

**CHINA CONSTRUCTION BANK CORPORATION – HO CHI MINH CITY BRANCH**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**



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## 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
Mr. Wang Zhaoyang	Head of Operation/ Chief Accountant (until 21 May 2017) Risk management Manager (from 12 January 2017 to 19 January 2018)
Ms. Yang Yuan Yuan	Head of Operation/ Chief Accountant (from 22 May 2017)
Mr. Wang Long Fei	Treasury Manager
Ms. Chen Min	Marketing Manager (until 11 February 2018) Risk management Manager (from 12 February 2018)
Ms. Than Thi Hong Nga	Risk management Manager (until 11 January 2017)
Ms. Cao Le Bao Chieu	Administration Manager
Ms. Tran Uyen Phuong	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 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 2017 and the results of its operations and cash flows for the year then ended. In preparing these financial statements, the 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 45 which give a true and fair view of the financial position of the Branch as at 31 December 2017 and of the results of 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 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  
20 March 2018



**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 2017 and approved by the Board of Management on 20 March 2018. The financial statements comprise the balance sheet as at 31 December 2017, the income statement, the cash flows statement for the year then ended and explanatory notes to the financial statements including significant accounting policies, as set out on pages 5 to 45.

**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 management determines is necessary to enable the preparation and fair presentation of 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, 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 2017, 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 matters**

The financial statements of the Branch for the year ended 31 December 2016 were audited by another auditor whose audit report dated 15 March 2017 expressed an unqualified opinion.

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

Report reference number: HCM6705  
Ho Chi Minh City, 20 March 2018



Tran Thi Thanh Truc  
Audit Practising Licence No.  
3047-2017-006-1

As indicated in Note 2.1 to the financial statements, the accompanying financial statements are not intended to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than SR Vietnam, and furthermore their utilisation is not designed for those who are not informed about SR Vietnam's accounting principles, procedures and practices.

## BALANCE SHEET

		As at 31 December	
		2017	2016
		USD	USD
		Note	
<b>A</b>	<b>ASSETS</b>		
I	Cash on hand	3	469,342      410,975
II	Balances with the State Bank of Vietnam	4	26,823,181      14,758,084
III	Placements with and loans to other credit institutions	5	131,053,778      206,355,847
1	Placements with other credit institutions		55,178,204      107,671,300
2	Loans to other credit institutions		75,875,574      98,684,547
VI	Loans and advances to customers	6	75,040,148      51,476,249
1	Loans and advances to customers		75,555,929      51,852,311
2	Less: Provision for losses on loans and advances to customers	6.8	(515,781)      (376,062)
X	Fixed assets		11,414      31,033
1	Tangible fixed assets	7(a)	11,414      31,033
a	Historical cost		1,091,622      1,104,490
b	Accumulated depreciation		(1,080,208)      (1,073,457)
3	Intangible fixed asset	7(b)	-      -
a	Historical cost		42,748      42,748
b	Accumulated amortisation		(42,748)      (42,748)
XII	Other assets		943,319      1,348,733
1	Other receivables	8(a)	72,244      73,379
2	Fee and interest income receivables	8(b)	819,126      1,229,930
4	Other assets	8(c)	51,949      45,424
	<b>TOTAL ASSETS</b>		<b>234,341,182      274,380,921</b>

The notes on pages 10 to 45 are an integral part of these financial statements.

**BALANCE SHEET**  
(continued)

		As at 31 December	
		2017	2016
		USD	USD
	Note		
<b>B</b>	<b>LIABILITIES AND EQUITY</b>		
<b>II</b>	<b>Placements and borrowings from other credit institutions</b>		
1	Placements from other credit institutions	94,411,584	188,522,205
2	Borrowings from other credit institutions	64,411,584	118,522,205
		30,000,000	70,000,000
<b>III</b>	<b>Deposits from customers</b>	76,616,353	24,007,700
<b>VII</b>	<b>Other liabilities</b>	553,107	578,606
1	Fee and interest expense payables	206,511	340,373
3	Other liabilities	346,596	238,233
	<b>TOTAL LIABILITIES</b>	<b>171,581,044</b>	<b>213,108,511</b>
<b>VIII</b>	<b>EQUITY AND RESERVES ATTRIBUTABLE TO EQUITY HOLDERS OF THE BRANCH</b>		
1	Charter capital	58,119,359	58,119,359
2	Reserves	1,156,286	933,127
5	Retained earnings	3,484,493	2,219,924
	<b>TOTAL EQUITY AND RESERVES</b>	<b>62,760,138</b>	<b>61,272,410</b>
	<b>TOTAL LIABILITIES AND EQUITY</b>	<b>234,341,182</b>	<b>274,380,921</b>
<b>OFF BALANCE SHEET ITEMS</b>			
	<b>CONTINGENCIES AND CREDIT COMMITMENTS</b>	17,939,929	6,141,244



Nguyen Thi Ngoc Trinh  
Preparer



Yang Yuan Yuan  
Chief Accountant

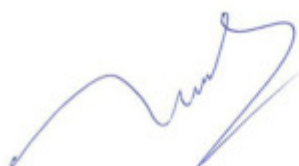


Huang Guoyong  
General Manager  
20 March 2018

The notes on pages 10 to 45 are an integral part of these financial statements.

## INCOME STATEMENT

		For the year ended 31 December	
		2017	2016
		USD	USD
	Note		
1	Interest and similar income	6,563,824	4,829,801
2	Interest and similar expenses	(1,811,873)	(1,154,339)
<b>I</b>	<b>Net interest income</b>	<b>4,751,951</b>	<b>3,675,462</b>
3	Fee and commission income	107,507	94,932
4	Fee and commission expenses	(60,213)	(57,293)
<b>II</b>	<b>Net fee and commission income</b>	<b>47,294</b>	<b>37,639</b>
<b>III</b>	<b>Net gain from dealing in foreign currencies</b>	<b>173,995</b>	<b>66,812</b>
<b>VI</b>	<b>Net other income/(expenses)</b>	<b>2,303</b>	<b>(18,925)</b>
<b>VIII</b>	<b>General and administrative expenses</b>	<b>(2,954,604)</b>	<b>(2,836,677)</b>
<b>IX</b>	<b>Operating profit before provisions for credit losses</b>	<b>2,020,939</b>	<b>924,311</b>
<b>X</b>	<b>Provision for credit losses</b>	<b>(139,719)</b>	<b>(126,125)</b>
<b>XI</b>	<b>Profit before tax</b>	<b>1,881,220</b>	<b>798,186</b>
7	Business income tax - current	(393,492)	(253,565)
8	Business income tax - deferred	-	-
<b>XII</b>	<b>Business income tax</b>	<b>(393,492)</b>	<b>(253,565)</b>
<b>XIII</b>	<b>Net profit for the year</b>	<b>1,487,728</b>	<b>544,621</b>



Nguyen Thi Ngoc Trinh  
Preparer



Yang Yuan Yuan  
Chief Accountant



Huang Guoyong  
General Manager  
20 March 2018

The notes on pages 10 to 45 are an integral part of these financial statements.

**CASH FLOW STATEMENT**  
 (Direct method)

		<u>For the year ended 31 December</u>	
		2017	2016
		USD	USD
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
01	Receipts from interest and similar income	7,038,662	4,392,199
02	Payments for interest and similar expenses	(1,945,735)	(822,403)
03	Net fee and commission income received	47,294	37,639
04	Net cash inflow from trading in foreign currencies	173,995	66,812
05	Other income/(expenses)	2,303	(18,925)
07	Payments for staff costs and administrative expenses	(2,938,753)	(2,867,872)
08	Business income tax paid	(351,686)	(257,114)
	<b>Net cash flows from operating activities before changes in operating assets and liabilities</b>	<b>2,026,080</b>	<b>530,336</b>
<b>Changes in operating assets</b>			
09	Decrease/(increase) in placements with and loans to other credit institutions	22,808,973	(23,165,477)
12	Increase in loans and advances to customers	(23,703,618)	(24,417,207)
14	(Decrease)/increase in other operating assets	(5,390)	24,820
<b>Changes in operating liabilities</b>			
16	(Decrease)/increase in placements and borrowings from other credit institutions	(94,110,621)	128,283,355
17	Increase/(decrease) in deposits from customers	52,608,653	(9,978,735)
20	Decrease in derivative financial instruments and other financial liabilities	-	(118,069)
21	Increase/(decrease) in other operating liabilities	13,509	(20,174)
<b>I</b>	<b>Net cash flows from operating activities</b>	<b>(40,362,414)</b>	<b>71,138,849</b>

The notes on pages 10 to 45 are an integral part of these financial statements.

**CASH FLOW STATEMENT**  
(Direct method)  
(continued)

	For the year ended 31 December	
	2017 USD	2016 USD
<b>CASH FLOWS FROM INVESTING ACTIVITY</b>		
01 Purchase of fixed assets	(7,218)	-
<b>II Net cash flows from investing activity</b>	<b>(7,218)</b>	<b>-</b>
<b>CASH FLOWS FROM FINANCING ACTIVITY</b>		
<b>III Net cash flows from financing activity</b>	<b>-</b>	<b>-</b>
<b>IV Net (decrease)/increase in cash and cash equivalents</b>	<b>(40,369,632)</b>	<b>71,138,849</b>
<b>V Cash and cash equivalents at beginning of year</b>	<b>122,840,359</b>	<b>51,701,510</b>
<b>VII Cash and cash equivalents at end of year</b>	<b>82,470,727</b>	<b>122,840,359</b>
Cash and cash equivalents are made up of:		
- Cash on hand	469,342	410,975
- Balances with the State Bank of Vietnam	26,823,181	14,758,084
- Placements with other credit institutions	55,178,204	107,671,300
	<b>82,470,727</b>	<b>122,840,359</b>



Nguyen Thi Ngoc Trinh  
Preparer



Yang Yuan Yuan  
Chief Accountant



Huang Guoyong  
General Manager  
20 March 2018