

1.2 Changes in Share Capital

In 2007, ACB constantly raised its equity in order to comply with capital adequacy requirements, enable business activities and finance asset growth. ACB's share capital increased by VND 1,530 billion from three sources: convertible bonds (VND 1,100 billion), reserve funds for capital enrichment (VND 330 billion), and new issues of common shares (VND 100 billion). Consequently, as of 31 December 2007, ACB's capital adequacy ratio was 16.19%, increasing by 5.3% against the end of last year, and there were totally 263.005.996 outstanding shares (100% are common shares).

1.3 Dividends

ACB's dividend payout ratio in 2007 is 55% and as approved by shareholders, dividends shall be paid in shares to increase capital in 2008.



REPORT OF THE CHIEF EXECUTIVE OFFICER

2. BUSINESS PERFORMANCE

Most business targets of 2007 were outperformed. Accordingly, ACB still maintained its leading position among joint-stock banks in terms of profit, total assets, outstanding loans, and deposits. Spectacularly, profit increased threefold against 2006, which contributed to considerable accumulation of capital and improved ACB Group's financial strength.

Items ³	Planned 2007	Realized 2007	% Realized vs. Planned	2006	% increase against 2006
Profit before tax	1,500	2,127	141.8%	687	209.5%
Total assets	65,000	85,392	131.4%	44,650	91.2%
Outstanding loans	25,010	31,974	127.8%	17,365	84.1%
Total deposits	51,261	55,283	107.8%	29,395	88.1%
Fee income	254	343	134.9%	173	98.1%

³ Consolidated figures



ACB has had a very stable source of capital to finance future operating and investing activities from issuance of medium and long term bonds valued VND 4,170 billion. With low interest rate and without required reserve for those funds, bonds issuing in 2007 met all requirements of rapid growth and high profit.



REPORT OF THE CHIEF EXECUTIVE OFFICER

3. ACHIEVEMENTS

Organizational structure and management: Year 2007 witnessed adjustments in the business model of the bank. ACB successfully developed a proactive selling model at several branches on a trial basis and completed preparatory actions for the organizational reengineering in 2008.

Capital structure: As the required reserve ratio increased and competition in attracting deposits became harsh, ACB issued medium and long term bonds to stabilize its source of funds, satisfying both demands in terms of asset growth and profitability. The diversification of sources as well as uses of funds is a step forward in the process of making the bank's balance sheet safer and stronger.

Product development: Year 2007 witnessed the bank's efforts to improve service quality and to diversify its product portfolio. Several new saving and loan products were launched such as "weekly savings", "savings 5+", "24-hour loan", "online borrowing", "fixed interest rate term loan". Longer-term mortgage loans were approved.

ACB is also the first bank to introduce a new type of trading in Vietnam, i.e. gold trading via exchange. The bank has successfully created the Saigon Gold Exchange and launched the special lending scheme for gold traders at the end of 2007.

Regarding payment services, ACB has officially offered electricity bill payment service at the bank outlets and has added a new feature to mobile banking service: checking credited transfer by ID card/passport via SMS. In addition, ACB has introduced a product combining banking and securities in an effort to meet the demand of the investors and securities companies.

Human resources: In 2007, in order to assure sufficient manpower for the coming robust expansion, ACB intensively improved its human resource management. Besides