

INVESTOR NEWSLETTER

NEW EVENTS

THE 17TH MEETING OF THE STEERING COMMITTEE FOR STRATEGIC COOPERATION BETWEEN VIETINBANK AND MUFG BANK



Overview of the Session



Delegates participating in the meeting

In the afternoon of September 22, 2022 in Ha Long City, Quang Ninh province, the 17th meeting of the Steering Committee for Strategic Cooperation between VietinBank and MUFG Bank (the Committee) was held after nearly 3 years of online meetings due to the complicated developments of the COVID-19 global pandemic.

The 17th VietinBank - MUFG Bank Strategic Cooperation Steering Committee (SC17) meeting was a special and important event. Unlike previous years, this meeting was an event in a series of activities towards the 10th Anniversary of the strategic cooperation between VietinBank and MUFG Bank, which is expected to be held in 2023.

The meeting was chaired by two co-chairs of the Committee, Mr. Tran Minh Binh - Chairman of the Board of Directors of VietinBank and Mr. Kenichi Yamato - Executive Officer & Chief Executive, Global Commercial Banking Unit.

At the meeting, VietinBank and MUFG Bank updated the Bank's business development, the progress of VietinBank's medium-term business plan and regular cooperation activities between the two banks. In addition, the participants of the meeting also discussed thoroughly on "hot" and "new" topics such as ESG (Environment, Society and Governance) and banking digitalization strategy.

Specifically, MUFG Bank and VietinBank will cooperate in the field of ESG to realize short-term, medium- and long-term visions. This is an activity towards the goal of making VietinBank a leading bank in sustainable finance

in Vietnam, serving the country's future sustainable development.

In the field of digital transformation, VietinBank has been carrying out comprehensive digital transformation regarding services providing for individual and corporate customers, connecting with partners and building an open ecosystem. VietinBank also informed MUFG Bank about its digital transformation plan in the next 3-5 years... At the meeting, MUFG shared digital transformation initiatives and experiences in the digital transformation process.

The year 2023 will mark the 10th anniversary of the strategic cooperation relationship between VietinBank and MUFG Bank. This is not only an important milestone, marking a good cooperative relationship between the two banks; but also an opportunity to enhance the image, brand and position of VietinBank and MUFG Bank with domestic and foreign partners. Therefore, the two banks agreed on a plan to organize a series of activities towards this event. Not only limited to business cooperation activities, VietinBank and MUFG Bank will accompany with each other in various meaningful activities such as: charity programs, brand communication, exchange activities, bonding, tightening cooperation relationship between the two banks.

Details of the article can be found at:

<https://www.vietinbank.vn/vn/tin-tuc/Phien-hop-lan-thu-17-cua-Uy-ban-Chi-dao-Hop-tac-Chien-luoc-gia-VietinBank-va-MUFG-Bank-20220923103255.html>

NEW EVENTS

INFOGRAPHIC: WHAT IS IN THE BEST OPEN BANK IN VIETNAM?

In the explosive development of the digital economy, "Open banking" appears as a new business model in which banks share technology platforms and financial services with third parties; thereby opening up cooperation and building the best digital products and services for customers. VietinBank pioneered the application of "Open banking" in its operations. With outstanding strength, recently, The Asian Banker has awarded "Best Open Bank in Vietnam" to VietinBank.



NEW PRODUCTS, TECHNOLOGY

VIETINBANK CAPITAL LAUNCHED VTBF OPEN FUND CERTIFICATES ON VIETINBANK IPAY

From September 16, 2022, customers may purchase VTBF bond open fund certificates on VietinBank iPay application. This is a safe and sustainable accumulation opportunity with an extremely attractive expected interest rate of up to 7%/year for customers.

VietinBank Bond Investment Fund (bond open fund - VTBF) professionally managed by VietinBank Fund Management Company Limited (VietinBank Capital) features the following outstanding advantages:

- **Reliability:** Managed by VietinBank Capital - Vietnam's leading fund management company (100% owned by VietinBank) with a team of experienced professionals, having sufficient in-depth knowledge in the field of securities and finance investment.
- **Safety:** 80% to 100% of the portfolio is good-quality, risk-diversifying fixed-income assets.
- **Attractive expected profit:** Higher than savings interest rates for 3M-6M-9M terms with expected

difference from 0.38% to 1.74% compared to VietinBank's savings interest rates.

- **Flexible liquidity:** Trading 2 sessions/week (every Tuesday and Thursday). Expected to increase frequency to 5 sessions/week in 1Q2023.
- **Profit preservation:** When customers sell fund certificates prior to the expected initial investment period, customers still enjoy the interest calculated according to the actual investment duration instead of the demand interest rate like withdrawing the premature deposit savings.
- **Convenient transactions:** Online transactions on VietinBank iPay.
- **Transparency:** Supervised by The State Securities Commission, Custodian Bank BIDV Ha Thanh Branch..

Details of the article can be found at

<https://www.vietinbank.vn/vn/tin-tuc/VietinBank-Capital-mo-ban-Chung-chi-Quy-mo-trai-phieu-tren-VietinBank-iPay-20220915154854.html>

IMPORTANT INFORMATION DISCLOSURE IN SEPTEMBER 2022

Disclosure on BoD's Resolution regarding the approval of the issuance plan, the plan to use and repay the capital collected from 2022's public offering bonds of VietinBank

On 31/8/2022, the Board of Directors of Vietnam Joint Stock Commercial Bank for Industry and Trade (VietinBank) issued Resolution No. 293/NQ-HDQT-NHCT-VPHDQT1 regarding the approval of the issuance plan, the plan to use and repay the capital collected from 2022's public offering bonds of VietinBank. VietinBank is carrying out necessary procedures for the State Securities Commission's approval and will disclose information in accordance with regulations.

Details can be found at the link:

<https://investor.vietinbank.vn/News/2022/8/31/86289.aspx>

Disclosure of results of premature buy-back of bonds

Pursuant to the provisions of Circular No. 122/2020/TT-BTC dated December 31, 2020 by the Ministry of Finance guiding the regime of information disclosure and reporting in accordance with the provisions of Decree No. 153/2020/ND-CP dated December 31, 2020 by the Government regarding regulations on offering and trading of private-placement corporate bonds in the

domestic market and the offering for sale of corporate bonds in the international market, VietinBank disclosed the results of premature buy-back of bonds as follows:

Bond code	CTGL2127011
Face value	1 billion VND/bond – issued in Vietnamese Dong
Tenor	6 years
Date of issue	31/08/2021
Date of maturity	31/08/2027
Issuance volume (at face value)	180 billion VND
Volume in circulation (at face value)	180 billion VND
Buy-back volume (at face value)	180 billion VND
Effective date	31/08/2022
Remaining volume after buy-back (at face value)	0 VND

Details can be found at the link

<https://www.vietinbank.vn/vn/tin-tuc/VietinBank-cong-bo-thong-tin-ket-qua-mua-lai-trai-phieu-truoc-han-20220905103522.html>



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 September 2022, the State Bank issued Decision No. 1067/QĐ-NHNN dated September 22, 2022 adjusting the ceiling interest rate for deposits with terms of less than 6M. The ground level of deposit rates listed at Big 4 state-owned joint stock commercial banks was adjusted equally with the highest deposit rate for 12M term of 6.4%/year. In addition, Banks also implemented proactive mechanisms and deposit interest packages to support branches to maintain and attract deposits.

Regarding the deposit rates level of joint-stock commercial banks: in September 2022, most commercial banks took action to increase their listed deposit rates from 1.0-1.5%/year.

In October 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 bonus interest rate of 0.3%-0.4%/year for individual 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. Accordingly, VietinBank has provided interest rate support to customers who are enterprises, cooperatives and business households with industries being subject to interest rate support under Decree 31 and meet the conditions under Decree 31.

As at 30/09/2022, VietinBank has granted interest rate support to a number of customers in the processing and manufacturing industries, sugarcane industry, paper production 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 6.3% p.a for short term loans and 9% 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 6.8% p.a for short term loans and 9.5% p.a for medium and long-term loans (varies from preferential period and loan term)
- Validation until 31/12/2022.

→ 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.
- Validation until 31/12/2022.

MACROECONOMIC UPDATES

MACROECONOMIC UPDATES IN SEPTEMBER 2022

By the end of 3Q2022, the economy had showed signs of improvement in most fields. GDP in the 3rd quarter grew by 13.67%, helping 9M2022 GDP to reach 8.83% and being the highest increase in 9M during the period of 2011-2022. Industrial production in 3Q2022 grew quite well as business activities of enterprises were maintained and gradually recovered, the growth rate of added value was estimated at 12.12% yoy.

Regarding domestic trade, the total retail sales of consumer goods and services in September was estimated at VND 493.1 trillion, up 2.9% over the previous month and up 36.1% yoy, reaching the scale of 2019 - the year before COVID-19 pandemic. Meanwhile, import and export activities showed signs of slowing down, the export turnover of goods in September 2022 was estimated at 2994 billion USD, down 14.3% compared to the previous month. In 9M2022, export turnover of goods was estimated at 282.52 billion USD, up 17.3% yoy. Trade balance is estimated to have a trade surplus of 6.52 billion USD.

Regarding investment, disbursement of foreign direct investment capital realized in 9M2022 was estimated at 15.43

billion USD, up 16.3% yoy. This has been the highest amount of foreign direct investment capital realized in 9 months in the past 5 years. Meanwhile, registered foreign investment capital tends to decrease; as of September 20, it decreased by 15.3% yoy.

Regarding the consumer price index, CPI in September 2022 increased by 0.4% compared to the previous month mainly due to the increase in the price of essential consumer goods and services in line with the price of raw materials, fuel, input materials and some localities' tuition fee increase for the new school year 2022-2023. On average, in 9M2022, CPI increased by 2.73% yoy. Core inflation increased by 1.88%.

In the financial market, the State Bank of Vietnam increased the operating interest rate by 1% from September 23 to stabilize the value of the local currency in the face of strong appreciation of the US dollar and at the same time curbing inflation and ensuring macroeconomic stability. On September 26, the interbank interest rate for ON-1M term was at 5.11-5.77%. The domestic USD/VND exchange rate still had potential upward pressure, although the VND interest rate in the interbank market anchored high. Credit growth as of September 20 reached 10.54% (in the same period of 2021, it increased by 7.17%).

INDUSTRY UPDATES

OIL & GAS

Petrol prices continue to be adjusted down

Since the beginning of the year until now, the domestic petroleum market has undergone 25 adjustments, of which 13 increases, 11 decreases and once unchanged. This was the 9th consecutive decrease and the lowest level since the beginning of the year.

From 3 pm on September 21, prices of petroleum products continued to be reduced. Each liter of RON 95 gasoline decreased to VND 22,580/liter and E5 RON 92 was VND 21,780/liter. After this adjustment period, gasoline prices returned to the same price level as of October last year. This was also the 3rd consecutive decrease in gasoline prices. In particular, oil products had a stronger decrease.

The continuous decrease in gasoline prices in recent days has supported many people and businesses, especially transportation enterprises, demonstrating the Government's efforts in operating and stabilizing the domestic petroleum market, contributing to ensuring the target of controlling inflation from now until the end of the year. However, for petroleum businesses, the recent sharp fluctuations in imported gasoline prices caused losses to petrol retailers, some gas stations had to stop selling or temporarily close their doors.

TEXTILE

Textile and garment exports in 8M2022 achieved positive growth results

In 8M2022, Vietnam's textile and garment export turnover reached 31.3 billion USD, up 16.4% yoy, with garment export turnover reaching 24.3 billion USD, up 24.6% yoy and yarn export turnover reached 3.5 billion USD, down 5% yoy. In August 2022 alone, the export value of this industry reached 4 billion USD/month for the 1st time, up 8.7% over the previous month. The textile and garment industry is the 2nd largest contributor to the country's export growth,

after machinery, equipment, tools, and spare parts.

Some key markets of Vietnam's textile and garment products saw an increase of over 20% yoy. Specifically, the US market reached nearly 13 billion USD, up 22.6%, corresponding to 2.73 billion USD increase; EU reached over 3 billion USD, up 41%, equivalent to 879 million USD increase; Japan reached 2.5 billion USD, up 22%, equivalent to 458 million USD increase; Korea reached 2.1 billion USD, up over 20%, equivalent to an increase of 365 million USD yoy.

Despite positive growth in 8M2022, the textile and garment industry still faced many great challenges in 4Q2022. Order prospects for 4Q2022 and 6M2023 were not very positive, due to concerns about inflation and high inventory levels from customers.

SEAFOOD

Summarizing 8M2022, seafood received many positive results

After maintaining at over 1 billion USD in a row from March to June, in July, Vietnam's seafood exports fell below 1 billion USD, and continued this trend in August 2022 with sales of 917 million USD, 3% lower than the turnover in July 2022. In 8M2022, the total value of seafood export turnover reached US\$7,557 billion, up 35.5% yoy.

In terms of sub-sectors, the pangasius industry still maintained a stable performance with a turnover of over US\$187 million in 8M2022, a slight increase from the previous month, but an increase of 114% yoy. Other sub-sectors such as tuna, squid, and octopus all had a yoy increase of over 50% in 8M2022. Shrimp exports had good growth, but there had been a decrease since May, mainly in the black tiger segment.

Contrary to the negative assessment of the market outlook, orders gradually recovered, enterprises also actively produced according to market movements. Notably, exports to Russia increased by 98% compared to the previous month. The Chinese market may be a bright spot in 4Q2022 as the country showed signs of reopening its economy.



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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

✉ investor@vietinbank.vn

☎ 024 3941 3622

📍 <https://investor.vietinbank.vn>

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