SOCIALIST REPUBLIC OF VIETNAM

Independence - Freedom - Happiness

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REPORT OF THE BOARD OF DIRECTORS
PERFORMANCE FOR TERM 2014-2019 AND PLAN FOR THE TERM 2019-2024

Attention to: **General Meeting of Shareholders of the Military Commercial Joint Stock Bank**

Part I. Review of performance for the term 2014-2019

1. Briefing on world economy and Vietnam economy

For the period 2014-2019, the world economy has gained recovery after financial crisis 2008-2012. However, some challenges still existed such as interest rate increased by Fed (2015) after 10 years of stable interest rate, oil price crisis, shale oil crisis (2016), UK leaving the EU (Brexit 2016), US-China trade war, and devaluation of regional currencies (2017-2018). The world economy started showing signs of prosperity from 2017-2018 with positive economic growth in the US (2.7–2.9%), EU (2.5-2.7%), Japan (1.2-1.7%) and Asian countries (including ASEAN countries).

Vietnam economy after the international financial crisis has returned to stable growth, GDP increased by an average of 6.5% per year, and the year 2018 reached 7.08% that is the highest within 10 years. Inflation has been controlled strictly below 5%. Budget deficit has shrunk; export has grown strongly and resulted in a trade balance surplus. The Government implemented many breakthrough solutions to promote private economic development, and administrative reform, creating a favorable business and investment environment.

Banking industry's activities have changed positively. The State Bank of Vietnam (SBV) directed many drastic policies in restructuring credit institutions to improve banking efficiency and better risk management, namely bad debt controlling, application of new regulations on the management of credit institutions and international practices on governance. The monetary market and interest rates have been stable; credit growth has been controlled reasonably. The foreign exchange market and exchange rate are stable, reducing dollarization. The process of restructuring credit institutions and dealing with bad debts has been drastically implemented, with a legal documents such as Resolution 42/2017/QH14 and Decision 1058/QD-TTg, bringing the bad debt ratio down sharply from 17% (in 2011) to below 3%.

2. Actual performance of the Board for the term 2014 – 2019

2.1. Strengthen the governance model and Improve corporate governance capacity

MB's Board of Directors for the term of 2014 - 2019 was elected with 11 members. The current membership is 10 members, including 5 permanent/full-time members, 4 non-executive members, and 1 independent member. In the term, there was 2 members dismissed (due to receiving senior position of the State or changing the representative) and 1 additional elected members (representative of SCIC).

The quality of governance is of high standards by inheriting multi-industry management experience from full-time Board members who are managers of MB from the early days of establishment, and from BOD members who are the senior managers, chairman, CEO of leading enterprises such as Viettel Military Industry and Telecommunication Group, State Capital Investment Corporation SCIC, Corporations Saigon New Port, Vietnam Helicopter Corporation, and May 28 Corporation.

Management and supervision capacity of the Board of Directors kept up with the operation of MB. During the period, the Board and the Committees (Risk Management Committee, Credit Committee, Personnel Committee) actively organized quarterly or extraordinary meetings; The Standing Board of Directors organized regular meeting weekly and monthly, and worked directly with units to deploy tasks based on the work plan assigned by the Board from the beginning of the year, in order to provide appropriate direction for MB business development.

The BOD coordinated regularly with the Supervisory Board to supervise the activities of the Board of Management and Representatives at subsidiaries, organized comprehensive and unexpected inspection and audit programs on units of MB and subsidiaries, in accordance with legal regulations, proactively coordinated with management units to supervise the legal entities, comprehensive audit, and transparent information.

Regarding the performance of the CEO and members of the Executive Board (Vice CEO, CFO and equivalent titles) in the period of 2014 - 2019, the management tasks have been implemented in accordance with the direction and orientation of the Board, and in accordance with the law. Business capacity and bank governance have been improved, creating some positive breakthroughs when implementing strategy. Coordination among members has been promoted, especially in cross-selling product and service packages to customers, taking advantage of scale.

MB's Board of Directors has focused on improving the corporate governance mechanism, on the basis of complying with legal regulations, towards international practices, approved by shareholders and clearly defined in the Charter and internal management regulations of MB.

During the period, the Board completed the Regulation on organization and operation of the Board of Directors, Standing Board of Directors, strengthening the organization of activities, assigning personnel in charge of Assistant Committees for the Board (Risk Management Committee, Personnel Committee, Credit Committee), directing to adjust/improve and implement the information reporting regime for the Board. Information disclosure regulations and shareholders' information and shares management regulations have been revised / updated in accordance with advanced laws and management practices.

The BOD directed the enhancement of MB's organizational model and the subsidiaries in the direction of concentrating, reducing intermediaries, and saving resources for the system. Functional-focused-model has been implemented basically, objectively, and transparently, controlling risks well and bringing about high efficiency.

The use of remuneration and operating budget of the Board of Directors and Supervisory Board has been always within the limit approved annually by the General Meeting of Shareholders. Members of the Board of Directors and Supervisory Board are entitled to remuneration, salary, bonus and other benefits according to the actual results, and the annual business results of the

Bank, in compliance with the MB Charter, MB's internal regulations on salary/remuneration, and relevant current regulations.

2.2. Orientation to implement strategies and business plans

The period 2014 - 2019 is very important since it is the turn point of completing the implementation of the 2011-2016 strategy, and start to implement the strategy for the period of 2017-2021 with new challenges and opportunities.

During this period, the Board of Directors (BOD) directed the successful implementation of strategic objectives for the period of 2011-2016 with the goal to become a "convenient bank" and among "TOP 5 commercial banks" in terms of efficiency with the motto of safe and sustainable development and respecting the law and regulation. MB has implemented 22 strategic initiatives with 3 pillars (community-based banking, transaction banking and professional banking) and 2 leading risk management foundations (Excellent Risk Management and Fast Execution Capability).

In 2017, the BOD directed the review of lessons learned to inherit and supplement to the strategy for the period of 2017-2021, with the goal of "becoming the most convenient bank" and maintaining the position "Top 5 commercial banks on business efficiency and safety". Four key strategic moves that are defined to achieve that goal are Digital banking, Strengthening customer relations, Improving risk management capacity, and Effective management of subsidiaries. Under the impact of the industrial revolution 4.0, BOD also has identified new trends in the banking industry that is the increase in competitiveness from non-banking companies such as Fintech companies, consumer finance companies, telecommunication network, non-bank electronic payment intermediaries.

In the period of 2014 - 2019, MB maintained a higher growth rate than the industry average on all indicators such as scale, quality, efficiency and labor productivity. Total assets increased by 1.8 times, Customer loans increased by 2.1 times, revenue and profit before tax increased by 2.4 times, and the total number of customers reached 3.8 million (increased by 2 times compared to 2014), attracting more than 8 million users using digital channels, profit before tax per person (bank only) increased by 59%. The NPL ratio is controlled below 1.35%. ROE maintained over 15%, in 2018 approximately 19.04%. The bank's position has been enhanced, and ranked A grade (highest grade) in many consecutive years under ranking system of State Bank of Vietnam. The credit rating of MB has increased from B2 to B1 according to international ranking system of Moody's.

Table 1 – Business performance result for the period 2014 - 2018

Unit: VND billion

TT	Indicators	2014	2015	2016	2017	2018	CAGR
1	Total asset	200,489	221,042	256,258	313,878	362,325	15.9%
2	Charter capital	11,594	16,000	17,127	18,155	21,605	16.8%
3	Deposit	167,609	181,565	194,812	220,176	239,964	9.4%
4	Loans	100,569	121,349	150,738	184,188	214,686	20.9%
5	Profit before tax	3,174	3,221	3,651	4,616	7,767	25.1%
6	NPL	2.73%	1.61%	1.32%	1.20%	1.33%	
7	Total employee (specific point in time)	6,939	7,810	10,656	13,094	15,233	21.7%

Note: For reference only. This is not an official translation.

8	Transaction point with license	223	253	268	285	299	7.6%

Source: Audited Financial Statement 2014-2018

During the term, the BOD directed the completion of a multi-purpose financial group model. MB is proud to be one of the institutions with full financial services to meet the needs of individuals and organizations. MB has 6 subsidiaries in the following areas. First, Life insurance (MB Ageas life), which is a joint venture between MB with Europe's leading insurance group, ranked 8th in terms of size and 2nd in terms of bancassurance after 2 years of operation. Secondly, non-life insurance company (MIC) ranked 6th in the market in terms of market share. Third, consumer finance company (MCredit) is a joint venture with Shinsei Bank of Japan and ranked 4th after 2 years of operation. Fourth, Securities Company (MBS) ranked 5th in the market. Fifth, the fund management company (MB capital) is the market leader on ROE efficiency. Sixth, Asset Management and Debt Management Company (MB AMC) operated effectively in collecting bad debts.

During the term, BOD also directed the restructuring subsidiaries, building strategies for each subsidiary in accordance with the group strategy, completing the management model through representatives and Supervisory Board, strengthening management personnel and internal governance regulations of each subsidiary, and enhancing cross-selling cooperation within the group. Accordingly, by the end of 2018, all subsidiaries has completed restructuring with high efficiency business results in which total revenue was over VND 7,000 billion and profit was around VND 715 billion, accounting for over 9% of the Group's profit.

With in-depth investment orientation for technology, the BOD directed to cooperate with IBM to develop IT strategy and implement IT modernization project, establish the Digital Banking Division on the basis of the Digital Bank project, develop many high-tech products and services such as MB Facebook Fan-page which was created through cooperating with Facebook to deploy banking and financial services via social network, APP MBbank which is digital application for individuals on phones, and build up effective risk management projects etc., contributing positively to MB's profit growth, and ensuring system safety and security.

2.3. Implementation solutions

Build and perfect retail business model in accordance with orientation MB's development strategy:

In the period of 2014 - 2019, the Board of Directors directed to complete the retail business model in accordance with the Strategy orientation in which prioritized products on digital channels (App MBbank, e-banking for corporate customers...). By the end of 2018, MB developed more than 2.6 million active users. Card business model has also been developed with 500,000 new cards were opened in 2018, accumulating 1 million Debit / Credit cards.. Innovations of methodologies and product development, digitalization of sales tools (CRM, Smart RM) simultaneously deployed. In addition, MB developed and broadened many business lines such as foreign exchange transactions in the international market, e-wallet and investment in bond futures contracts. At the same time, MB deeply exploited the customer database through the integration with specific products of subsidiaries in the field of securities, fund management, insurance. Accordingly, bancassurance revenue reached VND 1,213 billion, ranking second in the market.

Improve the capacity of the IT system, ensuring modern, advanced, capable system to deploy digital banking products

The BOD has directed comprehensive investment and improved IT infrastructure capacity to serve business operations and ensure safety and security. With the goal of turning MB into the leading IT system bank in Vietnam, the BOD has strongly directed the use of many technology applications to all operations and processes. Typically, upgrading the R16 version T24 system with many outstanding features reduced the running time and closing time to 3:30 minutes, the lowest among commercial banks with equivalent scale. Upgrading technology systems (BPM, DC, DR ...) increased transaction processing capacity by 400% and increased the availability time of core system to over 99.9%, contributing to improve the quality of customer service.

Improve risk management infrastructure and capacity, and control risk strictly

With the goal of "strict risk management", the Board has directed to improve the full-scale risk management framework towards the best practices of the Basel, COSO, and ISO Committee, and 3-line-risk-management model under Circular 13/2018 / TT-NHNN. Many applications of technology in modern risk management have been deployed, including Credit Rating Modeling (Scoring), Probability of Default (PD), Loss Given Default (LGD), Exposure at Default (EAD) to strictly control model of all types of risks in the bank. At the same time, policy frameworks on technology risk management, fraud risk and international standards for managing this type of risk (COBIT, ITIL, ISO27001 etc.) were developed and applied to minimize financial losses as well as proactively prevent and protect customers' interests.

MB always strictly complies with law, and safety limits set by State Bank, ensuring that the limits are within the safety threshold and better than the industry average. At the same time, with the active, positive and thorough preparation, MB is ready to meet the conditions and management capabilities according to Basel II.

Build network with modern facilities

MB has invested in network development, increasing coverage nationwide with 299 transaction points in 53 provinces and cities in Vietnam, 2 overseas branches (Laos, Cambodia) and 1 representative office in Russia. With the aim of strengthening brand presence in key locations, MB has built its headquarter at 63 Le Van Luong, Hanoi, headquarter in the Central region at 54 Dien Bien Phu, Da Nang city and many offices across the country (Bac Ninh, Can Tho, Hai Phong, Binh Duong , Tay Ninh ...). MB branches and offices all met the standard of spacious and convenient transactions for customers with new and young identity images.

Strengthen and improve the efficiency of investment activities

The BOD has focused on directing and reviewing the share-buying investment portfolio of MB; closely guided the procedures related to handling plans for investments carried out under Circular 36/2014 / TT-NHNN, in compliance with law, publicity and transparency. MB basically completed restructuring its member companies and focused on improving the quality of governance. The subsidiaries focused on core activities, withdrawing/processing unwellperforming investments and seriously implementing the requirements of processing in accordance with Circular 36/2014 / State Bank of Vietnam (completion of transferring contribution capital of MIC at MIC Invest, transferring of contribution capital of MBAMC at MBLand). The member companies have made positive changes, contributing VND 334.5 billion to the overall profit for the first time after many years.

Build a qualified workforce

During the term, the Board of Directors has strengthened the qualification of MB staff at all levels, recruited senior visionary and dedicated managers, orientated innovation and improved the quality of recruitment and training; focused on improving remuneration mechanisms to create strong motivation for employees; strengthened corporate culture on the basis of inheriting core values and flexible application in practice, and created a cohesive working environment, encouraging the development of each individual.

In the period of 2014 - 2018, MB has experienced a strong shift from system management to business, increasing the proportion of sales staff from 40% of total personnel to 68%; RM rate increased from 46% to 70% (2018) and is expected to be 75% in 2019. The number of employee grew 9% in 2018, at the industry average and in line with the growth rate of the network, and operating scale, meeting the goal of MB efficiency (average profit/year 2018 increased more than 2 times compared to 2014, reaching 826 million/person). Average age was 28 years old, of which the group under 30 accounted for 70% of the total number of employees. This team is young, well-trained with appropriate knowledge and skills, and able to access new knowledge and technology, helping MB to grasp trends quickly and effectively.

2.4. Accumulating business value to ensure shareholder's interest

Shareholders' interests: In the term of 2014 - 2019, MB has ensured shareholders' rights with a regular annual dividend payment policy, an average dividend of around 14.3%, profit investment (dividends and bonus shares) ~ 18.3% on average, the value of shares after splitting increased about 2.2 times compared to 2014. In 2018, the value of enterprise capitalization increased around 3 times compared to 2014.

Table 2 - Dividend, share price of MB and capitalization for the period 2014-2018

Items	**2014**	**2015**	**2016**	**2017**	**2018**
Dividend	10%	10%	11%	25%	Expected in 2019 ~ 14%
- *Cash*	*7%*	*5%*	*6%*	*6%*	*6%*
- *Share*	*3%*	*5%*	*5%*	*19% (*)*	*8%*
Share price (after adjustment)	8,810	10,450	10,520	20,900	~ 20,000
Capitalization (VND billion)	15,188	23,360	23,978	46,113	42.021

(*)The dividend payout ratio for 2017 financial results includes 6% cash, 5% shares and 14% bonus shares

The mechanisms for implementing shareholder rights include: Participation mechanism and voting resolution at the General Meeting of Shareholders; Mechanism of checking and supervising shareholders' activities; the mechanism of receiving information of the Board of Directors and the Executive Board. The mechanism of information disclosure and transparency is strictly implemented by the MB's Board of Directors in accordance with the law.

During the term, MB's annual General Meeting of Shareholders always had a high percentage of shareholders' attendance (over 70%) and voted unanimously with important issues that the Board of Directors submitted (over 95%). Information disclosure and disclosure of interests of internal and related persons have been strictly implemented, complying with relevant regulations. MB has diversified information disclosure channels, regularly contacted with shareholders and investors to provide required information and information disclosure in English in parallel with Vietnamese to ensure foreign shareholders capture information in time.

With efforts to ensure shareholders' rights and information publicity and transparency, MB was honored to receive the award "Top 5 big enterprises achieving information disclosure standards" in 2018 according to the Stock Exchange's voting program (HSX), and "Top 50 best listed companies in Vietnam" ranked by Forbes Vietnam.

Benefits of partners who contribute capital or associates with MB are solidly guaranteed in long-term through well-organized cross-selling securities, fund management, insurance products. During the period, the BOD directed the strong implementation of cooperation agreements with shareholders, strategic partners such as Saigon Newport Corporation, SCIC, State Capital Investment and Business Corporation, Viettel Military - Telecommunications Group ... through products and special cooperation program such as E-port Tan Cang, co-brand card MB-VinID Visa, Viettel pay. Cooperation agreements with foreign partners such as Ageas Life - Switzerland Insurance Group forming MB Ageas Life Insurance Company, and Shinsei Bank - Japan forming MCredit Consumer Finance Company, have achieved positive results after more than 2 years of establishment.

Employee benefits: MB ensures employment for 15,233 employees in the whole group (in which banks alone ~ 8,897) with constantly improving income over the years (the monthly average income in 2018 has an increase of ~ 18% compared to the end of 2014). Qualified and well-trained human resource with long-term commitment to MB has been built through recruitment, training, development planning and remuneration processes based on work results (Top planning 50, 100, talent training through Leader shift program, improvement of remuneration mechanisms over the years, building a cohesive working environment, and encouraging self-renewal and development). MB was voted as Top 5 best workplaces in Vietnam in Finance – Banking industry (implemented by Aphabe & Nielsen) that is a proud result of efforts to develop corporate culture and effective working environment.

Contribution to the State: MB has contributed nearly VND 7,000 billion to the state budget for the last 5 years.

Social responsibility: with orientation from the Board of Directors and Board of Management to all employees on the motto "Be responsible to society", MB and its subsidiary have actively implemented gratitude activity, national defense and civil society security, and community charity on a national scale with a total amount of up to ~ 487.5 billion VND.

Thus, in the term of 2014 - 2019, with the motto "Strictly disciplined - Law respect - Effective - Safe – Confident with competition - Responsible to society", MB has built a corporate culture on the basis of its own identity. MB's Board has actively implemented the role of corporate governance function in accordance with the commitments to the General Meeting of Shareholders.

MB maintains internal stability, good risks management, and solidarity, strictly follows the provisions of law and creates a lot of breakthroughs and efficient changes in operation.

With contributions to Vietnam banking system in particular and social community in general, MB has been awarded many honors from the Party, the State, the Government, the Central military Commission, the Ministry of defense, the Ministry of Central Departments, and the local and foreign institutions, namely: First class Labor medal (2014), Emulation flags from the Government, the Ministry of Defense Minister, the Governor of State Bank, many international prestigious awards in the word (“World Class” award (2014), International Asia Pacific Quality Award…). Especially in 2015, MB was honored to receive Hero of Labor Award from President of Vietnam.

3. Existing weaknesses

Operational efficiency of subsidiaries can continue to improve in order to increase the profitability ratio of each subsidiary in the Group's overall profit.

Investment in IT infrastructure system has not met the requirements of business development and digital trends.

MB brand value and market capitalization have not been commensurate with the potential and the MB position in the market.

4. Learned Lessons

The high consensus, agreement and commitment in building the direction of business development from the Board of Management, Supervisory Board, Executive Board, employees, and no collective group interests.

The support and help from the State Government, Department of Defense, the State Bank, the local management agency, shareholders, business partners, investors and customers.

Building the right and creative strategy with promoting the collective wisdom based on the accumulated and seasoned management experience of board members in long-term development orientation.

Building unique corporate culture based on its own identity.

Focusing on Human development .Building advanced performance management system to promote human potential in the organization. Detecting visionary and dedicated talents

Part II. Operating direction for the period of 2019-2024

1. Business environment analysis 2019-2024

According to forecasts by prestigious institutions such as the World bank, the IMF, the World Bank, these years the economic situation in the world contains multiple unpredictable variables, for example, the US -China trade war, the North Korean, and complicated changes of commodity prices such as oil ... The trend has recently included both collaboration and competition among major economies, and the changing role of the nations in global supply chains ; integration trends and joining the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CP-TPP) are great challenges but are new opportunities. The emergence of shared economic model, the revolutions 4.0, and digitized economy will change the trading method and compete with the traditional economy. Globalization and international integration takes place in comprehensive and profound in countries including the least developed countries. Accordingly, the emerging economies and developing countries such as India, Brazil or some countries in ASEAN-5 including Vietnam, are reviewed to be transforming and growing more positive than other regions.

For Vietnam, the Government has determined with the objective of stabilizing the macro-economic, restraining the inflation, stabilizing the exchange rate along with the economic restructuring program and the system improving program. Vietnam's economy is forecasted to continue maintaining a higher GDP growth than other countries in the region and reaching ~ 6.5%; inflation will be curbed at less than 5%. In the banking sector, monetary policy is predicted to continue to be operated flexibly, ensuring the liquidity of the system, focusing on curbing the inflation, stabilizing the macro economy, and supporting the growth. The project of restructuring the banking sector with bad debt disposal by decision 1058/QĐ-TTg and decision 42/2017/QH14, is continued to implement with the aim of restructuring the credit institution system with the concentration on processing bad debt thoroughly and basically and upholding the stability and security of the system. Accordingly, strengthening financial situation, management capacity and operation transparency, enhancing competitiveness and complying with the standard, good international practices in management and in the operation of the credit institutions are Vietnam Government’s main aims. In addition, the increase in competitive pressure and the implementation of the Basel II in VN will be challenges but will create a good condition for banks in raising the level of management.

2. Operating direction for the period of 2019 - 2024:

In the next term, MB determines to be successful in implementation of the development strategy of the Bank 2017-2021 on the basis of inhering and promoting of the achievements earned in the period of 2011-2016, strengthening the Bank’s position, and giving values to customers and shareholders.

2.1.The Primary objective 2019-2024

Continuing strategic goal of becoming "the most convenient Bank" and maintaining "Top 5 on business performance and safety", MB will act according to the motto "Innovation, Modernization, Cooperation, and Sustainable development " with the average growth targets during this period as follows. Total assets will increase by 14%, revenue will increase by 22%, profit before tax will increase by 20%, ROE will be over 20%, CAR will be over 9%.

MB determines to be successful in implementation of the development strategy of the Bank 2017-2021 based on three pillars (Community banking, Professional Banking by industry, Digital banking), 2 foundations (Outstanding Risk Management, Fast Delivery Capability); and Effectively operating 4 shifting strategy including building digital banking; strengthening customer relations; enhancing risk management and effective management in the operation of companies. To prepare for the long-term development on the basis of the lessons learned, thereby inheriting the achievements of the strategy period 2017-2021, the BOD will prepare the strategy of 2021-2026 and vision of 2030.

In the next period, the BOD will focus on building brand value of MB in the regional scale, improve culture values of the corporation, and invest intensively in people and technology to create a sustainable competitiveness.

Along with updating and applying the trend of the market, the BOD will study and direct completely financial corporation model on the digitized application platform to consolidate connectivity in customers ecosystem, services, and products between banks and companies. Simultaneously, MB will manage activities of member companies through mechanisms / governance standards to ensure closely monitoring of the effectiveness on the basis of increasing the autonomy of companies and increasing profits contribution of companies in the group to match with strategic objectives.

With the objective of ensuring maximum benefit for partners, shareholders and customers, the BOD will continue to stabilize the shareholder structure and fully implement the rights of shareholders, equitable treatment and transparency while continuing to deploy solutions that maintain long-term financial capacity, and focusing on improving service quality in order to bring more added values to customers.

Table 3 – Business objectives 2019-2024

No.	Objectives	Average growth 2019-2024
1	Total Assets	~14%
2	Deposits	~15%
3	Loans	~15% (according to the credit growth limit of SBV)
4	Profit before Tax	~20%
5	NPL ratio	Maximum 2%
6	CAR	~9% (comply to Basel 2)

2.2.Action program the focus of the term 2019-2024:

Strategy: synchronously key strategic projects (App MBBank, Converting and upgrading the modern IT system, CRM and Smart RM, BPM, PD, innovating training methods and enhancing leadership capacity, Loyalty program to improve loyalty of customers, Marketing ...) will be deployed to create breakthrough through the successful implementation of 4 shifting strategy.

Strengthen corporate governance system: the governance quality of the Board of Directors, Supervisory Board, and Board of Management will be improved; the role of the BOD and Supervisory Board in new term will be strengthened; and the regulations on governance will further improved with compliance to existing rules and international practices. The capacity of BOD assistance committees including the risk management Committee, the Human Resource Committee, and the Professional Committees will be strengthened based on Circular 13/TT-NHNN/2018.

Stabilize shareholder structure: this will ensure sustainable development and maintain a stable shareholder structure in which controlling shareholders are military enterprises. . Searching the qualified strategic partners who will help MB to increase competitiveness will be put in priority, including opening room for them

Market, product positioning: new business models with prioritizing retail and digital banking development will be completed. The direction is the most convenient Bank for SMEs. Products and services will be standardized to create the best experience for customers.

Distribution channels: Developing network in urban areas/ potential vicinity municipality will be prioritized. Electronic transactions will be promoted, leading to the gradual limitation and reduction in opening new branches. MB will continue to take advantage of o Digital Banking opportunity and cooperate with partners/strategic shareholders in exploiting effectively customer database of each party

Risk management foundation: risk management systems according to Basel 2 will be applied before the deadline. MB will focus on the application of information technology in building control management system risks, and improve the system: Scoring, PD, LGD, EAD, NII, EVE ... MB will perfect and strengthen the model 3 lines of defense under regulations of the SBV and international practices.

The IT platform: Implement successfully the 5-year IT strategy consulting projects with IBM. Build an IT platform that is strong enough to connect digital banking between subsidiaries with the partners.

HR competencies: Prepare the HR development strategy for new generation and the digital generation. Complete the mechanism of compensation and performance management system to increase employee’s experience and self-performance management.

Brand value: Build Marketing strategy and brand positioning of the Bank to fit the new customer generation. Enhance transparency of information and investor relations. Improve brand position in the domestic and foreign markets.

Strengthen corporate culture values: continue to promote the core values that tied to high determination with the motto "discipline- law respect -efficiency-safety" to develop MB corporate culture, helping MB to become a competitive advantage in the market.

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After almost 25 years of development, the term 2019-2024 will be extremely important phase for MB to develop and acquire higher position in the market.

MB believe that, along with the interest and support from shareholders, the consistency in the direction of the Board of Directors, Supervision Board, and the Board of Management and the effective support of the relevant departments, agencies, and clients and a striving and solidarity spirit of all employees, MB will continue to develop solidly and become one of the top banks in Viet Nam in terms of efficiency and safety.

Wish you healthy, happy and successful.

Recipients:
- *General Meeting of Shareholders;*
- *State Bank of Vietnam;*
- *BOD, SB;*
- *CEO:*
- *Archives: BOD Office;*

ON BEHALF OF THE BOARD OF DIRECTORS
CHAIRMAN

(signed and sealed)

Le Huu Duc