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VietinBank 

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# INVESTOR NEWSLETTER

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VIETINBANK BEING APPROVED BY THE STATE BANK OF VIETNAM  
TO ADJUST ITS CREDIT GROWTH TARGET  
FOR 2021 FROM 7.5% TO 9.5%



On August 12, 2021, VietinBank was approved by the State Bank of Vietnam to adjust its credit growth target for 2021 from 7.5% to 9.5%. With the extended credit room, VietinBank will continue to grow outstanding loans in parallel with strict measures to control asset quality so that we can better meet capital needs for production and business activities, support people, businesses negatively affected by the COVID-19 pandemic.

## VIETINBANK ACCOMPANYING BUSINESSES TO OVERCOME COVID-19 PANDEMIC

The COVID-19 pandemic has had a great impact on the production and business of many enterprises. Given that situation, VietinBank has implemented the "Solution package to accompany businesses during the COVID-19 pandemic" to join hands with businesses to deal with difficulties and stabilize business.

Accordingly, VietinBank's solution package aims at 3 main goals:

- 1. Supporting** businesses financially with incentives to reduce lending interest rates up to 1% p.a and exempt/reduce up to 20 transaction fees;
- 2. Accompanying** customers 24/7, providing digital banking products for online transactions anytime, anywhere with high transaction processing speed;
- 3. Protecting** customers with advanced, leading security technology.

Right at the beginning of the third quarter of 2021, VietinBank has actively increased measures to support the economy, specifically: VietinBank has **reduced the lending interest rate by maximum 1% p.a** for existing outstanding loans and new disbursements of customers. By the end of June 30, 2021, VietinBank has reduced interest rates for nearly 3,500 corporate customers with a total loan balance of more than VND 200 trillion; The total amount of real interest that has been reduced for affected corporate customers since the outbreak of COVID-19 until now is nearly VND 2,000 billion.

Regarding transaction fees, VietinBank has implemented 3 consecutive fee reduction and exemption programs nationwide with preferential policies of up to 20 types of fees for regular and essential services for businesses, including: Service fee for international payment, foreign currency trading, money transfer service, salary payment, tax payment, money transfer on VietinBank eFAST...

In order to ensure that business transactions are not interrupted by the impact of the COVID-19 pandemic, VietinBank eFAST – the electronic banking application for businesses – is also continuously developing and increasing utilities, providing customers with 24/7 transaction banking products and services products on digital platforms. Typically, in 2021, VietinBank eFAST upgraded 2 functions, namely automatic 24/7 salary payment facilitating transactions including weekends or holidays and Tet; File Transfer service up to 5,000 transactions/file with processing speed of 0.02s/transaction.

Especially, during the complicated development of the COVID-19 pandemic, many customers were isolated or the customer's headquarters were located in a blocked area according to the State's regulations, VietinBank flexibly extended the deadline for completion of documents of customers whose disbursement transactions or term deposit transactions were conducted via the channel: Fax/Email/wetransfer (eFAST). Operated on a security system according to international standards, with 2 consecutive years of achieving the international certificate ISO/IEC 27001:2013 certified by the German organization TUV NORD, VietinBank eFAST ensures information safety and security and peace of mind for customers every transaction.

With this new "solution package to accompany businesses during COVID-19 season", VietinBank hopes to join hands with businesses to overcome difficulties; successfully implement the "dual goal" of preventing and controlling the epidemic safely while stabilizing production and business. ■

## COOPERATING WITH AMERICAN EXPRESS, VIETINBANK EXPANDS THE SCALE OF ACCEPTANCE OF AMEX CARD IN VIETNAM

VietinBank and American Express officially cooperated to expand card services; through which American Express made great strides in the development process in Vietnam. For VietinBank, this was an important milestone when it officially became a bank accepting all types of card payments in the world, strengthening its position as the leading retail bank in Vietnam.



Launching ceremony of payment service American Express cards acceptance

With this partnership, merchants can access American Express's global network of more than 114 million card members worldwide. Amex card members also have more transaction options at more than 46,000 VietinBank's POS in Vietnam. In addition, this partnership adds more payment options for customers and merchants; therefore fully enjoy the ecosystem and experience the special preferential policies of VietinBank.

Mr. Dam Hong Tien - Director of VietinBank's Retail Division said: "This is a valuable and meaningful partnership for both organizations. In terms of the number of transactions performed on VietinBank's platform including both offline and online, VietinBank is leading in segments such as supermarkets, restaurants, retail and hotels. In addition, customers using American Express card and merchants will enjoy VietinBank's premium banking services with the best convenience and benefits".

Mr. Sanjiv Malhotra, Vice President and General Manager of Global Network Services, Southeast Asia and South Pacific at American Express said: "This is our second agreement in Vietnam to accelerate acceptance of American Express

card, helping to increase our market share in Vietnam. Our card members will be able to transact at significantly more locations and this will drive more premium businesses to local merchants. Vietnam is an important market for American Express. It is a popular resort destination for our card members worldwide. We believe they will return once the pandemic is over".

Benefits for merchants and customers when using VietinBank's POS and mPOS:

- Access to premium spending through American Express Card Membership.
- Increase payment sales, improve business efficiency and have more payment options to meet different preferences of each customer.
- Reduce payment device costs.
- Reduce cash management costs, reduce the risk of counterfeit money, torn money, save costs and transaction time; cash tally.■

## VIETINBANK PIONEERING IN DIGITAL TRANSFORMATION IN FOREX TRADING

Just by logging in to VietinBank eFAST, corporate customers can buy, sell or transfer foreign currency anytime, anywhere without having to go to a transaction counter. All these transactions are done with just a few simple steps with quick processing time right on VietinBank eFAST application.



*VietinBank was honored to receive the award "Best Foreign Exchange Service Provider in Vietnam" in 2020 by Global Finance.*

With modern features and optimal utilities, the online foreign currency trading and transfer service is designed by VietinBank specifically for the corporate customer segment. After nearly 2 years of implementation, this service of VietinBank has brought many values and benefits to thousands of business customers; at the same time, making VietinBank a pioneer in providing online foreign currency buying and selling services on digital platform in Vietnam.

With this service, customers can actively make transactions of buying, selling and transferring foreign currency anywhere right on VietinBank eFAST application without going directly to the counter. The features of this Service are specially designed to meet the maximum and diverse needs of customers such as: Selling foreign currency to receive VND; selling foreign currency to repay loans at VietinBank; buying and transferring foreign currency to pay for imported goods, repay foreign loans... Moreover, all transactions of corporate customers on VietinBank eFAST are absolutely confidential with high safety through many levels of approval of customers and VietinBank.

Besides, the online foreign currency trading and money transfer service also brings a

safe financial solution, saving maximum cost and time for customers. This is the most appreciated and outstanding utility of the online foreign currency trading and money transfer service provided by VietinBank - especially in the context of the complicated developments of the COVID-19 pandemic.

Specifically, customers can actively upload documents, create buy and sell orders and transfer foreign currency online with a few simple steps on VietinBank eFAST; At the same time, customers can also actively monitor the processing status of documents at VietinBank from the time the order is created until the transaction is successful. In addition, VietinBank eFAST interface is also designed to be friendly, responsive to all devices and user environments with multi-language (Vietnamese, English, Chinese, Korean, Japanese) to help business customers buy, sell and transfer foreign currency online on VietinBank eFAST easily and conveniently.

In the coming time, VietinBank will continue to focus on developing digital channels, applying technology to business activities for smooth foreign exchange operations, fast, convenient, safe and secure transactions; thereby successfully realizing the goal of "VietinBank - The first choice of transaction banking for enterprises".■

# HEADLINES ON DEPOSIT AND LENDING INTEREST RATES

## Deposit rates of commercial banks

In August 2021, the listed deposit interest rates of State-owned commercial banks such as VietinBank, BIDV and Agribank remained stable, listing the highest at 5.6% p.a. After many months of stabilizing at a lower level than the other 3 banks, from the end of June 2021, Vietcombank has adjusted to increase the deposit interest rate for tenors from 1M to less than 12M by 0.2% p.a. in both individual and corporate customers segments. VCB's listed deposit interest rates for these terms are on par with the remaining 3 state-owned commercial banks in the category.

For non-State joint stock commercial banks, the level of interest rate band differentiation among commercial banks has remained quite large since the beginning of this year. Particularly, for 6M tenor, in order for interest rates gap compared with 12M tenor is not too large, non-state joint stock commercial banks set interest rate for this tenor 0.5-1.0% p.a higher than that of the state-owned commercial banks.

In September 2021, VietinBank expects to maintain this current deposit rates level and will make appropriate adjustment if necessary to ensure mark-to-market situation and VietinBank's capital balance.



## VietinBank's credit programs with preferential lending rates

### For corporate customers

#### Short-term lending

- Accompanying with Corporate Customers Program: VND lending rate from 5.9% p.a; USD lending rate from 2.7% p.a (varies from customers and loan terms);
- Credit package to promote outstanding loans and support branches to compete in 3Q2021: preferential lending rate from 4.2% p.a in VND and from 2.0% p.a in USD.
- Preferential package for trading in agricultural machinery and equipment with total size of VND 700 billion, preferential lending rate starting from 5.2% p.a.
- Credit package to accompany business customers in 19 southern provinces and cities for production and business activities in essential fields/businesses and affected by the pandemic with total size of VND 20,000 billion, preferential lending rate starting from 4.0% p.a.
- Program to support interest rate up to 0.3% p.a. for SMEs customers to disburse salary to employees' accounts opened at VietinBank.

#### Medium and long - term lending

- Preferential package for medium and long-term loans in VND in 2021 with preferential fixed lending rate from 6.8% p.a;
- Preferential program for medium and long-term loans for SMEs with lending rate from 6.8% p.a;
- Preferential package for SMEs who invested in ready-built factories for rent in industrial parks with a scale of VND 3,000 billion: preferential lending rate for the 1st year starting from 8.1% p.a and preferential margin for the following years starting from 3.2% p.a;
- Preferential package for corporate customers investing in real estates in industrial zones with total size of VND 5,000 billion: preferential lending rate for the 1st year starting from 8.1% p.a and preferential margin for the following years starting from 3.2% p.a;
- Preferential package for corporate customers investing in Logistics sector with total size of VND 5,000 billion, preferential lending rate for the 1st year starting from 7.3% p.a and preferential margin for the following years starting from 2.8% p.a;
- Preferential package for investment loans to build farms/livestock farms under the 3F model (Feed - Farm - Food) with total size of VND 5,000 billion, preferential lending rate for the 1st year starting from 8.1% p.a.

### Supporting policy for corporate customers affected by COVID-19 (effective until 30/09/2021)

- Supporting policy for short term and medium, long term lending rates up to 1% p.a.
- Preferential policy for fees applied in international payment & trade finance and VietinBank eFAST service fee - financial package, VND domestic transfer fee outside VietinBank system.
- Instructions for transactions via e-banking channels eFAST/Fax/Email during the complicated development of the pandemic.

### For retail customers

- Preferential lending program with gratitude interest rates starting from only 5.3% p.a for short term loans and 7.0% p.a for medium and long-term loans (varies from preferential period and loan term), extended deployment until 30/06/2022.
- **Supporting policy to cut lending rates applied to customers affected by Covid-19** (effective until 15/01/2022):
  - Short-term interest rate support policy with a maximum interest rate reduction of 0.5% p.a.
  - Supporting policy for medium and long-term lending rates;
  - Policy to support the withdrawn amount of preferential interest rate and/or prepayment fee in case customers attempt to arrange cash flow for debt repayment before the due date for VietinBank.

# UPDATE ON SEVERAL KEY ECONOMIC SECTORS:

## Rice:

*The risk of supply chain disruption, the summer-autumn crop is likely to have a huge oversupply*

Since July 19, 2021, the fact that 19 provinces and cities in the South simultaneously implemented social distancing under Directive 16 in response to the COVID-19 pandemic has had a strong impact on the entire supply chain transporting agricultural products of the Mekong Delta, including the supply chain, purchasing rice, especially the summer-autumn rice purchasing chain when the harvest is in full swing. Specifically, traders put down stakes, farmers found it difficult to sell rice, factories ran in moderation, businesses were afraid to export rice although the demand for imported rice reserves of some countries was high (mainly due to the cost of sea container shipping increased dramatically, many times higher than before the epidemic). Since implementing the social distancing according to Directive 16 and producing according to the "3 on-the-spot" option, there are about 50% of enterprises temporarily suspended, the rest only operated at 50% capacity. Besides, import and export also faced difficulties when Tan Cang Saigon, the main container port, stopped receiving rice for export from July and had no plan to resume operations. Meanwhile, at Cat Lai port, a rather large backlog of containers also affected the delivery of import and export goods.

## Fishery:

*Enterprises had difficulty in maintaining production, export forecast did not achieve the target as planned*

The last months of the year are usually the main harvest months for shrimp and pangasius. However, the COVID-19 pandemic is complicated, southern provinces are implementing social distancing, making it difficult for seafood processing enterprises to maintain production and export, while aquaculture households was difficult to find buyers due to limited transportation. According to the Ministry of Agriculture and Rural Development, there are currently 324/449 seafood processing establishments that meet the "3 on-site" standard continuing to produce, accounting for 72%. However, the capacity of factories is only 30-50% compared to before the application of Directive 16 due to lack of workers or split shifts to prevent epidemics. Although the seafood demand of the EU, US, and Japanese markets is increasing again due to the COVID-19 epidemic situation in these markets has been gradually controlled, Vietnam's production is currently stagnant. It is difficult to achieve the target of Vietnam's seafood export in the last months of the year. According to the latest preliminary statistics of the General Department of Customs, in the first half of August, the country's seafood exports reached US\$264 million, down 41% compared to the second half of July and down 30.1% year-on-year. From the beginning of the year to August 15, Vietnam's seafood export turnover reached 5.2 billion USD, up 10% year-on-year.

## Textile, leather and footwear:

*Continue to disrupt supply chains, textile enterprises face many difficulties in maintaining operations*

The prolonged period of social distancing in the southern region such as Ho Chi Minh City, Dong Nai, Binh Duong, Binh Phuoc, Kien Giang, An Giang ... has greatly affected the business results of textile companies with about 50% of factories are located in the South. Currently, the rate of factories having to close has reached 30-35%, mainly small and medium enterprises due to insufficient funds to implement "3 on-site" for employees. Similar to the leather and footwear industry, when 90% of leather and shoe factories in these localities had to close. The textile & garment industry in Vietnam is facing challenges due to a labor shortage and low vaccination rates for the textile and garment industry. Besides, the shortage of empty containers and rising logistics costs may affect businesses with ODM and OBM orders, and the container rental price has now increased 3-4 times compared to last year. As a result, a series of orders recently produced were delayed delivery to partners and customers due to the lack of export containers.

In the first 6 months of the year, the export of textiles & garments & footwear achieved positive results, when many enterprises received orders to fill up for the whole year of 2021 and most recorded strong year-on-year growth in business results thanks to increased demand and supply shifting factors due to large-scale pandemic raging in a group of large exporting countries such as India, Bangladesh and Cambodia. However, the pandemic situation has made it difficult for textile and footwear enterprises to maintain production and business activities. The fear of not being able to fulfill orders resulting in contract penalties increased, especially for businesses in the Southern region. ■



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