

**China Construction Bank Corporation -
Ho Chi Minh City Branch**

Financial statements

For the year ended 31 December 2019



China Construction Bank Corporation - Ho Chi Minh City Branch

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China Construction Bank Corporation - Ho Chi Minh City Branch

GENERAL INFORMATION

THE BRANCH

China Construction Bank Corporation - Ho Chi Minh City Branch ("the Branch") is a branch established in Ho Chi Minh City, Vietnam of China Construction Bank Corporation ("Head Office"), a bank incorporated in China.

The Branch was established pursuant to Banking License No. 271/GP-NHNN dated 10 December 2009 issued by the State Bank of Vietnam ("SBV") and Business Registration No. 0309878015 dated 18 March 2010 issued by Ho Chi Minh City Department of Planning and Investment which was amended for the latest time on 19 August 2016. The Branch started operation on 10 December 2009 with an operation period of 99 years.

The Branch's principal activities are to provide banking services including mobilizing and receiving short, medium and long-term deposits from organizations and individuals; making short, medium and long-term loans to organizations and individuals based on the nature and capability of its capital resources; conducting foreign currency transactions; providing international trade finance services; settlement services and other banking services as allowed by the SBV.

The Branch's office is located at Room 1105-1106, 11th Floor and Room 1202, 12th Floor, Sailing Tower, 111A Pasteur Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam.

MANAGEMENT AND CHIEF ACCOUNTANT

Members of the Management and Chief Accountant during the year and at the date of this report are:

<i>Name</i>	<i>Position</i>	<i>Date of appointment/resignation</i>
Mr. Huang Guoyong	General Manager	Appointed on 24 July 2015
Ms. Chen Min	Deputy General Manager	Appointed on 18 July 2018
Ms. Luo Mei Wei	Deputy General Manager	Resigned on 29 January 2019
Mr. Luu Cam Hoa	Head of Marketing Department	Appointed on 1 April 2019
Mr. Wang Long Fei	Head of Treasury Department	Appointed on 11 October 2016
Mr. Mao JianLi	Head of Risk Management Department	Appointed on 13 August 2019
Ms. Cao Le Bao Chieu	Administration Manager	Appointed on 4 May 2010
Ms. Tran Thi Huong	Head of Legal & Compliance Department	Appointed on 1 July 2017
Ms. Yang Yuan Yuan	Chief Accountant cum Head of Operation Department	Appointed on 3 April 2017

LEGAL REPRESENTATIVE

The legal representative of the Branch during the year and at the date of this report is Mr. Huang Guoyong - General Manager.

AUDITORS

The auditors of the Branch are Ernst & Young Vietnam Limited.

China Construction Bank Corporation - Ho Chi Minh City Branch

REPORT OF MANAGEMENT

Management of China Construction Bank Corporation - Ho Chi Minh City Branch ("the Branch") is pleased to present this report and the financial statements of the Branch for the year ended 31 December 2019.

MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Branch's management is responsible for the financial statements of each financial year which give a true and fair view of the financial position of the Branch and of the results of its operations and its cash flows for the year. In preparing those financial statements, 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 standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ▶ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Branch will continue its business.

Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Branch and to ensure that the accounting records comply with the applied accounting system. It 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.

Management confirmed that it has complied with the above requirements in preparing the accompanying financial statements.

STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying financial statements give a true and fair view of the financial position of the Branch as at 31 December 2019 and of the results of its operations and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System for Credit Institutions and the statutory requirements relevant to the preparation and presentation of the financial statements.

For and on behalf of management

Mr. Huang Guoyong
General Manager

Ho Chi Minh City, Vietnam

24 March 2020

Reference: 61246289/21501708

INDEPENDENT AUDITORS' REPORT

To: The Owner 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") as prepared on 24 March 2020 and set out on pages 5 to 50, which comprise the balance sheet as at 31 December 2019, the income statement and the cash flow statement for the year then ended and the notes thereto.

Management's responsibility

Management of the Branch is responsible for the preparation and fair presentation of these financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System for Credit Institutions and the statutory requirements relevant to the preparation and presentation of the financial statements, and for such internal control as the management determines is necessary to enable the preparation and presentation of the 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 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 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 auditors' judgment, including the 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 control relevant to the Branch's preparation 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 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 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 financial statements give a true and fair view, in all material respects, of the financial position of the Branch as at 31 December 2019, and of the results of its operations and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System for Credit Institutions and the statutory requirements relevant to the preparation and presentation of the financial statements.

Other matters

The equivalent amounts in million of Vietnam Dong (VNDm) presented in the accompanying financial statements have been translated on the basis set forth in *Note 2.3* to the financial statements solely for the Branch's internal use and for submission to the relevant authorities in compliance with the current regulations.

The financial statements of the Branch for the year then ended 31 December 2018 were audited by another audit firm which expressed an unmodified opinion on those financial statements on 26 March 2019.

Ernst & Young Vietnam Limited



Nguyễn Tiến Dũng
Deputy General Director
Audit Practicing Registration
Certificate No. 0893-2018-004-1

Vu Tien Dung
Auditor
Audit Practicing Registration
Certificate No. 3221-2020-004-1

Ho Chi Minh City, Vietnam

24 March 2020

China Construction Bank Corporation - Ho Chi Minh City Branch

BALANCE SHEET
as at 31 December 2019

B02/TCTD

		Ending balance		Beginning balance	
	Notes	US\$	VNDm equivalent	US\$	VNDm equivalent
ASSETS					
Cash	5	457,696	10,605	667,552	15,487
Balances with the State Bank of Vietnam ("SBV")	6	18,727,969	433,927	14,979,825	347,532
Due from and loans to other credit institutions		154,278,959	3,574,643	145,531,860	3,376,339
Due from other credit institutions	7.1	129,008,765	2,989,133	128,693,855	2,985,697
Loans to other credit institutions	7.2	25,270,194	585,510	16,838,005	390,642
Loans to customers		92,929,553	2,153,178	72,472,090	1,681,352
Loans to customers	8	93,590,468	2,168,491	73,045,794	1,694,662
Provision for credit losses on loans to customers	9	(660,915)	(15,313)	(573,704)	(13,310)
Fixed assets		121,966	2,826	93,811	2,176
Tangible fixed assets	10	36,025	835	11,173	259
Cost		1,097,199	25,422	1,095,660	25,419
Accumulated depreciation		(1,061,174)	(24,587)	(1,084,487)	(25,160)
Intangible fixed assets	11	85,941	1,991	82,638	1,917
Cost		155,573	3,604	132,474	3,073
Accumulated amortization		(69,632)	(1,613)	(49,836)	(1,156)
Other assets		754,880	17,491	586,211	13,601
Receivables	12.1	132,844	3,078	68,098	1,580
Interest and fees receivable	12.2	591,402	13,703	477,955	11,089
Other assets	12.3	30,634	710	40,158	932
TOTAL ASSETS		267,271,023	6,192,670	234,331,349	5,436,487
LIABILITIES					
Due to other credit institutions	13	140,538,678	3,256,281	134,411,649	3,118,350
Due to customers	14	57,798,271	1,339,186	35,509,070	823,810
Other liabilities		3,739,785	86,651	607,620	14,096
Interest and fees payable	15.1	248,662	5,761	330,969	7,678
Other liabilities	15.2	3,491,123	80,890	276,651	6,418
TOTAL LIABILITIES		202,076,734	4,682,118	170,528,339	3,956,256
OWNER'S EQUITY					
Capital		58,119,359	1,248,250	58,119,359	1,248,250
Reserves		1,521,409	34,422	1,312,717	29,577
Foreign exchange difference		-	101,637	-	103,613
Retained earnings		5,553,521	126,243	4,370,934	98,791
TOTAL OWNER'S EQUITY	17	65,194,289	1,510,552	63,803,010	1,480,231
TOTAL LIABILITIES AND OWNER'S EQUITY		267,271,023	6,192,670	234,331,349	5,436,487

China Construction Bank Corporation - Ho Chi Minh City Branch

BALANCE SHEET (continued)
as at 31 December 2019

B02/TCTD

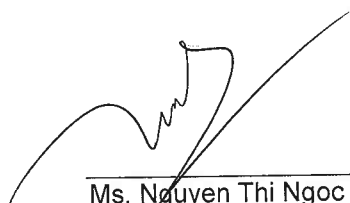
OFF-BALANCE SHEET ITEMS

Notes	Ending balance		Beginning balance	
	US\$	VNDm equivalent	US\$	VNDm equivalent
Irrevocable loan commitments	9,343,105	216,480	5,664,213	131,410
Letters of credit	11,174,054	258,903	674,021	15,638
Other guarantees	11,500,510	266,467	22,832,054	529,704
26	32,017,669	741,850	29,170,288	676,752

Prepared by:

Reviewed by:

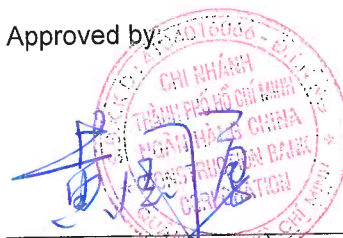
Approved by:



Ms. Nguyen Thi Ngoc Trinh
Financial Controller



Ms. Yang Yuan Yuan
Chief Accountant



Mr. Huang Guoyong
General Manager

Ho Chi Minh City, Vietnam

24 March 2020

China Construction Bank Corporation - Ho Chi Minh City Branch

INCOME STATEMENT
for the year ended 31 December 2019

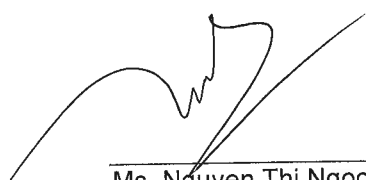
B03/TCTD

	Notes	Current year		Previous year	
		US\$	VNDm equivalent	US\$	VNDm equivalent
Interest and similar income	18	7,580,227	175,960	7,086,569	163,175
Interest and similar expenses	19	(2,797,846)	(64,946)	(2,437,124)	(56,117)
Net interest and similar income		4,782,381	111,014	4,649,445	107,058
Fee and commission income		270,207	6,272	130,664	3,009
Fee and commission expenses		(84,155)	(1,953)	(70,380)	(1,621)
Net fee and commission income	20	186,052	4,319	60,284	1,388
Net gain from trading of foreign currencies	21	312,004	7,243	279,781	6,442
Net gain from other operating activities		10	-	138	3
TOTAL OPERATING INCOME		5,280,447	122,576	4,989,648	114,891
Personnel expenses		(2,688,385)	(62,405)	(2,808,363)	(64,666)
Depreciation and amortization charges		(23,406)	(543)	(14,651)	(337)
Other operating expenses		(718,002)	(16,668)	(734,755)	(16,918)
TOTAL OPERATING EXPENSES	22	(3,429,793)	(79,616)	(3,557,769)	(81,921)
Net operating profit before provision expense for credit losses		1,850,654	42,960	1,431,879	32,970
Provision expense for credit losses	9	(87,211)	(2,024)	(57,923)	(1,334)
PROFIT BEFORE TAX		1,763,443	40,936	1,373,956	31,636
Current corporate income tax expense	16	(372,164)	(8,639)	(331,084)	(7,624)
PROFIT AFTER TAX		1,391,279	32,297	1,042,872	24,012

Prepared by:

Reviewed by:

Approved by:



Ms. Nguyen Thi Ngoc Trinh
Financial Controller



Ms. Yang Yuan Yuan
Chief Accountant



Mr. Huang Guoyong
General Manager

Ho Chi Minh City, Vietnam

24 March 2020

China Construction Bank Corporation - Ho Chi Minh City Branch

CASH FLOW STATEMENT
for the year ended 31 December 2019

B04/TCTD

Notes	Current year		Previous year	
	US\$	VNDm equivalent	US\$	VNDm equivalent
CASH FLOWS FROM OPERATING ACTIVITIES				
Interest and similar receipts	7,432,229	172,524	7,467,484	171,946
Interest and similar payments	(2,880,153)	(66,857)	(2,312,666)	(53,251)
Net fee and commission receipts	186,052	4,319	60,284	1,388
Net receipts from trading of foreign currencies	312,004	7,243	279,781	6,442
Receipts from other activities	2	-	138	3
Payments for operations and salary expenses	(3,321,320)	(77,098)	(3,536,018)	(81,421)
Corporate income tax paid during the year	16 (241,610)	(5,608)	(401,995)	(9,257)
Net cash flows from operating activities before changes in operating assets and liabilities	1,487,204	34,523	1,557,008	35,850
Changes in operating assets				
(Increase)/decrease in due from and loans to other credit institutions	(8,432,189)	(195,736)	59,037,569	1,359,399
(Increase)/decrease in loans to customers	(20,544,674)	(476,904)	2,510,135	57,798
(Increase)/decrease in other operating assets	(55,222)	(1,282)	15,937	367
Changes in operating liabilities				
Increase in due to and borrowings from other credit institutions	6,127,029	142,227	40,000,065	921,041
Increase/(decrease) in due to customers	22,289,201	517,399	(41,107,283)	(946,536)
Increase/(decrease) in other operating liabilities	3,033,402	70,414	(45,878)	(1,056)
Net cash flows from operating activities	3,904,751	90,641	61,967,553	1,426,863
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of fixed assets	(51,561)	(1,197)	(97,048)	(2,252)
Proceeds from disposals of fixed assets	8	-	-	-
Net cash flows used in investing activities	(51,553)	(1,197)	(97,048)	(2,252)

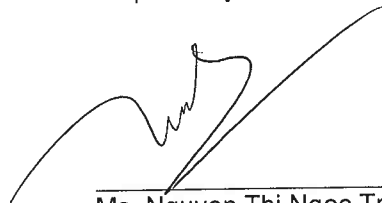
China Construction Bank Corporation - Ho Chi Minh City Branch

CASH FLOW STATEMENT (continued)
for the year ended 31 December 2019

B04/TCTD

Notes	Current year		Previous year	
	US\$	VNDm equivalent	US\$	VNDm equivalent
Net cash flows during the year	3,853,198	89,444	61,870,505	1,424,611
Cash and cash equivalents at the beginning of the year	23 144,341,232	3,348,716	82,470,727	1,864,413
Foreign exchange difference	-	(4,495)	-	59,692
Cash and cash equivalents at the end of the year	23 148,194,430	3,433,665	144,341,232	3,348,716

Prepared by:



Ms. Nguyen Thi Ngoc Trinh
Financial Controller

Reviewed by:



Ms. Yang Yuan Yuan
Chief Accountant

Approved by:



Mr. Huang Guoyong
General Manager

Ho Chi Minh City, Vietnam

24 March 2020