

DECEMBER
2021



INVESTOR NEWSLETTER



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VIETINBANK'S 2021 CREDIT ROOM EXPANDED TO MAXIMUM 12.5%

On November 23, 2021, the State Bank of Vietnam (SBV) approved the adjustment of VietinBank's credit growth target in 2021 from 9.5% to 12.5%. With the extended credit room, in the last months of the year, VietinBank will fully utilize the approved limit, productively implement solutions on credit activities in order to improve business efficiency, and ensure the safety of the system and contribute to the stability of the money market. The Bank will also continue to synchronously deploy proactive and flexible management solutions, closely follow market developments, affirming the leading role of VietinBank in providing capital and financial services, and promoting socio-economic development of the country ■

ANNOUNCEMENT ON 2020 CASH DIVIDEND PAYMENT

On 1st December 2021, The Board of Directors of Vietnam Joint Stock Commercial Bank for Industry and Trade (VietinBank) announced on the Bank's 2020 cash dividend payment as follows:

- Stock name: Stock of Vietnam Joint Stock Commercial Bank for Industry and Trade
- Stock symbol: CTG
- ISIN: VN000000CTG7
- Stock class:
 - (1) Common Stock freely transferable;
 - (2) Common stock transferred with conditions.
- Par value: 10,000 VND
- Record date: **15th December 2021**
- Payout rate: 8% per share (01 share is entitled to receive VND 800 cash dividend)
- Expected Payable date: 17th January 2022
- Payment location:
 - For shares in custody by depository members: Payment is executed at

depository member's locations where shareholders maintain their accounts.

- For shares not in custody by depository members: Payment is executed by presenting shareholders' personal ID at VietinBank Securities JSC - 306 Ba Trieu Street, Hai Ba Trung District, Hanoi, Vietnam on working days since 17th January 2022 by money transfer. For further information, please contact Accounting Department (1900 58 88 66 – extension 2) or Security Services Department (+84 24.39741771 – extension 6901).
- Website: www.cts.vn

Withholding personal income tax paid to the State budget from 2020 cash dividend: VietinBank will deduct 5% personal income tax before paying 2020 cash dividends inherited by resident and non-resident individual shareholders in the closing list on record date (15/12/2021).

For further information, please contact Secretariat to the Board of Directors & Investor Relations, VietinBank Head Office via telephone (+84 24.3941 3622) or email: investor@vietinbank.vn ■



VIETINBANK CONTINUES TO SECURE ITS FIRM POSITION IN THE BANKING BOND MARKET

With its prestige and position in the market, VietinBank completed the plan to issue subordinated bonds early, firmly ensuring room for credit growth demand of 12.5% which had been approved by the State Bank of Vietnam (SBV) in November 2021.

Offered from October 6, 2021 at all VietinBank's transaction points nationwide, VietinBank bonds received the interest and purchase orders from more than 8,000 Vietnamese and foreign individual and institutional investors.

The successful public offering of VND 6,513 billion of bonds to the above-mentioned investors brought the total volume of subordinated bonds issued to the market by VietinBank in 2021 to more than VND 14,000 billion, of which VND 7,769 billion bond value was private placement issued to professional securities investors before October 31, 2021.

With the total issuance volume aforementioned, VietinBank exceeded the plan and completed more than 130% of the overall demand for Tier 2 capital bonds for the whole year. The total volume of private placement bonds issued in 2021 as of October 31, 2021 was VND 7,769 billion, mainly issued in the third quarter to proactively anticipate credit growth demand in the last months of the year, ensuring capital costs reduction and cash flow balance instead of centralized large-volume issuance.

Therefore, VietinBank early completed the issuance plan of subordinated bonds, firmly ensuring room for credit growth demand of



VietinBank has completed the plan to issue subordinated bonds early

12.5% which had been approved by the SBV in November 2021.

The success of both private placements and public offerings of bond continues to affirm VietinBank's prestige and position in the financial market. VietinBank is also the bank with the largest bond issuance volume to the public in the market among credit institutions having public bond offerings to the market in 2021.

VietinBank will list issued bonds in accordance with regulations to increase the liquidity of bonds for investors, contributing to the development of a vibrant stock market with high quality stocks and in line with the Government's development orientation ■





VIETINBANK IMPLEMENTED OVERALL SOLUTION PACKAGE FOR IMPORT-EXPORT BUSINESSES

The last months of the year are the time when import-export businesses - especially those in the South - regain their growth momentum after being affected by the COVID-19 pandemic. In order to promptly support businesses, VietinBank has deployed an Overall Solution Package for import-export corporate customers.

Exclusive promotion in the Overall Solution Package for Import-Export Customers includes:

- Reducing the payment procedures for importing goods with an application, a list of detailed information and a commitment form.
- Preferential exchange rates for USD/VND, EUR/VND and JPY/VND; and continue to offer more incentives if the customers commit to maintaining their deposits at the Bank.
- Credit package of VND 10,000 billion for

import-export businesses with preferential short-term lending interest rates of at least 3.5% per year for VND and 1.5% per year for USD.

In addition, VietinBank also provides many solutions in the Overall Solution Package for Import-Export Customers:

- Preferential exchange rate swap solution to maintain deposits for customers with regular incoming foreign currency sources and in need of optimizing benefits from cash flow.
- Free maintenance service charge for

VietinBank Trade Portal.

- Free foreign currency transfer service to other branches.
- Up to 50% fee reduction related to import - export foreign currency remittance product.
- Up to 75% discount of current fee for money transfer service to/from abroad, money transfer for cross-border payment service and 100% of trade finance fee for 3 months for small and medium-sized import-export enterprises.
- Incentives for VietinBank eFAST e-Banking and Account Service Packages: Free choice of account number, incentives up to more than 20

different fees for regular and essential banking services for businesses such as VND money transfer, salary payments, e-banking services, tax payment... with a preferential period of up to three (03) years.

- Free of charge for salary payment service for up to 12 months and waive all types of fees for employees receiving salary through VietinBank.

With the Overall Solution Package for Import-Export Corporate Customers, VietinBank hopes to join hands with businesses to overcome the pandemic, successfully realize the "dual goal" of preventing, controlling the pandemic safely and stabilizing production and business activities ■

HEADLINES ON DEPOSIT AND LENDING

Deposit rates of commercial banks

For short terms under 12 months, VietinBank is listing 0.1% p.a higher than or equivalent to other state-owned commercial banks. With tenors of 12M or longer, VietinBank is listing at 5.6% p.a applied to retail customers, 0.1% p.a higher than the other three banks in the group.

In November 2021, the level of the interest rate of joint stock commercial banks remained stable, only some fluctuated slightly. Particularly, for 6M tenor, in order for interest rates gap compared with 12M tenor was 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 December 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 4Q2021: 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 to disburse salary to employees' accounts opened at VietinBank.
- Incentive package for potential import and export enterprises with scale of 10,000 billion VND, preferential lending rate starting from 3.5% p.a for VND and from 1.5% p.a for USD.
- Incentive program for distributors of fast-moving consumer goods (FMCG), preferential lending rate from 4.0% p.a.

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.
- Comprehensive preferential package for corporate customers to refinance with total size of VND 7,000 billion, preferential lending rate for the 1st year starting from 6.8% p.a, and preferential margin for the following years starting from 2.5% p.a.

Supporting policy for corporate customers affected by COVID-19 (effective until 31/12/2021)

- 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.
 - 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.

IMPORT AND EXPORT SPEED UP, MARKING A BRIGHT SPOT IN ECONOMIC OVERVIEW IN NOVEMBER 2021

Entering the second month of implementing the "new normal" with the dual goal of effective control of the pandemic while restoring and promoting socio-economic development, the economy continued to show several upward trend signs. The industrial production index increased by 5.6% in November 2021 and was up by 3.6% in 11 months over the same period last year, in which the processing and manufacturing industry continuously contributed the largest proportion for the growth rate.

Commercial activity made a strong recovery since the beginning of the fourth quarter. Generally, in 11 months, the total import and export turnover of goods reached USD 599.12 billion, up 22.3% yoy. Trade balance of goods in 11 months enjoyed a surplus of USD 225 million, however this result was still much lower than the figure of USD 20.2 billion in the same period last year, yet significantly improved compared to the deficit of nearly USD 2.6 million 2 months ago.

Investment capital realized from the State budget increased by 14.7% compared to the previous month. Newly registered FDI capital and additional capital kept the upward trend, specifically

increasing by approximately USD 26.46 billion, equivalent to 0.1% yoy increase.

Consumer price index (CPI) in November 2021 increased by 0.32% over the previous month, up 2.1% yoy, mainly due to the increase in gasoline and domestic gas prices in line with world fuel prices; localities gradually returned to the new normal state that might lead to the increasing price of goods and services tendency. In 11 months overall, CPI increased by 1.84% yoy which was the lowest increase in 5 years. This result made the target of controlling this year inflation at a low rate of about 2% feasible. However, warnings on high rise of inflation in 2022 continued to persist, when commodity prices in the world market increased and domestic demand gradually recovered.

In the financial market, the interbank USD/VND exchange rate dropped sharply to 22,650 after the State Bank of Vietnam (SBV) had adjusted the USD buying price at the beginning of November, which was the lowest rate in the past 5 years. Credit growth as of November 25, 2021 increased by 10.1% ytd and was expected to reach 12% for the whole year. In addition to the SBV's approval to expand credit growth targets for several banks, monetary policy will continue to be maintained with low operating interest rates, however, there was narrow room for further reduction whereas inflation pressure was present ■

Nguồn: Tổng hợp từ Điều lệ hoạt động của các ngân hàng tại thời điểm 30/9/2021.

UPDATE ON SEVERAL KEY ECONOMIC SECTORS

Fertilizer

World and domestic fertilizer prices kept upward trend mainly due to tightened supply that caused difficulties for agricultural sector, especially for farmers. The fact that China restricted the export of urea and phosphate fertilizers while the energy crisis in Europe caused gas prices to spike up resulted in increasing input costs of fertilizer production.

The price of potash fertilizer was one of the biggest increase in fertilizer prices in all regions due to tightened supply. Potassium MOP fertilizer in Europe has increased 30% in the past 4 months, from 440 USD/ton to a present price of 680 USD/ton, whereas in Southeast Asia the price doubled from 285 USD/ton in May 2021 to over 600 USD/ton.

The retail price of inorganic fertilizers sold to farmers increased by 60-80% compared to previous years which caused farmers to reduce the amount of fertilizer used for crops, affecting crop quality and productivity.

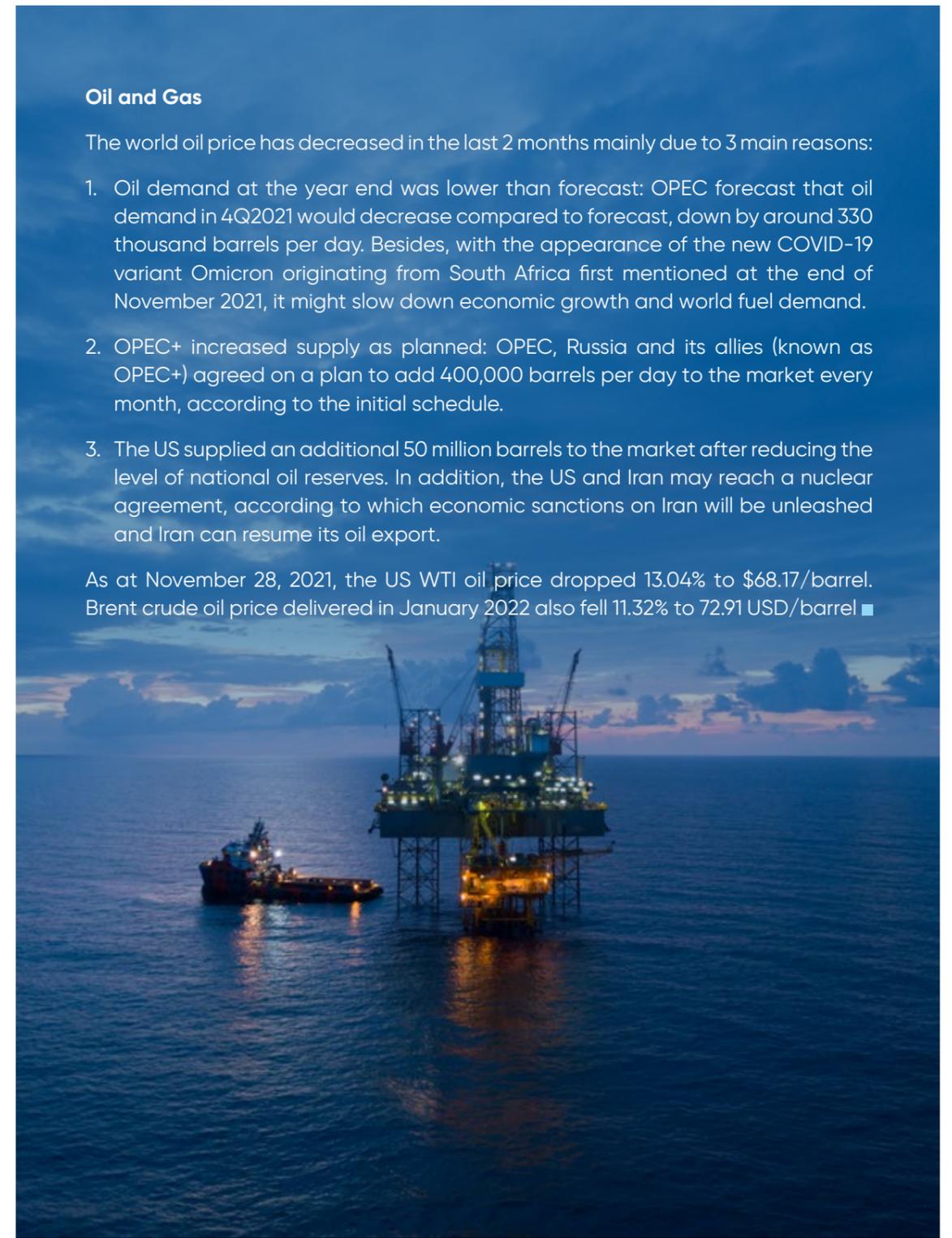


Oil and Gas

The world oil price has decreased in the last 2 months mainly due to 3 main reasons:

1. Oil demand at the year end was lower than forecast: OPEC forecast that oil demand in 4Q2021 would decrease compared to forecast, down by around 330 thousand barrels per day. Besides, with the appearance of the new COVID-19 variant Omicron originating from South Africa first mentioned at the end of November 2021, it might slow down economic growth and world fuel demand.
2. OPEC+ increased supply as planned: OPEC, Russia and its allies (known as OPEC+) agreed on a plan to add 400,000 barrels per day to the market every month, according to the initial schedule.
3. The US supplied an additional 50 million barrels to the market after reducing the level of national oil reserves. In addition, the US and Iran may reach a nuclear agreement, according to which economic sanctions on Iran will be unleashed and Iran can resume its oil export.

As at November 28, 2021, the US WTI oil price dropped 13.04% to \$68.17/barrel. Brent crude oil price delivered in January 2022 also fell 11.32% to 72.91 USD/barrel ■





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