

INVESTOR NEWSLETTER

NEW EVENTS

HIGH-RANKING OFFICIAL OF MUFG BANK PAID A WORKING VISIT TO VIETINBANK



Chairman of the Board of Directors, Mr. Tran Minh Binh presented flowers to congratulate Mr. Yamato on receiving the position of Member of the Board of Directors, Director of MUFG Global Commercial Bank Business Unit, Co-Chairman of the Steering Committee for Strategic Cooperation VietinBank - MUFG Bank

After more than 2 years of hiatus due to the COVID-19 pandemic, in-person meetings between top leaders of VietinBank and MUFG Bank have resumed. On July 5, 2022, in Hanoi, MUFG Bank's Delegation paid a working visit to VietinBank.

The MUFG Bank's senior leadership team includes Mr. Takayoshi Futae currently being the Deputy General Director of MUFG Bank. He has been in charge of directing the strategic cooperation process between VietinBank and MUFG Bank for many years since he held his previous positions as Director of the Global Commercial Banking Business Unit and Managing Director of the Asia-Oceania Region of MUFG Bank. Mr. Kenichi Yamato is the successor of Mr. Futae in charge of strategic cooperation relationship with VietinBank.

The meeting with MUFG Bank's Delegation at VietinBank Headquarters took place under the chairmanship of

VietinBank's Chairman of the Board of Directors (BOD) Tran Minh Binh with the participation of senior leaders in charge of various cooperation components between the two banks.

At the meeting, the two sides exchanged and discussed a number of important contents in the cooperation between the two banks, as well as the plan to organize the upcoming 17th Strategic Cooperation Steering Committee meeting. In addition, the event celebrating the 10th anniversary of the strategic cooperation relationship between VietinBank & MUFG Bank in 2023 is also of interest to both parties. This is also the year marking 50 years of establishing diplomatic relations between Vietnam and Japan. According to Mr. Yamato, this is a very meaningful milestone for the two sides to look back on the past cooperation journey and set a vision for the next 10 years.

NEW EVENTS

VIETINBANK AND MUFG BANK COOPERATED TO ORGANIZE BUSINESS MATCHING 2022

During three days from July 13 to 15, 2022, VietinBank and strategic partner Mitsubishi UFJ Financial Group (MUFG) coordinated to organize the **Business Matching Conference 2022**, opening up opportunities for trade connections between Vietnamese enterprises and leading enterprises in the region, supporting enterprises to expand their network of partners, diversify distribution channels and develop new markets.

The Business Matching Conference was jointly organized by VietinBank and MUFG on the Microsoft Teams online platform to help businesses easily attend. Nearly 100 domestic and foreign enterprises in the industries of food and beverage, FMCG, real estates, healthcare, goods and services... participated in the Conference. Nearly 100 sessions were set up to connect with businesses from Japan, Thailand and Indonesia.

Different from other forms of trade promotion or normal business fairs, the Business Matching Conference introduced businesses to the most suitable partners for their needs, based on the deep understanding of VietinBank and MUFG about the characteristics of each business. As the first bank in Vietnam pioneering in deploying large-scale and professional business connection activities, through these events, VietinBank not only becomes a partner to provide comprehensive financial solutions to customers but also playing as a bridge to help businesses expand their network of partners and suppliers. Hence, becoming top players in their industry and business field.

On the basis of exchanges between businesses at the Business Matching Conference, in the coming time, VietinBank and MUFG will continue to accompany businesses, support and advise on financial solutions suitable for their trade and investment activities, contributing to promoting the opportunity for successful cooperation between businesses connected at the Conference.



The conference opens up opportunities for trade connections between Vietnamese enterprises and leading regional ones

VIETINBANK - BEST TRADE FINANCE BANK IN VIETNAM 2022

Outstandingly surpassing nearly 50 major competitors with impressive indicators, VietinBank became the only bank being honoured by The Asian Banker in the category of Best Trade Finance Bank in Vietnam 2022.

To be honoured as the Best Trade Finance Bank in Vietnam 2022, VietinBank has met all of The Asian Banker's rigorous criteria in terms of financial indicators, products innovation, cutting-edge technology, prestige in relationship with correspondent banks and business strategy...

2021 was a milestone marking VietinBank's impressive growth in international payment and trade finance sales despite the complicated developments of the COVID-19 pandemic. Accordingly, sales increased by 44% - double the growth of import and export turnover of the whole country in 2021.

In the first half of 2022, VietinBank maintained a strong growth rate with trade finance sales growth rate of over 44% yoy; sales of issuing UPAS L/C to corporate customers increased by 64%; trade finance loan sales to domestic joint stock banks doubled over the same period in 2021.

Thanks to the excellent digital transformation strategy during the past time, now VietinBank's customers experience online services when making international payment and trade finance transactions through international standard technology infrastructure system such as: VietinBank eFAST platform for corporate customers, VietinBank iPay for individual customers, superior service that connects business accounting software directly to VietinBank's Core Banking (ERP connection service).

The Asian Banker's award given to VietinBank affirmed VietinBank's position and role in the field of international payment and trade finance not only in Vietnam but also abroad.



Mr. Tran Hoai Nam - Deputy Director of Corporate Banking Division cum Director of Financial Solutions Development Center on behalf of VietinBank received the Award

Details of the article can be found at:

<https://www.vietinbank.vn/vn/tin-tuc/VietinBank-Ngan-hang-tai-tro-thuong-mai-tot-nhat-Viet-Nam-2022-20220728164534.html>

NEW PRODUCTS, TECHNOLOGY

LAUNCHING "MAX – HEALTHY LIFE" ON VIETINBANK IPAY MOBILE

Manulife Vietnam and VietinBank have just announced the launch of a high-limit health care insurance product of up to VND 2 billion called "Max – Healthy life" on VietinBank iPay Mobile. This product helps more than 10 million existing customers of VietinBank have the opportunity to access insurance solutions at a reasonable cost.

"Max – Healthy life" is the latest milestone in the joint efforts of Manulife Vietnam and VietinBank to promote digitalization and transform in life insurance operations through leading solutions that bring convenience, fast and comprehensive.

As a specialized healthcare product, "Max – Healthy life" offers 3 competitive insurance plans with a constant recurring fee from only VND 560,000/year, equivalent to nearly VND 50,000/month. The insurance limit is up to 2 billion VND and the contract will be valid for 3 years from the date of activation. In particular, "Max – Healthy life" customers are provided with inpatient and outpatient benefits in a direct payment network of nearly 300 hospitals and clinics nationwide.

With the launch of the product "Max – Healthy life" on VietinBank iPay Mobile, Manulife Vietnam and VietinBank together commit to contribute to making the lives of millions of Vietnamese people better every day.



Details of the article can be found at:

<https://www.vietinbank.vn/vn/tin-tuc/Ra-mat-Max-Song-khoe-tren-VietinBank-iPay-Mobile-20220714112549.html>

IMPORTANT INFORMATION DISCLOSURE IN JULY 2022

Information disclosure of the periodic report on principal and interest payments of VietinBank's public offering bonds (Reporting period from 01/01/2022 to 30/06/2022).

Details can be found at:

<https://investor.vietinbank.vn/Handlers/DownloadAttachedFile.ashx?NewsID=86264>

Information disclosure of VietinBank's Corporate Governance Report 6M2022.

Details can be found at:

<https://investor.vietinbank.vn/Handlers/DownloadAttachedFile.ashx?NewsID=86269>

Information disclosure of VietinBank's 2Q2022 consolidated and non-consolidated Financial Statements, including:

- Balance Sheet;
- Income Statement;
- Cash Flow Statement;
- Notes to the Financial Statements.

Details can be found at:

<https://investor.vietinbank.vn/News/2022/7/29/86272.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 July 2022, VCB adjusted the deposit interest rates for individual customers to be equivalent to those of VietinBank, BIDV and Agribank. Thus, 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 July 2022, most commercial banks took action to increase their listed deposit interest rate from 0.1-0.5%/year.

In August 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

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. 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 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.

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

MACRO-ECONOMIC UPDATES IN JULY 2022

In July, industrial production continued to recover, estimated to increase by 1.6% compared to the previous month and up by 11.2% over the same period last year as businesses made efforts to expand production to offset for 2 years affected by the COVID-19 pandemic. In the first 7 months of 2022, the industrial production index was estimated to increase by 8.8% yoy (compared to an increase of 7.6% in the same period in 2021).

Regarding domestic trade, the total retail sales of consumer goods and services in July was estimated to increase by 42.6% yoy. Meanwhile, import and export activities showed signs of slowing down, the total import and export turnover in this month was estimated at 60.63 billion USD, down 6.8% over the previous month and up 6.1% yoy. Generally, in the first 7 months of 2022, the total import and export turnover of goods was estimated at 431.94 billion USD, up 14.8% yoy. The merchandise trade balance in the first 7 months of 2022 was estimated to have a trade surplus of 764 million USD.

Regarding investment, investment capital realized from the State budget in July 2022 was estimated at VND 46.2 trillion, up 22.5% yoy; the figure for 7 months was estimated at VND 237.6 trillion, equivalent to 43.3% of the

year plan and up 11.9%. Foreign direct investment capital disbursed in 7 months reached 11.6 billion USD, being the highest value of 7 months during 2018-2022, creating an important new capacity for economic growth in 2022.

Regarding the consumer price index, the CPI in July 2022 increased by 0.4% compared to the previous month; on average in 7 months of 2022, CPI increased by 2.54%; core inflation increased by 1.44%, mainly due to fluctuations in food and petrol prices.

In the financial market, interbank interest rates differed strikingly when they were mostly flat at the beginning of the month and increased sharply in the last week of July. Especially, on July 27, 2022, ON interest rates peaked at 5.13%, 10 times higher than that of the beginning of June before the SBV started to withdraw money through the treasury bill channel. However, the interbank interest rate cooled down soon after, the ON term was at 3.94% on August 1st. The domestic exchange rate also tended to decrease, the central rate announced by the State Bank of Vietnam for July 30 was 23,176 VND/USD, down 25 VND compared to the July 28 session after Fed's announcement of interest rate increase as expected. The credit growth as of June 30, 2022 was 9.35% ytd (up 16.69% yoy), the highest increase in the first 6 months of the year within the past 10 years.

INDUSTRY UPDATES FOR 6M2022



Garment & textile

In 6M2022, the textile and garment export turnover was estimated at about 22.3 billion USD, up 17.7% yoy. However, Vietnam's textile and garment industry still faces many difficulties to complete export target of 43.5 billion USD for the whole year 2022 because production costs have increased by more than 20% since the beginning of the year. The entire textile and apparel supply chain, from manufacturers to retailers, will be negatively impacted as yarn, fabric, logistics and labor costs continue to remain high due to rising oil prices and competition in the labour market.



Steel

Steel market in 6M2022 fluctuated strongly in selling price when it increased sharply in 1Q2022 and then plummeted in 2Q2022. The decrease in steel prices caused steel trading enterprises to cut their inventories as much as possible, and the consumption market was quite bleak. Steel production output has also declined since May, down 18% year-on-year. Steel exports remained stable in 2Q2022 but may decelerate in the near future. The prospect of the steel industry in the last 6 months of 2022 is not very positive with the cyclical nature of the steel industry and low demand in the last 6 months of the year due to the rainy season.



Aquaculture

Vietnam's seafood exports in 6M2022 increased by 40% yoy, reaching nearly 5.8 billion USD. However, it was forecasted that in the remaining 6 months of the year, seafood exports would face more difficulties due to many factors such as scarcity of raw materials for production, increase in shipping charges and input costs, major import markets such as the US, EU and China tighten control of food safety and traceability.



Rice

Vietnam's rice exports in 6M2022 reached 3.5 million tons, ~ 1.72 billion USD, up 15.4% in volume and 4.88% in value yoy. However, the rice exports fell 10.2% in price yoy (average export price in 6M2022 reached \$488.7/ton). It was forecasted that Vietnam's rice exports would slow down in the last months of the year, and rice prices would also decrease because the supply of the summer-autumn crop is large while the demand in markets has not prospered.



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Business performance update

Quarterly issue

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Quarterly issue

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