

VIETINBANK FINANCIAL REPORTING NEWS

3Q2020 AND 9M2020
BUSINESS PERFORMANCE



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Business scale recovered positively in 3Q2020

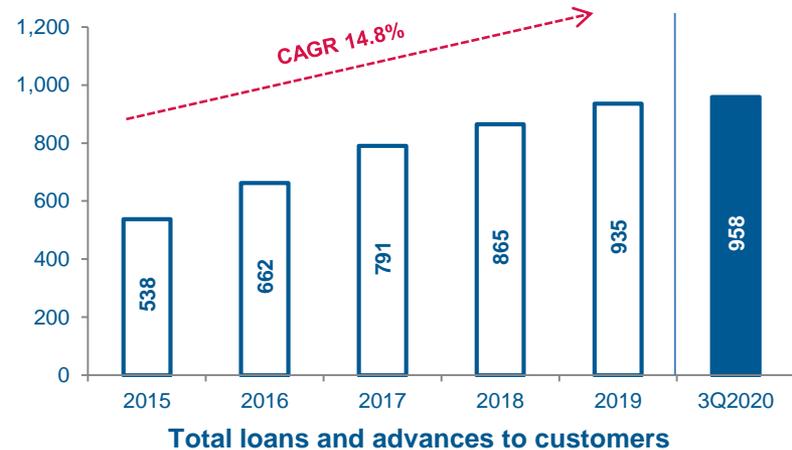
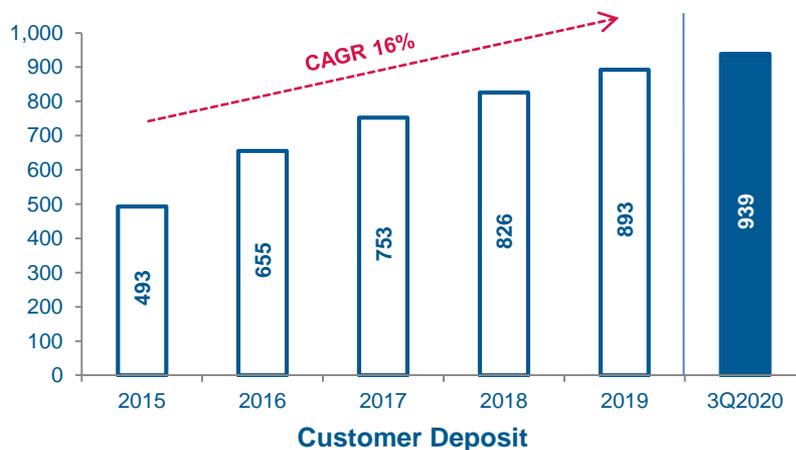


Strengthened non-interest income and reduced cost



Well-controlled debt quality, improved bad debt collection

1. Business scale recovered positively in 3Q2020

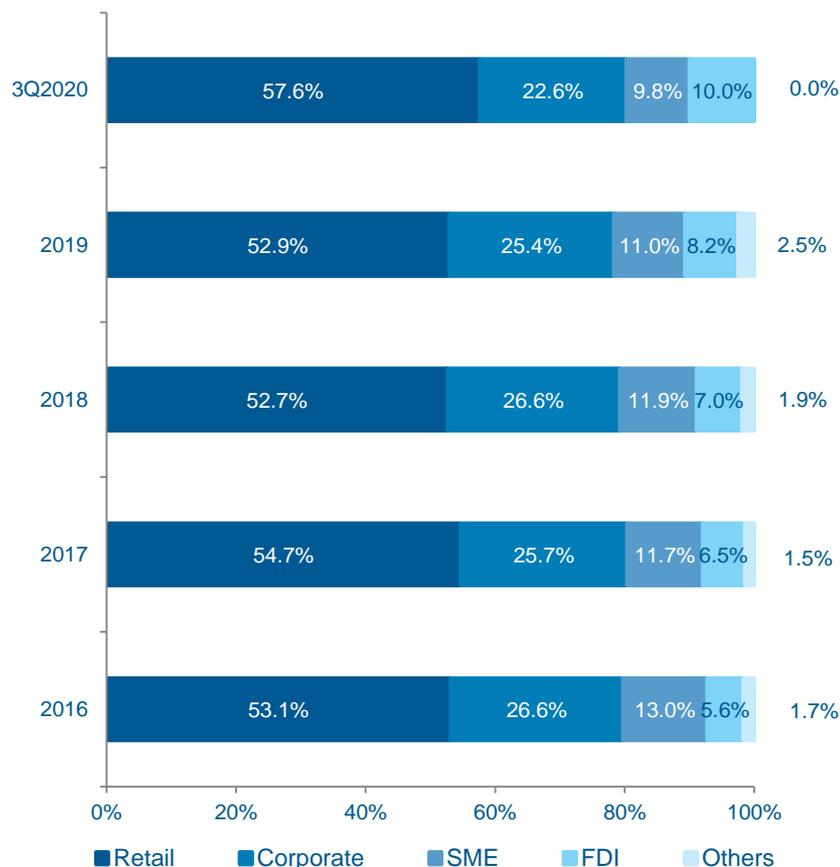


As at September 30th, 2020, VietinBank's total assets, customer loans and customer deposits experienced growth year-to-date. Amidst the Covid-19 pandemic that caused a decline in demand for credit, the 2.4% credit growth rate was a remarkable figure, especially that of 3Q2020 was a positive recovery.

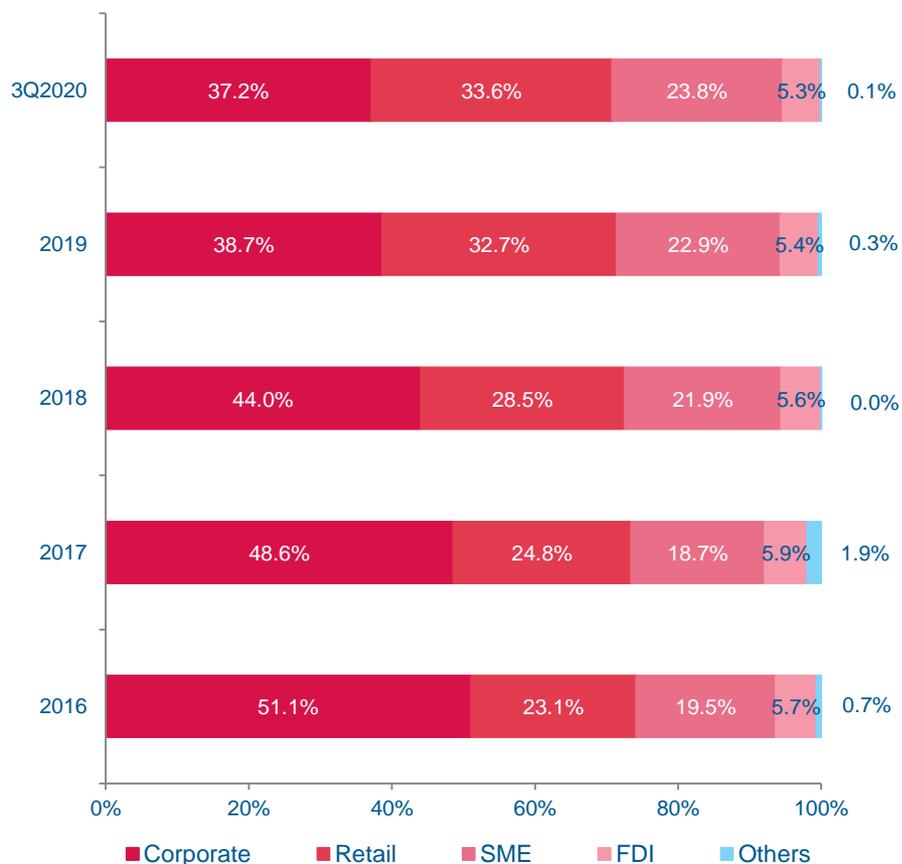
1. Business scale recovered positively in 3Q2020

- ❖ Capital structure had a positive shift with increased proportion of deposits from retail and FDI customers.
- ❖ Lending structure continued to shift towards increasing proportion in highly profitable segments such as retail and SMEs.

Customer deposit breakdown



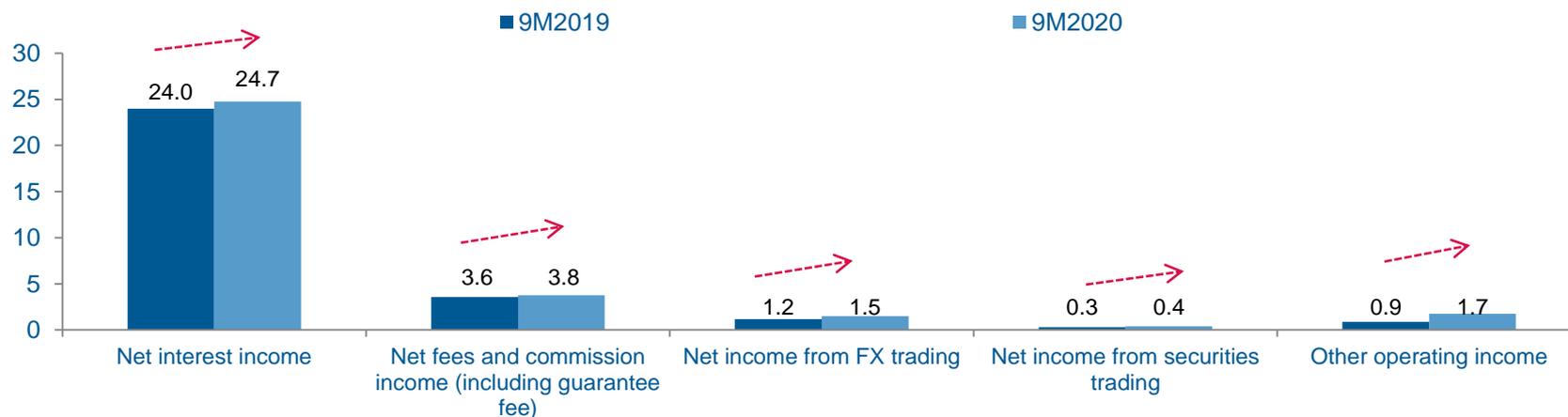
Loan breakdown



2. Strengthened non-interest income and reduced cost

- ❖ **TOI** 9M2020 reached 32,170 VND bil, up 7.4% yoy.
- ❖ **NII** (excluding bank guarantee) 9M2020 reached 24,749 VND bil, up 3.1% yoy, in which 3Q2020 saw positive improvement. Although 3Q2020 interest income went down yoy due to decreasing interest rates and VietinBank's support to customers being affected by COVID-19, interest expense in 3Q2020 also decreased thanks to CASA growth boost and good control of structure and cost of capital funding, thereby contributing to increased NII in 3Q2020 yoy.
- ❖ **Net fees and commission income** (including bank guarantee fee) 9M2020 reached nearly 3,763 VND bil, up 5.8% yoy thanks to promoting the digitization of services and electronic payment, resulting in significant growth in VietinBank's payment service fee collection.
- ❖ **Non-interest income** reached 6,876 VND bil, a surge of 26.4% yoy generating from: *(i)* Net income from FX trading reached 1,514 VND bil, up 27.4% yoy; *(ii)* Net income from securities trading reached 398 VND bil, up 27.6% yoy.

Movements of income and expenses (VND, trillion)



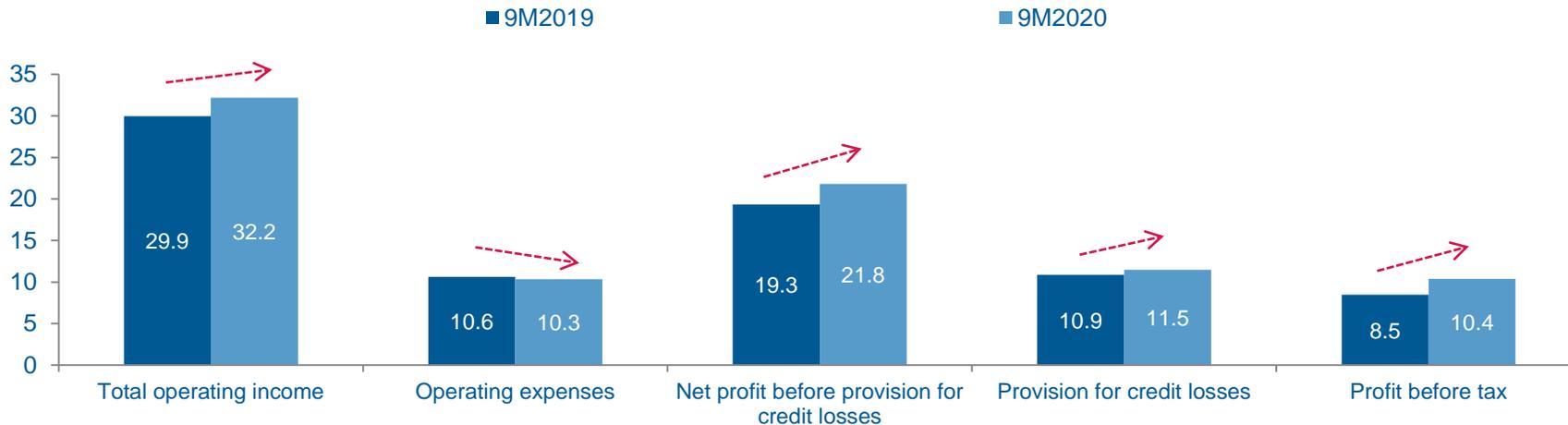
2. Strengthened non-interest income and reduced cost

- ❖ **Operating expenses** 9M2020 was 10,348 VND bil, down 2.5% yoy.
- ❖ **CIR** 9M2020 stood at 32.2%, down 3.3% yoy.
- ❖ **PBT (accumulated)** 9M2020 reached 10,364 VND bil, thanks to: **(i)** sharp increase in non-interest income; **(ii)** a surge in bad debt collection resulting in significant revenue (about 80%) yoy; **(iii)** effective cost reduction.

Cost to income ratio (CIR)



Movements of income and expenses (VND, trillion)



3. Well-controlled debt quality, improved bad debt collection

Non-performing loan ratio (NPL)



- ❖ NPL ratio (out of total outstanding loan to customers) as at 30/9/2020 was 1.87%. In the common context of difficulties for the economy with most banks suffering increasing NPL ratio, VietinBank remained among banks with the best debt quality.
- ❖ VietinBank actively implemented synchronous solutions to control credit quality, recover and handle bad debts. Regular credit portfolio supervision helped VietinBank proactively identify risks early in order to implement timely response measures. While Covid-19 pandemic greatly impacted the economy and customers, VietinBank actively implemented solutions to support customers overcome difficulties, restore production and business activities, thereby contributing to debt quality control and impact of debt classification results on financial health of the bank.
- ❖ VietinBank always actively assesses customers' business and converts debt groups in accordance with the customer's risk level, at the same time makes full risk provision in accordance with regulations to proactively deal with debt.

Thank you!

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