

# IR Presentation

**Quarter I - 2017**

*(Exchange rate: 22,276 VND/USD)*

**Improving the values of life**

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# 1. General information

- ❖ Important Milestones
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**Vietnam Joint Stock Commercial Bank for Industry and Trade (VietinBank) is a leading financial and banking group, plays a key role in Vietnamese financial-banking system.**

- **1988** Established upon the separation from The State Bank of Vietnam (SBV).
- **2008** Went public through IPO and listed on Hochiminh Stock Exchange (HOSE) one year later
- **2009** Officially renamed into Vietnam Joint Stock Commercial Bank for Industry and Trade (or VietinBank in short)
- **2011** IFC officially became the foreign strategic shareholder of VietinBank with 10% stake ownership
- **2012**
  - Became the first bank in Vietnam to successfully issue USD250mil international bond listed on Singapore Exchange
  - Sold 19.73% stake to Bank of Tokyo-Mitsubishi UFJ (BTMU) as a second foreign strategic shareholder.

## Vision

Striving to become the leading financial group in Vietnam and high ranking bank in the international market

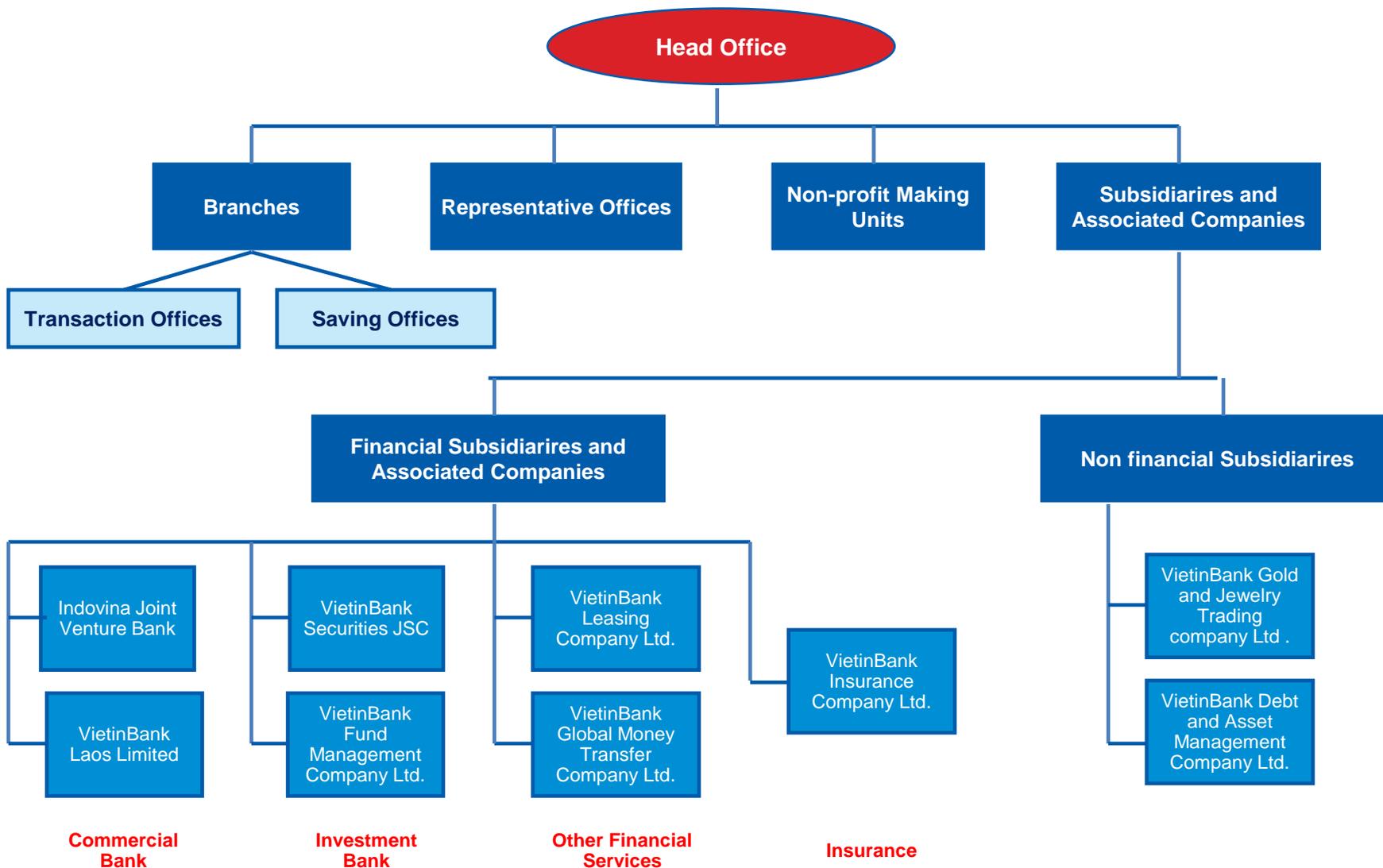
## Motto

Growing prudentially, efficiently and sustainably

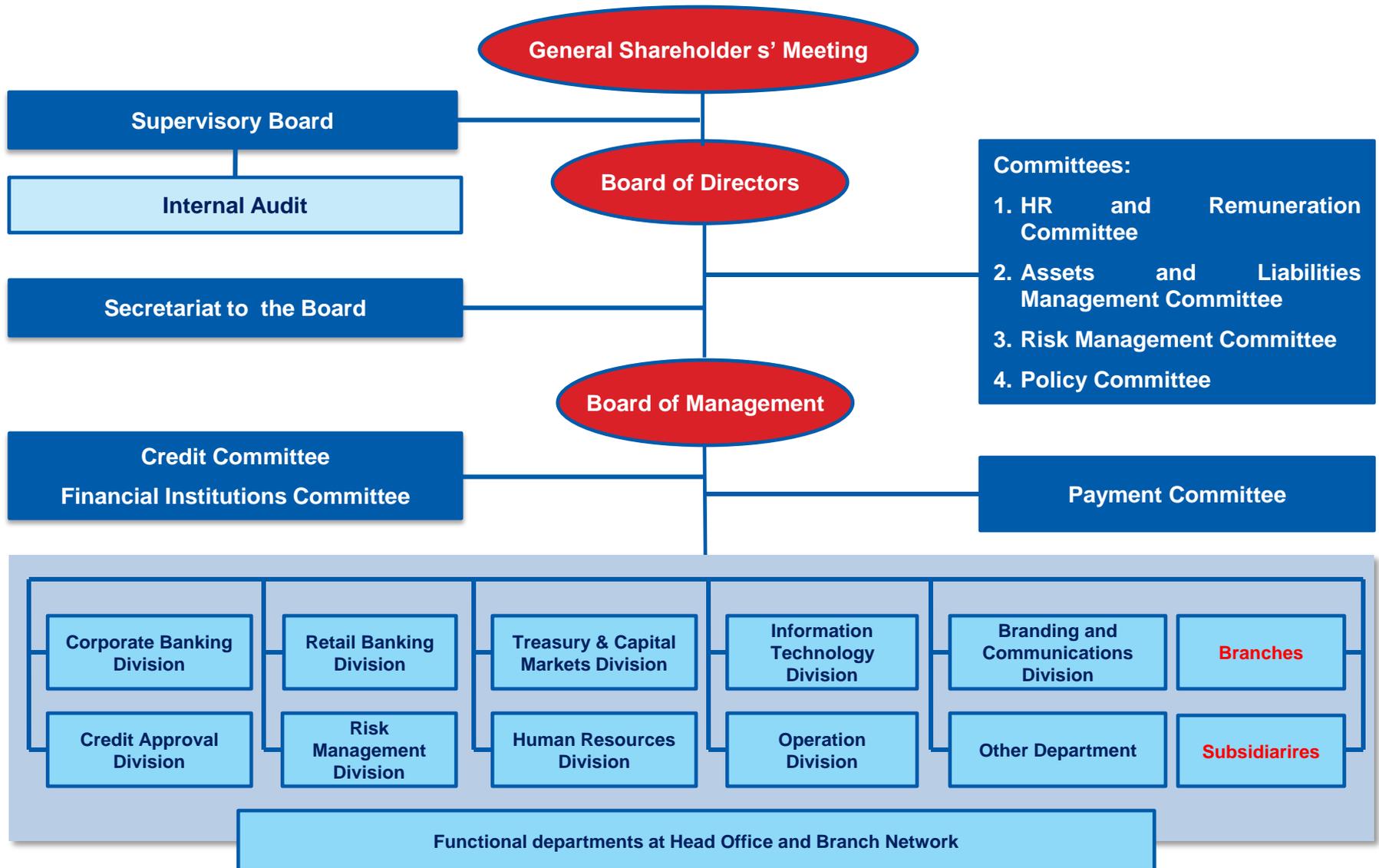
## Strategic Objectives

- 1 Continue to complete the organizational structure vertically, increase business network
- 2 Improve service quality
- 3 Enhance risk management capabilities in line with international practice, apply Basel II standards
- 4 Strengthen corporate governance, efficient governance in accordance with international practice
- 5 Accelerate the modernization of the Bank's IT system
- 6 Create added value for stakeholders, employees and customers

# Strong operational structure



# Solid management structure and governance



# Awards and accolades

	<p>For the fourth consecutive year, VietinBank was honored to accept the National Brand Award. This prestigious award, initiated by the Prime Minister, was presented by National Trade Promotion Agency - Ministry of Industry and Trade, National Brand Council and Secretariat of National Brand Award.</p>		<p>VietinBank was the only local financial institution to be recognized in the world's Top 400 banking brands with brand value of US\$249 million and A+ brand rating by Brand Finance. VietinBank was also recognized in Brand Finance's 10 most valuable trademarks and the strongest growing trademark in Vietnam.</p>
	<p>VietinBank was named in Forbes Global 2000 for the fifth consecutive year.</p>		<p>VietinBank was honoured to be recognized in the list of 10 strongest trademarks in Vietnam for the 12th consecutive year.</p>
	<p>Our three innovative digital products including: VietinBank iPay Mobile App, VietinBank eFAST Mobile App and Early Warning System (EWS) for credit risks proudly received 2016 Khue Star Award for outstanding digital solutions.</p>		<p>VietinBank was exceptionally proud to accept five awards from JCB for Highest Payment Volume; Largest number of issued cards, Leading bank in new product development, Strategic Partner Bank and Highest Card Usage Volume.</p>
	<p>10 Best South East Asian Firms presented by the Vietnam - Laos - Cambodia Association for Economic Cooperation Development (VILACAED),</p>		<p>VietinBank was the only local company to receive the award of outstanding digital applications, presented by ASOCIO - the biggest and the most important annual IT event of Asia.</p>
	<p>This is the fourth time VietinBank was recognized as the active bank in social welfare by Ministry of Planning and Investment.</p>		<p>VietinBank was awarded with "For the Employees" Award as well as the Prime Minister's Certificate of Merit recognizing our support to employees.</p>

## 2. Investment highlights

- ❖ Chartered Capital, Total Equity and Total Asset
- ❖ Market Share
- ❖ Network
- ❖ Brand name & Client base
- ❖ Shareholder support
- ❖ Corporate governance and HR
- ❖ Performance results vs. other listed banks



**Top financial institution in Vietnam with dominant market share:**

- Loans (12.8%)
- Mobilized fund (10.8%)
- Investment Banking (16.5%)
- Remittance (15%)
- International payment & Trade Finance (13.07%)
- Leading position in cards services (22%)

**Largest scale in Charter Capital and Total Equity**

**Experienced management team and effective human resources**

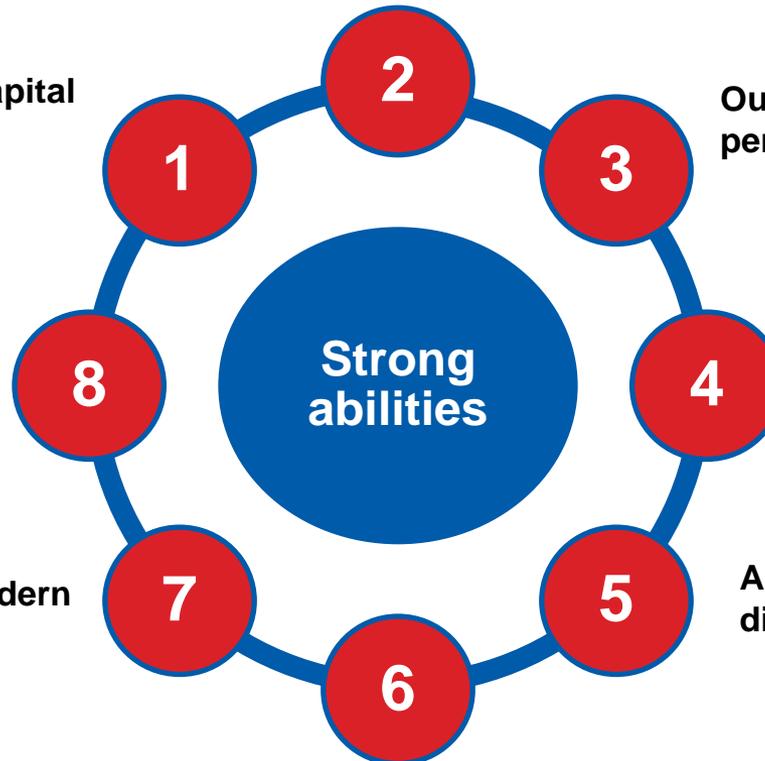
**Solid infrastructure with modern technology system**

**Major shareholders' supports (BTMU, IFC)**

**Outstanding business performance in Q1/2017**

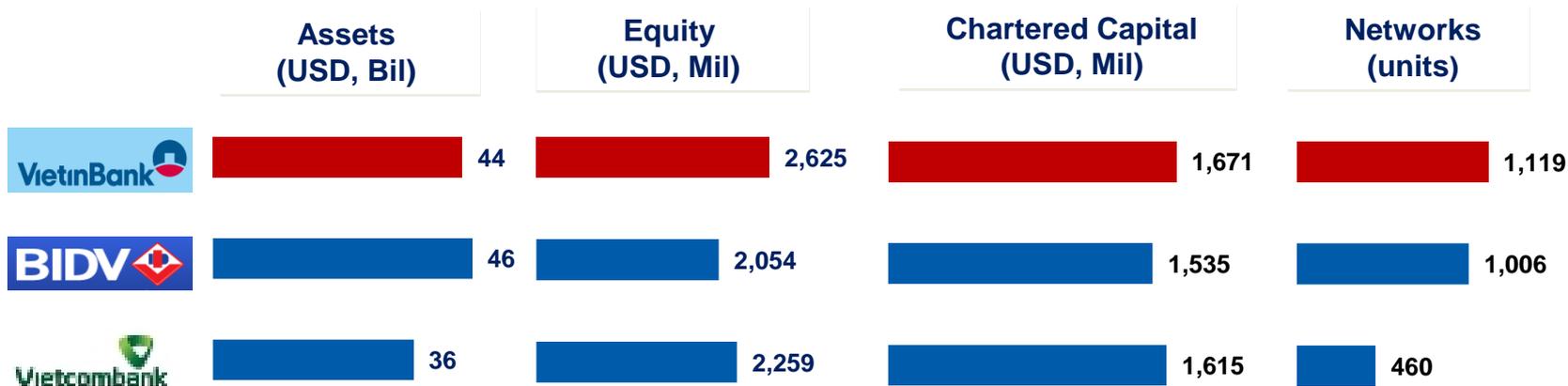
**World-wide and Nation-wide network**

**A strong brand name with a diversified client base**

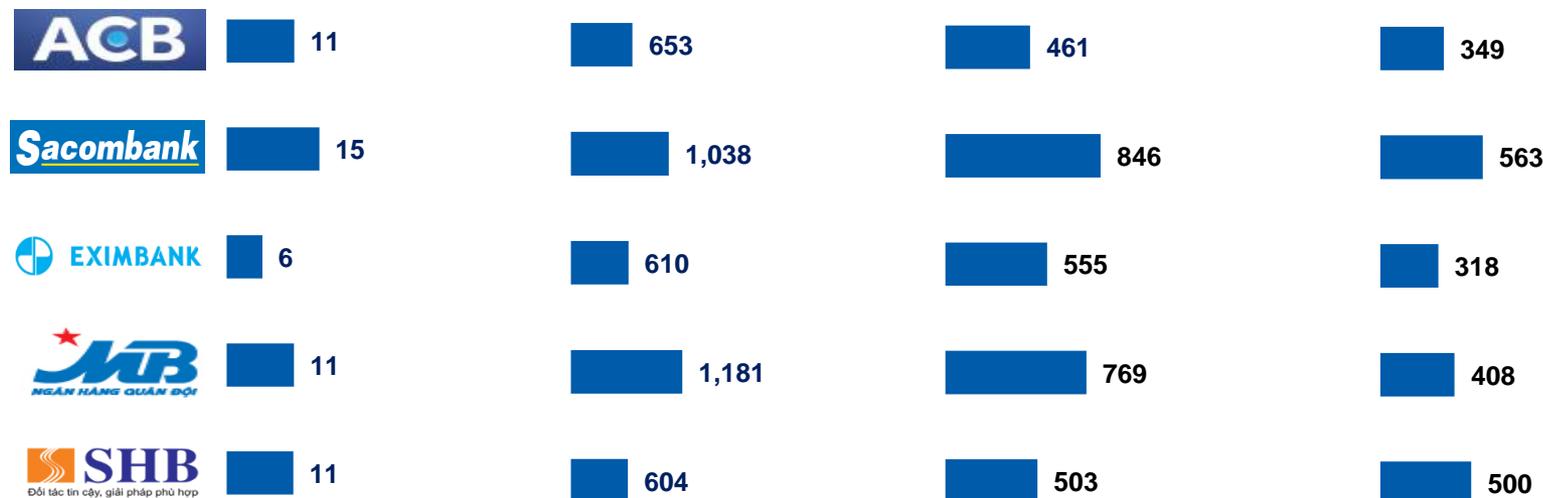


# Large scale

## State-owned credit institutions



## Joint-stock commercial banks



Note: Data as of 31/03/2017

Head Office  
in Ha Noi

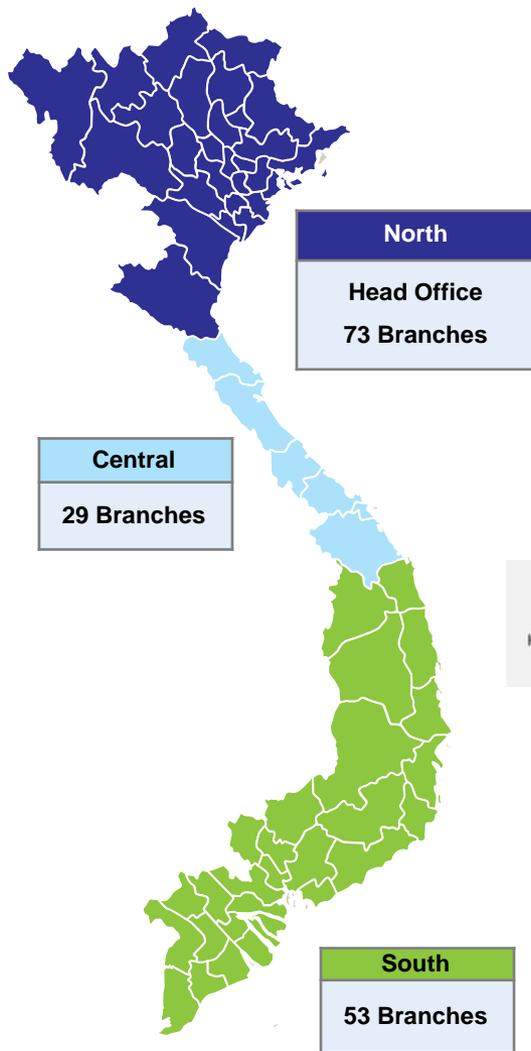
03 Representative  
offices

155 branches,  
962 transaction  
offices and  
savings counters

01 Joint-Venture  
Companies

08 Subsidiaries

03 Functional  
units



## Presence across the nation:

- 01 Head Office in Hanoi
- 02 Representative offices in Da Nang and Ho Chi Minh City
- 155 Local branches, 962 transaction offices and savings offices in all cities and provinces
- 03 Functional units
- 07 Subsidiaries (insurance, securities, financial leasing, fund management, assets management, gold and jewelry, global money transfer)
- 01 Joint-venture companies (Indovina Bank)
- Nearly 2,000 ATMs

## Foreign expansion:

- 01 Branch in Frankfurt, Germany
- 01 Branch in Berlin, Germany
- 01 Subsidiary in Laos (VietinBank Lao Ltd)
- 01 Representative office in Myanmar

**VietinBank has established banking relationships with 1,000 banks in 90 countries and territories all over the world**

# Global Footprint Expansion Plan

## Our current position

Head Office in Ha Noi	155 branches, 962 transaction offices and savings counters	02 Representative offices
01 Joint-Venture Companies	08 Subsidiaries	03 Functional units

We are also proud of having correspondences with more than 1,000 banks in 90 countries

- Overseas branches:
  - ✓ Frankfurt: Sep 2011
  - ✓ Laos : Feb 2012
  - ✓ Berlin : May 2012
- Open representative office in Myanmar in 2013
- Upgrade VietinBank Laos Branch into VietinBank Lao Ltd.; Aug 2015
- Upgrade Champasak Transaction Office into branch: Sep 2016

### 2017:

- Open Vientiane Transaction Office: April 2017
- VietinBank Laos will continue to open new branches in Savannakhet province and promote its network development in some key provinces of Laos such as Bolikhamxay, Luangphabang and Atapu.

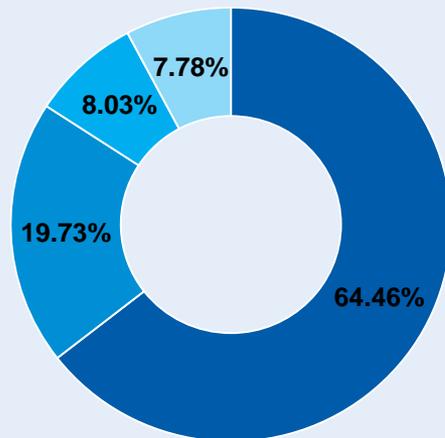
# Reputable & Diversified Corporate Customer



VietinBank has fostered strong banking relationships with some of the most well-established corporates in Vietnam as well as SMEs, FDI & retail clients.



## Major Shareholders' stakes



- State Bank of Vietnam
- BTMU
- IFC
- Others

## Major shareholders' supports

### Shareholder



**Vietnamese Government**



**BTMU**



**IFC**

### Support

- Government owns 64.46% of VietinBank's Charter Capital. Government ownership ratio will not fall below 51% at any time.
- The majority of Board of Director's members are appointed by the Government.

- Technical Assistance & Business Collaboration Agreement with BTMU covers:
  - Risk management & Basel II Implementation
  - Information technology
  - Investment banking
  - Retail and SMEs banking
  - Cash collection and settlement service

- Cooperation Agreement with IFC covers:
  - Risk management
  - Banking services for SMEs
  - Energy Efficiency Project
  - Information technology

# 2017's business targets



Increase chartered capital to enhance financial strength (CAR>9%, ROE >10% and ROA>0.8)



Growth:  
❖ Assets: 14%  
❖ Mobilized fund: 15%  
❖ Credit: 16%



❖ Expand market share sustainably  
❖ Expand distribution network both domestically and internationally



❖ Focus on Commercial Banking and Investment Banking pillars  
❖ Improving the quality of growth, link growth with efficiency



Improve service quality to increase the portion of non-interest income



Focus on risk management: NPL ratio/total credit exposure <3%



Continues to consolidate organizational structure and operating model



Dividend: 5-7%

# VietinBank vs. other banks – Q1/2017



Unit: USD Million	CTG	BIDV	VCB	ACB	STB	EIB	MBB	SHB	Average
Total Assets	44,325	46,070	35,656	11,292	15,461	5,963	11,226	11,129	22,640
Chartered capital	1,671	1,535	1,615	461	846	555	769	503	994
<b>Balance sheet</b>									
Placements with and loans to other banks	3,920	2,871	5,243	357	91	509	962	1,404	1,920
Loans and advances to customers	31,323	34,051	22,427	7,964	9,265	3,880	6,796	7,725	15,429
Trading and investment securities	6,174	6,608	5,989	2,202	3,145	967	2,501	989	3,572
- Trading securities	206	169	470	23	4	0	31	2	113
- Investment securities	5,968	6,440	5,519	2,179	3,141	967	2,471	987	3,459
Long-term investments	145	205	164	9	12	83	42	11	84
Other assets	1,380	892	500	355	1,964	170	502	764	816
<b>Liabilities</b>									
Deposits and borrowings from other banks	4,957	3,892	2,583	193	256	152	1,363	1,610	1,876
Customer deposits	29,912	34,225	27,353	9,932	13,604	4,951	8,189	7,901	17,008
Financing funds, entrusted funds	288	515	0	6	62	0	11	130	126
Other liabilities	4,081	1,064	749	191	268	112	319	179	870
Owner's equity and Funds	2,625	2,054	2,259	653	1,038	610	1,181	604	1,378
<b>Income statement (accumulated)</b>									
Net interest and similar income	277	306	237	86	47	31	108	42	142
Net profit from services	23	26	29	11	17	3	10	3	15
Other income	47	23	61	23	11	3	12	2	23
Total income	347	354	327	120	76	37	130	47	180
Operating expenses	140	146	141	66	62	24	54	25	82
Provision for credit losses	93	105	63	27	(0)	6	26	9	41
Profit before tax	114	102	123	27	14	8	50	14	56
Profit after tax	92	83	99	21	9	6	40	11	45

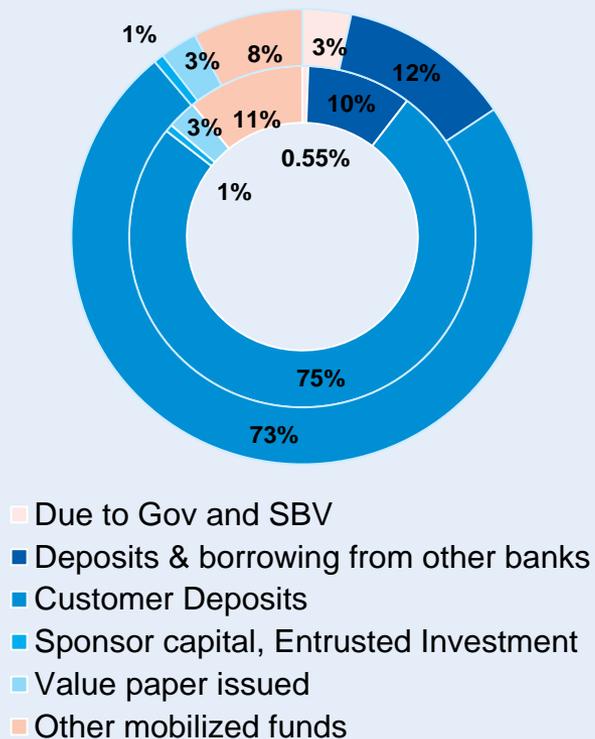
# 3. Performance

- ❖ Stable deposits growth & high liquidity
- ❖ High credit growth, well controlled NPL ratio
- ❖ Safe & diversified securities portfolio
- ❖ Strong financial results
- ❖ Efficient subsidiaries
- ❖ CTG Stock Performance

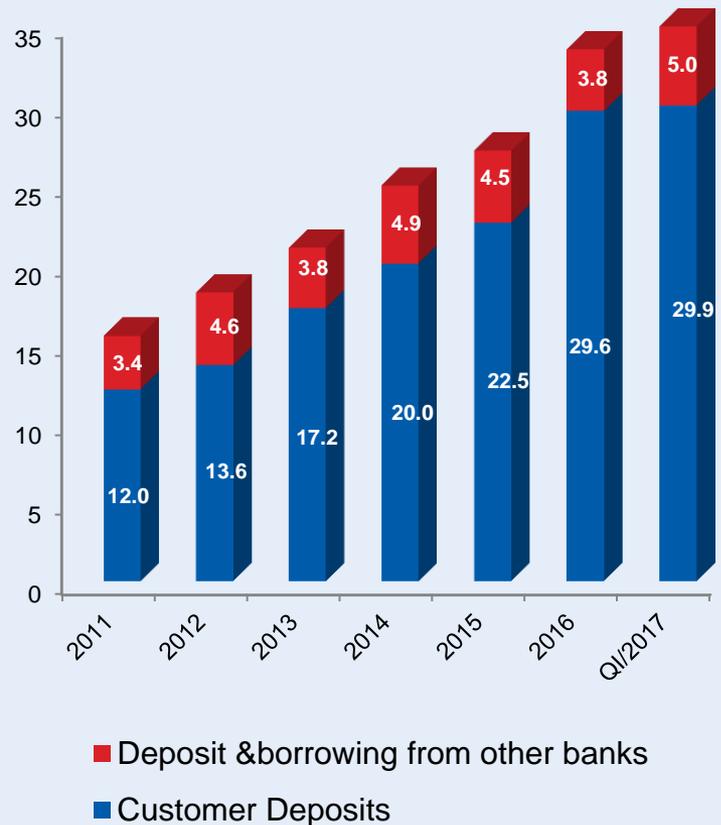


## Mobilized Fund structure (USD, Bil)

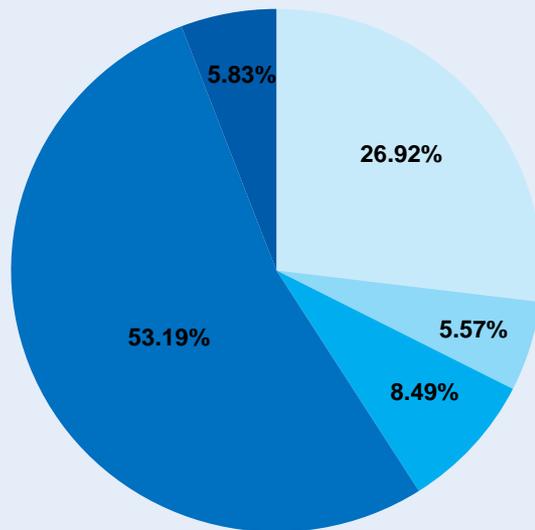
Inner ring: As at 31 Dec 2016: USD 39.3 Bil  
 Outer ring: As at 31 Mar 2017: USD 40.8 Bil



## Deposits of customers & credit institutions (USD, Bil)

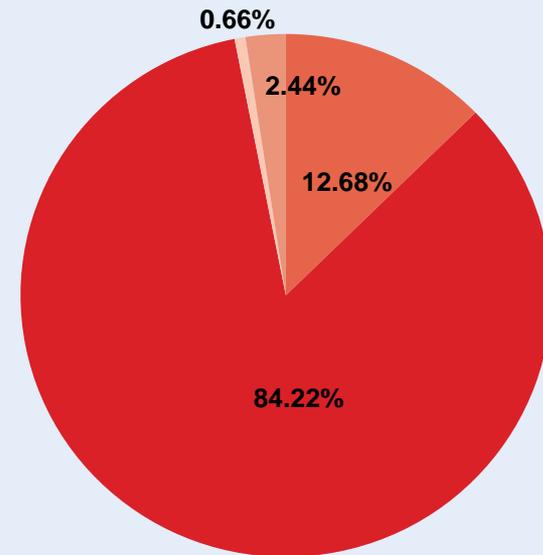


### Customer Deposit Breakdown by Type of business (31/12/2016)



- SOEs
- FDI
- Other business entities
- Individuals
- Others

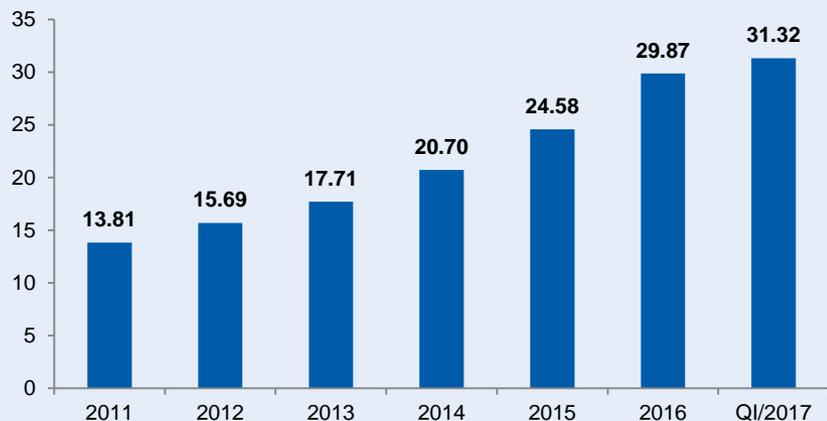
### Customer Deposit Breakdown by Tenor (31/03/2017)



- Demand deposits
- Term deposits
- Deposits for specific purpose
- Margin deposit

# High credit growth, sustainable LAR ratio

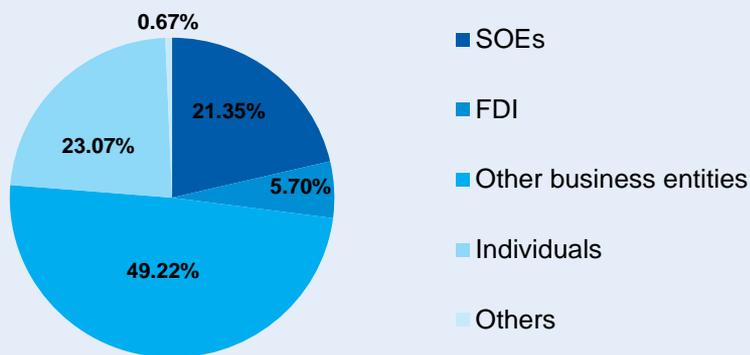
### Total loans and advances to customer (USD, Bil)



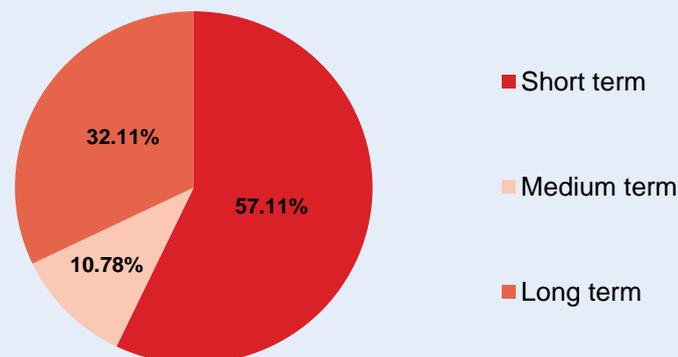
### Loan to Total assets ratio



### Loan Breakdown by Type of business (31/12/2016)



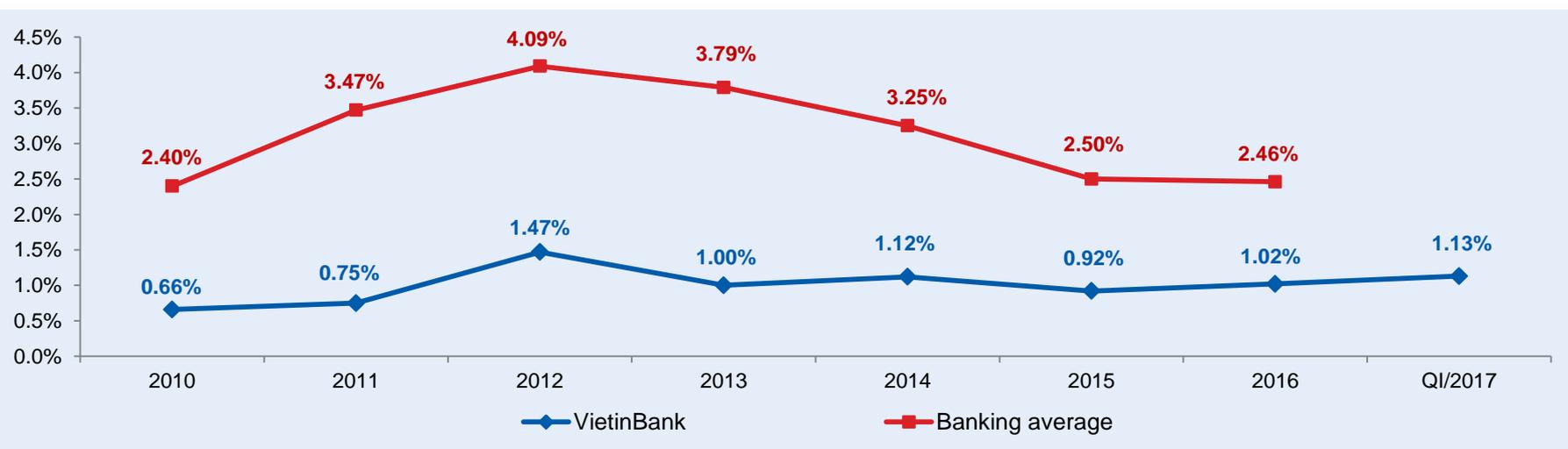
### Loan Breakdown by Tenor (31/03/2017)



# NPL ratio is best controlled among banking system



Group	Q1/2017		2016		2015		2014		2013	
	Value (USD, Mil)	%								
<b>Group 1</b> Current	30,556	97.55	29,319	98.14	24,209	98.48	20,295	98.03	17,404	98.27
<b>Group 2</b> Special mention	411	1.31	251	0.84	147	0.60	177	0.86	129	0.73
NPLs	355	1.13	304	1.02	226	0.92	231	1.12	177	1.00
<b>Total</b>	<b>31,323</b>	<b>100</b>	<b>29,874</b>	<b>100</b>	<b>24,581</b>	<b>100</b>	<b>20,704</b>	<b>100</b>	<b>17,711</b>	<b>100</b>



## Robust Credit Systems

- VietinBank has a robust credit systems, clearly defining relevant exposure limits and credit risk appetite.
- Such systems are enhanced by a strong credit culture, benefiting from well-defined delegations of authority and reporting lines.

## Well Defined Sectoral, Single Party and Group Exposure Credit Limits

- Loans and advances are relatively well allocated according to business entities & industry sectors, ensuring a high degree of diversification of potential risks.
- The credit policy has put in place strict exposure credit limits.

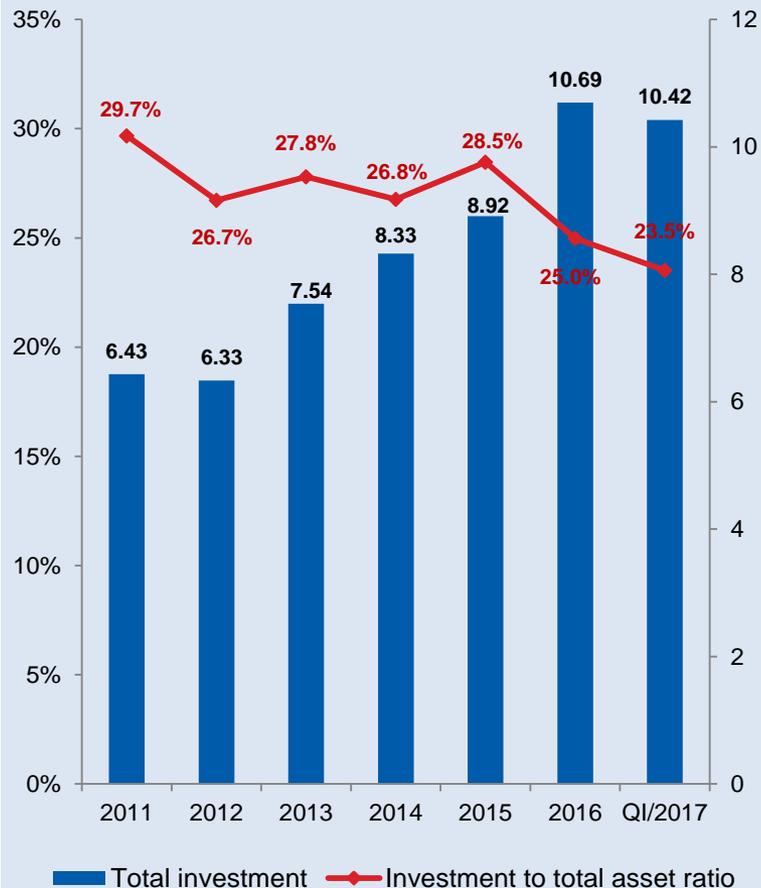
## Comprehensive Loan Classification and Provisioning Requirements

- Comprehensive and detailed loan classification and provisioning requirements and policies are in place, in consistent with regulatory norms and guidelines.
- Existence of robust procedures have resulted in positive developments in non-performing asset measures in recent times.

## Strong Credit Risk Management System

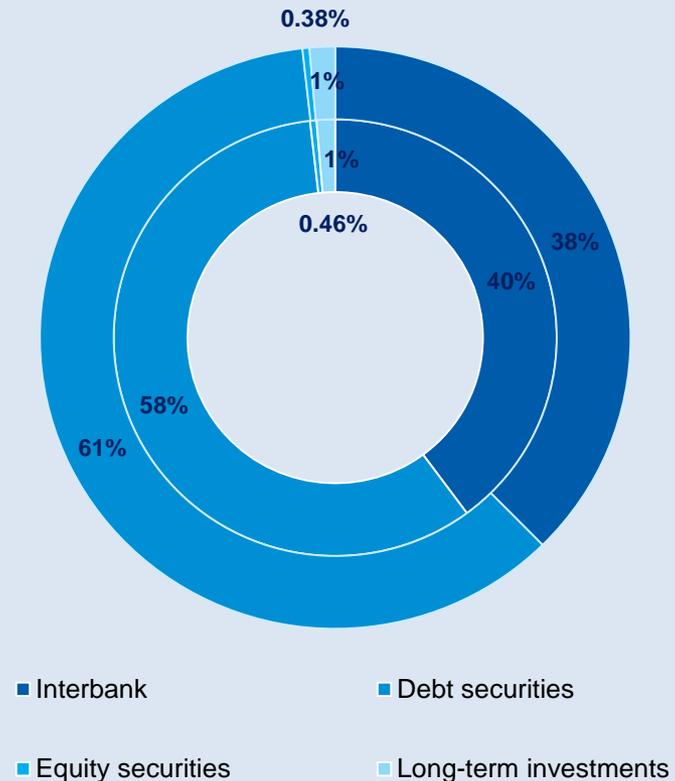
- Strong Credit risk management system is in place which has ensured improvement in the asset quality in this growing economic environment.

## Investment portfolio (USD, Bil)



## Components of Investment portfolio

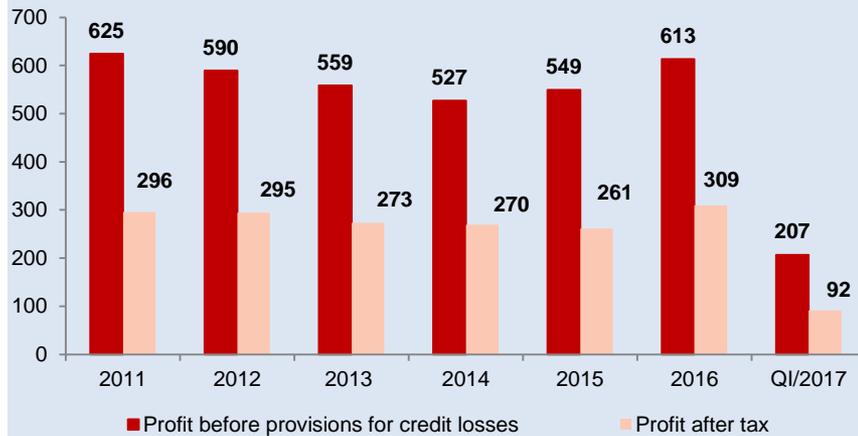
Inner ring: As at 31 Dec 2016  
Outer ring: As at 31 Mar 2017



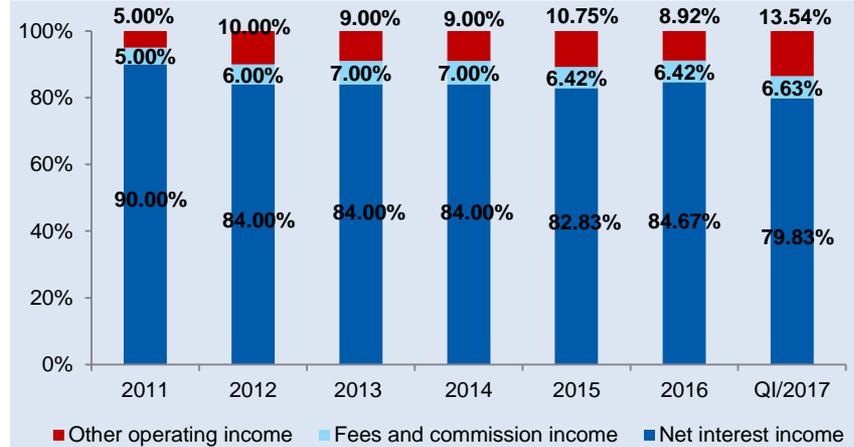
# Strong financial results



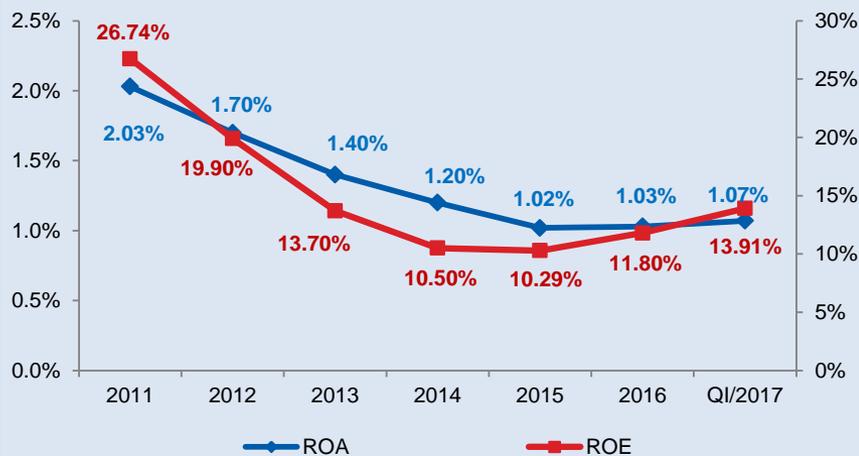
## Profit results (USD, Mil)



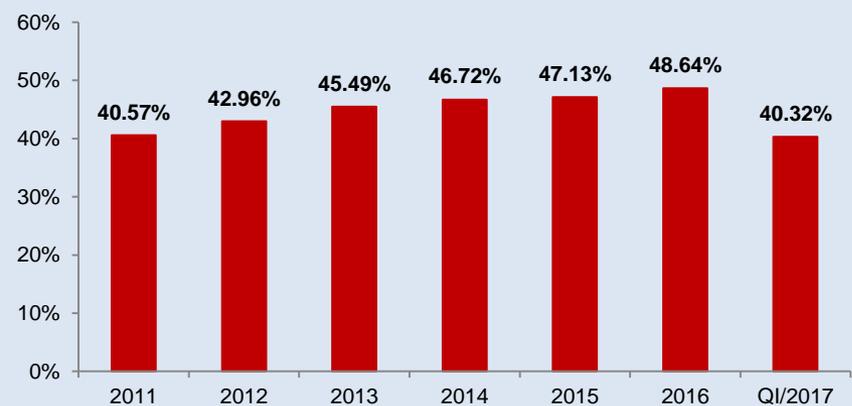
## Operating Income Breakdown



## Financial ratios



## Cost to income ratio



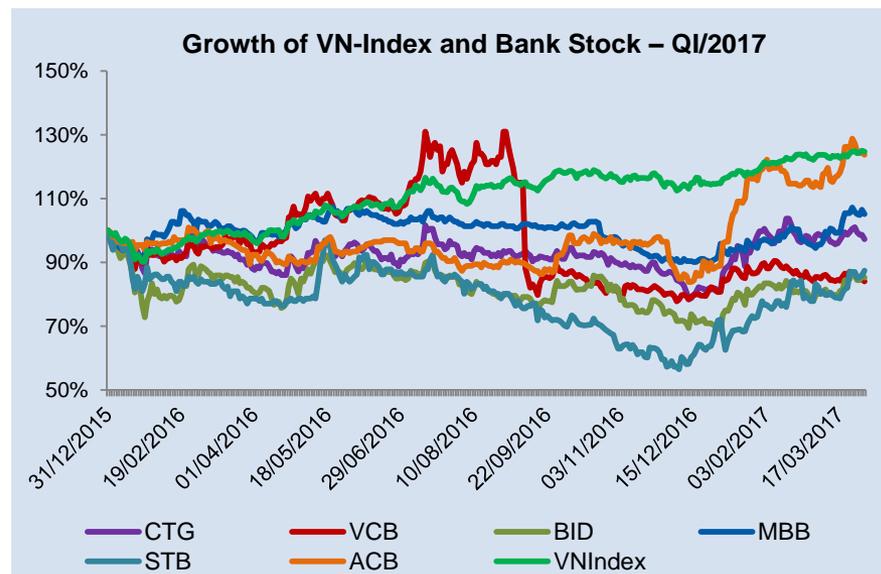
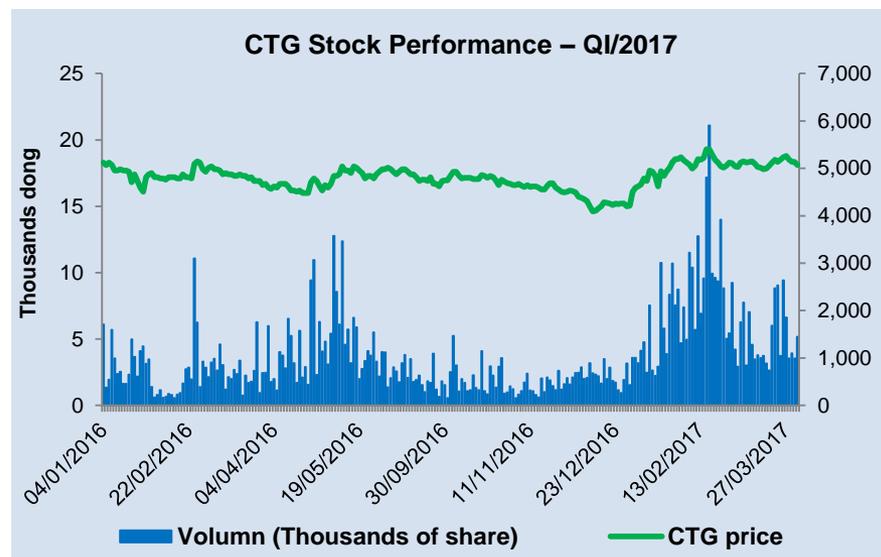
# Efficient subsidiaries

Subsidiaries		Chartered capital as at 31/03/2017 (USD, Mil)	Percentage of contribution (%)	Profit before tax as at 31/03/2017 (USD, Mil)
<i>VietinBank Lao Limited(*)</i>		49.11	100%	1.21
<i>VietinBank Leasing Company Ltd</i>		44.89	100%	1.32
<i>VietinBank Fund Management Company Ltd</i>		42.65	100%	1.41
<i>VietinBank Securities Joint Stock Company</i>		40.59	75.61%	1.71
<i>VietinBank Insurance Company Ltd</i>		22.45	100%	0.70
<i>VietinBank Gold and Jewelry Trading Company Ltd</i>		13.47	100%	0.20
<i>VietinBank Debt Management and Asset Exploitation Company Ltd</i>		5.39	100%	0.02
<i>Global Money Transfer Company Ltd</i>		2.24	100%	0.08

# CTG Stock Performance – Q1/2017

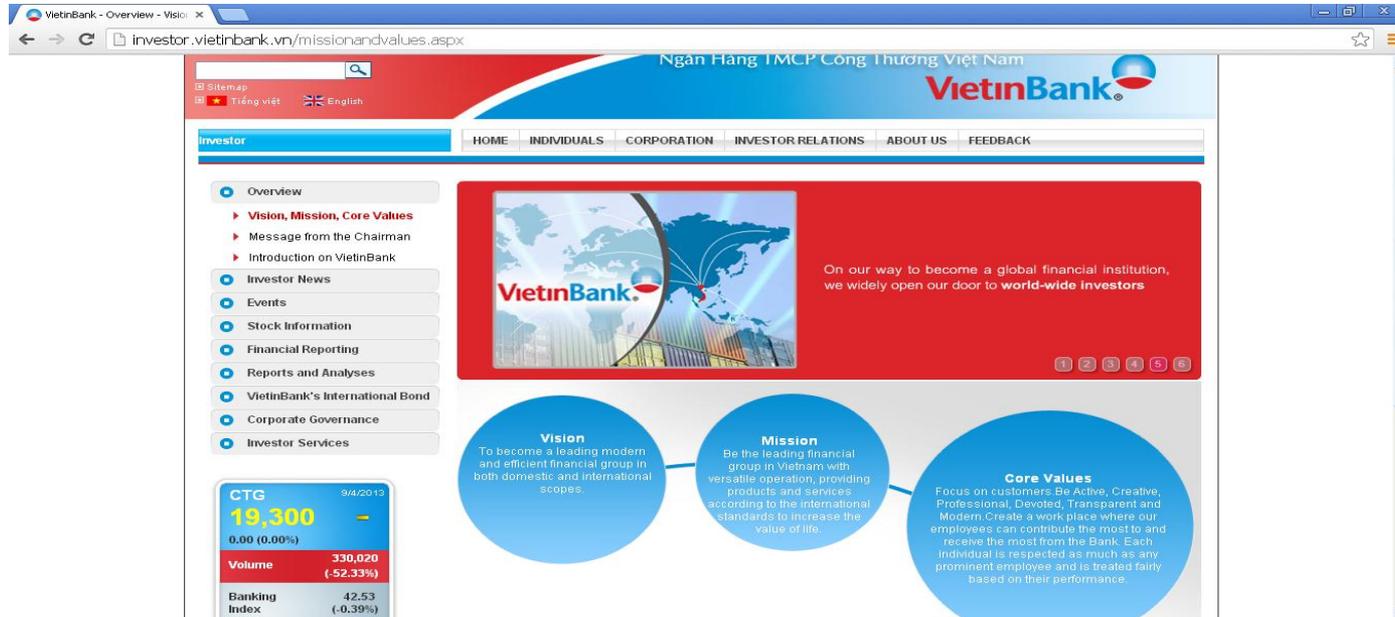


	Value
The closing price on 03 <sup>rd</sup> Jan 2017	16,100 VND/share
The closing price on 31 <sup>st</sup> Mar 2017	18,100 VND/share
The highest prices in Q1/2017	16,100 - 19,300 VND/share
Volume	109,837,230 share
Trading value	2,008 Billion VND
The trading volume of foreign investors	Net purchase 6,577,380 share
Foreign owned	29.9992%
EPS	1,858 VND/share
P/E (30 <sup>th</sup> Sep 2016)	9.74x
BVPS	15,702 VND/share
P/B (30 <sup>th</sup> Sep 2016)	1.15x



# Website for investors

<http://investor.vietinbank.vn>



*For further information, please contact:*

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# Thank you!

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