

**VIETNAM JOINT STOCK COMMERCIAL  
BANK FOR INDUSTRY AND TRADE**

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**SOCIALIST REPUBLIC OF VIETNAM  
Independence - Freedom - Happiness**

Hanoi, April 2021

**REPORT OF THE BOARD OF MANAGEMENT ON  
VIETINBANK'S BUSINESS PERFORMANCE IN 2020;  
ORIENTATION AND PLAN FOR THE YEAR 2021**

**To the attention of : The General Meeting of Shareholders of Vietnam Joint  
Stock Commercial Bank for Industry and Trade  
(VietinBank)**

**PART I. OVERVIEW OF THE MACRO-ECONOMY AND BANKING SECTOR IN  
2020**

1. In 2020, the world economy experienced its worst recession since the World War II due to the negative effects of the COVID-19 pandemic. Measures as lock-down and border closure to prevent the pandemic outbreak have stagnated global trade, broken supply chains, and led to waves of business bankruptcy around the world ... The countries have continuously launched economic stimulus packages of trillions of dollars and unprecedented monetary measures and emergency loans to rescue the economy. According to the International Monetary Fund (IMF), global GDP is estimated to decrease by 4.4 % in 2020.
2. In the context of many countries in the world falling into recession, Vietnam has become a bright spot when successfully implementing the "dual goal" in fighting the pandemic and maintaining the economic growth.
  - Vietnam's GDP growth rate in 2020 was at 2.91%, the lowest GDP growth rate for the past 10 years and much lower than that in 2019 (7.02%), yet ranked in the group of top growth in the region and the world.
  - Inflation continues to be controlled with an average growth rate of 2.31 %; Consumer price index (CPI) increased by 3.23% and industrial production increased by 3.3% from the previous year.
3. The banking and financial system continues to be strengthened and developed, the liquidity has been stable, the quality of assets of the banking system has been improved. The State Bank of Vietnam (SBV) has flexibly and synchronously operated monetary policy tools to stabilize the market and actively support the economy. Following 3 rounds of lowered interest rates and Circular No.01 and Directive No. 02 issued by SBV early

this year, legal framework has been promptly given for credit institutions to proceed with restructuring outstanding loans and reducing interest rates/fees in relief measures for businesses and residents affected by the Covid-19 pandemic as well as natural hazards. Credit exposure of the banking sector as a whole in 2020 increased by 12% from the end of 2019, with sound liquidity, and bad debt ratio under control, exchange rates under flexible administration, and sharp increase in foreign exchange reserves, and full and timely delivery of market demand for foreign currencies.

## PART II. HIGHLIGHTS IN BUSINESS PERFORMANCE OF VIETINBANK IN 2020

2020 marks a special year as the last year of VietinBank's restructuring process in 2016-2020 period and 2018-2020 MTBP. VietinBank has actively implemented various business solutions following the restructuring plan, taking the lead in implementing policies and direction of the Party and the Government.

Over the past 5 years, thanks to the great effort in promoting innovation, creativity, radically restructuring operations through significantly transforming the growth model, rapidly shifting the income structure, aggressively implementing the customer-centric strategy, improving the competitiveness by focusing on developing comprehensive and advanced banking & financial solutions, VietinBank has obtained impressive achievements in all aspects of its operations, successfully delivering the restructuring plan for 2016-2020 period and medium-term business plan in the period of 2018-2020.

### A. VIETINBANK'S BUSINESS PERFORMANCE IN 2020

In 2020, VietinBank has successfully delivered the targets assigned by the General Meeting of Shareholders with impressive results, creating a solid premise for the bank's business activities in the next period.

*Unit: In billion VND or %*

Indicator	31/12/2019	31/12/2020	December 31, 2020 vs. December 31, 2019		Targets set by AGM in 2020	Relative to targets set for 2020
			+/-	+/- %		
Total assets	1,240,711	1,341,436	100,725	8.1%		
Deposits mobilized from economic entities & residents	892,785	990,331	97,546	10.9%	Growth rate of 5%-10%	Achieved
Credit exposure	953,178	1,027,542	74,364	7.8%	Growth rate of 4%-8.5%	Achieved
NPL ratio	1.2%	0.9%			<1.5%	Achieved
Separated Profit before tax	11,461	16,449	4,988	43.5%	10,080	163%
Consolidated profit	11,781	17,085	5,304	45.0%	10,400	164%

before tax						
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(Source: Audited separated and consolidated financial statements in 2020)

### ***1 Delivered sustainable growth by scale, improved asset quality***

- ✓ **Total assets** on a consolidated basis reached more than VND 1.3 quadrillion, up 8.1% from 2019.
- ✓ **Credit exposure** on a consolidated basis reached VND 1.03 quadrillion, an increase of VND 74 trillion VND (+ 7.8%) from 2019. The structure of its outstanding loans has been steadily improved for a higher proportion of loans to retail and SME customer segments, and increased proportion of outstanding loans in VND to ensure profitability of the credit portfolio.
- ✓ **Mobilized deposits** have been optimally balanced with credit growth rate, and cost of funds is on a sharp decline in response to hurdles associated with its interest income.
  - **Deposits mobilized** reached VND 990 trillion, increasing by 10.9% from 2019. LDR is well relevant to regulatory limits set by the State Bank of Vietnam.
  - **CASA funds** show constant improvement with a growth rate of 27.8% from 2019. CASA ratio increased from 17.0% in 2019 to about 19.6% in 2020.
- ✓ **NPL ratio** was 0.9%, in compliance with the limit set by the SBV and the Bank's General Meeting of Shareholders.
- ✓ VietinBank has dedicated resources to settle full amount of VND 13 trillion of special bonds sold to VAMC within less-than-2-years, in contributing to consolidation of its sound balance sheet, improving financial capacity, creating a solid foundation for business operations of the Bank in the coming years.

### ***2. The Bank's profits have beaten its targets and the income structure has been on a positive transformation, with high performance in terms of profitability indicators***

- ✓ **Non-interest income** increased by 33% compared to 2019 thanks to its seizure of market opportunities. The proportion of non-interest income to total operating income grew well from 18.1% in 2019 to reach 21.5% in 2020. In which:
  - **Net service fee income rose by 7%** from 2019.
  - **Income from foreign currency trading** reached nearly VND 2 trillion, up 27.8% compared to 2019 as VietinBank has maintained its top position in terms of both sales and market share of FX trading in the market.
  - **Profits from securities trading** reached more than VND 962 billion, showing a significant improvement from 2019 with growth recorded in all operations, including inter-bank interest rate trading activities, and Government bond trading, interest rate and commodity derivatives trading.
- ✓ The Bank has delivered a record high efficiency in **utilization and management of resources** relative to previous years. The Bank's CIR has been under control, with a steady decline from 38.8% in 2019 to reach about 35.5% in 2020.
- ✓ In 2020, in addition to an amount of nearly VND 5 trillion in profits reduced by having reduced lending interest and fee rates to support businesses and residents affected by Covid-

19 pandemic and natural disasters, VietinBank has taken proactive measures in further restructuring all aspects of its operations, vigorously transforming the business model for a shift from extensive to intensive growth, from scale-driven to quality-driven growth, restructuring its portfolio of outstanding loans, increasing share of non-interest income, taking measures for optimal control of fund and cost efficiency of the bank. As a result, the **Bank's separate pre-tax profit** in 2020 reached VND 16,449 billion, while **its consolidated pre-tax profit** reached VND 17,085 billion, offering sufficient resources for VietinBank to continue to promote its role as a key bank and a driving force in proactively meeting the capital needs and financial services of the economy, for its greater contribution to the State budget and the country's socio-economic development in the coming time.

- ✓ ROE and ROA as profitability ratios reached 16.9% and 1.3% respectively, showing steady improvement from 2019.

### ***3. Promoting its role as a key State-owned commercial bank, a driving force in effective implementation of policies and regulations of the Party and the State.***

- ✓ In compliance with Circular No. 01/2020/TT-NHNN, since early 2020, VietinBank has implemented preferential programs with lowered service fee and lending interest rates in facilitating customers' access to credit and low-cost products and services of the Bank, and in support of customers affected by the pandemic during and in post-pandemic phases.
- ✓ VietinBank disbursed new loans of over VND 400 trillion to customers affected by the pandemic; offered up to 02% reduction in lending interest rates for the outstanding loans worth more than VND 280 trillion. The Bank has also proactively rescheduled and maintained the debt group for nearly VND 5 trillion of outstanding principal owed by 1,254 customers who are affected by the Covid-19 pandemic in accordance with provisions of Circular No. 01, in timely relief measures to support businesses and individuals in their bid to restore business and life activities.
- ✓ VietinBank has recorded credit growth in competitive, potential sectors/industries and businesses as development priority of the Government and the State Bank of Vietnam. The Bank has also allocated its resources to key economic regions in supporting local efforts to promote regional economy for positive contribution to the development of the country.

### ***4. The Bank's subsidiaries and affiliates have achieved positive business results***

- ✓ Subsidiaries and affiliates of the Bank have operated effectively with total pre-tax profit of more than VND 600 billion, equivalent to a 30% growth rate from 2019. 5 of the companies have exceeded the set-forth profit targets.

### ***5. The Bank's market capitalization by scale has remarkably increased***

- ✓ Prices of the Bank's CTG stock have grown strongly to reach the year- peak in 2020 at VND 35,400 per share on December 16, 2020. As at December 31, 2020, closing price of CTG stock was VND 34,550 VND per share, the Bank's market capitalization increased from VND 77.8 trillion VND at the end of 2019 to reach VND 128.6 trillion (+ 65%) as at December 31, 2020.

## 6. Awards and accolades

- ✓ 2020 marks the 9th consecutive year VietinBank has been ranked in the TOP 2,000 largest businesses in the world published by Forbes as a prestigious American magazine.
- ✓ Under rankings of Brand Finance magazine for 500 largest global banking brands in 2021, VietinBank ranked 216th and rises as the only bank in Vietnam to the top 10 banks with the strongest growth in brand value for the period of 2020-2021 as its brand value increased by 55.8%.
- ✓ For six consecutive years, VietinBank's products and services are named as a National Brand. The National Brand Program is the sole and prestigious program sponsored by the Government of Vietnam for the purpose of promoting the national image by means of product and service brands. Three criteria of the program are Quality, Innovation, and Pioneering Capacity.
- ✓ The Bank was awarded with Sao Khue title for its two products, namely VietinBank eFAST and VietinBank IPay Mobile, and the award "Initiative for Communities" among others.

## B. THE BANK'S PERFORMANCE IN GOVERNANCE AND ADMINISTRATION IN 2020

VietinBank has synchronously deployed dynamic and consistent measures of management and governance at both the Head Office and Branch level, and adopted flexible adjustment required in response to changes in business environment, in delivery of strategic themes under the MTBP for 2018-2020 following the guideline of development with "Efficiency - Safety - Sustainability".

### 1. Adopting flexible measures in capital management and administration of interest rate policy, for optimal fund efficiency and operating costs

- Identifying the key strategy for a sharp decline in COF, serving as a basis to support customers affected by pandemics and natural disasters as well as to offer lowered lending interest rates and stimulate market demand in delivery of direction of the Government and SBV.
- Promoting the Bank's role as the leading State-owned commercial bank in implementation of SBV's monetary policies as VietinBank has led the market in offering reduced deposit interest rates, and adopting a flexible strategy for capital management, making the best of deposits at best viable COF.
- Aligning deposits growth rates with its credit growth rates, ensuring the Bank's liquidity in compliance with regulatory limits in prudent ratios set by SBV and in relevance to the Bank's commitments to its strategic partners.
- Conducting proactive measures for regulation of its credit growth in line with limits set by the State Bank of Vietnam, restructuring its portfolio of equity investment for an improved efficiency of such investments through divestments from a number of subsidiaries and affiliates; issuance of deposit certificates and subordinated bonds to meet the goal of increasing medium and long term deposits in relevance with its credit growth (*kindly refer to the enclosed Appendix for detailed results of the public offering of bonds and updates on*

*progress of usage of funds as proceeds*). As at the end of 2020, VietinBank has basically fulfilled the requirements set by Circular No. 41/2016/TT-NHNN and registered to adopt Circular No. 41 and Basel II standards in capital adequacy ratios as of January 01, 2021.

- The Bank's performance in financial governance has been steadily improving in 2020, particularly in financial planning, monitoring and administration. VietinBank has also applied a series of solutions to improve cost efficiency.

## ***2. The Bank has focused efforts to improve efficiency of its investment in market II and foreign currency trading***

- The Bank has proactively taken measures to improve its business capacity and acumen in response to market changes for timely and effective implementation of proprietary trading, improving profit margin and gains from business activities in the market 2.
- The Bank has actively developed new products with diversified range of products and services in catering to customer demand.
- The Bank has led the market in delivery of online foreign currency trading; improving the coordination between its branches and front-office divisions in promoting foreign currency and commodity derivatives trading in taking advantage of market opportunities, increasing profits, sales, and position of VietinBank in these areas.

## ***3. The Bank has focused on strongly improving its technology-intensive products and services and improving the quality of customer service.***

- Diversifying sales channels, strongly innovating sales methods, focusing on digital application, promoting products and services in acquisition of customer ecosystems and value chains.
- The Bank has steadily performed well in card issuance, card payments and bancassurance. At the end of 2020, VietinBank signed a 16-year exclusive distribution agreement with Manulife Insurance, creating a premise to increase the bank's non-interest income ratio in the coming time.
- The Bank has taken the lead in providing the most advanced payment solutions; omni-channel solutions, direct banking-to-business solutions, promoting the development of e-wallet, fintech products, and promoting non-cash payments.
- Upgrading VietinBank's iPay Lifestyle 5.0 as digital bank product with more than 50 new features and utilities along with a diverse open ecosystem, making VietinBank the outstanding digital bank for the third consecutive year with the award "The best payment application in Vietnam".
- In 2020, VietinBank's iPay users grew by 50% in terms of the number of users with up to 3 million users. EFast application for corporate customers has also attracted 73,000 customers as user.
- Financial Solutions Development Center was set up as an effort to promote cross-selling and delivery of inclusive financial solutions to customers.

## ***4. Adopting standard corporate governance, complying with regulations and standards under advanced practices. Asset quality is under strict control and credit appraisal and risk management have been continuously strengthened.***

- The Bank has further adopted advanced standards in evaluation of business performance, control of quality of assets, application of operational standards to get closer to advanced banks.
- The Bank has complied with relevant provisions of the law, particularly Clause 1, Article 127 of the Law on Credit Institutions in extending credit to customers subjected to restrictions on credit extension. As at December 31, 2020, VietinBank's total credit exposure to such entities subjected to restrictions on credit extension as specified in Clause 1, Article 127 of the Law on Credit Institutions, reached VND 1,688 billion, accounting for 1.53% of its equity capital.
- The Bank's performance in governance adheres to its principles for upholding compliance with the law, disciplines and sense of responsibility and ethics of the staff. Promoting independence and transparency in governance and administration.
- Standardizing, improving the quality of services provided to customers while mitigating risks and errors associated with operations and operational management.
- To be proactive in prevention and control of internal and external frauds, promoting the implementation of overall strategy for information security.
- Consolidating the quality of internal control and inspection, improving the capacity, effectiveness and efficiency of this function.
- Implementing credit risk mitigation measures: Monitoring portfolio, strictly controlling the credit quality in sectors/industries that are negatively affected by the Covid-19 pandemic and high-risk areas.
- Keep abreast of the macroeconomic situation and developments of economic sectors to promptly identify risks and assess impacts on the operation of VietinBank.
- Deploying innovative solutions in credit appraisal and decision-making.
- Formulating a medium and long term development strategy of VietinBank with clearly defined goals and vision for the Bank's development in the coming period.

***5. Taking further measures for consolidation of personnel and organizational model toward streamlined and highly-performing network with sound efficiency and high quality of personnel, increasing labor productivity, raising awareness and compliance of corporate culture in business activities.***

- Drastically implementing the project of improving network efficiency, increasing the coverage and accessibility of banking and financial services among businesses and residents. In particular, due attention should be given to rural, remote and isolated areas in line with the National Financial Inclusion Strategy.
- Organizing centralized training and localized internal training based on relentlessly innovative technology to improve quality of human resources.
- Actively communicating the history, culture, core values and labor regulations across the Bank.

***6. The Bank is credited with positive contributions to social security activities according to the guidelines and policies of the Party, the State Bank of Vietnam and the Government.***

- VietinBank has actively dedicated its resources worth nearly VND 400 billion to hunger eradication and poverty reduction, promoting the national tradition of paying gratitude to

those who sacrificed for the country and the people, relieving consequences of natural disasters, supporting development of health care, education, etc.

### **PART III. ORIENTATION FOR VIETINBANK'S BUSINESS ACTIVITIES IN 2021**

In 2021, the world and national economies are forecast to be prone to multiple potential challenges and risks as implications of Covid-19 pandemic as well as trade and political tensions among major economies. However, on the basis of Vietnam's success in disease control coupled with macro stability which are attractive to foreign investors and a sound quality of growth that has been created over the past years, the Vietnamese economy is expected to reap more positive results. Its GDP is expected to increase by 6.5 - 7.0%, CPI is to be under control at a rate of below 4%, creating favorable conditions for domestic businesses and inflows of foreign investment. The State Bank of Vietnam renews its flexible measures in adoption of policy instruments to stabilize the currency and the market, ensuring the industry's liquidity, effectively supplying capital to the economy, and facilitating the growth of CIs.

The year 2021 is an important milestone in delivery of the Bank's 10-year development strategy for the period of 2021-2030 and vision toward 2045. Based on the outlook of the macro-economy and the banking sector, in relevance to goals of the banking sector's development strategy up to 2025, towards the strategic development goal of VietinBank to rise to the **Top 20 banks in the Asia-Pacific region**, VietinBank as a whole is committed to moving forward with reflection upon achieved results, thorough resolution of shortcomings shown in the previous period, and focusing on implementing key themes under the MTBP for 2021-2023.

In line with targets set by VietinBank which have been submitted to competent authorities for consideration and approval, key targets of VietinBank in 2021 to be subjected to approval of the General Meeting of Shareholders include the following:



Indicator	Tentatively for 2021
Total assets	Growth rate of 6% - 10%
Credit exposure	As approved by the SBV, the maximum growth rate is 7.5% (the specific growth rate will be steered by the monetary policy administration, target assigned by the SBV and practical demands of the economy)
Deposits mobilized from economic entities & residents	To grow at 8-12%, adaptable to the credit growth rate and in conformity to prudence ratios as required by the SBV
NPL ratio as regulated in Circular 2	< 1.5%
Separated PBT	Expected to be VND 16,800 billion and is subject to change as approved by government regulators ( <i>VietinBank continues to improve strongly business efficiency and perform well the role of a leading major bank of the economy</i> )
Dividends	Dividends payout ratio and composition ( <i>cash and stocks</i> ) follow the government regulators' approval and in compliance with applicable law
Minimum CAR	To comply with the regulations of the SBV
Solvency ratio	
Ratio of short-term funds used for medium- and long-term lending	
Loan-to-Deposit Ratio	
Liquidity reserve ratio	

It is suggested that the Board of Directors of VietinBank is authorized by the General Meeting of Shareholders to make decision on specific targets, in accordance with guidelines, direction and approval of competent authorities, in relevance to market developments and situation of business operations of VietinBank; and publish the information on the website of VietinBank.

**Key measures for implementation of the Bank's business operations in 2021 are as follows:**

***First, promoting further sustainable growth by scale, increasing accessibility of banking and financial services, and improving the business climate***

- ✓ Carry out credit growth measures in harmony with funds growth with a focus on manufacturing and production industries, especially priority areas and industries in line with the government's policy. Pushing credit activities toward green, environmentally friendly areas as instructed by the SBV in favor of green growth and sustainable development.
- ✓ Continue to deliver and provide relief measures and support to pandemic and disaster-affected customers as directed by the government and the SBV.

- ✓ Focusing on a sustainable growth, promoting growth in the SME and Retail customer segments, giving priority to lending for purposes of production and businesses, increasing proportion of products with high margin and reasonable risk weights.
- ✓ Improving the Bank's performance in large corporates, FDI customers segments, focusing on prospective customers who are ultimately profitable for the Bank, opening up the opportunities for cross-selling and upselling products and services.
- ✓ Further promoting a shift in credit structure by currency toward an increased proportion of loans in VND, focusing on expansion of new customer base in parallel with screening existing customers.
- ✓ Mapping strategic locations/industries/sectors; giving priority in allocation of resources to key areas, especially Hanoi and Ho Chi Minh City. Strongly promoting the role of the Southern Customer Center in delivery of VietinBank's region-based development strategy.

***Second, increasing the proportion of non-credit income (particularly service fee income) in the Bank's total income; Radically and thoroughly improving the quality of the Bank's products and services, promoting transaction banking and investment banking operations***

- ✓ Adopting flexible pricing and interest rates policies to increase service fee income, especially income from card products, trade finance, e-banking, bancassurance ...
- ✓ Expanding customer base with transactions related to export-oriented processing zones/enterprises as part of value chains of large FDI customers, customers with international payments - trade finance ...
- ✓ Promoting the cross-selling, and upselling to potential customers with high product holdings.
- ✓ Promoting the cross-selling of structured products associated with the payment service platforms, increasing the efficiency of cross-selling, sales by value chain, and by bundled products.
- ✓ Paying particular attention to communication and marketing of key products on multiple channels, for consistent visibility of service quality and brand identity of VietinBank.
- ✓ Expanding the partnership with domestic and international financial institutions. Continuing to maintain the Bank's position as the market leader in terms of FX trading turnover and profits
- ✓ Expanding the Bank's risk appetite and scale of interest rate and commodity derivatives to promote the Bank's competitiveness.

***Third, concentrating resources on promoting the growth of deposits; particularly low-cost funds.***

- ✓ Adopting flexible measures in managing fund scale and utilization in relevance to optimal roadmap to meet liquidity ratios as prescribed by the State Bank of Vietnam.
- ✓ Strengthening products and services for management of customer cash flows, promoting the development of electronic banking channels; and preferential packages of products and services, and raising the use of new payment accounts.
- ✓ Optimizing advance payment systems, platforms and services and products. Developing a

payments ecosystem of multi-functions and utilities...

***Fourth, promoting the recovery of bad debts to improve the quality of assets,*** dedicating resources to the best efforts, thoroughly and flexibly adopting existing policies and mechanisms to accelerate the recovery of bad debt and written-off debt;

***Fifth, improving the efficiency of risk management, ensuring compliance and safety in operations, promoting business development in association with strict control of credit quality***

- ✓ Strictly complying with relevant regulations, and direction of SBV. Strictly enforcing the regulations and procedures; and raising sense of personal accountability with special focus on promoting staff ethics.
- ✓ Place strict credit control over areas with latent risk. Strengthen risk management of consumer lending. Continue to keep strict control of loans in foreign currencies as directed by the government and the SBV in controlling and mitigating the “dollarized state” of the economy.
- ✓ Continuing to drastically revamp processes and procedures to facilitate businesses and individuals’ access to banking services, while ensuring strictness and safety.
- ✓ Enforcing strict compliance with the set risk limits, performing regular evaluation and identification of customers and industries/sectors with potential risks for anticipation of timely and appropriate response.
- ✓ Improving the quality of coordination between front-office units, functions in charge of credit approval; and risk control, for purposes of mitigation of special - mention debts (group 2 debts) and bad debts.
- ✓ Consolidating the quality of internal control and inspection, improving the capacity, effectiveness and efficiency of the function.

***Sixth, promoting cost efficiency, further securing the positive jaw; control ling CIR, continuing to raise labor productivity.***

- ✓ Promoting the application of information technology, increasing automation, improving the quality of personnel, reforming procedures, processes, and streamlining paperwork, reducing turnaround time, focusing resources on customer care services.
- ✓ Deploying practical cost savings across the bank, ensuring that costs are properly spent for the best performance.

***Seventh, simultaneously performing alternative capital increase measures to improve the Bank’s financial capability.***

- ✓ Closely following up with relevant units on the capital increase plan which is pending for approval by competent authorities.
- ✓ Adopting Basel II standards (Circular No. 41) in terms of capital adequacy as of January 01, 2021.
- ✓ Continuing measures of proactive regulation for a reasonable credit growth rate, issuance of subordinated bonds, divestment from some of the Bank’s subsidiaries, and maintaining an optimal portfolio of RWAs.

- ✓ Performing control over RWAs; implementing risk-based pricing (RBP) mechanism and evaluation of risk-based performance.

*Eighth, consolidating the organizational model, improving the quality of human resources, focusing on communication, raising the sense of compliance with corporate cultural values of VietinBank*

- ✓ Further consolidating the operating model, streamlining functions to keep up with business activities.
- ✓ Effectively adopting human resources tools and policies, supplementing people for front-office units, improving personnel quality and labor productivity.
- ✓ Radically enforcing 5 core values of VietinBank's corporate culture, nurturing and promoting the sense of constant innovation and creativity.

*Ninth, boosting technological application and digitalization in all activities*

- ✓ Developing non-cash payment solutions according to guidelines of the Government and the State Bank of Vietnam.
- ✓ Enhancing the application of new technologies to ensure safety, security and increase utility for customers.
- ✓ Ensuring adequate technical infrastructure, system safety and security in support of digital transformation at VietinBank.

In 2020, following guidelines and direction of the Party, the Government and the State Bank of Vietnam, the Board of Directors and all employees of VietinBank have been flexible, creative, and agile in overcoming difficulties and limitations and have fulfilled the set objectives. Working conditions, material and spiritual life of employees and shareholders' interests have been delivered.

The year of 2021 marks a pivotal year, as the beginning of the implementation of the mid-term business plan of 2021-2023, based on the Bank's potentials and achievements in the previous period, the Board of Directors and all staff of VietinBank are determined to embracing opportunities and overcoming difficulties and challenges, sparing no efforts to successfully deliver the set goals, and reap more successes and victories, further reaffirming the role of VietinBank as a leading state-owned commercial bank, positively contributing to the development of the banking industry and the national socio-economic development.

**VIETNAM JSC BANK FOR INDUSTRY AND TRADE  
GENERAL DIRECTOR**

**Tran Minh Binh**

## APPENDIX: REPORT ON THE PROGRESS OF UTILIZING FUNDS AS PROCEEDS FROM PUBLIC OFFERINGS OF BONDS IN 2020

The report on the progress of utilizing funds as proceeds from the public offering of bonds in 2020 of VietinBank has been audited by Ernst & Young Vietnam Co., Ltd. as an independent auditor - and issued on January 27, 2021. Total amount of fund as proceeds from two issues of bonds of VietinBank in the public offerings is VND 9,459.22 billion which has been fully utilized for medium and long term lending to customers in sectors/industries, namely: (i) Manufacturing and distribution of electricity, gas; (ii) Manufacturing and processing industries; (iii) Mining and (iv) Others, toward ensuring the efficiency and safety of the Bank's business operations.

Summary of main content of the Report:

### PLAN FOR UTILIZATION OF FUNDS AS PROCEEDS FROM PUBLIC OFFERINGS OF BONDS

#### Updates on progress:

(a) *First tranche:*

Industry/sector	Under the offering circular (VND)	Amount as proceeds from the bond issue (VND)	Amount actually utilized (VND)	In which:	Duration of utilization
				Amount of medium and long-term loans following date of bond issue (VND)	
Producing and distributing electricity and gas	3,710,000,000,000		3,710,000,000,000	3,710,000,000,000	Between August 11, 2020 and December 07, 2020
Manufacturing and processing industry	2,170,000,000,000		2,170,000,000,000	2,170,000,000,000	Between August 05, 2020 and December 28, 2020
Mining	670,000,000,000		670,000,000,000	670,000,000,000	Between August 05, 2020 and December 28, 2020
Other sectors	450,000,000,000		450,000,000,000	450,000,000,000	Between August 27, 2020 and January 06, 2021
<b>Total</b>	<b>7,000,000,000,000</b>	<b>7,000,000,000,000</b>	<b>7,000,000,000,000</b>	<b>7,000,000,000,000</b>	

(b) *Second tranche:*

Industry/sector	Under the offering circular (VND)	Amount as proceeds from the bond issue (VND)	Amount actually of utilization (VND)	In which:	Duration of utilization
				Amount of medium and long-term loans following date of bond issue (VND)	
Producing and distributing electricity and gas	1,620,000,000,000		1,421,508,879,451	1,421,508,879,451	Between December 07, 2020 and January 08, 2021
Manufacturing and processing industry	960,000,000,000		958,045,758,307	958,045,758,307	Between December 28, 2020 and January 08, 2021
Mining	290,000,000,000		26,582,232,564	26,582,232,564	December 28, 2020
Other sectors	130,000,000,000		53,083,129,678	53,083,129,678	January 06, 2021.
<b>Total</b>	<b>3,000,000,000,000</b>	<b>2,459,220,000,000</b>	<b>2,459,220,000,000</b>	<b>2,459,220,000,000</b>	

**Changes (if any): None.**

**Reason for change (if any): None.**

Details of the Report have been disclosed by VietinBank on January 29, 2021 in accordance with applicable regulations.