
Trading securities		38,987	71,678
Provision for impairment of trading securities		(13,148)	(9,752)
Derivatives and other financial assets	**19**	**65,189**	-
Loans to customers		**299,174,219**	**264,150,725**
Loans to customers	10	301,892,246	266,500,992
Provision for credit losses of loans to customers	12	(2,718,027)	(2,350,267)
Purchased debts	**11**	**11,755**	**11,755**
Purchased debts		12,374	12,374
Provision for credit losses of purchased debts		(619)	(619)
Investment securities	**13**	**59,509,118**	**73,818,751**
Available-for-sale investment securities		31,933,460	43,179,631
Held-to-maturity investment securities		32,398,035	34,146,232
Provision for impairment of investment securities		(4,822,377)	(3,507,112)
Long-term investments	**14**	**26,486**	**28,626**
Long-term investments		26,688	28,788
Provision for impairment of long-term investments		(202)	(162)
Fixed assets		**3,881,323**	**3,982,821**
Fixed assets	15.1	1,593,907	1,667,376
Cost		2,567,245	2,554,900
Accumulated depreciation		(973,338)	(887,524)
Intangible assets	15.2	2,287,416	2,315,445
Cost		2,557,441	2,517,313
Accumulated amortisation		(270,025)	(201,868)
Accumulated amortisation	**16**	**110,548,129**	**66,038,164**
Receivables		62,474,362	24,202,072
Interest and fee receivables		48,308,565	41,664,912
Deferred tax assets	35	6,554	4,543
Other assets		798,738	716,957
Provision for impairment of other assets		(1,040,090)	(550,320)
TOTAL ASSETS		**508,953,516**	**444,031,748**

CONSOLIDATED BALANCE SHEET (Continued)

As at 31 December 2018

Unit: Million VND

	Notes	Closing balance	Opening balance
LIABILITIES			
Borrowings from the SBV	**17**	**5,134,323**	**38,134**
Deposits and borrowings from other credit institutions	**18**	**55,689,576**	**64,387,247**
Deposits from other credit institutions	18.1	26,336,789	24,567,175
Borrowings from other credit institutions	18.2	29,352,787	39,820,072
Deposits from customers	**19**	**384,914,010**	**346,402,517**
Derivatives and other financial liabilities	**20**	**-**	**37,444**
Valuable papers issued	**21**	**33,424,218**	**6,924,000**
Other liabilities	**22**	**13,213,853**	**10,712,081**
Interest and fee payables		10,271,070	8,613,921
Other payables		2,942,783	2,098,160
TOTAL LIABILITIES		**492,375,980**	**428,501,423**
OWNERS' EQUITY			
Capital	**24**	**15,249,373**	**14,312,486**
Charter capital		15,231,688	14,294,801
Fund for capital expenditure		45	45
Share premium		95,912	95,912
Treasury shares		(87,709)	(87,709)
Other capitals		9,437	9,437
Reserves		**494,370**	**467,604**
Retained earnings		**671,402**	**591,603**
Non-controlling interest	**25**	**162,391**	**158,632**
TOTAL OWNERS' EQUITY		**16,577,536**	**15,530,325**
TOTAL LIABILITIES AND OWNERS' EQUITY		**508,953,516**	**444,031,748**

CONSOLIDATED BALANCE SHEET (Continued)

As at 31 December 2018

OFF-CONSOLIDATED BALANCE SHEET ITEMS

Unit: Million VND

	Notes	Closing balance	Opening balance
Guarantees for borrowings		50,436	74,531
Commitments on buying foreign currencies		860,291	1,608,907
Commitments on selling foreign currencies		280,087	1,407,219
Commitments on swap		22,059,197	26,557,088
Letters of credit		5,006,002	274,896
Other guarantees		4,978,887	12,030,115
Other commitments (*)		13,758	1,218,130
	45	**33,248,658**	**43,170,886**

(*) The balance as at 31 December 2018 is presented additional other commitments which is in accordance with Circular No. 19/2017/TT-NHNN dated 28 December 2017, effective from 12 February 2018 (*see Note 3*).

THAI KHANH VAN
Accounting Manager

NGUYEN VAN HUNG
Chief Accountant

VO TAN HOANG VAN
Chief Executive Officer

29 March 2019

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2018

Unit: Million VND

	Notes	Current year	Prior year
1. Interest and similar income	26	32,684,649	26,640,738
2. Interest and similar expenses	27	(29,777,966)	(24,749,315)
I. Net interest income		**2,906,683**	**1,891,423**
1. Income from services		1,984,259	1,510,784
2. Expense on services		(684,830)	(639,682)
II. Net profit from services	**28**	**1,299,429**	**871,102**
III. Net gain from foreign exchange trading	**29**	**692**	**12,849**
IV. Net gain from dealing in trading securities	**30**	**14,038**	**15,499**
V. Net gain from dealing in investment securities	**31**	**423,523**	**610,271**
1. Other operating income		2,633,444	1,047,050
2. Other operating expenses		(754,490)	(57,271)
VI. Net profit from other activities	**32**	**1,878,954**	**989,779**
VII. Income from capital contribution, share purchase	**33**	**8,312**	**6,135**
VIII. Operating expenses	**34**	**(4,140,889)**	**(3,343,188)**
IX. Net operating profit before credit provision expenses		**2,390,742**	**1,053,870**
X. Provision expense for credit loss	**12**	**(2,161,944)**	**(889,878)**
XI. Profit before tax		**228,798**	**163,992**
XII. Current corporate income tax expense	**35**	**(54,653)**	**(38,467)**
XIII. Deferred corporate income tax expense	**35**	**2,011**	**(1,065)**
XIV. Profit after tax		**176,156**	**124,460**
Attributable to:			
Common shareholders of the Bank		169,154	120,256
Non-controlling interest	24	7,002	4,204
XV. Basic earnings per share (VND/share)	**36**	**62**	**40**

THAI KHANH VAN
Accounting Manager

NGUYEN VAN HUNG
Chief Accountant

VO TAN HOANG VAN
Chief Executive Officer

29 March 2019

CONSOLIDATED CASHFLOW STATEMENT

For the year ended 31 December 2018 *(Direct method)*

Unit: Million VND

	Current year	Prior year
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest and similar receipts	26,742,228	22,081,153
Interest and similar payments	(28,206,976)	(23,291,416)
Net receipts from services	1,330,157	869,421
Net receipts from trading securities, gold and foreign currencies	497,318	705,091
Expenses from other activities	2,045,688	(54,188)
Recovery from bad debts written-off or paid-off by provision	76,002	125,260
Payments to employees and for other operating expenses	(3,790,072)	(3,226,200)
Corporate income tax paid during the year	(39,914)	(29,835)
Net cash used in operating activities before changes in assets and working capital	**(1,345,569)**	**(2,820,714)**
Changes in operating assets		
Changes in placements with and loans to other credit institutions	(176,452)	1,185,877
Changes in trading securities	19,056,043	(3,784,464)
Changes in derivatives and other financial assets	(65,189)	-
Changes in loans to customers	(68,713,770)	(58,546,465)
Changes in provision of credit losses *(credit, securities, long-term investments)*	-	(274,624)
Changes in other operating assets	(11,952,526)	1,052,388
Changes in operating liabilities		
Changes in borrowings from the SBV	5,096,189	(5,595,208)
Changes in deposits and borrowings from other credit institutions	(8,697,671)	34,485,383
Changes in deposits from customers	38,511,493	51,250,284
Changes in issuing valuable papers	25,713,218	-
Changes in derivatives and other financial liabilities	(37,444)	(134,874)
Changes in other operating liabilities	574,233	395,539
Changes in the Bank's reserves	(3,532)	8,487
Net cash (used in)/generated by operating activities	**(2,040,977)**	**17,221,609**

CONSOLIDATED CASH FLOW STATEMENT *(Continued)*

For the year ended 31 December 2018 *(Direct method)*

Unit: Million VND

	Current year	Prior year
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(186,274)	(111,413)
Proceeds from sales, disposals of fixed assets	87,847	6,381
Proceeds from sales, disposals of investment properties	3,600	43,818
Receipts from investment in other entities	2,100	40,600
Dividends and profits received from long-term investments	8,352	6,018
Net cash (used in) investing activities	**(84,375)**	**(14,596)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Increasing share capital from capital contribution and/or issuing shares	936,887	-
Proceeds from issuance of long-term valuable papers qualified for including in owners' equity	3,821,000	679,000
Payment for long-term valuable papers qualified for including in owners' equity	(3,034,000)	(265,000)
Dividends and profits distributed to non-controlling interest	(2,509)	(1,539)
Net cash generated by financing activities	**1,721,378**	**412,461**
Net (decrease)/increase in cash and cash equivalents	**(403,974)**	**17,619,474**
Cash and cash equivalents at the beginning of the year *(Note 37)*	**35,461,207**	**17,847,078**
Foreign exchange difference	-	(5,345)
Cash and cash equivalents at the end of the year *(Note 37)*	**35,057,233**	**35,461,207**

THAI KHANH VAN
Accounting Manager

NGUYEN VAN HUNG
Chief Accountant

VO TAN HOANG VAN
Chief Executive Officer

29 March 2019

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements

1. GENERAL INFORMATION

Saigon Joint Stock Commercial Bank (hereinafter referred to as "the Bank") is a joint stock commercial bank incorporated in the Socialist Republic of Vietnam,

The Bank was established and operated pursuant to License No, 283/GP-NHNN issued by the State Bank of Vietnam ("SBV") dated 26 December 2011, Business Registration Certificate No, 0311449990 dated 28 December 2011 and other amendments issued by Ho Chi Minh City Department of Planning and Investment, The Bank's operation duration is ninety-nine (99) years since 01 January 2012,

Principal activities

The Bank's principal activities include receiving demand deposits, term deposits, savings deposits and other deposits; issuing certificates of deposit, promissory notes, bills and bonds to mobilize domestic and foreign capital; loan; discount, rediscount of negotiable instruments and other valuable papers; Bank guarantee; credit card issuance; domestic factoring; international factoring; open payment account for customers; provide payment facilities; providing domestic payment services including checks, payment orders, payment orders, collection orders, collection orders, letters of credit, bank cards, collection and payment services; perform international payment services; borrowing from the State Bank ("SBV") in the form of refinancing according to the provisions of the Law on State Bank of Vietnam; borrowing capital from domestic and foreign credit institutions and financial institutions according to the regulations of law; open deposit accounts at the SBV and maintain this deposit account with the average balance which is not lower than the required reserve level; opening payment accounts at other credit institutions; opening deposit accounts, international payment accounts in accordance with the law on foreign exchange; internal payment organization, participating in the national interbank payment system; participating in international payment system; making capital contribution and buying shares in accordance with law; participating in the currency market such as Treasury bill bidding, buying and selling negotiable instruments, Government bonds, Treasury bills, SBV bills and other valuable papers on the monetary market; trading and providing foreign exchange services in the domestic market and in the international market within the scope stipulated by the State Bank; banking and finance consultancy; buying and selling Government bonds and corporate bonds; gold trading; cash management services, asset preservation, rental cabinets, safety safes; insurance agent; currency brokerage services; Debt purchase and investment in futures Government bonds,

Charter capital

The charter capital of the Bank as at 31 December 2018 was VND 15,231,688 million *(as at 31 December 2017: VND 14,294,801 million),*

Network

The head office of the Bank is located at No, 927 Tran Hung Dao Street, Ward 1, District 5, Ho Chi Minh City, Vietnam, As at 31 December 2018, the Bank has fifty (50) branches, one hundred and eighty nine (189) transaction offices located in provinces and cities throughout Vietnam,

Employees

Total employees of the Bank and its subsidiaries as at 31 December 2018 were 7,258 people (as at 31 December 2017: 6,428 people),

Subsidiaries

As at 31 December 2018, the Bank had two subsidiaries as follows:

Company name	Business Registration Certificate	Principal activities	Ownership of the Bank
Saigon Joint Stock Commercial Bank - Asset Management Company	Business Registration Certificate No, 0312083851 dated 11 December 2012	Bad debt management, acquisition and sale of debts, asset valuation and management	**100,00%**
Bao Long Insurance Corporation	Business Registration Certificate No, 059614 dated 02 August 1995	Insurance and reinsurance products distribution, loss adjustment, financial investment activities and other business operations in accordance with prevailing laws and regulations	**81,80%**

Disclosure of information comparability in the consolidated financial statements

Comparative figures are the figures of the audited consolidated financial statements for the year ended 31 December 2017,

2. ACCOUNTING CONVENTION AND FINANCIAL YEAR

Accounting convention

The accompanying consolidated financial statements, expressed in Vietnam Dong ("VND"), are prepared under the historical cost convention and in accordance with Vietnamese Accounting Standards, accounting regime applicable to credit institutions in Vietnam and legal regulations relating to financial reporting. However, because of the large scale of the Bank's operation,for the purpose of preparing these consolidated financial statements, the figures are rounded to and presented in million VND. This presentation does not materially affect the consolidated financial statements in terms of consolidated financial position, consolidated financial performance and consolidated cash flows. With regard to the number of shares (Note 24), basis earning per share (Note 36) and exchange rate of applicable foreign currencies against VND (Note 50), the Bank presented the items in unit.

The accompanying consolidated financial statements arenot intended to present the consolidated financial position, consolidated results of operations and consolidated cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Vietnam.

Financial year

The Bank and its subsidiaries' financial year begins on 01 January and ends on 31 December.

3. ADOPTION OF NEW ACCOUNTING GUIDANCE

The accouting policies adopted by the Bank in preparation of the consolidated financial statements are consistent with those followed in the preparation of the Bank's consolidated financial statements for the year ended 31 December 2017, except for the following changes:

Circular No. 14/2017/TT-NHNN ("Circular 14") regulating the methods of calculating interest on depositing and credit extension transaction between credit institutions and customers

On 29 September 2017, the State Bank of Vietnam issued Circular 14 regulating the methods of calculating interest on depositing and credit extension transaction between credit institutions and customers, effective from 01 January 2018. Accordingly, the interest accruals on credit and deposit operation are calculated on the basis that a year is 365 days.

Circular No. 19/2017/TT-NHNN ("Circular 19") amending and supplementing a number of articles of Circular No. 36/2014/TT-NHNN dated 20 November 2014 ("Circular 36") of the Governor of the State Bank stipulating prudential ratios and limits for the operation of credit institutions and foreign bank branches

On 28 December 2017, the State Bank of Vietnam issued Circular 19 amending and supplementing a number of articles of Circular 36 dated 20 November 2014 of the Governor of the State Bank stipulating prudential ratios and limits for the operation of credit institutions and foreign bank branches, effective from 12 February 2018. Accordingly, other commitments disclosed in "Off-balance sheet items" include unused credit limits that credit institutions have rights to cancel or automatically cancel when customers breach conditions of cancelling or deteriorate the capacity to perform obligations; and unused credit limits of credit cards and other commitments.

Circular No. 16/2018/TT-BTC ("Circular 16") guiding a number of articles of the financial regime applicable to credit institutions and foreign bank branches

Changes in Circular 16 are as below:

- Amending and supplementing the management and utilization method of real estate held for debt resolution;
- Amending and supplementing the recognition of revenue from trading of securities (shares exclusive); and
- Amending and supplementing recognition of expenses.

Circular 16 has taken effect since 26 March 2018 and replaced Circular No. 05/2013/TT-BTC dated 9 January 2013 of the Ministry of Finance providing guidance to the financial regime applicable to credit institutions and foreign bank branches.

Circular No. 22/2017/TT-NHNN ("Circular 22") amending and supplementing a number of articles of the Chart of account system applicable to credit institutions issued in connection with Decision No. 479/2004/QD-NHNN dated 29 April 2004 ("Decision 479") and the financial reporting regime applicable to credit institutions required under Decision No. 16/2007/QD-NHNN ("Decision 16") dated 18 April 2007 by the Governor of the State Bank

On 29 December 2017, the State Bank of Vietnam issued Circular 22 amending and supplementing a number of articles of the Chart of account system applicable to credit institutions issued in connection with Decision 479 dated 29 April 2004 and the financial reporting regime applicable to credit institutions required under Decision 16 dated 18 April 2007 by the Governor of the State Bank. Circular 22 has taken effect since 01 April 2018.

Changes in Circular 22 are as below:

- Amending and supplementing the guidances on the accounting treatment for foreign exchange and gold transactions;
- Amending a number of accounts in the Chart of account system applicable to credit institutions;
- Amending the guidances on the accounting treatment for some accounts in the Chart of account system applicable to credit institutions; and
- Amending and supplementing the guidances on the Financial reporting regime applicable to credit institutions.

The Bank's Board of Management applied all above circulars in preparation of the consolidated financial statements for the year ended 31 December 2018.

The Bank's Board of Management assessed the effect of Circular 22 on the comparative figures in the consolidated financial statements. Accordingly, the effects due to changes in the exchange rate policies are immaterial. As a result, the Bank is not required to restate the comparative figures due to changes in exchange rate policies.

4. THE CONTENTS OF THE APPROVAL OF THE STATE BANK OF VIETNAM ("SBV") FOR RESTRUCTURING PLAN

According to the Restructuring Plan for the five-year period from 2015 to 2019, the SBV has given the Bank permission to continue the pending tasks of the Restructuring Plan for the period 2012 - 2014 and implement some activities of the Bank in relation to recognition of transactions, preparation and presentation of consolidated financial statements as follows:

- Allow the Bank to restructure loan repayment terms without changing the loan groups of certain loans under the Restructuring Plan for the period 2012 - 2014 as approved by the SBV.
- Continue disbursing loans to restructure accrued interest receivables of certain construction projects.
- Continue lending for completion of some pending projects under the Restructuring Plan.
- Allow the Bank to make provision for credit losses based on its financial capacity.

The Bank is implementing the above Restructuring Plan and periodically reports the progress to the SBV.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies, which have been adopted by the Bank in the preparation of these consolidated financial statements, are as follows:

5.1. Estimates

The preparation of consolidated financial statements in conformity with Vietnamese Accounting Standards, accounting regime applicable to credit institutions in Vietnam and legal regulations relating to financial reporting requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the financial year. Although these accounting estimates are based on the management's best knowledge, actual results may differ from those estimates.

5.2. Foreign currencies

According to the Bank's accounting system, all the transactions are recorded at original currencies. Monetary assets and liabilities denominated in foreign currencies are translated into VND using the average exchange rate for spot selling and buying of such foreign currency at working day's end of the consolidated balance sheet date if the difference between this rate and the weighted average buying and selling rate of that day is less than 1% (see list of exchange rates of some foreign currencies as at 31 December 2018 in Note 50 for more details). In case the difference between the average exchange rate for spot selling and buying of such foreign currency at working day's end of the consolidated balance sheet date with the weighted average buying and selling rate of that day is more than 1%, the Bank shall use the weighted average buying and selling rate of the consolidated balance sheet date to translate. Income and expenses arising in foreign currencies are converted into VND at the average exchange rate for spot selling and buying at the time of occurrence of economic/financial transactions or the average spot exchange rate of all exchange rate changes at the date of transaction. At the last date of accounting period, exchange differences arising from revaluating assets and liabilities denominated in foreign currencies into VND are recorded as "Net gain from foreign exchange trading" in the consolidated income statement.

5.3. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Bank and enterprises controlled by the Bank (its subsidiaries) as at 31 December 2018. Control is achieved where the Bank has the power to govern the financial and operating policies of an investee enterprise so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those used by the Bank.

Intragroup transactions and balances are eliminated in full on consolidation.

Non-controlling interests consist of the amount of those non-controlling interests at the date of the original business combination and the non-controlling interests' share of changes in equity since the date of the combination. Losses in subsidiaries are respectively attributed to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

5.4. Business combinations

On acquisition, the assets and liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. Any deficiency in the cost of acquisition below the fair values of the identifiable net assets acquired is credited to profit and loss in the year of acquisition.

The non-controlling interests are initially measured at the non-controlling shareholders' proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

5.5. Goodwill

Goodwill represents the excess of the cost of acquisition over the Bank's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of a subsidiary, associate or jointly controlled entity at the date of acquisition.

Goodwill is recognised as an intangible asset and is amortised on the straight-line basis over its estimated period of benefit of 10 years (as per VAS 11 - Business Combination, the maximum estimated useful life should not exceed 10 years).

Goodwill arising on the acquisition of subsidiaries is presented separately as an intangible asset in the consolidated balance sheet.

On disposal of a subsidiary, the attributable amount of unamortised goodwill is included in the determination of the profit or loss on disposal.

5.6. Derivatives

The Bank and its subsidiaries involve in currency forward contracts and currency swap contracts.

For foreign currency forward and swap contracts, the difference between equivalent VND amounts of commitments on buying/selling foreign currency using forward exchange rate and spot exchange rate as at effective date of the contract is recognised immediately at the effective date of the contract in the "Interest and fee receivables" item or "Interest and fee payables" item in the consolidated balance sheet.

The difference is subsequently allocated to "Net gain from foreign exchange trading" item using the straight-line method over the term of the contracts.

At the year end, commitments of foreign currency forward and swap contracts are revaluated using the central rates announced by the SBV for US Dollar and the transfer buying rates announced by the Bank for other foreign currencies. At the year end, exchange differences arising from the translation of foreign currency denominated balances of forward contracts are recognised in the "Net gain from foreign exchange trading" item in the consolidated income statement.

5.7. Interest income and expenses

Interest income and expenses are recognised in the consolidated income statement on an accrual basis. The recognition of accrued interest income is suspended when a loan is classified in groups 2 to 5 according to prevailing regulations and is reversed and monitored as off-balance-sheet item, and recognised in the consolidated income statement upon actual receipt.

5.8. Fees and commissions

Fees and commission consist of fees received from settlement services, treasury services, guarantees services, and other services. Fees on guarantees services are recognised on advance receipt and straight-line method allocation. Fees on settlement services, treasury services and other services are recognised when services are provided.

5.9. Income from investments

Interest income from investments in securities are recognised on accrual basis.

5.10. Revenue from the sales of goods and services

Revenue from the sales of goods

Revenue from the sales of goods is recognised when the significant risks and rewards of ownership of the goods have been transferred to the buyer, normally at the same time when goods are transferred to the buyer.

Revenue from rendering services

Revenue of a transaction involving the rendering of services is recognised when the outcome of such transactions can be measured reliably. Outcome of such transaction is determined by reference to the percentage of completion of the transaction at the balance sheet date over the total estimated time for each transaction. If the outcome of such transaction cannot be measured reliably, revenue should be recognised by recoverably recorded expenditures.

Rental income

Rental income from operating lease is recognised into operation result under straight-line method during the leasing period.

5.11. Premium, insurance expenses, recognition of reinsurance activities and technical reserves

Direct insurance premium is recorded by the subsidiary of the Bank - Bao Long Insurance Joint Stock Company ("the Company") in accordance with Circular No. 50/2017/TT-BTC ("Circular 50") on guidelines for the Government's Decree No. 73/2016/ND-CP dated 01 July 2016 on details of the implementation of the Law on insurance business and the Law on amendments, supplements to certain articles of the Law on insurance business.

Specifically, direct premium is recognized as revenue at the point of time when the following conditions are met:

(a) The insurance contract has been entered into by the insurer and the insured, and the insured has paid full premium; or

(b) There is evidence about coverage acceptance and the insured has paid full premium; or

(c) The insurance contract has been entered into by the insurer and the insured and there is agreement between the insurer and the insured for term payment of insurance premium, which in such case the insurer still should recognize as revenue the premium payables according to agreement in the insurance contract. The credit term (including extension period) shall not exceed 30 days from policy inception date. In case of insurance contracts for cargo owned by clients who have multiple shipments covered in a year or travelling insurance contracts for clients who have multiple tours covered in a year, if the Company and the policyholder have entered into an insurance policy in terms of method of purchase of insurance and method of payment, premium payment period of an insurance policy of which insurance period commences in this month shall expire no later than the 25th of the next month.

For instalment contracts, the Company records revenue from insurance premium of the first instalment on the insurance contract's inception date. The Company shall only record revenue from insurance premium of the remaining instalments when the policy holder make full premium payment under the agreement in the insurance contract.

In case of the policyholder cannot make full premium payment under the agreement in the insurance contract, the Company does not have any agreement for the policyholders to delay the premium according to the regulation detailed in Item d, Point 1.1, Clause 1, Article 21, Circular 50, the insurance contract shall automatically terminate after the contractual premium payment date. The Company shall not agree with the policy holder to change the payment term and the term of the insurance premiums throughout the insurance contract.

Insurance premiums received before the liability has not yet arisen at the end of the fiscal year are recognized as "Other payables" on the consolidated balance sheet.

Claim expenses are recognized at the point of time when the claim documents are completed and approved by authorized personnel. In case that the final claim amount has not been finalized but the Company is certain that the loss is within its insured liabilities and has paid an advance to the customer as per their request, such advance would also be recognized as claim advance in "Other assets" in the consolidated balance sheet.

Commission expenses are recognized when incurred. Commission expenses are calculated at the percentage of revenue from direct premium occurred in the period and recognized in the income statement. The percentage of commission for specific line of insurance is stipulated in Circular 50 issued by the Ministry of Finance. At the end of financial year, the part of insurance commission which is not included in expenses of this period corresponding to unearned premium must be determined and allocated in the subsequent periods using the method registered and approved in writing by the Ministry of Finance.

Recognition of reinsurance activities

(i) Inward reinsurance:

Inward reinsurance premiums under treaty inward reinsurance agreements are recognized when the treaty inward reinsurance agreements have been entered into by the Company and when the statement of account has been received from the cedant.

Inward reinsurance premium under facultative inward reinsurance agreements are recognized when the facultative inward reinsurance agreements have been entered into by the Company and when the statement of account has been received from the cedant.

Claims expenses for inward reinsurance under treaty and facultative inward reinsurance agreements are recognized when there is evidence of liability of the Company and when a statement of account has been sent to the Company.

Commission expenses from treaty inward reinsurance and facultative inward reinsurance agreements are recognized when the corresponding inward reinsurance premium is recognized and when a statement of account has been sent to the Company. At the end of the financial year, a part of commission expenses from inward reinsurance which is not included in expense of current period corresponding to unearned premium of inward reinsurance must be determined and allocated in the subsequent periods using the method for unearned premium reserve registered and approved in writing by Ministry of Finance.

(ii) Outward reinsurance:

Receive reinsurance under fixed reinsurance agreements:

- Outward reinsurance premiums under treaty outward reinsurance agreements are recognized when the treaty outward reinsurance agreements have been entered into by the Corporation and when premiums of direct insurance and inward reinsurance within the scope of the treaty agreements are recognized.

Receive reinsurance under temporary reinsurance contracts:

- Outward reinsurance premium under facultative reinsurance agreements are recognized when the facultative outward reinsurance agreements have been entered into by the Corporation and when the premium of direct insurance and inward reinsurance within the scope of the facultative agreements are recognized.

- Claims recovered from outward reinsurance is recognized when there is evidence of liability on the part of the reinsurer.

- Commission income from outward reinsurance is recognized when the corresponding outward reinsurance premium is recognized. At the end of the accounting period, a part of commission income from outward reinsurance which is not included in income of the current period corresponding with unearned premium of outward reinsurance must be determined and allocated in the subsequent periods using the method for unearned premium reserve registered and approved in writing by the Ministry of Finance.

Technical reserves

Professional reserve funds include (i) unearned premium reserve, (ii) claim reserve and (iii) catastrophe provision. The deduction for setting up the insurance operation reserve is carried out in accordance with the methods stipulated in Circular 50 of the Ministry of Finance and Official Letter No. 792 / BTC-QLBH of January 19, 2018 of the Ministry of Finance ("Dispatch 792 ") Regarding the confirmation of the registration for setting up insurance operation reserves. Specifically, the method of setting up professional provisions as at 31 December 2018 is as follows:

a. For non-life insurance:

(i) Unearned premium reserve

According to Official Letter 792, the unearned premium reserve ("UPR") is calculated as follows: Reversing method is based on a factor of the term of insurance contracts (the 1/24 method). Such method assumes the premiums of all insurance contracts, reinsurance contracts issued by the Company received within a month are evenly distributed within a month, in other words, all contracts of a particular month are assumed to take effect in the middle of that month. The UPR is calculated by the formula:

Unearned premium reserve = Premiums x Proportion of unearned premiums

(ii) Claim reserve

Claim reserve includes the reserve for outstanding claims under insurance liabilities and for losses incurred but not reported.

- Outstanding claim reserve under insurance liabilities is established based on the estimated claim payments for each claim for which the insurer is liable, which is either notified to the Corporation or requested for payment but is still unresolved at the end of the accounting period; and

- Claim reserve for losses incurred but not reported for which the insurer is liable ("IBNR") is calculated at the rate equal to 3% of total premium for each insurance product line.

(iii) Catastrophe reserve

In accordance with the Official Letter 792, catastrophe reserve is calculated based on 1% of the retained premium for each insurance product line and accumulated until reaching 100% of the Company's retained premium for the year.

According to Vietnam Accounting Standard No. 19 ("VAS 19") - Insurance contracts, claims for compensation arising from insurance contracts do not exist at the time of financial statements are not necessary. However, there are currently no official guidelines of the Ministry of Finance in relation to this Standard, so catastrophe reserve is continued providing under the guidance of Circular 50 and Official Letter 792. Accordingly, the Company makes an appropriation of 1% of the premium retained by each insurance product line and is set up annually until this provision is equal to 100% of the retained premium for the year.

b. For health insurance policies:

(i) Mathematical reserve

According to Official Letter 792, the mathematical reserve applied for policies with term of more than one (1) year is calculated as follows:

- For health insurance policies (except for health insurance policies covering death or total permanent disability only):

Reversing method is based on a factor of the term of insurance contracts (the 1/8 method). Such method assumes that the premiums of all insurance contracts, reinsurance contracts issued by the Company within a quarter are evenly distributed between three months of each quarter, in other words, all contracts of a particular quarter are assumed to take effect in the middle of that quarter. The mathematical reserve is calculated by the formula:

Mathematical reserve = Premiums x Proportion of unearned premiums

- For health insurance policies covering death or total permanent disability only:

Reversing method is based on a factor of the term of insurance contracts (the daily method). Such method assumes that the premiums of all insurance contracts, reinsurance contracts issued by the Company within a day are evenly distributed at the end of the day, in other words, all contracts of a particular day are assumed to take effect at the end of the day. The mathematical reserve is calculated by the formula:

$$\text{Mathematical reserve} = \frac{\text{Insurance premiums x Number of remaining days of insurance or reinsurance policy}}{\text{Total days of insurance or reinsurance policy}}$$

(ii) Unearned premium reserve

According to Official Letter 792, the unearned premium reserve ("UPR") applied for policies with term of equal or less than one (1) year is calculated as follows: Reserving method is based on a factor of the term of insurance contracts (the 1/24 method). Such method assumes that the premiums of all insurance contracts, reinsurance contracts issued by the Company within a month are evenly distributed in the month, in other words, all contracts of a particular month are assumed to take effect in the middle of that month. The UPR is calculated by the formula:

Unearned premium reserve = Premiums x Proportion of unearned premiums

(iii) Claim reserve

Claim reserve includes the reserve for outstanding claims under insurance liabilities and for claims incurred but not reported.

- Outstanding claim reserve under insurance liabilities is established based on the estimated claim payments for each claim for which the insurer is liable, which is either notified to the insurer or requested for payment but is still unresolved at the end of the accounting period; and

- Claim reserve for losses incurred but not reported for which the insurer is liable ("IBNR") is calculated at the rate equal to 3% of total premium for each insurance product line.

(iv) Resilience reserve

According to Official Letter 792, resilience reserve is made annually at the rate 1% of total retained premiums for each insurance product line.

5.12. Income and expenses from the sale of debts

Income and expenses from the sale of debts are recognised in accordance with Decision No. 59/2006/QD-NHNN ("Decision 59") issued by the SBV promulgating regulations on sale and purchase of debts by credit institutions. From 01 September 2015, income and expenses arising from sale of debts are recognised following Circular No. 09/2015/TT-NHNN ("Circular 09") providing guidance on the purchase and sale of debts of credit institutions and foreign bank branches.

According to Decision 59 and Circular 09, the difference between the price of debts purchased or sold and their book value are recorded as follows:

For debts recorded in the consolidated balance sheet:

- If the sale price is higher than the book value of the debt, the difference shall be recorded in the consolidated income statement of the Bank;
- If the purchase or sale price is lower than the book value of the debt, the difference shall be used to offset against the indemnity paid by an individual or guarantor (in case such individual or guarantor is determined to be responsible for the damage and obliged to make indemnity under prevailing regulations), or the compensation paid by the insurer, or use of outstanding provision recognised as expense previously. The remaining balance (if any) shall be recognised as an operating expense of the Bank in the year.

For debts written off and monitored off the balance sheet, the proceeds from sale of debts shall be recognised as other income of the Bank.

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

Debt purchase or sale price is the sum of money to be paid by a debt purchaser to a debt seller under a debt purchase or sales contract.

5.13. Loans and Provision for credit losses

Loans are recorded at their outstanding principal amounts less any write-offs and provisions for impaired loans.

In accordance with Circular No. 02/2013/TT-NHNN dated 21 January 2013 *("Circular 02")* and Circular No. 09/2014/TT-NHNN dated 18 March 2014 *("Circular 09")* by the SBV, credit institutions are required to make loan classification and credit risk provisioning. Loan classification and credit risk provisioning in compliance with Circular 02 and Circular 09 are applied to assets (hereinafter referred to as "debts") including:

- Loans;
- Finance leases;
- Discounts, rediscounts of negotiable instruments and other valuable papers;
- Factoring;
- Credit issuance under form of credit card issuance;
- Payments on behalf of customers under off-balance sheet commitments;
- Cost and entrusted amounts for purchase of unlisted corporate bonds on securities market or unregistered on trading market of unlisted public companies *(Upcom) (hereinafter referred to as unlisted bonds)*, excluding purchase of unlisted bonds by entrustment amount which the trustors bear risks.
- Entrusted credit facilities;
- Deposits *(excluding deposits for payment)* at domestic credit institutions, foreign bank branches in Vietnam as prescribed by law and deposits at foreign credit institutions.

The Bank implements the classification of debts under quantitative method in accordance with Article 10 of Circular 02. Accordingly, loans to customers are graded using the following risk classifications: Current, Special-mentioned, Sub-standard, Doubtful and Loss based on the overdue status.

Credit risk exposure of loans to customers is calculated by subtracting the determined value of collateral which is subject to certain accepted discount rates in accordance with Circular 02 from the remaining value of loan.

The Bank has made provision for credit loss of loans to customers reasonably in accordance with the Circular 02, Circular 09 and the Restructuring Plan's subjects as approved by the SBV *(Note 4)*.

Specific provision is established based on the net loan exposure of loans using the prescribed provision rates applicable to that loan classification as follows:

Group	Category	Provision rate
1	Current	0%
2	Special-mentioned	5%
3	Sub-standard	20%
4	Doubtful	50%
5	Loss	100%

For customers who have two or more debts with the Bank and any of which is classified into the group of higher risk, the other debts should also be classified into the group with higher risk equivalent to the risk.

When the Bank participates in a syndicated loan as a participant, it classifies loans (including syndicated loans) of the customer into the higher between the risk group assessed by the leading bank and by the Bank.

According to Clause 3a, Article 10 of Circular 02 modified by Clause 11, Article 1 of Circular 09, rescheduled debts are remained risk classification group when all following conditions are satisfied:

- Debts and credit granting do not violate legislations;
- Restructure of time limit for debt payment is conformable with purpose of project as described in the credit contract;
- Customers uses capital for a proper purpose;
- Customer has a plan on debt payment which is feasible, conformable with conditions of production, business and service;
- The Bank satisfies regulations of the State Bank on limitations, rate of safety assurance in activities of the Bank, including the maximum rate of short-term capital sources used for medium-term and long-term debts in case of restructuring short-term debts into medium-term or long-term.

Only when satisfying all above requirements, the Bank can restructure time limit for debt payment of customers, and remain their current loan classification. Debt rescheduling is conducted once for a debt. Clause 3a, Article 10 of Circular 02 takes effect on 20 March 2014 and ceases to be effective on 1 April 2015.

Loans will be classified at the end of each quarter for the first three quarters and on 30 November for the fourth quarter of the fiscal year for the provision of credit loss purpose.

General provision is made for undetermined loan loss on classification of debts. Accordingly, the amount of general provision which have to set up is defined by 0.75% of total balances of debts from group 1 to group 4, except for deposits with domestic credit institutions, foreign bank branches in Vietnam as prescribed by law and deposits at foreign credit institutions and loans, purchases with defined term of valuable papers for other credit institutions, foreign bank branches in Vietnam.

Use of provision

The provision is recorded in the consolidated income statement as an expense and will be used to write off bad debts. The Bank must set up Risk Settlement Committee to write off bad debts if they are classified in Group 5, or if the borrowers are liquidated or bankrupted legal entities, or if individual borrowers have deceased or are missing.

Classification of off-balance-sheet commitments

The Bank classifies guarantee, acceptances of payment and unconditional, irrevocable loan commitments with specific effective date (collectively referred to as "off-balance-sheet commitments") as stipulated in Article 10 of Circular 02. Accordingly, off-balance-sheet commitments are classified by risk levels as follows: *Current, Special mention, Substandard, Doubtful and Loss based on overdue status and other qualitative factors.*

5.14. Purchased debts

Purchased debts are recognised at the amount which has been paid for debt purchase and classified into the group of risk extent not lower than the group into which such debt had been classified before purchased. If the interest collected including the interest before the Bank's purchase, the interest is recognised using the principle: (i) reduce the value of purchased debts by the interest incurred before the purchase date; (ii) recognise the interest income in the year by the amount incurred after the purchase date.

The Bank classifies loan group and make provision against credit risks for purchased debts in accordance with regulations on provisions making and using against credit risks presented in Note 5.13.

5.15. Loans sold to Vietnam Asset Management Company ("VAMC")

The Bank sells loans to VAMC at the carrying amount in accordance with Decree No. 53/2013/ND-CP effective from 09 July 2013 on "Establishment, structure and operations of Vietnam Asset Management Company", Circular No. 19/2013/TT-NHNN dated 06 September 2013 providing on "Regulations on selling, purchasing and writing-off of bad debts of Vietnam Asset Management Company", Circular No. 14/2015/TT-NHNN and Circular No. 08/2016/TT-NHNN amending, supplementing Circular No. 19/2013/TT-NHNN and Official Letter No. 8499/NHNN-TCKT on *"Accounting guidance on selling and purchasing of bad debt transactions between VAMC and credit institutions"*. Accordingly, selling price equals to the outstanding loan balance minus unused balance of specific provision and receipts are under form of special bonds issued by VAMC.

Upon the sale of loans to VAMC, the Bank writes off loan balances and corresponding specific provisions and recognises special bonds issued by VAMC at par value determined as the difference between the loan balance sold and corresponding specific provision. When receiving loans previously sold to VAMC, the Bank uses annual specific provisions for special bonds to write off bad debts and recognises the difference between provision for credit losses and the remaining outstanding loan balance/bond value in *"Other income"* of the consolidated income statement.

5.16. Trading securities

Trading securities are debt, equity and other securities acquired by the Bank for resale in the short-term period (within 1 year) for benefits from price variance.

Trading securities are initially recognised at cost on the transaction date and continuously presented at cost in subsequent years.

Interest earned and dividends received in the holding year of trading securities are recognised in the consolidated income statement on a cash basis.

Trading securities are provided for impairment when their carrying value is higher than the market value in compliance with Circular No. 228/2009/TT-BTC *("Circular 228")* issued on 7 December 2009 and Circular No. 89/2013/TT-BTC *("Circular 89")* issued on 28 June 2013. In case market prices of securities are not available or cannot be determined reliably, no provision is made. Provision for impairment of trading securities is recognised as *"Net gain from dealing of trading securities"* in the consolidated income statement.

Provision for credit losses of corporate bonds which are not listed on the stock market or not registered on the unlisted public companies market is made in accordance with Circular 02 as described in Note 5.13.

5.17. Available-for-sale securities

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

Equity securities are initially recognised at cost at the purchase date and continuously presented at cost in subsequent years.

Available-for-sale Debt securities are initially recognised at par value as at the transaction date. Accumulative interest income before the purchasing date *(for debt securities with interest paid in arrears)* or interest income received upfront awaiting amortisation (for debt securities with interest paid in advance) is recorded in a separate account. Any discount or premium which is the difference between the cost and the amount equal to par value plus *(+)* accumulative interest income before the purchasing date for debt securities with interest paid in arrears or minus *(-)* interest income received upfront awaiting amortisation for debt securities with interest paid in advance *(if any)* is also recorded in a separate account.

Subsequently, available-for-sale Debt securities are recorded at par value less/plus remaining discount/premium *(if any)* after being amortised to the consolidated income statement using the straight-line method over the remaining term of securities. Interest paid in arrears is recorded as follows: accumulative interest income before the purchasing date is recorded as a decrease in value of such securities and the same amount is credited into the accrued interest income; accumulative interest income after the purchasing date is recognised as the Bank's income based on an accrual basis. Interest received upfront is amortised to the consolidated income statement using the straight-line method over the investment year.

Periodically, available-for-sale investment securities are reviewed for impairment loss. Securities that are classified as credit risk-weighted assets must be made provision according to Circular 02. Securities that are not classified as credit risk-weighted assets are made provision for impairment when their carrying values are higher than their market values determined in accordance with Circular No. 228 and Circular No. 89. In case the market values are undeterminable, no provision will be made. Provision for impairment of investment securities is recorded in the consolidated income statement as *"Net gain from dealing of investment securities"*.

5.18. Held-to-maturity securities

Special bonds issued by VAMC

Special bonds issued by VAMC are fixed-term valuable papers used to purchase bad debts of the Bank. These special bonds are initially recognised at face value at the date of transaction and subsequently carried at the face value during their term. Face value of the special bonds issued equals to the outstanding balance of the debts sold less their unused specific provision.

During their term, the Bank periodically calculates and makes provision annually in accordance with Circular No. 14/2015/TT-NHNN dated 28 August 2015 ("Circular 14") issued by the SBV amending and supplementing some articles of Circular No. 19/2013/TT-NHNN dated 06 September 2013 about purchase, sales and settlement of bad debts of Vietnam Asset Management Company.

In accordance with Circular 14, each year, within 5 consecutive working days prior to the maturity date of special bonds, credit institutions conducting sales of bad debts to VAMC are obliged to fully make a minimum of specific provision of the mentioned year for each special bond using the below formula:

$$X_{(m)} = \frac{Y}{N} \times m - (Z_m + X_{m-1})$$

In which:

- $X_{(m)}$ is minimum provision for special bonds in the mth year;
- X_{m-1} is accumulated specific provision for special bonds in the m-1th year;
- **Y** is face value of special bonds;
- **n** is term of special bonds (years);
- **m** is number of years from the bond issuance date to the provision date;
- Z_m is accumulated bad debt recoveries at the provision date (mth year). Credit institutions should co-operate with VAMC to determine the recovery of the bad debts.

If $(Zm + Xm\text{-}1) \geq (Y/n \times m)$, the specific provision $(X_{(m)})$ will be zero (0).

Specific provision for each special bond is recognised in the consolidated income statement in "Provision expense for credit losses". General provision is not required for the special bonds.

Other held-to-maturity securities

Other held-to-maturity securities include Debt securities which are acquired by the Bank with the purpose of earning interest and which the Bank has the intention and ability to hold to maturity. Held-to-maturity investments have fixed or determinable payments and maturity date. In case these securities are sold before maturity, they will be transferred to trading securities or available-for-sale securities.

Held-to-maturity investment securities are recognised similarly to available-for-sale debt securities.

Periodically, held-to-maturity investment securities are subject to impairment review. Securities that are classified as credit risk-weighted assets are made provision in accordance with Circular 02. Securities that are not classified as credit risk-weighted assets will be made provision for impairment when their carrying values are higher than their market values determined in accordance with Circular 228 and Circular 89 issued by the Ministry of Finance. In case the market values are undeterminable, no provision will be made. Provision for impairment is recorded as "Net gain from dealing of investment securities" in the consolidated income statement.

Reclassification

According to Official Letter No. 2601/NHNN-TCKT dated 14 April 2009 by the State Bank of Vietnam, reclassification after transaction date is made not more than once for each group of investment securities. In special cases or in case a large amount of securities has to be reclassified *(greater than or equal to 50% total value of the portfolio)*, the Bank will disclose the effect of reclassification on total assets, liabilities, equity, income and expenses of the Bank in the consolidated financial statements.

5.19. Capital contributions and other long-term investments

Other long-term investments are investments in other entities in which the Bank and its subsidiaries hold less than or equal to 11% of voting rights and investments under business co-operation contracts. These investments are initially recorded at cost at the investment date.

Provision for impairment of other long-term investments

Provision for impairment of other long-term investments is made when the investee is operating at a loss *(except that the loss was previously expected in the business plan)* in accordance with Circular 228 and Circular 89. Accordingly, provision is the difference between the actual capital contribution of the investors to the investees and their actual owners' equity of the business entity multiplied (x) by the actual holding percentage of the Bank over total actual capital contribution to the investees determined in the investees' balance sheet on the provision-making date.

Provision is reversed when the recoverable amount of the investment increases after the provision is made. Provision is reversed up to the gross value of the investment before the provision is made.

5.20 Repurchase and reverse repurchase agreements

Securities sold under agreements to repurchase at a specific date in the future are not derecognised from the consolidated financial statements. The corresponding cash received is recognised in the consolidated balance sheet as a liability item. The difference between the sale price and repurchase price is treated as interest expense and is amortised on the straight-line basis to the consolidated income statement over the term of the agreement.

Conversely, securities purchased under agreements to resell at a specific date in the future are not recognised in the consolidated financial statements. The corresponding cash paid is recognised in the consolidated balance sheet as an asset item. The difference between the purchase price and resale price is treated as interest income and is amortised on a straight-line basis to the consolidated income statement over the term of the agreement.

5.21 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation.

The cost of a tangible fixed asset comprises any directly attributable costs of bringing the fixed asset to working condition for its intended use.

Expenditures for improvements and renewals of assets are recorded to the cost of the assets while expenditures for maintenance and repairs are charged to the consolidated income statement as incurred.

When tangible fixed assets are sold or liquidated, their costs and accumulated depreciation are written off from the consolidated balance sheet and any gain or loss resulting from their disposal is included in the consolidated income statement.

Depreciation of tangible fixed assets is calculated on a straight-line basis over the estimated useful life of the assets as follows:

	Years
Buildings and structure	5 - 50
Machineries and equipment	3 - 15
Motor vehicles	6 - 10
Office equipment	3 - 10
Other assets	4 - 10

5.22. Intangible assets and amortisation

Intangible assets are stated at cost less accumulated amortisation.

The cost of an intangible asset comprises any directly attributable costs of bringing the asset to working condition for its intended use.

When intangible assets are sold or disposed, their cost and accumulated amortisation are written off from the balance sheet item and any gains or losses resulting from their disposal are included into the consolidated income statement.

Land use rights which are granted for a definite term are amortised, using the straight-line method over the terms indicated in the land use right certificate. Land use rights which are granted for indefinite term are carried out at cost and not amortised under current regulations.

Computer software is amortised on a straight-line basis over their estimated useful lives from three years to eight years.

5.23. Receivables

Receivables classified as credit risk assets

Receivables classified as credit risk assets are recognised at cost. Overdue receivables are classified and made provision for credit risk by the Bank in accordance with laws and regulations on setting up of provisions and using of provision against credit risk presented in Note 5.13.

Other receivables

Other receivables of the Bank are initially and subsequently recognised at cost.

Provision for other overdue receivables is set up based on the aging schedule of overdue receivables or expected losses which may occur in case where the receivables have not been due for payment but the economic organisation is bankrupted or liquidated; or individual debtor is missing, run away, being prosecuted, under a trial or serving sentences or dead. Provision expense is recognised into "Operating expenses" for the year.

The Bank makes provision for other overdue receivables in compliance with Circular 228 issued by Ministry of Finance as follows:

Overdue	Provision rate
From over six (06) months up to less than one (01) year	30%
From one (01) year up to less than two (02) years	50%
From two years up to less than three (03) years	70%
From three (03) years and above	100%

5.24. Prepaid expenses

Prepaid expenses consist of short-term or long-term prepaid expenses on the consolidated balance sheet which are considered to generate economic benefit in the future and amortised over the years during which the amount are prepaid or economic benefits are generated in relation to these expenses.

5.25. Cash and cash equivalents

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise cash on hand and gold, deposits with the SBV, demand and time deposits at other credit institutions with an original maturity not exceeding three months and other short-term valuable papers that can be rediscounted with the SBV.

5.26. Due to other credit institutions, due to customers and value papers issued

Deposits from other credit institutions, customer deposits and valuable papers issued are disclosed at the principal amounts outstanding at the end of financial year.

5.27. Payables and accruals

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

5.28. Employee benefits

Post-employment benefits: Post-employment benefits are paid to retired employees of the Bank by the Social Insurance Agency, which belongs to the Ministry of Labour - Invalids and Social Affairs. The Bank is required to contribute to these post-employment benefits by paying social insurance premium to the Social Insurance Agency at the rate of 17.5% of an employee's basic salary on a monthly basis. In addition, the The Bank and its subsidiaries has no further obligation.

Severance allowance and retrenchment benefits

- ***Severance allowance:*** The Bank has the obligation, under Article 48 of the Vietnam Labor Code amended on 18 June 2012, to pay allowance to employees who serve for 12 months or more, equal to a half month's salary for each year of employment. The average monthly salary used to calculate the allowance is the average monthly salary of the latest 6 months to resignation. Working time serving as the basis for calculating unemployment allowance shall be the total of actual working time for the The Bank and its subsidiaries subtracting the time when the employees pay unemployment insurance contributions as prescribed by law, and the working time when severance pay is offered by the The Bank and its subsidiaries.

- ***Retrenchment benefits:*** The Bank has the obligation, under Article 49 of the Vietnam Labour Code to pay allowance to employees who are retrenched as a result of organisational restructuring or technological changes. In such cases, the The Bank and its subsidiaries shall pay to the employees an allowance for loss of work equivalent to the aggregate amount of one month's salary for each year of employment, but no less than two months' salary.

While the obligations under Section 48 and 49 are compulsory, the implementation of these Sections is subject to specific guidance issued by the Ministry of Finance in implementing circulars. In accordance with Circular No. 180/2012/TT-BTC dated 24 October 2012 providing the guidance of treatment of allowance, the The Bank and its subsidiaries could record an allowance directly in general and administrative expenses when incurred.

- ***Unemployment insurance:*** According to Circular No. 04/2013/TT-BLDTBXH dated 01 March 2013 amending certain articles of Circular No. 32/2010/TT-BLDTBXH dated 25 October 2010 of the Ministry of Labour - Invalids and Social Affairs, guiding the implementation of certain articles of the Government's Decree No. 127/2008/ND-CP dated 12 December 2008 detailing and guiding the implementing Law on Social Insurance, the Bank its subsidiaries is obliged to pay unemployment insurance at 1% of salary fund of each employee to pay simultaneously to the Unemployment Insurance Fund.

5.29. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other year (including loss carried forward, if any) and it further excludes items that are never taxable or deductible.

Deferred tax is recognised on significant differences between carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit and are accounted for using balance sheet method. Deferred tax liabilities are generally recognised for all temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax authority and the The Bank and its subsidiaries intends to settle its current tax assets and liabilities on a net basis.

The determination of the tax currently payable is based on the current interpretation of tax regulations. However, these regulations are subject to periodic variation and their ultimate determination depends on the results of the tax authorities' examinations.

Other taxes are paid in accordance with the prevailing tax laws in Vietnam.

5.30. Equity and Reserves

Common shares

Common shares are classified as owner's equity. Incurred expenses that directly relate to the issuance of common stocks are recognised as a decrease in owner's equity.

Share premium

When capital is received from shareholders, the difference between selling price and par value is recorded as share premium in owner's equity.

Treasury shares

When issued shares are repurchased, the aggregate amount paid, including expenses that directly relate to the repurchase of shares, after deducting taxes, is recorded as treasury shares and stated as a decrease in owner's equity.

Reserves

Reserves are used for specific purposes and are appropriated from the The Bank and its subsidiaries's profit after tax based on the following regulated ratios:

- Charter capital supplementary reserve: 5% of profit after tax but not exceeding the Bank's charter capital;

- Financial reserve fund: 10% of profit after tax and no specifying maximum limit;

- Compulsory reserve funds are appropriated to supplement charter capital and ensure liquidity capacity of the Bank's subsidiary ("Company"). Statutory reserve funds are appropriated by 5% of annual profit after tax, but not exceeding 10% of the Company's charter capital according to prevailing regulations.

- Bonus fund for the Board of Management, bonus and welfare funds are established in accordance with the Decision approved in the Annual General Shareholders' Meetings.

These reserves are appropriated at the closing date of each financial year.

5.31. Fiduciary assets

Entrusted operations that the Bank bears no risks

The Bank provides services of holding assets in trust or in a fiduciary capacity. Assets held in trust or in a fiduciary capacity are not reported in the consolidated financial statements since they are not assets of the Bank.

Entrusted operations that the Bank bears all risks

The Bank receives entrusted funds from the trustors in order to grant loans to borrowers. The Bank records loan balance granted from entrusted funds in the loans to customers account. The accounting policy for loans granted to customers is in accordance with regulations of the State Bank of Viet Nam as presented in Note 5.13.

5.32. Off-consolidated balance sheet commitments and guarantees

In the ordinary course of business, the Bank always enters into various off-balance sheet financial commitments. These commitments are in the form of loan or bank overdraft which have been approved. The Bank also provides the financial guarantees to guarantee the contract performance process for the third parties. Such transactions are recorded in the consolidated financial statements when they are funded or when related fees are incurred or received.

According to Circular 02 and Circular 09, guarantee amounts, payment acceptance, lending commitments which are irrevocable (hereinafter referred to as off-balance sheet commitments) must be classified at specific time as prescribed in Article 10 of Circular 02 for management and supervision of quality of credit extension activity. Accordingly, off-balance sheet commitments are graded from group 1 to group 5 by using the following risk classifications: Current, Special-mentioned, Sub-standard, Doubtful and Loss based on the overdue status and other qualitative factors.

5.33. Leases

Leases where substantially all the rewards and risks of ownership of assets remain with the leasing company are accounted for as operating leases. Rental charges applicable to such operating leases are charged to the consolidated income statement as incurred over the lease term.

5.34. Related parties

The parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making decisions on financial and operating policies. A party is considered as a related party with the Bank and its subsidiaries if:

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

- Has capability to control the Bank or is controlled by the Bank and its subsidiaries (including the holding company and subsidiaries);

- Has contributed capital to the Bank and its subsidiaries that accordingly, gives it significant influence over the Bank;

- Has joint control over the Bank and its subsidiaries;

(b) The party is a joint venture in which the Bank and its subsidiaries is a venture;

(c) The party is a close member of the Board of Directors, Board of Supervisors and Board of Management of the Bank and its subsidiaries;

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

(e) The party is a bank that is controlled, jointly controlled or significantly influenced by, or of which, significant voting power in such Bank resides with, directly or indirectly, any individual referred to in (c) or (d).

5.35. Offsetting

Financial assets and financial liabilities are offset and reported at the net amount in the consolidated balance sheet if, and only if, the Bank has an enforceable legal right to offset financial assets against financial liabilities and the Bank has intention to settle on a net basis, or the realization of the assets and settlement of liabilities is made simultaneously.

5.36. Financial instruments

Initial recognition

- *Financial assets:* At the date of initial recognition, financial assets are recognised at cost plus transaction costs that are directly attributable to the acquisition of the financial assets. Financial assets of the Bank comprise cash and gold, balances with the State Bank of Vietnam, placements with and loans to other credit institutions, trading securities, loans to customers, investment securities, capital contribution and long-term investments, investment property and other financial assets.

- Financial liabilities: At the date of initial recognition, financial liabilities are recognised at cost plus transaction costs that are directly attributable to the issue of the financial liabilities. Financial liabilities of the Bank comprise borrowings from the State Bank of Vietnam, deposits and borrowings from other credit institutions, deposits from customers, derivatives and other financial liabilities, valuable papers issued and other financial liabilities.

Subsequent re-measurement

The Bank and its subsidiaries has not assessed fair value of its financial assets and liabilities as at the balance sheet date since there is no comprehensive guidance under Circular No. 210/2009/TT-BTC issued by the Ministry of Finance on 06 November 2009 *("Circular 210")* and other relevant prevailing regulations to determine fair value of these financial assets and liabilities. While Circular 210 refers to the application of International Financial Reporting Standards ("IFRS") on presentation and disclosures of financial instruments, it did not adopt the equivalent guidance for the recognition and measurement of financial instruments, including application of fair value, in accordance with IFRS. Accordingly, the financial instruments are subsequently re-measured at cost.

6. CASH, GOLD AND GEMS STONE

	Closing balance Million VND	Opening balance Million VND
Cash on hand in VND	1,570,193	1,506,783
Cash on hand in foreign currencies	938,715	1,088,994
Gold	46,676	59,311
	2,555,584	**2,655,088**

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

	Closing balance Million VND	Opening balance Million VND
Current account at the SBV		
In VND	4,864,849	7,615,137
In foreign currencies	22,094	1,620,409
	4,886,943	**9,235,546**

Balances with the State Bank of Vietnam ("the SBV") include current accounts and compulsory reserves. During the year, compulsory reserves in VND and current accounts in foreign currencies earn interest at rates of 1.20% p.a. and 0.05% p.a., respectively.

The compulsory reserve per month is determined by the average compulsory reserve deposit balance of previous month multiplying by compulsory reserve ratios, respective to deposit's terms and currencies. The Bank's average demand deposit balance per month at the State Bank of Vietnam should be not lower than the required compulsory reserve.

The compulsory reserve rates at the reporting date were as follows:

Currency and term	Closing balance	Opening balance
Demand deposits and term deposits with maturity term less than 12 months in VND	3%	3%
Term deposits with maturity term from 12 months and above in VND	1%	1%
Demand deposits and term deposits with maturity term less than 12 months in foreign currencies	8%	8%
Term deposits with maturity term from 12 months and above in foreign currencies	6%	6%

During the year, the Bank has complied with the notification of the SBV regarding compulsory reserves.

8. PLACEMENTS WITH AND LOANS TO OTHER CREDIT INSTITUTIONS

	Closing balance Million VND	Opening balance Million VND
Placements with other credit institutions	28,268,931	23,997,568
Loans to other credit institutions	-	50,778
	28,268,931	**24,048,346**

8.1. Placements with other credit institutions

	Closing balance Million VND	Opening balance Million VND
Demand deposits	**26,888,671**	**22,220,073**
In VND	21,334,441	20,254,041
In foreign currencies	5,554,230	1,966,032
Term deposits	1,380,260	1,777,495
In VND	654,225	431,995
In foreign currencies	726,035	1,345,500
	28,268,931	**23,997,568**

Demand deposits with other credit institutions include:

	Closing balance Million VND	Opening balance Million VND
Demand deposits with domestic credit institutions in VND	21,334,441	20,254,041
Demand deposits with domestic credit institutions in foreign currencies	5,000,592	1,025,292
Demand deposits with oversea credit institutions in foreign currencies	553,640	940,740
	26,888,671	**22,220,073**

Term deposits with other credit institutions include:

	Closing balance Million VND	Opening balance Million VND
Term deposits with domestic credit institutions in VND	654,225	431,995
Term deposits with domestic credit institutions in foreign currencies	726,035	1,345,500
	1,380,260	**1,777,495**

Annual interest rates of deposits in other credit institutions at the year end are as follows:

	Closing balance Million VND	Opening balance Million VND
Demand deposits in VND	0.00% - 1.00%	0.00% - 1.00%
Demand deposits in foreign currencies	0.00% - 1.80%	0.00% - 0.15%
Term deposits in VND	4.70% - 10.50%	
Term deposits in foreign currencies	0.01% - 2.90%	1.60% - 2.60%

8.2. Loans to other credit institutions

	Closing balance Million VND	Opening balance Million VND
In VND	-	50,778
	-	**50,778**

Annual interest rates of loans to other credit institutions at the year-end are as follows:

	Closing balance	Opening balance
In VND		5.00%

8.3. Term deposits with and loans to other credit institutions by quality

Term deposits with and loans to other credit institutions by quality are as below:

	Closing balance Million VND	Opening balance Million VND
Current	**1,380,260**	**1,828,273**
Term deposits with other credit institutions	1,380,260	1,777,495
Loans to other credit institutions	-	50,778

9. TRADING SECURITIES

	Closing balance Million VND	Opening balance Million VND
Equity securities		
Issued by domestic economic entities *(listed)*	34,161	66,852
Issued by domestic economic entities *(unlisted)*	4,826	4,826
Provision for impairment of trading securities	(13,148)	(9,752)
Net value	**25,839**	**61,926**

10. LOANS TO CUSTOMERS

	Closing balance Million VND	Opening balance Million VND
Loans to domestic economic entities and individuals	301,862,914	266,465,942
Payables on behalf of customers	26,378	25,514
Loans from discount of valuable papers	2,954	7,036
Frozen loans and loans pending for resolution	-	2,500
	301,892,246	**266,500,992**

Annual interest rates of loans to customers at the year-end are as follows:

	Closing balance	Opening balance
Loans to customers in VND	5,00% - 17,50%	3,50% - 17,50%
Loans to customers in foreign currencies	3,25% - 8,00%	2,50% - 8,50%

10.1. Analysis of loans by quality

	Closing balance Million VND	Opening balance Million VND
Current	300,046,093	264,815,166
Special-mentioned	579,716	494,729
Sub-standard	139,628	188,001
Doubtful	198,201	193,363
Loss	928,608	809,733
	301,892,246	**266,500,992**

10.2. Analysis of loans by original term

	Closing balance Million VND	Opening balance Million VND
Short-term loans	100,688,555	109,438,206
Medium-term loans	116,425,801	75,383,955
Long-term loans	84,777,890	81,678,831
	301,892,246	**266,500,992**

10.3. Analysis of loans by currency

	Closing balance Million VND	Opening balance Million VND
In VND	301,311,125	265,560,085
In foreign currencies	581,121	940,907
	301,892,246	**266,500,992**

10.4. Analysis of loans by type of customer and ownership

	Closing balance		Opening balance	
	Million VND	%	Million VND	%
Households and individuals	114,890,562	38.06	111,161,485	41.71
Other joint-stock companies	180,238,044	59.70	143,734,218	53.94
Other limited liability companies	4,291,684	1.42	8,260,981	3.10
Private companies	1,512,498	0.50	1,842,206	0.69
Foreign-invested companies	753,519	0.25	702,725	0.26
State-owned limited liability companies	9,127	0.00	3,422	0.00
Administrative units, party, unions and associations	48,675	0.02	63,540	0.03
State-owned companies	42,033	0.02	619,242	0.23
Cooperatives and unions of cooperatives	92,972	0.03	105,986	0.04
Joint stock companies with the State ownership of 50% or more	7,531	0.00	4,042	0.00
Others	5,781	0.00	3,145	0.00
	301,892,246	**100.00**	**266,500,992**	**100.00**

10.5. Analysis of loans by industry

	Closing balance		Opening balance	
	Million VND	%	Million VND	%
Other services	201,643,181	66.79	181,040,476	67.93
Construction	83,920,317	27.80	69,296,898	26.00
Real estate trading	3,643,797	1.21	4,886,716	1.83
Agriculture, forestry and fisheries	4,528,023	1.50	4,099,065	1.54
Trading, repair of motor vehicles, motorcycles and other vehicles	3,337,439	1.11	3,091,908	1.16
Restaurants and hotels	2,252,215	0.75	2,416,053	0.91
Household work, production and consumer service	1,506,919	0.50	446,376	0.17
sporting activities	18,206	0.01	24,310	0.01
Transportation and warehousing	666,312	0.22	654,225	0.25
Manufacturing and processing	266,459	0.09	469,602	0.18
Health and social support activities	61,836	0.02	27,526	0.01
Mining exploration	6,439	0.00	6,221	0.00
Electricity, gas, hot water and air-conditioning supply/distribution	12,095	0.00	8,278	0.00
Water supply, waste and sewage management and treatment	6,121	0.00	5,586	0.00
Administrative activities and supporting service	2,165	0.00	6,662	0.00
Education and training	14,891	0.00	19,205	0.01
Specialised, science and technology activities	4,205	0.00	607	0.00
Information and communication	960	0.00	412	0.00
Finance, banking and insurance	666	0.00	866	0.00
	301,892,246	**100.00**	**266,500,992**	**100.00**

11. PURCHASED DEBTS

	Closing balance Million VND	Opening balance Million VND
Purchased debts in VND	12,374	12,374
Provision for credit losses of debts purchased *(Note 12)*	(619)	(619)
	11,755	**11,755**

Balances and interest of the purchased debts are as follows:

	Closing balance Million VND	Opening balance Million VND
Loan balances purchased	12,289	12,289
Interest of purchased debts	56	56
	12,345	**12,345**

Result of the loan classification as at 30 November 2018 and provision for purchased debts as required of the Bank and subsidiaries are as follows:

Loan classification	Loan balance Million VND	Specific provision Million VND	General provision Million VND	Total provision Million VND
Loss	12,374	619	-	619

12. PROVISION FOR CREDIT LOSS EXPENSES

Breakdown of provision for credit losses at the year ended is as follow:

	Notes	Closing balance Million VND	Opening balance Million VND
Provision for special bonds issued by VAMC	13.6	4,806,697	3,492,106
Provision for credit loss of loans to customers		2,718,027	2,350,267
Provision for purchased debts	11	619	619
Provision for unlisted bonds		15,680	15,006
Provision for overdue receivables	16.5	998,949	520,030
		8,539,972	**6,378,028**

Provision expenses during the year comprised of:

	Notes	Closing balance Million VND	Opening balance Million VND
Provision expense for special bonds issued by VAMC	13.6	1,314,591	122,991
Provision expense for loans to customers		367,760	503,072
Reversal of provisions for available for sales securities		750	-
Reversal of provision for unlisted bonds		(76)	(900)
Provision expense for overdue receivables	16.5	478,919	264,715
Total provision for credit loss expenses		**2,161,944**	**889,878**

Result of the loan classification as at 30 November 2018 and provision for credit losses of loans to customers as required by Article 10 of Circular 02, Circular 09 and Restructuring Plan approved by the SBV for the period 2015-2019 are as follows:

	Outstanding balance Million VND	Specific provision Million VND	General provision Million VND	Total provision Million VND
Current	298,634,560	-	2,239,756	2,239,756
Special-mentioned	1,296,330	19,485	9,725	29,210
Sub-standard	131,686	7,215	988	8,203
Doubtful	252,502	32,866	1,892	34,758
Loss	945,954	406,100	-	406,100
	301,261,032	**465,666**	**2,252,361**	**2,718,027**

Changes in provision for loans to customers in the current year are as follows:

	Specific provision Million VND	General provision Million VND	Total provision Million VND
Opening balance	325,225	2,025,042	2,350,267
Provision charged up in current year	195,224	1,233,803	1,429,027
Reversal of provisions charged up in current year	(54,783)	(1,006,484)	(1,061,267)
Ending balance	**465,666**	**2,252,361**	**2,718,027**

Changes in provision for loans to customers during previous year are as follows:

	Specific provision Million VND	General provision Million VND	Total provision Million VND
Opening balance	503,111	1,608,414	2,111,525
Provision charged up in year	182,044	594,381	776,425
Reversal of provisions charged up in year	(95,600)	(177,753)	(273,353)
Provision used to write off bad debts up in year	(264,330)	-	(264,330)
Ending balance	**325,225**	**2,025,042**	**2,350,267**

13. INVESTMENT SECURITIES

	Closing balance Million VND	Opening balance Million VND
Available-for-sale investment securities		
Debt securities	**31,906,320**	**43,152,491**
Issued by the Government	30,706,044	41,852,159
Issued by other local credit institutions	1,200,276	1,300,332
Equity securities	**27,140**	**27,140**
Issued by other local credit institutions	18,140	18,140
Issued by domestic economic entities	9,000	9,000
	31,933,460	**43,179,631**
General provision for available-for-sale securities	(9,752)	(9,002)
Net amount	**31,923,708**	**43,170,629**
Held-to-maturity investment securities by par value, in which:	**32,398,035**	**34,146,232**
Debt securities	**5,712,852**	**10,297,425**
Issued by other local credit institutions	5,621,331	9,695,905
Issued by domestic economic entities	91,521	601,520
General provision for held-to-maturity securities	(5,928)	(6,004)
Net amount	**5,706,924**	**10,291,421**
Special bonds issued by VAMC		
Face value of special bonds	26,685,183	23,848,807
Provision for special bonds	(4,806,697)	(3,492,106)
Net amount	**21,878,486**	**20,356,701**
Total net amount	**59,509,118**	**73,818,751**

13.1. Available-for-sale debt securities

	Closing balance		Opening balance	
	Face value Million VND	Carrying value Million VND	Face value Million VND	Carrying value Million VND
Debt securities issued by the Government - Government bonds (a)	30,395,873	30,706,044	41,545,273	41,852,159
Debt securities issued by the local credit institutions (b)	1,200,000	1,200,276	1,300,000	1,300,332
	31,595,873	**31,906,320**	**42,845,273**	**43,152,491**
General provision for available-for-sale unlisted bonds		(9,752)		(9,002)
		31,896,568		**43,143,489**

(a) Government bonds in VND have term from 3 to 15 years and bear interest at rates from 3.40% to 9.30% p.a. Interest is paid annually.

(b) Debt securities issued by the local credit institutions are bonds issued by local banks have term from 2 to 7 years and bear interest at rates from 7.40% to 9.25% p.a, interest is paid annually.

13.2 Available-for-sale equity securities

	Closing balance Million VND	Opening balance Million VND
Equity securities issued by other local credit institutions	**18,140**	**18,140**
Equity securities issued by domestic economic entities	**9,000**	**9,000**
Hua Na Hydroelectric Joint Stock Company	9,000	9,000
	27,140	**27,140**
Provision for available-for-sale equity securities	-	-
Net amount	**27,140**	**27,140**

13.3. Held-to-maturity securities (excluded special bonds issued by VAMC)

	Closing balance		Opening balance	
	Face value Million VND	Carrying value Million VND	Face value Million VND	Carrying value Million VND
Debt securities issued by other local credit institutions				
Bank bills (a)	5,620,000	5,621,331	9,644,000	9,645,905
Bonds issued by a finance company	-	-	50,000	50,000
Debt securities issued by domestic economic entities				
Corporate bonds	91,521	91,521	601,520	601,520
	5,711,521	**5,712,852**	**10,295,520**	**10,297,425**
Provision for held-to-maturity unlisted bonds		**(5,928)**		**(6,004)**
General provision		(4,425)		(4,501)
Specific provision		(1,503)		(1,503)
		5,706,924		**10,291,421**

(a) These are bills issued by a bank in VND which have term of 6 months and bear interest at rates from 7.10% p.a.

13.4. Special bonds issued by Vietnam Asset Management Company ("VAMC")

Special bonds issued by VAMC are used to buy bad debts of the Bank which have term of five (5) years to ten (10) years and bear interest rate of 0%. Changes in special bonds issued by VAMC in the current year are as follows:

	Current year Million VND	Prior year Million VND
Opening balance	23,848,807	14,552,769
Increase in the year (Note 37)	8,109,000	12,762,438
Decrease in the year	(5,272,624)	(3,466,400)
Closing balance	**26,685,183**	**23,848,807**

13.5. Analysis of securities classified as credit risk assets by quality

	Closing balance Million VND	Opening balance Million VND
Current	**6,911,625**	**11,596,254**
Debt securities issued by other local credit institutions *(Note 13.1 and Note 13.3)*	6,821,607	10,996,237
Debt securities issued by domestic economic entities *(Note 13.3)*	90,018	600,017
Loss (Note 13.3)	**1,503**	**1,503**
	6,913,128	**11,597,757**

13.6. Provision for investment securities

Changes in provision for investment securities in the year are as follows:

	Current year Million VND	Prior year Million VND
Opening balance	**3,507,112**	**3,409,043**
Available-for-sale securities	9,002	33,025
Held-to-maturity securities *(excluded special bonds issued by VAMC)*	6,004	6,903
Special bonds issued by VAMC *(Note 12)*	3,492,106	3,369,115
Charge/(reversal) in the year	**1,315,265**	**98,069**
Available-for-sale securities *(Note 31)*	750	(13,729)
Held-to-maturity securities *(excluded special bonds issued by VAMC) (Note 12)*	(76)	(899)
Special bonds issued by VAMC *(Note 12)*	1,314,591	122,991
Provision used to write off securities	-	(10,294)
Closing balance	**4,822,377**	**3,507,112**
Available-for-sale securities	9,752	9,002
Held-to-maturity securities *(excluded special bonds issued by VAMC)*	5,928	6,004
Special bonds issued by VAMC *(Note 12)*	4,806,697	3,492,106

13.7. Listing status of investment securities

	Closing balance Million VND	Opening balance Million VND
Available-for-sale securities		
Debt securities		
Issued by the Government - *Listed*	30,706,044	41,852,159
Issued by other local credit institutions - *Unlisted*	1,200,276	1,300,332
Equity securities		
Issued by other local credit institutions - *Unlisted*	18,140	18,140
Issued by domestic economic entities - *Unlisted*	9,000	9,000
Held-to-maturity securities		
Debt securities issued by other local credit institutions - *Unlisted*	5,621,331	9,695,905
Debt securities issued by domestic economic entities *(including special bonds issued by VAMC) - Unlisted*	26,776,704	24,450,327
	64,331,495	**77,325,863**

14. OTHER LONG-TERM INVESTMENTS

	Closing balance Million VND	Opening balance Million VND
Other long-term investments	26,688	28,788
Provision for impairment of other long-term investments	(202)	(162)
	26,486	**28,626**

Detail of other long-term investments is as follows:

	Closing balance		Opening balance	
	Cost Million VND	Ownership %	Cost Million VND	Ownership %
Saigon Ha Long Hotel Tourism Joint Stock Company	9,900	5,69	9,900	5,69
Vietnam Credit Information Joint Stock Company (PCB)	7,962	6,64	7,962	6,64
Saigon - Kim Lien Joint Stock Company	7,326	9,90	7,326	9,90
Vietnam Investment Fund (VIF)	-	-	2,100	2,49
Saigon - Vinh Long Tourism Joint Stock Company	1,500	1,00	1,500	1,00
	26,688		**28,788**	
Provision for impairment of other long-term investments	(202)		(162)	
	28,486		**28,626**	

15. FIXED ASSETS

15.1. Tangible fixed assets

	Buildings and structures Million VND	Machineries and equipment Million VND	Motor vehicles Million VND	Office equipment Million VND	Other tangible fixed assets Million VND	Total Million VND
Cost						
Opening balance	1,741,505	621,812	138,623	33,286	19,674	2,554,900
Purchases	1,451	48,256	11,576	2,577	3,990	67,850
Transfer from construction in progress	16,251	-	-	-	-	16,251
Disposals	(2,026)	(52,635)	(5,594)	(3,111)	(1,792)	(65,158)
Other decrease	(6,305)	(263)	-	(30)	-	(6,598)
Closing balance	**1,750,876**	**617,170**	**144,605**	**32,722**	**21,872**	**2,567,245**
Accumulated depreciation						
Opening balance	420,921	326,306	106,378	24,545	9,374	887,524
Charged in the year	51,696	85,778	9,013	2,375	3,412	152,274
Disposals	(1,424)	(50,183)	(4,555)	(2,988)	(1,649)	(60,799)
Other increase/decrease	(5,582)	(174)	-	95	-	(5,661)
Closing balance	**465,611**	**361,727**	**110,836**	**24,027**	**11,137**	**973,338**
Net book value						
Opening balance	1,320,584	295,506	32,245	8,741	10,300	1,667,376
Closing balance	**1,285,265**	**255,443**	**33,769**	**8,695**	**10,735**	**1,593,907**

Other information of tangible fixed assets:

	Closing balance Million VND	Opening balance Million VND
- Commitments to purchase major fixed assets	182,405	211,830
- Net carrying value of tangible fixed assets temporarily not in use	228	314,291
- Fully depreciated tangible fixed assets still in use	327,117	310,078

15.2. Intangible assets

	Land use rights Million VND	Computer software Million VND	Other assets Million VND	Total Million VND
Cost				
Opening balance	2,193,502	321,989	1,822	2,517,313
Purchases	57,200	44,973	-	102,173
Disposals	(58,562)	(9,064)	-	(67,626)
Other increase	5,581	-	-	5,581
Closing balance	**2,197,721**	**357,898**	**1,822**	**2,557,441**
Accumulated amortisation				
Opening balance	21,494	180,158	216	201,868
Charged in the year	2,503	68,773	364	71,640
Disposals	-	(9,064)	-	(9,064)
Other increase	5,581	-	-	5,581
Closing balance	**29,578**	**239,867**	**580**	**270,025**
Net book value				
Opening balance	2,172,008	141,831	1,606	2,315,445
Closing balance	**2,168,143**	**118,031**	**1,242**	**2,287,416**

Cost of intangible assets fully amortised but still in use as at 31 December 2018 is VND 14,624 million (As at 31 December 2017: VND 13,344 million).

16. OTHER ASSETS

	Notes	Closing balance Million VND	Opening balance Million VND
Receivables, including:		62,474,363	24,202,072
Receivables	16,1	62,356,481	24,082,087
Purchases of fixed assets	16,2	93,279	102,335
Work in progress		24,602	17,650
Interest and fee receivables	16,3	48,308,565	41,664,912
Deferred corporate income tax asset		6,554	4,543
Other assets	16,4	798,738	716,957
		111,588,219	**66,588,484**
Provision for impairment of other assets	16,5	(1,040,090)	(550,320)
		110,548,129	**66,038,164**

16.1. Receivables

	Closing balance Million VND	Opening balance Million VND
Internal receivables	**206,122**	**274,686**
External receivables	**62,150,359**	**23,807,401**
Long-term receivables from disposals of pledged assets (a)	9,047,639	9,452,104
Receivables from transfer of shares under reverse repurchase agreements (b)	7,548,000	7,548,000
Receivables from the sales of debt (c)	829,437	829,437
Receivables from selling debts acquired from VAMC (d)	2,813,617	3,512,460
Receivables from selling debts arising in 2017-2018 (e)	33,197,041	1,309,480
Receivables from transfer of debit assets arising in 2018 (f)	234,000	-
Receivables from selling promissory notes (g)	2,002,693	-
Receivables from the sales of debts purchased back from VAMC (h)	790,357	-
Wait for collection to pay L/C	4,663,513	37,644
Advance of investment operations	-	350,000
Receivables from insurance activities of Bao Long	282,996	225,505
Receivables from transferring assets purchase right	140,000	170,000
Deposits for international card transactions	180,797	57,047
Receivables from asset sale contracts	18,752	28,226
Advancing insurance for insurance of Bao Long	10,680	32,970
Advancing expenses for Bao Long business	18,231	14,787
Advances for corporate income tax	526	5,952
Insurance deposit	12,000	12,000
Advances for value added tax	-	4,853
Other receivables	360,080	216,936
	62,356,481	**24,082,087**

(a) These represent receivables from disposals of foreclosed assets which will be collected within 5 years, starting from 2014, These receivables are guaranteed by real estates.

(b) These are receivables from disposals of shares under previous reverse repurchase agreements ("repo") which will be collected within 8 years, starting from 28 November 2014, These receivables are guaranteed by company's shares.

(c) These are receivables from the sales of debts to the third party, The payment is made within 5 years, starting from 04 December 2015, In 2017, the Bank agreed to adjust the schedule payment for customer as well as classified these receivables and made provision for credit losses in compliance with regulations (Note 16,5).

(d) These are receivables arising from the sale of debt purchased from VAMC to third parties, delayed payment, These receivables are guaranteed by collaterals of the sold debts themselves.

(e) These are receivables arising from deferred payment operations to third parties in 2018 and 2017, These receivables have the collaterals which are assets from themselves the sold debts.

(f) These are receivables arising from the liquidation of collateral assets for a third party to offset debt obligations in the form of deferred payment and are guaranteed by liquidated assets.

(g) These are receivables arising from the sale of promissory notes issued by a credit institution, previously held by the Bank for third parties, which ware allowed for delayed payment.

(h) These are receivables from VAMC from the sales of debts to VAMC by market price which are allowed for late payments.

16.2. Purchases of fixed assets

	Closing balance Million VND	Opening balance Million VND
Construction at 1F Thai Ha, Hanoi	90,000	90,000
Others	3,279	12,335
	93,279	**102,335**

The purchase of these assets has been partially or fully paid in accordance with the agreements.

16.3 Interest and fee receivables

These are accrued interest receivables of some loans which are paid monthly, quarterly, annually, over one year and at the maturity dates of credit contracts in line with the repayment terms as presented in *Note 44.3 - Liquidity risk*.

16.4. Other assets

	Closing balance Million VND	Opening balance Million VND
Real estates as pledged assets waiting for solution (a)	215,000	215,000
Reinsurance ceded premium reserve of Bao Long	275,199	167,615
Real estates as pledged assets (b)	63,156	76,332
Prepaid and deferred expenses	161,049	123,977
Project capital contribution	-	41,000
Entrusted investment (c)	30,000	30,000
Foreclosed assets	10,818	10,818
Other assets	43,516	52,215
	798,738	**716,957**

(a) This is a real estate that the Bank received for replacing the debt obligation of a customer. The Bank is in process to complete the transferring to a third party.

(b) These are collaterals obtained by the Bank to write off bad debts according to statutory regulations, and the borrowers or guarantors (the asset's owners) have not completed transfering the ownership to the Bank.

(c) This is an investment in accordance with the investment trust agreement dated 20 November 2017 with Vietnam Investment Fund Management Joint Stock Company in order to manage and invest capital as per the investment strategy. As at 31 December 2018, investment portfolio was as follows:

Types of securities	Quantity	Transaction amount (VND)	Total transaction amount (Million VND)
Shares of Techcombank	67,500	21,100	1,424
Shares of Ricons Construction Joint Stock Company	32,000	117,000	3,744
	99,500		**5,168**

16.5. Provision for impairment of other assets

Results of classification of other assets as at 30 November 2018 is as follows:

	Closing balance Million VND	Opening balance Million VND
Current debt	33,303,997	3,512,460
Sub-standard debt	2,705,160	-
Doubtful debt	160,000	-
Bad debt	829,437	829,437
	36,998,594	**4,341,897**

Breakdown of provision for other assets as at 30 November 2018 is as follows:

	Closing balance Million VND	Opening balance Million VND
Provision for credit losses *(Note 12)*	998,949	520,030
General provision	271,269	21,843
Specific provision	727,680	498,187
Provision for other assets	41,141	30,290
	1,040,090	**550,320**

Changes in provision for other assets in the year are as follows:

	Current year Million VND	Prior year Million VND
Opening balance	550,320	291,695
Provision charged for credit losses in the year *(Note 12)*	478,919	264,715
Provision used to write off bad debts	(1,329)	(8,913)
Charge of provision for other assets in the year *(Note 34)*	12,180	2,823
Closing balance	**1,040,090**	**550,320**

17. BORROWINGS FROM THE STATE BANK OF VIETNAM

	Closing balance Million VND	Opening balance Million VND
Borrowings on discount, rediscount of valuable papers	5,103,732	-
Refinancing for house supporting project	30,591	35,834
Refinancing for shrimp and catfish raising project	-	2,300
	5,134,323	**38,134**

18. DEPOSITS AND BORROWINGS FROM OTHER CREDIT INSTITUTIONS

	Closing balance Million VND	Opening balance Million VND
Deposits from other credit institutions	26,336,789	24,567,175
Borrowings from other credit institutions	29,352,787	39,820,072
	55,689,576	**64,387,247**

18.1. Deposits from other credit institutions

	Closing balance Million VND	Opening balance Million VND
Demand deposits		
In VND	21,088,564	20,019,475
Term deposits		
In VND	3,275,800	4,458,000
In foreign currencies	1,972,425	89,700
	26,336,789	**24,567,175**

18.2. Borrowings from other credit institutions

	Closing balance Million VND	Opening balance Million VND
Borrowings from other domestic credit institutions in VND	-	700,000
Borrowings from other domestic credit institutions in foreign currencies	4,663,513	6,763
Borrowings from other foreign credit institutions in foreign currencies	16,315	75,824
Borrowings through discount and re-discount operations (*)	24,672,959	39,037,485
	29,352,787	**39,820,072**

(*) Borrowings through discount and re-discount operations are the repurchase agreement of valuable papers with the maturity from 0.5 month to 4 months, and the interest rates ranging from 4.30% to 5.40% per annum.

19. DEPOSITS FROM CUSTOMERS

19.1. Breakdown by type of deposits

	Closing balance Million VND	Opening balance Million VND
Demand deposits		
Demand deposits in VND	12,058,188	8,448,210
Demand deposits in foreign currencies	4,247,264	7,290,709
Demand savings in VND	20,195	42,766
Demand savings in foreign currencies	21,285	26,247
Term deposits		
Term deposits in VND	47,552,966	32,226,832
Term deposits in foreign currencies	72,915	86,193
Term savings in VND	315,879,563	290,743,184
Term savings in foreign currencies	4,432,064	4,598,698
Margin deposits		
Margin deposits in VND	127,990	2,703,783
Margin deposits in foreign currencies	147,020	219
Deposits for specific purpose		
Deposits for specific purpose in VND	323,683	83,948
Deposits for specific purpose in foreign currencies	30,877	151,728
	384,914,010	**346,402,517**

Annual interest rates of customer deposits at the year-end are as follows:

	Closing balance	Opening balance
Demand deposits in VND	0,00% - 1,00%	0,00% - 1,00%
Demand savings in VND	1,00%	1,00%
Demand deposits in foreign currencies	0,00% - 0,10%	0,00% - 0,10%
Demand savings in foreign currencies	0,00% - 0,10%	0,00% - 0,10%
Term deposits in VND	1,00% - 8,90%	1,00% - 8,55%
Term savings in VND	1,00% - 10,00%	1,00% - 8,60%
Term deposits in foreign currencies	0,00% - 2,00%	0,00%
Term savings in foreign currencies	0,00% - 1,52%	0,00% - 2,42%

Demand deposit interest rate will be applied for saving deposits withdrawn before the maturity date.

19.2. Breakdown by customer and type of business

	Closing balance Million VND	Opening balance Million VND
Deposits from business entities	**42,667,570**	**35,757,158**
State-owned companies	3,001,576	2,247,531
State-owned limited liability companies (1 member)	718,986	1,155,517
State-owned limited liability companies (at least 2 members)	12,976	7,764
Other limited liability companies	20,696,189	12,423,094
Joint stock companies in which the State ownership is 50% or more	73,849	84,002
Other joint stock companies	9,729,526	8,481,700
Partnership	29,308	2,135
Private companies	11,887	9,569
Foreign-invested companies	5,046,664	8,492,180
Cooperatives and unions of cooperatives	383,457	509,076
Administrative units, party, unions and associations	2,963,152	2,829,577
Deposits from individuals	**340,834,226**	**309,377,101**
Others	**1,412,214**	**1,268,258**
	384,914,010	**346,402,517**

20. DERIVATIVES AND OTHER FINANCIAL LIABILITIES

	Nominal amount (using the exchange rate at the effective date) Million VND	Carrying value (using the exchange rate at the balance sheet date)	
		Assets Million VND	Liabilities Million VND
Current derivative financial instruments as at 31 December 2018			
Forward	8,795,631	113,190	-
Swap	20,968,488	-	48,001
Net value		**65,189**	
Current derivative financial instruments as at 31 December 2017			
Forward	3,471,695	-	12,916
Swap	26,558,526	-	24,528
Net value			**37,444**

21. VALUABLE PAPERS ISSUED

	Closing balance Million VND	Opening balance Million VND
Certificates of deposit	**26,273,218**	**4,254,000**
Less than 12 months	18,613,218	-
From 5 years and above	7,660,000	4,254,000
Bonds	**51,000**	**2,670,000**
From 5 years and above	51,000	2,670,000
Debentures	**7,100,000**	**-**
Less than 12 months	7,100,000	-
	33,424,218	**6,924.000**

These are valuable papers issued to individuals under certificates, term from 6 months to 7 years, interest paid in arrears on an annual basis which is adjusted annually.

22. OTHER LIABILITIES

	Closing balance Million VND	Opening balance Million VND
Interest and fee payables	10,271,070	8,613,921
Other payables and liabilities	2,942,783	2,098,160
	13,213,853	**10,712,081**

Other payables and liabilities include:

	Closing balance Million VND	Opening balance Million VND
Internal payables		
Payables to employees	392,680	245,960
Bonus and welfare funds	171,197	113,060
External payables		
Provisions related to insurance activities of Bao Long	842,580	801,108
Payables related to insurance activities of Bao Long	263,312	175,018
Payables related to purchase of fixed assets	164,934	177,378
Money in custody pending for payment	385,914	83,836
Unearned revenue	73,848	20,912
Payables related to card operations	113,075	206,196
Taxes and other payables to the State budget	14,630	1,700
Value added tax payables	17,461	14,704
Payables to shareholders	4,527	3,793
Corporate income tax payables	387,070	5,406
Payables pending for payment	20,135	186,013
Other payables	91,420	63,076
	2,942,783	**2,098,160**

23. STATUTORY OBLIGATIONS

	Opening (advances)/ payables Million VND	Other adjustments Million VND	Amounts incurred during the year		Closing (advances)/ payables Million VND
			Payables Million VND	Paid Million VND	
Value added tax	14,637	-	130,727	(128,256)	17,108
Corporate income tax	(547)	765	53,888	(39,914)	14,192
Personal income tax	8,395	-	103,561	(102,201)	9,755
	22,485	**765**	**288,176**	**(270,371)**	**41,055**

24. OWNERS' EQUITY AND RESERVES

24.1. Statement of changes in owners' equity

Movements in owners' equity of the Bank and its subsidiaries during the current year are as follows:

	Charter capital Million VND	Share premium Million VND	Treasury shares Million VND	Other capitals Million VND	Develop-ment investment reserve Million VND	Fi... re... Mil...
Opening balance	**14,294,801**	**95,912**	**(87,709)**	**9,437**	**4,370**	
Capital contribution	936,887	-	-	-	-	
Net profit for the year	-	-	-	-	-	
Appropriation to bonus and welfare funds	-	-	-	-	-	
Temporary appropriation to reserves	-	-	-	-	239	
Other increase/(decrease)	-	-	-	-	100	
Closing balance	**15,231,688**	**95,912**	**(87,709)**	**9,437**	**4,709**	

	Financial reserve Million VND	Capital supplement-ary reserve Million VND	Other funds Million VND	Fund for capital expenditure Million VND	Retained earnings Million VND	Total Million VND
Opening balance	**303,075**	**157,039**	**3,120**	**45**	**591,603**	**15,371,693**
Capital contribution	-	-	-	-	-	936,887
Net profit for the year	-	-	-	-	169,154	169,154
Appropriation to bonus and welfare funds	-	-	-	-	(62,589)	(62,589)
Temporary appropriation to reserves	15,476	7,858	3,193	-	(26,766)	-
Other increase/(decrease)	-	(100)	-	-	-	-
Closing balance	**318,551**	**164,797**	**6,313**	**45**	**671,402**	**16,415,145**

In the current year, the Bank and its subsidiaries appropriated to Bonus and Welfare funds with an amount of VND 62,589 million in accordance with Resolution of General Shareholders No. 88/NQ-DHDCD.18 dated 28 March 2018.

Movements in owners' equity of the Bank and its subsidiaries during the prior year are as follows:

	Charter capital Million VND	Share premium Million VND	Treasury shares Million VND	Other capitals Million VND	Develop-ment investment reserve Million VND	Fi... re... Mil...
Opening balance	**14,294,801**	**95,912**	**(87,709)**	**-**	**3,750**	
Net profit for the year	-	-	-	-	-	
Dividend paid for non-controlling interest	-	-	-	-	-	
Appropriation to bonus and welfare funds	-	-	-	-	-	
Difference arising from acquisition of additional shares in a subsidiary	-	-	-	-	-	
Increase in charter capital from retained earnings in a subsidiary	-	-	-	9,437	-	
Cost from shares issuance	-	-	-	-	-	
Temporary appropriation to reserves	-	-	-	-	620	
Closing balance	**14,294,801**	**95,912**	**(87,709)**	**9,437**	**4,370**	

	Financial reserve Million VND	Capital supplement-ary reserve Million VND	Other funds Million VND	Fund for capital expenditure Million VND	Retained earnings Million VND	Total Million VND
Opening balance	**292,633**	**151,508**	**1,238**	**45**	**530,506**	**15,282,684**
Net profit for the year	-	-	-	-	120,256	120,256
Dividend paid for non-controlling interest	-	-	-	-	(1,539)	(1,539)
Appropriation to bonus and welfare funds	-	-	-	-	(53,630)	(53,630)
Difference arising from acquisition of additional shares in a subsidiary	-	-	-	-	26,784	26,784
Increase in charter capital from retained earnings in a subsidiary	-	-	-	-	(11,995)	(2,558)
Cost from shares issuance	-	-	-	-	(304)	(304)
Temporary appropriation to reserves	10,442	5,531	1,882	-	(18,475)	-
Closing balance	**303,075**	**157,039**	**3,120**	**45**	**591,603**	**15,371,693**

Details of shares issued by the Bank are as follows:

	Closing balance Million VND	Opening balance Million VND
Number of authorized shares	1,523,168,810	1,429,480,104
Number of issued shares	1,523,168,810	1,429,480,104
Ordinary shares	1,523,168,810	1,429,480,104
Number of treasury shares	4,385,457	4,385,457
Ordinary shares	4,385,457	4,385,457
Number of outstanding shares	1,518,783,353	1,425,094,647
Ordinary shares	1,518,783,353	1,425,094,647
Par value of outstanding shares (VND)	10,000	10,000

The Bank has one kind of common share that has no fixed interest. The shareholders of common shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at the Bank's shareholders meetings. All shares rank equally with regard to the Bank's residual assets.

In 2018, the Bank successfully offered 93,688,706 ordinary shares. Accordingly, the total number of ordinary shares sold to the public was 1,523,168,810 shares, and the charter capital increased to VND 15,231,688,100,000.

24.2. Reserves of the Bank

The Bank makes the statutory reserves in compliance with Law on Credit Institutions No. 47/2010/QH12, Decree No. 57/2012/ND-CP and the Charter of the Bank. Statutory reserves are made based on the Bank's performance of the year as follows:

	Basis for calculation	Maximum balance	Purpose
Supplementary capital reserve	5% of profit after tax	100% of charter capital	Supplement capital, invest in construction, purchase fixed assets for business operations
Financial reserve	10% of profit after tax	Not defined	Cover remaining losses of assets incurred in business operations
Other reserves	Subject to resolution of the Annual general meeting of shareholders	Not defined	Subject to resolution of the Annual general meeting of shareholders

24.3. Dividends

During the year, the Bank has neither declared nor paid dividends to the shareholders.

25. NON-CONTROLLING INTEREST

	Current year Million VND	Prior year Million VND
Opening balance	158,632	178,724
Profit in the year	7,002	4,204
Capital contribution in the year	(3,243)	-
Acquisition of Bao Long	-	(26,784)
Cost sharing from new shares issued by Bao Long	-	(70)
Bao Long's increased charter capital from retained earnings	-	2,558
Closing balance	**162,391**	**158,632**

26. INTEREST AND SIMILAR INCOME

	Current year Million VND	Prior year Million VND
Interest income from loans to customers and other credit institutions	29,468,846	23,195,736
Interest income from investments in debt securities	2,919,015	3,141,364
Interest income from deposits	269,779	258,822
Income from guarantees	27,005	32,695
Income from other credit activities	4	12,121
	32,684,649	**26,640,738**

27. INTEREST AND SIMILAR EXPENSES

	Current year Million VND	Prior year Million VND
Interest expense on deposits	26,987,951	23,352,898
Interest expense on borrowings	1,197,960	789,353
Interest expense on valuable papers issued	1,575,781	572,674
Interest expense from other activities	16,274	34,390
	29,777,966	**24,749,315**

28. NET PROFIT FROM SERVICES

	Current year Million VND	Prior year Million VND
Income from services		
Insurance activities	787,589	845,235
Settlement services	642,515	361,482
Guarantee transactions and treasury services	5,023	4,746
Agency services	246,904	97,070
Other services	302,228	202,251
	1,984,259	**1,510,784**
Expenses on services		
Insurance activities	(37,280)	(131,276)
Settlement services	(240,295)	(87,478)
Guarantee transactions and treasury services	(9,038)	(8,660)
Agency services	(7,113)	(7,429)
Other services	(391,104)	(404,839)
	(684,830)	**(639,682)**
Net profit from services	**1,299,429**	**871,102**

29. NET GAIN FROM FOREIGN EXCHANGE TRADING

	Current year Million VND	Prior year Million VND
Income from foreign exchange trading		
Income from spot foreign exchange trading	541,316	213,318
Income from gold trading	507	4,906
Income from currency derivatives	204,366	235,745
	746,189	**453,969**
Expense on foreign exchange trading		
Expenses on spot foreign exchange trading	(190,216)	(135,271)
Expenses on gold trading	(3,123)	(1,852)
Expenses on currency derivatives	(552,158)	(303,997)
	(745,497)	**(441,120)**
Net gain from foreign exchange trading	**692**	**12,849**

30. NET GAIN FROM DEALING IN TRADING SECURITIES

	Current year Million VND	Prior year Million VND
Income from dealing in trading securities	31,834	23,852
Expense on dealing in trading securities	(14,400)	(13,132)
Charge/(Reversal) of provision for impairment of trading securities	(3,396)	4,779
	14,038	**15,499**

31. NET GAIN FROM DEALING IN INVESTMENT SECURITIES

	Current year Million VND	Prior year Million VND
Income from dealing in investment securities	571,327	816,423
Expense on dealing in investment securities	(128,823)	(198,224)
Expense on trading investment securities	(18,981)	(21,657)
Reversal of provision for impairment of investment securities *(Note 13,6)*	-	13,729
	423,523	**610,271**

32. NET PROFIT FROM OTHER ACTIVITIES

	Current year Million VND	Prior year Million VND
Other operating income	**2,633,444**	**1,047,050**
Interest income is deferred from debts	1,965,027	-
Earnings from bad debts were sold to VAMC	325,478	-
Income from selling bad debts	121,193	913,900
Recovery from bad debts written-off	170,277	125,260
Income from disposals of fixed assets	24,926	1,207
Proceeds from compensation due to non-performance of contracts	4,106	-
Other income	22,437	6,683
Other operating expenses	**(754,490)**	**(57,271)**
Expenses on debts sold and assets pledged	(737,537)	(436)
Disposal of fixed assets expense	-	(52,079)
Other expenses	(16,953)	(4,756)
Net profit from other activities	**1,878,954**	**989,779**

33. INCOME FROM CAPITAL CONTRIBUTION, SHARE PURCHASE

	Current year Million VND	Prior year Million VND
Dividends and profit received during the year	1,555	6,019
Income from divestment of Vietnam Investment Fund	6,757	-
Reversal of provision for devaluation of long-term investment	-	116
	8,312	**6,135**

34. OPERATING EXPENSES

	Current year Million VND	Prior year Million VND
Tax payment and other fees	**7,140**	**6,884**
Personnel expenses	**1,897,591**	**1,395,267**
- Salary and allowances	1,689,652	1,223,444
- Salary-related allowances	116,904	100,920
- Meal allowances	60,674	51,089
- Uniform allowances	25,283	15,204
- Spending allowances	2,294	2,403
- Other allowances	2,784	2,207
Expenses for assets	**620,839**	**542,644**
- Depreciation and amortisation charged	223,962	205,941
- Repair and maintenance expenses	118,873	102,624
- Insurance coverage for assets	6,930	5,871
- Office rental expenses	200,010	166,728
- Tools and equipment expenses	71,064	61,480
Expense for general affairs and administration	**110,181**	**83,981**
- Union activities	80,314	62,126
- Business trip expenses	29,867	21,854
Deposit insurance expense	**500,234**	**435,168**
Other operating expenses	**992,684**	**876,421**
- General management expense	558,474	500,355
- Meeting and conference expenses	194,967	163,992
- Marketing, advertising and promotion expenses	175,140	156,185
- Printing expense	48,413	44,588
- Telecommunication expense	8,409	7,199
- Training expense	7,281	4,103
- Provision for devaluation of long-term investment	40	-
Charge of provision for other risks *(Note 16.5)*	**12,180**	**2,823**
	4,140,889	**3,343,188**

35. CORPORATE INCOME TAX EXPENSE

Current corporate income tax expense

	Current year Million VND	Prior year Million VND
Current corporate income tax expense		
- Corporate income tax expense based on current taxable profit	53,888	36,771
- Adjustment of previous years corporate income tax expense to current corporate income tax	765	1,696
Total current corporate income tax expense	**54,653**	**38,467**

The current corporate income tax for the year is calculated as follows:

	Current year Million VND	Prior year Million VND
Profit before tax from operating	**228,798**	**163,992**
Adjustments due to consolidation of financial statements	19,477	8,161
Profit before tax after adjustments on consolidation of financial statements	**248,275**	**172,153**
Adjustments:		
Less:		
Non-taxable dividends income	(21,108)	(14,692)
Other adjustments	(21)	(10)
Add:		
Non-deductible expenses	42,291	26,404
Taxable profit	**269,437**	**183,855**
Taxable profit at normal tax rate of 20%	*269,437*	*183,855*
Current corporate income tax expense of the Bank and its subsidiaries	**53,888**	**36,771**

The Bank and its subsidiaries have the obligation to pay corporate income tax at the rate of 20% of current year taxable profit.

Tax declarations of the Bank and its subsidiaries are subject to examination by the tax authorities. Due to the ambiguity associated with the applicability of tax laws and regulations in Vietnam, amounts reported in the consolidated financial statements could be changed at a later date upon final determination by the tax authorities.

Deferred corporate income tax expense

The followings are the deferred tax assets recognised by the Bank and its subsidiaries, and the movements thereon, during the current and previous years:

	Consolidated balance sheet (Million VND)		Effect on the consolidated income statement (Million VND)	
	Closing balance	Opening balance	Current year	Prior year
Decrease in gross written premium according to Circular 50	3,019	634	2,385	(79)
Performance bonus for employees	-	-	-	(1,000)
Provision for impairment of long-term investments	832	832	-	15
Provision for impairment of doubtful debts	831	616	215	162
Other provisions	-	527	(527)	-
Accrued expenses	142	276	(134)	(157)
Severance allowance	632	560	72	(6)
Taxable profit from house and land use right selling in previous year not yet accrued by end of this year	797	797	-	-
Provision for Vinashin bonds	301	301	-	-
Expense paid to Direct Money	-	-	-	-
Deferred tax asset/Deferred tax expense	**6,554**	**4,543**	**2,011**	**(1,065)**

36. BASIC EARNINGS PER SHARE

Basic earnings per share are calculated by dividing net profit after tax attributable to ordinary shareholders of the Bank (after adjustments for appropriation of bonus and welfare funds) by the weighted average number of ordinary shares outstanding during the year.

Data used in computation of basic earnings per share of the Bank is as follows:

	Current year	Prior year
Net profit after tax attributable to the common shareholders to calculate basis earnings per share (million VND)	169,154	120,256
Decrease due to appropriation to Bonus and Welfare funds (million VND) (*)	(79,444)	(62,589)
Net profit after tax attributable to the common shareholders to calculate basis earnings per share (million VND)	89,710	57,667
Weighted average number of outstanding ordinary shares (shares)	1,442,805,685	1,425,094,647
Basic earnings per share (VND/share)	**62**	**40**

(*) Appropriation to Bonus and Welfare funds in 2018 is estimated by one month of average salary in 2018.

37. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the consolidated cash flow statement comprise the following amounts on the consolidated balance sheet:

	Closing balance Million VND	Opening balance Million VND
Cash and gold	2,555,584	2,655,088
Balances with the State Bank of Vietnam	4,886,943	9,235,546
Demand deposits with other credit institutions *(Note 8.1)*	26,888,671	22,220,073
Deposits with other credit institutions with term of three months or less *(Note 8.1)*	726,035	1,350,500
	35,057,233	**35,461,207**

Additional information for cash flows:

	Current year Million VND	Prior year Million VND
Significant non-cash transactions excluded from the consolidated cash flow statement:		
Debts sold to VAMC for special bonds (Note 13.4)	(8,109,000)	(12,762,438)
Settlement of special bonds	1,410,985	2,706,680
Income from selling debts	306,000	913,900
Costs from debt selling operations	(437,537)	-
Selling debts	(33,197,041)	(1,309,480)
	(40,026,593)	**(10,451,338)**

38. EMPLOYEES' INCOME

	Current year	Prior year
I. Total average number of employees *(people)*	**6,798**	**5,957**
II. Employees' income *(million VND)*		
1. Total salary	1,276,020	997,534
2, Other income	129,144	190,728
3. Total income (3=1+2)	1,405,164	1,188,262
4. Average salary per month *(million VND/person)*	15.64	13.95
5. Average income per month *(million VND/person)*	17.23	16.62

39. CONCENTRATION OF ASSETS, LIABILITIES AND OFF-BALANCE SHEET ITEMS BY GEOGRAPHICAL REGIONS

	Domestic Million VND	Overseas Million VND	Total Million VND
Assets as at 31 December 2018			
Placements with and loans to other credit institutions	27,715,291	553,640	28,268,931
Trading securities - gross	38,987	-	38,987
Loans to customers - gross	301,892,246	-	301,892,246
Purchased debts - gross	12,374	-	12,374
Investment securities - gross	64,331,495	-	64,331,495
Long-term investments - gross	26,688	-	26,688
Liabilities as at 31 December 2018			
Deposits and borrowings from other credit institutions	55,673,261	16,315	55,689,576
Deposits from customers	384,914,010	-	384,914,010
Valuable papers issued	33,424,218	-	33,424,218
Off-balance-sheet commitments as at 31 December 2018	33,458,829	-	33,458,829

40. SEGMENT REPORT

40.1. Main segment report: by geographical region

	South Million VND	North Million VND	Central Million VND	Total segment reported Million VND	Eliminations Million VND	Total Million VND
For the year ended 31 December 2018						
Interest and similar income	119,776,382	11,934,384	1,893,555	133,604,321	(100,919,672)	32,684,649
Interest and similar expenses	(119,037,329)	(10,042,753)	(1,617,556)	(130,697,638)	100,919,672	(29,777,966)
Net interest income	739,053	1,891,631	275,999	2,906,683	-	2,906,683
Non-interest income	3,698,881	(141,934)	68,001	3,624,948	-	3,624,948
TOTAL OPERATING INCOME	**4,437,934**	**1,749,697**	**344,000**	**6,531,631**	**-**	**6,531,631**
TOTAL OPERATING EXPENSES	**(3,274,490)**	**(701,642)**	**(164,757)**	**(4,140,889)**	**-**	**(4,140,889)**
Profit before credit loss expenses	1,163,444	1,048,055	179,243	2,390,742	-	2,390,742
Credit loss expenses	(2,112,630)	(27,569)	(21,745)	(2,161,944)	-	(2,161,944)
PROFIT BEFORE TAX	**(949,186)**	**1,020,486**	**157,498**	**228,798**	**-**	**228,798**
Corporate income tax expenses	(52,642)	-	-	(52,642)	-	(52,642)
NET PROFIT FOR THE YEAR	**(1,001,828)**	**1,020,486**	**157,498**	**176,156**	**-**	**176,156**
As at 31 December 2018						
ASSETS						
Cash, gold and balances with the SBV	6,885,374	437,552	119,601	7,442,527	-	7,442,527
Placements with and loans to other credit institutions	28,268,642	48	241	28,268,931	-	28,268,931
Derivatives and other financial assets	65,087	102	-	65,189	-	65,189
Trading securities	25,839	-	-	25,839	-	25,839
Loans to customers	289,301,411	6,416,727	3,456,081	299,174,219	-	299,174,219
Purchasing debts	11,755	-	-	11,755	-	11,755
Investments	59,535,604	-	-	59,535,604	-	59,535,604
Other assets	(42,707,116)	140,586,065	16,659,221	114,538,170	(108,718)	114,429,452
TOTAL ASSETS	**341,386,596**	**147,440,494**	**20,235,144**	**509,062,234**	**(108,718)**	**508,953,516**
LIABILITIES						
Borrowings from the SBV	5,134,323	-	-	5,134,323	-	5,134,323
Deposits and borrowings from other credit institutions	49,174,028	6,515,548	-	55,689,576	-	55,689,576
Deposits from customers	239,382,631	127,726,936	17,804,443	384,914,010	-	384,914,010
Valuable papers issued	23,842,704	7,810,514	1,771,000	33,424,218	-	33,424,218
Other liabilities	8,453,356	4,367,011	502,204	13,322,571	(108,718)	13,213,853
TOTAL LIABILITIES	**325,987,042**	**146,420,009**	**20,077,647**	**492,484,698**	**(108,718)**	**492,375,980**

40.2. Secondary segment report: by business sector

The Board of Management of the Bank considered, assessed and determined that it is not necessary to prepare a segment report by business lines since the main operations of the Bank are mobilizing and receiving short, medium and long-term deposits from organisations and individuals; providing short, medium and long-term loans to organisations and individuals and other banking services as allowed by the SBV. The business performance is presented in the revenue and operating expense in the consolidated income statement.

41. ASSETS AND VALUABLE PAPERS PLEDGED, DISCOUNTED AND RE-DISCOUNTED

41.1. Assets and valuable papers of customers and other credit institutions pledged, discounted and re-discounted

(a) Types and book value of collaterals of customers at the year end are as follows:

	Book value	
	Closing balance Million VND	Opening balance Million VND
Real estates	432,613,069	376,910,649
Valuable papers	31,645,121	33,759,802
Motor vehicles	5,292,694	4,444,742
Inventories	1,515,417	1,763,513
Machineries and equipment	257,767	314,375
Other assets	124,653,708	68,771,790
	595,977,776	**485,964,871**

(b) Assets and valuable papers of credit institutions pledged and re-discounted:

	Face value	
	Closing balance Million VND	Opening balance Million VND
Valuable papers *(face value)*	-	**50,000**

41.2. The Bank's assets and valuable papers pledged, discounted and re-discounted at other credit institutions

Details of the Bank's assets and valuable papers pledged, discounted and re-discounted at other credit institutions at the year end are as follows:

	Closing balance Million VND	Opening balance Million VND
Government bonds *(Note 13.1, Section a)*	29,850,404	38,486,063
	29,850,404	**38,486,063**

42. RISK MANAGEMENT POLICY FOR FINANCIAL INSTRUMENTS

The Bank's objective is to manage its risk adequately within the approved limits. Therefore, the use of financial instruments, including receiving deposits from customers and investing in high-quality assets to achieve sufficient interest margins, is the core activity of the Bank. From risk management perspective, this primarily involves maintaining loans to commercial and retail borrowers of varied creditworthiness, in both local and foreign currencies, as well as off-balance sheet commitments such as guarantees and letters of credit. The Bank also places its mobilized funds in loans to other credit institutions. Foreign exchange and interest rate exposures are managed through the use of position limits, avoiding undue concentrations and entering into counterbalancing positions in order to offset exposures.

By holding high quality financial instruments, the Bank is able to manage significant risks in its operating activities and to maintain an adequate liquidity position.

For credit risk management purpose, the Bank has effectively utilised its Credit management manual providing regulations and requirements for lending and guidance to standardise the credit activities at the Bank. Liquidity risk is limited by maintaining a large amount of high-quality financial instruments, cash and cash equivalents in the form of Nostro account, balances with the SBV and placements with other credit institutions. Prudential ratios are also used in liquidity risk management. The Bank assesses the interest rate gap and compares it to the benchmark of domestic and foreign markets on a regular basis in order to timely adapt with unforeseen movements. Additionally, the more effective utilisation of internal risk management enables the Bank to effectively oversee changes in capital and reduce potential mistakes and also unnecessary procedures.

43. CREDIT RISK

Credit risk is the risk that the Bank will incur a loss because its customers or counterparties fail to discharge their contractual obligations.

The Bank manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for geographical and industry concentrations, and by monitoring exposures in relation to such limits.

The Bank has established a credit quality review process to provide early identification of possible changes in the financial position and creditworthiness of counterparties based on qualitative and quantitative indicators. Counterparty limits are established by the use of a credit rating system, which assigns each counterparty a risk rating. Risk ratings are subject to regular revision.

The actual rate of balances with the SBV, placements with and loans to other credit institutions, loans to customers, deposits and borrowings from other credit institutions and deposits from customers are presented at *Note 7, Note 8, Note 10, Note 18 and Note 19*, respectively.

43.1. Financial assets neither past due nor impaired

The Bank's financial assets which are neither past due nor impaired comprise loans to customers classified as Current loans in accordance with Circular 02 and Circular 09; securities, receivables and other financial assets which are neither past due nor require provision in accordance with Circular No. 228 and Circular No. 89.

The Bank believes that it can fully and timely recover these financial assets in the near future.

43.2. Financial assets past due but not impaired

The age of financial assets past due but not impaired are presented below:

	Overdue			
	Less than 90 days Million VND	From 91 to 180 days Million VND	From 181 to 360 days Million VND	Over 360 days Million VND
Loans to customers	289,075	18,903	50,543	232,910

Loans to customers past due but not impaired are those which are overdue but not required to make provision as the Bank currently holds adequate collaterals such as responding deposits, real estates, movable assets, valuable papers and other types of collaterals.

44. MARKET RISKS

44.1. Interest rate risk

Interest rate risk in bank is the risk of adverse changes in interest rates on income, asset value, value of payable debts and off-balance commitment value of the Bank arising from:

- Difference in time to fix new interest rates or interest rate re-pricing periods;
- Change the relationship between interest rates of different financial instruments but at the same time of maturity;
- Change the relationship between interest rates at different terms
- Impact from interest rate options, products with interest rate options.

Re-pricing term of the effective interest rate is the remaining year from the date of the consolidated financial statements to the nearest re-pricing date of interest rate applicable to assets and equity.

The following assumptions and conditions are used in analysis of the re-pricing year of interest rates of the Bank's assets and liabilities:

- Cash and gold; investment and trading in equity securities; long-term investment and other assets (including fixed assets, investment properties and other assets) are classified as non-interest bearing items.
- The re-pricing term of balances with the SBV is considered as up to 1 month.
- The re-pricing term of investment securities is considered based on the re-pricing term of each kind of investment securities at the year end.
- The re-pricing term of placements with and loans to other credit institutions; loans to customers; borrowings from the Government and SBV; deposits and borrowings from other credit institutions; deposits from customer are determined as follows:

  - Items which bear fixed interest rate during the contractual term: The re-pricing term is determined based on the time to maturity from the balance sheet date.

  - Items which bear floating interest rate: The re-pricing term is determined based on the time to the nearest interest rate re-pricing date from the balance sheet date.

- The re-pricing term of valuable papers is determined based on the time to the nearest interest rate re-pricing date from the balance sheet date.
- The re-pricing term of grants, trusted funds and borrowings at risk of the credit institution is determined based on the re-pricing date as stated in the contracts (if any) or actual maturity dates.
- With the prudent point of view that maturity term of deposits which were mobilised from the First market close before the financial reporting date (being due but not yet settled by the customers), is the liabilities that the Bank and its subsidiaries must make the highest priority to settle payment for counter parties or clients. Accordingly, the entire balances of these mobilised items were set to re-pricing immediately to ensure measuring timely and fully the impact of market interest to the Bank's profit.

Interest management policy of the Bank:

For interbank lending (short-term), investment interest rate is based on the fluctuation of market and the cost of fund of the Bank.

The Bank forecasts fluctuation of market interest rate and the fund balancing ability in order to make appropriate investment decisions.

Interest rate for fund mobilisation is determined based on the following principles: market price, business orientation of the Bank's Management, the Bank's balance of fund and regulations of the State Bank of Vietnam. The Bank's fund mobilisation mainly has short period of interest rate re-pricing.

Interest rate for credit activities is determined at the rate that sufficiently recovers cost of capital, operating expenses, risk analysis, value of collaterals, market interest rates, competitiveness and business effectiveness of the Bank. The Head Office sets the interest rate floor for each year; business units proactively and appropriately determine interest rates applied to customers for each year but no less than the interest rate floor based on judgment and analysis of credit risk and the given profit target to be achieved.

The Bank manages interest rate risk at 2 levels: transaction level and portfolio level.

Management tools and interest monitoring of the Bank:

- Adjust the term of interest re-pricing of loans in accordance with the term of revaluating of the captital. Control the difference of the term of revaluating in the permited extent;
- All loan contracts must have provisons of interest risk hedging to ensure that the Bank always in the active position to face with the unsual changes of the market, loan interest rate must ensure the accurate reflection of capital mobilisation expenses of the Bank;
- Monitor through fund transfer pricing (FTP).

With experience and quick adaptability of the Bank's Board of Management, the Bank has managed its mobilisation as well as lending interest rates in a prudent and flexible manner to ensure business efficiency and increase the market share.

44.1. Interest rate risk (Continued)

	Overdue Million VND	Non-interest bearing Million VND	Interest re-pricing year						Total Million VND
			Up to 1 month Million VND	From 1 to 3 months Million VND	From 3 to 6 months Million VND	From 6 to 12 months Million VND	From 1 to 5 years Million VND	Over 5 years Million VND	
Assets									
Cash and gold	-	2,555,584	-	-	-	-	-	-	2,555,584
Balances with the SBV	-	-	4,886,943	-	-	-	-	-	4,886,943
Placements with and loans to other credit institutions - gross	-	-	27,443,191	371,280	292,402	-	162,058	-	28,268,931
Trading securities - gross	-	-	38,987	-	-	-	-	-	38,987
Derivatives and other financial assets	-	65,189	-	-	-	-	-	-	65,189
Loans to customers - gross	1,846,153	-	136,434,738	105,568,591	10,226,418	45,281,246	2,535,100	-	301,892,246
Investment securities -gross	-	26,712,322	399,996	1,184,363	4,529,503	5,984,259	11,606,500	13,914,552	64,331,495
Other long-term investments - gross	-	26,688	-	-	-	-	-	-	26,688
Fixed assets	-	3,881,323	-	-	-	-	-	-	3,881,323
Other assets - gross (*)	3,009,456	73,170,569	3,279,992	863,118	10,138,701	17,474,128	3,664,629	-	111,600,593
Total assets	**4,855,609**	**106,411,675**	**172,483,847**	**107,987,352**	**25,187,024**	**68,739,633**	**17,968,287**	**13,914,552**	**517,547,979**
Liabilities									
Borrowings from the SBV	-	-	5,103,732	2,908	13,500	14,183	-	-	5,134,323
Deposits and borrowings from other credit institutions	-	-	37,193,000	13,431,717	663,729	4,401,130	-	-	55,689,576
Deposits from customers	-	-	71,076,984	65,509,617	102,062,727	96,778,082	49,486,525	75	384,914,010
Valuable papers issued	-	-	4,362,600	2,276,500	9,995,300	9,078,818	7,711,000	-	33,424,218
Other liabilities	-	13,213,853	-	-	-	-	-	-	13,213,853
Total liabilities	**-**	**13,213,853**	**117,736,316**	**81,220,742**	**112,735,256**	**110,272,213**	**57,197,525**	**75**	**492,375,980**
Interest sensitivity gap	**4,855,609**	**93,197,822**	**54,747,531**	**26,766,610**	**(87,548,232)**	**(41,532,580)**	**(39,229,238)**	**13,914,477**	**25,171,999**

(*) Include the debt purchased - gross on the consolidated balance sheet.

44.1. Interest rate risk (Continued)

Interest rate sensitivity

With the assumption that all other variables are held constant, movements in the interest rates of floating-interest rate-loans would affect the Bank's profit before tax and equity for the year as follows:

	Increase/(decrease) in basic point	Effect on profit before tax (in the next month)	Effect on equity
Exchange	+10	2,281	352,000
Exchange	-10	(2,281)	(352,000)

The increase/(decrease) in basic point used to analyze the interest rate sensitivity is assumed according to observable conditions of the current market.

44.2. Currency risk

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

The Bank was incorporated and operates in Vietnam, so VND is the reporting currency. The major currency in which the Bank transacts is also VND. However, some transactions are executed by gold or denominated in USD, EUR and other foreign currencies. The Bank's management has set limits to control the positions of the currencies. Positions are monitored on a daily basis and hedging strategies are used to ensure that positions of the currencies are maintained within established limits.

The exchange rates of key foreign currencies to VND at the reporting date are presented at Note 50.

Classification of assets and liabilities denominated in foreign currencies translated into VND as at year end is as follows:

	EUR equivalent Million VND	USD equivalent Million VND	Gold equivalent Million VND	Other currencies equivalent Million VND	Total Million VND
Assets					
Cash and gold	89,137	646,375	46,676	203,204	985,392
Balances with the SBV	-	22,094	-	-	22,094
Placements with and loans to other credit institutions - gross	121,243	6,050,808	-	108,216	6,280,267
Derivatives and other financial assets	326,504	2,652,775	-	690,611	3,669,890
Loans to customers - gross	-	573,942	7,179	-	581,121
Other assets - gross	2,591	4,909,679	-	4,659	4,916,929
Total assets	**539,475**	**14,855,673**	**53,855**	**1,006,690**	**16,455,693**
Liabilities					
Deposits and borrowings from other credit institutions	-	6,652,253	-	-	6,652,253
In which: deposits and borrowing from overseas credit institutions	-	16,315	-	-	16,315
Deposits from customers	530,441	7,434,400	-	986,584	8,951,425
Derivatives and other financial liabilities	-	-	-	13,679	13,679
Other liabilities	5,093	56,082	-	20,200	81,375
Total liabilities	**535,534**	**14,142,735**	**-**	**1,020,463**	**15,698,732**
On-balance sheet foreign exchange position	**3,941**	**712,938**	**53,855**	**(13,773)**	**756,961**
Off-balance sheet foreign exchange position	**290,758**	**857,698**	**-**	**700,355**	**1,848,811**
On and off-balance sheet foreign exchange position	**294,699**	**1,570,636**	**53,855**	**686,582**	**2,605,772**

44.3. Liquidity risk

Liquidity risk is the risk which the Bank has difficulties in meeting the obligations of financial liabilities. Liquidity risk occurs when the Bank cannot afford to settle debt obligations at the due dates in the normal or stress conditions. To manage the liquidity risk exposure, the Bank has diversified the mobilisation of deposits from various sources in addition to its basic capital resources. In addition, the Bank has established policy for control of liquidity assets flexibly; monitor the future cash flows and daily liquidity. The Bank has also evaluated the estimated cash flows and the availability of current collateral assets in case of obtaining more deposits.

The maturity term of assets and liabilities represents the remaining period of assets and liabilities as calculated from the balance sheet date to the settlement date in accordance with contractual terms and conditions.

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

- Balances with the SBV are classified as demand deposits which include compulsory deposits. The balance of compulsory deposits depends on the proportion and terms of the Bank's customer deposits and regulations of the SBV in each period.

- The maturity term of investment securities is calculated based on the maturity date and liquidity of each kind of securities.

- The maturity term of placements with and loans to other credit institutions; and loans to customers is determined on the maturity date as stipulated in contracts. The actual maturity term may be altered because loan contracts may be extended.

- The maturity term of long-term investments is considered as from one to five years because these investments do not have specific maturity date.

- The maturity term of fixed assets is classified in the above five-year category as most of the Bank's fixed assets are buildings, structures and land use rights.

- The maturity term of deposits and borrowings from other credit institutions and customer deposits are determined based on features of these items or the maturity date as stipulated in contracts. Vostro account and demand deposits are transacted as required by customers, and therefore, being classified as current accounts. The maturity term of borrowings and term deposits is determined based on the maturity date in contracts. In fact, these amounts may be rotated, and therefore, they last beyond the original maturity date.

44.3. Liquidity risk (Continued)

	Overdue		Current					
	Up to 3 months Million VND	Above 3 months Million VND	Up to 1 month Million VND	1 - 3 months Million VND	3 - 12 months Million VND	1 - 5 years Million VND	Above 5 years Million VND	Total Million VND
Assets								
Cash and gold	-	-	2,555,584	-	-	-	-	2,555,584
Balances with the SBV	-	-	4,886,943	-	-	-	-	4,886,943
Placements with and loans to other credit institutions - gross	-	-	27,443,191	371,280	292,402	162,058	-	28,268,931
Trading securities - gross	-	-	38,987	-	-	-	-	38,987
Derivatives and other financial assets	-	-	-	65,189	-	-	-	65,189
Loans to customers - gross	579,716	1,266,437	16,864,048	24,785,501	149,344,890	36,497,705	72,553,949	301,892,246
Investment securities - gross	-	-	31,933,460	600,000	5,091,349	14,336,393	12,370,293	64,331,495
Other long-term investments - gross	-	-	-	-	-	26,688	-	26,688
Fixed assets	-	-	-	-	-	-	3,881,323	3,881,323
Other assets - gross (*)	1,860,247	1,149,209	6,520,994	6,114,889	44,533,841	31,535,761	19,885,652	111,600,593
Total assets	2,439,963	2,415,646	90,243,207	31,936,859	199,262,482	82,558,605	108,691,217	517,547,979
Liabilities								
Borrowings from the SBV	-	-	5,103,732	2,908	27,683	-	-	5,134,323
Deposits and borrowings from other credit institutions	-	-	37,193,000	13,431,717	5,064,859	-	-	55,689,576
Deposits from customers	-	-	71,076,984	65,509,617	198,840,809	49,486,525	75	384,914,010
Valuable papers issued	-	-	4,362,600	2,276,500	19,074,118	83,000	7,628,000	33,424,218
Other liabilities	-	-	1,871,192	2,871,027	6,771,552	1,331,648	368,434	13,213,853
Total liabilities	-	-	119,607,508	84,091,769	229,779,021	50,901,173	7,996,509	492,375,980
Net liquidity gap	**2,439,963**	**2,415,646**	**(29,364,301)**	**(52,154,910)**	**(30,516,539)**	**31,657,432**	**100,694,708**	**25,171,999**

(*) Include the debt purchased - gross on the consolidated balance sheet.

44.3. Liquidity risk (Continued)

In addition to the liquidity risk management based on the maturity year as presented above, the Bank has focused on managing the liquidity risk in accordance with the active liquidity method together with measuring and controlling tightly the renewal rate of customer deposits. The Bank has set the warning level for the renewal rate of deposits to ensure the rate is controlled under the Bank's objectives. The liquidity risk was managed under the renewal rate of customer deposits as at 31 December 2018 as follows:

	Overdue		Current					
	Up to 3 months Million VND	Above 3 months Million VND	Up to 1 month Million VND	1 - 3 months Million VND	3 - 12 months Million VND	1 - 5 years Million VND	Above 5 years Million VND	Total Million VND
Assets								
Cash and gold	-	-	2,555,584	-	-	-	-	2,555,584
Balances with the SBV	-	-	4,886,943	-	-	-	-	4,886,943
Placements with and loans to other credit institutions - gross	-	-	27,443,191	371,280	292,402	162,058	-	28,268,931
Trading securities - gross	-	-	38,987	-	-	-	-	38,987
Derivatives and other financial assets	-	-	-	65,189	-	-	-	65,189
Loans to customers - gross	579,716	1,266,437	16,864,048	24,785,501	149,344,890	36,497,705	72,553,949	301,892,246
Investment securities - gross	-	-	31,933,460	600,000	5,091,349	14,336,393	12,370,293	64,331,495
Other long-term investments - gross	-	-	-	-	-	26,688	-	26,688
Fixed assets	-	-	-	-	-	-	3,881,323	3,881,323
Other assets - gross (*)	1,860,247	1,149,209	6,520,994	6,114,889	44,533,841	31,535,761	19,885,652	111,600,593
Total assets	2,439,963	2,415,646	90,243,207	31,936,859	199,262,482	82,558,605	108,691,217	517,547,979
Liabilities								
Borrowings from the SBV	-	-	5,103,732	2,908	27,683	-	-	5,134,323
Deposits and borrowings from other credit institutions	-	-	37,193,000	13,431,717	5,064,859	-	-	55,689,576
Deposits from customers	-	-	28,262,091	16,541,585	74,956,904	265,153,355	75	384,914,010
Valuable papers issued	-	-	4,362,600	2,276,500	19,074,118	83,000	7,628,000	33,424,218
Other liabilities	-	-	1,871,192	2,871,027	6,771,552	1,331,648	368,434	13,213,853
Total liabilities	-	-	76,792,615	35,123,737	105,895,116	266,568,003	7,996,509	492,375,980
Net liquidity gap	**2,439,963**	**2,415,646**	**13,450,592**	**(3,186,878)**	**93,367,366**	**(184,009,398)**	**100,694,708**	**25,171,999**

(*) Include the debt purchased gross on the consolidated balance sheet

The Bank applies the possibility of renewal of customer deposits at the rate of 80% (According to the Bank's statistics, the renewal rate in 2018 ranges from 80% to 85%).

44.4. Market price risk

Except for the assets and liabilities presented above, the Bank has no other market price risks which have risk level accounting for 5% of net profit or the value of assets, liabilities accounting for 5% of total assets.

45. CONTINGENT LIABILITIES AND COMMITMENTS

In the normal course of business, the Bank is a party to financial instruments which are recorded as off-balance sheet items. These financial instruments mainly comprise guarantee commitments and commercial letters of credit. These instruments involve elements of credit risk out of the items recognised in the consolidated balance sheet.

Credit risk for off-balance sheet financial instruments is defined as the possibility of sustaining a loss because any other party to a financial instrument fails to perform in accordance with the terms of the contract.

Financial guarantees are conditional commitments issued by the Bank to guarantee the performance of a customer to a third party including guarantee for borrowings, settlement, contract performance and bidding. The credit risk involved in issuing guarantees is essentially the same as that involved in extending loans to other customers.

Commercial at sight letters of credit represents a financing transaction by the Bank to its customer who is usually the buyer/importer of goods and the beneficiary is typically the seller/exporter. Credit risk from this type of letters of credit is limited as the merchandise shipped serves as collateral for the transaction.

Deferred payment letters of credits represent the amounts at risk should the contract be fully effected but the client defaults on repayment to the beneficiary. Deferred payment letters of credit that are defaulted by clients are recognised by the Bank as granting of a compulsory loan with a corresponding liability representing the financial obligation of the Bank and its subsidiaries to pay the beneficiaries and to fulfill the guarantor obligation.

Guarantee commitment is the commitment issued by the Bank to guarantee the performance of the customers to a third party including guarantee for borrowings, settlement, performing contracts and bidding. Credit risk of the borrowing guarantee, settlement guarantee in general is essentially the same as that involved in extending loans to other customers, while risk arising from other guarantees is lower.

Risk of the Letter of credit is usually lower, in condition that the Bank can control goods. Deferred Letter of credit may have contingent risk higher than at sight Letter of Credit. Deferred payment letters of credit that were defaulted by clients are recognised by the Bank as granting of a compulsory loan with a corresponding liability representing the financial obligation of the Bank to pay the benificiaries and to fulfill the guarantor obligation.

The Bank requires margin deposits to support credit-related financial instruments when it is deemed necessary. The margin deposit required varies from nil to 100% of the value of a commitment granted, depending on the creditworthiness of clients as assessed by the Bank.

The currency trading commitments are commitments to purchase, sell at spot and currency swap commitments. Commitments to purchase, sell at spot are commitments to purchase, sell currency according to exchange rate dealt and make payment within 2 (two) days since transaction date. Currency swap commitments are commitments to purchase and sell with the notional principal amount (only two currencies used for transaction) to one client, including one transaction for term payment at spot and one transaction for term payment in the future with the exchange rate of both transactions determined at spot transaction date.

Details of outstanding commitments and contingent liabilities as at year-end are as follows:

	Closing balance Million VND	Opening balance Million VND
Guarantees for loans	**50,436**	**74,531**
Commitments on trading foreign currencies	**23,199,575**	**29,573,214**
Commitments on buying foreign currencies	860,291	1,608,907
Commitments on selling foreign currencies	280,087	1,407,219
Commitments on swap	22,059,197	26,557,088
Letters of credit	**5,037,945**	**285,588**
Other guarantees	**5,157,115**	**12,057,115**
Guarantees for payment	4,012,477	11,104,728
Guarantees for contract performance	121,782	384,419
Guarantees for bidding	112,151	100,508
Other guarantees	910,705	467,460
Other commitments	**13,758**	**1,218,130**
	33,458,829	**43,208,578**
Less: Margin deposits	(210,171)	(37,692)
Contingent liabilities and commitments	**33,248,658**	**43,170,886**

46. FINANCIAL INSTRUMENT

Capital risk management

The Bank manages its capital to ensure that the Bank will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance. The capital structure of the Bank consists of net debt, equity attributable to the Bank's shareholders (comprising contributed capital, reserves and retained earnings).

Significant accounting policies

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the bases of measurement, and the bases for recognition of income and expenses) for each class of financial assets, financial liabilities and equity instrument are disclosed in Note 5.

The carrying amount and fair value of the Bank's financial instruments as at 31 December 2018 are presented as below:

	Carrying amount		Fair value (*)	
	Closing balance Million VND	Opening balance Million VND	Closing balance Million VND	Opening balance Million VND
Cash and gold	2,555,584	2,655,088	2,555,584	2,655,088
Balances with the State Bank of Vietnam	4,886,943	9,235,546	4,886,943	9,235,546
Placements with and loans to other credit institutions	28,268,931	24,048,346	28,268,931	24,048,346
Trading securities	25,839	61,926	(*)	(*)
Derivatives and other financial assets	65,189	-	(*)	(*)
Loans to customers	299,174,219	264,150,725	(*)	(*)
Purchased debts	10,955	11,755	(*)	(*)
Available-for-sale securities	31,923,708	43,170,629	(*)	(*)
Held-to-maturity securities	27,585,410	30,648,122	(*)	(*)
Long-term investments	26,486	28,626	(*)	(*)
Other financial assets	109,620,804	65,196,679	(*)	(*)
Borrowings from the State Bank of Vietnam	5,134,323	38,134	(*)	(*)
Deposits and borrowings from other credit institutions	55,689,576	64,387,247	(*)	(*)
Deposits from customers	384,914,010	346,402,517	(*)	(*)
Derivatives and other financial liabilities	-	37,444	(*)	(*)
Valuable papers issued	33,424,218	6,924,000	(*)	(*)
Other liabilities	13,208,852	10,712,081	(*)	(*)

(*) Since Vietnam Accounting Standards and Accounting System provides no specific guidance on the fair value determination of financial instruments, the fair value of these items cannot be determined.

Financial assets used as collaterals

Details of financial assets of the Bank which are used as collaterals of the loans or being transferred under repurchase agreements with the SBV and other credit institutions are as follows:

	Closing balance		Opening balance	
	Carrying value Million VND	Related obligations Million VND	Carrying value Million VND	Related obligations Million VND
Government bonds	29,850,404	29,776,691	38,486,063	39,037,485
	29,850,404	**29,776,691**	**38,486,063**	**39,037,485**

47. OPERATING LEASE COMMITMENTS, OPERATING FOR LEASING COMMITMENTS AND FIDUCIARY ASSETS

47.1. Operating lease commitments - the Bank as lessee

	Closing balance Million VND	Opening balance Million VND
Irrevocable operating lease commitments		
Due within one year	159,546	122,907
Due from one to five years	300,274	261,083
Due after five years	24,343	49,036
	484,163	**433,026**

47.2. Operating lease commitments - the Bank as lessor

	Closing balance Million VND	Opening balance Million VND
Irrevocable operating for leasing commitments		
Due within one year	16,594	29,084
Due from one to five years	12,021	24,234
	28,615	**53,318**

47.3. Fiduciary assets

	Closing balance Million VND	Opening balance Million VND
Gold kept on behalf of customers	**220,932**	**338,686**

48. RELATED PARTY BALANCES AND TRANSACTIONS

Significant transactions with related parties during the year are as follows:

Related party	Transactions	Current year Million VND	Prior year Million VND
Companies in which the Bankhas long-term investments			
Saigon - Kim Lien Joint Stock Company	Deposits taken	27,770	31,197
	Deposits disbursed	(29,337)	(32,665)
	Dividend income	153	137
Saigon Ha Long Hotel Tourism Joint Stock Company	Deposits taken	41,511	41,469
	Deposits disbursed	(41,765)	(42,588)
	Dividend income	626	569
Major shareholders			
Viet Vinh Phu Financial Investment Joint Stock Company	Deposits taken	332,868	140,385
	Deposits disbursed	(239,077)	(137,404)
Noble Capital Group	Deposits taken	897,465	183
	Deposits disbursed	(897,607)	-
The Boards of Directors, Supervisors and Management	Remuneration, salary and bonus	45,142	43,298

Receivables and payables with the related parties at the year-end are as follows:

Related party	Transaction	Receivables/(Payables) Closing balance Million VND	Receivables/(Payables) Opening balance Million VND
Companies in which the Bank has long-term investment			
Saigon - Kim Lien Joint Stock Company	Deposits	(5,627)	(7,194)
Saigon Ha Long Hotel Tourism Joint Stock Company	Deposits	(9,411)	(9,665)
Major shareholders			
Viet Vinh Phu Financial Investment Joint Stock Company	Deposits	(126,255)	(32,464)
Noble Capital Group	Deposits	(17,864)	(18,084)

49. SUBSEQUENT EVENTS

There have been no significant events occurring after 31 December 2018, which would require adjustments or disclosures to be made in the consolidated financial statements.

50. EXCHANGE RATES OF APPLICABLE FOREIGN CURRENCIES AGAINST VND

	Closing balance VND	Opening balance VND
USD	23,205	22,425
EUR	26,545	27,100
CHF	29,455	23,110
JPY	210	200
SGD	17,005	16,900
CAD	17,070	17,960
AUD	16,425	17,600
XAU	3,644,000	3,645,000

THAI KHANH VAN
Accounting Manager

NGUYEN VAN HUNG
Chief Accountant

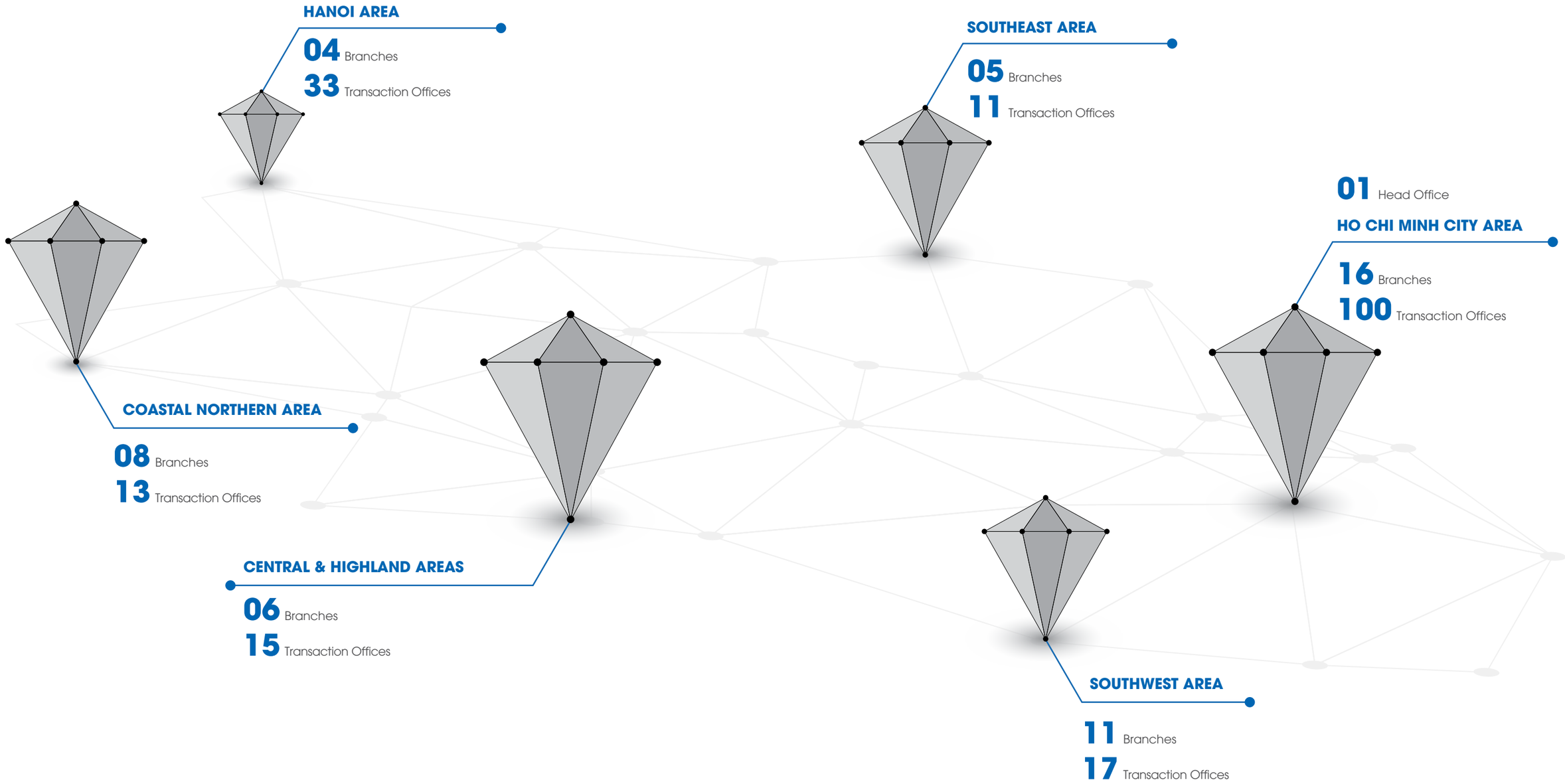
VO TAN HOANG VAN
Chief Executive Officer

29 March 2019

SCB'S **MAP AND NETWORK**

- SCB'S MAP
- SCB'S NETWORK

SCB'S MAP


HANOI AREA
04 Branches
33 Transaction Offices
SOUTHEAST AREA
05 Branches
11 Transaction Offices
01 Head Office
HO CHI MINH CITY AREA
16 Branches
100 Transaction Offices
COASTAL NORTHERN AREA
08 Branches
13 Transaction Offices
CENTRAL & HIGHLAND AREAS
06 Branches
15 Transaction Offices
SOUTHWEST AREA
11 Branches
17 Transaction Offices

SCB'S NETWORK

HEAD OFFICE: 927 Tran Hung Dao Street, Ward 1, District 5, Ho Chi Minh City

O/N	BRANCH	TRANSACTION OFFICE	ADDRESS	TELEPHONE
			HO CHI MINH CITY AREA	
1	**Tan Phu Branch**	Tan Phu Branch	192 Luy Ban Bich Str, Hoa Thanh Ward, Tan Phu District, HCM City	028.39561766
2		Le Dai Hanh Transaction Office	219-221 Le Dai Hanh Str, Ward 13, District 11, HCM City	028.3960.6066
3		Nguyen Chi Thanh Transaction Office	463 Nguyen Chi Thanh Str, Ward 15, District 5, HCM City	028.39562435
4		Tan Phuoc Transaction Office	187 Ly Thuong Kiet Str, Ward 7, District 11, HCM City	028.39553391
5		District 11 Transaction Office	1337-1339 3/2 Str, Ward 16, District 11, HCM City	028.39609371
6		Lu Gia Transaction Office	113 Nguyen Thi Nho Str, Ward 9, Tan Binh District, HCM City	028.38687175
7		Le Van Quoi Transaction Office	246, Le Van Quoi Str, Quarter 16, Binh Hung Hoa A Ward, Binh Tan District, HCM City	028.62610277
8		Nhat Tao Transaction Office	345 Nguyen Tri Phuong Str, Ward 5, District 10, HCM City	028.62645371
9	**20/10 Branch**	20/10 Branch	221 Khanh Hoi Str, Ward 3, District 4, HCM City	028.39414372
10		Tan Thuan Transaction Office	361 Huynh Tan Phat Str, Tan Thuan Dong Ward, District 7, HCM City	028.38724373
11		My Toan Transaction Office	988 Nguyen Van Linh Str, Quarter 3, Tan Phong Ward, District 7, HCM City	028.54123491
12		Phu My Hung Transaction Office	1411 My Toan II Quarter, Nguyen Van Linh Str, Tan Phong Ward, District 7, HCM City	028.54122680
13		Phu My Transaction Office	679-681 Huynh Tan Phat Str, Phu Thuan Ward, District 7, HCM City	028.37733770
14		District 7 Transaction Office	470 Nguyen Thi Thap Str, Tan Quy Ward, District 7, HCM City	028.37712014
15		District 4 Transaction Office	23 Hoang Dieu Str, Ward 12, District 4, HCM City	028.39435732
16		Trung Son Transaction Office	273-275 Street 9A, Trung Son Residence, Group 4B, Binh Hung Ward, Binh Chanh District, HCM City	028.54318298
17	**Eastern Sai Gon Branch**	Eastern Sai Gon Branch	1264A2 and 1264A3, Kha Van Can Str, Linh Trung Ward, Thu Duc District, HCM City	028.36369142
18		Thu Duc Transaction Office	707 Kha Van Can Str, Linh Tay Ward, Thu Duc District, HCM City	028.37205156
19		District 9 Transaction Office	No. 221 Le Van Viet Str, Hiep Phu Ward, District 9, HCM City	028.37309746
20		Vo Van Ngan Transaction Office	96A Vo Van Ngan Str, Binh Tho Ward, Thu Duc District, HCM City	028.37228486
21		Do Xuan Hop Transaction Office	359E, Do Xuan Hop Str, Phuoc Long B Residence, Phuoc Long B Ward, District 9, HCM City	028.36208564
22	**Ben Thanh Branch**	Ben Thanh Branch	50 Bis - 52 & 46/10 Pham Hong Thai Str, Ben Thanh Ward, District 1, HCM City	028.38279797
23		Nam Ky Khoi Nghia Transaction Office	Ground and Mezzanine Floor, 225 Bis Nam Ky Khoi Nghia Str, Ward 7, District 3, HCM City	028.38480139
24		Tran Nao Transaction Office	58A Tran Nao Str, Binh An Ward, District 2, HCM City	028.62607042
25		Nguyen Cong Tru Transaction Office	50-52 Nam Ky Khoi Nghia Str, Nguyen Thai Binh Ward, District 1, HCM City	028.38212563
26		District 2 Transaction Office	14Q Quoc Huong Str, Thao Dien Ward, District 2, HCM City	028.62872202
27		Cat Lai Transaction Office	340A Nguyen Thi Dinh Str, Thanh My Loi Ward, District 2, HCM City	028.37425412
28	**Binh Tay Branch**	Binh Tay Branch	492 - 494 Hong Bang Str and No. 3/9 Lo Sieu Str, Ward 16, District 11, HCM City	028.62931378
29		Minh Phung Transaction Office	447-449 Minh Phung Str, Ward 10, District 11, HCM City	028.39637973
30		Ta Uyen Transaction Office	167 Ta Uyen Str, Ward 4, District 11, HCM City	028.39559907
31		Pham Phu Thu Transaction Office	239 Pham Van Chi Str, Ward 3, District 6, HCM City	028.38542706
32		Ba Hom Transaction Office	106A Ba Hom Str, Ward 13, District 6, HCM City	028.38170075
33		An Lac Transaction Office	485-487 Kinh Duong Vuong Str, Quarter 6, An Lac Ward, Binh Tan District, HCM City	028.62641616
34		Cay Go Transaction Office	176B Hau Giang Str, Ward 6, District 6, HCM City	028.62988227
35	**Cho Lon Branch**	Cho Lon Branch	76-78-80 Hai Thuong Lan Ong Str, Ward 10, District 5, HCM City	028.39520840
36		Pham Hung Transaction Office	366 Pham Hung Str, Ward 5, District 8, HCM City	028.38505580
37		Binh Chanh Transaction Office	A8/9 National Road 50, Hamlet 2, Binh Hung Commune, Binh Chanh District, HCM City	028.37580843
38		Chau Van Liem Transaction Office	44-46 Chau Van Liem Str, Ward 10, District 5, HCM City	028.39509023
39		Ngo Quyen Transaction Office	92 Ngo Quyen Str, Ward 7, District 5, HCM City	028.39520685
40		District 8 Transaction Office	344 Tung Thien Vuong Str., Ward 13, District 8, HCM City	028.39515705
41		District 6 Transaction Office	23-24 Lot Q Phu Lam D Residence Dormitory, Binh Phu, Ward 10, District 6, HCM City	028.37754012
42		Hau Giang Transaction Office	1075 Hau Giang Str, Ward 11, District 6, HCM City	28.37555913
43		Tan Tao Transaction Office	303 Street 7, Binh Tri Dong B Ward, Binh Tan District, HCM City	028.38778930
44		Kinh Duong Vuong Transaction Office	36A Kinh Duong Vuong Str, Ward 13, District 6, HCM City	028.38170377
45		Binh Phu Transaction Office	766 Hau Giang Str, Ward 12, District 6, HCM City	028.62931722
46		Ten Lua Transaction Office	72 Street 1, Binh Tri Dong B Ward, Binh Tan District, HCM City	028.62691316

O/N	BRANCH	TRANSACTION OFFICE	ADDRESS	TELEPHONE
		HO CHI MINH CITY AREA (CONTINUED)		
47	Cong Quynh Branch	Cong Quynh Branch	242 Cong Quynh Str, Pham Ngu Lao Ward, District1, HCM City	028.39206501
48		Vo Van Tan Transaction Office	432 Vo Van Tan Str, Ward 5, District 3, HCM City	028.38181966
49		Minh Khai Transaction Office	316-318 Nguyen Dinh Chieu Str., Ward 4, District 3, HCM City	028.39293470
50		Ly Thai To Transaction Office	11 Ly Thai To Str, Ward 1, District 10, HCM City	028.38300042
51		Co Giang Transaction Office	193-203 Tran Hung Dao Str, Co Giang Ward, District 1, HCM City	028.39206502
52	Cu Chi Branch	Cu Chi Branch	294 Provincial Road No. 8, Quarter 4, Cu Chi Town, Cu Chi District, HCM City	028.37925286
53		Cu Chi Transaction Office	851 National Highway 22, Quarter 5, Cu Chi Town, Cu Chi District, HCM City	028.38921234
54	Gia Dinh Branch	Gia Dinh Branch	62-64 Phan Dang Luu Str, Ward 5, Phu Nhuan District, HCM City	028.38455770
55		Nguyen Kiem Transaction Office	402B Nguyen Kiem Str, Ward 3, Phu Nhuan District, HCM City	028.39956270
56		Ba Chieu Transaction Office	25K Phan Dang Luu Str, Ward 3, Binh Thanh District, HCM City	028.35510886
57		Le Quang Dinh Transaction Office	53 - 55 Le Quang Dinh Str, Ward 14, Binh Thanh District, HCM City	028.35512956
58		Nguyen Thai Son Transaction Office	442 Nguyen Thai Son Str, Ward 5, Go Vap District, HCM City	028.35886989
59		No Trang Long Transaction Office	170V-170X No Trang Long Str, Ward 12, Binh Thanh District, HCM City	028.35515327
60		Hoang Minh Giam Transaction Office	32A - 34A Nguyen Thai Son Str, Ward 3, Go Vap District, HCM City	028.39940286
61		Binh Thanh Transaction Office	452 Le Quang Dinh Str, Ward 11, Binh Thanh District, HCM City	028.35157038
62		Quang Trung Transaction Office	311 & 313 Quang Trung Str, Ward 10, Go Vap District, HCM City	028.39899362
63		Nguyen Oanh Transaction Office	75-77 Nguyen Oanh Str, Ward 10, Go Vap District, HCM City	028.39899539
64	Hoc Mon Branch	Hoc Mon Branch	152/2 - 152/3 Nguyen Anh Thu Str, Trung Chanh Ward, Hoc Mon District, HCM City	028.37186820
65		Hoc Mon Transaction Office	23; 38/4A & 25 Ly Thuong Kiet Str, Hoc Mon Town, Hoc Mon District, HCM City	028.37106425
66		Nguyen Anh Thu Transaction Office	192 Dong Hamlet, Thoi Tam Thon Commune, Hoc Mon Town, HCM City	028.37185660
67		Go Vap Transaction Office	624-626 Quang Trung Str, Ward 11, Go Vap District, HCM City	028.39897346
68		An Hoi Transaction Office	1168 Quang Trung Str, Ward 8, Go Vap District, HCM City	028.38311505
69		Le Duc Tho Transaction Office	577 (former 525) Le Duc Tho Str, Ward 16, Go Vap District, HCM City	028.39164006
70		Hiep Thanh Transaction Office	22A Nguyen Anh Thu Str, Hiep Thanh Ward, District 12, HCM City	028.37179927
71	Pham Ngoc Thach Branch	Pham Ngoc Thach Branch	53 Pham Ngoc Thach Str, Ward 6, District 3, HCM City	028.38243395
72		District 10 Transaction Office	97A 3 Thang 2 Street, Ward 11, District 10, HCM City	028.38339576
73		Nguyen Thong Transaction Office	69 Nguyen Thong Str, Ward 9, District 3, HCM City	028.35264211
74		Hoang Sa Transaction Office	Ground and Mezzanine, 921 - 923 Hoang Sa Str, Ward 11, District 3, HCM City	028.35262013
75		District 3 Transaction Office	188 Cach Mang Thang 8 Str, Ward 10, District 3, HCM City	028.35261035
76		Thanh Thai Transaction Office	245 To Hien Thanh Str, Ward 13, District 10, HCM City	028.39797416
77		3 Thang 2 Transaction Office	312 3 Thang 2 Str, Ward 12, District 10, HCM City	028.38683924
78	Phu Dong Branch	Phu Dong Branch	98B Nguyen Van Troi Str, Ward 8, Phu Nhuan District, HCM City	028.39977509
79		Phu Nhuan Transaction Office	176 Phan Dinh Phung Str, Ward 2, Phu Nhuan District, HCM City	028.39954407
80		Phan Xich Long Transaction Office	159 (former 182) Phan Xich Long Str, Ward 2, Phu Nhuan District, HCM City	028.38434541
81		Huynh Van Banh Transaction Office	319 Huynh Van Banh Str, Ward 11, Phu Nhuan District, HCM City	028.38423381
82		Le Van Sy Transaction Office	185 Le Van Sy Str, Ward 14, Phu Nhuan District, HCM City	028.39910798
83		Bac Hai Transaction Office	757 Cach Mang Thang Tam Str, Ward 6, Tan Binh District, HCM City	028.39770418
84	Tan Binh Branch	Tan Binh Branch	341 Cong Hoa Str, Ward 13, Tan Binh District, HCM City	028.38108986
85		Truong Chinh Transaction Office	318 Truong Chinh Str, Ward 13, Tan Binh District, HCM City	028.38122483
86		Pham Van Hai Transaction Office	91K (91A8) Pham Van Hai Str, Ward 3, Tan Binh District, HCM City	028.39919351
87		An Suong Transaction Office	301 (former 135/3) Truong Chinh Str, Tan Thoi Nhat Ward, District 12, HCM City	028.62561145
88		Tan Son Nhi Transaction Office	211 Tan Son Nhi Str, Tan Son Nhi Ward, Tan Phu District, HCM City	028.62692418
89		Tan Son Nhat Transaction Office	92 Hong Ha Str, Ward 2, Tan Binh District, HCM City	028.62968557
90		Truong Vinh Ky Transaction Office	186 Truong Vinh Ky Str, Tan Son Nhi Ward, Tan Phu District, HCM City	028.38496052
91		Le Trong Tan Transaction Office	190 Le Trong Tan Str, Tay Thanh Ward, Tan Phu District, HCM City	028.38162067
92		Nguyen Son Transaction Office	350 Nguyen Son Str, Phu Tho Hoa Ward, Tan Phu District, HCM City	028.62673223

O/N	BRANCH	TRANSACTION OFFICE	ADDRESS	TELEPHONE
		HO CHI MINH CITY AREA (CONTINUED)		
93	Tan Dinh Branch	Tan Dinh Branch	346-348 Hai Ba Trung Str, Tan Dinh Ward, District 1, HCM City	028.38207853
94		Tran Quang Khai Transaction Office	170 Tran Quang Khai Str, Tan Dinh Ward, District 1, HCM City	028.35268871
95		Dinh Tien Hoang Transaction Office	41 Dinh Tien Hoang Str, Ward 3, Binh Thanh District, HCM City	028.35174503
96		Xo Viet Nghe Tinh Transaction Office	298 Xo Viet Nghe Tinh Str, Ward 21, Binh Thanh District, HCM City	028.35127704
97		Thanh Da Transaction Office	744 (former 632) Xo Viet Nghe Tinh Str, Ward 25, Binh Thanh District, HCM City	028.35119618
98		Dien Bien Phu Transaction Office	261-263 Dien Bien Phu, Ward 15, Binh Thanh District, HCM City	028.35127494
99		Thi Nghe Transaction Office	147 Xo Viet Nghe Tinh Str, Ward 17, Binh Thanh District, HCM City	028.38408731
100		Hang Xanh Transaction Office	87 Dien Bien Phu Str, Ward 15, Binh Thanh District, HCM City	028.35142960
101		Dinh Bo Linh Transaction Office	121 Dinh Bo Linh Str., Ward 26, Binh Thanh District, HCM City	028.38997791
102		Van Thanh Transaction Office	86 Nguyen Gia Tri Str, Ward 25, Binh Thanh District, HCM City	028.38997958
103	Thong Nhat Branch	Thong Nhat Branch	340H-K and 342 Hoang Van Thu Str, Ward 4, Tan Binh District, HCM City	028.38441653
104		Hoang Van Thu Transaction Office	453 Ly Thuong Kiet Str, Ward 8, Tan Binh District, HCM City	028.39713275
105		Chi Linh Transaction Office	Ground and 1st floors, 1093-1095 Cach Mang Thang 8 Str, Ward 7, Tan Binh District, HCM City	028.38691071
106		Au Co Transaction Office	429 Au Co Str, Phu Trung Ward, Tan Phu District, HCM City	028.39752191
107		Ly Thuong Kiet Transaction Office	85 Ly Thuong Kiet Str, Ward 7, Tan Binh District, HCM City	028.39717806
108		Nga Tu Bay Hien Transaction Office	996 and 958/35/15L Lac Long Quan Str, Ward 8, Tan Binh District, HCM City	028.39771286
109		Au Lac Transaction Office	304 Lac Long Quan Str, Ward 5, District 11, HCM City	028.39753696
110		Bau Cat Transaction Office	896 Au Co Str, Ward 14, Tan Binh District, HCM City	028.38132095
111		Luy Ban Bich Transaction Office	761A (former 751) Luy Ban Bich Str, Phu Tho Hoa Ward, Tan Phu District, HCM City	028.39721348
112	Sai Gon Branch	Sai Gon Branch	Ground floor & 1st Floor, Fico Office Building, 927 Tran Hung Dao Str, Ward 1, District 5, HCM City	028.39230666
113		Nha Rong Transaction Office	119-121 Le Thi Hong Gam Str, Cau Ong Lanh Ward, District 1, HCM City	028.39142526
114		Tran Hung Dao Transaction Office	715 Tran Hung Dao Str, Ward 1, District 5, HCM City	028.38383192
115		An Dong Transaction Office	97K, Nguyen Duy Duong Str, Ward 9, District 5, HCM City	028.38337542
116		An Dong Plaza Transaction Office	Ground Floor, An Dong Plaza, No. 18, An Duong Vuong Str., Ward 9, District 5, HCM City	028.38303850

O/N	BRANCH	TRANSACTION OFFICE	ADDRESS	TELEPHONE
		HANOI AREA		
117	Cau Giay Branch	Cau Giay Branch	86 Trung Hoa Str, Trung Hoa Ward, Cau Giay District, Hanoi	024.37834609
118		Cau Giay Transaction Office	247 Cau Giay Str, Dich Vong Ward, Cau Giay District, Hanoi	024.37675570
119		Thuy Khue Transaction Office	72 Thuy Khue Str, Thuy Khue Ward, Tay Ho District, Hanoi	024.62506883
120		Nguyen Khanh Toan Transaction Office	16 Nguyen Khanh Toan Str, Quan Hoa Ward, Cau Giay District, Hanoi	024.62711685
121		Lac Long Quan Transaction Office	117 Lac Long Quan Str., Nghia Do Ward, Cau Giay District, Hanoi	024.62821686
122		Vu Trong Phung Transaction Office	106 Vu Trong Phung Str, Thanh Xuan Trung Ward, Thanh Xuan District, Hanoi	024.37586511
123		Le Duc Tho Transaction Office	Grounds 1, 2 24-A1 Le Duc Tho Str, My Dinh 2 Ward, Nam Tu Liem District, Hanoi	024.32262401
124		Nguyen Thi Dinh Transaction Office	43 Nguyen Thi Dinh Str, Trung Hoa Ward, Cau Giay District, Hanoi	024.35558540
125		Hoang Quoc Viet Transaction Office	156 Hoang Quoc Viet Str, Co Nhue 1 Ward, Bac Tu Liem District, Hanoi	024.62692763
126	Ha Noi Branch	Ha Noi Branch	214 Thai Ha Str, Trung Liet Ward, Dong Da District, Hanoi	024.62732073
127		Van Cao Transaction Office	65 Van Cao Str, Lieu Giai Ward, Ba Dinh District, Hanoi	024.37227453
128		Dong Da Transaction Office	60-62-64-66-68 Tay Son Str, Quang Trung Ward, Dong Da District, Hanoi	024.35114912
129		Lang Ha Transaction Office	35-37 Huynh Thuc Khang Str, Lang Ha Ward, Dong Da District, Hanoi	024.35140971
130		Thanh Xuan Transaction Office	167 Nguyen Ngoc Nai Str, Khuong Mai Ward, Thanh Xuan District, Hanoi	024.35575225
131		Kim Lien Transaction Office	318 Xa Dan Str, Phuong Lien Ward, Dong Da District, Hanoi	024.62706686
132		Nguyen Trai Transaction Office	183 Nguyen Trai Str, Thuong Dinh Ward, Thanh Xuan District, Hanoi	024.62721686
133		Ton Duc Thang Transaction Office	214 Ton Duc Thang Str, Hang Bot Ward, Dong Da District, Hanoi	024.62606266
134		Ngoc Ha Transaction Office	207 Doi Can Str, Doi Can Ward, Ba Dinh District, Hanoi	024.37228240
135		Le Trong Tan Transaction Office	1st and 2nd Floors, 14 Le Trong Tan Str, Khuong Mai Ward, Thanh Xuan District, Hanoi	024.62857324
136		Nguyen Thai Hoc Transaction Office	96 + 96B Nguyen Thai Hoc Str., Dien Bien Ward, Ba Dinh District, Hanoi	024.37368797
137	Hai Ba Trung Branch	Hai Ba Trung Branch	37 Nguyen Dinh Chieu Str, Le Dai Hanh Ward, Hai Ba Trung District, Hanoi	024.39438732
138		Nguyen Khuyen Transaction Office	102 Nguyen Khuyen Str, Van Mieu Ward, Dong Da District, Hanoi	024.37475415
139		Thanh Nhan Transaction Office	529 Kim Nguu Str, Vinh Tuy Ward, Hai Ba Trung District, Hanoi	024.36368046
140		Tran Hung Dao Transaction Office	1st Floor, Block A, Building at 141 Le Duan Str, Cua Nam Ward, Hoan Kiem District, Hanoi	024.39335341

O/N	BRANCH	TRANSACTION OFFICE	ADDRESS	TELEPHONE
			HANOI AREA (CONTINUED)	
141		Phuong Mai Transaction Office	1st, 2nd, 3rd floors, 75 Phuong Mai Str., Phuong Mai Ward, Thanh Xuan District, Hanoi	024.32222842
142		Bach Mai Transaction Office	2nd, 3rd floors, 361 Bach Mai Str., Truong Dinh Ward, Hai Ba Trung District, Hanoi	024.32202475
143		Ngo Thi Nham Transaction Office	44 Ngo Thi Nham Str, Ngo Thi Nham Ward, Hai Ba Trung District, Hanoi	024.62701686
144		Tran Khat Chan Transaction Office	482 Tran Khat Chan Str, Pho Hue Ward, Hai Ba Trung District, Hanoi	024.62722266
145		Kim Dong Transaction Office	23-25 Kim Dong Str, Giap Bat Ward, Hoang Mai District, Hanoi	024.62710686
146	**Thang Long Branch**	Thang Long Branch	19-21-23 Ly Thai To Str, Ly Thai To Ward, Hoan Kiem District, Hanoi	024.35190151
147		Ba Dinh Transaction Office	14 Nguyen Bieu Str, Quan Thanh Ward, Ba Dinh District, Hanoi	024.37345579
148		Hoan Kiem Transaction Office	1st, 2nd floors, 49 Duong Thanh Str., Cua Dong Ward, Hoan Kiem District, Hanoi	024.39232918
149		Long Bien Transaction Office	409 Nguyen Van Cu Str, Ngoc Lam Ward, Long Bien District, Hanoi	024.38737128
150		Hang Cot Transaction Office	63 Hang Cot Str, Hang Ma Ward, Hoan Kiem District, Hanoi	024.62722686
151		Chuong Duong Transaction Office	1st, Mezzanine and 2nd Floors, 83 Nguyen Van Cu Str., Ngoc Lam Ward, Long Bien District, Hanoi	024.62721867
152		Luong Ngoc Quyen Transaction Office	1st, 2nd Floors, 31 Ta Hien Str., Hang Buom Ward, Hoan Kiem District, Hanoi	024.62709996
153		Ly Nam De Transaction Office	1st, 2nd, 3rd floors, 36B/1 Ly Nam De Str., Cua Dong Ward, Hoan Kiem District, Hanoi	024.62722866
			COASTAL NORTHERN AREA	
154	**Bac Ninh Branch**	Bac Ninh Branch	316 Tran Hung Dao Str, Dai Phuc Ward, Bac Ninh City, Bac Ninh Province	0222.3856736
155		Tu Son Transaction Office	88 Tran Phu Str., Dong Ngan Ward, Tu Son Town, Bac Ninh Province	0222.3610236
156	**Hai Duong Branch**	Hai Duong Branch	133 Thanh Nien Str., Hai Tan Ward, Hai Duong City, Hai Duong Province	0220.3898899
157		Nguyen Luong Bang Transaction Office	119 Nguyen Luong Bang Str., Pham Ngu Lao Ward, Hai Duong City, Hai Duong Province	0220.3898891
158	**Hai Phong Branch**	Hai Phong Branch	14 Tran Phu Str, Luong Khanh Thien Ward, Ngo Quyen District, Hai Phong City	0225.3250098
159		Hang Kenh Transaction Office	181 Hang Kenh Str, Hang Kenh Ward, Le Chan District, Hai Phong City	0225.3639557
160		Quang Trung Transaction Office	140-141 Quang Trung Str, Phan Boi Chau Ward, Hong Bang District, Hai Phong City	0225.3518658
161		To Hieu Transaction Office	1st, 2nd, 3rd floors, 411-413 To Hieu Str., Tran Nguyen Han Ward, Le Chan District, Hai Phong City	0225.3956935
162	**Hong Bang Branch**	Hong Bang Branch	5A Hoang Van Thu Str., Minh Khai Ward, Hong Bang District, Hai Phong City	0225.3569516
163		Lach Tray Transaction Office	308-310 Lach Tray Str, Kenh Duong Ward, Le Chan District, Hai Phong City	0225.3613156
164		Tran Nguyen Han Transaction Office	266H-266G Tran Nguyen Han Str, Niem Nghia Ward, Le Chan District, Hai Phong City	0225.3786202
165		Ngo Quyen Transaction Office	176 Da Nang Str, Lac Vien Ward, Ngo Quyen District, Hai Phong City	0225.3625555
166	**Nghe An Branch**	Nghe An Branch	02 Nguyen Sy Sach Str, Hung Binh Ward, Vinh City, Nghe An Province	0238.3588500
167		Quang Trung Transaction Office	25 Quang Trung Str, Quang Trung Ward, Vinh City, Nghe An Province	0238.3567768
168		Hung Dung Transaction Office	167 Nguyen Phong Sac Str, Hung Dung Ward, Vinh City, Nghe An Province	0238. 3998799
169	**Quang Ninh Branch**	Quang Ninh Branch	20 Tran Hung Dao Str, Tran Hung Dao Ward, Ha Long City, Quang Ninh Province	0203.3518111
170		Ha Long Transaction Office	79+81, Group 36, Quarter 2B, Bach Dang Ward, Ha Long City, Quang Ninh Province	0203.3518851
171		Uong Bi Transaction Office	439 Group 37, Quarter 2, Quang Trung Ward, Uong Bi City, Quang Ninh Province	0203.3566058
172		Bai Chay Transaction Office	Lot 9, Group 9, Quarter 9 Cai Dam, Bai Chay Ward, Ha Long City, Quang Ninh Province	0203.3515075
173	**Thanh Hoa Branch**	Thanh Hoa Branch	Lots 22 & 23 MBQH 195/UBND-QLĐT, Le Hoan Str, Dien Bien Ward, Thanh Hoa Province, Thanh Hoa City	0237.3962555
174	**Thai Binh Branch**	Thai Binh Branch	PG03-08A, Lot PG3 Ly Bon Str, De Tham Ward, Thai Binh City, Thai Binh Province	0227.6280990
			CENTRAL & HIGHLAND AREAS	
175	**Dak Lak Branch**	Dak Lak Branch	178 Y-Jut Str, Thang Loi Ward, Buon Ma Thuot City, Dak Lak Province	0262.3843027
176		Nguyen Tat Thanh Transaction Office	87 Ngo Quyen Str, Tan Loi Ward, Buon Ma Thuot City, Dak Lak Province	0262.3959668
177	**Gia Lai Branch**	Gia Lai Branch	78-80 Hai Ba Trung Str, Yen Do Ward, Pleiku City, Gia Lai Province	0269.3871500
178		Dak Doa Transaction Office	28 Dinh Tien Hoang Str., Group 5, Dak Doa Town, Dak Doa District, Gia Lai Province	0269.3831666
179	**Binh Dinh Branch**	Binh Dinh Branch	01 Nguyen Tat Thanh Str, Ly Thuong Kiet Ward, Quy Nhon City, Binh Dinh Province	0256.3822288
180		20/10 Transaction Office	252 Tran Hung Dao Str, Tran Hung Dao Ward, Quy Nhon City, Binh Dinh Province	0256.3818558
181		An Nhon Transaction Office	61 Quang Trung Str, Binh Dinh Ward, An Nhon District, Binh Dinh Province	0256.3635883
182		Ngo May Transaction Office	49 Ngo May Str, Nguyen Van Cu Ward, Quy Nhon City, Binh Dinh Province	0256.3946867

O/N	BRANCH	TRANSACTION OFFICE	ADDRESS	TELEPHONE
		CENTRAL & HIGHLAND AREAS (CONTINUED)		
183	Song Han Branch	Song Han Branch	16 Tran Phu Str., Thach Thang Ward, Hai Chau District, Da Nang City	0236.3891888
184		Dong Da Transaction Office	303 Dong Da Str, Thach Thang Ward, Hai Chau District, Da Nang City	0236.3652666
185		Hoa Khe Transaction Office	351 Dien Bien Phu Str, Hoa Khe Ward, Thanh Khe District, Da Nang City	0236.3720666
186		Le Duan Transaction Office	247 Le Duan Str, Tan Chinh Ward, Thanh Khe District, Da Nang City	0236.3796888
187		Lien Chieu Transaction Office	703 Ton Duc Thang Str, Hoa Khanh Bac Ward, Lien Chieu District, Da Nang City	0236.3752888
188	Da Nang Branch	Da Nang Branch	256 Tran Phu Str, Phuoc Ninh Ward, Hai Chau District, Da Nang City	0236.3565544
189		Ham Nghi Transaction Office	103-105 Ham Nghi Str, Vinh Trung Ward, Thanh Khe District, Da Nang City	0236.3586888
190		Phan Dang Luu Transaction Office	142 Phan Dang Luu Str, Hoa Cuong Nam Ward, Hai Chau District, Da Nang City	0236.3644666
191		Hoang Dieu Transaction Office	340 (former 236) Hoang Dieu Str, Binh Thuan Ward, Hai Chau District, Da Nang City	0236.3575668
192		Son Tra Transaction Office	912 (former 530K) Ngo Quyen Str, An Hai Tay Ward, Son Tra District, Da Nang City	0236.3831888
193		Nui Thanh Transaction Office	166 Nui Thanh Str., Hoa Cuong Bac Ward, Hai Chau District, Da Nang City	0236.3629666
194	Khanh Hoa Branch	Khanh Hoa Branch	78 Ly Thanh Ton Str, Phuong Sai Ward, Nha Trang City, Khanh Hoa Province	0258.3563405
195		Vinh Phuoc Transaction Office	27 - 2 Thang 4 Str, Vinh Phuoc Ward, Nha Trang City, Khanh Hoa Province	0258.3544242
		SOUTHEAST AREA		
196	Ba Ria Vung Tau Branch	Ba Ria Vung Tau Branch	89 Le Loi Str, Thang Nhi Ward, Vung Tau City, Ba Ria - Vung Tau Province	0254. 3577334
197		Dai An Transaction Office	25D3, 30 thang 4 Str., Ward 9, Vung Tau City, Ba Ria Vung Tau Province	0254.3819212
198	Binh Duong Branch	Binh Duong Branch	307 Binh Duong Avenue, Chanh Nghia Ward, Thu Dau Mot City, Binh Duong Province	0274.3872601
199		Ben Cat Transaction Office	229C Hung Vuong Str, Quater 1, My Phuoc Ward, Ben Cat Town, Binh Duong Province	0274.3567274
200		Di An Transaction Office	461 Tran Hung Dao Str, Di An Ward, Di An Town, Binh Duong Province	0274.3736833
201		Thuan An Transaction Office	25 Cach Mang Thang 8 Str, Long Thoi Quarter, Lai Thieu Ward, Thuan An Town, Binh Duong Province	0274.3799793
202	Binh Thuan Branch	Binh Thuan Branch	187 Tran Hung Dao Str, Phu Thuy Ward, Phan Thiet City, Binh Thuan Province	0252.3722400
203		Mui Ne Transacton	345 Huynh Thuc Khang Str, Quarter 5, Mui Ne Ward, Phan Thiet City, Binh Thuan Province	0252.3748865

O/N	BRANCH	TRANSACTION OFFICE	ADDRESS	TELEPHONE
204	Dong Nai Branch	Dong Nai Branch	54 Nguyen Ai Quoc Str, Tan Tien Ward, Bien Hoa City, Dong Nai Province	0251.3943625
205		Tan Bien Transaction Office	119/7A Quarter 5B, Ha Noi Highway, Tan Bien Ward, Bien Hoa City, Dong Nai Province	0251.3880648
206		Bien Hoa Transaction Office	111 Cach Mang Thang Tam Str, Hoa Binh Ward, Bien Hoa City, Dong Nai Province	0251.3840122
207		Long Thanh Transaction Office	213 Le Duan Str., Phuoc Hai Quarter, Long Thanh Town, Long Thanh District, Dong Nai Province	0251.3686558
208	Vung Tau Branch	Vung Tau Branch	45 Nam Ky Khoi Nghia Str., Ward 3, Vung Tau City, Ba Ria Vung Tau Province	0254.3533737
209		Tan Thanh Transaction Office	National Highway 51, Phu My Ward, Phu My Town,	0254.3923507
210		Thang Nhat Transaction Office	Ground Floor, 6K3 Nguyen Thai Hoc Str, Ward 7, Vung Tau City, Ba Ria - Vung Tau Province	0254.3593893
211		Ba Ria Transaction Office	46 Bach Dang Str, Phuoc Trung Ward, Ba Ria Town, Ba Ria - Vung Tau Province	0254.3717631
		SOUTHWEST AREA		
212	An Giang Branch	An Giang Branch	55-57 Hai Ba Trung Str, My Long Ward, Long Xuyen City, An Giang Province	0296.3945235
213		Chau Doc Transaction Office	294 Le Loi Str, Chau Phu B Ward, Chau Doc City, An Giang Province	0296.3550101
214		My Phuoc Transaction Office	1653 Tran Hung Dao Str, My Phuoc Ward, Long Xuyen City, An Giang Province	0296.3940637
215	Ben Tre Branch	Ben Tre Branch	29C-29C1 Dong Khoi Avenue, Phu Khuong Ward, Ben Tre City, Ben Tre Province	0275.3510740
216	Ca Mau Branch	Ca Mau Branch	137 Nguyen Tat Thanh Str, Ward 8, Ca Mau City, Ca Mau Province	0290.3616111
217	Can Tho Branch	Can Tho Branch	213-215-217 30 Thang 4 Str, Xuan Khanh Ward, Ninh Kieu District, Can Tho City	0292.3781490
218		An Phu Transaction Office	109 Ly Tu Trong Str, An Phu Ward, Ninh Kieu District, Can Tho City	0292.3733754
219		An Hoa Transaction Office	123-125 (former 36/42-36/44) Tran Viet Chau Str, An Hoa Ward, Ninh Kieu District, Can Tho City	0292.3895775
220		Ninh Kieu Transaction Office	19-21A Vo Van Tan Str, Tan An Ward, Ninh Kieu District, Can Tho City	0292.3759989
221		Cai Rang Transaction Office	164A National Road 1A, Le Binh Ward, Cai Rang District, Can Tho City	0292.3527577
222		Thot Not Transaction Office	132, 579A National Road 91, Phung Thanh 1 Quarter, Thot Not Ward, Thot Not District, Can Thi City	0292.3825789
223	Dong Thap Branch	Dong Thap Branch	60-62 Group 12, Doc Binh Kieu Str, Ward 2, Cao Lanh City, Dong Thap Province	02773876878
224		Sa Dec Transaction Office	13-15 Au Co Str, Group 1, Ward 2, Sa Dec City, Dong Thap Province	0277.3772838

O/N	BRANCH	TRANSACTION OFFICE	ADDRESS	TELEPHONE
			SOUTHWEST AREA (CONTINUED)	
225	**Kien Giang Branch**	Kien Giang Branch	17 Tran Phu Str, Vinh Thanh Ward, Rach Gia City, Kien Giang Province	0297.3929001
226		Rach Soi Transaction Office	Lot L04-04 Mai Thi Hong Hanh Str, Rach Soi Ward, Rach Gia City, Kien Giang Province	0297.3868108
227	**Tien Giang Branch**	Tien Giang Branch	134-136 Dinh Bo Linh Str, Ward 2, My Tho Town, Tien Giang Province	0273.3976288
228		Cai Lay Transaction Office	1/2C - 30 Tháng 4 Str, Ward 1, Cai Lay Town, Tien Giang Province	0273.3919777
229		Go Cong Transaction Office	17D Truong Dinh Str, Ward 1, Go Cong Town, Tien Giang Province	0273.3514566
230		Cai Be Transaction Office	Nguyen Chi Cong Str, Group 18, Quarter 3, Cai Be Town, Tien Giang Province	0273.3924666
231	**Tra Vinh Branch**	Tra Vinh Branch	102A Pham Hong Thai Str, Group 3, Ward 2, Tra Vinh City, Tra Vinh Province	0294.3753699
232		Nguyen Dang Transaction Office	86 Nguyen Dang Str, Group 6, Ward 7, Tra Vinh City, Tra Vinh Province	0294.3860676
233	**Vinh Long Branch**	Vinh Long Branch	11-11A-11B-11C Pham Thai Buong Str, Ward 4, Vinh Long City, Vinh Long Province	0270.3852781
234		Vung Liem Transaction Office	164 Nam Ky Khoi Nghia Str, Group 2, Vung Liem Town, Vung Liem District, Vinh Long Province	0270.3971971
235		Tra On Transaction Office	20/1 Thong Che Dieu Bat, Quarter 3, Tra On Town, Tra On District, Vinh Long Province	0270 3772919
236	**Long An Branch**	Long An Branch	68A Hung Vuong Str, Ward 2, Tan An City, Long An Province	0272.3525588
237		Ben Luc Transaction Office	125 Nguyen Huu Tho Str, Ben Luc Town, Long An Province	0272.3655828
238	**Can Giuoc Branch**	Can Giuoc Branch	39 National Road 50, Can Giuoc Town, Can Giuoc District, Long An Province	0272.3550059
239		Duc Hoa Transaction Office	Duc Hoa 1 Industrial Zone, Hanh Phuc, Phu Hoa Dong Ward, Duc Hoa District, Long An Province	0272.3779791

DEBIT CARD
Be you
Explore together
NO FEE FOR CASH WITHDRAWAL AT ALL ATMS
AND INTER-BANK REMITTANCE
1900 6538 – 1800 5454 38
www.scb.com.vn
SCB
SAIGON COMMERCIAL BANK

SCB

SAIGON COMMERCIAL BANK

Hotline: 1900 6538 | Website: www.scb.com.vn