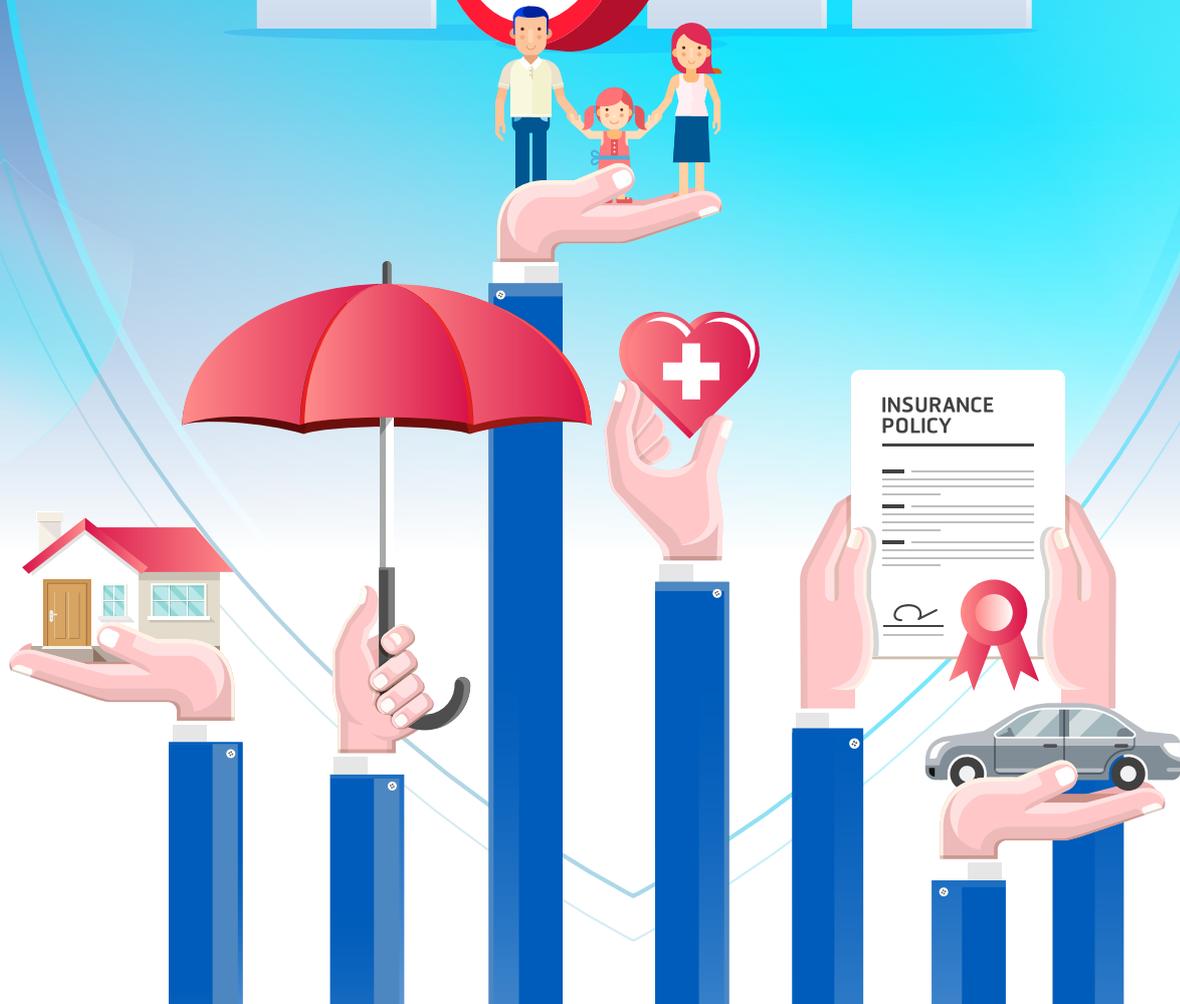


FEBRUARY  
2022



## INVESTOR NEWSLETTER

# 2022



# TABLE OF CONTENTS

## DEVELOPMENT ORIENTATION AND PLAN

- 3 VietinBank enjoyed continuously positive growth in service activities

## EVENTS, COOPERATION ACTIVITIES

- 5 Activate 16-year exclusive cooperation agreement between VietinBank and Manulife Vietnam

## PRODUCTS AND TECHNOLOGY

- 7 VietinBank presented i-Bank identification package for 24/7 automatic teller system
- 8 VietinBank introduced “successful start” incentive package for SME customers

## INTEREST RATES POLICY

- 9 Headlines on deposit and lending interest rates

## MARKET UPDATES

- 11 Many economic indicators flourished in the first month of 2022
- 13 Update on several key economic sectors



2022

## VIETINBANK ENJOYED CONTINUOUSLY POSITIVE GROWTH IN SERVICE ACTIVITIES

Vietnam Joint Stock Commercial Bank for Industry and Trade (VietinBank) has just disclosed its 4Q2021 financial statements (FS). Accordingly, all business sections recorded good growth. Particularly, net profit from service activities continued to grow positively, reaching VND 1,158 billion, up 1.2% yoy; bringing the total net profit from service activities of the whole year to VND 4,952 billion, up 13.5% compared to that of 2020.

### Sustainable growth, maximum customer support

According to 4Q2021 FS, by the end of 2021, VietinBank's customer loans reached VND 1,131 trillion, continuing to grow at a moderate rate due to the impact of the pandemic causing a decrease in credit demand. VietinBank continued to be consistent with its sustainable growth policy, not loosening credit conditions to strictly control risks in parallel with effective growth. Along with that, VietinBank has restructured, diversified and prioritized its credit portfolio focusing on production and business sectors encouraged by the Government, in line with the macroeconomic situation and prospects of each economic sectors. The credit structure among customer segments of VietinBank has also been improved positively.

Net interest income in 4Q2021 reached VND 10,396 billion, contributing to bringing VietinBank's total net interest income of full year 2021 to VND 41,788 billion (accounting for 79% of total operating income) and up 17.5% yoy thanks to continued good control of capital costs. In 2021, VietinBank simultaneously and drastically implemented solutions to develop payment banking services, boosted eFAST and eKYC campaigns to attract and expand customer base, generated CASA growth and diversified domestic and foreign capital mobilization channels at reasonable costs.

Net profit from service activities maintained a positive growth rate. This figure for 4Q2021

reached VND 1,158 billion, up 1.2% yoy; bringing the total net profit from service activities of full year 2021 to VND 4,952 billion, a yoy increase of 13.5%. This resulted from VietinBank's efforts in synchronous implementation of product research and development, tech-savvy services and improvement in service quality, effective sales promotion of advantageous products such as: trade finance, money transfer, card services and e-banking.

VietinBank's accumulated profit before tax for full year 2021 reached VND 17,589 billion, up 2.7% yoy.

### Improve financial capacity, control quality of operations

In 2021, the 4th outbreak of the COVID-19 pandemic has placed a severe impact on people's life as well as production and business activities of enterprises across the country. Facing that situation, promoting its role as a key commercial bank and a pillar of the economy, VietinBank actively and promptly cut profits from reduction of lending interest rates and service fees, and restructured debt repayment timetable while keeping debt group unchanged according to the State Bank's regulations; applied supporting solution packages to help customers overcome difficulties, maintain operations, recover and develop.

In addition, VietinBank also focused on strengthening its debt quality control, proactively and early identifying potentially



*VietinBank continued to implement drastic and synchronous solutions to increase net profit from service activities*

risky industries/sectors/customers to promptly implement appropriate behavioral measures and make adequate provision in accordance with regulations of the State Bank to be proactive in debt settlement plans. In particular, VietinBank has made more than 90% of the provision to be made according to Circular 03, its bad debt coverage ratio improved positively at 180%, 37% higher than that in 2020. This helped VietinBank strengthen financial capacity and ability to withstand possible risks from the economy.

2022 is the pivotal year for VietinBank to promote breakthrough growth given the

context of the economy recovering in a new normal state. The whole system will continue to focus its resources to strongly deploy business focal points, sticking to the goals set out at the beginning of the year. Some of VietinBank's main goals in 2022 to submit to authorities for approval are as follow: total assets growth of about 5% - 10%; credit growth around 10% - 14%; mobilized capital growth of 10% - 12%; bad debt ratio under 2%; separated and consolidated profit before tax growth of 10% - 20% with continuous improvement ■

## ACTIVATE 16-YEAR EXCLUSIVE COOPERATION AGREEMENT BETWEEN VIETINBANK AND MANULIFE VIETNAM

In the morning of January 24, 2022 in Ho Chi Minh City, VietinBank and Manulife Vietnam officially launched and activated their partnership under the 16-year Exclusive Cooperation Agreement. This was a milestone marking a new chapter full of expectations for two financial institutions with common plans to bring solutions to improve the lives of millions of Vietnamese people.



Starting from 29/12/2021, Manulife Vietnam is officially the exclusive distributor of life insurance solutions for VietinBank customers.

### Improving value, securing future

According to the Agreement signed and taking effect from December 29, 2021, Manulife Vietnam is officially the exclusive distributor of life insurance solutions for VietinBank's customers. This partnership will help Manulife Vietnam improve its position and distribution capacity; at the same time shows the Company's long-term commitment to the sustainable development of the insurance industry in Vietnam.

VietinBank's strategy is to continue to diversify its business, including focusing on the Retail Banking business and providing comprehensive

and suitable financial solutions to customers. In particular, VietinBank determines that the distribution of life insurance products through traditional channels as well as digital platforms will be one of the solutions to focus and invest resources to promote in the coming time. Addressing the ceremony, Mr. Tran Minh Binh - Chairman of VietinBank's Board of Directors said: "This cooperation is a sustainable foundation for the growing development of VietinBank and Manulife Vietnam. The cooperation relationship between VietinBank and Manulife Vietnam will develop strongly in the coming time, thereby consolidating its leading position in the market

and continuing the growth momentum in the region.

From Hong Kong via video conference, Mr. Sachin N. Shah - General Director of Manulife Asia Emerging Markets said: "Being a partner and working closely between VietinBank and Manulife Vietnam will combine the strengths of both parties to provide comprehensive financial solutions, giving customers the best service. At the same time, we will contribute to making the lives of millions of Vietnamese people better every day."

On behalf of Manulife Vietnam, Mr. Sang Lee - General Director shared: "With our strength in creating comprehensive insurance solutions, combined with VietinBank's large customer network and outstanding digitalization capabilities of both parties, Manulife Vietnam will have the opportunity to lead the industry in meeting life insurance needs, increasing life insurance penetration rates and achieving meaningful, long-term achievements."

### VietinBank launched Bancassurance business

Speaking at the ceremony, on behalf of VietinBank Management, Deputy General Director, Mr. Tran Cong Quynh Lan officially launched the Bancassurance business at VietinBank.

Under the Cooperation Agreement, a diversified portfolio of insurance, property and retirement solutions would gradually be distributed through VietinBank's network. These products would be delivered by a well-trained professional sales team and supported by the most advanced digitization tools and processes.

Currently, customers can access the product "Thrust for Prosperity" at various branches and transaction offices of VietinBank. This is one of the first products that will be distributed to customers of VietinBank - an investment-linked insurance product designed to assist customers in investing in funds managed by leading experts; at the same time being secured against risks with many other protection benefits ■



## VIETINBANK PRESENTED I-BANK IDENTIFICATION PACKAGE FOR 24/7 AUTOMATIC TELLER SYSTEM



The i-Bank identification package helps customers easily identify and make convenient transactions with VietinBank's automatic transaction system. Using i-Bank, customers can make transactions at all times of the day without going to the counter.

Understanding the needs of customers, grasping the trend of combining strongly with digital banking platforms, VietinBank launched the i-Bank system, 24/7 automatic transactions. The i-Bank system helps customers minimize waiting time and process documents without having to go directly to the bank counter.

The i-Bank system is a combination of ATM/R-ATM and VietinBank iPay application with many outstanding features. When using VietinBank's i-Bank system, customers can experience 24/7 on all holidays, New Year... regardless of transaction hours/counters with outstanding and safe features such as:

- Deposit money into your account quickly with a limit of up to 100 million VND/time (no more than 200 sheets) and unlimited number of payments per day.

- Withdraw money by QR code (no need to use physical card) for customers using VietinBank iPay service.

- Identify and detect counterfeit money, poor quality money according to regulations of the State Bank of Vietnam.

- Monitor and save serial numbers of counterfeit and poor quality bills in circulation. Thereby, it is easier for customers as well as the bank to control and investigate complaints.

- In addition, the system still allows performing other functions such as sending account queries, saving accounts, transferring money, paying bills...

(Note: To increase safety for customers, from 22:00 to 6:00 every day, the default maximum withdrawal limit at ATM is 10,000,000 VND).

By actively applying digital transformation solutions to banking transactions in the direction of increasing initiative for customers, VietinBank hopes to bring customers the highest satisfaction when transacting with i-Bank, ensuring faster, safer and more effective ■

## VIETINBANK INTRODUCED "SUCCESSFUL START" INCENTIVE PACKAGE FOR SME CUSTOMERS



Catching up with the trend of 2022, VietinBank designed the "Successful Start" Package exclusively for small and medium-sized (SME) business customers, including new and existing customers with flexible pricing and interest rate policies and more competitive service fees compared to 2021.

The "Successful Start" incentive package is considered the most attractive package that VietinBank offers exclusively to SME customers with the desire to provide comprehensive financial solutions to successfully connect the bank and businesses, supporting enterprises to maintain stable business activities as well as develop and increase competitiveness in the market. Accordingly, the "Successful Start" Package includes comprehensive incentives from account services, credit appraisals, deposits, trade finance, guarantees and insurance with the most preferential service fees:

- Up to 100% off money transfer fee;
- Credit appraisal and approval within 8 hours;
- Lending interest rates from only 4.2% p.a;
- Offer up to 100% guarantee fee/trade finance fee/collection/factor/LC;
- Up to 40% off insurance premiums.

In addition, to enhance customer experience on Internet-based platforms, customers who registered for eFAST financial package (including new customers or existing ones of VietinBank without having financial transactions on eFAST before) will enjoy completely being free of the following fees:

- VND transfer fee inside and outside the system;
- Payroll fee;
- State budget payment fee;
- Two-authenticator device VietinBank OTP fee;
- VietinBank eFAST registration and maintenance fee ■

# HEADLINES ON DEPOSIT AND LENDING INTEREST RATES

## 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 January 2022, 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 February 2022, 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 5.5% 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 1Q2022: preferential lending rate from 4.2% p.a in VND and from 2.0% p.a in USD.
- 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 4.2% 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 8.0% 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 7.8% p.a and preferential margin for the following years starting from 3.2% 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 8.0% p.a and preferential margin for the following years starting from 3.2% 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 30/06/2022)

- Supporting policy for short term and medium, long term lending rates up to 0.5% 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:

- Short-term as well as medium and long-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.

## MANY ECONOMIC INDICATORS FLOURISHED IN THE FIRST MONTH OF 2022

The largest economic incentive package ever approved by the National Assembly and the fact that Vietnam was approaching the state of "safe adaptation to COVID-19" from the beginning of 4Q2021 in most provinces and cities had caused positive effects on the macro-economy in the first month of 2022, and at the same time, opened up an optimistic outlook for 2022. Along with supporting factors such as the room for expansion of fiscal policy is still quite large, Vietnam's economy in 2022 is expected to have a positive recovery, achieving a growth rate of about 6.5-7% and increasing inflation but still under control at 3.4- 3.7%, in order to support economic recovery momentum.

Right in the first month of 2022, enterprise development situation saw a positive signal again with the number of newly established enterprises increased in both quantity and registered capital compared to the same period in 2021, and the number of enterprises resuming activity also increased quite high in all fields. Specifically, in January 2022, the whole country had 13,000 newly established enterprises with a registered capital of more than VND 192.3 trillion and the number of registered employees was nearly 77.1 thousand people, an increase of 15.9% in terms of number of enterprises, an increase of 22.6% in registered capital and an increase of 10.5% in number of employees compared to the previous month.

Regarding import and export activities, the total export and import turnover of goods in January 2022 was estimated at USD 58.5 billion, down 11.7% compared to the previous month. Compared with the same period last year, total export and import turnover increased by 6.3%, of which exports increased by 1.6%; imports increased by 11.5%.

Regarding investment, the proportion of investment capital realized from the State budget reached 4.8% compared to the year plan and increased 8.6% yoy. Realized foreign direct investment capital in Vietnam in January 2022 reached a fair value (US\$1.61 billion), up 6.8% yoy.

In terms of consumer price index (CPI), January is the month adjacent to the Lunar New Year, therefore people's increasing shopping demand led to the increase in prices of essential consumer goods and services as a routine of consumption on Tet holiday. Domestic gasoline prices also increased in line with world fuel prices, which were the factors that made the CPI in January 2022 increase by 0.19% compared to the previous month. Compared to the same period in 2021, CPI in January 2022 increased by 1.94%.

In the financial market, the USD/VND exchange rate in January 2022 tended to decrease when the State Bank announced to lower the buying and selling rates by 100 points, from 22,650 – 23,150 to 22,550 – 23,050. Interbank interest rates tended to increase strongly, especially in the second half of January 2022 due to seasonal factors, the demand for payment increased in the period close to the Lunar New Year ■

# 2022

# UPDATE ON SEVERAL KEY ECONOMIC SECTORS



## Transportation

Transportation was one of the industries that continued to be strongly affected by the COVID-19 pandemic, especially after the 4th outbreak in Vietnam since April 2021. In 2021, passenger transportation reached 2,387.3 million passengers, a yoy decrease of 33% (down by 29.6% in 2020) and rotation of 94.7 billion passengers.km, a decrease of 42% (34.1% decrease in 2020). In 2021, goods transportation was estimated at 1,620.5 million tons of transported goods, a yoy down of 8.7% (5.2% down in 2020) and 333.4 billion tons.km in circulation, down 1.8% (previous year down 6.7%).

Entering 2022, transportation industry is forecasted to develop more positively as Vietnam's trade will maintain a positive growth (thanks to signed FTAs, the trend of FDI inflows into Vietnam, and Vietnam's turnover of import and export continued to grow strongly). In addition, legal policies on the industry were also improved, accelerating the completion of industry infrastructure, the strong development of e-commerce, the role of private sector was increasingly focused and promoted along with regulations to facilitate businesses participating in and operating in the transportation sector.

## Lodging industry

Due to complicated developments of the COVID-19 pandemic, Vietnam has not opened to international tourism since the beginning of 2021, the number of tourists and revenue from travel services continued to decline sharply compared to the same period last year.

As soon as the pandemic is under control, it is forecast that Vietnam's tourism industry will grow again. However, it is difficult to fully recover because free cross-border travel still face many limitations. The main recovery momentum is expected to come from domestic market (before COVID-19, revenue of Vietnam's tourism industry largely depended on international tourists). Even if the pandemic is well controlled on global scale, the tourism industry still needs time to recover its previous growth because the prolonged 2-year outbreak of disease had caused severe damage to the world economy and economic growth of each country, resulting in decline in people's income, increase in unemployment rate and caution when traveling. In the medium and long term, it is forecast that the tourism industry will grow and develop again when the pandemic is controlled and people's lives return to a normal trajectory.

With the Government's plan to reopen international flights in 2022, the tourism industry's goal is to strive to receive 65 million visitors, including about 5 million international arrivals and about 60 million domestic arrivals, equal to 150% compared to 2021; total revenue from tourists reached VND 400,000 billion.

## Electricity

In 2021, due to large scale impact of the COVID-19 pandemic, production and business were delayed, leading to a sharp drop in electricity demand, especially in the second half of the year. According to the General Statistics Office and EVN, GDP in 3Q2021 decreased by 6.17%, leading to a decrease in electricity consumption of 10.53% compared to 2Q2021 and a yoy decrease of 4.14%. Particularly, the Southern region decreased by 23.41% compared to 2Q2021 and decreased by 13.59% yoy.

Forecasting in 2022, electricity demand is expected to soon return to a growth of 9-10% per year after the economy recovers from COVID-19. Committed to net zero emissions by 2050 at COP26 will promote strong investment in Liquefied Natural Gas (LNG) and renewable energy, especially offshore wind power, while coal power still plays an important role in ensuring a stable source, but new projects will face difficulties because they are no longer prioritized.

For renewable energy sources, due to the overheating of solar power in the period before 2020, wind power (especially offshore wind power) will be prioritized for development. However, the FIT electricity price mechanism is expected to only apply to biomass power, the rest will apply the bidding mechanism. The overall power planning VIII has not been completed yet, which also makes the renewable energy development plan difficult.



## Real estate

In 2021, the real estate market was severely affected by the pandemic, especially in 3Q2021. The supply that had decreased from previous years continued to be cut down by the pandemic while the policy had not been completely unleashed. The real demand of the market went down (shown in decrease in the number of transactions), but the total amount of money entering the market with the demand for real estate investment showed signs of strengthening due to the large shift of cash flow from other sectors and markets (stocks, foreign exchange, other weakened economic sectors, lower interest rates on bank deposits) entered the real estate market to find investment opportunities, creating pressure to increase real estate prices, causing a feverish phenomenon in the market.

It is forecast that the overall market demand in 2022 will recover and grow again as soon as the pandemic is under control. Currently, there are about 5,000 real estate projects in the country being implemented, some have been completed, but there are still thousands of projects that are completing legal process, which may take until 2022 or longer to complete. Therefore, to recover to the pre-pandemic level, the real estate market needs more time, expected from the beginning of 2Q2022. In the medium and long term, real estate is forecast to have a positive outlook in the next 20 years because the level of urbanization is still low and taking place strongly, the economy maintains a high growth rate, basic infrastructure is still intact and has plenty of room for growth ■



# INVESTOR NEWSLETTER

---

**Disclaimer:**

The information in this investor newsletter is provided for reference purpose only. VietinBank does not take responsibility for any loss caused by the use of the above information in business activities.

**Investor Relations – Secretariat to the BoD and Investor Relations  
Office of the Board of Directors  
Vietnam Joint Stock Commercial Bank for Industry and Trade**

108 Tran Hung Dao, Hoan Kiem, Hanoi, Vietnam

**E** [investor@vietinbank.vn](mailto:investor@vietinbank.vn) | **T** 024 3941 3622 | **W** [www.investor.vietinbank.vn](http://www.investor.vietinbank.vn)