

A large, stylized graphic of two hands shaking, rendered in a low-poly, geometric style with shades of gray and white. The hands are positioned centrally at the top of the page, with the thumbs pointing towards each other.

**ABBANK**

ĐẠI HỘI ĐỒNG CỔ ĐÔNG ĐÃ THÔNG QUA VĂN BẢN NÀY  
GENERAL SHAREHOLDERS MEETING APPROVED THIS DOCUMENT  
Vào ngày / on the date: **29-04-2021**

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**ABBANK**

| **REPORT ON 2020'S BUSINESS PERFORMANCE**

# EXECUTIVE SUMMARY

## 1. Summary of market overview in 2020

In 2020, the world economy is seriously affected by the Covid-19 pandemic, many countries fall into a double crisis in health and economy, the world economy falls into a deep recession, a decline of about minus 4% ( according to the World Bank) and negative 4.4% (according to the International Monetary Fund).

However, Vietnam is still a bright spot with the successful implementation of the dual goal: effective disease prevention and control and economic recovery.

Economic growth in 2020 will reach 2.91%, although it is the lowest level in the past 10 years, but it is one of the few countries with positive growth and among the group with the highest growth rate in the world. The major economic balances are basically stable in the context of a volatile world economy.

In that context, in 2020, the banking industry will continue to operate stably and achieve many important achievements:

- ✓ The market was strengthened, liquidity was abundant, interbank interest rates remained low;
- ✓ Deposit interest rates at banks decreased from 0.9 - 1.5% (short term) and about 0.6 - 1.5% (medium and long term) compared to the beginning of the year;
- ✓ The lending interest rate also dropped rapidly, about 0.5-2% compared to the beginning of the year;
- ✓ The exchange rate continued to be stable, the value of VND was raised;
- ✓ Foreign exchange reserves continue to be increased, helping to ensure national financial and monetary security and consolidate Vietnam's credit rating.

According to the State Bank, the total mobilized capital of the whole system as of December 21, 2020 increased by 12.87% (estimated to increase by 13.5% for the whole year) in the condition of a sharp decrease in interest rates. Credit also recovered in the last months of the year, as of December 28, 2020, outstanding credit increased by 11.08% compared to the end of 2019. Credit institutions (credit institutions) have stable and healthy operations. Potential bad debt increased but under control, financial capacity (especially equity) was strengthened.

From the above context, ABBANK performance in 2020 is as below:



## Summary of key business indicators

Unit: bn VND

Item	Result		Plan	Compared to Result 2019		Compared to Plan 2020	
	2020	2019	2020	+/-	%	+/-	%
Total assets	116,267	102,487	120,000	13,781	113%	(3,733)	97%
Loans	69,469	63,028	69,646	6,441	110%	(176)	100%
<i>Customer</i>	<i>63,446</i>	<i>56,956</i>	<i>64,496</i>	<i>6,490</i>	<i>111%</i>	<i>(1,049)</i>	<i>98%</i>
<i>Corporate bond</i>	<i>6,023</i>	<i>6,072</i>	<i>5,150</i>	<i>(49)</i>	<i>99%</i>	<i>873</i>	<i>117%</i>
Deposit 1st market	80,591	78,261	86,692	2,330	103%	(6,101)	93%
<i>Customer</i>	<i>78,128</i>	<i>74,786</i>	<i>81,052</i>	<i>3,342</i>	<i>104%</i>	<i>(2,924)</i>	<i>96%</i>
<i>Funds from IFC, DEG and NORFUN</i>	<i>2,463</i>	<i>3,475</i>	<i>5,640</i>	<i>(1,012)</i>	<i>71%</i>	<i>(3,177)</i>	<i>44%</i>
Total income	3,774.6	3,618.3	4,259.4	156.3	104%	(484.8)	89%
Operating expenses	1,892.9	1,895.3	2,064.2	(2.4)	100%	(171.3)	92%
Operating profits before provisions	1,881.7	1,723.0	2,195.2	158.7	109%	(313.5)	86%
Total Credit risk provision	513.4	494.0	836.8	19.4	104%	(323.4)	61%
<b>Profit before taxes</b>	<b>1,368.3</b>	<b>1,229.0</b>	<b>1,358.4</b>	<b>139.3</b>	<b>111%</b>	<b>9.9</b>	<b>101%</b>



## Summary of key financial indicators

Item	Result 2020	Result 2019	Plan 2020	Unit
Return on average Equity (ROE)	16.5%	17.1%	16.1%	%/y
Return on average Asset (ROA)	1.43%	1.37%	1.3%	%/y
Profit before tax / Revenue (Profit margin)	36.3%	34.0%	31.9%	%
Cost Income Ratio (CIR)	50.1%	52.4%	48.5%	%
Capital Adequacy Ratio (CAR) (*)	9.0%	9.5%	>8%	%
Asset Equity Ratio (A/E)	13.2	13.2	12.1	Times
Debt Equity Ratio (D/E)	12.2	12.2	11.1	Times
Equity Asset Ratio (E/A)	7.6%	7.6%	8.2%	%
Debt Asset Ratio (D/A)	92.4%	92.4%	91.8%	%
Loans Asset Ratio (LAR- credit risk factor)	54.6%	55.6%	58.1%	%
Loans Deposit Ratio (LDR)	81.2%	76.2%	79.6%	%
Profit before tax/staff	366	310	346	Mil.VND/y

(\*)CAR data in the table is calculated according to Circular 41/2016/TT-NHNN.

CAR result at the end of 2019 calculated according to Circular 36/2014/TT-NHNN is 10.5%

## Key achievements of the year 2020

In 2020, ABBANK has achieved positive achievements in terms of profit and growth of the entire line.

The detailed report on the entire operations of ABBANK in 2020 is detailed in the information below. The report's aggregate data is updated by the end of December 31, 2020.

**The General Director respectfully reports and submits to the General Meeting of Shareholders for approval of the 2020 Business Results Report of ABBANK.**

**An Binh joint stock commercial bank (ABBANK)**

**Chief Executive Officer**

*(Signed)*

**LE HAI**

## DETAIL REPORT

### I. FINANCIAL PERFORMANCE

#### 1. Business performance of ABBANK

Unit: bn VND

Item		Result		Plan	Compared to Result 2019		Compared to Plan	
		2020	2019	2020	+/-	%	+/-	%
<b>Total assets</b>		<b>116,267</b>	<b>102,487</b>	<b>120,000</b>	<b>13,781</b>	<b>113%</b>	<b>(3,733)</b>	<b>97%</b>
<b>Loan</b>	<b>Total loans</b>	<b>69,469</b>	<b>63,028</b>	<b>69,646</b>	<b>6,441</b>	<b>110%</b>	<b>(176)</b>	<b>100%</b>
	Consumer	29,223	25,122	29,883	4,101	116%	(660)	98%
	SMEs	15,079	12,425	14,632	2,654	121%	447	103%
	Corporate	25,018	25,331	24,980	(313)	99%	37	100%
	DATC bonds	150	150	150	-	100%	-	100%
<b>Deposit</b>	<b>Total deposits 1st market</b>	<b>80,591</b>	<b>78,261</b>	<b>86,692</b>	<b>2,330</b>	<b>103%</b>	<b>(6,101)</b>	<b>93%</b>
	Consumer	36,188	35,554	38,739	634	102%	(2,551)	93%
	SMEs	4,658	3,735	4,350	923	125%	308	107%
	Corporate	39,745	38,973	43,603	772	102%	(3,858)	91%
	<i>Including: IFC +DEG + Norfund</i>	<i>2,463</i>	<i>3,475</i>	<i>5,640</i>	<i>(1,012)</i>	<i>71%</i>	<i>(3,177)</i>	<i>44%</i>

Item		Result		Plan	Compared to Result 2019		Compared to Plan	
		2020	2019	2020	+/-	%	+/-	%
<b>Investment</b>	Government bonds	4,390	7,769	20,217	(3,379)	57%	(15,828)	22%
	Bonds issued by Cis	7,048	1,937	2,700	5,111	364%	4,348	261%
	Bonds issued by economic entities	7,535	7,161	5,000	374	105%	2,535	151%
	Equity securities	2	2	2	0	120%	0	120%
	Long-term investment	443	529	529	(86)	84%	(86)	84%
	<b>Total</b>	<b>19,419</b>	<b>17,397</b>	<b>28,448</b>	<b>2,022</b>	<b>112%</b>	<b>(9,030)</b>	<b>68%</b>
<b>Bussiness result</b>	Net interest income	2,344.5	2,437.3	2,789.0	(92.8)	96%	(444.4)	84%
	Net service income	208.7	198.4	427.2	10.3	105%	(218.5)	49%
	Other incomes	1,221.4	982.5	138.5	238.9	124%	1,082.9	882%
	<b>Total income</b>	<b>3,774.6</b>	<b>3,618.3</b>	<b>4,259.4</b>	<b>156.3</b>	<b>104%</b>	<b>(484.8)</b>	<b>89%</b>
	Operating expenses	1,892.9	1,895.3	2,064.2	(2.4)	100%	(171.3)	92%
	Operating profits before provisions	1,881.7	1,723.0	2,195.2	158.7	109%	(313.5)	86%
	Total Provisions for credit risk	513.4	494.0	836.8	19.4	104%	(323.4)	61%
<b>PBT</b>	<b>1,368.3</b>	<b>1,229.0</b>	<b>1,358.4</b>	<b>139.3</b>	<b>111%</b>	<b>9.9</b>	<b>101%</b>	

Total assets as of December 31, 2020 increased by VND 13,781 billion (equivalent to an increase of 13%)

Profit before tax in 2020 increased by 139.3 billion VND (equivalent to an increase of 11%) compared to 2019. In which:

- Total income increased by VND 156.3 billion (equivalent to an increase of 4%), including:
  - Net interest income decreased by VND 92.8 billion (equivalent to a decrease of 4%) compared to 2019.
  - Income from service activities increased by VND 10.3 billion (equivalent to a increase of 5%).
  - Other income increased by VND 238.9 billion (equivalent to 24% increase) compared to 2019.
- Total provision for credit risk (including provisions of VAMC bonds) was VND 513.4 billion, an increase of VND 19.4 billion compared to 2019.

In general, the business results of the whole year of 2020 achieved good results with profit before tax in 2020 of VND 1,368 billion.

## 2. Analysis of operating costs

*Unit: Bn VND*

Operating expenses	Result		Plan	Compared to Result 2019		Compared to Plan 2020	
	2020	2019	2020	+/-	%	+/-	%
1. Taxes and other fees	1.8	1.8	2.3	(0.1)	95%	(0.5)	77%
2. Expenses for staff	919.1	870.4	1,038.0	48.7	106%	(118.9)	89%
3. Expenses for management activities	403.9	518.6	468.1	(114.7)	78%	(64.2)	86%
4. Expenses for assets	469.0	417.9	460.0	51.2	112%	9.0	102%



Operating expenses	Result		Plan	Compared to Result 2019		Compared to Plan 2020	
	2020	2019	2020	+/-	%	+/-	%
5. Expenses for reserve & deposit insurance and other reserves	99.1	86.6	95.8	12.5	114%	3.3	103%
<b>TOTAL</b>	<b>1,892.9</b>	<b>1,895.3</b>	<b>2,064.2</b>	<b>(2.4)</b>	<b>100%</b>	<b>(171.3)</b>	<b>92%</b>

Operating expenses of the whole bank is similar to that of 2019, which is 171.3 billion lower compared to the plan, of which:

- Staff cost: reduced by 118.9 billion VND (equivalent to 11% lower than planned) thanks to the effective control of the average number of employees.
- Property cost saw a VND 9 billion increase (equivalent to 2% higher than the plan)
- Expenses for public service management: VND 64.2 billion reduction (equivalent to 14% lower than the plan).

## II. BUSINESS RESULT

### 1. Consumer Banking

#### 1.1 Completion of annual business targets 2020

Unit: Bn VND

Item	Result		Plan	Compared to Result 2019	Compared to Plan 2020
	2020	2019	2020	2019	2020
Deposit	36,188	35,554	38,739	102%	93%
Loan	29,223	25,122	29,883	116%	98%
Number of Customer	1,071,554	970,085	1,070,085	110%	100%
Card	89,887	79,295	112,265	113%	80%
Number of ATM	218	217	233	100%	94%
Number of POS (Not Include EVN)	1,239	1,326	1,800	93%	69%



## 1.2 Achievements 2020

- Card:
  - o Complete AbbankVisa Travel and Abbank Visa Cashback
  - o Complete AB Ditizen E-Card on DIGITAL BANKING APP
- SERVICES:
  - o Diversify product portfolio on AB Ditizen APP: QR Pay, booking air ticket/movie ticket/Train Ticket/Car, Bill Payment, VnShop... number of actived users had grown up 250% compared to 2019.

## 2. Corporate Banking

### 2.1 Achievements of annual business targets 2020

Unit: Bn VND

Item	Result		Plan	Compared to Result 2019 (%)	Compared to Plan 2020 (%)
	2020	2019	2020	2019	2020
Deposits	39,745	38,973	43,603	102%	91%
Lending	25,018	25,331	24,980	99%	100%
No of customers	3,296	3,132	3,190	105%	103%
Services Fees (including guarantee fee)	100.56	113.92	159.00	88%	63%

Note:

- Deposit includes value papers issued VND Bil 5,600; IFC, DEG, Norfund: 2,463 Bil VND
- Lending including Corporate Bonds

### 2.2 Key achievements in 2020

#### a. As for the business:

- Lendings: due to impact of Covid-19 pandemic on companies and the economy, ABBANK proactively controlled credit portfolio by targeting those customers with stable operation and less affected by Covid-19 epidemic. Thus, lendings for corporate customers slightly decreased against FY 2019. However, ABBank managed to achieved 100% plan.



- Deposits: To lower funding costs with but safe and efficient management, ABBANK proactively decreased deposits, developed cash management and settlements products to increase current deposits with the ratio of about 27% of deposit portfolio. Thus corporate deposits in 2020 to grow moderately by 2% vs 2019.
- Services fees: due to pandemic impact, global logistic was seriously affected in 2020. Services fees from trade finance, international settlement, was also not out of this consequences. To overcome this issue, ABBANK increased fee income from local products/services such as bank guarantee, domestic settlements and high tech products, consultation, agent services, cash managements...
- To continue maintaining and developing strategic relationship: Relationship scale had been maintained and lightly increased in deposits.
- Providing specialized cash management for large corporation, group of corporation and for those customers having less impact from pandemic: contractors to EVN, Ministry of Police, Ministry of Defence, those using government funds.

#### **b. Product development**

To provide good services during “ new situation” to meet the trend of digital banking, ABBANK built high tech service/products as cash managements, Online Banking, Electronic Tax Payment, Electronic Customs Payment 24/7, products to serve customers from remote.

Building specialised products for large corporation such as Online banking with 3 control layers, connecting to ERP of large corporation, group of corporations to manage efficient managements.

To meet the development of bond market, ABBANK built product of bond consulting, agent services, and bond distributions.

Besides of development modern services/products, ABBANK amended/supplied products for target customers as contractors to EVN, Ministry of Police, Ministry of Defence, those using government funds, customers in industrial real estates sector.

### 3. SME Banking

#### 3.1 Results of completing the year business targets 2020

Unit: Bn VND

Item	Result		Plan	Compared to Result (%)	Compared to Plan (%)
	2020	2019	2020	2019	2020
Deposits	4,658	3,735	4,350	125%	107%
Loans	15,079	12,425	14,632	121%	103%
No of SME customers	30,012	27,395	30,190	110%	99%
Service revenue (Excluded credit guarantee)	43.4	51.1	83.8	85%	52%
Credit guarantee revenue	61.2	45.8	78.2	134%	78%
Trade service revenue (USD mil)	395	389	450	102%	88%

#### 3.2 Significant achievements of SME in 2020

##### - Products and service:

- SME division continues to focus SME specialized product line: Issuing 2 new products under the set of SME specialized products for microenterprise customers: SSE Biz Loan and SSE Flex
  - Issuing 2 new products under the set of SME specialized products for microenterprise customers: SSE Biz Loan and SSE Flex
  - Reviewing and adjusting product of SME Flex
- + Adjusting the regulations on financing bidding packages/economic contracts for SME customers and reviewing and updating the list of third parties that ABBANK accepts for receivables.



- + Coordinate with Corporate Banking Division to adjust products for electrical contractors or capital of the Ministry of Public Security and Ministry of Defense
- + Adjust and extend the package of domestic money transfer service until the end of 2020
- **Business development programs:**
  - + The interest rate promotion program for customers: there were 02 programs:
    - “Tiep von nhanh – Tang truong kinh doanh”: applied to short-term loans
    - “SME – Tiep von dau tu”: applied to medium and long-term loans
  - + The internal emulation program for SRM and business units: there were 04 programs:
    - The business reward program on outstanding loans: “Giai ngan nhieu, nhan thuong to” and “Ve dich nhanh, tranh thuong lon
    - The program of rewarding guarantee fee: “5 trieu thu phi, vi tang 5 phan”
    - The program of rewarding new customer development: “Khach moi vao nha , nhan qua toi tap”
- **Activities / solutions to support business:**
  - + Review guarantee policy: coordinate with Risk Management Division
    - + Adjusting the list of credit documents for each customer segment: coordinating with Credit Evaluation & Approval Division
    - + Define the responsibility to control the credit conditions.

#### 4. Investment and Interbank

- Ensuring liquidity throughout the system: Promoting business activities of interest rate difference, term matching and term deviation for VND.
- Actively seeking partners, expanding relationships in the interbank market, especially foreign banking partners. Bonds & issuing activities.
- Issuing ABBANK bonds: In 2020, ABBANK successfully issued individual bonds of VND5,200 billion for 6-months bonds with initial interest rate of 2.8%-3.0% / year for professional stock investors in the market.

## 5. Debt collection

Recovery – settlement from NPLs and bad debt in 2020:

*Unit: VND billion*

Unit	Principal	Interest	Collateral	Total	Ratio
Workout	462.85	138.45	136.61	<b>737.91</b>	<b>51%</b>
Business	603.67	97.87		<b>701.55</b>	<b>49%</b>
<b>Total</b>	<b>1,066.52</b>	<b>236.33</b>	<b>136.61</b>	<b>1,439.45</b>	<b>100%</b>

- Recovering VND 1,439.45 billion from settling NPLs and bad debt reached 176% of the whole year’s plan (VND 816 billion)
- NPLs ratio, which was controlled at 1.50%, was reduced by 0.34% over the NPLs ratio in 2019.”

### III. RESULT OF OPERATION - ORGANIZATION

#### 1. Risk Management

##### a. Credit risk management and credit supervision

Completing the system of policy to ensure compliance with legal regulations: Risk appetite, Credit development orientation, Credit risk limit in 2020.

Projects implemented during the year: Reorganizing the centralized credit approval model; improving scoring model and customer rating system according to Basel standards; set up new scoring model for the SMEs segment and prepare the project of scoring model for the retail banking segment.

Controlling, monitoring operational safety indicators and timely warning on compliance with risk limits; provided information and credit risk reports to the SBV, strategic shareholders Maybank, IFC, the Board of Directors, RMC, the Board of Management.

Performing debt classification, calculating credit risk provisions, monitoring the debt structure situation in accordance with the Circular 01/2020 / TT-NHNN of the State Bank to support customers affected by Covid-19.

Post-credit supervision is carried out regularly and continuously, helping ABBANK detect early signs of violation of regulations in credit granting activities. On that basis, timely solutions were taken to correct operational operations, as well as minimize risks for ABBANK. In fact, over time, the rate of violation at the post-credit supervision continues to decrease, compliance of the business units is also gradually being improved. In addition, to enhance the effectiveness of credit supervision activities, ABBANK has also built up remote credit supervision tools, ensuring active control of customers in the whole system.

#### **b. Market risk management**

Successfully applied the RWA calculation system from January 1, 2019 according to the schedule required by the Circular No 41/2016/TT-NHNN. Thereby, the calculation results of the capital adequacy ratio of ABB are always above the requirement of the State Bank of Vietnam on average over 10% in 2020.

Completing the market risk management system in accordance with the Circular No 13/2018/TT-NHNN and the Circular No 41/2016/TT-NHNN through the division of trading books and banking books. In addition, the bank has also split the sub-books of the banking book to better serve the operation.

Complete processes related to market risk management, policies, regulations and limits related to market transactions and operations. Re-evaluation of market risk status was done during the day and at the end of the day.

The measurement of market risk value on the trading book and the effectiveness of the trading book portfolio is supervised daily and controlled using the barricades and supported by the IT system. ABBANK constantly develops and refines a set of tools to measure and establish market risk limits based on business results from time to time, limit of net open

status and stress test. The Bank controls the maximum estimated loss of the original currency status at the end of the day (Value at risk) for major currencies and its entire portfolio of foreign currencies.

### **c. Operational risk management**

Issuing the policy of risk management Operations, review and set up operational risk appetite and operational risk limits to meet SBV regulations, deploying Risk & Control Self – Assessment tools (RCSA) in a new way.

About Business Continuity Plan (BCP): Developing scenarios to respond to incidents when an incident occurs, typically instructions on response to terrorism, threaten to security and operational safety at ABBANK, developing a plan to perform practical exercises at ABBANK roadmap 2021-2022. The response to an incident from an epidemic is also one of the remarkable successes in the past year to ensure the safety of the working environment before the Covid-19 pandemic. The development and rehearsal of a risk contingency plan in the event of an IT incident (DRP) is closely linked to the BCP Process through rehearsal to ensure the continuity of the data system and information security at ABBANK.

Strengthening communication to warn Customers about risks in online transactions, warning cases of faking banker in order to appropriate customers' assets.

System security have been strengthened, the technical base system is regularly upgraded, and digital banking applications are constantly improving in both interface and quality.

Risk management on insurance purchase was also focused, such as: ABBANK have implemented review on signed insurance items as a premise for the adjustment of insurance coverage in year 2021.

### **d. Strategic project implementation:**

ABBANK started the project of Internal Capital Adequacy Assessment Process ("ICAAP Project") from the end of the first quarter / 2020 in order to comply with relevant regulations of the State Bank and bring practical benefits to business activities of ABBANK.

After nearly 1 year of implementation, the project has brought results such as:

- Building a document system related to capital management.
- Developing tools to calculate capital and test capital stamina as the basis for completing risk appetite and risk limit, determining risk-based pricing mechanism, calculating profitability ratio after adjusting risks RWA (RAROC), regulating and optimizing RWA for each business sector.
- Assisting in the implementation of Risk & Control Self – Assessment processes.

## **2. Appraisal and Operation**

- LOS software project: Implemented for Retail Banking in 2020 and continue to implement phase 1.5 of necessary improvements from phase 1.
- Changed the organizational structure, functions and tasks of the Credit Appraisal and Approval Division accordingly based on the credit appraisal and approval centralization approach.
- Completed phase 1 & 2 for centralizing the credit appraisal and approval in Hanoi/HCMC and for business units of 3,4 in provinces. Phase 3 applied for the rest is expected to be completed in the second quarter of 2021.

## **3. Operations and Customer Services**

- Decreased 198 operating personnels compared with 2019
- Completed 55 utilities on T24 corebanking and documents transferring systems.
- Centralized and specialized credit operation by transferring T24 corebanking loan input to credit admin officers instead of tellers in order to improve the accuracy and quality service, shorten SLAs and meet risk control standards.
- Deploying the project of new ContactCenter:
  - o Reduce errors in recording file loss and connection with internal systems (CoreBanking / Card Management system/ eKYC) to help with customers
  - o Measure the SLAs of the members participating in the customer feedback processing flow.



- Implementing the centralized cash model (HUB), the project of managing vault and cash – Flexcash.
  - o Reduce operating costs due to centralized work.
  - o Fully manage the cashback / cashback processes at the beginning to the end, end of the day, and the day
  - o Manage the real-time limit of the fund balance
- Training a team of 20 RMs proficient in trade finance to create human resources for the Dealteam team - the team promoting trade finance and foreign exchange trading.
- Being one of ten first chosen banks participating in the ACH network (Automated Clearing House) with the following features:
  - o Payments are processed automatically
  - o Automatically retrieve the account names when bank account numbers are entered. Under the Citad current system, the transferors would have to enter both account numbers and account names; if not matching; the manual checks are required
  - o Anticipate to officially commence the system in April 2021
- Participate in consulting / training / promulgating products of remittance centers - Science and Technology sector to ensure the prevention of money laundering is strictly complied with.
- Conduct negotiations with Refinitiv partners to deploy World-Check software at An Binh Commercial Joint Stock Bank. This is software to identify/provide information data of customers/businesses with high risks at home and abroad.

#### **4. Banking Technology**

- Transforming the bank's digital capabilities with key projects such as successfully upgrading Core Banking - T24 system to release R19, improving customer experience on Mobile App (AB Ditizen) and upgrading ABBank website. Officially launched BI/MIS solution with centralized datawarehouse and cost allocation by divisions, business units and products. Implementing solution for centralized operation management such as Centralized Cash Management (flex-cash), Procurement and asset management, completing LOS1.5 for Retail Banking. Successfully renewed PCI DSS and ISO27001:



2013 certificate, run the security monitoring center (SOC) and upgraded Microsoft Office 365, upgraded IT infrastructure and core network system in main data center.

- Implement the payment solution "Financial Switching and Electronic Clearing (ACH - Automated Clearing House)", "Engine for SME scorecards", "Credit information connected with CIC".

## 5. Branches Network and CI

- As of December 31, 2020, the ABBANK's network had a total number of 165 transaction points, including 35 branches and 130 transaction offices.
- In 2020, ABBANK had completed the investment of HO office in Hanoi, enhancing the image identity of ABBANK.
- Branding activities aim to strengthen brand reposition as a friendly retail banking for the community such as: Sponsoring 6 billions dong for Covid\_19; Tet An Binh 2020: Building the solar electronic system for the hamlets on the border; Promoting/Advertising products and services aims to target customers in Noi Bai and Tan Son Nhat airport; Controlling brand prestige on media channels, there are 1957 positive news/mentions among 1.7% negative mentions.
- In 2020, following the independent report of Mibrand, ABBANK brand equity index is at 16th level, increase 5 levels compare to 2019. The brand association index stays at 4th level owing to the repositioning activities and renewing the corporate identity.
- Complete managing 2 important projects: Building the website for sale target; Finishing the concept and layout for the transaction spaces aims to satisfy customers experiences.

## 6. Human Resources

- Issued and adjusted labor regulations of ABBANK, applied it to the whole Bank
- Issued a set of professional ethics standards to ensure principles and standards in the work of ABBANK employees.
- Issued and rebuilt regulations related to employee policies such as: The collective labor agreement, the Grassroots Democracy Regulation at the workplace, the Regulation on dialogue at the workplace and the Regulation on organization of the Labor Conference of ABBANK.

- Implementing the salary payment plan based on labor productivity to increase productivity and income for employees.
- Deployed training programs for leaders, managers, ABBANK Talents and accelerated branch managers groups.

## 7. STRATEGIC PROJECTS

No	Project name	Objectives	Timeline
<b>I</b>	<b>Completed projects</b>		
1	DATA WAREHOUSE (BI/MIS – MPA): Data warehouse for business analytics; Multi – dimensional Profitability (MPA)	Developing an IT platform and Finance data mart for analytics and management reporting which supports decision- making in ABBANK	BI/MIS: From June 2019 to December 2020. MPA: In operation from January 2020
2	C180: Change 180 Improve the Service Quality at the Counter of 165 BU.	Improving services quality over the counters of 165 business units.	From 2019 to August 2020
<b>II</b>	<b>On-going projects</b>		
1	Internal Capital Adequacy Assessment Process (ICAAP)	<ul style="list-style-type: none"> <li>- Complying with Circular 13/2018/TT-NHNN by SBV on the internal capital adequacy assessment process;</li> <li>- Enhancing risk management capability for material risks of the bank;</li> <li>- Ensuring the alignment between Capital and Business medium term plan and Risk Appetite Statement; Supporting the implementation of risks – returns concept.</li> </ul>	From March 2020 to February 2021
2	Loans Origination System (Loans Management Solutions) for retail banking	Developing an end – to – end solutions for loan cycle and digitalizing credit process and credit papers storage.	From November 2018 to March 2021

No	Project name	Objectives	Timeline
3	CI: ABBANK brand identity Refining the brand identity synchronously, uniformly, effectively and appropriately with the bank's orientation at 165 BU.	CI: ABBANK brand identity Refining the brand identity synchronously, uniformly, effectively and appropriately with the bank's orientation at 165 BU.	From 2019 to 2021 (3 year milestone)