

**JSC BANK FOR FOREIGN TRADE OF VIETNAM SOCIALIST REPUBLIC OF VIETNAM**

Address: 198 Tran Quang Khai St., Hoan Kiem, Hanoi

Business Registration No. 0100112437

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## **BOARD OF MANAGEMENT’S REPORT**

### **Overview of Business Environment**

In 2014, the world economy experienced many fluctuations, differentiation, complex shades. The domestic macro economy has had many positive changes: GDP increased by 5.98%; Low inflation, CPI increased by 1.84%; Industrial production changed positively, increase in inventory decreased; enterprises’ business development was improved. Other indicators such as exports and imports, FDI also had significant growth. In accordance with the orientation set by the Government, State Bank of Vietnam (SBV) has directed the banking system in order to coordinately and efficiently implement solutions for currency operation. Monetary policy in 2014 was effective in controlling inflation and supporting growth. By the end of 2014, fund mobilization from the economy increased 15.76%, total payment means increased 15.99% and credit increased 14.50% year to date.

With the motto of **Innovation - Growth - Quality**, and operating viewpoints **Agility - Aggressive - Connective** set out from the beginning in 2014, VCB has continued to demonstrate a pioneering role in implementing monetary policy of the SBV, significantly improve the efficiency of business operations, and actively participate in social welfare activities.

Under the authorization of the Board of Directors, CEO would like report to General Shareholders Meeting the business performance for the year 2014 and business plan for 2015 as follows:

### **Business Performance in 2014**

#### **1. Assessment of performance of business targets in 2014:**

Derived from the proper orientation of the motto action and operating viewpoints, in 2014, VCB completed or overcome the plan assigned by the General Shareholders Meeting and Board of Directors for key business indicators. Some key

indicators have following results:

- i. Fund mobilization remarkably grew; interest rates were flexibly adjusted, always maintained as the lowest in the industry; capital structure followed SBV's direction.*
  - Fund mobilization from the economy in 2014 reached VND 422,204 billion, an increase of 27.08% compared to 2013, higher than the industry's average (~ 15.8%). Fund mobilization has steadily increased in both corporate (23.18%) and individuals (30.66%) customers. Capital structure of corporate and individual customer ~ 46% - 54%, matched with the strategy to promote VCB's retail business.
  - In 2014, VCB was always proactive in reducing interest rates, maintained the lowest interest rates in the market; positively shifted capital structure in order to attract cheap capital; enhanced provision of payment services specializing in collect/payment for State Treasury and Social Insurance in order to attract capital from these organizations.
- ii. Credit had grown since the first months of the year, credit growth rate during the year was higher than that of entire sector; Credit structure transformed in the right direction; Outstanding loans focused on priority areas and good projects of large enterprises.*
  - Outstanding loan reached VND 323,332 billion, an increase of 17.87% compared to that of 2013. VCB's credit growth rate in 2014 was continually higher than that of the entire sector (14.5%).
  - Credit reasonably increased with large enterprises (by 13.32%) and SME (by 19.5%), and impressively increased with individuals (38.88%). The structure of credit portfolios continue to changed positively, adapting to strategic goals of VCB. Accordingly, the distribution of outstanding loans: 16.00% of individuals, 15.02% of SME and 68.98% of large enterprises. The structure of debt by maturity was stable as 2013.
- iii. NPL was controlled; finance ratios was secured*
  - Credit risk management was often focused attentively. Special mention loans by 31/12/2014 was VND 17,347 billion, decreased by VND 5,412 billion compared with 2013 (~ 23.78%). Special mention loans ratio was 5.36%, decreased by 2.94% compared with 2013. Outstanding of bad loans at

12.31.2014 was VND 7,459 billion, NPL ratio was 2.31%, decreased by 0.42% compared with 2013, lower than the limit of planed rate (3%).

- NPL collection in 2014 reached VND 2.460 billion, increased by 39% compared to 2013. In which, the collection of group 5 debt (loss loans) accounted for 40% of total bad debts collection.
  - Capital adequacy ratio (CAR) ~ 11.61%, meet the regulations of SBV (minimum 9%). The ratio of allowance for credit risk to NPL was maintained at a high level (~ 98%).
- iv. *Collection of written-off debts and debts sold to VAMC achieved positive results had a breakthrough at the end of 2014 due to VCB's aggressive direction and operation.*
- In 2014, collection of written-off debts reached VND 1,905 billion (recorded in income was VND 1,768 billion, in which, VND 1,420 billion was collection of written-off debts using provisions, VND 357 billion was collection of debts sold to VAMC), reaching 147% of target 2014 (at 1.200 billion recorded in income).
- v. *Service businesses remarkable grew and almost reached planed target*
- Export-import payment volume reached USD 48.14 billion, increased by 15.79% compared to 2013. VCB's market share in export-import payment reached 16.32%, rose by 0.7% compared with that of 2013.
  - Sales of foreign currency trading (excluding interbank transactions) reached USD 28.9 billion, increased by 9.8% compared with 2013, contributing significantly to the income of the bank.
  - Remittance transaction service reached USD 1.35 billion in 2014, rose by 5% compared with 2013.
  - VCB's operation of payment, card issuance and use had good growth compared to 2013. Many indicators had strong growth and exceeded 2014's targets.
  - SMS Banking, Mobile Banking and Internet Banking impressively grew compared to 2013 (respectively 31%, 70% and 24%), exceeding 2014's targets (respectively 123%, 116% and 113%).
  - International credit fund business continued to be focused on developing. Marketing activities were reinforced; hence, made favor condition for

promoting scale, sale and operational efficiency, significantly contributed to business results of VCB. In 2014, the total value of international credit fund projects, which VCB was assigned, reached USD 1.55 billion.

vi. *Profit before tax, before provision impressively grew compared to previous year, exceeded the plan's target; credit risk provision increased by 29% over the previous year.*

- Profit before tax, before provision of VCB in 2014 reached VND 10,442 billion, increased 12.73% compared with 2013. VCB had deducted VND 4.566 billion in provision, increased 29.7% compared with that of 2013.
- Profit before tax, after provision of 2014 reached VND 5,876 billion, rose 2.32% compared to 2013. Net income from interest increased by 9.20%, net income from service increased by 9.32%.
- Employees' welfare was guaranteed with new celery unit was approved, at VND 350 copper for each VND 1,000 of income/payment gap (compared with VND 330 for each VND 1,000 that of 2013).

vii. *Profitability ratios improved.*

- Return on average assets ratio (ROAA) and return on average equity ratio (ROAE) reached respectively 0.88% and 10.76%.
- NIM maintained at 2.35% in 2014.

## **2. Performance in 2015 and corporate governance.**

With the goal of becoming the leading bank in Vietnam, having influence in the region and standing in top of 300 largest banks by the year 2020, key task of VCB is to build a modern banking management system, sustainable development according to international practices and standards. Therefore, in the 2014, VCB is gradually preparing its foundation to create a breakthrough in the near future, namely:

### **2.1. Demonstrate proactive role and position of the leading bank in Vietnam banking system.**

*i. Seriously stick and implement undertakings, guidelines and policies of Government, SBV; perform and complete the assigned tasks, contribute to macroeconomic stability and promote economic growth.*

- In 2014, VCB was always proactive and pioneer in reducing deposit interest rates in to the lowest in the market; hence, made favor condition for reducing lending interest rate, the lower interest rates; contributed to support, reduce

difficulties in business of enterprises.

- Focused on deploying preferential loan interest rates packages for five priority areas, social house loan under the direction of Government and SBV. Total loans to priority sectors accounted for over 40% of total loans.

*ii. Actively implementing solutions to support enterprises and to promote economic development.*

- Concentrating on the disbursement of major lending programs oriented by the Government and the State Bank of Vietnam; expanding the size of interest preference lending programs to support clients; actively participating in the Bank - Enterprise Connecting Program launched by the State Bank of Vietnam to provide enterprises the opportunities to approach lending funds.
- Actively implementing solutions to support enterprises; considering of restructuring the date of repayments to help clients to maintain production and business, in accordance with the Decision 780/QD-NHNN and Circular 09/2014/TT-NHNN.

*iii. Seriously implementing the policies of the Party and the Government about enterprise restructuring, reorganization and renewal.*

- Based on the Restructuring Scheme toward 2015 of VCB signed by the State Bank of Vietnam in the Decision No. 39/QD-NHNN, VCB has launched the plans to actively implement the restructuring solutions.
- Actively reviewing and restructuring to improve the performance of branches. In 2014, 10/13 branches in the restructuring project of VCB have reduced their non-performance loans both in value and in ratio. Among 11 branches in the developing project, there are 8 branches increasing their market share.

## **2.2. Flexible, drastic and connecting in business administration**

*i. Innovating the business administration following to the plans; evaluating plans closely and regularly; solving problems and difficulties of branches.*

- In 2014, the board of management regularly has business trips to seven key economic areas to supervise and to push branches to implement the plans.
- In the first step of establishing, delivering and evaluating plans for branches and Departments/Centers of the Head Office.

*ii. Enhancing the customer relationship and stressing on coordination with ministries and localities to implement the Resolution of the Government and to support the business activities of VCB.*

- Signing the agreements with huge corporations and holdings to enhance the reputation, brand name as well as contributing to the development of VCB.
- Stressing on the coordination with ministries and localities to implement the Resolutions of the Government, the Programs of Ministries as well as taking the advantages of their supports to VCB's business.

*iii. Credit growth together with credit quality control*

- Regularly following up and evaluating potential clients, especially clients with huge short-term loans or in-year reduced loans in order to take timely solutions to achieve planned credit growth.
- Concentrating on supervising branches to assess the risks of customers, industries and the potentiality of credit growths in regions.
- Conducting risk management reports in accordance with customers, industries and defining clearly the key customers and industries to keep and increase market shares.

*iv. Connecting closely among involved parties to make the positive changes in handling bad debts*

Supervising regularly and assessing comprehensively the portfolios of non-performing loans to estimate the amount, tools, progress and responsibility of recovery; urging branches to focus drastically on handling and recovering non-performing debts; actively supporting and coordinating with branches in handling difficult cases.

*v. Strengthen customer-relationships with the State Treasury and the State Insurance*

In 2014, VCB opened up many accounts of authorized collecting, depositing and paying for the State Treasury and the State Insurance. Accordingly, VCB has opened 20 accounts for the State Treasury (17 accounts activated and 3 accounts in process) and 52 accounts of authorized collecting for the State Insurance.

*vi. The activities of supervising and controlling have been covering all fields of VCB's business and the quality of recommendations and recognitions has been improved*

Internally auditing departments in the Head Office and branches as planned or required; timely recognizing the issues and problems, then raising recommendations to ensure the safety in VCB's operation.

*vii. The human resource management has been improved positively with the quality and the quantity of training courses*

- 104 training courses have been hold (increasing 92.5% compared to the same period last year) for 5,104 employees (increasing 30,07% compared to the same period last year) to enhance the quality of VCB's human resource.
- The regular circulation of staff in both the Head Office and branches motivates all employees to develop and improve their results.
- In 2014, the project of constructing the new Training Center Building was approved, showing the concern of the Board of Management for training activities and human resource development.

*viii. Focusing on infrastructure and other activities*

- The activities of searching and investing in infrastructure for branches and transaction offices have been highlighted. In 2014, there were 13 projects of constructing new offices and 14 projects of maintaining and fixing in-use offices finished.
- Applying the system of Video Conference and taking advantage of this system in activities of administration and management of the BOD, BOM, and departments in the Head Office to branches.
- Successfully holding the annual and extraordinary Shareholders' Meeting in 2014.

### **2.3. VCB continues innovating to change**

*i. Gradually completing the organizational model, expanding network and strengthening human resource management.*

- Implementing the senior personnel to improve VCB's executive management. In 2014, VCB observed the personnel change in the highest level (Chairman of the BOD and CEO) as planned and following to the culture of VCB.
- Completing the organizational model in the Head Office with the establishment of FDI Department, the appearance of Corporate Department based on the merge of Corporate Department and Project Financing Department, the starting of Trade Financing Center, the splitting of Treasury Management Department into ALM Department and Treasury Department, etc.
- Establishing 10 new branches in Hanoi, Langson, Laocai, Binhduong and Dongnai. Until now, the number of VCB's branches is 90 national wide.
- Enhancing the personnel management; rational using of the current human resource, limiting the growth of labor's number; circulating and training staff.

*ii. Implementing the projects of changing and enhancing the competence of management.*

- Urgently implementing the project Basel II to manage risks under the international practice and to meet the demand of VCB restructuring scheme approved by the State Bank of Vietnam.
- With the initial results applied in managing the Retail Division, the project MIS is expected to implement in all divisions.
- The project KPIs has been built for all units and individuals to assess their performance. It's a basis to improve and complete the policies of remuneration and to motivate employees.

A lot of tasks have been conducted, such as: the new salary policy, KPIs for individuals in the Head Office and branches. Based on the results of KPIs for departments/centers in the Head Office, the business plans for all units will be built and be delivered in 2015.

- VCB is highly focusing on the project of changing wholesale credit model and in the process of looking for consultants.
- Preparing for implementing the project ALM-FTP-MPA with the target of improving treasury management in VCB.
- Being a pioneer in compliance with FATCA and in the first step of implementing in VCB.

*iii. Tightening and promoting the cooperation in business and technique with Mizuho*

- Sessions on technical assistance of Mizuho has been maintained periodically and purposely. There are some outstanding activities such as: Supervision and experience exchange in Money Laundering activities, staff training and human resource management, FI customer management, corporate financial analysis,...; Supporting based on usually discussing and commending about PD/LGD, VaR,...
- Promoting Strategic co-operation with Mizuho in developing FI customer bases, stimulating transaction, expanding retail banking services and FDI Japanese customers.

#### **2.4. Social welfare has been transformed and stimulated.**

- In 2014, VCB has successfully established the competition: “The youth’s thoughts and actions before the innovation, development and integration of Vietcombank”. The competition has attracted 1,945 submissions and 3,605 youths. The submission “VIETCOMBANK SMART OTP” has successfully won the first



prize of VCB youth organization and has been appreciated in Festival “Youth Creativity” nationwide for the fifth in 2014 held by National Youth Group.

- In addition, VCB Youth Group has donated 4 billion VND in many activities: “Love and support for National Border and Island”; establishing social welfare programs in Coto island, Quang Ninh Province; celebrating “Blood donation” festival to collect 153 blood units; establishing Youth supporting activities in rural areas including Kien Giang, Tra Vinh, Soc Trang province,...
- In 2014, VCB Party Unit continues to launch the program: “VCB Staff and Relatives using products and services of VCB”; Staff and Party members in VCB actively using VCB products and services, and persuading relatives to using VCB products and services, contributing to the successful business plan of VCB, and also promoting, introducing VCB products and services to customers. That program has been granted: “Great Outstanding Party in establishing the program Vietnamese using Vietnam products and services” in the period 2009 – 2014 by State Enterprise Party. Besides, according to the Decision No 3 of The Political about the Program of living and working following the Great Ho Chi Minh, VCB Communist Party has implemented the Plan No 53-KH/DU in 2014: “Following the Great Statue of Ho Chi Minh in high responsibility in preventing Individualism and “ Do as I say” program”

## **2.5. Actively participate in social welfare programs to support the community**

- VCB has contributed 148 billion to the social welfare programs in 2014, including: donate to “The day for the Poverty”, the program “Hand Connecting”, supporting the hardship districts, financing the electricity project for Coto island; funding a cancer hospital in Da Nang; funding an education center for orphans and a nursing home for the elderly in An Giang province; funding for primary schools and clinics in Ninh Binh province and 06 other schools in Hue City, granting 1,000 scholarships for program: “Flying higher, dreaming further” and “Companion to the School”,...
- With all the achievements in 2014, VCB has granted many great prizes by some national organizations and international institutions such as: (i) “Best bank in Vietnam” by Alpha Southeast Asian; (ii) “Top 50 enterprises listed in Vietnam stock market” by Forces; “The best retail bank in Vietnam 2014” by The Asian Banker; (iv) “National brand name” for the fourth year by Viet trade promotion agency and Ministry of Industry and Trade; Vietcombank was one of the top 10 in

1,000 Biggest Income Tax Payment Enterprises in 2014; (iv) The first commercial bank granted ISO/EIC 27001:2013....

### **3. DIFFICULTIES AND WEAKNESSES**

Regardless of achievements, there still remains some difficulties and weaknesses in the operation of VCB that need to be fixed and tackled:

#### **3.1. Weakness in business activities:**

##### *i. Unsustainable credit growth*

- Credit growth increases unsustainably in every month; increase moderately in the first few months and accelerate in the last few months of 2014.
- Foreign exchange credit growth increases remarkably (26.10%) while VND credit growth increases less (15.03%), which leads to the percentage of foreign exchange credit rises from 24% to 25.7%.

##### *ii. Incremental capital, especially in VND is still low*

- Capital mobilization mainly increases in VND (30.46%) while capital mobilizations in foreign currency increases lower (12.7%). Capital mobilization and credit growth in VND and foreign currency are contradictory.
- Loan to deposit ratio LDR in VND is still low (77.13% compared to 83.03% in 2013) while LDR in foreign currency is quite high.
- Credit quality is still low in some customer groups and some branches, collecting written off non-performing loans is still lower than planned.

##### *iii. Market share of VCB's export-import payment activities has been improving gradually, but still contribute moderately to revenues*

- Market share of VCB's export-import payment activities has been improving gradually but the improvement is still moderate, the growth rate of revenues from export-import payment activities (~11%) are disproportionate with the growth rate of sales from export-import payment activities (~16%).
- Even though the growth rate of sales from export-import payment activities is higher than that of 3% whole country, it is still lower than 18% and just only reaches 98% business plan.

#### **3.2. Weakness in business management**

- The implementation of some motivation mechanism is still slow.

- Doing research to establish FDI department/FDI specialized team in some potential branches has not yet timely.
- Reviewing, amending, optimizing the organizational model, the functioning of departments in Head Office and branches is slow.
- Some projects to improve administrative capability including ALM-FTP-MPA, the progress of Core-banking project, Capital construction project has not yet speedy compared to business plan.

## **BUSINESS PLAN FOR THE YEAR OF 2015**

The world economy has been forecasted to be more optimistic in 2015 according to some regulatory encouragements in economic policy framework and the steady economic recovery of America. GDP growth of the global economy is forecasted at 3.7% in 2014 and 3.9% in 2015. However, the world economy in 2015 would be classified and continue to be in complicated situation: the Japan economy and Europe economy recover slowly, the growth rate of China economy decreases considerably....

Vietnam's economy in 2015 is forecasted to have higher recovery than that in 2014 and possibly reaches the growth rate of 6% - 6.2%. The government has drastically set out the need for improvement of business environment and there will be positive improvement in almost all economic indicators in the first half of 2015. The inflation rate in 2015 is forecasted to be lower than 5%.

In 2015, the State bank of Vietnam will focus on controlling strictly credit growth rate and credit quality of the financial system in general and that of each institutions in particular, in order to stimulating economic growth and creating a reasonable, effective credit growth guidance, in accordance with targets of economic growth and the macro economy. Hence, monetary policy in 2015 aims at guaranteeing stabilized exchange rates with fluctuation less than 2%, towards a target of credit growth at about 13% - 15%, payment growth at 16%-18%. SBV will continue to implement drastically financial institutions restructuring and non-performing loan handling: the plan for merger and acquisition of all financial institutions in restructuring form (6 – 8 institutions) will be finished before June, 2015, and will supervised by national commercial banks and some big joint stock commercial banks; co-operate with other related ministries, departments in order to promptly resolve all difficulties and challenges related to collateral and handling loans activities, controlling bad debts under 3%.

## **Business determination and main concentrations of Vietcombank in 2015**

The motto of 2015 is “*Acceleration - Efficiency – Sustainability*” and the management philosophy: “*Drastic – Connecting - Responsible*”, Business orientation of Vietcombank in 2015 is: *Following to Vietcombank’s business strategy for the period of 2011 - 2020, and the 2013 – 2015 restructuring scheme project for in-depth growth of Vietcombank, considering quality and efficiency is the core value while strictly following international standards in operation.*

*Targets in 2015 are: (i) Continue to consolidate and develop customer base, increase market share; (ii) Controlling quality of assets; (iii) Guaranteeing safety in business operation and growth rate in 2015 higher than that in 2014; (iv) Implementing management improvement projects, creating the foundation for a new developing stage.*

### **Some primary business targets for the year of 2015**

	<b>Items</b>	<b>Target of 2015</b>
1	Total assets	Increase by 11,5%
2	Loan outstanding	Increase by 13%
3	Deposits from economy	Increase by 12%
4	Non-performing loans	Under 2,5%
5	Profit before tax	VND 5,900 billion

### **Key tasks in 2015**

**1. Considering customer relationship activities as a main task; stimulating customer relationship activities as the foundation to boost business operation in 2015 and the next years.**

Customer relationship activities are one of the primary and throughout task in 2015. Continue to increase the market share of loyal customers; focusing on customers with strong financial records, low risk, be able to bear risk throughout suitable programs/products; especially reaching good-quality customers listed in stock market; strengthen relationship with FDI enterprises.

**2. Continuously stimulating credit growth in parallel with controlling credit quality and strict lending requirements.**

- Stimulate credit growth higher than the average of financial system; Promoting credit growth by customer services and products without lowering lending requirements; focusing on growth rate throughout the period.

- Maintain credit growth guideline to wholesales customers and credit growth rate to retail customers at least more than 30%, in order to become the leading retail bank in Vietnam.

### **3. Actively implement every solution to collect written-off non-performing loans**

- Increasing review and evaluation credit quality at branches and the Bank, directing the branches with low credit quality to focus on collecting doubtful loans.

- Analyzing permanently classification of loans, setting provisions according to the law; thereby proposing solutions to control credit quality and keep the non-performing ration under 2.5%.

### **4. Implement capital mobilization solutions synchronously and effectively, actively balance the mobilization and use of capital on the principle of ensuring liquidity and effectiveness; continuously promoting change the structure of capital mobilization to increase stable and cheap funding.**

- Ensuring reasonable capital mobilization – use of capital ratio, complying strictly with the instruction of the government and the SBV.

- Adjusting flexibly the interest rate of stable demand deposits, encouraging making motivation for branches to change the structure of capital mobilization to increase stable and cheap funding.

- Promoting marketing and approach to donors, Project Management Offices as well as agencies to help VCB have opportunities to become the bank serving new projects with international funding resources implemented in 2015.

### **5. Promote retail banking and card services; implement the strategic objectives by 2018, becoming the market leader in retail banking.**

- Increasing sales of key products in 2015, including loans to individuals, internet banking and local cards; promoting sales activities through business development committee, sales competition, and continuously giving Telesales through VCC a trial.

- Enhancing administrative capacity of retail banking sector: innovating the structure of selling towards increasing sellers, decreasing operations; innovating transaction methods and branch concept, minimizing the time of approval.

## **6. Promote treasury and foreign currency trading; Enhance the quality of services, improve market share in trade finance**

- HO departments and branches need to closely follow the given targets, ensuring to complete results of foreign currency trading; strengthening treasury trading; maintaining the role of the leader in the field of the treasury trading.

- Preceding actively the solutions for strengthening, stabilizing and increasing market share in trade finance, payment and remittance services.

- Promoting retail banking services and card businesses, focusing on developing modern banking services in order to improve stably non-interest income and income from retail banking services.

## **7. Review and consolidate the performance of VCB's subsidiaries to enhance the investment efficiency**

- Managing proactively the investment portfolio; focusing on investing on the growing- fast and stable industry. Investment and wholesale credit activities need to connect well to each other.

- Reconstructing VCBL towards improving the efficiency and quality.

- Preparing conditions to change the property structure of some subsidiaries, including calling foreign investment for joint stock investment.

## **8. Plan for establish M&A based on undertakings approved by General Shareholders' meeting, take part in restructuring procedure in order to increase the scale and efficiency of VCB towards becoming the leader in banking system in Vietnam.**

## **9. Concentrate resources on implementing successfully enhanced administrative capacity projects in time with high quality.**

- Implementing synchronously solutions of the restructuring plan approved by the SBV under the Decision No. 39/QĐ-NHNN; focusing especially on enhancing administrative capacity to achieve international standards by (i) optimizing MIS project for the whole system; (ii) applying Basel II standards; (iii) extending Development of reward policy and performance assessment system (KPIs) with some components such as fulfilling individuals KPI, implementing KPI for departments and individuals at branches, as well as completing the reward policy and other remuneration; step by step implementing planning based on KPI for branches and departments in HO.

- Standardizing gradually the internal capital sources management, treasury trading, allocated cost-revenue based on product and customer line as well as planning followed the international practices by implementing seriously ALM-FTP-MPA projects in 2015.

- Reviewing Core banking Project and applying the supported information technology system for business activities, the risk management system for card businesses; renewing V-treasury; completing and applying the new trade finance system within the frame of concentrated Trade finance Center Project.

#### **10. Complete the organizational model, consolidate the organization and develop the branch network**

- Standardizing the organization of Vietcombank from HO to branches as well as improving the functioning of branches.
- Implementing the concentrated models of credit management, trade finance and internal inspection and control.
- Planning the route and preparing necessary conditions for opening new branches in some cities.
- Establishing FDI customer Department at branches in locals like Ho Chi Minh city, Binh Duong...
- Arranging the human resources towards increasing sellers; optimizing guidebooks and enhancing assessment, planning, training and staff turn-over in the system in order to ensure the quality of the staff.

#### **11. Complete procedures and regulations to create legal framework and increase support for business activities**

- Reviewing and completing the credit regulations and procedures. Optimizing and promulgating Regulations of staff management, motivation mechanism.
- Documenting all the procedures and policy of establishing, implementing and assessing business plans annually.

#### **12. Others**

- Sticking to the direction of the superior Party unit as well as the SBV on the organization of the Party congress at all level for the tenure of 2016-2020. Guidance the bank minor party unit to organize the party congresses at fundamental levels.

- Implementing seriously the capital construction projects, information and technology investment and office purchase, ensuring the time and quality in order to make favorable conditions for business activities.
- Enhancing public relation towards renewing the image of VCB's trademark and improving the efficiency, focusing on the internal communication.
- Improving cooperate cultural, connecting spirit, sharing and responsibilities among branches and individuals in the system to create the internal unite and strengthen the competitiveness.

**ON BEHALF OF THE MANAGEMENT BOARD  
GENERAL DIRECTOR**