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REPORT

BY THE BOARD OF DIRECTORS ON BUSINESS PERFORMANCE IN 2013

In 2013, the world economy showed signs of recovery, the developments on global financial market were relatively stable, interest rates were kept low, macro-economic balances was stable, inflation rate was 6.6%, lower than that of 6.81% in 2012; Economic growth (GDP) reached 5.42%, higher than the rate of 5.25% in 2012. However, the economy's aggregate demand remained weak, many businesses faced with difficulties and bad debts of the banking system were still high. As a great number of enterprises ceased their production, banks had to strongly reduce their costs, continuously lowered lending interest rates, and spent hundreds of trillion VND on preferential programs/credit packages in order to help companies recover and develop their business and production, contributing to the socio-economic development of the country.

In this context, the whole group of VietinBank has made efforts to overcome all difficulties to implement business tasks, ensure sound and effective development, and be more compliant with international standards and customs while the Bank still maintained its role as the large commercial bank majorly owned by the State and the pillar of the banking sector. The Bank was a motive force in implementing major guidelines and policies of the Party, the Government and the State Bank of Vietnam (SBV). In 2013, VietinBank has achieved impressive business results, which helped confirm the executive management capability and operation quality of the Bank's group both domestically and internationally: total assets reached VND 576.4 trillion (an increase of 14.5 % compared with 2012); mobilized funds increased by 11.2 %, credit exposures rose by 13.4%. Profit before tax was VND 7,751 billion, completing 103% the target set by the 2013 General Meeting of Shareholders. In particular, in 2013, with the increase of its charter capital to VND 37,234 billion (up by 42% compared to 2012), total owners' equity reached a value of more than VND 54 trillion, VietinBank has become a joint-stock commercial bank with the largest charter capital and owners' equity in Vietnamese banking system.

The above outstanding business results were due to the solidarity, unity, determination and efforts of all the Bank's employees, of which the BoDs played a comprehensively important role.

I. BUSINESS PERFORMANCE RESULTS VS BUSINESS PLAN SET BY THE GENERAL MEETING OF SHAREHOLDERS

1. Business plan implementation results in 2013

| Item (consolidated figures) | Plan ¹ | As at 31 December 2013 | Actual performance vs plan |
|--|-------------------|------------------------|----------------------------|
| Total Assets (VND billion) | 535,000 | 576,368 | Above plan |
| Charter Capital (VND billion) | 37,234 | 37,234 | Achieved |
| Total Mobilized Funds (VND billion) | 475,000 | 511,670 | Above plan |
| Total Loans and Investment (VND billion) | 503,000 | 536,460 | Above plan |
| NPLs / Total Credit Exposures | <3% | 0.82% | Achieved |
| Profit Before Tax (VND billion) | 7,500 | 7,751 | Above plan |
| Dividend ² | 10% | 10% | Achieved |

2. Regarding the charter capital increase, equitization and investor relations

| Items | Plan | As at 31 December 2013 | Actual performance vs plan |
|---|--------|------------------------|----------------------------|
| Charter Capital (VND billion) | 37,234 | 37,234 | Achieved |
| Dividend | 10% | 10% | Achieved |
| Capital Adequacy Ratio (CAR) (Consolidated) | ≥ 10% | 13.2% | Above plan |

✓ The increase of charter capital and equitization:

In 2013, VietinBank has completed the sale of 19.73% of its stake to its strategic shareholder, The Bank of Tokyo-Mitsubishi UFJ, Ltd. (BTMU). Accordingly, the charter capital of the Bank increased from VND 26,218 billion to VND 32,661 billion (+ 24.6%). This event marked an important milestone for VietinBank since its equitization in 2008, helping the Bank not only improve its prestige and position, but also improve the country position in eyes of international investors.

In Quarter IV/ 2013, Vietinbank issued 457.3 million new shares to the existing shareholders which was equivalent to VND 4,573 billion of proceeds, raising the charter capital to VND 37,234 billion and thereby, became the largest bank in terms of charter capital in Vietnam with a Capital Adequacy Ratio (CAR) of 13.2% - well above the regulatory ratio of 9% as stipulated by the SBV. At present, VietinBank is a joint stock commercial bank having the strongest structure

¹Plan figures are those specified in Resolution of the General Meeting of Shareholders No. 11/NQ-DHCD dated Dec 23, 2013

² On year-end charter capital

of shareholders in Vietnam with 27.76% of stake held by foreign strategic partners (BTMU and IFC). Minority shareholders hold 7.79% and the SBV is still the major shareholder with 64.46% of the Bank's stake.

Investor's relations: The rate of dividend payment in 2013 is expected to be at a high level. In 2013, VietinBank paid great attention to disclosure of information to regulatory agencies and shareholders. Such events as the General Meeting of Shareholders or the Analysts Day, etc were maintained, renovated and managed in a more professional way to provide information in a responsive and official manner to both domestic and overseas investors and analysts. VietinBank is considered as one of the companies having the most professional investor relationship activities on the stock market.

3. Integration into international financial markets

The year 2013 shows VietinBank's efforts in proactive integration into international financial markets with the deployment of comprehensive collaboration in all fronts with BTMU. The official establishment of a strategic alliance between VietinBank and BTMU marked an important development milestone for VietinBank, helping the Bank to raise its reputation and position to a new height, creating a solid premise for the Bank's international integration.

Besides, VietinBank continued to implement overseas expansion strategy to strengthen its brand presence towards foreign investors. In 2013, the Bank opened a new representative office in Myanmar and further strengthened the operation of its overseas branches. VietinBank is now in the process of opening representative offices and branches in many other countries such as the UK, Poland, Czech Republic ...

VietinBank's relentless efforts have been recognized by the market: in 2013, Vietinbank was announced ranking 1,764 among Top 2000 world's public companies by Forbes, a significant jump-up of almost 200 steps compared to its own position last year; VietinBank was in the top 500 most valuable banking brands with rate A+ as announced by the most prestigious journal of finance and banking in the world - The Banker; The Bank was the sole Vietnamese bank to enter the top 10 that enjoyed the highest growth rate of brand value, reaching USD 271 million, increasing 106 grades from 2012. Recently in January 2014, Fitch Ratings has revised and updated the outlook of VietinBank from "stable" to "positive".

4. The Bank's governance

Pursuing the goal of bringing VietinBank to be the pillar bank of Vietnamese banking sector and a modern commercial bank of the region, corporate governance has been paid special attention by the Board of Directors (the BoDs) with some of the highlight activities as follows:

✓ ***Improving the organization of bank governance and risk management systems:*** During 2013, VietinBank had prepared comprehensive steps to renew business operating organization and model towards modernization and improvement of competitiveness. The Bank set up credit risk management framework with 3 lines of defense; successfully built regulatory framework for interest rates and liquidity risk management in accordance with international practices; ...

✓ ***Consolidating the senior management team***

During the year, the BoDs had directed the consolidation of the organizational structure and staffing of the BoDs and the Board of Management. Three members were added to the BoDs, who are Mr. Pham Huy Thong, Mr. Hiroyuki Nagata, Mr. Go Wantanabe. Mr. Le Thanh Tung, Mr. Hiroyuki Nagata were appointed as Deputy General Directors (in replacement of the members who had moved).

The members of the BoDs and the BoM have stayed united and outstandingly completed the tasks assigned; efficiently played their roles in giving directions during the course of business of VietinBank, as such, made an important contribution to the successful implementation of 2013 business plan.

✓ ***Continuing to upgrade information technology system:*** Further upgrade of IT system is the basis for comprehensive modernization of governance activities of the Bank towards international standards. In 2013, VietinBank completed the analysis phase for Core Banking Replacement Project, deployed Data warehouse project, ... and many other management programs and utility services such as KPI management program, internet banking, automatic toll-free payment, SMS banking ...

IT system continued to be upgraded to support the development of products and services, increase the technology content, enhance productivity, reduce business costs, thereby enhance competitive capacity and contribute to the enhancement of operation control capability.

✓ ***Continuing to enhance infrastructure upgrades and customer care:*** in order to better serve customers, besides improving the quality and diversifying products and services, infrastructure upgrades were also paid attention to ensure spacious environment and convenience for employees and customers. In 2013, VietinBank made further investment and upgrades to the infrastructure base of the Head Office, branches, transaction offices and Human Resource Training and Development School.

5. Some of the challenges in business operations:

With the aim to ensure sustainable development for a sizable commercial bank, the Board of Directors of VietinBank is fully aware of the need of aggressive renovation in all aspects of business operation, guiding the bank towards international standards in all fronts: Operation, risk management, banking technology, thereby enhancing the value and capacities in the process of deeper international integration and improvement of competitiveness of the Vietnam economy.

However, to fulfill the above requirements, more investment in infrastructure, technology, human resources and time is required to implement rapid and sustainable development strategies. Therefore, despite the significant progress in implementation of a lot of technology projects, banking modernization, improvement of service quality and operational efficiency, management approach towards international standards, such innovative projects such as Basel II for risk management, Core banking replacement project, Enterprise data warehouse (EDW) project... have been only in their early stages and as such, consequent effects have not been clearly seen.

II. ASSESSMENT OF THE BOARD OF DIRECTORS' PERFORMANCE

Overcoming the challenges of the economy, VietinBank successfully completed the tasks assigned by the General Meeting of Shareholders, reinforced its leading position in terms of capital, credit, investment, payments, international trade finance, remittances, cards ... The Bank's reputation and brand have been improved in both domestic and international markets.

In order to achieve these results, in addition to the efforts of all VietinBank's employees throughout 2013, it is indispensable to mention the role in giving good and sensible directions of the BoDs. Board members gave specific and in-depth directions in all operating areas of the Bank. The combination of the local Board members who have extensive experiences and market intelligence with foreign shareholders and experts who have knowledge and experience in banking management in accordance with international norms; the solidarity, consensus, the close and efficient coordination between the BoDs and the BoM have created resonance effects pervading throughout the entire group. The BoDs of VietinBank flexibly and timely handled all difficulties in the operation of the Bank, took advantage of business opportunities, successfully completed the tasks committed to the General Meeting of Shareholders, created a foundation for safe and effective development, constantly improved the value of the Bank and benefits for all shareholders.

In 2014, it is forecasted that there are still many difficulties and challenges for Vietnamese economy in general, and for the banking sector in particular. With the experience in leadership and in directing banking activities over years, the BoDs and all management team members of VietinBank commit to continue promoting strengths and achieved results, constantly stay open to new things, find opportunities in challenges to achieve the goal of sustainable development, dominating the market, maximizing the benefit of shareholders, increasing operation efficiency, improving prestige and position of VietinBank in domestic and international markets, living up to the expectations of the shareholders. The management team of VietinBank hopes to continue receiving the leadership of the Party, State, the Government, the SBV, the support, facilitation of the State agencies, the trust of our partners as well as the efforts, comprehensive strength and energy of the shareholders and employees of VietinBank to be able to successfully complete the plan.

**ON BEHALF OF THE BOARD OF DIRECTORS
BOARD MEMBER AND GENERAL DIRECTOR**

(Signed and seal)

Nguyen Van Thang