

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

the management trainee program, the bank has put into operation two independent job advertisement websites with user-friendly tools for online job application. "Career nights" with focus on employment in banking and finance sector organized by ACB earned the participation of more than 5,000 students majored in economics and banking. ACB job recruitment aims to be more professional.

ACB was honored to be the first bank in Vietnam in 2007 awarded with "The Most Admired ASEAN Enterprises" award in employment category by ASEAN Business Advisory Council.

Technology: ACB signed contract to upgrade its core banking platform - The Complete Banking Solutions - from version 2000 to version 2007 of which data processing and managing capacity is 5 - 10 times stronger. It is a part of the bank's technology enhancement to support the fast and sustainable growth.

ACB's position continues to be assured of thanks to those improvements. ACB is accelerating its pace keeping up with state-owned commercial banks, and maintaining the gap with other joint-stock banks in terms of total assets. After two years of listing, its shareholders increased from more than 1,000 to nearly 8,000 at then time of this report. At 2007-end, ACB's market capitalization value was approximately VND 43,054 billion, the highest value among the joint-stock banks, and increased by two and a half times the amount of VND 16,644 billion in the previous year.



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4. BUSINESS PLAN

Business environment in 2008 shall continue to undergo tortuous fluctuations, which creates both opportunities and challenges for the banking industry. The US economy may face a recession, which shall probably lead to worldwide and regional difficulties in liquidity, have unfavorable impact on Vietnamese exports, make difficult the borrowings from abroad and simultaneously push gold price upwards. In domestic markets, the balancing between GDP growth and inflation control could result in pressures and difficulties to banks. Besides, there shall be more new banks and competition shall become more fierce in terms of taking deposits. The stock market and real estate market shall continue to attract investors.

