



16 Phan Chu Trinh, Hoan Kiem, Ha Noi
Tel: +84 4 62760068 - Fax: +84 4 62760069
Email: vib@vib.com.vn
Website: www.vib.com.vn



Bank of Innovation

Annual Report 2014
Vietnam International Bank



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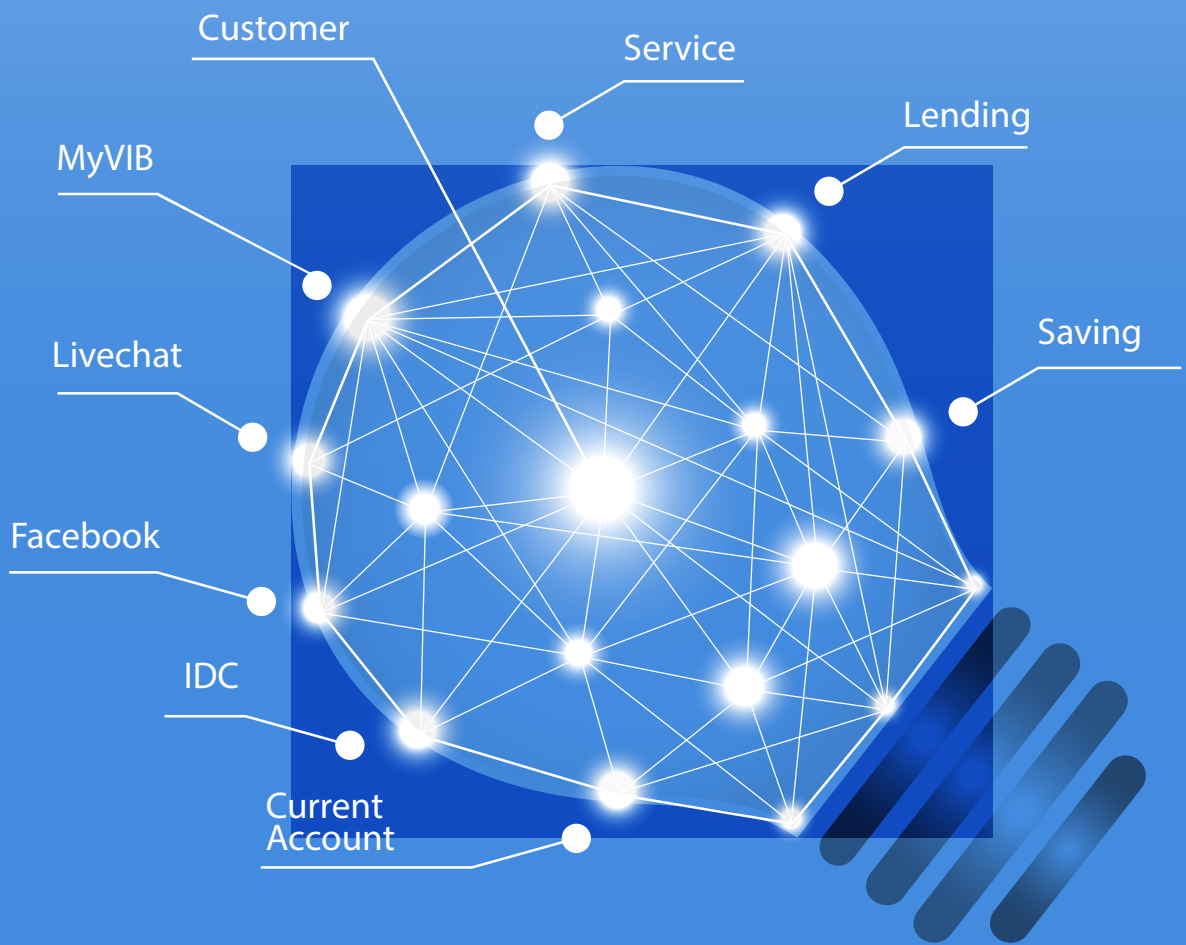


Investor Relations



Consolidated Financial Report







Message from the Chairman



VIB will be celebrating its 20th anniversary next year and since opening in 1996, our consistent goal in elevating VIB to international standards is reflected in our vision 'to be the most innovative and customer-centric bank of Vietnam'. It is this singular focus that drove the decision to work with the world leading strategy consultant, Boston Consulting Group (BCG), on our 5 year transformational program in 1998. It is the reason why VIB entered into a valuable strategic partnership in 2010 with Australia's largest bank, Commonwealth Bank of Australia (CBA). And it is why VIB continues to invest in building a first class management team, bringing the best values to our clients, shareholders, staff and the community



Operating & Financial Performance

In 2014, VIB was able to achieve a strong financial result and progress key strategic objectives, despite an economic backdrop in Vietnam that did not reflect any significant improvement in consumer or business confidence.

We continue to improve our business by striving to deliver great service to our customers while continuing to invest in our people and technology to drive operational excellence and productivity improvements. These simple and clear business priorities are supported by a desire to grow the business sustainably through diversified revenue streams, a strong capital position and robust provisioning.

Net profit after tax increased to VND503 billion with pre-tax profit of VND644 billion, equivalent to 199% of the set target. Key elements of the result were:

- **Revenue** increased 38% year on year to VND3.47 trillion, reflecting asset growth to VND80.661 trillion driven by a rise in lending balances of 16% to VND44.004 trillion.
- **Deposits** reached VND49.052 trillion, up 13% year on year, with current account balance growth of 19%.
- **Operating Expenses** only increased 4.6% to VND1.634 trillion driven by productivity improvements while continuing to invest in our people, systems and assets. This cost discipline enabled VIB's cost-to-income ratio from the core business to decrease from 59% to 56%.
- **Provisioning** continued to be at a conservative level of VND1.188 trillion with an accumulated provision fund of nearly VND 2 trillion. Non-performing loans were also well managed at 2.51%.

VIB's strategic consistency and positive financial outcomes were also acknowledged and praised by both local and international organizations with some prestigious awards, including:

- "Bank with Outstanding Branch for 2014' award presented by the International Data Group (IDG) and sponsored by the Vietnam Banks Association (VNBA) and the State Bank of Vietnam (SBV)."
- ASEAN CIO of the Year' award presented by IDG.
- Best Global Trade Finance Program (GTFP) Issuing Bank in Asia Pacific' award offered by the International Finance Corporation (IFC).
- Top Vietnam 500 (181). Award for Vietnam's largest companies by Vietnamnet and VNR .
- Strong Brand award in Vietnam by Vietnam Economic Times.

Capital & Dividends

The ability of VIB to generate a solid business outcome while being the only bank in Vietnam to be upgraded in 2014 by Moody's to become one of only two banks with the highest bank financial strength rating (BFSR) among the nine big Vietnamese banks rated by Moody's, reflects the decision of the Board to maintain prudent business settings, particularly with risk frameworks, provisioning, capital and corporate governance practices.

The SBV regulations require a minimum Capital Adequacy Ratio (CAR) of 9.0%. However, VIB has continued to maintain a significant buffer with a CAR of 17.7%. This sensible approach was also a contributing factor to VIB being one of only ten banks in Vietnam selected by the SBV to implement advanced Basel II standards in the first wave.

VIB's dividend payment plans remain clear and transparent, dependent on the annual development strategies and business results. For 2014, VIB expects to make 11% cash dividend payments to continue to invest in the bank's development.



Message from the Chairman

Corporate Governance & Board Appointments

The VIB Board currently has eight (8) Directors, including two (2) Directors from the Commonwealth Bank of Australia (CBA) and one (1) Independent Director. The Board meets on a regular basis with the Chief Executive Officer and Executive Committee members to openly discuss strategic and business performance, risk matters, important human resource decisions, and other key items.

During 2014 we said farewell to the two CBA Directors as they embarked on life after work following their retirement from CBA. I personally want to thank Mr. Wayne Hoy and Mr. Garry Mackrell for their contributions to VIB and wish them well for the future. In appointing new Directors, the Board assesses the skills, experience and character of candidates to ensure there is sufficient diversity on the Board to help contribute to VIB meeting its strategic objectives

Following this process, the Board announced the appointment of Mr. Graham Eric Putt and Mr. Michael John Venter as its two new CBA Directors. Mr. Putt and Mr. Venter were elected to the Board on 15 December 2014.

Mr. Putt brings over 30 years of expertise in Financial Services, including extensive experience across Asia and in Insurance. Mr. Venter also has a wealth of experience, with a key focus on Finance and Risk across a variety of industries. I welcome both members to the Board and am confident that they will add substantial value to Board outcomes and to further improvements in corporate governance processes.

Future Outlook

We expect the economic outlook for Vietnam to remain subdued in 2015 with only moderate improvements to business and consumer confidence. Interest rates are likely to remain low to help further stimulate investment activities.

For VIB, we will try to outperform the market again in 2015 while remaining consistent with our strategic objectives in order to generate sustainable growth over the medium to long term. This focus will include further improvements to customer service through the continued transformation of the branch experience while leveraging innovative digital banking technologies. We will also reinforce our aim to make VIB the best bank for our people to work at.

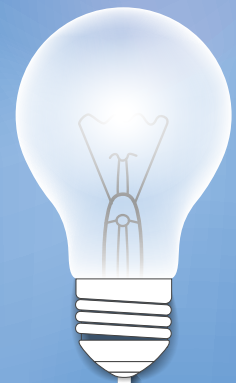
The future success of VIB will continue to be underpinned by the dedication and loyalty of our people at all levels of the bank. It is this ongoing commitment that will drive VIB 'to be the most innovative and customer-centric bank of Vietnam'.

Sincerely,

Dang Khac Vy
Chairman of the Board



Creation of success from stable foundation



OPERATING & FINANCIAL PERFORMANCE



CAPITAL & DIVIDENDS



CORPORATE GOVERNANCE & BOARD APPOINTMENTS



FUTURE OUTLOOK





Message from the CEO



“The most innovative and customer-centric bank in Vietnam” has been the most striking message and the guiding compass for VIB operations in recent years. In 2014, the Management Board and I worked together to reassess what this vision really means for VIB. We reviewed VIB's achievements, and planned ahead for the steps needed to achieve its future goals. The result has been our decision to continue to put the clients at the center of our operation, bringing them the best banking experience through innovative approaches.

Our strategy to achieve our vision is built around three (3) pillars of Growth, Productivity and Risk underpinned by five (5) strategic objectives: Growth - customer service excellence & sustainable revenue growth; Productivity - employee engagement & operational excellence; Risk - risk remediation. We have been consistent in pursuing these strategic objectives during the difficult economic climate of recent years and this is enabling VIB to continue building a strong foundation for current and future growth. This focus was reflected in some of the following key achievements in 2014.



Customer service excellence & Sustainable revenue growth

- VIB became the first bank in Vietnam to offer up to 5% cash-back on the spending amount for the VIB International Debit MasterCard. After nearly 1 year of implementation, VIB attracted approximately 50,000 spenders with a payment amount of more than VND300 billion.
- VIB pioneered the introduction of a transparent fixed margin lending product at +3.5% of the VND 13-month deposit rate
- VIB was also the first bank in Vietnam to offer a preferential fixed lending rate up to 30 months providing a worry free solution for customers to manage their personal finances.
- VIB took the lead in launching the Freedom package to our customers offering many attractive benefits, including potential savings of VND1.4 million per year for various transaction fees, an additional 0.5%p.a for deposit rates, a discount of 0.5% p.a. on lending rates, cash back up to 5% for spending on the VIB International Debit MasterCard, plus free cash withdrawal at 15,700 ATMs of local banks nationwide.
- VIB worked with Vietnam Railways to jointly offer the cash collection service for train tickets making it for any customers to buy train tickets quicker. Over 17,000 transactions worth more than VND32 billion were made in the first 3 days of launching the service.
- VIB became the first bank in Vietnam to also approach current and potential customers via social networks through the introduction of the “online branch” allowing Facebookers to experience VIB’s transaction space on Facebook. As a result, VIB was the first bank with more than 100,000 likes for its Facebook fan page.
- In addition, VIB also launched “Live chat” on our websites and Facebook enabling customers to speak directly to VIB staff online thereby making it easier for customers to learn about and sign up for VIB products and services
- Late in 2014, VIB successfully launched a market leading mobile banking app – MyVIB, with plenty of creative functions and essential experiences for users. After 1 month of introduction, the mobile banking app attracted more than 3,000 customers and was rated 4.9/5 stars on the Appstore and Google Play.
- VIB gained approval from the SBV to open 7 new transaction offices giving the bank further opportunity to meet the needs of more customers and deliver a great customer experience. VIB now has nearly 160 branches and transaction offices across the country with 98% of them operating under the modern designs meeting international standards.
- VIB launched a new Direct Sales business giving customers the option of having VIB staff visit them directly at their home, office or location of their choice to provide VIB products and services.



Message from the CEO

Employee Engagement & Operational excellence

- VIB was the first bank in Vietnam to conduct recruitment through social media.
- VIB continued to pursue the aim of being the “Employer of choice” by increasingly eligible employees' salaries, introducing a contribution linked pay scheme offering additional remuneration benefits to Branch Managers based on the financial contribution they are responsible for, and introduced an employee benefits program including discounted lending rates for VIB staff.
- VIB continued to improve work methodologies across branches by implementing standardized operating 'checklists' for Regional Managers and Branch Managers to manage their staff and centers consistently across the country.
- VIB further strengthened the Executive Management team with changes to the Retail Banking structure and the introduction of "expatriate" banker: Mr. Godfrey Swain to work with Mr. Rahn Wood to direct Retail Banking operations. Mr. Godfrey portfolio will include products, sales, marketing and communications to allow Mr. Rahn to focus on branch management.
- VIB have also more than doubled the number of CBA experts working full time at the bank within the framework of the Capability Transfer Program (CTP). The current 12 CBA specialists working at VIB reflects not only the value of the CTP in the VIB - CBA strategic partnership but also has helped to improve VIB's prestige in the domestic and international banking system.

Risk remediation

- Following the centralization of credit approvals in Wholesale Banking in 2013 combined with a refined risk appetite, VIB saw a material improvement in loan origination quality and health of the wholesale lending portfolio in 2014.
- In 2014, VIB also saw improvements in centralized credit approval activities in Retail Banking with the implementation of a new centralized credit system known as Loan Origination System (LOS) at all branches.
- VIB worked with Omega to provide an extended 2-3 year training program in risk management and finance for its business and risk management staff. In 2014, 100 of VIB' staff had successfully completed this course.
- By implementing a centralized debt collection system for both Wholesale and Retail Banking operations, VIB was able to improve early arrears management capabilities to help prevent defaults while further reducing legacy impaired loans.
- VIB introduced further revisions and enhancements to our market risk framework, policies and procedures including a gap analysis conducted under the Basel II project.
- VIB have also formed risk control teams in each business line and support function to better improve the bank's triple-layer risk management measures.
- VIB worked with CBA to introduce Basel II standards into its operations upon being selected by the SBV as one of ten test pilot banks in the scheme. VIB will be among the first Vietnamese banks to be in compliance with Basel II standards.

The implementation of the Bank's strategic goals is clearly reflected in our business performance overview. Each area of operation have made positive contributions to VIB's bottom-line in 2014.

- Retail Banking saw revenue growth of roughly 11% year on year, mainly thanks to core outstanding loan growth of nearly 20% in 2014. Deposit net interest income was stable due to intense competition in the market putting pressure on margins despite seeing deposit growth of nearly 8% in 2014, including a 37% growth in current accounts. However, retail was able to increase its fee revenue by about 46% to help bolster deposit revenue.
- Wholesale Banking saw revenue growth of roughly 28% in 2014 despite a year of hardship in 2013. This is thanks to greater cost management measures that reduced operational costs by nearly 6% and an increase in real profits of 100% year on year. In addition, Wholesale Banking increased customer deposit balances by approximately 19% despite fierce market competition.
- The Treasury department continued to assist in VIB's core areas of operation with a 24% year on year increase. VIB consistently avoided bad debts in interbank loan operations for consecutive years.

On behalf of the Management Board, I would like to extend my gratitude to all of our team for contributing to these achievements.

As we cross in to 2015, VIB will maintain close relationships with our clients to understand their needs, and use it as a stepping stone to finding new, quality corporate and individual clients. We will continue to innovate by leveraging digital banking technology to deliver faster and better service to our customers. We will continue to transform our branch network by integrating our channels, businesses and partnerships to deliver a seamless customer experience no matter where our customers want to interact with us. And we will continue to invest in our people and their capabilities so that they can build a future with VIB and deliver the best possible experience to our customers.

I am confident that we are building momentum and as a team we are committed to redoubling our efforts towards achieving the VIB vision through our strategic objectives. Much remains to be done and I trust we are ready for those challenges. Allow me to take this opportunity to express my sincere appreciation to our clients, shareholders, partners and our team for their assistance to VIB during this past year.

Sincerely,



Han Ngoc Vu
Chief Executive Officer

Vision

To be the most innovative and customer-centric bank in Vietnam

Core values

Customer focus
Excellence
Honesty
Teamwork
Disciplined





Goal



To become the bank with the best customer experiences in Vietnam



Mission

To clients: To excel in providing innovative, customer-centric solutions to satisfy the needs of our customers

To employees: To cultivate a high performance culture, entrepreneurship and openness in our work environment

To shareholders: To provide sustainable and attractive returns to our shareholders.

To the community: To active contribute to community development...



Board of Directors



Mr. Dang Khac Vy

Chairman of the Board of Directors
Chair of the Human Resource Committee

Mr. Dang Khac Vy is among the founding members of VIB. Mr. Vy is a Director of the BoD for terms I, II, III, IV, V and VI.

He currently holds the title of Chairman of Future Generation Company - a big Vietnamese firm with international presence, mainly in 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 the VI term (2013-2016). 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 BoD

Mr. Do Xuan Hoang has been a consecutive Director of the BoD since 2005. He was the BoD Vice Chair in 2007. Since 1993, he has assumed leadership, management positions in many foreign investment firms. Mr. Hoang is currently CEO of MFC, a Vietnamese - Japanese joint venture, a leading investment company in FMCG in the Russian Federation and the CIS region.

Aside from the private sector, he also takes active part in community building 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, Terms VI, VII, 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

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. Vũ was elected by the GSM to be Director of the BoD for term V, and was elected by the BoD to be its Chair from 2008 to 2013. The GSM in 2013 continued to elect Mr. Vũ a Director of the BoD for term VI. The BoD returned Mr. Vũ to the post of CEO in the same year.

Mr. Vu has nearly 28 years of experience in business operations, including 25 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.



Board of Directors



Mr. Tran Nhat Minh

Director of the BoD cum Vice CEO

Mr. Tran Nhat Minh continued to be elected by the GSM in 2013 to be Director of the BoD for term VI (2013– 2016).

Mr. Minh has held many roles such as Vice CEO, CEO for different companies in the Russian Federation including ProfInvest Co., Ltd, FG Group Co., Ltd, and ZAO "DHV-S" JSC. Currently, he is Managing Director of Mareven Food Central Co. 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 LINK, Russia.



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
Head of Risk Division

Mr. Bradley Charles LaLonde was elected to be a Independent Director of the BoD by the GSM on April 25 2013.

He has had over 30 years of experience in the banking and finance sector in different working positions such as Country Corporate Officer at Citibank Vietnam and Citibank Tunisia, Director of CitiCapital and Citigroup, Founder and Principal of Vietnam Partners LLC, etc. During his working process, 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 Chair of the US Chamber of Commerce in Hanoi Vietnam and is active in promoting bilateral trade agreements between the two countries.

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



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 31 years of experience in finance. He joined CBA in 2005 as Executive General Manager, International Financial Services, Commonwealth Bank of Australia and later Director of Market Development for Commlinsure, a CBA subsidiary.

Mr. Putt currently is 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 has 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 – New York.



Supervisory Board



Mr. Trinh Thanh Binh
Head of the Supervisory Board

Mr. Trinh Thanh Binh was elected as Head of the Supervisory Board, Term VI (2013-2016). Previously, he held many important positions in VIB such as Vice CEO, Vice CEO – Head of Retail Banking, Vice 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, Mr. Binh completed a Doctorate of Business Administration (DBA) from the Southern Luzon State University (SLSU), the Philippines..



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

Ms. Nguyen Luong Thi Bich Thuy was elected by the 2014 GSM to the Supervisory Board, Term VI (2013-2016). Ms. Thuy officially joined VIB in 2004.

Ms. Thuy has over 13 years of experience in business, banking and finance and have held key posts such as: Vice Director - Internal Audit; 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.



Mr. Anthony Michael Greenhill
Member of the Supervisory Board

Mr. Anthony Michael Greenhill was elected by the 2014 GSM to the Supervisory Board, Term VI (2013-2016). Mr. Greenhill 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 Commlnure, 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.



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. Vũ was elected by the GSM to be Director of the BoD for term V, and was elected by the BoD to be its Chair from 2008 to 2013. The GSM in 2013 continued to elect Mr. Vũ a Director of the BoD for term VI. The BoD returned Mr. Vũ to the post of CEO in the same year.

Mr. Vu has nearly 28 years of experience in business operations, including 25 years in the banking and financial sector, with vast experience in banking with leading international banks in the world

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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 Vice CEO

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Mr. Minh has held many roles such as Vice CEO, CEO for different companies in the Russian Federation including Proflnvest Co., Ltd, FG Group Co., Ltd, and ZAO “DHSV-S” JSC. Currently, he is Managing Director of Mareven Food Central Co. 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 LINK, Russia.



Mr. Le Quang Trung

Vice CEO cum Director of Treasury

Mr. Le Quang Trung holds an MBA and has more than 18 years of experience in the banking and finance sector at major international banks operating in Vietnam. Mr. Lê Quang Trung joined VIB in December 2009 and is currently a Vice CEO, Director 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 ALCO Committee of Deutsche Bank AG; Lecturer of Training Center for Banking (MPDF) & BTC.



Mr. An Thanh Son

Vice CEO cum Director of General Counsel and Corporate Governance

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

Previously, he held a range of posts at various banks: Chair of VIBAMC, Director of the BoD, CEO, Vice 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 marketing officer at the Maritime Joint Stock Commercial Bank of Vietnam.

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.



Management Board



Mr. Loic Faussier

Vice CEO cum Chief Risk Officer

Mr. Loic Faussier is currently Vice CEO cum Director of Risk at VIB. His portfolio is risk management for the Bank, including retail, wholesale credit risks, market risks, operational risks 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 as Head of Global Banking and Branch Manager in Hanoi of HSBC Vietnam. Previously, he took charge as Deputy Head of Commercial Department of French Embassy in Beijing and 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.



Ms. Vuong Thi Huyen

Head of Wholesale Banking (WB)

Ms. Vuong Thi Huyen was elected to Head of Wholesale Banking on September 1st, 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.



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 elected to the Head of General Operations on September 1st, 2012.

Ms. Diem has worked for more than 18 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.



Mr. Ho Van Long
Chief Finance Officer

Mr. Ho Van Long has over 16 years of experience working in multi-national corporations and the banking and financial sector in Vietnam. Mr. Long was elected to Head of Finance of VIB in January 2010.

Prior to working as VIB's CFO, Mr. Long had 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.



Mr. Rahn Wood
Head of Retail Banking -
Network Distribution (RB-ND)

Mr. Rahn Wood was officially appointed as Head of Retail Banking on October 25th, 2013.

Mr. Rahn Wood is an internationally experienced General Manager with over 26 years of achievements in Retail & Commercial Banking, eBusiness and Investment Banking. Over 10 years working at HSBC, he has performed executive roles in Singapore, Vietnam (seconded to Techcombank), Hong Kong, Saudi Arabia (Saudi British Bank) and Australia. In addition, during his long career he has worked with some of the most prestigious financial institutions including Macquarie Bank, MasterCard International and ANZ Bank.

Mr. Rahn Wood's contributions as an

industry leader were recognized in 2001 when he was voted Australia's eBanker/CIO of Year and when he was made a Fellow of the Financial Services Institute of Australia (Finsia) in 2004.

Mr. Rahn Wood holds Bachelors of Law (1992) and Economics (1987) from Monash University, Melbourne and completed INSEAD's High Performance Leadership program in 2007/08.



Management Board



Mr. Tran Tuan Minh

Vice Head of Human Resource

Mr. Tran Tuan Minh joined VIB in September 2012 as Head of Remuneration Policies – Human Resource, and was officially Vice Head of Human Resource and responsible for Human Resource on June 1st, 2014.

Prior to VIB, Mr. Minh has nearly 10 years of experience in Human resource management, working as Head of Human Resource at VimafLOUR Joint Venture and Head of Human Resource at NIC.

Mr. Minh graduated from Hanoi Trade University in Business Administration.



Mr. David Goddard

Head of Increased Productivity and Efficiency

Mr. David Goddard has many years of experience in various fields such as banking, fund management and international trade consultancy, including 10 years working at CBA and 3 years at Macquarie Bank. He joined VIB in April 2011 as VIB's CFO for projects. He became Head of Increased productivity and Efficiency (formerly Business Strategy and Development) at VIB in June 2012.

Prior to joining VIB, he was Head of Financial Management of Distribution of Retail Banking, Head of Business Strategy of Retail Banking for CBA.

Mr. David Goddard holds a Master degree in Investment Application and Banking from Finsia Academy, Australia.



**Establishment
of internal power**





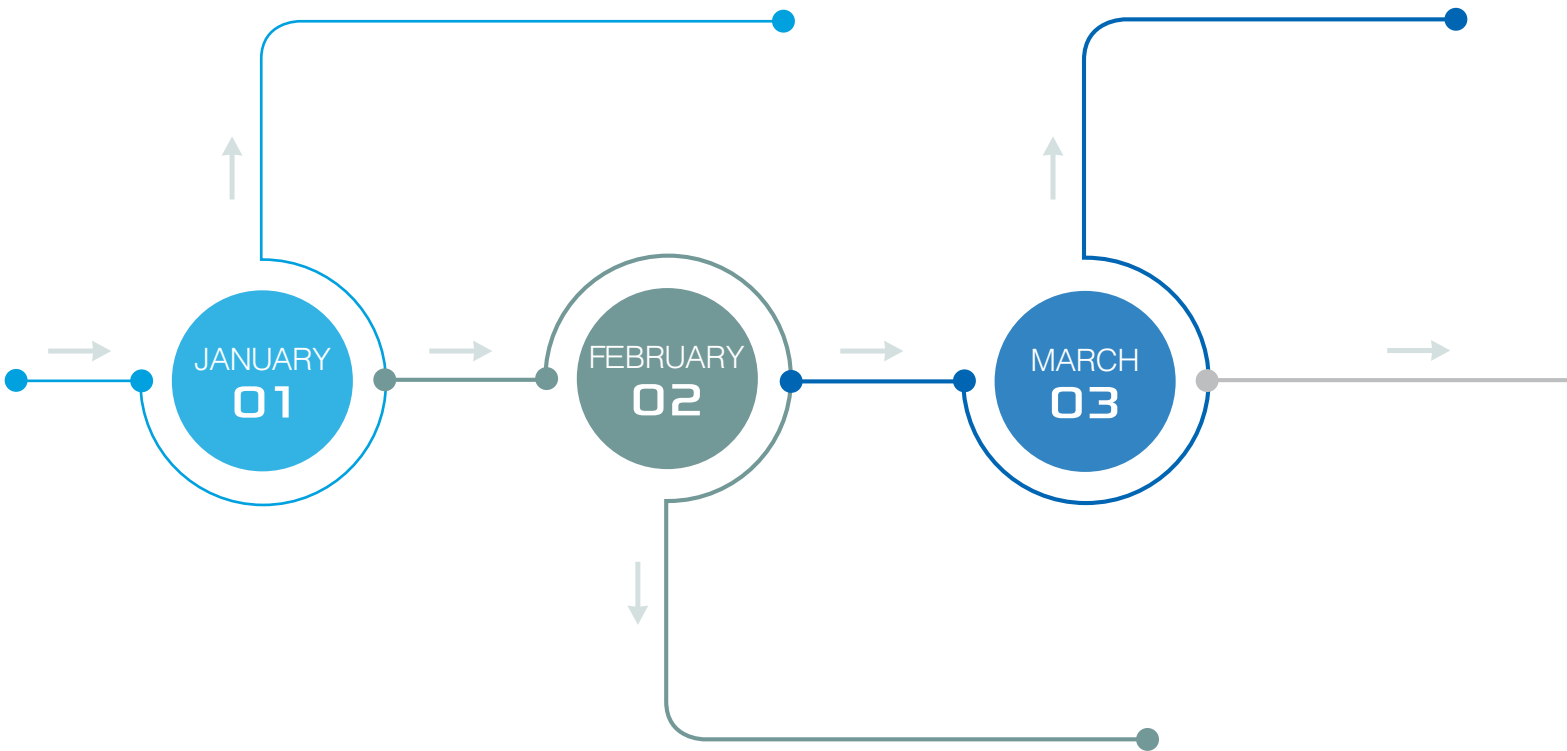
Notable highlights in 2014



The bank entered into agreement with a leading domestic designer to produce a unique bag collection for VIB's savings depositors. Within 30 days, over 40,000 bags were sent to customers



VIB received for the 7th time the Strong Brand award in Vietnam held by the Vietnam Economic Times and the Trade Promotion Bureau (Ministry of Industry and Trade). The award was bestowed upon VIB for its excellence in: Service and product quality, sustainability through growth rate, work safety and environmental protection, healthy business activities...



'Best Global Trade Finance Program (GTFP) Issuing Bank in Asia Pacific' award offered by the International Finance Corporation (IFC)





The only bank in Vietnam to raise savings interest to 10% in a slow market, completing its capital mobilization program within only a third of set time

APRIL
04

MAY
05

JUNE
06



VIB became the first bank in Vietnam to offer up to 5% cash-back on the spending amount for the VIB International Debit MasterCard



VIB pioneered the introduction of a transparent fixed margin lending product at +3.5% of the VND 13-month deposit rate. VIB was also the first bank in Vietnam to offer a preferential fixed lending rate from 24 up to 30 months providing a worry free solution for customers to manage their personal finances



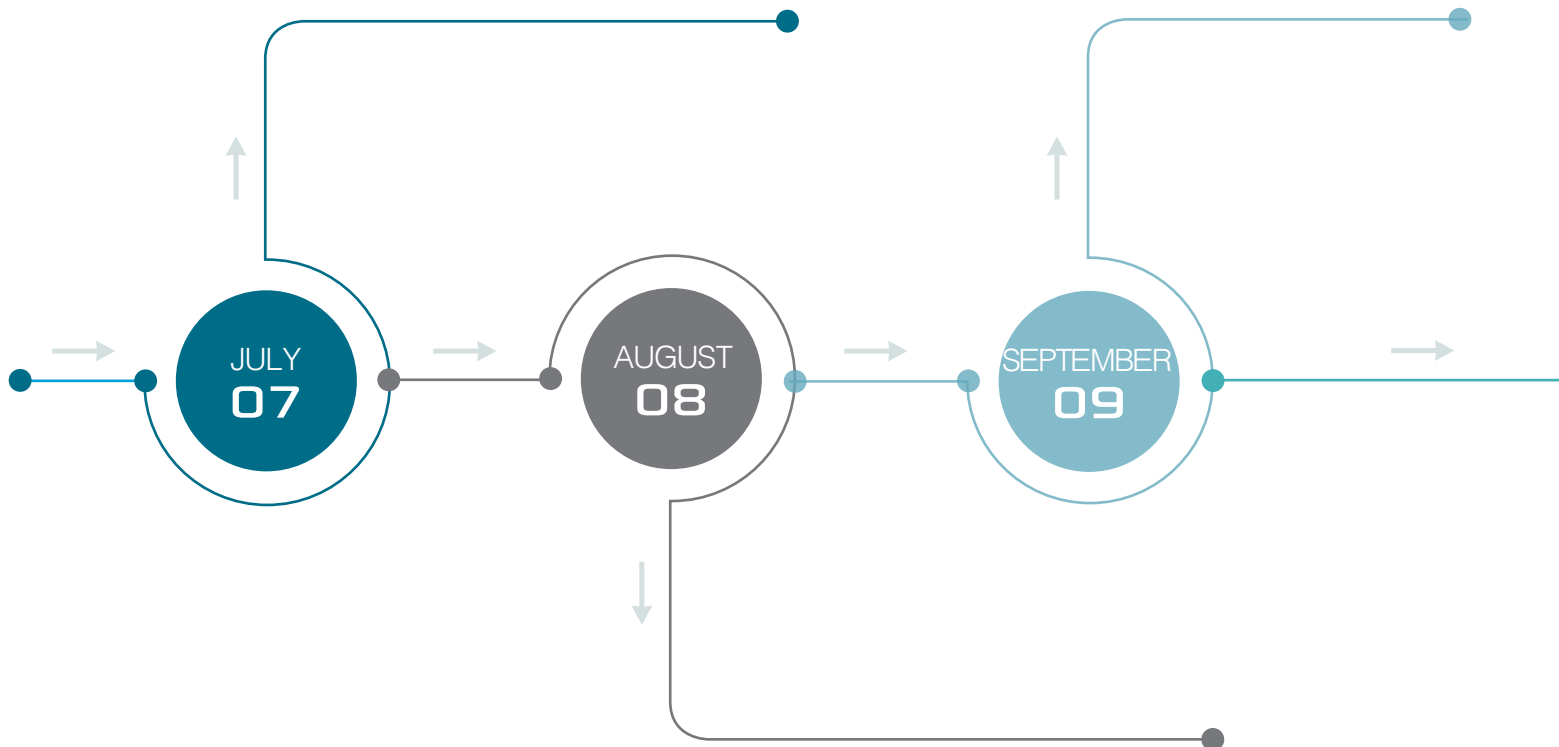
Notable highlights in 2014



VIB became the first bank in Vietnam to also approach current and potential customers via social networks through the introduction of the “online branch” allowing Facebookers to experience VIB’s transaction space on Facebook. In addition, VIB also launched “Live chat” on our websites and Facebook enabling customers to speak directly to VIB staff online thereby making it easier, more convenient and secure for customers to learn about and sign up for VIB products and services.



VIB took the lead in launching the Freedom package to our individual medium and high-end customers offering many attractive benefits, including potential savings of VND1.4 million per year for various transaction fees, an additional 0.5%p.a for deposit rates, a discount of 0.5% p.a. on lending rates, cash back up to 5% for spending on the VIB International Debit MasterCard, plus free cash withdrawal at 15,700 ATMs of local banks nationwide



First bank to reach 100,000 likes on Facebook





VIB received a host of prestigious awards such as:

- Bank with Outstanding Branch for 2014' award
- "2014 ASEAN CIO of the Year" award
- VIB ranked 181/500 of the biggest companies and 56/500 of the biggest private companies in Vietnam according Vietnam Report ranking

VIB gained approval from the SBV to open 7 new transaction offices giving the bank further opportunity to meet the needs of more customers and deliver a great customer experience. VIB now has nearly 160 branches and transaction offices across the country with 98% of them operating under the modern designs meeting international standards

OCTOBER
10

NOVEMBER
11

DECEMBER
12

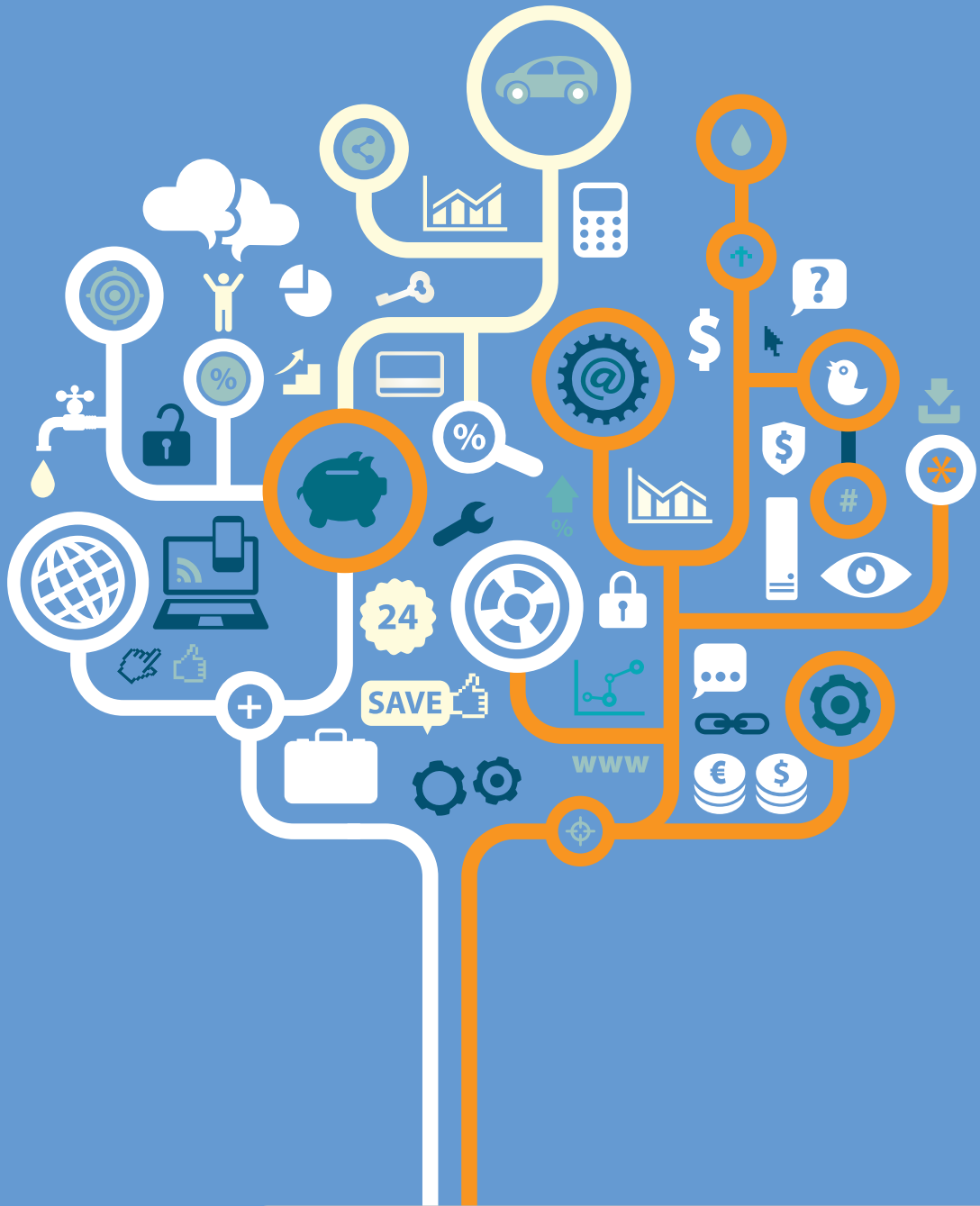


VIB was the only bank to have its credit rating upgraded by Moody's on September 22nd, 2014 to become one of only two banks with the highest bank financial strength rating (BFSR) among the nine big Vietnamese banks rated by Moody's, reflects the decision of the Board to maintain prudent business settings, particularly with risk frameworks, provisioning, capital and corporate governance practices. VIB's Baseline Credit Assessment rating was raised to B3 as compared to its previous Caa1 ranking. At the same time, Moody's also upgraded VIB's currency rating to B2 -1 of only 3 banks with the highest rating by Moody's in Vietnam.



VIB worked with Vietnam Railways to jointly offer the cash collection service for train tickets making it for any customers to buy train tickets quicker. Over 17,000 transactions worth more than VND 32 billion were made in the first 3 days of launching the service. The service is provided to VNR and its subsidiaries.

**Proud to be
trustworthy**





Retail Banking

The continued focus on execution of a strong strategy contributed to further expansion of a set of Retail Banking capabilities

2014 was a successful year for the Retail Bank of VIB despite the continued challenges and increased competition within the sector. The division executed an action plan based on VIB's strategic pillars of Growth, Productivity and Risk which have remained consistent over the past 8 years. This has enabled the bank to focus on building a strong business whilst minimizing the impact of the external challenges in Vietnam. This strategic vision enabled the division to further develop the existing strong foundations to create new, innovative capabilities that will continue to create value for both customers and the Bank in the years ahead.

From a financial perspective Retail Banking achieved 3.044 trillion (22%) growth in lending balances and 2.245 trillion (9%) in deposits. This was aided by a growth of 33,241 quality customers (15%).



Innovation was also a key component of success in the Retail Bank's Digital Channels

Recognizing the continued rapid acceleration of internet and social media use, VIB released a number of innovations to service customers in these channels. July saw the release of Vietnam's first online store with virtual tellers and the ability to browse the store within Facebook. The online store attracted 16,300 visitors on the first day of opening and 364 consultation requests in the first 2 weeks.

During 2014 VIB launched a webchat capability, which powers a virtual tellers service, and was implemented across VIB's websites and online banking enabling more customers to interact with our highly trained staff. From launch until the end of 2014 VIB received over 25,000 chat requests from customers. Using advanced technologies we were able to assist our customers with both service related enquiries and in the opening of new accounts in an extremely convenient way.

VIB's Facebook channel also saw the introduction of more capabilities most notably with the release of the first integrated banking recruitment platform. Users could search, share and apply for all the roles advertised by VIB from within Facebook. This increased the number of quality candidates hoping to begin a career at VIB. By the end of 2014, VIB had reached more than 120,000 fans and achieved number 1 position of all Banks in Vietnam on Facebook in October.

After already establishing one of Vietnam's leading digital banking experiences VIB decided to evolve this further starting with the introduction of a dedicated mobile app. At the end of 2014 the mobile banking app was successfully piloted with a large number of VIB staff and will be officially launched to customers in early 2015. We expect this to form a solid basis for the next year of digital innovations from VIB.





2014 saw Retail Banking launch a number of innovative product offerings

With the recent launch of its Freedom Package, VIB offers the leading package of products and services available in the market to middle-income consumers. As well as deposit, lending and transactional services this also helped to open up insurance for a large segment by making it much more affordable. VIB continued to focus on educating its customers through a process of understanding their needs and positioning products and services designed to help them achieve their financial goals.

VIB received its license to distribute life insurance from the SBV and also expanded the range of bancassurance products on offer to customers towards the end of 2014. Working with high quality partners the Bank was able to offer credit and term life products as part of a pilot to establish customer uptake and satisfaction with the service. The exercise was extremely successful and in 2015 Retail Banking plans to provide a more comprehensive range of bancassurance solutions for its customers.

VIB also launched a number of new loan product offerings based on a transparent fixed margin to deposit rated. This helps customers to understand their real borrowing costs over time. In addition Retail Banking launched an extremely popular 0.68%, 30 month deal in the last weeks of 2014 which rapidly gathered popularity as the longest fixed rate mortgage available. This resulted in a large numbers of new sales and a high drawdown within a very short period of time.

Perhaps the most successful product launch in 2014 was the 5.0% Cash back offer available for all VIB MasterCard Debit Card holders. This proved extremely popular and the Bank acquired over 2000 new customers per month as a result. Towards the end of 2014 this offer was converted to being a permanent feature of the Bank's debit card product and over 50% of VIB staff now use (and recommend) the product.



People remained core to the success of the business and we made significant changes to further improve staff engagement

2014 saw the re-launch of the VIB Future Branch Manager Program, which enabled a large number of high performing individuals within Retail Banking to develop the skills and gain experience towards managing one of VIB's award winning branches. In addition, a significantly increased number of new training programs were designed and released to enable our staff to improve their skills across a broad range of areas.

A comprehensive review of all job descriptions enabled the deeper understanding of skills required and the creation of a clearly documented career path for all staff. Retail Banking direct incentive programs were reviewed and modified to ensure that our people were rewarded in a more fair and transparent way.



Retail Banking



Additional Direct Channels were setup to extend the reach of VIB beyond the branch network

March 2014 saw the creation of VIB's Direct Sales team. These are mobile resources that meet customers at locations that are convenient for them. Customers appreciated the convenience of this innovative approach and the team produced strong sales results throughout the year. Direct Sales contributed almost VND700 billion of new sales growth amounting to about 20% of Retail Banking loan growth in 2014.

VIB also established a dedicated Outbound Contact Centre, creating a focused team who assist customers to discuss the most suitable product for their needs over the telephone. This highly active team exceeded expectations in the short time they have existed and enabled VIB to reach a much larger group of customers in an extremely productive way.

ATMs provide customers with 24/7 convenient access to their money. As part of a longer-term strategy 2014 saw VIB make significant progress for its customers. Increasing the size of its ATM network by 25% to a total of 254 with a focus on HCMC and Hanoi. Retail Banking also improved the availability of ATMs even with a 22% increase in the volume and a 30% increase in the value of transactions processed.



The improved use of data and centralized processing enabled the Retail Bank to improve its internal capabilities and increase efficiency

VIB established a Customer Management department in the Retail Bank with the support of the Commonwealth Bank of Australia's Capability Transfer Program. Through a combined effort of IT and the new department, the team established analytics capabilities in Retail Bank enabling greater understanding of customers. Utilizing this new capability the team successfully rolled out a Leads Management Tool to frontline teams, which significantly improved sales capabilities and the overall performance of below-the-line marketing campaigns.

The implementation of VIB's Loan Origination System (LOS) saw the centralization of credit approvals significantly reducing the responsibility of frontline staff for lending decisions and standardizing retail credit processes across the whole bank. Retail Banking expects this capability to be leveraged in 2015 as a way to further improve efficiency and customer experience.



2015 is expected to be even more successful with the strongest retail leadership team in Vietnam

In November, VIB took actions to implement its direction of expanding and specializing the Retail Banking business. Retail Banking was officially split into two new divisions, RB- Network Distribution division (RB-ND) and RB – Products, Channels & Marketing (RB-PCM). VIB's Retail Banking leadership team is the strongest in Vietnam after it has been strengthened with the addition of two leading, international experts. These changes enable greater focus on specific RB activities resulting in a better experience for targeted customer groups. Staff are already benefitting from the more dynamic working environment and the opportunity to learn from international leaders, build capability and develop their careers. With the support of the expanded leadership team and depth of experience, VIB is now well equipped to manage the planned changes throughout 2015.



People remained core to the success of the business and we made significant changes to further improve staff engagement.

05

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01

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04

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03

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06

02

Innovation was also a key component of success in the Retail Bank's Digital Channels.



Wholesale banking

Maintain sustainable growth and effective risk management

2014 marked many economic volatilities that strongly impacted banks' and companies' business performance. In light of the situation, VIB in general and Wholesale Banking (WB) in particular quickly implemented effective and innovative business strategies to ensure the best values for customers and the bank: Maintain sustainable growth and effective risk management; regulatory compliance with SBV policies and guidelines.



Restructuring of WB

In 2014, the WB division successfully implemented its restructuring plans. WB prioritized the categorization and segmentation of clients for customer-tailored management to better understand the needs and characteristics of each client. WB would use this as the baseline to improve processes, develop suitable products for each customer segments, and improve quality of services. Two FDI WB sales centers (SCs) were opened in Hanoi and HCMC to focus on developing corporate clients with foreign investments; 15 big WB SCs, 20 SMEs SCs positioned in major cities and provinces with better developed economies, ranging from North to South of Vietnam. A Financial Institution division was also opened to cater to banking and non-banking institutions.

In addition, the establishment of the Structured Finance Department, designed to assist SCs with important credit transactions proved highly valuable in assisting in issuance of corporate bonds, structured medium, long-term loans, high-value and highly-structured commercial sponsorships, helping VIB to become the successful capital broker for projects.

Management and Product sales departments vacant positions were filled to adequately take on and work closely with SCs in meeting customers' demands.

In 2014, WB saw marked changes in business performance, successfully developing many important solutions for reputable partners such as Vietnam Railways, Sabeco, and electricity corporations. VIB successfully counseled bond issuance for Minh Phú Seafood Corp. and Hùng Vương Corp., helping to affirm VIB's capabilities, its image, prestige in the financial market.



Corporate customer relations project (CCR)

The project aims to strengthen relations with major corporate clients and develop relationships with satellite clients who are subsidiaries, companies involved in the supply chain and distribution cycle, or employees of these clients.

The CCR project was officially kick-started in the 4th quarter of 2014 and is expected to be the focus of WB business performance in 2015.

The CCR project will establish a close, multifaceted bridge linking VIB with major corporate clients and their satellite clients based on the provision of comprehensive banking solutions, products, services, maximize facilitation for business operations, bringing the best value for clients and their satellites.



Credit solutions, products and programs

With the vision of becoming “the most innovative and customer-centric bank in Vietnam”, WB will continue to grow, develop, and implement banking solutions, products and services and other effective credit programs for clients.

Notable credit programs such as loans for fast-moving consumer goods distributors, domestic petroleum distributors, car dealerships have brought about significant benefits in terms of interest rates, fees, flexible collaterals, applications and credit approval priority. These credit programs are very popular with clients and WB employees.

The signing of the comprehensive partnership with Vietnam Railways (VNR) on November 11, 2014 is an important milestone for VIB. As per the agreement, VIB will be the main banking partner for VNR, its affiliates and two main subsidiaries Hanoi, Saigon Railway Passenger Transport Companies. VIB will provide services such as: collection of E-ticket sales payments, cash flow management, centralized account management, financial and operational costs risk remediation and medium and long term credit services. With its customer-centric focus, VIB not only caters to VNR but also VNR's 12 million passengers. Within 2 months of service, VIB's system reported over 31,000 successful e-ticket transactions.

Aside from providing complete financial service packages for companies of varying size, WB also successfully organized many thematic conferences with the aim of facilitating market information exchange, soliciting feedback on VIB's policies, quality of service, etc. The conferences were well received by hundreds of companies, allowing VIB to better understand customer's needs, thereby amending policies, regulations to better serve clients and improve operational performance.



Treasury

Maintain safe, flexible, proactive and innovative currency trading

2014 was a successful year for Treasury operations. Success is reflected in not only statistics where the bank performed at 120% of its set goal but also in VIB's ability for innovations to overcome market difficulties, improve risk management capacities and system functionalities.



Balance sheet management – Foundation for solid operation

In the context of slow credit growth, VIB diversified its investment and business portfolios to focus on low-risk assets with high liquidity. Compared to the end of 2013, VIB's high-liquidity assets ratio continue to be high (31.6%). This is one of VIB's highlights in 2014 that led to its upgraded rating by Moody's. With this asset structure, the bank's liquidity remains stable which in turn generate clients' confidence. This is a good opportunity for VIB's business as well as improving its image in Vietnam's banking system.

VIB's operational safety indicators (in accordance with Intercircular No. 13/2010/TTNHNN) are closely watched to ensure not only observance but also high compliance with SBV regulations: VIB's Capital Adequacy Ratio (CAR) is 17.7% (8.7% higher than the requirement); Overnight liquidity coverage rate is 41.9% as compared to the 15% required minimum; 7-day solvency rate for VND, USD are respectively 341% and 291%, roughly 3 times higher than the SBV required minimum of 100%.

The SBV, international financial institutions (IFC, ADB...), and partners have recognized VIB's operations as sound, safe, and reputable as a result of these indicators. In 2015, to persevere with its sustainable growth strategy, VIB will continue to ensure overcompliance with the regulations set by Intercircular No. 36/2014/TT-NHNN and pilot the application of Basel II standards.



Flexible currency trading to improve VIB's standing

In realizing the aim of safe and efficient operation, in 2014, VIB continued to focus on identifying suitable debtors/depositors, increasing investments in short term monetary tools such as treasury bills ,SBV bills, and short-term bonds as well as developing structured products to allow more flexibilities in traditional products to bring the best value to clients.

Capital was used flexibly to cater to VIB's liquidity, investment and business needs. VIB's increased credit limit with domestic and international partners is proof of these institutions' trust in the bank.



Innovations in business solutions

In 2014, VIB is 1 of 10 companies to receive a commemorative token from HNX for positive contributions to the development of the government bond market during the 2009 - 2014 period. VIB's active trading of government bonds in the primary and secondary markets has allowed it to be among the top 10 companies with the highest market trading share in government bonds. Aside revenues from bonds and commercial paper trading reaching 110% of set goals for 2014, VIB also actively structured its portfolio for high liquidity bonds with suitable maturities to maximize profits and minimize risks to the bank's balance sheet.

With the goals of becoming a bank of innovations and sustainable development, VIB also diversified its products. Treasury is the focal point for developing and successful application of structured and derivative products to minimize market risks for corporate clients, particularly those involved in import-export activities. A bottom-line of 150 million USD is proof of the Division's efforts to provide comprehensive solutions for customers, showcasing VIB's image as a bank dedicated to serving customers, the bank of choice for businesses and contributing to the bank's asset growth.



Promotion of foreign exchange activities

2014 was a relatively successful year for the SBV in managing currency fluctuations. Despite 3 strong surges, the SBV allowed for a 1% increase margin adjustment on June 19th 2014 and continued selling currency reserves to maintain a stable exchange rate.

In the context of good management of the foreign exchange rate by the SBV, VIB's foreign exchange operations also saw positive statistics, specifically: Total transaction value in 2014 reached 24.6 billion USD of which, 21.6 billion USD was traded on the interbank market (up 171% on set 2014 goals). Foreign exchange profits also reached 106% of sets 2014 goals.

In 2015, VIB will continue to allow flexible trading of traditional products, remain active and innovative in providing clients with financial - foreign currency solutions that meet their every needs.



Orientations for 2015

In 2015, Treasury will continue to emphasize sustainability in business operations as well as innovation in solutions, products bringing value to clients and investors such as:

- Sound management of system's liquidity risks.
- Focus and promotion of business practices appropriate to VIB's credit risk appetite.
- Selection of effective and safe business partners.
- Continue to develop and improve products and services.
- Promotion of existing services suited to the diverse needs of clients.
- Customize structured products, solutions for each client suited to VIB's business plan.



Risk Management

Evolution in Risk Management processes and culture from “Control” to “Partnership” without compromising on credit risk quality

Throughout 2014 VIB has 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. We are also very supportive of the policies and overall direction of the State Bank of Vietnam (SBV) in building a more transparent, compliant and robust banking industry within Vietnam. VIB is committed to working closely with the SBV, particularly on the introduction of Basel II, and embedding VIB as a market leader in risk management within the Vietnamese banking industry.

Under the leadership of our Deputy CEO and Chief Risk Officer, Mr. Loic Faussier, we continue to build a strong and progressive risk leadership team and invest in the development of our staff through formal risk training programs and exposure to international best practices and experts. VIB continues to enjoy the support from our strategic shareholder, the Commonwealth Bank of Australia (CBA), with locally based CBA executives providing expertise and supporting our key transformation projects.

In 2014, we were delighted to have the progress and strategic transformation of our Risk Management business formally recognized by Moody's rating agency. VIB was the only Vietnamese rated bank to be upgraded in 2014 by Moody's and now enjoys the highest rating for rated banks in Vietnam. 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 2014

In 2014, we continued to build and enhance the Risk Management transformation program that we commenced in 2012. Our Risk Management strategy is built on the following four pillars:

- Centralization of key risk functions within Risk Division.
- Development and leveraging of innovative and market leading IT solutions to enhance our Risk Management frameworks and management.
- Building of a strong compliance framework and culture, including clear and accountable three lines of defense to operational risks.
- Continue to invest in, build and develop our risk management team.

A summary of the key achievements implemented and/or embedded in 2014 follows:



Credit Risk management

VIB continued to make significant progress on the transformation of its credit management business in 2014 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.

A summary of some of our key achievements follows:

- **Centralization of Credit Approval for Wholesale Banking:** this process has been in place since 2013 and, aligned with a refined approach to risk appetite, has resulted in a material improvement in loan origination quality and the overall health of our Wholesale Banking portfolio.
- **Centralization of Credit Approval for Retail Banking:** supported by a custom-built Loan Origination System (LOS), which is embedded in all our branches, we are well advanced in the centralization of credit approval for our Retail Banking business. Once again, we expect to see an improvement in our loan origination quality and also customer experience via the automation of loan contracts and documentation from LOS.
- **Introduction of Moody's Emerging Markets RiskCalc credit risk rating tool:** introduced in 2013, this internationally recognized probability of default (PD) tool provides VIB with a consistent and robust measurement of its Wholesale Banking portfolio.
- **Omega Financial and Credit Risk training:** following a successful pilot in 2013, VIB, with the support of CBA, entered into a training contract with the Omega group to enhance the financial and credit risk skills of our risk and sales staff. During 2014, 100 VIB staff 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. We continue to invest in our Collections business and are well advanced in the deployment of a fully integrated collections system, which will further enhance our collection capabilities and management, particularly for our retail business.



Market and Liquidity Risk management

In 2014, market and liquidity risk management remained a key focus of VIB's risk management. VIB continued to improve its market risk management framework with revisions and development of policies and procedures. For IT systems, VIB also implemented various projects to enhance system capabilities in risk measurement, monitoring and reporting. Finally, being a large part of Basel II project with SBV, market risk management at VIB was gap analyzed. Identified gaps will be closed along with Basel II project progress, in which standardized and internal model approached will be fully implemented at VIB in 2015 and 2018 respectively.



Risk Management



Operational Risk management

In 2014, operational risk management was significantly enhanced through implementation of an internal control project, which has established risk control teams in each business and supporting division. Internal control dashboards have been set up accordingly for each division to ensure timely reporting and monitoring of risk rating in key business services by division. Internal control forum is held on monthly basis to ensure review of key breaches and progress of remediation plan. Operational risk department has played an important role in assessment of key procedures and processes as required under VIB internal document improvement project. FATCA project was set up to assure compliance with FATCA requirements with support from external consultant. Under Basel II project, operational risk management is a key focus to enhance internal capabilities and to meet the central bank's requirements in 2015.



Basel II

VIB believes the introduction of Basel II is a very positive move for the Vietnamese banking industry and is well placed to implement Basel II in line with State Bank of Vietnam (SBV) requirements.

VIB is one of 10 banks selected by SBV to be in the first group of banks to move to Basel II compliance. A key benefit of this is that VIB has representatives on the SBV Basel II working groups. We will have frequent scheduled dialogues with SBV to work through Basel II implementation issues as they arise. VIB is pleased with this arrangement and will work closely with SBV to develop a framework appropriate for the Vietnamese banking industry.

VIB enjoys the capability exchange and guidance of its strategic shareholder, Commonwealth Bank of Australia (CBA), and this is a significant advantage for VIB in implementing Basel II. CBA is one of world's 10 largest banks by market capitalization. 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, so that VIB will have 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 2015

In 2015, VIB is well placed to build and enhance our existing customer relationships and also grow our business in key market segments.

In Risk Management, whilst we will continue to address our legacy non-performing and high risk loan portfolio, increasingly our focus will be on supporting our Wholesale and Retail Banking divisions' growth objectives in a prudent and sustainable manner. A key success factor to this sustainable growth strategy will be a robust and systematic risk identification and remediation process. Consequently, in early 2015, we have established a new department focused on credit risk identification.

- We will also finalize the centralization of our Retail credit approval process in the first quarter of 2015.
- Basel II will be our key strategic project in 2015 and we are committed to achieving a standardized Basel II framework in accordance with SBV's guidance and direction during 2015.
- Operational risk management will remain a key focus as we continue to embed a robust framework built on three sound lines of defense.



Human Resource

Total transformation in VIB's human resource management

2014 saw marked and positive changes in the total transformation of VIB's human resource management model to a centralized system headquartered at VIB's head office: Automated clearing system; improved remuneration scheme; employee engagement and attraction of talents for business development.



Improvements to the centralized human resource management model

At the end of 2012, VIB initiated the transition from a human resource management model by geographic area to a centralized system headquartered at Head office, in which all human resource functions are managed by Headoffice human resource staff. A human resource partnership model for business units was also introduced.

We are starting to see results of this new centralized human resource management model after 2 years of implementation. The productivity of human resource employees have been markedly improved: total HR staff was gradually trimmed down from 93 (2012) to 65 (2013) and 40 (2014), increasing the average number of staff portfolio managed by one HR staff by 31% (from 65 in 2012 to 85 in 2014). In addition, the HR Partnership model also contributed to closer linkages between HR and other Divisions. HR staff receive frequent training, and are provided ample opportunities for occupational development through various human resource management tasks. The quality of services provided to in-house clients have therefore continually improved: faster, more consistent, and suited to the realities of each Divisions.



Digitalization of HR operations

In 2013, VIB developed a 5-year roadmap (2013 – 2017) for developing a Human Resources Information System (HRIS): – an single-platform automated, integrated catering to all of VIB human resource needs.

However, instead of an initial lump sum investment in a unified software readily available on the market such as Peoplesoft, HRP, or HRMS VIB opted for a gradual digitization process, partnering with domestic companies with more affordable costs and utilizing its own in-house staff to develop the software, standardize data and HR management processes to prepare for application of further more advanced solutions while still ensuring use of software products compatible with the characteristics of Vietnam. This saved VIB from a sizable investment.

At the end of 2013, VIB developed and put into operation a HR information management (Histaff) and a work efficiency management module (PMS). In 2014, the bank continued to put 4 important modules into operation: Organizational Management System (OMS); E-hiring; HR Process and E-learning. The application of HRIS have improved the professionalism of HR staff as well as assisted HR activities through increased efficiency, reduced paperwork, improved data management, faster, more accurate report export, reduce operational risks and simplify monitoring of compliance with HR management processes.





Improved remuneration schemes, develop and attract talents

At VIB, the human factor is always at the core of operation and is the guiding element for our strategic competitive advantage with clear orientations: competitive wages in the field; work effectiveness and efficiency-based remuneration; an open, democratic environment for each member to exercise their forte and to learn new things; modern workplace; long-term bond building with the hope that each member would become a VIB shareholder.

In 2014, in the context of hardship for both the industry and the bank, nearly 90% of VIB's employees saw their salaries increase, averaging roughly a 2.6 million VND raise/employee. In addition, VIB also developed and introduced a Contribution Linked Pay system (CLP) to fairly remunerate and encourage employees with a view to building an goal-oriented work culture at VIB.

In 2013, VIB's staff in the North transitioned to the new CornerStone Headoffice. In 2014, our HCMC headoffice received its own facelift. VIB is committed to building a modern, professional work environment according to international standards to facilitate employees' work. The Bank also encouraged teambuilding efforts and other welfare activities for its staff through such programs as Employee Engagement, Service from the Heart Photo Gala, Recognition of employees' dedication for longest serving staff, donation drives for disadvantaged elementary school students, etc.

Employee training and development in 2014 also saw notable results with 13,355 turns of employees training in 360 courses on leadership, soft and hard skills. In November 2014, 44 potential talents successfully completed the Future Branch Manager Program (FBMP), 24 of which have been officially promoted to leadership positions in various business units. FBMP 2014 is the first step in 2015's strategy for Talent development and Occupational roadmap. Also in 2014, the Omega training program provided training on international standards for corporate loans and market credit risk management to 96 VIB trainees.

Beside employee engagement and development, VIB also took part in a host of job fairs and talent recruitment activities in Hanoi and HCMC to further develop its motto of "VIB - Employer of choice", to help attract new talents and consolidate its workforce. In 2014, over 1.000 people chose VIB as a stop in their career paths, among them representatives from VIB's strategic partner the CBA as well as other reputable financial institutions. This has helped consolidate VIB's management and improve its standing on the market. The Retail Banking internship program also recruited 300 student interns to undergo training for future careers at the bank in 2015.

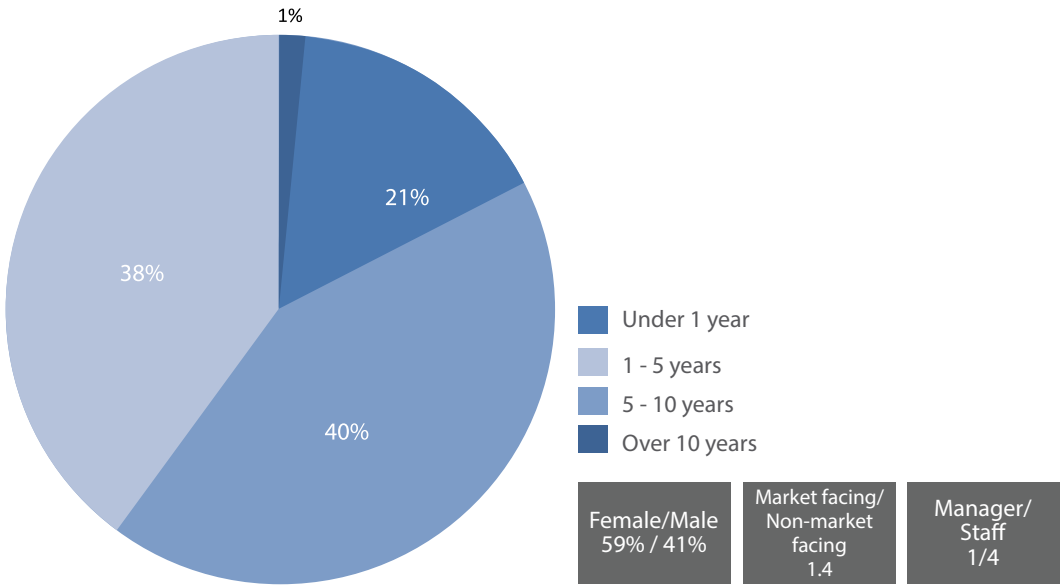
In 2015, VIB will continue to improve quality of services through improving HR policies and processes, improve and finalize the HRIS, initiate the Talent development and management program to lay the foundations for teambuilding, creating a corporate culture for VIB's sustainable growth.



Unit: VND



Seniority (in year)

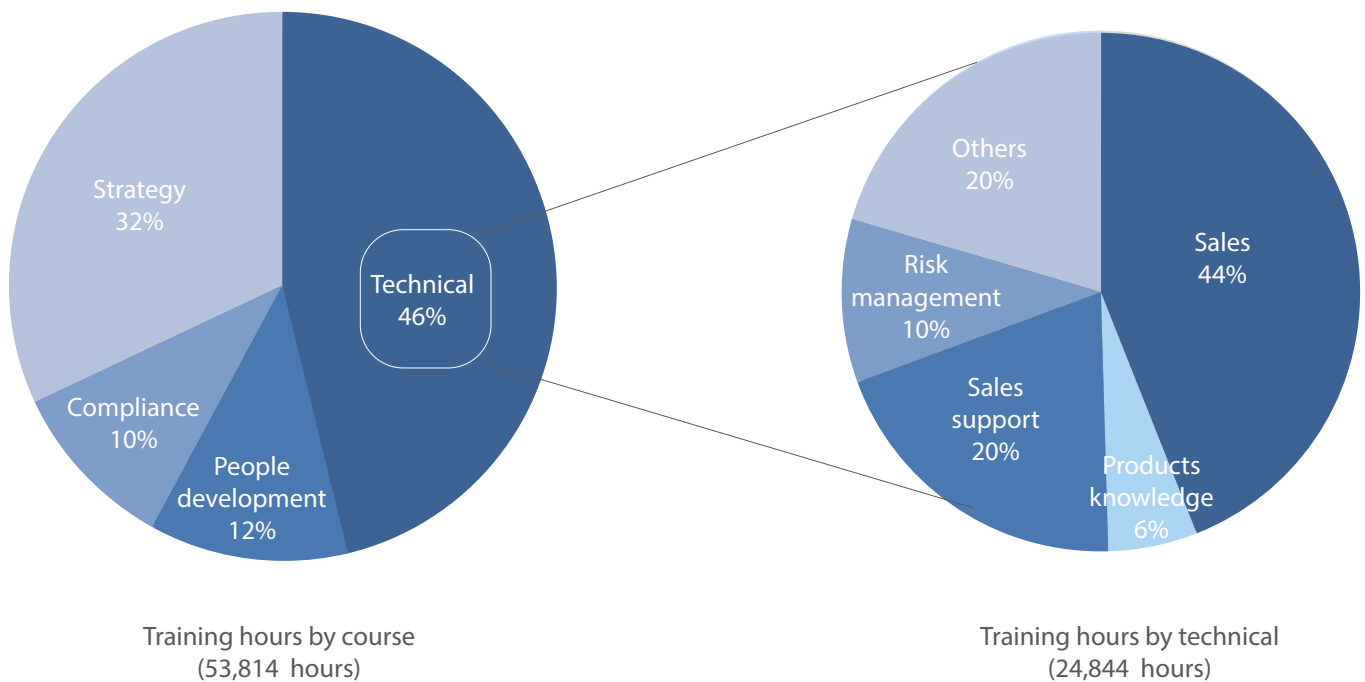


- Under 1 year
- 1 - 5 years
- 5 - 10 years
- Over 10 years

Female/Male 59% / 41%	Market facing/ Non-market facing 1.4	Manager/ Staff 1/4
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VIB Staff Seniority Ratio





Parameter Training 2014

	Total	Market facing	Non market facing
Courses(*)	76	46	27
Technical	54	32	22
People development	14	10	4
Compliance(*)	3	*	*
Strategy	5	4	1
Training turns (turns)	13,355	11,457	1,898
Training hours(**) (h/pax/year)	15.66	16.25	12.92
Budget (million đồng)	5,294	3,325	1,969

(*): Count once for market facing and non-market facing.

(**): Excluding induction training.



Banking Technology

The "2014 ASEAN CIO of the Year" award is proof of the sound orientation towards infrastructure, technology development and investment at VIB



Service-oriented structure

Beginning in 2013 – 2014, the Banking Technology Service center (BTS) began its transition to a "provider" of technology services:

- Integration of software development functions to optimize resource utility while providing assistance to and put into operation important projects
- Centralized functions and infrastructure to ensure stability of operations
- Developed a Technology Management function to improve service provision management transparency and facilitate linkages between BTS and in-house clients
- Increased security monitoring and reduce operational risks through the establishment of a dedicated information security unit.

Operation under this new model has helped BTS improve linkages between VIB's Divisions as well as management capacities and work efficiency and effectiveness.



Development orientations for 2015

In an era of digital business where digital engagement and social engagement are the norm, banking services must bring more diverse experiences to end-users on various platforms that are digitally connected and shared. To meet this demand, the BTS center have identified the necessary steps, including changes to organization and selective research of new advances:

- **In terms of organization, BTS will need to develop a transition roadmap to Bi-modal IT:** having two modes of IT to develop and deliver information- and technology-intensive services in its own way. While mode 1 is traditional, emphasizing scalability, efficiency, safety and accuracy, mode 2 is nonsequential, emphasizing agility and speed to meet demands for development of products, services for greater market share.
- **In terms of technology:** on the one hand, BTS will work closely with business units to identify, develop and realize VIB's digital banking strategy, allowing for digital and social engagement through banking experiences. BTS will also promote the simplification, optimization of IT infrastructures through virtual technologies.



2014 – the year of IT projects

2014 marked an outstanding year of growth for VIB in terms of technology. VIB's largest ever IT project, construction of its Database Center and Data Recovery center meeting international standards was completed to help the bank minimize its largest IT risks. At the same time, virtualization and servers and storage devices integration projects also helped to improve VIB's IT infrastructure. The majority of the bank's older infrastructure with potential risks has been upgraded to newer and more reliable infrastructure. This project also help cut operational costs (over 50% reduction in power consumption and Database center leasing fee) and is an important milestone in VIB's cloud computing and virtualization development roadmap.

In line with its E-banking initiative in 2012, in 2014 VIB also developed a new Mobile Banking app for smart-phones running Android and iOS. This is another successful step in VIB's e-banking development strategy.

In 2014, VIB also saw important improvements in through the operation of a new Expenditure Management System EMS. This system allows for a closed process covering: Budget - Acquisition - Settlement that saves management fees, traditional administrative costs and time. A centralized credit approval system (LOS) was also integrated in to a number of credit products to help achieve VIB's set strategy. During the first month of operation (12/2014) nearly one thousand loan applications valued at nearly 637 billion VND were approved using the system.

BTS successfully developed and operated a railway e-ticket settlement system, the product of the new VIB and VNR partnership. Within 2 months of operation, the system recorded over 31,000 successful transactions.

In recognition of its contribution to VIB's successes, in late 2014, Mr. Trần Nhất Minh – Vice CEO received the “2014 ASEAN CIO of the Year” award for 3 major projects: EMS, LOS, and DC/DR.

Continuous
creativity to
constantly develop



Investor Relations

As of December 31st 2014



Shareholders information

Number of shareholders: 1 142 shareholders holding 425,000,000 shares (4.25 trillion VND in value).

Shareholders structure:

Type of shareholder	Number of shareholders	Number of shares owned	Percentage (%)/Chartered capital
Legal State entity	1	2,262	0.0005%
Legal civil entities	12	86,270,281	20.2989%
Foreign strategic shareholder	1	85,000,000	20.0000%
Individuals	1,128	253,727,457	59.7006%
Total	1,142	425,000,000	100%



Chartered capital

Chartered capital: 4.25 trillion VND. Including 701 treasury shares.

In 2014: VIB did not increase chartered capital



Provision funds

	2008	2009	2010	2011	2012	2013	In 2014
Total (million VND)	65,142	26,539	1,652,958	2,552,958	2,552,958	2,552,958	2,552,958



Earning per share (EPS)

	2008	2009	2010	2011	2012	2013	in 2014
EPS (VND)	844	2,128	2,389	1,581	1,230	118	1,230



Dividend payment plans for 2014

Dividend for 2013: the annual GSM in 2014 approved the no dividends plan.

Dividend for 2014: Dividend payment plan for 2014 will be presented to the annual GSM in 2015 (March 2015) for review.

Dividend policies within the past 5 years:

Year	2013	2012	2011	2010	2009		
Year paid	N/A	2013	2012	2011	2010	2010	2010
Cash (VND)	N/A	10.00%	7.00%	5.00%	2.51%	13.20%	N/A
Shares/ ordinary shares	N/A	N/A	N/A	N/A	0.83%	N/A	N/A

Banking Licence No.	0060/NH-GP	25 January 1996
	The banking licence was issued by the State Bank of Vietnam and is valid for 99 years from the date of the banking licence.	
Business Registration Certificate No.	0100233488	14 February 1996
	The Bank's Business Registration has been amended several times, the most recent of which is by Business Registration Certificate No. 0100233488 dated 5 March 2014. The business registration was issued by the Hanoi Department of Planning and Investment.	
Board of Directors	Mr. Dang Khac Vy Mr. Dang Van Son Mr. Han Ngoc Vu Mr. Do Xuan Hoang Mr. Tran Nhat Minh Mr. Ronald Wayne Hoy Mr. Garry Lynton Mackrell Mr. Bradley Charles Lalonde Mr. Graham Eric Putt Mr. Micheal John Venter	Chairman Vice Chairman Member Member Member Member (<i>resigned on 15/07/2014</i>) Member (<i>resigned on 15/12/2014</i>) Independent Member Member (<i>appointed on 15/12/2014</i>) Member (<i>appointed on 15/12/2014</i>)
Board of Management	Mr. Han Ngoc Vu Mr. Le Quang Trung Mr. Loic Faussier Mr. Tran Nhat Minh Mr. An Thanh Son Mr. Godfrey Swain Mr. Rahn Wood Ms. Vuong Thi Huyen Ms. Dang Thi Phuong Diem Mr. Ho Van Long Ms. Nguyen Thi Thu Giao Mr. Tran Tuan Minh Mr. Luu Danh Duc Mr. David Goddard	Chief Executive Officer Deputy Chief Executive Officer cum Head of Treasury Deputy Chief Executive Officer cum Chief Risk Officer Deputy Chief Executive Officer Deputy Chief Executive Officer cum General Counsel Head of Retail Banking - Product, Channels and Marketing Head of Retail Banking - Distribution network Head of Corporate Banking Chief Operating Officer Chief Financial Officer Head of Human Resources (<i>resigned on 01/06/2014</i>) Deputy Head of Human Resources Head of Banking Information Technology (<i>resigned on 06/02/2015</i>) Head of Productivity & Performance Enhancement

Legal representative	Mr. Han Ngoc Vu	Chief Executive Officer
Registered office	1st, 6th and 7th floor, CornerStone Building, 16 Phan Chu Trinh Street Phan Chu Trinh Ward, Hoan Kiem District, Hanoi, Vietnam	
Auditors	KPMG Limited Vietnam	



The Board of Executive Management of Vietnam International Commercial Joint Stock Bank (“the Bank”) is responsible for the preparation and presentation of the consolidated financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for credit institutions stipulated by the State Bank of Vietnam and the relevant statutory requirements applicable to financial reporting. In the opinion of the Board of Executive Management:

- a. the consolidated financial statements set out on pages 6 to 70 give a true and fair view of the consolidated financial position of the Bank and its subsidiary (collectively, “VIB”) as at 31 December 2014, and of its consolidated results of operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for credit institutions stipulated by the State Bank of Vietnam and the relevant statutory requirements applicable to financial reporting; and
- b. at the date of this statement, there are no reasons to believe that VIB will not be able to pay their debts as and when they fall due.

The Board of Director has, on the date of this statement, authorised these consolidated financial statements for issue.

On behalf of the Board of Executive Management



Han Ngoc Vu
Chief Executive Officer

Hanoi, March 2nd, 2015

To the Shareholders

Vietnam International Commercial Joint Stock Bank

We have audited the accompanying consolidated financial statements of Vietnam International Commercial Joint Stock Bank ("the Bank") and its subsidiary (collectively referred to as "VIB"), which comprise the consolidated balance sheet as at 31 December 2014, the consolidated statements of income and cash flows for the year then ended and the explanatory notes thereto which were authorised for issue by the Bank's Board of Directors on 2 March 2015, as set out on pages 6 to 70.

Management's Responsibility for the consolidated Financial Statements

The Bank's Board of Executive Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for credit institutions stipulated by the State Bank of Vietnam and the relevant statutory requirements applicable to financial reporting, and for such internal control as the Board of Executive Management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the 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, plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity'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 financial statements.

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

Audit Opinion

In our opinion, the consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of Vietnam International Commercial Joint Stock Bank as at 31 December 2014 and of its consolidated results of operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for credit institutions stipulated by the State Bank of Vietnam and the relevant statutory requirements applicable to financial reporting.

KPMG Limited

Vietnam

Investment Certificate No. 011043000345

Audit Report No. 14-02-156/4



A handwritten signature in black ink, consisting of stylized letters 'N' and 'M' followed by a flourish.

Tran Dinh Vinh

Practicing Auditor Registration
Certificate No. 0339-2013-007-1
Deputy General Director

Hanoi, March 2nd, 2015

Nguyen Minh Hieu

Practicing Auditor Registration
Certificate No. 1572-2013-007-1

	Note	31/12/2014 VND million	31/12/2013 VND million
A			
ASSETS			
I	5	637,522	572,546
Cash and gold on hand			
II	6	1,619,862	1,065,667
Balances with the State Bank of Vietnam			
III	7	7,495,872	7,966,703
Balances with and loans to other credit institutions			
1		3,030,422	6,423,698
Deposits with other credit institutions			
2		4,465,450	1,554,750
Loans to other credit institutions			
3		-	(11,745)
Allowance for loans to other credit institutions			
V		9,656	25,783
Derivatives and other financial assets			
VI		37,289,571	34,313,126
Loans and advances to customers			
1	8	38,178,786	35,238,517
Loans and advances to customers			
2	9	(889,215)	(925,391)
Allowance for loans and advances to customers			
VII	10	27,756,930	21,595,261
Investment securities			
1		25,678,835	21,311,835
Available-for-sale securities			
2		2,348,312	295,426
Held-to-maturity securities			
3		(270,217)	(12,000)
Allowance for diminution in the value of investment securities			
VIII	11	148,557	177,442
Long-term investments			
4		224,172	245,388
Other long-term investments			
5		(75,615)	(67,946)
Allowance for diminution in the value of long-term investments			
IX		365,476	364,845
Fixed assets			
1	12	272,007	273,455
Tangible fixed assets			
a		642,785	592,943
Cost			
b		(370,778)	(319,488)
Accumulated depreciation			
3	13	93,469	91,390
Intangible fixed assets			
a		230,631	208,645
Cost			
b		(137,162)	(117,255)
Accumulated amortisation			
X	14	34,505	852,722
Investment properties			
a		34,505	875,748
Cost			
b		-	(23,026)
Accumulated depreciation			
XI	15	5,303,008	9,940,575
Other assets			
1		4,286,125	8,919,486
Receivables			
2		1,011,314	832,647
Accrued interest and fee receivables			
3	16	332	257
Deferred tax assets			
4		199,206	323,603
Other assets			
5		(193,969)	(135,418)
Allowance for other assets			
TOTAL ASSETS		80,660,959	76,874,670

	Note	31/12/2014 VND million	31/12/2013 VND million
B			
LIABILITIES AND SHAREHOLDERS' EQUITY			
LIABILITIES			
I			
Amounts due to the Government and the State Bank of Vietnam		-	998,045
II			
Deposits and borrowings from other credit institutions	17	19,761,129	19,036,314
1 Deposits from other credit institutions		8,596,456	6,955,134
2 Borrowings from other credit institutions		11,164,673	12,081,180
III			
Deposits from customers	18	49,051,909	43,239,428
V			
Other borrowed and entrusted funds	19	53,787	455,944
VI			
Valuable papers issued	20	25	308
VII			
Other liabilities	21	3,293,846	5,162,005
1 Accrued interest and fee payables		587,111	524,533
2 Deferred tax liabilities	16	6,364	21,870
3 Other liabilities		2,700,371	4,600,384
4 Provision for off-balance sheet commitments		-	15,218
TOTAL LIABILITIES		72,160,696	68,892,044
SHAREHOLDERS' EQUITY			
VIII			
Capital and reserves	22	8,500,263	7,982,626
1 Capital		6,802,951	6,802,951
a Share capital		4,250,000	4,250,000
b Share premium		2,552,958	2,552,958
d Treasury shares		(7)	(7)
2 Reserves		1,125,661	1,113,793
5 Retained earnings		571,651	65,882
TOTAL SHAREHOLDERS' EQUITY		8,500,263	7,982,626
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		80,660,959	76,874,670

		31/12/2014 VND million	31/12/2013 VND million
OFF-BALANCE SHEET ITEMS			
I	CONTINGENT LIABILITIES		
2	Letters of credit	1,472,208	806,690
3	Other guarantees	1,710,540	1,300,830
II	OTHER COMMITMENTS		
1	Undrawn loan commitments	1,856,829	1,786,944

Prepared by



Tran Thi Thanh Tra
Head of General Accounting

Reviewed by



Ho Van Long
Chief Financial Officer

Approved by



Han Ngoc Vu
Chief Executive Officer

Consolidated statement of income for the year ended 31 December 2014

	Note	2014 VND million	2013 VND million	
1	Interest and similar income	23	4,875,812	4,790,141
2	Interest and similar expenses	23	(2,582,927)	(2,854,483)
I	Net interest income	23	2,292,885	1,935,658
3	Fee and commission income	24	246,323	253,952
4	Fee and commission expenses	24	(81,374)	(89,408)
II	Net fee and commission income	24	164,949	164,544
III	Net (loss)/gain from trading of foreign currencies		(23,982)	23,026
V	Net gain from investment securities	25	92,276	233,446
5	Other income	26	1,027,684	248,645
6	Other expenses		(85,140)	(96,743)
VI	Net gain from other activities		942,544	151,902
VII	Income from investment in other entities		1,403	5,070
VIII	Operating expenses	27	(1,633,714)	(1,561,497)
IX	Operating profit before allowance and provision expenses		1,836,361	952,149
X	Allowance and provision expenses	28	(1,188,008)	(871,058)
XI	Profit before tax		648,353	81,091
7	Current income tax expense	29	(141,264)	(23,147)
8	Deferred tax income/(expense)	16	15,581	(7,696)
XII	Total income tax expense	29	(125,683)	(30,843)
XIII	Net profit after tax		522,670	50,248
XV	Basic earnings per share (VND/share)	30	1,230	118

Prepared by



Tran Thi Thanh Tra
Head of General Accounting

Reviewed by



Ho Van Long
Chief Financial Officer

Approved by



Han Ngoc Vu
Chief Executive Officer

Consolidated statement of income for the year ended 31 December 2014
"Direct method" (continued)

	Note	2014 VND million	2013 VND million
CASH FLOWS FROM OPERATING ACTIVITIES			
01	Interest and similar income received	4,642,630	5,073,608
02	Interest and similar expenses paid	(2,520,349)	(2,774,390)
03	Fee and commission income received	164,949	78,173
04	Net receipts from foreign currencies and securities trading activities	197,970	252,652
05	Other income received	1,147,677	170,312
06	Receipts from written-off debts	77,685	67,961
07	Operating and salary expenses payments	(1,476,783)	(1,466,083)
08	Corporate income tax paid	(28,631)	(92,036)
	Net cash flows from operating activities before changes in operating assets and liabilities	2,205,148	1,310,197
Changes in operating assets			
09	Balance with and loans to other credit institutions	(2,910,700)	3,415,548
10	Investment securities	(6,419,886)	(7,794,677)
11	Derivatives and financial assets	16,127	(25,783)
12	Loans and advances to customers	(2,559,855)	(6,611,182)
13	Using allowance to write off bad debts	(772,051)	(421,475)
14	Other assets	4,641,444	1,899,964
Changes in operating liabilities			
15	Amounts due to the Government and the State Bank of Vietnam	(998,045)	(915,854)
16	Deposits and borrowings from other credit institutions	724,815	7,791,686
17	Deposits from customers	5,812,481	4,178,169
18	Valuable papers issued	(283)	(1,000,291)
19	Other borrowed and entrusted funds	(402,157)	65,781
20	Derivatives and other financial liabilities	-	(10,039)
21	Other liabilities	(2,052,731)	2,080,128
I	NET CASH FLOWS FROM OPERATING ACTIVITIES	(2,715,693)	3,962,172
CASH FLOWS FROM INVESTING ACTIVITIES			
01	Payments for purchases of fixed assets	(102,545)	(134,318)
02	Proceeds from disposal of fixed assets	38,785	4,816
04	Proceeds from disposal/(payments for purchase) of investment property	1,748	(427,895)
07	Proceeds from investments in other entities	2,197	4,490
09	Dividends received from long-term investments	1,403	5,070
II	NET CASH FLOWS FROM INVESTING ACTIVITIES	(58,412)	(547,837)

Consolidated statement of income for the year ended 31 December 2014
"Direct method" (continued)

	Note	2014 VND million	2013 VND million
CASH FLOWS FROM FINANCING ACTIVITIES			
04		-	(425,000)
III		-	(425,000)
IV		(2,774,105)	2,989,335
V		8,061,911	5,072,576
VI	31	5,287,806	8,061,911

Prepared by



Tran Thi Thanh Tra
Head of General Accounting

Reviewed by



Ho Van Long
Chief Financial Officer

Approved by



Han Ngoc Vu
Chief Executive Officer

