

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

Financial statements

For the year ended 31 December 2021



China Construction Bank Corporation - Ho Chi Minh City Branch

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China Construction Bank Corporation - Ho Chi Minh City Branch

GENERAL INFORMATION

THE BRANCH

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

The Branch was established pursuant to Banking License No. 271/GP-NHNN dated 10 December 2009 issued by the State Bank of Vietnam ("SBV") and Business Registration No. 4104016066 dated 18 March 2010 issued by Ho Chi Minh City Department of Planning and Investment which was amended for the latest time by certificate No. 0309878015 on 19 August 2016. The Branch started operation on 10 December 2009 with an operation period of 99 years.

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

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

MANAGEMENT AND CHIEF ACCOUNTANT

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

<i>Name</i>	<i>Position</i>	<i>Date of appointment/resignation</i>
Mr. Huang Guoyong	General Manager	Appointed on 24 July 2015
Ms. Chen Min	Deputy General Manager	Appointed on 18 July 2018
Mr. Tong Youtang	Head of Marketing Department	Appointed on 16 August 2021
Mr. Wang Long Fei	Head of Treasury Department	Appointed on 11 October 2016
Mr. Mao JianLi	Head of Risk Management Department	Appointed on 13 August 2019
Ms. Cao Le Bao Chieu	Administration Manager	Appointed on 4 May 2010
Ms. Tran Thi Huong	Head of Legal and Compliance Department	Appointed on 1 July 2017
Ms. Yang Yuan Yuan	Chief Accountant cum Head of Operation Department	Appointed on 3 April 2017
Ms. Huynh Thi Hong Tuyen	Acting Head of Marketing Department	Appointed from 4 January 2021 to 15 August 2021
Mr. Chen Weiyang	Head of Marketing Department	Resigned on 4 January 2021

LEGAL REPRESENTATIVE

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

AUDITORS

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

China Construction Bank Corporation - Ho Chi Minh City Branch

REPORT OF MANAGEMENT

Management of China Construction Bank Corporation - Ho Chi Minh City Branch ("the Branch") is pleased to present this report and the financial statements of the Branch for the year ended 31 December 2021.

MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Branch's management is responsible for the financial statements of each financial year which give a true and fair view of the financial position of the Branch and of the results of its operations and its cash flows for the year. In preparing those financial statements, management is required to:

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

Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Branch and ensuring that the accounting records comply with the applied accounting system. It is also responsible for safeguarding the assets of the Branch and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying financial statements give a true and fair view of the financial position of the Branch as at 31 December 2021 and of the results of its operations and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System for Credit Institutions and the statutory requirements relevant to the preparation and presentation of the financial statements.

For and on behalf of management:



Mr. Huo Guoyong
General Manager

Ho Chi Minh City, Vietnam

31 March 2022

Reference: 61246289/22864093

INDEPENDENT AUDITORS' REPORT

To: The Owner of China Construction Bank Corporation - Ho Chi Minh City Branch

We have audited the accompanying financial statements of China Construction Bank Corporation - Ho Chi Minh City Branch ("the Branch") as prepared on 31 March 2022 and set out on pages 5 to 54, which comprise the balance sheet as at 31 December 2021, the income statement and the cash flow statement for the year then ended and the notes thereto.

Management's responsibility

Management of the Branch is responsible for the preparation and fair presentation of these financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System for Credit Institutions and the statutory requirements relevant to the preparation and presentation of the financial statements, and for such internal control as the management determines is necessary to enable the preparation and presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Branch's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Branch's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view, in all material respects, of the financial position of the Branch as at 31 December 2021, and of the results of its operations and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System for Credit Institutions and the statutory requirements relevant to the preparation and presentation of the financial statements.


Other matter

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

Ernst & Young Vietnam Limited



Nguyễn Phương Nga
Deputy General Director
Audit Practicing Registration
Certificate No. 0763-2019-004-1



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

Ho Chi Minh City, Vietnam

31 March 2022

China Construction Bank Corporation - Ho Chi Minh City Branch

BALANCE SHEET
as at 31 December 2021

B02/TCTD

	Notes	Ending balance		Beginning balance	
		US\$	VNDm equivalent	US\$	VNDm equivalent
ASSETS					
Cash	5	487,275	11,095	663,672	15,334
Balances with the State Bank of Vietnam ("SBV")	6	9,970,172	227,021	34,375,806	794,253
Due from and loans to other credit institutions		184,892,224	4,209,996	94,722,249	2,188,557
Due from other credit institutions	7.1	114,907,743	2,616,449	78,364,270	1,810,606
Loans to other credit institutions	7.2	69,984,481	1,593,547	16,357,979	377,951
Loans to customers		74,330,192	1,692,499	86,025,640	1,987,623
Loans to customers	8	75,108,119	1,710,212	86,693,861	2,003,062
Provision for credit losses on loans to customers	9	(777,927)	(17,713)	(668,221)	(15,439)
Fixed assets		714,237	16,264	152,095	3,514
Tangible fixed assets	10	664,066	15,121	89,864	2,076
Cost		1,646,814	37,498	1,116,171	25,789
Accumulated depreciation		(982,748)	(22,377)	(1,026,307)	(23,713)
Intangible fixed assets	11	50,171	1,143	62,231	1,438
Cost		165,638	3,772	158,621	3,665
Accumulated amortization		(115,467)	(2,629)	(96,390)	(2,227)
Other assets		479,581	10,919	451,770	10,438
Receivables	12.1	224,116	5,103	139,654	3,226
Interest and fees receivable	12.2	200,551	4,566	260,725	6,024
Other assets	12.3	54,914	1,250	51,391	1,188
TOTAL ASSETS		270,873,681	6,167,794	216,391,232	4,999,719
LIABILITIES					
Due to and borrowings from other credit institutions	13	91,719,669	2,088,457	54,497,594	1,259,167
Due to other credit institutions		41,719,669	949,957	45,841,459	1,059,167
Borrowings from other credit institutions		50,000,000	1,138,500	8,656,135	200,000
Due to customers	14	108,439,799	2,469,174	94,793,452	2,190,202
Other liabilities		3,949,802	89,937	697,822	16,123
Interest and fees payable	15.1	77,016	1,754	55,791	1,289
Other liabilities	15.2	3,872,786	88,183	642,031	14,834
TOTAL LIABILITIES		204,109,270	4,647,568	149,988,868	3,465,492
OWNER'S EQUITY					
Capital		58,119,359	1,248,250	58,119,359	1,248,250
Reserves		1,756,927	39,874	1,702,620	38,629
Foreign exchange difference		-	74,963	-	97,263
Retained earnings		6,888,125	157,139	6,580,385	150,085
TOTAL OWNER'S EQUITY	17	66,764,411	1,520,226	66,402,364	1,534,227
TOTAL LIABILITIES AND OWNER'S EQUITY		270,873,681	6,167,794	216,391,232	4,999,719

China Construction Bank Corporation - Ho Chi Minh City Branch

BALANCE SHEET (continued)
as at 31 December 2021

B02/TCTD

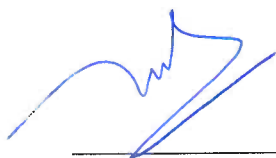
OFF-BALANCE SHEET ITEMS

Notes	Ending balance		Beginning balance	
	US\$	VNDm equivalent	US\$	VNDm equivalent
Irrevocable loan commitments	3,451,477	78,590	8,334,275	192,563
Letters of credit	-	-	9,486,400	219,183
Other guarantees	23,978,598	545,993	8,850,026	204,480
27	27,430,075	624,583	26,670,701	616,226

Prepared by:

Reviewed by:

Approved by:



Ms. Nguyen Thi Ngoc Trinh
Financial Controller



Ms. Yang Yuan Yuan
Chief Accountant




Mr. Jiang Guoyong
General Manager

Ho Chi Minh City, Vietnam

31 March 2022

China Construction Bank Corporation - Ho Chi Minh City Branch

INCOME STATEMENT
for the year ended 31 December 2021

B03/TCTD

	Notes	Current year		Previous year	
		US\$	VNDm equivalent	US\$	VNDm equivalent
Interest and similar income	18	4,570,610	104,768	6,419,571	149,050
Interest and similar expenses	19	(531,316)	(12,179)	(1,909,724)	(44,340)
Net interest and similar income		4,039,294	92,589	4,509,847	104,710
Fee and commission income		434,465	9,959	318,016	7,384
Fee and commission expenses		(109,809)	(2,517)	(76,197)	(1,769)
Net fee and commission income	20	324,656	7,442	241,819	5,615
Net gain from trading of foreign currencies	21	384,865	8,822	545,902	12,675
Other operating income		739	17	11,405	265
Other operating expenses		(993)	(23)	(143,671)	(3,336)
Net loss from other operating activities	22	(254)	(6)	(132,266)	(3,071)
TOTAL OPERATING INCOME		4,748,561	108,847	5,165,302	119,929
Personnel expenses		(3,322,313)	(76,154)	(2,947,232)	(68,429)
Depreciation and amortization charges		(45,275)	(1,038)	(36,661)	(851)
Other operating expenses		(822,220)	(18,847)	(697,045)	(16,184)
TOTAL OPERATING EXPENSES	23	(4,189,808)	(96,039)	(3,680,938)	(85,464)
Net operating profit before provision expense for credit losses		558,753	12,808	1,484,364	34,465
Provision expense for credit losses	9	(109,706)	(2,515)	(7,306)	(171)
PROFIT BEFORE TAX		449,047	10,293	1,477,058	34,294
Current corporate income tax expense	16	(87,000)	(1,994)	(268,983)	(6,245)
PROFIT AFTER TAX		362,047	8,299	1,208,075	28,049

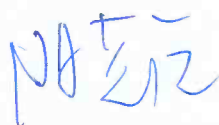
Prepared by:

Reviewed by:

Approved by:



Ms. Nguyen Thi Ngoc Trinh
Financial Controller



Ms. Yang Yuan Yuan
Chief Accountant



Mr. Huang Guoyong
General Manager

Ho Chi Minh City, Vietnam

31 March 2022

China Construction Bank Corporation - Ho Chi Minh City Branch

CASH FLOW STATEMENT
for the year ended 31 December 2021

B04/TCTD

	Notes	Current year		Previous year	
		US\$	VNDm equivalent	US\$	VNDm equivalent
CASH FLOWS FROM OPERATING ACTIVITIES					
Interest and similar receipts		4,723,588	108,274	6,758,795	156,926
Interest and similar payments		(510,091)	(11,692)	(2,102,595)	(48,818)
Net fee and commission receipts		324,656	7,442	241,819	5,615
Net receipts from trading of foreign currencies		384,865	8,822	545,902	12,675
Receipts from other activities		(838)	(19)	(143,671)	(3,336)
Payments for operations and salary expenses		(4,134,711)	(94,776)	(3,480,211)	(80,804)
Corporate income tax paid during the year	16	(193,393)	(4,433)	(344,702)	(8,003)
Net cash flows from operating activities before changes in operating assets and liabilities		594,076	13,618	1,475,337	34,255
Changes in operating assets					
(Increase)/decrease in loans to other credit institutions		(53,626,502)	(1,229,227)	8,912,215	206,924
Decrease in loans to customers		11,585,742	265,568	6,896,607	160,125
Increase in other operating assets		(87,985)	(2,017)	(27,567)	(640)
Changes in operating liabilities					
Increase/(decrease) in due to other credit institutions		37,222,075	853,204	(86,041,084)	(1,997,702)
Increase in due to customers		13,646,347	312,802	36,995,181	858,954
Increase/(decrease) in other operating liabilities		3,234,522	74,142	(2,945,986)	(68,400)
Net cash flows from/(used in) operating activities		12,568,275	288,090	(34,735,297)	(806,484)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of fixed assets		(607,417)	(13,923)	(66,790)	(1,551)
Proceeds from disposals of fixed assets		584	13	11,405	265
Net cash flows used in investing activities		(606,833)	(13,910)	(55,385)	(1,286)

China Construction Bank Corporation - Ho Chi Minh City Branch

CASH FLOW STATEMENT (continued)
for the year ended 31 December 2021

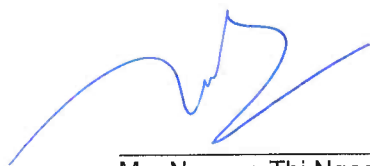
B04/TCTD

Notes	Current year		Previous year	
	US\$	VNDm equivalent	US\$	VNDm equivalent
Net cash flows during the year	11,961,442	274,180	(34,790,682)	(807,770)
Cash and cash equivalents at the beginning of the year	113,403,748	2,620,193	148,194,430	3,433,665
Foreign exchange difference	-	(39,808)	-	(5,702)
Cash and cash equivalents at the end of the year	125,365,190	2,854,565	113,403,748	2,620,193

Prepared by:

Reviewed by:

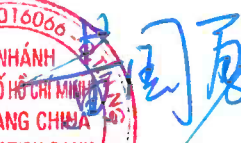
Approved by:



Ms. Nguyen Thi Ngoc Trinh
Financial Controller



Ms. Yang Yuan Yuan
Chief Accountant

Mr. Huang Guoyong
General Manager

Ho Chi Minh City, Vietnam

31 March 2022