

VIETINBANK FINANCIAL REPORTING NEWS

4Q2020 AND 2020 BUSINESS PERFORMANCE



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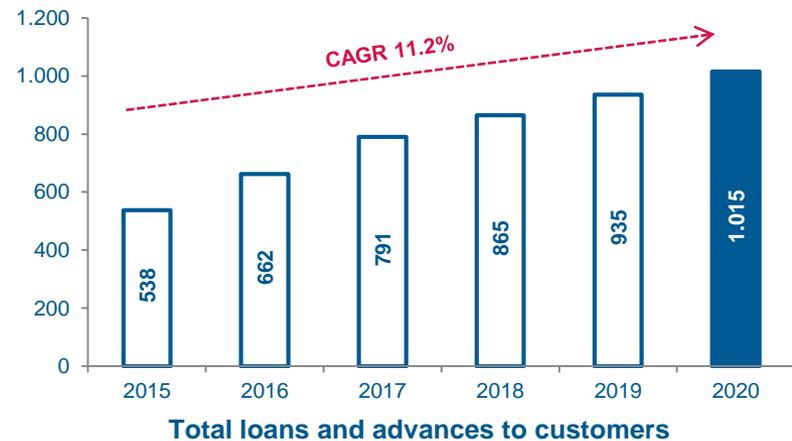
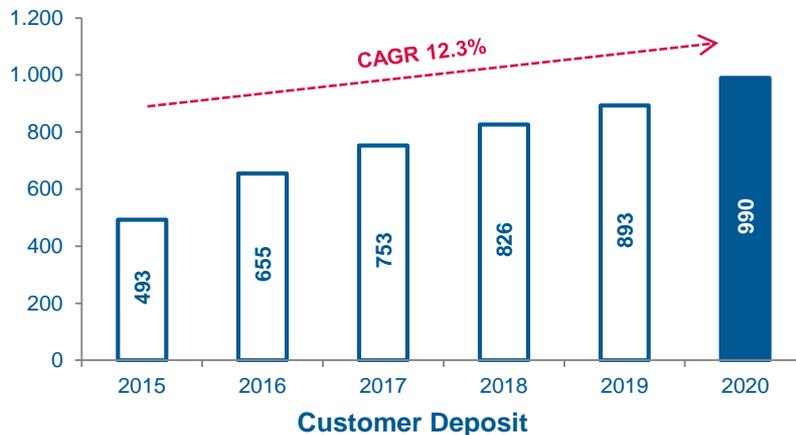
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1. Growth of scale continued to be steady

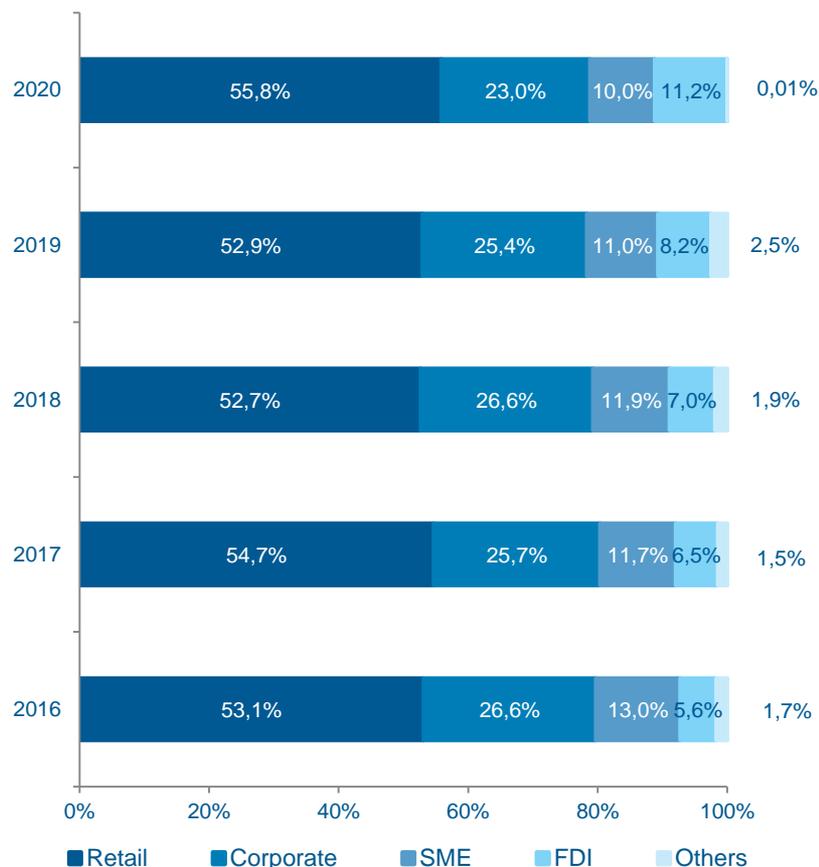


In 2020, VietinBank's total assets, customer loans and customer deposits increased yoy. Capital mobilization was optimally balanced with credit growth. CASA funding continued to improve, up 27.3% yoy. Increase in proportion of CASA and short term deposits helped optimize cost of capital.

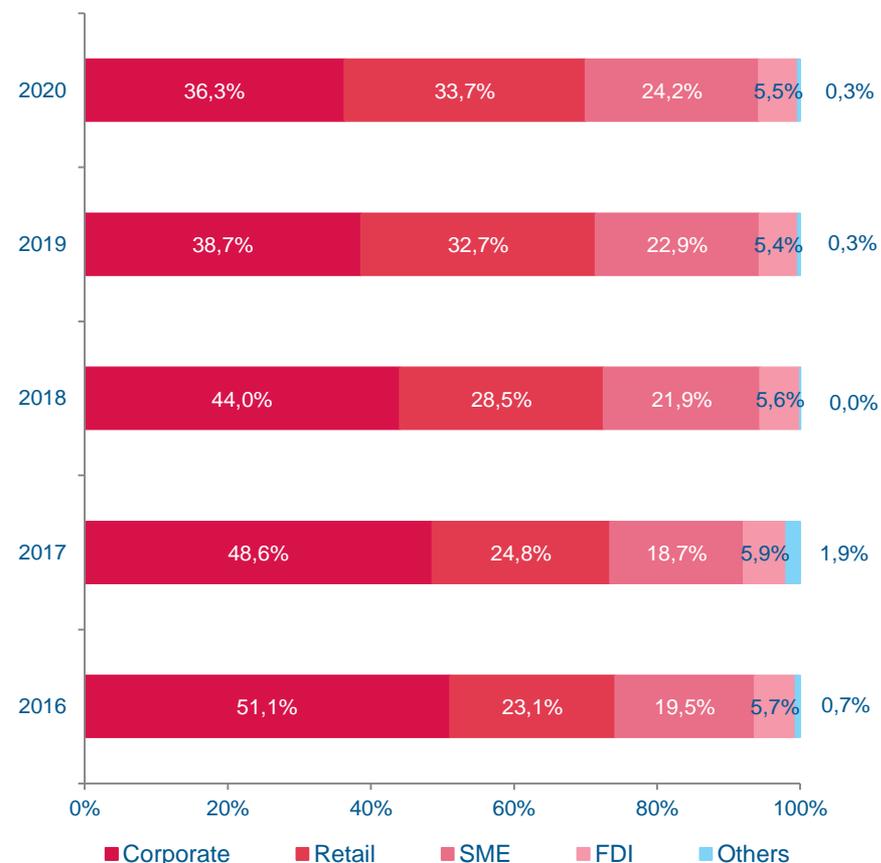
1. Growth of scale continued to be steady

- ❖ Capital structure had a positive shift with increased proportion of deposits from retail and FDI customers segments.
- ❖ Credit continued to grow sustainably, boosted growth in highly productive segments such as retail and SMEs, prioritized credit for production and business, increased the proportion of high-yielding products with risks under limit, increased the proportion of outstanding loans in VND to maintain profitability of the portfolio.

Customer deposit breakdown



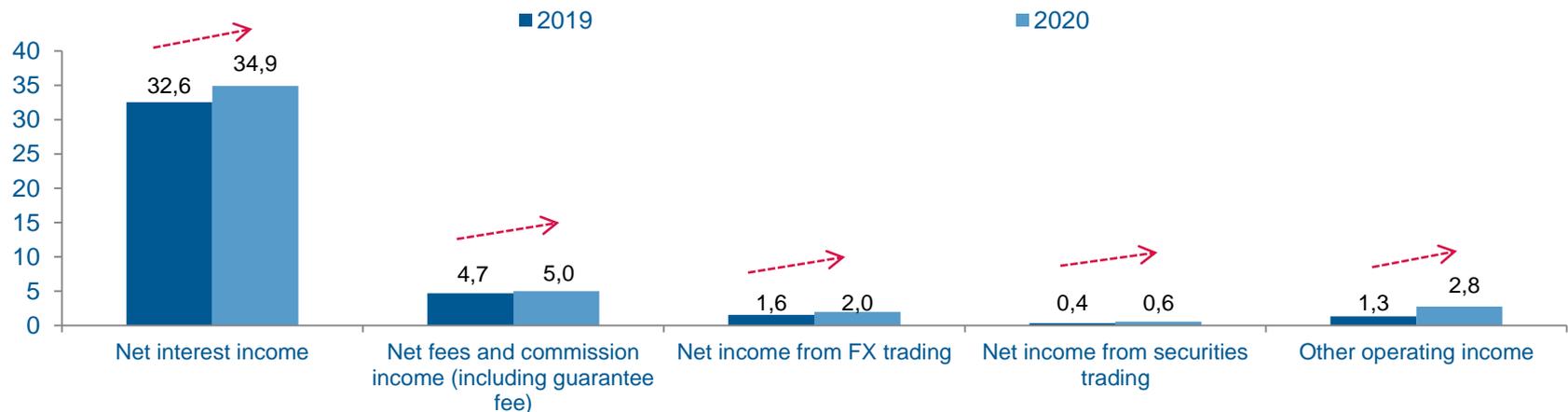
Loan breakdown



2. Income structure continued to have a strong shift, non-interest income increased

- ❖ **TOI 2020** reached 45,280 VND bil (up 11.8% yoy) thanks to increase in all income sources: NII, net fee and commission income, net income from capital market trading activities. In which:
 - **NII** (excluding bank guarantee) 2020 reached 34,893 VND bil (up 7.2% yoy). Given continuous downtrend of interest rates level in the market in 2020, VietinBank flexibly reduced cost of capital, accordingly, interest income for the whole year 2020 increased slightly by 1.1% yoy while interest expenses down by 2.9% yoy.
 - **Net fees and commission income** (including bank guarantee fee) 2020 reached 5,029 VND bil (up 7% yoy) thanks to *(i)* promoting the digitization of services and electronic payment, resulting in significant growth in VietinBank's payment service fee collection and *(ii)* good control of fee and commission expenses.
 - **Net income from capital market trading activities:** *(i)* Net income from FX trading reached 2,000 VND bil, up 27.8% yoy; *(ii)* Net income from securities trading reached 601 VND bil, up 64.5% yoy.
- ❖ **Income structure** continued to have a strong shift, increased non-interest income with the proportion of non-interest income increasing from 19.7% in 2019 to 22.9% in 2020.

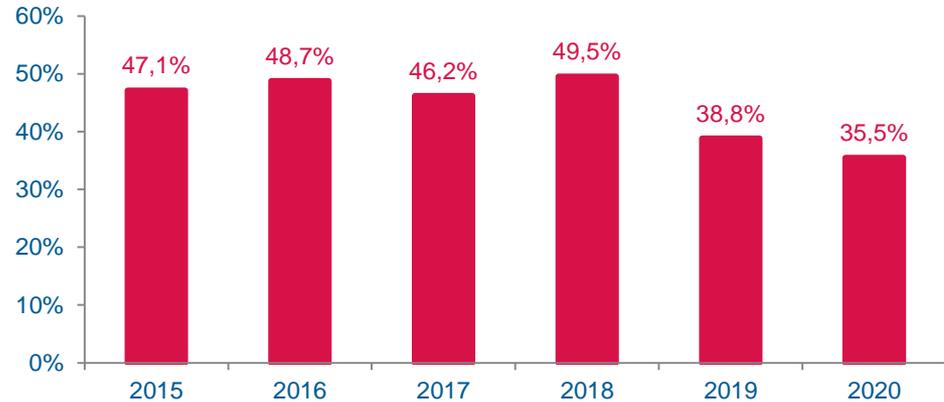
Movements of income and expenses (VND, trillion)



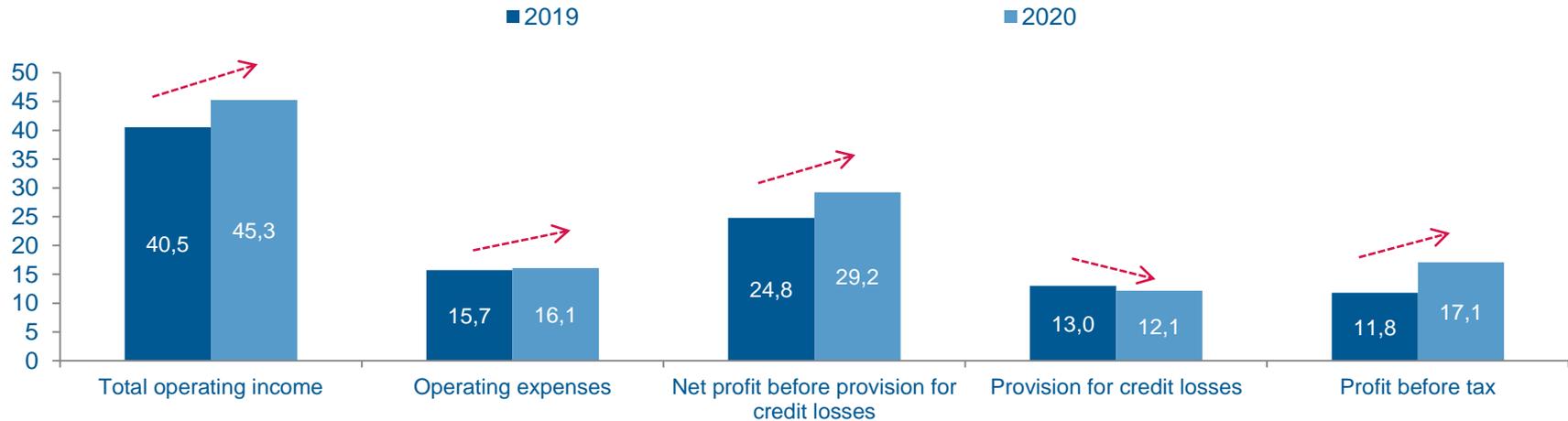
3. Effective cost control and management

- ❖ **Operating expenses 2020** was 16,062 VND bil, up 2.1% yoy.
- ❖ **CIR 2020** kept staying at low level and continued to went down from 38.8% in 2019 to 35.5% in 2020. Income-expense difference reached the biggest gap ever.

Cost to income ratio (CIR)



Movements of income and expenses (VND, trillion)

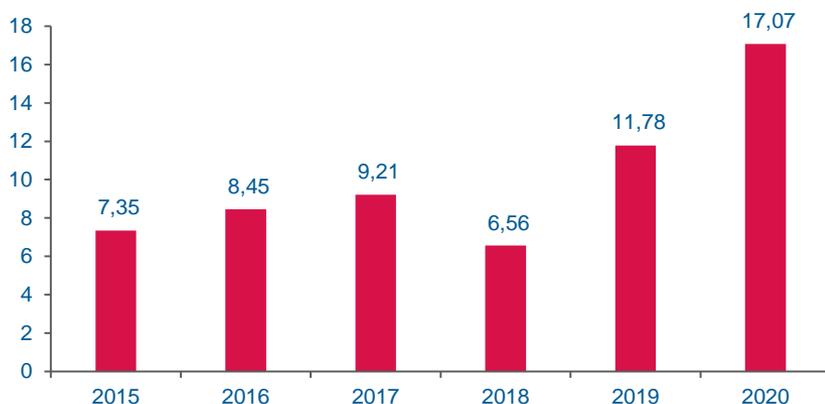


4. Profit grew positively

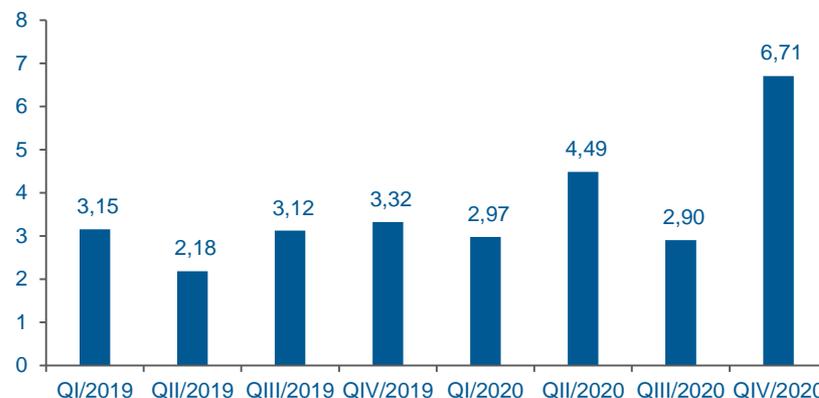
Consolidated PBT in 2020 reached 17,070 VND trillion, thanks to:

- ❖ **Fees and commission income:** Service fees collection structure in 2020 continued to account for a high proportion of payment fees (~ 57%) in accordance with the direction of modern transaction banking development, improving products and services quality and customer experience, especially developing E-banking channel.
- ❖ Effective and reasonable income from securities and FX trading.
- ❖ A surge in risk-settled debt collection.
- ❖ Effective cost control.

**Annual consolidated PBT
(VND, trillion)**



**Quarterly consolidated PBT
(VND, trillion)**



5. Debt quality continued to be well controlled

Non-performing loan ratio (NPL)



- ❖ In 2020, given the dual impact from Covid-19 pandemic as well as drought and saline intrusion, VietinBank proactively reviewed and controlled portfolio quality, gave early warnings to areas at risk of major impacts during and after the pandemic, strengthened control of cash flow, asset quality and closely followed customers' business performance, supported customers to overcome difficult period of the pandemic. Accordingly, NPL ratio of VietinBank in 2020 was controlled at less than 1%, in conformity with planned target approved by the SBV and the General Meeting of Shareholders.
- ❖ VietinBank always proactively identifies risks and converts debt groups in accordance with customers' risk levels, and at the same time makes full provisioning to take initiative in debt settlement plans. NPL coverage ratio as at December 31, 2020 was 132%, up 4% yoy.
- ❖ In 2020, VietinBank brought back all VAMC bonds before maturity and settled a large amount of bad debts during the year (in parallel with implementation of measures to recover debts in the earliest time). Thus, creating a solid foundation for the bank's operations in the coming time.

Thank you!

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