

Annual Report 2015

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Overview of VIB

1. Thông tin khái quát về VIB

- Name in Vietnamese: NGAN HANG THUONG MAI CO PHAN QUOC TE VIET NAM
- Name in English: VIETNAM INTERNATIONAL COMMERCIAL JOINT STOCK BANK
- Transaction name (abbreviated): VIB
- Headquarters: 1st, 6th, and 7th Floor, Cornerstone Building, 16 Phan Chu Trinh, Phan Chu Trinh Ward, Hoan Kiem District, Hanoi.
- Tel: (84-4).62760068 / Fax: (84-4).62760069
- Email: vib@vib.com.vn / Website: www.vib.com.vn
- Certificate of Business Registration No.0100233488 issued by Hanoi Authority for Planning and Investment on 14/02/1996
- Type of business: Joint stock
- Charter capital: VND 4,845 billion

Milestones

Vietnam International Commercial Joint Stock Bank, abbreviated as Vietnam International Bank (VIB), was founded on 18th September 1996; with its head office based at 16 Phan Chu Trinh, Hoan Kiem District, Hanoi. After 20 years in operation, we have become one of the leading commercial joint stock banks in Vietnam, with total assets of nearly VND 86,000 billion. The bank's charter capital is now VND 4,845 billion while its shareholders' equity is nearly VND 9,000 billion. Currently, we have 4,000 people working at nearly 160 branches and transaction offices in 27 key provinces/ cities across the country.

1996

On 18/9/1996, International Joint Stock Commercial Bank of Vietnam, abbreviated as Vietnam International Bank (VIB) commenced its operation with an initial capital of VND 50 billion and 23 staff. The first office was headquartered at No. 5 Le Thanh Tong, Hanoi.

2006

After 10 years of establishment, the bank's charter capital was increased to more than VND 1,000 billion. Also in the same year, VIB was awarded the Certificate of Merit by the Governor of the State Bank of Vietnam.

2007

The charter capital was increased to VND 2,000 billion with a network of 82 units. VIB was ranked 3 out of 500 leading private enterprises in Vietnam by Vietnam Report and Vietnamnet Newspaper.

2009

VIB signed the Comprehensive Cooperation Agreement with Commonwealth Bank of Australia (CBA). The bank increased the charter capital to VND 3,000 billion and officially launched the new brand re-positioning project and implemented various projects for the new business strategy for the phase 2009-2013.

2010

Commonwealth Bank of Australia (CBA) - Australia's leading bank officially became a strategic shareholder of VIB with an initial share proportion of 15%. VIB's charter capital was increased to VND 4,000 billion. The number of branches and transaction offices reached over 130 in 27 provinces and cities nationwide.

2011

VIB was honored with the Flag of Excellence awarded by the State Bank of Vietnam and the Prime Minister. CBA further invested in VIB to increase its stock holding to 20%.

2012

VIB was recognized as Best Issuing Bank in East Asia and the Pacific under Global Trade Finance Program by IFC.

2013

VIB received the Corporate Social Responsibility (CSR)

Award for its remarkable contributions to community and society.

VIB won High Straight -Through Rate for Payment Processing (STP) Award granted by HSBC Global.

VIB moved its headquarters to 1,6,7 Fl, Cornerstone

Building, 16 Phan Chu Trinh, Hoan Kiem District, Hanoi.

VIB was recognized as Best Issuing Bank in East Asia and the Pacific 2013 under Global Trade Finance Program by IFC

VIB received 'Vietnamese strong brand 2013 award granted by Vietnam Economic Times and Trade Promotion Agency (Ministry of Industry and Trade).

2014

Top 135 out of the 1,000 largest Vietnamese corporate tax payers in 2014 – Enterprise with excellent achievement, awarded by General Department of Tax, Vietnamnet newspaper, Vietnam Report

Excellent Brand of Vietnam, awarded by Vietnam Economic Times and Trade Promotion Agency (Ministry of Industry and Trade)

Asian CIO of the Year, awarded by International Data Group,

information technology organizations, ministries and industries of Vietnam and the Southeast Asia countries

Best GTFP Issuing Bank in the Asia Pacific, awarded by IFC - a member of World Bank Group.

2015

VIB wins "Bank of the Year 2015" Vietnam award in the UK's Financial Times 'Banker Awards'

VIB strengthens its top Moody's rating position in the latest assessment of the local Vietnam Banking market by Moody's International Rating Agency

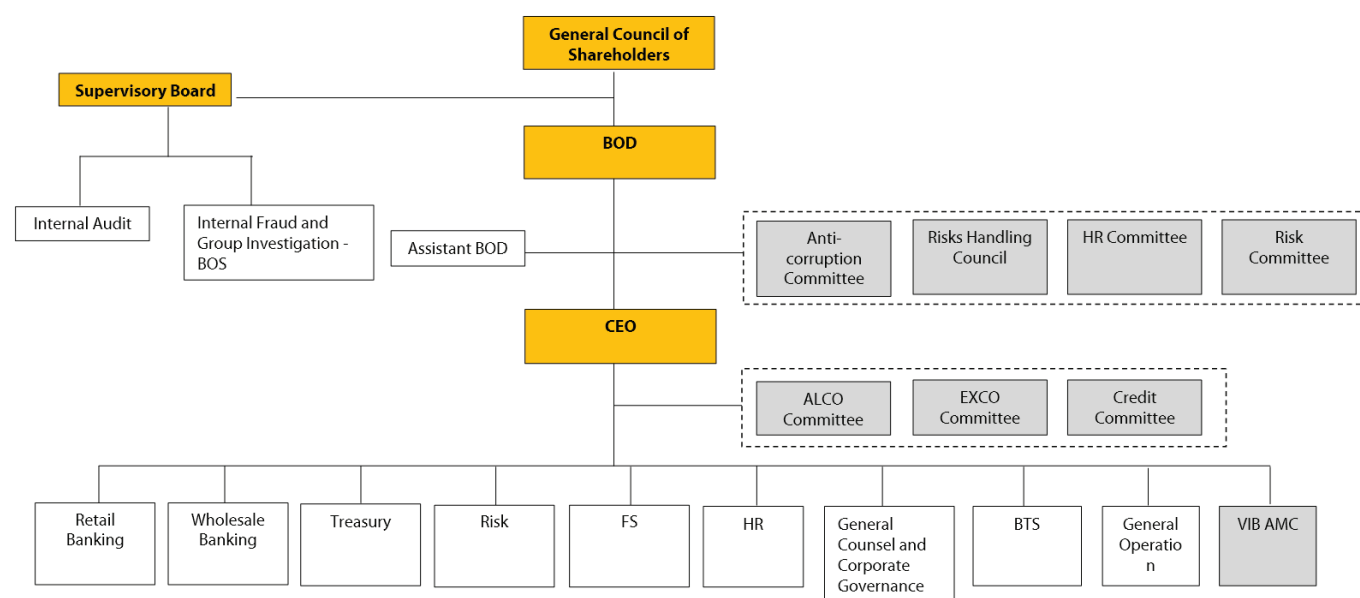
"Fastest Growing Retail Bank Vietnam 2015" and "Best Banking Deal Vietnam 2015", awarded by Global Banking and Finance Review

MyVIB awarded for Vietnam's Outstanding Innovative Banking Product/Service Award in 2015.

2. Range of services and network

- Range of services: Finance, Banking, Insurance
- Branches and representative offices: 1 headquarter & 155 branches in 27 provinces and cities nationwide.

3. Organizational structure



VIB has a subsidiary, Vietnam International and Commercial Joint Stock Bank - Asset Management Company Limited, which is abbreviated as "VIB AMC".

4. Medium-and-long-term strategy, objectives and vision

VIB's vision is "To be the most innovative and customer centric bank of Vietnam". Meanwhile, its strategic objectives are to provide sustainable and attractive returns to our shareholders, to cultivate a high performance culture, entrepreneurship and openness in our work environment, and to support community development.

VIB's Medium-and-long-term strategy: To realise objectives and orientations mapped out by the bank's general council of shareholders and board of directors, and to develop retail banking, digital banking, and wholesale banking segments, including foreign corporate customers, at a sustainable growth rate of 15-25%.

5. Risk management

VIB continued on its journey of building a sound risk management framework and culture. This journey has its foundations in the application of international best practices, innovative and effective use of technology, strong understanding of our key market segments and the ongoing development of our risk management team.

In 2015, VIB continued to enjoy the highest rating from Moody's for rated banks in Vietnam, with an upgrade to a positive outlook. Key factors highlighted by Moody's in the upgrade include:

- Credit risk appetite with deleveraging and consolidation over the past two years.
- Enhanced corporate and risk governance, supported by CBA.
- Sound liquidity position.

Achievements in risk management in 2015

Credit Risk management

VIB continued to make significant progress on the transformation of its credit management business with particular emphasis on the centralization of key loan origination and collection functions, development and deployment of innovative and market leading IT solutions and training and development of sales and risk staff. We continued to reinforce the following areas:

- Centralization of credit approval for Wholesale Banking: this process has been in place since 2013 and, aligned with a refined approach to risk appetite, and improvement to Credit Committee structures in 2015, has resulted in a material improvement in loan origination quality and the

overall health of our Wholesale Banking portfolio.

- Credit Approval for Retail Banking: In 2015, VIB developed and implemented an approval delegation matrix for the Retail business which brings a consistent, fact based, methodology to support approval delegations in Retail. Key drivers of the Retail delegation are length of experience of colleagues and historic asset quality as measured by Overdue loans. Delegation limits are capped within the Retail business at moderate levels with all applications above Retail delegation being centrally approved.
- Establishment of Credit Risk Identification function: this function was established in January 2015 for monitoring and action on high-risk borrowers (through watch-lists) and newly overdue borrowers, for both Wholesale Banking and Retail Banking customers.
- Systematic use of Moody's Emerging Markets RiskCalc credit risk rating tool: introduced in 2013, this internationally recognised probability of default (PD) tool provides VIB with a consistent and robust measurement of its Wholesale Banking portfolio.
- Omega Financial and Credit Risk training: VIB, with the support of CBA, has continued its partnership with the Omega group to enhance the financial and credit risk skills of our risk and sales staff. At end of 2015, more than 400 VIB staff had successfully completed the comprehensive Omega training program.
- End-to-end Collections process: now firmly established for both our Wholesale Banking and Retail Banking businesses, VIB's centralized collections process ensures that all Category 2 to Category 5 loans are managed by our Risk Collections teams in liaison with Wholesale Banking and Retail Banking business units. Under this framework, we have enhanced our early arrears management capabilities and have a consistent and robust approach to debt resolution and recovery.

Market and liquidity risk management

In 2015, market and liquidity risk management remained a key focus under the guideline and strict control of ALCO. Market and liquidity risk management is run under three-line of defence's model, i.e. Business Units, Risk Division and Internal Audit, including the following actions:

- New policies and internal procedures on market and liquidity risk management are continuously reviewed,

amended and issued consistent with VIB's business strategies and governance requirements as well as new principles on liquidity risk management and new internal regulations in compliance with SBV's requirements;

- Internal limits on market and liquidity risk management are regularly monitored and approved by ALCO to ensure VIB's compliance with risk appetite.

Operational Risk Management

2015 was the second year that VIB used internal control dashboards for each Division to identify risks within key activities/ services of the Bank. A monthly internal control forum meeting is held with commitment and high determination of Divisions in implementing remediation action plans in order to prevent major risks.

In addition, IT incident handling regulation for VIB branches has been implemented so that business units can understand and give appropriate response plan to ensure the business continuity as well as comply with counter-terrorism regulation of SBV.

In 2015, Operational Risk Department successfully implemented 3-D Secure project. Accordingly, all VIB card holders are protected with one or more authentication steps with secure code for all online transactions (card not present – CNP) to prevent fraudulent transactions, securing our customers from loss.

In 2015, the FATCA project was successfully implemented with significant deliverables, including issuance of regulations on FATCA implementation at VIB, development of an IT system for FATCA compliance purposes, sending FATCA reports as required and guided by SBV and conducting training courses to branches on FATCA implementation. In 2016, VIB will carry out an action plan to closely monitor compliance of business units with FATCA regulations as well as continue to complete FATCA reporting system upon requirements of SBV.

Basel II

VIB is one of 10 banks selected by SBV to be in the first group of banks to move to Basel II compliance.

VIB believes the introduction of Basel II is a very positive move for the Vietnamese banking industry.

Basel II will help move the Vietnamese banking industry to international standards for capital calculation, risk

management practices and market disclosure. As one of the banks selected for Basel II compliance, VIB is working closely with SBV throughout the implementation process to ensure that the Basel II framework in Vietnam is appropriate for the Vietnam market.

The Basel II program in VIB benefits from the support of our strategic shareholder, Commonwealth Bank of Australia (CBA). CBA is one of world's top 10 largest banks by market capitalisation. CBA is also one of the first banks in the world to be Basel II and III compliant and is rated by credit agencies as one of the safest banks in the world. VIB has partnered with CBA on implementing Basel II, giving VIB access to the strengths, knowledge and skills of a bank that has already implemented this framework.

VIB also enjoys a sound capital position, prudent risk appetite and provisioning policies plus a stable technology platform; all essential ingredients for the implementation of Basel II.

Basel II is a key strategic risk priority for VIB and will remain so for next three to five years. VIB envisages many benefits to its business operations flowing from its investment in Basel II including:

- Enhanced risk based pricing methodologies.
- Enhanced risk reporting and portfolio analytics.
- Greater visibility on capital allocation and performance based on a consistent Risk Weighted Assets (RWA) regime.
- Transparent and consistent external reporting based on international standards, (under Pillar III market disclosures).

Plans for Risk Management in 2016

In 2016, Risk Management Division will continue to address our legacy non-performing and high risk loan portfolio and reinforce our systematic risk identification and remediation process. In addition, our focus remains on supporting our Wholesale and Retail Banking divisions' growth objectives in a prudent and sustainable manner. An end-to-end review of our retail credit process will be undertaken to that effect. Operational risk management will remain a key focus as we continue to embed a robust framework built on three sound lines of defence.

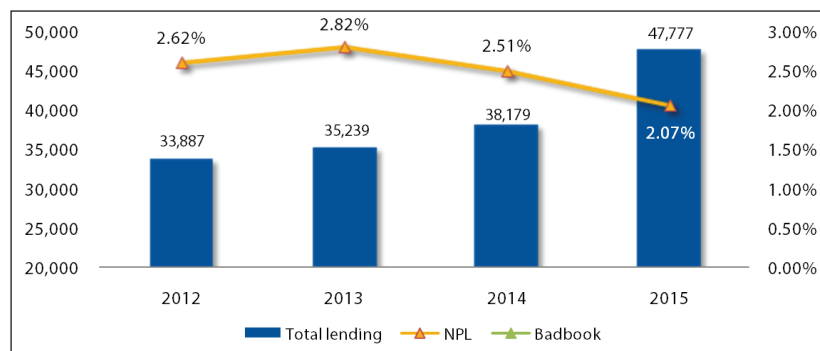
Basel II will be our key strategic project in 2016 and we are committed to achieving a standardized Basel II framework in accordance with SBV's guidance and direction in the early months of 2016.

Financial indicators

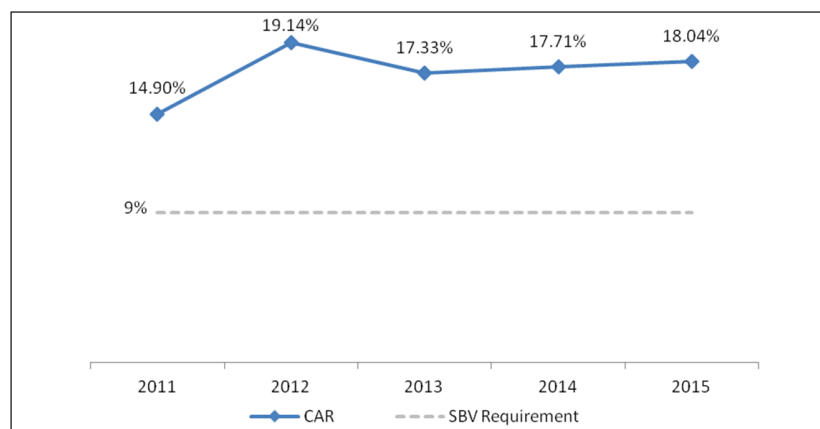
1. Key financial information

Item	Actual 2015	Actual 2014	+/- 2014 (%)
Total assets	84,309	80,661	5%
Loan excluding bonds	47,777	38,179	25%
Deposit	53,304	49,052	9%
Net interest income	2,344	2,312	1%
Total operating income	2,929	3,470	-16%
Profit before provision for credit losses	1,164	1,836	-37%
Profit before tax	655	648	1%
Charter capital	4,845	4,250	14%
CAR	18,04%	17,71%	
NPL	2.07%	2.51%	
Annual liquidity ratio	25%	22%	14%

Healthy grow, well controlled NPL



Large Capital buffer, market-leading CAR ratio



2015 highlights

1. “Bank of the Year 2015” award

The prestigious award “Bank of the Year 2015” is annually selected by The Banker (Financial Times), UK and is exclusively awarded to the top bank in each country. VIB was highly praised by The Banker for its sustainable business strategy, advanced technology, constant innovation and efficient marketing and communication activities in 2015.

2. Landmark 15-strategic partnership deal between Prudential Vietnam and VIB

This is a ground-breaking, farsighted strategic partnership for two of the strongest brands in Vietnam financial services to join forces for Bancassurance distribution in Vietnam.

3. The leading Vietnamese partner bank of IFC, with its credit line increased by 50%

After nearly 5 years of joining and implementing the Global Trade Finance Program – GTFP, VIB had its credit line increased to 120 million USD from 80 million USD (50%) in late December 2015. IFC agreed on this increase based on VIB's positive financial status and efficient disbursement in the year.

4. The leading partner bank of ADB

In Feb 2015, Asian Development Bank (ADB) granted “Leading partner bank & SME trade bank” award to VIB and increased its credit line to 60%. This prestigious award is aimed to honour banks with outstanding performance in the Trade Finance Program – TFP in 2015.

5. VIB strengthens its top Moody's B3 rating position in the latest assessment of the 9 local Vietnam Banking market by Moody's International Rating Agency

VIB continues to enjoy the highest credit strength rating of B3 among 9 big Vietnamese banks rated by Moody's. In addition, VIB becomes the only bank with the outlook to improve to positive from stable. VIB was also emphasized by Moody's to be the bank with the best capital adequacy ratio among the 9 local banks rated in September 2015.

6. Among top 5 Government bond traders on Hanoi Stock Exchange

VIB was ranked in top 5 Government bond traders on Hanoi Stock Exchange thanks to the bank's efforts in market

development. In particular, VIB listed Buy & Sell prices, created liquidity on the secondary market, offered free distribution fee for bidding bonds, and developed derivative market for Government bonds.

7. MyVIB awarded by IDG for Vietnam's Outstanding Innovative Banking Product/Service Award

The “Vietnam's Outstanding Innovative Banking Product/Service Award” for 2015 award is given by the International Data Group (IDG). It recognizes VIB's innovation of MyVIB mobile banking app and the bank's significant performance and contributions in the banking industry. The app is now available on iOS, Android, Windows phone and Apple watch.

8. “The Best Segment Solution Award” from MasterCard

This award is given by MasterCard to VIB thanks to its VIB MasterCard Debit with the 5% cashback policy on all payment transactions. The award was selected based on 4 criteria: strategy, innovation, influence and deliverables. VIB becomes the only bank in ASEAN to be honoured with this award in Banking Innovation held by MasterCard in 2015.

9. Among top 10 banks selected to pilot Basel II, VIB is a Bank with the highest capital adequacy ratio (CAR)

Among the 10 banks selected for pilot implementation of the Basel II, VIB is a bank that has the highest readiness level with its capital adequacy ratio of nearly 13% according to Basel II standards. In addition, VIB's advanced technology platform is also well in place for Basel II.

10. Strengthened digital banking strategy

VIB invested heavily in digital banking by launching Vietnam's most innovative mobile banking app, MyVIB, and a brand new website www.vib.com.vn. The new website is designed on a modern technology platform with a fast processing speed, friendly interface, simple, useful information and high interactivity with our customers. In addition, VIB is also one of the first banks in Vietnam to introduce online current account and term deposit account opening for both existing and new customers from the comfort of customer's home or office without the need to visit a branch. A professional team called MOS “Man on scooter” has been set up to serve customers on their request to collect any necessary documents, finalise KYC (Know your customer) and obtain wet signatures.

2. Organizational structure

Board of Directors

Mr. Dang Khac Vy

Chairman of the Board of Directors

Chairman of the Human Resources Committee

Mr. Dang Khac Vy is one of the founding members of VIB. Mr. Vy has been being a Director of the Board of Directors (BoD) for terms I through to VI.

He currently holds the title of Chairman of Future Generation Company - a big Vietnamese firm with international presence, mainly in East Europe, West Europe and a number of Asian countries.

Mr. Vy holds a PhD in Economics and has had extensive experience working in the Russian Federation, Singapore...

Mr. Dang Van Son

Vice Chairman of the Board of Directors

Mr. Dang Van Son continued to be elected by the General Shareholders Meeting (GSM) in 2013 to serve on the BoD for term VI. Previously, Mr. Son had been elected to the Board in early 2007.

Prior to joining the BoD, Mr. Son had worked in the Russian Federation and other organizations in Vietnam for many years in the roles of the Chairman of ValMa-M Company, CEO of Huong Dien Hydropower JSC, and Chairman of International System Trading and Investment JSC.

Mr. Son obtained a Bachelor of Economics from the Russian Federation and completed the Senior Management Program of the American Association of Information Technology and Management.

Mr. Do Xuan Hoang

Director of the Board of Directors

Mr. Do Xuan Hoang has been being a Director of the BoD since 2005. He was Vice Chairman of the BoD in 2007.

Apart from his business, he also takes active part in community development activities. He is a founding member and Chairman of the Overseas Vietnamese Association in the Russian Federation, member of the Central Committee of Vietnam Fatherland Front for terms VI, VII, and VIII.

He received his Bachelor in 1991 in the former Soviet Union, and became a Doctor of Economics from the Russian

Academy of Sciences in 1998.

Mr. Han Ngoc Vu

Director of the Board of Directors cum CEO

Mr. Han Ngoc Vu joined VIB as its CEO in late 2006 and held the post to 2008. In 2008, Mr. Vu was elected by the GSM to be Director of the BoD for term V, and was elected by the BoD to be its Chairman from 2008 to 2013. The GSM in 2013 continued to elect Mr. Vu a Director of the BoD for term VI. The BoD returned Mr. Vu to the post of CEO in the same year until now.

Mr. Vu has nearly 29 years of experience in business operations, including 26 years in the banking and financial sector, with vast experience in banking with leading international banks in the world.

Mr. Vu has held many key roles in Vietnamese and international banks, including Chief Executive Officer of Vietnam International Bank (VIB), Country Head of Corporate Banking of Citigroup Vietnam cum Hanoi Branch Manager of Citigroup, Country Sales Manager cum HCMC Branch Manager of Credit Lyonnais Vietnam, and Hanoi Branch Manager of Calyon Bank.

Mr. Vu obtained a Master of Business Administration from Solvay Business School – Belgium, and Bachelor degrees from Metropolitan Business College – Australia and the Institute of International Relations – Vietnam. He also completed professional training courses in leadership from Harvard Business School and Citigroup; in Risk Management, Commercial Banking, Financial Analysis, Project Finance, Trade Finance etc. from Citigroup and Credit Lyonnais.

Mr. Tran Nhat Minh

Director of the BoD cum Deputy CEO

Mr. Tran Nhat Minh continued to be elected by the GSM in 2013 to be Director of the BoD for term VI.

Mr. Minh has held many roles such as Deputy CEO, CEO for different companies in the Russian Federation including ProflInvest Co., Ltd, FG Group Co., Ltd, and ZAO "DHV-S" JSC. Currently, he is Managing Director of Mareven Food Central Co.ltd - a company among the top 200 largest private companies in the Russian Federation according to Forbes. Mr. Minh graduated from Moscow university of Energy and obtained a Doctor of Science and Technology from Moscow university of Telecommunications and Informatics

and a Master of Business Administration from the International Institute of Management IINK, Russia.

Mr. Graham Eric Putt

Director of the BoD

Mr. Graham Eric Putt was elected by the GSM to the BoD on December 15th, 2014. Mr. Putt has 32 years of experience in financial services. He joined CBA in 2005 as Executive General Manager, International Financial Services, Commonwealth Bank of Australia and later Director of Market Development for CommInsure, a CBA subsidiary. Mr. Putt is currently Executive General Manager for Vietnam and India, International Financial Services of the CBA, responsible for CBA's activities in Vietnam, India and researching new markets for International Financial Services section of the CBA.

Before joining the CBA, Mr. Putt had worked for Ernst and Young, AMP Investments, Perpetual Investments and the Royal Bank of Canada.

Mr. Putt holds a Bachelors degree from the University of New South Wales, Chartered Accountant from Institute of Chartered Accountants in Australia, Fellow of Financial Services Institute of Australia from Financial Services Institute of Australia, The Senior Executive Program from Columbia University, Graduate School of Business, USA.

Mr. Michael John Venter

Director of the BoD

Mr. Michael John Venter was elected by the GSM to the BoD on December 15th 2014.

Mr. Venter is currently CFO, International Financial Services, CBA since November 2014. Prior to this, he was CFO Wealth Management & International Financial Services cum Deputy Chief Financial Officer for CBA for 5 years.

Before joining CBA in 2004, he served as the Head of Group Management Reporting at AMP and held a number of senior finance executive roles within Nedcor Bank, one of the 4 largest South African banks.

He is a Member of the Institute of Chartered Accountants in Australia. Mr. Venter has an Honors degree in Accounting from the University of Stellenbosch in South Africa.

Mr. Bradley Charles LaLonde

Independent Director of the BoD

Chairman of the Risk Committee

Mr. Bradley Charles Lalonde was elected to be an Independent Director of the BoD by the GSM on April 25, 2013.

He has over 31 years of experience in the banking and finance sector in different working positions including Country Corporate Manager at Citibank Vietnam and Citibank Tunisia, Director of CitiCapital and Citigroup, Founder and Principal of Vietnam Partners LLC, etc. During his working process, Mr. Bradley Charles Lalonde received a Distinguished Order of the Republic from the President of Tunisia for his contributions to the country.

He is also one of the founders and Chairman of the US Chamber of Commerce in Hanoi, Vietnam and is active in promoting bilateral trade agreements between the two countries.

Mr. Bradley is a graduate of the University of Michigan (Political Science) and Columbia University School of International Affairs (Master in Development Economics).

Supervisory Board

Mr. Trinh Thanh Binh

Head of the Supervisory Board

Mr. Trinh Thanh Binh was elected as Head of the Supervisory Board for Term VI (2013 - 2016). Previously, he held many important positions in VIB such as Deputy CEO, Deputy CEO – Head of Retail Banking, Deputy CEO - Director of Credit Cards Operations.

Prior to joining VIB, he had held many positions such as Head of Foreign Exchange, Bank for Agriculture and Rural Development of Vietnam and Head of International Payment, Bank for Agriculture and Rural Development, North Hanoi Branch.

Mr. Trinh Thanh Binh obtained a Bachelor of Banking and Finance from the National Economics University, Hanoi, and a Master of Business Administration (MBA) from the Asian Institute of Management (AIM), Philippines. In 2014, he completed a Doctorate of Business Administration (DBA) from the Southern Luzon State University (SISu), the Philippines.

Mr. Anthony Michael Greenhill

Member of the Supervisory Board

Mr. Anthony Michael Greenhill was elected by the 2014 GSM to the Supervisory Board for Term VI (2013 - 2016). Mr. Anthony has 20 years working experience in auditing, risk management and consulting. He is currently General Manager for Audit and Assurance for CBA, responsible for audit and assurance of International Financial Services and BankWest. He previously worked as Chief Risk Officer for CommInsure, a life and general insurance company under CBA. Mr. Anthony has worked as a senior consultant with PwC specializing in technical banking, insurance, and manufacturing assurance in Australia. Mr. Anthony holds a BA in IT from Bond University and Master of Trade from New South Wales University.

Ms. Nguyen Luong Thi Bich Thuy
Member of the Supervisory Board

Ms. Nguyen Luong Thi Bich Thuy was elected by the 2013 GSM to the Supervisory Board, Term VI. Ms. Thuy officially joined VIB in 2004. Ms. Thuy has over 14 years of experience in business, banking and finance and has held key posts such as: Deputy Director – Internal Audit at VIB; Audit and Debt Collection at Sacombank. Ms. Thuy holds a Bachelor in Economics from the Hochiminh City Economic University, and a Bachelor of law from the Hochiminh City law university.

Management Board

Mr. Han Ngoc Vu
Member of the Board of Directors cum CEO

Mr. Han Ngoc Vu joined VIB as its CEO in late 2006 and held the post to 2008. In 2008, Mr. Vu was elected by the GSM to be Director of the BoD for term V, and was elected by the BoD to be its Chairman from 2008 to 2013. The GSM in 2013 continued to elect Mr. Vu a Director of the BoD for term VI. The BoD returned Mr. Vu to the post of CEO in the same year until now. Mr. Vu has nearly 29 years of experience in business operations, including 26 years in the banking and financial sector, with vast experience in banking with leading international banks in the world. Mr. Vu has held many key roles in Vietnamese and

international banks, including Chief Executive Officer of Vietnam International Bank (VIB), Country Head of Corporate Banking of Citigroup Vietnam cum Hanoi Branch Manager of Citigroup, Country Sales Manager cum HCMC Branch Manager of Credit Lyonnais Vietnam, and Hanoi Branch Manager of Calyon Bank. Mr. Vu obtained a Master of Business Administration from Solvay Business School – Belgium, and Bachelor degrees from Metropolitan Business College – Australia and the Institute of International Relations – Vietnam. He also completed professional training courses in leadership from Harvard Business School and Citigroup; in Risk Management, Commercial Banking, Financial Analysis, Project Finance, Trade Finance etc. from Citigroup and Credit Lyonnais.

Mr. Tran Nhat Minh
Director of the BoD cum Deputy CEO

Mr. Tran Nhat Minh continued to be elected by the GSM in 2013 to be Director of the BoD for term VI. In 2015, he concurrently took the position of Head of Banking Technology Services in VIB. Mr. Minh has held many roles such as Deputy CEO, CEO for different companies in the Russian Federation including ProflInvest Co., Ltd, FG Group Co., Ltd, and ZAO “DHV-5” JSC. Currently, he is Managing Director of Mareven Food Central Co.,Ltd - a company among the top 200 largest private companies in the Russian Federation according to Forbes. Mr. Minh graduated from Moscow University of Energy and obtained a Doctor of Science and Technology from Moscow university of Telecommunications and Informatics and a Master of Business Administration from the International Institute of Management IINK, Russia.

Mr. Le Quang Trung
Deputy CEO cum Head of Treasury

Mr. Le Quang Trung has more than 19 years of experience in the banking and finance sector at major international banks operating in Vietnam. He joined VIB in December 2009 and is currently a Deputy CEO cum Head of Treasury. He has held senior management roles in big national and international corporations such as assistant to CEO cum Senior Advisor for the Head of Treasury in VIB; Head of the Monetary and Fund Business of BNP Paribas Bank, Head of

the Monetary Business, Citibank Vietnam; Independent Consultant on Cash and Fund Business; Director of Monetary and Fund Business; Member of the AICO Committee of Deutsche Bank AG; lecturer of Training Center for Banking (MPDF) & BTC; Officer of Monetary and Fund Business, and Import-export Finance, Eximbank. Mr. Le Quang Trung holds a Master of Business Administration.

Mr. Loic Faussier

Deputy CEO cum Chief Risk Officer

Mr. Loic Faussier is currently Deputy CEO cum Chief Risk Officer at VIB. His portfolio is risk management for the Bank, including retail, wholesale credit risks, market risks, operational risks, debt collection, and legal services. He joined VIB and has held this post since July 2012 following 3 years as Head of Risk Management for HSBC Vietnam.

He has held many positions in HSBC in Paris, Hong Kong and Tokyo including Head of Global Banking and Branch Manager for HSBC Vietnam in Vietnam. Previously, he took charge as Deputy Head of Commercial Department of French Embassy in Beijing and he also worked for Citibank in Paris.

Mr. Loic graduated from the Paris Institute of Political Studies and obtained a degree in financial economics from Dauphine University, Paris.

Mr. An Thanh Son

Deputy CEO cum Head of General Counsel and Corporate Governance

Mr. An Thanh Son was elected to Deputy CEO cum Head of General Counsel and Corporate Governance in August 2013.

Previously, he held a range of posts at various banks: Chairman of VIBAMC, Director of the BoD, CEO, Deputy Standing CEO, Director of Branch and Services, Chief of staff, assistant to the CEO at VIB; Chief of staff, Head of the Organization and Personnel, and Market officer at Eximbank.

He obtained a Master of International Business Administration, a Bachelor of Economic law from Hanoi Law University, and Engineer of Marine Transportation Economics from Maritime university of Vietnam.

Mr. Godfrey Swain

Head of Retail Banking

Mr. Godfrey Swain has been officially appointed as the Head of Retail Banking since August 2015.

Prior to VIB, Mr. Godfrey enjoyed a highly successful 24 year career specialising in RBWM (Retail Banking and Wealth Management). He occupied Country Head of RBWM positions in Vietnam, Japan and Europe together with Country Head of Marketing roles in HSBC Malta and Managing Director/CEO of a major HSBC Life Assurance organisation in Europe. As a long term senior executive in the HSBC Group, Godfrey was an executive member of the Hong Kong based HSBC Asia Pacific RBWM regional management team as well as the London based European RBWM regional team.

Prior to HSBC, Mr. Godfrey also held management roles during a 5 year career with National Mutual Life Assurance in Adelaide and Sydney, Australia and a 10 year career in the aviation industry in Europe and North Africa.

Mr. Godfrey holds a Bachelor of Business degree from Monash University (Australia), a Diploma in Strategic Management from Henley School of Management (UK) and attended various specialized banking programmes in Australia, UK and HongKong.

Ms. Vuong Thi Huyen

Head of Wholesale Banking (WB)

Ms. Vuong Thi Huyen was elected to Head of Wholesale Banking in September 2013.

Prior to joining VIB, Ms. Huyen had 20 years of experience working in the banking field including 8 years in management roles such as Head of Structured Export Finance, Corporate Finance of ANZ Vietnam, Hanoi Branch Manager of Credit Agricole Corporate & Investment Bank (formerly Calyon), and Head of SME Banking Division of Vietinbank.

Ms. Huyen holds a Bachelor in credit and banking from Hanoi Banking Institute and a Bachelor of Arts in English from Hanoi University for Foreign languages and an MBA from Columbia Southern University.

Mr. Ho Van Long

Chief Finance Officer

Mr. Ho Van long has over 17 years of experience working in

multi-national corporations and the banking and financial sector in Vietnam. Mr. Long was elected to Chief Finance Officer of VIB in January 2010.

Prior to working as VIB's CFO, Mr. Long had extensive experience in management at various companies/banks such as Acting CFO of VIB, Deputy CFO of VIB, CFO of the Preparatory Committee for the establishment of Vietstar Bank; Assistant to CEO cum Head of MIS & ABC management project unit in Techcombank, Senior Auditor at Ernst & Young Vietnam and Head of Finance and Accounting of Ha Tay Brewery Co., Ltd.

Mr. Ho Van Long has a Bachelor in Economics, and has been a member of the Association of Certified Chartered Accountants (ACCA), UK since 2003 and a State Auditor since 2004.

Ms. Dang Thi Phuong Diem

Head of General Operations

Joining VIB in 2001, Ms. Dang Thi Phuong Diem is known as an executive with positive contributions to the success of the bank in implementing the centralized transaction processing scheme. Ms. Diem was officially elected to the head of General Operations in September 2012.

Ms. Diem has worked for more than 21 years and experienced different roles such as Head of Credit Department for Techcombank. At VIB, she used to work as Manager of Trade Finance, Head of Processing Center, and Deputy Head of General Operations Division.

Ms. Dang Thi Phuong Diem holds a Master in International Trade from HCMC Economics University and is a promising candidate for a Doctorate of Economics at this university.

2.2. Human Resources

During 2015, the number of VIB employees increased by 13% (3,884 staff).

HR focused on completing its transformation from geographical management to a centralized model that incorporated HR Business Partners, HR Specialized Functions and HR Services. The HR team has continued to improve its operational effectiveness by gradually transforming its role from a basic HR service provider to becoming a more strategic partner role that can better align with the Bank's business activities and its strategic

people needs.

Following the progress made in 2015, VIB continues to provide many human resource management and development activities in depth, to not only respond to current requirements of the business, but also be prepared for the Bank's development in the near future.

Attract and Develop Talent

In implementing the vision of becoming "Employer of choice", VIB continues to build its recruitment brand through different channels, with particular focus on online channels through social media, VIB recruitment website upgrade; and strengthen VIB HR's cooperation with universities and other employment service providers. 2015 could be considered as a year of very positive transformation of VIB's recruitment brand name in the market. More than 1,200 personnel chose VIB to be their new destination in their career path. This included personnel for new business channels and many experienced senior and executive personnel coming from both inbound and outbound international financial institutions. These new resources have been supporting us in strengthening our management and operation capability as well as bringing to VIB new thoughts and ideas in building organizational culture by sharing and combining the diversity of thoughts, experiences, professionalism and new skills.

Beside external talent attraction, in 2015 VIB continued to invest in training and development activities to upgrade both current workforce capabilities and develop a new generation of leaders for the future. Training activities were implemented in various ways such as class training, seminars, online training and on-the-job training. The expansion of our online training system to provide knowledge of bank policies, procedures, products, regulations and orientation helps VIB to reduce time and training costs and reach a wider group of employees across the VIB network.

We continued to develop our internal talents in such courses as the Future Branch Manager program. 48 excellent RMs of RB participated in the training program. 18 senior staff and potential staff were nominated to participate in strategic training courses held by the State Bank. Our strategic partner CBA also helped in updating

and implementing the most modern techniques and technical knowledge used in the banking world. While Talent Development is a long-run initiative that takes time to measure effectiveness, many of its successes can be recognized, given that a number of key roles in the bank have been filled from within.

Enhance Employee Engagement Activities

Employee Engagement was chosen as one of the 4 strategic priorities of VIB in 2015. As VIB's business units are spread over 27 cities and provinces, in order to engage each and every business units and staff, beside events held locally, VIB for the first time initiated a series of online community activities which we considered innovative, modern, and highly suitable with the new generation of workforce. The initiatives included: "Engagement Corner" in VIB's internal forum where all staff could send a message of thanks or compliments to colleagues for supporting them, or share information or images of events which were on-going all over the network, "the best summer selfie" photo contest, the "30-day Innovation" contest, "Gentle VIB" contest; in which the "30-day Innovation" contest attracted more than 3,000 staff to participate and contribute ideas to improve productivity, procedures, forms and customer service.

The annual bank-wide employee engagement survey provided us with critical information that allowed all VIB Leadership Team and Division Heads to develop, implement employee engagement activities bank-wide and at Divisional level.

Constantly enhance the Human Resource Management capability and improve Human Resource Information System

In 2015 we strengthened the HR team with experienced executives and senior personnel from local and international financial institutions to help enhance our Human Resource management capability. With our internal resources, VIB continued to improve and complete Human Resource Information System through upgrading and newly constructing modules which helps optimize and automate HR management processes, including:

- Completed Organizational Management System (OMS) to ensure real time information update;

- Designed new VIB recruitment website with friendly and easy to use interface;
- Automated basic HR processes to shorten processing time and ensure correct synchronization;
- Upgraded Performance Management System (PMS).

Continuously Develop to meet the requirements of Business's activities

For 2016 and beyond, HR in VIB will continue to improve the quality of its management capabilities and its structure. We will work to become more closely aligned with business needs. We will focus on adding further value through improving HR policies and processes, building Standard Operation Procedures (SOP's), work on identifying and developing talent and deploy a number of programs to welcome 20 years of VIB's establishment. We will do this alongside continuing to contribute to the development of the VIB corporate culture and philosophy and work with our colleagues to cement the foundation for VIB's sustainable growth in the future.

Resourcing – VIB Strategic needs

- The ability to competitively source quality internal and external candidates at the right time
- A strong and well recognised Employer Branding proposition in the market
- Capable hiring managers with strong interview skills

Learning – VIB Strategic needs

- Embed an learning culture environment in VIB
- Learning growth in terms of technical skills, people skills, financial skills and entrepreneurial skills
- Knowledge and skills gained by sharing and collaborating across Divisions

Talent – VIB Strategic needs

- A pipeline for key roles in the organisation.
- Employees who can be innovative, entrepreneurial and help drive revenue and manage costs.
- Increased recognition in Vietnam market as a developer of talent.

Performance & Rewards – VIB Strategic needs

- An attractive market competitive pay structure
- Reward plans that are linked to performance and aligned to company strategy
- Aid in retaining key talent
- Optimise the cost of funding reward schemes

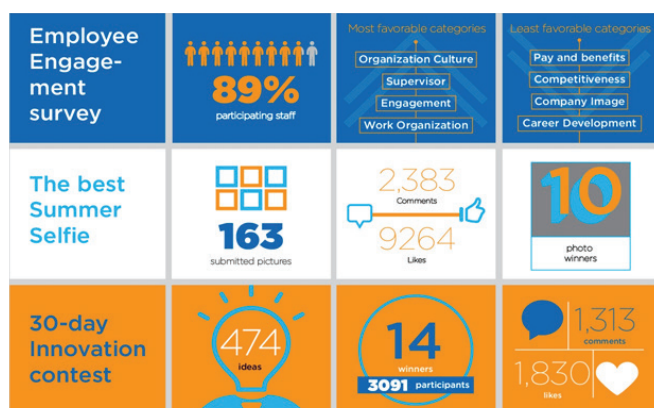
HR Services – VIB Strategic needs

- Better access to HR information from employees and clear entry points (contact, intranet, etc.) to gain details
- Decrease the amount of manual HR paperwork
- Faster HR decision making and HR actions

Organisational Development – VIB Strategic needs

- A greater understanding of employees thoughts and behaviours
- Facilitate the set up of new organisational structures
- Devise engagement activities to strengthen the employee relationship with VIB

Highlights of Employee Engagement Activities in 2015



3. Investment and implementation of projects

Subsidiaries: As at 31 December 2015, VIB had one subsidiary, VIB AMC, which was established on 29 December 2009 with a charter capital of VND66.5 billion. Since its establishment, VIB AMC has operated safely and efficiently, and generated good returns, making positive contributions to VIB's business results as a whole.

4. Investor relation

Shareholders information

- Number of shareholders: 1,059 shareholders holding 484,500,000 shares (VND 4,845,000,000,000 in value).
- Shareholders structure:

Type of shareholder	Number of shareholders	Number of shares owned	Percentage (%) / Charter capital
Legal entity	13	109,137,409	22.5%
Foreign strategic shareholder	1	96,900,000	20%
Individuals	1,045	278,462,591	57.5%
Total	1,059	484,500,000	100%

Charter capital

- Charter capital: 4,845 billion VND.
- In 2015: VIB increased its charter capital by 14% (from 4,250 billion VND to 4,845 billion VND).

Provision funds

	2010	2011	2012	2013	2014	2015
Total (billion VND)	1,652	2,552	2,552	2,552	2,552	1,957

Earning per share (EPS)

	2010	2011	2012	2013	2014	2015
EPS (VND)	2,389	1,581	1,231	118	1,230	1,044

Dividend scheme

- Dividend for FY2014: Annual General Meeting 2015 approved dividend scheme of 9% cash per chartered capital.
- Dividend for FY2015: Annual General Meeting 2016 approved dividend scheme of 8.5% cash per chartered capital.

Dividend schemes for the last 5 years:

	2011	2012	2013	2014	2015
Dividend per chartered capital by cash	7.0%	10.0%	0%	9.0%	8.5%

CEO's report

2015 was a year that marked by many successes VIB. Besides a series of awards at home and abroad, we are pleased to announce that VIB completed the fiscal year with 655 billion pre-tax profit, meeting our 2015 AGM's target, the dividend maintained at 9-10% cash plus bonus shares at a high level.

VIB concluded 2015 with strong growth and good achievements. There are innovative and consistent business strategies that helped assert VIB's unique position in the domestic financial market and obtain recognition from international institutions. Awards from leading international organizations, recognition from the SBV, the confidence from customers and employees are fair reflections of VIB's stability and strong growth.

We could assess VIB's operating performances in 2015 through the prism of the strategic drivers that VIB has pursued over the years as follows:

Sustainable revenue growth

The BOD has oriented a growth strategy for the new phase by changing the customer base, choosing an appropriate risk appetite, enhancing product and service quality, expanding distribution channels and geographic areas including the strengthening of Southern markets.

In 2015, VIB has achieved:

- Healthy credit growth at 25% compared to the banking industry's growth of 18%.
- Growth of customers deposit is stable with high increase in current account at 21%. Supporting this are business initiatives for innovative cash management solutions for corporate clients, big promotion campaigns, digital banking initiatives and CCR program (Corporate Customer Relations).
- Profit before tax was VND 655 billion, equal to 100% of the plan passed by Annual General Shareholders' Meeting.
- Total customers increased 11%, reaching over 1.6 million customers, of which quality customers of the retail banking grew by 21%.
- The distribution channels are expanding both in Retail

banking and Wholesale banking, helping the process of attracting customers and exploiting seamlessly and efficiently. Those effective channels can be mentioned in such distribution as the branch network, direct sale, partnership, digital banking, SWAT team, outbound call centers and 3rd party sales agency.

Customer service excellence

With the vision to become "The most innovative and customer-centric bank in Vietnam", customer satisfaction is always the top priority for each branch and sales person, as well as VIB staff at the head office. Customer satisfaction is enhanced in each step of the customer journey:

- VIB's brand name was meant and built to be a bank of a transparency, innovation and customer-centricity, increasingly attracting customers to use our products and services.
- A network of 156 branches and sub-branches, along with an expanded ATM network, with improved, standardized look and feel and newly relocated branches (especially in Hanoi, Ho Chi Minh City and Hai Phong) are attracting and creating improved convenience for customers.
- Product and card portfolios are standardized with outstanding features, improved compact process and reasonable pricing. All have helped VIB to be among the top competitive banks and improved customer's experience and perception.
- An important outcome of 2015 to enhance customer satisfaction includes the digital banking initiatives. MyVIB app was downloaded by tens of thousands of users who consistently use it for their digital banking needs. With this app, VIB was later named "Bank with most innovative and outstanding service in Vietnam 2015" by data group IDG. Together with CBA support, VIB also launched a high quality website with modern and user-friendly interface & features.
- In 2015 VIB has continuously launched attractive lending and deposit campaigns to retail customers. Those campaigns such as "Fulfill your dream with VIB", "Share your

beliefs – "Double your happiness" and "Medium-term loans at preferential interest rates", all have brought attractive financial solutions to customers and helped VIB achieve good growth.

- VIB also provided corporate customers with a number of preferences such as a special incentive program for fast moving consumer goods manufacturers (FMCG), incentive programs for companies in various industries. In 2015, VIB also implemented the campaign "With VIB to share success". This campaign was highly supported by VIB's customers and participated by VIB's employees helped increase the number quality customers for Wholesale banking.

Employee Engagement and Operational Excellence

Employee engagement is one of the strategic focuses of the VIB in 2015. A project called "Employee engagement" was established and contributed significantly to developing a good working environment. This project was implemented with a number of initiatives such as revising the employee benefit policy, organizing extracurricular activities with participation of the majority of employees. Our workforce has demonstrated a great engagement also through collective events such as:

- Employee engagement survey is performed annually with close to 90% participation, providing management with a complete view of employees' thoughts and ideas then to increase their engagement and contributions to the organization.
- The campaign "30 days of Innovation" attracted 3,091 employees, with 474 innovative ideas and 1,313 comments.
- Contest "Exciting Summer" with 163 photos and nearly 10,000 likes of employees.
- "Engagement Corner" on the intranet attracted thousands of employees 1,165 thanks and 11,329 likes.

During the year, VIB also completed and put into operation more than 20 technology projects, building automation platform for business, services and procedures as well as for business management. All these are very important to help raise VIB productivity and bring efficiency to the whole system. This result is a remarkable step in the making of operational excellence model for a sustainable business

of VIB.

Risk management and Balance sheet strength

VIB's objectives in recent years are sustainable growth, strict risk management and the construction of risk management models in accordance with international practices and regulations of the State Bank.

Some highlights on risk management in 2015:

- VIB NPL ratio has been consistently maintained below 3%.

The actual NPL ratio by December 2015 was 2.07%. VIB is one of a few banks that SBV gave out such a high credit growth of 25% as the SBV believes in VIB's ability to control bad debt, good risk management and appropriate risk appetite.

- Implement the advanced risk management system such as collection system, centralized credit approval system, Basel II and internal control project. For Basel II project, VIB is one of the banks with the highest readiness for the capital adequacy ratio according to Basel II standards. Recent estimates show VIB's drafted Basel II CAR of nearly 13% and the technology system is already in place.
- To further strengthen the training on risk management, complete training cooperation programs with Omega over 3 years.
- Good management of operational risk and market risk to both ensure compliance and optimization of business objectives.

About balance sheet management, a proud achievement for VIB in 2015 was its continuous highest credit ranking among the 10 big banks in Vietnam rated by Moody's in financial strength and outlook upgraded from "Stable" to "Positive". According to Moody's, the basis for the credit ratings remain the highest base level to B3 and positive outlook for the VIB comes from right strategy and carefulness, in particular the following points:

- Good capital base with CAR among of the highest in the market.
- Mitigate lending to high risk customers, actively enhancing asset quality and higher provisioning.
- Good liquid balance sheet.
- Good corporate governance with the development and adoption of international practices and the support from

strategic shareholders CBA (currently owns 20% share of VIB).

- Sound risk management framework.

Some orientations for 2016

The year 2016 has opened a new phase with many political and socio-economic changes. This is expected to be more of a period of opportunity than a challenge. Specifically, Vietnam will deeply integrate into the world market through greater cooperation agreements, typically the Trans-Pacific Partnership (TPP) Agreement. Capital inflows are expected at higher level, creating conditions for the growth of investment, especially FDI. According to the latest forecast from institutions and economic experts, the annual GDP growth rate of Vietnam will remain on top in the region, at 6%-6.6%. Restructuring the banking sector will continue and the problems will be revealed more clearly, more transparency which enable appropriate solutions to address key issues of the industry such as bad debts, cross-ownership, risk management and corporate governance.

The inevitable trend of digital banking and financial technology companies (Fintech) creates more choice and utilities for customers and forces the banks to more aggressively invest in powerful technology, using innovative models to compete, if they want to survive. This trend will create a fair and healthy playground for banks. This year marks the 20-year journey to establish and develop VIB. The planned activities of VIB will remain closely focused on strategic goals, striving to fulfill the criteria which the banking group as well as the shareholders' meeting in 2016 agreed. We are proud to assess VIB as one of the only banks in Vietnam whose mission is customer oriented. This will set a firm foundation for the sustainable development of VIB and continued success for many years ahead.

BOD's report

Performance results

Data from the World Bank showed that global GDP growth in 2013-2015 was relatively low, around 2.5%. Overall, the world economy in 2015 was viewed as not really positive. In addition to highlights such as the recovery of the US economy, Eurozone's effort to escape from public debt crisis, the world has witnessed issues that deeply impact economic development. There are political and economic tension between Russia and the West, spreading geopolitical conflicts in the Middle East which caused waves of immigrants, terror risks and large-scale military conflicts. Last but not least, China, the second biggest global economy and Vietnam's biggest trade partner, has suffered from a serious stock market crash, its renminbi devalued and many problems emerged in the banking sector, especially those related to real estate industry. Vietnam's economy, with its targets for macroeconomic stability, economic growth and inflation control, has so far achieved certain improvements amid global volatility. According to the Vietnam General Statistics Office, our GDP growth in 2013-2014 was 5.42% and 5.98%, respectively, and recovered to 6.68% in 2015. Our CPI was curbed low, foreign exchange a market although impacted by external factors has still been under control by the State Bank of Vietnam (SBV).

The Vietnamese banking sector entered a high season of the so-called Master plan to restructure weak credit institutions for period 2011-2015. The government and the SBV have restructured, consolidated and acquired a number of credit institutions at zero cost. By the end of 2015 the proportion of non-performing loans (excluded loans sold to VAMC) was reported to fall below 3%. The whole sector's credit growth increased from 9% in 2012 to 18% in 2015 (Source: SBV).

Profit after tax of VIB in 2015 reached 521 billion; profit before tax was 655 billion which met 100% of the plan set at the 2015 AGM. The key financial indicators are as follows:

- Net sales reached 2,929 billion, total assets reached 84,309 billion, up 5% compared to 2014, total credit granted

reached 54,978 billion, increasing 25% (including 3,444 billion of corporate bonds and 3,758 billion VAMC bonds); Deposits from customers reached 53,304 billion, up 9% compared to 2014.

- Within 2015, the number of VIB employees increased by 13% and 4 new branches were opened. However, operating expenses remained well under control with only a 10% increase compared to that of 2015.
- VIB's NPL ratio was controlled at 2.07% lower than the target <3% set by the AGM earlier in the year. Provision expenses also dropped sharply to 509 billion in 2015. This result reflects the efforts to clear bad debt provisioning and the high, painful provision in previous years, allowing them to be reduced to normal level this year. A new and steady growth of the bank has now begin.

In addition to the financial results, in 2015, VIB also achieved a series of awards and recognition. Not to mention the most critical is the Moody's credit ratings in Vietnam where our rating improved from "Stable" to "Positive". Additionally we were recognized and honored through a series of prestigious awards including:

- The award "Bank of the Year 2015 in Vietnam" by The Banker, a prestigious and leading economic, financial and trade magazine from the UK.
- VIB is the only bank in Southeast Asia to hold an international cards scheme MasterCard award of "Best innovative solutions for global payment card".
- Award for "The best trade finance bank in East Asia and Pacific 2015" under The Global Trade Finance Program (GTFFP) named by IFC.
- Awards for "Vietnam's leading banks for trade finance to SMEs" by the Asian Development Bank (ADB).
- Award for "the fastest growing retail bank in Vietnam 2015" and "Best transaction 2015" by Global Banking & Finance Review.
- 9th time to be honored with the award "Vietnam's strong brand" in 2015 by Vietnam Economic Review and the Department of Trade Promotion (Ministry of Commerce).
- "My VIB" app helped VIB to be named "Bank with the most

innovative and outstanding service in Vietnam 2015" by data group IDG.

Capital and dividends

2015 was also a year in which VIB continues to be recognized for quality and performance by partners both domestically and internationally. It should be mentioned that a proud achievement in 2015 was VIB's upgrade from Moody's from "Stable" to "Positive". According to Moody's, the basis for the credit ratings remain the highest base level to B3 and positive outlook comes from right strategy and prudence in doing business, in particular the following points:

- Good quality of owner's equity and one of the highest Capital Adequacy Ratio on the market;
- Restricting the lending to high risk customers, active in enhancing asset quality and higher provisioning;
- Strong balance sheet with high liquidity;
- Good corporate governance with the development and application of international best practices and the participation of strategic shareholders CBA which owns 20% of the VIB and is one of the 20 safest banks in the world;
- Good risk management and reasonable risk appetite.

The State bank of Vietnam also highly appreciate VIB in controlling bad debt, as of the date 31 Dec 2015, VIB has completed 100% of the debt sale plan to VAMC. For 2015, VIB is one of the few banks approved by SBV with 25% credit growth as the central bank believes in VIB's ability to control bad debt, good risk management and risk appetite. For fiscal year 2015, VIB's AGM 2016 has approved again a relatively high total dividend at 25% including including 8.5% cash dividend and 16.5% bonus share dividend. This is a clear evidence showing VIB's financial strength and its commitment to bring compelling value and sustainability to shareholders.

Corporate governance

VIB's strong corporate governance is built on the basis of accountability and transparency of the Board as a whole; a democratic environment, a modern corporate governance structure and suitable to VIB's operating conditions; effective operational mechanism of the Board, Supervisory Board and BOM with the participation of members with

expertise and international experience. Therefore, in the banking and financial market of Vietnam, VIB is highly valued in terms of transparency and good governance structure.

The highlights in these areas included:

- Ensured the rights of VIB's General Shareholders – the highest power body; separate 3 functions: governance - management – supervision.
- Established committees and councils belong to the Board and the management with specific roles and responsibilities. These bodies work efficiently alongside the administrative structure; applied operational and interaction model between these committees and councils in accordance with advanced international standards.
- Sale and service activities and operational activities are organized on the basis of charter, management framework, policies, regulations and procedures.
- Strengthened the capacity, independence and effectiveness of the internal audit system. All stakeholders' transactions are ensured compliance with the provisions of law. Monitoring and control activities, anti-fraud and anti-corruption activities are all enhanced and increased with efficiency.

In 2015, the Board of Directors has eight members, including 1 independent member, 2 members from CBA. All BOD members have acted in the best interest of all VIB's shareholders. The Board held 5 meetings and issued 12 resolutions regarding important activities of the bank. Besides, the Board also issued comments and 67 resolutions through voting slips on across various areas and focused on key ones such as the approval of strategy and annual business plans, the implementation of strategic projects, the increase of charter capital in 2015, business growth initiatives, strengthening of risk management, improvement of corporate governance and productivity and human resources management. Those approvals and directions have helped the management in achieving business objectives in a timely manner.

Future prospects

In this coming period, VIB will continue to be consistent with its already set orientations, the focus in 2016 including strategy and operations, risk management and compliance and corporate governance.

With a bankwide determination in consistently implementing its strategy, business plan, along with the orientation of the management, trust from our shareholders, partners and continued support from SBV and relevant authorities, we believe that VIB will complete our business objectives for 2016, delivering well on its mission to customers, employees, shareholders, the community and will move closer to realize the vision "to become the most innovative and customer oriented bank in Vietnam".

Consolidated Financial Statements

1. General information

Banking Licence No.: 0060/NH-GP0060/NH-GP, 25 January 1996.

Vietnam International Commercial Joint Stock Bank ("the Bank") is a joint stock bank which incorporated and

registered in the Socialist Republic of Vietnam on 25 January 1996 in accordance with the Banking Licence No.0060/NH-GP issued by the State Bank of Vietnam with validity of 99 years since license date.

Board of Directors

Name	Position	Date of selection
Mr. Dang Khac Vy	Chairman	Selected on 25 April 2013
Mr. Dang Van Son	Vice Chairman	Selected on 25 April 2013
Mr. Han Ngoc Vu	Member cum Chief Executive Officer	Selected on 25 April 2013
Mr. Do Xuan Hoang	Member	Selected on 25 April 2013
Mr. Tran Nhat Minh	Member cum Deputy Chief Executive Officer in Technology and Operation	Selected on 25 April 2013
Mr. Michael John Venter	Member	Selected on 15 December 2014
Mr. Graham Eric Putt	Member	Selected on 15 December 2014
Mr. Bradley Charles Lalonde	Independent member	Selected on 25 April 2013

Board of Supervision

Name	Position	Date of selection
Mr. Trinh Thanh Binh	Head of Supervision	Selected on 25 April 2013
Ms. Nguyen Luong Bich Thuy	Member	Selected on 25 April 2013
Mr. Anthony Michael Greenhill	Member	Selected on 29 April 2014

Board of Management

Name	Position	Date of selection
Mr. Han Ngoc Vu	Chief Executive Officer	Appointed on 16 September 2013
Mr. Tran Nhat Minh	Deputy Chief Executive Officer in Technology and Operation	Appointed on 15 June 2012
Mr. Le Quang Trung	Deputy Chief Executive Officer cum Head of Treasury	Appointed on 11 January 2010
Mr. Loic Faussier	Deputy Chief Executive Officer cum Chief Risk Officer	Appointed on 2 July 2012
Mr. An Thanh Son	Deputy Chief Executive Officer cum Head of General Counsel Division	Appointed on 14 August 2013
Mr. Godfrey Swain	Head of Retail Banking	Appointed on 01 August 2015
Ms. Vuong Thi Huyen	Head of Wholesale Banking	Appointed on 1 September 2013
Mr. Ho Van Long	Chief Financial Officer	Appointed on 1 January 2010
Ms. Dang Thi Phuong Diem	Head of General Operations	Appointed on 1 September 2012

The legal representative

Mr. Han Ngoc Vu, Chief Executive Officer

Registered location

The Bank's Head Office is located at 1st, 6th and 7th floor, CornerStone Building, 16 Phan Chu Trinh Street, Phan Chu Trinh Ward, Hoan Kiem District, Hanoi.

As at 31 December 2015, the Bank has one (01) Head Office, one hundred and fifty six (156) business units including one (01) Head Office, forty nine (49) branches and one hundred and six (106) transaction offices located in provinces and cities all over the country and one (01) subsidiary.

Auditors

Ernst & Young Vietnam Limited.

Report of the Board of Executive Management

The Board of Executive Management of Vietnam International Commercial Joint Stock Bank ("the Bank") is pleased to present its report and the consolidated financial statements of the Bank and its subsidiary for the year ended 31 December 2015.

Executive Management's responsibility in respect of the consolidated financial statements

The Board of Executive Management of the Bank is responsible for the consolidated financial statements of each financial year which give a true and fair view of the consolidated financial position of the Bank and its subsidiary, and of the consolidated results of their operations and its consolidated cash flows for the year. In preparing those consolidated financial statements, the Board of Executive 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 accounting 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 concern basis unless it is inappropriate to presume

For and on behalf of the Board of Executive Management:



Mr. Han Ngoc Vu
Chief Executive Officer

Hanoi, Vietnam
25 March 2016

that the Bank will continue its business.

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

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

Statement by the Board of Executive Management

The Board of Executive Management does hereby state that, in its opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Bank and its subsidiary as at 31 December 2015, and of the consolidated results of its operations and its consolidated cash flows for the year ended 31 December 2015 in accordance with Vietnamese accounting standards, accounting system for credit institutions, and comply with regulations of the State Bank of Vietnam and other relevant statutory requirements.

Independent Auditors' report

To: The Shareholders of

Vietnam International Commercial Joint Stock Bank

We have audited the consolidated financial statements of Vietnam International Commercial Joint Stock Bank and its subsidiaries ("the Bank") as prepared on 25 March 2016 and set out on pages 6 to 61 which comprise the consolidated balance sheet as at 31 December 2015, the consolidated income statement and the consolidated cash flow statement for the year then ended and the notes thereto.

Management's Responsibility

Management of the Bank 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, relevant regulations stipulated by the State Bank of Vietnam and other statutory requirements relevant to preparation and presentation of the consolidated financial statements, and for such internal control as the Management of the Bank determines is necessary to enable the preparation and presentation of 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 the 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's 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's 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 2015, and of the consolidated results of their operations and their consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards,

Ernst & Young Vietnam Limited



Nguyen Thuy Duong
Deputy General Director

Audit Practising Registration Certificate No. 0893-2013-004-1

Hanoi, Vietnam
25 March 2016

Vietnamese Accounting System for Credit Institutions and comply with relevant regulations stipulated by the State Bank of Vietnam and other statutory requirements relevant to preparation and presentation of the consolidated financial statements.

Other matter

The consolidated financial statements of the Bank for the year ended 31 December 2014 were audited by another auditor who expressed an unmodified opinion on those financial statements on 2 March 2015.



Hoang Thi Hong Minh
Auditor

Audit Practising Registration Certificate No. 0761-2013-004-1

Consolidated balance sheet as at 31 December 2015

Unit: VND million

	31/12/2015	31/12/2014
ASSETS		
Cash, gold and gemstones	849,380	637,522
Balances with the State Bank of Vietnam ("SBV")	6,891,501	1,619,862
Deposits and loans to other credit institutions	761,777	7,495,872
Deposits other credit institutions	586,777	3,030,422
Loans to other credit institutions	175,000	4,465,450
Provision for credit losses of deposits and loans to other credit institutions	-	-
Securities held for trading	-	-
Derivatives and other financial assets	76,363	9,656
Loans to customers	47,024,555	37,289,571
Loans to customers	47,777,031	38,178,786
Provision for loans to customers	(752,476)	(889,215)
Investment securities	26,451,598	27,756,930
Available-for-sale securities	23,388,818	25,678,835
Held-to-maturity securities	3,757,699	2,348,312
Provision for diminution in value of investment securities	(694,919)	(270,217)
Long-term investments	135,039	148,557
Other long-term investments	210,654	224,172
Provision for diminution in value of long-term investments	(75,615)	(75,615)
Fixed assets	395,754	365,476
Tangible fixed assets	266,390	272,007
Cost	704,436	642,785
Accumulated depreciation	(438,046)	(370,778)
Intangible fixed assets	129,364	93,469
Cost	285,776	230,631
Accumulated amortisation	(156,412)	(137,162)
Investment properties	16,605	34,505
Cost	16,605	34,505
Accumulated amortisation	-	-
Other assets	1,706,260	5,303,008
Receivables	531,084	4,286,125
Interest and fee receivables	986,102	1,011,314
Deferred tax assets	340	332
Other assets	188,734	199,206
Provision for other assets	-	(193,969)
TOTAL ASSETS	84,308,832	80,660,959

Consolidated balance sheet as at 31 December 2015

Unit: VND million

	31/12/2015	31/12/2014
LIABILITIES		
Borrowings from the Government and the SBV	8,472,331	-
Deposits and borrowings from other credit institutions	12,699,666	19,761,129
Deposits from other credit institutions	6,628,197	8,596,456
Borrowings from other credit institutions	6,071,469	11,164,673
Deposits from customers	53,303,964	49,051,909
Derivatives and other financial liabilities	-	-
Other borrowed and entrusted funds	72,926	53,787
Valuable papers issued	-	25
Other liabilities	1,149,136	3,293,846
Accrued interest and fee payables	490,930	587,111
Deferred tax liabilities	-	6,364
Other liabilities	658,206	2,700,371
Provision for contingent liabilities and off-balance sheet commitments	-	-
TOTAL LIABILITIES	75,698,023	72,160,696
SHAREHOLDERS' EQUITY		
Capital	6,802,946	6,802,951
Charter capital	4,845,000	4,250,000
Share premium	1,957,958	2,552,958
Treasury shares	(12)	(7)
Reserves	1,185,521	1,125,661
Retained earnings	622,342	571,651
TOTAL SHAREHOLDERS' EQUITY	8,610,809	8,500,263
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	84,308,832	80,660,959

Consolidated balance sheet as at 31 December 2015

Unit: VND million

	31/12/2015	31/12/2014
OFF-BALANCE SHEET ITEMS		
Credit guarantees	-	-
Foreign exchange commitments	21,459,354	47,821,970
Letters of credit	912,196	1,472,208
Other guarantees	2,796,637	1,710,540
Other commitments	4,237,083	3,429,088
	29,405,270	54,433,806

Consolidated income statement for the year ended 31 December 2015

Unit: VND million

	2015	2014
Interest and similar income	4,794,299	4,895,476
Interest and similar expenses	(2,450,185)	(2,582,927)
Net interest income	2,344,114	2,312,549
Fee and commission income	278,915	226,659
Fee and commission expenses	(112,812)	(81,374)
Net fee and commission income	166,103	145,285
Net gain/(loss) from trading of foreign currencies	(10,503)	(23,982)
Net gain from investment securities	88,991	92,276
Net gain from investments in other entities	20,397	1,403
Other income	400,962	1,027,684
Other expenses	(80,609)	(85,140)
Gain from others activities	320,353	942,544
TOTAL OPERATING INCOME	2,929,455	3,470,075
Payroll and other staff costs	(867,559)	(843,026)
Depreciation and amortisation charges	(86,509)	(87,055)
Other operating expenses	(811,172)	(703,633)
TOTAL OPERATING EXPENSES	(1,765,240)	(1,633,714)
Profit before provision for credit losses	1,164,215	1,836,361
Provision expenses for credit losses	(509,071)	(1,188,008)
PROFIT BEFORE TAX	655,144	648,353
Current Income tax expense	(140,446)	(141,264)
Deferred tax expense	6,368	15,581
Total Income tax expense	(134,078)	(125,683)
PROFIT AFTER TAX	521,066	522,670
Basic earnings per share (VND)	1,161	1,230

Prepared by



Ms. Tran Thi Thanh Tra
Head of General Accounting

Reviewed by



Mr. Ho Van Long
Chief Financial Officer

Approved by



Mr. Han Ngoc Vu
Chief Executive Officer

Consolidated income statement for the year ended 31 December 2015

Unit: VND million

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest and similar income received	4,819,510	4,642,630
Interest and similar expenses paid	(2,546,366)	(2,520,349)
Fee and commission income received	166,103	164,949
Net receipts from foreign currencies, gold and securities trading activities	78,488	197,970
Other incomes	212,642	1,147,677
Receipts from loans previously written off	107,711	77,685
Operating and salary expenses payments	(1,678,731)	(1,476,783)
Current income tax paid for the year	(144,210)	(28,631)
Net cash flows from operating activities before changes in operating assets and liabilities	1,015,147	2,205,148
Changes in operating assets		
(Increase)/Decrease in balance with and loans to other credit institutions	4,290,450	(2,910,700)
(Increase)/Decrease in securities held for trading	880,630	(6,419,886)
(Increase)/Decrease in derivatives and other financial assets	(66,706)	16,127
(Increase)/Decrease in loans to customers	(9,598,245)	(2,559,855)
Using provision to written off loan to customers, securities and long-term investment losses	(392,463)	(772,051)
(Increase)/Decrease in other assets	3,829,015	4,641,444
Changes in operating liabilities		
Increase /(Decrease) in borrowings from Government and the SBV	8,472,331	(998,045)
Increase/(Decrease) in deposits and borrowings from other credit institutions	(7,061,463)	724,815
Increase/(Decrease) in deposits from customers (including The State Treasury)	4,252,055	5,812,481
Increase/(Decrease) in valuable papers issued (except valuable papers issued for financing activities)	(25)	(283)
Increase/(Decrease) in other borrowed and entrusted funds	19,138	(402,157)
Increase/(Decrease) in other liabilities	(2,152,929)	(2,052,731)
Utilisations of reserves	-	-
Net cash flows from operating activities	3,486,935	(2,715,693)

Consolidated income statement for the year ended 31 December 2015

Unit: VND million

	2015	2014
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for purchases of fixed assets	(150,871)	(102,545)
Proceeds from disposals of fixed assets	34,567	38,785
Payments for disposals of fixed assets	(89)	-
Payments for investments property	-	-
Proceeds from investments property	17,900	1,748
Payments for investments in other entities	30,465	2,197
Dividends received from long-term investments	3,449	1,403
Net cash flows from/(used in) investing activities	(64,579)	(58,412)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in charter capital from capital contribution and/or share issuance	595,000	-
Dividends paid to shareholders	(977,499)	-
Proceeds from selling treasury shares	(5)	-
Net cash flows used in financing activities	(382,504)	-
Net cash flows during the year	3,039,852	(2,774,105)
Cash and cash equivalents at beginning of year	5,287,806	8,061,911
Cash and cash equivalents at end of year	8,327,658	5,287,806

Prepared by



Ms. Tran Thi Thanh Tra
Head of General Accounting

Reviewed by



Mr. Ho Van Long
Chief Financial Officer

Approved by



Mr. Han Ngoc Vu
Chief Executive Officer

Hanoi, Vietnam
25 March 2016

