

A white line graph icon with an upward-pointing arrow, indicating growth or positive financial performance.

# VIETINBANK

## FINANCIAL REPORTING NEWS

2Q2021 & 6M2021





# CONTENTS

01

**Scale continued to grow well**

02

**Positive shift of income structure**

03

**Effective cost management and control**

04

**Positive growth of profit**

05

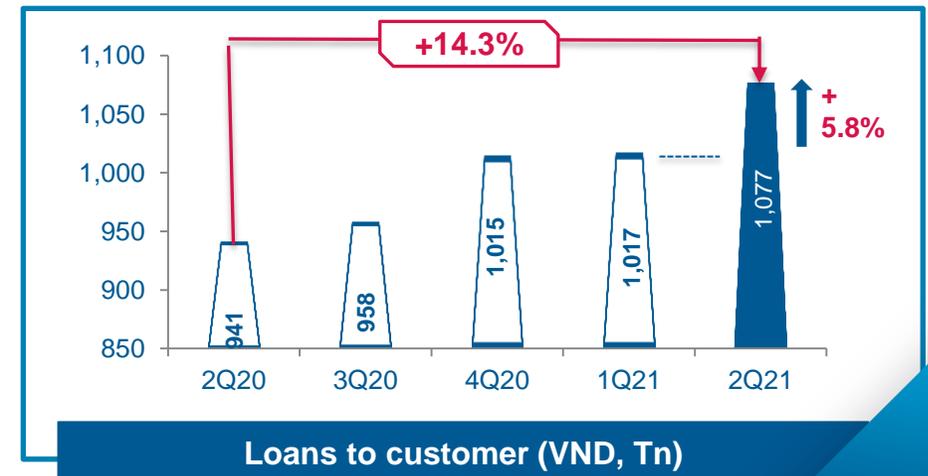
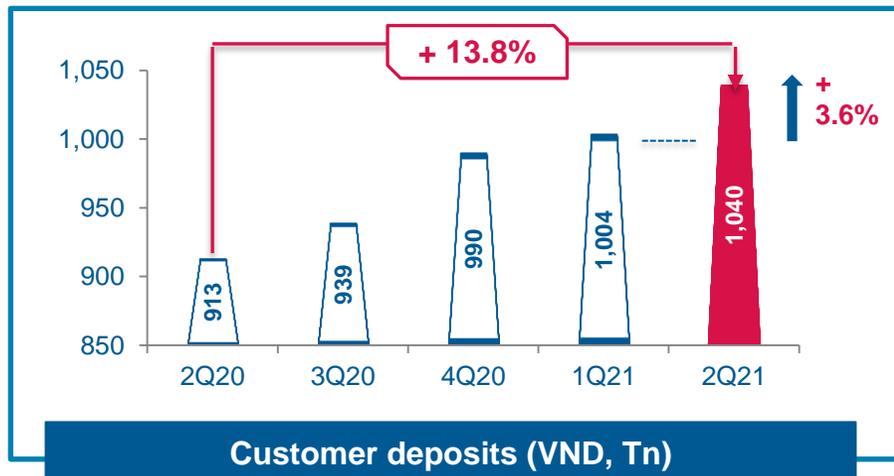
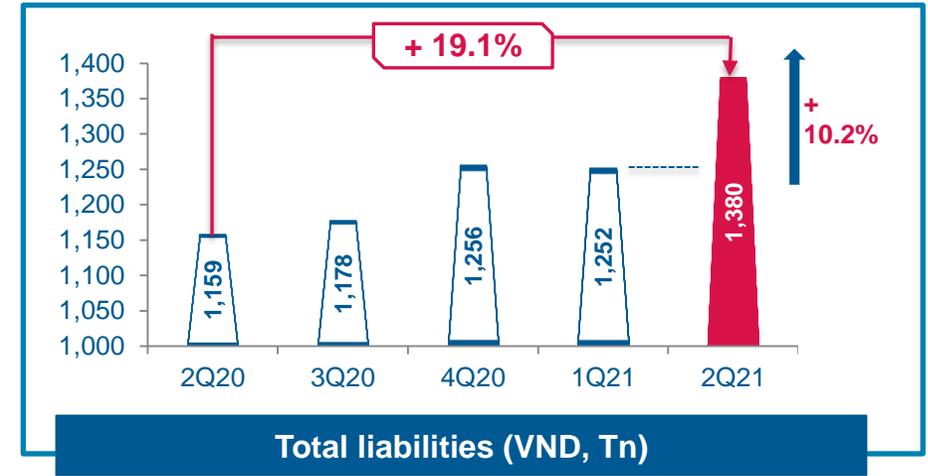
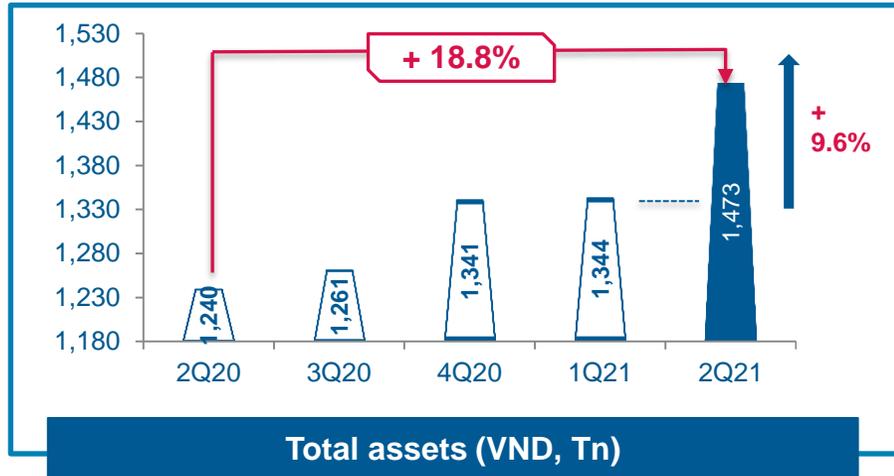
**Debt quality continued to be controlled**



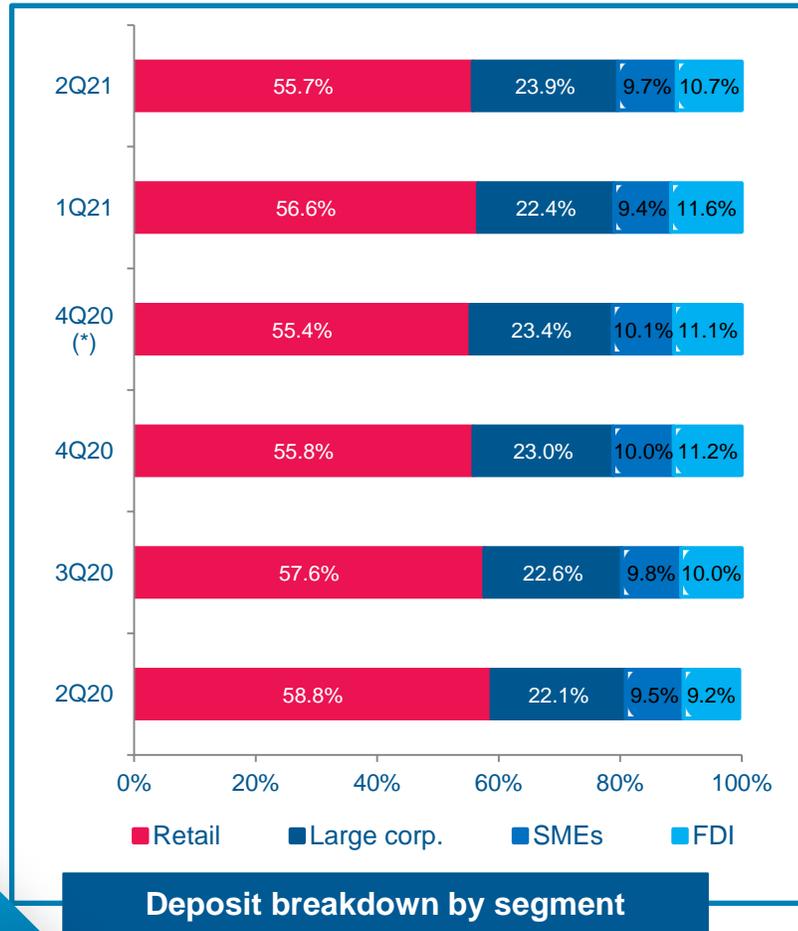
# 01. Scale continued to grow well



Scale indicators grew well amid Covid-19 pandemic. Actively diversify capital mobilization channels at reasonable costs, in balance with credit growth needs, and optimize business efficiency.



# 01. Scale continued to grow well



- Capital continued to grow positively, the proportion of deposits from large corporates and SMEs increased.
- Credit continued to grow sustainably in the direction of increasing the proportion of highly profitable segments such as retail and SMEs; restructuring credit portfolio, diversifying and prioritizing credit for production and business, in line with the needs and developments of each economic sector and field.

(\*): Proportion after converting customer segment when VietinBank conducted periodic assessment in early 2021

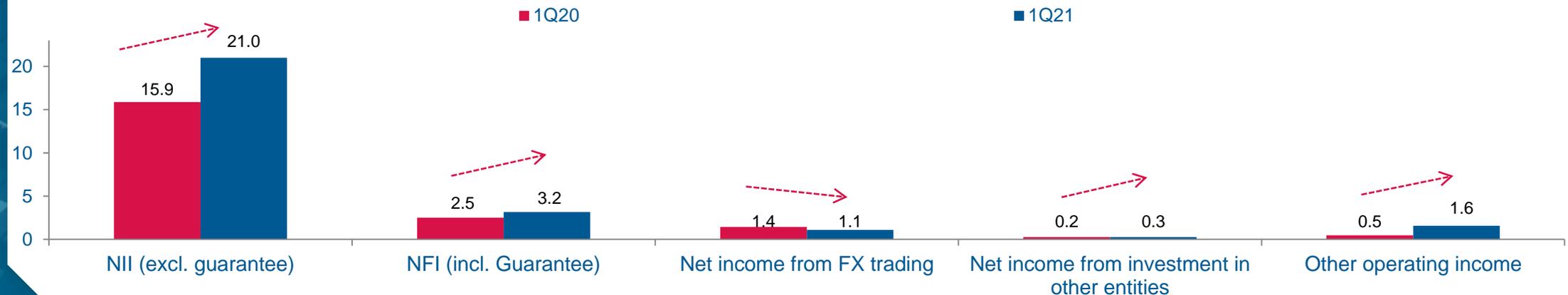
## 02. Shifting income structure, growing non-interest income

❖ **TOI 6M2021** reached 27,006 VND, Bn (+30.7% yoy) thanks to increase in: NII, NFI, income from investment in other entities and other operating income. In which:

- **NII (excluding guarantee)** reached 20,987 VND, Bn (+32.3% yoy). VietinBank cut lending rates and fees of over VND 2,000 billion to support businesses and people affected by the Covid-19 pandemic, but thanks to a variety of measures to control and reduce capital costs such as developing transaction banking services, promoting eFAST, eKYC campaigns to attract customers, growing CASA and diversifying domestic and foreign capital mobilization channels at reasonable costs, so net interest income still increased.
- **NFI (including guarantee)** reached 3,174 VND, Bn (+26.5% yoy) by implementing measures to promote sales of advantageous products such as trade finance, money transfer, card services, etc., while controlling service expenses to optimize cost management efficiency.
- **Net income from other activities** reached 1,573 VND, Bn (+234.3% yoy) in which, recovery from risk-settled bad debts increased sharply (97.8% yoy).

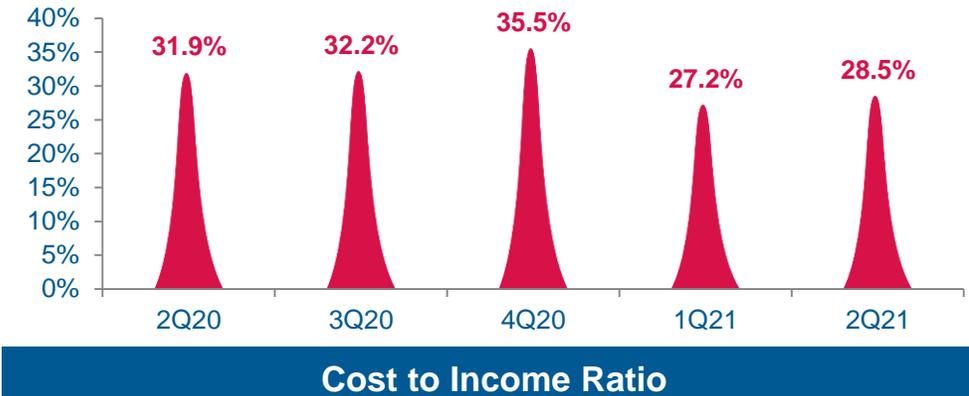
❖ **Income structure** continued to shift towards increasing non-interest income.

### Movements of income (VND, Tn)

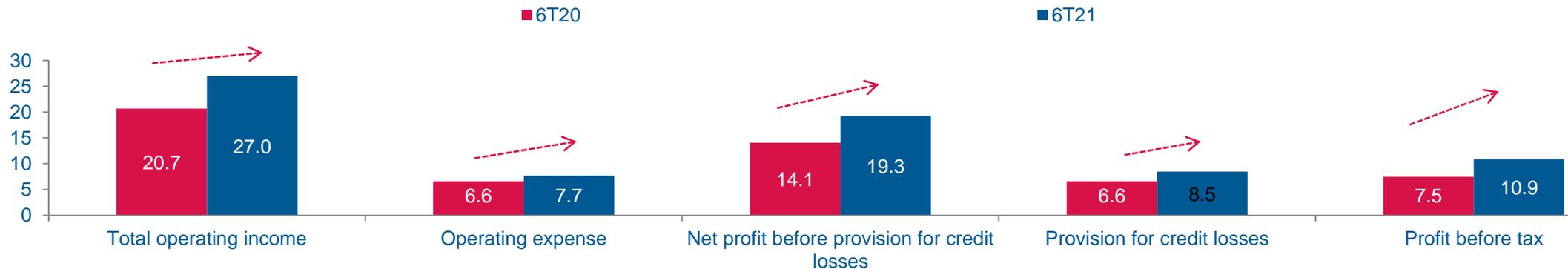


### 03. Effective cost management and control

- Continue to manage and control costs effectively;
- CIR 6M2021 stayed at low level of 28.5%, down 3.4% yoy;
- Income - expense difference continued to reached high level.



#### Movements of income and expenses (VND, Tn)



# 04. Profits grew positively thanks to reasonable business strategy

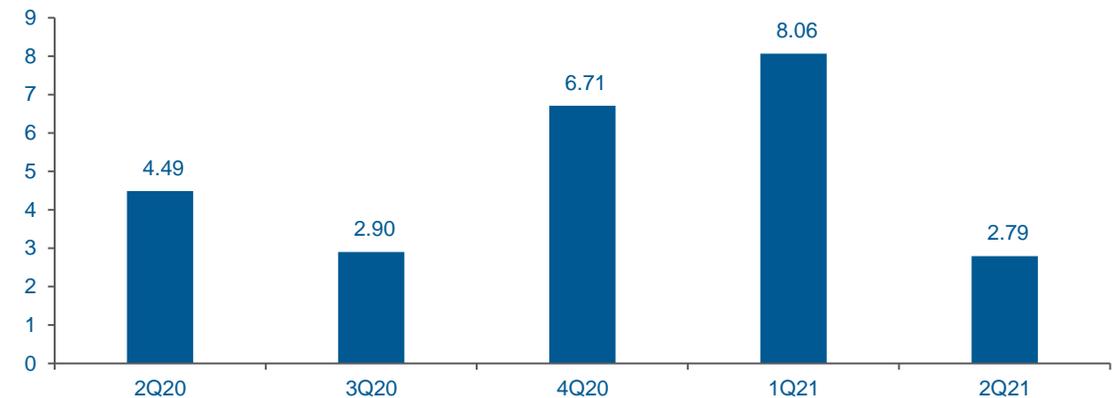
## CONSOLIDATED PROFIT BEFORE TAX 6MQ2021 REACHED 10,850 VND BILLION, UP 45.5% YOY THANKS TO:

- ☑ NII grew steadily (33% yoy) thanks to good control of capital costs; continue to accompany customers affected by Covid-19, control capital costs through developing payment banks (eFAST, eKYC) and diversify capital mobilization channels
- ☑ NFI grew well (22% yoy) thanks to selling advantageous products such as trade finance, money transfer, card services...and controlling service expenses to optimize efficiency cost management
- ☑ Recovery from risk-settled bad debts increased sharply (97.8% yoy)
- ☑ Effective cost control, CIR ratio decreased yoy

Annual consolidated PBT (VND, Tn)

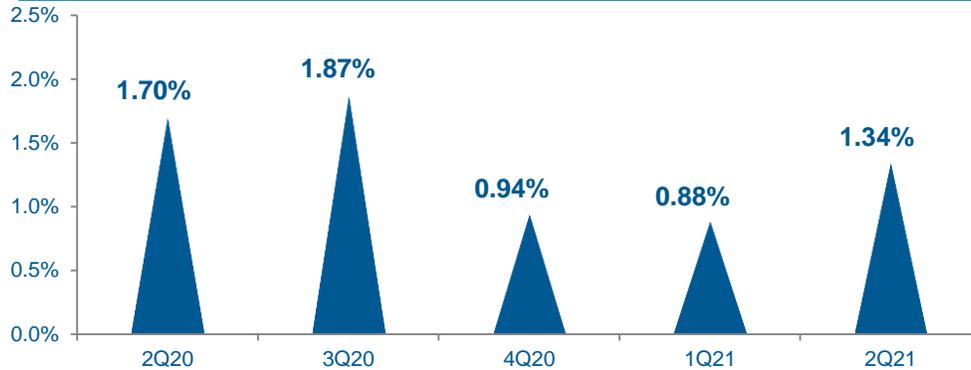


Quarterly consolidated PBT (VND, Tn)

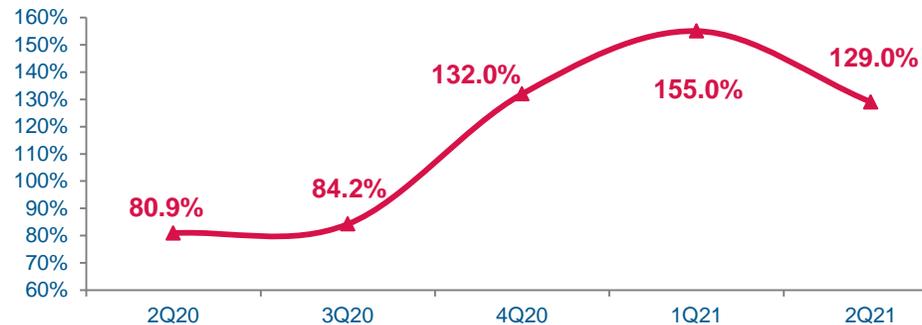


## 05. Debt quality continued to be controlled

### Non-performing loan ratio (NPL)



### NPL coverage ratio



- The ratio of bad debt/outstanding loans at the end of 2Q2021 was at 1.34%, an increase compared to 1Q2021. The bad debt ratio increased because VietinBank actively restructured the overall debt for a number of large customers to ensure that these customers can continue to operate as well as recover and develop again in the near future.
- VietinBank proactively set aside additional risk provisions according to Circular 03, which is more strictly than the level prescribed by the State Bank in order to improve risk management capacity and increase resilience to possible adverse impact from economy.
- Provision expense in 6M2021 was 8.46 VND, Tn, up 28% yoy. Bad debt coverage ratio as of June 30, 2021 was 129%.

# THANK YOU!

**Disclaimer:**

This publication was prepared by using financial reports and other reliable sources with the aims to provide information only. Readers should use this news as a reference source only. The information might be updated from time to time and we have no responsibility to notify about that change.