

INVESTOR NEWSLETTER

NEW EVENTS

VIETINBANK PARTICIPATES IN "BANKING DIGITAL TRANSFORMATION DAY"



Prime Minister Pham Minh Chinh visited and experienced VietinBank's digital booth

On August 4th, 2022, VietinBank attended the "Banking Digital Transformation Day" event organized by the State Bank of Vietnam (SBV). At the event, Prime Minister Pham Minh Chinh visited and experienced VietinBank's digital booth.

With a diverse ecosystem of products and services, VietinBank had an outstanding exhibition booth at the event. VietinBank introduced the most modern and attractive technology solutions for customers to visit and experience such as: Biometric Kiosk for transactions at the counter; money withdrawal by citizen identification card and facial recognition payment (FacePay)... At VietinBank's digital booth, customers could experience direct payment and products purchasing such as: on-demand account number, alias account... and received a lot of meaningful gifts from VietinBank

Also at the exhibition, VietinBank's facial recognition payment solution (FacePay) attracted many interested customers coming to experience. Through interesting practical experiences, customers highly appreciated the outstanding utility that VietinBank's solution introduced. Accordingly, VietinBank used biometric technology combined with artificial intelligence to compare the

customer's face with the face having been saved in the system. Therefore, customers could set up 100% face-authenticated financial transactions with a high level of security and safety.

Within the framework of this event, VietinBank also participated in other important activities such as: announcement of "Digital Transformation Day" and launching the Banking Sector Digital Transformation Steering Committee; demo show of technology (account opening, issuance of eKYC card on the basis of connecting M.O.C with a chip-based citizen ID or connecting, using electronic authenticated identification account...); scientific seminar with the topic: "Strengthening connectivity, promoting banking digital transformation", offering solutions to apply technology to develop banking products and services with presentations from representatives of the State Bank, Ministries, Agencies and commercial banks.

Details of the article can be found at:

<https://www.vietinbank.vn/vn/tin-tuc/VietinBank-tham-du-Ngay-chuyen-doi-so-Nganh-Ngan-hang--20220804170421.html>

NEW EVENTS

VIETINBANK ALLOCATES RESOURCES TO REALIZE 2022 OBJECTIVES



Ms. Pham Thi Thanh Hoai (middle) updated VietinBank's positive business results

In the afternoon of August 12th, 2022, VietinBank held an online conference to update business results in 6M2022 and business prospects in 2022. Attending the Conference, on VietinBank's side, there was Ms. Pham Thi Thanh Hoai - Member of the Board of Directors of VietinBank and representatives from relevant departments, divisions and units at the Head Office. On the guest side, there were more than 90 analysts and specialists representing investment funds, securities companies, fund management companies, VietinBank's shareholders and potential investors who are interested in VietinBank and the opportunity to invest in CTG stock.

In the first half of 2022, when the world economy with many complicated developments had affected the Vietnamese economy, VietinBank actively implemented synchronous business solutions, proactively optimized cost efficiency, and well managed asset quality, drastically improved tech-savvy products and services and improved service quality, maintained preferential programs to cut lending interest rates, helping customers access credit capital and products and services at the lowest cost, optimally meeting the financial needs of the economy. As a result, VietinBank's business activities in 2Q2022 achieved many positive results in terms of both scale and quality.

At the conference, VietinBank top management discussed, exchanged and answered questions of investors and analysts interested in business prospects in the last 6 months of 2022; measures to continue increasing CASA, improving NIM, promoting non-interest income activities,

especially cooperation in cross-selling life insurance products (bancassurance) with Manulife; divestment progress in subsidiaries; progress of digital transformation to implement initiatives to increase operational efficiency, reputation and brandname of VietinBank.

In the last 6 months of 2022, in the context of complicated developments in the world market, it may negatively affect the recovery speed of the Vietnam economy as well as the operation of the banking industry, VietinBank will actively and synchronously implement business solutions to realize the business targets in 2022 as assigned by the 2022 Annual General Meeting of Shareholders.

The conference took place in open atmosphere, providing market leading securities companies, fund management companies and investment funds with updated and in-depth information for analysis and assessment of investment opportunities in CTG stocks. The success of the Conference continued to strengthen VietinBank's image of transparency in information, efficiency in operations and develop relationship with the investor community.

Details of the article can be found at:

<https://www.vietinbank.vn/vn/tin-tuc/VietinBank-Tap-trung-nguon-luc-hien-thuc-hoa-muc-tieu-nam-2022-20220812174309.html>

NEW PRODUCTS, TECHNOLOGY

VIETINBANK SPARES BIG OFFERS FOR IMPORT-EXPORT BUSINESSES

After a period of being heavily affected by the COVID-19 pandemic, in 2022, with the "new normal" policies, business operations gradually stabilized. According to the General Statistics Office, the total import and export turnover of goods in 6M2022 increased by 16.4% yoy. With 15 signed free trade agreements, the latest of which is the Regional Comprehensive Economic Partnership (RECP), Vietnam's import and export activities are expected to make new strides.



With the goal of accompanying businesses in import-export activities, VietinBank launched a preferential program for new import-export businesses in 2022. Accordingly, new import-export businesses as well as those who have not used trade finance services but have had foreign currency transactions within 12 months, when

participating in the program, can receive many incentives on fees and foreign currency exchange rates. Specific offers are as follows:

- Preferential package of account service and eFAST service: 100% free of on-demand account number, VND money transfer, international credit card and cashback...
- Exemption of 25 categories of service fees: transfer of foreign currency within the system, endorse bills of lading/issue of authorization to receive goods, issue delivery guarantees, send for collection, cancel, modify, adjust for collection, manage handling collection documents, letter of credit notification, amendment notice, Trade Portal service...
- Up to 50% reduction in foreign currency transfers outside the system, other fees of trade finance services - import/export services.
- Offer up to 170 points of foreign currency buying/selling exchange rate depending on currency pairs.

With a system of nearly 1,000 transaction offices spreading across the country and a team of qualified professionals having in-depth knowledge of the Bank's products and services, VietinBank is ready to accompany import-export businesses to develop breakthroughs in the near future.

(Preferential policies are applied according to VietinBank's terms and conditions).

Details of the article can be found at:

<https://www.vietinbank.vn/vn/tin-tuc/VietinBank-uu-dai-lon-cho-doanh-nghiep-xuat-nhap-khau-moi-20220809135229.html>

IMPORTANT INFORMATION DISCLOSURE IN AUGUST 2022

Information disclosure of Decision No.117/QD-VNX dated 04/08/2022 by Vietnam Stock Exchange (VNX) regarding VietinBank being approved to be special transaction member in trading debt instruments of VNX since 04/08/2022.

Details can be found at:

<https://investor.vietinbank.vn/News/2022/8/5/86276.aspx>

Information disclosure of reviewed 1H2022 consolidated and non-consolidated financial statements (FS), including:

- Balance Sheet;

- Income Statement;
- Cash flows Statement;
- Notes to the financial statements.

Details can be found at:

Non-consolidated FS:

<https://investor.vietinbank.vn/News/2022/8/16/86280.aspx>

Consolidated FS:

<https://investor.vietinbank.vn/News/2022/8/16/86281.aspx>



Other information is published on VietinBank's IR website:

<https://investor.vietinbank.vn/Filings.aspx>

INTEREST RATES POLICY

HEADLINES ON DEPOSIT AND LENDING INTEREST RATES

Deposit rates of commercial banks

Regarding interest rates of state-owned JSC banks: in the group of 4 state-owned JSC banks, only VCB maintains the lowest listed deposit interest rate in the corporate customer segment. However, commercial banks have raised the deposit interest rate through proactive mechanisms and deposit interest packages to support branches to maintain and attract deposits.

Regarding the deposit interest rate level of joint-stock commercial banks: in August 2022, most commercial banks took action to increase their listed deposit interest rate from 0.1–0.5%/year.

In September 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.

VietinBank's credit programs with preferential lending rates

PERFORMANCE OF 2% INTEREST SUBSIDIES PACKAGE FROM STATE BUDGET ACCORDING TO DECREE NO. 31/2022/NĐ-CP

Starting from 28/6/2022, VietinBank launched the interest subsidies package of 2%/year (from the State budget) according to Decree No. 31/2022/NĐ-CP dated 20/5/2022 for loans of enterprises, cooperatives and household businesses signed and disbursed during the period from January 1, 2022 to December 31, 2023. VietinBank reviewed the signed loan agreements of customers who are enterprises, cooperatives and business households with industries being subject to interest rate support under Decree 31 to evaluate and select qualified customers and provide a detailed plan of interest rate support for them in 2022.

As at 25/08/2022, VietinBank has granted interest rate support to a number of customers in the processing and manufacturing industries, and in the near future will continue to consider and approve applications from customers in a number of industries such as textiles and garments, travel, food, medicine.

Details of industries eligible for interest rate support can be found at:

<https://www.vietinbank.vn/vn/Infographic/Goi-ho-tro-lau-suat-2-theo-Nghi-dinh-31-2022-Nd-CP-2022071311118.html>

FOR CORPORATE CUSTOMERS

→ Short-term lending

Accompanying with Corporate Customers Program: VND lending rate from 6.0% p.a, USD lending rate from 3.2% p.a (varied from each loan term and the total benefits that customers bring to VietinBank)

→ Medium and long - term lending

- Preferential package for medium and long-term loans in VND 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 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;
- Preferential package for corporate customers investing in real estates in industrial zones with total size of VND 25,000 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.

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 8.5% p.a for medium and long-term loans (varies from preferential period and loan term)
- Package 2: For customers who maintain the average payment deposit balance or commit the entire disbursement amount to the beneficiary will be paid to an account opened at VietinBank, lending interest rate starting from only 5.8% p.a for short term loans and 9.0% 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.
- Validation until 31/12/2022.

MACROECONOMIC UPDATES

MACROECONOMIC UPDATES IN AUGUST 2022

In August 2022, industrial production continued to recover, the index of industrial production (IIP) was estimated to increase by 2.9% over the previous month and by 15.6% yoy. In the first 8 months of 2022, IIP was estimated to increase by 9.4% yoy (the figure for 8M2021 was 5.5%).

Regarding domestic trade, the total retail sales of consumer goods and services in August 2022 was estimated at 481.2 trillion VND, up 0.6% over the previous month and up 50.2% yoy. Meanwhile, import and export activities grew strongly again, the total import and export turnover was estimated at 64.34 billion USD, up 5.2% over the previous month and up 17.3% yoy. Generally, in 8M2022, the total import and export turnover of goods was estimated at US\$497.64 billion, up 15.5% yoy. Trade balance in 8M2022 was estimated to have a trade surplus of 3.96 billion USD.

Regarding investment, investment capital realized from the State budget in August 2022 was estimated at 48.3 trillion VND, up 51.4% yoy. Generally, in 8M2022, investment capital realized from the State budget was estimated at 285.4 trillion VND, equivalent to 51% of the year plan.

Realized foreign direct investment (FDI) in Vietnam in 8M2022 was estimated at 12.8 billion USD, up 10.5% yoy. This has been the highest amount of realized FDI in 8 months in the past 5 years.

Regarding the consumer price index, the consumer price index (CPI) in August 2022 only increased slightly by 0.005% compared to the previous month due to commodity prices, mainly due to the continuous decrease in domestic gasoline prices since July 2022. The core inflation in August 2022 increased by 0.4% compared to the previous month, increased by 3.06% yoy.

In the financial market, interbank interest rates fluctuated, increasing sharply from the end of July to the beginning of August because the SBV still sucked out liquidity through the treasury bill channel and sold foreign currencies, then eased before it tended to increase again at the end of the month. On August 25, the ON-1M term interest rate was at 3.73–4.61%. The domestic USD/VND exchange rate still has potential upward pressure, although VND interest rates in the interbank market have been anchored high. Credit growth as of August 15 reached 9.62%, showing signs of slowing down given it reached 9.35% as of June 30.

INDUSTRY UPDATES

SUGAR CANE

The Government drastically directs the fight against smuggled sugar and sugar with fraudulent origin

The Ministry of Industry and Trade has just issued Decision No. 1514/QĐ-BCT applying measures to prevent evasion of trade remedies for a number of cane sugar products imported from Cambodia, Indonesia, Laos, Malaysia and Myanmar.

According to the above decision, sugar imported from Cambodia, Indonesia, Laos, Malaysia and Myanmar using Thai sugar materials will be subject to the same anti-dumping and anti-subsidy tax rates applied to Thai sugar with a total tax rate of 47.64%; in which, anti-dumping tax is 42.99% and anti-subsidy tax is 4.65%.

The regulation was issued on the basis that the sugar industry has faced many difficulties with smuggled sugar for many years.

WOOD

71% of enterprises in the wood industry experienced a decrease in export orders

Export turnover of wood and forestry products in July 2022 was estimated at 1.41 billion USD, down 5.5% compared to June 2022 and down 1.6% yoy. Up to 44% of enterprises in the wood industry supposed that their revenue would decrease by approximately 40% in the whole year of 2022... The reason for this decline was mainly due to the price of raw materials for production, the sharp increase in transportation costs; countries which are the main markets of wood exports (USA, Europe) tightened credit policies due to rising inflation, leading to a sharp decrease in consumer demand.

Experts forecast that the growth of the wood industry in 2022 would only reach a few percent, far behind the growth of 19% in 2021 because the room for the wood industry to develop is very narrow, unless there were market spikes, investment of enterprises as well as e-commerce and digital transformation. With the current world economic situation, it is difficult to achieve the export target of 16.5 billion USD in 2022.

COAL

Regarding import, coal import turnover in 7M2022 reached more than 5 billion USD, up 123% yoy, increasing in value but decreasing in quantity. Specifically, the average import price of coal in 7M2022 was about 5.8 million VND/ton, nearly 3 times higher than the average import price of coal in the same period in 2021 (total turnover of 2.1 billion USD, average coal price was 2.1 million VND/ton). The amount of coal imported was mainly to serve coal power plants. In the context of a shortage of domestic coal supply for power production, accelerating the import of coal from the markets of Australia, South Africa... has been urgently deployed by ministries, sectors and businesses to find sources from the beginning of the year. The high price of imported coal was putting great pressure on domestic electricity production, reducing business efficiency.

Regarding export, in 8M2022, export coal prices tripled. According to the General Department of Customs, in April 2022, coal exports of all kinds reached 129.5 thousand tons, equivalent to 54 million USD, down 50% in volume and 10% in value compared to that in March. In 4M2022, coal exports reached 444 thousand tons, equivalent to nearly 128.5 million USD, up 4% in volume and 2.4 times in export turnover over the same period in 2021.

Coal prices were forecasted to increase sharply in the last months of 2022, which may put pressure on domestic power production due to the effect of the EU's ban on Russian coal imports that had taken effect on last 11/8.



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