

CHINA CONSTRUCTION BANK CORPORATION – HO CHI MINH CITY BRANCH

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**



CHINA CONSTRUCTION BANK CORPORATION - HO CHI MINH CITY BRANCH

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

TABLE OF CONTENTS	PAGE
The Branch's information	1
Statement of the Board of Management	2
Independent auditor's report	3
Balance sheet (Form B02/TCTD)	5
Income statement (Form B03/TCTD)	7
Cash flow statement (Form B04/TCTD)	8
Notes to the financial statements (Form B05/TCTD)	10

CHINA CONSTRUCTION BANK CORPORATION - HO CHI MINH CITY BRANCH

THE BRANCH'S INFORMATION

Banking Licence

No.271/GP-NHNN dated 10 December 2009

The Banking Licence was issued by the State Bank of Vietnam ("the SBV") for a period of 99 years from the date of the licence.

Business registration certificate

No.4104016066 dated 18 March 2010 and its latest amendment No.0309878015 dated 19 August 2016 were issued by the Planning and Investment Department of Ho Chi Minh City.

Board of Management

Mr. Huang Guoyong	General Manager
Ms. Luo Mei Wei	Deputy General Manager (until 29 January 2019)
Ms. Chen Min	Deputy General Manager (from 18 July 2018)
	Risk management Manager (from 12 February 2018)
	Marketing Manager (until 11 February 2018)
Ms. Yang Yuan Yuan	Head of Operation cum Chief Accountant
Mr. Wang Long Fei	Treasury Manager
Ms. Cao Le Bao Chieu	Administration Manager
Ms. Tran Thi Huong	Compliance Manager

Legal representative

Mr. Huang Guoyong	General Manager
-------------------	-----------------

Principal activities

The principal activities of China Construction Bank Corporation – Ho Chi Minh City Branch ("the Branch") are to receive term and non-term deposit; provide settlement service; grant loan; provide guarantee services; buy and sell foreign currencies; transfer money between Vietnam and other countries; deal in interbank market; and provide other products and services allowed by the State Bank of Vietnam.

The Branch's office

Room 1105-1106, 11th Floor, Room 1202, 12th Floor,
Sailing Tower, 111A Pasteur Street, Ben Nghe Ward,
District 1, Ho Chi Minh City, Vietnam

Auditor

PwC (Vietnam) Limited

CHINA CONSTRUCTION BANK CORPORATION - HO CHI MINH CITY BRANCH

STATEMENT OF THE BOARD OF MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Board of Management of China Construction Bank Corporation – Ho Chi Minh City Branch ("the Branch") is responsible for preparing the financial statements which give a true and fair view of the financial position of the Branch as at 31 December 2018 and the results of its operations and cash flows for the year then ended. In preparing these 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; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Branch will continue in business.

The Board of Management is responsible for ensuring that proper accounting records are maintained which disclose, with reasonable accuracy at any time, the financial position of the Branch and which enable financial statements to be prepared which comply with the basis of accounting set out in Note 2 to the financial statements. The Board of Management is also responsible for safeguarding the assets of the Branch and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

APPROVAL OF THE FINANCIAL STATEMENTS

We hereby approve the accompanying financial statements as set out on pages 5 to 48 which give a true and fair view of the financial position of the Branch as at 31 December 2018 and of the results of its operations and cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System and regulations on preparation and presentation of the financial statements applicable to banks and other credit institutions operating in SR Vietnam.

On behalf of the Board of Management



Huang Guoyong
General Manager

Ho Chi Minh City, SR Vietnam
26 March 2019



INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF MANAGEMENT OF CHINA CONSTRUCTION BANK CORPORATION – HO CHI MINH CITY BRANCH

We have audited the accompanying financial statements of China Construction Bank Corporation – Ho Chi Minh City Branch ("the Branch") which were prepared on 31 December 2018 and approved by the Board of Management on 26 March 2019. The financial statements comprise the balance sheet as at 31 December 2018, the income statement, the cash flow statement for the year then ended and explanatory notes to the financial statements including significant accounting policies, as set out on pages 5 to 48.

The Board of Management's Responsibility

The Board of Management of the Branch is responsible for the preparation and the true and fair presentation of these financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System and regulations on preparation and presentation of financial statements applicable to banks and other credit institutions operating in SR Vietnam and for such internal control which the Board of Management determines is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the 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 standards and requirements and plan and perform the audit in order to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including an assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Branch's preparation and true and fair presentation of the 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 Branch's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Management, as well as evaluating the overall presentation of the financial statements.

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

Auditor's Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Branch as at 31 December 2018, its financial performance and cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System and regulations on preparation and presentation of financial statements applicable to banks and other credit institutions operating in SR Vietnam.

Other matter

The independent auditor's report is prepared in Vietnamese and English. Should there be any conflict between the Vietnamese and English copies, the Vietnamese copy shall take precedence.

For and on behalf of PwC (Vietnam) Limited



Pham Thi Xuan Mai
Audit Practising Licence No.
1771-2018-006-1
Authorised signatory

Report reference number: HCM7908
Ho Chi Minh City, 26 March 2019



Lai Hung Phuong
Audit Practising Licence No.
2432-2018-006-1

CHINA CONSTRUCTION BANK CORPORATION – HO CHI MINH CITY BRANCH

Form B02/TCTD

BALANCE SHEET

		As at 31 December	
		2018	2017
		USD	USD
	Note		
A ASSETS			
I Cash on hand	3	667,552	469,342
II Balances with the State Bank of Vietnam	4	14,979,825	26,823,181
III Placements with and loans to other credit institutions	5	145,531,860	131,053,778
1 Placements with other credit institutions		128,693,855	55,178,204
2 Loans to other credit institutions		16,838,005	75,875,574
VI Loans and advances to customers		72,472,090	75,040,148
1 Loans and advances to customers	6	73,045,794	75,555,929
2 Provision for losses on loans and advances to customers	6.8	(573,704)	(515,781)
X Fixed assets		93,811	11,414
1 Tangible fixed assets	7(a)	11,173	11,414
a Historical cost		1,095,660	1,091,622
b Accumulated depreciation		(1,084,487)	(1,080,208)
3 Intangible fixed asset	7(b)	82,638	-
a Historical cost		132,474	42,748
b Accumulated amortisation		(49,836)	(42,748)
XII Other assets		586,211	943,319
1 Other receivables	8(a)	68,098	72,244
2 Fee and interest income receivables	8(b)	477,955	819,126
4 Other assets	8(c)	40,158	51,949
TOTAL ASSETS		234,331,349	234,341,182

The notes on pages 10 to 48 are an integral part of these financial statements.

CHINA CONSTRUCTION BANK CORPORATION – HO CHI MINH CITY BRANCH


Form B02/TCTD

BALANCE SHEET
(continued)

		As at 31 December	
		2018	2017
	Note	USD	USD
B	LIABILITIES AND EQUITY		
II	Placements and borrowings from other credit institutions		
1	Placements from other credit institutions	9.1 134,411,649	64,411,584
2	Borrowings from other credit institutions	9.2 -	30,000,000
III	Deposits from customers	10 35,509,070	76,616,353
VII	Other liabilities	607,620	553,107
1	Fee and interest expense payables	11(a) 330,969	206,511
3	Other liabilities	11(b) 276,651	346,596
	TOTAL LIABILITIES	170,528,339	171,581,044
VIII	EQUITY AND RESERVES ATTRIBUTABLE TO EQUITY HOLDERS OF THE BRANCH		
1	Charter capital	12 58,119,359	58,119,359
2	Reserves	13 1,312,717	1,156,286
5	Retained earnings	13 4,370,934	3,484,493
	TOTAL EQUITY AND RESERVES	63,803,010	62,760,138
	TOTAL LIABILITIES AND EQUITY	234,331,349	234,341,182
OFF BALANCE SHEET ITEMS			
	CONTINGENCIES AND CREDIT COMMITMENTS	28(a) 23,506,075	17,939,929


 Nguyen Thi Ngoc Trinh
 Preparer


 Yang Yuan Yuan
 Chief Accountant


 Huang Guoyong
 General Manager
 26 March 2019

The notes on pages 10 to 48 are an integral part of these financial statements.

CHINA CONSTRUCTION BANK CORPORATION – HO CHI MINH CITY BRANCH

Form B03/TCTD

INCOME STATEMENT

		For the year ended	
		31 December	
	Note	2018 USD	2017 USD
1 Interest and similar income	14	7,086,569	6,563,824
2 Interest and similar expenses	15	(2,437,124)	(1,811,873)
I Net interest income		4,649,445	4,751,951
3 Fee and commission income	16	130,664	107,507
4 Fee and commission expenses	17	(70,380)	(60,213)
II Net fee and commission income		60,284	47,294
III Net gain from dealing in foreign currencies	18	279,781	173,995
VI Net other income		138	2,303
VIII General and administrative expenses	19	(3,557,769)	(2,954,604)
IX Operating profit before provisions for credit losses		1,431,879	2,020,939
X Provision for credit losses	6.8, 21	(57,923)	(139,719)
XI Profit before tax		1,373,956	1,881,220
7 Business income tax - current	22	(331,084)	(393,492)
XII Business income tax		(331,084)	(393,492)
XIII Net profit for the year		1,042,872	1,487,728



Nguyen Thi Ngoc Trinh
Preparer



Yang Yuan Yuan
Chief Accountant



Huang Guoyong
General Manager
26 March 2019

The notes on pages 10 to 48 are an integral part of these financial statements.

CASH FLOW STATEMENT
(Direct method)

		For the year ended 31 December	
		2018	2017
		USD	USD
Note			
CASH FLOWS FROM OPERATING ACTIVITIES			
01	Receipts from interest and similar income	7,467,484	7,038,662
02	Payments for interest and similar expenses	(2,312,666)	(1,945,735)
03	Net fee and commission income received	60,284	47,294
04	Net cash inflow from trading in foreign currencies	279,781	173,995
05	Receipts from other income	138	2,303
07	Payments for staff costs and administrative expenses	(3,536,018)	(2,938,753)
08	Business income tax paid	24 (401,995)	(351,686)
	Net cash inflows from operating activities before changes in operating assets and liabilities	1,557,008	2,026,080
Changes in operating assets			
09	Decrease in placements with and loans to other credit institutions	59,037,569	22,808,973
12	Decrease/(increase) in loans and advances to customers	2,510,135	(23,703,618)
14	Decrease/(increase) in other operating assets	15,937	(5,390)
Changes in operating liabilities			
16	Increase/(decrease) in placements and borrowings from other credit institutions	40,000,065	(94,110,621)
17	(Decrease)/increase in deposits from customers	(41,107,283)	52,608,653
	(Decrease)/increase in other operating liabilities	(45,878)	13,509
I	Net cash inflows/(outflows) from operating activities	61,967,553	(40,362,414)

The notes on pages 10 to 48 are an integral part of these financial statements.

CASH FLOW STATEMENT
(Direct method)
(continued)

		For the year ended 31 December	
	Note	2018 USD	2017 USD
CASH FLOWS FROM INVESTING ACTIVITY			
01 Purchase of fixed assets		(97,048)	(7,218)
II Net cash outflows from investing activity		(97,048)	(7,218)
CASH FLOWS FROM FINANCING ACTIVITY			
III Net cash flows from financing activity		-	-
IV Net increase/(decrease) in cash and cash equivalents		61,870,505	(40,369,632)
V Cash and cash equivalents at beginning of year		82,470,727	122,840,359
VII Cash and cash equivalents at end of year		144,341,232	82,470,727
Cash and cash equivalents are made up of:			
- Cash on hand	3	667,552	469,342
- Balances with the State Bank of Vietnam	4	14,979,825	26,823,181
- Placements with other credit institutions	5	128,693,855	55,178,204
		144,341,232	82,470,727



Nguyen Thi Ngoc Trinh
Preparer



Yang Yuan Yuan
Chief Accountant



Huang Guoyong
General Manager
26 March 2019