

HDBank
Committed to your best returns



*Conquering
New Horizons*
ANNUAL REPORT 2017



ANNUAL REPORT 2017

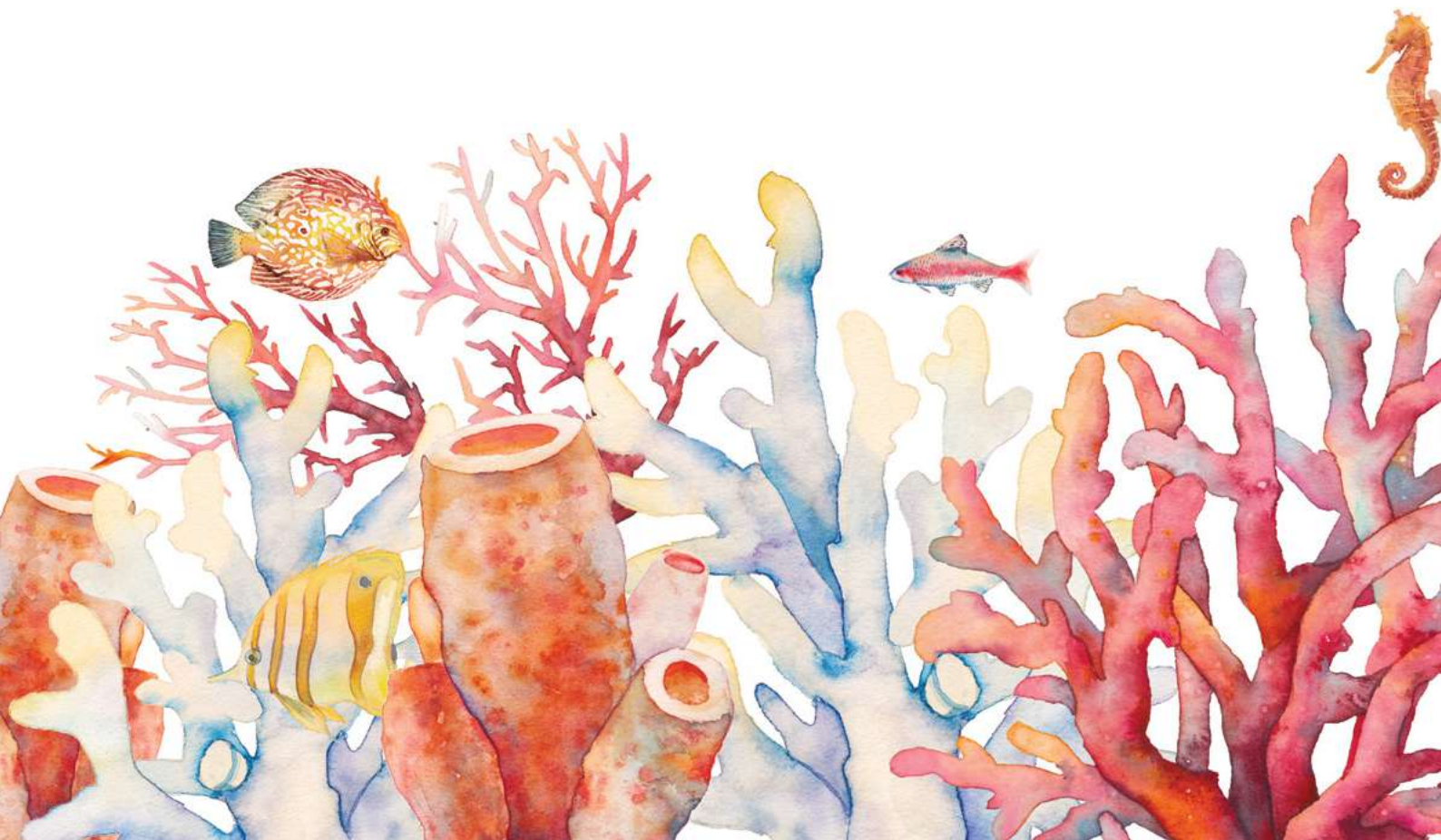




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Fair winds and following seas —SET SAIL

At HDBank, we always strive towards maintaining high standards of financial services expected of us by our Personal and Business Customers in Vietnam. Collectively and with single-mindedness of our team, we are now ready to surf every emerging current into the challenging and promising waters of International Ocean. The Bank is confident of conquering new horizons and achieving greater success and prosperity for our stakeholders.





Far-sighted vision

– Catch the big wave



GENERAL INFORMATION

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MESSAGE THE MAJOR SHAREHOLDER - PERMANENT VICE CHAIRWOMAN OF THE BOARD OF DIRECTORS

“We are proud to have the leadership of an experienced BOD with visions and our best-in-class risk management systems. These two factors helped us achieve lowest NPL compared to peers in many consecutive years.”

HDBank has been operating in Vietnam for nearly 30 years. The Bank has seen astounding growth over the past ten years with an 18-fold growth in its assets. It outpaced many other industry peers in the market to propel the Bank into the league of strongest and largest banks in Vietnam focusing on Retail, SME and consumer segments.

HDBank operates in Vietnam, a country with a stable political system and with GDP growth of 6%-7% per annum, where the private sector, especially SME, has enjoyed very strong growth. Vietnam has also benefited from a young population reaching 100 million with rising per capita income and consumers are at inflection point. Low banking penetration in Vietnam, at roughly 30% for people above 15 years of age, offers tremendous growth potential.

From 2011 to 2016 when the Vietnam banking sector encountered period of volatility, we have been focusing on building a multipurpose bank, and have successfully executed our 5-year business plan to position the Bank amongst the group of largest commercial banks.

In addition, we have also laid a strong foundation to launch the next 5-year plan to become the top retail bank offering financial products and services to 15 million customers by 2021.

We are proud to have the leadership of an experienced BOD with visions and our best-in-class risk management systems. These two factors helped us achieve lowest NPL compared to peers in many consecutive years.

HDBank also has proven track records in performing successful M&A deals.

Over the next few years, we strive to be the leader in banking sector and achieve high and sustainable growth with the development of a unique eco-system leveraging on our M&A capacity and strategic partnerships with airlines, supermarket groups, and telecommunications service providers. We are confident of achieving the desired goals with our extensive distribution network, full range of services and state-of-the-art technology in a fast-growing banking sector in Vietnam.

HDBank's BOD brings highest value for its investors, partners, customers and employees by governing the Bank with transparency and the most stringent international corporate governance standards.

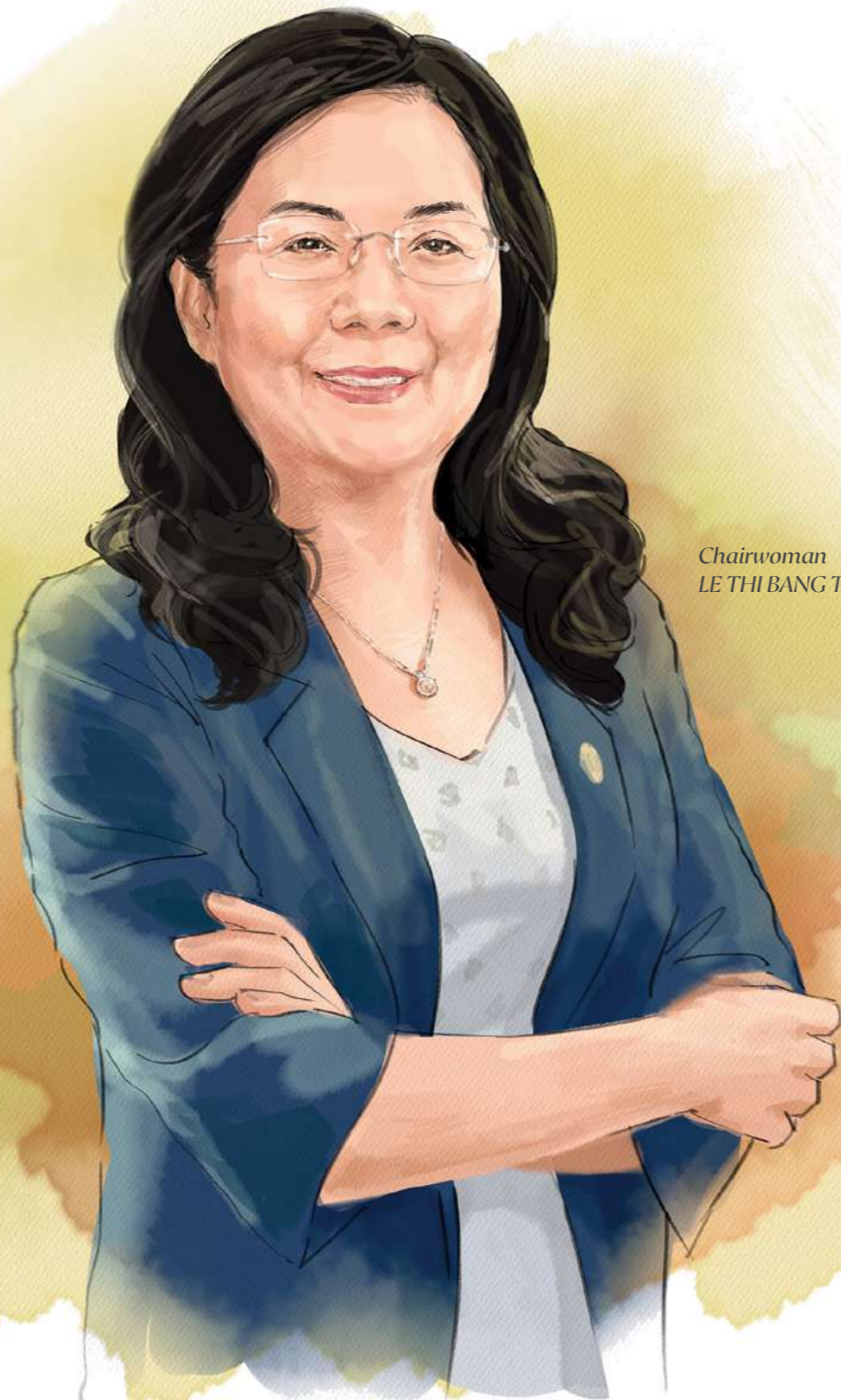


Nguyen Thi Phuong Thao
Permanent Vice Chairwoman



Permanent Vice Chairwoman
NGUYEN THI PHUONG THAO

MESSAGE FROM THE CHAIRWOMAN OF THE BOARD OF DIRECTORS



Chairwoman
LE THI BANG TAM

To our esteemed customers, shareholders and all employees of HDBank,

The year 2017 has been an eventful year in the establishment and development history of HDBank. Along with the positive signals of the Vietnamese economy and the determined spirit of the whole system, HDBank took advantage of market opportunities, overcame all challenges to achieve impressive results beyond expectations. In January 2018, the listing of HDBank shares marked a new chapter in the Bank's history as it joined the league of top market capitalization credit intuition in Vietnam.

The impressive rise in stock prices, strong liquidity and high market valuation are evidence of investors trust in the Bank track record of growth in term of solid financial performance and strong brand recognition. Positive investors' response and long-term customers' loyalty also clearly demonstrates their confidence in HDBank's high quality of service, operational capacity and development strategy.

Last year, HDBank also actively took part in hosting leaders and business delegations from 21 developed countries at the APEC 2017 Economic Leaders' Week (AELW) in Da Nang. The success of AELW is the glory of the Country and also a remarkable milestone for HDBank in the journey of sustainable development.

Our impressive financial performance has helped attract foreign investors and open the door to global financial markets. In addition, the Bank's pioneer in supply of specialized products and services to international customers in Vietnam market has also helped expand its operation.

In terms of corporate social responsibility, HDBank has always committed its devoted and sharing spirit to improve the well-being of the community. The Bank made regular visits to remote countryside areas from the Northwestern mountainous provinces to the historical hometown of Southern Revolutions (Dong Khoi, Ben Tre) to donate clothes and school supplies to poor children and the elderlies. The Bank has also sponsored surgeries to restore sight to 500,000 cataract patients and donated more than 14,000 health insurance cards in cooperation with the Ho Chi Minh

“With a clear strategic orientation, active integration, and the core business philosophy of “Committed to your best returns”, we are confident that HDBank’s BOD will stir the enthusiasm of the whole organization, the dedication of the Board to contribute to sustainable growth and add value for all our stakeholders. To this end, we will strive to obtain unfailing support from our stakeholders, in particular Government authorities at all levels.”

City Association Sponsoring Poor for Poor Patient. Our active involvements and contributions to the society has gained recognition from the State and the community. In 2017, HDBank had the honor to receive the Second-class Labor Medal awarded by the President of Socialist Republic of Vietnam.

2017 saw the commencement of HDBank's new 5-year Business Strategic Plan 2017 – 2021, to launch HDBank's ship on its “Conquering new horizons” expedition. With a clear strategic orientation, active integration, and the core business philosophy of “Committed to your best returns”, we are confident that HDBank's BOD will stir the enthusiasm of the whole organization, the dedication of the Board to contribute to sustainable growth and add value for all our stakeholders. To this end, we will strive to obtain unfailing support from our stakeholders, in particular Government authorities at all levels.

On behalf of HDBank Board of Directors, I would like to extend my appreciation to the commitment, efforts and contributions of all our staff for their dedication to discharge their duties in the past year. I would also like express my thanks to Shareholders, Partners, Customers and Government authorities and look forward to their continual support in the years to come. Together, we will build a stronger and sustainable HDBank.

Representative HDBank Board of Directors

Le Thi Bang Tam
Chairwoman



MESSAGE FROM THE CHIEF EXECUTIVE OFFICER



Chief Executive Officer
NGUYEN HUU DANG

To our esteemed customers, shareholders and employees of HDBank,

The year 2017 marked the beginning of the Bank's 5-year Business Strategic Plan with the vision of becoming the leading Retail and SMEs bank in Vietnam. The scale and performance of HDBank in the past year has shown stable and sustainable growth beyond shareholders' expectations. Total assets reached VND 189,334 billion, achieving increase of 26% year-on-year, total customers deposits stood at VND 120,537 billion (making a 16.7% annual growth), total credit exposures reached VND 110,067 billion, increasingly of 25.2% compared to 2016; profit before tax reached VND 2,417 billion, archiving increasing of 110.6% and equivalent to 185.9% of our annual plan. ROE and ROA were 15.8% and 1.2% respectively, which positioned HDBank among the top four most profitable banks in Vietnam. We have achieved these results while remaining prudential ratios within the guidelines set by the State Bank of Vietnam ("SBV"). This strong performance would not have been possible without the continual trust and confidence of our customers, partners and shareholders. We also would like to express our appreciation to the guidance of Government authorities, the leadership of the Bank's Management and the dedication of all employees.

STRONG TRANSFORMATION

Following on from the success of our 2011 – 2016 development strategy, HDBank has made further progress in transformation in 2017 by preparing itself for listing, which attracted a lot of interest from the market and our IPO was the second largest of the Vietnam banking industry at the time. Our offer had received overwhelming response from 76 foreign investors including prestigious investment

Alongside our sustainable and impressive business growth, HDBank has also been making inroads in enhancing our corporate governance in pursuing international standards and best practices.

funds and financial institutions such as Deutsche Bank, Macquarie Bank, Credit Saison Japan, with subscriptions totaling three times in excess of the offering size. On 5th January 2018, HDBank shares were officially listed on Ho Chi Minh City Stock Exchange.

During the year, Moody's Investors Service affirmed HDBank with credit rating of B2, the highest rating for a joint stock commercial bank in Vietnam. HDBank also received various accolades from the Socialist Republic of Vietnam as well as international organizations. We are proud recipients of the Second-class Labor Medal awarded by the President of the Vietnam on 27th January 2018 for our outstanding contributions to the society throughout the years.

Alongside our sustainable and impressive business growth, HDBank has also been making inroads in enhancing our corporate governance in pursuing international standards and best practices.

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER



“We believe that with the determination and solidarity of the entire HDBank team, along with the trust of our shareholders and business partners and the support from the Government authorities, HDBank will overcome every hurdle to meet the business challenges.”

SAILING TO THE SEA

Riding on the success of our 2017 achievements, HDBank is determined to open a new chapter in our development and to set sail to the uncharted waters of fulfilling the ever demanding financial service needs of Vietnamese consumers. Outline below are key targets for 2018.

1. Business focus:

- Carrying out business activities in the direction of: sustainable growth, prudent credit policies, optimized profit while continuing to focus on retail and SME banking by developing and offering customer-centric products and services;
- Investing in Digital banking technologies to exploit cost-effective delivery channels for the benefits of customers.

2. Corporate governance objective:

- Ensuring all the Bank's operations are fully complied with laws and regulations, risk management processes are in place to control quality of assets and mitigate risks including credit, operational, and liquidity risks, and prudential ratios are in line with limits set by the SBV.
- Applying innovative information technology (IT) to transform and simplify processes, procedures for the benefit of customers.
- Implementing Basel II.

3. Branch network and human resources:

- Continually pursuing our network expansion and development plan to best exploit domestic and international market potentials.
- Promoting human resources development through training, building a professional working environment and business culture to attract and retain talented people.

4. Objectives of information technology development

In the context of the fourth industrial revolution which has profound effect on the financial services industry, the Bank should also be focusing on leveraging on information technology to ride the wave of changes. Strengthening the application of information technology in business will create a solid foundation to launch advanced and secured electronic products and for the daily operation and management of the Bank.

5. Brand development objectives:

Developing and launching quality products and services will help promote HDBank brand name and enhance brand recognition. HDBank management recognizes the positive impacts of our various corporate social responsibilities (CSR) programs on our brand-building initiative, and will continue to expand efforts on these programs in 2018.

Creating long-term value for our stakeholders (namely customers, shareholders, HDBank employees and their immediate family members) as well as the society will also be our focus on brand development.

We believe that with the determination and solidarity of the entire HDBank team, along with the trust of our shareholders and business partners and the support from the Government authorities, HDBank will overcome every hurdle to meet the business challenges.

On behalf of the HDBank Board of Management

Nguyen Huu Dang
Chief Executive Officer

VISION

To become a leading financial group with a commercial bank that ranks among the top banks in Vietnam as the core businesses, which offers superior products and customers services through an international network, operational excellence and a brand name our clients are proud to be associated with.

MISSION

TO OUR CUSTOMERS

HDBank is committed to delivering the highest value to our customers by providing innovative full-packaged financial solutions to meet their diverse and changing needs on customer insights.

TO OUR EMPLOYEES

HDBank will create a professional, exciting and rewarding work environment where our people can learn, innovate and contribute towards developing a successful career.

TO OUR PARTNERS

HDBank is committed to maximizing value for shareholders and partners through robust and sustainable growth, effective governance and rigorous risk management.

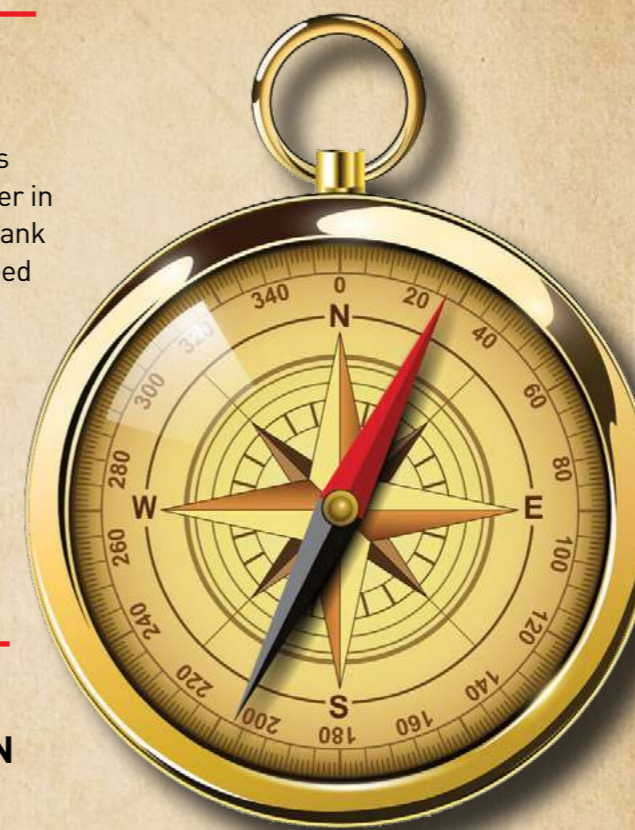
CORE VALUES

CUSTOMER-CENTRICITY

HDBank always places customers at the center in all operations of the Bank and endeavors to exceed their expectations

EXCELLENCE AND INNOVATION

HDBank continually learns, innovates and improves itself to achieve operational excellence and excel at customer service



CONSISTENCY AND FLEXIBILITY

HDBank has a clear sense of purpose and are consistent in pursuing our goals. We are proactive and flexible in our actions to accomplish these goals

INTEGRITY AND RESPONSIBILITY

HDBank is a trusting and honest business partner. HDBank is bold in its approach to taking initiative and responsibility

PROFESSIONALISM AND TEAMWORK

HDBank works and behaves professionally. HDBank shares and cooperates amicably with our colleagues and partners based on mutual trust and respect



The Board of Directors

The Board of Directors of HDBank comprises nine (09) members:

Mr. LY VINH QUANG
Independent Member

Mr. LIM PENG KHOON
Member

Mr. NGUYEN THANH DO
Vice Chairman,
Independent Member

Ms. NGUYEN THI PHUONG THAO
Permanent Vice Chairwoman

Ms. LE THI BANG TAM
Chairwoman

Ms. NGUYEN THI TAM
Member

Mr. LUU DUC KHANH
Vice Chairman

Mr. NGUYEN HUU DANG
Member

Mr. CHU VIET CUONG
Member



The Board of Supervisors



The Board of Supervisors of HDBank consists of three (03) members:

Ms. NGUYEN THI TICH
Member

Mr. DAO DUY TUONG
Chief Supervisor

Ms. NGUYEN THI PHUNG
Member

The Board of Management



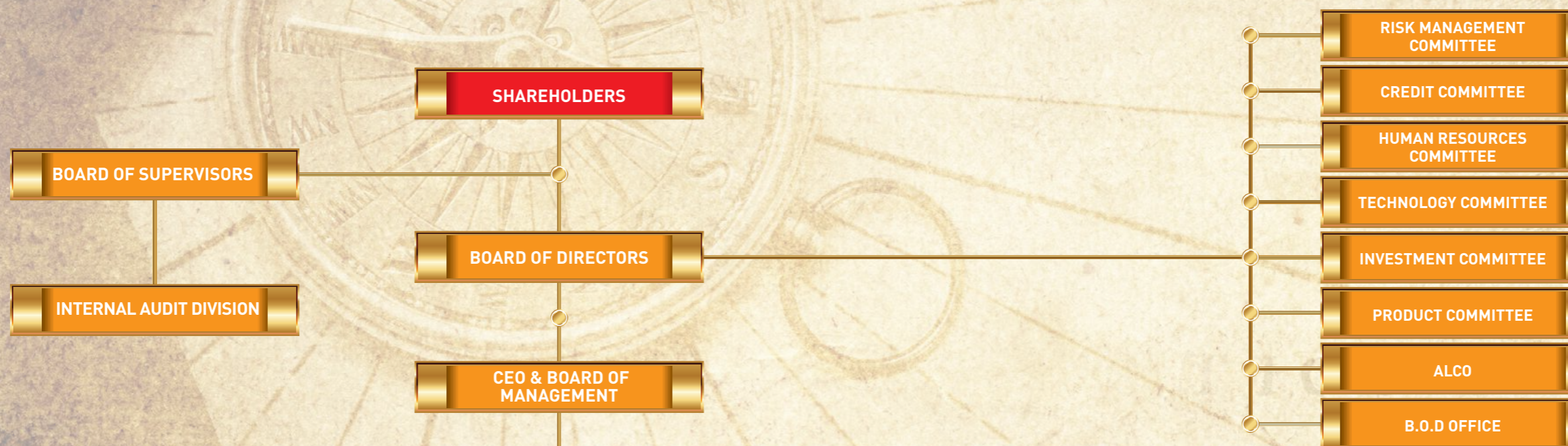
The Board of Management of HDBank consists of thirteen (13) members:

- 1 **Mr. NGUYEN HUU DANG** Chief Executive Officer (CEO)
- 2 **Ms. NGUYEN DOAN DUY AI** Deputy CEO
- 3 **Ms. PHAN THI TRAM ANH** Director of Operations Division

- 4 **Mr. NGUYEN THANH PHUONG** Deputy CEO
- 5 **Mr. TRAN QUOC ANH** Director of Retail Banking
- 6 **Mr. TRAN HOAI NAM** Deputy CEO
- 7 **Ms. HO DANG HOANG QUYEN** Chief Accountant
- 8 **Mr. NGUYEN MINH DUC** Deputy CEO

- 9 **Mr. LE THANH TRUNG** Deputy CEO
- 10 **Mr. LE THANH TUNG** Deputy CEO
- 11 **Mr. PHAM QUOC THANH** Deputy CEO
- 12 **Mr. PHAM VAN DAU** Chief Financial Officer
- 13 **Mr. TRAN THAI HOA** Deputy CEO

ORGANIZATION STRUCTURE OF HDBANK



TREASURY DIVISION	CORPORATE & INSTITUTIONAL BANKING DIVISION (CIB)	SME BANKING DIVISION	RETAIL BANKING DIVISION	MARKETING & PR DEPT.	OPERATIONS DIVISION		CREDIT ADMINISTRATION CENTER	IT DIVISION	RISK MANAGEMENT DIVISION	LEGAL & COMPLIANCE	FINANCIAL & PLANNING DIVISION	HUMAN RESOURCES DIVISION
					Operation	Internal Services						
FX Trading	Large Corporate Sales Centers	SME Business Development	Retail Business Development	Branding & Design	Payment Center (Domestic & International Payment, Treasury Support)	Quality Management (QM)	Disbursement Department	Core banking Development Center	Credit Risk Management	Legal	Financial Accounting & Tax	HR Management & Policy
Money Market & Fixed income	Financial Institutions	Cash Management & Trade Finance	Retail Product Development	PR, Events & Media	Accounting & Cash Control	Administration	Department of Credit Documentation & DCollateral Management	IT Operations & Supervision Center	Market & Regulatory-Risk Management	Compliance	Management Accounting, Planning & Financial Analysis	Recruitment
Liquidity and Funding	Business Development and Support	Corporate Credit Re-Appraisal	Retail Credit Appraisal	Market Research, Business Support & Development	Collateral Appraisal	Purchase	Department of Credit Administration Policy & Supervision	IT Infrastructure Center	Operation Risk Management		Accounting Policy, Accounting Control	Training
Investment Banking		Customer Services & Support	Credit Scoring		Customer Service Center	Fixed Asset Management		Quality assurance, Security & Information Protection, & Compliance Department	Loans Recovery & Collection			Services & HR Support
			Card Center			Network Development & Basic Construction						

SALES & DISTRIBUTION DIVISIONS (Divided into geographical regions which manage sub-regions areas, branches and transaction offices)

NORTHERN

CENTRAL

HIGHLANDS & SOUTHEASTERN

HO CHI MINH CITY

SOUTHWESTERN

PROMINENT MILESTONES AND AWARDS

10 SPECIAL EVENTS & MILESTONES OF HDBANK IN 2017



1. RECEIVING THE SECOND-CLASS LABOR MEDAL

HDBank is honored to receive the second-class Labor Medal awarded by the State President for its outstanding achievements in business activities from 2012 - 2016.

In addition, HDBank and its employees also received the Government's emulation flag; the State Bank's emulation flags to 03 collectives, 22 medals for "Vietnam Banking Industry Contribution"; and 104 certificates of merit from the Governor of the SBV to the outstanding collectives and individuals of HDBank.



2. OUTSTANDING BUSINESS RESULTS

2017 is a notable year with an increase of 2,417 billion in pre-tax profit, which is 110.6% higher than the previous year, representing 185.9% of the plan approved by the Shareholders' Meeting at the beginning of the year.

The remarkable profit for 2017 was attributable to the strong growth of net interest income from traditional lending and service activities. Total assets and outstanding loans to customers increased sharply.

Specifically, as at December 31st 2017, outstanding loans amounted to VND 110,067 billion, credit growth of customer loans at 25.2% y-o-y ranking the highest in the banking sector; while bad debt was capped at 1.5%. Mobilization through customer deposits increased by 16.7%, reaching the threshold of VND 120.537 billion. Profit before tax was VND 2,417 billion, doubling that of last year. Profit after tax at VND1,954 billion, which is 2.1 times of last year, was resulted from the increase in traditional loan growth which leads to an increase of net interest income by 35.7%. Service and securities business grew by 66.2% and 110.0%, respectively. HDBank's total assets as at December 31st, 2017 reached VND 189,334 billion, up by 26.0% compared to the beginning of the year.

2017 is also the first year HDBank implemented its Sustainable Growth Plan 2017-2021.

3. HDBANK WAS RANKED TOP 20 LARGEST MARKET CAP COMPANIES FOLLOWING ITS HOSE DEBUT

On January 5th, 2018, nearly 981 million shares of HDBank were officially traded on HOSE, making its way to the top 20 stocks with largest capitalization of HOSE.

With the listing on HOSE, HDBank also pioneered large capitalization companies to enter the stock market, contributing to raising market liquidity and bringing opportunities for domestic and foreign investors.

Right before the listing, HDBank has raised USD 300 million in an IPO to foreign investors, the offer size was ranked second largest in the history of Vietnam's IPO to-date.

After nearly 3 months on the HOSE, HDB's share price increased impressively by nearly 50%.





4.

2017 APEC VIETNAM WEEK/APEC BUSINESS LEADERS WEEK (ABLW)

HDBank and members of Sovico Group were the main sponsors of the 2017 APEC Business Leaders Week. This event provided an opportunity to showcase achievements and contributions of the Bank and to extend our hospitality to delegates such as setting up 24-hour ATM and foreign exchange counters,... At the end of the fourth session of APEC Business Advisory Council, nearly 300 delegates from APEC economies attended ABAC Culture Night celebrated on the evening of November 6th, 2017.

At the main APEC 2017 meeting held on November 7th, 2017, representatives of HDBank's Management gave an important speech about the difficulties to access credit from bank for small and medium enterprises (SMEs), as well as the potential of the retail banking market in Vietnam.



In conjunction with the 25th APEC, HDBank also organized networking sessions at the Da Nang Investment Promotion Forum and built on display a simulation model of the HDBank transaction office which attracted interest from high-ranking guests and delegates.



5.

THE LARGEST NETWORK OF FINANCIAL TRANSACTION POINTS IN VIETNAM

In 2017, HDBank opened 19 branches and transaction offices, reaching the milestone of 240 transaction points nationally. With the expanded network, HDBank is well placed to serve our Retail and SME customer segments which have expanded by 11.5% and 21.7% respectively in the year. HDSaison, the Bank's consumer finance subsidiary, served 3.6 million customers with more than 11,500 POS (Points of Sale).

Based on HDBank's track records, the State Bank of Vietnam granted the Bank approval to open 45 new branches and transaction offices in 2018.

6.

PARTNER WITH THE VIETNAMESE FUTSAL TEAMS TO REACH THE INTERNATIONAL FOOTBALL ARENA

Contributing to the development of sporting activities in Vietnam, in 2017 HDBank sponsored the Southeast Asian Futsal Championship and two National Futsal events, namely, the 2017 National Cup and the 2017 National Championship. Futsal has become increasingly popular and has received strong followings in Vietnam as well as regionally. The success of the Futsal events last year, has given us great encouragement to intensify our effort to help promote sporting activities to enhance the Country's reputation.



7.

HDBANK INTERNATIONAL OPEN CHESS TOURNAMENT- SHOWING THE WORLD OF VIETNAMESE TALENTS

The HDBank international chess tournament was held annually since 2011, and was organized along the tournament system of World Chess Federation (FIDE). It has attracted professional contestants from different continents.

In 2017, the competition attracted 230 participants including 92 international players from 24 countries and territories on five continents; the average Elo point was 2,383; Professional level was 6/8, which is highly appreciated for international chess championships. Over the past seven years, HDBank has attracted 1,108 players from 31 countries on five continents.

It can be said that the International Chess HDBank has contributed to bring Vietnamese talents out to the world, making a beautiful impression in the hearts of supporters of this sport.



8

RECIPIENT OF VARIOUS NATIONAL AND INTERNATIONAL AWARDS AND INTERNATIONAL AWARDS

In September, 2017, HDBank was awarded the Best Bank in Vietnam 2017 by the Asiamoney Magazine. In December 2017, The Asian Banker announced that HDBank ranked 8th among 15 Vietnamese banks in the top 500 strongest banks in Asia Pacific.

In addition, for the second time, HDBank was honored with the Gold Medal in the annual Vision Awards held by the League of American Communications Professionals.

In the country, HDBank honorably received recognitions and awards including the "Strong Brand Name in Vietnam 2017" award; "Good Bank for Small and Medium Enterprises" award; and "Best Retail Bank and Consumer Finance" award by the Vietnam Economic Times.



9

NATION-WIDE TEAM-BUILDING EVENT "THE FIRE OF FAITH"

In order to foster the spirit of solidarity and teamwork amongst staff across the Bank and companies within the Group, HDBank regularly organizes sporting activities and cultural events which are warmly received by employees.

In 2017, the 5th HDBank Games took place in HCMC, Nghe An and Khanh Hoa attracted 200 athletes from 26 business units of HDBank and guest teams from VietJet Air, HDSAISON and Furama Company.



10.

JOURNEY OF LOVE

In addition to business activities, HDBank always takes corporate social responsibilities through many charity programs.

Over the years, in cooperation with the Ho Chi Minh City Association for Poor Patient, HDBank has implemented many practical programs such as offering 14,000 health insurance cards for poor people. Through this program, thousands of the poor and the sick have had access to health services.

In 2017, HDBank continued to work with The Sponsoring Association for Poor Patients to provide free surgeries for 5,000 eye patients. Up to now, through the program "Bring back light for the blind", HDBank has helped 500,000 people cure eye diseases.

Programs aiming at sheltering the poor such as funding for construction of hundreds of houses; supporting for rural road construction; giving aids to families in need; providing scholarships, etc. were regularly featured in our CSR activities. Details of other similar programs include visitation and donations to the Child Support Fund - Nghe An Children's Fund, SOS Da Nang Children Village, Thi Nghe Center for Disabled Children, Ho Chi Minh City; donation of cow breeds to poor people in Quang Ngai, Long An; and sponsorship of the construction of memorial stele A210 intercession in Ben Tre, etc. CSR has always been an integral part of HDBank's Corporate Culture.



PROMINENT MILESTONES AND AWARDS

AWARDS



1. Second-class Labor Medal awarded by the President of the Vietnamese Government



2. Emulation Flag by the SBV for 03 units



3. The SBV's Certificate of Merit for 31 groups, 73 individuals



4. "Best Bank in Vietnam 2017" awarded by Asiamoney Magazine



5. Ranked 8th on the list of 15 Vietnamese banks in TOP 500 banks in Asia Pacific by The Asian Banker



6. Gold Award in the 2016 Annual Vision Awards Competition by the League of American Communications Professionals (LACP)



7. Strong Brand Name of Vietnam in 2017 by The Vietnam Economic Times



8. Best Bank for Small and Medium Enterprise by the Vietnam Economic Times



9. Best Retail and Consumer Finance Bank by the Vietnam Economic Times

KEY OPERATION RATIOS

With clear strategic orientation, active integration, HDBank is ready for a new "voyage", bringing along the enthusiasm of the staff, the confidence of the management and high expectation of the shareholders.

TOTAL PROFIT AFTER TAX



TOTAL OPERATIONAL INCOME FOR THE YEAR 2017



TOTAL ASSETS AS AT 31 DECEMBER 2017



TOTAL EQUITY AS AT 31 DECEMBER 2017



ROE

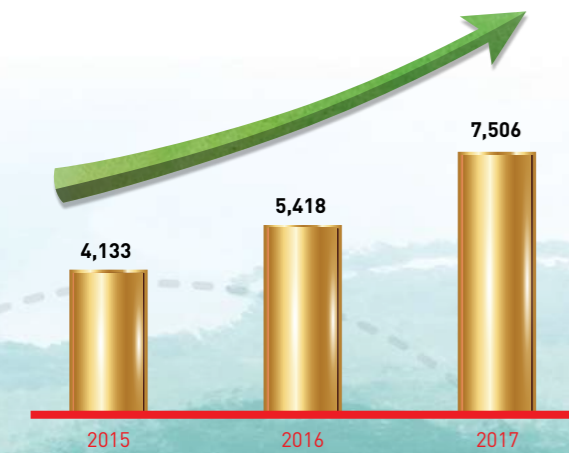


NPL

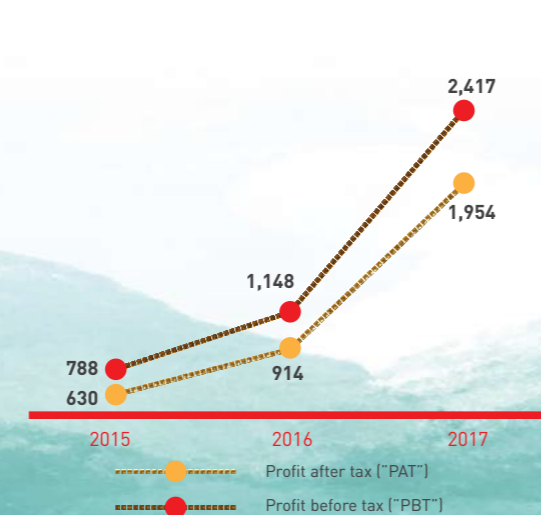


2015 – 2017 GROWTH

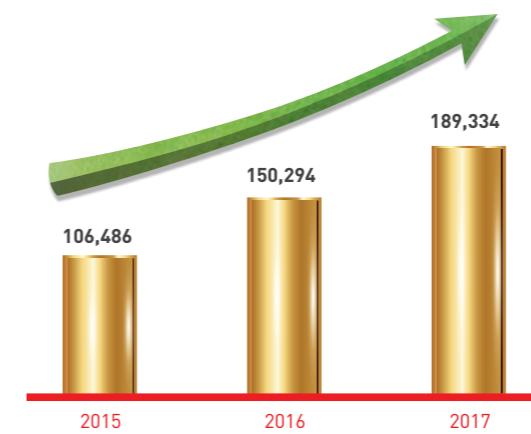
TOTAL OPERATIONAL INCOME (TOI) VND billion



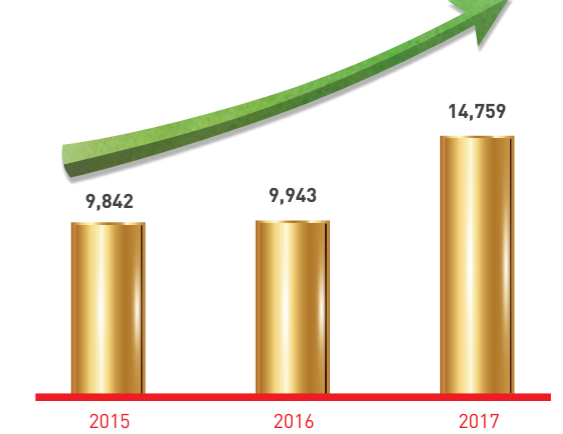
PROFIT VND billion



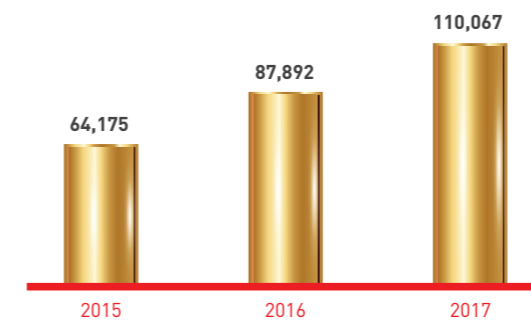
TOTAL ASSETS VND billion



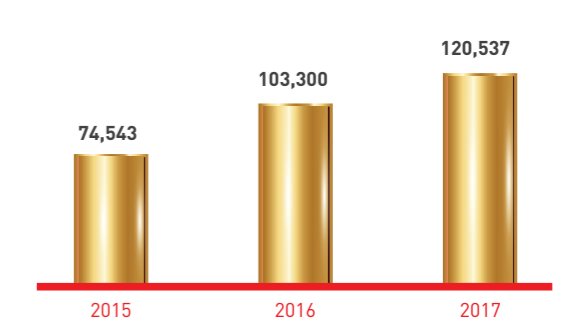
TOTAL EQUITY VND billion



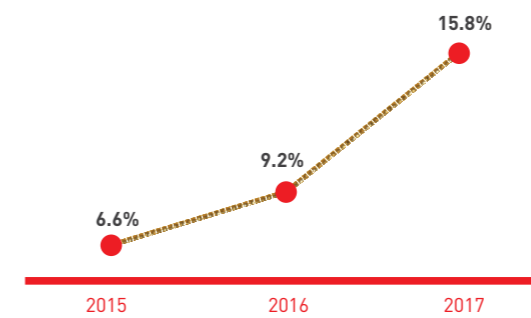
TOTAL CUSTOMER DEPOSITS VND billion



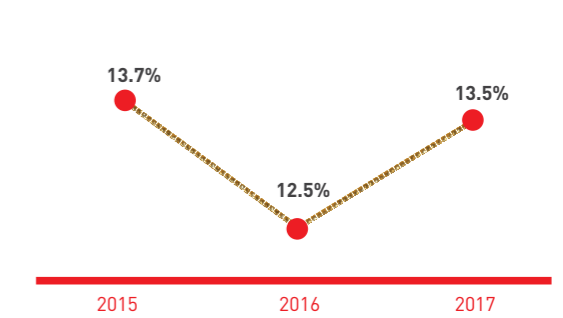
TOTAL CUSTOMER DEPOSITS VND billion



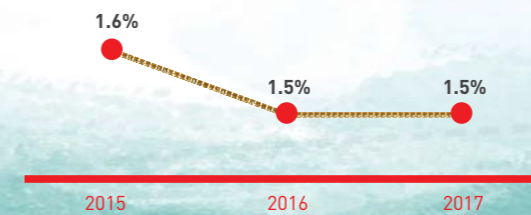
PROFIT AFTER TAX TO EQUITY



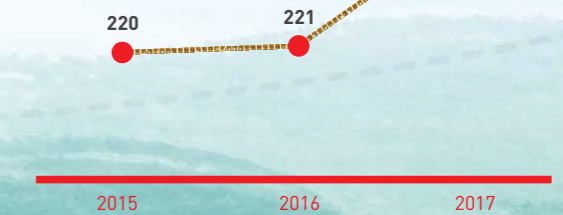
CAR RATIO



NPL RATIO



OPERATIONAL NETWORK Network





*Steady voyage
– Into
The Open Sea*

DEVELOPMENT STRATEGY

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INTRODUCTION ABOUT HDBANK

Vietnamese Corporate name:	NGÂN HÀNG THƯƠNG MẠI CỔ PHẦN PHÁT TRIỂN THÀNH PHỐ HỒ CHÍ MINH
English name:	HO CHI MINH CITY DEVELOPMENT JOINT STOCK COMMERCIAL BANK
Abbreviation:	HDBank
Enterprise Registration Certificate:	No. 0300608092 by Ho Chi Minh City Department of Planning and Investment granted for the first time dated 11 August 1992 and amended for the 26th time dated 11 December 2017
Charter capital:	VND 9,810 billion
Shareholder's equity:	VND 14,759 billion
Head Office:	25Bis Nguyen Thi Minh Khai, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam
Tel.:	(84-28) 6291 5916
Fax:	(84-28) 6291 5901
Website:	www.hdbank.com.vn
Operation License:	No. 00019/NH-GP issued by the State Bank of Vietnam dated June, 06 th , 1992

Logo:



Stock code:

HDB



SUBSIDIARIES AND ASSOCIATES OF HDBANK

COMPANY NAME	HOLDING PERCENTAGE
Subsidiaries	
Assets Management Company Limited – Ho Chi Minh City Development Commercial Joint Stock Bank	100%
HD SAISON Limited Liability Company	50%
Associates	
HDBank has no associates	

a/ Assets Management Company Limited - Ho Chi Minh City Development Commercial Joint Stock Bank

Asset Management Co., Ltd – Ho Chi Minh City Development Commercial Joint Stock Bank (“HD AMC”), which was formerly a subsidiary of Dai A Joint Stock Commercial Bank, officially operated from January 13, 2011 with initial charter capital of VND 20 billion and increased to VND 150 billion in August 2011.

After completion of the merger with Dai A Commercial Joint Stock Bank in November 2013, HD AMC became a subsidiary of HDBank and relocated its headquarters from Bien Hoa, Dong Nai to Ho Chi Minh City in October 2014.

Main activities of HD AMC are: management of assets derived from recovery of bad debt as delegated by HDBank.

b / HDSaison Limited Liability Company (“HD SAISON”)

HDBank’s consumer finance segment lies in the subsidiary HD SAISON. HD SAISON’s predecessor was Viet Nam Société Générale (“SGVF”). After receiving the SBV’s approval in Decision No. 2532/QD-NHNN and Decision No. 2533/QD-NHNN dated October 30th,

2013, Société Générale SA, the sole owner of SGVF, transferred 100% of SGVF’s equity interest in HDBank and SGVF has officially changed its name to Finance Company One Member Limited Liability - Ho Chi Minh City Development Commercial Joint Stock Bank (“HDFinance”).

Following the approval of the State Bank of Vietnam in Decision No. 454/QD-NHNN and Decision No. 455/QD-NHNN dated March 31st, 2015, HDBank successfully transferred 49% of its charter capital of HDFinance to Credit Saison Co., Ltd. (a Japanese company). HDFinance officially changed from one-member limited liability company to limited liability company with two or more members and changed its name to HD SAISON Limited Liability Company (“HD SAISON”).

HD SAISON carries out consumer lending activities including loans for installment purchases, household appliances, motor vehicles, light trucks, travel and loyalty loans for personal consumption. HD SAISON’s credit extension activities are carried out through a network of 11,500 selling points located in 63 provinces and cities across the country.

ESTABLISHMENT AND DEVELOPMENT SUMMARY

No. of Branches and Transaction offices



TOTAL ASSETS AS OF
31/12/2017 ~US\$8.4 BILLION
2021 US\$20.0 BILLION

Total assets of HDBank has grown almost 20 times over the past 10 years



DEVELOPMENT MILESTONES

<p>1989</p> <p>Established as Housing Development Bank of HCMC</p>	<p>2008</p>	<p>2009</p>	<p>2010</p>	<p>2011</p> <p>Name changed to Ho Chi Minh City Development Joint Stock Commercial Bank</p>	<p>2012</p>	<p>2013</p> <p>Acquired SGVF Acquired DaiA Bank Société Générale Viet Finance (SGVF) a subsidiary of Société Générale</p>	<p>2014</p>	<p>2015</p> <p>Credit Saison</p>	<p>2016</p> <p>Assigned first-time rating of B2 by Moody's</p>	<p>2017</p> <p>Join the league of top Join stock commercial bank in Vietnam</p>
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ESTABLISHMENT PHASE

IMPLEMENTATION OF NEW DEVELOPMENT STRATEGIES

Using exchange rate of 1 USD = 22,650 VND
 Note: In 2013, HDBank acquired 100% equity of Société Générale Viet Finance Company Limited (SGVF) of the Société Générale Group (Republic of France) - one of the three largest consumer finance companies in Vietnam, to become a subsidiary of HDBank named HDFinance.
 In 2013, DaiA Bank had 20 years of banking experience, with a charter capital of VND 3,100 billion. Through the merger with DaiA Bank, HDBank increased its charter capital to VND 8,100 billion, and became one of the top 10 largest commercial banks in Vietnam.

MAJOR BUSINESS LINES AND LOCATION



BUSINESS LINES

The Bank was established and operated under Decision No. 47/QĐ-UB dated February 11th, 1989 by the People's Committee of Ho Chi Minh City and license No. 00019/NH-GP issued by the State Bank of Vietnam issued on June 6th, 1992.

The Bank was established to carry out banking transactions including mobilizing and receiving short, medium and long term deposits from organizations and individuals; providing short, medium and long-term loans to organizations and individuals based on the nature and resources of the Bank; performing foreign currency transactions, commercial international trade financial services, discounting commercial bills, bonds and other valuable papers, providing settlement services and other banking services provided by the State Bank of Vietnam.

BUSINESS LOCATION

HDBank has 01 Head Office in Ho Chi Minh City, 01 Representative Office in Ha Noi and 238 Branches and Transaction Offices throughout Vietnam.

The domestic network of the Bank is widely distributed across provinces and cities, helping HDBank and its subsidiaries to reach customers in 63/63 provinces and cities around the country and its surrounding areas, providing a wide range of services from consumer loans to business households and organizations and enterprises.

Geographical location	Number Branch / Transaction Office
Ho Chi Minh City	61
Ha Noi City	56
Northern Vietnam	28
Middle of Vietnam	19
East of Southern of Vietnam - Highlands	56
West of Southern of Vietnam	20

SIGNIFICANT RISKS THAT AFFECT BUSINESS ACTIVITIES

RISK FACTORS

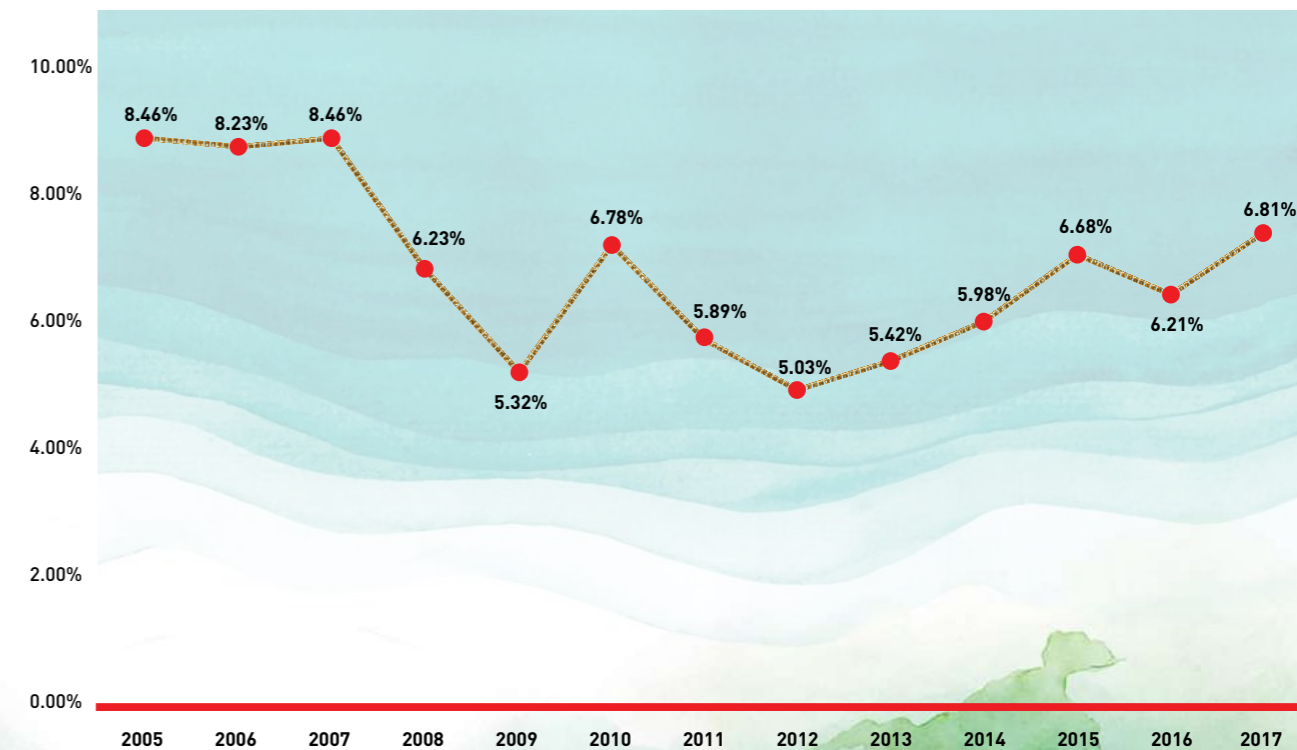
Operational results and development prospects of Ho Chi Minh City Development Bank ("the Bank" or "HDBank") may be affected by any of the risks mentioned below.

ECONOMIC RISK

Economic growth (GDP growth): This is an important macro factor affecting the growth of most sectors of the economy and has a great impact on the growth cycle of

the banking industry. In recent years, according to the General Statistics Office, GDP growth rate of Vietnam is relatively positive with the increase of 5.98% in 2014, 6.68% in 2015 and 6.21% in 2016. For the year 2017, economic growth achieved 6.81%, which exceeded target of the National Assembly (6.7%) and becomes the highest growth rate in the recent past 10 years.

GDP GROWTH RATE OF VIETNAM, PERIOD 2005 - 2017



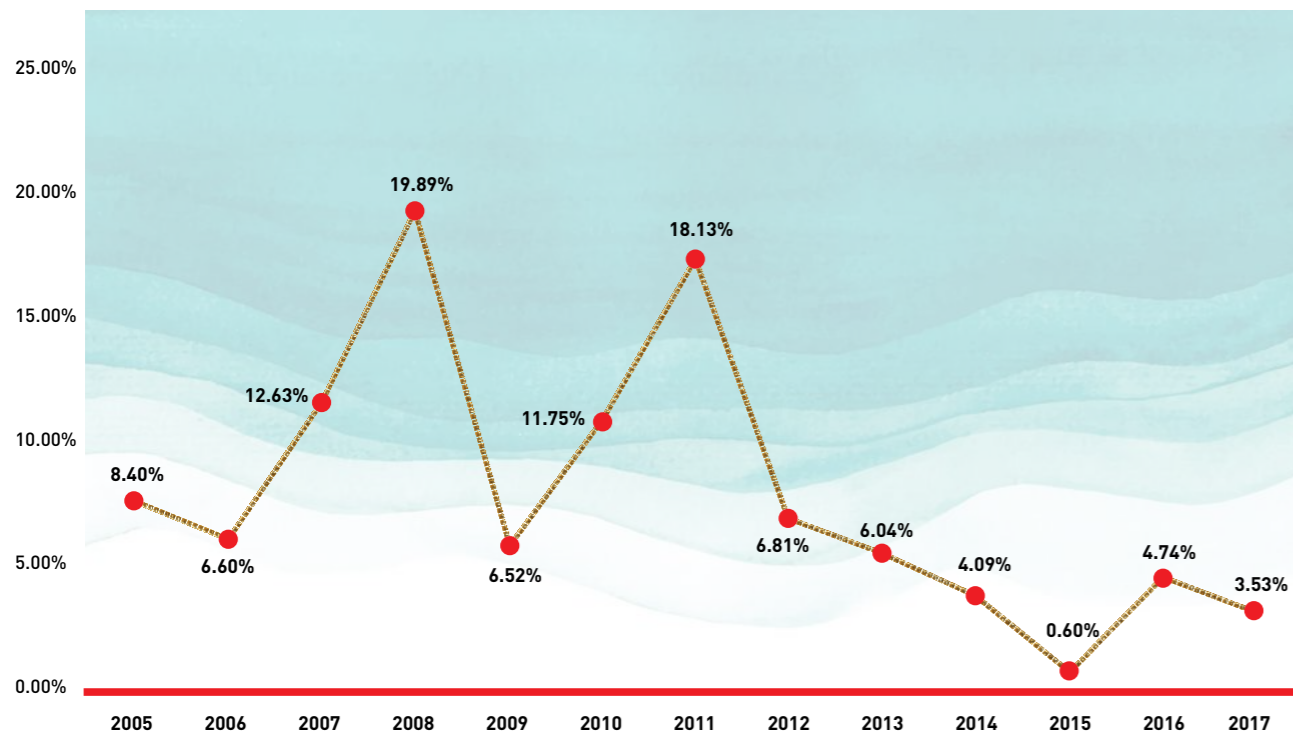
Source: General Statistics Office



Inflation: From double-digit inflation in the years before 2012, the Government has run a policy of controlling inflation and stabilizing the macro economy, from which inflation has fallen from 6.84% in 2012 to 0.63% in 2015 and 4.74% in 2016. Low inflation is a positive sign for the SBV to reduce interest rates, loosen monetary policy,

and encourage people and enterprises to borrow money from banks. In 2017, the SBV manage a steady monetary policy to stabilize macroeconomics and control inflation, CPI is controlled under the 4% limit as set out by the National Assembly, specifically increased lightly by 3.53% in comparison with 2016's average.

INFLATION OF VIETNAM, PERIOD 2005 – 2017



Source: General Statistics Office

INTEREST RATE RISK

Interest rate risk is the probability of reduction in earnings due to mobilization and lending interest rates change with the market, and affected by other factors such as structure, repricing term of credit and debit assets.

Interest rate risk is measured by the difference (at each time point in the future) between the total outstanding credit exposures (credit assets) that the Bank has to adjust for new interest rates, in comparison with total mobilized amount (debit assets) that the Bank has to adjust for new interest rates, also referred to as the

Re-pricing Gap. Therefore, if the Bank has to adjust interest rate upwards which keeps lending interest rate unmodified, there will be reduction in earnings.

HDBank manages interest rate risk through the establishment of debt and asset management system (consulted by a leading international auditing firm), including the ALCO Committee, the ALM Unit for regular monitoring the above mentioned re-pricing gap and proposing effective business solutions with the most effective net-interest margin (NIM), while still limits interest rate risk.

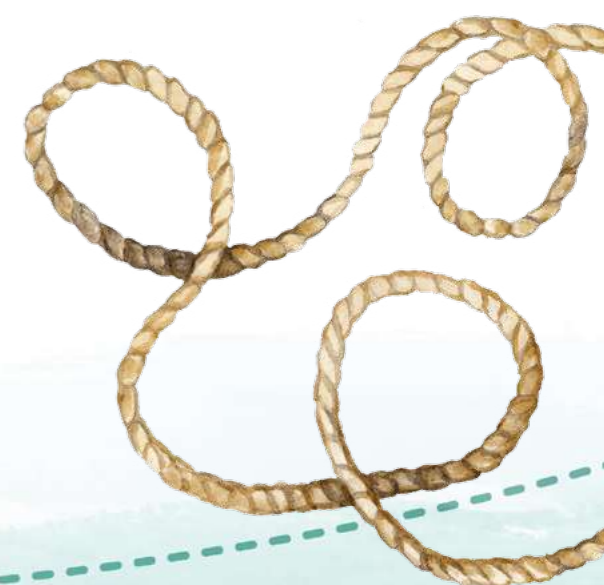
CREDIT RISK

Credit risk is the risk that arises when a customer fails to repay or fails to repay in time resulted in reduction or impairment in the Bank's assets. This risk occurs in the process of lending, discounting negotiable instruments and valuable papers, financial leasing, guarantee and factoring of the Bank. As such, credit risk is the type of risk associated with the quality of the Bank's credit activity. Credit operation is the basic business of Vietnamese commercial banks, and is the largest source of income, so credit risk accounts for a large proportion of the total risk of the Bank's operation.

In order to prevent credit risk, the Bank has established a credit risk management system including:

- Organizational structure relevant to strict credit extension activities from the Transaction Office to Branch, Region and Head Office to ensure the principle of independence between the stages of appraisal - control - approval.
- The approval mechanism mainly concentrate at the Head Office and decentralizes specific approval to competent authorities.

- Credit product lines, credit regulations and any related credit extension procedures in accordance with ISO 9001:2015, to ensure compliance with specific standards, forms, times and responsibilities.
- Set up a credit rating system (advised by leading international auditing firms) and Credit Assessment Guidelines in accordance with international practice, in order to accurately assess the reliability and feasibility of business plan per loan application of customers.
- Establish a credit limit system that corresponds to the risks level that the Bank is likely to accept for a customer, a customer and its related parties, an industry or a specific loan usage purpose.
- Establish control system for each loan disbursement, remote control, post-disbursement review, onsite review at branch level, etc. in order to timely identify, prevent risks and make early warning of changes in reliability of each customer, besides regular review and revaluation of collateral.



FOREIGN EXCHANGE RISK

Foreign exchange risk is the risk of exchange rate fluctuation on the foreign exchange position of the Bank. The foreign exchange position is the difference between the total credit assets and the total debt assets of each foreign currency/gold, including the corresponding off-balance sheet commitments.

The financial assets and liabilities of HDBank and its subsidiaries are mostly denominated in VND, with a portion denominated in USD, EUR and Gold. Foreign exchange risk of HDBank occurs when there are major fluctuations in exchange rates, especially USD.

LIQUIDITY RISK (SETTLEMENT RISK)

Liquidity risk is the risk that the Bank may face difficulty in meeting its financial obligations.

Liquidity risk is measured by the difference (at each time point in the future) between the total amount of money the Bank collects (credit assets), compared to the total amount of money it has to pay (debit assets), also known as the difference in term of payment.

In order to prevent foreign exchange risk mentioned above, HDBank has developed the forex trading process through three independent stages: Front - Middle - Back and general management policy. All transactions with customers on the limit are done in balance with the Head Office, at the end of the day the whole foreign exchange position at the branch is transferred to the Foreign Exchange Department at Head Office. In addition, the Board of Directors and the Board of Management set limits for foreign exchange risk in line with the Bank's risk allowance, such as daily transaction limits and stop-loss.

This difference occurs for many reasons: (i) the depositor and/or the borrower fails to comply with the withdrawal/payment schedule; (ii) the Bank would like to diversify and maximize the maturity period, use short-term deposits (with low interest rates and availability) to provide medium and long-term loans (high interest rates and irregularly).

HDBank manages liquidity risk by building a debt and asset management system (advised by a leading international auditing firm) including the ALCO Committee, ALM Unit to regularly monitor difference in term of payment as mentioned above and propose most effective business solutions while limit liquidity risk. Since its establishment and early stages of operations, the Bank always ensures its liquidity

RISKS FROM OFF-BALANCE SHEET ACTIVITIES

The risk from off-balance sheet activities is mainly a form of credit risk for the issuance of letters of guarantee, letters of credit (L/C) and other credit commitments to customers. These forms of credit are recorded off-balance sheet. In case customers fail to complete and/or fail to meet the deadline for the beneficiary according to the above commitments, HDBank shall be obliged to perform the payment obligation on behalf

capacity and adheres to stipulation in liquidity ratio and management as regulated by the SBV.

In addition, HDBank has also developed a plan to prevent liquidity crisis, which determines the sources of reserves, procedures and principles, the competent authorities responsible for timely and effective execution.

of the customers. At the same time, these off-balance sheet commitments will become repayable loans (also referred to as compulsory loans) and transferred to on-balance sheet as an overdue loan.

In order to prevent this risk, the Bank applies similar methodology to credit risk, in addition to requiring customers to deposit funds, pledge collateral assets and strictly defining the terms and conditions in the guarantee contracts/credit commitments.

LEGAL RISKS

Being an enterprise operating in the field of finance - monetary, HDBank is subject to the Law on Credit Institutions and related laws on security transactions, the Civil Code, the legislations on Enterprise, Securities, Real Estate Business, Lands, Housing, etc. Currently, Vietnam is in the process of opening up and integrating into the world economy, especially the field of finance and currencies has a substantial impact on the economy, hence, the system of legal documents issued by the State in this field is constantly amended and supplemented to comply with international practices and Vietnam's commitments to international organizations as well as development reality of Vietnam. The Bank's application of inadequate and untimely changes of legal documents will lead to risks of non-compliance with legal as well as legal risks for the transaction of the Bank itself.

In addition, in the course of operation, disputes and litigation may arise, especially in relation to credit contracts, business co-operation, joint-venture and services, along with other commercial co-operation with customers and partners, resulting in legal risks.

In order to prevent this risk, the Bank has established Legal Department at the Head Office and the Policy Unit under the Functional Divisions at the Head Office, responsible for monitoring and updating new laws, amendments and supplements and timely reviewing, amending and supplementing internal regulations to comply with the laws in each period and organize the implementation of new regulations/changes throughout the Bank for all staff. In addition, in the operation of credit support, the Bank has established Credit management and support centers, which perform legal work for documents, focus on document control and implementation of legal procedures for credit granting and secured transactions. The Bank has also set up a system of forms for the Bank's business operations, transactions with customers and periodic system reviews and standardization of forms, in compliance with prevailing regulations, security for transactions to better serve the business of the Bank.



OPERATION RISKS

Operational risk is the risk associated with the occurrence of losses that may occur during the course of the business and other operations of the Bank. Operational risk can be attributed to: staff members (errors in the operation or when providing services to customers, deliberate fraud); machinery and equipment/information system is damaged due to inadequate or ineffective regulatory systems/procedures, or external influences (natural disasters, force majeure, crooks, etc.).

To mitigate this risk, HDBank has implemented the Operational Risk Management Framework, which includes: actively review the system of procedures/regulations to identify early (RCSA); organize to

collect incurred incidents in order to form prevention experiences (LDC); develop Key Risk Indicators to monitor potential risk signals (KRI); develop plans to ensure continuous operations to respond to emergencies (BCPs); and monitor suspicious activities to detect fraud if any (SAM).

HDBank has issued a Code of Conduct and a disciplinary framework for each level of violation in order to guide and deter noncompliance. In addition, HDBank has regularly organized training and communication on risk management awareness and risk management methods for all employees from staff to management level.

RISK OF STOCK PRICE VOLATILITY

Being listed on the Ho Chi Minh City Stock Exchange helps the Bank to promote its brand, raise its image, increase liquidity of its stock, facilitate its owners to transfer its share effortlessly, and allows easy access to various financial sources at home and abroad, increasing funding for development investment, standardizing the Bank's governance and increasing transparency.

However, the risk of price fluctuation HDBank after listing is unavoidable. Stock prices in the market are determined by the supply and demand relationship and such relationship depends on various factors such as: the domestic and international political, socio-economic situation, as well as the Bank's operation, changes in regulations and requirements on the stock market. In addition, the stock price depends on investors' psychology, trading methods and risk appetite in the market. Therefore, HDBank's share price movement will be an unforeseen factor.

RISKS OF SUSTAINABLE DEVELOPMENT

Risks of sustainable development are impacts that can affect the sustainable development of HD Bank and its subsidiaries. Impacts of environment, society on HDBank and vice versa impacts from business activities of HDBank to social environment.

HDBank implements sustainable risk management with financial and non-financial indicators on degree of impact, and periodic monitors as well as manages by procedures, procedures processing.

OTHER RISKS

In addition to the above risks, some of the unavoidable risks are unlikely to happen, but if they happen, they will affect the business operation of the Bank. Other risks may include war, disease, natural disasters, terrorism, etc. The Bank has taken measures to minimize the damage caused by such risks, such as taking out insurance and setting up crisis response scenarios.



DEVELOPMENT STRATEGY

HDBank envisions that by 2021 to become a leading bank in Vietnam and Southeast Asia with global network and connection, providing a variety of Quality products and services, adhering to, sound risk management and prudent corporate governance, establishing a bold presence in the region as well as developing HD SAISON to become a leading player in the consumer finance sector.

MEDIUM AND LONG TERM DEVELOPMENT STRATEGIES

HDBank has completed the strategy for the period 2011-2016 and achieved the objectives and solutions in accordance with the development orientation of the Government and the SBV, and has put in place backup solutions to cater for changing domestic and foreign business environment. 2017 is the pivotal year of the strategic plan period 2017 - 2021, so that the HDBank vessel is ready for a "Big Sea" voyage along with its mission of economic integration, to become the leading bank for retail and SMEs in Vietnam.

SET SAIL TO INTEGRATE TO INTERNATIONAL MARKETS

ACCESS INTERNATIONAL CAPITAL MARKETS

The last days of 2017 and early 2018 witnessed a remarkable event in the history of development of HDBank when the Bank's shares were officially listed and traded on Ho Chi Minh City Stock Exchange. Previously, HDBank successfully implemented an IPO for international well-known foreign investors. Our ability to access funding internationally through IPO not only strengthens HDBank's financial strength but also affirms the Bank's reputation in the eyes of international investors. At the same time, HDBank plans to issue bonds at home and abroad when the market conditions are favorable to increase medium and long term capital with reasonable interest rates in order to enhance its capacity to serve a wider customer base, expand its business as well as increase operational efficiency.

IMPROVE THE RISK MANAGEMENT SYSTEM ACCORDING TO INTERNATIONAL STANDARDS

HDBank puts high emphasis on risk management and always ensures that our business operations comply with regulatory requirements, and in line with established international practices. Since 2010, HDBank has secured services of leading foreign consulting firms to improve our risk management framework and internal control systems such as credit rating system and liquidity risk management system, interest rate risk, etc.

HDBank continues to strengthen and improve its risk management framework based on four basic elements: to complete organizational structure and responsibility; to perfect the system of policies and regulations; to improve advanced risk assessment models; and to improve the information technology support system.

This risk management framework will be enhanced and finalized in a profoundly specific and appropriate manner for each type of risk that HDBank strongly concerns, including credit risk, liquidity risk, interest rate risk, market risk and operational risk and systemic risk (including cyber security).

In addition, HDBank is expected to meet the requirements of Circular No. 41 issued by the State Bank of Vietnam, which require risks management adherence to Basel II before 2020.

Such completion of the above-mentioned management system is an important factor that will support HDBank in preventing risk, limiting loss and managing effectively capital, boosting profit.

BUILDING A DIGITAL BANK

2017 is a continuously remarkable year of strong transformation, focusing on implementing our strategic Digital Banking. In our definition, becoming a true digital bank means multi-functionality, modernity, leveraging on digital delivery of 4.0 technology to reach the international level. In the coming years, HDBank will continue to boost the digitalization process, upgrade key application systems to automate operations and business processes to optimize cost, introduce innovative financial services and products to enhance customer experience and improve competitiveness.

With an advanced technology platform, HDBank aims to improve service quality, diversify products while reinforcing optimal security mechanism to protect confidential customer's information and transaction data.

In 2018, HDBank will intensify its investment in IT Infrastructure to join hand with Bank subsidiaries and strategic partners such as Vietjet Air and HD SAISON to develop retail eco-system for marketing of financial services, and to enhance our capability in the use of big

data and analytics tools. The Bank will be in a better position to offer customer-centric products as we improve the quality of customer data.

Preparations for digital transformation have begun, including: targeting key customers using Big Data Analysis and POS Analysis, attracting potential customers via increasing payment utilities on mobile phone and automatic transaction points. Joint working groups within the Bank and with Bank and subsidiaries have been set up to explore options and finalize detailed plans.

Through e-banking strategy, HDBank will simultaneously increase the number of online banking transactions and improve the capacity of mobile payment services. In parallel, HDBank has also commenced projects on business transformation to automate internal processes, apply innovative solutions to improve efficiency of channel delivery, and develop new products to reduce operating cost, and improve user experience and interaction with our customers. In 2018, through digital processes, HDBank would like to reduce its cost/income ratio from 54% to at 52% or lower.

THƯỢNG ĐỈNH KINH DOANH VIỆT VIET NAM BUSINESS SUMMIT

7 NOVEMBER 2017 | DA NANG, VIET NAM



MANAGEMENTS UNDER INTERNATIONAL STANDARDS

In recent years, Vietnam economy has been integrating extensively and deeply into the regional and global economy, and we see steady growth in the financial markets, in particular the capital market, as foreign investors turn to Vietnam to explore investments opportunities. Acknowledging these tendency, HDBank is adopting international standards in calculating its financial and management ratios in order to improve comparability, transparency and reliability. This move is prerequisite to facilitate the Bank's access to international capital markets.

In 2018, in our quest to enhance the Bank's regulations on corporate governance while ensuring sustainable development, HDBank will continue to improve the application of the ASEAN Corporate Governance Scorecard to assess and improve the Bank's governance model. HDBank believes that the application of ASEAN Corporate Governance Scorecard will allow competent agencies and investors to have a more comprehensive view of the Bank's current management state in accordance with international standards, meeting our objective of integrating with regional and international finance and banking systems.

APPLY THE CRITERIA FOR SUSTAINABLE DEVELOPMENT

With a view of long-term sustainable development strategy, in addition to economic growth targets, HDBank has set social and environmental development objectives to contribute to the overall development of the economy and community. HDBank plans to adopt fully GRI Sustainability Reporting Standards to report on its impacts on the economy, environment and the society.

The GRI standards are compatible with the global scope and standards of information disclosure on sustainable development, thereby clarifying the economic, environmental and social impacts. Using global standards is also a method to synchronize communication between businesses and stakeholders. Through this, the Bank's comprehensive impacts can be communicated and assessed by the stakeholders.

REACHING BEYOND LIMITS

CUSTOMERS ARE OUR SOURCE OF MOTIVATION FOR DEVELOPMENT

Over the past few years, Vietnam's economy has experienced strong growth along with the increase in population, while the proportion of people who have not access to banking services remains high, HDBank has set the strategy to continue to focus on the retail segment in the coming years. With privileged access to the combined life-style consumer data from aviation, supermarkets, telecommunication service providers and other strategic partners, our comprehensive distribution channels and our proven M&A capability, HDBank is well set to achieve leadership position in the retail segment.

In addition, SME customers have been identified as the main force in the private sector. SMEs are the engines for growth and account for about 97% of total enterprises in Vietnam and contribute 41% of GDP. However, the reality is that SMEs face many difficulties

in accessing bank loans. Recognizing that, since 2011 the Bank has implemented SME-targeted strategies and programs to develop this segment of customers with the goal of becoming the leading SME bank in Vietnam and Southeast Asia.

The Bank will continue with following solutions to improve cross-selling, strengthen and deepen customer relationships:

- Enhance connectivity with existing customers through marketing channels, advertising, and "gifts of appreciation" on special occasions to maintain relationships & trust.
- Diversify new products to meet specific areas of needs of customers through database analysis.
- Enhance the application of technology to automate and provide self-service options to improve access and usage, and reduce cost of doing business for the Bank and its customers.



ENHANCED CONNECTIVITY WITH CUSTOMERS

In order to enhance HDBank's brand awareness for customers, the Bank adopts different channels for customer communications including SMS/marketing email broadcast and other means. HDBank considers offering corporate gifts and promotional items not only as a means to boost sales but also to show our appreciation for their support.

In addition, HDBank also adopts the strategy of physical network expansion to increase market share and to expand services to existing and new customers. By the end of 2017, the network has reached to 240 branches

PRODUCT DIVERSIFICATION

In addition to expanding its operations enhancing and improving product quality through branch network expansion, HDBank also focuses on enhancing and improving product quality. To meet the diverse needs of customers, the Bank plans to introduce a comprehensive range of innovative retail, SME, and consumer finance products and services, making best use of digital delivery and state-of-the-art technologies.

and transaction offices collectively with our consumer finance subsidiary more than 11,500 financial transaction points. It is expected that by the end of 2021 HDBank will increase the number of branches and transaction offices to 400 and financial transaction points to more than 12,000, fully covering Vietnam. Beyond that, HDBank currently has a Representative Office in Myanmar, and will consider to upgrade to a branch when market conditions are appropriate. At the same time, the Bank continues to research and consider its expansion in neighboring countries in Southeast Asia during 2017 - 2021.



SET SAIL TO BRING THE BEST RETURNS TO STAKEHOLDERS

Following our recent accomplishments, HDBank has set a solid foundation for future growth. Operationally and in terms of infrastructure, the Bank is ready to accelerate its pace of growth domestically and internationally.

The core of the success comes from the strong relationship between HDBank and its stakeholders (customers, shareholders, employees and communities).



COMMITMENT TO BENEFITS FOR CUSTOMERS:

HDBank is proud to serve millions of loyal customers across the nation with the core value of "Customer-centricity". HDBank is committed to provide the best financial products for people and the economy. HDBank will continue to improve its products with the best quality services to cater different customer segments from individuals, micro, small and medium enterprises to large corporations and financial institutions.

HDBank consistently offers competitive financial solutions, meeting the financial needs of customers in each segment and each region. Over the years, the Bank has expanded its network nationwide, setting up a robust platform that offers an extensive customer base. HDBank also ensures standardized quality of customer service throughout the system. In 2018, HDBank continues to improve the quality of customer

service to understand customer needs based on a variety of methods including:

- Diversifying customer feedback channels
- Applying information technology to optimize the interaction with customers.

In addition, preserving the Bank's reputation and upholding Bank image will continue to be given high priority. HDBank's staff ensures compliance with prevailing laws and the Bank's internal regulations while maintaining standards and values of professional ethics, always placing customer interests at the center.

COMMITMENTS TO BENEFITS FOR SHAREHOLDERS:

HD Bank is proud to be one of the few joint stock commercial banks that distribute dividend consistently through the years.

In 2017, HD Bank has met its commitments to the Shareholders' Meeting, achieved 2017 business plan as well as financial and non-financial criteria as set at the beginning of the year. The rights and interest of shareholders are the top priority of HDBank and our IR policy ensures transparency and comprehensive

information disclosure to enable our shareholders and investors have a good understanding of Bank's operations.

In 2018, HDBank aims to achieve all planned profit and revenue targets to ensure optimal benefits for shareholders. The confidence of shareholders on the Bank has always been of great important and become a source of motivation for HDBank to overcome hurdles, conquer challenges, and achieve greater breakthroughs in our quest for sustainable growth .

COMMITMENT TO BENEFITS FOR EMPLOYEES:

The achievements that HDBank has accomplished over the past years are luscious fruits of the persistent dedication and unweaving efforts of all employees of HDBank over the past 30 years.

At present, HDBank and its subsidiaries have over 14,000 employees working in 240 branches, transaction offices and over 11,500 transaction points nationwide. HDBank always considers human resources as the most valuable assets of the Bank. In 2018, in order to meet the new business challenges ahead, HDBank will continue to improve its human resource and recruitment policies to attract talents as well as to intensify HR training and development as part of its capacity-building plan.

Recruitment policy:

Ensure consistent compliance with required criteria:

- Transparency in every stage of the operational process and clarity in every policy for candidates;

- Professional: fast and convenient recruitment process for all candidates nationwide;
- Equality: committed equal treatment for every candidate during the recruitment process, from direct interview to professional test.

Salary, bonus and welfare policies:

The Bank always cares for promotion review and the completeness and accuracy in salary payment; focuses on competitiveness in salary levels in the industry to nourish and retain talented people; and creates stable income and appropriate incentives for staff to increase efficiency and performance in work accomplishment.

Training policy:

HDBank focuses on training to enhance operational skills and professional knowledge to enhance the operational skills and professional knowledge of our staff. The Bank has also established career paths for jobholders in key positions to create opportunities for personal growth to achieve a successful career in banking.

CORPORATE SOCIAL RESPONSIBILITY:

In addition to outstanding business results, HDBank strongly believes in economic growth coupled with the Bank's responsibility for the people, the society at large, and environment protection. To this end, the Bank fulfils its corporate citizen responsibilities through implementing charity activities and programs serving the community. In 2017, HDBank has continued carrying out nationwide meaningful philanthropy programs: donation of houses to the poor, provision of relief for flood and landslide victims; offer of gifts to disabled children and orphans; funding for rural bridge; contribution money to buy cattle and breeding

for the poor; and supply of warm clothes to poor children in remote areas, etc.

Committing to bring benefits to community, HDBank will continue to expand its commitments in all the programs as in the past with view of elevating the general well-being of the communities in need to the development of local economy by expanding networks and providing the best banking services to customers in remote areas. Besides, the Bank also provides working opportunities to the locals, assisting them in improving income and living standards.





Strong Crew
– Sail through oceans



**BUSINESS PERFORMANCE
DURING THE YEAR 2017**

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RESULT IN 2017

68 REPORT ON THE ACTIVITIES
OF MAIN DIVISIONS

OVERALL PERFORMANCE RESULT IN 2017

BUSINESS PERFORMANCE DURING THE YEAR 2017



The year of 2017 has ended with a brightened economic picture. The scale and performance of HDBank have grown and developed sustainably, successfully achieved business targets set by the General Annual Meeting of Shareholders. With a clear strategic orientation and active integration, the HDBank vessel is ready to “set sail” into open seas. The vessel is powered by the enthusiasm of all the Bank’s staff, its management and expectation of all shareholders with their highest confidence of surfing big waves.

Unit: VND Billion, %

Item	2015	2016	2017	(+/-) 2017 VS 2016
Total assets	106,486	150,294	189,334	26.0%
Owners’ equity	9,842	9,943	14,759	48.4%
Total operating income (TOI)	4,133	5,418	7,506	38.5%
Corporate income tax	158	233	462	98.3%
Profit before tax	788	1,148	2,417	110.6%
Profit after tax	630	914	1,954	113.7%
Profit after tax to Average shareholder’s equity (ROAE)	6.6%	9.2%	15.8%	71.2%

TOTAL ASSETS

In 2017, HDBank’s total assets continued the strong growth witnessed in 2016 with an increase of 26% year-on-year and achieving 105.9% of the Bank’s plan. The main contributor to this growth was the increase of 25% in total credit exposures, from VND 87,892 billion to VND 110,067 billion. Thanks to the effective growth strategy, HDBank joined the league of larger joint stock commercial banks in Vietnam in terms of total assets.



OWNERS’ EQUITY

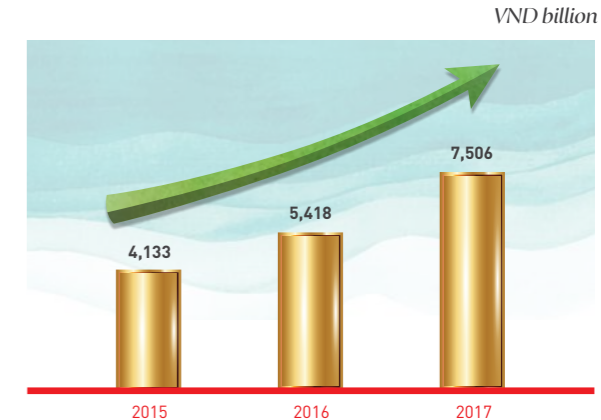
After the successful merger with Dai A Joint Stock Commercial Bank in 2013, HDBank officially increased its charter capital from VND 5,000 billion to VND 8,100 billion. By the end of 2017, the Bank has completed paying stock dividends and issuing shares to increase its equity, leading to the increase in HDBank’s charter capital to VND 9,810 billion.



In the 2015-2017 period, the Bank’s equity grew at a compound annual growth rate (CAGR) of 22.5% to reach VND 14,759 billion.

TOTAL OPERATING INCOME (TOI)

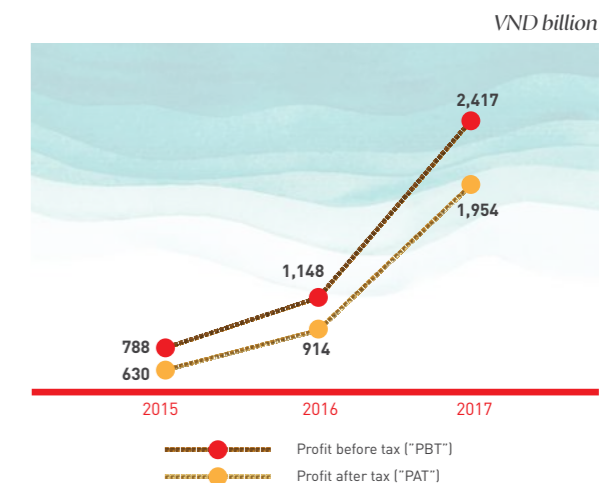
In 2017, total operating income (“TOI”) reached VND 7,506 billion, increased by 38.5% in comparison with 2016 thanks to the Bank’s effective introduction of new products, improvement of asset quality, innovation of product structure, enhanced cross-selling. In addition, fund mobilization and utilization were also more cost-effective. Net interest income was the dominant contributor to TOI, accounting for 84.6%, resulted from a 25.2% growth of total credit exposures, of which HD SAISON’s loan portfolio expanded by 17.3% year-on-year.



PROFIT BEFORE TAX

Profit before tax in 2017 reached VND 2,417 billion, representing a 110.6% year-on-year growth, delivering 185.9% of the year’s plan. The robust increase in profitability lifted HDBank into the league of listed banks with highest profit growth rates. The contributing factors to the Bank’s success were as follows:

- Net interest income increased by 35.7% in 2017 as credit portfolio expanded by 25.2% year-over-year, with a NIM of 4.2%.
- Fee income increased by 56.5% in 2017 compared to 2016, mainly thanks to income from investments in securities (including trading of Government bonds and equity securities).
- Enhanced credit quality management and well-implemented debt collection strategy helped maximally reduce amount of provision expense.



Total credit exposures

At 31 December 2017, total credit exposures of HDBank were VND 110,067 billion, achieving 103.8% of the plan. In particular, the client segments of retail, SME, large corporate and consumer finance accounted for 37.2%, 49.1%, 4.7% and 9.0% respectively of total credit portfolio. These figures showed that the Bank's credit portfolio was reasonably balanced, facilitating high growth while maintaining good asset quality.

In addition to product improvement and diversification, the cross-selling between Retail Banking Division and SME Banking Division, the launch of supply-chain finance products for Corporate Customers, HDBank also increased its products' and services' utilities to meet the diverse needs of customers. In parallel with maintaining strong credit growth as allowed by the State Bank of Vietnam, the Bank also focused on controlling credit quality through implementing stringent customer appraisal and stepping up debt collection measures. As a result, the consolidated Non-Performing Loan ratio was contained at 1.5% as of 31 December 2017.

Total mobilized funds

Deposits from customers were the main source of funds for the Bank, accounting for 70.6% of total fund mobilization in 2017. At the end of 2017, total mobilized funds increased by 16.7% year-over-year, with 63.8% of the total deposits came from individual customers, 27.8% from SME customers, and 8.4% from large corporations and financial institutions. In order to attract customers' deposits, the Bank has implemented a number of activities, such as product innovation, new branch opening, customer service improvement, advanced digital-banking system, and introduction of attractive online deposit products which created a new fund mobilization channel for HDBank.

HDBank's fund mobilization products are varied. Typically, retail products for instance, are available in many forms, from demand deposits to term deposits with flexible interest payment options, ensuring the most favorable values for customers with numerous added benefits.



HDBank
Committed to your best returns

Moody's
INVESTORS SERVICE
HIGH CREDIT RATING
WITH SUSTAINABLE OUTLOOK

ASIAMONEY
CORPORATE CLIENT CHOICE SURVEY 2017
BEST BANK IN VIETNAM

ASIAMONEY
BEST ENTERPRISE
IN CASH MANAGEMENT AWARD

EUROMONEY

BEST ENTERPRISE IN CORPORATE GOVERNANCE
IN ASIA PACIFIC AWARD

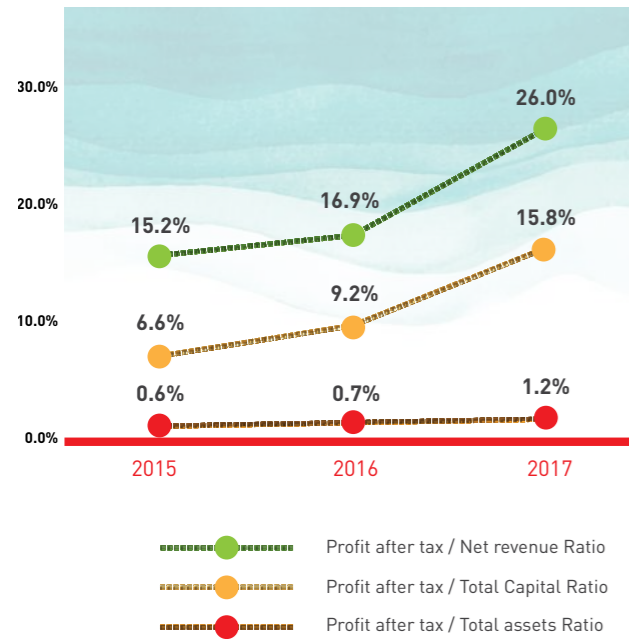
THE ASIAN BANKER
STRONGEST BANKS 2017
by balance sheet

TOP 500 BANK IN ASIA PACIFIC & RANKED 8TH
ON THE LIST OF TOP VIETNAMESE BANKS

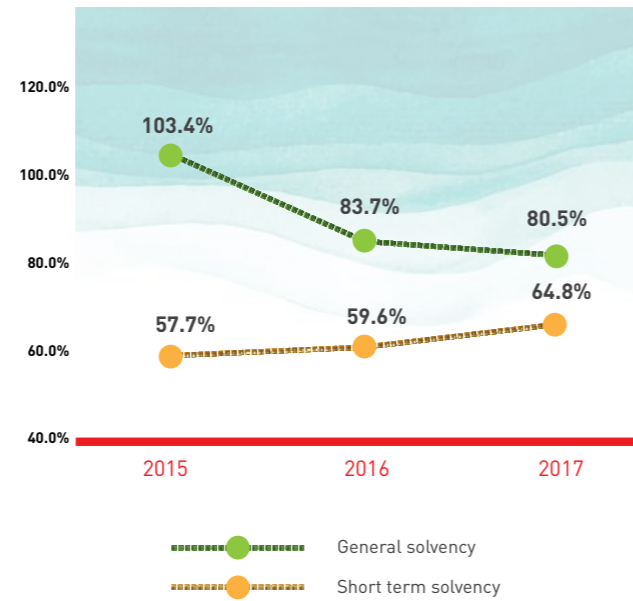


a/ Key performance indicators

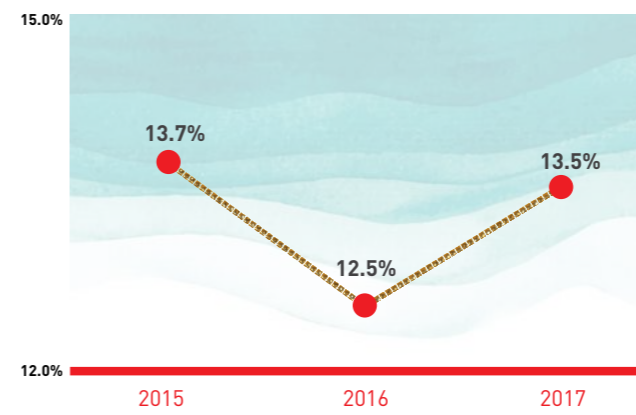
Profitability



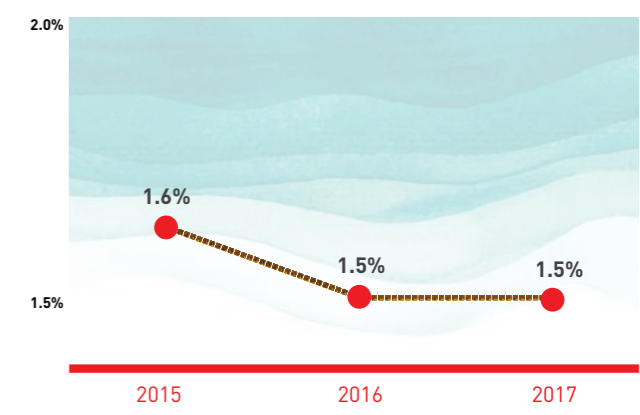
Solvency



Capital adequacy ratio



Non-performing loan ratio



As of 31 December 2017, HDBank's consolidated capital adequacy ratio (CAR) was 13.5%; Tier 1 and Tier 2 capital ratios were 9.9% and 3.6% respectively, which met the SBV's requirements of minimum CAR at 9%. HDBank has developed a roadmap to calculate CAR in accordance with Basel II, enhancing investors' trust and creating favorable conditions to raise charter capital to ensure capital adequacy in the long term.

HDBank's Non-Performing Loan tended to decrease over the years and became stable at 1.5% by 2017. The bank managed well the Non-Performing Loan ratio, and at the same time focused on debt collection. Specifically, HDBank has been working to set up a debt settlement center (to be opened in the first quarter of 2018), fully utilizing tools to control and collect bad debts to further improve the Bank's profit and reputation.

In 2017, HDBank's profitability indicators including profit after tax (PAT) / Revenue (or Return of Sales), PAT / Total equity (ROE), and PAT / Total assets (ROA) were 26.0%, 15.8% and 1.2% respectively, which showed respectable growth compared to 2015 and 2016. High ROS, ROA and ROE ratios were evident of the Bank high profit growth, effective employment of assets and capital from shareholders.

In 2017, HDBank's liquidity ratio was 80.50% and the quick ratio was 64.8%. HDBank's liquidity ratio was at a reasonable level and complied with the regulations of the SBV. In addition to granting loans to customers, HDBank used a portion of mobilized funds to invest in debt securities, most of which were Government bonds to enhance fund utilization efficiency.





b/ Actual performance in comparison with the plan

Unit: VND billion, %

Items	31/12/2016	31/12/2017	Compared to 31/12/2016		Plan at the 2017 SM	% Performed to Plan
			+/- VND bn.	+/- %		
Total assets	150,294	189,334	39,040	26.0%	178,800	105.9%
Charter capital	8,100	9,810	1,710	21.1%	8,829	111.1%
Total mobilized funds	103,300	120,537	17,237	16.7%	124,000	97.2%
Total credit exposures (excluding VAMC loans)	87,892	110,067	22,175	25.2%	106,088	103.8%
Of which: Outstanding loans to customers	82,233	104,505	22,272	27.1%		
Non-performing loan / outstanding loans	1.5%	1.5%	0.06%	4.1%	< 3%	
Profit before tax	1,148	2,417	1,269	110.6%	1,300	185.9%
Profit after tax	914	1,954	1,040	113.7%	1,000	195.4%
ROA	0.7%	1.2%			0.6%	188.5%
ROE	9.2%	15.8%			9.3%	169.9%
Network of transaction points	221	240	19	9%	240	100%

Total assets of HDBank grew steadily, reaching VND 189,334 billion, 105.9% of the plan. With an appropriate funding structure and utilization of funds, the Bank ensured currency risk, liquidity risk, and interest rate risk were all under controlled.

Charter capital reached VND 9,810 billion, equivalent to 111.1 % of the year plan after the issuance of shares to increase capital from owners' equity (at the rate of 2%), payment of stock dividend (at the rate of 7%) and private issuance of common stocks in 2017.



Total mobilized funds reached VND 120,537 billion, 97.2% of the plan, 16.7% higher than last year. During 2017, HDBank restructured its retail funds in the direction of increasing the proportion of short-term deposits and reducing the proportion of medium and long-term deposits to better suit capital utilization plans, reduce mobilization costs, and maximize profit for the Bank. While continuously improving its products' and services' quality via a series of promotions and interest rate incentive to bring numerous benefits to its customers, HDBank regularly invested in modern security technologies to protect customer's information and assets.

As the Bank diversified its products and services in each locality and customer segment, and simplified its credit evaluation and approval procedures, total credit exposures reached VND 110,067 billion, achieving 103.8% of the plan. At the same time, HDBank consistently focused on its credit quality control, bad debt recovery, and provision appropriation to ensure safety in operation.

Profit before tax was VND 2,417 billion, delivering 185.9% of the plan. Net interest income in 2017 was VND 6,347 billion, VND 1,669 billion more than that of 2016; net service income was VND 196 billion, increasing VND 78 billion from 2016. Net income from trading securities was VND 491 billion, situation a significant growth of VND 257 billion compared to 2016.

c/ Investment situation, implementation of projects

The Bank did not invest in any major projects, except financial investments in the following subsidiaries:

Company name	Operating license	Business lines	Proportion of holdings (%)
Ho Chi Minh City Development Joint Stock Commercial Bank - Assets Management Company Limited	No. 3602376446 dated January 13 th , 2015	Asset management	100
HD SAISON Finance Company Limited	No. 0304990133 dated February 5 th , 2018	Finance and banking	50

INFORMATION OF SUBSIDIARIES AND THEIR FINANCIAL POSITIONS

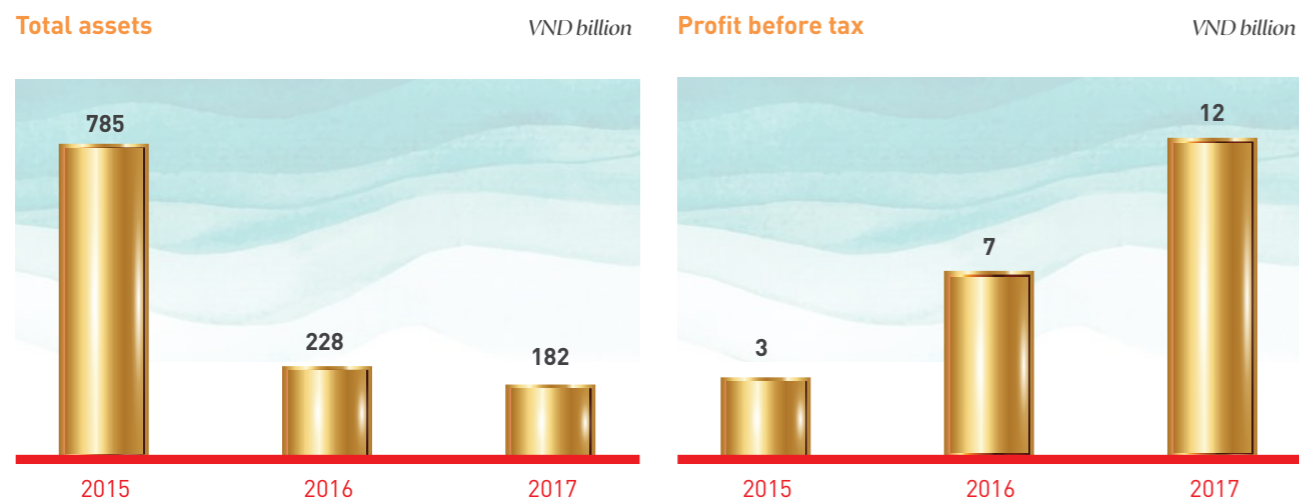
HO CHI MINH CITY DEVELOPMENT JOINT STOCK COMMERCIAL BANK - ASSETS MANAGEMENT COMPANY LIMITED

Address: Floor 3-4, 519 Nguyen Thi Dinh Street, Cat Lai Ward, District 2, Ho Chi Minh City

Charter capital: VND 150 billion

Establishment history: Previously, the organization was a subsidiary of Dai A Joint Stock Commercial Bank (Dai A Bank) and officially came into operation on January 13th, 2011 with a charter capital of VND 150 billion. After Dai A Bank merged into HDBank, it became a subsidiary of HDBank since November 2013 and relocated its headquarters from Bien Hoa, Dong Nai to Ho Chi Minh City in October 2014.

The main business of AMC-HDBank is to receive and manage outstanding bad debts; to actively make use of the collateral assets under the direction of HDBank to make profit for itself and HDBank; to restructure outstanding bad debts via debt rescheduling, interest rate exemption, additional investment, and conversion of debts into equity; and to sell and purchase debts with other credit institutions. After being merged into HDBank, AMC-HDBank has implemented various actions to handle and recover debts for the Bank.



HD SAISON Finance Company Limited (HD SAISON)

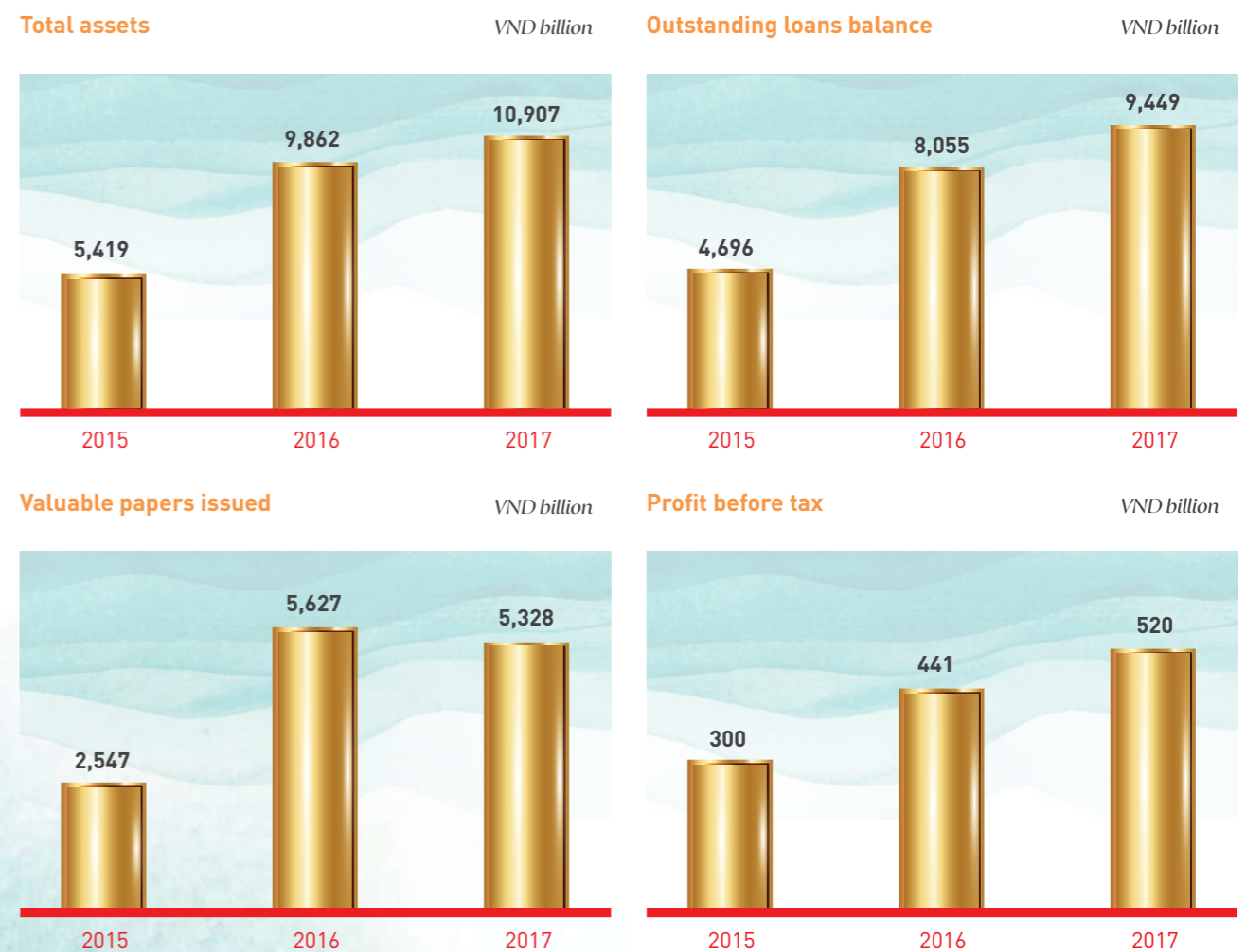
Address: Floor 8-9-10, Gilimex Building, 24C Phan Dang Luu Street, Ward 6, Binh Thanh District, Ho Chi Minh City

Charter capital: VND 800 billion

History of formation: HD SAISON is a Consumer Finance Company, formerly known as SGVF and owned by a French Bank named Société Générale. After being acquired by HDBank, SGVF changed its name to HDFinance. In March 2015, CREDIT SAISON (a Japanese company) invested in HDFinance to hold 49% charter capital, and HDFinance was renamed to HD SAISON Finance Company Limited as today. As of December 31st, 2017, HDBank owned 50% of HD SAISON's charter capital and 51% of voting right.

Point of Sale network: Over 11,500 point of sales in 63 provinces nationwide

HD SAISON is a leading consumer finance company in Vietnam that focuses on consumption loan products such as motorbikes, telephones, household appliances, etc. The company provides cash loans only to consumers who have used other consumption loans at HD SAISON with a good repayment history.





REPORT ON THE OPERATION OF MAIN DIVISIONS

Following its customer-centric orientation and continuous product diversification to become the leading bank of Vietnam, HDBank is performing full functions of a joint stock commercial bank. The Bank's product portfolio is widely diversified, focusing on both individuals and small and medium enterprises as target customers. HDBank is engaging in four main business segments: (i) Retail banking, (ii) SME banking, (iii) Corporate and Institutional Banking (CIB), and (iv) Treasury.

1. RETAIL BANKING

HDBank's retail operations have grown exponentially in 2017. Comprehensive financial solutions introduced to individual customers have been well received, creating high growth momentum in credit activities and retail banking services of the Bank.

Retail credit growth was 30% higher than last year with the development focus in line with the Government orientation.

Agriculture loans: agricultural and rural lending activities were implemented intensively and widely for farmers through HDBank's rural finance consultancy programs nationwide. These programs provided farmers with good financial knowledge and farming techniques through the cooperation of HDBank with sizable partners. Loans for agricultural and rural development

therefore were the strongest growth driver in the retail loan portfolio, increasing nearly 50% year-over-year.

Household business loans: with the strength of business association and cooperation with the distributors of agricultural products, food, beverages and consumer goods, HDBank built package of financial products for business households from financing purchase of consumer goods to purchase of machinery and technology equipment, collection services and many other services.

Mortgages: focus on end user consumer segment.

Autoloans: with extensive advantages and favors given to business partners.

Personal loans: meet the needs of individuals while remain compliance with related laws and regulations.

Mobilization:

HDBank's customers have more choices with high return products such as Online Savings, Saving with periodical or lump sum interest receipts. Meanwhile, HDBank develops unique policies for existing customers and comprehensive care policy for Premier customers, and launches many incentive programs for customers to open and maintain their payment accounts at the Bank such as giving bonus interest when customers depositing into saving accounts with periodic interest payment and fee exemption for customers of the Bank's partners.

All of the above-mentioned efforts of HDBank aims at not only increasing business efficiency but also bringing the highest benefits to loyal customers, taking care of existing customers and attract new customers.

Banking services:

Like lending and mobilizing services that are trusted by customers, HDBank's individual customer services meet the expectations of customers in terms of product quality and customer services. The settlement service has been expanded with application of modern payment technology, contributing to double income from banking service fee compared to last year.

Digital banking and card:

Banking Facilities: Secured and smart

HDBank is proud to provide electronic banking services that are competitive and superior in the market with comprehensive facilities such as remittance in and out of HDBank system, fast fund transfers via card number or account number, periodic remittance, remittance received by ID card number, bill settlement, and online savings.

Card: HDBank has actively cooperated with its partners, suppliers, and retailers to provide benefits to its customers.

2. SME BANKING DIVISION

As small and medium enterprises are playing an increasingly greater role in the economic development of Vietnam, since 2011 HDBank has perceived SME customers as one of its two strategic segments. The SME Banking Division, which is responsible for providing diversified financial products and services to SME customers, is one of the major divisions of HDBank.

Following success of previous years, in 2017, SME Banking Division continued to gain impressive results when it was continuously selected as the financing partner for supply chains and distribution network of many large corporations such as Coca Cola Vietnam, Vietnam Dairy Products Joint Stock Company (Vinamilk), Vietnam Oil Corporation (PV Oil), Nutifood Nutrition Joint Stock Company, Ca Mau Fertilizer Company Limited, VietJet Aviation, and CP Vietnam Joint Stock Company (CP Vietnam). With the supply chain finance, HDBank provides a full range of financial services products such as working capital finance, trade finance, and cash management services for corporate supply and distribution systems, helping customers strengthen their financial capability and enhance their competitiveness (increase sales, save costs, and improve business efficiency).

In order to achieve this success, in the year, SME Banking Division focused on developing and providing contractor-guarantee products; offering preferential interest rates for customers using various types of services; cooperating with life and non-life insurers to cross-sell bancassurance products; expanding the offering of Usance Credit Payable At Sight Products (UPAS L/C); and strongly deploying e-LC on Internet Banking. As a result, service revenue from SME

customers increased by nearly 180% compared to last year.

Always supporting corporates, HDBank also focused on arranging low-cost funding sources to help SMEs to reduce financial expenses, including interest incentives for import-export enterprises, SMEs operating in industrial and export processing zones, FDI enterprises, existing loyal customers, and potential new customers. The Bank expanded the beneficiaries from the low-cost funding programs of international organizations such as JIBIC - JICA.

In addition, HDBank has accelerated the application of technology in every step of its interaction processes with customers and the delivery of products and services to customers in order to supply them with new experiences of highly responsive service, convenient and secured products such as: Online credit approval, implementation of standardized applications for credit limits and cash flow management for construction contractors, e-LC services on Internet Banking, widespread application of HDBank Sales Tool on the tablets to support rapid update of customer information when SMEs use products and services at HDBank.

In 2017, HDBank was awarded the Best Bank in Vietnam by Asia Money magazine. In order to achieve this award, HDBank was ranked the highest in two key criteria. One of two criteria was that HDBank had 6 categories of innovative products and services that were selected by customers as their prioritized choices including trade finance services, cash management services, foreign exchange services, interest rates, credit services, and capital markets. This award once again proved HDBank's capability and reputation in both national and international markets.

3. CORPORATE AND INSTITUTIONAL BANKING (CIB) DIVISION

In 2017, the Corporate and Institutional Banking (CIB) Division made significant contributions to the overall success of HDBank, strongly affirming the prestige of HDBank in both domestic and international markets.

Following the success in 2015 and 2016, HDBank continued to be one of a few joint stock commercial banks selected by the Government and the Ministry of Finance as the re-lending agency of the World Bank's ODA projects, the World Bank, the Japan International Cooperation Agency (JICA), the German Bank for Reconstruction (KfW), many prestigious development agencies, and foreign governments. By the end of 2017, HDBank was selected as a re-lending agency and a bank serving for seven ODA-funded projects with a total management capital of over USD 500 million. These projects showed the trust of the Ministry of Finance and the State Bank of Vietnam for HDBank, enhancing HDBank's reputation in the international market and demonstrating HDBank's commitment to bring the highest benefit to the community, society.

Since November 2016, HDBank has been one of the leading non-state commercial joint stock banks in Vietnam and been rated B2 by Moody's - the international credit rating agency - with a "stable" outlook. With this credit rating, HDBank's reputation has been constantly confirmed and moved forward to the global standards of a modern banking governance.

In addition, HDBank continued to receive credit limits and proposal for collaboration by the Asian Development Bank (ADB) and leading commercial banks such as JPMorgan Chase of the United States, ICBC of China, Commerzbank of Germany, BNP Paribas of France and Bank of Tokyo - Mitsubishi UFJ of Japan, etc. All these successes contain CIB Division's essential imprint as the brand ambassadors, bridging HDBank with groups, corporations, and financial institutions in the country and internationally.

At the same time, in order to further affirm HDBank's prestige and position, the CIB Division continued to play the central role in strengthening the international correspondent banking network, maximizing the collaboration with international financial institutions including ADB, IFC and other international organizations. Its aim is to bring business development opportunities to HDBank and to help HDBank's clients optimize their business operations, especially in international payment and trade finance activities in key foreign markets.



4. TREASURY DIVISION

HDBank's Treasury Division is one of the most efficient business units, contributing positively to HDBank annual profit. Main responsibilities of the Division include managing the Bank's liquidity; giving advice on exchange rate policy in daily operation for the CEO and the ALCO Committee; gaining profit via trading in capital, foreign exchange, valuable papers, and debt instruments in the money market, foreign exchange market, and capital market. Treasury Division are highly active with its Currency and foreign exchange activities, achieving high trading volume and great prestige in the currency and foreign exchange markets.

HDBank currently is a member of the primary and secondary Government bond markets and acts as one of the market makers in monetary market and interbank foreign exchange market.

2017 was the year in which HDBank continued to sustain its expansion and development of capital management, currency trading, and investment. The bank constantly upheld its position and esteem in the money market and capital market; maintained a positive, active role in trading activities in terms of capital, investment, and currency trading. According to ranking by the Ministry of Finance and Hanoi Stock Exchange (HNX), HDBank was one of the top 10 members and tenderers with highest trading volume of the Government bonds in 2017.



**Management of funding resources and liquidity:**

Treasury Division conducts the management of all funding resources and capital deployment of HDBank, manages the liquidity of the entire system, and ensures liquidity capacity during the operation of HDBank. Besides, the Division also utilizes the available funds and interbank funds to trade on capital market.

HDBank has fully and transparently implemented the FTP mechanism between the Head Office and Branches, and between the Trading Book and the Banking Book, facilitating business development and the fair and accurate assessment of business efficiency.

Capital trading in the interbank market:

In addition to the safe management of capital, HDBank has effectively managed and made use of mobilization capital and inter-bank capital to conduct capital trading. Not only focusing on the diversification of products, and operations and growth in scale and market share in the monetary market, HDBank also constantly affirms the prestige and supports for its partners and fair competition. Trading capital in the market contributes to the balance of supply and demand as well as to maintain stability in the interbank market in line with SBV's objectives and regulations.

Foreign currencies and gold trading:

In 2017, foreign exchange market witnessed complex fluctuations and strong movements in exchange rates due to the influence of the international markets. In such context, HDBank successfully mitigated risks in foreign currencies and gold trading, avoided adverse changes in the market and maintained strong growth despite the fact that many enterprises had not really recovered from difficulties, that domestic demand for foreign currencies were low, and that business opportunities in the market were still scarce while competition for market share became more strident. In order to achieve such growth, HDBank actively expanded and diversified its customer base, promoted its proprietary trading, strengthened its capital trading in cross-selling, and enhanced derivative trading along with actively and flexibly captured and analyzed market information.

In 2017, HDBank continued to accelerate the application of information technology and promulgated relevant regulations, bringing about remarkable efficiency in foreign currency trading as well as improving management capacity and compliance on risk management and foreign exchange position management.

The gold trading activities were not as bustling as in previous years, but with a network of 100 gold trading points spreads across the country, HDBank could meet its customers demand for gold trading and contributed to SBV's policies on gold market stabilization.

Securities trading and investment:

In 2017, a year after HDBank became a bidder (both primary and secondary) of Government bonds and Government guaranteed bonds on HNX, securities trading and investment continued to confirm the leading role and accounted for a significant proportion of HDBank's operating income. This year, HDBank continued to increase its trading in Government bond and Government guaranteed bonds, to become one of the most active and frequent members in both the primary and secondary markets. The portfolio size and transaction volume of HDBank have increased significantly, with diversified types and maturity and contributed to HDBank's heightened position and reputation in the markets. The Bank's investment in corporate bonds and equity securities were reduced to restructure its portfolio. Securities trading and investment activities were restructured on the principle of strict compliance with relevant laws and regulations. Accordingly, the Bank only focused on debt securities including Government bonds and credit institution bonds, meanwhile the equity securities trading and investment were restructured to comply with new regulations.



THE POSITION OF HDBANK IN THE BANKING INDUSTRY



TOTAL ASSET AND PROFIT

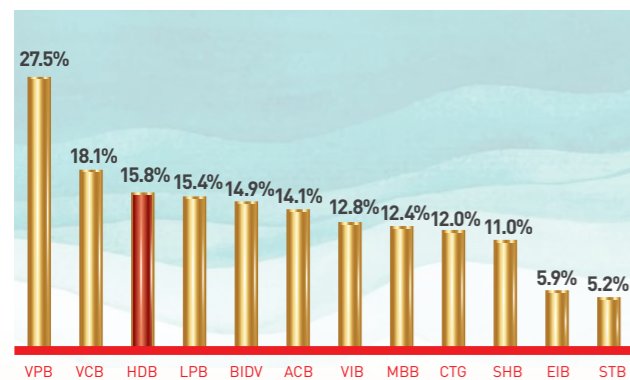
During 10 years from 2008 to 2017, total assets of HDBank increased by 20 times and the number of its branches increased by 7 times to propel the Bank into the league of Top 8 largest commercial banks in the industry, which was a great leap from its previous position in Top 30 commercial banks.

In addition to organic growth, the Bank's assets have grown through merger and acquisition. 2013 marked an important milestone for HDBank, when the Bank merged with DaiA Bank. HDBank's charter capital increased to VND 8,100 billion and subsequently became one of the ten largest commercial banks in Vietnam at the time.

Besides the spectacular growth in scale, the Bank's operational efficiency has been affirmed with strengthened profitability, evidenced by its high return on equity (ROE) and return on assets (ROA) ratios which were higher than most other listed commercial banks.

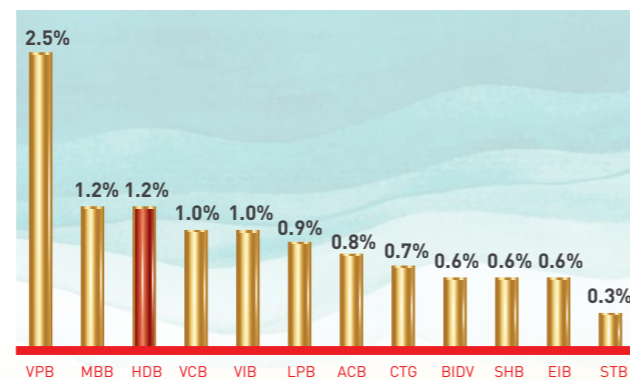
The Bank also won several awards, including "Best Managed Company in Asia" in 2015 and 2016 by Euromoney Magazine, "Top 500 Asian Banks" and "Top 8 Commercial Banks in Vietnam" in 2017 by Asian Banker and "Best Bank in Vietnam" in 2017 by Asia Money.

HDBank had the third highest return on equity among listed banks.



(Source: Audited financial statements of banks)

HDBank's asset utilization effectency was in the top highest among listed banks.



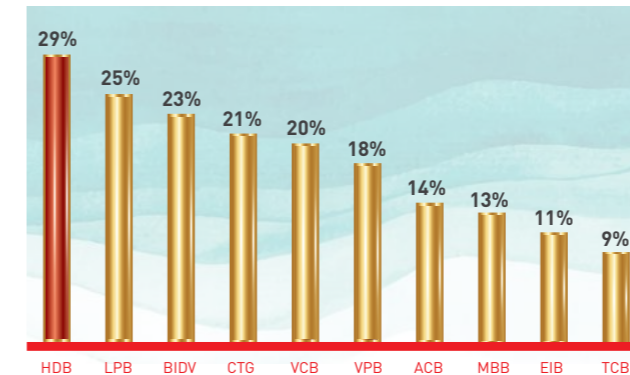
(Source: Audited financial statements of banks)

LOAN AND DEPOSIT GROWTH

In the 2012 – 2017 period, HDBank loan portfolio and deposit balance expanded at an average annual rate of 38% and 29% respectively. This results affirmed the appropriateness and success of development strategies focusing on retail, SME and consumer finance established and consistently implemented over the past years.

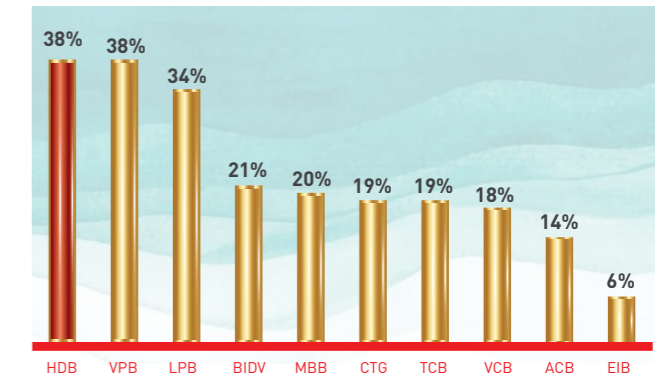
ASSET QUALITY AND NON-PERFORMING LOAN RATIO

CAGR growth rate of deposit (from 2012 to 2017)



(Source: Audited financial statements of banks)

CAGR growth rate of loan balance (from 2012 to 2017)



(Source: Audited financial statements of banks)

HDBank has built a modern risk management system that follows international standards featuring three lines of defense as recommended by Basel. The system includes independent inspection and assessment by the Board of Supervisors/Internal Auditors, implementation of surveillance systems by departments at the Head Office, and control of transactions across business units. HDBank's superior and prudent risk management practices have resulted in "Best in Class" performance measures. As of 31 December 2017, the consolidated (including HD SAISON) and separated HDBank NPL ratios

were 1.5% and 1.1% respectively, which were among the lowest in the banking sector. The Bank maintained healthy capital position, with consolidated CAR of 13.5% as of 31 December 2017, significantly higher than the State Bank of Vietnam's ("SBV") minimum requirement of 9.0%.

Bad debts of HDBank continued to improve as the Bank strictly applied loan appraisal procedures and concentrated on debt recovery.

Comparison between the financial position and business performance of listed banks in 2017

Unit: VND trillion

Item	BIDV	CTG	VCB	STB	MBB	SHB	ACB	VPB	HDB	LPB	EIB	VIB
Total asset	1,202	1,095	1,035	368	314	286	284	278	189	163	149	123
Capital	49	64	53	23	30	15	16	30	15	9	14	9
Customer deposit	860	753	709	320	220	195	241	134	121	128	118	68
Loan to customer	867	791	543	224	184	198	199	183	105	101	101	81
Total operating income	39.02	32.62	29.41	8.65	13.87	6.45	11.44	25.03	7.51	5.10	3.83	4.09
Profit after tax	6.95	7.46	9.11	1.18	3.49	1.54	2.12	6.44	1.95	1.37	0.82	1.12
ROA	0.6%	0.7%	1.0%	0.3%	1.2%	0.6%	0.8%	2.5%	1.2%	0.9%	0.6%	1.0%
ROE	14.9%	12.0%	18.1%	5.2%	12.4%	11.0%	14.1%	27.5%	15.8%	15.4%	5.9%	12.8%

Source: Audited Financial Statements of Banks

REPORT ON THE OPERATION OF SUBSIDIARIES



Operation of Ho Chi Minh City Development Joint Stock Commercial Bank - Assets Management Company Limited

Asset Management Company Limited - Ho Chi Minh City Development Commercial Joint Stock Bank ("AMC-HDBank") was formerly a subsidiary of Dai A Joint Stock Commercial Bank from 13 January 2011 with the initial charter capital of VND 20 billion and increased to VND 150 billion by August 2011.

After the merger with Dai A Joint Stock Commercial Bank since November 2013, HD AMC became a subsidiary of HDBank and relocated its headquarters from Bien Hoa, Dong Nai to Ho Chi Minh City in October 2014.

The main business of AMC - HDBank is to receive and manage outstanding bad debts; to actively make use of the collateral assets for loans to customers under the direction of HDBank to make up profit for the company and HDBank; to restructure outstanding bad debts by means of debt rescheduling, interest rate exemption, additional investment, and conversion of debts into contributed capital; and to sell and purchase debts with other credit institutions.

AMC - HDBank Operation

Unit: VND billion

Items	2015	2016	2017
Total assets	785	228	182
Owners' Capital	151	157	166
Net revenue	5	17	67
Profit before tax	3	7	12
Profit after tax	3	6	9
Short-term loan	603	41	16
Long-term loan	31	30	-

Debt trading operation of AMC - HDBank in 2017 was effective with total recovered amount exceeded 149% of its target, while revenue and profit after tax grew significantly compared to 2016 by 3.9 times and 1.5 times, respectively.

At present, AMC - HDBank is strengthening its cooperation with Business Units of HDBank to handle and recover bad debts as well as to manage foreclosed assets under the entrust agreements with HDBank. Besides, the Company is restructuring its Debt Settlement Department based on centralized management model to help optimize the resources and improve the efficiency of debt settlement activities.

AMC - HDBank's business orientation in 2018 focuses on three main goals:

- To effectively exploit entrusted assets;
- To achieve assigned performance objectives according to 2018 plan;
- To successfully set up a Debt Processing Center as approved.

Operation of HD SAISON Finance Company Limited

HDBank's consumer finance segment lies in the subsidiary HD SAISON. HD SAISON's predecessor was Société Générale Viet Finance ("SGVF"). After receiving the SBV's approval in Decision No. 2532/QĐ-NHNN and Decision No. 2533/QĐ-NHNN dated October 30th, 2013, Société Générale SA, the sole owner of SGVF, transferred 100% of SGVF's equity to HDBank and SGVF officially changed its name to Ho Chi Minh City Development Commercial Joint Stock Bank Finance Co., Ltd. ("HDFinance").

Following the approval of the State Bank of Vietnam in Decision No. 454/QĐ-NHNN and Decision No. 455/QĐ-NHNN dated March 31st, 2015, HDBank successfully transferred 49% of its charter capital of HDFinance to Credit Saison Co., Ltd. (a Japanese company). HDFinance officially changed its business type from one-member limited liability company to limited liability company with two or more members and changed its name to HD SAISON Finance Company Limited ("HD SAISON").

HD SAISON carries out consumer lending activities including loans for installment purchases of electronic appliances, motor vehicles, light trucks, travel and loyalty loans for personal consumption. In addition to maintaining the above business strategy, HD SAISON also focused on improving and strictly implementing risk management to improve asset quality, control credit quality and reduce bad debt. As a result, HD SAISON improved its operational efficiency and profitability. In 2010, after the first three years of effective operation HD SAISON reached its break-even point, which was sooner than expected. Its net income of VND 5 billion sufficiently covered its annual operating costs and provisions.

As at 31 December 2017, HD SAISON became the leading consumer finance company in Vietnam with total outstanding loans of VND 9,449 billion.

HD SAISON's lending activities are conducted through its network including one Branch in Hanoi and 11,502 points of sales (POS) located in 63 provinces and cities nationwide.

VISION, OBJECTIVES AND BUSINESS ORIENTATION:

HD SAISON's vision:

Become the most trusted and most popular consumer finance company of customer choice.

HD SAISON's objectives:

HD SAISON strives to become the leading consumer finance company in terms of business performance and service quality in Vietnam.

Business orientation:

HD SAISON's business orientation includes the following points:

- (1) Focus on consumer lending product, thereby step by step serving the diverse needs of the vast majority of Vietnamese society.
- (2) Select prudent and safe in lending activities; towards balanced, sustainable and long-term development.
- (3) Always make the best effort to apply technology to business and operational activities.
- (4) Commit to provide the best value to customers by serving excellent quality services.
- (5) Consistently act with high social responsibility through a variety of charity activities.

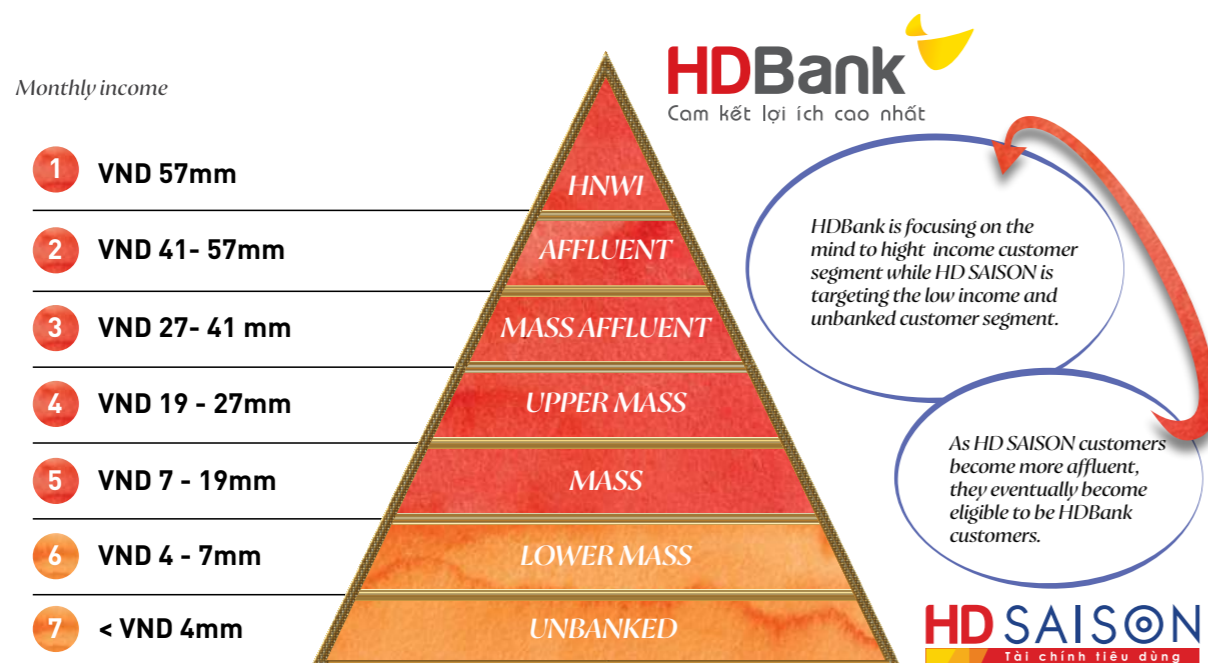
a. Operation model

As at 31 December 2017, HD SAISON has served more than 3.6 million customers.

HD SAISON's targeted customer segment includes low-income and mid-income customers, which have not been focused by other banks, with a monthly income from VND 2 million to VND 7 million. These two segments account for most of existing customers of HD SAISON. About half of HD SAISON's customers are under 30 years of age and are working, but have not been serviced by other banks since their demand for loans is typically small and other banks have no management systems as well as specialized technology to serve this segment professionally, quickly and efficiently.

The number of low-income and unbanked customer accounts for 83% of the working population in Vietnam, suggesting that the consumer finance market is still highly potential and not fully exploited. According to Nielsen, these segments are expected to reach an average annual growth rate of 20 percent, mainly from urbanization, economic growth and population growth.

Customer base of HD SAISON



Source: HDBank, HD SAISON

b. Main products and services:

HD SAISON is one of the consumer finance companies with the largest market share in Vietnam, focusing on the following key product lines:

- Loan for purchase of motorbike ("TW");
- Loan for purchase of Consumer Durables ("CD"); and
- Cash loans cross-sold to selected customers of the existing TW or CD portfolios with good payment records.

As at 31 December, 2017, HD SAISON's loan portfolio included 40.9% of loans for motorbikes; 24.1% consumer durables; 32.5% cash loans and nearly 2.5% loans for other new products such as trucks and education. For cash loans, HD SAISON follows a strict standard of risk management, and only grants cash loans to existing customers with a proven credit record.

c. Performance

HD SAISON's business performance in 2017 was satisfactory with a growth of 31.7% and 17.9% in operating income and net profit which were VND 2,895 billion and VND 416 billion respectively.

HD SAISON achieved the above results thanks to its strong loan growth in 2017, reaching 17.3% year-on-year.

Business operations through the year of HD SAISON

Unit: VND billion

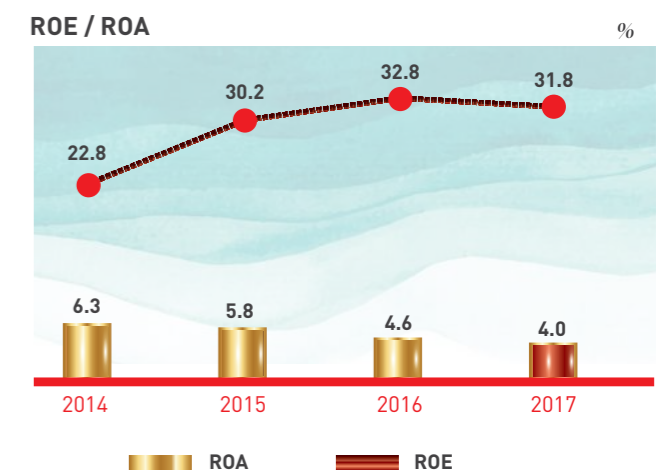
Item	2015	2016	2017
Total Assets	5,419	9,862	10,907
Loans	4,696	8,055	9,449
Mobilization	4,160	7,843	8,380
Total operating income (TOI)	1,196	2,199	2,895
Profit after tax	236	353	416

Source: HD SAISON

In addition, HD SAISON's return on equity (ROE) reached 31.8% in 2017, which was relatively high in the consumer finance industry. HD SAISON's non-performing loan ratio was 5.7% in 2017, lower than that of many other industry peers, as the company's management has set a long-term sustainable development strategy to not pursue profit by sacrificing the standard principles of credit risk management. In particular, HD SAISON's loan portfolio showed the diversification between motorbike's loans, loans for consumer durables and cash loans (i.e., about one-third in each segment).

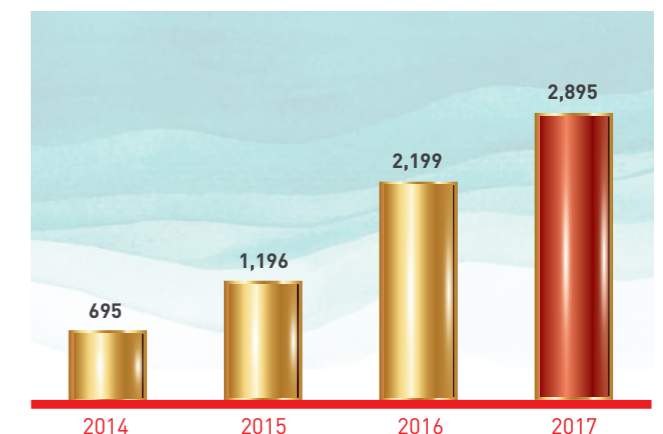
HD SAISON's loan portfolio includes short-term loans, having tenor of 12 months or less accounting for 45.5% of total outstanding loans.

Business results of HD SAISON



Total operating income

VND billion



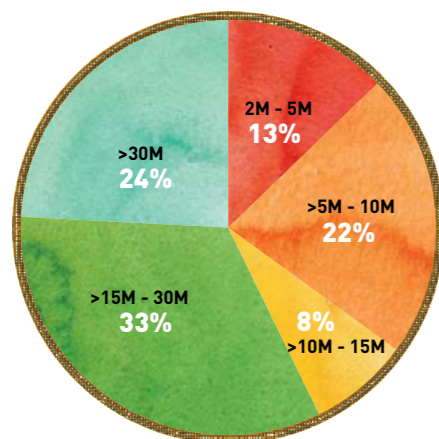
Source: HD SAISON

HD SAISON's strategy is to diversify risk among customers, aiming to increase loan balances by acquiring more customers instead of accumulating additional loans on a small group of customers. The small loan ticket size helps the Company mitigate risks.

In addition, HD SAISON focuses on loans with shorter tenures, and smaller values with the majority of loan items having value under VND30 million tenures below

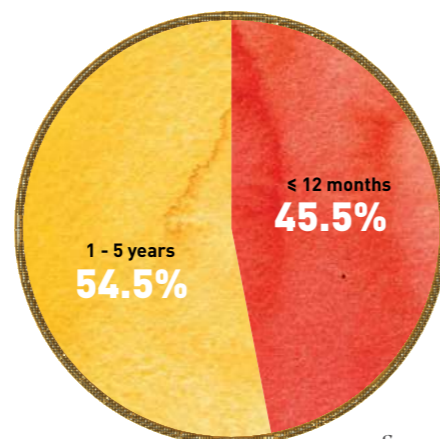
Loan size and tenure (31/12/2017)

Loan size Unit: VND million



one year. This allows the Company to control risk for each customer, and avoid concentration of risk on the loan book. To diversify its loan portfolio and enhance profitability, HD SAISON is granting cash loans only to its existing customers with good track record of repayment.

Loan tenure breakdown



Source: HD SAISON

d. Market share

As one of the top three companies in the consumer finance industry, HD SAISON has more than 10 years of experience in the consumer finance sector with major product lines being loan for motorbike, loan for consumer durables, cash loans for the consumption purpose, truck purchase, travel assistance, online shopping, etc.

HD SAISON's wide distribution network with deep coverage is one of the Company's major competitive advantages. The distribution network is very important

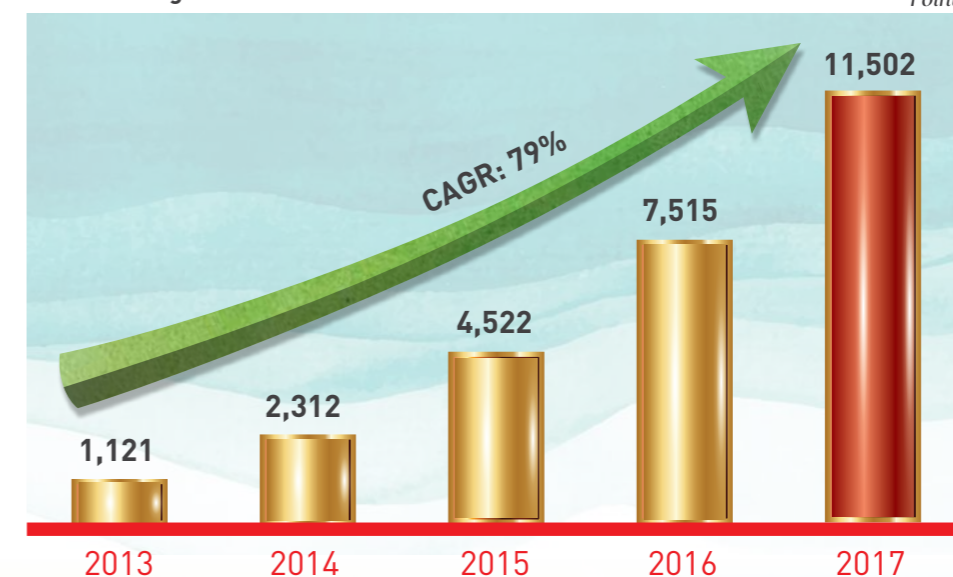
for the consumer finance business, as this business serves the unbanked and lower mass population with lower income, many of which are factory workers, newly graduated high school and college students, and wage earners who are paid in cash instead of bank transfers. This customer segment is more likely to have just bought a motorbike or a consumer durable product for the first time in their life and need to physically touch, see, and experience the product. As such, the best marketing and sales strategy is via physical POS.

As of 31 December 2017, HD SAISON had 11,502 points of sale (POS) in 63 provinces and cities of Vietnam with over 3.6 million customers. HD SAISON ranked number one in Vietnam in term of POS.



Market position of HD SAISON as at 31/12/2017

Point of sale growth



Source: HD SAISON

HD SAISON developed and grew its sales channels through employing and deploying direct sales staff to sales outlets of business partners. The Company has planned to continue establishing new distribution channels including co-branded credit card products and online loan products for VietJet Air. In addition, HD SAISON will focus on maximizing revenue by cross-selling of insurance products as well as expanding the portfolio of insurance products provided to borrowers, including but not limited to health care for the family, etc.



Ongoing Efforts
Outstanding Success

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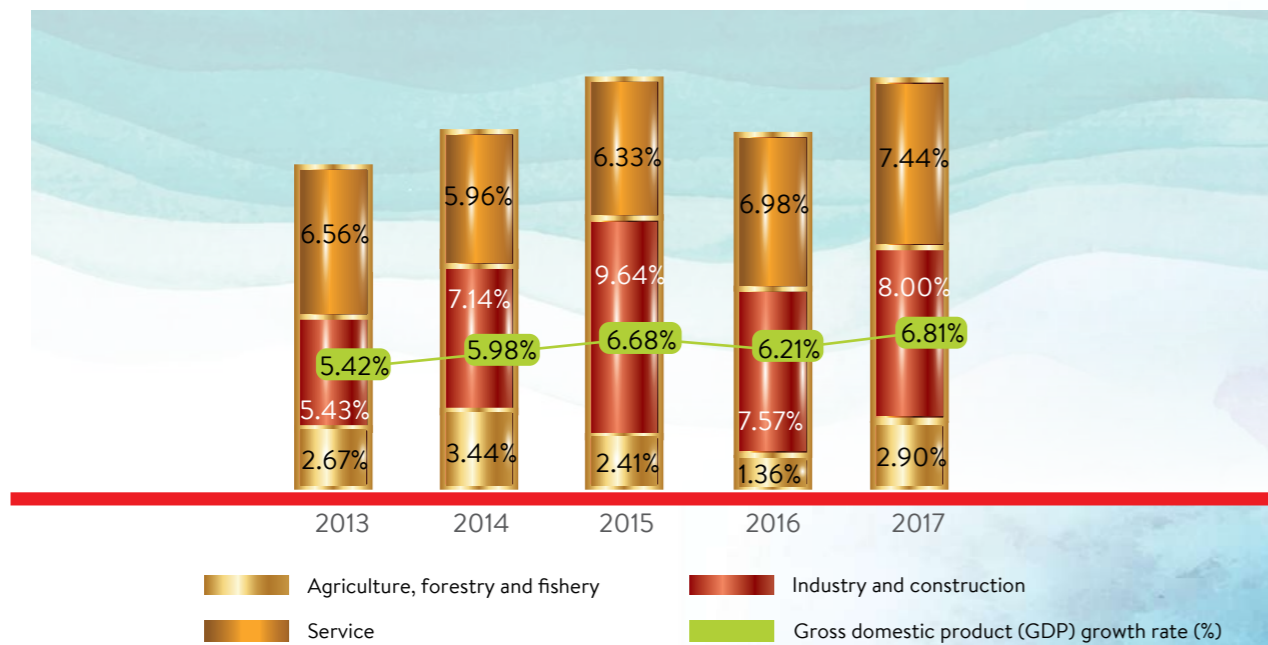
REPORTS AND ASSESSMENT OF THE BOARD OF DIRECTORS

OVERALL ASSESSMENT OF THE MACROECONOMIC ENVIRONMENT, CHALLENGES & ECONOMIC, HUMAN RESOURCE AND SOCIAL ACHIEVEMENTS

MARCO-ECONOMIC

2017 marked new records in economic growth, foreign investment, and trade turnover and number of tourists to Vietnam. For the first time in years, Vietnam has reached and even surpassed all 13 socio-economic targets for the year. However, budget overspending, public debt, low labor productivity, and natural disasters remained challenges for the economy.

GDP GROWTH DURING 2013 - 2017



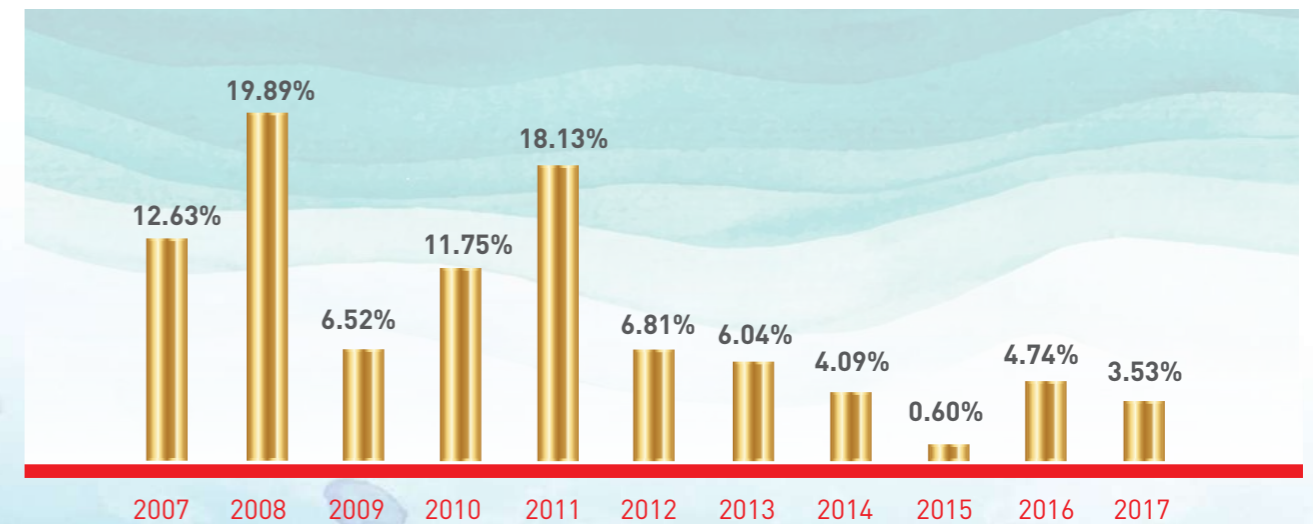
(Source: General Statistics Office)

During the year 2017, economic growth reached 6.81%, exceeding the target set by the National Assembly (6.7%), and was the highest in the last 10 years. Total foreign investment in Vietnam, including newly registered, increased capital and equity investment. Capital contribution by foreign investors was USD 35.88 billion, an increase of 44.4% compared to 2016.

2017 also witnessed a new record of total export- import turnover as it reached over USD 400 billion. In the

year, the State Bank of Vietnam pursued a consistent monetary policy aimed at stabilizing the macro-economy and inflation (notably the food price index fell by 2.6% compared to 2016). The consumer price index, CPI, was kept at below 4%, in line with the National Assembly's proposed benchmark. More specifically, the price level increased by 3.53% compared to that of 2016, showing clear signs of a strong foundation for macro economic stability.

CONSUMER PRICE INDEXES (CPI) DURING THE PERIOD OF 2007 - 2017



Source: General Statistics Office

THE BANKING - FINANCE - CURRENCY MARKET

Credit growth and capital mobilization maintained the high growth rates of 2016; also liquidity remained relatively stable. Credit institutions have resolved bad debts more quickly and thoroughly in 2017. Credit institutions have settled about VND 70 trillion of bad debts, up by 40% over the previous year.

Credit institutions limited their transfer of debts to VAMC and actively handled these debts through various means including debt sale, collateral liquidation, use of provision for credit losses among others. Bad debts mainly concentrated on weak commercial banks undergoing restructuring.

OVERALL ASSESSMENT OF RESULTS OF BUSINESS

Unit: VND billion, %

	2015	2016	2017
1. Capital size			
Charter capital	8,100	8,100	9,810
Total assets	106,486	150,294	189,334
Capital adequacy ratio (CAR)	13.7%	12.5%	13.5%
2. Business Performance & Financial Indicators			
Customer mobilization	74,543	103,300	120,537
Total outstanding loans	64,175	87,892	110,067
Profit before tax	788	1,148	2,417
Profit after tax	630	914	1,954
Non-performing loan ratio	1.6%	1.5%	1.5%
ROA	0.6%	0.7%	1.2%
ROE	6.6%	9.2%	15.8%
LLR	78.3%	76.5%	73.2%
CIR	58.3%	60.5%	54.3%
Current ratio	103.4%	83.7%	80.9%
Interest income / Total income	78.5%	86.3%	84.6%
Non-interest income / Total income	21.5%	13.7%	15.4%
Service income / Total income	4.6%	2.2%	2.6%

1. TOTAL ASSETS AND LIABILITIES

Assets

- Total assets as of 31 December 2017 were VND189,334 billion, increasing by 26.0% compared to 2016.
- Credit outstanding: together with the growth of Vietnam economy, credit outstanding in 2017 increased by 25.2% compared to 2016. HDBank credit outstanding was mainly in the segments of individual customers, small businesses and industries encouraged by the Government. HDBank's non-performing ratio was well controlled at 1.5%.
- Investment activities: Government bond investment increased significantly by 48.1% compared to 2016.
- Non-yielding assets were well managed by HDBank.

Liabilities and equity

- Total liabilities as of 31 December 2017 were VND 174,575 billion, increasing by 24.4% compared to 2016.
- Deposits and loans from other credit institutions grew sharply.
- Total mobilized funds increased by 16.7% compared to 2016, demand deposits increased by VND 5,104 billion, non-term deposit over total deposits was 12.1%.
- Owners' equity was VND 14,759 billion, increasing by 48.4% compared to 2016 (undistributed earnings was VND 1,769 billion, 136.9% higher than that of 2016). Owners' equity accounted for 7.8% of total capital, showing a solid foundation for the long-term development strategy of HDBank.

2. CHARTER CAPITAL

The Bank's charter capital has reached VND 9,810 billion, up by 21.11% from the end of 2016 through the issuance of additional equity (2%), dividend reinvestment (7%) and individual stocks in 2017.

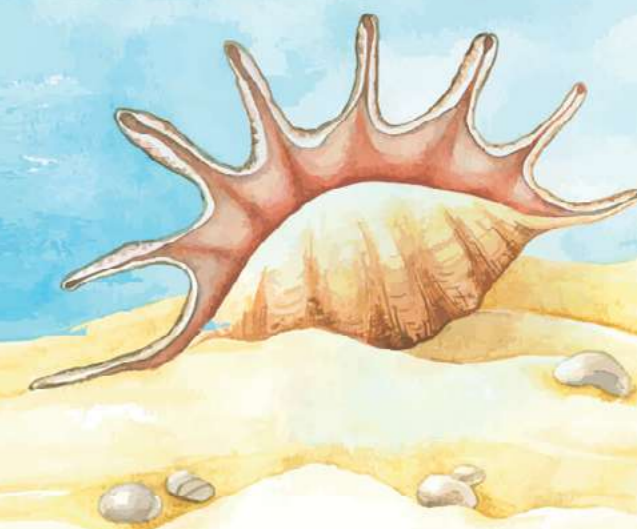
Capital Adequacy Ratio CAR

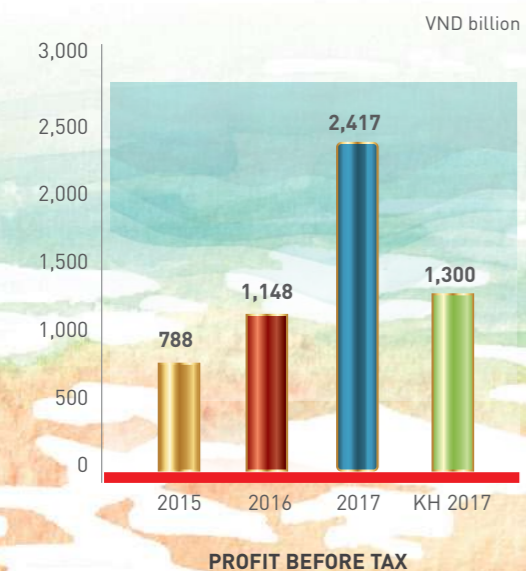
As of 31 December 2017, HDBank's consolidated capital adequacy ratio (CAR) was 13.5%, higher than the average of 11.1% for credit institutions (source: Financial Year 2017 Market Overview Report by the National Financial Supervisory Commission). The Tier 1 and Tier 2 capital ratios were 9.9% and 3.6% respectively.

In the period of 2014 - 2016, after successfully merging with Dai A Bank and acquiring 100% of SGVF Vietnam Finance Company, HDBank has maintained its charter capital at VND 8,100 billion despite difficulties in fund mobilization during the period (some other banks were facing special control from the SBV or even acquired at no cost). HDBank did not increase capital during this period. However, HDBank successfully issued VND2,500 billion of 10-year bonds in 2015 and 2016 to increase its Tier 2 capital, thereby bringing its CAR to 12.5% by the end of 2016 and 13.5% by 31 December 2017.

Non-Performing Loan (NPL)

Since 2015, the Bank's non-performing loan ratio has decreased and remained relatively low at below 2%. HDBank was active in the monitoring, recovery and handling of bad debts by various means, including the sale of debts to VAMC in accordance with the regulations of the SBV. As of 31 December 2017, HDBank's outstanding special VAMC bond was VND 1,839 billion, and a provisional amount of VND 874 billion was set aside. HDBank's consolidated non-performing loan ratio was 1.6%, 1.5% and 1.5% in 2015, 2016 and 2017 respectively. HDBank consistently made full provisions in accordance with the SBV's regulations.





3. MOBILIZE FUNDS

As of 31 December 2017, HDBank's total mobilize funds reached VND 120,537 billion, an increase of VND 17,237 billion compared to 2016. Its 2017 funding structure was maintained at a sustainable level to serve HDBank's growing credit and investment demand and meet the target ratios set by the SBV.

In addition to providing peace of mind to depositors, HDBank, with the aim of maximizing customers' benefits and maintain sustainable development, continuously launched various promotion programs for customers during public holidays.

4. TOTAL CREDIT EXPOSURES

Total credit exposures in 2017 reached VND 110,067 billion (excluding VAMC special bonds), up by 25.2% from 2016, and were 103.8% of the year's plan. Besides credit growth, HDBank also focused on credit quality control, bad debt recovery and provisional funding to ensure operational safety.

HDBank has also been focusing on targeting customers by location to deploy suitable loan products aimed at minimizing the lending procedures, ensuring strict credit risk control & professional specialization and improving service quality.

5. PROFIT BEFORE TAX

The figure shows that in the past two years, HDBank has achieved remarkable results from rapid growth in its total operating income and pre-tax profit, with an average after-tax return on equity and after-tax profit to total assets of 15.8% and 1.2% respectively in 2017.

Total operating income was VND 7,506 billion, up by 38.5% from 2016 thanks to HDBank's remarkable performance during the year through the launch of new products, improvement of asset quality, cross-selling, change in the fund mobilization structure, and more efficient utilization of financial resources. Net interest income accounted for the largest proportion (84.6% of total operating income) thanks to the growth in outstanding loans to customer and HD SAISON's rapid expansion (HD SAISON's loans balance increased by 17.3% compared to 2016).

6. CAPITAL TRADING IN THE INTERBANK MARKET

HDBank's activities in the money market during 2017 have seen significant growth, making critical contribution to the Bank's performance. Through its trading activities in the market, HDBank has improved its standing and influence in the money, foreign exchange and interbank markets. These activities were also highly appreciated by our partners and regulating authorities. The Bank has allocated its funds effectively to maximize safety measured by liquidity and solvency ratios.

7. VALUABLE PAPERS TRADING AND INVESTMENT

The investment and trading of valuable papers witnessed the strongest growth in 2017, when the Bank became a direct member of the Hanoi Stock Exchange (HNX) and a major tender in bond auctions held by the Ministry of Finance. During the year, HDBank's Government bond trading and bidding volumes were consistently among the top 10 in the market. The Bank has become one of the major traders and had significant influence on the market. Investment activities and trading of valuable papers always adhered strictly to the procedures of HDBank and regulations set by the SBV.

8. CARD PRODUCTS

With a modern technology platform and the Bank's determination to stay ahead of the latest consumer trends, HDBank has deployed a variety of modern card products: Vietjet Air co-branded cards, image cards, corporate cards and QR-code payment platforms, online verification services for Visa - 3D Secure cards... to serve our customers' diverse needs. In addition to these card services, HDBank has partnered with Lazada, Vietjet, to implement various preferential programs for HDBank cardholders, which has attracted a large number of participating customers. HDBank converts all international cards into EMV chip cards and uses a 3D Secure verified by HDBank Visa' security system to further improve the security for our cardholders' data.



9. INFORMATION TECHNOLOGY AND PRODUCT/SERVICE DEVELOPMENT

As part of HDBank's digitization strategy, we have made significant IT and product/service changes in 2017 by implementing the following key projects:

- Automation in handling customers' requests, minimizing the procedures and the amount of paperwork required in funding mobilization and lending.
- Development of applications assisting relationship officers who frequently travel in their communication with customers, making the process more professional and convenient as well as reducing costs for the Bank.
- Promotion of digital banking services and the development of new products/ services and

promotional programs to encourage customers to use online channels such as online savings and online mobile payment etc.

- Improvement of business support applications.
- Making the best use of our customer ecosystem, providing digital banking services to HD SAISON and Vietjet Air's customers.
- Deployment of projects on security to ensure smooth and sound operation of the system as well as solid protection of customers' data, strengthening customers' trust when trading with HDBank.

10. RISK MANAGEMENT AND BANKING SECURITY

In 2017, HDBank's risk management framework was further advanced in compliance with SBV regulations and international standards. With the aim of becoming a bank with one of the most advanced and sustainable risk management systems, HDBank will continue to improve its organizational structure in line with Basel II's three lines of defense. Our risk management tools are constantly reviewed and revised to remain relevant to real-life situations and current legal regulations and further approach international standards. Besides, our support systems are established towards automation for timely detection and warnings of operational risks. During the year, HDBank has also used the latest technology to deploy a debt reminder software, coordinate with the Risk Management Department to complete the GAP analysis phase of the Basel II standards and complete the change of the core banking system in accordance with regulations issued by the State Bank of Vietnam.

11. OPERATIONAL ACTIVITIES

The continuing maintenance of the ISO 9001-2008 management system quality standards and the upgrade to ISO 9001-2015 in May 2017 have brought positive results to the Bank's management operations. HDBank's changing image, customer services and procedures toward international standards facilitate the Bank to improve its service quality to better satisfy its customers' needs.

The centralized management model, specialization and simplification of paperwork and procedures have reduced the operational time, improving efficiency and reducing operational risk.

As a bridge connecting the bank and its customers, the Customer Service Center is constantly diversifying its customer information reception and processing platforms to enhance customers' satisfaction and HDBank's product/ service quality.

HDBank E-banking



12. HUMAN RESOURCES AND TRAINING

In 2017, HDBank continued to improve its human resources and training quality through satisfaction assessment and performance and professional skills ratings survey for internal employees.

The Bank has developed a core staff program to recruit and train qualified employees who demonstrate the leadership qualities required for our network's expansion in the long-term.

In addition to the regular training to improve human resources quality, HDBank also successfully established a highly competitive reward system compared to other banks to attract and retain high quality human capital. By the end of 2017, the total number of HDBank staff had reached nearly 14,000 persons.

13. BRANCH NETWORK

In 2017, HDBank established 05 more branches and 14 transaction offices, bringing the total number of transaction points in the system from 221 (as of 31 December 2016) to 240 points (including 1 Head Office, 1 Northern Region Representative Office, 57 branches and 181 transaction offices).

14. CORPORATE SOCIAL RESPONSIBILITY PROGRAMS

In addition to its efficient business activities that contribute to the development of the banking industry, HDBank is actively involved in social charitable activities that contribute to the development of the community. In 2017, HDBank financed the construction of 15 compassion houses in Quang Binh, Tien Giang, Phu Yen, Ninh Binh, Bac Giang, Kien Giang, Dong Nai, Vinh Long and Long An; sponsored more than 4,000 health insurance cards for near-poor people in Ben Tre, Dong Thap, Binh Thuan, Binh Dinh, Vinh Long, Nghe An, Ha Tinh; sponsored 1,000 eye surgeries for poor cataract patients in Ho Chi Minh City, Kien Giang, Long An, Tra Vinh, Can Tho, Vinh Long; provided food and warm clothes for people in remote highland regions; granted scholarships for poor students, supplied relief for flood victims in Central Vietnam; and provided care for the poor and children in Thi Nghe Center for the Handicapped and Nghe An Children's Fund, etc.

15. DOMESTIC AND INTERNATIONAL AWARDS

- Second-class Labor Medal awarded by the President of the Vietnamese Government;
- Emulation Flag by the SBV for 03 units;
- The SBV's Certificate of Merits for 31 groups and 73 units;
- "Best Bank in Vietnam 2017" awarded by Asiamoney magazine;
- Ranked 8th out of 15 Vietnamese banks in the TOP 500 banks in Asia Pacific by The Asian Banker;
- Gold Award in the 2016 Annual Vision Awards Competition by the League of American Communications Professionals (LACP);
- Strong Brand Name of Vietnam in 2017 by the Vietnam Economic Times;
- Best Bank for Small and Medium Enterprises by the Vietnam Economic Times;
- Best Retail and Consumer Finance Bank by the Vietnam Economic Times.



16. RESULTS OF 2017'S ACTION PROGRAMS

Program 1: Sustainable growth, effective credit, optimal profit

- Total funding mobilization from retail customers was VND 120,537 billion, up by 16.7% compared to that of 2016.
- Total outstanding loans reached VND 110.067 billion, up by 25.2% against that of 2016.
- The NPL ratio was 1.5%
- Profit before tax was VND 2,417 billion, up by 110.6% against that of 2016.
- The Bank's transaction network expanded to 5 more branches and 14 transaction offices to a total of 240 transaction points nationwide.
- The Bank actively integrated itself into the international financial markets by pioneering to launch an IPO, listing HDBank's shares on the stock market.

Program 2: Development and application of information technology in the management and operations of the Bank

- The Bank minimized the paperwork and steps required in the funding mobilization and lending processes;
- Our operations were developed towards system modernization;
- The Bank embraced automation in its operations and settlement by deploying online disbursements throughout the system and setting up new software credit ratings;
- We always try to ensure our customer services and online systems are in operation at all times.
- We also deployed a digital banking development strategy;
- The IT Division reviewed all equipment, systems and advanced security against attacks from spyware such as Wannacry virus and other malwares.

Program 3: Strengthen risk management, supervision, control and recovery of bad debt

- The Bank successfully established a credit management center;
- Our centralized management system has effectively controlled operational risk;
- We have completed the evaluation, recommendation and QIS test phase of our Basel II deployment;
- We have also issued our Regulations on market risk management and Key Risk Indicator (KRI) in accordance with Basel standards;
- We have issued an "Information Security Handbook" to raise our staff's awareness of information safety and security;
- We have enhanced the monitoring of ATMs to timely detect data theft equipment and deployed an online 3D Secure authentication service for card transactions;

- We have effectively controlled new bad debts to ensure the non-performing loan ratio is kept well under 2%;
- We have established a Credit Management and Collections Center.

Program 4: Corporate culture building and personnel quality improvement

- Training curricula for all positions and core staff have been fully developed. Two new training courses for core staff were successfully launched;
- The Human Resource Management Program iHRP was officially implemented in June 2017;
- Process and regulations were reviewed and standardized to enhance the increasingly dynamic corporate culture and HDBank staff's professionalism;
- Internal customer satisfaction survey was carried out. We have coordinated with business units in tailoring the questionnaire to reflect each unit's actual business needs;
- A banking industry salary and welfare survey was conducted to keep our recruitment policies, compensation and benefits competitive to retain high quality human resources.

Program 5: HDBank brand development

- HDBank's brand recognition standards were issued and consistently applied throughout the system;
- HDBank's brand was actively promoted on television programs;
- Internal events, such as the establishment of new branches and transaction points and programs for core staff etc., were effectively promoted;
- HDBank's image was widely marketed through community activities;
- HDBank's image was promoted at high-profile events such as APEC;
- HDBank was highlighted as a sponsor of the program "Smart money" on VTV3.



OBJECTIVES AND STRATEGIC PLAN FOR 2018

GDP GROWTH 2018
Government goal

6.7%

Forecast

6.5% - 6.8%

MARKET OUTLOOK FOR 2018

The global market outlook for 2018 remains positive, with economic growth expected to be higher than in 2017 thanks to the recovery of investment, commercial trade and manufacturing. However, uncertainties remain amidst central banks' reductions in economic stimulus that were previously used post-crisis. The Vietnam market is expected to enjoy various favorable factors thanks to the newly signed free trade agreements. Vietnam's forecast GDP growth in 2018 is 6.5% - 6.8%.

OPPORTUNITIES

MACRO ECONOMIC

The Government's growth target for 2018 is set at 6.7% and the consumer price index around 4%, the same levels as 2017. Total import-export turnover is expected to be USD 36 to 37 billion, with trade deficit at under 3% of total export turnover. Vietnam is assessed to be able to sustain growth at the 2017 level if State agencies continue to implement reforms in its state institution and administrative procedures, improve the business-investment climate and reduce production costs.

The private sector in Vietnam is expected to grow significantly in 2018 with the implementation of the Resolutions from the 5th Central Conference on promoting institutional reforms and growth in the private sector. The privatization and divestiture from state-owned enterprises towards restructuring of these companies has raised expectations in the increase in efficiency of the SOE sector.



THE MONETARY AND BANKING MARKETS

The main focus of 2018 will continue to be retail services. Meanwhile, there will be more new policies related to e-payment promulgated by the SBV to promote the development of non-cash payments.

The USD/VND exchange rate is expected to be affected by the FED's continuous monetary tightening, which will lead to higher USD exchange rates in 2018. Moreover, US President Trump's trade policies are likely to affect the trade volumes and remittance flows into Vietnam. However, global economic trends and the development of foreign trade in developing countries are likely to offset these negative effects, leading to a trade surplus and stable foreign capital inflows in Vietnam.

STATE BUDGET

In 2018, the state budget is planned to include a mobilization rate of 21% of gross domestic product (GDP), with a minimum increase of 12%-14% in domestic revenue and 5%-7% in revenue from export and import activities compared to 2017. Overall, public debt in 2018 is likely to achieve these targets as global economic growth will lead to the recovery of crude oil prices, and import-export turnover is forecast to have more positive signals.

The Ministry of Finance is committed to closely monitoring the actual status and timely adjust budget solutions to meet the needs of the economy, ensure public debt safety and national financial security. The ministry will tighten the budget management process, with a focus on restructuring (to reduce the proportion of recurrent expenditures) and investment efficiency (especially investment in infrastructure projects). In addition, the administration procedure is reformed to prevent the occurrence of losses; also clear delegation of responsibilities and more strident application of financial disciplines will be strictly implemented.

The Ministry of Finance will strengthen its tax revenue collection management (especially in the informal sector), tariff calculation method, taxable basis expansion and trade frauds monitoring to reduce overdue tax payments and increase budget revenue by 3% more than the National Assembly's target. The above solutions will help the government achieve its aim of keeping the State budget deficit within the range of 3.7% of GDP while at the same time increasing revenues and reducing expenditures, both of which will reduce State budget overspending.

STOCK MARKET

With favorable macro economic conditions, the Government's determination in privatizing/ divesting State's capital in SOEs and impressive foreign capital inflows, the stock market is expected to continue its strong growth in 2018.

In addition, as one of the fastest growing stock markets in 2017, Vietnam has attracted a large number of investors. In 2018 - 2019, it is expected that Vietnam will be included in the MSCI's "watch list" and officially classified as an Emerging Market in 2020. This upgrade will create momentum for the Vietnam market to continue its robust growth.

BOND MARKET

Stable macro factors coupled with sound fiscal policies and flexible monetary policy will be the foundation for a strong bond market growth in 2018.

Furthermore, new Government bond products such as loans for sale, redeemable buy-backs and futures contracts will be introduced to the market, giving investors a wider range of options, more flexible response capacity and more effective risk control. Consequently, it will help the bond market grow stronger amidst market fluctuations.

REAL ESTATE MARKET

In 2018, the real estate market has shown no signs of large fluctuations and is forecast to continually grow as the Government has established efficient monitoring and management tools. Given Vietnam's strong economic growth compared to other countries in the region, the domestic real estate market will continue to attract real estate investors, especially in the office and hotel segments. Statistically, real estate is among the industries attracting the highest amount of FDI into Vietnam. This is due to the positive changes in policies and a more transparent legal framework, along with the competitive edge of the market.

CHALLENGES

MACROECONOMIC CHALLENGES

In 2018, the economy will face many difficulties to improve its growth compared to 2017.

The unexpected impressive growth in processing and manufacturing - the main driving forces behind high growth in 2017 - is unlikely to be sustained as Samsung's production expansion completed in 2017 and currently there are no new large-scale FDI projects in processing and manufacturing. In addition, production level in the mining industry is declining, and unfavorable weather conditions can significantly reduce the capacity of agricultural production. The impact of the 4.0 industrial revolution is diminishing our competitive advantage of cheap labor and low price. At the same time, product quality is facing multiple risks from the ASEAN's reduction in import tax on various goods and services.

In 2018, inflation will become a growing concern as credit growth has reached a relatively high level (nearly 19%) by 2017. This will create inflationary risks for this coming year when the money supply increase will be circulated within the economy. Furthermore, commodity prices in the Vietnam market may change as a result of the government's decision to raise the regional minimum wage (effective January 1st, 2018) and increase the base salary (effective July 1st, 2018). In addition, the speed of economic group restructuring and the re-arrangement, renovation and acceleration of State-owned enterprises' privatization are still slow for both subjective and objective reasons.

THE MONETARY AND BANKING MARKETS

The main challenges to the SBV are in the improvement of its ability to control bad and overdue debts, cross-ownerships, and other remaining risks and shortcomings in the management and monitoring of the banking system. In addition, the explosion of the 4.0 industrial revolution has led to a rapid increase in banking technology and increased competition through the liberalization of financial and monetary markets. The international integration process is also expected to affect domestic economic development in 2018.

STATE BUDGET

The implementation of the State budget in 2018 faces several challenges. Firstly, the expected growth in domestic tax revenue ratio is higher than the expected GDP growth rate (6.5 - 6.8%). Secondly, the State budget reserves are not sufficient to cover unexpected expenses, if any. Thirdly, as Vietnam stopped receiving preferential loans from the International Development Association (IDA), the lending rates will increase, leading to difficulties in mobilizing capital for the purpose of balancing the budget. In addition, the growth in banking activity has reduced the investment in Government bonds, causing the general interest rate to have larger fluctuations than in 2017.

STOCK MARKET

The stock market still has certain risks such as the risks arising from the management of SOEs (PVN in 2017) or delays in the divesting and listing processes of SOEs. These factors will affect investors' confidence, causing negative impacts on the market. In addition, regional and global geo-political disturbances also have a great impact on investors' confidence in particular and the market in general.

BOND MARKET

Due to the increasing pressure on the interest rate market, the bond market faces many difficulties and challenges to reach the goal of VND 250 trillion. In addition, the commercial banking system, currently the main investor in the bond market, is unlikely to be able to increase its absorption capacity of a large quantity of Government bonds as they did last year due to their requirements to maintain sufficient liquidity. Besides, the FED's intention to raise interest rates to stimulate investment inflows back to the US adds more pressure to the bond market's ability to attract foreign investment.

REAL ESTATE MARKET

The real estate market in Vietnam still faces several risks and challenges due to the lack of comprehensive development, transparency and sustainability. These challenges come from many sources. First, investment capital is not diversified: it comes mainly from credit institutions and customers. The management and monitoring of credit investment in this area remains difficult. Second, the development of different types of real estate products is not appropriately controlled, with oversupply in some segments (including high-end real estate and resorts) and undersupply in others (the affordable housing segment). Third, the capacity of State management agencies remains limited, stemming from the lack of tools and systems to effectively control real estate development resources. Other outstanding issues include the scale and products of many enterprises (which have not met the market demand), poor management capacity (which results in slow progress and wastes of resources) and non-compliance with laws and regulations (which leads to disputes and lawsuits).



HDBANK'S 2018 BUSINESS PLAN

FINANCIAL PLAN

The year 2018, the second in the Bank's 5-year development strategy from 2017 to 2021, is forecast to bring positive improvements in the global and domestic economies. Continuing from its success in 2017 and following the development strategy of the SBV, HDBank has issued a step-by-step action plan with a vision to becoming the leading bank for retail and SMEs in Vietnam. We also aim to make HD SAISON the leading company in consumer finance.

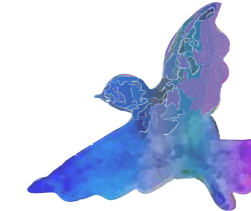
Unit: Billion, %

TARGET	2017	GOALS 2018	VARIANCE
Total assets	189,334	242,865	28.3%
Total mobilization capital (*)	170,476	222,184	30.3%
In which: Mobilization from customer deposits	130,330	183,279	40.6%
Total outstanding credit (**)	110,067	154,510	
NPL ratio (***)	1.5%	under 2%	
Profit before tax	2,417	3,933	62.7%
Profit after tax	1,954	3,146	61.0%
ROA	1.2%	1.3%	12.2%
ROE	15.8%	20.4%	29.1%
Network of transaction points	240	285	18.8%

(*) Total capital mobilization includes customer deposits, issuance of valuable papers, borrowed and entrusted funds, deposits and loans from other credit institutions.

(**) The maximum outstanding credit shall not exceed the SBV's approved growth limit.

(***) NPL ratio: calculated on the outstanding balance of loans to customers



2018 ACTION PLAN

To achieve the planned business goals of 2018, HDBank sets out six action plans:

- Ensuring effective growth, profitability and financial indicators as agreed in the committed strategy to shareholders and investors and good control of credit quality;
- Developing e-banking and ensuring the security in electronic and card payments;
- Strengthening risk management and monitoring with increasing focus on the management and recovery of bad debt;
- Building sufficient human resources and improving the quality of human resources;
- Improving the quality in operational activities;
- Increasing the marketing and development of HDBank's brand.

BUSINESS STRATEGY OBJECTIVES IN THE MEDIUM AND LONG TERM

With the aim of becoming the leading bank for Retail and SMEs in Vietnam and integrating internationally, HDBank has developed a medium and long-term business strategy focusing on:

- Accessing domestic and foreign capital markets;
- Completing the risk management system according to international standards;
- Strengthening the publicity and transparency of banking information in compliance with market discipline;
- Building a modern multi-functional digital bank during the 4.0 technology revolution to expand our reach internationally;
- Monitoring the Bank's governance indicators according to international standards;
- Achieving strong business growth and social and environmental development, with a view to contributing to the development of the whole community.

MANAGEMENT'S COMMENTARY FOR AUDITOR'S OPINION

None.



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*Enhancing Cooperation
And connecting opportunities*



REPORT OF THE BOARD OF DIRECTORS

ASSESSMENT OF THE BOARD OF DIRECTORS' PERFORMANCE

HDBank has successfully completed the business plan approved by the Annual Shareholders' Meeting in 2016. The Board of Directors has followed closely the direction of activities entrusted by the General Annual Meeting; conducting the steering role and supervising the management in implementing the business plan, ensuring that the Bank develops stably and safely.

Unit: Billion, %

INDICATORS	ACTUAL PERFORMANCE 2017	PLANNED PERFORMANCE 2017	IMPLEMENTATION PERCENTAGE	+/- PERCENTAGE OF VARIANCE WITH 2016
Total assets	189,334	178,800	105.9%	26.0%
Charter capital	9,810	8,829	111.1%	21.1%
Mobilization from organizations and individuals	120,537	124,000	97.2%	16.7%
Loans to customers	110,067	106,088	103.8%	25.2%
NPL ratio	1.5%	<3%	Met plan	
Profit after tax	1,954	1,000	195.4%	113.7%
Profit before tax	2,417	1,300	185.9%	110.6%
ROA	1.2%	0.6%	188.5%	61.5%
ROE	15.8%	9.3%	169.9%	71.2%

Implementation of the Bank's development strategy:

Based on Resolutions of the Annual Shareholders' Meeting on the increase of charter capital and authorizing the Board of Directors to decide on issues related to HDBank's development strategy, the Board of Directors has carefully considered and made appropriate decisions, instructed the Board of Management to carry out necessary works and procedures to increase charter capital, offer shares to foreign investors and list the Bank's shares on the stock exchange. The results are as follows:

- Charter capital: after 2 times of capital increases, as at 31 December 2017, HDBank's charter capital reached VND 9,809,999,790,000 (an increase of VND 1,709,999,790,000, equivalent to 21.11% of charter capital of 2016)
- Offering of shares to foreign investors: HDBank has carried out roadshows which are assessed to be good at quality and successful in big financial markets such as London, Hong Kong and Singapore... with the participation of many large organization, large and prestigious financial institutions in the world.
- Listing of the Bank's shares on the Stock Exchange: On 5 January 2018, HDBank's shares were officially listed on the Ho Chi Minh City Stock Exchange (HOSE) with offer price at VND 33,000 per share and increased steadily during the period.
- Risk management: The Bank has kept improving and strengthening the risk management system, such as credit rating system, liquidity and interest rate risk management system... with an aim to apply Basel II regulations.
- Information Technology activities: The Bank has successfully implemented a set of technology products to meet the needs of developing e-banking products, building applications on mobile devices, promoting advertising mobile application to customers.



Implementation of other key tasks

Human resources policy: HDBank has developed a policy on development and management of human resources and professional recruitment to attract talents as well as promoted the strategy of training successors for high-level management. Accordingly, in 2017, HDBank and its subsidiaries had over 14,000 personnel working at 240 branches and transaction offices and over 11,500 transaction points across the country.

Social tasks: Besides the outstanding business results, HDBank has reached to remote areas to carry out charity work such as to provide clothes and notebooks to poor children and the lonely elderly, to sponsor for over 500,000 eyes surgeries, and to gift more than 14,000 health insurance cards through co-operation with the Vietnam Sponsoring Association for Poor Patients Ho Chi Minh City, etc., which contributes to economic development and social security.

Assessment of the Board of Directors on the Board of Management's performance

In the year 2017, the Board of Directors has successfully completed the financial plans and targets set out for the financial year such as maintaining growth of total assets, boosting credit activities, mobilizing deposits, ensuring liquidity, capital adequacy and control of non-performing loan ratio.

In addition, the Board of Management has been also highly successful in improving the workforce, building a friendly working environment and connecting employees in the Bank's activities

OPERATION ORIENTATION FOR 2018

- **Business activities:** Carry out business activities on the principle of “Sustainable growth, safe credit, optimal profit”; promote retail banking, develop appropriate products and services for individual customers and small and medium enterprises; striving to achieve the business targets set for 2018, specifically:

INDICATORS	PLAN FOR 2018	GROWTH PERCENTAGE IN COMPARISON WITH 2017
Total assets	242,865	28.3%
Mobilization	222,184	30.3%
In which: Mobilization from organizations and individuals	183,279	40.6%
Loans to customers*	154,510	
NPL ratio	<2%	
Profit before tax	3,933	62.7%
Profit after tax	3,146	61.0%
ROA	1.3%	12.2%
ROE	20.4%	29.1%

(*)Maximum credit exposure does not exceed the growth limit approved by the SBV*

- Implementation of Bank Governance:

- Ensuring the Bank’s strict compliance with laws and SBV’s regulations in banking activities, enhancing the effectiveness of internal management, administration, internal control and internal audit systems in order to limit violations; enhancing the integrity and publicity in operation of the Bank; and continuing to strengthen risk management and processing of bad debts in order to minimize credit risk and maintain NPL ratio within the allowable limits of the SBV.

- Implementing risk management in accordance with Basel II.

- **Human Resources:** Building the Bank’s corporate culture, professional working environment and high level of efficiency; focusing on enhancing quality, competency and ethics of the Bank’s personnel.

- **Information technology:** Strongly developing information technology in order to build a stable foundation of providing the most modern and secured electronic banking products and services; promoting the application of information technology in Bank’s management and operation.

- **Partnerships, scale expansion:** Continuing to implement

the restructuring program, expanding the scale of the Bank, fortifying and strengthening the relationship with domestic and international partners.

- **Social responsibility:** Continuing to implement programs and social works and demonstrating the responsibility of HDBank to the community.

- **Investor relations:** Improving the professionalism and effectiveness of Investor Relations (IR) by completing IR regulations and process, together with building and implementing specific action plans; organizing the work in a scientific way in order to create the best and most flexible conditions for shareholders and investors to understand and exchange information with the Bank; always ensuring the timeliness, reasonableness and highest satisfaction of shareholders and investors when providing information; ensuring fairness and integrity in disclosure to all stakeholders.

- **Brand development:** Maintaining and developing HDBank brand name through superior quality of products and services, professional and friendly staff, combined with appropriate promotional activities.





Skillfully Paddling To Conquer The Waves



BANK MANAGEMENT

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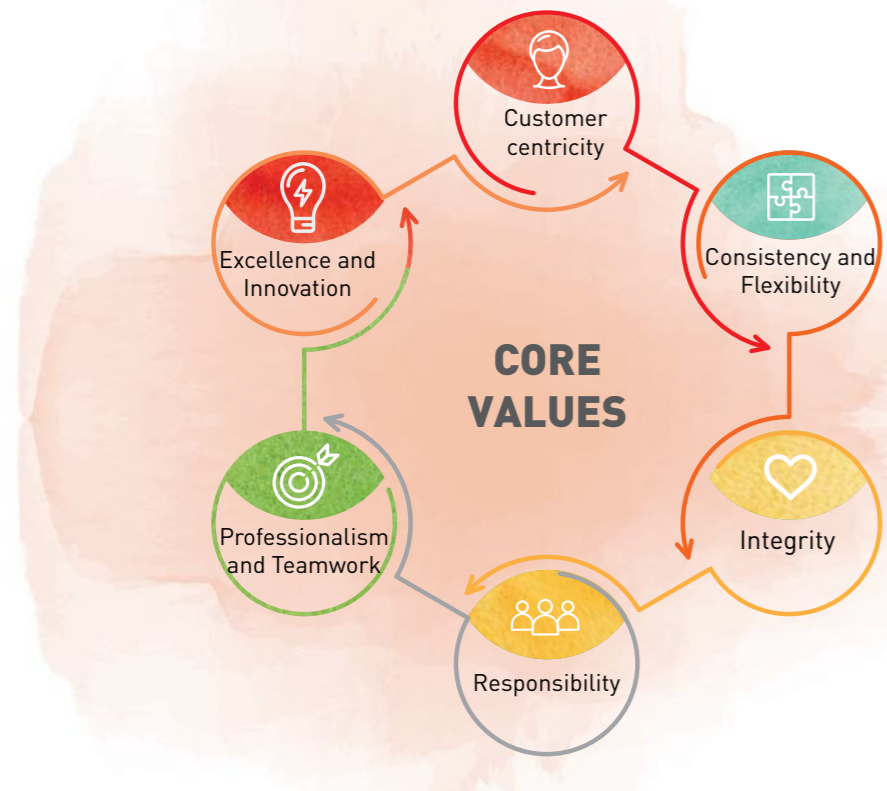
BANK MANAGEMENT

OVERVIEW OF BANK MANAGEMENT

The banking management system is the foundation and the decisive factor that contributes to the effective management and operation of a bank. At HDBank, this system is scientifically built and in line with the laws of Vietnam and the global modern banking governance standards to ensure a smooth and effective operation. It also helps the Bank operate safely and sustainably and bring values to its shareholders, customers, partners, employees, and the community.

CORE VALUES

The HDBank's management model is operated based on the following five core values:



Customer centric: HDBank always places customers at the center of its operation and endeavors to meet their expectations;

Consistency and Flexibility: HDBank well understands its goals, consistently pursuing and flexibly working to accomplish these goals;

Excellence and Innovation: HDBank continuously learns, innovates, and improves itself to achieve an excellent customer service;

Professionalism and Teamwork: As a professional, large organization, HDBank collaborates with its peers and partners based on mutual trust and respect;

Integrity and Responsibility: HDBank is trustworthy, honest, and willing to take initiatives and respond of its work.



The policies of HDBank are developed to ensure that it is governed and controlled under banking management principles and laws. The policies also help protect the legitimate rights and interests of shareholders and the Bank, reducing risks of the Bank:

KEY PRINCIPLES OF HDBANK'S MANAGEMENT MODEL



Legal compliance:

HDBank completely follows all the Law's regulations, regularly updating its procedures and policies to promptly comply with legal provisions related to banking operation such as the Law on Enterprises, the Law on Credit Institutions, and HDBank Charter. In particular, the Bank puts its first priority to prevent operational risks and risks related to work ethics of employees via training and communication programs.

Following international governance standards:

HDBank continuously strengthens its banking management model for its sustainable growth by standardizing its processes and applying global management metrics recommended by international organizations such as Moody's, IFC, and ADB, such as such as Basel II and ISO 9001: 2015.

Protecting legitimate interests of shareholders - Maintain transparency in the HDBank's operation:

The rights and interests of shareholders are always placed as HDBank's top priority. The Bank always focuses on building relationships with shareholders, timely and efficiently communicating accurate information and helping them to understand their own interests and the Bank's operation. HDBank is also working to expand its communication channels in order to quickly capture and respond to inquiries of its shareholders and investors.

Ensuring fair treatment among shareholders:

The legal rights of all HDBank's shareholders, including both minority shareholders and foreign shareholders, are always protected. HDBank ensures that major shareholders do not take their advantages and negatively impact to the rights and interests of the Bank and other shareholders.



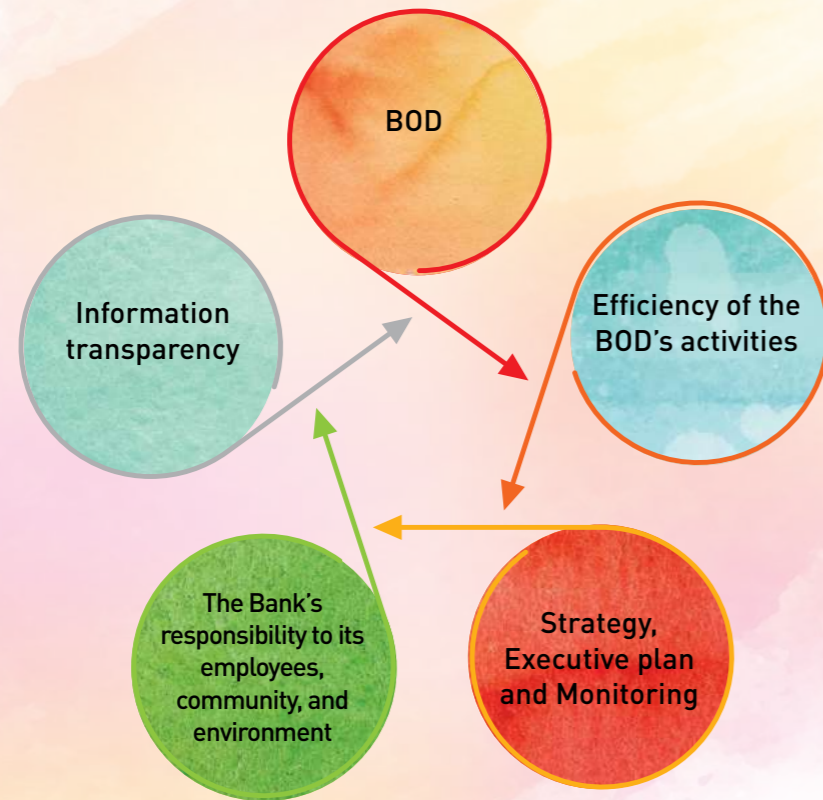
Preventing conflicts of interest - Respect HDBank's stakeholders:

Strictly complied with the provisions of the current law and the Bank's Charter, HDBank responds to prevent conflicts of interest, including transactions with shareholders, members of the Board of Directors, members of the Board of Supervisors, the supervisors, the CEO, other managers, and their stakeholders.

HDBank is also committed to fulfill its responsibilities with its community, stakeholders, employees, environment, and society. Payment policies and payroll system of HDBank are based on the employees' true performance, the business situation of the Bank, and its human resources development strategy. The transparency in HDBank salary policy not only follows the current legal provisions for employees, but also creates promising environment for each employee at HDBank to work productively and enhance their competitive advantages in the job market. All employees at HDBank are respected and have their right to propose and contribute to the development of HDBank. All employees have equal opportunities in training programs, skills development activities, and work promotion.

HDBank strongly believes in its responsibility for not only the economic growth but also the people, social security, and environmental protection though implementing charity activities and community programs. In 2017, HDBank participated in many nationwide meaningful philanthropy programs: donation to build houses for people from low-income background, support for flood and landslide victims, gifts for children with disability and orphans, fund raising for rural bridge construction, donation to buy cattle and breeding for people with low incomes, and warm clothes for children in remote areas, etc. These community activities are continuing and becoming a traditional culture of HDBank.

BUSINESS MANAGEMENT FRAMEWORK OF HDBANK



Information transparency

- Financial Reports
- Strengthen reporting activities and expand information disclosure channels (Please see Financial reports of the Annual Report)
- (Please refer to the Financial Report section of the Annual Report).

Strategy, Executive plan, and Monitoring

- Vision and Mission
- Strategic Plan, Business Plan
- Resource Management
- (Please refer to the Overview section of the Annual Report)

The Bank's responsibility to its employees, community, and environment.

- Employee welfare policy
- Responsibilities to the society, community, and environment
- (Please refer to the Sustainable Development section of the Annual Report).

BOD

- Members & Structure
- BOD's responsibility & Remuneration
- Operation & Orientation
- (Please refer to the section of the BOD's Report, Remuneration, and the Board of Supervisors).

Efficiency of the BOD's activities

- Mission & Responsibilities of the BOD's members
- Responsibilities of the Committees under the BOD
- (Please refer to the section of the BOD's Report and the Committees under the BOD).



MANAGEMENT STRUCTURE

BOARD OF DIRECTORS; BOARD OF MANAGEMENT; BOARD OF SUPERVISORS; CHIEF FINANCIAL OFFICER; CHIEF ACCOUNTANT

BOARD OF DIRECTORS

MS. LE THI BANG TAM

CHAIRWOMAN OF THE BOARD OF DIRECTORS



Ms. Tam has achieved a great degree of success in finance and national budget management, especially in external financial affairs. As the head of HDBank, she has made significant contributions to the Bank's accomplishment and has set out its future development strategies. Previously, Ms. Tam was Head of Department, and General Director of the Central State Treasury – Ministry of Finance, Deputy Minister and a member of the Party Affairs Committee in the Ministry of Finance, and Chairwoman of the State Capital Investment Corporation (SCIC), and a high-level advisor for a number of international financial institutions. At the present, she acts as the chairwoman of Vietnam Dairy Product Joint Stock Company (Vinamilk).

Joined HDBank in 2010, Ms. Tam has made a great contribution to the implementation of international standards to the Bank's governance processes. She also led HDBank to participate in international projects funded by World Bank, ADB, and other major projects of the Government, Ministry of Finance, and the State Bank of Vietnam.

Ms. Tam has been awarded many medals from the President of Vietnam, a number of merit certificates from the Government and Ministries, and other titles for achievements in foreign trade, policy establishment, science, woman development, etc.

Ms. Tam graduated from an Advanced Economic Management program in the Soviet Union, and holds a doctoral degree in Credit Finance in the Soviet Union and an International Finance Certificate at North University London

MS. NGUYEN THI PHUONG THAO

PERMANENT VICE CHAIRWOMAN



With solid business experience of finance and banking sector in Vietnam and oversea, Ms. Thao has held management positions at overseas banks, and founded and managed banks in Vietnam. As the permanent Vice Chairwoman of HDBank, she has substantially contributed to the Bank's sustainable growth and development. She has been actively participating in many educational, social, and charitable organizations to support the community.

Joined HDBank since 2008, Ms. Thao is credited to the Bank's innovative programs that step by step bring HDBank to the leading position in Vietnam's banking industry.

Ms. Thao holds a doctoral degree in Economic Cybernetics from Mendeleev Institute, a bachelor degree in Finance, Credit and Banking from Moscow Commerce Institute, and a bachelor degree in Labor Economic Management from Moscow National Economics College. She is also a founding member of the Academy of System Research in the Russian Federation.



MR. LUU DUC KHANH

VICE CHAIRMAN



Mr. Khanh is an expert in the Finance and Banking industry. Since joining the Board of Directors of the Bank, he has contributed to the Bank's strategy, risk management, and technological application to develop HDBank to a modern bank under international standards. He used to hold managing positions in such banks as HSBC, Techcombank, ABBank, and contributed to help these banks achieve sustainable accomplishments in the Vietnamese market.

He holds a bachelor degree from Lvov Polytechnic College (Soviet Union), a bachelor degree in Economics from Ho Chi Minh City University of Economics, and an MBA degree from New England University (Australia).

MR. NGUYEN THANH DOVICE CHAIRMAN AND
INDEPENDENT MEMBER

Mr. Do was a veteran in finance and foreign trading operation. He used to be the Head of Foreign Trade Finance Department – Ministry of Finance and Head of Debt Management and Foreign Finance Department – Ministry of Finance. Joining HDBank from November 2014 to April 2017 as a high-level advisor, he has successfully contributed to the establishment of HDBank's strategic development plan.

He holds a doctorate degree in Banking & Finance at Moscow Finance University.

MR. NGUYEN HUU DANG

MEMBER AND CHIEF EXECUTIVE OFFICER



With 20 years at HDBank and solid experience in banking industry, Mr. Dang has led HDBank to directions that resulted in its essential growth. His past positions include: SBV managing officer of non-state credit institutions, Credit officer, etc.. He previously worked for the SBV branch in Dong Thap and Vietinbank.

He holds a master's degree in Banking.

MS. NGUYEN THI TAM

MEMBER



Ms. Tam is a senior with 35 years of working experience in finance and banking sector, especially in managing and regulating credit institutions and international payment. She used to hold key positions in Vietcombank, most recently as the Deputy CEO cum member and consultant to the Board of Directors of Vietcombank.

She holds a bachelor degree in English language, an Advanced Banking Theory Certificate, a Business Administration Certificate from Switzerland and International Cooperation Organization and AMOS TUCK University (U.S). She has received numerous medals and certificates of merit from the President, Vietnamese government, and the banking industry.

MR. CHU VIET CUONG

MEMBER



Mr. Cuong has great experience in managing and administrating financial-credit institutions and large enterprises in Vietnam and overseas. He used to serve as the General Director of BNP Paribas-Prevoir JV, Deputy General Director of Prudential Assurance LTD, and Board Chairman of Dai A Bank, etc.

He holds a bachelor and a master degree in Economics from Khaccop University, Soviet Union, and other master degrees from the University of Sussex - UK, MIT - U.S./NTU Singapore.

MR. LY VINH QUANG

INDEPENDENT MEMBER



He has been a leader for over 30 years in education, commerce and banking sectors. In banking field, he has held high positions at Techcombank, Bac A Bank, ABBank, etc. He previously worked at HDBank as the Deputy Director and CEO from 1999 to 2003.

He has become an independent member of the Board of Directors since April, 2017.

He holds a doctorate degree in Economics from Moscow Plekhanov National Economics University, now known as Plekhanov Russian University of Economics.

MR. LIM PENG KHOON

INDEPENDENT MEMBER



Mr. Lim is a veteran in different fields: Finance – Banking, Securities and Information Technology. He used to serve as key position in HSBC Malaysia and HSBC Hong Kong, Hong Kong Stock and Futures Exchange, Hong Kong Monetary Committee, and a number of listed financial institutions in Vietnam.

He holds a certificate from the Banking Academy in the UK, and from Banking Academy of Malaysia.



BOARD OF MANAGEMENT

MR. NGUYEN HUU DANG

MEMBER OF THE BOD
CUM. CHIEF EXECUTIVE OFFICER



With 20 years at HDBank and solid experience in banking industry, Mr. Dang has led HDBank to directions that resulted in its essential growth. His past positions include: SBV managing officer of non-State credit institutions, Credit officer, etc... He previously worked for the SBV branch in Dong Thap and Vietinbank.

He holds a master degree in Banking.

MR. NGUYEN MINH DUC

DEPUTY CHIEF EXECUTIVE OFFICER



He has more than 25 years of management experience at credit and financial institutions. He has greatly contributed to HDBank's success of risk management and compliance control.

He previously worked as an economics professor at Vietnam Marine University and used to hold high-level positions at several banks in Vietnam.

He hold a master degree in Economic and a bachelor degree in Law

MR. PHAM QUOC THANH

DEPUTY CHIEF EXECUTIVE OFFICER



He has more than 25 years of work experience in banking sector. Highly experienced in risk management and corporate banking development, he used to hold senior positions at HSBC, ACB, ABBank and Techcombank.

He holds a bachelor degree in Bank Credit and another bachelor degree in foreign language.

MR. LE THANH TRUNG

DEPUTY CHIEF EXECUTIVE OFFICER



He has more than 25 years of work experience in the Finance and Banking sector in Vietnam and overseas, especially in system management, risk management, and customer relations.

He has experienced working as senior positions at Vietcombank Leasing Company and commercial banks such as Vietcombank and Shinhan Vina Bank.

He holds a doctorate degree in Economics and a bachelor degree in Law.

MS. NGUYEN DOAN DUY AI

DEPUTY CHIEF EXECUTIVE OFFICER



As an energetic, confident, and knowledgeable female leader in finance and banking sector, she has made a remarkable contribution to the Bank's success during the years working at HDBank, especially in currency trading and secure payment system.

She has in-depth knowledge in export-import operation, international payment and banking and finance through her working experience at Techcombank, VPBank, etc.

She holds a bachelor degree in Banking Credit – Ho Chi Minh City.

MR. LE THANH TUNG

DEPUTY CHIEF EXECUTIVE OFFICER



He has been with HDBank for more than 20 years and at different positions such as Branch Director and Regional Director. With his keen mindset and management competence, he has managed and developed the business activities of HDBank's branches, significantly contributing to the Bank's network expansion and to the outstanding growth of HDBank during the years. Before HDBank, he worked at a number of financial institutions and commercial banks. At the present, he is the Secretary of the Bank's Communist Party.

He holds an MBA degree and a bachelor degree in Law.

MR. TRAN THAI HOA

DEPUTY CHIEF EXECUTIVE OFFICER



He has experience in management and operation in Finance – Banking sector for more than 20 years. Before joining HDBank, he worked for 17 years as Manager and Deputy General Director at the State Bank of Vietnam - Ho Chi Minh City Branch and VietA Bank.

He holds a bachelor degree from Banking University.

MR. TRAN HOAI NAM

DEPUTY CHIEF EXECUTIVE OFFICER

He has many years of experience in the Finance – Banking sector, especially in corporate banking and institutional banking operation. As a leader with many initiatives, he is currently in charge of managing corporate and other financial institution customers of HDBank while supporting the Bank's cooperation with other prominent organizations in Vietnam and overseas.

He was at management positions at several organizations including the Ministry of Science and Technology, Citibank, VIB.

He graduated with a master degree from Asia Institute for Technology (AIT) and a bachelor degree from Hanoi University of Science and Technology.

**MR. PHAM VAN DAU**

CHIEF FINANCIAL OFFICER

He has more than 20 years of working experience in the Finance – Banking sector with in-depth understanding and knowledge about credit, accounting, financing, funding, and planning. He plays a crucial role in the finance division of the Bank, ensuring the utilization of the Bank's funds and establishing detailed plans for the development of HDBank.

He holds a master degree in Economics.

**MR. NGUYEN THANH PHUONG**

DEPUTY CHIEF EXECUTIVE OFFICER

He has 20 years of working experience in the banking industry, of which more than 10 years were at HDBank in many positions such as Deputy Head/Head of Sales Department, Branch Director, and Regional Director. With his leadership and acumen, he has contributed to the development of his business units' operation and to the outstanding growth of HDBank in recent years.

He holds an MBA degree and a bachelor degree in Law.

**MS. PHAN THI TRAM ANH**

DIRECTOR OF OPERATIONS DIVISION

She has been with HDBank for nearly 20 years and experienced different fields in banking operation. With the leadership and keen mindset, she has substantially contributed to HDBank in business operation management over the years, especially in leading the Operation Division to successfully implement the Centralized Credit Supporting Operation Management, Centralized Cash Management, and the management and monitoring of operational activities in the entire systems, adding to the enhancement of HDBank's service quality.

She is a bachelor in economics, foreign languages, and laws.



MR. TRAN QUOC ANH

DIRECTOR OF RETAIL BANKING DIVISION



Extensive knowledge and enthusiastic passion for modern retail banking, he has over 25 years of work experience in banking sector. Before joining HDBank, he worked at ACB's Retail Division as Director of Product Department, Director of Credit Center, Deputy Chairman of Credit Committee at Head Office, etc.

He has a bachelor degree in Banking from Ho Chi Minh City Banking University.

MS. HO DANG HOANG QUYEN

CHIEF ACCOUNTANT



She has nearly 20 years of working experience in the field of Finance - Accounting. In particular, she is extensively knowledgeable and has a thoroughly grasp of accounting and finance operation. She has been with HDBank for many years through a number of positions from payment officer, accounting officer, finance controller to Branch Deputy Director, Head of Accounting and Finance Department, etc.

She hold a master degree in Economics.



BOARD OF SUPERVISORS

MR. DAO DUY TUONG

CHIEF SUPERVISOR



He has over 15 years of work experience in finance - accounting field. As a well-knowledgeable specialist, he plays an essential role in monitoring operation and ensuring that operational safety and effective indicators are delivered as the requirements of HDBank and the SBV. Joined HDBank since 2010, he previously was the Chief Accountant of 347 Manufacturing Enterprise, Song Hong Company - the Ministry of Defense, Phu An Construction Investment and Infrastructure Development Joint Stock Company, Song Viet Investment Joint Stock Company.

He holds a bachelor degree in Economics and Accounting.

MS. NGUYEN THI TICH

MEMBER



She used to work for the State Bank of Vietnam - Lao Cai and Thai Nguyen branches, and Vietnam Bank for Agricultural and Rural Development (Agribank). Before joining HDBank, she worked in different banking fields and served as the Deputy CEO and CEO of Techcombank. She holds a bachelor degree in Economics.

She received many medals from the Vietnamese Government and the banking industry.

MS. NGUYEN THI PHUNG

MEMBER



She has nearly 20 years of working experience in the Finance - Banking sector. Joined HDBank in 2003 as a supervisor and internal auditor, she has made positive contributions to the development of HDBank. Since 2008, she has become a member of the Bank's Board of Supervisors.

She holds a bachelor degree in Monetary - Credit.

REPORT OF THE BOARD OF DIRECTORS, AND ACTIVITIES OF THE COMMITTEES UNDER THE BOARD OF DIRECTORS

STRUCTURE OF THE BOARD OF DIRECTORS

THE BOARD OF DIRECTORS OF HDBANK CONSISTS OF 09 MEMBERS:

FULL NAME	TITLE	THE PERCENTAGE OWNERSHIP OF SHARES	OTHER TITLES THAT BOD MEMBERS HOLD IN OTHER ORGANIZATIONS
Ms. Le Thi Bang Tam	Chairwoman	0.0000%	Chairwoman - Vietnam Dairy Products Joint Stock Company (Vinamilk)
Ms. Nguyen Thi Phuong Thao	Permanent Vice Chairwoman	3.6658%	Chairwoman - Sovico Joint Stock Company Vice Chairwoman of VietJet Aviation Joint Stock Company
Mr. Luu Duc Khanh	Vice Chairman	0.2778%	Vice Chairman - VietJet Aviation Joint Stock Company
Mr. Nguyen Thanh Do	Vice Chairman and Independent Member	0.0000%	None
Mr. Nguyen Huu Dang	Member and Chief Executive Office	2.6656%	Member of the Board of Director - HD SAISON Finance Limited Liability Company
Ms. Nguyen Thi Tam	Independent member	0,0000%	None
Mr. Chu Viet Cuong	Member	0.0102%	Member of the BOD - VietJet Aviation Joint Stock Company Deputy General Director - Sovico Joint Stock Company
Mr. Lim Peng Khoon	Member	0.0000%	None
Mr. Ly Vinh Quang	Independent Member	0.0000%	None

HDBank is proud of having an experienced and committed Board of Directors. The structure of the Bank's Board of Directors is compliant with the law. Accordingly, 8 out of 9 board members are non-executive members and 2 out of 9 board members are independent members. There is no board member serving as a member of more than 5 other companies' Board of Directors. The Chairwoman of the Board is not, at the same time, holding the position of Chief Executive Officer, ensuring the independence and clear delegation of responsibilities between the Board of Directors and the Board of Management.

In the past year, two members of the Board of Directors who were newly elected according to the resolution of the General Meeting of Shareholders No.20 / 2017 / NQ-ĐHĐCĐ on April 21 2017 who are Mr. Ly Vinh Quang and Mr. Nguyen Thanh Do.

ACTIVITIES OF THE BOARD OF DIRECTORS IN 2017

In 2017, the Board of Directors (BOD) had 9 periodic meetings.

The BOD meetings focused on resolving key issues related to directions from the 2017 Annual General Meeting: to establish and implement the 2017 business plan and the 2017 - 2021 business strategy approved by the Annual General Meeting; to follow closely the business plan's implementation, to execute key tasks of the bank's system and resolutions of the 2017 Annual General Meeting... The resolutions agreed by the BOD in its meetings are important directions for the Board of Management to implement HDBank's business tasks effectively. In each BOD meeting is the observance of, the Board of Supervisor.

Details of the BOD meetings

NO.	DATE	CONTENTS	RESULT
1	14/03/2017	Assessed criteria of candidates nominated for members of the BOD and Board of Supervisors for the period of 2017-2022.	Approved the list of proposed candidates nominated for members of the BOD and Board of Supervisors for the period of 2017 - 2022.
2	21/04/2017	Allocated tasks to each BOD member.	Approved the appointment of Chairman and Vice Chairman of the BOD for the period of 2017-2022.
3	20/07/2017	Reported business performance in the first half of 2017 and proposed solutions to achieve 2017 targets.	- The BOD approved the business performance in the first half of 2017 - The BOD proposed solutions to improve business performance and to achieve 2017 targets.
4	18/09/2017	Discussed the plan of opening 05 new branches and 42 new transaction offices of HDBank across Vietnam.	The BOD approved the plan of opening 05 new branches and 42 new transaction offices of HDBank across the country.
5	18/10/2017	Discussed the increase in the charter capital of HDBank from VND 8,100 billion to VND 8,828.999 billion.	The BOD approved the increase in the charter capital of HDBank from VND 8,100 billion to VND 8,828.999 billion.
6	19/10/2017	Discussed the plan of issuing stocks to domestic investors. Discussed issues related to the securities registration. Discussed issues related to stock listing.	The BOD approved: - The plan of issuing shares to domestic investors, - Issues related to the securities registration, - Stock listing.
7	04/12/2017	Reported the results of shares offering to foreign investors and submitted the proposed procedures of listing HDBank stocks on HOSE for approval.	The BOD approved the following: - Results of offering shares to foreign partners, - Procedures of listing HDBank stocks on Ho Chi Minh City Stock Exchange.
8	08/12/2017	Discussed the increase in HDBank's chartered capital from VND 8,828.99 billion to VND 9,809.999 billion. Discussed the amendment, supplement of point 1, Article 14 of HDBank Charter.	The Board approved - The increase in HDBank's chartered capital from VND 8,828.99 billion to VND 9,809.999 billion, - Amendment, supplement of point 1, Article 14 of HDBank Charter.
9	29/12/2017	- Reported business results for the first 11 months of 2017, and directions for 2018. - Draft Report on the Employee Stock Ownership Plan (ESOP).	The Board approved: - Report of business results for the first 11 months of 2017 and directions for 2018 - Policies on Employee Stock Ownership Plan.

Accordingly, the attendance of periodic meetings of the BOD in 2017 was as follows:

NO.	BOD MEMBERS	TITLE	START DATE/DATE OF NO LONGER BEING BOD MEMBER	NO. OF BOD MEETINGS PARTICIPATED	RATE	REASONS FOR ABSENCE
1	Ms. Le Thi Bang Tam	Chairwoman	Start date: 22/10/2010	9/9	100%	
2	Ms. Nguyen Thi Phuong Thao	Permanent Vice Chairwoman	Start date: 30/06/2005	9/9	100%	
3	Mr. Luu Duc Khanh	Vice Chairman	Start date: 03/07/2009	9/9	100%	
4	Mr. Nguyen Thanh Do	Vice Chairman – Independent Member	Start date: 21/04/2017	8/9	88.89%	Appointed as BOD member on 21/04/2017
5	Mr. Nguyen Huu Dang	Member and CEO	Start date: 31/12/2010	9/9	100%	
6	Mr. Luu Van Son	Member	Date noted as no longer being BOD member is on 21/04/2017	1/9	11.11%	Resigned from the BOD on 21/04/2017
7	Ms. Nguyen Thi Tam	Member	Start date: 26/04/2013	9/9	100%	
8	Mr. Lim Peng Khoon	Member	Start date: 25/04/2014	9/9	100%	
9	Mr. Chu Viet Cuong	Member	Start date: 25/04/2014	9/9	100%	
10	Mr. Ly Vinh Quang	Independent Member	Start date: 21/04/2017	8/9	88.89%	Appointed as BOD member on 21/04/2017

Additionally, to enhance the performance of the Board of Management, the BOD usually participates in periodic meetings of the Board of Management and timely provides feedback for the Board of Management during the execution process assigned by the Annual General Meeting and the Board of Directors.



ACTIVITIES OF INDEPENDENT NON-EXECUTIVE MEMBERS OF THE BOARD OF DIRECTORS

HDBank's BOD has two independent non-executive members. According to the duty assignment of the BOD members at the minutes of the Board of Directors' Meeting No. 02/2017/BB-HDQT, independent members are assigned tasks relevant to their abilities and experience:

- Mr. Nguyen Thanh Do - Vice Chairman cum Independent Member of BOD: Represent the BOD in the Bank's operation in Northern region and work with the Government Authorities, etc.
- Mr. Ly Vinh Quang - Independent Member: Participate in the Human Resource Committee as the Vice Chairman and advise the BOD on Human Resource and Training matters.

In 2017, independent members attended all meetings of the BOD and the relevant committees.

EVALUATE THE PERFORMANCE OF THE INDEPENDENT MEMBERS

The members have fulfilled their roles in the BOD and the Board of Management, ensuring that HDBank's operations are compliant with the law and regulations, HDBank's Charter, and the directions of the Annual General Meeting. Additionally, the 02 members has effectively fulfilled their roles of consulting and advising the BOD in their experienced fields.

COLLECT OPINIONS OF THE BOD'S MEMBERS IN WRITTEN FORMS ON DECISIONS WITHIN THE AUTHORITY OF THE BOD

The Board of Directors asked for its members' opinions 32 times in written, to decide, within the authority of the Board of Directors, on specific matters reported by the CEO and the Committees under BOD. In 2017, the BOD resolved management issues of corporate governance, completion and promulgation of regulations on internal governance, investment in human resource development, the management system enhancement, centralization of investment activities on the whole system, etc. The BOD also adjusted the organization structure to closely supervise the activities of the Board of Management in implementing the resolutions and decisions of the Annual General Meeting and the BOD.

The resolutions/ decisions approved by the BOD members in this form are as effective and value as the resolutions approved at the periodic meetings of the BOD and are issued on the basis of high responsibility, for the interests of shareholders and the sustainable development of the Bank.

RESOLUTIONS ISSUED BY THE BOD IN 2017

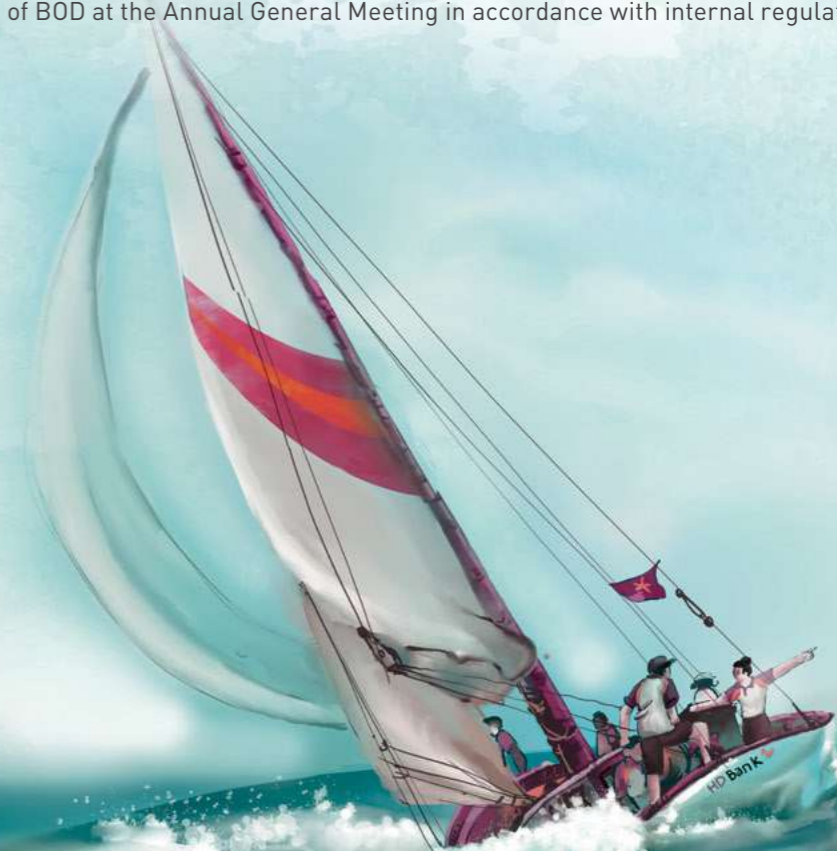
In 2017, the BOD issued 26 resolutions related to various areas of the Bank's operation that are used as a guidance for the Board of Management. The BOD strictly followed the implement for resolutions of the Annual General Meeting. Resolutions issued by the BOD in 2017 (including Resolutions approved at the quarterly BOD meetings and Resolutions approved in written by the BOD) are as following:

NO.	DATE OF ISSUE	CONTENTS
01	09/01/2017	To purchase and deposit money to buy assets for HDBank office, developing the Bank's network - Lam Dong Branch
02	09/01/2017	To purchase and deposit money to buy assets for HDBank office, developing the Bank's network - Transaction Office under Lam Dong Branch
03	09/01/2017	To purchase and deposit money to buy assets for HDBank office, developing the Bank's network - Kien Giang Branch
04	08/02/2017	Approval of selling the portfolio of listed stocks
05	14/03/2017	To nominate candidates for the BOD members and the Board of Supervisors for the period of 2017 - 2022 at the Annual General Meeting 2016
06	15/03/2017	To issue 5,000 billion bonds in 2017 for capital funding
07	13/04/2017	To sign the contract for audit services in 2015 & 2016 under the IFRS accounting standard.
08	21/04/2017	To approve the election result of the HDBank's BOD for the period of 2017-2022
09	28/04/2017	To change the location of Ninh Binh Branch
10	28/04/2017	To transfer assets at Viet Yen Village, Dong Yen Commune, Quoc Oai District, Ha Noi City.
11	05/05/2017	To issue VND 5,000 billion bonds in 2017 for capital funding
12	19/05/2017	To change the location of Bac Giang Branch
13	19/05/2017	To change the location of Gia Dinh Branch
14	12/06/2017	To change the location of Bac Ninh Branch
15	15/06/2017	To sign the contract for selecting options and approval fees of the audit services of the internal control system for HDBank and its subsidiaries from fiscal year 2017.
16	21/06/2017	To change the location of Quang Binh Branch
17	21/06/2017	To change the location of Phu Yen Branch
18	26/06/2017	To change the location of Tien Giang Branch
19	19/09/2017	To expand the Bank's network in 2017
20	19/09/2017	To upgrade Sa Dec Transaction Office under HDBank Dong Thap into specialized Transaction Office
21	19/09/2017	To upgrade Cam Pha Transaction Office under HDBank Quang Ninh into specialized Transaction Office
22	19/09/2017	To transfer assets through auction method
23	28/09/2017	To sign the contract for the audit services in 09 months of 2017
24	08/12/2017	To change the location of An Giang Branch
25	13/12/2017	To approve to sell stocks of Saigon Commercial Joint Stock Bank
26	26/12/2017	To purchase the office location of Vung Ang Transaction Office under Ha Tinh branch

THE BOARD OF DIRECTORS' DUTIES

HDBank's BOD responds to fulfill its obligations and complies with the Bank's Charter, the Law on Credit Institutions, the Law on Enterprises, and other relevant legal documents. The BOD is also required to meet the following obligations and responsibilities:

- Ensure that the Bank's operations strictly comply with law and regulations and HDBank's Charter; uphold a fair treatment to all Shareholders; take responsibilities to shareholders for the Bank's operations and respect the rights of the Bank's stakeholders.
- Formulate regulations on the order and procedures for nomination, candidacy, election, removal and dismissal of BOD's members in accordance with the law, Charter and resolutions of the Annual General Meeting, which includes standard requirements of members, methods of nomination and candidacy, method of election, cases of dismissal and removal of members, and announcement in such cases.
- Formulate regulations on the order and procedures relating to the BOD meeting, including the following contents: notification on BOD meetings, requirements to call for BOD meeting, voting methods, approval methods for BOD's resolutions, methods of recording and announcement of BOD's meeting minutes and decisions.
- Formulate regulations on the order and procedures for nomination, candidacy, election and removal of Chief Executive Officer according to the BOD's authority as stipulated by the Charter, including the selection criteria for the Chief Executive Officer, the appointment of Chief Executive Officer, labor contracts with Chief Executive Officer, cases of dismissal and appointment of Chief Executive Officer, and announcement in such cases.
- Develop processes and coordination procedures between the BOD, the Board of supervisors, and the Board of Management.
- Design frameworks for performance assessment, bonus and penalty for members of the BOD and members of the Board of Management.
- Report the activities of BOD at the Annual General Meeting in accordance with internal regulations.



HDBank's BOD has approved the assignment of duties among BOD's members as following:

BOD MEMBERS	OBLIGATIONS
Ms. Le Thi Bang Tam Chairwoman	Operate, lead, and manage the overall activities of the BOD. Respond of HDBank's operation activities related to Governance, Business, and External Relations, including: <ul style="list-style-type: none"> - Develop and navigate the medium and long-term business strategy of HDBank - Supervise the implementation of the business plans of HDBank - Develop the annual Operation plan of the BOD - Approve and direct the Committees under BOD - Respond of the BOD's operations, development strategy, and restructuring plan of HDBank - Respond of foreign affairs, relations with domestic, and international strategic partners. - Support financial investment activities - Head of HDBank Human Resource Committee.
Ms. Nguyen Thi Phuong Thao Permanent Vice Chairwoman	<ul style="list-style-type: none"> - On behalf of the Board of Directors, directly address issues as authorized by the Chairwoman. - Head of the Credit Committee, Member of the Human Resource Committee, Permanent Vice Chairwoman of the Risk Management Committee. - Handle daily issues within the scope of responsibility of the BOD. - Monitor and supervise the operation of Board of Management.
Mr. Luu Duc Khanh Vice Chairman	<ul style="list-style-type: none"> - Assist the BOD to follow the implementation of the strategic plan. - Respond of the system restructuring project, improve HDBank's competitiveness, and select foreign strategic partners. - Be in charge of network expansion. - Deputy Head of the Credit Committee.
Mr. Nguyen Thanh Do Independent member, Vice Chairman	Be in charge of the Northern region: manage the operations in the Northern region on behalf of the BOD.
Mr. Nguyen Huu Dang Member and Chief Executive Officer	To directly implement the following tasks: <ul style="list-style-type: none"> - Develop, submit for approval, and supervise the implementation of middle and long term business strategies, of HDBank. - Monitor and supervise the risk management and internal control systems of HDBank. - Implement the approved resolutions by the BOD. - Head of the ALCO Committee, etc. - Directly manage the operation of HDBank, implementation of directions and decisions of the BOD across the banking system of HDBank . - Execution of the HDBank's restructuring plan according to BOD's resolutions. - Member of Risk Management Committee, Human Resources Committee; Deputy Head of the Credit Committee; Head of the Remuneration Committee.

BOD MEMBERS	OBLIGATIONS
Ms. Nguyen Thi Tam Member	To coordinate with other BOD's members to implement the following tasks: <ul style="list-style-type: none"> - Govern the corporate and improve its practices according to the regulations and international standards. - Internal management of HDBank under the authority. - Head of Risk Management Committee. - Respond of the Commercial Banking's (CMB) and Corporate and Institutional Banking's (CIB) operation. - Supervise the Balance Sheet, performance indicators, and risk indicators of the system - Supervise the operation of ALCO Committee.
Mr. Chu Viet Cuong Member	<ul style="list-style-type: none"> - Respond of all PR & Marketing and IT activities. - Respond of information disclosure and act as a contact point for the press and other communication agencies.
Mr. Lim Peng Khoon Member	<ul style="list-style-type: none"> - Head of the Information Technology Committee of HDBank - Respond of the entire information system of HDBank - Support to develop reporting indicators of the Board of Management to standardize their reports. Assist to formulate analytical methods for mobilization, lending and cost, etc to evaluate the effectiveness of the Bank's operation and determine the efficiency of each branch such as calculating fixed asset costs... - Advisor of Retail Banking division and Operations division.
Mr. Ly Vinh Quang Independent member	<ul style="list-style-type: none"> - Respond of Human Resource and Training; - Deputy Head of the Human Resources Committee



ASSESSMENT OF THE BOARD OF DIRECTORS' PERFORMANCE

The Human Resources Committee and the BOD's Secretary are responsible for consulting the BOD during implementing the assessment. Assessment criteria are developed based on BOD's responsibilities and with reference to the best practices of the performance assessment according to international standards.

ASSESSMENT CRITERIA ON THE PERFORMANCE OF THE BOD'S MEMBERS AND INDEPENDENT MEMBERS

The BOD's members must fully conduct their obligations within their authority stipulated by the Charter of the Bank, the Law on Enterprises, the relevant legal documents, and the following responsibilities:

- Fully participate in all BOD's meetings and clearly state their opinions on issues discussed during the meeting. Members only have the right not to attend the meeting in the event of force majeure or work reasons.
- Fully and promptly report to the BOD on remuneration received from subsidiaries, affiliates, and other organizations, in which the member represents the Bank's contributed capital.
- When executing transactions of the Bank's stocks, BOD's members and related parties are responsible for reporting to the State Securities Commission and Ho Chi Minh City Stock Exchange while at the same time disclose information of these transactions in accordance with laws.
- Implement the rights and obligations in an honest and careful manner and in the best interest of the Bank and the Bank's shareholders.

GENERAL ASSESSMENT ON THE PERFORMANCE OF THE BOARD OF DIRECTORS, COMMITTEES OF THE BOARD OF DIRECTOR AND OF EACH MEMBER OF THE BOARD OF DIRECTORS

The BOD has excelled its roles and responsibilities in developing and issuing a system of internal management regulations to create a unified and consistent internal corporate governance and to control and monitor the operation effectively, ensuring the best interest of shareholders, and harmonizing the benefits of stakeholders including customers, employees, and the community. As a result, HDBank has successfully implemented its corporate governance in accordance with the Law on Enterprises and the Charter of the Bank.

The BOD directed the Board of Management and operation units of HDBank to effectively implement resolutions of the Annual General Meeting (including annual resolutions and resolutions in the written form) and exceed the 2017 business targets. The outstanding results are highlighted as follows:

- HDBank successfully increased its chartered capital to VND 9,810 billion through issuance of private shares under the Plan to increase chartered capital approved by the Annual General Meeting on 17 October 2017 and

approved by the Board of Directors on 06 November 2017. Specifically, HDBank increased its capital by 9% from VND 8,100 billion to VND 8,829 billion (in which dividend payout ratio was 7% and bonus share was 2% in 2016). Subsequently, in the second increase of charter capital in 2017, the Bank issued private shares to existing shareholders with the volume of nearly 98 million shares, which increased capital to VND 9,810 billion. After the second issuance, HDBank's share capital surplus increased to VND 2,100 billion.

- In 2017, HDBank completed its submission to the State Securities Commission for listing on HOSE.
- At the end of 2017, the total assets of the Bank reached over VND 189,334 billion, achieving 105% of the plan and increasing by 26% compared to that of 2016. Loans to customers grew strongly to over VND 110,067 billion with growth rate of 25.2% while average credit growth rate of the whole banking industry was 17%. Total profit before tax reached nearly VND 2,417 billion, increasing by 110.6% compared to that of 2016 and equivalent to 185% of the plan.

Committees under the BOD have played an important role in advising the BOD on issues related to the BOD's roles and responsibilities such as risk management and completion of the risk management system; on decisions related to the plan of rewarding shares to employees of the Bank in accordance with Law on Enterprises, credit growth, projects on improving IT systems, capital development policies, etc. to maximize profits and meet HDBank's growing demand.

BOD's members were delegated with specific duties and have been actively endeavored to fulfill their assigned duties, contributing to the successful business results in 2017 approved by the Annual General Meeting. These members have excelled their role of leaders in directing the formulation of business targets, strategies and business plans to accomplish the Bank's growth strategy and sustainable development. With extensive experience in finance and banking, the BOD's members actively initiated the assessment and analysis of issues within their authorities, creating a transparent and effective environment to ensure the best benefits of shareholders and the harmonization among interests of stakeholders. The result of the transparent and effective corporate governance model has increased the confidence of shareholders and investors. As a result, HDBank's IPO on 5 January 2018 created a boom in price and volume in the stock market. HDBank's share has ranked the top 20 largest capitalization shares in HOSE with a value of USD 1.4 billion. In addition, HDBank has sold 21.5% of shares to foreign investors at VND 32,000/share.

The Chairwoman has excelled the role in implementing the BOD's operation, motivating each BOD's member to contribute their opinions on the issues within the BOD's authority, and ensuring the establishment of the BOD's operating plan prior to the fiscal year to enhance the collective power of the Bank.

PARTICIPATE IN THE CORPORATE GOVERNANCE PROGRAMS DURING THE YEAR

HDBank's BOD continuously encourages and creates favorable conditions for the Bank's leaders to attend training courses and discussions related to corporate governance under domestic and international standards. The BOD's members of HDBank have attended several corporate governance seminars and have extensive experience in managing economic organizations and credit institutions.

ASSESSMENT OF CORPORATE GOVERNANCE BASED ON LEGAL REGULATIONS AND INTERNATIONAL CORPORATE GOVERNANCE SCORECARD (ASEAN) AT E GOVERNANCE BASED

The corporate governance of HDBank is in accordance with Vietnamese laws and regulations on corporate governance, such as the Law on Credit Institutions, the Law on Enterprises, the Law on Securities, and Decree No. 71/2017/ND-CP on corporate governance regulations applied to public companies, Circular No. 155/2015/TT-BTC guiding the disclosure of information on the securities market, and other circulars and regulations.

During the year, HDBank actively reviewed the corporate governance with the criteria in ASEAN Corporate Governance Scorecard to continue innovating and completing the regulations on corporate governance to ensure compliance with legal requirements, practical requirements of HDBank operations, and the international modern banking governance standards.

ASEAN Corporate Governance Scorecard is an initiative of the ASEAN Capital Markets Forum (ACMF), with the support and cooperation from the Asian Development Bank (ADB). This is a project of 6 ASEAN countries (Indonesia, Malaysia, Philippines, Singapore, Thailand and Vietnam) in the effort to develop the ASEAN Economic Community.

Five areas assessed by the ASEAN Corporate Governance Scorecard are: (i) Rights of Shareholders; (ii) Equitable Treatment of Shareholders; (iii) Role of Stakeholders; (iv) Disclosure and Transparency; (v) Responsibilities of the Board (BOD).

PART A – RIGHT OF SHAREHOLDERS

CODE	CRITERIA	ACTUAL CG PRACTICES AT HDBANK	NOTE/ RECOMMENDATIONS FOR IMPROVEMENT
A.1	Basic Shareholder Rights		
A.1.1	Does the company pay (interim and final/annual) dividends in an equitable and timely manner; that is, all shareholders are treated equally and paid within 30 days after being (i) declared for interim dividends and (ii) approved by annual general meeting (AGM) for final dividends?	Good	
A.2	Right to participate in decisions concerning fundamental corporate changes.		
Do shareholders have the right to participate in:			
A.2.1	Amendments to the company's constitution?	Good	
A.2.2	The authorization of additional shares?	Good	
A.2.3	The transfer of all or substantially all assets, which in effect results in the sale of the company?	Good	
A.3	Right to participate effectively in and vote in general shareholder meetings and should be informed of the rules, including voting procedures that govern general shareholder meetings		
A.3.1	Do shareholders have the opportunity, evidenced by an agenda item, to approve remuneration (fees, allowances, benefit-in-kind and other emoluments) or any increases in remuneration for the non-executive directors/commissioners?	Good	
A.3.2	Does the company provide non-controlling shareholders a right to nominate candidates for board of directors/commissioners?	Good	

CODE	CRITERIA	ACTUAL CG PRACTICES AT HDBANK	NOTE/ RECOMMENDATIONS FOR IMPROVEMENT
A.3.3	Does the company allow shareholders to elect directors/commissioners individually?	Good	
A.3.4	Does the company disclose the voting and vote tabulation procedures used, declaring both before the meeting proceeds?	Good	
A.3.5	Do the minutes of the most recent AGM record that there was an opportunity allowing for shareholders to ask questions or raise issues?	Good	
A.3.6	Do the minutes of the most recent AGM record questions and answers?	Good	
A.3.7	Did the disclosure of the outcome of the most recent AGM include resolution(s)?	Good	
A.3.8	Did the company disclose the voting results including approving, dissenting, and abstaining votes for each agenda item for the most recent AGM?	Good	
A.3.9	Did the company disclose the list of board members who attended the most recent AGM?	Good	
A.3.10	Did the chairman of the board of directors/commissioners attend the most recent AGM?	Good	
A.3.11	Did the CEO/Managing Director/President attend the most recent AGM?	Good	
A.3.12	Did the chairman of the Audit Committee attend the most recent AGM?	Good	
A.3.13	Did the company organize their most recent AGM in an easy to reach location?	Good	
A.3.14	Does the company allow for voting in absentia?	Good	
A.3.15	Did the company vote by poll (as opposed to by show of hands) for all resolutions at the most recent AGM?	Good	
A.3.16	Does the company disclose that it has appointed an independent party (scrutineers/inspectors) to count and/or validate the votes at the AGM?	Good	
A.3.17	Does the company make publicly available by the next working day the result of the votes taken during the most recent AGM for all resolutions?	Good	
A.3.18	Do companies provide at least 21 days' notice for all resolutions?	Good	
A.3.19	Does the company provide the rationale and explanation for each agenda item which require shareholders' approval in the notice of AGM/ circulars and/or the accompanying statement?	Good	

CODE	CRITERIA	ACTUAL CG PRACTICES AT HDBANK	NOTE/ RECOMMENDATIONS FOR IMPROVEMENT
A.4	Markets for corporate control should be allowed to function in an efficient and transparent manner.		
A.4.1	In cases of mergers, acquisitions and/or takeovers, does the board of directors/commissioners of the offeree company appoint an independent party to evaluate the fairness of the transaction price?	Good	
A.5	The exercise of ownership rights by all shareholders, including institutional investors, should be facilitated.		
A.5.1	Does the company publicly disclose policies to encourage shareholders including institutional shareholders to attend the AGM?	Good	

PART B – EQUITABLE TREATMENT OF SHAREHOLDERS

CODE	CRITERIA	ACTUAL CG PRACTICES AT HDBANK	NOTE/ RECOMMENDATIONS FOR IMPROVEMENT
B.1	Shares and voting rights		
B.1.1	Do the company's ordinary or common shares have one vote for one share?	Good	
B.1.2	Where the company has more than one class of shares, does the company publicize the voting rights attached to each class of shares (e.g. through the company website / reports/ the stock exchange/ the regulator's website)?	Good	
B.2	Notice of AGM		
B.2.1	Does each resolution in the most recent AGM deal with only one item, i.e., there is no bundling of several items into the same resolution?	Good	
B.2.2	Are the company's notice of the most recent AGM/ circulars fully translated into English and published on the same date as the local-language version?	Good	
Does the notice of AGM/circulars have the following details:			
B.2.3	Are the profiles of directors/commissioners (at least age, qualification, date of first appointment, experience, and directorships in other listed companies) in seeking election/reelection included?	Good	
B.2.4	Are the auditors seeking appointment/re-appointment clearly identified?	Good	
B.2.5	Has an explanation of the dividend policy been provided?	Good	
B.2.6	Is the amount payable for final dividends disclosed?	Good	

CODE	CRITERIA	ACTUAL CG PRACTICES AT HDBANK	NOTE/ RECOMMENDATIONS FOR IMPROVEMENT
B.2.7	Documents required to be proxy/ Were the proxy documents made easily available?	Good	
B.3	Insider trading and abusive self-dealing should be prohibited.		
B.3.1	Does the company have policies and/or rules prohibiting directors/commissioners and employees to benefit from knowledge which is not generally available to the market?	Good	
B.3.2	Are the directors and commissioners required to report their dealings in company shares within 3 business days?	Good	
B.4	Related party transactions by directors and key executives.		
B.4.1	Are directors and commissioners required to disclose their interest in transactions and any other conflicts of interest?	Good	
B.4.2	Does the company have a policy requiring a committee of independent directors/commissioners to review material/significant RPTs to determine whether they are in the best interests of the company and shareholders?	Good	
B.4.3	Does the company have a policy requiring board members (directors/commissioners) to abstain from participating in the board discussion on a particular agenda when they are conflicted?	Good	
B.4.4	Does the company have policies on loans to directors and commissioners either forbidding this practice or ensuring that they are being conducted at arm's length basis and at market rates?	Good	
B.5	Protecting minority shareholders from abusive actions		
B.5.1	Were there any RPTs that can be classified as financial assistance to entities other than wholly-owned subsidiary companies?	Good	
B.5.2	Does the company disclose that RPTs are conducted in such a way to ensure that they are fair and at arms' length?	Good	

PART C – ROLE OF STAKEHOLDERS

CODE	CRITERIA	ACTUAL CG PRACTICES AT HDBANK	NOTE/ RECOMMENDATIONS FOR IMPROVEMENT
C.1	The rights of stakeholders that are established by law or through mutual agreements are to be respected.		
Does the company disclose a policy that:			
C.1.1	Stipulates the existence and scope of the company's efforts to address customers' health and safety?	Good	

CODE	CRITERIA	ACTUAL CG PRACTICES AT HDBANK	NOTE/ RECOMMENDATIONS FOR IMPROVEMENT
C.1.2	Explains supplier/contractor selection practice?	Good	
C.1.3	Describes the company's efforts to ensure that its value chain is environmentally friendly or is consistent with promoting sustainable development?	Good	
C.1.4	Elaborates the company's efforts to interact with the communities in which they operate?	Good	
C.1.5	Directs the company's anti-corruption programs and procedures?	Good	
C.1.6	Describes how creditors' rights are safeguarded?	Good	
Does the company disclose the activities that it has undertaken to implement the above mentioned policies?			
C.1.7	Customer health and safety	Good	
C.1.8	Supplier/Contractor selection and criteria	Good	
C.1.9	Environmentally-friendly value chain	Good	
C.1.10	Interaction with the communities	Good	
C.1.11	Anti-corruption programs and procedures.	Good	
C.1.12	Creditors' rights	Good	
C.1.13	Does the company have a separate corporate responsibility (CR) report/section or sustainability report/section?	Good	
C.2	Where stakeholder interests are protected by law, stakeholders should have the opportunity to obtain effective redress for violation of their rights.		
C.2.1	Does the company provide contact details via the company's website or Annual Report which stakeholders (e.g. customers, suppliers, general public etc.) can use to voice their concerns and/or complaints for possible violation of their rights?	Good	
C.3	Performance-enhancing mechanisms for employee participation should be permitted to develop.		
C.3.1	Does the company explicitly disclose the health, safety, and welfare policy for its employees?	Good	
C.3.2	Does the company publish data relating to health, safety and welfare of its employees?	Good	
C.3.3	Does the company have training and development programs for its employees?	Good	
C.3.4	Does the company publish data on training and development programs for its employees	Good	
C.3.5	Does the company have a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures?	Good	
C.4	Stakeholders including individual employee and their representative bodies, should be able to freely communicate their concerns about illegal or unethical practices to the board and their rights should not be compromised for doing this.		
C.4.1	Does the company have procedures for complaints by employees concerning illegal (including corruption) and unethical behavior?	Good	

PART D – DISCLOSURE AND TRANSPARENCY

CODE	CRITERIA	ACTUAL CG PRACTICES AT HDBANK	NOTE/ RECOMMENDATIONS FOR IMPROVEMENT
D.1	Transparent ownership structure		
D.1.1	Does the information on shareholdings reveal the identity of beneficial owners, holding 5% shareholding or more?	Good	
D.1.2	Does the company disclose the direct and indirect (deemed) shareholdings of major and/or substantial shareholders?	Good	
D.1.3	Does the company disclose the direct and indirect (deemed) shareholdings of directors (commissioners)?	Good	
D.1.4	Does the company disclose the direct and indirect (deemed) shareholdings of senior management?	Good	
D.1.5	Does the company disclose details of the parent/holding company, subsidiaries, associates, joint ventures and special purpose enterprises/ vehicles (SPEs)/ (SPVs)?	Good	
D.2	Quality of Annual Report		
	Does the company's annual report disclose the following items:		
D.2.1	Key risks	Good	
D.2.2	Corporate objectives	Good	
D.2.3	Financial performance indicators	Good	
D.2.4	Non-financial performance indicators	Good	
D.2.5	Dividend policy	Good	
D.2.6	Details of whistle-blowing policy	Good	
D.2.7	Biographical details (at least age, qualifications, date of first appointment, relevant experience, and any other directorships of listed companies) of directors/commissioners	Good	
D.2.8	Training and/or continuing education programme attended by each director/commissioner	Good	
D.2.9	Number of board of directors/commissioners meetings held during the year	Good	
D.2.10	Attendance details of each director/commissioner in respect of meetings held	Good	
D.2.11	Details of remuneration of the CEO and each member of the board of directors/commissioners	Good	
	Corporate Governance Confirmation Statement		
D.2.12	Does the Annual Report contain a statement confirming the company's full compliance with the code of corporate governance and where there is non-compliance, identify and explain reasons for each such issue?	Good	
D.3	Disclosure of related party transactions (RPT)		
D.3.1	Does the company disclose its policy covering the review and approval of material/significant RPTs?	Good	
D.3.2	Does the company disclose the name of the related party and relationship for each material/significant RPT?	Good	
D.3.3	Does the company disclose the nature and value for each material/significant RPT?	Good	

CODE	CRITERIA	ACTUAL CG PRACTICES AT HDBANK	NOTE/ RECOMMENDATIONS FOR IMPROVEMENT
D.4	Directors and commissioners dealings in shares of the company		
D.4.1	Does the company disclose trading in the company's shares by insiders?	Good	
D.5	External auditor and Auditor Report		
D.5.1	Are audit fees disclosed?	Not fully implemented	The company has disclosed the contract with the auditing company but has not announced the fee
	Where the same audit firm is engaged for both audit and non-audit services		
D.6	Medium of communications		
	Does the company use the following modes of communication?		
D.6.1	Quarterly reporting	Good	
D.6.2	Company website	Good	
D.6.3	Analyst's briefing	Good	
D.6.4	Media briefings /press conferences	Good	
D.7	Timely filing/release of annual/financial reports		
D.7.1	Is the audited annual financial report released within 120 days from the financial year end?	Good	
D.7.2	Is the audited annual financial report released within 90 days from the financial year end?	Good	
D.7.3	Is the true and fairness/fair representation of the annual financial statement/reports affirmed by the board of directors/commissioners and/or the relevant officers of the company?	Good	
D.8	Company website		
	Does the company have a website disclosing up-to-date information on the following:		
D.8.1	Business operations	Good	
D.8.2	Financial statements/reports (current and prior years)	Good	
D.8.3	Materials provided in briefings to analysts and media	Good	
D.8.4	Shareholding structure	Good	
D.8.5	Group corporate structure	Good	
D.8.6	Downloadable annual report	Good	
D.8.7	Notice of AGM and/or EGM	Good	
D.8.8	Minutes of AGM and/or EGM	Good	
D.8.9	Company's constitution (company's by-laws, memorandum and articles of association)	Good	
D.9	Investor relations		
D.9.1	Does the company disclose the contact details (e.g. telephone, fax, and email) of the officer / office responsible for investor relations?	Good	

PART E – RESPONSIBILITIES OF THE BOD

CODE	CRITERIA	ACTUAL CG PRACTICES AT HDBANK	NOTE/ RECOMMENDATIONS FOR IMPROVEMENT
E.1	Board Duties and Responsibilities		
	Clearly defined board responsibilities and corporate governance policy		
E.1.1	Are the roles and responsibilities of the board of directors/commissioners clearly stated?	Good	
E.1.2	Are the types of decisions requiring board of directors/commissioners' approval disclosed?	Good	
E.1.3	Does the company disclose its corporate governance policy / board charter?	Good	
E.1.4	Does the company have a vision and mission statement?	Good	
E.1.5	Has the board review the vision and mission/strategy in the last financial year?	Good	
E.1.6	Does the board of directors monitor/oversee the implementation of the corporate strategy?	Good	
E.2	Board structure		
	Code of Ethics or Conduct		
E.2.1	Are the details of the code of ethics or conduct disclosed?	Good	
E.2.2	Are all directors/commissioners, senior management and employees required to comply with the code/s?	Good	
E.2.3	Does the company have a process to implement and monitor compliance with the code/s of ethics or conduct?	Good	
	Board Structure & Composition		
E.2.4	Do independent directors/commissioners make up at least 50% of the board of directors/ commissioners?	Not fully implemented	HDBank currently has 2/9 independent members and complies with Decree 71/2017 / ND-CP and direct toward corporate governance practices in the region
E.2.5	Are the independent directors/commissioners independent of management and major/ substantial shareholders?	Good	
E.2.6	Does the company have a term limit of nine years or less for its independent directors/commissioners?	Good	
E.2.7	Has the company set a limit of five board seats that an individual independent/non-executive director/commissioner may hold simultaneously?	Good	
E.2.8	Does the company have any independent board members who serve a total of more than 5 positions in the BOD of listed companies?	Good	

CODE	CRITERIA	ACTUAL CG PRACTICES AT HDBANK	NOTE/ RECOMMENDATIONS FOR IMPROVEMENT
E.2.9	Does the company have any executive directors who serve on more than two boards of listed companies outside of the group?	Good	
	Nominating Committee		
E.2.10	Does the company have a Nominating Committee (NC)?	Good	
E.2.11	Does the Nominating Committee comprise of a majority of independent directors/commissioners?	Good	
E.2.12	Is the chairman of the Nominating Committee an independent director/commissioner?	Good	
E.2.13	Does the company disclose the terms of reference/ governance structure/charter of the Nominating Committee?	Good	
E.2.14	Did the Nominating Committee meet at least twice during the year?	Good	
E.2.15	Is the attendance of members at Nominating Committee meetings disclosed?	Good	
	Remuneration Committee/ Compensation Committee		
E.2.16	Does the company have a Remuneration Committee?	Good	
E.2.17	Does the Remuneration Committee comprise of a majority of independent directors/commissioners?	Good	
E.2.18	Is the chairman of the Remuneration Committee an independent director/commissioner?	Good	
E.2.19	Does the company disclose the terms of reference/ governance structure/ charter of the Remuneration Committee?	Good	
E.2.20	Did the Remuneration Committee meet at least twice a year?	Good	
E.2.21	Is the attendance of members at Remuneration Committee meetings disclosed?	Good	
	Audit Committee		
E.2.22	Does the company have an Audit Committee?	Good	
E.2.23	Is the Audit Committee comprised entirely of non-executive directors/commissioners with a majority of independent directors/commissioners?	Good	
E.2.24	Is the chairman of the Audit Committee an independent director/commissioner?	Good	
E.2.25	Does the company disclose the terms of reference/ governance structure/charter of the Audit Committee?	Good	
E.2.26	Does the Annual Report disclose the profile or qualifications of the Audit Committee members?	Good	
E.2.27	Does at least one of the independent directors/commissioners of the committee have accounting expertise (accounting qualification or experience)?	Good	
E.2.28	Did the Audit Committee meet at least four times during the year?	Good	

CODE	CRITERIA	ACTUAL CG PRACTICES AT HDBANK	NOTE/ RECOMMENDATIONS FOR IMPROVEMENT
E.2.29	Is the attendance of members at Audit Committee meetings disclosed?	Good	
E.2.30	Does the Audit Committee have primary responsibility for recommendation on the appointment, and removal of the external auditor?	Good	
E.3	Board Processes		
Board meetings and attendance			
E.3.1	Are the board of directors meeting scheduled before the start of financial year?	Good	
E.3.2	Does the board of directors/commissioners meet at least six times during the year?	Good	
E.3.3	Has each of the directors/commissioners attended at least 75% of all the board meetings held during the year?	Good	
E.3.4	Does the company require a minimum quorum of at least 2/3 for board decisions?	Good	
E.3.5	Did the non-executive directors/commissioners of the company meet separately at least once during the year without any executives present?	Good	
Access to information			
E.3.6	Are board papers for board of directors/commissioners meetings provided to the board at least five business days in advance of the board meeting?	Good	
E.3.7	Does the company secretary play a significant role in supporting the board in discharging its responsibilities?	Good	
E.3.8	Is the company secretary trained in legal, accountancy or company secretarial practices?	Good	
Board Appointments and Re-Election			
E.3.9	Does the company disclose the criteria used in selecting new directors/commissioners?	Good	
E.3.10	Did the company describe the process followed in appointing new directors/commissioners?	Good	
E.3.11	Are all the directors/commissioners subject to re-election at least once every three years?	Not fully implemented	The term of the BOD is five years in accordance with the law of Vietnam
Remuneration Matters			
E.3.12	Does the company disclose its remuneration (fees, allowances, benefit-in-kind and other emoluments) policy/practices (i.e. the use of short term and long term incentives and performance measures) for its executive directors and CEO?	Good	
E.3.13	Is there disclosure of the fee structure for non-executive directors/commissioners?	Good	
E.3.14	Do the shareholders or the Board of Directors approve the remuneration of the executive directors and/or the senior executives?	Good	
E.3.15	Do independent non-executive directors/ commissioners receive options, performance shares or bonuses?	Good	

CODE	CRITERIA	ACTUAL CG PRACTICES AT HDBANK	NOTE/ RECOMMENDATIONS FOR IMPROVEMENT
E.3.16	Does the company have a separate internal audit function?	Good	
E.3.17	Is the head of internal audit identified or, if outsourced, is the name of the external firm disclosed?	Good	
E.3.18	Does the appointment and removal of the internal auditor require the approval of the Audit Committee?	Good	
Risk Oversight			
E.3.19	Does the company disclose the internal control procedures/risk management systems it has in place?	Good	
E.3.20	Does the Annual Report disclose that the board of directors/commissioners has conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems?	Good	
E.3.21	Does the company disclose how key risks are managed?	Good	
E.3.22	Does the Annual Report/Annual CG Report disclose that the board of directors/commissioners has conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems?	Good	
E.4	People on the Board		
Board Chairman			
E.4.1	Do different persons assume the roles of chairman and CEO?	Good	
E.4.2	Is the chairman an independent director/commissioner?	Not fully implemented	The chairman is a non-executive member of the board
E.4.3	Are any of the directors a former CEO of the company in the past 3 years?	Good	
E.4.4	Are the role and responsibilities of the chairman disclosed?	Good	
Skills and Competencies			
E.4.5	Does at least one non-executive director/commissioner have prior working experience in the major sector that the company is operating in?	Good	
E.4.6	Does the company disclose a board of directors/ commissioners diversity policy?	Good	
E.5	Directors Development		
Development for BOD members			
E.5.1	Does the company have orientation programmers for new directors/commissioners?	Good	
E.5.2	Does the company have a policy that encourages directors/commissioners to attend on-going or continuous professional education programmers?	Good	
CEO/Executive Management Appointments and Performance			
E.5.3	Does the company disclose how the board of directors/ commissioners plans for the succession of the CEO/ Managing Director/President and key management?	Good	

CODE	CRITERIA	ACTUAL CG PRACTICES AT HDBANK	NOTE/ RECOMMENDATIONS FOR IMPROVEMENT
E.5.4	Does the board of directors/commissioners conduct an annual performance assessment of the CEO/Managing Director/President?	Good	
Board Appraisal			
E.5.5	Is an annual performance assessment conducted of the board of directors/commissioners?	Good	
E.5.6	Does the company disclose the process followed in conducting the board assessment?	Good	
E.5.7	Does the company disclose the criteria used in the board assessment?	Good	
E.5.8	Is an annual performance assessment conducted of individual director/commissioner?	Good	
E.5.9	Does the company disclose the process followed in conducting the director/commissioner assessment?	Good	
E.5.10	Does the company disclose the criteria used in the director/commissioner assessment?	Good	
Committee Appraisal			
E.5.11	Is an annual performance assessment conducted of the board of directors/commissioners committees?	Good	

CORPORATE GOVERNANCE DIRECTIONS IN 2018

HDBank always thrives to provide the best and most efficient banking solutions, products, and services to customers, partners, and society. With a strong foundation on advanced technology and management expertise, HDBank is determined to become a comprehensive retail and consumer bank with a leading position in the industry, actively investing and effectively applying modern banking technologies. To accomplish these goals, the BOD sets out the following operational directions:

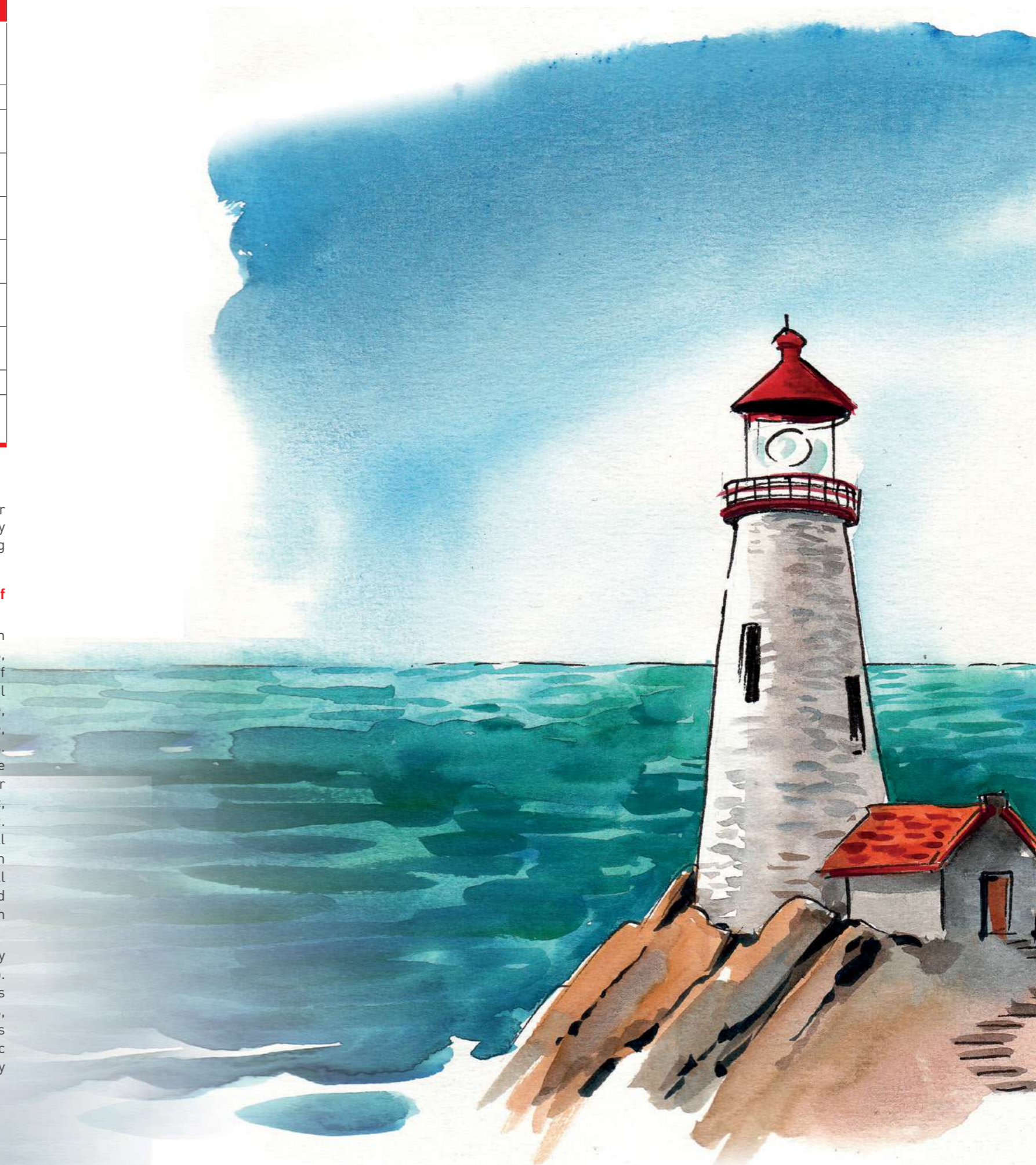
- Well organize the Annual General Meeting and regular meetings of the BOD
- Supervise the implementation of the Action Plan for the Bank operations in 2018.
- Supervise the implementation of the expansion plan and network development which has been approved by the State Bank.
- Direct the implementation of the plan to continue restructuring the Bank: merger and acquisition, and selecting strategic partnerships to make HDBank one of the leading joint stock commercial bank in terms of scale, effective governance quality and sustainable development.
- Direct the strengthening and development of human resources, especially the key leaders from the Branch level to the Business Divisions, Departments/Committee/Head-office.
- Enhance the role and responsibilities of Committees and Councils under the BOD in advising and supervising credit operation, investment, risk management, Asset-Liability Management (ALCO), Human Resources, and Information Technology

- Coordinate closely with the Chief Executive Officer and the Board of Management, in order to timely resolve problems arising during implementing business duties.

Increase information transparency, and credibility of information disclosed to the market

Shareholders and investors are regularly updated with information related to the Bank's business operations, changes in operating orientation, important events of the Bank, etc through many channels such as e-mail sent directly to shareholders' addresses, press release, and information disclosure on HDBank's website, investors' newsletters, and investors' conferences. In the past year, the content of HDBank's website has been improved with monthly updated on investor reports, quarterly financial statements, and scientific, appropriate arrangement of documents systems, etc. These innovations have helped shareholders and all partners of HDBank access and search for information on HDBank's web page easily and effectively. All feedbacks and opinions of shareholders are received and promptly addressed via email and telephone, which are connected directly to the BOD Office.

In addition to disclosing information required by Circular No. 52/2012/TT-BTC and Circular No. 155/2015/TT-BTC, HDBank proactively discloses information that may affect the benefits of investors, and actively discloses information on new products and services, progress in cooperation with strategic partners and customers to allow investors to timely capture information related to operation of the Bank.



REPORT OF COMMITTEES UNDER THE BOARD OF DIRECTORS

Risk Management Committees

Roles and responsibilities

Risk Management Committee is a committee established by the Board of Directors to carry out duties within the rights and responsibilities of the BOD. The Risk Management Committee has the following main rights and responsibilities:

- To consult the BOD to determine the risk level of HDBank;
- To consult the BOD on the approval of the Risk Management policies within the BOD's authority;
- To consult the BOD on the credit risk, market risk, liquidity risk, interest rate risk, and credit risk limits within the authority of BOD;
- To consult the BOD on ensuring the appropriate organizational structure, resources and systems to sustain risk management across HDBank;
- To monitor and assess the effectiveness of Risk Management System based on the actual risk situation in HDBank;
- To periodically report to the BOD on the actual risk situation, risk management process and risk management system of HDBank.

Members of Risk Management Committee

The Risk Management Committee is composed of one chairperson, one vice chairperson, three members and one general secretary:

1. Ms. Nguyen Thi Tam – Independent Member – Head
2. Ms. Nguyen Thi Phuong Thao – Permanent Vice Chairwoman – Permanent Deputy Head
3. Mr. Luu Duc Khanh – Vice Chairman – Member
4. Mr. Nguyen Huu Dang – Member and Chief Executive Officer – Member
5. Mr. Nguyen Minh Duc – Deputy General Director of Risk Management and Compliance – Member
6. Mr. Giang Thien Kim – Head of Risk Management Department – General Secretary

Highlight

In 2017, the Risk Management Committee held monthly meetings among the BOD members in charge of risk management, the Deputy General Director of Risk Management, the Deputy Director of Risk Management Division, and leaders of related departments (mentioned above), focusing on:

- Appraising the safety indexes of the Bank's operational activities
- Assessing credit risk, market risk, liquidity risk, and operational risk
- Analyze and assess bad debts, the collection of bad debts categorized according to loan types, borrowing customers, or products, etc. . .

Consequently, the Risk Management Committee provided recommendations to issue or amend the Bank's policies, regulations, or procedures, reviewed products, developed and purchased risk management soft wares, issued necessary caveats, and supervised the execution related departments.

In 2017, the Risk Management Committee proposed 80 risk mitigation actions to a number of Divisions and Departments, of which Business divisions have executed and completed 93% (75 actions), and the pending actions will be completed in the coming months. In addition, the Risk Management Committee provided 49 other requirements for risk mitigation with a completion rate of 84% (41 requirements completed) as at 31 December 2017, and the pending 8 requirements are currently in execution.

Orientation in 2018

- Continue holding monthly meetings and improve the quality and progress of implementing risk mitigation actions throughout the Bank;
- Adjust the restrictions, limits and related internal regulations in accordance with the risk management requirements in 2018.
- Supervise the implementation of the Circular 41 & Basel II in accordance with the law and the Roadmap advised by a leading foreign audit firm in 2017.

CREDIT COMMITTEE

Roles and responsibilities

The Credit Committee is HDBank's highest-level credit approval authority, which is responsible for approving the Bank's credit policies and credit risk management policies, and for providing credit to customers within the authority of BOD. The Credit Committee has the following rights and responsibilities:

- Approve the credit growth rate, the cap of the periodical overdue debt rate, the development direction and the structure of outstanding loans by sectors, industries, commodities, and regions;
- Approve credit policies, including the pricing policies and the customer policies;
- Approve and adjust the policies of credit risk management and the measures of mitigating credit risks in accordance with the credit situation of HDBank periodically;
- Direct and supervise the implementation of credit risk management policies;
- Approve loans beyond the authorization level of the Head Office Credit Committee;
- Implement other obligations and responsibilities issued by the BOD.

Members of Credit Committee

1. Ms. Nguyen Thi Phuong Thao – Permanent Vice Chairwoman – Head
2. Mr. Luu Duc Khanh – Vice Chairman – Deputy Head
3. Mr. Nguyen Huu Dang – Member and Chief Executive Officer – Deputy Head
4. Mr. Le Thanh Trung – Deputy Chief Executive Officer – Member
5. Mr. Tran Hoai Nam – Deputy Chief Executive Officer – Member
6. Ms. Nguyen Doan Duy Ai – Deputy Chief Executive Officer – Member
7. Mr. Tran Thai Hoa – Deputy Chief Executive Officer – Member
8. Mr. Pham Quoc Thanh – Deputy Chief Executive Officer – Member
9. Mr. Nguyen Minh Duc – Deputy Chief Executive Officer – Member
10. Mr. Le Thanh Hai – Deputy Director of SME Banking Division – Member
11. Mr. Tran Quoc Anh – Director of Retail Banking Division – Member
12. Mr. Thai Minh Tu – Director of SME Credit – Member

Highlights

In 2017, the Credit Committee held more than 370 meetings, reviewed multiple credit profiles of corporate and individual customers, and resolved credit-related issues within its authority.

Orientation in 2018

HDBank continues to hold weekly credit approval meetings and improve submission and approval procedure to allow quick actions in order to meet the rising demand of credit and comply with risk management requirements.

The Credit Committee also continues to approve credit and risk management policies to provide directions on appropriate credit operations.



HUMAN RESOURCES COMMITTEE



Roles and responsibilities

The Human Resources Committee is established by the BOD to provide recommendations on the recruitment, planning, training, transfer, appointment and dismissal of staff in accordance with current regulations to improve the organization structure and management of human resources of HDBank. The Human Resources Committee has the following rights and responsibilities:

- Advise the BOD on implementing its rights and obligations in designing the Bank's human resources operation;
- Advise the BOD on the governance structure in line with HDBank's operational scale and strategic orientation;
- Advise the BOD on resolving issues arising in the process of electing, appointing, dismissing and removing members of the BOD, the Board of Supervisors and the executives of HDBank in accordance with laws and Charter of HDBank;
- Research, assess and advise the BOD on issuing, amending and supplementing internal policies, regulations and provisions on human resource management (transfer, promotion and dismissal), salary and remuneration, bonuses, recruitment, training and other compensation policies for HDBank's staff;
- Advise the BOD on the recruitment, planning, training, transfer, appointment, and dismissal of high-level positions in accordance with current regulations of HDBank;

- Annually review and assess the human resources of HDBank; establish plans to inspect the implementation of human resources policies; propose solutions to improve quality of the human resources to meet HDBank's development requirements;
- Propose and recommend actions to build an employee-friendly working environment, including labor policies, reward and penalty policies, health care policies, and management relationships with labor union and other associations;
- Develop human resource risk management policies to submit to BOD for approval.

Members of Human Resources Committee

1. Ms. Le Thi Bang Tam – Chairwoman – Head
2. Ms. Nguyen Thi Phuong Thao – Permanent Vice Chairwoman – Deputy Head
3. Mr. Nguyen Huu Dang – Member and Chief Executive Officer – Member
4. Mr. Ly Vinh Quang – Independent Member – Member
5. Mr. Le Thanh Tung – Deputy General Director and Head of BOD Office – Member
6. Director / Deputy Director of Human Resources Department – General Secretary

Highlights in 2017

The members of the Human Resources Committee regularly exchanged ideas and provided recommendations to the BOD on appointment, dismissal, transfer and allocation of high-level positions as well as staffing and other human resources, organizational structure and development strategy issues.

- Advised the BOD on Human Resource Management:
 - Assessed and advised the BOD on the recruitment and appointment of key senior employees: appointed 01 Permanent Director of Credit Support and Management Center and 01 Deputy Director of Corporate Banking Division;
 - Advised the BOD on the organizational structure of the Divisions /Departments/ Committees and business divisions: established 05 new branches and 14 transaction offices, separated / established the Debt Treatment Center, the Credit Support and Management Center, and the Digital Banking department under Retail Banking Division, and merged Customer Service Center and Telephone Sales Center.
- Participated in training and development of human resources, improved working environment and remuneration policies:
 - Directed the Board of Management, Human Resources Division to focus on the development of talents, successfully organized training programs for core employees with managerial potential, Head of Departments, and high-level management personnel of Customer Service;
 - Reviewed, assessed and consulted the BOD on improving salary and remuneration policy for employees.
- Assessed Performance, rewards and remuneration policies: advised the BOD and directed the Board of Management and Human Resources Division on the application of innovative and objective assessment policies such as allowing advance salary payment based on profit per capita.

Orientation in 2018:

Advise the BOD and direct the Board of Management and Human Resources Division on developing the human resources in terms of both quantity and quality, and improving overall productivity.

- Develop facilities and human resources and recruit key employees for the development of network as approved by the State Bank of Vietnam (including 05 branches and 40 transaction offices);
- Assess the performance of employees and restructure the organization of divisions with the aim of improving the quality of work and labor productivity, reducing the participation rate of indirect labors, and increasing human resources for front-end department;
- Ensure the training of human resource to meet HDBank's development requirements, and implement the training program for core staff in 2018;
- Develop the retention policy, and ensure fair assessment and recognition for employees;
- Develop the corporate culture and a professional working environment, focusing on improving code of ethics for employees.



TECHNOLOGY COMMITTEE

Roles and responsibilities

The Technology Committee is established by the BOD and has the following rights and responsibilities:

- Advise and represent the BOD on issuing IT development strategies and procedures involving the safe and reliable operation of the Bank's IT systems within the BOD's authority and in accordance with the law and HDBank's Charter;
- Advise, analyze, and provide warnings regarding the operation of the IT system against potential threats and risks and preventative actions for these risks in both short and long term;
- Review and assess the suitability and effectiveness of the current procedures and policies of the Bank's IT system operation to provide recommendations to the BOD on upgrading current process, policy, and operational strategy;
- Other functions and tasks as stipulated by the BOD periodically;
- Other functions and tasks as directed by the BOD.

Members of Technology Committee

1. Mr. Lim Peng Khoon – the BOD's Member and Director of IT & e-Banking Division - Head
2. Mr. Nguyen Huu Dang – the BOD's Member and Chief Executive Officer – Deputy Head
3. Mr. Chu Viet Cuong – the BOD's Member – Member
4. Mr. Pham Van Dau – the BOD's Member – Member
5. Mr. Tran Quoc Anh – the BOD's Member – Member
6. Mr. Nguyen Phuc Duong – Deputy Director of IT & e-Banking Division – Member
7. Mr. Tao Thanh Danh – Deputy Director of IT & e-Banking Division – Member
8. Ms. Le Anh Nhat Thu – Secretary of IT & e-Banking Division – Secretary

Highlights

In 2017, IT Committee held 06 regular meetings, focusing on the following main contents:

- Reviewed, discussed and provided directions for key IT-related projects in 2017:
 - Card Project: The project team completed the implementation of 3D Secure and SME Card. At present, the team continues to work with outsource partner on issuing international payment card and upgrading the IST system.
 - Sales Tools: The project team succeeded in installing 1,360 devices for sales divisions, serving 235 individual customers (by 186 users) and 97 corporate customers (by 49 users).
 - Basel II Project: The team directed and coordinated the implementation of compliance requirements of the State Bank of Vietnam and worked with partners to develop compliance reports in accordance with Basel II standards.
 - Additional investment in Microsoft and Oracle licensing: The team coordinated with Microsoft and Oracle to conform to the compliance of software copyright and ensure the optimal efficiency for the Bank.
 - Proposed, evaluated and monitored the project of transforming the IT Division into an independent Profit Center:
 - Directed the IT and Digital Banking Divisions to coordinate with the Finance & Planning Division and other operation divisions to transform IT Division into a Profit Center under the instruction of the Technology Committee.

- Directed and monitored the project to build HDBank as the leading digital bank in Vietnam:

- Focused on developing a customer-driven ecosystem as directed by the Board of Directors: designed a 5-year detailed cost-benefit plan with a target of achieving 15 million customers in 2021 utilizing the customer database from Vietjet Air, HD SAISON, Saigon Coop, etc.

Reviewed and approved the IT strategic plans for the period 2017 – 2020, including key projects and new IT-related investment costs.

Orientations in 2018

In 2018, the Technology Committee will continue to operate, discuss and direct matters related to technology through monthly meetings and document meeting contents in formal meeting minutes, specifically:

- Advise and support the BOD in monitoring and directing the target of actively developing the customer ecosystem through the digital banking system.
- Advise, analyze and evaluate the efficiency of key IT-related projects to enhance automation, process improvement, service quality, security enhancements, and business development, etc.
- Review and assess the effectiveness of the investment on IT projects Annual report 2017.



ASSETS AND LIABILITIES MANAGEMENT COMMITTEE (ALCO COMMITTEE)

**Roles and Responsibilities**

The Asset and Liabilities Management Committee is established by the Board of Directors and has the following rights and responsibilities:

- Advise the Board of Directors on the development of strategies and the issuance of regulations and policies within the BOD's authority relating to the management of assets and liabilities of HDBank in order to maximize profits while ensuring adequate liquidity in accordance with the law and the Charter of HDBank;
- Develop a centralized management policy of capital sources of HDBank, ensure the solvency and capital sources for the Bank's activities, oversee assets and liabilities management policies such as credit risk policy, interest rate risk policy, exchange rate risk policy, etc., develop ALCO management system, determine the optimal structure of assets and liabilities;
- Supervise the implementation of the guidelines, policies and regulations related to the management of assets and liabilities issued by the Board of Directors;
- Other rights and responsibilities as assigned by the Board of Directors in each period.

Members of the Assets and Liabilities Management Committee

1. Ms. Nguyen Thi Phuong Thao – Permanent Vice Chairwoman – Head
2. Mr. Nguyen Huu Dang – Member and Chief Executive Officer – Deputy Head
3. Ms. Nguyen Thi Tam – Independent Member – Member
4. Mr. Lim Peng Khoo – Independent Member – Member In which, assistance unit of ALCO consist of
5. Mr. Pham Quoc Thanh – Deputy General Director – Member
6. Mr. Tran Quoc Anh – Director of Retail Banking – Member
7. Mr. Tran Hoai Nam – Deputy General Director – Member
8. Mr. Le Thanh Tung – Deputy General Director and Head of BOD Office – Member
9. Mr. Pham Van Dau – Finance Director – Member
10. Mr. Hoang Duc Long – Deputy Director Treasury Division – Member
11. Ms. Ho Dang Hoang Quyen – Chief accountant – General Secretary

Highlights

In 2017, ALCO Committee held 12 monthly meetings, advised the BOD on policies and decisions involving the management of liquidity risk and interest rate risk, established the optimal structure of deposit mobilization and deposit expenses in order to support the sustainable development of HDBank, monitored the balance sheet in achieving its business objectives in 2017, adjusted the policy of capital buying and selling FTP in order to evaluate the efficiency of each business division, each lending product and each deposit product of the Bank.

Orientations in 2018

- Issue the limits for the Bank's internal management metrics in 2018;
- Issue the proportion of the major assets on the Total Assets to maximize profits;
- Operate and manage interest rates (including capital transfer interest rates) in response to the market movement and in accordance with strategic direction of HDBank in 2018;
- Strictly manage the liquidity risk and the interest rate risk;
- Monitor and revise ALM policy in accordance with Circular 41 and Basel II standards when the project is implemented.



THE BOD OFFICE

Roles and Responsibilities

The BOD office is the specialized unit assisting the Board of Directors and Chief Executive Officer, and reports directly to the BOD's members and the Chief Executive Officer. The BOD Office is responsible for the following responsibilities:

- Monitor the implementation of projects and programs approved by the Board of Directors and the Board of Management;
- Receive and review files before submitting to the Board of Directors and the Board of Management for review and approval;

- Prepare meeting reports and materials for the Board of Directors and the Board of Management;
- The Investor Relation department: conduct the management and administration operation relating to shareholders;
- The Project Management Unit: review and develop the Bank's strategies at the request of the Board of Directors and the Chief Executive Officer of each period; develop regulations and procedures for project management at HDBank.

Highlights

- Highlights in 2017:

- Organized and coordinated the HDBank's IPO project;
- Successfully organized the promoting events for investment in HDBank;
- Effectively provided information to and communicated with HDBank's shareholders;
- Organized major events of HDBank: 2017 Year End Gala; HDBank's Ceremony for receiving National Medal Grade II, and Shareholder's Meeting 2017'
- Installed IT systems in the BOD Office;
- Assessed business divisions' performance regarding quality services, compliance with 5S regulation and internal relationship;
- Supervised and supported business divisions in achieving the Bank's 2017 objectives.

- Orientations in 2018: Based on the achievement in 2017, the office of management will continue to consult and support to members of the Board of Directors and the Board of Management
- Continue to build and maintain the relationship between the company and investors and shareholders, connecting the Bank, securities companies and consultancy partners;
- Continue to supervise and support business divisions in achieving 2017 targets;
- Organize major events for HDBank;
- Assess and improve the quality of service;
- Proactively participate in the computerization progress of HDBank



REPORT OF THE BOARD OF SUPERVISORS

INTRODUCTION OF THE BOARD OF SUPERVISORS

Members and structure of Board of Supervisors as of 31/12/2017:

As of 31 December 2017, HDBank's Board of Supervisors consisted of 03 key members. The structure of the Board of Supervisors was unchanged for the year. Detailed information of members and the number of HDBank's shares held by each member are as follows:

NO.	NAME	POSITION	NUMBER OF SHARES HOLDING	PERCENTAGE OF OWNERSHIP
1	Mr. Dao Duy Tuong	Chief Supervisor	26,613,106	2.70%
2	Ms. Nguyen Thi Tich	Member	100,000	0.01%
3	Ms. Nguyen Thi Phung	Member	2,540	0.00%

RIGHTS AND RESPONSIBILITIES OF BOARD OF SUPERVISORS

- Board of Supervisors' members have the rights and responsibilities in accordance with the regulations of the State Bank of Vietnam, the Law on Enterprises and related laws, including:

- The right to have access to documents and information related to the Bank's operations.
- The right to request Bank's staff to provide data and explain business activities
- The right to vote, dismiss and remove the Chief Supervisor and request the Chief Supervisor to hold extraordinary meetings.
- The responsibility to conform to the laws and the State Bank of Vietnam's and Board of Supervisors' regulations in a transparent and prudent manner, in the interest of the Bank and shareholders.
- The responsibility to report to Chief Supervisor on abnormal financial activities and take responsibility for their own assessments and conclusions.

- In addition to the rights and responsibilities of the State Bank of Vietnam's regulations, Board of Supervisors also has other following rights and responsibilities:

- The responsibility to monitor legal compliance in managing and directing activities of the Board of Directors and the Board of Management, as well as monitor the Bank's financial situation. In case of detecting violations by the Board of Directors and the Board of Management's members, the Board of Supervisors is responsible to document and report to the Board of Directors within 48 hours, request permanent suspension of the violation act and propose remedial solutions;
- The responsibility to review, check and evaluate business activities, accounting books, assets, financial reports, internal control system, and risk management;
- The responsibility to propose and submit to Annual General Meeting for approval of an independent audit party, in order to audit financial statements of the Bank;
- The responsibility to attend meetings of the BOD, to contribute opinions and recommendations but not to vote.

ACTIVITIES OF THE BOARD OF SUPERVISORS IN 2017

The Board of Supervisors monitored the management and administration of the Board of Directors and the Board of Management in accordance with the Charter and approval Resolution of Annual General Meeting, as well as the laws and regulations. Accordingly, the Board of Supervisors assessed that the Board of Directors and the Board of Management had lead the Bank to accomplish all objectives and targets set by Annual General Meeting, at the same time maintained its compliance with laws and regulations.

During the year, the Board of Supervisors regularly participated in monthly meetings of the BOD and BOM in order to closely follow the Bank's situation. The Board of Supervisors was provided with sufficient information, documents and reports related to management and administration to conduct its supervision duties.

Board of Supervisors has conducted internal audit according to plan, applied technology to auditing, improved the reaction strategy according to severity level; assessed the performance of internal control system, including the operational performance by Head Office's departments. Based on reports from Internal Audit, the Board of Supervisors has proposed recommendations in order to improve efficiency in operation, minimize risks and fulfill assigned tasks, as well as maintaining the compliance with laws and HDBank's Charter. In 2017, the Internal Audit department had audited 115 units, achieving 115% of the plan; performed 266 spot checks and major checks, achieving 106.4% of the plan. Besides, Internal audit was regularly involved in the Bank's implementation of Basel II. Regarding training activities, Internal Audit regularly organized training sessions on professional knowledge to update new practice and regulations and ensure the quality of auditing.

Supervising the management of the Board of Directors

In 2017, Board of Directors held 9 periodic meetings and regularly collected opinions from the Board of Directors in written form. The Board of Directors issued resolutions to amend and supplement the Bank's regulations and procedures in order to advance management activities and enhance high-level management personnel. In addition, each member of the BOD demonstrated a high sense of responsibility and utilized their experiences and leadership capabilities in meetings and other operational activities. The Board of Directors operated in accordance with their rights and responsibilities, timely issued directions in order to promote credit growth of the Bank within State Bank of Vietnam's approved limits, strictly controlled credit quality, prepared risk provision in accordance with laws and regulations, handled off-balance sheet debts and bad debts, and complied with prudent ratios in the Bank's operation. Resolutions and decisions were issued in accordance with procedures of Laws on

Enterprises, the Bank's Charter and business practices, as well as meeting management requirements and business development needs of the Bank.

Supervising the process of holding Annual General Meeting 2017 and approval of proposed resolutions.

Under the supervision of the Board of Supervisors, the organization of the Annual General Meeting 2017 and the approval of proposed resolutions were accomplished in accordance with laws and the Bank's Charter.

Board of Supervisors evaluated the Consolidated Financial Statements for the year 2017 audited by Ernst & Young Vietnam, and confirmed as follows: The Consolidated Financial Statements for the year 2017 gives a true and fair view, in all material respects, of the consolidated financial position of the Bank and its subsidiaries as at 31 December 2017, and of the consolidated results of their operations and their consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System for Credit Institutions and other statutory requirements relevant to preparation and presentation of the consolidated financial statements

Evaluating financial reports, reports on business activities.

Board of Supervisors evaluated the Consolidated Financial Statements for the year 2017 audited by Ernst & Young Vietnam, and confirmed as follows: The Consolidated Financial Statements for the year 2017 gives a true and fair view, in all material respects, of the consolidated financial position of the Bank and its subsidiaries as at 31 December 2017, and of the consolidated results of their operations and their consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System for Credit Institutions and other statutory requirements relevant to preparation and presentation of the consolidated financial statements.

The Board of Supervisors' meetings

In 2017, Board of Supervisors held 6 meetings to discuss matters related to its assigned duties, in order to execute the Board of Supervisors' annual plan and assess its performance in each quarter. The Board of Supervisors' members actively implemented and completed the assigned tasks.

DATE	NUMBER OF PARTICIPANTS	CONTENT
21/04/2017	3/3	Elected Chief Supervisor for the term of 2017-2022.
20/07/2017	3/3	Preliminary review of internal audit activities in the first 6 months; Approval of examined financial report results for 6 months in 2017. Deployed tasks for the last 6 months
11/10/2017	3/3	Summarized internal auditing activities for the first 9 months of 2017.
20/11/2017	3/3	Summarized internal auditing activities in 2017
21/12/2017	3/3	Deployed Implemented internal auditing activities for 2018.
28/12/2017	3/3	Summarized the Board of Supervisors' activities in the year. Deployed Implemented the Board of Supervisors' work plan for 2018

The cooperation of the Board of Supervisors with the Board of Directors and the Board of Management

The cooperation among the Board of Supervisors, the Board of Directors and the Board of Management was in compliance with the laws, HDBank's Charter and in the Bank's best interest. The Board of Directors and the Board of Management effectively facilitated the Board of Supervisors to conduct their functions and duties.

Representatives from the Board of Supervisors attended all regular meetings of the BOD and the BOM in order to closely comprehend the situation and effectively supervised the management and administration of HDBank. The Board of Supervisors proposed recommendations to the Board of Directors to improve the management capability and the internal audit system. The Board of Directors and The Board of Management reviewed and considered these recommendations and delegated them to sub-divisions for implementation.

THE BOARD OF SUPERVISORS' ORIENTATION IN 2018

In 2018, the Board of Supervisors will continue to carry out their main duties as followed:

- Supervise of HDBank's operation in accordance with laws, SBV's regulations and HDBank's Charter.
- Support the BOD and the BOM to effectively and prudentially direct and manage the Bank's operation and to implement the 6 key programs of the Action Plan issued by the Board of Management including:
 - Ensure effective growth, high profit level and strong financial indicators as committed to shareholders, and good control of credit quality;
 - Developed e-banking system, ensuring security and safety in electronic payment and card payment;
 - Strengthen risk management, monitor and accelerate the recovery of bad debt;
 - Build adequate human resources and improve the quality of human resources;
 - Improve the quality of operational activities;
 - Promote the brand of HDBank.

SALARIES, BONUSES, REMUNERATION, OTHER BENEFITS AND EXPENSES FOR MEMBERS OF THE BOARD OF DIRECTORS, THE BOARD OF MANAGEMENT AND THE BOARD OF SUPERVISORS

Remuneration policies for the Board of Directors and the Board of Supervisors were in accordance with Annual General Meeting' approval. The Board of Supervisors' members were remunerated based on their positions and performance, within approved limits. Members of the Board of Directors and the Board of Supervisors were remunerated based on HDBank's regulations and Labor Code, with benefits including company car, company cell phone, social insurance, domestic and international health insurance, other forms of insurance, periodical health check and per diem for business trips.

Details of remuneration of the Board of Directors and the Board of Superiors in 2017 are as follows:

Remuneration of Board of Directors

NO.	FULL NAME	POSITION	2017 (VND)
1	Ms. Le Thi Bang Tam	Chairwoman	1,674,899,000
2	Ms. Nguyen Thi Phuong Thao	Permanent Vice chairwoman	Salary
3	Mr. Nguyen Thanh Do	Vice Chairman and Independent member	1,015,000,000
4	Mr. Luu Duc Khanh	Vice Chair man	244,775,000
5	Mr. Nguyen Huu Dang	Member and Chief Executive Officer	Salary
6	Ms. Nguyen Thi Tam	Member	951,000,000
7	Mr. Chu Viet Cuong	Member	675,000,000
8	Mr. Ly Vinh Quang	Member	250,000,000
9	Mr. Lim Peng Khoon	Independent member	912,597,460

Remuneration of Board of Supervisor

NO.	FULL NAME	POSITION	2017 (VND)
1	Mr. Dao Duy Tuong	Chief Supervisor	1,502,994,160
2	Ms. Nguyen Thi Tich	Member	846,881,000
3	Ms. Nguyen Thi Phung	Member	278,500,000

CONTRACTS/TRANSACTIONS SIGNED OR IMPLEMENTED IN 2017 WITH RELATED PARTIES

For details please refer to Consolidated Financial Statements 2017, note "Transactions with Related Parties".





INTERNAL CONTROL

The internal control system includes mechanism, policies, procedures, internal regulations, and organizational structure issued by HDBank. The system assures the Bank's capabilities to achieve its objectives.

Internal control activities include three (03) lines of defense:

a) First line: Front end departments with direct contact with customers and partners are required to perform daily tasks and functions in accordance with internal procedures and regulations for each transactions;

b) Second line: Departments that support internal control activities (legal, compliance, human resources, accounting, and technology) are required to directly perform risk management function and assess capital adequacy of the Bank;

c) Third line: Departments that conduct internal audit of the Bank.

Internal control system consists of the following components:

Control environment

- Develop a code of conducts for employees; make sure all employees receive, understand and comply with these standards.
- Clearly identify roles, tasks, and duties of the Board of Directors and of each management level.
- Establish open communication channels between the Board of Directors and the Board of Supervisors, between the Internal Audit department and independent auditors.
- Identify and assess organizational structure, roles, responsibilities, and reporting channels.

Risk assessment

- Risk identification and assessment include evaluating all internal and external factors that have negative impacts on the Bank's objectives.
- Develop a well-organized system to identify, assess and manage risks that affect business objectives.

Control activities

- Develop control activities for business processes in order to manage risks within acceptable levels and achieve business objectives.
- Develop IT-based control system to support the achievement of business goals.

Information and communication

- Maintain appropriate information system for business activities.
- Establish appropriate internal and external communication channels to support business objectives.

Supervision activities

- Evaluate the effectiveness of internal control components by frequent and surprising inspections;
- Evaluate the gaps in internal control system and contact responsible individuals for necessary remedies.

CRITERIA FOR EVALUATING INTERNAL CONTROL SYSTEM

- A standardized control system and disciplinary procedures are the foundation of controlling the effectiveness and productivity. In addition, the control system is regularly updated and improved;
- Potential risks with potential negative impacts on the Bank's business objectives and profitability as well as shareholders' interests are timely and appropriately assessed, reported and controlled;
- Internal control system ensures transparent and appropriate separation and delegation of duties in all positions. All employees must have clear job descriptions, key performance indicators (KPI), and suitable condition to perform control procedures;
- Financial and operational information systems are in compliance with requirements of corporate governance;
- IT systems are constantly and frequently maintained, secured, monitored, upgraded and independent recovery system is applied in order to support business operation and related internal control activities.



INTERNAL AUDIT

INTERNAL AUDIT SYSTEM

The HDBank's internal audit system is established in accordance with the State Bank of Vietnam's regulations and acts as a component in HDBank's control system. Internal audit operates directly under the Board of Supervisors, following principles of independence, objectivity and professionalism.

The Head of Internal Audit is responsible for directing the operation of internal audit with the assistance of the Deputy Head of Internal Audit and the Regional Heads of Internal Audit. By the end of 2017, there were a total of 37 employees at Internal Audit departments, working at Ho Chi Minh City, Hanoi and Dong Nai.

AUDITING PROCEDURES

Internal auditing process is conducted on different levels corresponding to business divisions, geographical regions, and operational functions, with cross-control, extension and cooperation methods. Types of auditing include auditing at one business division or a group of business divisions for systematic business operation, specialized auditing of operational procedures without risk management measures, and surprising auditing of treasury operation, cash, collaterals, valuable papers, etc... in order to detect and handle violation in a timely manner. Internal Audit also conducts auditing operation in accordance with annual plan and at request of the Board of Directors, the Board of Supervisors, or with signals of violation and possibility of risks.

The Board of Supervisors, the Board of Directors and Chief Executive Officer, according to the audit results of previous years with highlighted risk areas and with the Bank's strategic orientation for operation and its management objectives, establish and approve the audit plan for the following year.

INTERNAL AUDIT ACTIVITIES IN 2017

In 2017, Internal Audit achieved more than 100% of the plan, including: audited 115/220 units, performed 266 surprise inspections at business units, and 03 specialized inspections in the entire network.

Through these operations, except for detecting operational errors, Internal Audit has informed and recommended remedies business actions addressing the lack of controls in some departments/ Head Office due to obsolete regulations and procedures. Internal Audit has cooperated with the department/division/ Head Office and requested them to review, rectify or enhance appropriate controls. Internal Audit has also coordinated with IT Division and Digital Banking to design application control inherent in each program to prevent operational errors. In addition, internal audit operation has effectively assessed control quality vertically in each operational segment at business units and the Head Office and proposed measures to resolve or enhance control at Head Office level.

Besides, Internal Audit analyzed, assessed key problems affecting the system's performance and operation of each unit, for better governance and alerted management of each business unit for appropriate remedies actions.

Internal Audit has implemented remote supervision through daily reports available on the internal IT system, for timely detecting and handling violations.

ORIENTATION OF INTERNAL AUDITING IN 2018

Apart from regular directions, in 2018, Internal Audit will also conduct its operation following these criteria:

- Continue audit operation with an aim to find preventative measures using IT and establish control in operation using analysis of identified errors.
- Analyze the cause of overdue debts and determine the responsibility of each party.
- Continue to conduct remote audit in order to detect abnormal activities.
- Conduct audit by a group of business divisions in order to form assessment on responsibilities of each management unit, and conduct audit for each operational department at Head Office;
- Improve audit reports with 2 targets: to support management objectives and to request business divisions to rectify identified errors, and to enhance the supervision responsibilities of Head Office on business units.

RISK MANAGEMENT

RISK MANAGEMENT AND CAPITAL MAINTENANCE

Risk Management Activities in 2017

In 2017, HDBank improved the risk management system by amending its risk management regulations in order to improve operational efficiency. HDBank conducted self-review and self-control of credit risks, market risks, liquidity risks and operational risks, in order to proactively mitigate and timely alert possible risks. As a result, HDBank's prudent ratios were always within the State Bank of Vietnam's limits. In addition, HDBank regularly organized training courses to further improve risk management functions, updated new regulation and raised risk management awareness for all staff and employees.

In 2017, HDBank's risk management activities also included developing a roadmap for the implementation of Basel II in order to have a modern and sustainable system for customers' benefits.

Organizational structure of risk management

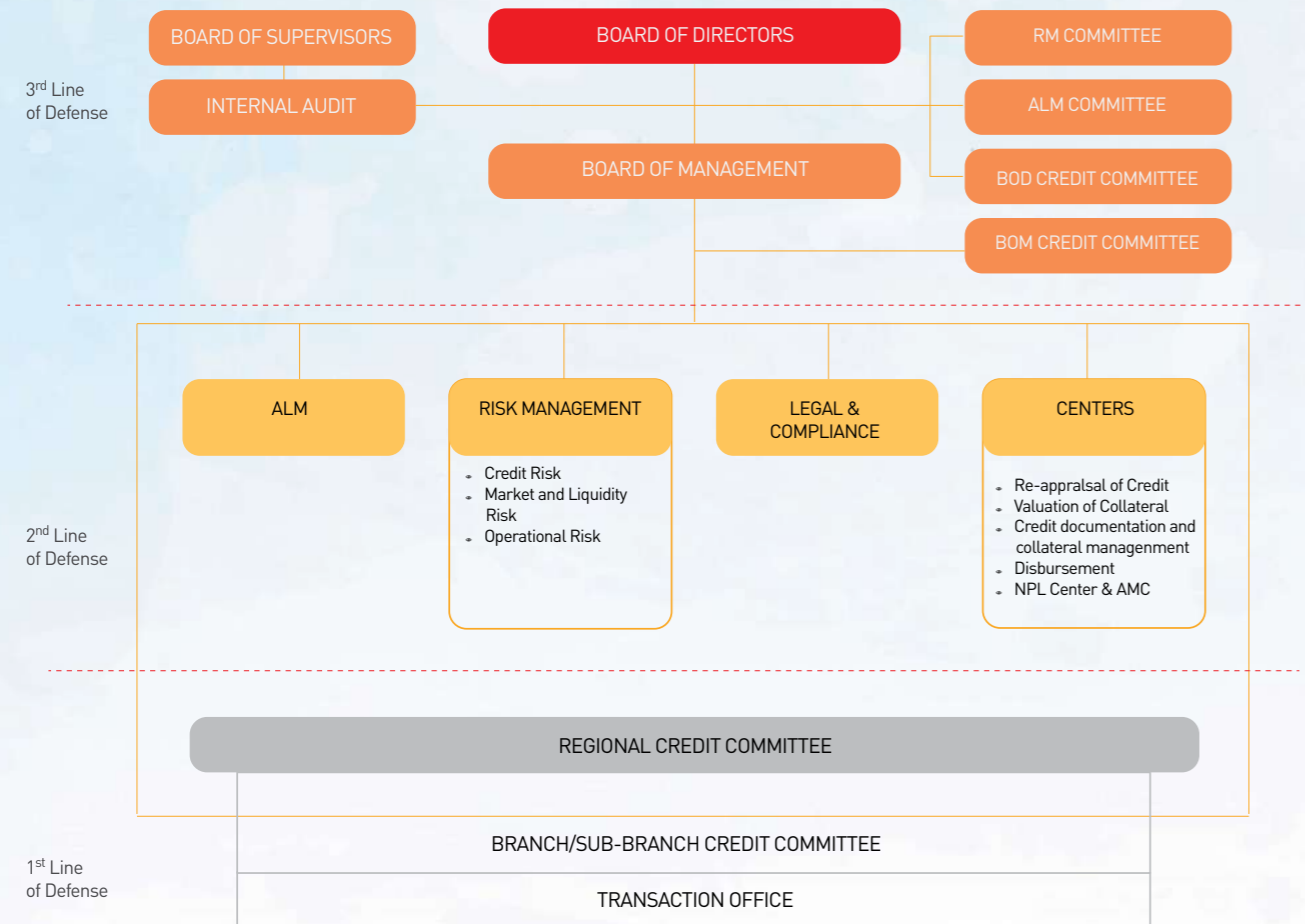
HDBank's organizational structure of risk management follows 3 lines of defense, in accordance with Basel: transactional control at business divisions, Head Office's supervision system and Internal Audit's independent assessment.

HDBank's risk management system is divided into 3 levels: Risk management under Board of Directors, Risk management under the Board of Management, and risk management at Branches. This design is also reflected in the Bank's organizational structure.

- Risk management under the Board of Directors includes the Risk Management Committee, the Assets and Liabilities Management Committee (ALCO), and the Credit Committee.
- Risk management under Board of Management includes:
 - The Credit Committee (under Board of Management), the Regional Credit Committee
 - Departments in Head Office such as: Risk Management Department (under Risk Management Division), Assets and Liabilities Management department (ALM), Compliance department, Legal department, etc.
 - Centers under Head Office such as: Individual/ Corporate Credit Re-Appraisal Center, Collateral Evaluation Center, Disbursement Center, Legal Center for Credit Documents, Bad Debt Management Center;
 - Risk management at Branches such as: Credit Department, Credit Management and Supporting Department and controllers at Branches



RISK MANAGEMENT STRUCTURE



System of Regulations, Limits and Prudent Ratios

The system of regulations, limits, and prudential ratios continued to be developed and implemented. It is organized into three levels: regulations (issued by the Board of Directors via general orientations and policies), rules, guidelines, and products (issued by the Chief Executive Officer for execution), and covering all operations to standardize business activities and ensure safety for the Bank.

Since 2013, the Bank has successfully deployed the quality control system based on ISO 9001:2008 and 5S standards (Sort – Set in order – Shine – Standardize – Sustain).

Besides, the Bank also developed and regularly adjusted the credit limit system, currency trading, and investment operations, and key risk indicators (KRIs) relating to liquidity and the balance of assets and liabilities in order to adhere to the requirements of the State Bank of Vietnam and operational characteristics of HDBank.

Inspection and supervision system

HDBank pays special attention to the inspection, supervision, and control system, which served as the basis to detect, alert, and prevent risk. This system simultaneously applies various methods: (i) automatically via the IT system, (ii) periodically (daily, monthly, etc.) by departments/sections tasked with oversight, or (iii) a case by case basis regarding the examination of suspicious transactions.

The Bank reports on the inspection and supervision results with figures, analyses, and alerts. Specific suggestions are submitted to the Board of Management and Risk Management Committee to provide timely and appropriate directions.

Application of Basel II-based Risk Management System

In Q4/2016, the Bank engaged EY as a consultant to review the current status of the risk management system against Basel II compliance requirements (Gap), as well as the tentative calculation of required capital (CAR) under Basel II. This engagement served as the basis to develop an implementation roadmap of the risk management system based on Basel II in the next 2 - 3 years, including a number of projects to complete the existing risk management systems covering organization, regulations, limits, modeling, data, and software. In 2018, HDBank will continue to implement Basel II with the support of a foreign consultant partner to ensure compliance with the SBV's regulations before the deadline of 2020.

RISK MANAGEMENT ACTIVITIES

Credit risk management

HDBank established a strict credit approval system from the Head Office to the business divisions, including departments at all stages: sales, appraisal, approval, disbursement, and recovery. The credit approval process was independent at all three stages: proposal, appraisal/valuation, and approval, in which the responsibilities of each stakeholder were clearly defined.

HDBank also developed strict requirements on credit issuance and loan security, and established lending limits based on industry, objective, and collateralized assets and other parameters so as to mitigate centralized risks.

In addition, HDBank successfully established (upon consultation of a leading consulting firm) the internal credit ratings system applicable to retail customers, corporate customers and credit institutions, and submitted this system to the State Bank of Vietnam for official implementation. This system served as an important step in the process of credit issuance, loan classification, and the establishment and accumulation of loan loss reserves.

HDBank implemented many systems and instruments to improve its capacity to manage risks, including the loan origination control system, limit control system, centralized approval system, disbursement, and performance of contract procedures and centralized notarization at credit support centers.

The handling of overdue loans was overseen by the Overdue Loan Handling Steering Committee, with the participation of the Board of Directors and the Board of Management. These divisions collaborated across multiple areas to carry out effective debt handling measures in accordance with State's policies. In 2017, HDBank effectively managed loan quality in compliance with SBV policy by maintaining an NPL ratio of below 1.5%.

Liquidity and market risk management

HDBank has an effective liquidity and interest rate risk management model (consulted by a leading consulting firm) as part of its aim to follow international standards. Areas of focus include analysis of maturity gaps, re-pricing gaps, net interest income ("NII") sensitivity, scenario analysis, stress-testing, and indicators such as capital adequacy ratio, liquidity coverage ratio ("LCR"), and the net stable fund ratio ("NSFR"). This initiative mitigates damages in the event of interest rate fluctuations.

The liquidity and market risk management team monitored and issued frequent alerts on limits for foreign exchange trading, debt, and equity securities investment. Prudential ratios regarding liquidity and operations as required by SBV were always monitored.

HDBank applied VAR calculations to the foreign exchange trading business (upon consultation of JICA project experts and SBV) to estimate the maximum loss, and endeavors to implement such activities to other similar operations.

Operational risk management

Operational risk management continued to be improved with policies on operational risk management and the surveillance of risk indicators regarding human resources, IT system, etc.

HDBank gradually executed loss data collection (LDC) and risk control self-assessment (RCSA) under the models suggested by of a foreign consulting firm.

Data system and data management

At the end of 2016, HDBank continued to review the data management system and data fields (upon consultation of a leading auditing firm), serving as the basis to undertake projects of data completion and data management in accordance with international practices.



LEGAL AND COMPLIANCE

LEGAL ACTIVITIES

Summary of legal activities in 2017

Acknowledging the vital role of Legal & Compliance in business operation and in banking industry, HDBank implemented and achieved the planned targets as follows:

- Ensured HDBank's compliance with laws and regulations. In particular, the changes in major legislatives and new regulations (such as Civil Code, Law on Enterprise, Law on Real Estate Trading, Law on Housing, Law on Land, and new circulars issued by the SBV on operational activities, etc.), led to the needs to adjust the Bank's operation accordingly. As a result, the Bank effectively reviewed and made appropriate adjustments in internal regulations, business processes, products and template system. Besides, other activities of the legal operation included strictly controlling and monitoring the Bank's legal compliance, protecting the Bank's legitimate rights and maximizing its benefits in transactions, contracts and agreements with partners and customers. All of which were thoroughly performed, meeting the needs of

HDBank's increasing development in business operation.

- Acted as the representatives of the Bank in legal proceedings during legal hearing, and participated in the settlement of disputes and grievances in order to protect the legitimate rights and interests of the Bank and avoid related losses in an orderly manner according to laws and regulations.
- Disseminate relevant legislation through a variety of channels and methods to the members of staff
- On a macro-level, HDBank made comments and recommended changes for relevant regulations, contributing to improve the legal system in general and the SBV's regulations in particular to become more relevant, comprehensible, transparent and closely link to actual operation and to better facilitate the development of commercial banking industry.

Orientation for legal activities in 2018

Following achieved results, as well as the trend of activities after being listed, legal and compliance tasks are more demanding.

- Consult on legal matters for the whole system, control legal issues relating to HDBank's transactions and operation, and ensure quality in its operation. The Bank also commits to maintain compliance in its operation, leading to a sound and sustainable development while harmonizing with business objectives. HDBank also needs to implement procedures to maintain its compliance with regulations on information disclosure, and maintain transparency in operation of listed companies. Anti-money laundering and anti-corruption activities according to laws and regulations will be closely monitored and vigorously implemented.
- Create more advantages for HDBank's operation, continue to provide legal advices on HDBank's business solutions, products, business policies, increase corporate values and benefits of shareholders, and strengthen investors' confidence.
- Lawsuits and disputes in banking industry are increasing in quantity and complexity, which leads to the need of a competent legal units to protect the Bank's legitimate rights and interests; hence, a specialized unit in charge of participation in legal proceedings will be trained and nourished, in order to protect the Bank's rights and interests in accordance with the laws.
- Participate in advising and performing legal activities for strategic projects and for the overall development of the system.

COMPLIANCE ACTIVITIES

Functions

- Supports the Board of Management to supervise and control different departments and business divisions, as well as support such departments and divisions with their respective internal control activities.
- Monitors compliance throughout HDBank system and report to the Board of Management.

Tasks

- Identify, measure and assess compliance risks;
- Guide and disseminate compliance principles;
- Other duties: prevent corruptions and anti-money laundering, and monitor post-inspection activities.

Summary of compliance activities in 2017

- Developed a program for post-inspection and post audit monitoring with automatic monthly reminders of adjustments;
- Developed indicators to timely detect signals of violations in transactions and business activities;
- Effective alerted and communicated of violations to related divisions for prompt and appropriate measures.

Direction for compliance activities in 2018

- Strengthen remote monitoring for early detection and prevention of potential risks.
- Evaluate risk level of products, focusing on controlling products with higher potential risk.
- Carry out compliance activities with focus on violation analysis to avoid future faults and minimize risks.



INVESTOR RELATIONS

Protect shareholders' interests and ensure equitable treatment of shareholders

Over the years, HDBank has constantly prioritized its obligations to investors based on the principles of legal compliance, acting in the best interest of investors and equitable treatment of shareholders. The implementation of policies in order to protect shareholders' interests and ensure equitable treatment of shareholders are one of the Bank's most important objectives; hence, HDBank consistently makes its best effort to provide information to shareholders in a timely and transparent manner. The entitle to benefits and assets, the participation right and other legitimate rights of shareholders in accordance with the Law on Enterprises, the Laws on Credit institutions and the Bank's Charter are solemnly and constantly upheld by the Bank.

Dividend policy

HDBank reckons the right to receive dividends is one of the most essential rights of shareholders. Over the years, the Bank has been one of the few banks that have made consecutive payment of dividend in form of cash, shares or bonus shares. This practice is an integral part of the Bank's policy in order to execute its commitments of ensuring the best returns to shareholders. Besides, the Bank has provided comprehensive information to shareholders, responsively addressed investors' inquiries, supported shareholders in understanding the dividend payout procedure, and developed a unified and harmonized relation between the Bank and shareholders.

ANNUAL DIVIDEND PAYOUT RATIO

ACTUAL TIME OF DIVIDEND PAYMENT	2013	2014	2015	2016	2017
1. Cash dividend/ Charter capital ratio	3.50%	5.00%	-	10.00%	7.00%
2. Stock dividend/ Charter capital ratio			-	-	2.00%
Total	3.50%	5.00%	-	10.00%	9.00%
Payment method	Cash	Cash	-	Cash	Stock

Source: HDBank

TRANSACTIONS OF INTERNAL SHAREHOLDERS AND OTHER RELATED PARTIES ON THE HDBANK'S SHARES

NO.	TRANSACTION EXECUTIONER	RELATIONSHIP WITH INTERNAL SHAREHOLDERS	NUMBER OF SHARES AT BEGINNING OF YEAR		NUMBER OF SHARES OWNED AT END OF YEAR		REASONS FOR INCREASE, DECREASE (PURCHASE, SELL, CONVERT, REWARD, ETC.)
			NUMBER OF SHARES	PERCENTAGE (%)	NUMBER OF SHARES	PERCENTAGE (%)	
1	Ms. Nguyen Thi Phuong Thao	Permanent Vice Chairwoman	18,303,580	2.07	35,961,580	3.67	Private share placements
2	Mr. Pham Van Dau	Chief Financial Officer	0	0	42,182,999	4.30	Private share placements
3	Ms. Nguyen Thi Ngoc Linh	Wife of Mr. Nguyen Huu Dang (Board Member and Chief Executive Officer)	3,406,689	0.39	0	0	Share transfer
4	Mr. Le Thanh Tung	Deputy General Director	70,523	0.01	0	0	Share transfer
5	Ms. Nguyen Doan Duy Ai	Deputy General Director	27,136	0.00	0	0	Share transfer
6	Ms. Le Thi Tiep	Wife of Mr. Nguyen Thanh Do (Vice Chairman - Independent Board Member)	265,070	0.03	0	0	Share transfer
7	Ms. Ho Dang Hoang Quyen	Chief Accountant	1,000	0.00	0	0	Share transfer



LIST OF INTERNAL SHAREHOLDERS AND RELATED PEOPLE (AS AT 31 DECEMBER 2017)

NO.	NAME OF ORGANIZATION/INDIVIDUAL	POSITION AT THE COMPANY (IF ANY)	TIME OF STARTING TO BE RELATED PERSON	TIME OF ENDING TO BE RELATED PERSON	REASON	NUMBER OF SHARES OWNED AT THE END OF YEAR	PERCENTAGE OF OWNERSHIP AT THE END OF YEAR	TYPE OF SHAREHOLDER	RELATIONSHIP WITH INTERNAL SHAREHOLDER
THE BOARD OF DIRECTORS									
1	Ms. Le Thi Bang Tam	Chairwoman	22 October 2010			0	0.0000	Internal	
	Ms. Luu Thi Viet Hong					3,270,000	0.3333	Related person	Daughter
2	Ms. Nguyen Thi Phuong Thao	Permanent Chairwoman	30 June 2005			35,961,580	3.6658	Internal	
	Sovico Joint Stock Company					130,899,221	13.3434	Related person	major shareholder – Chief Executive Officer – Legal representative
3	Mr. Luu Duc Khanh	Vice Chairman	03 July 2009			2,725,000	0.2778	Internal	
4	Mr. Nguyen Thanh Do	Vice Chairman – Independent Board member	21 April 2017					Internal	
	Mr. Tran Tu Thi					50,000	0.0051	Related person	Son-in-law
5	Mr. Nguyen Huu Dang	Board member and Chief Executive Officer	31 December 2010			26,149,536	2.6656	Internal	
6	Mr. Chu Viet Cuong	Board member	25 April 2014			100,000	0.0102	Internal	

NO.	NAME OF ORGANIZATION/INDIVIDUAL	POSITION AT THE COMPANY (IF ANY)	TIME OF STARTING TO BE RELATED PERSON	TIME OF ENDING TO BE RELATED PERSON	REASON	NUMBER OF SHARES OWNED AT THE END OF YEAR	PERCENTAGE OF OWNERSHIP AT THE END OF YEAR	TYPE OF SHAREHOLDER	RELATIONSHIP WITH INTERNAL SHAREHOLDER
THE BOARD OF MANAGEMENT									
1	Mr. Nguyen Huu Dang	Chief Executive Officer	22 October 2010			26,149,536	2.6656	Internal	
2	Mr. Pham Quoc Thanh	Deputy General Director	11 March 2013					Internal	
	Ms. Pham Thi Truyen					100,000	0.0102	Related person	Sister
3	Mr. Pham Van Dau	Chief Financial Officer				42,182,999	4.30	Internal	
4	Mr. Dao Duy Tuong	Chief Supervisor	03 December 2010			26,613,106	2.7129	Internal	
	Mr. Dao Anh Minh					200,000	0.0204	Related person	Son
5	Ms. Nguyen Thi Phung	Member of Board of Supervisors	23 July 2008			2,540	0.0003	Internal	
6	Ms. Nguyen Thi Tich	Member of Board of Supervisors	26 April 2013			100,000	0.0102	Internal	
7	Ms. Nguyen Thi Bich					2,180	0.0002	Related person	Sister

INFORMATION OF SHARES, SHAREHOLDER STRUCTURE AND SHARE PRICE

SHARES:

Total number of ordinary shares issued by HDBank is currently 980,999,979 (equivalent to VND 9,809,999,790,000 of HDBank's charter capital), in which:

- Number of outstanding shares: 980,999,771 shares
- Number of treasury shares: 208 shares
- Number of unrestricted shares: 716,265,997 shares
- Number of restricted shares (due to regulations regarding public and private offerings): 264,733,982 shares

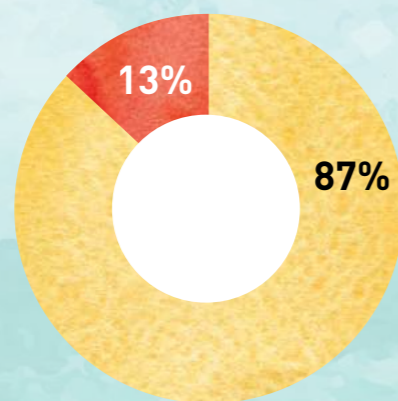
HDBank does not have securities traded in foreign countries.

SHAREHOLDER STRUCTURE (as at 31 December 2017)

Shareholder structure by percentage of ownerships (major investors – holding 5% of shares or more, minority shareholders)

No.	Shareholders	Number of shareholders	Number of shares	Percentage of ownership (%)
1	Major shareholders (*)	1	130,899,221	13.34%
2	Minority shareholders	2,303	850,100,758	86.66%
	Total	2,304	980,999,979	100%

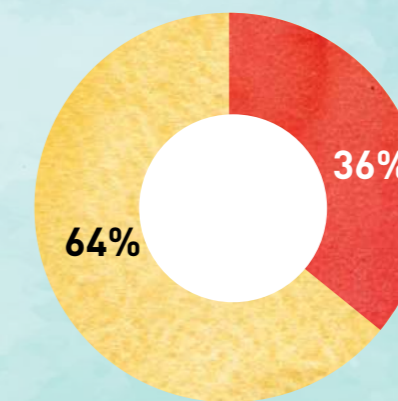
(*) HDBank only has one major shareholder with more than 5% shareholding that is Sovico Joint Stock Company, holding 13.34% shares of the Bank. There is no other shareholder owning up to 5% shareholding of the Bank.



■ Major shareholders(*) ■ Minority shareholders

Shareholding structure by institutional and individual shareholders:

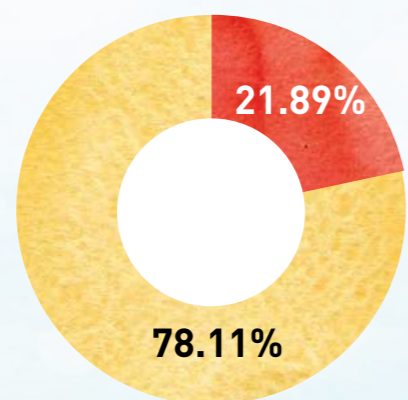
No.	Shareholders	Number of shareholders	Number of shares	Percentage of ownership (%)
I. Domestic shareholders				
1	Institutional shareholders (including 01 treasury share and 208 shares)	43	409,208,674	41.71%
2	Individual shareholders	2,181	357,050,465	36.40%
3	Total	2,224	766,259,139	78.11%
II. Foreign shareholders				
1	Institutional shareholders	76	214,264,955	21.84%
2	Individual shareholders	4	475,885	0.05%
3	Total	80	214,740,840	21.89%
TOTAL (I +II)		2,304	980,999,979	100%



■ Individual shareholders ■ institutional shareholders

Shareholding structure by domestic and foreign shareholders:

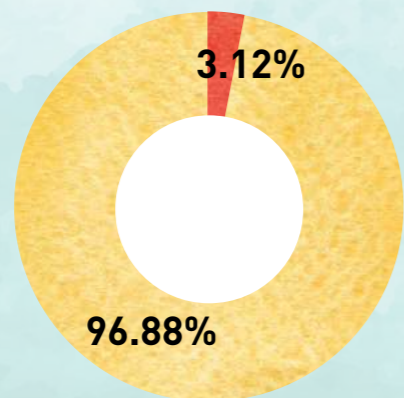
Shareholders	Number of shareholders	Number of shares	Percentage of ownership (%)
Domestic shareholders	2,224	766,259,139	78.11%
Foreign shareholders	80	214,265,431	21.89%
Total	2,304	980,999,979	100%



■ Foreign shareholders ■ Domestic shareholders

Shareholding structure by States shareholders and other shareholders

Type of shareholders	Number of shareholders	Number of shares	Percentage of ownership (%)
States shareholders	7	30,602,537	3.12%
Other shareholders	2,297	950,397,442	96.88%
TOTAL	2,304	980,999,979	100%



■ States shareholders ■ Other shareholders

CHANGES IN OWNERS' EQUITY

In 2017, HDBank has raised charter capital through 02 phases, more specifically:

Phase 1: On 30 October 2017, HDBank issued shares as dividends and additional shares from owners' equity to increase capital. Total charter capital increased from VND 8,100,000,000,000 to VND 8,828,999,810,000.

Phase 2: On 14 December 2017, HDBank issued shares in form of private placement. Total charter capital increased from VND 8,828,999,810,000 to VND 9,809,999,790,000.

TRADING OF TREASURY SHARES

In the year 2017, HDBank did not incur any transaction to buy/ sell treasury shares. As at 31 December 2017, total treasury shares of HDBank was 208 treasury shares.





SUSTAINABLE DEVELOPMENT

188 INTRODUCTION TO SUSTAINABLE DEVELOPMENT

194 KEY AREAS OF SUSTAINABLE DEVELOPMENT

*Heading toward
Sustainability
& Community development*



INTRODUCTION TO SUSTAINABLE DEVELOPMENT

INTRODUCTION TO SUSTAINABLE DEVELOPMENT

The year of 2017 witnessed a substantial transformation of HDBank with its outstanding growth in revenue and its high efficiency in corporate governance. As the pivotal year of the strategic development period 2017 – 2021, 2017 prepared HDBank vessel for its grand voyage into the open sea. With clear strategic orientations, actively integrating spirit, and core business philosophy “Set sail to commit the best returns for stakeholders,” HDBank channels the enthusiasm of its employees and management into sustainable development orientations and good value appreciation, becoming a key contributing factor to the sustainable growth of the economy and the society.

In addition to achieve its financial targets, HDBank greatly contributed to the development of the environment and the society. For the first time in 2017, HDBank published its sustainable development criteria along with its achievements and solutions to problems the Bank encountered. These contents were consolidated based on HDBank’s headquarter and its subsidiaries with regards to both environmental and social issues that are major concerns to the stakeholders, reflecting reflects holistic picture of the Bank’s operations.

SCOPE AND PERIOD OF INFORMATION DISCLOSURE

The information disclosure is within the scope of HDBank’s operations in Vietnam, including its Head Office in Ho Chi Minh City, its subsidiaries, its branches, and its transaction offices across the country. The information and data used for disclosure were updated in accordance with the financial year of the Bank and its subsidiaries, from 01 January 2017 to 31 December 2017. The information regarding employment, working environment safety, social and environment were summarized from actual activities of HDBank, reflecting the business operations of HDBank and disclosing HDBank’s orientation and strategy for sustainable development in the future.

APPLIED STANDARDS

The information disclosure is based on (1) the Environmental and Social disclosure guide issued by the State Securities Commission and IFC, (2) Annual report guide in 2016 issued by Vietnam Annual Report Awards (ARA) and (3) Circular No. 155/2015/TT-BTC on Guidelines for information disclosure on security market in Vietnam by the Ministry of Finance.

CONTACT

HDBank always makes the best efforts to meet the expectations of stakeholders with regards to information transparency and sustainable business growth, demonstrating its business responsibility toward the community and the society. Therefore, HDBank earnestly hopes to receive feedbacks from our esteemed investors, customers and partners.

Contact information:

Person in charge of information disclosure Mr. Nguyen Huu Dang – HDBank Chief Executive Officer

Email: vanphonglanhdao@hdbank.com.vn

Tel: (+84) 28 62 915 916

Website: www.hdbank.com.vn (under “Contact – Online support” section)

Address: HDBank building, 25Bis Nguyen Thi Minh Khai, Ben Nghe Ward, District 1, Ho Chi Minh City



SUSTAINABLE DEVELOPMENT MODEL OF HDBANK

Sustainable development model of HDBank was developed to positively influence three (03) target groups: the Bank, the market, and the society.

Positive footprints within the Bank

- Sustainably develop in business operations
- Create an ideal working environment that benefits employees;
- Actively invest in human resource development;
- Enhance risk management framework and compliance supervision;
- Increase information transparency.

Positive footprints on the market

- Commit to delivering the highest value to shareholders, customers and investors;
- Contribute to the development of the banking industry and the finance market in Vietnam;
- Enhance the capacity of capital funding and distribution both in Vietnam and abroad;
- Promote local economic development in particular and the whole society in general

Positive footprints on the society

- Fulfill financial obligations with Government organizations;
- Joint-hand in contributing to the society;
- Comply with the environmental protection regulations.

SUSTAINABLE GOVERNANCE MODEL OF HDBANK

Under the directions from the BOD, HDBank regularly reviews all operational procedures related to sustainable development targets and actively communicates with its stakeholders. The communication between HDBank and stakeholders aims to ensure that the solutions are implemented efficiently and in line with the Bank's sustainable development strategies.

The sustainable development program is applied to the practice of the Bank through the following governance model:

The Board of Directors

- Provide general orientations on the Bank's strategy with regards to sustainable development;
- Approve the Bank's objectives and action plans.

Chief Executive Officer and the Board of Management

- Develop and propose to the BOD the HDBank's objectives and action plans for sustainable development;
- Share the sustainable development strategy, target and plan with the entire Bank;
- Ensure that the sustainable development plan will achieve the planned objectives.

Functional divisions and units

Implement the sustainable development plan as directed by the Chief Executive Officer and the Board of Management.

Employees

Perform specific daily tasks contributing to the overall sustainable development objectives of HDBank.



RELATIONSHIP WITH STAKEHOLDERS

HDBank builds and develops relationships between the Bank and its stakeholders under the core business philosophy "Committed to your best returns". In order to promote transparency and accountability with stakeholders, HDBank maintains various open communication channels, exchanging perspectives and knowledge on sustainable development issues. HDBank assures to receive all comments and feedbacks from its stakeholders. The engagement journey with stakeholders have encouraged active participation from all sides to create values and boost the business performance of HDBank.

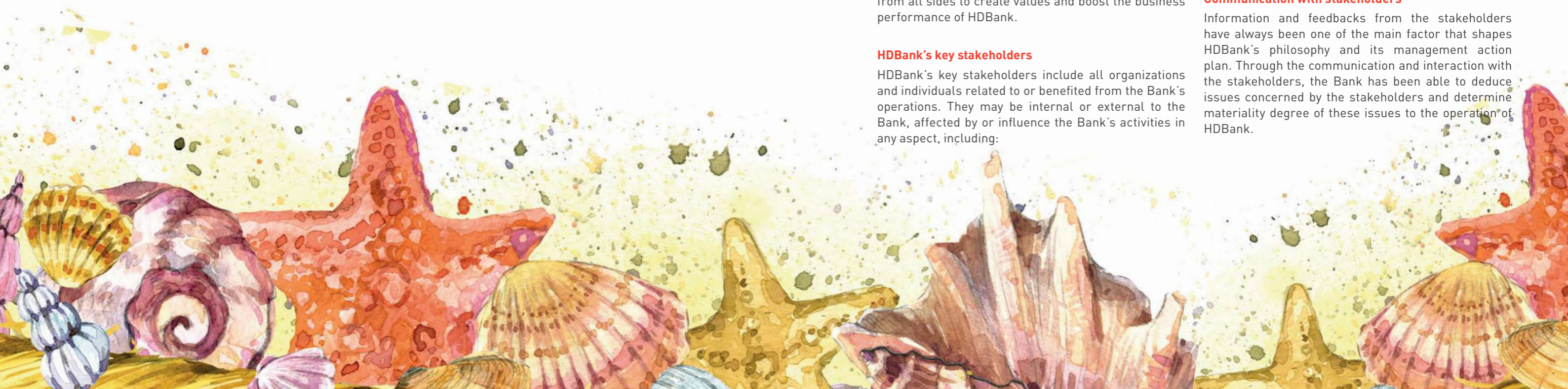
HDBank's key stakeholders

HDBank's key stakeholders include all organizations and individuals related to or benefited from the Bank's operations. They may be internal or external to the Bank, affected by or influence the Bank's activities in any aspect, including:

- Customers
- Shareholders/ Investors
- Employees
- Government agencies
- Media/ Press
- Partners, suppliers
- Community

Communication with stakeholders

Information and feedbacks from the stakeholders have always been one of the main factor that shapes HDBank's philosophy and its management action plan. Through the communication and interaction with the stakeholders, the Bank has been able to deduce issues concerned by the stakeholders and determine materiality degree of these issues to the operation of HDBank.

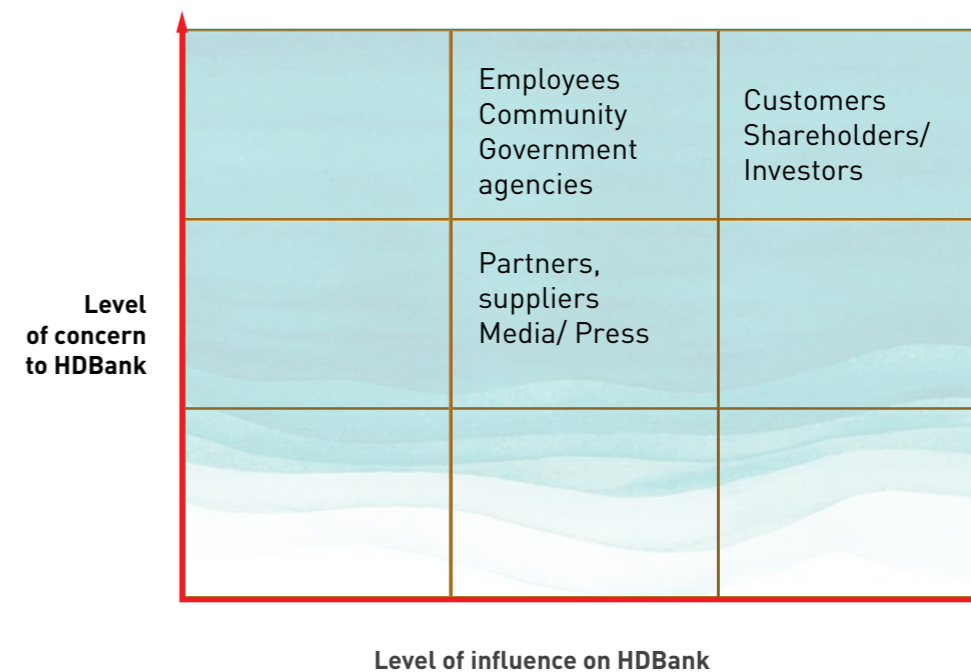


In order to maintain harmonic, balanced and stable relationships with the stakeholders, HDBank regularly interacts and engages with the stakeholders through:

STAKEHOLDERS	COMMUNICATION CHANNELS	SUBJECT OF DISCUSSION
Customers	<ul style="list-style-type: none"> - Direct meeting, call center, email with consulting team and service team; - Customer service center; - Other communication channels; - Workshops and conferences; - Suggestion box at Transaction Office. 	<ul style="list-style-type: none"> - Quality of service provided; - Receive and process customers' queries and complaints; - Information on provided product and service.
Shareholders/ Investors	<ul style="list-style-type: none"> - Annual General Meeting; - Phone and email; - HDBank Website; - Direct contact; - Investor relations newsletter. 	Disclosed information includes: <ul style="list-style-type: none"> - Financial statements; - Annual report; - Quarterly business reports; - Development orientations and strategies; - Other information disclosed in accordance with SSC's regulations.
Employees	<ul style="list-style-type: none"> - Internal communication channel: - Intranet; - Labor union, youth union; - Phone and email; - Training courses; - Internal connecting activities like sports and entertainment. 	<ul style="list-style-type: none"> - All existing regulations and policies regarding salaries, bonuses and benefits; - Work efficiency; - Working environment; - Technical and operational skills training course.
Government agencies	<ul style="list-style-type: none"> - Through bilateral or multilateral meetings; - Participation in conferences and workshops organized by the Government and Ministries; - Request for guidance on certain matter; - Other engagement channels (website, email, and telephone). 	<ul style="list-style-type: none"> - Financial position as announced in Annual Report, Monthly/ Quarterly report in accordance with the law; - Compliance with the law; - Difficulties faced by the Bank during the implementation of Government's policies and regulations.
Media/ Press	<ul style="list-style-type: none"> - Press conferences and interview; - Conferences and workshops organized by the Press; - Other engagement channel: <ul style="list-style-type: none"> • Telephone and email; • Q&A on HDBank website; • Newsletter 	<ul style="list-style-type: none"> - Annual business results announcements, updates on the Bank's strategy; - Announcements for important events.
Partners, suppliers	<ul style="list-style-type: none"> - Direct contact; - Telephone and email. 	<ul style="list-style-type: none"> - Quality of service; - All issues with regards to work environment, health and safety for employees.
Community	<ul style="list-style-type: none"> - Direct contact; - Coordinate with local authorities; - Press. 	<ul style="list-style-type: none"> - Public healthcare activities; - Charity and donation events; - Activities for local and environmental development.

Priority level of stakeholders

HDBank classifies and evaluates the priority level of stakeholders based on levels of concern and levels of influence on the Bank's operations. On that basis, HDBank develops an engagement plan along with engagement channels and mechanism for stakeholders.



Definition of key areas for information disclosure

According to the priority level of stakeholders, the Environmental and Social disclosure guide issued by the State Securities Commission and IFC, and Circular No. 155/2015/TT-BTC on Guidelines for information disclosure on securities market in Vietnam by the Ministry of Finance, HDBank defines the following sustainable development contents:

- Environmental compliance
- Employment
- Occupational health and safety
- Education and training
- Diversity and equality
- Child labor
- Forced labor
- Rights of locals
- Local community
- Marketing and branding
- Green capital market



KEY AREAS OF SUSTAINABLE DEVELOPMENT

ENVIRONMENTAL COMPLIANCE

As an enterprise operating in the field of financial services, HDBank uses energy at a basic level, leaving almost no negative externalities on the environment. However, to protect natural resources and the environment and to reduce energy consumption level and harmful emissions causing greenhouse effect, HDBank will continue to deliver messages that promote energy savings to all employees.

HDBank has applied the following measures to its entire system:

- Recycle one-sided printing paper for printing reference document;
- Recycle the printer ink cartridge at least three times until it cannot meet the standard printing quality;
- Turn off the air conditioning system after 18h00 and all electric equipment before leaving the office;
- Install self-disconnected system for all sign boards;
- Equip water-saving equipment for all toilets;
- Instead of disposing IT equipment, tools, and other broken office equipment, HDBank's employees try to repair them to reuse. Consequently, all office buildings managed by HDBank had significantly lower level of waste to the environment.
- HDBank always strictly adheres to the provisions of the environmental protection law. All office buildings managed by HDBank have been equipped with measures for collection and treatment of solid waste, domestic waste; water supply and waste water treatment, etc.

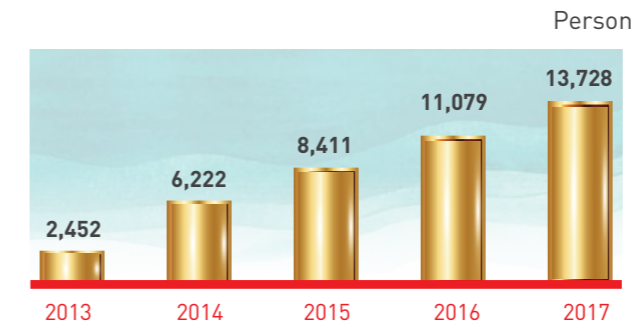
As a result, in 2017, HDBank completed and fulfilled all environmental protection provisions in accordance with the law.



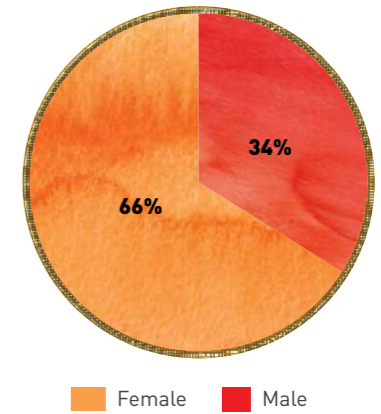
EMPLOYMENT

Labor structure of the Bank and its subsidiaries as at 31 December 2017:

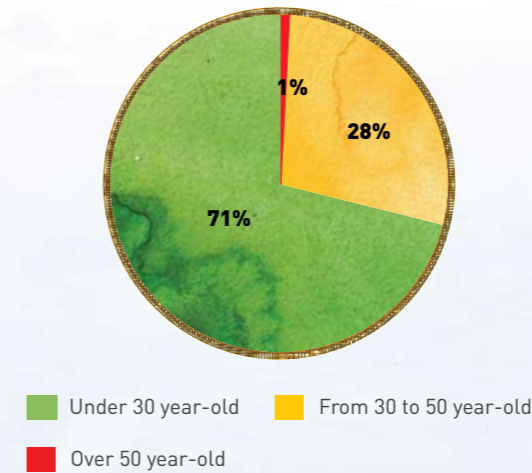
NUMBER OF EMPLOYEES FROM 2013 TO 2017



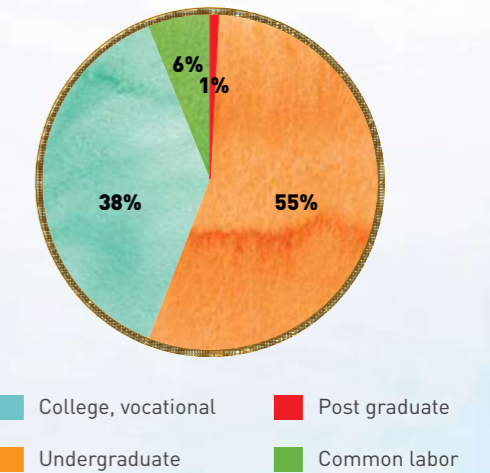
LABOR STRUCTURE BY GENDER



LABOR STRUCTURE BY AGE



LABOR STRUCTURE BY QUALIFICATION



Total number of employees at HDBank as at 31 December 2017 was 13,728 persons, increasing by 27% compared to the end of 2016. In 2017, HDBank and its subsidiaries achieved certain achievements in human resource management, improving the quality of internal services as well as raising the employees' income to the competitive levels in the industry. Besides, HDBank and its subsidiaries organized recruitment and training programs for core employees to develop high quality human resources, meeting business requirements and expanding the Bank's network, while creating a favorable environment for employees to be self-asserted and rewarded, to have the opportunities for career advancement, and to commit to work at HDBank and its subsidiaries.

HDBank is committed to continuously improving the human resource management system, creating the basis for further operational expansion in a sustainable, stable, and safe fashion. In fact, HDBank has adopted human resource development strategy to create a friendly, efficient, creative and professional working environment. Human resource development strategy is developed based on following three pillars:

- Attract, recruit, and retain qualified personnel, who commits and makes significant contributions to the Bank;
- Improve work efficiency, welfare, and compensations in accordance with the market;
- Train and develop human resources effectively and comprehensively.

ATTRACTING, RECRUITMENT, AND RETAINING QUALIFIED PERSONNEL

- To ensure transparency, fairness, and honesty, HDBank and its subsidiaries established a Recruitment committee to ensure that all recruited personnel are qualified, experienced and satisfied the job requirements.
- Human source management is always monitored and updated with recent laws and regulations to simplify administrative procedures, encouraging all staff to contribute to the development of the Bank.

ENHANCING WORKING EFFICIENCY, AND ENSURING ATTRACTIVE SALARY AND COMPETITIVE REMUNERATION POLICIES

- Performance-based remuneration mechanism facilitates the development of a fair, competitive working environment. HDBank and its subsidiaries applied international standards into performance assessment, and therefore, performance indicators are closely related to development targets of the Bank and each individual. The Bank has implemented the key performance indicators (KPIs) according to the balance scorecard and online KPIs.
- Employees are received full benefits in accordance with labor Laws and regulations. Besides, HDBank also

provides its employees 24/24 insurance for accidents and special insurance for executives and high-level management, supporting treatments in case of injury, serious illness or surgery, special benefits when their families are affected by natural disaster, fire, plagues and other human related risks, etc...

EFFECTIVE, COMPREHENSIVE TRAINING AND HUMAN RESOURCE DEVELOPMENT

- HDBank and its subsidiaries has established a standard training material by position, by each specialized operation and by technical skill, especially in establishing and implementing a comprehensive Testing questions for management officer, controller, teller, customer relationship officer, and credit assistant officer positions.
- The class training has been increasingly improved in qualify and professionalism. The Training Center of HDBank and its subsidiaries always diversifies the training schemes in order to increase efficiency and training quality for business purposes.



In 2017 only, HDBank and its subsidiaries have provided 331,805 training hours for 58,970 attendees.

- Management level: 5,053 attendees;
 - Employee level: 53,917 attendees;
- HDBank has continuously improved the human resource management to become an attractive workplace for talents.

CHILD LABOR

HDBank strictly complies with the provisions of Vietnamese law on not using child labor in the Bank's business operations.

FORCED LABOR

During its operation, development and implementation of human resource policies, HDBank always emphasize fairness, no discrimination and mistreat labor. Therefore, there is no case of mistreat, discrimination or forced labor in HDBank.

RIGHTS OF LOCAL

The Bank has not received any document/announcement regarding violations of laws and regulations concerning rights of locals.

LOCAL COMMUNITY

For many years, along with the commitment for the highest returns to shareholders, customers, and employees, HDBank has always taken the lead in social charity activities, with the desire to share more with the community. In 2017, HDBank continued to leave a remarkable footprint with various meaningful social welfare activities across the country.

For healthcare

Promoting a universal healthcare for everyone, since 2012, in collaboration with the Ho Chi Minh City's Support Poor Patients Association, HDBank has sponsored more than 14,000 health insurance cards to families from low-income background across the country. Thanks to these health insurance cards, hundreds and thousands of people suffering from serious diseases were able to acquire treatments, thus reducing the risk of poverty due to medical expenses. Furthermore, people with low income and people living in remote areas start paying more attention to their health as they get access to healthcare.

Meanwhile, in the journey "Bring the light to the poor" organized by Support Poor Patient Association, up to 2017, HDBank has funded the treatment and surgeries for more than 500,000 cataract patients from low income background. HDBank has also coordinated with localities to sponsor travel expenses, meals, and practical gifts for people living in low income, and people from under-developed regions in provinces such as Binh Thuan, Tay Ninh and other remote areas who come to Ho Chi Minh City for health treatments.

For education

Investment in education will foster the future. Understanding this, for many years, HDBank has always been side by side and supported many student generations in their educational journey. In 2017, HDBank management and employees have visited and provided gifts to Children Support Organizations, including Children Protection Fund in Nghe An province, SOS Children Village in Da Nang; and Thi Nghe Disabled Children Support Center in Ho Chi Minh City. In September 2017, immediately after receiving the news regarding severe damages caused by natural disasters to 2 mountainous districts Muong La (Son La) and Mu Cang Chai (Yen Bai), HDBank gathered money and gifts, and travelled to the local sites to share with the localities, especially the students there.

For development of rural areas

In 2017, HDBank had provided funding for the construction of 15 compassion houses, with total investment of VND 605 millions: supported people with low income in Ky Anh district (Ha Tinh); rebuilt houses after the typhoon; and constructed 4 bridges for Can Giuoc district (Long

An). Besides, to help local escaping poverty, HDBank had gifted 50 cows to the local at Can Duoc district and supported cow purchases for 33 families at Nghia Hanh and Tu Nghia district (Quang Ngai).

Investment For Vietnam youth

Continuing the success of previous seasons, HDBank continues to support Annual international chess championship organized by the Vietnam Chess Federation. Thanks to HDBank International chess championship, Vietnam intellectual brand is able to spread its wings internationally with names like Le Quang Liem, Dao Thien Hai, Pham Le Thao Nguyen, Nguyen Thi Mai Hung, etc.

Since 2017, HDBank has devoted much of its attention to Futsal by being a diamond sponsor for HDBank Futsal – National Championship, HDBank Futsal – National Cup and South East Asia Futsal Championship. With a sincere intention and vision of a large company, HDBank wishes to help nurture a generation of talented young players while promoting Futsal to become an attractive sport on both continental and international level.

Sponsoring "Western region connection" TV program

In 2017, HDBank has become the main sponsor for the "West region connection" program on the national channel VTV9. With broadcasting span of 30 minutes a day, the program delivers interesting authentic stories about Western region of Vietnam, along with many useful political, international, cultural and sport news to the audiences both in Vietnam and abroad.

Sponsoring "Smart money" TV program

HDBank is also the co-sponsors of the TV program "Smart money" on the national channel VTV3. By sharing knowledge of banking utilities, products, and services, HDBank and the program production team have successfully raised awareness and changed people's behaviors, helping them to prevent risks and use money more efficiently. "Smart money" has become a familiar program and attracted many viewers.



Funding for small and medium enterprises (SMEs) program

2017 was the 9th year HDBank has coordinated with Japan International Cooperation Agency (JICA) in capital funding for SMEs. The number of participated SMEs in Vietnam and the disbursement amount have significantly increased over the years:

YEAR	2012	2013	2014	2015	2016	2017
Accumulated number of customers	21	52	141	307	327	386
Accumulated disbursement amount (VND billion)	34	73	167	390	558	631

Most SME customers of HDBank have welcomed the program and actively participated. Every year, HDBank always makes full use of the allocated funds to meet its customers' demand.

Connecting Bank – Business program in 2017

With Connecting Bank – Business program in 2017, HDBank has disbursed VND 500 billion for corporates in Ho Chi Minh City, with short-term interest rate from 6.5%/year, and more preferential medium-long term interest rate from 8% - 10%/year. HDBank also participated in the Bank – Business signings organized by the SBV – Ho Chi Minh Branch, with the following criteria: actual sign, actual disburse commitments, and effective capital usage. At the end of 2017, HDBank disbursed the full registered amount.

Market stabilization program 2017

Participating as a credit institution to provide preferential interest rate, HDBank continued to implement the Market Stabilization Program in Ho Chi Minh City, with the total credit limit at VND 500 billion. Under the program, corporates with short term demand for production and inventory stockpile, corporates involved in the supply chain, and corporates with medium to long term demand for construction of facilities, workshops, farms, point of sale, etc.... are able to borrow at more preferential interest rates. In 2017, total disbursements reached 100% of the limit set. HDBank is proud to contribute to the price stabilization activities of People Committee of Ho Chi Minh City, delivering practical benefits to enterprises and consumers, especially workers, poor labors, and households facing economic difficulties.

MARKETING AND BRANDING

Brand management

After nearly 30 years of establishment and development, HDBank always focuses on marketing and branding, especially in the last five year.

In 2017, HDBank continues to have a booming year in communication activities in both direct and indirect marketing channels and sponsorship events. With a combination of modern, timely and trendy methods, the communication activities of HDBank attract more attention of customers and partners both domestic and oversea.

Noticeable marketing events in the year include the Bank's sponsor national at the APEC Vietnam 2017 Summit and side events in November 2017 in Da Nang; the first sponsor for National HDBank Futsal Cup - South East Asia Futsal Championship which attracted fans to the stadiums; the 7th sponsor for HDBank International Chess Cup, etc.

In 2017, with the goal of taking good care of existing customers and attracting potential customers, HDBank implemented 161 promotion programs, direct marketing activities to target customer segment and regions to develop business throughout whole network.

HDBank's customer approaching methods are constantly improved in formats and media channels. In particular, HDBank pays attention on and employs digital media platforms, concentrating on its coverage and information management operation on the social networks (such as Facebook, Youtube and Zalo).

HDBank manages the brand image according to the brand identity standard at more than 240 locations across the country; HDBank billboard deployment has been researched and executed to create a memorable and impressive brand image.

GREEN CAPITAL MARKET

With the aim of becoming a Green Bank in the future, HDBank, along with three other credit institutions, continued to implement cooperation contract from Small and Medium Enterprise Development Fund (SMEDF) in 2017, the second year HDBank participated in this contract. Within this program, HDBank targets customers which have innovative businesses in manufacturing, processing and supplying water, and processing and managing solid wastes and sewages.





Share the result
– Empower and energize



CONSOLIDATED FINANCIAL STATEMENTS

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THE BANK

Ho Chi Minh City Development Joint Stock Bank ("the Bank") is a commercial joint stock bank incorporated in the Socialist Republic of Vietnam.

The Bank was established and operates in accordance with Decision No. 47/QĐ-UB issued by the People's Committee of Ho Chi Minh City on 11 February 1989 and Banking License No. 00019/NH-GP issued by the State Bank of Vietnam ("the SBV") on 6 June 1992.

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

THE BOARD OF DIRECTORS

Members of the Board of Directors of the Bank during the year and as at the date of this report are:

Name	Position	Date of appointment/reappointment
Ms. Le Thi Bang Tam	Chairwoman	Re-appointment on 21 April 2017
Ms. Nguyen Thi Phuong Thao	Standing Vice Chairwoman	Re-appointment on 21 April 2017
Mr. Luu Duc Khanh	Vice Chairman	Re-appointment on 21 April 2017
Mr. Nguyen Thanh Do	Vice Chairman	Appointment on 21 April 2017
Mr. Nguyen Huu Dang	Member	Re-appointment on 21 April 2017
Mr. Chu Viet Cuong	Member	Re-appointment on 21 April 2017
Ms. Nguyen Thi Tam	Member	Re-appointment on 21 April 2017
Mr. Lim Peng Khoon	Member	Re-appointment on 21 April 2017
Mr. Ly Vinh Quang	Independent Member	Appointment on 21 April 2017

THE BOARD OF SUPERVISION

The members of the Board of Supervision of the Bank during the year and as at the date of this report are:

Name	Position	Date of reappointment
Mr. Dao Duy Tuong	Chief Supervisor	21 April 2017
Ms. Nguyen Thi Phung	Member	21 April 2017
Ms. Nguyen Thi Tich	Member	21 April 2017

THE BOARD OF MANAGEMENT, CHIEF FINANCIAL OFFICER AND CHIEF ACCOUNTANT

The members of the Board of Management, Chief Financial Officer and Chief Accountant of the Bank during the year and as at the date of this report are:

Name	Position	Date of appointment / reappointment / resignation
Mr. Nguyen Huu Dang	General Director	Re-appointment on 22 October 2015
Ms. Nguyen Doan Duy Ai	Deputy General Director	Appointment on 15 August 2007
Mr. Pham Quoc Thanh	Deputy General Director	Re-appointment on 11 March 2016
Mr. Nguyen Minh Duc	Deputy General Director	Appointment on 30 December 2013
Mr. Le Thanh Tung	Deputy General Director	Appointment on 16 September 2009
Mr. Nguyen Thanh Phuong	Deputy General Director	Appointment on 22 January 2018
Mr. Le Thanh Trung	Deputy General Director	Re-appointment on 15 February 2016
Mr. Tran Hoai Nam	Deputy General Director	Re-appointment on 27 February 2016
Mr. Tran Thai Hoa	Deputy General Director	Appointment on 27 May 2015
Mr. Pham Thien Long	Deputy General Director	Resignation on 10 January 2018
Mr. Pham Van Dau	Chief Financial Officer	Appointment on 16 September 2009
Ms. Ho Dang Hoang Quyen	Chief Accountant	Appointment on 7 July 2011

LEGAL REPRESENTATIVE

The legal representative of the Bank during the year and as at the date of the consolidated financial statements is Mr. Nguyen Huu Dang, General Director.

AUDITORS

The auditor of the Bank and its subsidiaries is Ernst & Young Vietnam Limited.

REPORT OF BOARD OF MANAGEMENT

Board of Management of Ho Chi Minh Development Joint Stock Bank ("the Bank") is pleased to present this report and the consolidated financial statements of the Bank and its subsidiaries as at 31 December 2017 and for the year then ended.

RESPONSIBILITY OF MANAGEMENT IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Board of Management of the Bank is responsible for the consolidated financial statements which give a true and fair view of the consolidated financial position of the Bank and its subsidiaries, the consolidated results of its operations and its consolidated cash flows for the year. In preparing these consolidated financial statements, the Board of Management is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable account standards have been followed subject to any material departures disclosed and explained in the consolidated financial statements; and
- prepare the consolidated financial statements on the going basis unless it is inappropriate to presume that the Bank and its subsidiaries will continue in business.

The Board of Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the consolidated position of the Bank and its subsidiaries and ensuring that the accounting records comply with the applied accounting system. It 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 fraud and other irregularities.

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

STATEMENT BY THE BOARD OF MANAGEMENT

The Board of Management of the Bank does hereby state that, in its opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position as at 31 December 2017, the consolidated results of their operations and their consolidated cash-flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System for Credit Institutions and other statutory requirements relevant to preparation and presentation of the consolidated financial statements.

For and on behalf of the Board of Management:



Mr. Nguyen Huu Dang
Chief Executive Officer

Ho Chi Minh City, Vietnam
30 March 2018

Reference: 60752693/19584188-HN

INDEPENDENT AUDITORS' REPORT

**To: The Shareholders of
Ho Chi Minh City Development Joint Stock Bank**

We have audited the accompanying consolidated financial statements of Ho Chi Minh City Development Joint Stock Bank ("the Bank") and its subsidiaries, as prepared on 30 March 2018 and set out on pages 6 to 79 which comprise the consolidated balance sheet as at 31 December 2017, the consolidated income statement and the consolidated statement of cash flows for the year then ended and the notes thereto.

The Board of Management's responsibility

The Board of Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System for Credit Institutions and other statutory requirements relevant to preparation and presentation of the consolidated financial statements, and for such internal control system as the Board of Management determines is necessary to enable the preparation and presentation of the 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 those consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Bank and its subsidiaries' 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 and its subsidiaries' internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by 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.

Auditors' opinion

In our opinion, the consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of the Bank and its subsidiaries as at 31 December 2017, and of the consolidated results of its operations and its consolidated cash flows for the year then ended, in accordance with the Vietnamese Accounting Standards, Vietnamese Accounting System for Credit Institutions and other relevant statutory obligations related to the preparation and presentation of the consolidated financial statements.

Other matter

The consolidated financial statements of the Bank and its subsidiaries for the year ended 31 December 2016 were audited by another audit firm which expressed an unmodified opinion on those consolidated financial statements on 31 March 2017.



Ernst & Young Vietnam Limited
Dang Phuong Ha
Deputy General Director
Audit Practicing Registration Certificate
No. 2400-2018-004-1

Vu Tien Dung
Auditor
Audit Practicing Registration Certificate
No. 3221-2015-004-1

Ho Chi Minh City, Vietnam
30 March 2018

CONSOLIDATED BALANCE SHEET

	Notes	Ending balance VND million	Beginning balance VND million
ASSETS			
Cash and gold	6	1,511,629	1,636,010
Balances with the State Bank of Vietnam	7	1,922,256	2,389,302
Due from banks		21,861,168	18,580,047
Placements with other banks	8.1	19,650,607	15,971,314
Loans to other banks	8.2	2,210,561	2,608,733
Securities held for trading	9	4,690,398	396,937
Securities held for trading		4,693,398	400,000
Provision for securities held for trading		(3,000)	(3,063)
Loans and advances to customers		103,336,329	81,303,975
Loans and advances to customers	11	104,497,028	82,224,372
Provision for credit losses of loans and advances	13	(1,160,699)	(920,397)
Purchased debts	12	3,875	5,489
Purchased debts		7,749	8,690
Provision for credit losses of purchased debts		(3,874)	(3,201)
Investment securities		45,802,141	34,261,091
Available-for-sale securities	14.1	37,417,732	24,267,353
Held-to-maturity securities	14.2	9,614,647	11,020,813
Provision for investment securities	14.4	(1,230,238)	(1,027,075)
Long-term investments		378,237	384,406
Other long term investments		490,087	495,945
Provision for long-term investments	15	(111,850)	(111,539)
Fixed assets		1,526,617	1,351,960
Tangible fixed assets	16.1	526,448	524,984
Cost		1,078,472	1,003,485
Accumulated depreciation		(552,024)	(478,501)
Intangible fixed assets	16.2	1,000,169	826,976
Cost		1,181,235	987,948
Accumulated depreciation		(181,066)	(160,972)
Investment properties	17	45,769	88,381
Cost		46,037	88,765
Accumulated depreciation		(268)	(384)
Other assets		8,255,852	9,896,674
Receivables	18.1	3,423,647	5,290,387
Interest and fees receivable	18.2	3,416,359	3,113,887
Deferred income tax assets	25.2	21,238	17,311
Deferred income tax assets	18.3	1,455,489	1,510,547
In which: Goodwill	5	33,614	39,377
Provision for other assets	18.4	(60,881)	(35,458)
TOTAL ASSETS		189,334,271	150,294,272

	Notes	Ending balance VND million	Beginning balance VND million
LIABILITIES			
Due from Government and State Bank of Vietnam	19	156,253	177,635
Due to other banks	20	37,217,378	19,684,665
Deposits from other banks	20.1	12,244,362	13,621,415
Borrowings from other banks	20.2	24,973,016	6,063,250
Due to customers	21	120,537,469	103,299,771
Derivatives and other financial liabilities instruments	10	70,098	9,326
Other borrowed and entrusted funds	22	2,927,741	2,843,432
Valuable paper issued	23	9,793,000	11,027,014
Other liabilities		3,873,226	3,309,786
Interest and fees payable	24.1	2,695,865	2,463,250
Other payables	24.2	1,177,361	846,536
TOTAL LIABILITIES		174,575,165	140,351,629
OWNERS' EQUITY			
Capital		11,852,342	8,104,686
Charter capital		9,810,000	8,100,000
Fund for capital expenditure		89	89
Share premium		2,042,255	4,599
Treasury shares		(2)	(2)
Reserves		453,708	465,280
Retained earnings		1,769,506	747,047
Non-controlling interests		683,550	625,630
TOTAL OWNERS' EQUITY	26.1	14,759,106	9,942,643
TOTAL LIABILITIES, OWNERS' EQUITY AND NON-CONTROLLING INTEREST		189,334,271	150,294,272

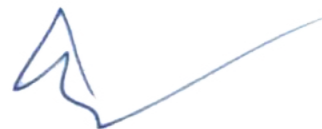
CONSOLIDATED OFF BALANCE SHEET ITEMS

	Notes	Ending balance VND million	Beginning balance VND million
Credit guarantees		9,052	9,862
Foreign exchange commitments		41,764,910	35,669,948
- Spot foreign exchange commitments – buy		3,880,370	2,942,536
- Spot foreign exchange commitments – sell		3,166,761	1,288,271
- Cross currency swap contracts		34,717,779	31,439,141
Letters of credit		1,073,114	1,046,968
Other guarantees		3,392,157	2,592,745
Total	40	46,239,233	39,319,523

Prepared by:

Reviewed by:

Approved by:





Ms. Ho Dang Hoang Quyen
Chief Accountant

Mr. Pham Van Dau
Chief Finance Officer

Mr. Nguyen Huu Dang
Chief Executive Officer

Ho Chi Minh City, Vietnam
30 March 2018

CONSOLIDATED INCOME STATEMENT

	Notes	Ending balance VND million	Beginning balance VND million
Interest and similar income	28	14,959,081	11,321,302
Interest and similar expenses	29	(8,611,781)	(6,643,222)
Net interest and similar income		6,347,300	4,678,080
Fee and commission income		268,640	167,320
Fee and commission expenses		(72,207)	(49,096)
Net fee and commission income	30	196,433	118,224
Net income from foreign currencies	31	157,437	209,284
Net income from securities held for trading	32	5,708	82,503
Net income from investment securities	33	484,895	151,159
Other operating income		299,104	195,119
Other operating expenses		(28,939)	(28,428)
Net income from other operating activities	34	270,165	166,691
Income from long-term investments	35	43,881	12,285
TOTAL OPERATING INCOME		7,505,819	5,418,226
Personnel expenses		(2,003,352)	(1,467,206)
Depreciation and amortization charges		(104,447)	(116,835)
Other operating expenses		(1,964,478)	(1,692,947)
TOTAL OPERATING EXPENSES	36	(4,072,277)	(3,276,988)
Net operating profit before provision for credit losses		3,433,542	2,141,238
Credit losses expense	13	(1,016,760)	(993,605)
PROFIT BEFORE TAX		2,416,782	1,147,633
Current corporate income tax expense	25.1	(466,302)	(226,810)
Deferred corporate income tax	25.2	3,927	(6,325)
Corporate income tax expenses		(462,375)	(233,135)
PROFIT AFTER TAX		1,954,407	914,498
Attributable to:			
Common shareholders of the Bank		1,746,487	738,132
Non-controlling interest	26.1	207,920	176,366
Basic earnings per share (VND)	27	1,966	833

Prepared by:

Reviewed by:

Approved by:





Ms. Ho Dang Hoang Quyen
Chief Accountant

Mr. Pham Van Dau
Chief Finance Officer

Mr. Nguyen Huu Dang
Chief Executive Officer

Ho Chi Minh City, Viet Nam
30 March 2018

CONSOLIDATED CASH FLOWS STATEMENT

	Notes	Current year VND million	Previous year VND million
OPERATING ACTIVITIES			
Interest and similar receipts		15,053,877	10,324,704
Interest and similar payments		(8,378,071)	(5,924,390)
Net fee and commission receipts		174,592	109,474
Net receipts from trading of securities, gold and foreign currencies		604,363	669,155
Other income		86,840	57,593
Recoveries from bad debts written-off previously	34	171,947	89,342
Payments for operating and salary expenses		(3,967,519)	(3,066,362)
Corporate income tax paid during the year	25	(493,742)	(208,178)
Net cash flows from operating profit before changes in operating assets and liabilities		3,252,287	2,051,338
Changes in operating assets			
(Increase) / decrease in due from banks		(106,000)	2,243,570
Increase in securities held for trading		(16,356,325)	(13,048,241)
Decrease in derivative financial instruments		60,772	39,044
Increase in loans and advances		(22,272,094)	(25,665,537)
Utilization of provision to write off loans, securities and long-term investments		(560,470)	(604,220)
Decrease in other assets		1,620,631	1,556,481
Changes in operating liabilities		33,974,222	39,815,673
Decrease in due to Government and State Bank of Vietnam		(21,382)	(2,310,686)
Increase in due to other banks		17,532,713	13,089,734
Increase in due to customers (including the Store Treasury)		17,237,698	28,757,052
Increase in other borrowed and entrusted funds		84,309	20,869
(Decrease) / increase in debt issued		(1,234,014)	70,014
Increase derivatives and other financial liabilities		-	9,326
Increase in other liabilities		378,498	179,898
Utilization of funds		(3,600)	(534)
Net cash flows (used in)/from operating activities		(386,977)	6,388,108

	Notes	Current year VND million	Previous year VND million
INVESTING ACTIVITIES			
Purchase of fixed assets	16	(22,219)	(272,208)
Proceeds from disposal of fixed assets		11,260	29,134
Purchase of investment properties		-	(12,769)
Proceeds from disposal of investment properties		56,566	8,662
Proceeds from investments in other entities		12,527	83,072
Dividends received from long-term investments		43,881	12,285
Net cash flows from/(used in) investing activities		102,015	(151,824)
FINANCING ACTIVITIES			
Proceeds from increase charter capital and/or issuing new shares		3,018,656	-
Proceeds from issuing long-term valuable papers and other long-term borrowing capitals		-	4,080,000
Payment for long-term valuable papers and other long-term borrowing capitals		-	(970,000)
Dividends paid to shareholders	26.3	(150,000)	(809,987)
Cash flows from financing activities		2,868,656	2,300,013
Net cash flows for the year		2,583,694	8,536,297
Cash and cash equivalents at the beginning of the year		22,605,359	14,069,062
Cash and cash equivalents at the end of the year	37	25,189,053	22,605,359

Prepared by:



Ms. Ho Dang Hoang Quyen
Chief Accountant

Ho Chi Minh, Viet Nam
30 March 2018

Reviewed by:



Mr. Pham Van Dau
Chief Finance Officer

Approved by:



Mr. Nguyen Huu Dang
Chief Executive Officer

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Ho Chi Minh City Development Joint Stock Bank ("the Bank") is a joint stock commercial bank incorporated in the Socialist Republic of Vietnam.

Establishment and Operations

The Bank was established under Decision No. 47/QĐ-UB issued by the People's Committee of Ho Chi Minh City on 11 February 1989 and Banking License No. 00019/NH-GP issued by the State Bank of Vietnam ("the SBV") on 6 June 1992.

The Bank'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 the Bank's capital resources; conducting foreign currency transactions; providing international trade finance services, discounting of commercial notes, bonds and valuable papers; settlement services and other banking services as allowed by the SBV.

Charter capital

The charter capital of the Bank as at 31 December 2017 is VND9,810 billion (as at 31 December 2016: VND8,100 billion).

Network

The Bank's Head Office is located at HD Tower, 25 Bis Nguyen Thi Minh Khai Street, District 1, Ho Chi Minh City. As at 31 December 2017, the Bank had one (1) Head Office, one (1) representative office in the North, fifty seven (57) branches, one hundred and eighty one (181) transaction offices located in cities and provinces throughout Vietnam.

Subsidiaries

As at 31 December 2017, the Bank had two (2) subsidiaries:

Subsidiary	Operating License No.	Nature of business	Ownership of the Bank
Ho Chi Minh City Development Commercial Joint Stock Bank Asset Management Company	3602376446 dated 13 September 2010 issued by the Department of Planning and Investment of Dong Nai Province, sixthly (6) amended on 13 January 2015	Assets management	100%
HD SAISON Finance Co., Ltd ("HD SAISON"), previously known as Ho Chi Minh City Development Commercial Joint Stock Bank Finance Co., Ltd	0304990133 issued by the Department of Planning and Investment on 13 July 2007, thirteenth (13) amended on 5 February 2018	Finance / Banking	50%

Employees

The Bank and its subsidiaries' total number of employees as at 31 December 2017 was 13,728 persons (as at 31 December 2016: 11,102 persons).

2. ACCOUNTING PERIOD AND ACCOUNTING CURRENCY

2.1 Fiscal year

The Bank fiscal year starts on 1 January and ends on 31 December.

2.2 Accounting currency

The consolidated financial statements are prepared in VND. For the presentation of the consolidated financial statements as at 31 December 2017, the data is rounded to millions and expressed in millions of Vietnam dong ("VND million"). This presentation does not affect the view of users of consolidated financial statements on the consolidated financial position, results of its consolidated operations and its consolidated cash flow.

3. ACCOUNTING STANDARDS AND SYSTEM

3.1 Statement of compliance

The Board of Management of the Bank confirms that the accompanying consolidated financial statements have been prepared in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System for Credit Institutions and other statutory requirements relevant to preparation and presentation of the consolidated financial statements.

3.2 Basis of preparation

The consolidated financial statements of the Bank and its subsidiaries have been prepared in accordance with the Accounting System applicable to Credit Institutions required under Decision No. 479/2004/QĐ-NHNN issued on 29 April 2004 and Circular No. 10/2014/TT-NHNN dated 20 March 2014 amending and supplementing Decision No. 479/2004/QĐ-NHNN, Decision No. 16/2007/QĐ-NHNN dated 18 April 2007, Circular No. 49/2014/TT-NHNN amending and supplementing a number of articles of Decision No. 16/2007/QĐ-NHNN issued by the State Bank of Vietnam and Vietnamese Accounting Standards issued by the Ministry of Finance:

- » Decision No. 149/2001/QĐ-BTC dated 31 December 2001 on the Issuance and Promulgation of Four Vietnamese Standards on Accounting (series 1);
- » Decision No. 165/2002/QĐ-BTC dated 31 December 2002 on the Issuance and Promulgation of Six Vietnamese Standards on Accounting (series 2);
- » Decision No. 234/2003/QĐ-BTC dated 30 December 2003 on the Issuance and Promulgation of Six Vietnamese Standards on Accounting (series 3);
- » Decision No. 12/2005/QĐ-BTC dated 15 February 2005 on the Issuance and Promulgation of Six Vietnamese Standards on Accounting (series 4); and
- » Decision No. 100/2005/QĐ-BTC dated 28 December 2005 on the Issuance and Promulgation of Four Vietnamese Standards on accounting (series 5).

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

Items which are not presented in the consolidated financial statements in accordance with Decision No. 16/2007/QĐ-NHNN dated 18 April 2007 and Circular No. 49/2014/TT-NHNN dated 31 December 2014 issued by the State Bank of Vietnam indicate have nil balance.

3. ACCOUNTING STANDARDS AND SYSTEM (continued)

3.3 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Bank and its subsidiaries for the financial period ended at 31 December 2017. The financial statements of the subsidiaries are prepared for the same reporting period as the parent bank, using consistent accounting policies.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Bank obtains control, and continued to be consolidated until the date that such control ceases.

All intra-company balances, income and expenses and unrealized gains or losses resulting from intra-company transactions are eliminated in full.

Non-controlling interests represent the portion of profit or loss and net assets not held by the Bank and are presented separately in the consolidated income statement and within equity in the consolidated balance sheet.

3.4 Assumptions and uses of estimates

The preparation of the consolidated financial statements requires the Board of Management of the Bank to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities. These estimates and assumptions also affect the income, expenses and the resultant provisions. Such estimates are necessarily based on assumptions involving varying degrees of subjectivity and uncertainty and actual results may differ resulting in future changes in such provision.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Changes in accounting policies and disclosures

The accounting policies adopted by the Bank and its subsidiaries in preparation of the consolidated financial statements are consistent with those followed in the preparation of the Bank and its subsidiaries' consolidated financial statements for the year ended 31 December 2016, except for the following change in the accounting policies:

Decree No. 93/2017/ND-CP on financial regime applicable to credit institutions, foreign bank branches and financial supervision and evaluation of efficiency of State capital investment at wholly State owned credit institutions and State-invested credit institutions

On 7 August 2017, the Government promulgated Decree No. 93/2017/ND-CP ("Decree 93") on the financial regime applicable to credit institutions, foreign bank branches, and financial supervision and efficiency evaluation of State capital investment in wholly State-owned credit institutions and State-invested credit institutions.

Decree 93 replaces Decree No. 57/2012/ND-CP dated 20 July 2012 of the Government, and takes effect on 25 September 2017, except for regulations on the efficiency evaluation of State investment in joint-stock credit institutions with over 50% of charter capital owned by the Government.

Decree 93 supplements, amends the regulations on capital adequacy, income, expenses, accounting currency and the distribution order of profit after corporate income tax.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.1 Changes in accounting policies and disclosures (continued)

Circular No. 39/2016/TT-NHNN on lending activities to customers of credit institutions and foreign bank branches

On 30 December 2016, the SBV issued Circular No. 39/2016/TT-NHNN on lending activities to customers of credit institutions and foreign bank branches, which has taken effect from 15 March 2017.

4.2 Accounting policies issued but not yet effective

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

The main changes in Circular 22 are as follows:

- » Amending and supplementing the guidance 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 guidance on the accounting treatment for some accounts in the Chart of account system applicable to credit institutions; and
- » Amending and supplementing the guidance on the Financial reporting regime applicable to credit institutions.

Circular 22 will take effect on 1 April 2018.

4.3 Cash and cash equivalents

Cash and cash equivalents comprises cash on hand current accounts at the SBV, due from bank on demand or with an original maturity of three months or less from the transaction date, securities with maturity of three months or less from date of purchase, which can be converted into a known amount of cash and do not bear the liquidity risk.

4.4 Due from other banks

Deposits and borrowings from other credit institutions are presented at the principal amounts outstanding at the end of the financial year.

The classification of due from other banks and the corresponding provision for credit losses is made in accordance with Circular No. 02/2013/TT-NHNN issued by the State Bank of Vietnam dated 21 January 2013 providing guidance on the classification of assets and provision for credit losses of credit institutions and foreign bank branches ("Circular 02") and Circular 09/2014/TT-NHNN issued by the SBV dated 18 March 2014 amending and supplementing some articles of Circular 02 ("Circular 09").

Accordingly, the Bank and its subsidiaries recognize specific provisions for due from other banks (except for demand deposits) in accordance with the policies as described in Note 4.7.

According to Circular 02, the Bank is not required to record general provision for due from other banks.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.5 Purchased debts

Purchased debts are recognized at purchasing price on the contract and classified into the debt category not lower than those at purchase date. If the interest receipt thereafter includes the accrued interest before purchase date, the interest recognition is made as follows: (i) reduction of the accrued interest in purchased debts balance; (ii) the interest income in the year for the amount incurred after the purchase date.

The Bank and its subsidiaries classify purchased debt and make credit provision in accordance with the policies as described in Note 4.7.

4.6 Loans and advances

Loans to customers are disclosed and presented at the principal amounts outstanding at the end of the financial period.

Short-term loans are loans with term of less than one year from the date of disbursement. Medium-term loans have term of one to five years and long-term loans are loans with term of over 5 years from the date of disbursement.

The classification of loans and advances and provision for credit losses is recognized in accordance with Circular 02 and Circular 09 as described in Note 4.7.

4.7 Loan classification and provision for credit losses applied to placement with and loans to other credit institutions, unlisted corporate bonds purchased and trusted for purchase by the Bank, loans to customers granted and trusted for grant by the Bank and other credit risk bearing assets

The classification of due from other banks, direct and entrusted investments in unlisted corporate bond, and loans to customers and entrustments for credit granting (collectively called "debts") is recognized on the basis of quantitative method as prescribed in Article 10 of Circular 02/2013/TT-NHNN ("Circular 02").

Specific provision as at 31 December 2017 is calculated using the principal balance less discounted value of collaterals multiplied by provision rates which are determined based on the debt classification results as at 30 November 2017. The specific provision rates for each group are presented as follows:

Group	Description	Provision rate
1	Current (a) Current debts are assessed as fully and timely recoverable for both principals and interests; or (b) Debts are overdue for a period of less than 10 days and assessed as fully recoverable for both overdue principals and interests, and fully and timely recoverable for both remaining principals and interests.	0%
2	Special Mention (a) Debts are overdue for a period of between 10 days and 90 days; or (b) Debts of which the repayment terms are restructured for the first time.	5%

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.7 Loan classification and provision for credit losses applied to placement with and loans to other credit institutions, unlisted corporate bonds purchased and trusted for purchase by the Bank, loans to customers granted and trusted for grant by the Bank and other credit risk bearing assets (continued)

Group	Description	Provision rate
3	Sub - Standard (a) Debts are overdue for a period of between 91 days and 180 days; or (b) Debts of which the repayment terms are extended for the first time; or (c) Debts of which interests are exempted or reduced because customers do not have sufficient capability to pay all interests under credit contracts; or (d) Debts under one of the following cases which have not been recovered in less than 30 days from the date of the recovery decision: • Debts made in compliance with Clauses 1, 3, 4, 5, 6 Article 126 of the Law on Credit Institutions; or • Debts made in compliance with Clauses 1, 2, 3, 4 Article 127 of the Law on Credit Institutions; or • Debts made in compliance with Clauses 1, 2 and 5 of Article 128 of the Law on Credit Institutions. (e) Debts are required to be recovered according to regulatory inspection conclusions.	20%
4	Doubtful (a) Debts are overdue for a period of between 181 days and 360 days; or (b) Debts of which the repayment terms are restructured for the first time but still overdue for a period of less than 90 days under that restructured repayment term; or (c) Debts of which the repayment terms are restructured for the second time; or (d) Debts are specified in point (d) of Loan group 3 and overdue for a period of between 30 days and 60 days after decisions of recovery have been issued; or (e) Debts are required to be recovered according to regulatory inspection conclusions but still outstanding with an overdue period up to 60 days since the recovery date as required by regulatory inspection conclusions.	50%
5	Loss (a) Debts are overdue for a period of more than 360 days; or (b) Debts of which the repayment terms are restructured for the first time but still overdue for a period of 90 days or more under that first restructured repayment term; or (c) Debts of which the repayment terms are restructured for the second time but still overdue under that second restructured repayment term; or (d) Debts of which the repayment terms are restructured for the third time or more, regardless of being overdue or not; or (e) Debts are specified in point (d) of Loan group 3 and overdue for a period of more than 60 days after decisions on recovery have been issued; or (f) Debts are required to be recovered under regulatory inspection conclusions but still outstanding with an overdue period of more than 60 days since the recovery date as required by regulatory inspection conclusions; or (g) Debts of credit institutions under special control as announced by the SBV, or debts of foreign bank branches whose capital and assets are blocked.	100%

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.7 Loan classification and provision for credit losses applied to placement with and loans to other credit institutions, unlisted corporate bonds purchased and trusted for purchase by the Bank, loans to customers granted and trusted for grant by the Bank and other credit risk bearing assets (continued)

If a customer has more than one debt with the Bank and its subsidiaries and any of the outstanding debts is classified into a higher risk group, the entire remaining debts of such customer should be classified into the corresponding higher risk group.

If a customer is classified into debt group with lower risk than debt group in CIC list, the Bank must adjust the debt classification results according to CIC list. The basis for determination of the value and discounted value for each type of collaterals is specified in Circular 02.

As at 31 December 2017, the Bank and its subsidiaries are also required to record a general provision at 0.75% of total outstanding debts as at 30 November 2017 excluding due from other banks and loans classified as loss.

4.8 Loans sold to Vietnam Asset Management Company ("VAMC")

The Bank sell loans to VAMC at the carrying amount in accordance with Decree No. 53/2013/ND-CP effective from 9 July 2013 on "Establishment, structure and operations of Vietnam Asset Management Company, Circular No. 19/2013/TT-NHNN "Regulations on purchasing, selling and writing-off of bad debts of Vietnam Asset Management Company, Circular No. 14/2015/TT-NHNN and Circular No 08/2016/TT-NHNN amend and supplement Circular 19/2013/TT-NHNN and Official Letter No. 8499/NHNN-TCKT on "Accounting guidance on selling and purchasing of bad debts between VAMC and credit institutions". Accordingly, selling price equals to the outstanding loan balance minus (-) unused balance of specific provision. The bank then receives the special bonds issued by VAMC.

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

4.9 Business combination and goodwill

Business combinations are accounted for using the purchase method. The cost of a business combination is measured as the fair value of assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange plus any costs directly attributable to the business combination. Identifiable assets and liabilities and contingent liabilities assumed in a business combination are measured initially at fair values at the date of business combination.

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost the business combination over the Bank and its subsidiaries' interest in the net fair value of the acquirer's identifiable assets, liabilities and contingent liabilities. After initial recognition, goodwill is measured at cost less any accumulated amortization. Goodwill is amortized within 10-year period on a straight-line basis.

4.10 Securities held for trading

4.10.1 Classification and recognition

Trading securities include debt securities purchased for trading purposes. Trading securities are initially recognized at cost on transaction date.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.10.2 Measurement

Listed debt securities held for trading are recognized at cost less provision for diminution in value of securities, which is based on the yield quoted on the Hanoi Securities Exchange as at the balance sheet date.

Provision for credit losses on 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 and Circular 09 as described in Note 4.7.

Equity securities held for trading are recognized at cost at trading date and during holding period. Impairment review on a periodical basis. Provision for diminution in value of securities is made when the carrying value is higher than the market value in compliance with Circular No. 228/2009/TT-BTC issued by the Ministry of Finance on 7 December 2009. In case market prices of securities are not available or cannot be determined reliably, no provision is calculated.

Provision for securities held for trading which is mentioned above is reversed when the recoverable amount of securities held for trading increases after the provision is made as a result of an objective event. Provision is reversed up to the gross value of these securities before the provision is made.

Gains or losses from sales of trading securities are recognized in the consolidated income statement.

Interest and dividends derived from securities held for trading are recognized on cash basis in the consolidated income statement.

4.10.3 De-recognition

Trading securities are derecognized when the rights to receive cash flows from these securities are terminated or the Bank transfers substantially all the risks and rewards of ownership of these securities.

4.11 Available-for-sale securities

4.11.1 Classification and recognition

Available-for-sale securities include debt and equity securities that are acquired by the Bank and its subsidiaries 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 and its subsidiaries are also neither the founding shareholder nor the strategic partner and do not have the ability to make certain influence in 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.

Available-for-sale equity securities are initially recognized at cost at the purchase date and continuously presented at cost in subsequent periods.

Available-for-sale debt securities are recognized at par value at the purchase date. Accrued interest (for debt securities with interest payment in arrears) and deferred interest (for debt securities with interest payment in advance) is recognized in a separate account. Discount/premium, which is the difference between the cost and the amount being the par value plus (+) accrued interest (if any) or minus (-) deferred interest (if any) is also recognized in a separate account.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.11 Available for sale securities (continued)

4.11.1 Classification and recognition (continued)

In subsequent periods, these securities are continuously recorded at par value, and the discount/premium (if any) is amortized to the consolidated income statement on a straight-line basis over the remaining term of securities. Interest received in arrears is recorded as follows: Cumulative interest incurred before the purchasing date is recorded as a decrease in the accrued interest; cumulative interest incurred after the purchasing date is recognized as income based on the accumulated method. Interest received in advance is amortized into the securities investment interest income on a straight-line basis over the term of securities investment.

4.11.2 Measurement

Available-for-sale securities are subject to impairment review on a periodical basis.

Provision for diminution in value of securities is made when the carrying value is higher than the market value in compliance with Circular No. 228/2009/TT-BTC. In case market prices of securities are not available or cannot be determined reliably, no provision is calculated. Provision is recognized in the "Net gain/ (loss) from investment securities" account of the consolidated income statement

Listed debt securities are recognized at cost less provision for diminution in value of securities determined based on the rates of return listed on the Hanoi Stock Exchange as at the balance sheet date.

Provision for credit losses on 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 and Circular 09 as described in Note 4.7.

4.12 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 recognized at face value at the date of transaction and subsequently carried at the face value during the holding period. Face value of the bonds equals to the outstanding balance of the debts sold less their unused specific allowance.

During the holding period, the Bank annually calculate and make allowance in accordance with Circular No. 14/2015/TT-NHNN dated 28 August 2015 amending and supplementing some articles of Circular No. 19/2013/TT-NHNN which stimulates the purchase, sale and write-off bad debts of VAMC.

As required by Circular No. 14/2015/TT-NHNN, each year within five consecutive working days prior to the maturity date of special bonds, the Bank is obliged to fully make specific provision 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 (m^{th} year).

On settlement date of special bonds, interest occurred from debts collection shall be recognized into "Interest and similar income".

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

Specific provision for each special bond is recognized in the consolidated income statement in "Provision expense for credit losses"

Specific provision for each special bond is recognized in the interim consolidated income statement for the financial year from 1 January 2017 to 31 December 2017 in "Provision expense for credit loss". General provision is not required for the special bonds.

Other held-to-maturity securities

Held-to-maturity securities are debt securities purchased by the Bank and its subsidiaries for the investment purpose of earning dividend and the Bank and its subsidiaries has the capability and intention to hold these investments until maturity. Held-to-maturity securities have the determined value and maturity date. In case the securities are sold before the maturity date, these securities will be reclassified to securities held for trading or available-for-sale securities.

Debt securities are recognized and measured similarly as available-for-sale securities at Note 4.11.

4.13 Repurchase and reverse repurchase agreements

Securities sold under the agreements to be repurchased at a specified future date ("repos") are not derecognized from the consolidated financial statements. The corresponding cash received is recognized in the consolidated balance sheet as a liability. The difference between the sale price and repurchase price is recognized to the consolidated income statement using contract interest rate.

Securities purchased under agreements to resell at a specified future date ("reverse repos") are not recognized in the consolidated financial statements. The corresponding cash payment is recognized in the consolidated balance sheet as an asset. The difference between the purchasing price and reselling price is recognized to the consolidated income statement using contract interest rate.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.14 Other long-term investments

Other long-term investments represent investments in other entities in which the Bank holds less than or equal to 11% of voting rights. These investments are initially recorded at cost at the investment date.

For securities which are not listed but are registered for trading on unlisted public company market (UpCom), provision for diminution in value is made when their registered price for trading is lower than the carrying value of the securities at the end of accounting period.

In other cases, provision for diminution in the value of investment is made when the investee suffers loss, except that such loss had been forecasted in the investee's business plan before the investment was made. Provision for diminution in the value of investment is made using the below formula:

$$\text{Provision for diminution in value of each investment} = \left(\text{Total invested amount of all parties in the entity} - \text{Owners' equity of the entity} \right) \times \frac{\text{Invested amount of each party}}{\text{Total invested amount of all parties in the entity}}$$

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.

4.15 Fixed assets

Fixed assets are stated at cost less accumulated depreciation or accumulated amortization.

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 additions, improvements and renewals are added to the carrying amount of the assets and other expenditures are charged to the consolidated income statement as incurred.

When fixed assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the consolidated income statement.

4.16 Leased assets

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset.

A lease is classified as a finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the asset to the lessee. All other leases are classified as operating leases.

Rentals under operating leases are charged to the consolidated income statement on a straight-line basis over the lease term.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.17 Investment properties

Investment properties are stated at cost including transaction costs less accumulated depreciation and/or amortisation.

Subsequent expenditure relating to an investment property that has already been recognized is added to the net book value of the investment property when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing investment property, will flow to the Bank and its subsidiaries.

Depreciation of investment properties are calculated on a straight-line basis over the estimated useful life of the assets as follows:

Building 10 - 40 years

Investment properties are derecognised when either they have been disposed of or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the assets is recognised in the consolidated income statement in the year of retirement or disposal.

Transfers are made to investment properties when, and only when, there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development. Transfers are made from investment properties when, and only when, there is change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale. When reclassifying investment properties to fixed assets, the cost and the net book value of the fixed assets at reclassified date.

4.18 Depreciation and amortization

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

Buildings and structures	5 - 50 years
Machinery and equipment	7 - 14 years
Vehicles	6 - 10 years
Office equipment	3 - 10 years
Other tangible assets	4 - 10 years
Land use rights	6 - 49 years
Computer software	3 - 8 years

The land use rights of the Bank with indefinite term are not amortized. The land use rights with definite term are amortized over the term of use.

4.19 Receivables

4.19.1 Receivables classified as credit-risk assets

Receivables classified as credit-risk assets are recognized at cost. Doubtful receivables are classified and provisions are recognized by the Bank in accordance with the regulations on recognition and use of provision as presented in Note 4.7.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**4.19 Receivables (continued)****4.19.2 Other receivables**

Receivables other than receivables from credit activities in the Bank's operations are recognized at cost.

Provision for receivables is determined based on the overdue status of debts or expected loss of current debts in case the debts are not due for payment yet but the corporate debtors have fallen into bankruptcy or are in the process of dissolution, or of individual debtors are missing, escaped, prosecuted, on trial or deceased. Provision expense incurred is recorded to "Other operating expenses" of the income statement during the year.

Provision for overdue debts is made in accordance with the guidance of Circular No. 228/2009/TT-BTC as follows:

Overdue period	Provision rate
From over six months up to one year	30%
From one year up to under two years	50%
From two years up to under three years	70%
From three years and above	100%

4.20 Prepaid expenses

Prepaid expenses include short-term and long-term prepaid expenses on consolidated balance sheet which are amortized over the year for which the amount is paid or the year in which economic benefit is generated in relation to these expenses.

4.21 Due to other banks, due to customers and valuable papers issued

Due to other banks, due to customers and debts issued are presented at the principal amounts outstanding at the end of financial year.

4.22 Payables and accruals

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

4.23 Fiduciary assets

Assets in entrusted assets management of the Bank and its subsidiaries are not recognized as the Bank and its subsidiaries' assets hence will not be included in the consolidated financial statements.

4.24 Loan classification for off-balance-sheet commitments

Off-balance sheet commitments include guarantees, payment acceptances, loan commitments which are irrevocable, unconditional and have the specific time of execution.

Classification for off-balance sheet commitments is only used to monitor the credit quality. Accordingly, commitments and contingent liabilities are classified for management, credit quality monitoring purposes as described in Note 4.7.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**4.25 Derivatives**

The Bank involve in currency forward contracts and currency swap contracts to facilitate customers to transfer, modify or minimize foreign exchange risk or other market risks, and also for the business purpose of the Bank and its subsidiaries.

Currency forward contracts

The currency forward contracts are commitments to settle in cash on a pre-determined future date based on the difference between pre-determined exchange rates, calculated on the notional amount. The currency forward contracts are recognized at nominal value at the transaction date and are revalued for the reporting purpose at the exchange rate at the reporting date. Gains or losses realized or unrealized are recognized in the "Foreign exchange differences" under "Owners' equity" in the consolidated balance sheet and will be transferred to the consolidated income statement at the end of the financial year.

Swap contracts

The swap contracts are commitments to settle in cash on a pre-determined future date based on the difference between pre-determined exchange rates calculated on the notional principal amount or commitments to settle interest based on a floating rate or a fixed rate calculated on the notional amount and in a given period. The difference between spot rate and forward rate are recorded at contract date as assets or liabilities and are amortized to the consolidated income statement on straight-line basis over the contract period.

4.26 Capital**4.26.1 Ordinary shares**

Ordinary shares are classified as equity.

4.26.2 Share premium

The Bank and its subsidiaries record the difference between the par value and issued price of shares if the issued price is higher than par value, and the difference between price of repurchasing of treasury stocks and the re-issue price of treasury stocks to share premium account. The expense related to issue shares will be recorded as the share premium deductible.

4.26.3 Treasury shares

Own equity instruments which are reacquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in profit or loss upon purchase, sale, issue or cancellation of the Bank and its subsidiaries' own equity instruments.

4.26.4 Funds and reserves

The Bank has set up the following reserves in accordance with the Law on Credit Institutions No. 47/2010 / QH12 and Decree No. 93/2017/ ND-CP and the Bank's Charter as follows:

	% of profit after tax	Maximum rate
Capital supplementary reserve	5,00% profit after tax	100.00% chartered capital
Financial reserve	10,00% profit after tax	Not specified

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**4.26 Capital (continued)****4.26.4 Funds and reserves (continued)**

Other funds will be allocated from profit after tax. The allocation from profit after tax and utilization of funds must be approved by the Annual General Meeting of Shareholder. These reserves are not regulated by statutory and allowed to be fully allocated.

The Bank will made reserves based on separate results of its operation at the end of financial year.

Reserves of Ho Chi Minh City Development Commercial Joint Stock Bank Asset Management Company According to Circular No. 27/2002/TT-BTC dated 22 March 2002, retained earning allocation, making appropriation of profit to reserves and reserves utilization of the Company is implemented in accordance with regulations applied to the Bank established the Company.

Reserves of HD SAISON Finance Co., Ltd

According to Decree No. 93/2017/ND-CP dated 7 August 2017 replaces Decree No. 57/2012/ND-CP date 20 July 2012, the Company is required to make appropriation of profit to reserves in similar way to the Bank.

4.27 Recognition of income and expenses**Interest income and expenses**

Interest income and interest expenses are recognized in the consolidated income statement on accrual basis. The recognition of accrued interest income is suspended when a loan is classified in Groups 2 to 5 in accordance with Circular 02 and Circular 09. Suspended interest income is reversed and monitored off-balance sheet and recognized in the consolidated income statement upon actual receipt.

The Bank has signed contracts to sell some securities on credit term. Accordingly, the buyer is subject to interest payment for the grace period in the contract. The interest rates are specified in the contracts and contract addendum. The interest of these contract are recognized on cash basis (Note 18 & Note 28).

Fees and commissions

Fees and commissions are recognized on accrued basis.

Income from investment

Income from securities investment is recognized on the difference between the selling price and cost of the securities sold.

Cash dividends from equity investment are recognized in the consolidated income statement when the Bank and its subsidiaries' right to receive the payment are established. For stock dividends and bonus shares, the number of shares is just updated and no dividend income is recognized in the consolidated income statement.

Income and expense from sale of debts

Income and expenses from the sale of debts are recognized in accordance with Decision No. 09/2015/TT-NHNN issued by the SBV promulgating regulations on sale and purchase of debts by credit institutions.

According to Circular No. 09/2015/TT-NHNN, the difference between the prices of debts purchased or sold and their book value is recorded as follows:

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**4.27 Recognition of income and expenses (continued)****Income and expense from sale of debts (continued)**

- » 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 and its subsidiaries;
 - 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 recognized as expense previously. The remaining balance (if any) shall be recognized as an operating expense of the Bank and its subsidiaries in the year.

- » For debts written off and monitored off balance sheet, the proceeds from sale of debts shall be recognized as other income of the Bank and its subsidiaries.

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 the off consolidated 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 and sale price is the sum of money to be paid by a debt purchaser to a debt seller under a debt purchase and sale contract.

Other income

Other revenues are recognized on a cash basis.

4.28 Corporate income tax**Current corporate income tax**

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from (or paid to) the taxation authorities. The tax rates and tax laws used to compute the amount are those that are effective as at the consolidated balance sheet date.

Current income tax is charged or credited to the consolidated income statement, except when it relates to items recognized directly to equity, in which case the current income tax is also dealt with in equity.

Current income tax assets and liabilities are offset when there is a legally enforceable right for the Bank and its subsidiaries to set off current tax assets against current tax liabilities and when the Bank and its subsidiaries intends to settle its current tax assets and liabilities on a net basis.

The tax returns 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, amounts reported in the consolidated financial statements could be changed at a later date upon final determination by the tax authorities.

Deferred tax

Deferred tax is provided for temporary differences at the consolidated balance sheet date between the tax base of assets and liabilities and their carrying amount recorded in consolidated financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- » Deferred tax liabilities is recognised as initial recording of assets or loans in a transaction that does not have an effect on the profit and loss of the taxable profit (loss) at the time of transaction.
- » The temporary taxable differences is associated with subsidiaries, joint ventures and other investments that the Bank is able to control the revert of the temporary differences and determined the possibility of reverted differences in the future.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.28 Corporate income tax (continued)

Deferred tax (continued)

Deferred tax assets are recognised for all deductible temporary differences, carried forward unused tax credit and unused tax losses, to the extent that it is probable that taxable profit will be available against which deductible temporary differences, carried forward unused tax credit and unused tax losses can be utilised, except:

- » where the deferred tax asset in respect of deductible temporary difference which arises from the initial recognition of an asset or liability which at the time of the related transaction, affects neither the accounting profit nor taxable profit or loss.
- » in respect of deductible temporarily differences associated with investments in subsidiaries, associates, and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Previously unrecognised deferred tax assets are re-assessed at each consolidated balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled based on tax rates and tax laws that have been enacted at the consolidated balance sheet date.

Deferred tax is charged or credited to the consolidated income statement, except when it relates to items recognised directly to equity, in which case the deferred tax is also dealt with in the equity account.

4.29 Foreign currency transactions

All transactions are recorded in original currencies. Monetary assets and liabilities denominated in foreign currencies are translated into VND using exchange rates ruling at the consolidated balance sheet date (Note 50). Income and expenses arising in foreign currencies during the year are converted into VND at rates ruling at the transaction dates. Foreign exchange differences arising from the translation of monetary assets and liabilities are recognized and followed in the "Foreign exchange differences" under "Owners' equity" in the consolidated balance sheet and will be transferred to the consolidated income statement at the end of the financial year.

4.30 Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if, and only if, there is a currently enforceable legal right to offset financial assets against financial liabilities or vice-versa, and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.31 Employee benefits

4.31.1 Post-employment benefits

Post-employment benefits are paid to retired employees of the Bank and its subsidiaries by the Social Insurance Agency, which belongs to the Ministry of Labor, 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 18% (until 31 May 2017) and 17.5% (from 1 June 2017) of an employee's basic salary on a monthly basis. Besides, the Bank and its subsidiaries have no further obligation of post-employee benefits, except obligation of contributing monthly Social Insurance.

4.31.2 Voluntary resignation benefits

The Bank and its subsidiaries have the obligation, under Article 48 of the Labor Code No.10/2012/QH13 effective on 1 May 2013, to pay allowance arising from voluntary resignation of employees, equal to one-half month's salary for each year of employment up to 31 December 2008 plus salary allowances (if any). The average monthly salary used in this calculation is the average monthly salary of the latest six-month period up to the resignation date. From 01 January 2009, the average salary per month is calculated for the severance allowance is based on the nearest six-months average salary counted to the resignation date.

4.31.3 Unemployment insurance

According to the current regulations on unemployment insurance from 1 January 2009, the Bank and its subsidiaries are obliged to pay unemployment insurance at 1% of its salary fund used to pay for unemployment insurance and deduct 1% of salary of each employee to pay simultaneously to the Unemployment Insurance Fund.

5. BUSINESS COMBINATION

On 30 October 2013, the Bank acquired 100% equity interest of Ho Chi Minh City Development Joint Stock Bank Finance Co., Ltd. (HDFinance) (previously known as Société Générale Vietnam Finance Company Limited) according to the Resolution of the Annual General Meeting dated 26 April 2013 and Decision No. 2532/QĐ-NHNN issued by the State Bank of Vietnam. Total business combination cost amounting to VND629,376 million was paid in cash in 2015. Goodwill originated from the acquisition is VND115,251 million and amortized over ten (10) years.

In 2014, the Bank transferred 49% equity interest in HDFinance to Credit Saison Company and renamed to HD SAISON Finance Limited ("HD SAISON"). In May 2015, the Bank completed its divestment of 1% equity interest in HD SAISON to a domestic investor at the price of VND17,000 million and recognized a net gain amounting to VND9,604 million. The goodwill was reduced accordingly.

The movement of goodwill during the year is as follows:

	Current year VND million	Previous year VND million
Total Goodwill	115,251	115,251
Amortization period (year)	10	10
Accumulative amortization of Goodwill at the beginning of the year	(75,874)	(70,111)
Carrying amount of Goodwill at the beginning of the year	39,377	45,140
Decrease during the year	(5,763)	(5,763)
Goodwill amortization for the year (Note 34)	(5,763)	(5,763)
Net book value of Goodwill at the end of the year	33,614	39,377

6. CASH AND GOLD

	Ending balance VND million	Beginning balance VND million
Cash on hand in VND	903,430	674,017
Cash on hand in foreign currencies	585,469	952,494
Monetary gold	22,730	9,499
	1,511,629	1,636,010

7. BALANCES WITH THE STATE BANK OF VIETNAM

	Ending balance VND million	Beginning balance VND million
In VND	1,522,560	2,111,550
In USD	99,696	27,752
Blocked deposit	300,000	250,000
	1,922,256	2,389,302

Balances with the State Bank of Vietnam include settlement and compulsory reserve. The average balances of the Bank with the State Bank of Vietnam is no less than the compulsory reserve in the month. The compulsory reserve is calculated by multiplying previous month average deposit balances by compulsory reserve rates.

The compulsory deposit rates are as follows:

	31 December 2017 % p.a.	31 December 2016 % p.a.
Customers		
Demand deposits and term deposits with maturity term less than 12 months in VND	3.00	3.00
Term deposits with maturity term from 12 months and above in VND	1.00	1.00
Demand deposits and term deposits with maturity term less than 12 months in foreign currencies	8.00	8.00
Term deposits with maturity term from 12 months and above in foreign currencies	6.00	6.00
Foreign credit institution		
Foreign deposit	1.00	1.00

8. DUE FROM BANKS

8.1 Placements with other banks

	Ending balance VND million	Beginning balance VND million
Demand deposits	12,928,307	12,935,314
- In VND	5,186,600	4,738,561
- In foreign currencies	7,741,707	8,196,753
Term deposits	6,722,300	3,036,000
- In VND	5,915,000	3,036,000
- In foreign currencies	807,300	-
	19,650,607	15,971,314

Changes in provision for deposits at other banks during the year are as follows:

	Current year VND million	Previous year VND million
Beginning balance	-	103,620
Reversal during the year (Note 36)	-	(450)
Provision used for credit risks	-	(103,170)
Ending balance	-	-

Interest rates per annum of deposits at other banks at the year-end are as follows:

	Ending balance % p.a.	Beginning balance % p.a.
In VND	1.30 – 5.00	4.20 – 5.40
In foreign currencies	1.50 – 1.60	0.00

8.2 Loans to other banks

	Ending balance VND million	Beginning balance VND million
Current		
- In VND	2,210,561	2,309,586
In which: discounted and rediscounted loan	904,561	624,586
- In foreign currencies	-	299,147
	2,210,561	2,608,733

Interest rates per annum of loans to other banks at the year-end are as follows:

	Ending balance % p.a.	Beginning balance % p.a.
In VND	1.70 – 5.00	4.20 – 4.90
In foreign currencies	Not applicable	1.50

9. SECURITIES HELD FOR TRADING

	Ending balance VND million	Beginning balance VND million
Debt securities		
Government bonds, local authorities	3,893,398	-
Unlisted debt securities issued by other credit institutions	400,000	-
Unlisted debt securities issued by other domestic economic entities	400,000	400,000
Provision for credit loss of securities held for trading		
General provision	(3,000)	(3,063)
	4,690,398	396,937

The details of securities held for trading as at 31 December 2017 and as at 31 December 2016 as follows:

	Ending balance		Beginning balance	
	Par value VND million	Carrying value VND million	Par value VND million	Carrying value VND million
Government bonds, local authorities	3,650,000	3,893,398	-	-
Debt securities issued by other credit institutions				
Home Credit Vietnam Co., Ltd	400,000	400,000	-	-
Debt securities issued by domestic economic entities – Unlisted				
Viet Han trading, advertising, Construction and real estate Co., Ltd	400,000	400,000	400,000	400,000
		4,693,398		400,000

Debt securities issued by domestic economic entities above are classified as current loan group.

Changes in provision for deposits other credit institutions during the year are as follows:

	Current year VND million	Previous year VND million
Beginning balance	3,063	6,922
Reversal in the year (Note 32)	(63)	(3,859)
Ending balance	3,000	3,063

10. DERIVATIVES FINANCIAL INSTRUMENTS

	Total contract value (using exchange rate at the contract date) VND million	Total carrying value (using exchange rate at reporting date)	
		Assets VND million	Liabilities VND million
Currency derivatives as at 31 December 2017			
Forward contracts	3,000,000	-	12,048
Swap contracts	17,369,172	-	58,050
Total	20,369,172	-	70,098
Net amount			70,098
Currency derivatives as at 31 December 2016			
Forward contracts	3,245,203	-	2,747
Swap contracts	16,069,782	13,942	20,521
Total	19,314,985	13,942	23,268
Net amount			9,326

11. LOANS AND ADVANCES TO CUSTOMERS

	Ending balance VND million	Beginning balance VND million
Loans to local economic entities and individuals	100,686,906	78,850,738
Loans for discounted commercial notes and valuable papers	1,491,581	3,059,047
Overdraft and loans to credit card holders	2,298,173	294,007
Loans to foreign economic entities and individuals	20,368	20,580
	104,497,028	82,224,372

11.1 Analysis of loans by quality

	Ending balance VND million	Beginning balance VND million
Current	101,103,362	79,734,077
Special mention	1,810,425	1,291,514
Substandard	513,992	376,621
Doubtful	548,566	460,699
Loss	520,683	361,461
	104,497,028	82,224,372

11. LOANS AND ADVANCES TO CUSTOMERS (continued)**11.2 Analysis of loans by original terms**

	Ending balance VND million	Beginning balance VND million
Short-term loans	56,070,884	34,052,485
Medium-term loans	24,238,532	29,487,894
Long-term loans	24,187,612	18,683,993
	104,497,028	82,224,372

11.3 Analysis of loans by type of customers and ownership

	Ending balance		Beginning balance	
	VND million	%	VND million	%
Corporate loans	57,112,230	54.65	45,494,950	55.33
Joint-stock companies	29,966,935	28.67	26,970,387	32.81
Limited liability companies	22,117,947	21.17	13,072,900	15.90
State limited liability companies	1,860,979	1.78	1,979,449	2.41
Other State-owned enterprises	1,516,054	1.45	513,032	0.62
Family household business	946,070	0.91	1,276,613	1.55
State-owned Joint – stock companies	442,218	0.42	408,783	0.50
Private companies	184,496	0.18	883,170	1.07
Co-operatives	14,674	0.01	23,708	0.03
Others	62,857	0.06	366,908	0.44
Individual loans	47,384,798	45.35	36,729,422	44.67
	104,497,028	100.00	82,224,372	100.00

11.4 Analysis of loans by currency

	Ending balance		Beginning balance	
	VND million	%	VND million	%
In VND	97,056,786	92.88	77,665,512	94.46
In foreign currency	7,440,242	7.12	4,558,860	5.54
	104,497,028	100.00	82,224,372	100.00

11. LOANS AND ADVANCES TO CUSTOMERS (continued)**11.5 Analysis of loans by sectors**

	Ending balance		Beginning balance	
	VND million	%	VND million	%
Household work, production and consumer services	41,188,784	39.42	36,063,574	43.86
Constructions	11,673,478	11.17	9,059,197	11.02
Real estate business	6,836,437	6.54	4,679,177	5.69
Agricultural, forestry and aquaculture	6,176,009	5.91	4,387,144	5.34
Hotel and restaurant	5,665,539	5.42	4,534,253	5.51
Processing industry	6,607,808	6.32	4,571,492	5.56
Electricity, gas and water supply/distribution	3,112,468	2.98	2,608,913	3.17
Wholesale and retail trade, repair of motor vehicles, motorcycles	2,094,572	2.00	2,084,496	2.54
Transportation and warehousing	2,076,111	1.99	2,256,132	2.74
Financial, banking and insurance services	2,450,185	2.34	1,430,077	1.74
Science and technology activities	364,682	0.35	362,498	0.44
Education and training	126,453	0.12	155,806	0.19
Art and entertainment services	145,459	0.14	82,933	0.10
Media and communications	87,524	0.08	406,587	0.49
Health care and social relief activities	88,486	0.08	68,974	0.08
Administrations and supporting services	78,569	0.08	468,166	0.57
Mining industry	167,306	0.16	85,655	0.10
Water supplies and waste treatment	51,751	0.05	103,309	0.13
Other services	15,505,407	14.85	8,815,989	10.73
	104,497,028	100.00	82,224,372	100.00

Annual interest rates of loans and advances to customer at the year-end are as follows:

	Ending balance % p.a.	Beginning balance % p.a.
Commercial loans		
- In VND	0.00 – 79.02	0.00 – 79.02
- In foreign currencies	0.01 – 7.51	1.20 – 7.45

12. PURCHASED DEBTS

	Ending balance VND million	Beginning balance VND million
Debts purchased in VND	7,749	8,690
Provision for purchased debts (Note 13)	(3,874)	(3,201)
	3,875	5,489

Balances and interest of the purchased debts are as follows:

	Ending balance VND million	Beginning balance VND million
Loan balances	10,442	11,383
Interest of purchased debts	-	-
	10,442	11,383

Results of the loan classification as at 31 December 2017 and provision for purchased debts as required by Circular 02/2013/TT-NHNN, Circular 09/2014/TT-NHNN and the Bank and its subsidiaries' policy on loan classification and provision is as follows:

Loan classification	Debt balance VND million	Specific provision VND million	General provision VND million	Total VND million
Loss	7,749	(3,874)	-	(3,874)

Changes in provision for purchased debts in current period are as follows:

	Specific provision VND million	General provision VND million	Total VND million
Beginning balance	3,201	-	3,201
Provision during the year (Note 13)	1,052	-	1,052
Provision used for credit risks	(379)	-	(379)
Ending balance	3,874	-	3,874

Changes in provision for purchased debts in previous period are as follows:

	Specific provision VND million	General provision VND million	Total VND million
Beginning balance	3,201	-	3,201
Provision/(Reversal)	-	-	-
Ending balance	3,201	-	3,201

13. PROVISION FOR CREDIT LOSSES

Provision expenses during the year comprised of:

	Current year VND million	Previous year VND million
Provision expense for loans and advances	794,562	715,852
Provision for debts purchased (Note 12)	1,052	-
Provision expense for special bonds issued by VAMC (Note 14.4)	221,146	277,753
Total provision expense charged for credit losses	1,016,760	993,605

Results of the loan classification as at 30 November 2017 and provision for credit losses of loans and advances to customers as required by Circular 02/2013/TT-NHNN, Circular 09/2014/TT-NHNN and the Bank and its subsidiaries' policy on loan classification and provision is as follows:

Classification	Balance VND million	Specific provision VND million	General provision VND million	Total VND million
Current	97,739,157	-	733,043	733,043
Special mention	2,014,577	47,118	15,109	62,227
Sub standard	528,484	45,746	3,964	49,710
Doubtful	562,132	187,634	4,216	191,850
Loss	558,551	124,351	-	124,351
	101,402,901	404,849	756,332	1,161,181

Changes in provision for credit losses during the current year are as follows:

	Specific provision VND million	General provision VND million	Total VND million
Beginning balance	327,570	592,827	920,397
Arising up to 30 November 2017	569,659	163,505	733,164
Utilization up to 30 November 2017	(492,380)	-	(492,380)
Balance as at 30 November 2017	404,849	756,332	1,161,181
Arising during December 2017	58,835	2,563	61,398
Utilization during December 2017	(61,880)	-	(61,880)
Ending balance	401,804	758,895	1,160,699

Changes in provision for credit losses during the previous year are as follows:

	Specific provision VND million	General provision VND million	Total VND million
Beginning balance	301,573	404,022	705,595
Arising during period	527,047	188,805	715,852
Utilization during period	(501,050)	-	(501,050)
Ending balance	327,570	592,827	920,397

14. INVESTMENT SECURITIES**14.1 Available-for-sale securities**

	Ending balance VND million	Beginning balance VND million
Debt securities		
Issued by the Government	30,323,311	18,153,613
Issued by other domestic credit institutions	800,000	-
Issued by domestic economic entities	5,162,202	5,259,048
	36,285,513	23,412,661
Equity securities		
Issued by domestic economic entities	1,132,219	854,692
	1,132,219	854,692
	37,417,732	24,267,353
Provision for available-for-sale securities		
- Provision for diminution in value	(76,093)	(91,220)
- General provision	(40,327)	(35,474)
- Specific provision	(237,741)	(237,741)
	(354,161)	(364,435)
Net amount	37,063,571	23,902,918

- Government bonds in VND have term from three (3) to fifteen (15) years and bear interest at rates from 0.00% p.a. to 11.50% p.a., interest is paid annually. In which, the Bank used some bonds amounting to VND4,674,000 million as collaterals for borrowing at other credit institutions and for credit limit with State Bank of Vietnam.
- Other credit institution deposit certificates have term one (1) year to three (3) year and bear interest at rates from 6.80% to 10.50% p.a., interest is paid annually.
- Bonds issued by other business entities have terms from one (1) to 10 (ten) years, interest is paid quarterly, semi-annually or annually. The current interest rate ranges 8.90% p.a. to 11.00% p.a. and is subject to change on a quarterly, semi-annually or annually basis depending on each type of bonds. Certain corporate bonds are secured by land use rights, real estate project and shares.

14. INVESTMENT SECURITIES (continued)**14.2 Held-to-maturity securities**

	Ending balance VND million	Beginning balance VND million
Government bonds (a)	1,474,123	5,772,021
Special bonds VAMC (b)	1,838,855	2,229,084
Vietnam Development Bank bonds (c)	503,846	519,708
Bonds issued by other local credit institutions - Unlisted (d)	5,797,823	2,500,000
	9,614,647	11,020,813
Provision for held-to-maturity securities		
- General provision	-	(1,499)
- Special bonds provision	(876,077)	(661,141)
Net amount	8,738,570	10,358,173

(a) These are Government bonds that have term of three (3) to five (5) years and bear interest at 5.00% to 6.9% per annum, interest is paid annually.

(b) These are special bonds issued by Vietnam Asset Management Company (VAMC) to purchase bad debts of the Bank. These bonds have term of five (5) years and bear interest at rate of 0.00%. Par value of these special bonds is the difference between the outstanding loan balance and the corresponding unused specific provision at the purchasing date.

Increase / (decrease) movement of VAMC bonds during the year are as follows:

	Current year VND million	Previous year VND million
Beginning balance	2,229,084	3,012,652
Write-off during the year	(390,229)	(783,568)
Ending balance	1,838,855	2,229,084

(c) These bonds issued by Development Bank of Vietnam have terms in range from three (3) to ten (10) years and bear interest rate from 5.70% to 9.20% per annum, interest is paid annually.

(d) Bonds issued by local credit institutions have term of one (1) to ten (10) years and bear interest at the rate in range from 6.76% to 10.50% per annum, interest is paid semi-annually or annually.

14.3 Analysis of securities classified as credit risk assets by quality

	Ending balance VND million	Beginning balance VND million
Other economic entities bonds		
- Standard	4,862,202	4,959,048
- Loss	300,000	300,000
	5,162,202	5,259,048

14. INVESTMENT SECURITIES (continued)**14.4 Provision for investment securities**

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

	Current year VND million	Previous year VND million
Beginning balance		
Available-for-sale securities	364,435	132,126
Held-to-maturity securities (excluding special bonds issued by VAMC)	1,499	3,740
Special bond issued by VAMC	661,141	383,388
	1,027,075	519,254
Provision utilized for debts sold to VAMC	(6,210)	-
Provision/(reversal) in the year		
Available-for-sale securities (Note 33)	(10,274)	232,309
Held to maturity securities (excluding special bonds issued by VAMC) (Note 33)	(1,499)	(2,241)
Special bonds issued by VAMC (Note 13)	221,146	277,753
	203,163	507,821
Ending balance		
Available-for-sale securities	354,161	364,435
Held to maturity securities (excluding special bonds issued by VAMC)	-	1,499
Special bonds issued by VAMC	876,077	661,141
	1,230,238	1,027,075

15 LONG TERM INVESTMENTS

	Current year VND million	Previous year VND million
Beginning balance	111,539	111,074
Arising during the year (Note 36)	311	465
Ending balance	111,850	111,539

16. FIXED ASSETS**16.1 Tangible fixed assets**

	Buildings and structures VND million	Machinery and equipment VND million	Vehicles VND million	Office equipment VND million	Other fixed assets VND million	Total VND million
Cost						
Beginning balance	428,367	152,165	172,711	241,122	9,120	1,003,485
Purchases	40,784	8,451	21,903	13,684	1,190	86,012
Disposal	(2,277)	(4,668)	(2,895)	(1,078)	(107)	(11,025)
Ending balance	466,874	155,948	191,719	253,728	10,203	1,078,472
Accumulated depreciation						
Beginning balance	69,209	112,996	104,610	184,741	6,945	478,501
Charged for the year	16,377	15,449	19,097	32,402	781	84,106
Disposal	(2,230)	(4,643)	(2,608)	(998)	(104)	(10,583)
Ending balance	83,356	123,802	121,099	216,145	7,622	552,024
Net book value						
Beginning balance	359,158	39,169	68,101	56,381	2,175	524,984
Ending balance	383,518	32,146	70,620	37,583	2,581	526,448

Cost of fully depreciated tangible fixed assets that are still in use as at 31 December 2017 is VND 276,428 million (31 December 2016: VND 169,734 million).

16. FIXED ASSETS (continued)**16.2 INTANGIBLE FIXED ASSETS**

	Definite-term land use rights VND million	Indefinite term land use rights VND million	Computer software VND million	Other assets VND million	Total VND million
Cost					
Beginning balance	45,386	759,438	181,223	1,901	987,948
Purchases	1,851	180,032	12,047	386	194,316
Disposal	-	(967)	(62)	-	(1,029)
Ending balance	47,237	938,503	193,208	2,287	1,181,235
Accumulated depreciation					
Beginning balance	2,067	-	157,304	1,601	160,972
Charged for the year	1,128	-	18,779	249	20,156
Disposal	-	-	(62)	-	(62)
Ending balance	3,195	-	176,021	1,850	181,066
Net book value					
Beginning balance	43,319	759,438	23,919	300	826,976
Ending balance	44,042	938,503	17,187	437	1,000,169

Cost of fully depreciated intangible fixed assets that are still in use as at 31 December 2017 is VND 139,679 million (31 December 2016: VND79,011 million).

17. INVESTMENT PROPERTIES

Investment properties including land use rights with indefinite terms and buildings which were acquired by Asset Management Limited Company – Ho Chi Minh City Development Joint Stock Bank from bidding the foreclosed assets. However, those properties are held for the purpose of earning rental income or for the capital appreciation. The Board of Management believes could not estimate the fair value of investment properties due to lack of information as at the balance sheet date.

	Buildings and structures VND million	Land use rights VND million	Total VND million
Cost			
Beginning balance	13,599	75,166	88,765
Transferred from construction in progress	1,612	11,000	12,612
Disposal	(11,828)	(43,512)	(55,340)
Ending balance	3,383	42,654	46,037
Accumulated depreciation			
Beginning balance	384	-	384
Charged for the year	185	-	185
Disposal	(301)	-	(301)
Ending balance	268	-	268
Net book value			
Beginning balance	13,215	75,166	88,381
Ending balance	3,115	42,654	45,769

18. OTHER ASSETS**18.1 Receivables**

	Notes	Ending balance VND million	Beginning balance VND million
Receivables from sale of securities on credit	(i)	1,646,701	3,236,182
Advances for acquisitions of fixed assets	(ii)	672,454	885,318
Receivables from disposals of fixed assets		280,000	315,000
Constructions in progress		247,247	139,386
Advances for operating activities		164,604	124,638
Deposit for rental office, fixed assets and tools		77,404	75,874
Advances for debt collateral resolution		24,806	24,338
Prepaid savings interest		22,645	23,594
Advances for investments		4,950	11,619
Receivable from Vietnam Shipbuilding Industry Corporation (Vinashin)		11,456	22,912
Receivables from entrusted deposits		6,979	8,909
Receivable from investment disposal		3,080	3,080
Deposits for rental/purchase office		-	160,000
Receivables from lease of Abacus Building		-	18,750
Others		261,321	240,787
		3,423,647	5,290,387

(i) The amount represents receivables from sale of securities to individuals and organisations on credit terms, which amounted to VND1,611,486 million of principal and VND35,215 million of accrual interest. The principal and interest will be collected at contract expiry date with interest adjustment annually. These receivables will become due in year 2018 and 2019.

(ii) Advances for acquisitions of fixed assets comprise:

	Ending balance VND million	Beginning balance VND million
Purchase of houses and offices	660,969	877,818
Transportation vehicles	7,942	-
Purchase of other assets	3,543	7,500
	672,454	885,318

18.2 Interest and fees receivable

	Ending balance VND million	Beginning balance VND million
Loans interest	1,799,544	1,811,978
Interest on securities investment	1,565,205	1,277,929
Deposits interest	14,215	10,938
Other interest and fee	37,395	13,042
	3,416,359	3,113,887

18. OTHER ASSETS (continued)**18.3 Other assets**

	Ending balance VND million	Beginning balance VND million
Prepaid and deferred expenses	1,002,629	1,056,943
Foreclosed assets awaiting resolution	377,717	385,610
Tools and supplies	38,079	25,167
Good will	33,614	39,377
Other asset	3,450	3,450
	1,455,489	1,510,547

18.4 Provision for other assets

Provision for other assets is comprised of:

	Ending balance VND million	Beginning balance VND million
Other provisions	60,881	35,458

Changes in provision for credit risk during the year are as follow:

	Current year VND million	Previous year VND million
Beginning balance	35,458	38,989
Provision in the year (Note 36)	36,878	44,337
Provision used in the year	(11,455)	(47,868)
Ending balance	60,881	35,458

19. DUE FROM GOVERNMENT AND STATE BANK OF VIETNAM

	Ending balance VND million	Beginning balance VND million
Japan Bank of International Cooperation (i)	132,815	155,844
Asian Development Bank (ii)	16,830	21,791
Development Fund for small and medium enterprise (iii)	6,608	-
	156,253	177,635

(i) These borrowings were made under the Credit Financing for Small and Medium Enterprises Project - Phase II and Phase III funded by Japan Bank of International Cooperation (JBIC) through the SBV. According to the agreement dated 1 November 2007, the Bank obtained these loans to support enterprises which meet the criteria of the project. Principals will be paid under contracts' schedule, interest paid quarterly.

(ii) These borrowings were made under the Credit Financing Project funded by Asia Development Bank through the SBV. According to the agreement dated 16 January 2006 and its amendments dated 24 November 2006 and 11 October 2010 signed with the SBV, total credit limit is VND68,000 million. The borrowings have a term of 20 years from 6 January 2004 and bear interest at rate equivalent to the average interest rate of all types of term deposits in the banking industry at end of each quarter.

(iii) These borrowing were from Small and Medium Enterprise Development (SMEDF) which bears interest of 7.00% per annum, from 60 to 67 months. Principals and interest will be paid monthly.

20. DUE TO OTHER BANKS

	Ending balance VND million	Beginning balance VND million
Due to other credit institutions	12,244,362	13,621,415
Borrowings from other credit institutions	24,973,016	6,063,250
	37,217,378	19,684,665

20.1 Deposits from other banks

	Ending balance VND million	Beginning balance VND million
Demand deposits In VND	5,070,339	4,524,040
Term deposits In VND	6,508,000	5,773,525
In foreign currencies	666,023	3,323,850
	12,244,362	13,621,415

Annual interest rates applicable to deposits from other banks at the year-end are as follows:

	Ending balance % p.a.	Beginning balance % p.a.
Term deposits in VND	1.00 - 2.60	3.50 - 5.50
Term deposits in foreign currencies	1.60 - 1.80	1.00 - 1.65

20.2 Borrowings from other banks

	Ending balance VND million	Beginning balance VND million
Borrowings from local banks in VND	22,087,916	3,949,786
Borrowings from local and foreign banks in foreign currencies	2,885,100	2,113,464
	24,973,016	6,063,250

As at 31 December 2017, borrowings from other banks in VND have terms from 7 days to 364 days with interest rate ranging from 1.10% p.a. to 9.00% p.a..

Borrowings from local and foreign banks in foreign currencies have term from 2 months to 5 year and bear interest from 1.70% p.a. to 9.85% p.a..

Of these deposits and borrowings, VND24,785,213 million (31 December 2016: VND9,453,687 million) are secured by available for sale securities with total amount of VND 25,044,000 million (31 December 2016: VND9,716,000 million).

21. DUE TO CUSTOMERS**21.1 Analysis by products**

	Ending balance VND million	Beginning balance VND million
Demand deposits	14,554,660	9,813,269
Demand deposits in VND	13,202,716	9,258,445
Demand deposits in foreign currencies	1,351,944	554,824
Term deposits	30,232,906	22,874,767
Term deposits in VND	28,852,055	22,097,095
Term deposits in foreign currencies	1,380,851	777,672
Saving deposit	74,762,053	69,853,278
Savings deposits in VND	73,920,025	68,698,004
Savings deposits in foreign currencies	842,028	1,155,274
Deposits for specific purposes	537,286	229,095
In VND	229,300	223,164
In foreign currencies	307,986	5,931
Margin deposits	248,588	191,470
In VND	201,686	164,232
In foreign currencies	46,902	27,238
Other amounts owing to customers	201,976	337,892
Other savings deposits	201,976	337,892
	120,537,469	103,299,771

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

	Ending balance %	Beginning balance %
Demand deposits in VND	0.00 - 1.00	0.00
Demand savings deposits in VND	0.70	0.07 - 1.00
Demand deposits in foreign currencies	0.00 - 0.20	0.00 - 0.01
Demand savings deposits in foreign currencies	0.00	0.00
Term deposits in VND	0.80 - 7.80	0.80 - 9.00
Term savings deposits in VND	0.00 - 9.50	0.20 - 9.50
Term deposits in foreign currencies	0.00	0.00
Term savings deposits in foreign currencies	0.00 - 1.60	0.00 - 1.60

In case term savings deposits are withdrawn before the maturity date, the demand interest rate shall be applied.

21. DUE TO CUSTOMERS (continued)**21.2 Analysis by customers and type of business**

	Ending balance VND million	Beginning balance VND million
Deposits from economic entities	43,631,327	31,533,537
Other joint stock companies	20,443,288	11,601,598
100% State limited liability companies	6,315,561	4,502,869
Other State-owned enterprises	4,832,887	3,980,657
Other limited liability companies	4,270,906	3,543,040
Co-operatives	3,043,169	3,047,798
State joint stock companies	1,386,109	749,713
Joint-foreign-invested enterprises	520,122	1,109,087
State and administrative unit of Government	885,939	600,998
Joint-foreign-invested enterprises	749,557	540,521
Over 50% State limited liability companies	188,293	413,022
Private companies	21,961	57,222
Partnerships	6,054	4,902
Family household business	3,186	2,790
Others	964,295	1,379,320
Deposits from individuals	76,906,142	71,766,234
	120,537,469	103,299,771

22. OTHER BORROWED AND ENTRUSTED FUNDS

	Ending balance VND million	Beginning balance VND million
Other borrowed and entrusted funds in VND	1,691	5,821
Rural Development Fund	1,691	5,821
Other borrowed and entrusted funds in foreign currencies	2,926,050	2,837,611
Rural Development Fund	1,191	1,259
Nhon Trach water supplies construction program for reforming power sector - Phase II	54,459	-
Support and development program for reforming power sector - Phase III (i)	2,870,400	2,836,352
	2,927,741	2,843,432

(i) The borrowing amounting to USD128 million from the Ministry of Finance is to finance support program for reforming power sector - Phase III for a period of 29 years from 4 August 2015 to 4 August 2043 and bear interest of six-month US Dollar LIBOR plus spread adjusted periodically by World Bank on 1 January and 1 July each year.

23. VALUABLE PAPER ISSUED

	Ending balance VND million	Beginning balance VND million
Certificates of deposits		
Less than 12 months	1,035,000	70,014
From 12 months to 5 years	4,206,000	5,097,000
Over 5 years	92,000	-
Straight bonds		
From 12 months to 5 years	1,460,000	2,860,000
Over 5 years	3,000,000	3,000,000
	9,793,000	11,027,014

Interests from bonds with terms of under 10 years are paid annually with a fixed interest rate from 7.20% to 8.00% in the first year and at the floating interest rate set annually by the sum of the average of 12-month saving term deposits paid in arrears of four largest banks in Vietnam and a spread in range between 1.20% and 5.50% from the second year onward.

Interests from bonds with terms of over 10 years are paid annually with fixed interest rate from 7.70% p.a. to 8.50% p.a. in first five years. In case the bonds have not been redeemed by the Bank after 5 years, the applicable rate would be added by 0.50% p.a.

Annual interest rates applicable to straight bonds at the end of the year are as follows:

	Ending balance % p.a.	Beginning balance % p.a.
Certificate of deposits	5.50 - 14.00	1.00 - 13.00
Straight bonds from 12 months to less than 5 years	7.60 - 12.20	7.50 - 13.00
Straight bonds greater than 5 years	7.70 - 8.50	7.70 - 8.50

24. OTHER LIABILITIES**24.1 Interest and fees payable**

	Ending balance VND million	Beginning balance VND million
Interest on saving deposits in VND	1,902,225	1,748,016
Interest on deposits in VND	423,823	307,869
Interest on valuable papers in VND	164,489	194,869
Interest on borrowings in VND	153,586	169,104
Interest on entrusted funds	20,255	17,415
Interest on borrowings in foreign currencies	18,853	8,464
Foreign currency swap contracts	11,933	11,798
Interest on deposits in foreign currencies	280	4,267
Foreign currency forward contracts	72	1,302
Interest on saving deposits in foreign currencies	349	146
	2,695,865	2,463,250

24. OTHER LIABILITIES (continued)**24.2 Other payables**

	Ending balance VND million	Beginning balance VND million
Internal payables	89,452	99,420
Bonus and welfare Fund	78,373	90,426
Payables to employees	11,079	8,994
External payables	795,871	466,847
Cash held in trust and awaiting payment	329,776	171,219
Payables to suppliers	167,839	69,550
Payables from capital contribution	150,000	-
Corporate income tax payables (Note 25)	65,072	92,512
Commission payables	42,101	113,943
VAT payables (Note 25)	30,500	7,344
Other tax payables (Note 25)	10,583	6,727
Abacus management fee	-	5,552
Other payables	292,038	280,269
Unearned revenue	86,358	71,716
Payables to construction in progress	3,188	2,764
Other payables	202,492	205,789
	1,177,361	846,536

25. STATUTORY OBLIGATIONS

	Movement during the year			Ending balance VND million
	Beginning balance VND million	Payable VND million	Paid VND million	
Value added tax	7,344	61,448	(38,292)	30,500
Corporate income tax	92,512	466,302	(493,742)	65,072
Other taxes	6,727	77,100	(73,244)	10,583
Personal income tax	6,369	68,529	(64,724)	10,174
Withholding tax	358	7,045	(6,994)	409
License tax	-	244	(244)	-
Others	-	1,282	(1,282)	-
	106,583	604,850	(605,278)	106,155

25.1 Current corporate income tax

The Bank and its subsidiaries have the obligations to pay corporate income tax ("CIT") at the rate of 20% of taxable profits (previous year: 20%).

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.

25. STATUTORY OBLIGATIONS (continued)**25.1 Current corporate income tax (continued)**

The current tax payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of income because it excludes items of income or expenses that are taxable or deductible in other years due to the difference between accounting and tax regulations and it further excludes items that are never taxable or deductible. The Bank and its subsidiaries' liability for current tax is calculated by using tax rates that have been enacted by the consolidated balance sheet date.

Current CIT during the year is calculated as follows:

	Ending balance VND million	Beginning balance VND million
Profit before tax	2,416,782	1,147,633
CIT at the rate of 20% applied to the Bank and its subsidiaries	483,356	229,527
Adjustments reduced:		
- Income from non-taxable dividends	(8,776)	(2,457)
- Tax calculation is used	-	(24)
- Other adjustments	(15,120)	(6,202)
Adjustments increased:		
- Adjustment according to tax finalization	404	-
- Adjustment of profits from consolidation of financial statements	1,152	1,152
- Other adjustments	5,286	4,814
CIT expense in the year	466,302	226,810

25.2 Deferred CIT

	Consolidated balance sheet		Effect on the consolidated income statement	
	Ending balance VND million	Beginning balance VND million	Current year VND million	Previous year VND million
Deferred tax assets				
Loss/(Gain) on exchanges differences	1,438	(2,489)	3,927	(6,325)
Provision for investments securities	19,800	19,800	-	-
	21,238	17,311		
Net deferred CIT tax			3,927	(6,325)

26. OWNERS' EQUITY

26.1 Statement of changes in owners' equity

Items	Charter capital VND million	Share premium VND million	Treasury shares VND million	Construction investment fund VND million	Fund of Credit Institution VND million	Undistributed earnings VND million	Interest of Minority Shareholders VND million	Total VND million
Beginning balance	8,100,000	4,599	(2)	89	465,280	747,047	625,630	9,942,643
1 st Capital increase (*)	729,000	-	-	-	(162,000)	(567,000)	-	-
2 nd Capital increase (**)	981,000	2,037,656	-	-	-	-	-	3,018,656
Net profit after-tax for the year	-	-	-	-	-	1,746,487	207,920	1,954,407
Reserves made for previous year	-	-	-	-	154,028	(154,028)	-	-
Bonus and welfare	-	-	-	-	-	(3,000)	-	(3,000)
Dividends in the year	-	-	-	-	-	-	(150,000)	(150,000)
Reserves used during the year	-	-	-	-	(3,600)	-	-	(3,600)
Ending balance	9,810,000	2,042,255	(2)	89	453,708	1,769,506	683,550	14,759,106

(*) On 17 October 2017, the State Bank of Vietnam approved for the Bank increase its charter capital from VND 8,100,000,000,000 to VND 8,828,999,810,000 by issuing ordinary shares to pay dividend from retained earnings and bonus shares from capital supplementary reserve. Accordingly, the Bank registered with the SSC and issued 72,899,981 shares, which increased the number of outstanding ordinary shares of the Bank to 882,899,773 shares.

(**) On 7 December 2017, the SBV approved for the Bank to increase its chartered capital from VND 8,828,999,810,000 to VND 9,809,999,790,000. Accordingly, the Bank registered to the State Securities Commission and issued 98,099,998 shares, which increased the number of outstanding ordinary shares of the Bank to 980,999,771 shares.

26. OWNER'S EQUITY (continued)**26.1 Statement of changes in owners' equity (continued)**

Changes in the Bank and its subsidiaries' reserves during the year are presented below:

Items	Development reserve VND million	Financial reserve VND million	Capital supplementary reserve VND million	Other reserve VND million	Total VND million
Beginning balance	70	272,105	164,794	28,311	465,280
Capital increase	-	-	(162,000)	-	(162,000)
Appropriation to reserves	-	89,006	45,022	20,000	154,028
Reserves used during the year	-	-	-	(3,600)	(3,600)
Ending balance	70	361,111	47,816	44,711	453,708

26.2 Statutory reserves of the Bank and its subsidiaries

The Bank and its subsidiaries make the statutory reserves in compliance with Law on Credit Institutions No. 47/2010/QH12, Decree No. 93/2017/ND-CP and the Charter of the Bank and its subsidiaries as follows:

	% of profit after tax	Maximum balance
Capital supplementary reserve	5.00% of profit after tax	100% of charter capital
Financial reserve	10.00% of profit after tax	Not specified

26.3 Dividends

	Current year VND million	Previous year VND million
Dividend payables at beginning of the year	755	742
Dividend payables during the year	150,000	810,000
Dividend paid during the year	(150,000)	(809,987)
Dividend payables at the year-end	755	755

On 19 July 2017, Members Council of HD SAISON Finance Co., Ltd approved to pay dividend at VND300 billion from retained earnings to capital contributed members corresponding to their capital apportion at HD SAISON Finance Co., Ltd.

27. BASIC EARNINGS PER SHARE

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

There is no events occurring after the balance sheet date lead to the dilution of earnings per share.

27. BASIC EARNINGS PER SHARE (continued)

Information for basic earnings per share calculation of the Bank is as follows:

	Current year VND million	Previous year VND million
Net profit attributable to ordinary shareholders of the Bank in the year (VND million)	1,746,487	738,132
Adjustment for appropriation to bonus and welfare funds (VND million)	-	(3,000)
Net profit attributable to ordinary shareholders for basic earnings per share calculation (VND million)	1,746,487	735,132
Weighted average number of outstanding ordinary shares (shares)	888,275,115	882,899,773
Basic earnings per share (VND/share)	1,966	833

28. INTEREST AND SIMILAR INCOME

	Current year VND million	Previous year VND million
Loans and advances to banks and customers	11,589,319	8,988,316
Trading and investing debt securities	2,314,151	1,663,479
- Investing securities	2,236,990	1,663,479
- Trading securities	77,161	-
Placements with other banks	197,359	156,845
Guarantee services	52,513	59,809
Other credit activities (*)	805,739	452,853
Total	14,959,081	11,321,302

(*) Of which, VND400,992 million is the interest payment from individuals and corporates under contracts to sell securities on credit terms (Note 18.1).

29. INTEREST AND SIMILAR EXPENSES

	Current year VND million	Previous year VND million
Due from customers	6,812,155	5,277,393
Debts issued	1,053,005	914,654
Borrowings	378,432	246,132
Other interest expenses	368,189	205,043
Total	8,611,781	6,643,222

30. NET FEE AND COMMISSION INCOME

	Current year VND million	Previous year VND million
Fee and commission income		
Settlement services	122,376	115,093
Treasury services	12,188	11,634
Trust and agent services	153	24
Maintenance assets and insurance services	67,387	305
Others	66,536	40,264
	268,640	167,320
Fee and commission expenses		
Settlement services	(42,078)	(37,001)
Treasury services	(6,908)	(5,546)
Postal and telecommunication	(4,619)	(2,373)
Trust and agent services	(159)	(185)
Advisory services	-	(26)
Commission	(6,735)	(26)
Others	(11,708)	(3,939)
	(72,207)	(49,096)
Net fee and commission income	196,433	118,224

31. NET INCOME FROM FOREIGN CURRENCIES

	Current year VND million	Previous year VND million
Income from foreign exchange		
Income from gold trading	1,555,842	488,957
Income from spot foreign exchange	4,364,791	3,536,281
Income from currency derivatives	194,399	240,106
	6,115,032	4,265,344
Expense from foreign exchange		
Expense from gold trading	(1,555,591)	(486,875)
Expense from spot foreign exchange	(4,312,326)	(3,474,350)
Expense from currency derivatives	(89,678)	(94,835)
	(5,957,595)	(4,056,060)
Net income from foreign exchange	157,437	209,284

32. NET INCOME FROM SECURITIES HELD FOR TRADING

	Current year VND million	Previous year VND million
Income from securities held for trading	12,474	78,644
Expense from securities held for trading	(6,829)	-
Reversed general provision for securities held for trading (Note 9)	63	3,859
	5,708	82,503

33. NET INCOME FROM INVESTMENT SECURITIES

	Current year VND million	Previous year VND million
Income from available-for-sales securities (*)	504,650	397,435
Expenses from available-for-sales securities	(31,528)	(16,208)
Arising/(reversed) provision for available-for-sale securities (Note 14.4)	10,274	(232,309)
Net income from available-for-sale securities	483,396	148,918
Reversed general provision for held-to-maturity securities (Note 14.4)	1,499	2,241
Net income from held-to-maturity securities	1,499	2,241
Net income from investment securities	484,895	151,159

(*) Cost of funds for Government bonds investment after deducting the discount/premium and accrued interest (if any) amounted to VND 247,108 million.

34. NET INCOME FROM OTHER OPERATING ACTIVITIES

	Current year VND million	Previous year VND million
Other operating income		
Recovery of written-off debts	171,947	89,342
Recovery from selling debts	9,771	-
Office rental	37,938	26,877
Disposals of fixed assets and investment properties	11,378	19,756
Other income	68,070	59,144
	299,104	195,119
Other operating expenses		
Goodwill (Note 5)	(5,763)	(5,763)
Sponsoring cost	(2,449)	(2,663)
Other expenses	(20,727)	(20,002)
	(28,939)	(28,428)
Net operation income	270,165	166,691

35. INCOME FROM LONG-TERM INVESTMENTS

	Current year VND million	Previous year VND million
Dividends received from Equity securities	43,024	2,814
Dividends received from capital contributions and long-term investments	857	9,471
	43,881	12,285

36. OPERATING EXPENSES

	Current year VND million	Previous year VND million
Tax payment and other fees	2,912	2,818
Personnel expenses	2,003,352	1,467,206
Employees remuneration	1,811,596	1,319,385
Salary and allowance	153,798	114,435
Salary related allowance	37,958	33,386
Depreciation and amortization expense	104,447	116,835
Depreciation expenses on fixed assets	104,447	116,835
Expense for public affairs administration	47,449	39,474
Expense relating to business trips	43,982	36,787
Union activities	3,467	2,687
Insurance expenses, insurance for customers' deposits	110,839	84,241
Provision expense/(reversal) (excluding provision for credit loss, investment)	37,189	44,352
Reversed provision for credit institution deposits (Note 8.1)	-	(450)
Provision for other assets (Note 18.4)	36,878	44,337
Provision expense for financial investment (Note 15)	311	465
Other operating expenses	1,766,089	1,522,062
Advertising, marketing, promotion and entertainment	831,553	635,994
Administrative expenses	373,132	374,088
Office rental	228,941	203,947
Repair and maintenance	119,268	98,923
Post and telecommunication	90,089	119,497
Tools and equipment	76,306	64,519
Others	46,800	25,094
	4,072,277	3,276,988

37. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the consolidated cash flows statement comprises the following balances in the consolidated balance sheet:

	Ending balance VND million	Beginning balance VND million
Cash in VND	903,430	674,017
Cash in foreign currencies	585,469	952,494
Monetary gold	22,730	9,499
Balances with the SBV	1,922,256	2,389,302
Demand deposits in other banks	12,928,307	12,935,314
Placement with other banks with term not exceeding 3 months	6,722,300	3,036,000
Loans to other banks with term not exceeding 3 months	2,104,561	2,608,733
	25,189,053	22,605,359

38. EMPLOYEES' INCOME**I. Total number of employees (persons)**

	Current year VND million	Previous year VND million
	12,645	10,006

II. Employees' income (VND million)

1. Total salary	1,717,945	1,245,639
2. Other income	93,651	73,746
	1,811,596	1,319,385
3. Total income (1+2)		
4. Average monthly salary (VND million/person)	11,32	10,37
5. Average monthly income (VND million/person)	11,94	10,99

39. COLLATERALS AND MORTGAGES**39.1 Assets and valuable papers of customers pledged, discounted**

a) Assets and valuable papers of customers pledged, discounted

	Ending balance VND million	Beginning balance VND million
Real estate properties	126,515,406	100,908,041
Valuable papers	52,763,956	48,059,753
Movable assets	31,246,659	25,982,408
Other assets	58,842,927	33,670,035
	269,368,948	208,620,237

b) Assets and valuable papers of other credit institutions mortgaged, pledged and discounted

	Ending balance VND million	Beginning balance VND million
Valuable papers	300,000	450,000

39.2 Mortgaged, pledged and discounted valuable papers and assets

Breakdown of the Bank and its subsidiaries' financial assets mortgaged, pledged and discounted for borrowings or securities transferred under purchase and repurchases agreements with SBV and other credit institutions as at 31 December 2017 and 31 December 2016 are as follows:

	Ending balance VND million	Beginning balance VND million
Valuable papers	25,044,000	9,716,000

40. CONTINGENT LIABILITIES AND COMMITMENTS

In the normal course of business, the Bank and its subsidiaries are parties to financial instruments which are recorded as off-balance sheet items as of 31 December 2017. These financial instruments mainly comprise guarantee commitments and commercial letters of credit. These instruments involve elements of credit risk out of the items recognized 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 and its subsidiaries to guarantee the performance of a customer to a third party including guarantee for borrowings, settlement, and performing contracts 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 and its subsidiaries 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 in repayment to the beneficiary. Deferred payment letters of credit that defaulted by clients are recognized by the Bank and its subsidiaries 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 fulfil the guarantor obligation.

Guarantee commitment is the commitment issued by the Bank and its subsidiaries 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 other guarantees, the risk is lower.

Risk of the letter of credit is usually lower, in condition that the Bank and its subsidiaries 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 recognized by the Bank and its subsidiaries 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.

The Bank and its subsidiaries require 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 and its subsidiaries.

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 payment within 2 (two) days since transaction date. Currency swap commitments are commitments to purchase and sell with the same 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 at the year-end are as follows:

	Ending balance VND million	Beginning balance VND million
Credit guarantees	9,052	9,862
Foreign exchange commitments	41,764,910	35,669,948
- Spot foreign exchange commitments - buy	3,880,370	2,942,536
- Spot foreign exchange commitments - sell	3,166,761	1,288,271
- Cross currency swap contracts	34,717,779	31,439,141
Letters of credit	1,127,402	1,092,889
- At sight letters of credit	472,710	556,085
- Deferred letters of credit	654,692	536,804
Other guarantees	3,569,437	2,730,003
- Settlement guarantee	1,109,368	561,255
- Contract performance guarantee	759,239	529,226
- Bid guarantee	41,994	83,945
- Other guarantees	1,658,836	1,555,577
	46,470,801	39,502,702
Less: Margin deposits	(231,568)	(183,179)
Contingent liabilities and commitments	46,239,233	39,319,523

41. RELATED PARTY TRANSACTIONS

Related party transactions include all transactions undertaken with other entities to which the Bank and its subsidiaries are related. Parties are considered as related parties if one party is able to control over or significantly influence to the other party in making decision of financial and operational policies. A party is deemed to be related to the Bank and its subsidiaries if:

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

- controls the Bank and its subsidiaries (including parents and subsidiaries);
- has an interest (owing 5% or more of the charter capital or voting share capital) in the Bank and its subsidiaries that gives it significant influence over the Bank and its subsidiaries;
- has joint control over the Bank and its subsidiaries;

(b) The party is a joint venture in which the Bank and its subsidiaries are ventures (owning over 11% of the charter capital or voting share capital but is not a subsidiary of the Bank and its subsidiaries);

(c) The party is a member of the key management personnel (including Chief Financial Officer and Chief Accountant) of the Bank and its subsidiaries or its parent Company;

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

(e) The party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any person referred to in (c) or (d).

Significant transactions with related parties in the current year are as follows:

Related party	Transactions	Current year VND million	Previous year VND million
Major shareholders and related parties of major shareholders	Deposits and interest paid	21,581,337	8,408,656
	Withdraw	21,183,882	8,460,840
	Interest from loans	43,614	-
	Interest from corporate bonds	31,500	31,287
Companies in which the Bank has long-term investments	Deposits and interest paid	62,545,631	32,447,722
	Withdraw	60,047,851	32,221,179
	Loans	3,513,207	1,096,659
	Interest income	10,938	21,949
Member of Board of Directors and Board of Managements and other related parties to these individuals	Deposits and interest paid	43,052,052	4,252,795
	Withdraw	42,769,518	4,590,134
	Loan, guarantee and mortgage	9,957,672	577,823
	Debt collected	1,191,348	169,322
	Interest debts collected	22,228	2,661
	Salary and bonus	48,309	38,359

Significant transactions with related parties in the current year are as follows:

Related party	Transactions	Receivables/(Payables)	
		Ending balance VND million	Beginning balance VND million
Major shareholders and related parties of major shareholders	Term deposits	(603,041)	(186,952)
	Demand deposits	(7,489)	(20,974)
	Treasury deposits	(46)	(46)
	Loans	474,300	474,300
	Available-for-sale securities	350,000	350,000
	Accrual interest from debt available-for-sale securities	23,819	23,819
	Accrued interest	830	394
Companies in which the Bank has long	Term deposits	(3,206,754)	(837,775)
	Demand deposits	(199,811)	(151,002)
	Loans	865,153	342,812
	Accrued interest	405	5,474
	Guaranteed and treasury deposit	(437)	(23)
	Receivables from transferring properties	-	315,000
	Rental deposit	-	20,000
	Advances for capital contrition to HDREAL	-	6,669
Member of Board of Directors and Board of Managements and other related parties to these individuals	Demand deposits	(93,670)	(99,098)
	Savings	(729,810)	(429,976)
	Loans, guarantee and mortgage	5,913	440,118
	Accrued interest	92	4,328

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

	Domestic VND million	Overseas VND million	Total VND million
Assets at 31 December 2017 (*)			
Due from and loans to other banks	21,199,998	661,170	21,861,168
Loans and advances to customers	104,497,028	-	104,497,028
Trading securities and investment securities	51,725,777	-	51,725,777
Other long term investments	490,087	-	490,087
Liabilities at 31 December 2017			
Due to and borrowings from other credit institutions	36,491,938	725,440	37,217,378
Customer deposits	120,537,469	-	120,537,469
Derivatives and other financial instruments (Total contract value)	20,369,172	-	20,369,172
Grants, entrusted funds and loans exposed to risks	2,927,741	-	2,927,741
Valuable papers issued	9,793,000	-	9,793,000
Off-balance-sheet commitments at 31 December 2017	46,470,801		46,470,801

(*) Provision for credit losses is not included.

43. INFORMATION BY GEOGRAPHICAL REGIONS

Information on income, expenses and assets and liabilities of each segment by geographical area of the Bank as at 31 December 2017 and for the financial year from 1 January 2017 to 31 December 2017 as follows:

	Northern VND million	Central VND million	Southern VND million	Total submitted VND million	Eliminated VND million	Total VND million
Interest and similar income	4,565,556	1,736,906	25,451,192	31,753,654	(16,794,573)	14,959,081
Interest and similar expenses	(3,624,873)	(1,312,600)	(20,468,881)	(25,406,354)	16,794,573	(8,611,781)
Net interest and similar income	940,683	424,306	4,982,311	6,347,300	-	6,347,300
Non-interest income	64,773	8,922	1,084,824	1,158,519	-	1,158,519
TOTAL OPERATING INCOME	1,005,456	433,228	6,067,135	7,505,819	-	7,505,819
TOTAL OPERATING EXPENSES	(382,243)	(203,957)	(3,486,077)	(4,072,277)	-	(4,072,277)
Net operating profit before provision for credit losses	623,213	229,271	2,581,058	3,433,542	-	3,433,542
Provision for credit losses	(88,813)	(30,138)	(897,809)	(1,016,760)	-	(1,016,760)
PROFIT BEFORE TAX	534,400	199,133	1,683,249	2,416,782	-	2,416,782
ASSETS						
Cash	386,215	187,887	937,527	1,511,629	-	1,511,629
Due to State Bank of Vietnam and other credit institutions	38,619	59,895	23,684,910	23,783,424	-	23,783,424
Loans to customers	21,417,211	11,638,925	71,440,892	104,497,028	-	104,497,028
Debt purchasing	-	-	7,749	7,749	-	7,749
Investment	2,907,109	15,202	49,293,553	52,215,864	-	52,215,864
Other assets	7,245,879	337,668	8,885,479	16,469,026	(6,579,907)	9,889,119
TOTAL ASSET	31,995,033	12,239,577	154,250,110	198,484,720	(6,579,907)	191,904,813
LIABILITIES						
Borrowing from State Bank of Vietnam	83	-	156,170	156,253	-	156,253
Due to and borrowings from other credit institutions	18	-	37,217,360	37,217,378	-	37,217,378
Due to customer	29,777,699	9,902,649	80,857,121	120,537,469	-	120,537,469
Other liabilities	1,292,185	2,041,219	19,910,568	23,243,972	(6,579,907)	16,664,065
TOTAL LIABILITIES	31,069,985	11,943,868	138,141,219	181,155,072	(6,579,907)	174,575,165

44. FINANCIAL RISK MANAGEMENT

Risk is inherent in the Bank and its subsidiaries' activities and is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Bank and its subsidiaries' continuing profitability and each individual within the Bank and its subsidiaries are accountable for the risk prevention within his or her responsibilities. The Bank and its subsidiaries are exposed to credit risk, liquidity risk and market risk (then being subdivided into trading and non-trading risks). The Bank and its subsidiaries are also subject to various operational risks.

The independent risk control process does not include business risks such as changes in the environment, technology and industry. The Bank and its subsidiaries' policy are to monitor those business risks through the Bank and its subsidiaries' strategic planning process.

i. Risk management structure

The Board of Directors is ultimately responsible for identifying and controlling risks. However, each separate member shall be responsible for managing and monitoring risks.

ii. Board of Directors

The Board of Directors is responsible for monitoring the overall risk management process within the Bank and its subsidiaries.

iii. Risk Management Committee

Risk Management Committee advises the Board of Directors in the promulgation of procedures and policies under their jurisdiction relating to risk management in the Bank and its subsidiaries' activities.

Risk Management Committee analyses and provides warnings on the potential risks that may affect the Bank and its subsidiaries' operation and preventive measures in the short term as well as long term.

Risk Management Committee reviews and evaluates the appropriateness and effectiveness of the risk management of procedures and policies of the Bank and its subsidiaries to make recommendations to the Board of Directors on the improvement of procedures, policies and operational strategies.

iv. Board of Supervision

The Board of Supervision has the responsibility to control the overall risk management process within the Bank and its subsidiaries.

v. Internal Audit

According to the annual internal audit plan, business processes throughout the Bank and its subsidiaries' are audited annually by the internal audit function, which examines both the adequacy of the procedures and compliance with the Bank and its subsidiaries' procedures. Internal Audit discusses the results of all assessments with management, and reports its findings and recommendations to the Board of Supervision.

vi. Risk measurement and reporting systems

The Bank and its subsidiaries' risks are measured using a method which reflects both the expected loss likely to arise in normal circumstances and unexpected losses, which is an estimate of the ultimate actual loss based on statistical models.

Monitoring and controlling of risks is primarily performed based on limits established by the Bank and its subsidiaries in compliance with the State Bank of Vietnam's regulations. These limits reflect the business strategy and market environment of the Bank and its subsidiaries as well as the level of risk that the Bank and its subsidiaries are willing to accept.

Information compiled from all business activities is examined and processed in order to analyze, control and early identify risks. This information is presented and explained to the Board of Management, Board of Directors, and the department heads. The report includes aggregate credit exposure, credit metric forecasts, limit exceptions, liquidity ratios and risk profile changes. The Board of Directors assesses the appropriateness of the allowance for credit losses on a quarterly basis. The Board of Directors receives a comprehensive risk report quarterly which is designed to provide all the necessary information to assess and conclude on the risks of the Bank and its subsidiaries.

For all levels throughout the Bank and its subsidiaries, specifically tailored risk reports are prepared and distributed in order to ensure that all business departments have access to extensive, necessary and up-to-date information.

vii. Minimizing credit risks

The Bank and its subsidiaries have actively used collateral to minimize credit risk.

vii. Excessive risk concentration

Concentrations arise when a number of counterparties of the Bank and its subsidiaries are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would affect the group of customers' payment obligations or payment receipt rights when due under changes in economic, political or other conditions.

These above concentrations indicate the relative sensitivity of the Bank and its subsidiaries's performance to the developments of a particular industry or geographic allocation.

In order to avoid excessive concentrations of risk, the Bank and its subsidiaries's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risk are controlled and managed accordingly. Selective hedging is used within the Bank and its subsidiaries in respect of the industries and other related factors.

45. CREDIT RISK

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

The Bank and its subsidiaries manage 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 and its subsidiaries have 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's 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 effective interest rates on deposits with the SBV, placements with and loans to other banks, loans and advances to customers in currencies are presented in Notes 7, 8, and 11 21 respectively.

45.1 Maximum exposure to credit risk before collateral held or other credit enhancements

The maximum exposures to credit risk relating to each group of financial assets, which are equivalent to their book values on the consolidated balance sheet, are listed below:

	Ending balance VND million	Beginning balance VND million
Credit risk exposures of balance sheet items		
Due from and loans to other credit institutions	21,861,168	18,580,047
Trading securities – Debt securities	800,000	400,000
Loans to customers:		
- Individuals	47,384,798	36,729,422
- Corporates	57,112,230	45,494,950
Debts purchased	7,749	8,690
Investment securities		
Debt securities – available-for-sale	5,962,202	5,259,048
Debt securities – held-to-maturity	5,797,823	2,500,000
Credit risk exposures of off-balance sheet items		
Financial guarantees	3,578,489	2,739,865
Letters of credit	1,127,402	1,092,889

This table presents the worst scenario which the Bank and its subsidiaries will incur the maximum credit exposures as at 31 December 2017 and 31 December 2016, without taking into account of any collateral held or their credit enhancements.

45.2 Financial assets neither past due nor impaired

The Bank and its subsidiaries's financial assets which are neither past due nor impaired comprise loans to customers classified as Group 1 (Current) loans in accordance with Circular No. 02/2013/TT-NHNN and Circular No. 09/2014/TT-NHNN; securities, receivables and other financial assets which are not past due and no provision is required in accordance with Circular No. 228/2009/TT-BTC and Circular No. 89/2013/TT-BTC issued at 28 June 2013.

The Bank and its subsidiaries see that they have absolutely capacity to fully and timely recover these financial assets in the futures.

45.3 Financial assets past due but not impaired

The age of financial assets past due but not impaired as at 31 December 2017 is presented below:

	Past due				Total VND million
	Less than 90 days VND million	From 91 to 180 days VND million	From 181 to 360 days VND million	More than 360 days VND million	
	Loans to customers	807,825	218,599	93,348	

Loans that are overdue but not discounted are overdue loans but not required to make provisions as the Bank holds all collaterals in the form of counterparty deposits, real estate, movable assets, valuable papers and other types of collateral.

46. MARKET RISK**46.1 Interest rate risk**

Interest rate risk arises from the possibility that changes in interest rates will affect the fair values of financial instruments. The Bank and its subsidiaries are exposed to interest rate risk as a result of mismatches of maturity dates or dates of interest rate re-pricing in respect of assets, liabilities and off-balance sheet instruments over a certain period. The Bank and its subsidiaries manage this risk by matching the dates of interest rate re-pricing of assets and liabilities.

Analysis of assets and liabilities based on interest rate re-pricing date

Re-pricing term of the effective interest rate is the remaining period 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 period of interest rates of the Bank's assets and liabilities:

- » Cash and gold; investment 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 State Bank of Vietnam is considered as up to one-month;
- » The re-pricing term of investment securities and held-for-trading securities is calculated based on the time to maturity from the balance sheet date for each type of securities;
- » The re-pricing term of placements with other banks and loans to other banks; loans to customers; borrowings from the Government and State Bank of Vietnam; placements from other credit institutions and borrowings from other credit institutions; due to customers 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 consolidated 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 consolidated 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 consolidated balance sheet date.

The following table presents the interest re-pricing period of the Bank and its subsidiaries' assets and liabilities as at 31 December 2017.

	Interest re-pricing period			Interest re-pricing period					Total VND million
	Overdue VND million	Non-interest bearing VND million	Up to 1 month VND million	1 - 3 months VND million	3 - 6 months VND million	6 - 12 months VND million	1 - 5 years VND million	Over 5 years VND million	
Assets									
Cash and gold	-	1,511,629	-	-	-	-	-	-	1,511,629
Balances with the State Bank of Vietnam	-	-	1,922,256	-	-	-	-	-	1,922,256
Due from and loans to other banks - gross	-	-	19,055,168	2,806,000	-	-	-	-	21,861,168
Trading securities - gross	-	4,693,398	-	-	-	-	-	-	4,693,398
Loans and advances to customers - gross	3,393,666	-	7,605,911	85,819,093	1,691,708	3,282,030	2,704,620	-	104,497,028
Debt purchasing - gross	7,749	-	-	-	-	-	-	-	7,749
Investment securities - gross	300,000	2,971,074	1,033,211	1,857,348	2,800,000	5,704,921	27,603,704	4,762,121	47,032,379
Long-term investments - gross	-	490,087	-	-	-	-	-	-	490,087
Fixed assets	-	1,526,617	-	-	-	-	-	-	1,526,617
Investment properties	-	45,769	-	-	-	-	-	-	45,769
Other assets - gross	79,013	3,419,261	296,406	3,257,796	525,740	603,213	118,071	17,233	8,316,733
Total assets	3,780,428	14,657,835	29,912,952	93,740,237	5,017,448	9,590,164	30,426,395	4,779,354	191,904,813
Liabilities									
Borrowings from the Government and the SBV	-	-	-	156,253	-	-	-	-	156,253
Due to and borrowings from other banks	-	-	33,766,240	334,998	668,100	714,700	612,090	1,121,250	37,217,378
Due to customers	-	64,743	47,654,485	22,945,092	21,615,664	22,713,949	5,541,709	1,827	120,537,469
Derivatives and other financial instruments	-	70,098	-	-	-	-	-	-	70,098
Grants, entrusted funds and loans exposed to risks	-	-	2,882	2,870,400	-	-	-	54,459	2,927,741
Valuable papers issued	-	-	1,210,000	1,721,000	751,000	2,046,000	1,473,000	2,592,000	9,793,000
Other liabilities - gross	-	1,344,438	435,153	693,331	698,270	540,549	69,940	91,545	3,873,226
Total liabilities	-	1,479,279	83,068,760	28,721,074	23,733,034	26,015,198	7,696,739	3,861,081	174,575,165
In-balance sheet interest sensitivity gap	3,780,428	13,178,556	(53,155,808)	65,019,163	(18,715,586)	(16,425,034)	22,729,656	918,273	17,329,648

At the reporting date, the Bank performed sensitivity analyzes for interest rates for the fiscal year ended 31 December 2017. Accordingly, if the interest rate increased by 0.2% the after-tax profit of the Bank will decrease VND47,104 million. If the interest rate is reduced by 0.2%, then the profit after tax of the Bank will increase by VND47,104 million.

Subsidiaries have not performed a sensitivity analysis for interest rates for the financial year ended 31 December 2017 and are in the process of developing and finalizing the asset-liability management model (ALM). Consulted by foreign consultants, including interest rate risk analysis and sensitivity analysis of net interest income through changing market interest rates.

46.2 Currency risk

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

The Bank and its subsidiaries are incorporated and operating in Vietnam with reporting currency as VND. The major currency of its transaction is also VND; some transactions are denominated in gold, USD, EUR and other foreign currencies. The Bank and its subsidiaries have set limits to control the positions of the currencies. Positions are monitored on a daily basis and hedging strategies are used to ensure positions of the currencies are maintained within the established limits.

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

The following table presents assets and liabilities in foreign currencies translated into VND as at 31 December 2017:

	EUR equivalent VND million	USD equivalent VND million	Gold equivalent VND million	Other currencies equivalent VND million	Total VND million
Assets					
Cash and gold	111,406	407,158	22,730	66,905	608,199
Balances with the State Bank of Vietnam	-	99,696	-	-	99,696
Due from and loans to other banks - gross	6,468,538	2,046,182	-	34,287	8,549,007
Derivatives and other financial assets	-	1,024,510	-	15,861	1,040,371
Loans and advances to customers - gross	-	7,385,785	-	54,457	7,440,242
Other assets - gross	-	66,329	-	2	66,331
Total assets	6,579,944	11,029,660	22,730	171,513	17,803,847
Liabilities and equity					
Due to and borrowings from other banks	-	3,551,123	-	-	3,551,123
Due to customers	37,432	3,793,398	-	98,881	3,929,711
Grants, entrusted funds and loans exposed to risks	-	2,871,591	-	54,459	2,926,050
Derivatives and other financial liabilities	6,034,500	-	-	13,119	6,047,619
Other liabilities	11,858	63,895	231	1,489	77,473
Total liabilities and equity	6,083,790	10,280,007	231	167,948	16,531,976
Foreign exchange position on-balance sheet	496,154	749,653	22,499	3,565	1,271,871
Foreign exchange position off-balance sheet	(486,000)	210,775	-	881	(274,344)
Foreign exchange position on and off-balance sheet	10,154	960,428	22,499	4,446	997,527

At the reporting date, the Bank performed sensitivity analyzes for the exchange rate for the six-month financial period ended 31 December 2017. If the exchange rate increased by 0.2%, the Bank's after tax profit would increased by VND2,877 million. If the exchange rate falls by 0.2%, the bank's after tax profit will drop by VND2,877 million.

Subsidiaries have not performed sensitivity analyzes for exchange rates for the fiscal year ended 31 December 2017 due to insufficient database and input conditions.

46.3 Liquidity risk

Liquidity risk is the risk which the Bank and its subsidiaries have difficulties in meeting the obligations of financial liabilities. Liquidity risk occurs when the Bank and its subsidiaries cannot afford to settle debt obligations at the due dates in the normal or stress conditions. To manage the liquidity risk exposure, the Bank and its subsidiaries have diversified the mobilization of deposits from various sources in addition to its basic capital resources. In addition, the Bank and its subsidiaries have established policy for control of liquidity assets flexibly; monitor the future cash flows and daily liquidity. The Bank and its subsidiaries have 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 is 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 and its subsidiaries's assets and liabilities:

- Balances with the central banks are classified as demand deposits which include compulsory deposits;
- The maturity term of investment securities is calculated based on the maturity date of each kind of securities; except for the maturity term of investments in Government bonds and bonds issued by the Vietnam Development Bank is considered within one month because of their high liquidity;
- The maturity term of due from and loans to other credit institutions, loans to customers are determined based 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 more than one year because these investments do not have specific maturity date;
- The maturity term of due to and borrowings from other credit institutions derivatives and other financial liabilities instruments, due to customers 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, classified as current accounts. The maturity term of borrowings and term deposits is determined based on the maturity date in contracts. In practice, these amounts may be rolled over, and therefore, they may last beyond the original maturity date;
- The maturity term of a fixed asset determine based on its remaining useful life.

The following table presents assets and liabilities maturity from the Bank and its subsidiaries as at 31 December 2017.

	Overdue			Current				Total VND million
	Above 3 months VND million	Up to 3 months VND million	Up to 1 month VND million	1 – 3 months VND million	3 – 12 months VND million	1 – 5 years VND million	Above 5 years VND million	
Assets								
Cash	-	-	1,511,629	-	-	-	-	1,511,629
Balances with the State Bank of Vietnam	-	-	1,922,256	-	-	-	-	1,922,256
Due from and loans to other banks – gross	-	-	19,055,168	2,806,000	-	-	-	21,861,168
Trading securities – gross	-	-	-	-	400,000	4,138,626	154,772	4,693,398
Loans and advances to customers – gross	1,583,241	1,810,425	8,572,903	13,283,743	38,606,495	18,300,319	22,339,902	104,497,028
Debt purchasing – gross	7,749	-	-	-	-	-	-	7,749
Investment securities – gross	300,000	-	1,233,145	470,367	6,720,449	30,116,298	8,192,120	47,032,379
Long-term investments – gross	-	-	-	-	-	-	490,087	490,087
Fixed assets	-	-	955,293	4,908	17,870	108,271	440,275	1,526,617
Investment properties	-	-	-	-	-	-	45,769	45,769
Other assets – gross	79,013	-	1,287,253	2,888,051	1,138,655	2,379,200	544,561	8,316,733
Total assets	1,970,003	1,810,425	34,537,647	19,453,069	46,883,469	55,042,714	32,207,486	191,904,813
Liabilities								
Borrowing from SBV	-	-	216	225	13,935	119,382	22,495	156,253
Due to and borrowings from other credit institutions	-	-	33,766,240	334,998	1,382,800	612,090	1,121,250	37,217,378
Due to customers	-	-	47,719,228	22,945,092	44,329,613	5,541,709	1,827	120,537,469
Derivatives and other financial instruments	-	-	43,320	(31,707)	58,485	-	-	70,098
Grants, entrusted funds and loans exposed to risks	-	-	-	-	1,000	691	2,926,050	2,927,741
Valuable papers issued	-	-	1,210,000	1,721,000	2,797,000	1,473,000	2,592,000	9,793,000
Other liabilities	-	-	1,687,682	743,481	1,280,678	69,840	91,545	3,873,226
Total liabilities	-	-	84,426,686	25,713,089	49,863,511	7,816,712	6,755,167	174,575,165
Net liquidity gap	1,970,003	1,810,425	(49,889,039)	(6,260,020)	(2,980,042)	47,226,002	25,452,319	17,329,648

46.4 Market price risk

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

47. OPERATING LEASE COMMITMENTS

	Ending balance VND million	Beginning balance VND million
Operating lease commitments	1,199,482	1,192,053
In which:		
- Due within one year	17,558	186,341
- Due from one to five years	372,145	419,585
- Due after five years	809,779	586,127

48. SUPPLEMENTAL NOTES TO FINANCIAL ASSETS AND FINANCIAL LIABILITIES

On 6 November 2009, the Ministry of Finance issued Circular No. 210/2009/TT-BTC providing guidance for the adoption in Vietnam of the International Financial Reporting Standards on presentation and disclosures of financial instruments ("Circular 210") which is effective for financial years beginning on or after 1 January 2011.

The Circular 210 only provides for the presentation and disclosures of financial instruments; therefore, the concepts of financial assets, financial liabilities and related concepts are applied solely for the supplemental presentation. Assets, liabilities and equity of the Bank and its subsidiaries have been recognized and measured in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System for Credit Institutions and the statutory requirements relevant to preparation and presentation of the consolidated financial statements.

Financial assets

Financial assets of the Bank and its subsidiaries within the scope of Circular 210 comprise cash and gold, balances with the State Bank of Vietnam, due from and loans to other credit institutions, loans to customers, held-for-trading and investment securities, receivables and other assets under currency derivative contracts.

According to Circular 210, financial assets are classified appropriately, for the purpose of disclosure in the consolidated financial statements, into one of the following categories:

» A financial asset at fair value through the consolidated statement of income

Is a financial asset that meets either of the following conditions:

a) It is classified as held-for-trading. A financial asset is classified as held for trading. A financial asset is classified as held-for-trading if:

- It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
- There is evidence of recent actual pattern of short-term profit-taking; or
- It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument);

b) Upon initial recognition, it is designated by the Bank and its subsidiaries as at fair value through profit or loss.

» Held-to-maturity investments:

Are non-derivative financial assets with fixed or determinable payments and fixed maturity that the Bank and its subsidiaries have the positive intention and ability to hold to maturity other than:

- Those that the Bank and its subsidiaries upon initial recognition designate as at fair value through consolidated profit or loss;
- Those that the Bank and its subsidiaries designate as available for sale;
- Those that meet the definitions of loans and receivables.

» Loans and receivables:

are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than:

- Those that the Bank and its subsidiaries intend to sell immediately or in the near term, which shall be classified as held for trading, and those that the Bank and its subsidiaries upon initial recognition designate as at fair value through consolidated profit or loss;
- Those that the Bank and its subsidiaries upon initial recognition designate as available for sale; or
- Those for which the holder may not recover substantially all of its initial investment, other than because of credit deterioration, which shall be classified as available for sale.

» Available for sale assets:

Are non-derivative financial assets that are designated as available for sale or are not classified as:

- Loans and receivables;
- Held-to-maturity investments;
- Financial assets at fair value through consolidated profit or loss.

Financial liabilities

Financial liabilities of the Bank and its subsidiaries under the Circular 210 consist of borrowings from the Government and the State Bank of Vietnam, deposits and borrowings from other banks, due to customers, grants, entrusted funds and loans exposed to risks, valuable papers issued by the Bank and its subsidiaries, payables and other liabilities under monetary derivative contracts.

According to Circular 210, financial liabilities are classified appropriately, for the purpose of disclosure in the consolidated financial statements, into one of the following categories:

» Financial liabilities at fair value through profit or loss .

is a financial liability that meets either of the following conditions:

- It is classified as held for trading. A financial liability is classified as held for trading if:
 - It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
 - There is evidence of a recent actual pattern of short-term profit-taking; or
 - It is a derivative (except for a derivative that is a financial guarantee contract or designated and effective hedging instrument).
- Upon initial recognition it is designated by the Bank and its subsidiaries as at fair value through consolidated profit or loss.

» Financial liabilities at amortized cost.

Financial liabilities which are not categorised as at fair value through profit or loss will classified as financial liabilities at amortized cost.

Offsetting financial assets and liabilities

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

Determine the fair value of financial instruments

The fair value of cash and short term deposits approximate their carrying value due to short term maturity of these items.

The carrying amount and fair value of the Bank and its subsidiaries' financial assets and liabilities are presented as at 31 December 2017 as follows:

	Carrying amount			Carrying amount		Total VND million	Fair value VND million
	Trading securities VND million	Held to maturity securities VND million	Loan and receivable VND million	Available-for- sale securities VND million	Other assets and liabili- ties at amortized cost VND million		
Financial assets							
Cash and gold	-	-	-	-	1,511,629	1,511,629	1,511,629
Balances with the SBV	-	-	-	-	1,922,256	1,922,256	1,922,256
Due from and loans to other banks	-	-	2,210,561	-	19,650,607	21,861,168	(*)
Trading securities	4,690,398	-	-	-	-	4,690,398	(*)
Trading securities	-	-	103,336,329	-	-	103,336,329	(*)
Purchased debts	-	-	3,875	-	-	3,875	(*)
Investment securities	-	8,738,570	-	37,063,571	-	45,802,141	(*)
Long-term investments	-	-	-	378,237	-	378,237	(*)
Other financial assets	-	-	5,140,464	-	-	5,140,464	(*)
Total	4,690,398	8,738,570	110,691,229	37,441,808	23,084,492	184,646,497	
Financial liabilities							
Borrowings from the Government and the SBV	-	-	-	-	156,253	156,253	(*)
Due to and borrowings from other banks	-	-	-	-	37,217,378	37,217,378	(*)
Derivative and other financial instruments	70,098	-	-	-	-	70,098	(*)
Due to customers	-	-	-	-	120,537,469	120,537,469	(*)
Grants, entrusted funds and loans exposed to risks	-	-	-	-	2,927,741	2,927,741	(*)
Valuable papers issued	-	-	-	-	9,793,000	9,793,000	(*)
Other liabilities	-	-	-	-	2,695,865	2,695,865	
Total	70,098	-	-	-	173,327,706	173,397,804	

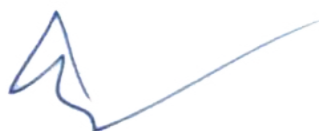
(*) As Vietnamese Accounting Standards, Vietnamese Accounting System for Credit Institutions and related regulations of the State Bank of Vietnam have no specific guidance on the fair value determination, the fair value of these items cannot be determined.

49. EVENTS AFTER THE CONSOLIDATED BALANCE SHEET DATE

There is no other matter or circumstance that has arisen that requires adjustment or disclosure in the Bank and its subsidiaries' consolidated financial statements for the year ended as at 31 December 2017.

50. EXCHANGE RATES OF APPLICABLE FOREIGN CURRENCIES AGAINST VIETNAM DONG AT THE END OF THE YEAR

	31 December 2017 VND	Beginning balance VND
USD	22.425	22.159
EUR	27.000	23.876
GBP	30.413	27.803
CAD	17.998	16.807
SGD	16.910	15.678
AUD	17.623	16.372
CNY	3.372	3.138
JPY	200,37	194,90
Gold SJC (ounce)	36.400.000	35.800.000

Prepared by:


Ms. Ho Dang Hoang Quyen
Chief Accountant

Reviewed by:


Mr. Pham Van Dau
Chief Finance Officer

Approved by:


Mr. Nguyen Huu Dang
Chief Executive Officer

Ho Chi Minh City, Vietnam
30 March 2018

OUR NETWORK

DOMESTIC NETWORK

HDBANK

- 1 Head Office
- 1 representative Office in Hanoi
- 238 Transaction locations and saving desks
- In 42 Cities / provinces nationwide

SOUTHERN REGION

- | | |
|---------------------|-----------------------|
| 1. Ho Chi Minh City | 9. An Giang |
| 2. Long An | 10. Kien Giang |
| 3. Tien Giang | 11. Ca Mau |
| 4. Ben Tre | 12. Dong Nai |
| 5. Vinh Long | 13. Ba Ria - Vung Tau |
| 6. Dong Thap | 14. Binh Duong |
| 7. Can Tho | 15. Binh Phuoc |
| 8. Soc Trang | |

CENTRAL REGION

- | | |
|----------------|----------------|
| 16. Lam Dong | 24. Quang Ngai |
| 17. Dak Lak | 25. Quang Nam |
| 18. Gia Lai | 26. Da Nang |
| 19. Kon Tum | 27. Hue |
| 20. Binh Thuan | 28. Quang Binh |
| 21. Khanh Hoa | 29. Ha Tinh |
| 22. Phu Yen | 30. Nghe An |
| 23. Binh Dinh | |

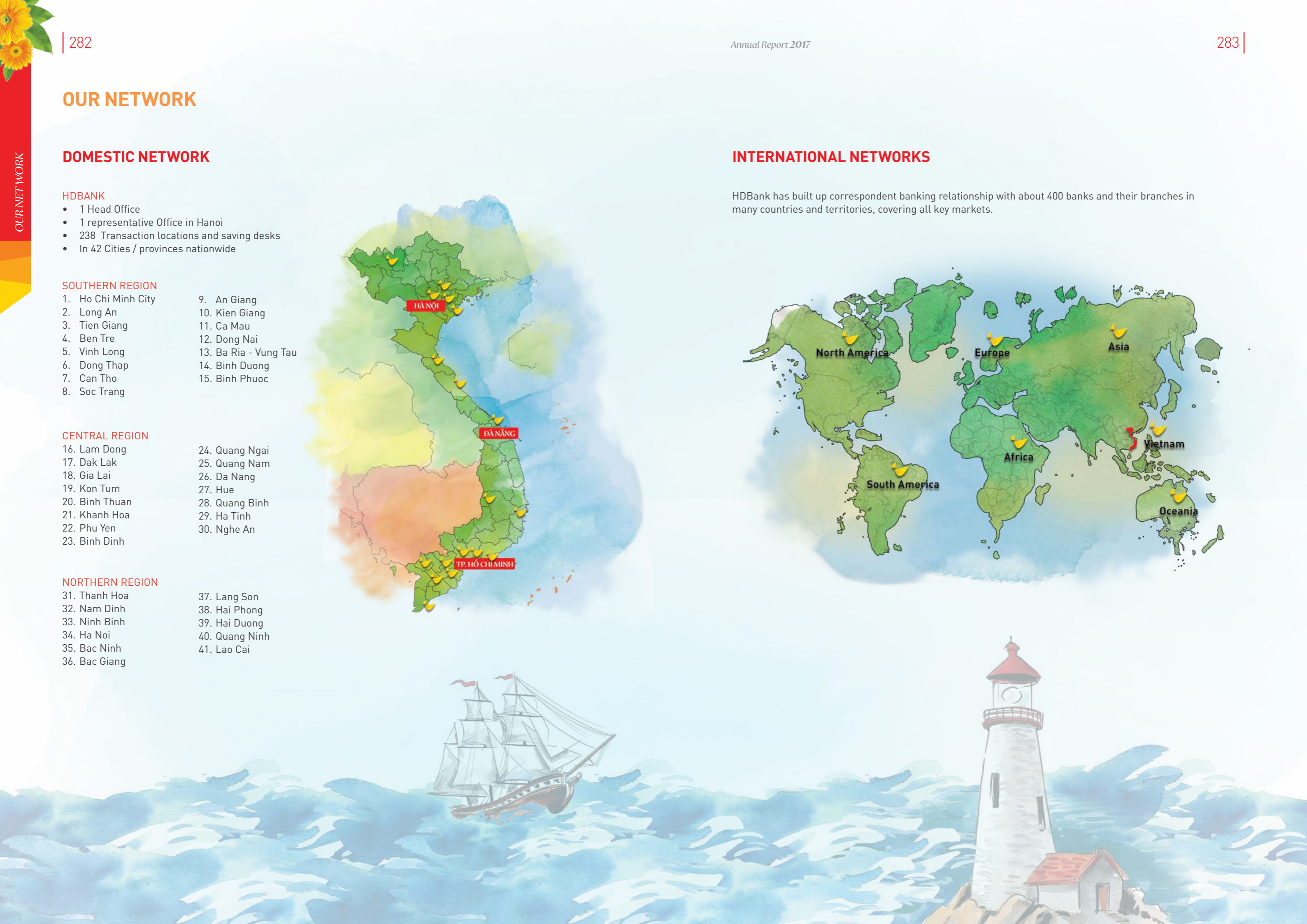
NORTHERN REGION

- | | |
|---------------|----------------|
| 31. Thanh Hoa | 37. Lang Son |
| 32. Nam Dinh | 38. Hai Phong |
| 33. Ninh Binh | 39. Hai Duong |
| 34. Ha Noi | 40. Quang Ninh |
| 35. Bac Ninh | 41. Lao Cai |
| 36. Bac Giang | |



INTERNATIONAL NETWORKS

HDBank has built up correspondent banking relationship with about 400 banks and their branches in many countries and territories, covering all key markets.



HO CHI MINH CITY	
Head Office	25Bis Nguyen Thi Minh Khai St., Ben Nghe Ward, Dist. 1
HDBank Nguyen Dinh Chieu	58 Nguyen Dinh Chieu St., Da Kao Ward, Dist. 1
HDBank CMT8	81 Cach Mang Thang 8, Ben Thanh Ward, Dist. 1
HDBank Tan Dinh	85 Nguyen Huu Cau, Tan Dinh Ward, Dist. 1
HDBank Sai Gon	22-24-26 Pasteur, Nguyen Thai Binh Ward, Dist. 1
HDBank Truong Dinh	179 Nguyen Cu Trinh, Nguyen Cu Trinh Ward, Dist. 1
HDBank Nguyen Van Cu	118 -120 Nguyen Van Cu, Nguyen Cu Trinh Ward, Dist. 1
HDBank Dong Sai Gon	260 Tran Nao, Binh An Ward, Dist. 2
HDBank Thao Dien	1451 St 38, Quater 2, Thao Dien Ward, Dist. 2
HDBank Nguyen Duy Trinh	201 Nguyen Duy Trinh, Binh Trung Tay Ward, Dist. 2
HDBank Nguyen Thi Dinh	519 Nguyen Thi Dinh, Quater 1, Cat Lai Ward, Dist. 2
HDBank Duy Tan	69 Pham Ngoc Thach, Ward 6, Dist. 3
HDBank Van Hanh	374 - 374B Vo Van Tan, Ward 5, Dist. 3
HDBank Nam Ky Khoi Nghia	215 Nam Ky Khoi Nghia, Ward 7, Dist. 3
HDBank Khanh Hoi	173 Khanh Hoi, Ward 3, Dist. 4
HDBank Hoang Dieu	01 Dinh Le, Ward 12, Dist. 4
HDBank Nguyen Trai	207-209 Nguyen Trai, Ward 2, Dist. 5
HDBank Gia Dinh	Ha Phan Building, 1119 Tran Hung Dao, Ward 5, Dist. 5
HDBank Minh Phung	169 - 171 Minh Phung, Ward 9, Dist. 6
HDBank Phu Lam	138 - 140 Kinh Duong Vuong, Ward 13, Dist. 6
HDBank Binh Phu	30 - 32 Binh Phu, Ward 11, Dist. 6
HDBank Huynh Tan Phat	705 Huynh Tan Phat, Phu Thuan Ward, Dist. 7
HDBank Phu My Hung	1485 Nguyen Van Linh, My Toan 1, Dist. 7
HDBank Binh Dien	Binh Dien Market's Office

	Nguyen Van Linh Boulevard, Quater 6, Ward 7, Dist. 8
HDBank Nam Sai Gon	123, number 10 St, Ward 4, Dist. 8
HDBank Hiep Phu	199 Le Van Viet, Hiep Phu Ward, Dist. 9
HDBank Phuoc Long	93 Do Xuan Hop, Phuoc Long B Ward, Dist. 9
HDBank Ngo Gia Tu	378 - 380 Ngo Gia Tu, Ward 4, Dist. 10
HDBank 3-2	604 3/2 St, Ward 14, Dist. 10
HDBank Hoa Hung	459 Su Van Hanh, Ward 12, Q10
HDBank Ho Chi Minh	K&K Building, 159A - B Le Dai Hanh, Ward 13, Dist. 11
HDBank Lac Long Quan	593 Binh Thoi, Ward 10, Dist. 11
HDBank Cay Go	1172C 3/2 St, Ward 12, Dist. 11
HDBank Ta Uyen	742 - 744 Nguyen Chi Thanh, Ward 4, Dist. 11
HDBank Truong Chinh	2/6B Truong Chinh, Tan Thoi Nhat Ward, Dist. 12
HDBank Nguyen Anh Thu	2C, Nguyen Anh Thu, Quater 3, Trung My Tay Ward, Dist. 12

HDBank Binh Hung	A30/20 QL 50, Binh Hung Commune, Binh Chanh
HDBank Khu Nam	39 St 9A KDC Trung Son, Binh Hung Commune Binh Chanh

HDBank Hang Xanh	Broadcast Building Dien Bien Phu, Ward 15, Binh Thanh Dist.
HDBank Dinh Bo Linh	51D Dinh Bo Linh, Ward 26, Binh Thanh Dist.
HDBank Binh Thanh	132 - 134 D2 St, Ward 25, Binh Thanh Dist.
HDBank Le Quang Dinh	472 Le Quang Dinh, Ward 11, Binh Thanh Dist.
HDBank Bach Dang	145 Le Quang Dinh, Ward 14, Binh Thanh Dist.
HDBank Hoang Hoa Tham	104A Hoang Hoa Tham, Ward 7, Binh Thanh Dist.
HDBank Phan Van Tri	561 Phan Van Tri, Ward 5, Go Vap Dist.
HDBank Nguyen Danh	679 Nguyen Kiem, Ward 3, Go Vap Dist.
HDBank Go Vap	871 Quang Trung, Ward 12, Go Vap Dist.
HDBank Thai Son	222 Nguyen Thai Son, Ward 4, Go Vap Dist.
HDBank Phu Nhuan	174 Phan Dang Luu, Phu Nhuan Dist.
HDBank Le Van Sy	185 B-C Le Van Sy, Ward 14, Phu Nhuan Dist.
HDBank Cong Hoa	440A Cong Hoa, Ward 13, Tan Binh Dist.
HDBank Lanh Binh Thang	449 - 451 Ly Thuong Kiet, Ward 8, Tan Binh Dist.
HDBank Truong Son	8A - 10A Truong Son, Ward 2, Tan Binh Dist.
HDBank Au Co	516 Au Co, Ward 10, Tan Binh Dist.
HDBank Tan Binh	95A Au Co, Ward 14, Tan Binh Dist.
HDBank Hoa Binh	173 Hoa Binh, Hiep Tan Ward, Tan Phu Dist.
HDBank Tan Phu	21A Go Dau, Tan Quy Ward, Tan Phu Dist.
HDBank Le Trong Tan	445 - 445A Le Trong Tan, Son Ky Ward, Tan Phu Dist.
HDBank Nguyen Son	238 Nguyen Son, Phu Tho Hoa Ward, Tan Phu Dist.
HDBank Linh Dong	226 To Ngoc Van, Linh Dong Ward, Thu Duc Dist.
HDBank Thu Duc	269 - 271 Vo Van Ngan, Linh Chieu Ward, Thu Duc Dist.

LONG AN	
HDBank Long An	130 -132 Nguyen Huu Tho, Quater 3, Ben Luc, Ben Luc Hamlet 3 Long Hau Commune, Can Giuoc, Long An
HDBank Long Hau	

TIEN GIANG	
HDBank Tien Giang	95 - 95A, Ap Bac, Ward 5, My Tho City, Tien Giang

BEN TRE	
HDBank Ben Tre	257A Dong Khoi Boulevard, Phu Tam Ward, Ben Tre

VINH LONG	
HDBank Vinh Long	138 Pham Thai Buong, Hamlet 1, Ward 4, Vinh Long

CAN THO	
HDBank Can Tho Dist.	162 - 162B Tran Hung Dao, An Nghiep Ward, Ninh Kieu Dist.
HDBank Xuan Khanh	209A - 209B 30/4 St, Xuan Khanh Ward, Ninh Kieu Dist.
HDBank Thot Not	262 Highway 91, Long Thanh 1, Thot Not Ward
HDBank O Mon	554/6 26/3 St, My Xuyen Ward, O Mon Dist.

SOC TRANG	
HDBank Soc Trang	179 - 179A Tran Hung Dao, Ward 3, Soc Trang
HDBank Chau Thanh	327 1A highway, Tra Quyt A Hamlet, Chau Thanh, Soc Trang

DONG THAP	
HDBank Dong Thap	62 - 64 Ly Thuong Kiet, Ward 2, Cao Lanh
HDBank Sa Dec	A8 -10 Hung Vuong, Ward 2, Sa Dec

AN GIANG	
HDBank An Giang	217 Ly Thai To, My Long Ward, Long Xuyen
HDBank Chau Phu	08, Cai Dau, Chau Phu, An Giang
HDBank Chau Doc	163 - 165 Le Loi, Chau Long 2, Chau Phu B, Chau Doc

KIEN GIANG	
HDBank Kien Giang	A7 - 63+64 Ba Thang Hai, Vinh Bao Ward, Rach Gia
HDBank Phu Quoc	50 30/4 St, Duong Dong, Phu Quoc, Rach Gia

CA MAU	
HDBank Ca Mau	138A - 138B Ngo Quyen, Ward 9, Ca Mau
HDBank Song Doc	66 Tran Hung Dao, Ward 5, Ca Mau

DONG NAI	
HDBank Dong Nai	208D Pham Van Thuan, Tan Tien Ward, Bien Hoa City
HDBank AMATA City	Industrial Zone 50 - 52 Dong Khoi St, Quater 4, Tan Hiep Ward, Bien Hoa City

HDBank Thanh Binh	93 30/4 St, Ward Thanh Binh, Bien Hoa City
HDBank Tan Bien	388, Nguyen Ai Quoc St, Quater 9, Ho Nai Ward, Bien Hoa City
HDBank Phuoc Binh	Phuoc Binh Village, Long Thanh
HDBank SGD Dong Nai	294-296 Quater 1, CMT8, Quyet Thang Ward, Bien Hoa City
HDBank Quyet Thang	53-55 Vo Thi Sau, Ward Quyet Thang, Bien Hoa City
HDBank Buu Long	17/5A -17/5B Quater 2, Buu Long Ward, Bien Hoa City
HDBank Tan Phong	378 1st Highway, Tan Tien Ward, Bien Hoa City
HDBank Tan Mai	1/20 Quater 7, Tam Hiep Ward, Bien Hoa City
HDBank Quang Vinh	19/1 Dong Nai Hamlet, Hoa An Commune, Bien Hoa City
HDBank Dong Khoi Hoa	Kios 13 -14 KCC Thanh Binh, Nguyen Trai, Thanh Binh Ward, Bien Hoa

HDBank Ho Nai	A3 - A8 Quater 5, Tan Bien Ward, Bien Hoa City
HDBank Thanh Phu	459A, Thanh Phu Commune, Vinh Cuu
HDBank Tan Hiep	433 - 435, Quater 6, Dong Khoi, Tan Tien, Thanh Binh, Bien Hoa
HDBank Tan Hoa	58/1 - 60/1 Quater 2, Tan Hoa Ward, Bien Hoa City
HDBank Vinh An	Quater 5, Vinh An, Vinh Cuu
HDBank Tam Hiep	151/2, Quater 4, Pham Van Thuan, Tam Hiep, Bien Hoa City
HDBank Tam Phuoc	256A Long Duc 1, Tam Phuoc Commune, Bien Hoa City
HDBank Long Binh	351, Highway 51, Quater 1, Long Binh Tan Ward, Bien Hoa City
HDBank Nhon Trach	357 Hung Vuong, Hamlet 3, Hiep Phuoc, Nhon Trach
HDBank Long Thanh	173/K5, Le Duan, Khu Van Hai, Long Thanh
HDBank Xuan Hoa	520 Hung Vuong, Xuan Hoa, Long Khanh, Long Khanh
HDBank Dinh Quan	193 Highway 20, Hiep Quyet, Dinh Quan, Dinh Quan
HDBank Phuong Lam	2117 Highway 20, Phuong Lam 1, Phu Lam, Tan Phu
HDBank Gia Ray	362, Tran Phu, Quater 3, Gia Ray, Xuan Loc
HDBank Thong Nhat	A2/063, Highway 20, Bac Son, Quang Trung, Thong Nhat
HDBank Xuan An	Quater 1, Xuan An, Long Khanh, Long Khanh
HDBank Trang Bom	B4 - B5, O Bac, 1A Highway, Trang Bom
HDBank Song Ray	Hamlet 5, Song Ray, Cam My
HDBank Ho Nai 3	Thanh Hoa Hamlet, 1A Highway, Ho Nai 3, Trang Bom
HDBank Dong Hoa	04, Bau Ca Hamlet, Trung Hoa, Trang Bom

BA RIA - VUNG TAU	
HDBank Vung Tau	7 Nguyen Thai Hoc, Vung Tau
HDBank Ly Thuong Kiet	35 Tran Hung Dao, Ward 1, Vung Tau
HDBank Rach Dua	213 - 215 30/4 St, Thang Nhat Ward, Vung Tau
HDBank Ba Ria	267 Cach Mang Thang 8, Phuoc Hung, Ba Ria
HDBank Phuoc Tinh	Phuoc Lam Hamlet, Phuoc Hung, Long Dien
HDBank Chau Duc	307 Hung Vuong, Quater 2, Ngai Giao, Chau Duc

BINH DUONG	
HDBank Binh Duong	558 Binh Duong Boulevard, Hiep Thanh, Thu Dau Mot
HDBank Di An	90 Di An St, Truong Tre, Di An
HDBank So Sao	Hamlet 2, Tan Dinh Commune, Ben Cat
HDBank Hoa Lan	27/2 Binh Giao Quater, Thuan Giao, Thuan An
HDBank Thu dau Mot	Block B, Dinh Bo Linh Market Quater, Phu Cuong, Thu Dau Mot
HDBank Binh An	38A/3 1K Highway, Noi Hoa 2, Binh An, Di An
HDBank Lai Thieu	66 Nguyen Van Viet, Lai Thieu, Thuan An
HDBank Bau Bang	D1 - 5A Bau Bang, Lai Uyen, Bau Bang

BINH PHUOC	
HDBank Binh Phuoc	Block 21- 22 highway 14, Tan Phu, Dong Xoai

TAY NINH	
HDBank Tay Ninh	410 30/4 St, Ward 3, Tay Ninh

LAM DONG	
HDBank Lam Dong	1/23 Tran Phu, Ward 4, Da Lat

DAK LAK	
HDBank Dak Lak	38 - 40 Y Jut, Tan Tien, Buon Ma Thuot
HDBank Chu Quynh	Hamlet 1, Ea Ktur Commune, Cu Kuin
HDBank KRong Buk	Tan Lap Hamlet, Pong Drang Commune, Krong Buk
HDBank Ea H'Leo	412 Giai Phong, Ea Drang, Ea H'Leo

GIA LAI	
HDBank Gia Lai	Kios 1,2,3,4 01, Phu Dong, Phu Dong, Pleiku
HDBank Pleiku	58 Dinh Thien Hoang, Dien Hong, Pleiku

KON TUM	
HDBank Kon Tum	64 Tran Phu, Quyet Thang, Kon Tum

BINH THUAN	
HDBank Binh Thuan	119 Tran Hung Dao, Phu Thuy, Phan Thiet

KHANH HOA	
HDBank Nha Trang	12 Tran Quy Cap, Van Thanh
HDBank Cho Moi	3.05A 23/10 St, Ngoc Hiep Ward
HDBank Cam Ranh	109 Hung Vuong Boulevard, Cam Loi Ward
HDBank Trung Tam	100 Hoang Van Thu, Van Thang Ward

PHU YEN	
HDBank Phu Yen So	196 Tran Hung Dao, Ward 3, Tuy Hoa

BINH DINH	
HDBank Binh Dinh	89 - 91 Mai Xuan Thuong, Ly Thuong Kiet, Quy Nhon
HDBank An Nhon	146 - 148 Ngo Gia Tu, Binh Dinh, An Nhon

QUANG NGAI	
HDBank Quang Ngai	219- 221 Quang Trung, Le Hong Phong Ward
HDBank Duc Pho	310 Nguyen Nghiem, Duc Pho

QUANG NAM	
HDBank Quang Nam	244 Ly Thuong Kiet, Son Phong, Hoi An

DA NANG	
HDBank Da Nang	74 - 76 - 78 Chi Lang, Hai Chau 2, Hai Chau
HDBank Le Duan	185 Dong Da, Thanh Thang, Hai Chau
HDBank Hai Chau	Kiosk 500A Dien Bien Phu, Hoa Khe, Thanh Khe
HDBank Hoa Cuong	376 Nui Thanh, Hoa Cuong, Hai Chau
HDBank Nguyen Van Linh	150 -152 Nguyen Van Linh, Thanh Khe

THUA THIEN HUE	
HDBank Hue	41- 43 Ben Nghe, Phu Hoi, Hue
HDBank Bac Song Huong	81 Mai Thuc Loan, Thuan Thanh, Hue

QUANG BINH	
HDBank Quang Binh	352 Tran Hung Dao, Nam Ly, Dong Hoi

HA TINH	
HDBank Ha Tinh	75 Phan Dinh Phung, Bac Ha, Ha Tinh
HDBank Vung Ang	Lien Giang Hamlet, Ky Long, Ky Anh

NGHE AN	
HDBank Nghe An	39 Le Hong Phong, Hung Binh, Vinh
HDBank Hung Phuc	282 Nguyen Van Cu, Hung Phuc, Vinh
HDBank Quan Hanh	Quan Hanh, Nghi Loc
HDBank Minh Khai	78 Nguyen Thi Minh Khai, Vinh
HDBank Vinh	22, Quang Trung, Quang Trung, Vinh
HDBank Dien Chau	Hamlet 7, Dien Ky Commune, Dien Chau

THANH HOA	
HDBank Thanh Hoa	13 & 14 Phan Chu Trinh St, Dien Bien
HDBank Lam Son	488 Quang Trung, Dong Ve

NINH BINH	
HDBank Ninh Binh	185 Luong Van Thang, Dong Thanh Ward, Ninh Binh

NAM DINH	
HDBank Nam Dinh	09 Nguyen Du, Nguyen Du Ward, Nam Dinh

HA NOI	
Ban dai dien phia Bac	9th Floor, 32 Tran Hung Dao, Hoan Kiem Dist.
HDBank Ha Noi	Don nguyen I, 2C House, Doan Ngoai Giao Quater, Ngoc Khanh Ward, Ba Dinh Dist.
HDBank Nguyen Truong To	27 Nguyen Truong To, Ba Dinh Dist.
HDBank Tay Ha Noi	138 Hoang Quoc Viet, Nghia Tan, Cau Giay Dist.
HDBank Cau Giay	12 Truong Cong Giai, Dich Vong, Cau Giay Dist.
HDBank Trung Hoa	M1 - 01 Nguyen Thi Dinh, Trung Hoa, Cau Giay Dist.
HDBank Tay Do	11 Nguyen Van Huyen, Quan Hoa, Cau Giay Dist.
HDBank Trung Yen	17 Block 14A, KDT Trung Yen, Trung Hoa, Cau Giay Dist.
HDBank My Dinh	01 Le Duc Tho, Mai Dich, Cau Giay Dist.

HDBank Tran Duy Hung	1st Floor, CT3 Building, Trung Hoa, Cau Giay Dist.
HDBank Nguyen Khang	78 Nguyen Khang, Yen Hoa, Cau Giay Dist.
HDBank Ba Dinh	243A De La Thanh, Lang Thuong, Dong Da Dist.
HDBank Thanh Do	T579C Hao Nam, Dong Da Dist.
HDBank Kim Lien	59 Xa Dan, Phuong Lien, Dong Da Dist.
HDBank Thanh Cong	101 & 201 - C18 Nguyen Hong, Lang Ha, Dong Da Dist.
HDBank Kinh Do	198A Truong Chinh, Khuong Thuong, Dong Da Dist.
HDBank Ho Guom	165 Thai Ha, Trung Liet, Dong Da Dist.
HDBank Kham Thien	96-98 Kham Thien, Kham Thien, Dong Da Dist.
HDBank Luong Dinh Cua	02, 11&13 Luong Dinh Cua, Kim Lien, Dong Da Dist.
HDBank O Cho Dua	26 Hoang Cau, O Cho Dua, Dong Da Dist.
HDBank Nguyen Luong Bang	200 Nguyen Luong Bang, Dong Da Dist.
HDBank Thai Thinh	61 Thai Thinh, 13b Quater, Thinh Quang, Dong Da Dist.
HDBank Nguyen Chi Thanh	174 Lang St, Thinh Quang, Dong Da Dist.
HDBank Quang Trung	Block T1-03, 1st Floor, CT2 Building, Ngo Thi Nham, Ha Cau, Ha Dong
HDBank Ha Dong	Kiosk 05, Block BT1, Van Phu , Ha Dong Dist.
HDBank Dong Da	70 Tran Dai Nghia, Dong Tam, Hai Ba Trung Dist.
HDBank Hai Ba Trung	183 Ba Trieu, Le Dai Hanh, Dist. Hai Ba Trung
HDBank Ha Thanh	288 Lac Trung St, Vinh Tuy, Hai Ba Trung Dist.
HDBank Trang Tien	118 Dai Co Viet, Le Dai Hanh, Hai Ba Trung Dist.
HDBank Nam Do	145 Pho Vong, Dong Tam, Hai Ba Trung Dist.
HDBank Hoang Mai	86 Vo Thi Sau, Thanh Nhan, Hai Ba Trung Dist.
HDBank Sai Dong	66 Sai Dong, Sai Dong, Long Bien Dist.
HDBank Nam Ha Noi	39 Tue Tinh, Bui Thi Xuan, Hai Ba Trung Dist.
HDBank Hoan Kiem	32 Tran Hung Dao, Hoan Kiem Dist.
HDBank Tran Hung Dao	33 Trang Thi, Tran Hung Dao, Hoan Kiem Dist.
HDBank Thu Do	14 - 16 Ham Long, Hoan Kiem Dist.
HDBank Hong Ha	1 Nguyen Van To, Cua Dong, Hoan Kiem Dist.
HDBank Dong Do	52 Nguyen Sieu, Hang Buom, Hoan Kiem Dist.
HDBank Van Xuan	11 Lo Ren, Hang Bo, Hoan Kiem Dist.
HDBank Trang An	98B Tran Hung Dao, Cua Nam, Hoan Kiem Dist.
HDBank Hang Buom	40 Hang Thiec, Hang Gai, Hoan Kiem Dist.
HDBank Linh Dam	BT1, Bac Linh Dam, Nguyen Huu Tho, Dai Kim, Hoang Mai Dist.
HDBank Le Thanh Nghi	142 Nguyen An Ninh, Tuong Mai, Hoang Mai Dist.
HDBank Long Bien	562 Nguyen Van Cu, Long Bien Dist.
HDBank Ha Huy Tap	547 Ngo Gia Tu, Duc Giang, Long Bien Dist.
HDBank Tu Liem	Hamlet 8 Tu Hoang, Phuong Canh, Nam Tu Liem Dist.
HDBank My Dinh 2	Block 117 TT3 Building, My Dinh 1, Nam Tu Liem Dist.
HDBank My Dinh 1	1st Floor, A4 Building KDT My Dinh, Nam Tu Liem Dist.
HDBank Hung Vuong	249A Thuy Khue, Thuy Khue, Dist. Tay Ho
HDBank Tay Ho	22 Xuan La, Xuan La, Tay Ho Dist.
HDBank Yen Thai	392 Thuy Khue, Buoi Ward, Tay Ho Dist.
HDBank Yen Phu	7A, Yen Phu, Yen Phu, Tay Ho Dist.
HDBank Hoang Van Thai	142 Hoang Van Thai, Khuong Mai, Thanh Xuan Dist.
HDBank Thanh Xuan	144 Khuat Duy Tinh, Thanh Xuan Dist.
HDBank Thuong Dinh	1st Floor Nam Anh Building, 116 Nhan Hoa, Thanh Xuan Dist.
HDBank Trieu	Khuc Xom Cau, Trieu Khuc, Thanh Tri

BAC NINH	
HDBank Bac Ninh	1st Floor Viglacere, 15 Ly Thai To, Bac Ninh
HDBank Tu Son	198 Tran phu, Dong Ngan, Tu son

BAC GIANG	
HDBank Bac Giang	772 Le Loi, Dinh Ke, Bac Giang

LANG SON	
HDBank Lang Son	298 Ba Trieu, Vinh Trai, Lang Son
HDBank Dong Dang	119 Day Thiep, Dong Dang, Cao Loc

HAI DUONG	
HDBank Hai Duong	360 Nguyen Luong Bang, Hai Duong
HDBank Dien Bien Phu	199 Dien Bien Phu, Binh Han, Hai Duong
HDBank Thanh Dong	22 Quang Trung, Quang Trung, Hai Duong

HAI PHONG	
HDBank Hai Phong	116 Nguyen Duc Canh, Cat Dai, Le Chan Dist.
HDBank Hai Dang	02, Block 22A, Le Hong Phung, Dong Khe, Ngo Quyen Dist.
HDBank Ngo Quyen	376 To Hieu, Ho Nam, Le Chan Dist.

QUANG NINH	
HDBank Quang Ninh	131 25/4 St, Bach Dang, Ha Long
HDBank Cam Pha	402 Tran Phu, Cam Trung, Cam Pha
HDBank Mao Khe	137 Hoang Hoa Tham St, Mao Khe, Dong Trieu

TINH LAO CAI	
HDBank Lao Cai	143 Hoang Lien, Coc Leu, Lao Cai
HDBank Cam Duong	06 Tran Hung Dao, Bac Cuong, Lao Cai





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