



# IR Presentation

**Quarter II - 2017**

*(Exchange rate: 22,431 VND/USD)*

# Table of contents

- 1. General information**
- 2. Investment highlights**
- 3. Performance**

# 1. General information

- ❖ **Important Milestones**
- ❖ **Corporate Vision & Strategic Objectives**
- ❖ **Organization Structure**
- ❖ **Awards**

# VietinBank Overview



**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.

# Corporate Vision & Strategic Objectives

## Vision

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

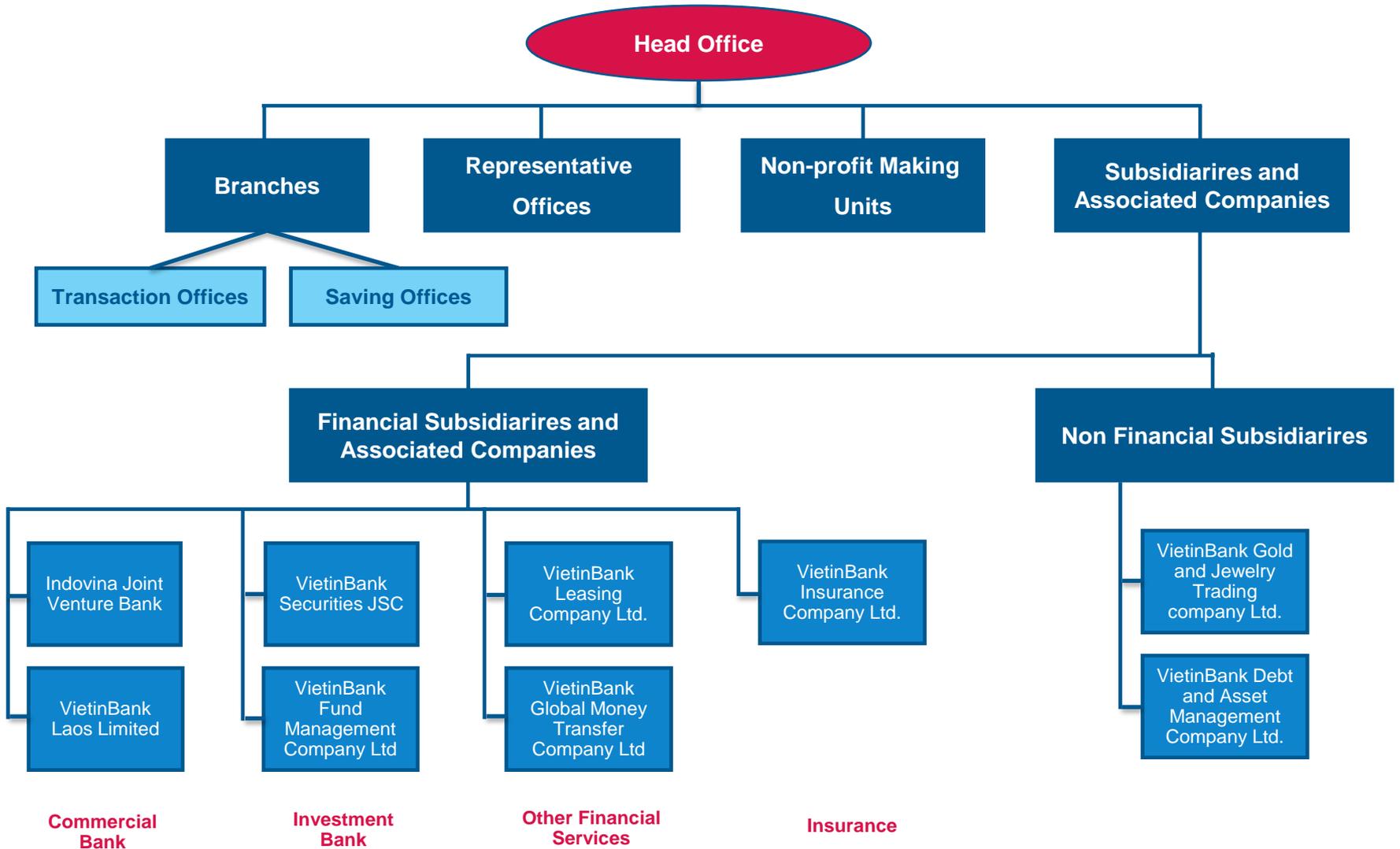
## Motto

Growing prudentially, efficiently and sustainably

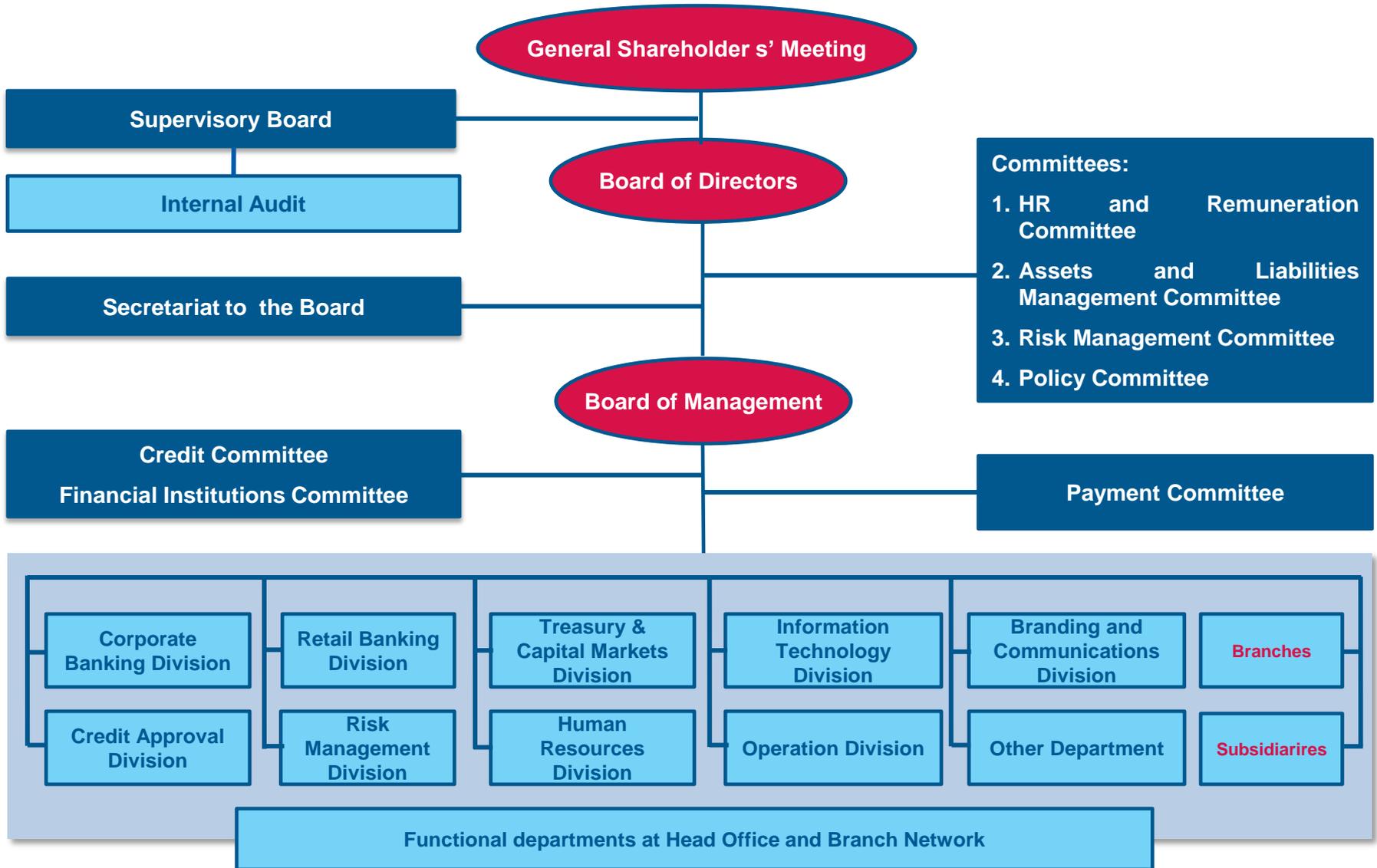
## Strategic Objectives

- 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**

# Investment Highlights

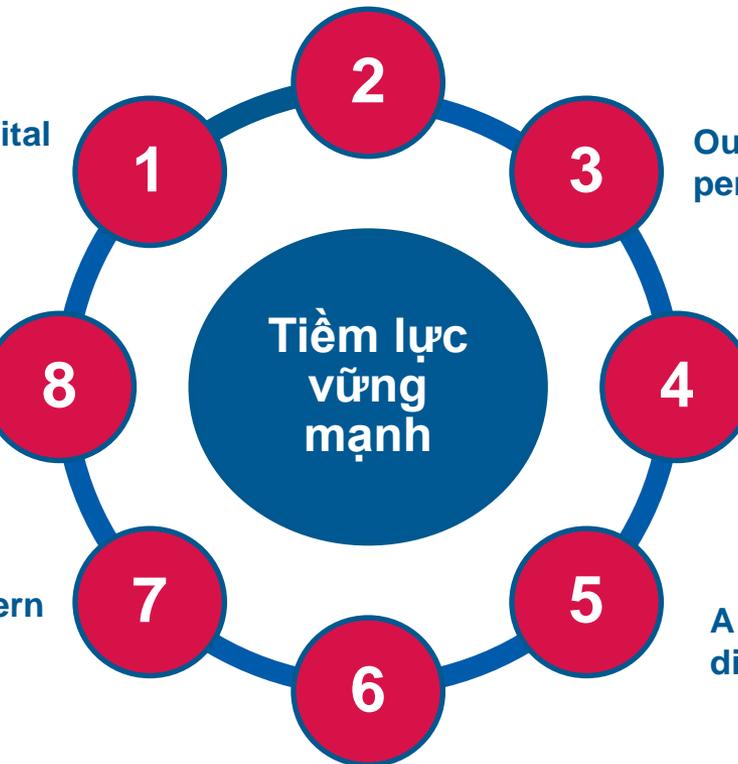
Top financial institution in Vietnam with dominant market share:

- Loans (12.92%)
- Mobilized fund (10.61%)
- 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



Outstanding business performance in Q1/2017

World-wide and Nation-wide network

A strong brand name with a diversified client base

Major shareholders' supports (BTMU, IFC)

# Large scale

State-owned credit institutions

	Assets (USD, Bil)	Equity (USD, Mil)	Chartered Capital (USD, Mil)	Networks (Units)
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Joint-stock commercial banks



Note: Data as of 30/06/2017  
Updated network data for VietinBank only

# Network Overview

Head Office  
in Ha Noi

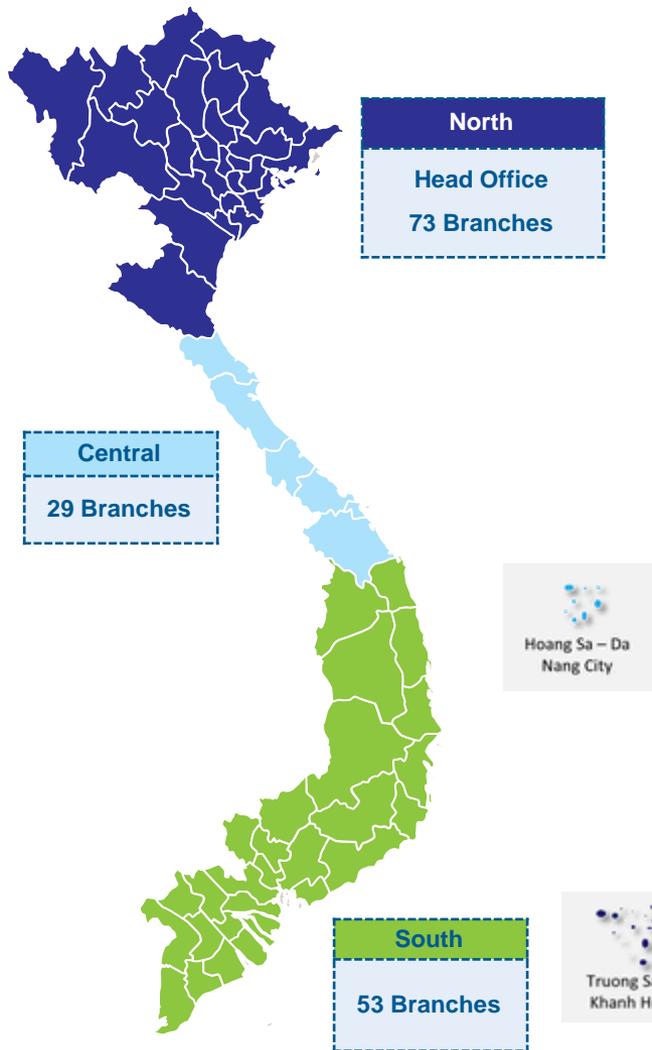
03 Representative  
Offices

155 Branches,  
960 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, 960 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, 960  
Transaction Offices  
and Savings  
Counters

03  
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

### 2017:

- Opened overseas branches:
  - ✓ Frankfurt: Sep 2011
  - ✓ Laos : Feb 2012
  - ✓ Berlin : May 2012
- Opened representative office in Myanmar: 2013
- Upgraded VietinBank Laos Branch into VietinBank Laos Ltd.,: Aug 2015
- Upgraded Champasak Transaction Office of VietinBank Laos into full branch: Sep 2016

- Opened 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

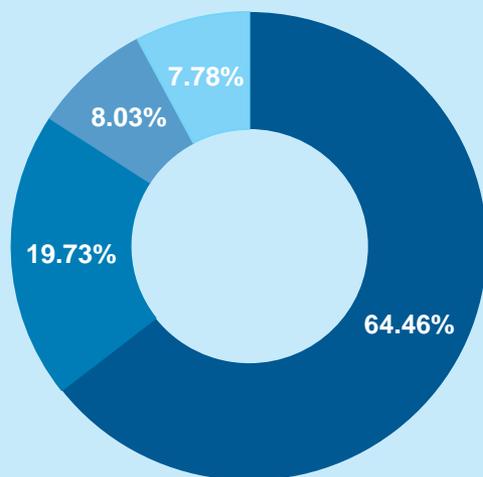
# Reputable & Diversified Corporate Customer

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



# Structure of ownership

## 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 - QII/2017

Unit: USD Million	CTG	BIDV	VCB	ACB	STB	EIB	MBB	SHB	Average
Total Assets	46,170	49,059	37,863	11,852	15,870	6,059	12,315	11,225	23,801
Chartered capital	1,660	1,524	1,604	458	840	551	764	499	987
<b>Balance sheet</b>									
Placements with and loans to other banks	4,805	3,489	6,346	363	135	467	1,242	1,055	2,238
Loans and advances to customers	32,546	35,994	23,391	8,097	9,743	4,001	7,698	8,012	16,185
Trading and investment securities	6,208	6,914	5,613	2,464	3,125	939	2,498	1,070	3,604
- Trading securities	438	404	290	25	4	0	33	107	163
- Investment securities	5,770	6,510	5,323	2,439	3,121	939	2,464	963	3,441
Long-term investments	142	124	163	8	25	82	48	11	75
Other assets	1,346	885	495	318	1,882	161	563	835	811
<b>Liabilities</b>									
Deposits and borrowings from other banks	5,315	4,255	2,074	431	273	168	1,455	1,413	1,923
Customer deposits	30,892	36,178	28,954	10,262	14,136	5,045	9,064	8,083	17,827
Financing funds, entrusted funds	290	515	0	6	61	0	12	122	126
Other liabilities	5,019	1,161	780	196	278	96	380	180	1,011
Owner's equity and Funds	2,689	2,145	2,323	664	1,001	613	1,217	622	1,409
<b>Income statement (accumulated)</b>	0	0	0	0	0	0	0	0	0
Net interest and similar income	601	624	486	175	95	61	229	94	296
Net profit from services	41	63	59	24	37	7	29	8	33
Other income	86	61	105	44	18	9	26	0	44
Total income	728	749	650	243	150	77	284	102	373
Operating expenses	298	307	282	144	122	48	113	53	171
Provision for credit losses	216	277	134	43	2	12	59	13	94
Profit before tax	215	165	234	56	26	18	113	36	108
Profit after tax	175	125	189	44	19	15	89	29	85

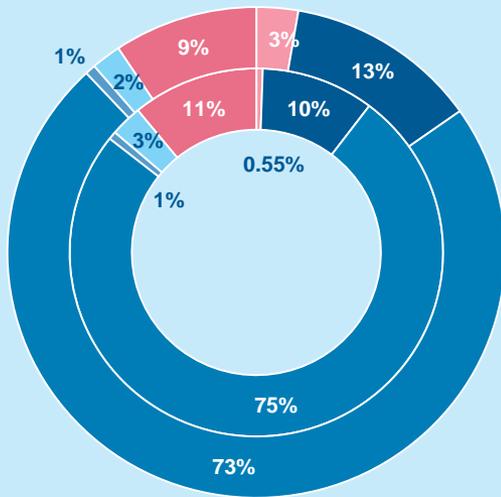
# 3. Performance

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

# Stable deposits growth

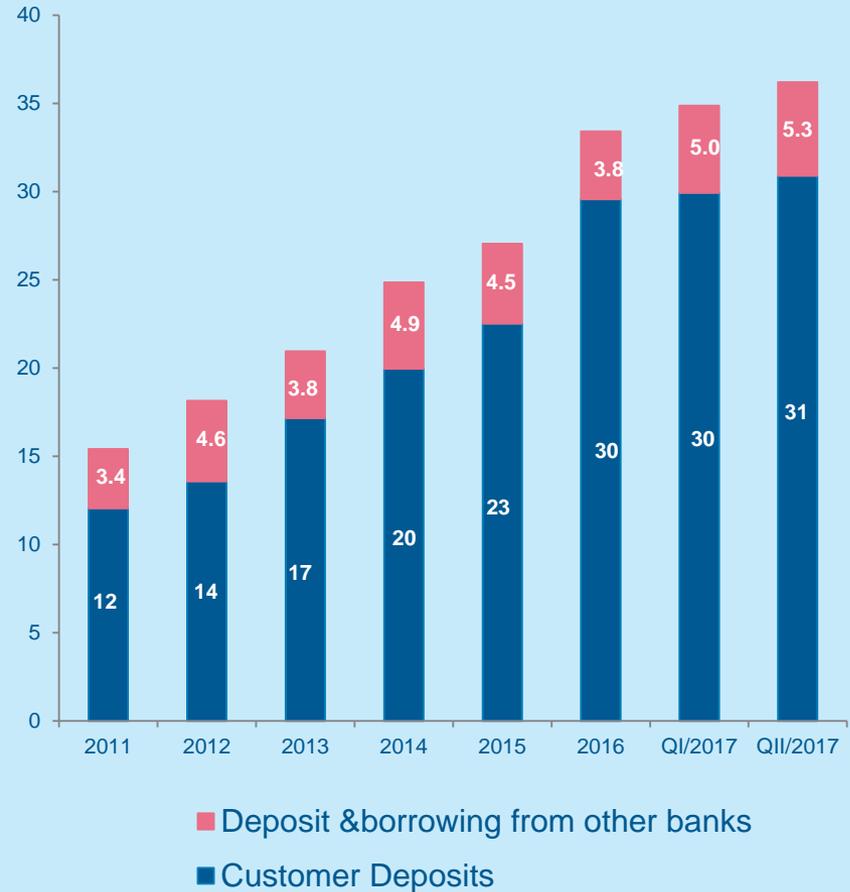
## Mobilized Fund structure (USD, Bil)

Inner ring: As at 31 Dec 2016: USD 39.3 Bil  
 Outer ring: As at 30 Jun 2017: USD 42.4 Bil



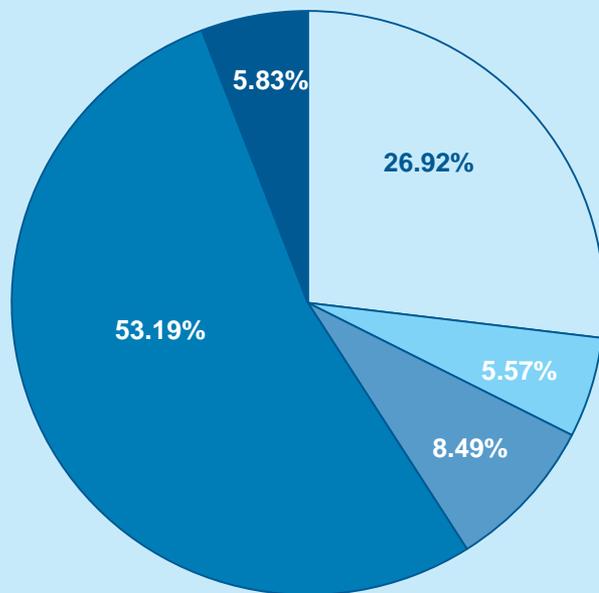
- Due to Gov and SBV
- Deposits & borrowing from other banks
- Customer Deposits
- Sponsor capital, Entrusted Investment
- Value paper issued
- Other mobilized funds

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



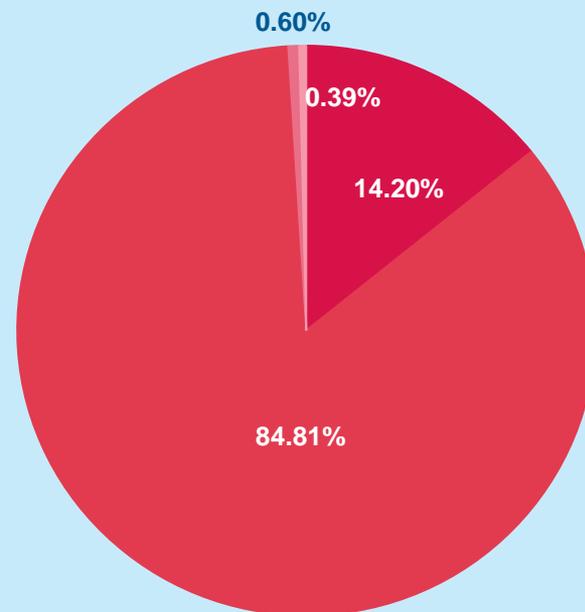
# High liquidity

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



- SOEs (26.92%)
- FDI (5.57%)
- Other business entities (8.49%)
- Individuals (53.19%)
- Others (5.83%)

## Customer Deposit Breakdown by Tenor (30/06/2017)



- Demand deposits (14.20%)
- Term deposits (84.81%)
- Deposits for specific purpose (0.60%)
- Margin deposit (0.39%)

# High credit growth, sustainable LAR ratio

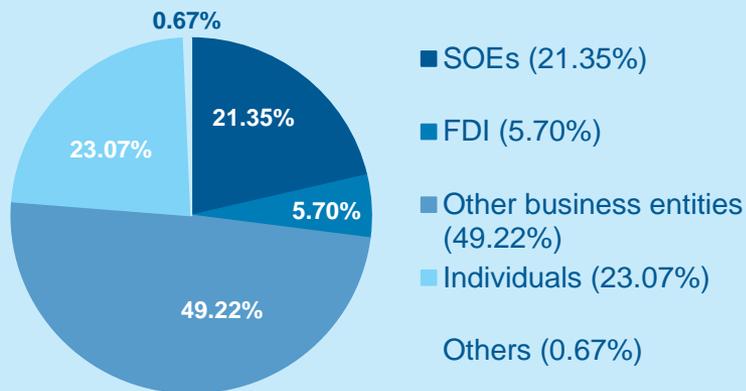
Total loans and advances to customer (USD, Bil)



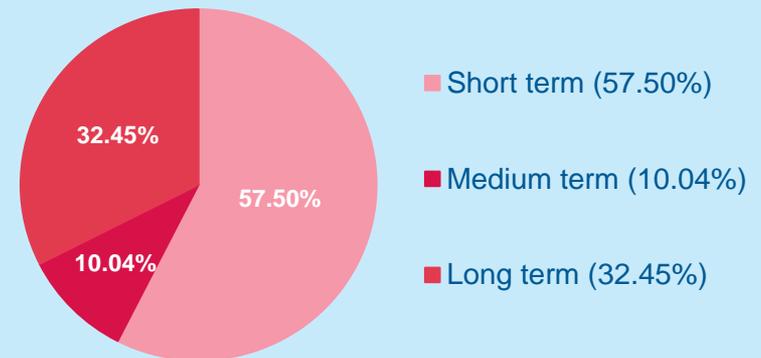
Loan to Total assets ratio (LAR)



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

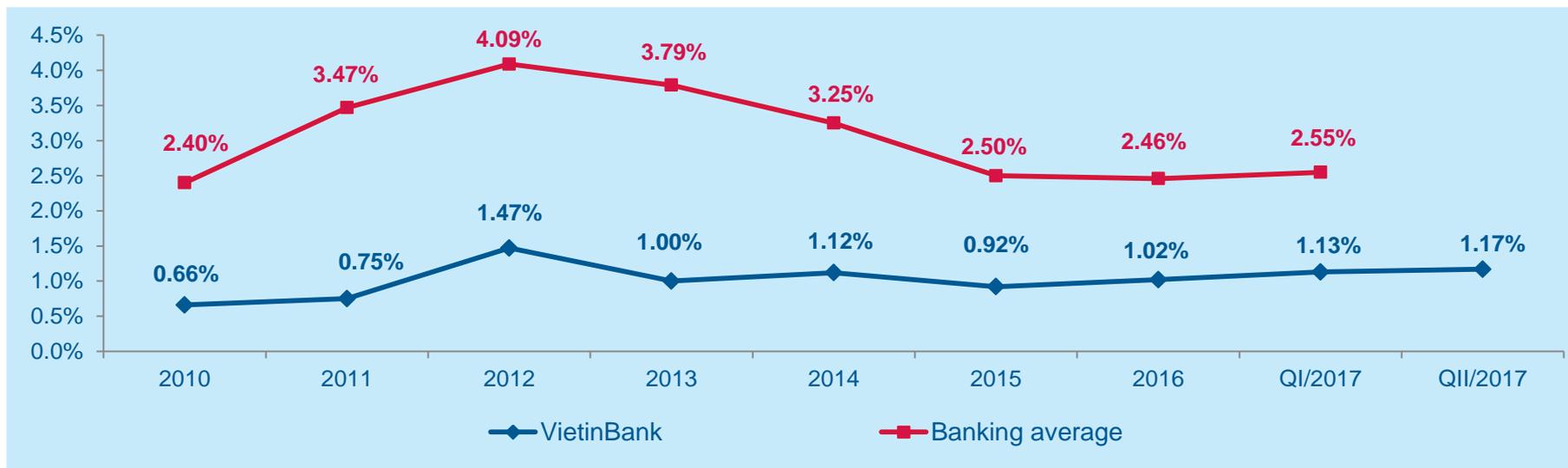


Loan Breakdown by Tenor (30/06/2017)



# NPL ratio is best controlled among banking system

Group	QII/2017		QI/2017		2016		2015		2014	
	Value (USD, Mil)	%								
Group 1 Current	32,008	98,34	30,556	97.55	29,319	98.14	24,209	98.48	20,295	98.03
Group 2 Special mention	159	0,49	411	1.31	251	0.84	147	0.60	177	0.86
NPLs	380	1,17	355	1.13	304	1.02	226	0.92	231	1.12
<b>Total</b>	<b>32,546</b>	<b>100</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>



# Asset Quality Management

## Robust Credit System

- VietinBank has a robust credit system, clearly defining relevant exposure limits and credit risk appetite.
- Such system is 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 portfolio diversification, minimizing concentration risk.
- The credit policy has put in place strict exposure credit limits.

## Comprehensive Asset Classification and Provisioning Requirements

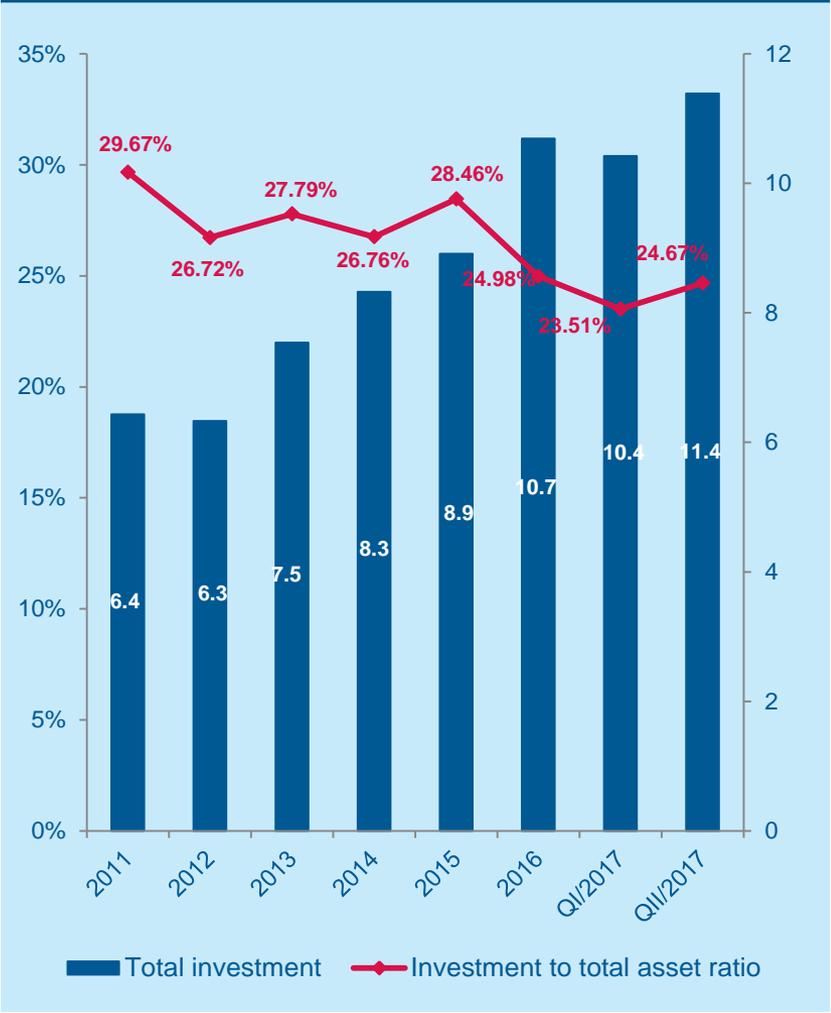
- Comprehensive and detailed asset classification and provisioning requirements and policies are in place, in consistent with regulatory norms and guidelines.
- Existence of robust procedures have resulted in positive developments in non-performing asset measures in recent times.

## Strong Credit Risk Management System

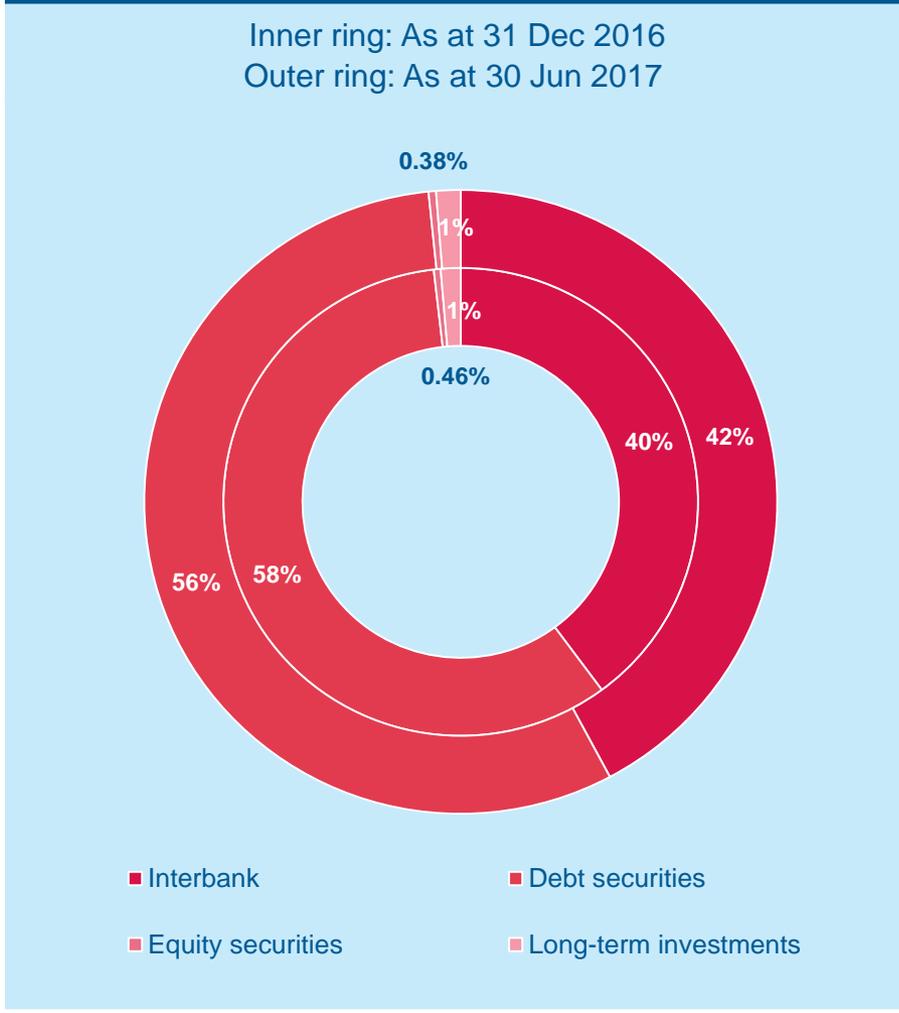
- Strong Credit risk management system is in place which has ensured improvement in the asset quality in this growing economic environment.

# Safe & diversified securities portfolio

## Investment portfolio (USD, Bil)



## Components of Investment portfolio

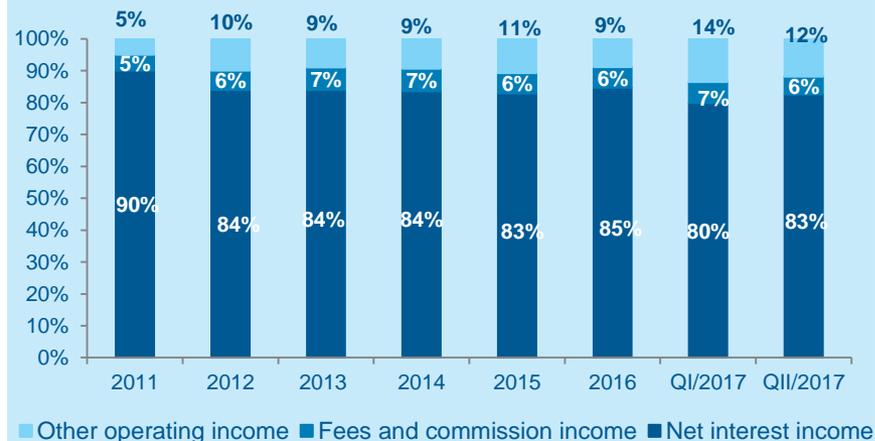


# Efficient financial results

## Profit before tax (USD, Mil)



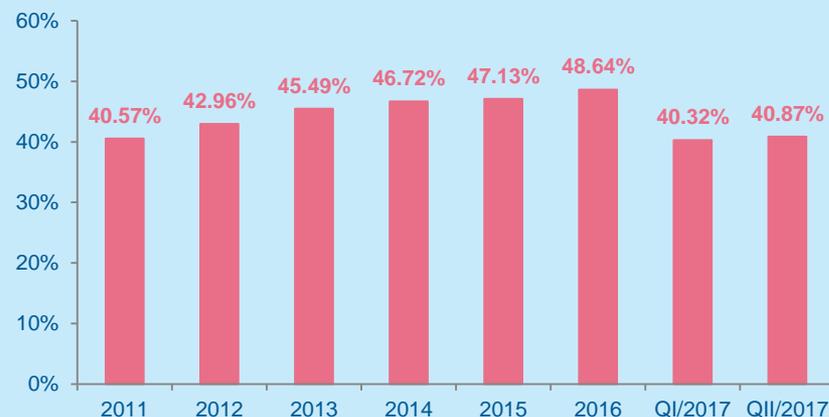
## Operating Income Breakdown



## Financial ratios



## Cost to income ratio

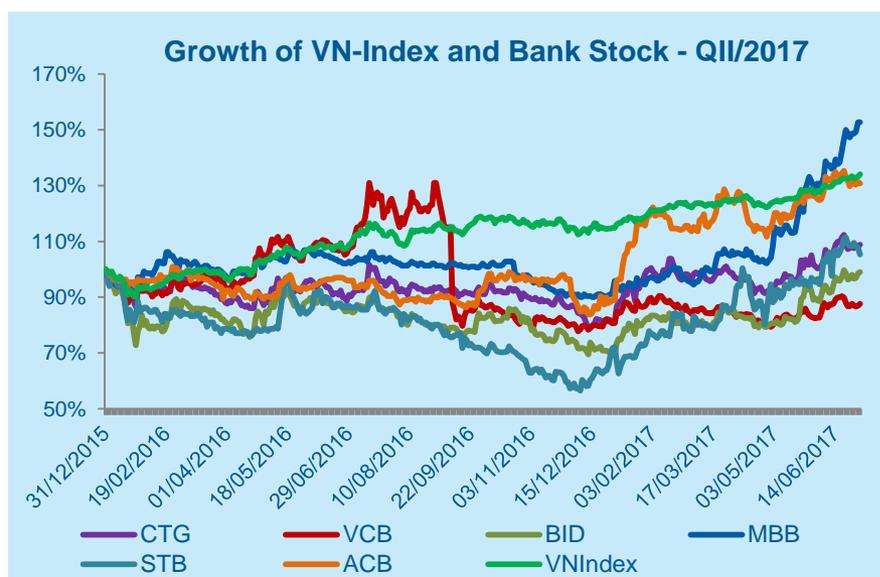
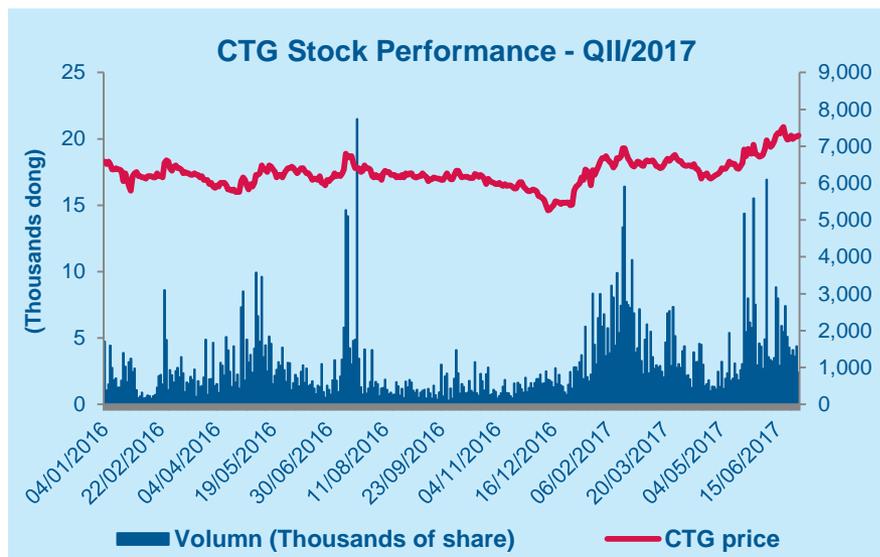


# Efficient subsidiaries

Subsidiaries		Chartered Capital as at 30/06/2017 (USD, Mil)	Percentage of contribution (%)	Profit before tax as at 30/06/2017 (USD, Mil)
VietinBank Lao Limited		48.77	100%	2.70
VietinBank Leasing Company Ltd		44.58	100%	2.51
VietinBank Fund Management Company Ltd		42.35	100%	2.37
VietinBank Securities Joint Stock Company		40.31	75.61%	3.69
VietinBank Insurance Company Ltd		22.29	100%	1.65
VietinBank Gold and Jewelry Trading Company Ltd		13.37	100%	0.23
VietinBank Debt Management and Asset Exploitation Company Ltd		5.35	100%	0.13
Global Money Transfer Company Ltd		2.23	100%	0.29

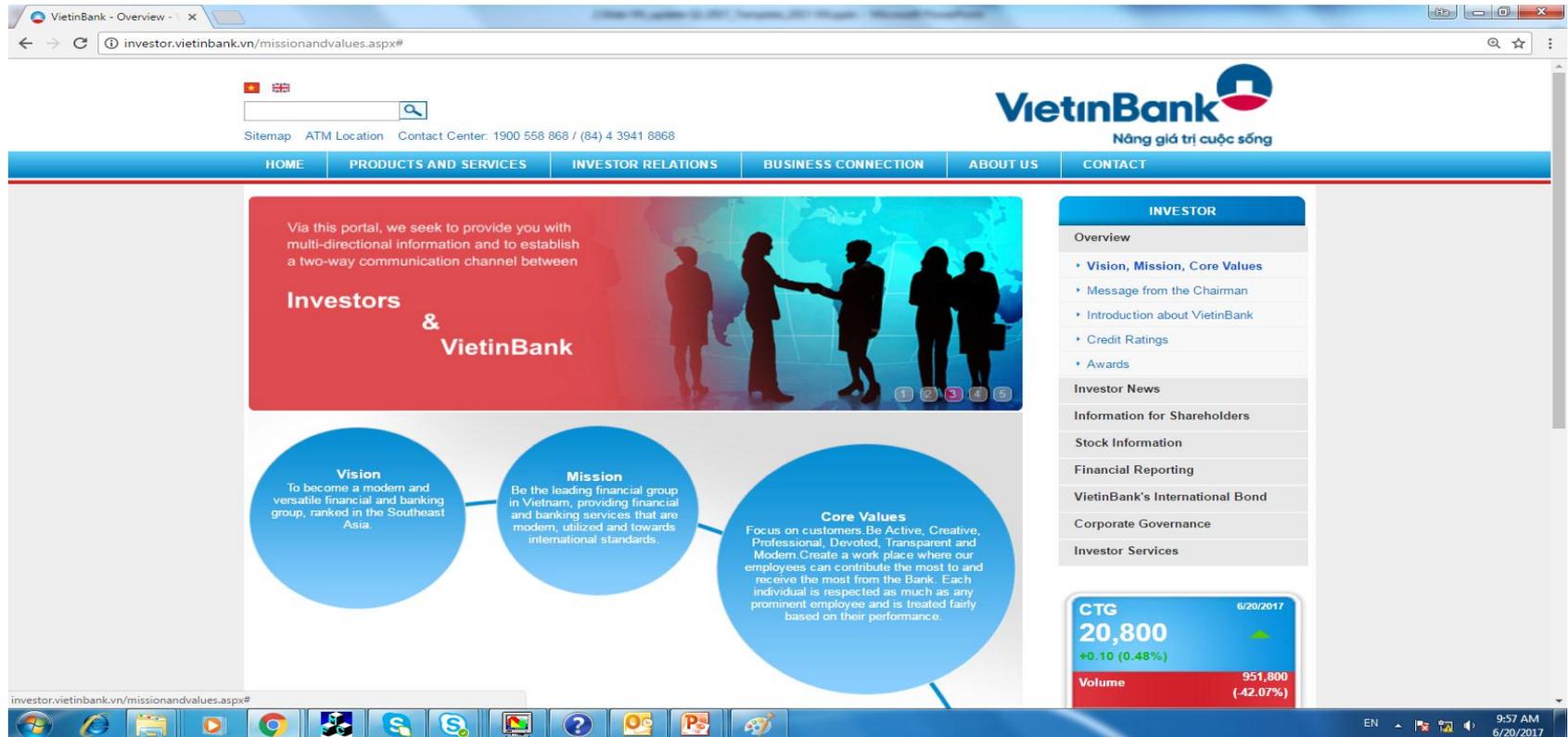
# CTG Stock Performance - QII/2017

	Value
The closing price on 03 <sup>rd</sup> April 2017	18,000 VND/share
The closing price on 30 <sup>th</sup> June 2017	20,250 VND/share
The highest prices in QII/2017	17,000 - 20,900VND/share
Volume	92,568,180 share
Trading value	1,769 Billion VND
The trading volume of foreign investors	Net selling 67,140 share
Foreign owned	30%
EPS	1,961 VND/share
P/E (30 <sup>th</sup> June 2017)	10.33x
BVPS	16,200 VND/share
P/B (30 <sup>th</sup> June 2017)	1.25x



# Website for investors

<http://investor.vietinbank.vn>



The screenshot shows the website [investor.vietinbank.vn/missionandvalues.aspx#](http://investor.vietinbank.vn/missionandvalues.aspx#). The page features a navigation menu with links for HOME, PRODUCTS AND SERVICES, INVESTOR RELATIONS, BUSINESS CONNECTION, ABOUT US, and CONTACT. The main content area is titled "Investors & VietinBank" and includes a introductory text: "Via this portal, we seek to provide you with multi-directional information and to establish a two-way communication channel between". Below this, three blue circles highlight the bank's Vision, Mission, and Core Values. The Vision states: "To become a modern and versatile financial and banking group, ranked in the Southeast Asia." The Mission states: "Be the leading financial group in Vietnam, providing financial and banking services that are modern, utilized and towards international standards." The Core Values state: "Focus on customers. Be Active, Creative, Professional, Devoted, Transparent and Modern. Create a work place where our employees can contribute the most to and receive the most from the Bank. Each individual is respected as much as any prominent employee and is treated fairly based on their performance." On the right side, there is an "INVESTOR" sidebar with a table of contents including Overview, Vision, Mission, Core Values, Message from the Chairman, Introduction about VietinBank, Credit Ratings, Awards, Investor News, Information for Shareholders, Stock Information, Financial Reporting, VietinBank's International Bond, Corporate Governance, and Investor Services. At the bottom right, a stock price widget shows CTG at 20,800 with a change of +0.10 (0.48%) and a volume of 951,800 (-42.07%) as of 6/20/2017.

*For further information, please contact:*

## **Board of Director Secretariats VietinBank**

Address: 108 Tran Hung Dao street, Hanoi, Vietnam.

Email: [investor@vietinbank.vn](mailto:investor@vietinbank.vn)

Tel: 84-4-3 941 3622

# Thank you!

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