

VIETINBANK

INVESTORS UPDATE

1Q2021





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BUSINESS PERFORMANCE

1Q2021

Highlights of
business results
in 1Q2021

Analysis of
business results
in 1Q2021

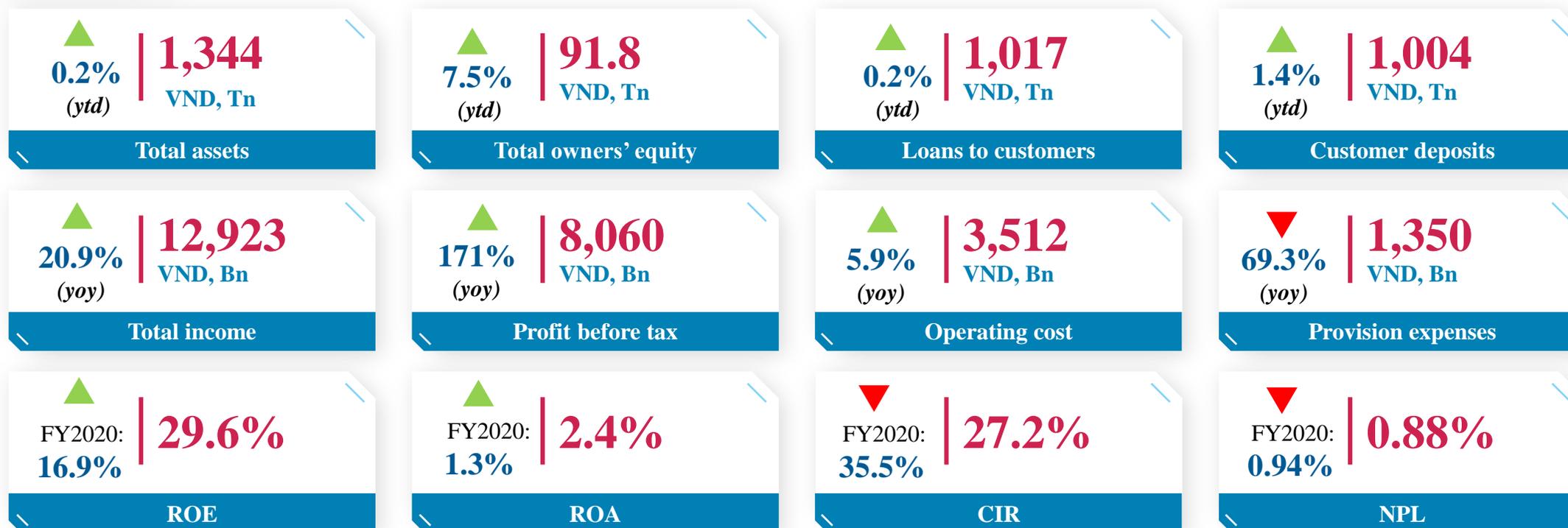


01. Business performance 1Q2021

Highlights of business results in 1Q2021



VietinBank's business results in 1Q2021 continued to grow steadily and positively, in which business efficiency growth was many times higher than scale growth.



01. Business performance 1Q2021

Highlights of business results in 1Q2021

SCALE	1Q20	2Q20	3Q20	4Q20	1Q21
Total assets growth (yoy)	6.6%	4.7%	4.9%	8.1%	9.9%
Total liabilities growth (yoy)	6.2%	4.3%	4.5%	8.0%	9.5%
CASA proportion	14.9%	16.4%	18.0%	19.6%	18.7%
Credit growth (ytd)	-0.4%	0.3%	1.8%	7.8%	0.05%
BUSINESS RESULTS (P&L)	1Q20	2Q20	3Q20	4Q20	1Q21
TOI growth (yoy)	10.9%	-0.6%	10.9%	24.0%	20.9%
NII growth (yoy)	5.9%	-5.2%	9.0%	18.3%	26.4%
Non-NII growth (yoy)	34.7%	20.3%	18.9%	50.0%	0.6%
Credit cost	4.7%	4.5%	4.3%	3.9%	3.4%
CIR	31.0%	32.9%	32.6%	43.6%	27.2%
Growth of net profit before provision to credit losses (yoy)	15.2%	4.3%	17.2%	35.9%	27.7%
Growth of PBT (yoy)	-5.7%	105.6%	-7.0%	101.8%	171%
DEBTS & ASSETS QUALITY	1Q20	2Q20	3Q20	4Q20	1Q21
NPL ratio	1.83%	1.70%	1.87%	0.94%	0.88%
Debt coverage ratio	77.3%	80.9%	84.2%	132.0%	155.4%
PROFITABILITY	1Q20	2Q20	3Q20	4Q20	1Q21
NIM	2.8%	2.7%	2.8%	2.8%	3.3%
ROA	1.0%	1.2%	1.1%	1.3%	2.4%
ROE	12.4%	15.3%	13.9%	16.9%	29.6%
EQUITY AND LIQUIDITY	1Q20	2Q20	3Q20	4Q20	1Q21
LDR ratio	87.7%	86.9%	84.5%	86.1%	85.3%
Ratio of short term funding used by medium and long term loans	28.3%	30.5%	29.4%	29.3%	27.4%

01

Continued to maintain high CASA funding, **up 40.5%** (yoy).

02

Total operating income (TOI) was **up 20.9%** (yoy) thanks to: NII, NFI, income from investments in other entities and other operating income.

03

Net interest income (NII) was **up 25%** (yoy) thanks to good control of cost of fund; continued to accompany customers affected by Covid-19, control cost of fund through developing payment banking solutions (eFAST, eKYC) and diversifying capital mobilization channels.

04

Net income from fee and service was **up 31.2%** (yoy) thanks to promotion of advantageous products such as trade finance, money transfer, card services...

05

Consolidated PBT in 1Q2021 reached **8,060 VND Bn, up 171%** (yoy)

06

CIR was controlled at **27.2%**. NPL was kept at **0.88%**. Debt coverage ratio reached **155.4%**. Recovery from written-off bad debts continued to increase (**24% yoy**).

07

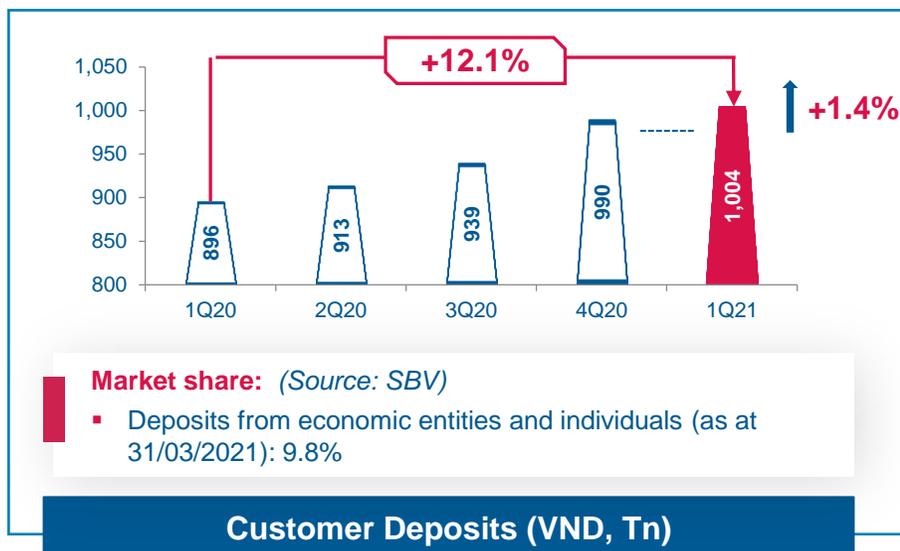
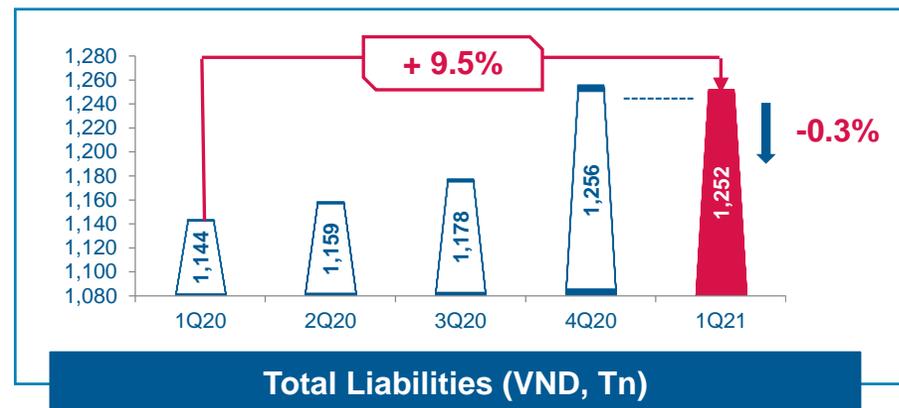
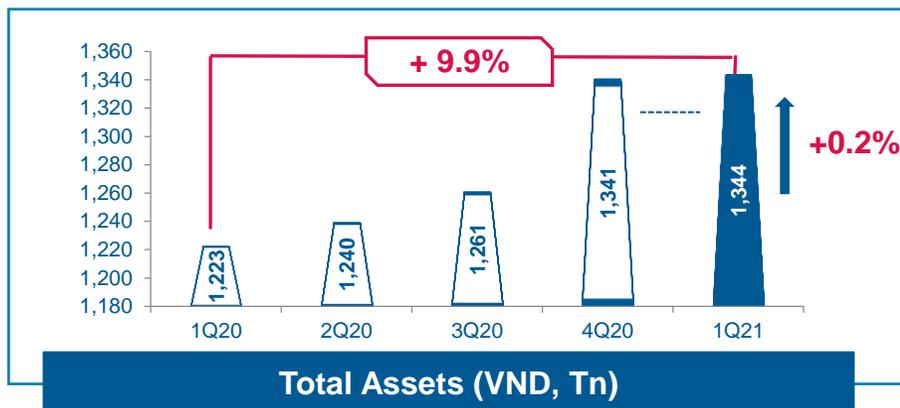
Profitability was strongly improved, **ROA reached 2.4% and ROE reached 29.6%**.

01. Business performance 1Q2021

Stable growth of scale

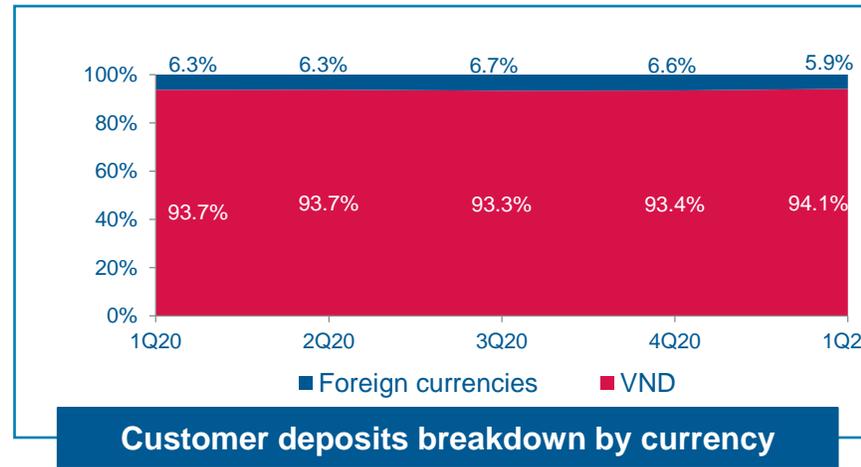
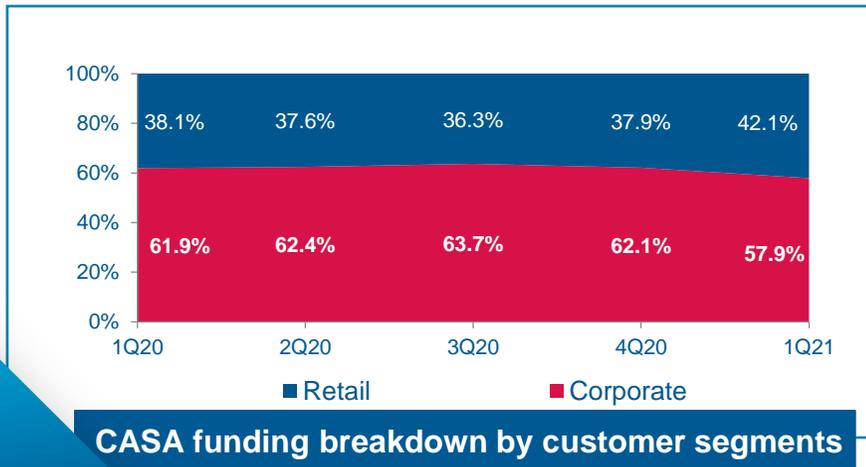
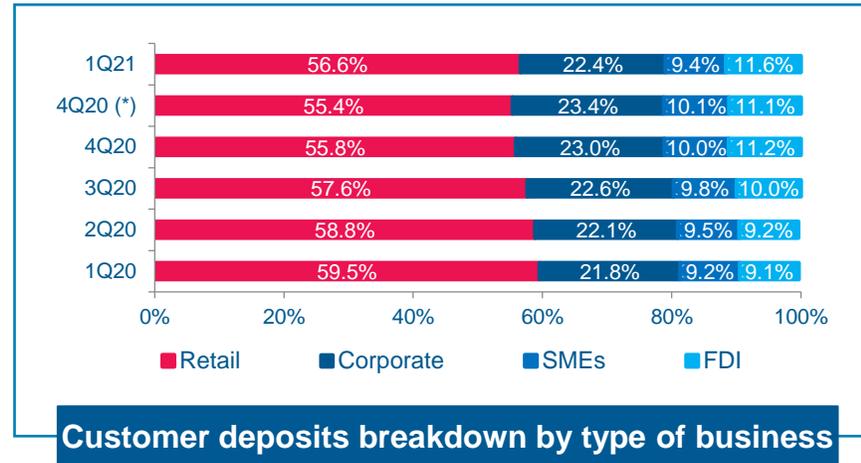
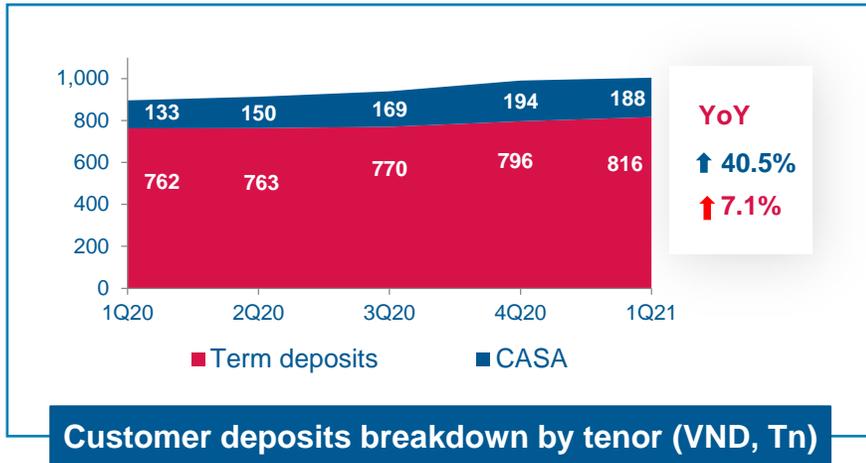


Growth of scale indicators was stable. Active and flexible capital mobilization balanced with credit needs and optimized business efficiency.



01. Business performance 1Q2021

Funding structure shifted positively

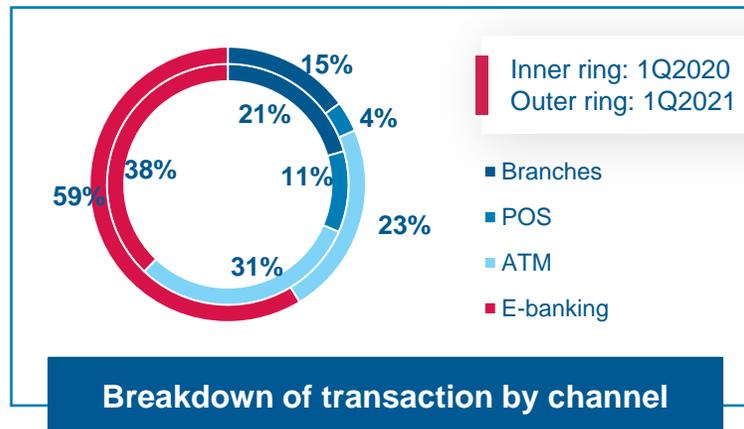
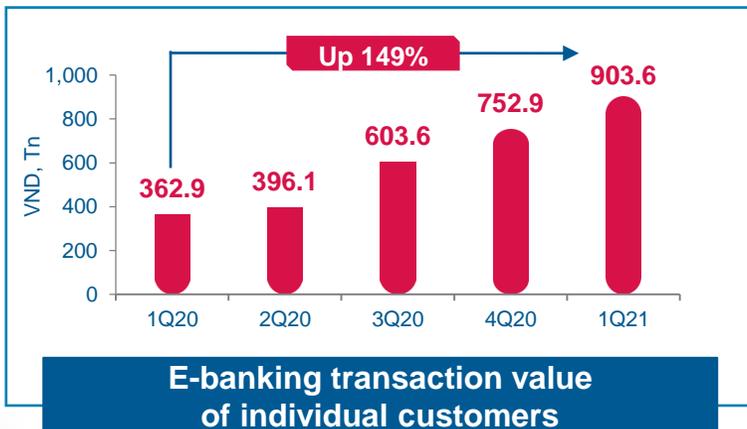
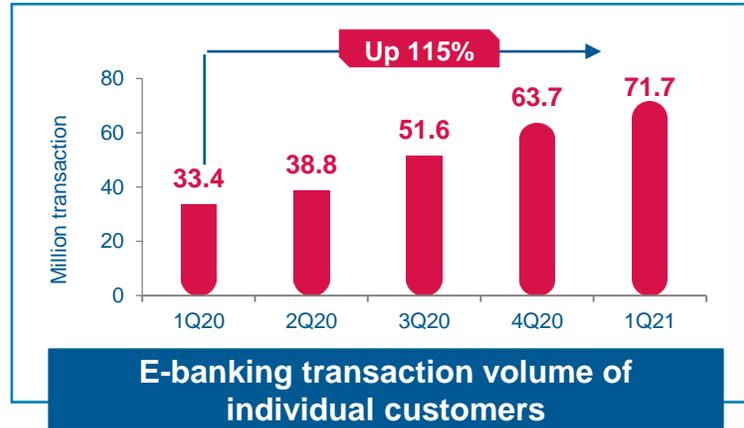
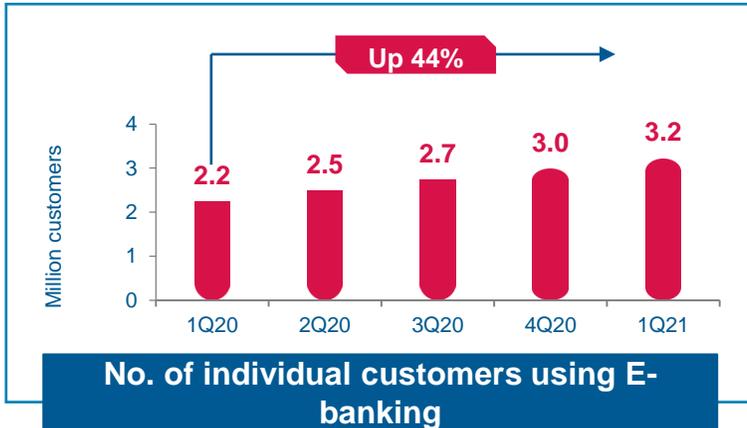


- Continue to maintain high CASA funding by promoting foreign currency mobilization from FDI segment, developing payment banking services, strongly deploying online platforms such as eFAST, iPay, eKYC... to optimize capital expenditure.

(*): Proportion after customer segments reclassification when VietinBank conducted periodic assessment in early 2021

01. Business performance 1Q2021

Continue to maintain high CASA funding by promoting digitalization of personal financial services (iPay, eKYC...)



- VietinBank invested in developing digital banking, enhancing utilities for retail customers in the direction of encouraging the shift from over-the-counter payment channel to online payment channel.
- The number of customers, volume and transaction value through E-banking grew strongly.



01. Business performance 1Q2021

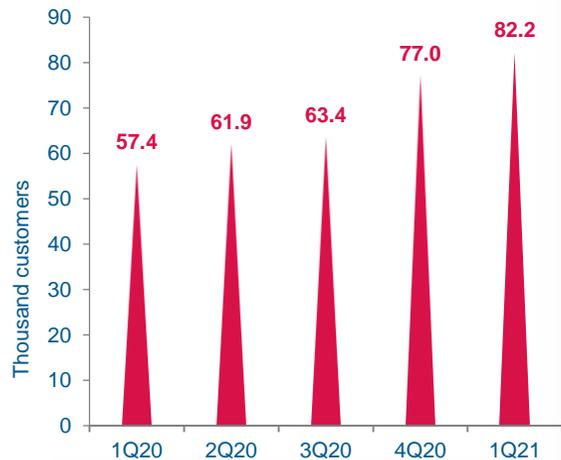
Continue to maintain high CASA funding by promoting digitalization of financial services for corporate customers (eFAST)



- VietinBank eFAST is the most modern application, a transaction channel to attract CASA, reduce operating costs and has recently become a popular transaction channel for corporate customers thanks to its fast, strong, safe and secure features.
- Transaction volume and value through eFAST grew strongly year-on-year.

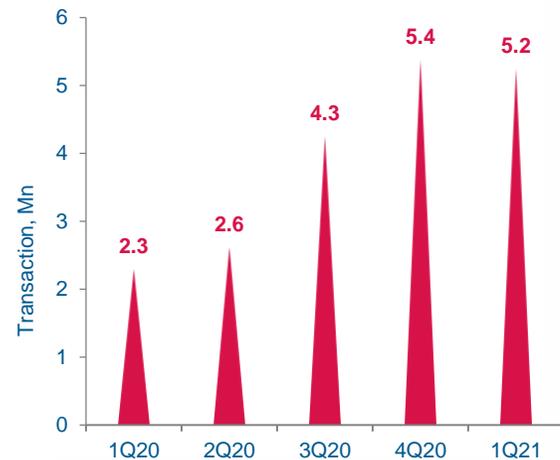


No. of corporate customers using electronic channels



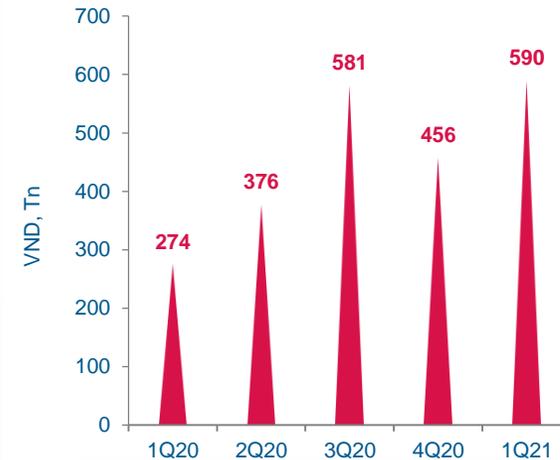
▲ 43%
in number of customers (yoy)

Transaction volume via electronic channels of corporate customers

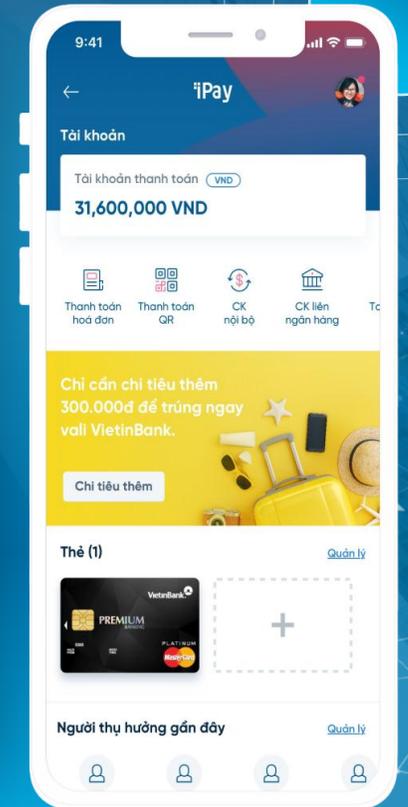


▲ 129%
in transaction volume (yoy)

Transaction value via electronic channels of corporate customers

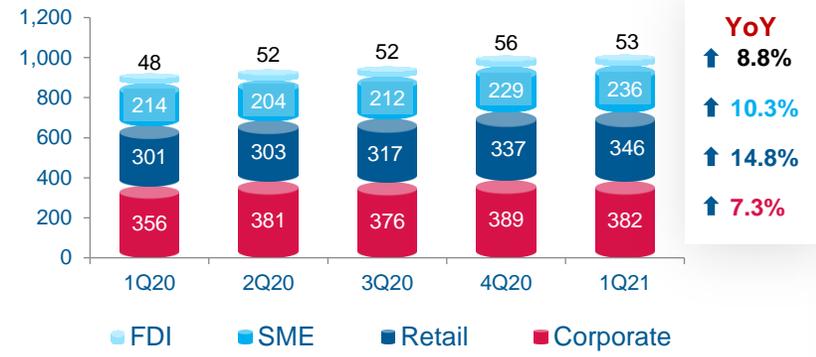


▲ 215%
in transaction value (yoy)

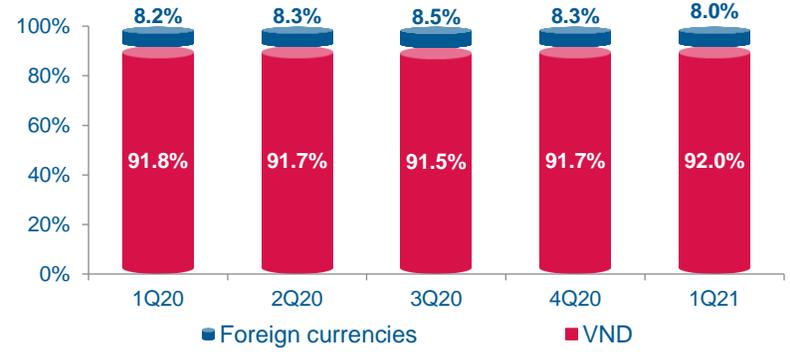


01. Business performance 1Q2021

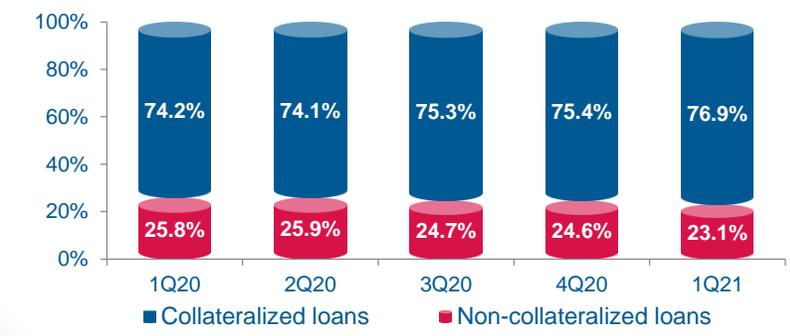
Positively shifted lending structure, on track with business strategy



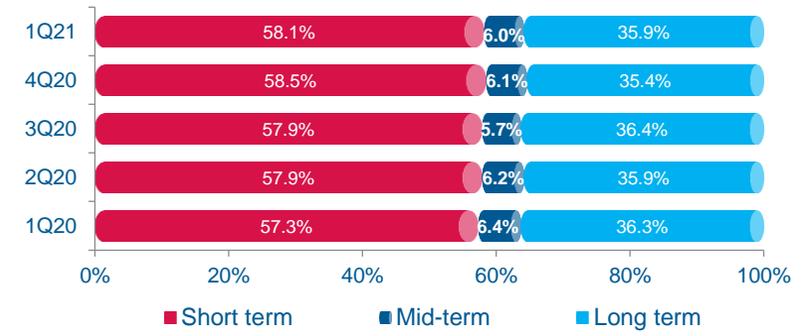
Loans breakdown by segments (*) (VND Tn)



Loans breakdown by currencies



Loans breakdown by collateral/non-collateral



Loans breakdown by tenor

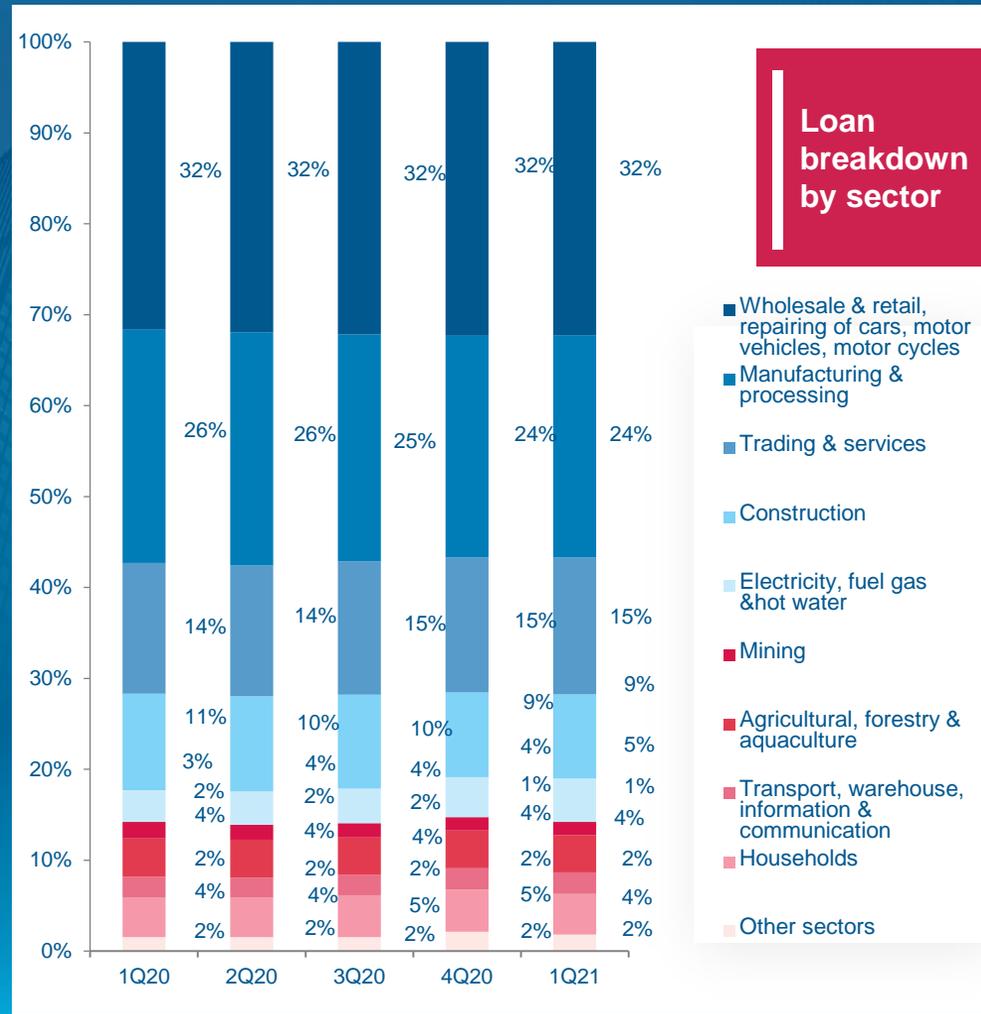
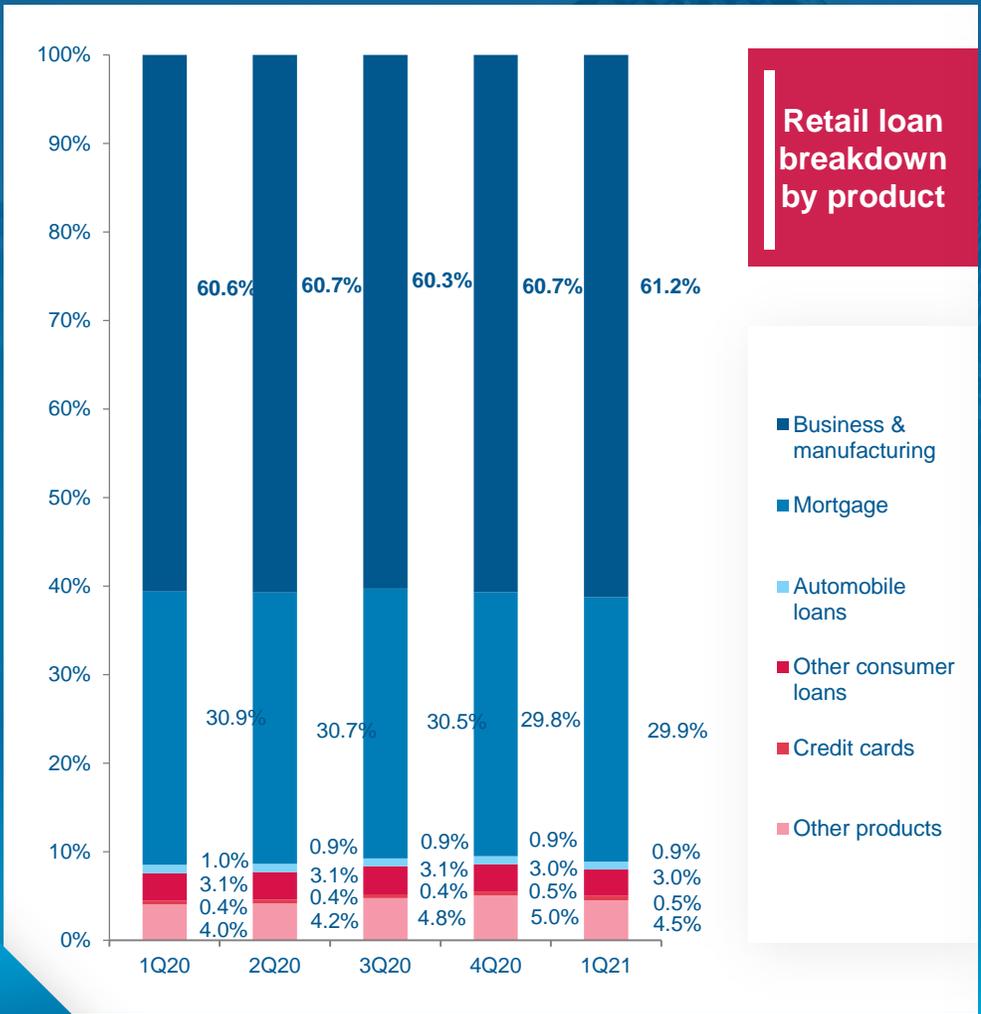
Continue to grow credit sustainably, promote the growth of retail and SME segments, prioritize credit for production and business, increase the proportion of high-yield products and control risks within limits to maintain the profitability of the portfolio.



(*): Recalculated data after customer segments reclassification when VietinBank conducted periodic assessment in early 2021

01. Business performance 1Q2021

Shifting loan portfolio towards highly potential products and sectors



- Lending structure focused on sectors and fields with potential growth such as electricity production and distribution, commerce trading (construction materials, food and beverages, medical supplies, rubber...);
- Retail lending structure focused on production, business and mortgage. The proportion of loans to these 2 areas slightly improved ytd (up 0.5% and 0.1% respectively).

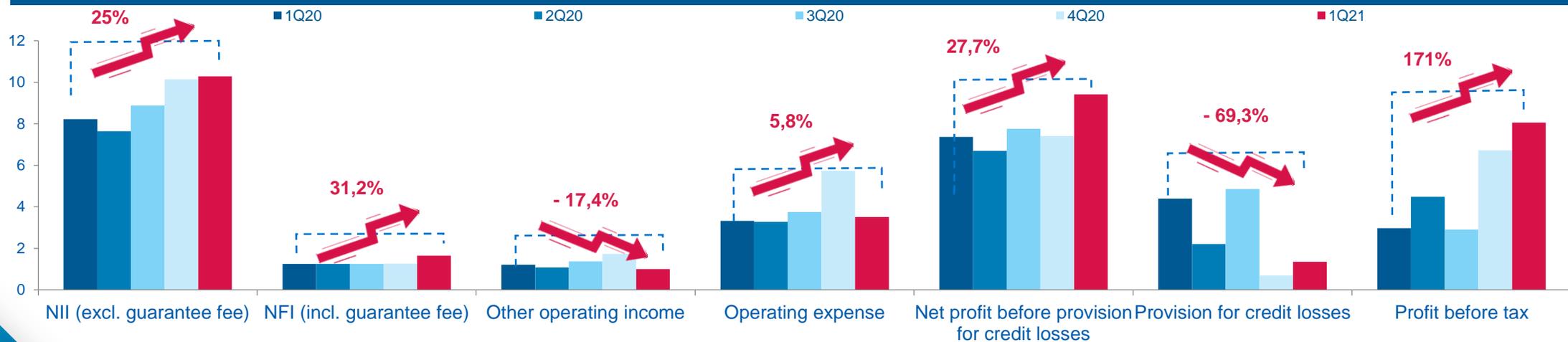
01. Business performance 1Q2021

Positively increased PBT resulted from suitable business strategy

CONSOLIDATED PBT IN 2020 REACHED VND 8,060 BILLION, THANKS TO:

- Net interest income grew steadily (25% yoy) thanks to good control of cost of fund; continue to accompany customers affected by Covid-19, control cost of fund through developing payment banking solutions (eFAST, eKYC) and diversifying capital mobilization channels.
- Net income from fee and service increased rapidly (31.2% yoy), the growth rate of fee income was higher than fee expenses; promoting sales of advantageous products such as trade finance, money transfer, card services...
- Recovery from written-off bad debts continued to increase (24% yoy).
- Effective cost control, further reducing CIR.

Movements of income and expenses (VND Bn)



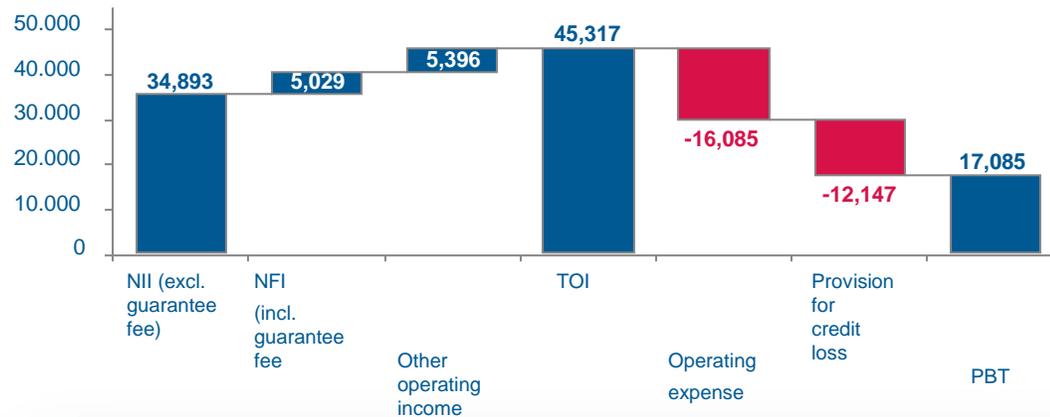
01. Business performance 1Q2021

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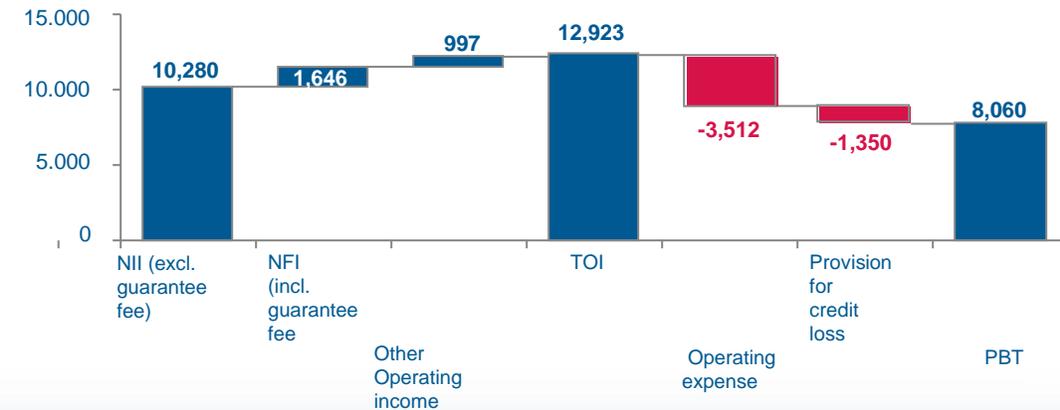
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P&L structure 2020 (VND, Bn)



yoy +7.2% | +7.0% | +64.1% | +11.8% | +2.1% | -6.6% | +44.9%

P&L structure 1Q2021 (VND, Bn)

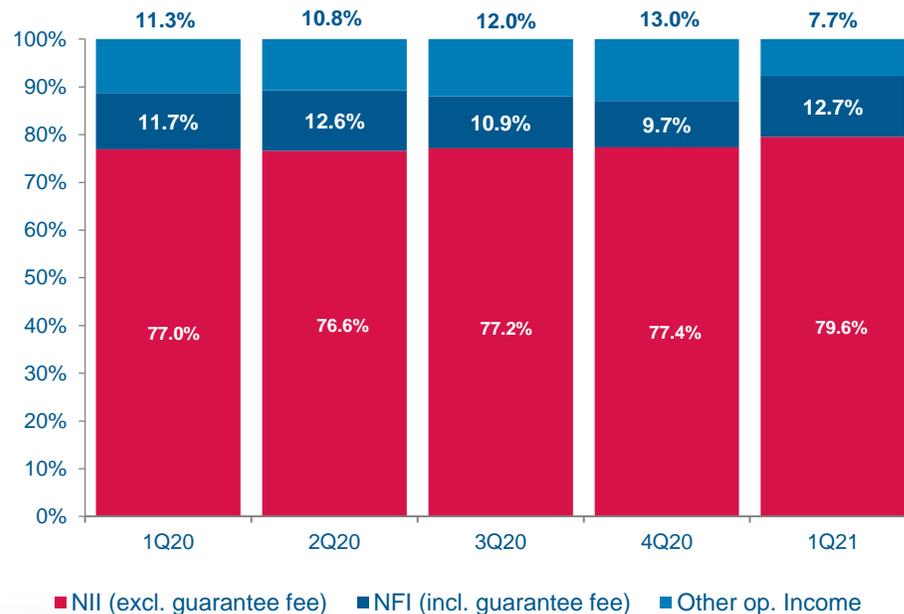


yoy +25% | +31.2% | -17.4% | +20.9% | -205.9% | -130.7% | +171%

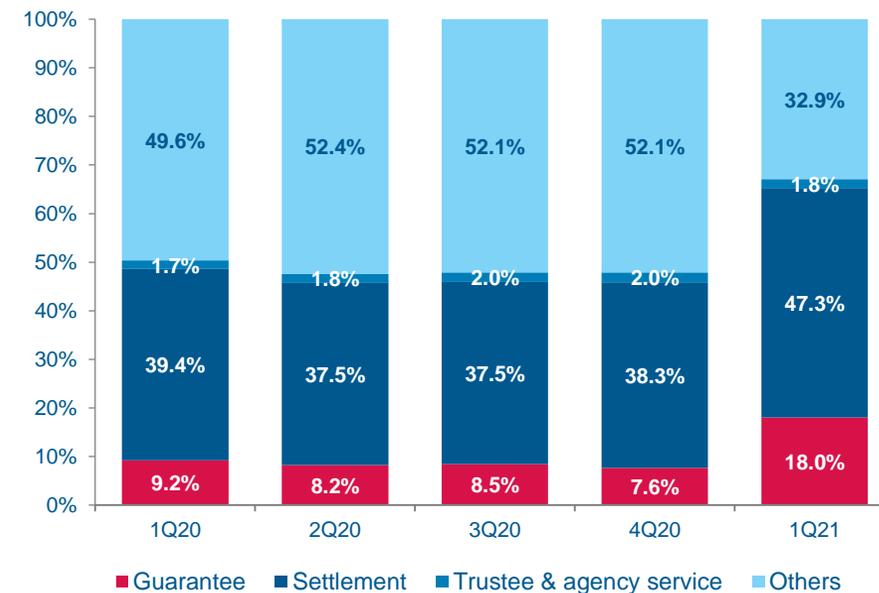
01. Business performance 1Q2021

Shifting income structure, boosting non-interest income

Operating income breakdown



Breakdown of NFI



MARKET SHARE

10.4% Trade finance in 2020

12.1% FX trading on Market 1 in 2020

13-16% FX trading on Market 2 in 2020

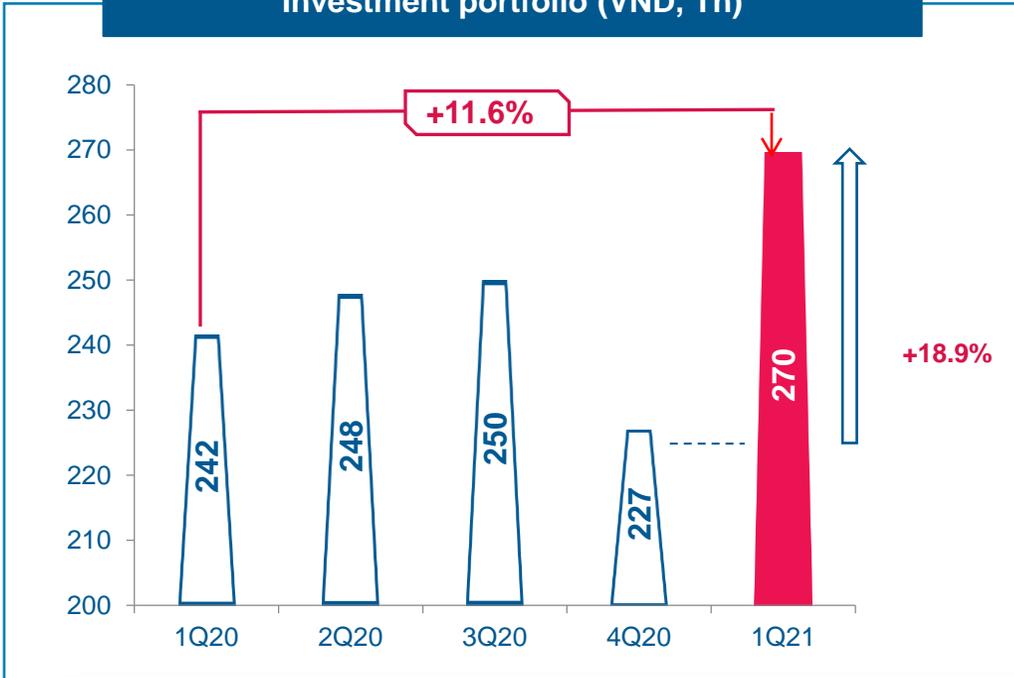
14.2% Turnover of payment of VietinBank's card 6M2020

- **TOI (excl. guarantee fee) reached 12,923 VND, Bn (+20.9% yoy)** thanks to increase in operating activities: NII, NFI, income from investment in other entities and other operating income.
- **NFI (incl. guarantee fee) reached 1,645 VND, Bn (+31% yoy)** thanks to higher growth rate of fee income than fee expense. VietinBank promoted sale of advantageous products such as trade finance, money transfer, card services...*(guarantee fee up 85% yoy, payment collection up 13.9% yoy).*

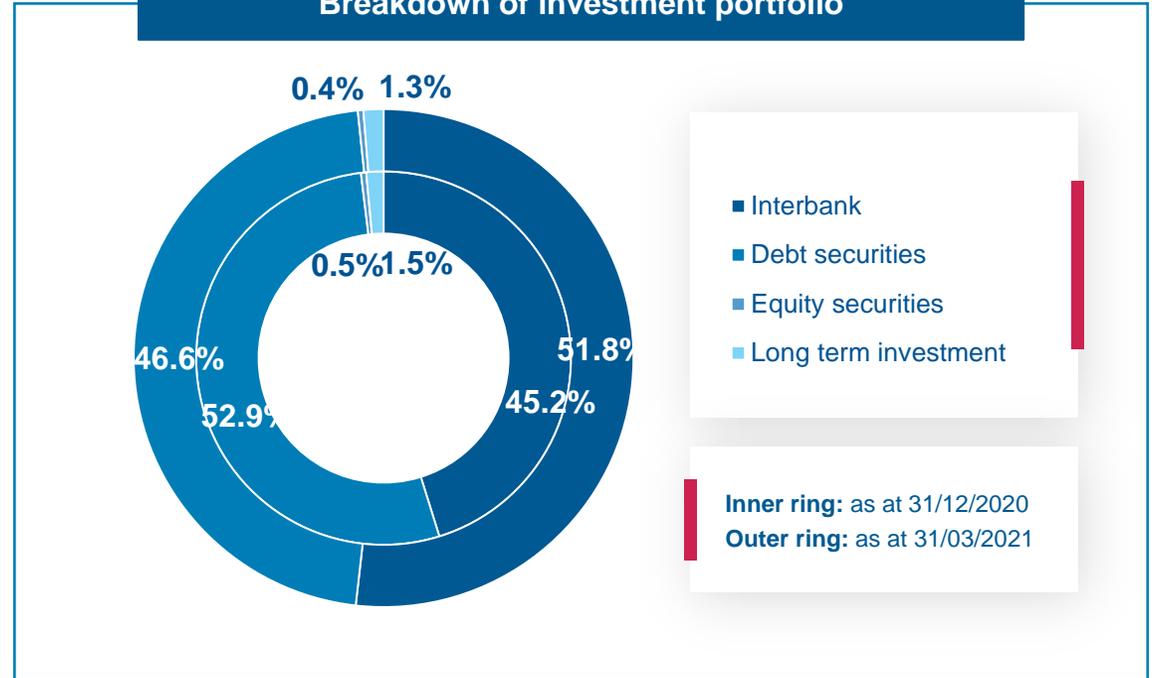
01. Business performance 1Q2021

Flexible, safe and diversified investment portfolio

Investment portfolio (VND, Tn)



Breakdown of investment portfolio



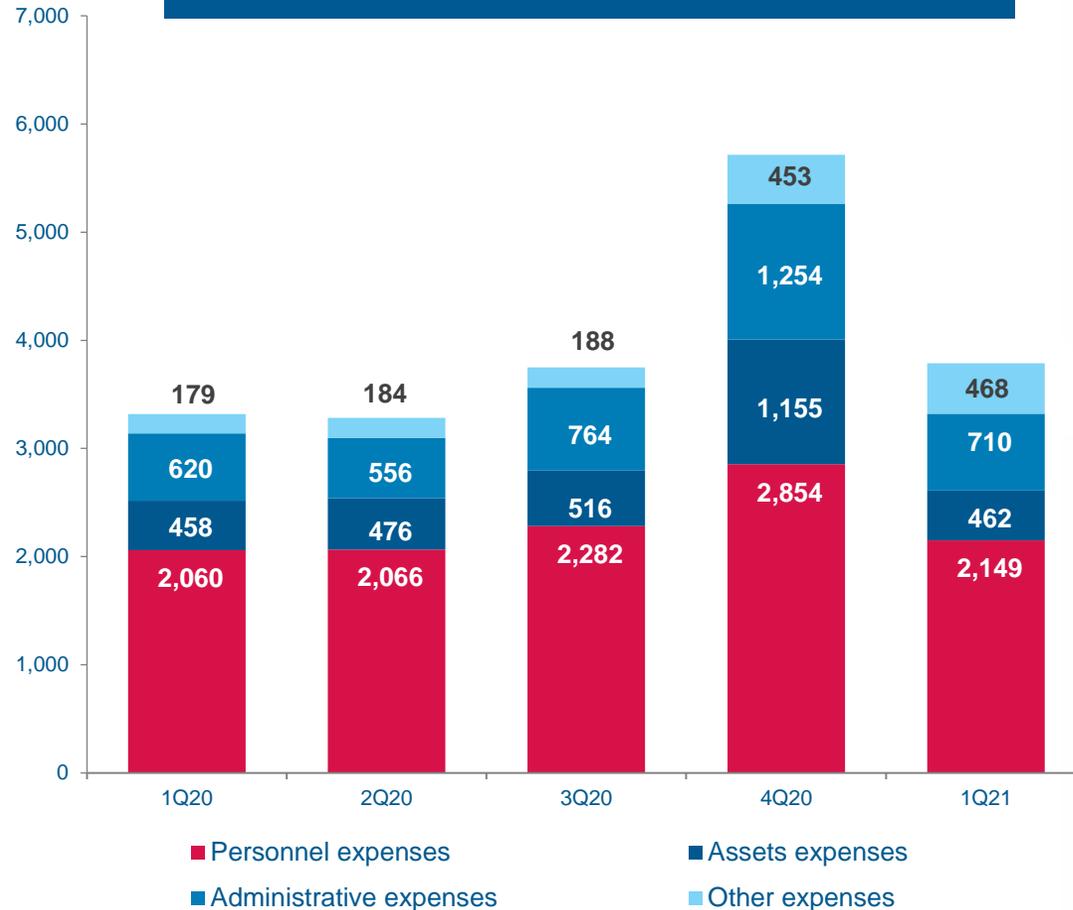
VietinBank actively and flexibly restructured its investment portfolio according to market developments in order to optimize profits.

01. Business performance 1Q2021

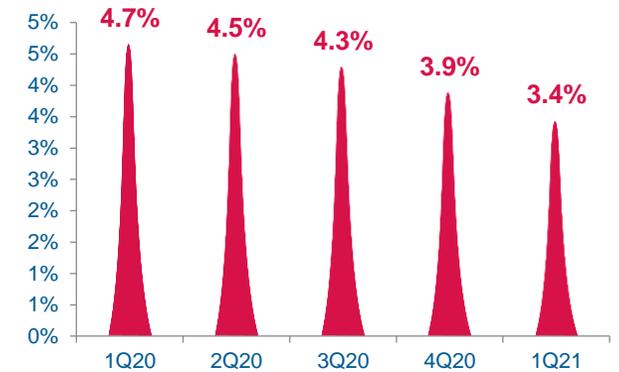
Effective cost management and control

- CIR 1Q2021 stayed at low level of 27.2%, down 3.8% yoy. Income-expense difference reached the biggest gap ever.
- COF 1Q2021 was 3.43%, down 1.23 point % yoy. VietinBank cut lending rates and fees and deducted interest to support businesses and people affected by the Covid-19 pandemic, while applying control measures and diversifying mobilization channels at reasonable cost, thus minimizing the cost of fund.

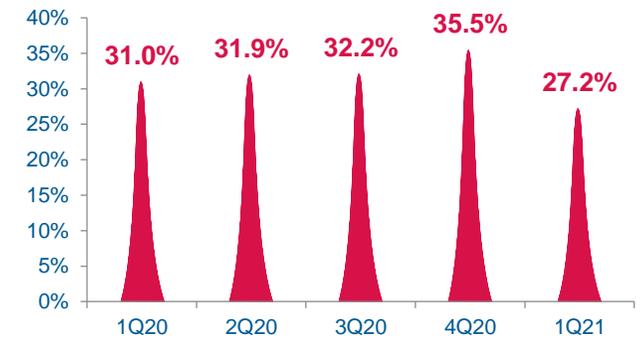
Breakdown of operating expenses (VND, Bn)



Cost of fund (COF)



Cost to Income (CIR)



01. Business performance 1Q2021

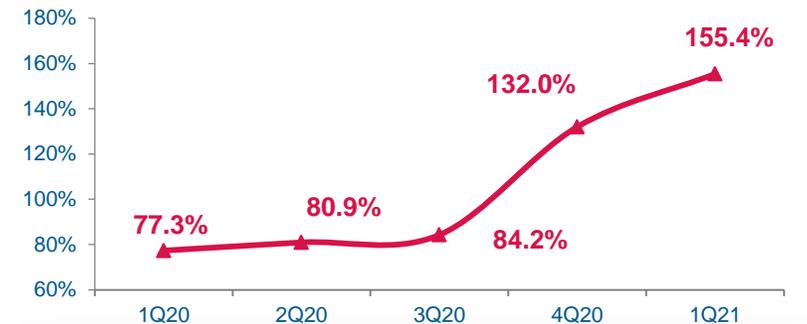
Debt quality continued to be under control



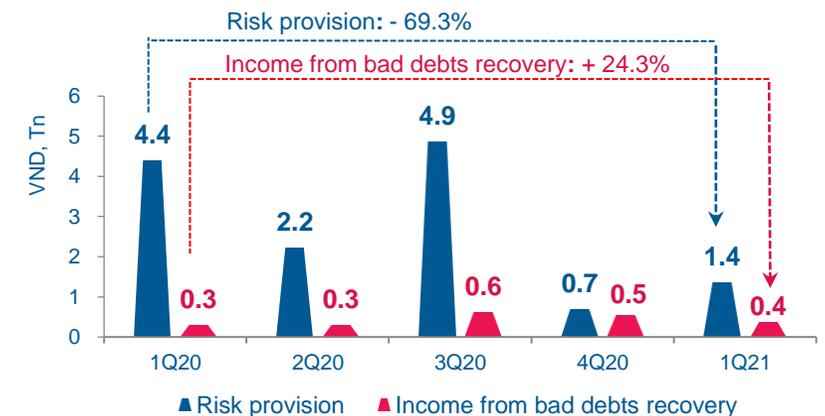
Non-performing Loan (NPL)

- Continued to synchronously implement solutions to strengthen credit quality control, recover written-off bad debts (+24.3% yoy).
- Regularly monitor the credit portfolio to proactively identify risks early, deploy timely response measures and provide solutions to assist customers in solving difficulties, thereby contributing to good debt quality control and the impact of debt classification results on financial health.
- Continued to be one of the banks with the best debt quality; NPL/credit exposure was at 0.88% (lower than 0.94% as at 31/12/2020).
- Make sufficient risk provisions to be proactive in debt settlement plans. The bad debt coverage ratio as of 31/03/2021 was 155.4 % (+23.4 percentage points compared to 132% as of 31/12/2020).

Debt coverage ratio



Risk provisions and Debt recovery

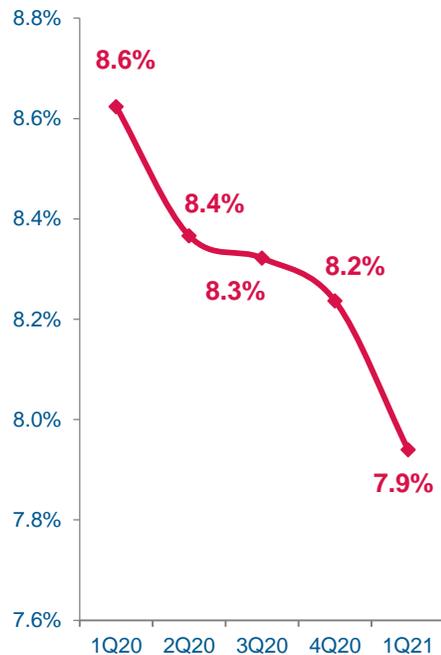


01. Business performance 1Q2021

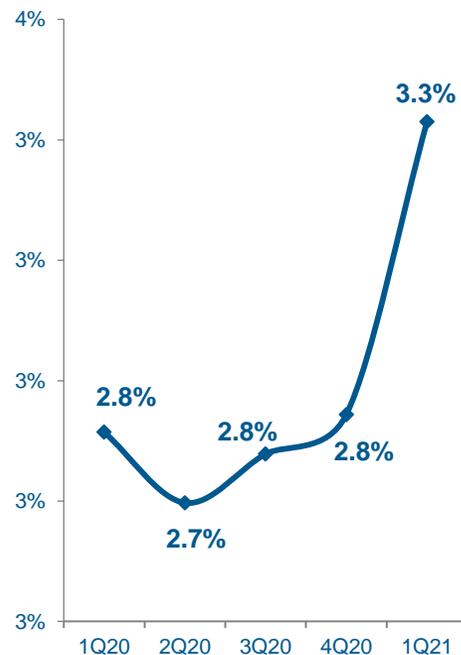
Business efficiency continued to improve strongly

- Profitability ratios of VietinBank (ROA, ROE) were strongly improved ytd.
- NIM was under strict control, NIM tended increase qoq, especially in 1Q2021.

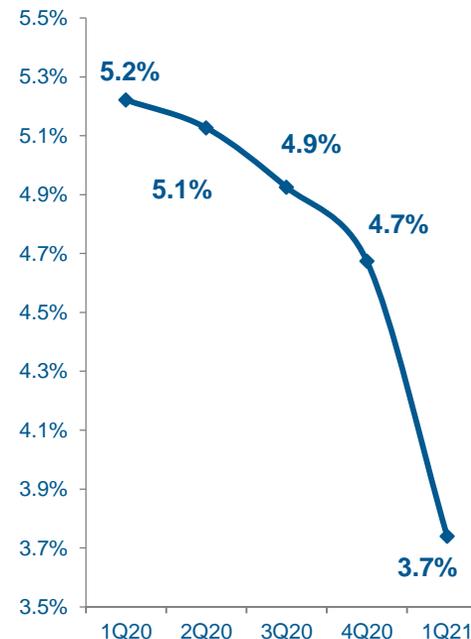
Lending interest rate



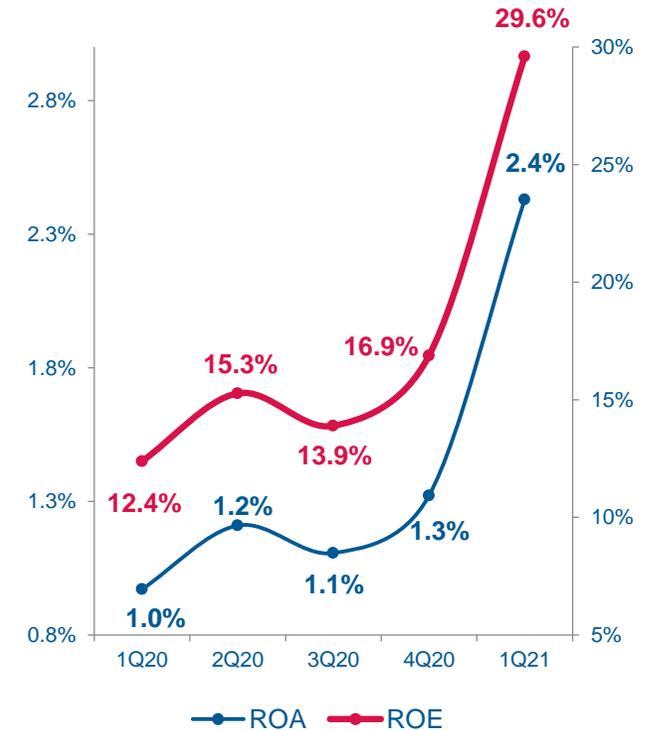
NIM



Deposit interest rate



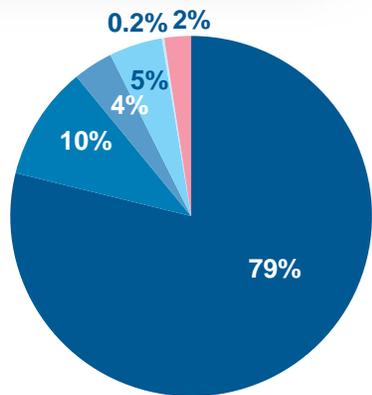
ROA, ROE



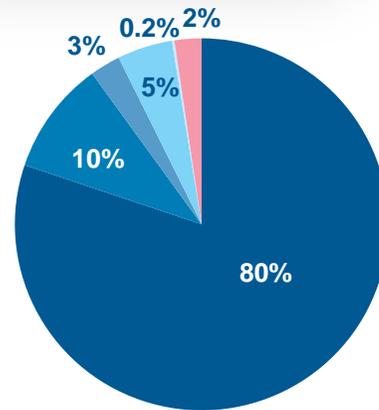
01. Business performance 1Q2021

Liquidity remained stable

2020:
1,256 VND, Tn



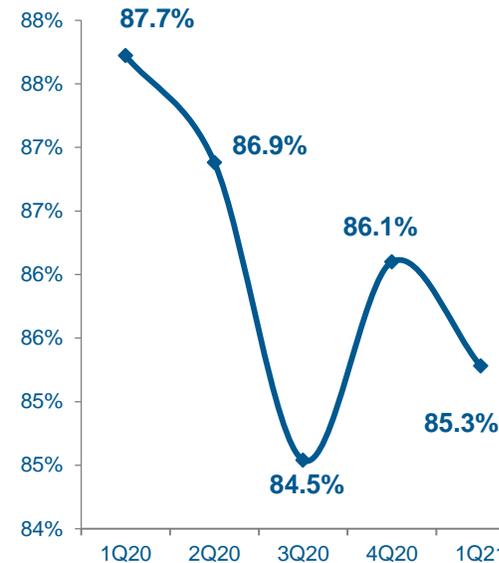
1Q2021:
1,252 VND, Tn



Mobilized fund structure

- Customer deposits
- Deposits & borrowings from other credit institutions
- Borrowing from Govt. & SBV
- Valuable papers issued
- Sponsored cap., entrusted investment
- Other mobilized funds

Loan to Deposit Ratio



Ratio of short-time capital used for medium and long term loans

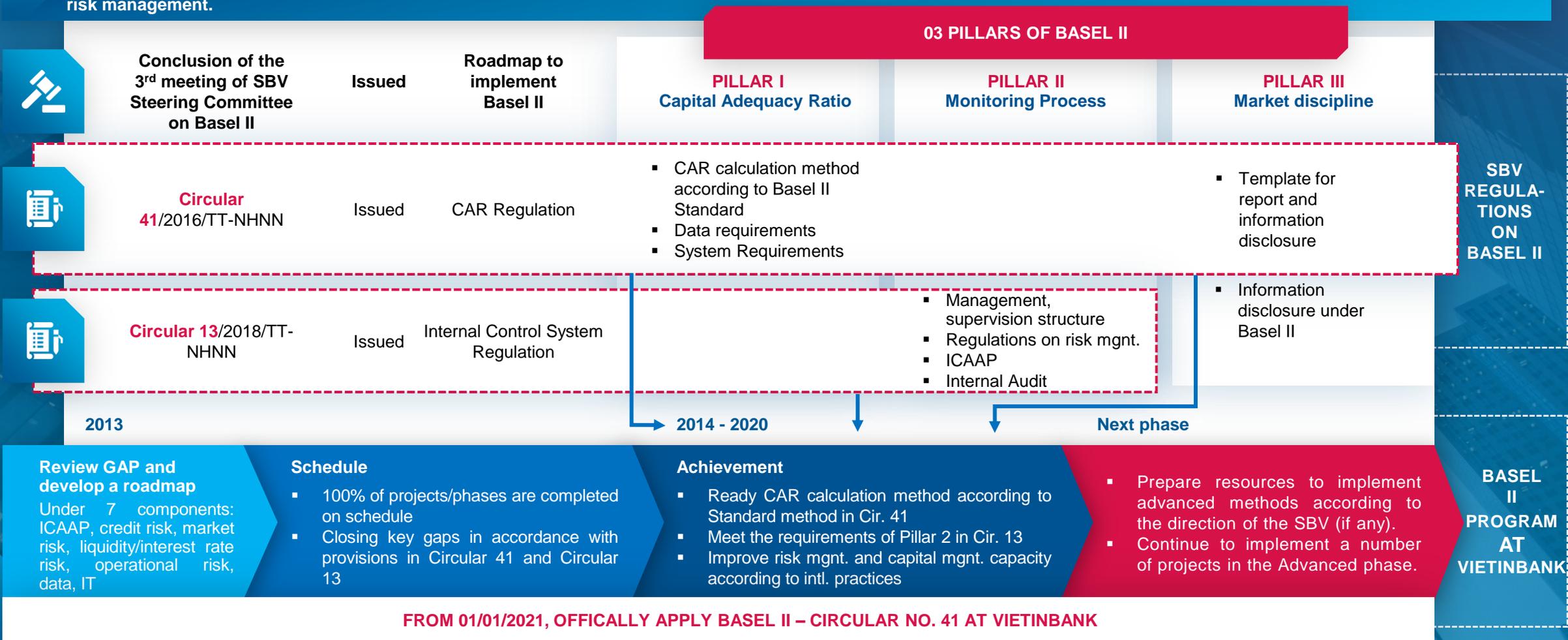


- Applied a flexible capital balance management strategy, making the most of capital sources at a reasonable cost, ensuring liquidity.
- Liquidity indicators were guaranteed to comply with the provisions of law.

01. Business performance 1Q2021

Raising charter capital and officially applying Basel II from 01/01/2021

VietinBank officially applied Basel II from 01/01/2021 and is actively working with competent authorities to complete the procedures to increase charter capital through issuing shares to pay dividends from profits after tax and fund appropriation for the years 2017, 2018 and the remaining profit after tax, fund appropriation and cash dividend of 2019; creating a premise to continue to expand business activities, improve governance capacity, financial capacity, improve asset quality, and increase profitability associated with risk management.



OUTLOOK

For 2021

Macroeconomic
Outlook

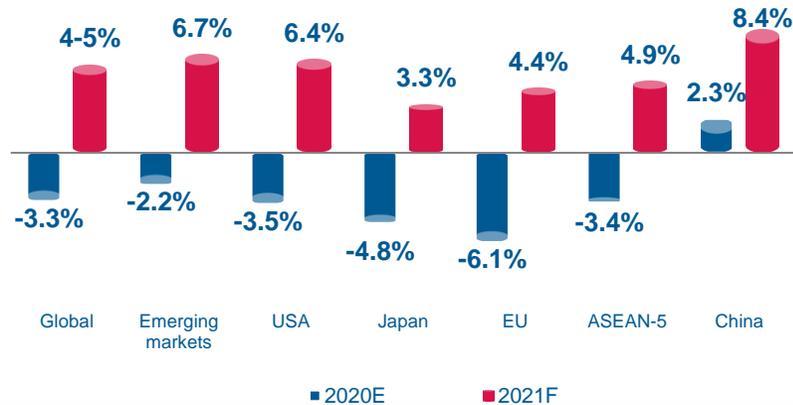
Banking sector
Outlook

VietinBank's Business
Plan for 2021



02. Outlook for 2021 Macro-economic forecast

Global GDP growth 2020 - 2021

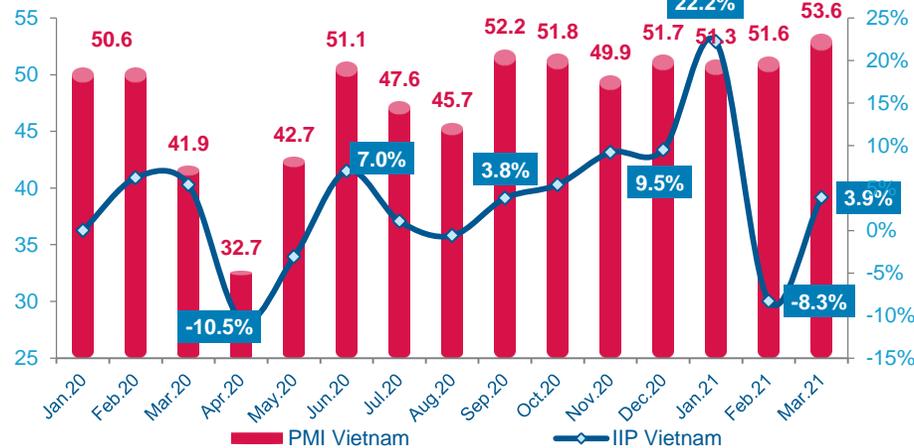


Source: WorldBank, IMF April 2021

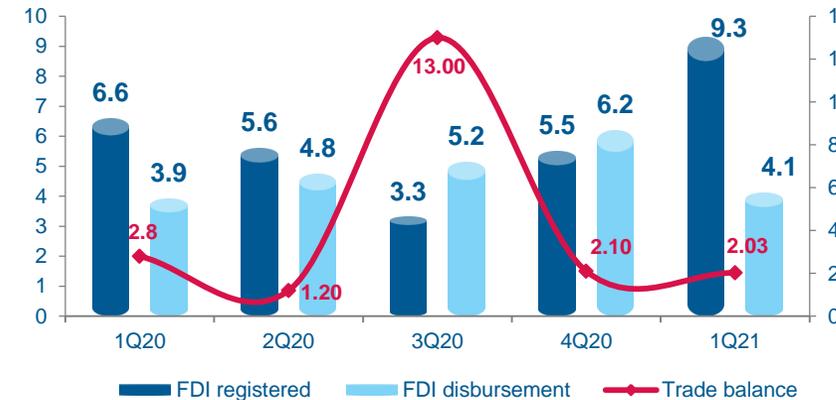
Vietnam's GDP growth rate (%)



Source: Stock Exchanges, WorldBank March 2021



PMI and IIP of Vietnam (%)

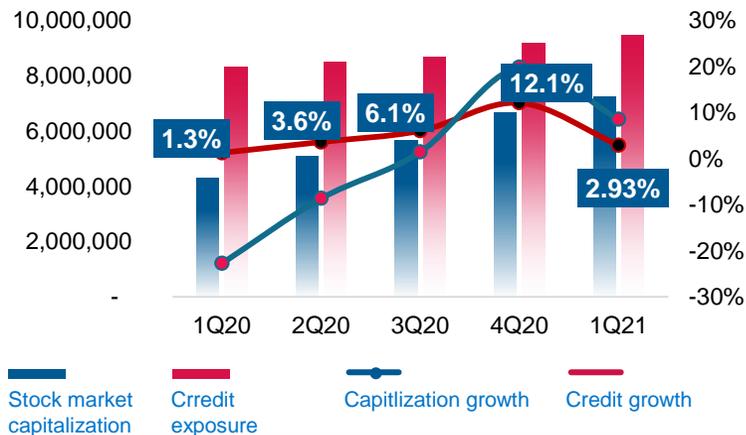


Trade balance and FDI (USD, Bn)

Source: Stock Exchanges, IHS Markit

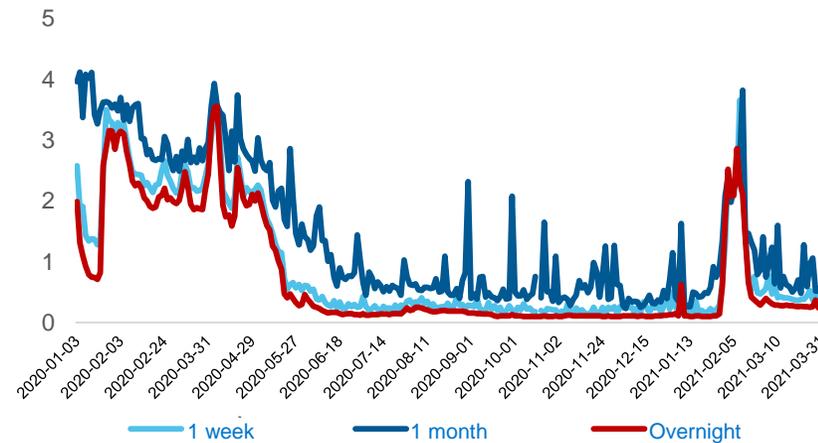
02. Outlook for 2021 Overview of macroeconomy and banking sector

Stock Market Capitalization and Credit Growth



Source: SBV

Interbank interest rates during the year (%)



Circular 03/2021/TT-NHNN, replacing Circular 01, requires credit institutions to make additional risk provisions for all outstanding loans of customers based on the customer's debt group classified according to Circular 02/2013/TT-NHNN.

Supplement the provision that debts arising after 23/01/2020 until 30/06/2020 are subject to restructuring while remaining in the same debt group, creating conditions for banks to support and share difficulties with customers.

Credit institutions must make additional provisions for restructured debts being kept in the same debt group, but distributed over three years, thus reduce the pressure of provisioning in 2021 for credit institutions.

- Credit growth was relatively good in 1Q2021, higher than that of the same period in 2020 as well as the State Bank's expectation at the beginning of the year. The economy and stock market both showed good signs of recovery. System liquidity continued to be stable, deposit interest rates and interbank interest rates remained low (only increased in February 2021 on the occasion of the Lunar New Year).
- Legal regulations affecting banking operations came into effect: Official implementation of ICAAP; Circular 03 amending Circular 01 on Covid-19 support; Official deployment of eKYC, Approval for pilot deployment of Mobile money service...

02. Outlook for 2021 VietinBank's business plan for 2021 (*)

<p>TOTAL ASSETS</p> <p>▲ 6% - 10%</p> <p>(1Q2021: +0.2%)</p>	<p>CREDIT EXPOSURE</p> <p>▲ 7.5%</p> <p>(1Q2021: +0.2%)</p>	<p>FUNDING</p> <p>▲ 8% - 12%</p> <p>(1Q2021: +1.4%)</p>
<p>NPL</p> <p>< 1.5%</p> <p>(1Q2021: 0.88%)</p>	<p>PBT</p> <p>Estimated VND 16,800 Bn (separated) and adjusted according to approval of the competent State agency (VietinBank continues to strongly improve business efficiency, well perform the role of a key bank, a pillar and driver of the economy)</p> <p>(1Q2021: 8,060 VND, Bn (consol.))</p>	<p>DIVIDEND</p> <p>Dividend payment ratio and structure (cash, stock) comply with approval of the competent State agency and in compliance with the provisions of law.</p>

- Shifting customer structure towards focusing on highly profitable segments such as SMEs and Retail customers, prioritizing credit growth resources for potential sectors such as manufacturing, energy, essential goods/services... and key economic regions which are the driving force behind the country's economic growth.
- Funding growth is in line with demand for capital, balancing with credit growth.
- Focus on promoting Non-NII activities including trade finance, guarantee, Bancassurance, card fee collection and new fees through providing comprehensive financial solutions and products to customers.
- Control assets quality, strengthen the control of RWA and develop tools and models to measure risk management to keep NPLs low and reduce the cost of risk provisions.
- Effective cost management, prioritizing investment resources in digitalization strategy and big transformation projects.

(*) According to the approval of the 2021 Annual General Meeting of Shareholders on 16/04/2021, of which: (i) Credit exposure as approved by the SBV, maximum growth of 7.5% (specific growth rate according to monetary policy management, targets assigned by the SBV and essential needs of the economy); (ii) Capital funding grew by 8-12%, adjusted in line with credit growth, ensuring prudential ratios according to regulations of the SBV.

**CTG stock
performance**

**Historical
financials –
Balance sheet**

**Historial financial –
Income statement**

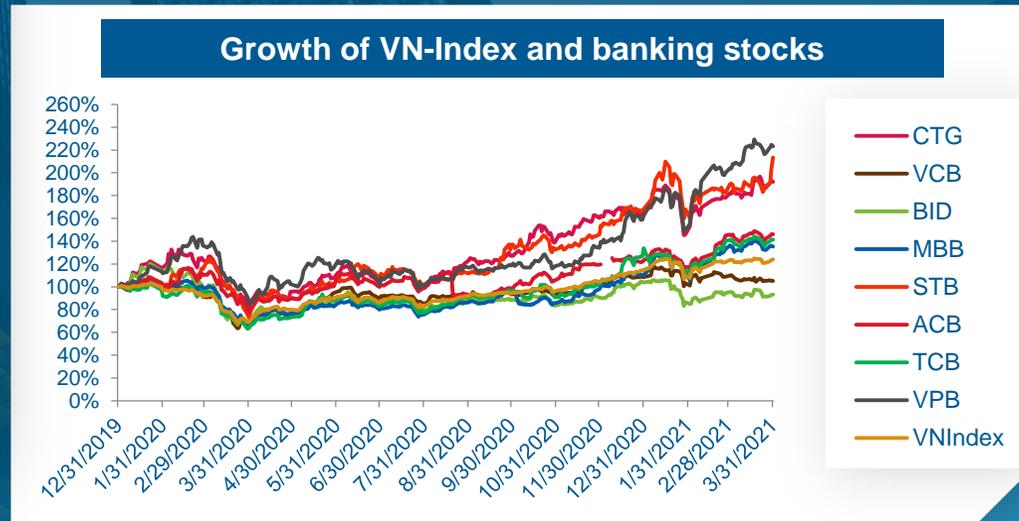
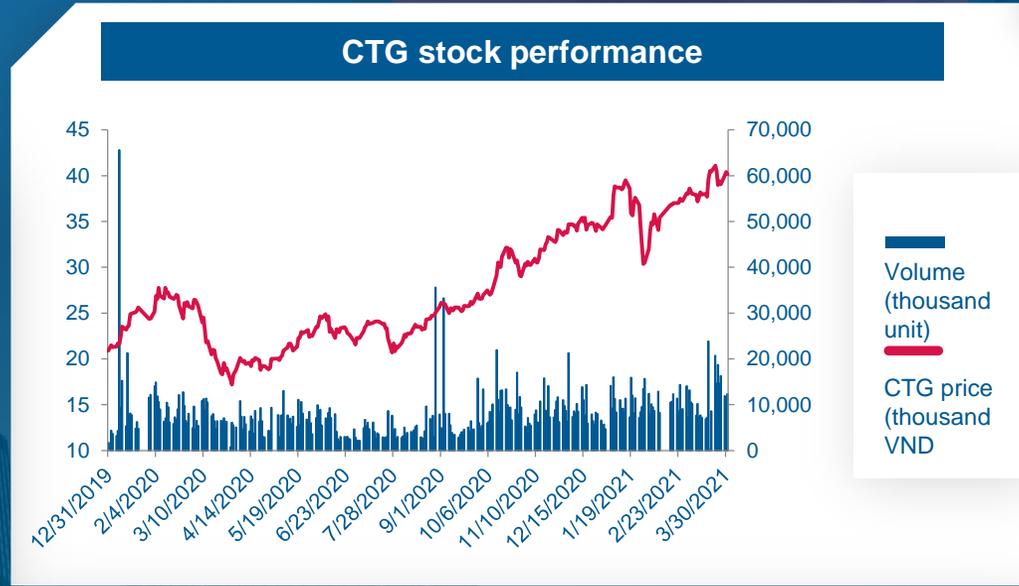
**Investor Relations
Website**



APPENDIX

03. Appendix CTG stock performance

Indicators	Value
Closing price of 1 st trading session of 2021 (04/01/2021)	35,550 VND/share
Closing price of last trading session of 1Q2020 (31/03/2021)	40,150 VND/share
Price fluctuations in 1Q2021	41,100 – 30,350 VND/share
Trading volume	661,969,700,000 share
Trading value	24,769 VND, Bn
Trading volume of foreign investors	Net selling 80,660,200 shares
Foreign ownership (31/03/2021)	27.13%
EPS (31/03/2021)	1,735 VND/share
P/E (31/03/2021)	23.14x
BVPS	24,665 VND/share
P/B (31/03/2021)	1.63x



Unit: VND, Bn	2017 (audited)	2018 (audited)	2019 (audited)	2020 (audited)	1Q2021
Cash, gold and gemstones	5,980	7,028	8,283	9,930	8,512
Balances with the State Bank of Vietnam ("SBV")	20,756	23,182	24,874	57,617	10,213
Placements with and loans to other credit institutions	107,510	130,512	129,389	102,533	139,620
Trading securities	3,529	3,132	3,825	5,602	1,715
Derivative financial instruments & other financial assets	529	281	470	137	2,494
Loans to customers	790,688	864,926	935,271	1,015,333	1,017,140
Provision for credit losses of loans to customers	(8,303)	(13,060)	(12,946)	(12,561)	(13,912)
Investment securities	128,393	102,100	104,615	114,942	124,272
Long-term investments	3,114	3,317	3,283	3,336	3,470
Fixed assets	11,437	11,140	10,997	10,811	10,594
Other assets	31,427	31,731	32,651	33,757	39,865
Total assets	1,095,061	1,164,290	1,240,711	1,341,436	1,343,965
Borrowings from the Government and the SBV	15,207	62,600	70,603	44,597	33,117
Deposits and borrowings from other credit institutions	115,159	111,400	109,483	128,519	123,598
Deposits from customers	752,935	825,816	892,785	990,331	1,003,700
Derivative financial instruments and other financial liabilities	0	0	0	0	0
Financing funds, entrusted funds, and exposed funds	6,364	5,934	5,776	2,733	2,685
Valuable papers issued	22,502	46,216	57,066	59,876	59,876
Other liabilities	119,129	45,007	27,643	29,969	29,9171
Total liabilities	1,031,296	1,096,973	1,163,357	1,256,025	1,252,147
Capital	46,209	46,416	46,725	46,725	46,725
<i>In which: Chartered capital</i>	37,234	37,234	37,234	37,234	37,234
Reserves	7,476	8,168	9,610	11,606	11,605
Foreign exchange differences	551	600	626	482	466
Undistributed profit	9,234	11,837	19,833	26,001	32,348
Total owners' equity	63,765	67,316	77,355	85,411	91,837
Non-controlling Interests	295	296	561	599	603
Total liabilities and owners' equity	1,095,061	1,164,290	1,240,711	1,341,436	1,343,985

03. Appendix

Historical financials

--- Balance sheet

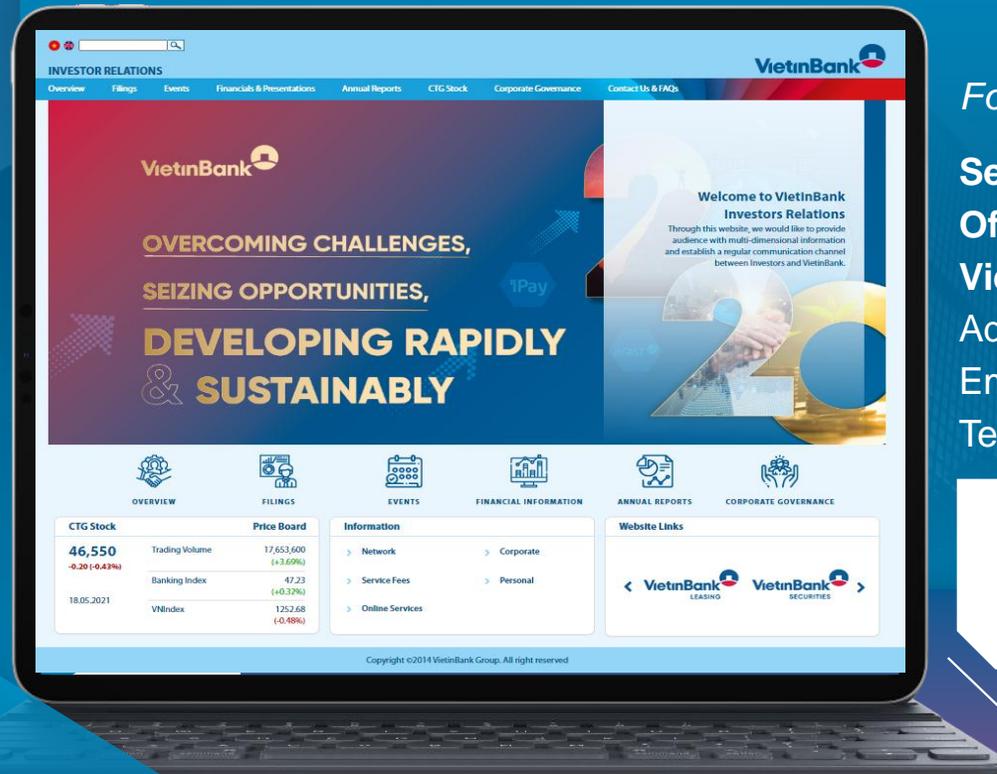
Unit: VND, Bn	2017 (audited)	2018 (audited)	2019 (audited)	2020 (audited)	1Q2021
Interest and similar income	65,277	73,870	82,743	83,678	21,096
Interest and similar expenses	(38,204)	(51,658)	(49,544)	(48,097)	(10,453)
Net interest and similar income	27,073	22,212	33,199	35,581	10,642
Fees and commission income	4,302	5,964	7,888	8,343	2,222
Fees and commission expenses	(2,447)	(3,193)	(3,833)	(4,002)	(939)
Net gain/(loss) from fees & commission income	1,855	2,771	4,055	4,341	1,283
Net gain/(loss) from trading of foreign currencies	710	710	1,564	2,000	340
Net gain/(loss) from securities held for trading	325	271	366	601	177
Net gain from investment securities	(81)	218	(791)	361	(110)
Net gain/(loss) from other activities	1,995	1,889	1,497	1,901	439
Income from investments in other entities	743	374	628	524	151
Non interest income	5,547	6,234	7,320	9,737	2,280
Total operating income	32,620	28,446	40,519	45,317	12,923
Operating expenses	(15,070)	(14,084)	(15,735)	(16,085)	(3,512)
Net profit before provision for credit losses	17,550	14,361	24,785	29,232	9,410
Provision expense for credit losses	(8,344)	(7,803)	(13,004)	(12,147)	(1,350)
Profit before tax	9,206	6,559	11,781	17,085	8,060
Corporate income tax expense	(1,747)	(1,281)	(2,304)	(3,328)	(1,589)
Profit after tax	7,459	5,277	9,477	13,757	6,471
Non-controlling Interests	(27)	(2)	(16)	(64)	(10)
Owners's net profit after tax	7,432	5,275	9,461	13,694	6,462

03. Appendix

Historical
financials

Income
statement

03. Appendix Investor Relations Website



For further information, please contact:

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THANK YOU!

Disclaimer:

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