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# INVESTOR NEWSLETTER



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## VIETINBANK ENGAGED ON IMPLEMENTATION OF BUSINESS TASKS ON CELEBRATION OF THE LUNAR NEW YEAR – THE YEAR OF THE TIGER 2022

In the morning of February 7, 2022 - the first working day after the Lunar New Year holiday, VietinBank organized the New Year Meeting - The Year of the Tiger 2022 and implemented business tasks. The meeting was held online, in compliance with regulations on COVID-19 prevention and control.



Chairman of the Board of Directors of VietinBank Mr. Tran Minh Binh addressed at the New Year Meeting - The Year of the Tiger 2022 and implementation of business tasks

In 2021, the whole VietinBank system strived in the spirit of innovation from thinking to action, drastically implemented key business topics and achieved many important results. Accordingly, VietinBank's business performance achieved positive results in terms of both scale and efficiency, completing and exceeding the planned targets assigned by the General

Meeting of Shareholders; at the same time, upheld the corporate social responsibility as well as pandemic prevention and control throughout the country.

Mr. Tran Minh Binh - Chairman of the Board of Directors of VietinBank said: "The Year of the Tiger 2022 is determined to be a pivotal year for VietinBank to continue to promote breakthrough

growth, in the context of the economic recovery in the new normal, the whole system needs to continue to stick to the set goals. Right after the Tet holiday, the whole VietinBank system is excited to enter the new year and needs to quickly start working, continue to engage resources to implement the goals, plans and tasks of the year 2022."

In order to further promote the exciting emulation movement, recognizing the contribution of efforts and wisdom of employees in 2022, Chairman of the Board of Directors Mr. Tran Minh Binh launched an emulation movement throughout the system with special programs in 2022 such as the prize for the first branch completing KPI, the competition to promote innovation initiatives for the Head Office...At the same time, Chairman Tran Minh Binh affirmed that VietinBank continued to innovate the salary mechanism for employees, especially branch directors, in directing, operating,

and implementing drastically and effectively the orientation and direction of VietinBank Management, in order to maximize the roles and responsibilities and worthy recognition of the efforts, dedication and contributions of branch directors.

"In the coming time, VietinBank will focus on building a team of leaders of the unit with "decent Heart, Vision, Talent and Intelligence" to decide the direction, development of the unit and create success for VietinBank" - emphasized Mr. Binh.

VietinBank's staff and employees believe and expect that with the leadership of VietinBank Management and strategic orientation of creativity and innovation; the whole VietinBank system will achieve new successes and victories, affirming its position; at the same time, actively contribute to the banking industry and the country's socio-economic development ■



Overview of the New Year Meeting - The Year of the Tiger 2022 and the implementation of business tasks

## VIETINBANK SPONSORING CAPITAL FOR BUSINESSES IN CONSTRUCTION AND ASSEMBLY INDUSTRY: PACKAGE SOLUTION DURING PROJECT LIFE



Understanding the difficulties that enterprises in construction and assembly industry often face when accessing bank capital, VietinBank offers a complete financial solution with competitive collateral ratio, reasonable interest rates, flexible management and credit granting. With quick and simple processing time to meet the needs of construction and assembly enterprises, VietinBank's Financial Solutions is expected to make a positive contribution to the development of the construction and assembly industry.

Financing solution package for enterprises in the construction and assembly industry can be utilized throughout the project life cycle, from the stage of participating in bidding to construction and completion of projects/works. The solution consists of 4 main products: (1) Confirmation of credit granting; (2) Guarantee products; (3) Working capital loan products and (4) Issuance of Letters of Credit.

Corporate customers who are main contractors, sub-contractors or joint-venture contractors participating in bidding projects or being appointed contractors or having construction and installation contracts signed with Employers that satisfy VietinBank's conditions; Corporate customers operating in the field of construction and executing works/projects of reputable employers with public investment capital or with large capital from employers can apply to this Solution.

The outstanding advantage of this financial solution is that VietinBank offers a quite competitive rate of collateral compared to the market. Accordingly, bid guarantee, credit granting guarantee do not need collateral; other guarantees will be flexible according to VietinBank's regulations and conditions.

With a team of professional and enthusiastic staffs, ready to accompany businesses, VietinBank always strives to bring the best service quality to customers. VietinBank manages and grants credit flexibly. The maximum capital financing rate is up to 100% of the contract value. Loan term: Up to 12 months/Debt receipt. VietinBank implements diversified cash flow management for each project or group of projects.

In addition, becoming a customer of VietinBank means that businesses will enjoy all benefits and digital banking services from the application eFAST exclusively for VietinBank corporate customers such as: 100% free of charge for transferring VND and 50% off foreign currency transfer fees... ■

## VIETINBANK ACCOMPANYING BUSINESSES IN DIGITAL TRANSFORMATION OF PAYMENT ACTIVITIES

From now until the end of December 31, 2022, corporate customers when registering for the payment acceptance service of VietinBank will experience the "3-in-1 payment acceptance package" - preferential payment acceptance service with attractive fees.

### Digital transformation - The inevitable trend of business

The COVID-19 pandemic has posed a strong impact on the domestic economy and society, causing businesses to face unprecedented difficulties in order to maintain operations. In that context, digital transformation has been deployed by many businesses to adapt and seize opportunities to sustain and recover quickly during the pandemic.

One of the most visible digital transformation activities taking place during the COVID-19 pandemic in businesses is the transformation of business models from direct sales to online; from cash payment to non-cash payment through modern methods such as POS, QR Pay and online payment.

### 0% service fee with VietinBank's 3-in-1 promotional package



3-in-1 preferential package for payment acceptance service of VietinBank.

In order to support businesses to promote non-cash payments and provide a variety of payment methods for shoppers, VietinBank has launched a "3-in-1 preferential package for payment acceptance service" for businesses.

When participating in this incentive package, corporate customers will be supported to deploy 3 comprehensive payment acceptance services (POS, QR Pay and Ecom online payment) of VietinBank, with a preferential service fee from only 0% in the first 12 months of use. At the same time, VietinBank provides free payment equipment and service installation costs, 24/7 operation support and transaction management as follows:

QR Pay payment offer	0% full service fee
POS payment offer	0% full service fee
Ecom online payment offer	0% full service fee applicable to cards issued by VietinBank
Equipment and service installation fee offer	0%

Businesses and organizations providing goods and services across the country can become VietinBank's payment-accepting customers with simple registration procedures, quick processes, and consulting and support services provided by professional staff.

# 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 February 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 March 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.

## Preferential deposit rates for individual customers

Preferential policy of additional interest rate 0.3%-0.4%/year for customers to save online on ipay/ATM VietinBank channel.

Preferential policy of additional interest rate 0.4%/year for employees of COVID-19 first responders units who get salary payment via VietinBank to make online savings on ipay VietinBank channel (valid until March 31, 2022).



## 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.

#### 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.

#### 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 1<sup>st</sup> 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 1<sup>st</sup> 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 1<sup>st</sup> 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 1<sup>st</sup> year starting from 6.8% p.a, and preferential margin for the following years starting from 2.5% p.a.

### For retail customers

Preferential lending program with gratitude interest rates: customers choose one of the following two policies:

- **Package 1:** For customers participating in VBI or Manulife insurance contract: lending interest rate starting from only 5.3% p.a for short term loans and 6.7% p.a for medium and long-term loans (varies from preferential period and loan term)
- **Package 2:** For customers not participating in insurance contract: lending interest rate starting from only 5.8% p.a for short term loans and 7.2% p.a for medium and long-term loans (varies from preferential period and loan term)
- Validation until 31/01/2023.

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.

## RUSSIA – UKRAINE CRISIS – NEW VARIABLE FOR VIETNAM’S ECONOMY

February was the month to start the implementation of the Government's Resolution on recovery program for socio-economic development, the domestic economic situation showed positive signs of post-pandemic recovery. However, in the short time, it will still face many unpredictable risks from the development of the COVID-19 epidemic and the tense military situation in Russia and Ukraine.

Regarding business activities, the index of industrial production increased by 8.5% yoy in 2 months in general, it increased by 5.4%, of which the bright spot contributing much to the growth was the processing and manufacturing industry. The trade and service sectors continued to maintain growth, showing signs of improvement compared to the same period in 2021.

Regarding import and export activities, the total import and export turnover of goods in the first two months of the year reached 108.52 billion USD, up 13% yoy. The cumulative trade balance had a trade deficit of 937 million USD.

Regarding investment, realized capital from the state budget in the first two months of the year increased by 10.4% yoy; foreign capital attraction continued to recover, in which adjusted registered capital increased as high as 123.8%, showing foreign investors' confidence in Vietnam's investment environment and business expansion for economic recovery.

Regarding the consumer price index, gasoline price increased according to world fuel price; the increase in food price and out-of-home dining as well as public transport price during the Lunar New Year are the main reasons for a 1% increase in the consumer price

index (CPI) in February 2022 compared to the previous month; increased by 1.42% yoy. On average, in the first 2 months of 2022, CPI increased by 1.68% yoy; core inflation increased by 0.67%.

In the financial market, the USD increased strongly against other currencies as investors continued to seek a safe haven in the face of tensions in Russia - Ukraine, the central domestic exchange rate USD/VND as of March 1st was at 23,137. Interbank interest rates continued to increase sharply in the month due to short-term liquidity shortages related to seasonal factors and high credit demand. In the first week after the Lunar New Year, the State Bank injected another 14,000 billion VND through the open market channel. Credit growth in January reached 2.74% - the highest in recent years, expected 14-15% full year to support economic recovery.

As for the impact of the conflict between Russia and Ukraine, Vietnam may be negatively affected by the high gasoline price in line with the world fuel price, leading to the risk of high inflation. Besides, Vietnam can also benefit from becoming an investment attraction with a stable political environment, and the opportunity to increase exports to the EU to replace the supply from Russia with a number of items such as chemical substances, fertilizers, iron and steel ■

# UPDATE ON SEVERAL KEY ECONOMIC SECTORS

## Oil and gas

### World oil prices surged due to Russia-Ukraine tension

Being fear that a war in Ukraine would cause Russia - the world's third largest oil producer to squeeze in supply, oil prices surged. Brent oil price at one point touched \$101.34/barrel at the beginning of the 24/2 session on the Asian market. Currently, the US and UK announced sanctions against Russian banks, while the European Union (EU) blacklisted more Russian politicians and Germany halted the gas pipeline project Nord Stream 2 which worth 11 billion USD.

### Domestic gasoline prices increased continuously in line with the world trend, possibly causing Vietnam's inflation to reach 5.1%.

Currently, the retail price of RON 95 gasoline has surpassed the historical peak and set a new record. According to experts, with a negative scenario, where oil prices would stay at 80 USD/barrel, Vietnam's inflation could increase to 4.5%. In case the US sanctions come into reality, oil prices are likely to remain above the threshold of \$100/barrel, and Vietnam's inflation may rise to 5.1%. Even in more positive scenarios, Vietnam's inflation will still increase from 3.0 to 3.6%. At the same time, the increase in gasoline prices causes an increase in input costs for most types of businesses, especially those in the fields of transportation, logistics, and fishing.



## Seafood

Seafood exploitation and processing faced many difficulties when gasoline prices were continuously increasing and adverse weather conditions and diseases, specifically:

- Fishermen were at risk of losses after each sea trip because since the Lunar New Year until now, most boats in coastal provinces had not been able to go out to sea and catch fish. The main causes were: (i) in February, there were prolonged cold rains and continuous rough seas; (ii) labor shortage due to the pandemic;
- Seafood processing and exporting enterprises faced double difficulties due to: (i) shortage of raw seafood exploited for processing, especially the high price of raw pangasius; (ii) production and logistics costs increase due to the high price of petrol and animal feed, while the export cost of finished products had not increased, the USD price decreased sharply.

Among export seafood products, shrimp exports had great potential and were forecasted to reach 4.3 billion USD in 2022 (up 10% compared to 2021). In which, exports to the US, EU and Australian markets would continue to grow well.



## Steel

Domestic construction steel prices simultaneously increased (250,000-300,000 VND/ton). The current steel price is still not as high as the peak in May 2021 and is from 7-800.000 VND/ton away from the peak, however this year steel price still has room to increase due to the large demand for construction and public investment.

The increase in domestic selling price of steel came from three main reasons: (i) Influenced by the world market, especially China. On February 15, steel prices in China increased by nearly 6%, to nearly 756 USD per ton, the highest in the past 5 months. In particular, stainless steel products in Asia rose to the highest level in the past 3 months due to high production costs and optimism about demand prospects; (ii) Prices of raw materials (iron ore, steel billet, coke...) on the world market all increased. These materials account for about 70-80% of the cost of domestically produced steel. Spot steel billet price in Southeast Asia was currently increasing by 5-7 USD/ton compared to the end of January 2022. Coke prices in the Asia-Pacific region hit a record high due to tight supply and strong demand for reserves of countries in the context of economic reopening and recovery; (iii) Construction demand grew strongly again when a series of civil works restarted after a period of suspension due to the epidemic, especially in the Southern region, the Mekong Delta...

With high demand for construction and investment, experts forecast that the domestic steel market would grow by 15-20% in 2022. However, the high steel price would cause difficulties for contractors. Due to the increase in construction unit price, it would make settlement work difficult, especially for public investment works, fixed-price bidding packages ■





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