



# NEWS UPDATE

## FINANCIAL REPORTS

3Q2021 & 9M2021





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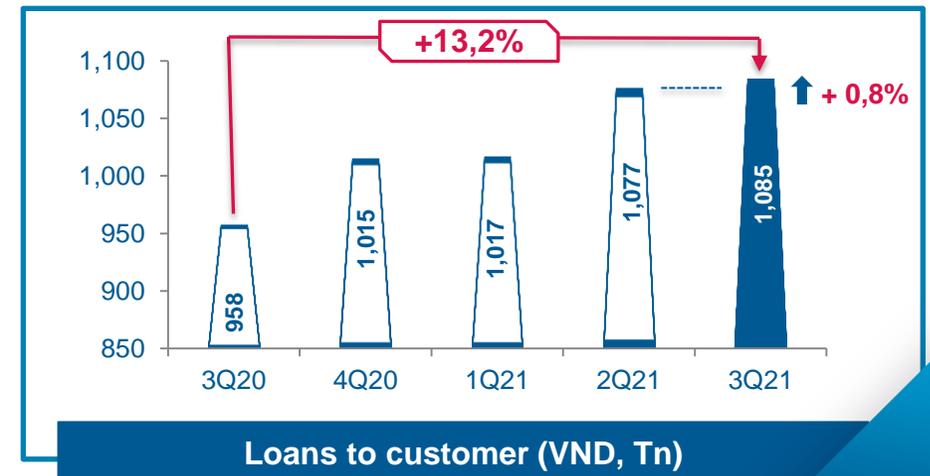
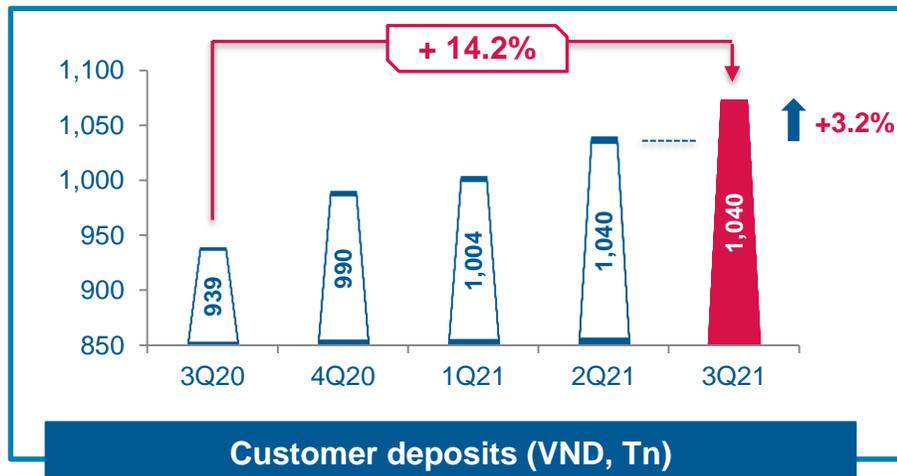
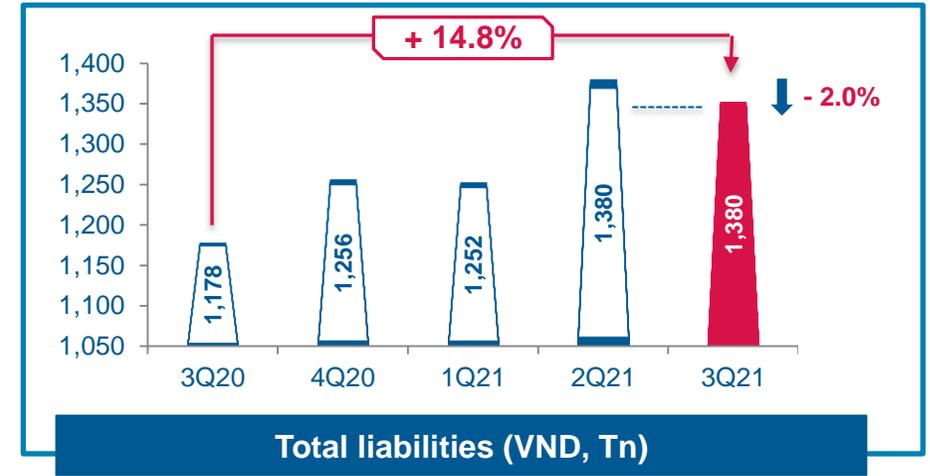
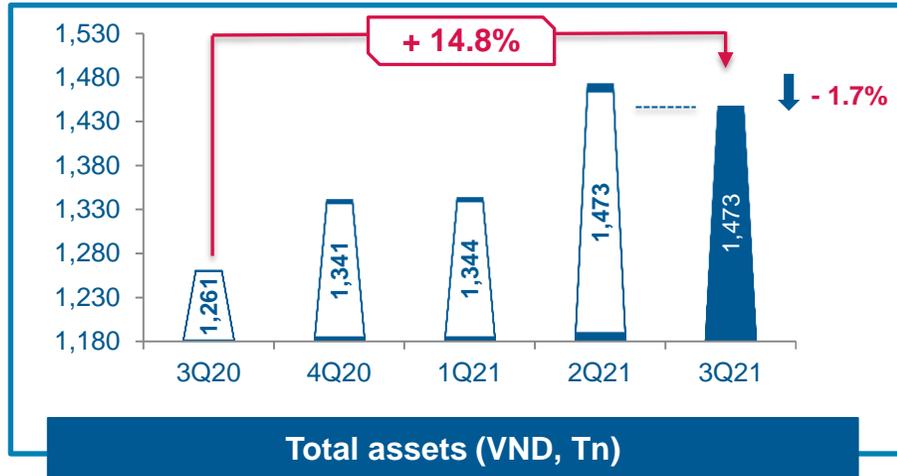
**Debt quality continued to be controlled**



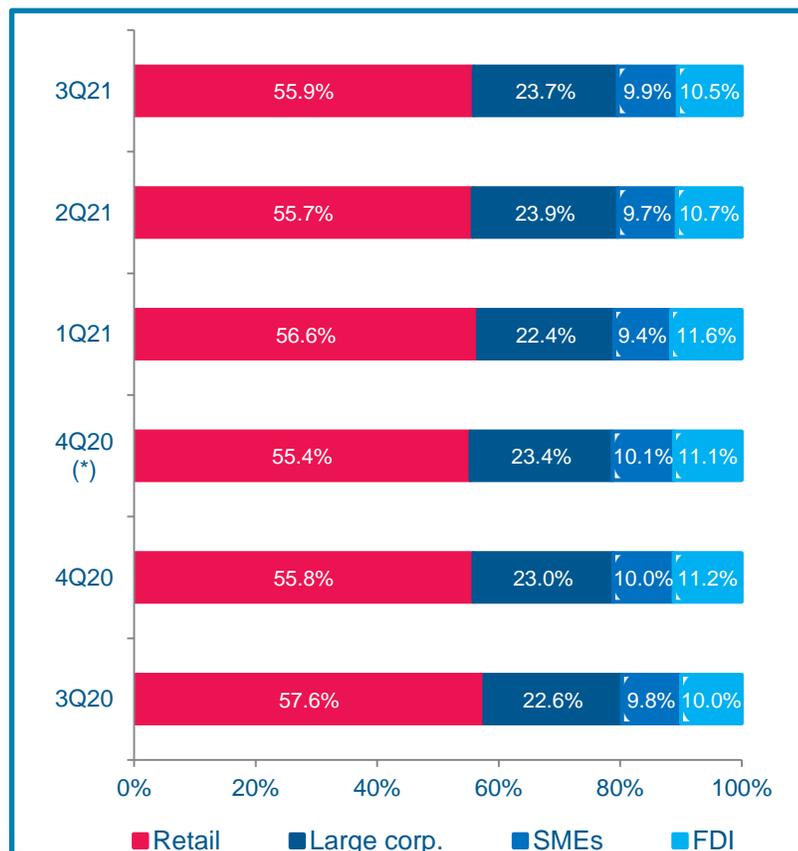
# 01. Slowed down scale of growth due to impact from the 4th wave of COVID-19



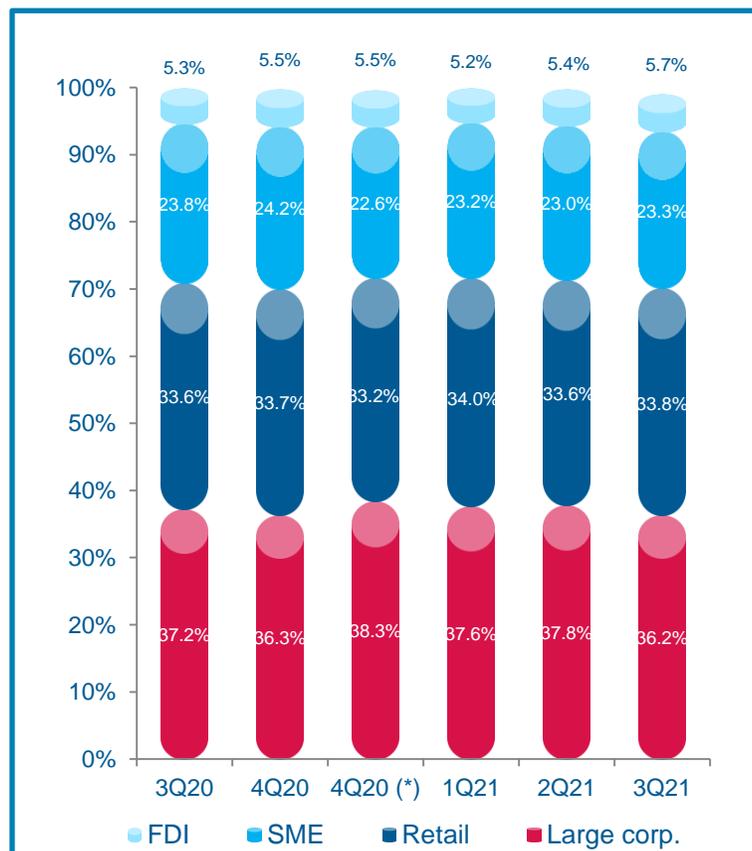
The 4th wave of COVID-19 caused prolonged social distancing with many non-essential service businesses having to close, and a large number of employees decreased. Despite the synchronous implementation of many customer support measures, several scale indicators of VietinBank in 3Q2021 decreased qoq. However, these indicators still enjoyed yoy growth.



# 01. Slowed down scale of growth due to impact from the 4th wave of COVID-19



Deposit breakdown by segment



Loan breakdown by segment

- Capital enjoyed positive ytd growth (+8%); proportion of deposits from retail and SME segments increased.
- Credit grew yoy but decreased qoq due to the pandemic impact causing declining credit demand.
- Credit structure was still on track of increasing the proportion of highly profitable segments such as retail and SME; structure of credit portfolio was diversified and prioritized credit for production and business, in line with the needs and developments of each economic sector and field.

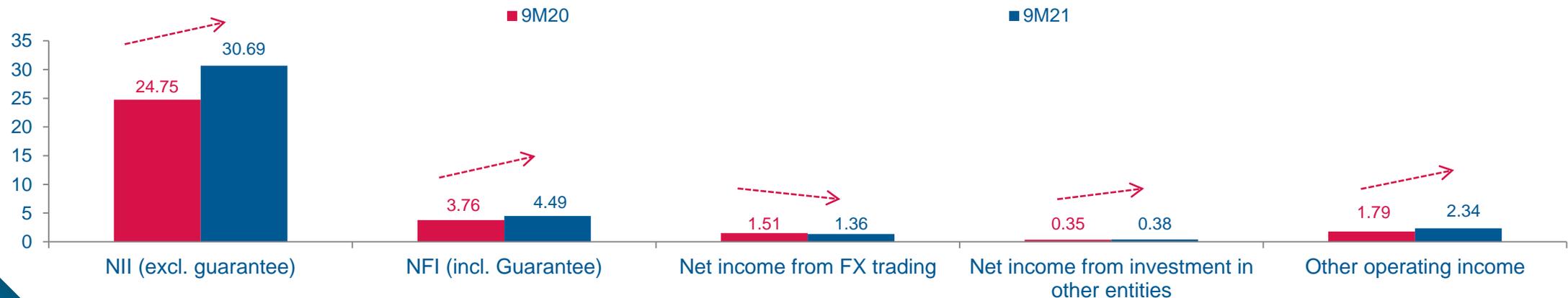
(\*): VietinBank conducted periodic review at the beginning of 2021, resulted in some customers being switched from retail segment to corporate one.

## 02. Well-grown TOI thanks to increased NFI

**TOI 9M2021** reached 39,261 VND, Bn (+22% yoy) thanks to increase in: NII, NFI, income from investment in other entities and other operating income. In which:

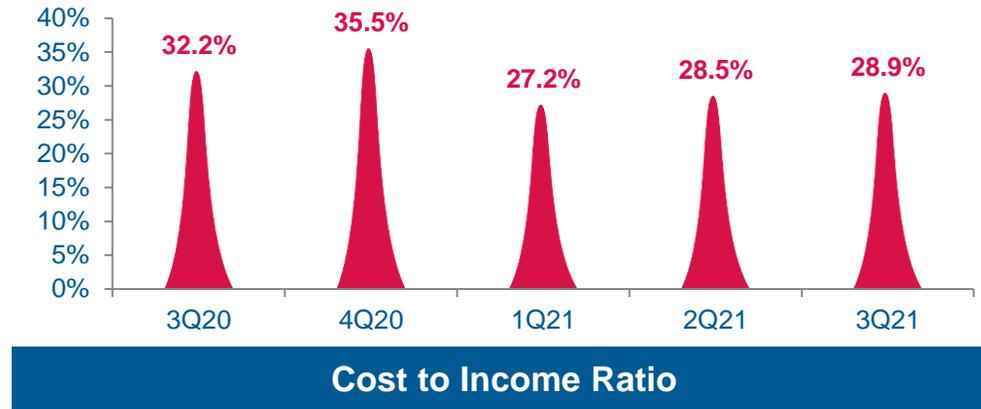
- **NII (excluding guarantee)** reached 30,694 VND, Bn (+24% yoy). VietinBank continued cutting lending rates and fees of over VND 6,000 billion to support businesses and people affected by the COVID-19 pandemic, but thanks to a variety of measures to control and reduce capital costs such as developing transaction banking services, promoting eFAST, eKYC campaigns to attract customers, growing CASA and diversifying domestic and foreign capital mobilization channels at reasonable costs.
- **NFI (including guarantee)** reached 4,493 VND, Bn (+19.4% 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.

### Movements of income (VND, Tn)

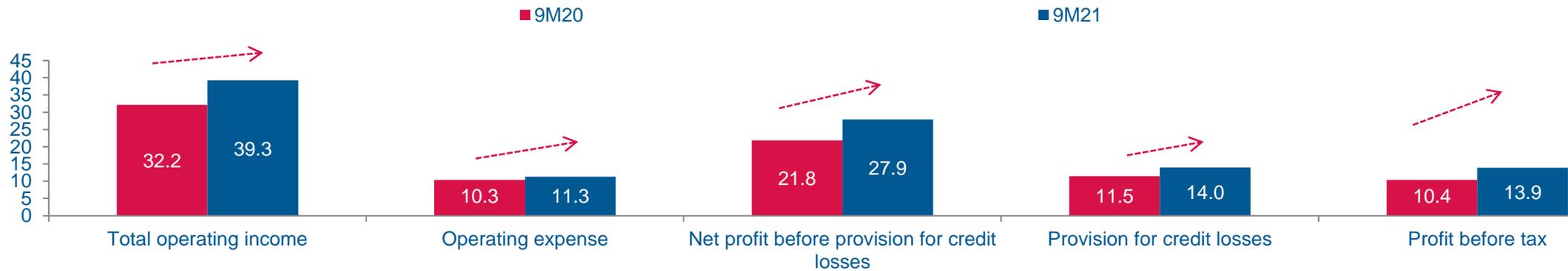


### 03. Effective cost management and control

- Continue to manage and control costs effectively;
- CIR 9M2021 stayed at low level of 28.9%, down 3.3% yoy.
- VietinBank will continue to control CIR ratio at a reasonable rate along with our investment in technology and digital transformation in the coming time.



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

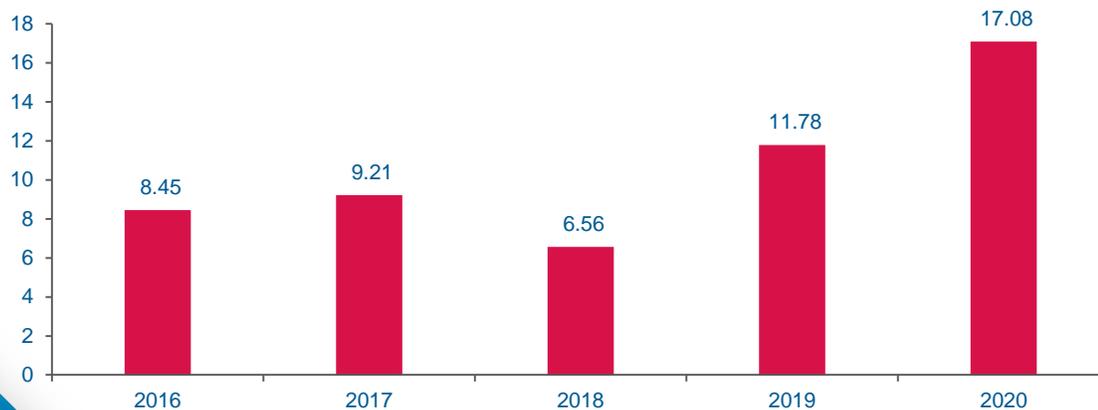


## 04. Positive growth of profit

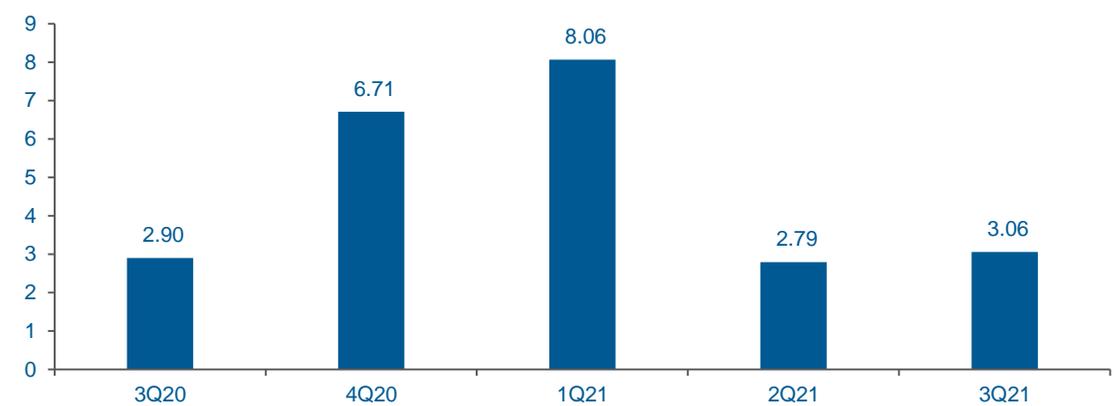
### CONSOLIDATED PROFIT BEFORE TAX 9M2021 REACHED **13,911 VND BILLION**, UP **34.2% YOY** THANKS TO:

- ✓ NII grew steadily (24% 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 (19.4% 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 continued to increase strongly (60.3% yoy)
- ✓ Effective cost control, CIR ratio decreased yoy

Annual consolidated PBT (VND, Tn)

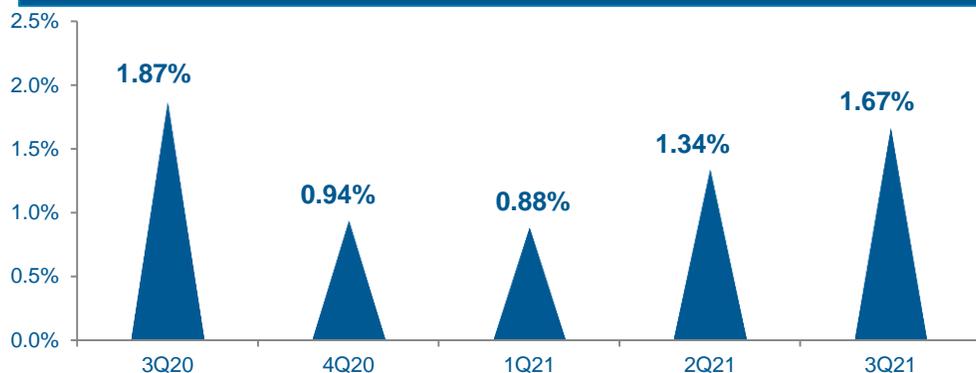


Quarterly consolidated PBT (VND, Tn)

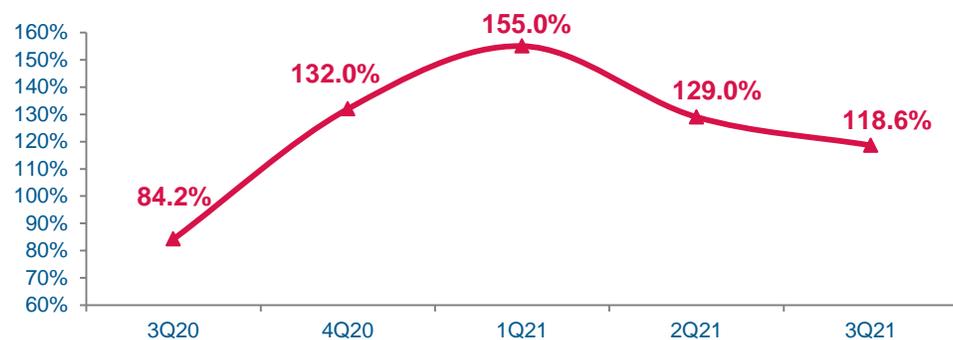


## 05. Debt quality continued to be controlled

### Non-performing loan ratio (NPL)



### NPL coverage ratio



- NPL ratio out of outstanding loans was at 1.67% because in 3Q2021, the re-outbreak of the COVID-19 pandemic had a wide-ranging intense impact in many industries/fields, especially in accommodation services, transportation, construction, agriculture...; disrupted and slowed down production and business activities of many enterprises. Accordingly, VietinBank's debt quality was affected. Also during this period, VietinBank implemented the overall structure for some customers with big outstanding loans to support and accompany customers to overcome difficulties caused by COVID-19.
- VietinBank proactively identified risks and made adequate provisions in accordance with the regulations of the SBV in order to improve risk management capacity and increase resilience to adverse economic fluctuations.
- Provision expense in 9M2021 was 14,000 VND, Bn, up 22.2% yoy. NPL coverage ratio as of September 30, 2021 was 118.6%.

# THANK YOU!

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