



ANNUAL REPORT

2021

SHAPE
THE **FUTURE**

ABBREVIATIONS

Abbreviation	Meaning	Abbreviation	Meaning
ADB	Asian Development Bank	IFC	International Finance Corporation
AGM	Annual General Meeting of Shareholders	IPO	Initial Public Offering
AI	Artificial Intelligence	IR	Investor Relations
BoD	Board of Directors	IT	Information Technology
BoM	Board of Management	LDR	Loan to Deposit Ratio
CAR	Capital Adequacy Ratio	MTBP	Mid-Term Business Plan
CEO	Chief Executive Officer (i.e. General Director)	NIM	Net Interest Margin
CIR	Cost to Income ratio	NPL	Non-Performing Loan
COF	Cost of Fund	ODA	Official Development Assistance
Co. Ltd.	Limited Company	PBT	Profit Before Tax
COVID-19	The global pandemic of coronavirus disease 2019 caused by severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2)	P/E	Price to Earnings Ratio
CPI	Consumer Price Index	ROA	Return on Assets
Dept.	Department	ROE	Return on Equity
EGM	Extraordinary General Meeting of Shareholders	SBV	The State Bank of Vietnam
EPS	Earnings per Share	SMEs	Small and Medium Enterprises
FDI	Foreign Direct Investment	SSC	State Securities Commission
FS	Financial Statement	TOI	Total Operating Income
FX	Foreign Currency Exchange	VietinBank/ the Bank	Vietnam Joint Stock Commercial Bank for Industry and Trade
GDP	Gross Domestic Product	WB	The World Bank
GMS	General Meeting of Shareholders	yoy	year on year (compared to the same period last year)
HO	Head Office	ytd	year to date (compared to the beginning of the year)
HOSE	Ho Chi Minh Stock Exchange	dd/mm/yyyy	Date format used in this report
HR	Human Resources		

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In this publication, we use images of bridges with the meaning of connecting historical values to the future just like VietinBank's role as a financial bridge, creating a prosperous and sustainable future.

”



MESSAGE FROM THE CHAIRMAN

SHAPE THE FUTURE

“

VietinBank will make comprehensive efforts to break through, innovate and create in all areas of operation; ensuring fast, effective, safe and sustainable growth; successfully implementing planned objectives; creating a solid premise for comprehensive innovation and creating a bright future for VietinBank in the coming years. ”

Dear our valued shareholders, customers and partners,

Entering the 3rd year of the global fight against the pandemic, the COVID-19 pandemic is still complicated in the world and in Vietnam, causing fierce and multi-dimensional impacts on the economy, businesses and people's lives, and at the same time directly affects the banking system. In the past year 2021, the entire VietinBank network, especially branches in pandemic-hit areas, has actively implemented pandemic prevention measures to protect resources and maintain business continuity. With drastic measures by the Government and a high vaccination rate, the pandemic situation in Vietnam is gradually being controlled; the whole country is gradually implementing "safe, flexible adaptation and effective control of the COVID-19 pandemic", creating favorable conditions for economic recovery in 2022 and the following years.

Along with the gradual recovery of the economy, the demand for finance and banking products and services is forecasted to increase, especially in industries, fields and regions that are expected to quickly recover post-pandemic such as aviation, tourism, manufacturing for export, processing and manufacturing, electricity, construction and installation, iron and steel, real estate, telecommunications, petroleum... For individual customer segment, the trend of shifting to digital channels is increasingly clear during the pandemic and is expected to continue increasing in the near future. In order to quickly seize business opportunities, the whole VietinBank network aims to drastically implement two key groups of tasks: effectively preventing and controlling pandemic while promoting business activities, continuing to grow positively, safely and sustainably.

Based on the analysis on potential and

growth drivers of the economy, the development trends of the market, the medium-term business strategy for the period of 2021 - 2023 and the internal capacity of VietinBank, VietinBank will focus on key business topics in 2022, including: (i) selective credit growth, prioritizing credit allocation to production, key sectors and fields of the country having rapid recovery after the COVID-19 pandemic; (ii) growth in non-credit activities, focusing on promoting CASA by exploiting the ecosystem and providing comprehensive financial solutions to customers; (iii) promoting digital transformation, accelerating digital channel transformation and improving the efficiency of traditional channels with modern infrastructure and outstanding utilities, improving customer experience; (iv) continuing to improve the efficiency of financial management, operating costs management to improve financial capacity, spending resources on business development, supporting businesses and people affected by the pandemic, promoting the recovery of the economy.

In order to effectively implement the key business topics of the whole system, VietinBank will focus on solutions: (i) Promoting innovation, comprehensive structure to improve operational efficiency, secured and sustainable development, ensuring the improvement of the system's competitiveness; (ii) maximizing potential advantages of VietinBank on the basis of effectively mobilizing, managing and using internal resources, associating growth with key economic sectors and key economic regions; (iii) strongly promoting comprehensive transformation of business and governance activities on the basis of information technology application associated with digital transformation and technology infrastructure development; (iv) innovating the regulations on governance, risk management, consolidating the organizational model and studying trends in flexible management to streamline the coordination processes, improving execution capacity and improving work handling efficiency; (v) prioritizing and focusing on staff development, especially senior personnel, managers and talented staffs, strongly implementing corporate culture, promoting the strength of the organization, enhancing the roles and responsibilities of unit heads.

The past year 2021 witnessed the efforts of the entire VietinBank system on the basis of innovation and creativity from thinking to acting, focusing resources on key tasks. VietinBank's

business activities have achieved positive results in terms of both scale and efficiency, completed and exceeded the planned targets assigned by the General Meeting of Shareholders, and continued to perform well its responsibilities to the community in social security, supporting the pandemic prevention and control activities in Vietnam.

In the context that the country's economy is forecasted to recover in a new normal position, the year 2022 is determined to be a pivotal year for VietinBank to promote breakthrough growth. I believe that with the inheritance and promotion of the achievements and results achieved over the periods, the drastic, serious and effective implementation of the key solutions together with the consensus of the whole system, VietinBank will overcome difficulties and challenges; continue to restructure, thoroughly overcome the shortcomings and limitations; attempt to make a comprehensive breakthrough, innovation and creativity in all fields of activities; ensure fast, effective, safe and sustainable growth; successfully implement planned objectives; create a solid premise for comprehensive innovation and create a bright future for VietinBank in the coming years.

On behalf of the Board of Directors and Board of Management of VietinBank, I would like to express my deep gratitude to the shareholders, investors, customers, partners and employees of VietinBank for their trust, cooperation, accompanying VietinBank, making important contributions throughout the process of building and developing the Bank. I hope and believe that the stakeholders will continue to cooperate and stick closely for an innovative, creative and outstanding VietinBank.

Respectfully yours!

SECRETARY OF COMMUNIST PARTY
COMMITTEE OF VIETINBANK
CHAIRMAN OF THE BOARD OF DIRECTORS

TRAN MINH BINH

01

About VietinBank

- 1 General information
- 2 Governance model and structure
- 3 Our leadership team
- 4 Development direction
- 5 Risk factors

1 - GENERAL INFORMATION

GENERAL INFORMATION

Registered name in Vietnamese:
NGÂN HÀNG THƯƠNG MẠI CỔ PHẦN
CÔNG THƯƠNG VIỆT NAM

Registered name in English:
VIETNAM JOINT STOCK COMMERCIAL BANK
FOR INDUSTRY AND TRADE

Transaction name: VietinBank

SWIFT code: ICBVNVX

Banking License:
No. 142/GP-NHNN dated 03/07/2009 by the
SBV

Certificate of Business Registration:
No. 0100111948
First issuance by Hanoi Department of Planning
and Investment on 03/07/2009
Registered for the 12th amendment on
08/09/2021

Chartered Capital:
VND 48,057,506,090,000

Shareholders' Equity:
VND 93,649,511,000,000 (as at 31/12/2021)

Head Office:
108 Tran Hung Dao Street, Hoan Kiem District,
Hanoi, Vietnam

Tel: +84 24 3942 1030

Fax: +84 24 3942 1032

Website: www.vietinbank.vn

Independent auditor:
Ernst & Young Vietnam Limited

Stock code: CTG

Par value per share VND 10,000/share

Total number of share: 4,805,750,609 shares

CREDIT RATINGS

FitchRatings

Short term	B
Long term	BB-
Outlook	Positive
Date	20/12/2021



MOODY'S

Short term	
Long term	Ba3
Outlook	Positive
Date	17/12/2021



1 - GENERAL INFORMATION

SCOPE OF BUSINESS AND BRANCH NETWORK

VietinBank's core banking business activities include

**DEPOSITS**

mobilization of deposits in short, medium and long terms from enterprises and individuals

**LOANS**

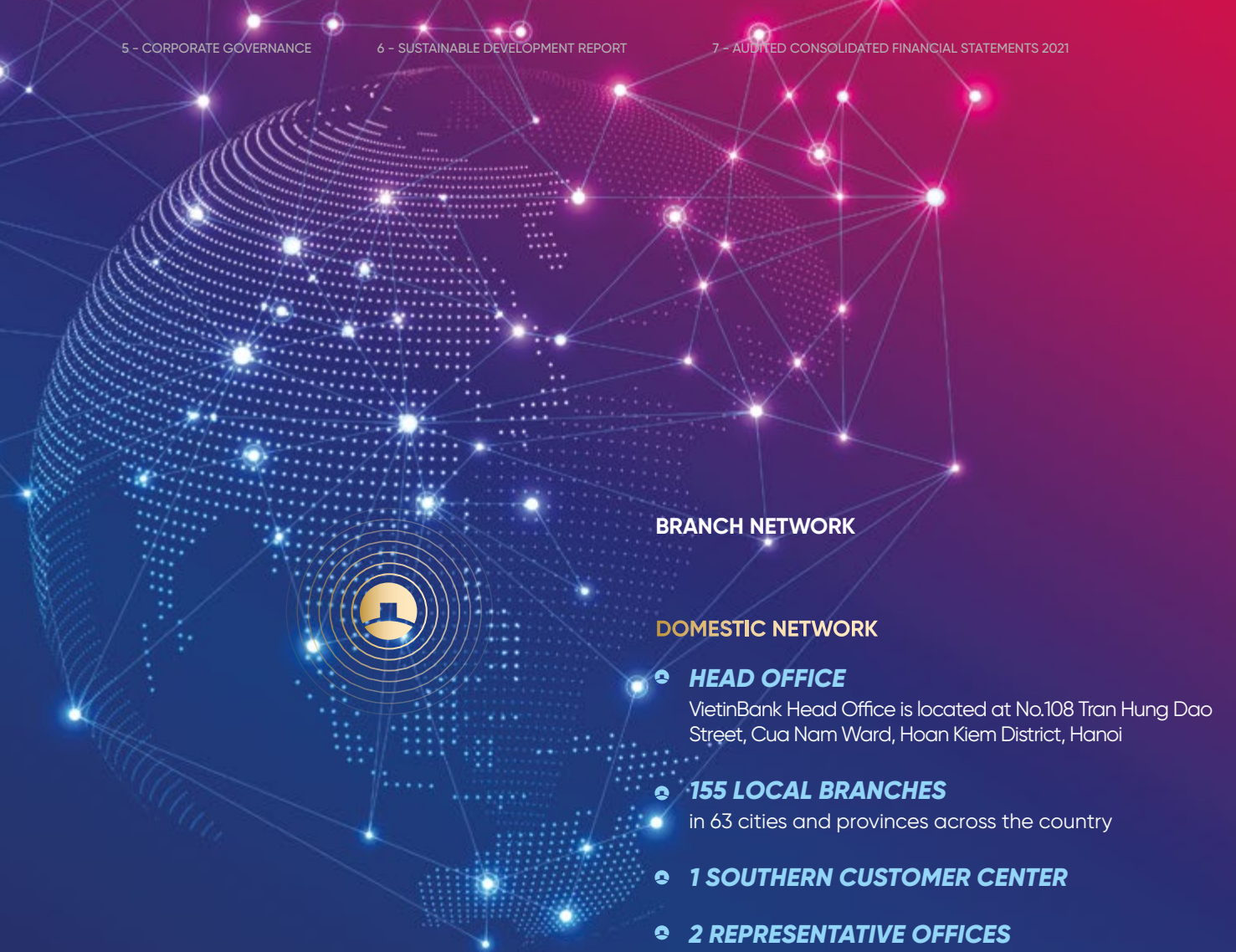
providing short, medium and long-term loans to enterprises and individuals based on characteristics and capabilities of the Bank's capital

**PAYMENTS**

providing payment services among enterprises and individuals

**TRANSACTIONS**

making transactions on foreign exchange, international trade finance, discount on commercial papers, bonds, other valuable papers and other banking services licensed by the SBV

**BRANCH NETWORK****DOMESTIC NETWORK**

HEAD OFFICE

VietinBank Head Office is located at No.108 Tran Hung Dao Street, Cua Nam Ward, Hoan Kiem District, Hanoi

155 LOCAL BRANCHES

in 63 cities and provinces across the country

1 SOUTHERN CUSTOMER CENTER

2 REPRESENTATIVE OFFICES

in Ho Chi Minh City and Da Nang

9 NON-BUSINESS UNITS

(Trade Finance Center, Card Center, IT Center, VietinBank School of Human Resources Training & Development, 5 Cash Management Centers)

958 TRANSACTION OFFICES

NORTH

Head Office and 73 branches

CENTRAL

29 branches

SOUTH

53 branches

INTERNATIONAL NETWORK

2 FOREIGN BRANCHES IN GERMANY

1 SUBSIDIARY BANK IN LAOS

1 REPRESENTATIVE OFFICE IN MYANMAR

In addition, VietinBank has established correspondent relationship with over **1,000 FINANCIAL INSTITUTIONS** of more than 90 countries and territories worldwide.

1 - GENERAL INFORMATION

KEY MILESTONES

“
VietinBank is a big player with pivotal
role in the country's banking system.”



2021

Successfully increased charter capital from VND 37,234 billion to VND **48,058** billion, creating basis for VietinBank to improve its financial capacity, risk management capacity, proactively maximizing its position, potential, and invest in modern material and technological infrastructure, service development, network consolidation; creating sustainable growth momentum and contributing to increase benefits for customers and promote the country's socio-economic development.

2015

VietinBank Vientiane branch was upgraded to VietinBank (Laos) Ltd. (wholly-owned subsidiary bank), marking a new development step, enhancing VietinBank's prestige in Laos market

2013

Sold 19.73% of stake to foreign strategic investor – BTMU (now MUFG Bank (Japan)), bringing VietinBank the state-owned commercial bank with the strongest shareholder structure in Vietnam at that time.

2011

- Sold 10% of stake to foreign strategic partner – IFC, making VietinBank the first local bank that had a strategic foreign partner.
- German branch was opened in Frankfurt, Germany.

2009

VietinBank stock was officially listed and traded on Ho Chi Minh City Stock Exchange (HOSE) with stock code CTG.

1990

VietinBank was the first bank in cooperation with a foreign bank to establish the joint venture Indovina Bank.

2020

Effectively completed the Restructuring Plan in association with handling bad debts in the period of 2016–2020 at VietinBank and MTBP 2018 – 2020.

Built up VietinBank Development Strategy for the period of 2021 – 2030 and Vision to 2045, MTBP 2021 – 2023.

2017

Successfully transformed SUNSHINE Core Banking system – the most innovative technology platform owned in the local banking industry.

2014

VietinBank developed customer-oriented retail strategy, aiming to become the best retail bank in Vietnam.

2012

- VietinBank was the first bank in Vietnam to successfully issue USD 250 million of international bonds.
- Vientiane branch was opened in Laos PDR.

2008

- New brand identity VietinBank was launched in April 2008.
- VietinBank Training Center was upgraded to VietinBank School of Human Resources Training and Development in September 2008.
- Initial public offering (IPO) was successfully launched in December 2008.

1988

VietinBank (then called Incombank) was established after its separation from the SBV in accordance with Decree No.53/HDBT by the Ministers Council.

1 - GENERAL INFORMATION

KEY FINANCIAL INDICATORS IN 2017 - 2021

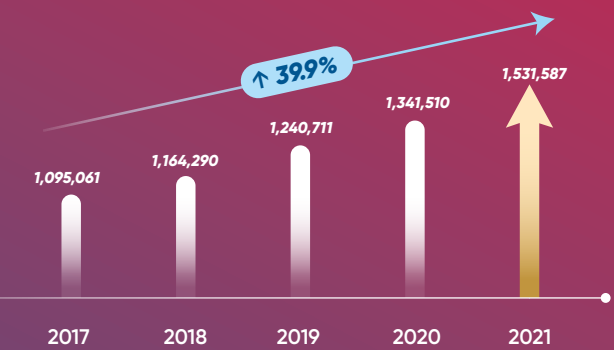
Indicator	Unit	31/12/2021	31/12/2020	31/12/2019	31/12/2018	31/12/2017
KEY BUSINESS INDICATORS						
Total Assets	VND billion	1,531,587	1,341,510	1,240,711	1,164,290	1,095,061
Shareholders' Equity	VND billion	93,650	85,439	77,355	67,316	63,765
Charter Capital	VND billion	48,058	37,234	37,234	37,234	37,234
Total Funding	VND billion	1,161,848	990,331	892,785	825,816	752,935
Gross Loans	VND billion	1,141,454	1,027,541	953,178	888,216	837,180
TOI	VND billion	53,157	45,357	40,519	28,446	32,620
Fee and Commission Income	VND billion	9,573	8,359	7,888	5,964	4,302
Total Operating Expenses	VND billion	(17,186)	(16,069)	(15,735)	(14,084)	(15,070)
Net profit before provision for credit losses	VND billion	35,971	29,288	24,785	14,361	17,550
Provisions expense for credit losses	VND billion	(18,382)	(12,168)	(13,004)	(7,803)	(8,344)
PBT	VND billion	17,589	17,120	11,781	6,559	9,206
Corporate Income Tax	VND billion	(3,374)	(3,335)	(2,304)	(1,281)	(1,747)
Profit after tax	VND billion	14,215	13,785	9,477	5,277	7,459
PROFITABILITY RATIO						
ROA	%	1.2%	1.3%	1.0%	0.6%	0.9%
ROE	%	15.9%	16.9%	13.1%	8.1%	12.0%
CAPITAL ADEQUACY RATIO						
NPL/Gross Loans	%	1.26%	0.95%	1.20%	1.60%	1.13%
CAR	%	>9%	>9%	>9%	>9%	>9%
SHARES						
Number of Ordinary shares	share	4,805,750,609	3,723,404,556	3,723,404,556	3,723,404,556	3,723,404,556
Value per share (as at end of year)	VND/share	33,900	34,550	20,900	19,300	24,200
Market Capitalization	VND billion	162,915	128,644	77,819	71,862	90,106
EPS	VND/share	3,347	3,678	1,966	1,454	1,546
P/E	time	10.13	9.39	10.63	13.27	15.65

Note: - Figures for 31/12/2018 and 31/12/2020 were adjusted according to Audit Report by the State Audit.

TOTAL ASSETS

1,531,587

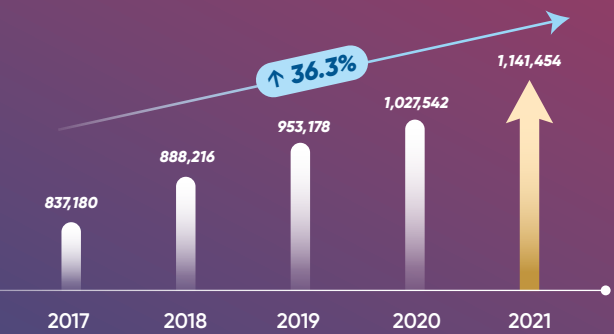
VND billion



GROSS LOANS

1,141,454

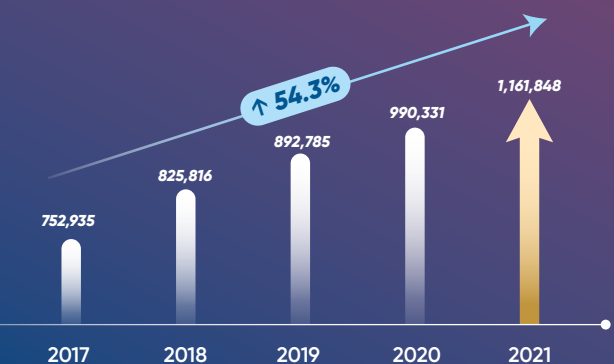
VND billion



TOTAL FUNDING

1,161,848

VND billion



SHAREHOLDERS' EQUITY

93,650

VND billion



FEE AND COMMISSION INCOME

9,573

VND billion



1 - GENERAL INFORMATION

HIGHLIGHTS IN BUSINESS ACTIVITIES OF VIETINBANK IN 2021

01

Pioneering in implementing the policies of the Government and the State Bank in supporting and uplifting difficulties for businesses and citizens affected by the COVID-19 pandemic and taking the lead in social security



02

Planning a clear orientation towards key topics to optimize resources and drastically and effectively implementing those business targets in 2021



03

Following selective and effective credit growth, promoting the development of retail banking and SME segments, enhancing growth in potential industries and regions



04

Good example of comprehensive digital transformation in business and governance for better customer experience

1 - GENERAL INFORMATION

HIGHLIGHTS IN BUSINESS ACTIVITIES OF VIETINBANK IN 2021



05

Increasing charter capital to improve financial capacity, enhance the efficiency of capital balance, taking advantage of market opportunities, diversifying low-cost capital structure to meet the demands of customers



07

Effective risk management, improving discipline and compliance



06

Continuous consolidation of the organization model in association with active and consistent implementation of HR solutions in quick response to business demands



08

Innovating corporate governance, improving the roles and responsibilities of the leaders, spreading the customer-centric and business-driven culture

1 - GENERAL INFORMATION

REPRESENTATIVE AWARDS AND ACCOLADES IN 2021



BRAND AWARDS FOR VIETINBANK

The recognition of businesses meeting Vietnam's business culture standards organized by the Vietnam Association of Business Culture Development (VABCD) with an aim to honor and reward businesses with excellent achievements in response to the campaign "Building Vietnamese Business Culture" initiated by the Prime Minister, contributing to the realization of the Resolutions of the Party and Government on establishing Vietnamese culture and people to meet the requirements of national sustainable development. It was the first year announcing the Vietnam Business Criteria and implementing the evaluation for this award that VietinBank had excellently surpassed hundreds of participating enterprises to be in Top 10 of this Award.

VietinBank was honored to be listed in Top 100 Sustainable Enterprises in Commerce – Service category. The award was organized by Vietnam Chamber of Commerce and Industry (VCCI) in collaboration with Vietnam Business Council for Sustainable Development (VBCSD), Vietnam General Confederation of Labor, and Ministry of Labor, Invalids and Social Affairs with 127 indicators in 4 areas: Sustainable Performance Index, Governance Index, Environment Index and Labor Index.

In 2021, VietinBank for the 3rd time in a row entered the Top 300 Most Valuable Banking Brands in the world, establishing the most spectacular promotion among the 9 Vietnamese banks in the list, staying at No. 216, up 61 levels compared to 2020.

Regarding Brand Value, VietinBank was also the 8th bank in the Top 20 Banks Worldwide with the highest increase in Brand Value and the fastest growing bank in Brand Value in Vietnam (up 56%).

AWARDS IN IT FIELD

The year 2021 witnessed VietinBank's consecutive successes in digital banking and digital transformation. Three banking products and services of VietinBank including: Digital Banking Application (VietinBank iPay Mobile), Electronic Banking Service for Corporate Customers – VietinBank eFAST and ERP Connection Service for Corporate Customers – VietinBank ERP-Connect won Sao Khue Awards in 2021. In which, VietinBank iPay Mobile continued to enter the Top 10 Sao Khue for the 2nd consecutive year. VietinBank was also honored to be voted as the winner of the Vietnam Excellence Digital Transformation Award 2021 – the most prestigious award in Vietnam today for digital transformation – in the category of Excellent Digital Transformation Enterprise organized by the Vietnam Digital and Communication Association.

1 - GENERAL INFORMATION

REPRESENTATIVE AWARDS AND ACCOLADES IN 2021

VIETNAM'S BEST DEPOSIT PRODUCTS 2021

THE ASIAN BANKER
STRATEGIC BUSINESS INTELLIGENCE FOR ASIA'S FINANCIAL SERVICES COMMUNITY

BEST MOBILE BANKING SERVICE
IN VIETNAM 2021

THE ASIAN BANKER
STRATEGIC BUSINESS INTELLIGENCE FOR ASIA'S FINANCIAL SERVICES COMMUNITY

BEST RETAIL BANK IN VIETNAM 2021

**INTERNATIONAL
FINANCE**



AWARDS IN RETAIL BANKING BUSINESS

For many consecutive years, VietinBank has been honored to receive awards and excellent titles in retail banking. In 2021, VietinBank continued to be awarded the "Best Retail Bank in Vietnam" by International Finance Magazine and many other prestigious awards such as "Best Deposit Product in Vietnam 2021" and "Best Mobile Banking Service in Vietnam" by The Asian Banker.

AWARDS IN CORPORATE BANKING BUSINESS

Following the "Fastest Growing SME Bank in Vietnam" Award, in 2021, VietinBank excellently won the "Best SME Bank in Vietnam 2021" awarded by The Asian Banker and Global Banking & Finance Review. VietinBank affirmed the right development direction and ability to supply SME customers with products and services of outstanding quality and benefits. At the same time, in 2021, Global Banking and Finance Review also honored VietinBank as the bank with "The most innovative financial solution for enterprises in 2021".

FASTEST GROWING SME BANK
IN VIETNAM 2021

THE ASIAN BANKER
STRATEGIC BUSINESS INTELLIGENCE FOR ASIA'S FINANCIAL SERVICES COMMUNITY

THE MOST INNOVATIVE FINANCIAL SOLUTION
FOR ENTERPRISES 2021

GLOBAL BANKING &
Finance
review



AWARDS IN
CORPORATE BANKING BUSINESS

VietinBank

BEST FOREX SERVICE PROVIDER
IN VIETNAM 2021

**GLOBAL
FINANCE**



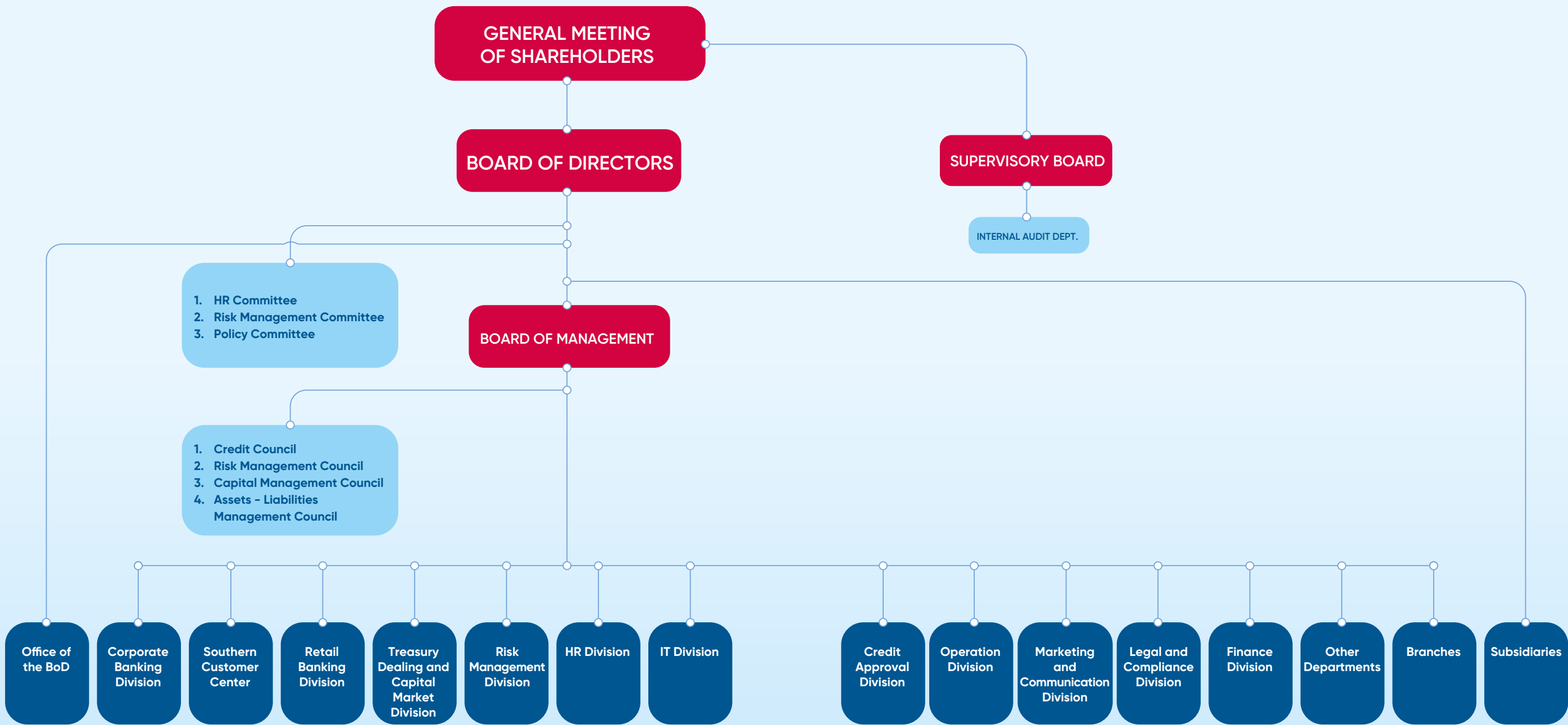
AWARDS IN
INVESTMENT - TREASURY OPERATION

VietinBank

AWARDS IN INVESTMENT - TREASURY OPERATION

VietinBank has been recognized by Global Finance as the bank with "Best Forex Service in Vietnam" for the 4th consecutive year, which affirmed the Bank's success in continuous innovation and improvement of forex operation, enhancing VietinBank's position in the market.

2 - GOVERNANCE MODEL AND STRUCTURE



3 - OUR LEADERSHIP TEAM

BOARD OF DIRECTORS

“

The BoD is the governing body of VietinBank, having full discretion on behalf of VietinBank, to make decisions and demonstrate VietinBank's rights and obligations related to purposes and interests of VietinBank, except for issues under the authority of the GMS.”

MEMBERS OF THE BOARD OF DIRECTORS

No.	Full name	Title	No. of shares	Percentage (%)	Note
1	Mr. Tran Minh Binh	Chairman	3,104	0.000065%	Non-executive member
2	Mr. Tran Van Tan	Board Member	0	0%	Non-executive member
3	Mr. Le Thanh Tung	Board Member	0	0%	Non-executive member
4	Ms. Tran Thu Huyen	Board Member	51,844	0.00108%	Non-executive member
5	Mr. Nguyen The Huan	Board Member	0	0%	Non-executive member
6	Ms. Pham Thi Thanh Hoai	Board Member	118	0.000002%	Non-executive member
7	Mr. Masahiko Oki	Board Member and Deputy General Director	0	0%	Executive member
8	Mr. Masashige Nakazono	Board Member	0	0%	Non-executive member
9	Ms. Nguyen Thi Bac	Independent Board Member	0	0%	Independent Member

Notes:

- List of BoD Members was updated at the date of publication;
- The number of shares in this table does not include representative of State capital.

CHANGES IN BOARD MEMBERS DURING THE YEAR 2021

No.	Full name	Title	Date of appointment/resignation
1	Mr. Tran Minh Binh	Chairman	Appointed Chairman of BoD for term 2019-2024 since 07/09/2021 under Resolution 1368/NQ-HDQT-NHCT1.2 dated 07/09/2021 of VietinBank BoD.
2	Mr. Tran Van Tan	Board Member	<ul style="list-style-type: none"> - In-charge of VietinBank BoD's activities since 03/07/2021 under Resolution No. 222/NQ-HDQT-NHCT1.2 dated 05/07/2021 of VietinBank BoD. - No longer in-charge of VietinBank BoD's activities since 07/09/2021 under Resolution No. 335/NQ-HDQT-NHCT1.2 of VietinBank BoD.
3	Mr. Le Thanh Tung	Board Member	Appointed BoD member under 2021 EGM Resolution No. 24/NQ-DHDCD dated 03/11/2021.
4	Mr. Masashige Nakazono	Board Member	Appointed BoD member under 2021 AGM Resolution No.23/NQ-DHDCD dated 16/04/2021.
5	Mr. Le Duc Tho	Former Chairman	No longer a member of VietinBank BoD for the term 2019-2024 since 03/07/2021 according to Information Disclosure Document No. 739/HDQT-NHCT2.1 dated 03/07/2021.
6	Mr. Shiro Honjo	Board Member	Dismissed from BoD member under 2021 AGM Resolution No. 23/NQ-DHDCD dated 16/04/2021.

3 - OUR LEADERSHIP TEAM

BOARD OF DIRECTORS

Mr. TRAN MINH BINH**Chairman of the BoD**

Born in 1974.

Master in Business Administration.

Joined VietinBank since 1999.

Appointed as Chairman of VietinBank for the term 2019 - 2024 on 07/09/2021.

Currently, Member of the Party Executive Committee of State Enterprises, VietinBank's Party Committee Secretary, Chairman of VietinBank.

Former positions: Deputy Head of Cards Dept., Director of Cards Center, Director of Investment Dept.; Director of VietinBank - Nguyen Trai Branch; Deputy Director, Director of VietinBank - Hanoi Branch; Director of Treasury and Capital Markets Division cum Chairman of VietinBank Laos Limited; Deputy General Director cum Director of Treasury and Capital Markets Division cum Director of Credit Appraisal Division; Acting General Director of VietinBank; Board Member and General Director of VietinBank.

**Mr. TRAN VAN TAN****Board Member**

Born in 1968.

Master in Economics.

Appointed as Board Member of VietinBank for the term 2019 - 2024 on 23/04/2019.

Currently, Member of VietinBank's Party Standing Committee, Board Member of VietinBank.

Former positions: Deputy Director of Market and Guarantee Dept., Director of Market and Guarantee Dept., Director of Credit Dept. - Credit Division of the SBV; Director of Agriculture Credit Dept., Deputy Director of Economic Credit Division of the SBV.

**Mr. LE THANH TUNG****Board Member**

Born in 1978.

Master in Banking & Finance.

Appointed as Board Member of VietinBank for the term 2019 - 2024 on 03/11/2021.

Former positions: Deputy Director of Personnel and Training Dept. of VietinBank, Deputy Director in charge of Planning and ALCO Support Dept. of VietinBank, Director of Planning and ALCO Support Dept. of VietinBank, Director of Risk Management Division of VietinBank, Deputy General Director cum Director of Risk Management Division of VietinBank cum Chairman of VietinBank Leasing Company Ltd.; Chief of Office of the SBV, Director - Assistant to the Governor of the SBV; Director - Secretary then Assistant to the Politburo Member - Secretary of the Party Central Committee - Chief of Central Economics Committee.

3 - OUR LEADERSHIP TEAM

**Ms. TRAN THU HUYEN****Board Member**

Born in 1977.

Bachelor in Law, Master in Business Administration.

Joined VietinBank since 2001.

Appointed as Board Member of VietinBank on 24/07/2014.

Currently, Member of VietinBank's Party Standing Committee, Board Member cum Director of HR Division of VietinBank.

Former positions: Deputy Director, Director of HR Dept. of VietinBank.

**Mr. NGUYEN THE HUAN****Board Member**

Born in 1974.

Bachelor in Economics; Bachelor in Law; Bachelor in Foreign Language.

Joined VietinBank since 1995.

Appointed as Board Member of VietinBank for the term 2019 – 2024 on 23/04/2019.

Currently, Member of VietinBank's Party Standing Committee, Board Member of VietinBank.

Former positions: Deputy Head of Large Corporate Banking Dept., Head of SMEs Banking Dept. – VietinBank – Ba Dinh Branch; Deputy Director of ISO Management Dept., Deputy Director of Retail Banking Dept. – VietinBank HO; Deputy Director of VietinBank – Bac Giang Branch; Deputy Director of Internal Control Dept., Deputy Director of Compliance Audit Dept., Deputy Director of Internal Audit Dept. – VietinBank HO, Chief of Supervisory Board of VietinBank.

**Ms. PHAM THI THANH HOAI****Board Member**

Born in 1978.

Master in Finance.

Joined VietinBank since 2003.

Appointed as Board Member of VietinBank on 23/04/2019.

Currently, Member of the VietinBank's Party Executive Committee, Board Member of VietinBank cum Chairman of VietinBank Laos Limited.

Former positions: Deputy Director of Credit & Investment Policy Dept., Deputy Director of Investment Dept., Deputy Director in charge of Investment Dept., Director of Treasury Dealing Dept., Director of Multinational Corporation Dept.; Chairwoman of VietinBank Leasing Co. Ltd.

**Mr. MASAHIKO OKI****Board Member and
Deputy General Director**

Born in 1971. Nationality: Japanese

Bachelor of Arts in Business and Commerce

Appointed as Board Member for the term 2019 – 2024 on 23/05/2020 and Deputy General Director of VietinBank on 26/05/2020.

Joined The Sanwa Bank, Ltd. (Japan) in 1994. (The Sanwa Bank, Ltd. was merged with UFJ Bank, Ltd. (Japan) in 2002, and subsequently merged with the Bank of Tokyo-Mitsubishi, Ltd. (Japan) in 2006 to form The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Japan) which was later on renamed to MUFG Bank Ltd.)

Former positions: Chief Manager, Retail Banking Business Promotion Division of The Bank of Tokyo-Mitsubishi UFJ, Ltd., Tokyo Head Office, Japan; Managing Director, Chief of Asian Retail Banking Strategy Office of The Bank of Tokyo-Mitsubishi UFJ, Ltd., Tokyo Head Office, Japan; Managing Director, Chief of Asian Retail Banking Strategy Office of MUFG Bank Ltd., Tokyo Head Office, Japan; Managing Director, Deputy Director of Global Commercial Banking Planning Division of MUFG Bank Ltd., Tokyo Head Office, Japan.

3 - OUR LEADERSHIP TEAM



Mr. MASASHIGE NAKAZONO

Board Member

Born in 1975. Nationality: Japanese.

Master of Business Administration

Appointed as Board Member for the term 2019 - 2024 on 16/04/2021.

Joined The Bank of Tokyo-Mitsubishi, Ltd., (Japan) in 1998 which was later on renamed to MUFG Bank Ltd.

Working experience: Vice President and then Director, Investment Banking Division for the Americas, Securitization Group of The Bank of Tokyo-Mitsubishi UFJ, Ltd., New York Branch, USA; Director, Global Planning Division of The Bank of Tokyo-Mitsubishi UFJ, Ltd., Tokyo, Japan; Managing Director, Director of Global Planning Department, Corporate Planning Division of MUFG Bank, Ltd., Tokyo, Japan; Managing Director, Global Commercial Banking Planning Division of MUFG Bank, Ltd., Singapore Branch, Singapore; Managing Director, Strategic Planning Department, Global Commercial Banking Planning Division of MUFG Bank, Ltd., Tokyo, Japan.

He is now the Managing Director, Strategic Planning Department, Global Commercial Banking Planning Division of MUFG Bank, Ltd., Tokyo, Japan.



Ms. NGUYEN THI BAC

Independent Board Member

Born in 1953.

Bachelor of Law at Humboldt University - Berlin - Germany, Master of Law.

Elected as Independent Board Member of VietinBank for the term 2019 - 2024 from 23/05/2020.

Former positions: Senior Procurator of the Supreme People's Procuracy; Department Director under the Supreme People's Procuracy; Vice Chairman of the Law Committee of the XI National Assembly; Lawyer of Hanoi City Bar Association; Independent Board Member of VietinBank for the term of 2009-2014; Director of Risk Management Division of Bank Indovina Ltd.

SUPERVISORY BOARD

“

The Supervisory Board is the agency on behalf of shareholders to supervise the operation and compliance with the Law and VietinBank's Charter in the management and administration of VietinBank; being responsible before the Law, the GMS in implementing the rights and duties assigned. During the implementation, the Supervisory Board may use the rights in accordance with the Law and VietinBank's Charter. The Supervisory Board has the role of implementing internal audit, controlling and evaluating the compliance with the provisions of the Law, internal regulations, VietinBank's Charter and resolutions and decisions of the GMS and the BoD.

”

MEMBERS OF SUPERVISORY BOARD

No.	Full name	Title	No. of shares	Percentage (%)
1	Ms. Le Anh Ha	Chief of Supervisory Board	4,006	0.000083%
2	Ms. Nguyen Thi Anh Thu	Member of Supervisory Board	1,337	0.000028%
3	Ms. Pham Thi Thom	Member of Supervisory Board	0	0%

Note: List of members of Supervisory Board was updated at the date of publication.

CHANGES IN SUPERVISORY BOARD MEMBERS DURING THE YEAR 2021

No.	Full name	Title	Date of appointment/resignation
1	Ms. Pham Thi Thom	Member of Supervisory Board	Appointed Supervisory Board member under 2021 AGM Resolution No.23/NQ-DHDCD dated 16/04/2021.
2	Mr. Nguyen Manh Toan	Member of Supervisory Board	Dismissed from Member of the Supervisory Board of VietinBank for the term 2019-2024 under 2021 EGM Resolution No. 24/NQ-DHDCD dated 03/11/2021.

3 - OUR LEADERSHIP TEAM

**Ms. LE ANH HA****Chief of Supervisory Board**

Born in 1973.

Master of Economics and Public Management.

Joined VietinBank since 1995.

Elected to VietinBank's Supervisory Board since 23/04/2019.

Currently, Member of the Party Executive Committee of VietinBank, Chief of Supervisory Board.

Former positions: Deputy Director of Credit Management Dept., Director of Capital Management & Utilization Dept., Director of Credit & Investment Risk Management Dept., Director of Retail Banking Dept. - VietinBank HO; Deputy Director of VietinBank School of Human Resources Training & Development; Director of Internal Control Dept., Deputy Director of Risk Management Division cum Director of Internal Control Dept.

**Ms. NGUYEN THI ANH THU****Member of Supervisory Board**

Born in 1976.

Bachelor in Banking & Finance, Bachelor in English.

Joined VietinBank since 1998.

Elected to VietinBank's Supervisory Board since 23/04/2019.

Former positions: Deputy Manager of Administrative Dept., Manager of General Marketing Dept., Manager of Risk Management Dept., Manager of Corporate Banking Dept. - VietinBank Hoan Kiem Branch; Deputy Director of Compliance Audit Dept., Deputy Director of Disbursement Control Dept., Deputy Director of Credit Appraisal Dept., Deputy Director of Credit Risk Management Dept., Director of Internal Audit Dept. - VietinBank HO.

**Ms. PHAM THI THOM****Member of Supervisory Board**

Born in 1969.

Master in Banking and Finance

Elected to VietinBank's Supervisory Board for the term 2019 - 2024 since 16/04/2021.

Former positions: Deputy Director then Director of Financial Accounting Department of Agribank Hanoi Branch, Deputy Director then Director of Policy Department of Accounting and Finance Division - SBV, Member of the Supervisory Board of VietinBank since July 2009 and for the term 2014 - 2019 (part time).

3 - OUR LEADERSHIP TEAM

BOARD OF MANAGEMENT

“

The BoM is responsible for managing VietinBank's day-to-day affairs in accordance with VietinBank's Charter and the Regulations on Organization and Operation of the BoM. The BoM is under the direct, comprehensive management and supervision of the BoD.

”

MEMBERS OF THE BOARD OF MANAGEMENT

No.	Full name	Title	No. of shares	Percentage (%)
1	Mr. Nguyen Hoang Dung	Deputy General Director in charge of the BoM	1,321	0.000027%
2	Mr. Masahiko Oki	Board Member and Deputy General Director	0	0%
3	Mr. Nguyen Duc Thanh	Deputy General Director	0	0%
4	Mr. Tran Cong Quynh Lan	Deputy General Director	0	0%
5	Mr. Nguyen Dinh Vinh	Deputy General Director	0	0%
6	Ms. Le Nhu Hoa	Deputy General Director	35,741	0.000744%
7	Mr. Nguyen Hai Hung	Chief Accountant	24,894	0.000518%

Note: List of members of the BoM was updated at the date of publication.

CHANGES IN THE BOARD OF MANAGEMENT DURING THE YEAR 2021

No.	Full name	Title	Date of appointment/resignation
1	Mr. Nguyen Hoang Dung	Deputy General Director in charge of the BoM	In-charge of VietinBank BoM since 07/09/2021 under Decision No. 688/QĐ-HDQT-NHCT1.2 dated 07/09/2021 of VietinBank BoD.
2	Mr. Tran Minh Binh	Board Member and General Director	No longer General Director as appointed Chairman of VietinBank BoD for the term 2019-2024 since 07/09/2021 under Resolution No. 1368/NQ-HDQT-NHCT1.2 dated 07/09/2021 of VietinBank BoD.
3	Ms. Nguyen Hong Van	Deputy General Director cum Director of Finance Division	No longer Deputy General Director cum Director of Finance Division of VietinBank since 03/11/2021 according to Information Disclosure Document No. 1372/HDQT-NHCT2.1 dated 03/11/2021.

3 - OUR LEADERSHIP TEAM

**Mr. NGUYEN HOANG DUNG**

Deputy General Director in
charge of the BoM

Born in 1962.

Master in Economics.

Joined VietinBank since 12/1988.

Appointed as Deputy General Director
in 03/2011, in charge of the BoM since
07/09/2021.

Former positions: Deputy Head of
Supervisory Department, Assistant
to Director, Director of HR and Admin
Department – VietinBank Minh Hai
Branch; Director of Sales Department,
Director of the City Transaction Office,
Deputy Director, Director of VietinBank
Ca Mau Branch.

**Mr. MASAHIKO OKI**

Board Member and
Deputy General Director

Born in 1971. Nationality: Japanese

Bachelor of Arts in Business and Commerce

Appointed as Board Member for the term 2019 –
2024 on 23/05/2020 and Deputy General Director
of VietinBank on 26/05/2020.

Joined The Sanwa Bank, Ltd. (Japan) in 1994.
(The Sanwa Bank, Ltd. was merged with UFJ Bank,
Ltd. (Japan) in 2002, and subsequently merged
with the Bank of Tokyo-Mitsubishi, Ltd. (Japan) in
2006 to form The Bank of Tokyo-Mitsubishi UFJ,
Ltd. (Japan) which was later on renamed to MUFG
Bank Ltd.)

Former positions: Chief Manager, Retail Banking
Business Promotion Division of The Bank of Tokyo-
Mitsubishi UFJ, Ltd., Tokyo Head Office, Japan;
Managing Director, Chief of Asian Retail Banking
Strategy Office of The Bank of Tokyo-Mitsubishi
UFJ, Ltd., Tokyo Head Office, Japan; Managing
Director, Chief of Asian Retail Banking Strategy
Office of MUFG Bank Ltd., Tokyo Head Office,
Japan; Managing Director, Deputy Director of
Global Commercial Banking Planning Division of
MUFG Bank Ltd., Tokyo Head Office, Japan.

**Mr. NGUYEN ĐỨC THANH**

Deputy General Director

Born in 1970.

Master in Economics.

Joined VietinBank since 02/2010.

Appointed as Deputy General Director in
08/2012.

Currently Member of the Party Executive
Committee of VietinBank, Deputy General
Director.

Former positions: Commercial Attaché –
Embassy of Vietnam in the Arab Republic
of Egypt; Deputy Director & Secretary
to the Minister of Trade, Deputy Director
of Dept. of Competition Management
cum Secretary to the Minister of Trade,
Deputy Director of Dept. of Competition
Management – Ministry of Industry and
Trade; Director of Financial Institutions
Dept. – VietinBank HO, Co-Director of
VietinBank German Branch, Chairman of
VietinBank Laos Limited.

3 - OUR LEADERSHIP TEAM


Mr. TRAN CONG QUYNH LAN
 Deputy General Director

Born in 1979.

Master in IT.

Joined VietinBank since 05/2012.

Appointed as Deputy General Director in 03/2015.

Currently Deputy General Director cum Director of IT Division of VietinBank.

Former positions: Assistant to Director of OCBC Singapore, Assistant to Vice President of OCBC Singapore, Vice President - IT - Retail Banking and Director of Electronic Distribution Channels & Investment - OCBC Singapore; Director of IT Center of VietinBank.


Mr. NGUYEN DINH VINH
 Deputy General Director

Born in 1980.

Master in Business Administration.

Joined VietinBank since 2002.

Appointed as Deputy General Director in 07/2015.

Currently a Member of VietinBank's Party Standing Committee, Chairman of Inspection Committee of VietinBank's Party, Chairman of VietinBank Trade Union, Deputy General Director cum Chairman of VietinBank Global Money Transfer Company Ltd.

Former positions: Deputy Director, then Deputy Director in charge of Corporate Department at VietinBank Head Office; Deputy Director of VietinBank Quang Trung Branch, Director of VietinBank Hai Duong Branch; Director of NPL Management Department at VietinBank Head Office; Director of VietinBank Hanoi Branch, Director of Risk Management Division.


Ms. LE NHU HOA
 Deputy General Director

Born in 1969.

Master in Finance, Banking and Insurance.

Joined VietinBank since 1990.

Appointed as General Director in 08/2016.

Currently Member of VietinBank's Party Executive Committee cum Deputy General Director; Chairwoman of VietinBank Gold and Jewelry Trading Company.

Former positions: Deputy Head of Financial Accounting Dept., Head of Financial Accounting Dept., Head of Transaction Accounting, Deputy Head of Sales Dept. of VietinBank Phuc Yen Branch; Head of Admin and HR Dept. - VietinBank Hanoi Branch; Deputy Director of VietinBank Hanoi Branch; Director of Financial Accounting Dept. - VietinBank HO.


Mr. NGUYEN HAI HUNG
 Chief Accountant

Born in 1972.

Bachelor in Economics.

Joined VietinBank since 1991.

Appointed as Chief Accountant of VietinBank in 06/2011.

Currently Member of VietinBank's Party Executive Committee, Chief Accountant of VietinBank.

Former positions: Deputy Director, Director of Accounting and Payment Dept. - VietinBank HO.

4 - DEVELOPMENT DIRECTION



VISION

"To become a leading multi-functional, modern and efficient bank in Vietnam, being in the Top 20 strongest banks in the Asia Pacific region, being the strongest and most prestigious bank in Vietnam, a leading bank in the Asia-Pacific region and a highly reputable bank in the world".



MISSION

"Being a pioneer bank in the country's development on the basis of bringing optimal value to customers, shareholders and employees".



5 CORE VALUES

CUSTOMER CENTRICITY

Treating customers' needs as the target to deliver services of the Bank. Listening to customers' voices and sharing with stakeholders to provide solutions/advice to meet customers' needs. At the same time, ensuring safety for internal and external customers.

INNOVATION

Always show creativity in all activities; continuously innovating with the inheritance to create the best value for the system, customers and to contribute to the development of the country.

INTEGRITY

VietinBank is always consistent in thoughts and actions to ensure compliance, discipline, honesty, transparency and uphold professional ethics.

RESPECT

Respect, listen to, share with and care for customers, partners, shareholders, leaders, colleagues and self-respect.

RESPONSIBILITY

Demonstrate the spirit, attitude and action of the whole system, each department, each employee of VietinBank having a high responsibility towards customers, partners, shareholders, leaders and colleagues and for the brand name of VietinBank. Performing good responsibilities to the community and society is VietinBank's honor and pride.

4 - DEVELOPMENT DIRECTION

MID-TERM DEVELOPMENT STRATEGY

VietinBank's mid-term target for the period 2021-2023 is to become a leading multi-functional, modern and efficient bank in Vietnam, being among the top 100 strongest banks in the Asia-Pacific region by 2023. 5 strategic priorities in the period 2021 - 2023 are:



GROWTH MODEL TRANSFORMATION



COMPETITION MODE CHANGE



ASSOCIATION OF GROWTH WITH KEY ECONOMIC SECTORS AND REGIONS



COMPREHENSIVE DIGITAL TRANSFORMATION OF BANKING ACTIVITIES



IMPROVEMENT OF HUMAN RESOURCES QUALITY AND EXECUTION ABILITY



VIGOROUS DEPLOYMENT OF CORPORATE CULTURE



DATA MEASUREMENT AND MANAGEMENT



EXCELLENT OPERATION



OPTIMIZATION OF BUSINESS MODEL AND NETWORK



RISK MANAGEMENT BASED ON THE BEST PRACTICES



EXCELLENT PERSONNEL



PROACTIVE, EFFECTIVE MARKETING & COMMUNICATION

Among which information technology is considered to be pivotal, good quality of personnel to be decisive in successfully implementing the strategy.

4 - DEVELOPMENT DIRECTION

SUSTAINABLE DEVELOPMENT GOALS

In the capacity of the leading commercial bank in Vietnam, acting as a pillar of the economy, accompanying the country's development, apart from focusing on performance improvement and profit growth, VietinBank actively attributes ourselves to Vietnam's socio-economic development; share responsibilities with the Party and the Government in support of social environment improvement, and rapid, steady & sustainable poverty alleviation and eradication. In our long-term strategy and annual plan, VietinBank puts focus on sustainable profit growth and responsible deployment of resources, including: implementation of risk management plans and measures during performance, development of comprehensive financial solutions and integration of sustainable socio-development support into infrastructure development, green growth and climate change combat.

VietinBank will make our best efforts to share the responsibility with the community, deploy action plans, policies supporting economic transformation and sustainable socio-environmental solutions – particularly associated with the COVID-19 pandemic in the context of the national transition to “safe adjustment, resilience, effective control of the COVID-19”. VietinBank pioneers the proactive support for enterprises, people to overcome difficulties arisen out of the COVID-19 to settle down and develop. VietinBank will unceasingly enhance our banking governance capacity, associate our growth with key economic sectors, national economic regions and increase safe and convenient access to financial products & services by all economic sectors, and actively implement social welfare programs, thereby contributing to hunger eradication and poverty alleviation and improving all facets of people's life.



5 - RISK FACTORS



BUSINESS ENVIRONMENT RISK

BUSINESS ENVIRONMENT IN 2021

In 2021, the Vietnam's economy underwent a difficult year when strict social distancing was required in many provinces and cities across the country to prevent and control the COVID-19 pandemic. The GDP growth was only 2.6%, lower than the 2.91% of the previous year, however, exceeded the forecast. In the general growth rate of the entire economy, a number of industries had positive growth whereas there were also industries that continued to face many difficulties. Specifically, the agriculture, forestry and aquaculture increased by 2.9%, contributing 13.97% to the growth rate of total added value of the entire economy; the industry and construction sectors increased by 4.05%, contributing 63.80%; the service sector increased by 1.22%, contributing 22.23%.

Import and export of goods were considered the highlights of the economy in 2021 when reaching a total turnover of 668.5 billion USD, up 22.6% yoy, of which exports increased by 19%; imports increased by 26.5%. This result brought Vietnam to the top 20 economies in terms of international trade. In general, in 2021, a trade surplus was estimated to be USD 4 billion (the previous year's trade surplus had been USD 19.94 billion). However, this result also reflected that Vietnam relied heavily on imports of raw materials and intermediate goods, therefore imports recognised a record increase, which led to a small trade surplus equivalent to USD 4 billion. In

2022, Vietnam's import and export will face many challenges as many of Vietnam's major trading partners will be facing narrowed fiscal and monetary space, limiting their ability to continue supporting the economy, which could slow down the global recovery and weaken demand for Vietnamese exports.

Meanwhile, service industries, specifically the tourism and transportation industry, continued to face many difficulties. Number of tourists was around 15,000 in December 2021, mainly from mainland China and South Korea - the two main markets of Vietnam, which was modest compared to the time before the pandemic. Transportation services barely grew in the fourth quarter of 2021, while accommodation services continued to decline by more than 15% yoy.

Regarding inflation risk, while the economy gradually reopened, the impact of price pressure was slower than expected. Inflation in December 2021 decreased by 1.8% yoy, different from forecasts (namely, HSBC: 2.1%; Bloomberg: 2.3%; Prior: 2.1%). This result caused inflation for the whole year 2021 to reach 1.8%. As economic activities return to normal in 2022, expectation for price pressures starts to have an impact but the extent should be under control. HSBC forecasts Vietnam's inflation will increase by 2.7% in 2022, lower than the SBV's ceiling of 4%.

OUTLOOK FOR VIETNAM IN 2022

Vietnam's outlook in 2022 is considered positive when the Government set a growth target of 6.5% - 7%, assuming COVID-19 will be relatively well controlled domestically and globally. Large organizations also gave positive remarks, forecasting that Vietnam's GDP would be at 5.5% - 6.7%, including WB's forecast of 5.5% growth, HSBC's forecast of 6.5% growth and Standard Chartered's forecast of 6.7% growth.

Regarding inflation risks, when economic activities return to normal in 2022, expectation for price pressures starts to have an impact but the extent should be under control. HSBC forecast that Vietnam's inflation would increase by 2.7% in 2022, lower than the SBV's ceiling of 4%.

VietinBank regularly updates, closely follows economic information for internal communication, adjusts our credit orientation, and proactively implements appropriate and timely measures to ensure safe and effective business activities under any business circumstances.

5 - RISK FACTORS

CREDIT RISK

IN 2021

The complex developments of the COVID-19 pandemic negatively impacted the entire economy. Business activities of many borrowers at VietinBank faced difficulties, potentially rising bad debts for the Bank. Coping with that situation, VietinBank proactively strengthened asset quality control, early identified potential risks in industries/sectors/customers to promptly implement streamlining measures for debt collection and settlement, minimizing losses to the Bank and at the same time implement measures such as rescheduling debt repayments, retaining debt classification, new disbursements, and preferential interest rates, etc., to support customers in stabilizing business operations, overcoming the pandemic.

IN 2022

With the transition to the "new normal" status, Vietnam's economy is forecasted to have a strong recovery and growth. To ensure a safe, effective and sustainable recovery and development for customers, the Bank as well as the economy, VietinBank also strengthens the consolidation and standardization of policies towards international practices and continues to take advantage of achievements of digital transformation in credit risk management from the overall level to the transaction level. VietinBank also strongly implements measures to limit newly arising bad debts, improve portfolio quality and improve capital efficiency. Credit policies and credit granting process continues to be standardized and continuously improved to enhance risk management in accordance with the SBV's regulations and towards international practices. At the same time, VietinBank continues to prioritize investment in improving IT systems to support credit portfolio management, early warning of potential risk customers, credit risks monitoring, debt collection and settlement.

Towards the goal of sustainable development, VietinBank has issued and applied policies on environmental and social impact assessment in appraisal and decision on credit granting for investment projects. Before granting credit, projects are reviewed to meet environmental and social requirements in accordance with the law and VietinBank's internal regulations. VietinBank also strictly controls compliance with environmental and social issues in the project's operations and promptly takes credit measures when needed.

MARKET RISK

In 2021, in the face of unpredictable developments in the domestic and international financial markets due to the impact of the COVID-19 pandemic, VietinBank continued to focus on closely monitoring and timely controlling of market risks in the business process.

The market risk management strategy is established including appropriate objectives and control measures associated with the medium and long-term business strategy of VietinBank, ensuring the safe and sustainable development of the business operation, in compliance with the regulations of the authorities, commitments with strategic partners, and in line with international practices.

The 3-line model of protection in market risk management continues to promote well with the participation of the Treasury Dept., the Market Risk Management Dept. and the Internal Audit Dept. The system of policies, regulations and methodologies on market risk management and centralized risk management in proprietary trading was promptly reviewed and updated in accordance with the market reality and VietinBank's business performance, to meet Basel II practices and authorities' requirements.

In order to control market risk, **VietinBank establishes risk appetite and limit** including indicators such as: Profit/Loss at market price, status, VaR (Value at Risk), PV01, Limit of status/balance for trading products, currencies, counterparties in the portfolio of centralized proprietary trading ... The indicators are measured, monitored and reported daily, to promptly warn of risks arising out of the threshold acceptance by VietinBank and take measures to minimize risks. In addition, VietinBank periodically analyzes the level of loss under stress conditions, the capital required for market risk and back test the risk measurement models to ensure an accurate assessment of the potential risk level.

Since 2013, VietinBank has deployed the Treasury Murex system to key in, approve and manage capital transactions through all three components: Front Office, Middle Office and Back Office. In 2021, VietinBank actively built and improved other systems such as Risk-weighted Assets (RWA) - calculating required capital for material risks, Treasury Transaction Monitoring system - supporting post-capital trading monitoring, Vision Commodity system - managing commodity derivative transactions.

5 - RISK FACTORS

OPERATIONAL
RISK

In 2021, the COVID-19 pandemic remained complicated throughout the country, causing many difficulties and challenges in the management of operational risk at VietinBank. To ensure the health of employees as well as maintain and develop sustainable business at the same time, VietinBank constantly monitored the pandemic across the country and proactively came up with many response plans:



Separation



Shift work



Compulsory leave



"3 on the spot"

In particular, as soon as the Vietnam Government shifted its pandemic prevention strategy to "Safe adaptation, flexible and effective control of the pandemic", VietinBank promptly set up and applied scenarios at each level, ensuring compliance with the new strategy for pandemic prevention and control, maximizing efficiency, and maintaining stable business activities throughout the system.

In fact, COVID-19 had a strong impact and was a factor to **accelerate the process of digital transformation** - modernization in almost all fields. In operational risk management, VietinBank upgraded the system of "Risk Profile for operational risk to version 2.0" to optimize users support, fast execution and work efficiency, provide multi-dimensional information on the current state of risk management, and contribute to effective business orientation.

In addition, the current strong development trend of high-tech products and services as well as increasing cooperation/outsourcing of third parties could pose increasing operational risks related to technology application, third-party cooperation. Recognizing the importance of this issue, VietinBank increasingly focused on promoting risk review and assessment throughout all stages, proactively proposing appropriate behavioral measures, and continuously improving and upgrading the system, strengthening the security capabilities of digital solutions to monitor and detect fraud risks as well as prevent cybercriminals from attacking.

FRAUD RISK, ANTI-MONEY LAUNDERING
AND COUNTERING THE FINANCING OF
TERRORISM

Along with the strong development of technology applications on digital platforms, fraudulent tricks and appropriation of customers' money are becoming more and more sophisticated and are challenges for banks. In 2021, VietinBank regularly communicated and advised customers and employees about typical scams taking place throughout the banking system, guiding timely handling measures to support customers, increase awareness, vigilance, and ensure the safety of assets of customers and VietinBank. At the same time, VietinBank strengthened inspection and supervision, speeded up the construction of a phase 2 transaction monitoring system to assist in identifying warnings and preventing abnormal transactions.

The development of science and technology also makes money flow among countries become stronger, hence the controlling of the origin of money circulating in the banking system becomes more and more difficult. At the same time, when the U.S. labeled Vietnam a currency manipulator, anti-money laundering, terrorist financing and money flow monitoring related to embargoed countries or illegal foreign currency transfer activities were key issues in 2021. VietinBank continuously updated and consolidated the system of regulatory documents and guidelines to ensure the effective implementation of the prevention of money laundering and terrorist financing. At the same time, VietinBank boosted cooperation with foreign partners, police agencies, Anti-Money Laundering Department to promote risk control, prevention of money laundering, terrorist financing, detection and prevention of suspicious transactions. In 2021, there was not any incidents or transactions that violated the programs/embargo list to prevent money laundering and terrorist financing of international organizations in VietinBank.

AML

5 - RISK FACTORS

LIQUIDITY
RISK

In 2021, VietinBank continued to implement the liquidity risk management strategy with the main objectives such as:

- Maintaining sufficient highly liquid assets to meet the liquidity needs under normal operating conditions and unfavorable developments on liquidity;
- Funding source strategy ensured diversification in terms of mobilization channels and tenors, consistent with term structure of resource use;
- Increasing funding sources with reasonable costs such as CASA, State Treasury deposits, combining flexibly capital sources from the Interbank market;
- Establishing and expanding relationships with other credit institutions to strengthen channels for mobilizing funding resources;
- Regularly conducting stress testing to evaluate our competency to fulfill payment obligation and commitment, making liquidity provision backup plan.

THE 3-LINE MODEL OF PROTECTION CONTINUES TO BE PROMOTED



The **Assets – Liabilities Management (ALM)** system was built in compliance with international standard to provide automatic reports on the balance of funding and cash flows to calculate daily liquidity status, analysis and forecast on future liquidity. The liquidity risk is also closely monitored by type of currency (VND, USD, EUR) on the basis of analyzing liquidity demand, source of liquidity business operation, structure of assets/ payables and cash flows of every item recorded in the balance sheet and off-balance sheet as well as the possibility to access the market liquidity at each point in time.

INTEREST RISK IN THE
BANKING BOOK

For interest risks in the Banking Book that arise due to adverse fluctuations of interest rates on income, asset value, value of liabilities and off-balance sheet commitments of the Bank, VietinBank applies a policy of centralized management at Head Office with an organizational structure set up in the 3 - line model of protection similar to the liquidity risk.

VietinBank establishes regulations and processes to manage interest risk in the Banking Book; management and setting limits on re-pricing spread, changes in net interest income (NII) and changes in the economic value of equity (EVE); and using appropriate derivative products to control portfolio-level risks. The Assets – Liabilities Management (ALM) software system and internal Fund Transfer Pricing (FTP) system allow us to centrally manage interest risk status at HO, provide automatic re-valuation report, report on analysis of interest rate increasing/decreasing scenario... Hence, we can control re-pricing spreads, the impact of interest rate changes on NII and the EVE of the bank within the permitted limits. The level of interest risk and the compliance with the interest risk limit indicators are analyzed and reported to the BoD at monthly meetings of the Risk Council and the ALCO Council. In such meetings, we promptly identified trends in repricing gap, the level of impact on NII/EVE and made timely adjustments to ensure the implementation of the Bank's profit targets.

At transaction level, we apply interest risk precautionary terms in credit contracts to ensure that the Bank is always proactive against fluctuations of the market. Also, we determine the lending interest rate that accurately reflects the actual cost of capital mobilization of the Bank, managing interest rates through the internal fund transfer pricing (FTP) tool, depending on the Bank's operational orientation and market developments.

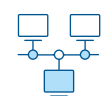
5 - RISK FACTORS

INFORMATION TECHNOLOGY SYSTEM RISK

VietinBank's IT system is on a large scale, deploying a lot of products and services on different IT platforms. The digitalization process of VietinBank's IT system is being strongly deployed with regular configuration changes and regular updates with partners' systems. Understanding information technology system security is the most important factor in our banking business and needs to be approached from bottom up, VietinBank has proactively & regularly assessed system security risks and implemented various risk control measures, including:



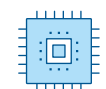
Staff capability enhancement through training courses organized by the SBV, Ministry of Information and Communication or trusted partners;



Coordination and exchange with state authorities in charge of network security and cybercriminal prevention. Communication also exchanged with top information security companies in Vietnam and around the world;



Participation in information security events locally and internationally for latest updates;



Development and standardization of our Security Information and Event Management (SIEM) system, deployment of Security Operation Center (SOC) within VietinBank IT system to ensure central monitor of individual security systems and early detection of any potential risks to take timely action;



Regular evaluation to identify security risk on new products and services testing before construction to implement appropriate control measures;



Review of the entire system security including internet banking platform and core systems before providing to customers;



Deployment of solutions to ensure the availability and readiness of IT systems, at the same time rehearsing system transfer, recovering and ensuring data safety from main data center to the disaster recovery center to ensure the system is ready to operate during a disaster at the main data center;



Application of Customer Security Program (CSP) standard for SWIFT system, ISO27001:2013 for Internet Banking system, Payment Card Industry Data Security Standards (PCI-DSS) for card system;



Documentation and implementation of security policies and processes: security assessment, security event handling, etc.;



Deployment of centralized internet access system with more advanced technology; Increase security and implement remote working solutions;



Strict control of the connection between VietinBank and its subsidiaries, member units as well as partners of VietinBank to ensure security requirements and standards;



Research, deployment and application of bio-metric authentication solutions for all types of transactions at bank counters and by electronic devices; Implementing the highest level of security for customers' biometric data, complying with government and SBV regulations on biometric data management;



Research and implementation of stress-testing on defense systems and solutions, proactive detection of signals of fraud and information leakage;



Communication and training to our people to raise their awareness of information security;



Regular communication with customers on information confidentiality risks in using banking services.

02

2021 Performance Review

- 1 Business performance
- 2 Investment activities and project implementation
- 3 Financial presentation in 2021
- 4 Shareholders structure, change in shareholder's equity
- 5 Bond issuance in 2021

1 - BUSINESS PERFORMANCE

BUSINESS RESULTS IN 2021

VietinBank actively implemented synchronous business solutions, strived to promote innovation, comprehensively restructured its operations in the direction of drastically transforming growth model, rapidly transforming income structure, deploying customer-centric strategy, determining competitive methods in the direction of focusing on developing modern financial banking solutions, improving consulting capacity, service quality, and meeting financial needs of customers to the fullest. Accordingly, VietinBank achieved positive business results in all aspects of operations in 2021, creating a solid premise for the Bank's business activities in the next period. **In detail, the results of achieving targets assigned by the GMS in 2021 are as follows:**

- VietinBank's **total assets** as at 31/12/2021 reached more than VND 1,530 trillion, a yoy increase of 14.2% and well achieved the target set by the GMS.
- Credit balance** reached nearly VND 1,140 trillion, up 11.1% yoy. Average credit balance increased 12.3% yoy, meeting the target set at the AGM; actively lowered lending interest rates to enable enterprises and individuals conveniently access credits and banking products with the lowest cost. The structure of outstanding loans shifted positively towards an appropriate level in terms of currencies and customer segments through the increasing proportion of VND loans and average loans of retail customers and SMEs. Credit granting policies were directed towards feasible projects with good credit ratings and high profitability.
- Funding growth** was in line with demand for capital and funding cost decrease in the context of favorable policies implemented by banks. Fund mobilized from enterprises and individuals reached nearly VND 1.160 trillion, an increase of over VND 172 trillion (up 17.3%) yoy. In which, demand deposits from customers increased by 20% yoy. The proportion of CASA at the end of 2021 reached more than 20%, making a positive contribution to controlling the bank's cost of capital.

- NPLs** was 1.26%, meeting the target set by the GMS; NPL coverage ratio reached 180.4%, much higher than that in 2020 (132.2%). Credit quality was tightly controlled, meeting legal regulations and safety limits requirement by the SBV. In 2021, VietinBank set up a risk provision of more than 90% of the total minimum provision for structured debts as prescribed in Circular 01 and Circular 03 of the SBV to maintain a firm reserve buffer against adverse economic fluctuations (according to the SBV's regulations, the minimum provisioning rate in 2021 is 30%).
- Business efficiency** was highly improved. **Separated PBT** in 2021 reached VND 16,860 billion, up 2.3% yoy, achieving the target set out by the GMS. **Consolidated PBT** in 2021 reached VND 17,589 billion, up 2.7% yoy.

- Net profit from lending and investment** activities reached VND 41.8 billion, an increase of 17.5% yoy. In addition to implementing policies to waive or reduce interest rates to support customers affected by the COVID-19 pandemic, VietinBank applied a flexible capital management strategy, making the most of capital sources with the most reasonable costs to optimize capital efficiency and ensure liquidity;
- Non-interest income** reached VND 11.4 trillion, accounting for 21.4% of total income; in which, net fee income increased by 13.7% yoy; Treasury dealing and FX trading achieved high results, further confirming VietinBank's position in the market. In addition, thanks to actively promoting the recovery of bad debts, exercising efforts to stick to, focus - drastically - flexible in debt settlement, the result of bad debts collection in 2021 reached VND 3.2 trillion, a yoy increase of 85%.
- Operating expenses were effectively controlled. CIR continued to fall to 32.3%.
- Business operation complied with prudential regulations by the SBV.

PERFORMANCE VS. OBJECTIVES

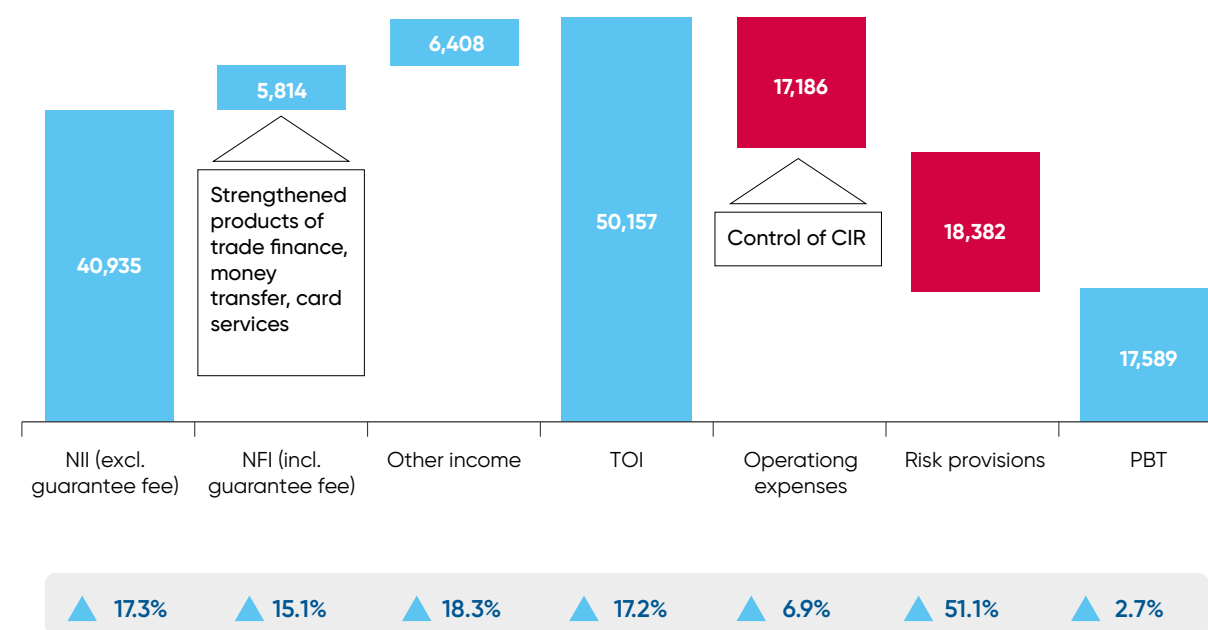
Unit: VND, billion

Indicator (consolidated)	31/12/2021	31/12/2020	31/12/2021 vs. 31/12/2020		2021 GMS target	% achieved vs. 2021 objectives
			+/-	+/- %		
Total assets	1,531,587	1,341,510	190,077	14.2%	Growth of 6% - 10%	Achieved
Fund mobilized from economic entities and individuals	1,161,848	990,331	171,517	17.3%	Growth of 8% - 12%	Achieved
Credit exposure	1,141,454	1,027,542	113,912	11.1%	Growth according to executive monetary policy of the SBV, up to 12.5%	Achieved
NPL/credit exposure	1.26%	0.94%			<1.5%	Achieved
Separated PBT	16,860	16,477	383	2.3%	16,800	100.35%
Consolidated PBT	17,589	17,120	469	2.7%	-	

Source: Audited separated and consolidated FS 2021

PROFIT STRUCTURE IN 2021

Unit: VND, billion



Incomes and profit in 2021 grew year-on-year

2 - INVESTMENT ACTIVITIES AND PROJECT IMPLEMENTATION

MAJOR INVESTMENT

In 2021, VietinBank did not undertake new major investments including financial investments and project investments.

BUSINESS PERFORMANCE OF SUBSIDIARIES AND AFFILIATED COMPANIES

VietinBank Insurance Joint Stock Corporation



Abbreviation

VBI

Registered Office

10th, 11th floor, No. 126
Đôi Cánh Street, Ba Đình
District, Hanoi

Contact

Tel: +84 24 3942 5650
Fax: +84 24 3942 5646

Business license

No. 21GP/KDBH dated
12/12/2002 and
Amended License No.
21/GPDC29/KDBH
supplementing business
operation: Insurance
ancillary services dated
12/11/2020 by the
Ministry of Finance

Business activities

Non-life insurance

Charter capital
(31/12/2021)

VND 666 billion

VietinBank's ownership

73.37%

Business field:

The company operates in the areas of non-life insurance, re-insurance and financial investment.

Business results as of 31/12/2021:

Total assets reached VND 4,451 billion, up 21% compared to the end of 2020. In 2021, VBI's business activities continued to develop and expand. Total premium reached VND 2,389 billion, up 12.5% yoy, maintaining a good growth rate given adverse impact of the COVID-19 pandemic.

The Company's PBT reached VND 203.78 billion, up 34% yoy. With the above revenue growth, market share and image of the Company in the market continued to be enhanced. **The Company has always been in the Top 10 prestigious non-life insurance companies for many consecutive years.** Specifically, VBI's market share* continuously expanded from 2.5% in 2016, over 3% in 2019, approximately 3.7% in 2020 and reached about 4.1% in 2021.

* Source: Insurance Supervisory Authority

TOTAL ASSETS

4,451 VND
BILLION
↑21%

PBT

203.78 VND
BILLION
↑34%



Abbreviation

VietinBank Capital

Registered Office

6th floor, 34 Cua Nam
Street, Hoan Kiem
District, Hanoi

Contact

Tel: +84 24 3938 8855
Fax: +84 24 3938 8500

Business license

50/UBCK-GP issued
by the SSC dated
26/10/2010 and latest
Amendment License
No. 102/GPĐC-UBCK
by the SSC dated
09/11/2021

Business activities

Fund management

Charter capital
(31/12/2021)

VND 300 billion

VietinBank's ownership

100%

VietinBank Fund Management Company Ltd.

Business field:

The company operates in the areas of fund management and conducts activities such as: planning and management of securities investment funds, portfolio management of investment trust, consultancy of securities investment and other services allowed by applicable laws.

Business results as of 31/12/2021:

PBT for the year 2021 reached VND 68.3 billion (6 times higher than that of last year) with the total revenue from financial investment activities reached VND 64.3 billion, accounting for 91.4% of the total revenue. The Company is currently managing 03 investment funds, including: 1 Open fund - VTBF Bond Fund with capital investment of VND 66 billion, net asset value (NAV) at 31/12/2021 was VND 4.2 billion; 2 Closed Funds being **VietinBank's Value Discovery Investment Fund** with capital investment of VND 100 billion, **NAV** at 31/12/2021 of **VND 203.9 billion** and Vietnam Value Investment Fund with capital investment of VND 50 billion, NAV at 31/12/2021 of VND 54.7 billion.

In 2021, the Company gradually concentrated its operation on specified core business activities (managing securities investment funds, securities investment portfolio and investment consulting services); comprehensively restructure its business operations, shifting its income structure from revenue generating from financial investment activities to service-based income; hence improving the efficiency of capital investment from parent company.

PBT

68.3 VND
BILLION
↑6 TIMES

VIETINBANK'S VALUE DISCOVERY
INVESTMENT FUND

NAV

203.9 VND
BILLION

2 - INVESTMENT ACTIVITIES AND PROJECT IMPLEMENTATION



VietinBank Securities Joint Stock Company

Abbreviation

VietinBank Securities

Registered Office

306 Ba Trieu Street, Hai
Ba Trung District, Hanoi

Contact

Tel: +84 24 6278 0012
Fax: +84 24 3974 1760

Business license

107/UBCK-GP dated
01/07/2009 by the SSC
and latest Amendment
License No. 20/
GPĐC-UBCK dated
15/02/2022 by the SSC.

Business activities

Securities

Charter capital
(31/12/2021)

VND 1,064 billion

VietinBank's ownership

75.61%

Business field:

The company operates in the areas of: brokerage, securities investment and financial advisory, securities dealing, securities underwriting, securities depository and other operations in accordance with the law for the securities company.

Business results as of 31/12/2021:

In 2021, the Company's total revenue and other incomes were reported at VND 1,067.6 billion, a remarkable increase of 174.43% yoy. PBT reached VND 481.96 billion, equivalent with 267.04% PBT set by the GMS (VND 180.48 billion) and 320.21% compared with PBT reached in 2020.

TOTAL REVENUE AND OTHER INCOMES

1,067.6 VND
BILLION
↑174.43%

PBT

481.96 VND
BILLION
↑320.21%



VietinBank Leasing Company Ltd.

Abbreviation

VietinBank Leasing

Registered Office

16 Phan Dinh Phung
Street, Ba Dinh District,
Hanoi.

Contact

Tel: +84 24 3823 3045
Fax: +84 24 3733 3579

Business license

No. 0101047075
dated 31/08/2009
granted for the 1st time
by Hanoi Planning
and Investment
Dept., amended 10th
registration dated
05/11/2020.

Business activities

Financial leasing

Charter capital
(31/12/2021)

VND 1,000 billion

VietinBank's ownership

100%

Business field:

The company operates in the area of financial leasing for businesses, individuals, families, and other organizations that are lending subjects of credit institutions.

Business results as of 31/12/2021:

The Company's 2021 PBT was VND 166.3 billion, up 12% yoy. As at 31/12/2021, total assets of the Company reached VND 3,861 billion, up 9% yoy. Total operating income was VND 328 billion, up 12% yoy, mainly from leasing activities of VND 327 billion, up 11.5% yoy. Total expense was VND 124 billion, down 10.5% yoy. Gross leasing balance reached 3,585 billion, up 8.5% yoy. Regarding the Company's position, **the Company ranked 2nd in terms of market share in local leasing activities.** Group 2 debt accounted for 0.9% of the total leasing balance; NPL ratio was reported at 0.7% of the total leasing balance.

PBT

166.3 VND
BILLION
↑12%

GROSS LEASING BALANCE

3,585 VND
BILLION
↑8.5%

2 - INVESTMENT ACTIVITIES AND PROJECT IMPLEMENTATION



VietinBank Gold and Jewelry Trading Company Ltd.

Abbreviation

VietinBank Gold & jewelry

Registered Office

2nd Floor, Hoang Thanh Tower, 114 Mai Hac De, Le Dai Hanh ward, Hai Ba Trung District, Hanoi

Contact

Tel: +84 24 3942 1051
Fax: +84 24 3939 3502

Business license

No. 0105011873 dated 25/11/2010 granted for the 1st time by Hanoi Planning and Investment Dept.; 7th Amendment dated 22/07/2019.

Business activities

Trading and manufacturing and processing of gold, gemstones and jewelry

Charter capital
(31/12/2021)

VND 200 billion

VietinBank's ownership

100%

Business field:

The company operates in the area of gold, silver, precious stones trading.

Business results as of 31/12/2021:

Total assets reached VND 238.2 billion, down 9.9% yoy. In 2021, although business performance decreased due to the adverse impacts by COVID-19 pandemic and lockdown, VietinBank Gold & Jewelry made great efforts in deploying various business activities, especially in the export of gold jewelry. The Company strived to make profit in 2021, specifically: gross profit from sale of goods and services reached VND 30.3 billion (down 36.2% yoy); total income reached VND 39.6 billion (down 55.9% yoy) and total expense was VND 29.4 billion (down 26.8% yoy). PBT for the year reached VND 10.2 billion, down 79.4% yoy.



VietinBank Debt and Asset Management Company Ltd.

Abbreviation

VietinBank AMC

Registered Office

76 Nguyen Van Cu Street, Nguyen Cu Trinh Ward, District 1, Ho Chi Minh City

Contact

Tel: +84 28 3920 2020
Fax: +84 28 3920 3982

Business license

No. 0302077030 issued by Ho Chi Minh Authority for Planning and Investment dated 20/07/2010, 6th registration dated 12/01/2021

Business activities

Asset management

Charter capital
(31/12/2021)

VND 120 billion

VietinBank's ownership

100%

Business field:

The company's major business activities include receipt and management of mortgage, pledged, guaranteed assets and collateral valuation, etc.

Business results as of 31/12/2021:

Operated as an independent business unit under VietinBank, the primary duty of the company is to provide collaterals evaluation services to VietinBank's branches, contributing significantly in the Bank risk management activities. VietinBank AMC's efficiency was strongly reflected in VietinBank's final-year results. At the end of 2021, VietinBank AMC's total revenue was VND 69.1 billion, in which asset evaluation activities contributed mostly to its revenue, reached VND 62 billion, up 17% yoy. Other income which was mainly deposit interest was VND 4.7 billion. The total cost in 2021 was VND 53.8 billion, of which the employee cost increased VND 5.5 billion yoy. PBT in 2021 reached VND 15.3 billion, up 29% yoy.

ASSET EVALUATION REVENUE

62 VND BILLION
↑17%

PBT

15.3 VND BILLION
↑29%

2 - INVESTMENT ACTIVITIES AND PROJECT IMPLEMENTATION



VietinBank Global Money Transfer Company Ltd.

Abbreviation

VietinBank Money Transfer

Registered Office

3rd Floor, VietinBank Building, 126 Doi Can Street, Ba Dinh District, City. Hanoi

Contact

Tel: +84 24 3942 8690
+84 24 3942 8691
Fax: +84 24 3942 8693

Business license

No. 0105757686 dated 03/01/2012 granted for the 1st time by Hanoi Planning and Investment Dept.; 1st amendment dated 13/03/2015.

Business activities

Monetary intermediation

Charter capital (31/12/2021)

VND 50 billion

VietinBank's ownership

100%

Business field:

The company's major business activities include overseas remittance service, money exchange service and other remittance services allowed by applicable laws.

Business results as of 31/12/2021:

Total revenue of the Company in 2021 reached VND 92.1 billion, up 3.62% yoy, mainly service-based income reported at VND 52 billion. PBT for the year 2021 reached VND 58.7 billion, slight increase compared to that of 2020.

TOTAL REVENUE

92.1 VND BILLION
↑ 3.62%

PBT

58.7 VND BILLION



VietinBank Laos Ltd.

Abbreviation

VietinBank Laos

Registered Office

No. 268 Langxang road, Hatsady ward, Chanthabouly district, Vientiane, Laos

Contact

Tel: +856 2126 3997
Fax: +856 2126 1026

Business license

No. 068/NHCHDCNDL dated 08/07/2015 issued by Lao People's Democratic Republic

Business activities

Banking and Finance services

Charter capital (31/12/2021)

USD 50 million

VietinBank's ownership

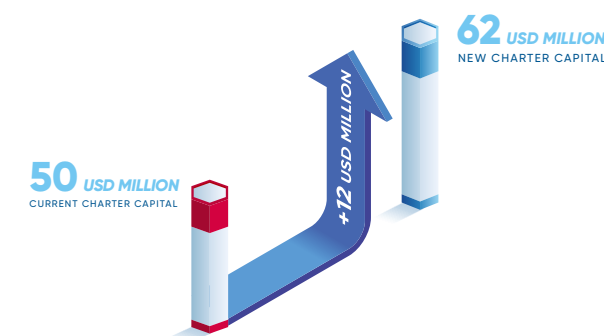
100%

VietinBank Laos started its operation in February 2012, with strong support from Central Bank of Laos, the Ministries of Laos Government and support from both Vietnamese and Laos communities; VietinBank branch in Laos has achieved remarkable results since the first years of operation. In August 2015, VietinBank branch in Laos was upgraded to be the first overseas subsidiary and wholly - owned by VietinBank with total charter capital of USD 50 million and expanded its scope of business.

Business results as of 31/12/2021:

2021 was a year full of difficulties and challenges for Laos economy in general and VietinBank Laos' business activities in particular given the context of COVID-19's severe impact. However, VietinBank Laos strived to successfully complete the tasks assigned by the BoD of VietinBank. Total assets of VietinBank Laos by the end of 2021 reached USD 279,364.25 thousand (equivalent to VND 6,309.44 billion, achieved 103% of planned target). Gross loans in 2021 were USD 237,398.27 thousand (equivalent to VND 5,361.64 billion), reaching 96% of the plan, up 16% yoy. Total mobilization of VietinBank Laos in 2021 was USD 223,828.60 thousand (equivalent to VND 5,055.17 billion), reaching 101.61% of the plan, up 34% yoy. PBT was USD 2,387.98 thousand (equivalent to VND 53.93 billion), reaching 125% of the plan. NPL was 0.25%, much lower than that of 2020 (2.05%) and lower than planned target for 2021 (1.21%). Financial indicators: ROA 0.7%, ROE 3.7% much lower than that of 2020 (2020: ROA 1.3%, ROE 7.29%). In 2021, CAR was 25.91%, up 7.9% yoy (CAR 2020 reached 18.01%).

In 2021, VietinBank's BoD issued a Resolution approving the policy of increasing the charter capital for VietinBank Laos by 12 million USD with a roadmap for implementation in 2 phases, the 1st phase is expected in 2022 and the 2nd phase is expected in 2023. After completing all procedures, VietinBank Laos will have a new charter capital of 62 million USD, creating a favorable premise for business expansion, improving financial capacity, increasing competitiveness with other banks in the market, and building a solid premise to affirm VietinBank's brand in Laos.



2 - INVESTMENT ACTIVITIES AND PROJECT IMPLEMENTATION



Indovina Limited Bank (IVB)

Abbreviation

IVB

Registered Office

97A Nguyen Van Troi Street, Ward 12, Phu Nhuan District, Ho Chi Minh City.

Contact

Tel: +84 28 3942 1042
Fax: +84 28 3942 1043

Business license

No. 101/GP-NHNN issued by the SBV dated 11/11/2019 for joint-venture bank (replacement of business registration certificate No. 08/NH-GP issued by the SBV dated 29/10/1992)

Business activities

Commercial bank

Charter capital (31/12/2021)

USD 193 million

VietinBank's ownership

50%

Business field:

The Bank's major business activities include capital mobilization and lending, foreign exchange transactions, international trade services, provision of payment services to customers and other banking services approved by the SBV.

Business results as of 31/12/2021:

Total assets as at 31/12/2021 were reported at VND 54.9 trillion, up 2.7% yoy, of which, gross loans were VND 33.2 trillion, up 0.7% yoy, accounted for 60% of total assets while NPL ratio was kept at 1.41%. The Bank's total operating income in 2021 reached VND 3,150 billion, of which: net interest income was VND 1,404 billion, down 0.4% yoy; net fee-based income reached VND 61.5 billion, down 4.3% yoy. Total operating cost amounted to nearly VND 566 billion, down 5.2% yoy. PBT for the year 2021 reached VND 989.8 billion, down 13% yoy.

GROSS LOANS

33,200 VND BILLION
↑0.9%

TOTAL ASSETS

54,900 VND BILLION
↑2.7%

3 - FINANCIAL PRESENTATION IN 2021

Unit: VND billion

Indicator (consolidated)	2021	2020	% change
Total assets	1,531,587	1,341,510	14.2%
Deposits from economic entities and individuals	1,161,848	990,331	17.3%
Credit exposure	1,141,454	1,027,542	11.1%
Profit before tax	17,589	17,120	2.7%
Profit after tax	14,215	13,785	3.15%

Indicator	2021	2020
1. Assets and Capital		
Total assets	1,531,587	1,341,510
Charter capital	48,058	37,234
Shareholders' equity	93,650	85,439
2. Business Performance		
Net interest income	41,788	35,580
Net fee and commission income	4,961	4,362
Net profit before provision for credit losses	35,971	29,288
Profit before tax	17,589	17,120
Profit after tax	14,215	13,785
NIM	3.01%	2.86%
CIR	32.3%	35.4%
ROE	15.9%	16.9%
ROA	1.2%	1.3%
3. Special-mentioned loans and NPLs		
Special mentioned loans/Credit exposure	1.0%	0.3%
NPLs/Credit exposure	1.26%	0.94%
4. Liquidity		
Liquid reserve ratio	13.3%	12.3%
LDR	81.9%	86.1%
Ratio of short-time capital used for medium & long term loans	24.3%	29.3%
CAR	> 9%	> 9%

Notes: - Figures for 2020 were adjusted according to Audit Report by the State Audit
- NIM does not include guarantee fees

4 - SHAREHOLDERS STRUCTURE, CHANGE IN SHAREHOLDER'S EQUITY

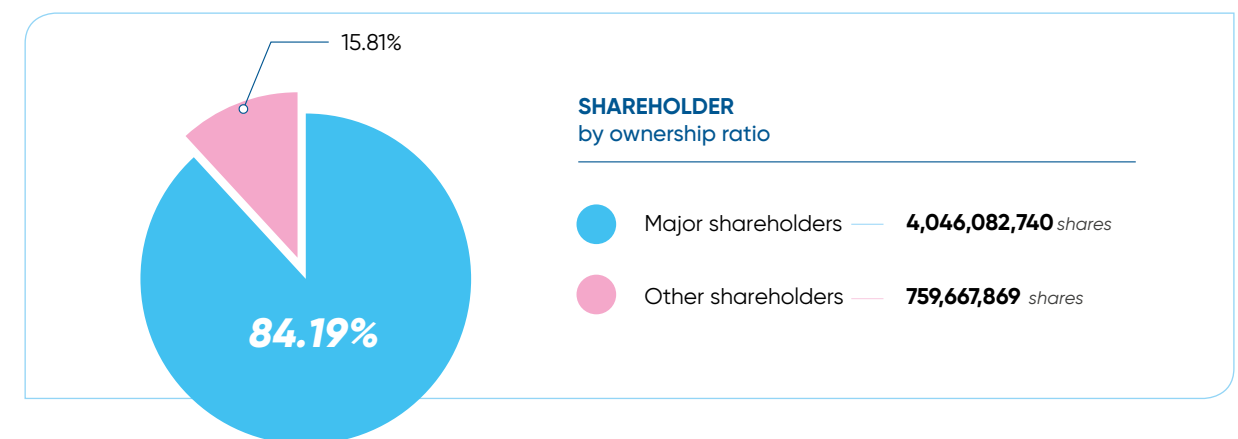
SHARES

- Total number of ordinary shares issued: 4,805,750,609 shares.
- Total number of outstanding shares: 4,805,750,609 shares.
- Number of reserve shares, treasury shares: 0 shares.
- Maximum foreign ownership rate: 30%.
- List of shareholders with restricted shares transfer (as of 28/01/2022):

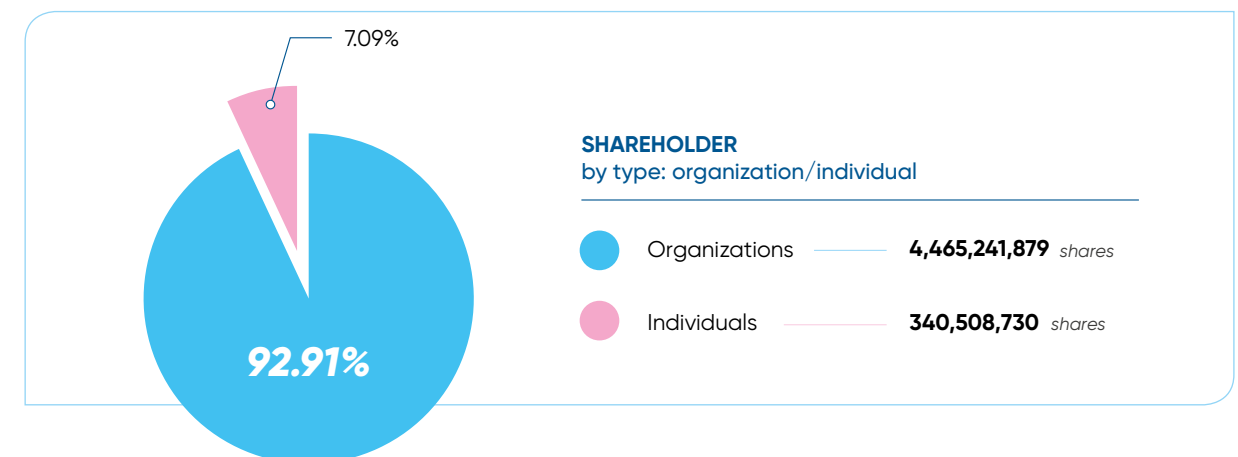
No.	Name of shareholder	ID/ Business License No./Transaction code	Number of shares	Ownership percentage (%)	No. of shares with restricted transfer
1	The State Bank of Vietnam (SBV) Represented by:	15/SL	3,097,932,535	64.46%	3,097,932,535
	Mr. Tran Minh Binh, Chairman of the BoD (40%):		1,239,173,013	25.78%	1,239,173,013
	Mr. Tran Van Tan, Board Member (30%):		929,379,761	19.34%	929,379,761
	Mr. Le Thanh Tung, Board Member (30%):		929,379,761	19.34%	929,379,761
2	Internal shareholders		122,365	0.0025%	60,409
	Board of Directors		55,066	0.0011%	55,066
	Supervisory Board		5,343	0.0001%	5,343
	Board of Management		61,956	0.0013%	0
3	VietinBank Trade Union	310/ToC-CDNH	55,157,526	1.15%	0
4	Strategic shareholder				
	MUFG Bank, Ltd.	CA6217	948,150,205	19.73%	0

SHAREHOLDERS STRUCTURE AS AT 28/01/2022

No.	SHAREHOLDER (by ownership ratio)	Number of shares	Ownership percentage (%)
1	Major shareholders (holding 5% or more of the charter capital)	4,046,082,740	84.19%
1.1	The State Bank of Vietnam	3,097,932,535	64.46%
1.2	MUFG Bank, Ltd.	948,150,205	19.73%
2	Other shareholders	759,667,869	15.81%
	TOTAL	4,805,750,609	100%

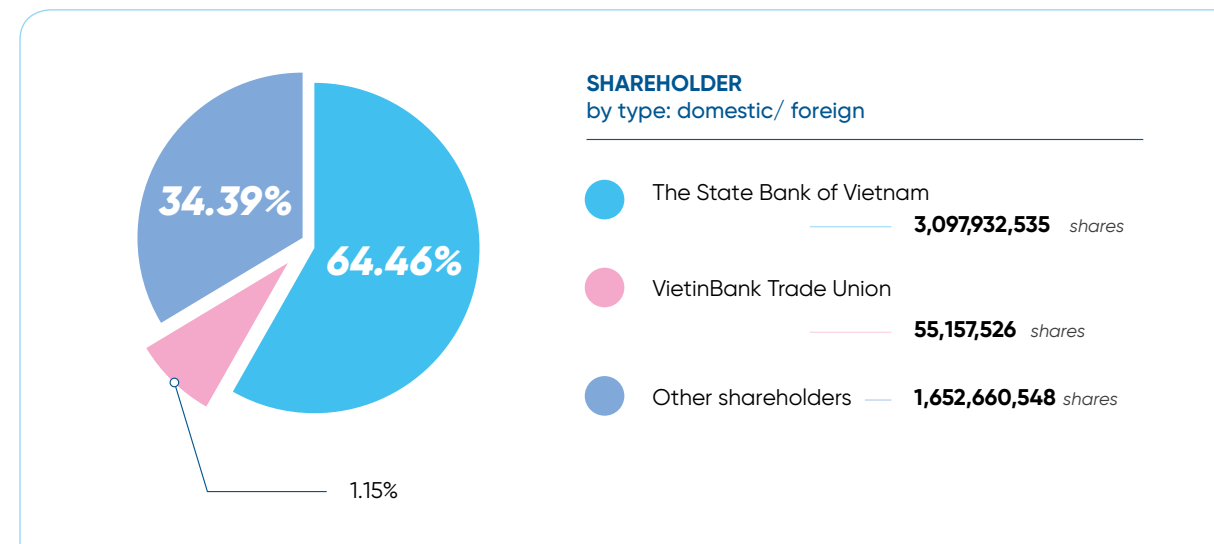


No.	SHAREHOLDER (by type: organization/individual)	Number of shares	Ownership percentage (%)
1	Organizations of which:	4,465,241,879	92.91%
	- The State Bank of Vietnam	3,097,932,535	64.46%
	- Other organizations	1,367,309,344	28.45%
2	Individuals	340,508,730	7.09%
	TOTAL	4,805,750,609	100%



4 - SHAREHOLDERS STRUCTURE, CHANGE IN SHAREHOLDER'S EQUITY

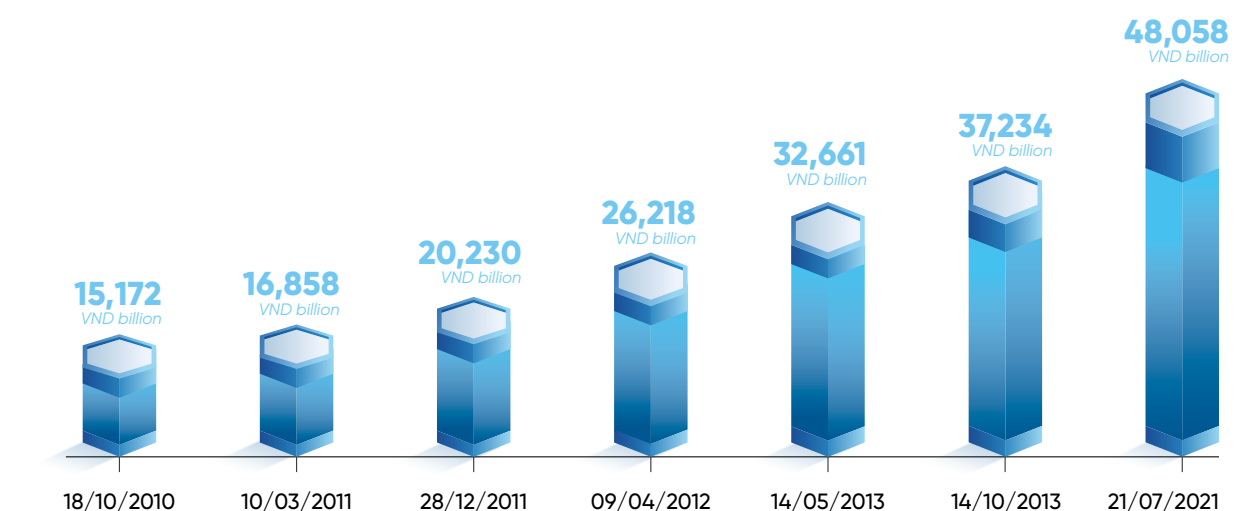
No.	SHAREHOLDER (by type: domestic/ foreign)	Number of shares	Ownership percentage (%)
1	The State Bank of Vietnam Represented by:	3,097,932,535	64.46%
	Mr. Tran Minh Binh, Chairman of the BoD (40%):	1,239,173,013	25.78%
	Mr. Tran Van Tan, Board Member (30%):	929,379,761	19.34%
	Mr. Le Thanh Tung, Board Member (30%):	929,379,761	19.34%
2	VietinBank Trade Union	55,157,526	1.15%
3	Other shareholders	1,652,660,548	34.39%
3.1	Local shareholders	406,642,053	8.46%
	- Local organizations	69,752,237	1.45%
	- Local individuals	336,889,816	7.01%
3.2	Foreign shareholders	1,246,018,495	25.93%
	- Foreign organizations	1,242,399,581	25.85%
	- Foreign individuals	3,618,914	0.08%
	TOTAL	4,805,750,609	100%



CHANGES IN SHAREHOLDERS' EQUITY

In 2021, VietinBank increased its charter capital from 37,234 billion VND to 48,058 billion VND through issuing shares to pay dividends to improve financial capacity, continue to expand business activities, and enhance capital supply capacity for the economy; ensure capital adequacy ratios, improve risk management capacity and create sustainable growth momentum. The history of VietinBank's capital increases is listed in the table below:

No.	Type of issuance	Percentage (%)	Number of shares (unit)	Ex-Dividend Date	ExecutionDate	Charter capital after issuance (VND)
1	2017, 2018, 2019 Stock Dividend	29.07	4,805,750,609	07/07/2021	21/07/2021	48,057,506,090,000
2	2013 additional shares issuing to current shareholders	14.00	457,260,208	06/09/2013	14/10/2013	37,234,045,560,000
3	Private share issuing to BTMU (now known as MUFG Bank)	19.73	644,389,811	14/05/2013	14/05/2013	32,661,443,480,000
4	2011 stock dividend and share bonus from premium	29.60	598,782,376	30/03/2012	09/04/2012	26,217,545,370,000
5	2011 additional shares issuing to current shareholders	20.00	337,162,027	29/11/2011	28/12/2011	20,229,721,610,000
6	Private share issuing to IFC	10.00	168,581,013	10/03/2011	10/03/2011	16,858,101,340,000
7	2010 additional shares issuing to current shareholders	28.00	315,083,238	06/09/2010	18/10/2010	15,172,291,210,000
	2009 stock dividend	6.83	76,848,603			



4 - SHAREHOLDERS STRUCTURE, CHANGE IN SHAREHOLDER'S EQUITY

CASH DIVIDEND HISTORY

Year	Percentage (%)	Type of payment	Ex-Dividend Date	Payment Date
2020	8.00	2020 cash dividend	14/12/2021	17/01/2022
2019	5.00	2019 cash dividend	17/12/2020	21/01/2021
2016	7.00	2016 cash dividend	27/09/2017	17/10/2017
2015	7.00	2015 cash dividend	16/01/2017	16/02/2017
2014	10.00	2014 cash dividend	23/06/2015	17/07/2015
2013	10.00	2013 cash dividend	21/05/2014	06/06/2014
2012	16.00	2012 cash dividend	06/09/2013	24/09/2013
2010	13.47	2010 cash dividend advance	14/01/2011	16/02/2011

TREASURY SHARE TRANSACTION: There was no treasury share transaction in 2021.



5 - BOND ISSUANCE IN 2021

2021 was the first year that VietinBank implemented MTBP for the period of 2021 - 2023, 10-year development strategy for the period of 2021 - 2030 and vision to 2045. With the goal of improving financial capacity, improving CAR for sustainable and efficient development, VietinBank's bond issuance focusing on tier-2 capital-raising bonds was an important topic in VietinBank's business plan and general development strategy.

By the end of 2021, VietinBank successfully had issued the total of **VND 14,422 billion** of bonds to increase Tier 2 capital, an increase of 32.8% compared to the number issued in 2020 and had completed 131.1% of the plan. VietinBank maintained its position as one out of two largest issuers in terms of volume of Tier-2 capital raising bonds among domestic credit institutions.

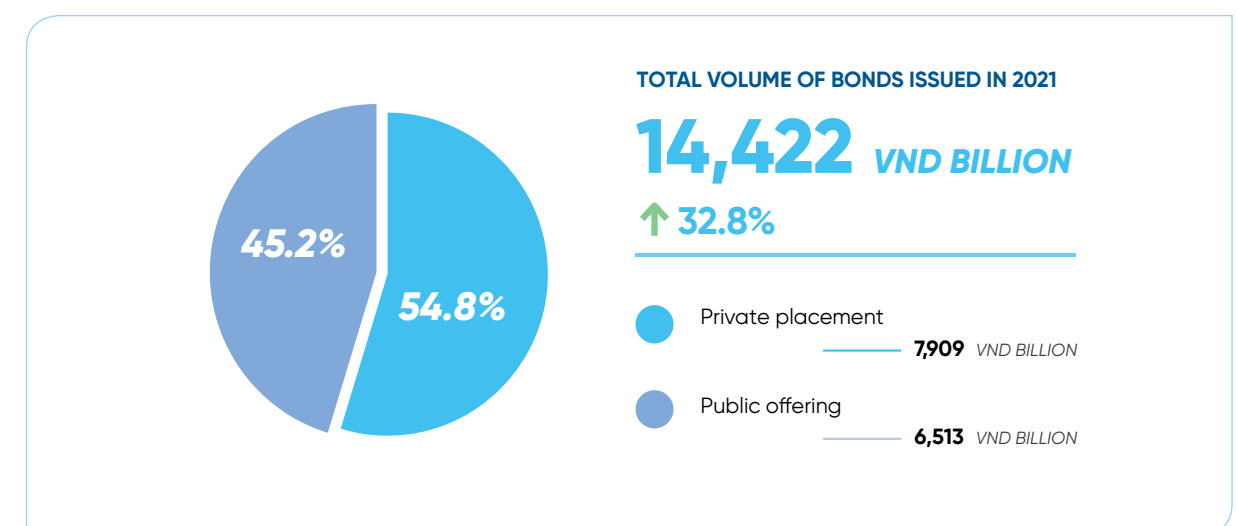
Both private and public placement channels were fully exploited with 20 private placements and 1 public offering. After 20 rounds of issuance, VietinBank issued VND 7,909 billion of bond via private placement channel, accounting for 54.8% of the total volume of bonds issued in 2021. VietinBank's bond in private placement was offered in different tenors (from 6 to 15 years) and with both floating and fixed rates which ranged from 0.4% to 1% p.a, meeting diversified investment need and appetite of customer, especially traditional financial institutions such as credit institutions and insurance companies.

In terms of public offering, despite the only one session in 2021, VietinBank successfully mobilized a large amount of bond issued via this channel with a total value of VND 6,512.91 billion, accounting for 45.2% of the total volume of bonds

issued in 2021. VietinBank's bond in public offering was issued in 2 tenors of 8 and 10-year with the floating rate based on indicative rate (*calculated by average rate applicable for 12-month VND term saving with postpaid interest of 4 biggest commercial banks namely Vietcombank, BIDV, Agribank and VietinBank*) plus a margin of 0.9 to 1% p.a. Catching up with digitalization demand in banking activities, VietinBank took full advantage of online bond sale via VietinBank iPay for retail customers and received positive customer feedbacks with significant increase in both transaction volume and value compared to that of 2020. Details of these issuances were fully disclosed by VietinBank as shown on our Investor Relations website at <https://investor.vietinbank.vn/Filings.aspx>

Along with the remarkable success in issuing large volume of bond to public, VietinBank was the very first commercial bank in Vietnam to get early listing approval from Hanoi Stock Exchange for bond offered to public immediately after issuance in accordance with new regulations in Law on Securities 2019 which took effect from 01/01/2021. Accordingly, the bond issued by VietinBank to public in 2021 was officially listed and traded since 10/01/2022.

With the impressive result from bond issuances in 2021, VietinBank reaffirmed its prestige and reputation in financial market as the leading bank among domestic credit institutions in compliance with securities regulations as well as demonstrated strong commitments of VietinBank in providing safe, effective, transparent and liquid financial products to investors.



03

Report of the Board of Management

- 1 Overview of the macro-economy and banking sector in 2021
- 2 Highlights in business performance of VietinBank in 2021
- 3 Orientation and business plan for 2022
- 4 Explanation of the Board of Management for auditor's opinion

1 - OVERVIEW OF THE MACRO-ECONOMY AND BANKING SECTOR IN 2021

A MACRO-ECONOMY

01

In 2021, the COVID-19 pandemic continued to run wild with the emergence of new variants, which hampered the global economic recovery. Fiscal measures and policies, stimulus packages coupled with the push for vaccination were credited for the pandemic control and socio-economic recovery in many countries. Nonetheless, the rising inflation rate, input price hike, imminent supply chain disruption and energy shortage posed enormous challenges to the world's economy.

02

Vietnam was among countries that suffered from the pandemic. However, thanks to the Government's efforts to accelerate vaccination and effectively deploy Resolution No.128/NQ-CP dated October 11th 2021 on "Safe and flexible adaptation, effective control of the COVID-19 pandemic", the domestic economy made positive progress in ending months of 2021.

B BANKING SECTOR

The finance and banking system was further consolidated and developed. The SBV administered integrated monetary tools and policies to regulate liquidity, control scale combined by raising credit quality. The credit growth rate of the whole industry in 2021 was about 13%, higher than that in 2020, in line with the capital absorption capacity of the economy. The SBV continued to direct, instruct commercial banks to enhance support measures for individuals and enterprises that were suffering from the COVID-19 pandemic through the policy of cutting lending rates and waiving/reducing service fees; issued Circular No.14/2021/TT-NHNN on expanding the scope of COVID-19 induced debt restructuring and extending the debt restructuring period. In addition, the SBV formulated the digital transformation plan for the banking industry until 2025 – vision towards 2030 in order to improve sustainable business performance of the banking system throughout the national digital transformation journey.

CREDIT GROWTH RATE OF
BANKING SECTOR IN 2021

13%

THE SBV FORMULATED THE DIGITAL
TRANSFORMATION PLAN FOR THE BANKING
INDUSTRY UNTIL 2025 - VISION TOWARD 2030

2 - HIGHLIGHTS IN BUSINESS PERFORMANCE OF VIETINBANK IN 2021

A VIETINBANK'S BUSINESS PERFORMANCE IN 2021



VietinBank proactively implemented integrated business measures, took the lead in adopting policies and directions of the Party and the State, made an effort to foster innovation and thorough restructuring through aggressively transforming the growth model, hastening a shift in the income structure, adopting the customer-centric strategy, driving competitiveness by focusing on developing advanced finance and banking solutions, improving advisory capacity and service quality to fully respond to customer's finance and banking demands. As a result, VietinBank successfully achieved the targets set forth by the AGM with impressive results in 2021, laying a robust foundation for the bank's business activities going forward.

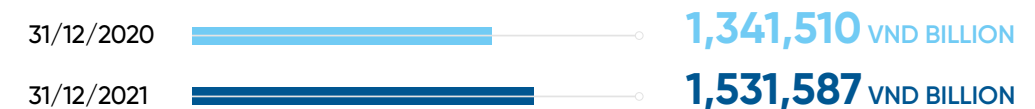
Unit: VND billion, %

Indicators	31/12/2020	31/12/2021	31/12/2021 vs. 31/12/2020		Targets set by AGM in 2021	Relative to targets set for 2021
			+/-	+/- %		
Total assets	1,341,510	1,531,587	190,077	14.2%	Growth rate of 6 - 10%	Achieved
Deposits mobilized from economic entities & residents	990,331	1,161,848	171,517	17.3%	Growth rate of 8 - 12%	Achieved
Credit exposure	1,027,542	1,141,454	113,912	11.1%	Growth rate of up to 12.5%, in line with the SBV's monetary policy	Achieved
NPL ratio/Credit exposure	0.94%	1.26%			<1.5%	Achieved
Separated PBT	16,477	16,860	383	2.3%	16,800	100.35%
Consolidated PBT	17,120	17,589	469	2.7%		

(Source: Audited separated and consolidated financial statements 2021)

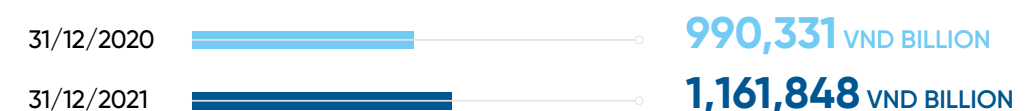
TOTAL ASSETS

✓ Achieved



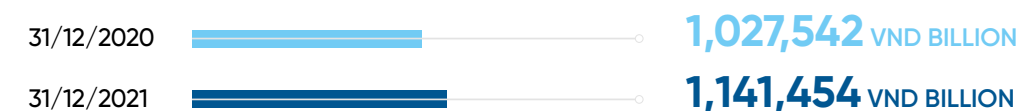
DEPOSITS MOBILIZED FROM ECONOMIC ENTITIES & RESIDENTS

✓ Achieved



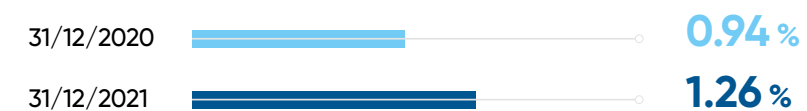
CREDIT EXPOSURE

✓ Achieved



NPL RATIO/CREDIT EXPOSURE

✓ Achieved



SEPARATED PBT

✓ Achieved 100.35% of target plan



CONSOLIDATED PBT



2 - HIGHLIGHTS IN BUSINESS PERFORMANCE OF VIETINBANK IN 2021

01

DELIVERED SUSTAINABLE GROWTH BY
SCALE, IMPROVED ASSET QUALITY

- **Total assets** on a consolidated basis reached more than VND 1.53 quadrillion, up 14.2% yoy.
- **Credit exposure** on a consolidated basis reached VND 1.14 quadrillion, up 11.1% yoy; average credit exposure picked up 12.3% from 2020. The structure of loans portfolio was continuously improved for a higher proportion of outstanding loans in VND and increased proportion of average loans balance to highly profitable segments namely retail and SMEs.
- **Fund mobilization** was in optimal balance with the credit growth rate, the COF was significantly cut against the backdrop of preferential support policies that the
- Bank proactively offered to COVID-19 impacted customers.
- **Consolidated deposit balance from Market 1 (M1)** amounted to VND 1.16 quadrillion, up 17.3% yoy. The LDR was compliant with the SBV's requirements.
- **CASA balance from M1** further went up 20% yoy. The portion of end-of-period CASA balance in 2021 exceeded 20%, making a positive contribution to the Bank's control over the COF.
- **NPL ratio** was curbed at 1.26%, in line with the target set forth by the SBV and the AGM.
- **Coverage ratio** of NPL and bonds on the balance sheet was 180.4%, much higher than that of 2020.

02

ACHIEVED THE PROFIT TARGET, DROVE A
POSITIVE SHIFT IN THE INCOME STRUCTURE

- **Non-interest income** continued to grow, making up 21.4% in 2021, specifically:
 - **Net fee income** advanced 13.7% from 2020.
 - **FX trading income** reached VND 1.8 trillion; VietinBank continued to top the market in both volume and market share of FX trading.
 - **Written-off debt recovery** was VND 3.2 trillion, significantly up 85% yoy.
- Spending and cost management were more effective than ever. The CIR was fairly curbed at 32.3% in 2021.
- In 2021, apart from proactively cutting over VND 7 trillion of profit through reducing

lending rates, fees, de-recognizing interests to support COVID-19 impacted individuals and enterprises, VietinBank continued to take the initiative in thoroughly restructuring the operations, aggressively transforming from extensive to intensive business growth model, from scale-driven to quality-driven service, pushing a shift in the structure of loan balance, expanding the portion of non-interest income, optimizing capital and operating cost efficiency of the Bank. Accordingly, the separate PBT in 2021 reached VND 16,860 billion (+2.3%), completing the AGM's target, the consolidated PBT amounted to VND 17,589 billion (+2.7%), providing VietinBank with strong financial resources to play a better role as a key State-owned commercial bank, a driving force of the economy, a major contributor to the State budget and national socio-economic development in the coming time.

03

PROMOTING ITS ROLE AS A KEY STATE-OWNED COMMERCIAL BANK, A DRIVING FORCE IN
EFFECTIVE IMPLEMENTATION OF POLICIES AND REGULATIONS OF THE PARTY AND THE STATE.

- VietinBank continued to proactively cut costs and well manage asset quality, facilitated credit growth and promoted advanced banking products and services, launched preferential lending rate programs, helped customers get access to credit and banking products and services at the lowest costs, optimally met financial needs of the economy. Since the outbreak of the COVID-19 pandemic until the end of December 2021, VietinBank disbursed over VND 940 trillion to almost 22 thousand customers suffering from the pandemic; reduced interest rate for total loan balance of VND 400 trillion owed by nearly 25 thousand customers, rescheduled
- debt payment, maintained debt groups for almost 2 thousand customers in accordance with the SBV's Circulars 01, 03 and 14 with total restructured loan balance of nearly VND 13 trillion in order to support affected individuals and enterprises restore their business activities.
- VietinBank focused credit growth on prospective business fields, industries, sectors and enterprises; allocated resources to key economic regions, accompanied regions and localities in advancing regional economic growth, making a positive contribution to the national development.

04

VIETINBANK'S SUBSIDIARIES AND AFFILIATES ACHIEVED POSITIVE BUSINESS RESULTS

Subsidiaries and affiliates of the Bank operated effectively. Their PBT grew 22% yoy.

2 - HIGHLIGHTS IN BUSINESS PERFORMANCE OF VIETINBANK IN 2021

B PERFORMANCE IN GOVERNANCE AND ADMINISTRATION IN 2021

Closely following the directions, instructions of the Government and the SBV as well as market developments, VietinBank took integrated management measures which were dynamic, consistent from the HO to business units and flexibly adaptable to the business environment, specifically as follows:

FIRST

FLEXIBLY MANAGED ASSETS AND LIABILITIES AND PRICING POLICY, OPTIMIZED CAPITAL EFFICIENCY IN THE FACE OF MULTIPLE COMPLEX DEVELOPMENTS AND CHALLENGES IN THE MARKET.

- Shifted the deposit tenor structure towards higher portion of CASA and short-term deposit balance, optimized average COF, significantly cut COF, which served as a basis for reducing lending rates in order to support COVID-19 impacted customers, and enhance the bank's competitiveness.
- Boosted fund mobilization, diversified funding channels to ensure credit growth and compliance with stricter prudent and liquidity ratios as regulated by Circular 41 starting from January 1st 2021.
- Focused on sustainable credit growth, particularly in SMEs and Retail segments with priority given to loans for production and business, loans to essential sectors and consumer loans.

SECOND

PROACTIVELY SUPPORTED COVID-19 IMPACTED CUSTOMERS AT THE REQUEST OF THE SBV.

- Proactively conducted an analysis, put forward suitable restructuring solutions by customer, group of customers to help them overcome challenges.
- Launched a credit package to support customers operating in industries, sectors affected by the pandemic.
- Pursuant to the SBV's regulations in Circulars 03 and 14, VietinBank reviewed, restructured loans, reduced and exempted interests, maintained debt groups, reduced/waived different service fees for COVID-19 impacted customers i.e international settlement fee, trade finance fee and others in order to support enterprises stay in business.

THIRD

FOCUSED ON SIGNIFICANTLY BOOSTING TECHNOLOGY-INTENSIVE PRODUCTS AND SERVICES, AND IMPROVING CUSTOMER SERVICE QUALITY.

- Fostered digital transformation in banking services, continued to invest in upgrading security solutions and adding new features on Internet Banking applications, effectively launched the campaign to acquire new eFAST and iPay users, new account holders through electronic know-your-customer (eKYC) technology, rolled out zero-fee packages to push the growth in customer base and CASA balance.
- Implemented cloud computing on iPay web application, which served as a launch pad for VietinBank to further promote the application of modern and advanced technology to business activities.
- Expanded the eco-system, moved closer to open banking, provided VietinBank's products and services on partner's applications i.e ERP connection, VietinBank's account opening and card issue on such big e-commerce platforms and applications as Grab, Shopee, Sendo, etc.
- Ran back-office operations safely, accurately, effectively and smoothly.

2 - HIGHLIGHTS IN BUSINESS PERFORMANCE OF VIETINBANK IN 2021

FOURTH

MADE EFFORTS TO STRENGTHEN FINANCIAL CAPACITY, IMPROVE FINANCIAL GOVERNANCE FROM FINANCIAL PLANNING, MONITORING AND MANAGEMENT, TO OPERATING COST CONTROL.

- After a lot of efforts to speed up the progress, in July 2021, VietinBank officially raised the charter capital from VND 37,234 billion to VND 48,058 billion through issue of stock dividends from retained earnings in the period from 2017 to 2019, creating a premise to strengthen the financial capacity of VietinBank in the coming time.
- Proactively regulated the credit growth within the SBV-approved limit, restructured the portfolio, improved the return on equity investment; issued certificates of deposits (CDs) and subordinated bonds with a view to mobilizing more middle and long-term deposits in line with credit growth.
- Improved operating cost efficiency, kept CIR on track; prioritized spending on front-office related activities.
- Introduced a set of tools to support branches in business analysis and operations with the aim of improving bank-wide performance and financial governance.

FIFTH

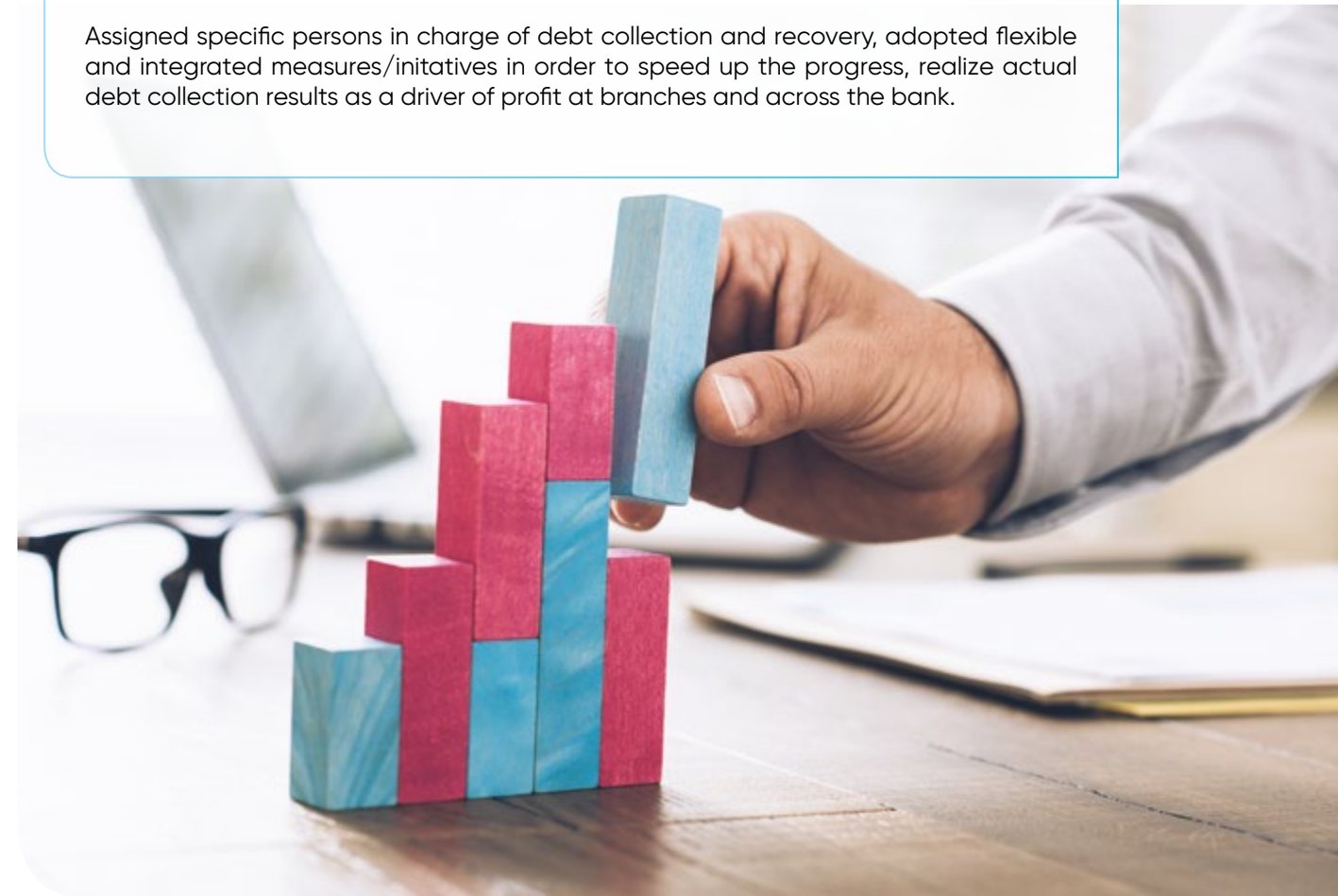
STANDARDIZED GOVERNANCE AND MANAGEMENT, FOLLOWED REGULATIONS AND PRACTICE NORMS, STRICTLY CONTROLLED ASSET QUALITY, IMPROVED THE QUALITY OF CREDIT APPRAISAL AND RISK GOVERNANCE

- Monitored the portfolio, proactively identified potentially risky customers to promptly apply appropriate debt collection and recovery measures; Regularly followed up on the developments of the economy, potentially risky sectors and industries, thereby, gradually reduced the portion of high risk-weighted assets.
- Specialized credit approval in order to improve the quality of credit appraisal and approval, raise the productivity of application processing, at the same time, increase objectivity in credit approval.
- Complied with applicable laws in credit granting. Total credit exposure to restricted borrowers as specified by Clause 1, Article 127, Law on Credit Institutions as at December 31st 2021 was VND 1,548 billion, making up 1.23% of VietinBank's capital.

SIXTH

BOOSTED NPL COLLECTION AND WRITTEN-OFF DEBT RECOVERY.

Assigned specific persons in charge of debt collection and recovery, adopted flexible and integrated measures/initiatives in order to speed up the progress, realize actual debt collection results as a driver of profit at branches and across the bank.



Based on consistent executive directions from HO to Branches, outstanding products and services, as well as impressive business results over the last period, the Bank's prestige and position have been further consolidated with various domestic and global awards: Top 10 enterprises meeting Vietnam's business culture standards in 2021, Top 100 Vietnam's sustainable businesses in 2021, Sao Khue award 2021, Excellent digital transformation enterprise award 2021, and many other awards conferred by prestigious organizations.

In addition to business activities, VietinBank continued to make positive contributions to social security in line with the guidelines and policies of the Party, the SBV and the Government. In 2021, VietinBank spared over VND 500 billion for social security affairs, including VND 166 billion in support for prevention of and fighting against the COVID-19 pandemic.



3 - ORIENTATION AND BUSINESS PLAN FOR 2022

In 2022, it is forecasted that the global and domestic economy will still be exposed to multiple challenges and risks as a result of adverse impacts from the COVID-19 pandemic, as well as trade and political tensions between major powers. However, thanks to effective control of the pandemic together with stable macro-economy appealing to foreign investors and growth quality over the last few years, the prospects for Vietnam's economic outlook are brighter. The GDP is expected to grow by 6.0 – 6.5%, the CPI shall be curbed at 4%, creating an enabling environment for business development and foreign investment attraction. The SBV continues to direct, administer flexible policy tools to stabilize the currency and market, ensure systemic liquidity, effectively provide fund for the economy, facilitate the development of credit institutions.

In order to make a breakthrough in the new period, based on the analysis of the prospects, growth drivers of the economy and achievements in 2021, VietinBank will continue to aggressively deploy executive measures, promote business activities closely in line with the directions and instructions of the Government and the SBV as well as the market developments, at the same time, further offer support policies for individuals and enterprises suffering from the COVID-19 pandemic in 2022.

The table below presents some basic indicators in 2022 that VietinBank has submitted to the competent State agency and is under consideration. Specific targets will be implemented according to the final approval of the AGM 2022.

Indicators	2022 projection
Total assets	Growth rate of 5% – 10%
Credit exposure	As approved by the SBV (the specific growth rate is in line with the monetary policy, the target set forth by the SBV and demand of the economy)
Deposits from economic entities and residents	Growth rate of 8%-10%, adjustable to the credit growth rate, compliant with the SBV's prudent ratios
NPL ratio	< 1.8%
Separate PBT	Growth rate of 15% with adjustment according to approval of the competent State authorities (VietinBank continues to aggressively improve business performance, promote the role as the key commercial bank and the driving force of the economy)
Dividend payout	Dividend payout ratio and structure (cash and stock dividends) are in line with approval of the competent State authority and applicable laws
Prudent ratios	In compliance with the SBV's regulations

SOME KEY SOLUTIONS TO DEPLOY BUSINESS ACTIVITIES IN 2022 ARE AS FOLLOWS:

FIRST

CONTINUE TO SUSTAIN SCALEGROWTH, INCREASE ACCESSIBILITY TO FINANCE AND BANKING SERVICES IN THE ECONOMY, IMPROVE BUSINESS ENVIRONMENT.

- Focus on sustainable growth, further promote the growth in SME and Retail segments, prioritize loans for production and business activities, and increase the portion of highly profitable products combined by controlling risks.
- Focus on acquiring new customers in parallel with filtering out existing customers.
- Continue to aggressively tap into large corporate and FDI customer base, with focus on customers bringing overall high benefits.
- Acquire customers and dominate the market share quickly and effectively through re-financing projects that are already put into operation, generating revenue and performing well.

SECOND

INCREASE THE PORTION OF NON-INTEREST INCOME (PARTICULARLY SERVICE FEE INCOME, FX TRADING INCOME). AGGRESSIVELY AND THOROUGHLY IMPROVE THE QUALITY OF PRODUCTS AND SERVICES, STRONGLY PROMOTE TRANSACTION BANKING AND INVESTMENT BANKING OPERATIONS.

- Focus on cross-sale and up-sale to groups of customers who are likely to use various banking products and services.
- Adopt policies/measures to leverage the sales force in selling on-demand account and alias services, promote investment banking activities to attract new customers and increase engagement and relationships with existing customers.
- Build and promote the development of competitive products, diversified investment baskets to retain and attract customers with high demand for profitable investment products.
- Develop a product sale/distribution model, strengthen sale and advisory capacity of the transaction banking sales force with a view to providing comprehensive and customized solutions, helping enterprises effectively manage their business activities.
- Put a particular emphasis on omni-channel marketing and communication for each key product.
- Expand relationships with domestic and international financial institutions. Maintain the market leader position in FX trading volume and profit.
- Enhance competitiveness in the market, promote interest rate and commodity derivatives, and proprietary trading in the interbank market.

THIRD

FOCUS RESOURCES ON PROMOTING THE GROWTH IN FUND MOBILIZATION, PARTICULARLY LOW-COST FUND.

- Flexibly manage fund balance, utilize fund to ensure compliance with prudent ratios as required by the SBV.
- Tighten the management of customer's cash flow, foster the development of e-banking channels; aggressively launch promotional product and service packages in order to encourage new current account opening.
- Acquire new customers and expand customer base through partnering with e-commerce platforms, e-wallets and online shopping applications.

3 - ORIENTATION AND BUSINESS PLAN FOR 2022

FOURTH

PROMOTE THE APPLICATION OF
TECHNOLOGY, FULL DIGITALIZATION OF
OPERATIONS.

- Develop non-cash payment solutions in line with the guidelines of the Government and the SBV. Optimize payment system and platform, as well as advanced payment products and services. Develop a multi-functional payment ecosystem, etc.
- Develop advanced, convenient, integrated, customer-centric distribution channels, study and apply Big data, AI to data analytics; cloud computing.
- Enhance application of new technologies to secure privacy and offer added values to customers.
- Ensure technical facilities, system safety and security in support of digital transformation at VietinBank.

FIFTH

BOOST NPL RECOVERY, IMPROVE
ASSET QUALITY

Mobilize resources on the best efforts basis and apply thorough, flexible and integrated solutions/measures to hasten NPL collection and written-off debt recovery, which directly drive the overall bank's profit.

SIXTH

IMPROVE RISK GOVERNANCE, ENSURE COMPLIANCE AND SAFETY IN OPERATIONS, GROW
BUSINESS COUPLED WITH STRICTLY CONTROLLING CREDIT QUALITY.

- Strictly follow regulations, abide by statutory disciplines and instructions of the SBV. Request for strict compliance with professional regulations and procedures; Personalize responsibility, pay particular attention to employee's ethics.
- Continue to review, streamline and develop a user-friendly policy document tree; closely follow up on regulations of applicable laws and the SBV to keep VietinBank's documents promptly updated; further improve policy documents in support of business promotion and risk control.
- Strengthen the ability to identify all material risks, early detect risks and work out measures to prevent possible risks; Fight against internal and external frauds, enhance management of operating system safety and information security.
- Improve the quality of cooperation among business units, credit approval units, and risk control units in order to better control credit quality for avoidance of an increase in debts group 2 and NPLs, ensuring compliance with risk limits.
- Enhance internal inspection and control, strengthen the capacity, efficiency and performance of the internal inspection and control apparatus.

SEVENTH

MANAGE COST EFFICIENCY, CONTINUE TO SECURE A POSITIVE JAW RATIO; KEEP CIR
UNDER CONTROL.

- Prioritize budget spending on operating expenses that help drive business performance of units, focus on investment in digital transformation and improvement of service quality, position, and brand identity of VietinBank.
- Foster application of information technology, improve automation ratio, raise personnel quality, reform procedures, processes, and documents, shorten turnaround time, focus resources on customer care and acquisition.
- Save costs across the bank, spend the budget practically, making sure that costs are optimally used for right purposes.

3 - ORIENTATION AND BUSINESS PLAN FOR 2022



EIGHTH

CONTINUE TO TAKE INTEGRATED MEASURES TO RAISE CAPITAL IN ORDER TO IMPROVE AND STRENGTHEN FINANCIAL CAPACITY.

- Continue to proactively control credit growth rate, issue subordinated bonds, divest from several subsidiaries, optimize risk weighted asset portfolio.
- Control the scale of risk weighted assets, adopt risk-based pricing and evaluate risk-adjusted returns.

NINTH

CONSOLIDATE THE ORGANIZATIONAL MODEL, IMPROVE PERSONNEL QUALITY.

- Continue to consolidate the organizational model, streamline the apparatus in response to business requirements.
- Effectively adopt personnel policies and tools, supplement people for front-office units, improve personnel quality and raise labor productivity.
- Deploy training and development measures to improve personnel quality.



In 2021, the Leadership and employees of VietinBank flexibly and creatively overcame challenges, setbacks and fulfilled set-forth targets. The working environment, material and spiritual life of employees were guaranteed.

In 2022, based on the financial capacity and achievements that have been built up, the Leadership and employees of VietinBank are resolved to seize opportunities, navigate difficulties and challenges, fully dedicate ourselves to excelling at business targets and plans, further consolidate the role and position of VietinBank, make positive contributions to the banking industry and national socio-economic development.



4 - EXPLANATION OF THE BOARD OF MANAGEMENT FOR AUDITOR'S OPINION

None



04

Assessment of the Board of Directors on performance of VietinBank

- 1 Assessment of the BoD on all aspects of operations of VietinBank in 2021
- 2 Supervision by the BoD over the BoM
- 3 Orientation for development in 2022
- 4 Business targets for 2022

1 - ASSESSMENT OF THE BOARD OF DIRECTORS ON ALL ASPECTS OF OPERATIONS OF VIETINBANK IN 2021



The world economy in 2021 recovered faster than expected and regained growth momentum thanks to the effectiveness of stimulus packages, many countries gradually controlled the pandemic as well as adjusted appropriate anti-pandemic policies to reopen the country. 2021 was an important year, the opening year for Vietnam's socio-economic development strategy from 2021-2030 and five-year plans 2021-2025; Vietnam gradually returned to the "new normal", focusing on economic recovery and development while making efforts to prevent, fight against and control the pandemic. 2021 was also the first year VietinBank implemented MTBP 2021 - 2023. Although the pandemic situation was very unfavorable, with the spirit of innovation from thinking to action, drastically implementing key business topics; clearing the bottlenecks in terms of policy mechanisms; allocating resources to key tasks, VietinBank's business activities achieved positive results in terms of both scale and efficiency, completed and exceeded the business plan targets assigned by the AGM, creating a firm premise for the Bank's development in the next period. At the same time, performing the role of a major and pillar bank, VietinBank pioneered in supporting the economy, businesses and people affected by the COVID-19 pandemic to overcome difficulties, stabilize their lives, resume production, recover business and develop. Specifically, the BoD assessed the Bank's activities in 2021 as follows:

01
OPTIMIZATION OF RESOURCES, DRASTICALLY IMPLEMENTING KEY BUSINESS TOPICS IN 2021

In 2021, VietinBank implemented business topics in the direction of providing comprehensive banking and financial service solutions for customers, putting customers at the center of our business, becoming the main service bank and meeting the needs of the entire ecosystem of customers with simple procedures, fast transaction processing time. Accordingly, the growth in service fees and foreign currency operating profit of the Bank was very positive compared to 2020, contributing to improving VietinBank's income structure towards sustainability; CASA market I continued to improve, increasing by more than 20% compared to 2020. The proportion of CASA customers at the end of the consolidation period increased to more than 20% in 2021. VietinBank always maintained LDR and guaranteed liquidity ratios in compliance with regulations of the SBV.

VietinBank implemented selective and effective credit growth, promoted the development of retail and SME segments, facilitated growth into industries and regions with potential for exploitation and having a rapid recovery after the COVID-19 pandemic, sectors and industries prioritized and encouraged by the Government such as green credit, supporting sustainable growth, contributing to the implementation of the program of socio-economic recovery and development. VietinBank developed mechanisms and policies according to sectors and regions in order to maximize the potential and associate the Bank's growth with key economic sectors and key economic regions as the driving force for the country's growth momentum.

02

GOOD EXAMPLE OF COMPREHENSIVE DIGITAL TRANSFORMATION IN BUSINESS AND GOVERNANCE FOR BETTER CUSTOMER EXPERIENCE

Early in 2021, in the face of severe spreading of the pandemic, VietinBank started to upgrade the services, provide more functionalities and banking solutions on electronic channels with swiftness, convenience, multi-features and well-protected security so that the accessibility and coverage of banking and financial services of businesses and people are expanded.

VietinBank continues on the strong development of banking solutions on modern and secured technology platforms. We have pushed the shifting of channels by diversifying our products and services, improving the customer experience with good services in account management, online card issue, online overdraft lending, diverse payment services across various ecosystems, even some state-of-the-art services such as self-selected account numbers, account alias, etc. We have provided the digital banking

platform eFAST to nearly 70% of our institutional customers which integrates all transaction banking products, for example, payment, receivables/payables accounts management, liquidity management, trade finance, supply chain finance, etc. We have expanded our ecosystem to become an open bank, provide ERP connections to our enterprise customers, open VietinBank accounts and issue VietinBank cards on Grab, Shopee, Sendo apps, etc. VietinBank has started Big Data analytics, AI, machine learning in data analytics and processing in support of business governance and planning. In 2021, VietinBank deployed e-Invoice system as well as utilized digital solutions in our operations such as Chatbox 4.0 - LUNA, the smart virtual assistant, e-logbook, digital signature, RPA, etc. in order to help cut operating costs and enhance fast execution capabilities.

1 - ASSESSMENT OF THE BOARD OF DIRECTORS ON ALL ASPECTS OF OPERATIONS OF VIETINBANK IN 2021

03

SUCCESSFUL RAISING OF CHARTER CAPITAL BY ISSUING SHARES FOR DIVIDEND PAYOUT

With much efforts to speed up the process, in July 2021, VietinBank completed the raising of charter capital from VND 37,234 billion to 48,058 billion by having issued shares for dividend payout from retained earnings after tax, appropriations of certain funds and cash dividend payout for years 2017 – 2019 in the rate of 29.0695%, and we are currently the second biggest bank in Vietnam in terms of charter capital. The raised charter capital has worked to help VietinBank strengthen our financial capacity, further expand our business, enhance our ability to supply funds

to the economy, keep capital adequacy ratios, improve our risk management capacity, and build a momentum for sustainable development of VietinBank. Meanwhile, with more capital at our disposal, VietinBank can further promote our position and potentials, invest in physical infrastructure, facilities and modern technology platforms, develop the services, streamline the network, and provide more value added to our customers, shareholders and socio-economic development of the country.

04

CONSOLIDATION OF THE ORGANIZATION MODEL IN ASSOCIATION WITH ACTIVE AND COMPREHENSIVE IMPLEMENTATION OF HR SOLUTIONS IN FAST RESPONSE TO BUSINESS DEMAND

VietinBank's organizational model continues to be consolidated in order to further push the execution of business solutions in support of business strategy and medium-term and long-term business plans of which focus is placed on targeted customer segments and holistic financial solutions are provided to customers (*Bancassurance Unit was set up at Retail Banking Division; Transaction Banking Sales Team model was set up at Corporate Banking Division's Financial Solutions Development Center*); bad debt collection is promoted (*the centralized debt collection model*); bank-wide governance systems are boosted up (*Finance Division's model was consolidated, IT Division was established*); standardization and streamlining of the organizations of certain divisions in order to optimize labor productivity and simplify operating procedures (*Operations Division was consolidated, Procurement & Assets Management Division was established, Marketing & Communication Division was terminated of its existence, the credit support team at the Head Office was terminated of its existence*).

VietinBank has consolidated its organizational model in association with proactive and consistent implementation of solutions to improve human resource quality, utilize talents, towards the goal of building key teams and staff members with dedication and enthusiasm, with the mindset, vision, spirit of innovation and the desire to contribute to the common good, to quickly

and promptly respond to the needs of business implementation. In 2021, besides consolidating senior management, VietinBank also strengthened mid-level management; undertook job rotations for those Branch Directors that are due for relocation of their offices; comprehensively and extensively renovate the recruitment and appointment of staff, piloting internal recruitment through the form of examinations for the titles of Deputy Director of Branch and heads of some departments at the Head Office. At the same time, promoting early talent identification, building a training roadmap and comprehensive development of human resources for the positions of middle and strategic managers of VietinBank through comprehensive reforms of identifying and HR resource planning for middle management positions, delivering Agile Management training for senior and middle-level managers with the goals of promoting efficiency of coordination between individuals and units, empowering and engaging employees, improving labor productivity to meet the requirements of human resource quality with fast execution capabilities.

Besides, VietinBank has effectively utilized employment and labor policies, employee headcount quotas, and provided proper HR arrangements to promptly respond to business demands, standardize and streamline the organizational models of functional divisions in order to optimize labor productivity and simplify operating procedures. Thanks to a number of flexible employment policies including outsourcing, hiring of external experts or lump-sum contracts of piecemeal employment, etc., VietinBank has fully utilized the available human resources with good quality, efficiency and reasonable costs.



05

ENHANCED RISK MANAGEMENT, STRICTER DISCIPLINE AND SENSE OF COMPLIANCE

In 2021, amid the wide spreading of COVID-19 pandemic and its adverse impact on the lives and businesses of the population and the business community across the country, VietinBank aggressively pursued a number of strong actions in control of debt quality, in early identification of business risks for fast tracking and work-flowing of debt collection measures so that we can minimize the losses. Besides, VietinBank has taken serious relief actions in support of the affected customers in a substantial and timely manner, for example, restructuring debts while keeping the debt's current group (as allowed in Circular 01 and its subsequent amendments), reducing profit by lowering lending interest rates and service fees, providing relief programs to help customers overcome their obstacles, recover and grow their businesses. The appropriations of provisions and use of such provisions fund to write off debts are done in adherence to applicable laws and the SBV regulations. The amount of provisions appropriated in 2021 was VND 18,382 billion, of which the appropriated provisions for COVID-affected customers with restructured debts and retained debt group were much greater than (more than 90%) the minimum percentage required by the SBV (30%). The amount of provisions fund spent on writing off debts was VND 5,175 billion. Thanks to these efforts, the NPL ratio at the end of 2021 was kept at 1.26% in adherence to the AGM-set target of less than 1.5%. The NPL coverage ratio has been improved to rise to 180.4% which is much higher than 2020's (~132.2%).

1 - ASSESSMENT OF THE BOARD OF DIRECTORS ON ALL ASPECTS OF OPERATIONS OF VIETINBANK IN 2021

06

REINVIGORATED GOVERNANCE AND MANAGEMENT, RAISING THE ROLES AND RESPONSIBILITIES OF THE LEADERS AND HEADS, CASCADING THE CUSTOMER-CENTRIC AND BUSINESS-DRIVEN CULTURE

In 2021, governance and management have shown significant changes in the direction of proactiveness, promoting flexible management thinking, sense of innovation and bravery to act for the greater good. At the same time, discipline has been maintained and strict supervision has been implemented. VietinBank has strengthened the roles and responsibilities of leaders and heads in organizing and directing business mandates and tasks. Strict disciplinary actions were taken against employees who committed breaches and wrongdoings. Resources have been utilized optimally in line with VietinBank's business plans to execute effectively the given tasks and expand business growth with prudence and profitability. VietinBank has strongly communicated the bank's corporate culture, especially cascading down the core value of "customer-centricity" so that the quality of the bank's products and services is further improved.



07

PROMOTING SUSTAINABLE DEVELOPMENT. MAKING POSITIVE CONTRIBUTIONS TO THE SOCIO-ECONOMIC DEVELOPMENT OF THE COUNTRY

Given its position as a leading commercial bank in Vietnam, playing a pivotal role in the economy, supporting the development of the country, in addition to the goals of effective business and profit growth, VietinBank continues to contribute positively to the socio-economic development of the country. Recognizing the important role and influence of environmental and social factors in the bank's sustainable development, and at the same time trying to realize the sustainable development goals in VietinBank's Development Strategy toward 2030 with a vision to 2045, VietinBank has proactively developed policies and products to create a flexible mechanism in financing green projects, while always prioritizing resources to finance investment projects in environmental safeguards, climate

change responses and actions, and sustainable development. In 2021, VietinBank's green loans have grown by 80% vs. 2020, finances were provided to a variety of environmentally friendly areas such as waste treatment and pollution prevention & control, green agriculture, and clean energy, etc. In addition, VietinBank further promotes technology applications, builds environmentally-friendly behaviors for the customers, develops electronic transaction channels on eFAST and iPay, and launches new payment services and methods on modern technology platforms. Payment transactions on digital channels in 2021 grew strongly by 138% over the same period, contributing to the goal of greening banking system operations.

2 - SUPERVISION BY THE BOD OVER THE BOM



Through monitoring activities by the BoD over the BoM, it proves that the BoM has timely implemented all the orientations and directions of the BoD as well as the tasks according to the assigned functions and duties.

Based on the orientation of the BoD with important strategic goals in VietinBank's Mid-term Business Plan (MTBP) 2021-2023, 10-year development strategy 2021-2030, Vision to 2045 that were approved by the BoD, the CEO/Deputy CEO in-charge of the BoM developed and implemented specific tasks to each BoM member; instructed, assigned business targets and tasks to each Division/Department/Board to implement, reported fully and promptly in writing to the BoD on the results of the assigned tasks and rights. In 2021, the BoM has innovated the direction and administration methods, closely monitored and regularly updated the complicated development of the COVID-19 pandemic, macro-economic situation, market developments, orientations and directions of the Government, the State Bank of Vietnam (SBV) and the BoD to strictly and drastically implement business solutions as well as measures to join hands with the Government, businesses and people in preventing, fighting and repelling the COVID-19 pandemic.

At monthly meetings of the BoD, the CEO/Deputy CEO in-charge of the BoM fully reported

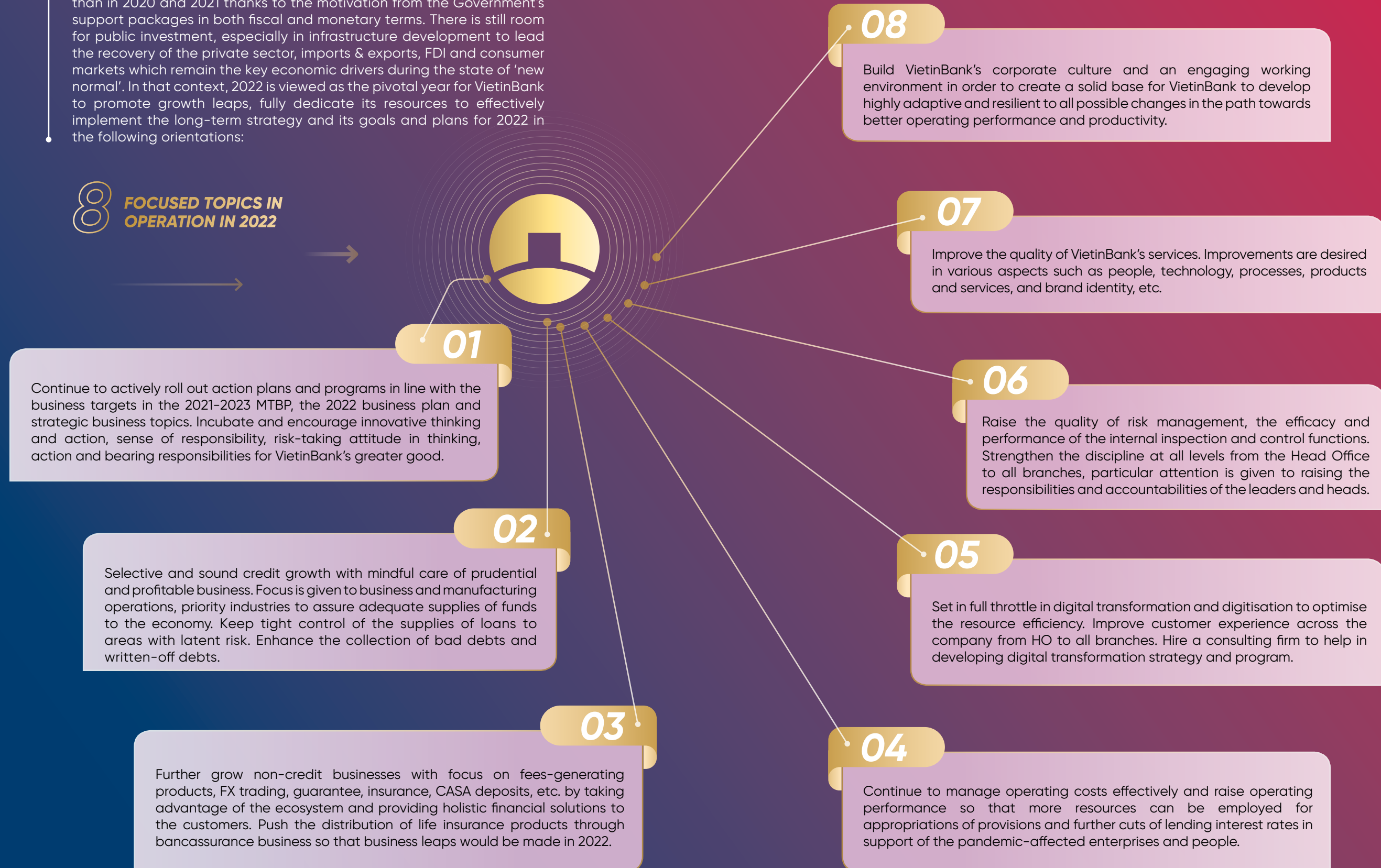
on VietinBank's activities and highlights of the month on: (i) interest rate policy, growth promotion programs; (ii) products and services; (iii) customer support; (iv) internal control and inspection; (v) risk management, debt collection; (vi) developments and situation of the COVID-19 pandemic, measures and effectiveness in disease prevention and control, ensuring the maintenance of safe and continuous operations; and (vii) business plan in the coming months. The CEO/Deputy CEO in-charge of the BoM also reported on progresses and results of the implementation of GMS Resolutions, BoD Resolutions and Decisions; reports on several topics as required by the BoD; status of implementation of the Risk Control Limit, the proposed measures when the limit(s) was (were) in danger of being exceeded or the risk of generating an unanticipated material risk, as well as proposals to the BoD.

The BoD recognized and highly appreciated the efforts of the BoM in performing their duties and successfully completing the business plan targets assigned by the AGM 2021. Members of the BoM had promoted the exemplary spirit and responsibility in building a professional and friendly working environment, spreading corporate culture and engaging employees in the Bank's activities.

3 - ORIENTATION FOR DEVELOPMENT IN 2022

The macroeconomic picture in 2022 is expected to have more bright spots than in 2020 and 2021 thanks to the motivation from the Government's support packages in both fiscal and monetary terms. There is still room for public investment, especially in infrastructure development to lead the recovery of the private sector, imports & exports, FDI and consumer markets which remain the key economic drivers during the state of 'new normal'. In that context, 2022 is viewed as the pivotal year for VietinBank to promote growth leaps, fully dedicate its resources to effectively implement the long-term strategy and its goals and plans for 2022 in the following orientations:

8 FOCUSED TOPICS IN OPERATION IN 2022



4 - BUSINESS TARGETS FOR 2022

Indicators	2022 projection (*)
Total assets	Growth rate of 5% – 10%
Credit exposure	As approved by the SBV (the specific growth rate is in line with the monetary policy, the target set forth by the SBV and demand of the economy)
Deposits from economic entities and residents	Growth rate of 8%-10%, adjustable to the credit growth rate, compliant with the SBV's prudent ratios
NPL ratio/Credit exposure according to Circular 02	< 1.8%
Separate Profit before tax	Growth rate of 15% with adjustment according to approval of the competent State authorities (VietinBank continues to aggressively improve business performance, promote the role as the key commercial bank and the driving force of the economy)
Dividend payout	Dividend payout ratio and structure (cash and stock dividends) are in line with approval of the competent State authority and applicable laws
Prudent ratios	In compliance with the SBV's regulations

(*) Final targets are subject to approval of the AGM 2022.



In the light of innovative thinking and determination, initiative, creativity and pioneering spirit, the BoD, the Management Team and all employees of VietinBank will continue to leverage the achievements, seizing every opportunity, joining hands to overcome challenges, sparing no efforts and being highly dedicated to successfully complete the set targets. Thereby, its role as Vietnam's key commercial bank shall be reaffirmed, bringing about greater values for the bank's shareholders, employees; taking significant contribution to the country's socio-economic development.



05

Corporate governance

- 1 Activities of the BoD in 2021
- 2 Activities of Supervisory Board in 2021
- 3 Transactions, remuneration and interests of the BoD, Supervisory Board and BoM



1 - ACTIVITIES OF THE BOD IN 2021

BOARD MEMBERS AND STRUCTURE OF THE BOD

- The number of Board Members and their respective share ownership are presented in the table below (as of 28/01/2022):

NO	FULL NAME (including title)	TOTAL	OWNERSHIP (%)
1	Mr. Tran Minh Binh - Chairman	1,239,176,117	25.7853%
-	Individual ownership	3,104	0.0001%
-	State capital representative	1,239,173,013	25.7852%
2	Mr. Tran Van Tan - Board Member	929,379,761	19.3389%
-	Individual ownership	0	0 %
-	State capital representative	929,379,761	19.3389%
3	Mr. Le Thanh Tung - Board Member	929,379,761	19.3389%
-	Individual ownership	0	0%
-	State capital representative	929,379,761	19.3389%
4	Ms. Tran Thu Huyen - Board Member	51,844	0.0011%
5	Mr. Nguyen The Huan - Board Member	0	0%
6	Ms. Pham Thi Thanh Hoai - Board Member	118	0.000002%
7	Mr. Masashige Nakazono - Board Member	0	0%
8	Mr. Masahiko Oki - Board Member and Deputy General Director	0	0%
9	Ms. Nguyen Thi Bac - Independent Board Member	0	0%
TOTAL		3,097,987,601	64.4642%

- As at 31/12/2021, Board Members of VietinBank did not hold any position at other relevant companies.
- Independent Board Member: as at 31/12/2021, VietinBank BoD comprised of 1 Independent Board Member Ms. Nguyen Thi Bac.
- Changes in Board Members during the year 2021: (please refer to "Our Leadership Team" on Page 27)

COMMITTEES UNDER THE BOD

VietinBank has 03 committees under the BoD, namely Human Resource Committee (HRC), Risk Management Committee (RMC) and Policy Committee (PC). The establishment of these Committees complies with the regulations of the SBV and the provisions of law. In 2021, the Committees worked closely with relevant Departments/Units to effectively carry out their functions and duties according to their Regulations on Organization and Operation issued by the BoD respectively. Details are as follow:

- HRC:** is an advisory and assisting agency for the BoD on dealing with issues under the BoD's authority in developing HR policies, recruiting, and arranging personnel for titles under the BoD's authority; assisting the BoD in supervising the implementation of VietinBank HR mechanism, policies and management activities. Regarding the composition, the Chairman of VietinBank's BoD is also the Chairman of HRC, one Board Member cum Human Resources Director is the Vice Chairman of HRC and the other member of HRC is the Director of HR Development Department. In 2021, HRC held 10 meetings and consulted the members of HRC to advise and assist the BoD in personnel matters: consolidate the position of Chairman of the BoD, Head/Deputy Head of

Division and supplement personnel under the authority of the BoD at Head Office, branches, subsidiaries and non-business units to ensure compliance with the regulations and procedures of VietinBank. Regarding organizational structure model, in 2021, HRC advised and assisted the BoD in directing the establishment and consolidation of these divisions: consolidation of Finance Division, Office of the BoD; establishment of Information Technology Division, Procurement & Asset Management Division, Marketing & Communication Division. HRC has been continuing to advise the BoD on consolidating the organizational model of Divisions that directly affected business activities including Customers Divisions, Finance Division, Operation Division, centralized debt settlement mechanism, Banca Unit model, Transaction Banking Sales model in order to continue promoting the implementation of business strategy 2021 – 2023.

- Risk Management Committee (RMC):** The personnel structure of the RMC includes 1 member of the BoD who is the Chairman of the RMC, and other members are: A current Board Member, an independent Board Member, the Director of Risk Management Division, the Deputy Chief of the BoD Office, the Deputy Director of the Legal & Compliance Division cum Director of Compliance Management Department, the Director of Credit & Investment Risk Management Department and the Director of Internal Control Department. In 2021, the RMC held periodical meetings according to its regulations on operation, and based on meeting results, the RMC actively advised the BoD to issue significant risk management policies and guidelines such as: risk appetite in the period of 2021-2023, credit orientation 2021; Credit Risk Control Limits Package 2021; advise on amending the Internal Credit Rating System and debt classification according to the Circular 02, adjusting the credit mechanism for several fields and forms of credit granting... In addition, on the basis of monitoring the situation of risks at VietinBank, RMC proposed to the BoD many important issues on risk management so that the BoD would direct and orient the BoM and business units to ensure the safety, efficiency and compliance of VietinBank's business operations according to regulations of law especially in the context of 2021 when the complicated development of the COVID-19 pandemic had comprehensively impacted the operations of credit institutions in general and VietinBank in particular.

- Policy Committee (PC):** Perform its role of advising and assisting the BoD on issues related to system of policy documents of VietinBank. In terms of composition, 1 member of the BoD is the Chairman of the PC, the Deputy General Director cum Director of the Risk Management Division is the Vice Chairman of the PC; other members of the Committee are Heads of Departments such as Compliance Management, Internal Control, Credit and Investment Risk Management, Legal, Accounting Policy, Financial Solution Development Center for Corporate Customers, Retail Product Development, HR Policy and Organizational Development and a number of other units convened according to each meeting topic. In 2021, the PC held 7 formal meetings and 1 face-to-face discussion with Branches as well as many informal meetings to grasp the outstanding issues of the policy documents system and gave opinions to direct the departments as well as advise and propose the BoD to promptly adjust the of Policy documents system, gave specific orientations for the new issuance/cancellation/amendment, supplement/replace the policy documents on the basis of assessing the necessity to change the policy documents, ensuring the uniformity and consistency of the policy documents system and in line with the registered MTBP. In addition, in 2021, the PC also held many meetings on different topics to solve problems in developing and managing VietinBank's system of policy documents, then advise and propose to the BoD to handle conflict points in current activities, then realizing the goals of VietinBank's strategy. In addition, with the orientation of streamlining policy documents for users, the PC also consulted and proposed the BoD to establish the Steering Committee for restructuring VietinBank's policy document system which directed

1 - ACTIVITIES OF THE BOD IN 2021

to review all items in the current policy document system and relevant legal regulations, then giving a comprehensive plan of restructure the system of policy documents. In order to ensure that the implementation of the approved restructuring plan was effective and fast, the PC held a meeting to agree on the implementation plan to research and propose the policy documents system restructuring plan, and to urge relevant departments to implement. These contents will be the premise for the completion of VietinBank's strategic goals in the coming period.

ACTIVITIES OF THE BOD IN 2021

In 2021, VietinBank's BoD held monthly meetings to evaluate business results and provide orientations and directions for VietinBank's operations as well as exchanging ideas on a number of issues and topics related to corporate governance. Additionally, the BoD resolved many other issues under the approval authority of the BoD through the form of collecting written opinions from Board Members. Details are as follows:

No.	Board member	Position	Day becoming Board member	Day no longer Board member	Number of attendance	Percentage	Reasons for absence
1	Mr. Tran Minh Binh	Chairman of the BoD	07/09/2021		292/292	100%	
2	Mr. Tran Van Tan	Board member (in-charge of activities of the BoD from 03/07/2021 to 07/09/2021)	23/04/2019		292/292	100%	
3	Mr. Le Thanh Tung (1)	Board member	03/11/2021		75/75	100%	
4	Ms. Tran Thu Huyen	Board member	24/07/2014		291/292	99.7%	Absent from 1 meeting due to business trip
5	Mr. Nguyen The Huan	Board member	23/04/2019		292/292	100%	
6	Ms. Pham Thi Thanh Hoai	Board member	23/04/2019		292/292	100%	
7	Mr. Masahiko Oki	Board member cum Deputy CEO	23/05/2020		292/292	100%	
8	Mr. Masashige Nakazono (2)	Board member	16/04/2021		254/254	100%	
9	Ms. Nguyen Thi Bac	Independent	23/05/2020		292/292	100%	
10	Mr. Le Duc Tho	Chairman of the BoD	29/04/2014	03/07/2021	94/94	100%	Neither attend BoD meetings nor give written opinions since 03/07/2021 (no longer being a BoD member)
11	Mr. Shiro Honjo	Board Member	23/05/2020	16/04/2021	37/38	97%	Absent from 1 meeting due to business trip. Neither attend BoD meetings nor give written opinions since 16/04/2021 (no longer being a BoD member)

Notes:

(1) Attend BoD meetings and give written opinions since 03/11/2021 (start being a BoD member)

(2) Attend BoD meetings and give written opinions since 16/04/2021 (start being a BoD member)

- The total number of meetings of the BoD in 2021 is **292**, including in-person meetings and written opinions. Contents and voting results of these meetings were presented in Appendix 01, Corporate Governance Report 2021 which was publicly disclosed on VietinBank's IR website at the link: <https://investor.vietinbank.vn/Handlers/DownloadAttachedFile.ashx?NewsID=86196>
- Mr. Masahiko Oki: is a residential Board member, **(i)** attended all BoD's in-person meetings and **(ii)** gave written opinions to the BoD.
- Mr. Masashige Nakazono and Mr. Shiro Honjo: are non-residential Board members, **(i)** attended some BoD's in-person meetings and **(ii)** gave written opinions to the BoD.
- From 01/01/2021 to 16/04/2021: VietinBank's BoD for the term of 2019-2024 includes **9** members: Mr. Le Duc Tho – Chairman of the BoD, Mr. Tran Minh Binh – Board member cum CEO, Mr. Tran Van Tan – Board member, Ms. Tran Thu Huyen – Board member, Mr. Nguyen The Huan – Board member, Ms. Pham Thi Thanh Hoai – Board member, Mr. Masahiko Oki – Board member cum Deputy CEO, **Mr. Shiro Honjo – Board member** and Ms. Nguyen Thi Bac – Independent Board member.
- From 16/04/2021 to 03/07/2021: VietinBank's BoD for the term of 2019-2024 includes **9** members: Mr. Le Duc Tho – Chairman of the BoD, Mr. Tran Minh Binh – Board member cum CEO, Mr. Tran Van Tan – Board member, Ms. Tran Thu Huyen – Board member, Mr. Nguyen The Huan – Board member, Ms. Pham Thi Thanh Hoai – Board member, Mr. Masahiko Oki – Board member cum Deputy CEO, **Mr. Masashige Nakazono – Board member** and Ms. Nguyen Thi Bac – Independent Board member.
- From 03/07/2021 to 07/09/2021: VietinBank's BoD for the term of 2019-2024 includes **8** members: **Mr. Tran Van Tan – Board member in-charge of activities of BoD**, Mr. Tran Minh Binh – Board member cum CEO, Ms. Tran Thu Huyen – Board member, Mr. Nguyen The Huan – Board member, Ms. Pham Thi Thanh Hoai – Board member, Mr. Masahiko Oki – Board member cum Deputy CEO, Mr. Masashige Nakazono – Board member and Ms. Nguyen Thi Bac – Independent Board member.
- From 07/09/2021 to 03/11/2021: VietinBank's BoD for the term of 2019-2024 includes **8** members: **Mr. Tran Minh Binh – Chairman of the BoD**, Mr. Tran Van Tan – Board member, Ms. Tran Thu Huyen – Board member, Mr. Nguyen The Huan – Board member, Ms. Pham Thi Thanh Hoai – Board member, Mr. Masahiko Oki – Board member cum Deputy CEO, Mr. Masashige Nakazono – Board member and Ms. Nguyen Thi Bac – Independent Board member.
- From 03/11/2021 to 31/12/2021: VietinBank's BoD for the term of 2019-2024 includes **9** members: Mr. Tran Minh Binh – Chairman of the BoD, Mr. Tran Van Tan – Board member, **Mr. Le Thanh Tung – Board member**, Ms. Tran Thu Huyen – Board member, Mr. Nguyen The Huan – Board member, Ms. Pham Thi Thanh Hoai – Board member, Mr. Masahiko Oki – Board member cum Deputy CEO, Mr. Masashige Nakazono – Board member and Ms. Nguyen Thi Bac – Independent Board member.

1 - ACTIVITIES OF THE BOD IN 2021

ACTIVITIES OF THE INDEPENDENT BOARD MEMBER

From 23/05/2020 until now, VietinBank's BoD in 2019 - 2024 term comprises of 1 Independent Board Member Ms. Nguyen Thi Bac.

Exercising the rights and responsibilities of the Independent Board Member in accordance with the provisions of the current law and the system of mechanisms and internal governance regulations of VietinBank, the Independent Board Member of VietinBank fully participated in the activities of VietinBank's BoD in compliance with the provisions of VietinBank's Charter and the law, specifically:

- **Exercising the rights and responsibilities of the BOD members:**

- Participating fully and actively in face-to-face meetings, being responsible for giving ideas and opinions on the discussed contents with the sense of building VietinBank to develop safely and effectively.
- Commenting on the draft amendments to the Charter of VietinBank; participating in voting to amend the Regulation on organization and operation of the Board of Directors of VietinBank.
- Participating in voting to issue internal regulations related to organization, personnel, governance and operations of VietinBank and other issues under the authority of the BoD. (the Independent Member fully and responsibly researched, given opinions, commented or voted independently, ensuring compliance with laws and internal policies of VietinBank and timeline).
- Participating in voting to promulgate policies, development strategy of VietinBank, orientation of VietinBank's business focus in 2022; participating in high-level supervision activities and directing the CEO in performing his/her tasks.
- Participating in voting on the program and operation plan of the BoD, programs, contents and documents proposed to the GMS and the convening of the GMS.

- **Performing the duties of an Independent Board Member:**

- Regarding supervising the vote counting and making Minutes of vote counting to collect opinions of Board Members on documents submitted to the BoD for approval as well as signing the Minutes of vote counting: the Independent Board Member supervised the vote counting and making of Minutes of vote counting to collect opinions of Board Members for all documents submitted to the BoD for approval, ensured accuracy in accordance with the provisions of the Law and VietinBank's Charter and fully signed the Minutes of vote counting.
- Prepared assessment report on the BoD's activities.

- **Participating in solving legal issues as assigned by the BoD:** making reports and giving opinions responsibly on the issues assigned or requested for juridical advice and support; participating in the interview committee for the position of leader of the legal unit.
- **Exercising the role of Member of the Risk Committee under the BoD:** fully attending meetings of the Risk Management Committee and giving independent opinions on the discussed contents; Participating fully and ensuring the progress of opinions on the contents requested by the Risk Management Committee, actively contributing to the development of VietinBank's risk management strategies, policies and procedures.
- **Fully participating in training courses related to corporate governance designed for Board Members, members of the Supervisory Board, and members of the Board of Management in 2021.**

“

WITH THE INDEPENDENT NATURE WHEN JOINING THE BOD, THE ROLE OF THE INDEPENDENT BOARD MEMBER IN VIETINBANK'S BOD ACTIVELY CONTRIBUTED TO IMPROVING THE OBJECTIVITY, TRANSPARENCY, EFFICIENCY AND QUALITY OF THE RESOLUTIONS AND DECISIONS OF THE BOD.

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1 - ACTIVITIES OF THE BOD IN 2021

CORPORATE GOVERNANCE TRAINING

VietinBank always considers the governance in business performance as well as the goal of safe and sustainable development to be important.

In 2021, VietinBank's BoD, Supervisory Board, BoM and Directors of Head Office departments/divisions attended online, virtual conferences and seminars organized by international consulting units, strategic partners to update, share knowledge and experience in corporate governance, deploy projects, activities to improve competence in risk management, HR management, financial management, payment activities development, application of digital technology to all activities of the bank, etc. Therefore, VietinBank's BoD, Supervisory Board, BoM and other management levels kept updating new knowledge and corporate governance standards according to domestic and international practices to continuously improve, acquire, select and apply in practical situations of VietinBank's operation.



Below are several courses that VietinBank senior leaders attended in 2021:

No.	Course name	Course duration	Number of senior leaders participated
1	Training on leadership thinking and flexible management	6 sessions	8 people
2	Leadership Skills Program in the Era of Digital Transformation - Transformational Leadership	2 sessions	6 people
3	Overview of digital transformation in banking activities	2 sessions	7 people
4	Application of block chain in banking and finance activities	1 sessions	6 people
5	Participate in directing, teaching and learning at professional training programs such as anti-money laundering, corporate and retail banking products and services, operations training, leadership skills training, DevOps training, professional skills related to credit support...	1 sessions	5 people

Below are several conferences, seminars/talkshows that VietinBank senior leaders attended and organized in 2021:

No.	Name of program	Time of event
1	DELL Technologies Forum - South Asia 2021 - VietinBank shared practical experiences on digital transformation and the application of Artificial Intelligence in banking activities	July 2021
2	Gartner IT Symposium APAC 2021 Conference - VietinBank attended the CIO Roundtable on Financial Services to share about VietinBank's digital transformation as well as the results of technology application in banking activities	October 2021
3	Workshop on digital transformation solutions in the Banking and Finance Division organized by VNPT	November 2021
4	Conference on breakthrough on data and information platform organized by FPT	December 2021

In the coming time, VietinBank will continue to study and deploy courses on corporate governance organized by the State Securities Commission (SSC) and prestigious training institutions around the world; participating in conferences, seminars, talk show for members of the BoD, BoM and all VietinBank's management levels to improve their knowledge of governance, strategic management, aiming at building VietinBank as one of Vietnam's leading banks, promoting safe and sustainable development and proactive international integration.

2 - ACTIVITIES OF SUPERVISORY BOARD IN 2021

In 2021, the Supervisory Board held: (i) 12 periodical monthly meetings (offline or online) with the participation of members of the Supervisory Board, assistant team and leader of Internal Control Department to implement works; (ii) 01 extraordinary meeting to assign tasks in the Supervisory Board after the additional election of a new member of the Supervisory Board at the AGM 2021. Details are as follows:

No.	Members of Supervisory Board	Number of meetings attended	Attendance rate	Voting rate	Reasons for absence
1	Ms. Le Anh Ha	13/13	100%	100%	
2	Ms. Nguyen Thi Anh Thu	13/13	100%	100%	
3	Ms. Pham Thi Thom (3)	9/9	100%	100%	
4	Mr. Nguyen Manh Toan (4)	11/11	100%	100%	

Notes:

(3) Attended meetings of the Supervisory Board since 16/04/2021 (start being a member of the Supervisory Board)

(4) Not attended meetings of the Supervisory Board since 03/11/2021 (no longer being a member of the Supervisory Board)

SURVEILLANCE ACTIVITIES OF THE SUPERVISORY BOARD TOWARD THE BOD, BOM AND SHAREHOLDERS

In 2021, the Supervisory Board implemented the tasks and rights set forth in VietinBank's Charter and Regulations on organization and operation of the Supervisory Board. In general, the governance and management activities of the BoD and the BoM complied with the provisions of the Law on Credit Institutions, VietinBank's Charter and were implemented in accordance with the business orientation and objectives approved by the GMS.

The supervision of the Supervisory Board was implemented through the followings:

- Supervising business activities and compliance with the provisions of law and the Charter in banking management and administration; the implementation of resolutions of the GMS;
- Appraising the audited 2020 FS of VietinBank and reviewed 6M2021 FS of VietinBank which were independently carried out by Ernst & Young Vietnam Co., Ltd.;
- Updating the list of major shareholders and affiliated persons of members of the BoD, members of the Supervisory Board, and members of the BoM of VietinBank;
- Reviewing contracts, transactions between VietinBank and related persons under the approval authority of the BoD or the GMS;
- High level directing and supervising over the Internal Audit;
- Consulting activities on governance, risk management.

The results of implementing some specific tasks are as follows:

SUPERVISING BUSINESS OPERATIONS, COMPLIANCE WITH LAW AND VIETINBANK'S CHARTER IN ADMINISTRATION AND MANAGEMENT OF VIETINBANK; AND IMPLEMENTING GMS'S RESOLUTIONS

The Supervisory Board carried out regular and continuous monitoring activities through the following specific actions:

- Supervise the implementation of resolutions of the GMS, update information on business activities*



of VietinBank, participate and exchange opinions at BoD's, BoM's meetings:

The Supervisory Board regularly monitored the implementation of resolutions of the GMS, attended and expressed opinions at regular meetings of the BoD, briefings of the BoM. In these meetings, the Supervisory Board gave independent opinion and views on business performance data (compared with targets assigned by the GMS); shortcomings, risks in business operations, governance and risk management of VietinBank, then, recommending solutions to help the BoD and BoM fulfill the plan assigned by the GMS and tasks need implementing to overcome shortcomings. At the same time, regarding issues that need attention and strengthened control, the Supervisory Board made specific recommendations to improve operational efficiency, ensure safe and sustainable growth.

- Review of policy documents, BoD's resolutions:*

The Supervisory Board assigned one member to review BoD's resolutions sent to the Supervisory Board and several material policy documents issued by the BoD & the CEO that posed comprehensive impact on the Bank's operation. After reviewing, the Supervisory Board found that the way to pass resolutions of the BoD had complied with the provisions of VietinBank's Charter and the Regulation on organization and operation of the BoD, the content of the resolutions was in accordance with the provisions of Law, at the right authority and reached high consensus of the Board Members.

- Supervision of data and results of Internal Audit:*

Based on periodical internal audit findings reports and reports on result of each internal audit session provided by the Internal Audit Department, the Supervisory Board reviewed and evaluated the issues recorded through audit activities, identified material issues, and reflected them in reports to the BoD and CEO/Deputy CEO in-charge of the BoM at regular meetings.

The monitoring results showed that the BoD and the BoM had directed and managed VietinBank's business activities in accordance with the set targets, in compliance with the provisions of Law on Credit Institutions and VietinBank's Charter. Regarding the management of the BoD, right from the beginning of the year, the BoD approved the MTBP for the period 2021-2023 of VietinBank, and allocated from MTBP to annual plan. The implementation of MTBP was monitored through the set of planning targets, action programs and KPIs of business units. Every month, the BoD meets periodically to evaluate business results, provide orientations, direct operations and exchange a number of contents for management work. In addition to regular meetings, the BoD approved decisions by way of collecting written opinions of the Board members to direct and resolve issues related to corporate governance and matters under the BoD's authority. In addition, the supervision of the BoD over the BoM was carried out in accordance with internal Governance Regulations, the Regulations on Organization and Operation of the BoD, through the mechanism of periodical/extraordinary reporting on the activities of Committees under the BoD and direct supervision of the Board members. Based on the direction of the BoD, the CEO/Deputy CEO in-charge of the BoM built and implemented tasks to each member of the BoM, assigned business targets and tasks to each Division/Department and achieved positive results. Risk management was also focused on the basis of closely following the direction of business activities in each period, market economic developments and the situation of the COVID-19 pandemic, ensuring reasonable and safe growth.

2 - ACTIVITIES OF SUPERVISORY BOARD IN 2021

APPRAISAL OF FINANCIAL STATEMENTS

Performing the functions and duties stipulated in VietinBank's Charter and the Regulation on Organization and Operation of the Supervisory Board, in 2021, the FS appraisal team was set up to review the audited FS for full year 2020 and 6M2021. Through the appraisal, the Supervisory Board assessed the reasonableness, legality, honesty and the degree of caution in the work of accounting, statistics and preparing FS.

UPDATING LIST OF AFFILIATED PERSONS

Updating the list of affiliated persons of the BoD members, Supervisory Board members, BoM members and shareholders owning at least 05% (five percent) of the voting shares of VietinBank was carried out by the Supervisory Board periodically on the basis of coordination and information exchange with the Secretariat to the BoD and Investor Relations. The updated results showed that VietinBank's list of affiliated persons in 2021 had several changes compared to that of year end 2020 due to some changes in the BoD members and Supervisory Board member for the term of 2019-2024 at AGM 2021 and EGM 2021. Specifically:

- The additional election of Mr. Masashige Nakazono to hold the position of VietinBank's Board Members for the term 2019-2024 since 16/04/2021;
- The dismissal of Mr. Shiro Honjo from the position of VietinBank's Board Members for the term 2019-2024 since 16/04/2021;
- The additional election of Ms. Nguyen Thi Thom to hold the position of Members of the Supervisory Board of VietinBank for the term 2019 - 2024 since 16/04/2021;
- The additional election of Mr. Le Thanh Tung to hold the position of VietinBank's Board Members for the term 2019-2024 since 03/11/2021;
- The dismissal of Mr. Nguyen Manh Toan from the position of Member of the Supervisory Board of VietinBank for the term 2019 - 2024 since 03/11/2021 to take over other duties at VietinBank.

This list was updated promptly by the Supervisory Board and recorded properly in accordance with regulations.

REVIEWING CONTRACTS, TRANSACTIONS BETWEEN VIETINBANK AND AFFILIATED PERSONS UNDER THE APPROVAL AUTHORITY OF THE BOD OR THE GMS

In 2021, the Supervisory Board reviewed contracts between VietinBank and institutional affiliated entities (subsidiaries, affiliated companies, major shareholders). The reviews showed that the signing and implementation of the contracts had a legal basis, was approved by the BoD in accordance with its authority and was disclosed according to regulations.

HIGH-LEVEL DIRECTION AND SUPERVISION OF INTERNAL AUDIT'S OPERATIONS

In 2021, the Supervisory Board regularly directed and supervised the Internal Audit Department's activities according to the approved functions, tasks and plans. High-level supervision of the Internal Audit Department was implemented through the role of the Person-in-charge of internal audit team, thereby controlling the quality of audit activities, ensuring compliance with professional ethical standards as well as assessing the achievements/limitations of the Internal Audit Department to promptly draw experience through each audit team. Basically, the Internal Audit Department completed audits according to the approved plan. In addition to comprehensive audit teams at branches, the Supervisory Board directed the Internal Audit Department to deploy bank-wide audits with specific topics; as a result, giving proposals and recommendations (based on audit results) to improve the effectiveness and efficiency of the internal control system.

Improving the quality of Internal Audit Department is one of the issues regularly focused by the Supervisory Board. In addition to constantly improving audit skills, cultivating and deepening professional knowledge, the Supervisory Board identified and determined that improving IT internal audit capacity was one of the strategic focuses in the context of strongly ongoing digitalization in all aspects of banking activities. On that basis, the Supervisory Board directed the Internal Audit Department to research and develop IT risk assessment methods, audit implementation methods to ensure timely adaptation to major and important changes in banking operations.

THE COORDINATION OF THE SUPERVISORY BOARD WITH THE BOD, BOM AND OTHER MANAGEMENT LEVELS

The Supervisory Board regularly participated in regular meetings of the BoD, monthly briefings of the BoM, and participated as guests in a number of meetings of the Committees under BoD and Boards under BoM. The Supervisory Board closely coordinated with the BoD, BoM in performing functions, duties, and exchanging information on the principle of compliance with the laws and internal regulations of VietinBank. Based on the supervisory and internal audit results, the Supervisory Board made specific recommendations and notes of advisory nature on the management and administration of the BoD, the CEO/Deputy CEO in-charge of the BoM; supporting the BoD, CEO/Deputy CEO in-charge of the BoM to have more reference information in making decisions, directing relevant units to research and implement measures to promote growth in accordance with strategic directions while still controlling risk effectively.

OTHER ACTIVITIES OF THE SUPERVISORY BOARD

The Supervisory Board made specific recommendations and notes of advisory nature on the management and administration of the BoD, the CEO/Deputy CEO in-charge of the BoM; assisting the BoD, the CEO/Deputy CEO in-charge of the BoM with more reference information in making decisions. In addition, through the opinions expressed at the meetings of the Committees under the BoD and Boards under the BoM, the Supervisory Board gave advices on risk management as well as areas of professional activities identified and analyzed by the Supervisory Board that needed enhanced behavior measures in risk management and internal control. The recommendations and petitions, after being received and directed by the BoD, the CEO/Deputy CEO in-charge of the BoM, were monitored and evaluated the implementation results.

3 - TRANSACTIONS, REMUNERATION AND INTERESTS OF THE BOD, SUPERVISORY BOARD AND BOM

SALARY, BONUSES AND OTHER REMUNERATION

The BoD, BoM and Supervisory Board are entitled to salaries, bonuses and other benefits under the salary, bonus and other welfare regimes in accordance with the prevailing regulations of the Bank. Of which, remuneration of members of the BoD, BoM and Supervisory Board are taken from the general salary budget of the Bank and paid according to roles and responsibilities of each individual associated with level of completion.

In 2021, the remuneration of the BoD and Supervisory Board was **0.16%** of profit after tax (in compliance with Article 5, Resolution of the AGM 2021 No. 23/NQ-ĐHĐCĐ dated 16/04/2021 approving remuneration amount of the BoD and Supervisory Board realized in 2021 maximum to 0.28% of profit after tax of 2021). Details are presented in Audited Consolidated FS 2021 - Notes on Transactions with Related Parties.

TRANSACTIONS OF INTERNAL PERSONS AND THEIR AFFILIATED PERSONS

No	Person who performed transaction	Relationship with internal person	No. of shares owning at beginning of period (01/01/2021)		No. of shares owning at closing of period (31/12/2021)		Reason for increase/decrease	Notes
			No. of shares	Portion	No. of shares	Portion		
1	Tran Tien Duy	Brother of BoD Member Tran Thu Huyen	98	0.000003%	26	0.000001%	Matching transactions on the securities market	(5)
2	Nguyen Thi Anh Thu	Member of the Supervisory Board	36	0.000001%	1,337	0.000028%	Buying transaction	(6)
3	Tran Thu Huyen	Member of the BoD	1,429	0.000038%	51,844	0.00108%	Buying transaction	(7)
4	Pham Thi Minh Tu	Sister-in-law of BoD Member Nguyen The Huan	0	0%	572	0.000012%	Matching transactions on the securities market	(8)

Notes:

- (5) On 01/04/2021, Mr. Tran Tien Duy reported to the SSC, HCMC Stock Exchange and VietinBank on his trading result of CTG stock, and VietinBank disclosed his report on VietinBank IR website. After that, Mr. Tran Tien Duy performed transactions with CTG shares with a trading value below the level required to disclose information according to the provisions of Article 33, Circular 96/2020/TT-BTC dated November 16, 2020 regarding information disclosure on the stock market;
- (6) Ms. Nguyen Thi Anh Thu performed CTG stock buying transaction with value below the level required to disclose information according to the provisions of Article 33, Circular 96/2020/TT-BTC dated November 16, 2020 regarding information disclosure on the stock market;
- (7) On 17/08/2021, Ms. Tran Thu Huyen reported to the SSC, HCMC Stock Exchange and VietinBank on her registration to buy 50,000 shares of CTG stock, expected time of buying from 20/08/2021 to 18/09/2021. On 27/08/2021, Ms. Tran Thu Huyen reported to the SSC, HCMC Stock Exchange and VietinBank on her buying transaction result of CTG stock and VietinBank disclosed his report on VietinBank IR website.
- (8) Ms. Pham Thi Minh Tu reported to the SSC, HCMC Stock Exchange and VietinBank on her transactions of CTG stock performed on 20/10/2021 and 26/11/2021. VietinBank disclosed those reports on VietinBank IR website.

CONTRACTS OR TRANSACTIONS WITH INTERNAL SHAREHOLDERS

No activity.

IMPLEMENTATION OF REGULATIONS ON CORPORATE GOVERNANCE

VietinBank fully complies with applicable rules and regulations on corporate governance; fully and promptly execute the disclosure of corporate governance report every 6 months as regulated by law.

On December 02, 2021, VietinBank's BoD issued Decision No. 483/QĐ-HĐQT-NHCT.2.1 on changing the Person in charge of Corporate Governance. Accordingly, the BoD of VietinBank dismissed Mr. Do Trong Nghia, former Chief of the Office of the BoD of VietinBank, Director of VietinBank - Hai Ba Trung Branch from the position of Person in charge of Corporate Governance and appointed Mr. **Duong Van Quan** - Acting Chief of the Office of the BoD of VietinBank cum Assistant to the Chairman of the BoD of VietinBank to hold the position of Person in charge of Corporate Governance according to the provisions of Article 278 and Article 281, Decree 155/2020/ND-CP dated December 31, 2020 of the Government regarding detailed regulations on implementation of some articles of the Law on securities. This information was publicly disclosed on VietinBank's IR website at the link: <https://investor.vietinbank.vn/News/2021/12/3/86165.aspx>.



06

Sustainable development report

- 1 Implementation of thrift and compliance with laws on environmental protection
- 2 Business activities toward green environment and society
- 3 Responsibilities to our customers
- 4 Responsibilities to shareholders and investors
- 5 Responsibility to our employees
- 6 Corporate social responsibilities

1 - IMPLEMENTATION OF THRIFT AND COMPLIANCE WITH LAWS ON ENVIRONMENTAL PROTECTION

THRIFT PRACTICE

VietinBank implements measures for thrift practice, including saving on energy consumed, equipment management cost and labor optimization. VietinBank encourages staff to use water and electricity in the office in an economical manner; water and electricity consumption are under strict supervision. Since 2019, VietinBank has stopped using bottled water and shifted to using purified water in glass bottle to reduce plastic waste, ensure environmental friendly status and water saving. VietinBank also adopted thrift practice via implementing Electricity saving plan. Total volume of electricity saved in 2021 was over 224,000 Kwh, equivalent to a decrease of 3%, and with average price of VND 2,958/Kwh, electricity bill was cut by more than VND 663 millions.

VietinBank also implemented procurement and repairing in accordance with legal regulations, procedures as well as accessed and selected investment size and form in a more effective manner. Procurement and repairing activities were carried out as scheduled with proper model and quality designated. Total number of procurement and repairing bidding packages in 2021 was about 80 packages with total value of over VND 120 billion implemented via process of assessment, project and estimated cost approval, bidding and competitive quotation and an amount of VND 2.2 billion was saved via reassessment and final cost approval for procurement activities.

In 2021, VietinBank also saved a proportion of office rent expenses via negotiations reducing rental rate due to COVID-19 impact and therefore improved business efficiency by cutting operating expenses of the Bank.

In terms of labor saving and optimization, in parallel with timely allocation of staff ensuring sufficient resource to implement business plan, VietinBank regularly takes measures in labor structure and planning to ensure headcount growth compliant with the following targets: (i) Proportion of HO headcount is 16% less than that of total headcount; (ii) Net overall headcount growth less than 2%; (iii) Considering service contract type to apply to expert contracts or unskilled labor contracts... to increase self-determination in using resources on demand and reducing expenses compared to signing common labor contracts.

COMPLIANCE WITH LAWS ON ENVIRONMENTAL PROTECTION

VietinBank always complies with current legal regulations on environmental protection, including Law on Environmental protection 2014, Decrees and Circulars guiding status report and management of environmental observation data. On an annual basis, VietinBank signs service contracts with competent parties to make wastewater and periodic working environmental observations as well as signs contract to collect, transport and process waste in accordance with legal regulations.

Number of fine due to non-compliant with legal regulations on environmental protection: None.

Total amount of fine due to non-compliant with legal regulations on environmental protection: None.

2 - BUSINESS ACTIVITIES TOWARD GREEN ENVIRONMENT AND SOCIETY

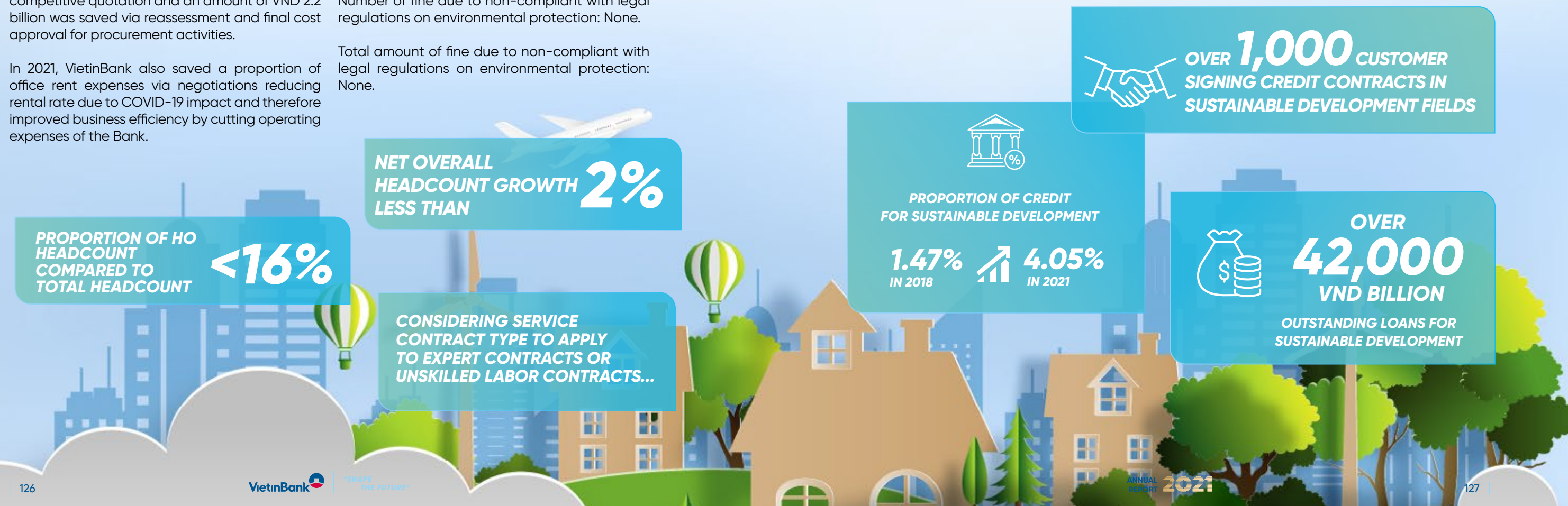
GREEN CREDIT PROGRAM FINANCING PROJECTS IN THE FIELD OF ENVIRONMENTAL PROTECTION, RESPONSE TO CLIMATE CHANGE AND SUSTAINABLE DEVELOPMENT; CREDIT PROGRAM FOR ENERGY SAVING AND EFFICIENCY PROJECTS

At the UN Climate Change Conference 26 (COP26) held at the end of 2021, Vietnam already committed carbon neutral roadmap toward Net Zero (zero net greenhouse gas emission) by 2050. Accordingly, along with actions taken by the Government and State agencies, VietinBank also contributed to introduce initiatives for sustainable development and considered participation in financing green projects as one of strategic actions in MBTP of the Bank. In addition, VietinBank has been preparing resources to actively study and get ready for more actions for this purpose.

Regarding Green Finance and Sustainable Development, VietinBank has already taken actions in 6 fields: Green agricultural; Sustainable forestry; Renewable and clean energy; Recycling and reuse resources; Waste processing and pollution prevention; Sustainable water management in urban and rural areas.

Proportion of credit for sustainable development of VietinBank has increased over time, from 1.47% in 2018 to 4.05% in mid-2021. Total number of customers signed credit agreement was over 1,000 with outstanding loans of more than USD 2 billions (VND 42,000 billion).

VietinBank implemented comprehensive financial solutions to shift business activities toward environmental protection in order to achieve above-mentioned results. The Bank already developed internal regulations on environmental-social risk management, 100% of projects financed by VietinBank had environmental-social risk assessment and applied standards on environment. VietinBank provided comprehensive financial solutions for entire supply chain of Energy sector from primary energy, production, transmission, distribution and services in Energy sector; proactively developed flexible products and solutions in financing Green projects: financing rooftop solar project; financing renewable energy projects with quick credit granting process in which customer was consulted to prepare minimum documents; designing tool for rapid calculation of financial results for credit officials to use; refinancing projects under efficient operation; loan guarantee for renewable energy projects with overseas fundings need.



Regarding projects with large capital demand exceeding capability of domestic commercial banks, VietinBank has been acting as arranger to consult and support investors in financing, merger and acquisition (M&A) activities for such projects, especially with international financial organizations. Besides, VietinBank played the role of disbursement bank under authorization, collateral management agent, project management agent for international financial organizations, opened and managed specialized accounts for receiving and paying of projects. Regarding projects with demand of buying foreign currencies for importing machinery and equipment or paying foreign debts, VietinBank is always ready to provide solutions for hedging exchange rate risk, reducing project's financial expenses due to exchange rate fluctuation. In the coming time, VietinBank will continue to work this way to expand outstanding loan portfolio and number of customers financed.

In order to ensure sustainable development goals, VietinBank will continue to promote business activities toward environmental protection and sustainable development, as well as draws roadmap to gradually reduce financing for large carbon emission sectors, encourage funding for projects contributing to neutral carbon target via developing financial solutions supporting investors with sufficient resources to explore new technologies.

ACTIVITIES RELATED TO FOREIGN INVESTMENT TRUST FOR DEVELOPMENT ASSISTANCE PROJECTS, ODA PROJECTS

In recent years, VietinBank has always been in the group of commercial banks holding top

market share in mobilizing, managing and disbursing projects/programs using international fundings. In which, VietinBank was assigned as on-lending agent and serving bank, managed funds and international credit programs with max amount once reached USD 2.5 billion. Some projects serviced by VietinBank namely: Project of Ha Noi Metro Line 3 Nhon – Ha Noi Railway station; Project of Ho Chi Minh Metro Line 2 Ben Thanh – Tham Luong; Thai Binh Thermal Power Plant (USD 1.2 billion); on-lending agent from G-bond (USD 1 billion); Project of T2 International Terminal of Noi Bai International Airport; Project of Da Nang – Quang Ngai highway... Most of these are key national projects which receive special attention from the Government.

Serving ODA projects has been implemented by VietinBank since 2009 and after a short time, VietinBank has become one of state-owned banks assigned to serve large projects financed by Government of Japan, France, Germany, Switzerland... and international financial organizations including World Bank, ADB, European Investment Bank (EIB)...

Projects were served and disbursed by VietinBank in a timely, safe and effective manner in accordance with regulations by Donors and Vietnamese Government. Disbursement was made under international standard of risk management. Via serving and on-lending for programs/projects nationwide such as projects in improving power grid, electricity transmission, education, water supply, waste management, VietinBank actively contributed to business activities of enterprises as well as poverty reduction, improvement of social living standards and development of key economic sectors of Vietnam.

GREEN CAPITAL MARKET ACTIVITIES IN ACCORDANCE WITH GUIDELINES OF THE STATE SECURITIES COMMISSION

Green bond, social bond and sustainable bond have been being considered as effective means to mobilize fundings from private sector for projects benefiting environment and society in order to support sustainable development goals and the Paris Agreement 2015. In recent years, development of green bond market attracted a large number of international investors. Community of institutional investors (pension funds management companies, assets management companies, wealthy individuals...) with large investment portfolio, including investors targeting sustainable development goals, has been looking for green investment opportunities in developing markets.

As one of the countries most affected by annual natural disasters and climate change, Viet Nam considers green growth as an important strategy toward sustainable development. On 14/04/2021, in Ha Noi, SSC issued the Manual of "Green bond, social bond and sustainable bond guidelines". This Manual helps issuers and other participants in Vietnam bond market understand international and regional practices in issuance and funds management for green projects and information disclosure on environment and society, as well as apply standards of green bond, social bond and sustainable bond to mobilize resources from international and



domestic capital markets for sustainable and environmental-social friendly projects.

As a member and market maker in debt market, VietinBank has been actively participating and cooperating with large international financial market as IFC, ADB, MUFG Bank to study and seek for opportunities in highly potential green bond market in Vietnam. VietinBank believes that green bond market will open a new funding channel for long-term projects in infrastructure, renewable energy which can not be fully satisfied by financial institutions with traditional financial tools. This will contribute to expand source of fundings supporting roadmap toward green and sustainable development of Vietnam.



3 - RESPONSIBILITIES TO OUR CUSTOMERS



**VIETINBANK ALWAYS ACCOMPANIES AND BRINGS
HIGHEST VALUE TO CUSTOMERS**

CUSTOMER SUPPORT AND CUSTOMER CARE IN
THE ENTIRE SYSTEM

With a huge portfolio of corporate and retail customers, VietinBank always pays great attention and continuously improve quality of customer care and support in the entire system by issuing policies, regulations, procedures, guidelines, and manuals to manage customer care quality. In 2021, VietinBank issued and broadly communicated to the entire staff in various means all documents to improve customer care quality such as: Picture Manual of Service quality standard in customer service point in VietinBank branches; Hall regulation and Customer journey in transaction office, Manual for handling customer complaint, 5S picture manual...

With the target of "Always accompany and bring highest value to customer", VietinBank has various channels to receive customer feedbacks and rapidly response to them. With 6 direct and indirect channels, customer can actively contact with the Bank anytime, anywhere and vice versa, VietinBank

can immediately consult customer on products or complaints: Hotline: 1900 558 868/(+84)2439 418 868; or Email: contact@vietinbank.vn; or Facebook: <https://www.facebook.com/VietinBank>; or website: www.vietinbank.vn; in-person meeting with our relationship managers (RMs) in all branches/transaction offices of VietinBank nationwide. Writing complaints sent by customer to VietinBank are always received and quickly directed to related departments to handle in a timely and appropriate manner on the basis of compliance with regulations, policies, risk and interest... of related parties. In the context of COVID-19, proposal by customers relating to fee waiver, interest reduction, loan restructuring... was carefully reviewed and assessed by VietinBank from HO to branch in order to find best supporting solutions and measures to make customer stay with VietinBank.

In 2021, during complicated situation caused by COVID-19, in order to maintain 24/7 services for customers, VietinBank Contact Center flexibly responded and took measures to adopt to new situation, successfully launched new customer care channel via Fanpage Inbox. These actions




contributed to increase business productivity and efficiency, fully meet customer's demand. Nearly 4 millions of customers were served via channels: phone, email, fanpage inbox, Interactive Voice Response – IVR. VietinBank Contact Center also performed marketing activities and surveyed **332,847** customers; handled thousands of inquiries, suggestion from customers which contributed to increase connection and satisfaction of customer about VietinBank's services and products.

VietinBank's customer care and support is always guaranteed, not only in quantity but also in quality. Proportion of customer satisfied with VietinBank's customer care service reached **84.8%** which was much higher than international standard of 71%. VietinBank also maintained top position in customer care in Vietnam when being awarded **Leading Contact Center Vietnam** by Global Banking and Finance Review (United Kingdom) for 4 consecutive years from 2018 to 2021.


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In-person meeting

3 - RESPONSIBILITIES TO OUR CUSTOMERS

CORPORATE CUSTOMER SUPPORT & CUSTOMER CARE

In 2021, given the negative impact of the COVID-19 pandemic, VietinBank pioneered the implementation of policies of the Government and the SBV in supporting and resolving difficulties for businesses and people affected by COVID-19, such as: debt restructuring, maintain the same debt group for corporate customers that face difficulties in payment cash flow; exemption/reduction for interest rate and a variety of service fees...Several programs/campaigns could be mentioned such as:

- Continuing to apply preferential interest rate programs to corporate customers affected by the COVID-19 even when these customers no longer meet the conditions of the preferential programs;
- For short-term loans without repayment term restructured/interest exemption or reduction/loan group unchanged due to the impact of COVID-19: VietinBank actively considered reducing interest rate up to 0.5%/year compared to with the current applicable interest rate;
- For short-term loans with restructured repayment term/interest exemption or reduction/loan group unchanged due to the impact of COVID-19 in accordance with VietinBank's

regulations from time to time (including disbursed loans under Credit Package): VietinBank branches were allowed to apply the interest rate not lower than the rate before the time of debt restructuring/interest exemption/reduction;

- For medium and long-term loans: VietinBank considered reducing interest rate up to 0.5%/year compared to the current interest rate applicable to existing loans/debts until next interest rate adjustment period or new disbursement of signed credit contracts;
- Applying fee waiver to maintain service, to issue up to 2 authentication devices, completely exemption of transaction fees on eFAST channel, including: VND transfer intra and inter-system, payroll payment, payment to the State Budget;
- Up to 100% exemption and reduction of international payment and trade finance fees compared to the current fee schedule, regardless of new or existing customers for customers with international payment transactions and trade finance affected by COVID-19/corporate customers operating in the field of supplying pharmaceuticals, medical equipment and supplies.

With the goal of accompanying customers to gradually recover in the context of the new normal, VietinBank had proactively, flexibly adapted, promoted the implementation of many customer-

oriented programs/services. These included:

- "VietinBank Corporate to Lead" program included comprehensive preferential products and services for the Large Corporate Customer segment with the spirit: "Collaboration to lead". Based on the theme "V - Go Fast; V - Go Far; V - Go Together", VietinBank provided corporate customers with preferential policies suitable to the characteristics of industries, business fields and the connection of enterprises in the chain of supply/distribution, bringing added value to corporate customers based on the advantages of the industry and linking the chain of operation;
- Credit packages with preferential interest rates and fees for corporate customers such as: SME long and medium-term program; Credit package for investment in ready-built factories in industrial parks and industrial clusters; Distribution Trading Credit Package for SME; Comprehensive package of refinancing incentives for corporate customers; Package of products and services to finance small and micro business with full collateral; Promotion program "Four precious fortunes - Ready to ride the wave in 2021", giving customers the opportunity to receive valuable gifts, increasing customers' good experiences when using the Bank's services.

In addition, VietinBank also provided domestic and international connection solutions to support corporate customers to increase partner network, business cooperation and operating markets

expansion, and to seek alternative business opportunities for the existing business activities affected by COVID-19; to introduce to customers with new electronic modes of transactions to replace over-the-counter transactions to ensure that customers can maintain normal transactions when company's board of directors cannot travel to Vietnam due to the impact of the pandemic. At the same time, together with subsidiaries and affiliates in the ecosystem, VietinBank provided comprehensive financial solutions to meet the increasing demands in business operation of corporate customers. Promoting the role of a large State-owned commercial bank, VietinBank was a reliable partner and continued to maintain its leading position in providing financial services to large state-owned and private corporations/groups, prioritizing funding sources for key national projects such as: renewable energy projects, industrial park real estate, inland roads... contributing to the country's economic development.

VietinBank also focused on providing business newsletters for each region, updating overall data and sale orientation of outstanding loans and funding; at the same time, in order to increase funding, branch managers set up specific funding bulletins of each branch which enhanced the staff to grasp and update sales tools, quickly reached groups of potential customers. VietinBank also regularly updated the economic information, market trends to customers so that they could

3 - RESPONSIBILITIES TO OUR CUSTOMERS



promptly grasp and evaluate the situation, hence decide their business orientation.

RETAIL CUSTOMER SUPPORT & CUSTOMER CARE

With the criterion "Taking customers' needs as the Bank's service goals" in order to "Improve the value of life", VietinBank always meets a variety of customers' needs with value-added services at competitive prices and with best service as well as establishes a sustainable relationship with customers on the basis of support and care from marketing to service provision and after-sale services.

VietinBank's new customers were fully consulted on documents, procedures, prices, etc. of banking and financial products/packages, and advised to get the best orientation and financial planning in the future. For existing customers, VietinBank implemented customer classification in order to manage customer relationships, take care of them regularly, and promptly meet the needs of all customer segments.

Since 2019, in the complicated context of COVID-19, which had far-reaching impacts on

all aspects of the economy, from production and business activities to people's lives, in order to strengthen the solutions to support customers affected by the pandemic, VietinBank had actively and proactively implemented timely supporting credit programs/packages, while promoting the improvement of procedures, processes and modes receiving documents from customers. Specifically, VietinBank has reduced interest rates by up to 1%/year to support businesses and people affected by COVID-19 with the total actual interest reduced for Retail segment to nearly VND 1,400 billion in 2021. Along with that, VietinBank implemented programs, products, and applied policies to support retail customers affected by COVID-19 such as:

- Providing the financial package for the frontline entities against the pandemic with preferential interest rates and fees for hospitals, police, army, and People's Committees which had a good effect in the market;
- Implementing debt restructuring, maintaining loan group for customers affected by the development of COVID-19 in accordance with regulations of the SBV;

- Allowing customers affected by COVID-19 with group 2 and 3 loan to access preferential loans under credit incentive programs issued by VietinBank, including preferential programs for loans to buy communal houses, preferential loans in the agricultural sector;

- Applying the policy of exempting/reducing the penalty fee for early payment, and exempting the collection of preferential interest rates for customers who repaid during the period affected by COVID-19; Disbursement policy via Email, Fax for customers affected by COVID-19, whereby customers were disbursed by the Bank without going to VietinBank's branch/transaction office...

With comprehensive support, incentives on policies, interest rates, fees, diversified transaction channels... VietinBank has been continuing to stand side by side with customers to overcome difficulties during the period affected by COVID-19. At the same time, we gradually tightened the comprehensive relationship between customers and VietinBank to create a sustainable bilateral relationship.

SPECIAL CREDIT PROGRAMS OF PREFERENTIAL INTEREST RATE SUPPORT FOR SMES

By December 31, 2021, there were more than **205,000** SMEs having a relationship with VietinBank with a total accumulated disbursement loan of nearly VND 600,000 billion, of which working capital disbursement for production and business operation was more than VND **550,000** billion and disbursement of medium and long-term capital for investment was more than VND 30,000 billion. Outstanding loans for SMEs at VietinBank by December 31, 2021 reached nearly VND 300,000 billion, an increase of VND 38,000 billion compared to 2020, the growth rate in 2021 reached 15%, which was an encouraging figure, contributing greatly to VietinBank's credit growth. The average credit growth rate in the last 5 years (from 2016) reached 15%/year. The SME customer segment contributed the most to the growth in number of new customers and outstanding loans, improving VietinBank's business performance indicators.

To achieve the above remarkable results, VietinBank always accompanied businesses in the priority areas of the economy, balanced loan sources, coordinated with the provincial authorities and State Bank local offices to develop socio-economic promotion programs

for 5 priority areas of the Government. Short-term ceiling rate for this group of 5 priority sectors was only 4.5%/year, in which, disbursed revenue for agricultural and rural development was more than VND 90,000 billion.

In 2021, in order to continue demonstrating VietinBank's companionship with SME customers in optimizing the efficiency of capital use, improving operational efficiency, and expanding production and business, VietinBank became the leading bank in the market that offered a comprehensive incentive package called "**VietinBank SME Stronger 2021**", fulfilling its commitment to develop together with SME customers through 3 main topics:

- Price incentives (interest rates and fees);
- Strong support for SME customers who were ready to innovate with specific products, in each industry, each business mechanism according to the customer's supply/distribution chain with products tailored specifically to the needs and characteristics of each customer, such as specific products for the textile and garment industry, trading and distribution; construction industry, pharmaceutical industry and medical supplies, ready-built factories; products for chain customers...
- Becoming an information bridge to help SME customers increase opportunities to connect with customers, cooperate in business and expand export markets with a wide network, large customer base and strategic partner banks in the world.

4 - RESPONSIBILITIES TO SHAREHOLDERS AND INVESTORS

VietinBank IR Team, which is a function unit under the BoD Secretariat & Investor Relations of the BoD Office, serves as a bridge between VietinBank and its investor community, responsible for the communication and information sharing from investor community to VietinBank BoD, protecting and attracting shareholders' interests in CTG shares within the Bank's business plan, aiming at creating sustainable value and maximizing interests for all shareholders and investors.

INFORMATION TRANSPARENCY, PROTECTING INVESTOR RIGHTS

As a listed company with a large number of shareholders, it is crucial for us to emphasize on the transparency in information disclosure in order to increase our shareholders' trust. VietinBank is also the leading bank in reporting and disclosing of sufficient information on a regular/extraordinary basis in a timely manner and in compliance with laws & regulations. VietinBank not only ensures the timeliness and quality of the information disclosed, but also ensures that the information is fully disclosed on the media as prescribed including The Investor Relations Website - <http://investor.vietinbank.vn> in both English & Vietnamese version, the website of Stock Exchanges, the information disclosure system of the SSC, the Vietnam Securities Depository; mass media, etc. In 2021, VietinBank provided comprehensive periodic and extraordinary information disclosure such as financial statements, corporate governance reports, information about AGM/EGM, increasing of Charter Capital through the issuance of share dividends, cash dividend payout; changes of internal persons; transactions with our subsidiaries as well as bond issuance, etc. Especially, VietinBank's 2020 annual report - **"Overcoming challenges, seizing opportunities, developing rapidly and**

sustainably", with significant improvements in both content and design, surpassed 50 large-cap enterprises, for the second year, to be listed in **Top 10 Best Annual Report in 2021** in category of listed large-cap companies in the 2021 Vietnam Listed Companies Award organized by the HOSE and Investment Reviews. Among banks, VietinBank is the only State-owned joint stock commercial bank to be honored with this award.

In addition, VietinBank also developed and issued the Regulation on Information Disclosure on the stock market in fully compliance with the provisions of Circular 96/2020/TT-BTC of the Ministry of Finance on information disclosure on the stock market as well as relevant laws.

VietinBank facilitates shareholders to promptly access information on the Bank's business results at the GMS (the AGM and EMG in 2021). VietinBank always ensures shareholders' rights through the practice that shareholders are entitled to question (directly/ indirectly) and propose recommendations to the BoD of VietinBank before voting on important issues related to VietinBank's operations. VietinBank also fully disclosed information on documents



VietinBank always fully complies with periodical and extraordinary information disclosure duties to ensure transparency and shareholders' rights

and content related to the above events and posted them on the VietinBank's IR website to ensure transparency of information to all shareholders and the community of investors. In addition, throughout the financial year, VietinBank's IR team actively supported and answered questions as well as information requests of investors through indirect channels such as email, phone and IR website.

INTERACTION BETWEEN VIETINBANK, INVESTORS AND THE MARKET IS CONSTANTLY IMPROVED IN TERMS OF QUALITY & FREQUENCY

In 2021, VietinBank continued to focus on the frequency, methods and quality of information disclosure. In the context of COVID-19's complicated development, on 17/03/2021, VietinBank successfully organized the online "Investors & Analysts Meeting" with the participation of many representatives from domestic & foreign Investment Funds, Securities companies, Fund Management companies. The guests highly appreciated the direct, open, transparent and friendly dialogue of the Chairman and senior leaders of VietinBank. At the same time, VietinBank maintained regular exchange and update of information to domestic and overseas investment funds, securities companies, and fund management companies about the business activities of VietinBank and

CTG share through direct or indirect methods (email, phone, online meeting, etc.) and through the implementation of Earning Calls for business performance update, Quarterly Financial Report Highlights, Monthly Investor Newsletter.

The above activities have contributed to improving the professionalism and transparency of VietinBank's information disclosure, helping investors access and update full information about VietinBank's operations, business results as well as strategic direction, thereby increasing investor confidence, contributing to enhancing VietinBank's brand prestige in the market.

ORIENTATION FOR IR ACTIVITIES IN 2022

In 2022, VietinBank is going to improve the quality of information, the level of interaction with investors and the market with the goal of gradually bringing VietinBank's IR activities closer to international practices and standards, improving efficiency performance, meeting the expectations of shareholders and investors. At the same time, VietinBank also continues to improve the internal regulations in IR activities to ensure compliance with relevant legal regulations as well as ensure the interests and enhance the value for shareholders.



5 - RESPONSIBILITY TO OUR EMPLOYEES

GUARANTEED EMPLOYMENT FOR OUR STAFF

The total number of our employees as of 31/12/2021 was **25,154** (including employees of all subsidiaries, business units, representative offices and employees working on temporary basis). In 2021, our employees were deployed and assigned in accordance with their qualifications and capability. Our job arrangements ensured that all employees in the entire system hold appropriate job title with signed labor contracts according to the provision of Labor Law.

Especially with the prolonged and complicated developments of COVID-19 that brought negative socio-economy impact universally, VietinBank had promptly built up response scenarios for HR and guided working, staffing arrangement, salary and benefits, remuneration regime to protect human resource, maintain stable jobs for employees and ensure continuous business operation, thus meeting customer demand for transactions and business, even in the peak of the pandemic and social distancing.

REMUNERATION POLICY

VietinBank employees are entitled to the following remuneration mechanism:

- VietinBank's salary scheme was built

according to international practices based on the principle of 3Ps: Pay for Position, Person and Performance in order to meet three main objectives: (i) Ensuring stable monthly, quarterly and annual salary for our employees; (ii) Creating constant motivation for our people to improve productivity; (iii) Flexibility in annual salary and salary incensement;

- Employees are recognized with their working capability to be entitled for promotion and appointment, as well as being eligible for award consideration;
- Training is made available to all employees to improve their professional competence;
- Social Security Retirement Benefits are provided to former employees with 2 month's salary before their retirement date. They are also funded for retirement activities by the Bank;

In 2021, despite the negative effects of COVID-19 pandemic on business activities of the entire system, VietinBank still ensured stable income for its employees. Details of the average salary of employees are presented in Part 7 - Audited Consolidated Financial Statements 2021.



Social insurance benefits and welfares are continuously carried out by VietinBank to take good care of our employees' life in the entire system

SOCIAL INSURANCE BENEFIT

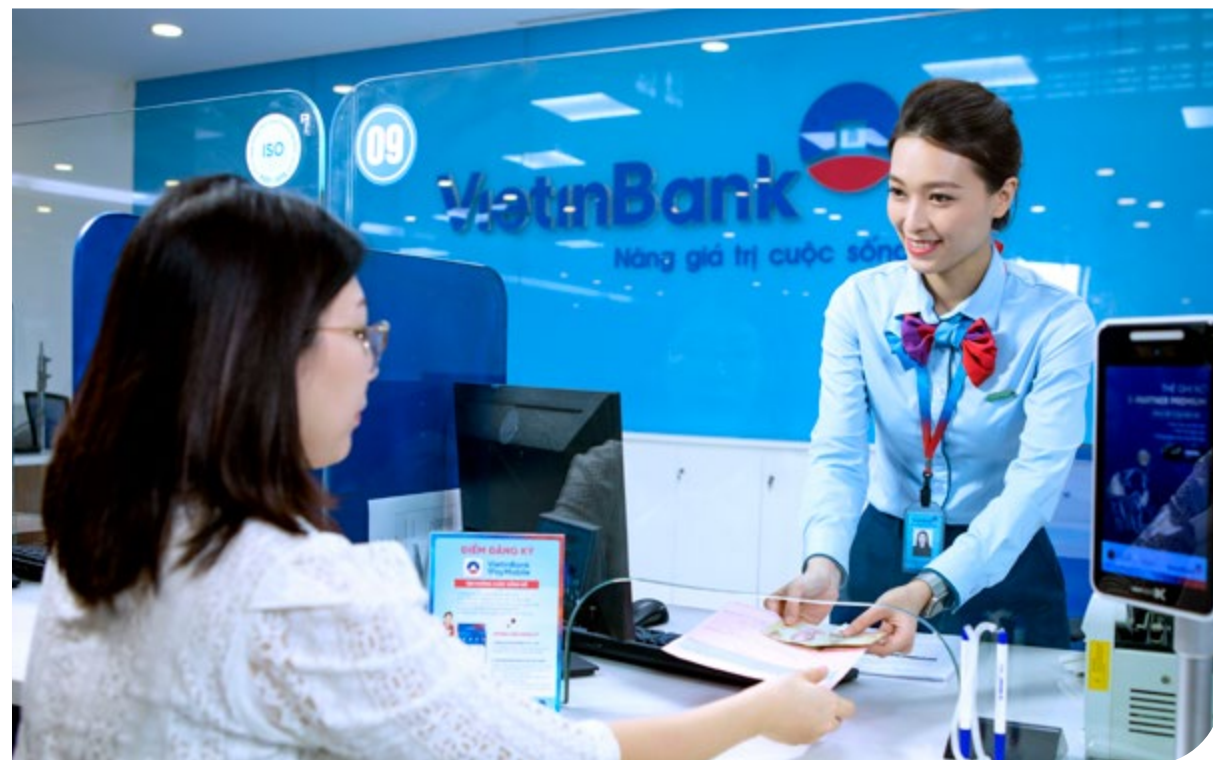
Our employees are insured under the law and regulations. Social insurance regime benefits our employees in the event of sickness, retirement or maternity... Especially for retirement, we coordinate closely with social insurance authority to ensure that our employees can retire at their retirement age.

WELFARE REGIME

In 2021, VietinBank continued the welfare regime for employees throughout the system to improve life care, labor regeneration, create work-life balance and enhance employee engagement and superior welfare regime for high-performing employees, talented employees, key leaders and senior leaders to demonstrate recognition an retaining of highly qualified and competent employees.

Currently, our welfare regime includes the followings:

- 15 general welfare regimes for all employees in the entire system including holiday vacations (Tet holiday, National Women's Day, International Women's Day, Children's Day, Mid-Autumn Festival...) and other labor union benefits in case of sickness, personal and family issues as well as health insurance coverage from VBI for those who have worked for at least 12 months at the Bank, etc.
- 04 outstanding remuneration policies for high-performing employees, key employees and Top 500 talents: Outstanding reward policy, high-end holidays, and tuition support for their children, special health insurance coverage, life insurance, etc.
- Especially, in the face of complicated developments and negative impacts of COVID-19, VietinBank promptly developed policies to encourage employees to work safely during the pandemic period, and at the same time ensure the safety and maintain continuous business activities: Developing flexible working plans (working from home, rotating work, 3 on-site...) to create favorable conditions for employees to work in pandemic context, implement the welfare regime of 10 million VND/employee infected with COVID-19, 300,000 VND/employee/day for who are F1 or who are practicing "3 on-site".



VietinBank maintains stable jobs for employees

5 - RESPONSIBILITY TO OUR EMPLOYEES

TRAINING QUALITY IMPROVEMENT

In 2021, VietinBank held **682 classes** (27% higher than the plan). The number of trainees participating in training sessions was **58,705 turns**, with the **average number of training sessions being 4.34 days/person**.



Table of average training duration and coverage of training programs classified by trainees

Trainees	Number of average training days	Training turn
Top-level Management, Mid-level Management (Branch Director/Deputy Director, Director/ Deputy Director of HO Dept., Director/Deputy Director of non-business Units)	4.49	3,312
Managers (Head/Deputy Head of Branches, Head/Deputy Head of non-business Unit)	5.13	18,193
Other employees	7.73	37,200
Total	4.34	58,705

Innovating the form of training and building an online learning culture, training associated with business orientation

In the past year, to adapt with the Covid-19 pandemic, training courses were fully online courses through video conference, livestream, E-learning, WebEx/Zoom, etc. Online training programs timely brought new experiences of the 4.0-training era with many modern training tools.

In 2021, VietinBank comprehensively renewed the design and development of training programs,

closely following the Bank's business plan and orientation; training content was highly practical, covering from knowledge on new products and services to supporting business promotion; system training was in the direction of digitalization to help improve labor productivity and prevent risks.

Particularly, training programs for business units were organized with **190 courses (39,877 turns)** for customer relationship managers, tellers, trade finance and credit support officers. In which, training contents focused on transaction



VietinBank organized interviews with candidates for positions of Branch Directors/Deputy Directors

banking courses, improving sales capability, consulting comprehensive financial solutions, performing operation skills on systems, online sales, etc. In addition, VietinBank also equipped necessary skills for mid-level leaders, Heads/Deputy Heads of Branch Departments to adapt and develop in the new circumstances with **82 training courses** such as: Positive thinking, Agile management, leadership psychology, digital transformation leadership, employee experience, task authorization, motivation, etc.

Develop and improve the quality of trainers, promoting and enhancing the effectiveness of KPI-assigned training to leaders and managers of the entire VietinBank system

With the total of **715 internal trainers** currently working at VietinBank (of which 63 trainers joined the team in 2021), VietinBank organized many supportive activities to enhance quality of trainers, flexibly adapt with changes in training methods.

Furthermore, internal training KPI was fully implemented in quantity and quality by HO units and branches throughout VietinBank system with

3,852 classes corresponding to 12,464 hours of training. Such solution helped: (i) improve the role of training, nurture and build a team of mid-level management and managers at units; (ii) promptly response to training needs and follow the actual operation at units; (iii) save costs for VietinBank.

Enhancing necessary capacity to adapt with variable context for a flexible organizational model

2021 was a year full of upheavals. VietinBank has quickly adapted, created and implemented training programs, which provided the most advanced knowledge, skills and tools to adapt with the constantly changing and volatile business context. Specifically, there was a comprehensive series of **"Agile Management"** training programs for VietinBank system, including 12 classes for nearly 700 trainees who were high-level management, mid-level management and some managers of 20 branches. In particular, training activities covered 100% of leaders and managers of key divisions such as Retail Division, Operations Division, Risk Management Division, and IT Center.

5 - RESPONSIBILITY TO OUR EMPLOYEES



VietinBank Top 500 Scheme, one of the main HR tasks, was continuously carried out to prepare promising candidates for managerial levels

CAREER ADVANCEMENT OPPORTUNITY AND VIETINBANK TOP 500 SCHEME

VietinBank implemented the **Job hierarchy-restructuring project** on entire system level in order to build a career path according to job positions and standardize staff rotation. At the same time, VietinBank also continued to promote early identification, build a training roadmap and comprehensively develop human resources for the positions of mid-level management and strategic officers of the Bank: (i) Continuing to implement the **VietinBank Top 500 Scheme** to create a source of management at all levels (identifying 105 new high-potential employees (Hipo) and graduating 115 incumbent Hipo, focusing on training programs on leadership, core competencies for Top 500, experience sharing activities between Exco - Key Person - Hipo); (ii) Pioneering in State-owned commercial banks to deploy Agile Management training for high-level and middle-level managements (BoD, BoM, Branch Directors, Heads/Deputy Heads of HO Departments) with the goal of promoting effective coordination between individuals and units, empowering initiative, engaging employees, improving labor productivity to meet human resource quality requirements with fast execution capacity; (iii) Comprehensive renewal of identification and creation of human resources for mid-level management positions (organization of recruitment exams and public

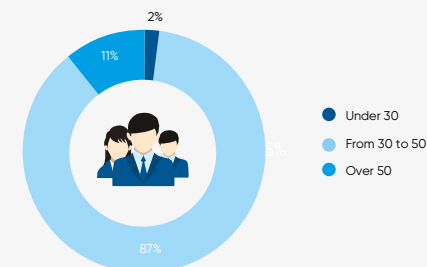
and transparent evaluation of candidates for the positions of Directors/Deputy Directors of Branches, Heads/Deputy Heads of HO Departments; development of a set of criteria for evaluating candidates that balance 2 factors of competence and professional expertise) to ensure the selection of suitable candidates, meeting VietinBank's HR requirements.

GENDER EQUALITY IN OUR BUSINESS

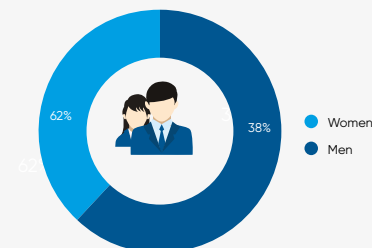
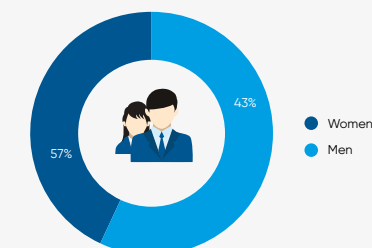
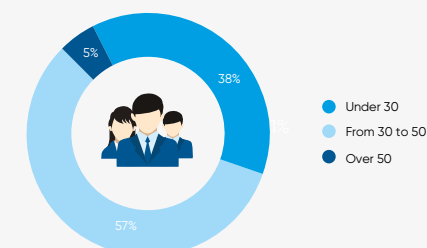
In 2021, with the attention of VietinBank's BoD, the Committee for the Advancement of VietinBank Women implemented the following activities:

- Develop a plan and issue instructions for units to implement activities in the Action Month of the year 2021;
- Launch the Action Month in an appropriate form; strengthen communication on the topic, message and activities of Action Month for gender equality and prevention of gender-based violence in various forms, suitable for each target group and actual situation, etc.
- Coordinate with VietinBank Trade Union to implement key programs for female employees, launch emulation activities along with organizing practical and effective campaigns and activities that attracted the participation of female officers, union members and employees. In

Structure of management team



Structure of staffs



In addition, the Committee for the Advancement of VietinBank Women directed units to take care and protect female employees' rights, inspect and supervise the implementation of regimes and policies for female employees; proactively advise and introduce excellent female officers to the Party committees and authorities in planning, training, nurturing and employing female officers, etc. Female employees were introduced to participate in advanced training profession, created favorable conditions to strive, contribute, enhance qualifications and participate in various activities to advance capability in all working fields, contributing to the representation and protection of female employees' interests; The reward scheme was always paid attention to promptly encourage outstanding achievements and motivate solidarity, unity, and best efforts of female employees to achieve VietinBank's goals and duties with excellence; Policies to support female employees who had difficulties due to the COVID-19 pandemic were promptly and effectively implemented; Communication, counseling and support for female employees during the complicated development of COVID-19 pandemic were strengthened as well.

INTENSIVE IMPLEMENTATION OF CORPORATE CULTURE

In 2021, through internal activities such as: Preliminary and sum-up conferences, Employee Conferences, newsletters on internal magazines, websites, posters and external

communication activities such as GMS, Investor Newsletter, domestic and foreign magazines/press, VietinBank strongly communicated to all levels, from HO to branches, from the BoD to all employees and partners, customers about VietinBank's strategic development orientation in the next 10 years and a vision to 2045 with the aspiration to become "a leading multi-functional, modern and efficient bank in Vietnam, being in the Top 20 strongest banks in the Asia Pacific region by 2030, being the strongest and most prestigious bank in Vietnam, a leading bank in the Asia-Pacific region and a highly reputable bank in the world by 2045", carrying out the mission of "Being a pioneer bank in the country's development on the basis of bringing optimal value to customers, shareholders and employees". Accordingly, VietinBank's officers and employees have had full and comprehensive access to VietinBank's vision and mission in the next 10 years, from which all VietinBank employees understand and believe in the direction of the BoD, towards the common goals.

Besides, VietinBank has also strongly propagated corporate culture towards 5 core values of the bank including "Customer-centricity", "Innovation", "Integrity", "Respect" and "Responsibility". Core values are expressed in consistent actions from high-level management to each staff position, changing from thought to action associated with core values and behavioral standards throughout all activities at all hierarchies, units within VietinBank system.

6 - CORPORATE SOCIAL RESPONSIBILITIES



social welfare program with a total value exceeding








519 VND BILLION

Total budget VietinBank has spent for social welfare programs up to now

8,000 VND BILLION

In recent years, in addition to successful fulfilment of business targets, active promotion of Banking Industry's good tradition, VietinBank has proactively conducted social-welfare-related activities in accordance with direction and policy of the Party, the Government and Banking Industry with the aim of hunger eradication, poverty reduction, and improvement of people's material and spiritual life in localities with difficult economic conditions and participated in many practical and meaningful programs to contribute to the overall development of society and community. VietinBank continued to promote social welfare and gratitude expression activities through sponsoring a number of social welfare related projects and programs with a total value of over **VND 519 billion**, increasing the total budget that VietinBank spent on this so far to over **VND 8,000 billion**. VietinBank's social welfare activities focused on building houses for the poor, building schools, healthcare facilities, and infrastructure works in difficult areas, rural and remote areas, supporting mitigation of damages caused by natural disasters, storms and floods. In particular, VietinBank has spent more than **VND 209 billion** for the fight against COVID-19. These charitable deeds of VietinBank have contributed to spread the brand name of VietinBank, leveling up the livelihood of people throughout the country.

Below is a sum-up of VietinBank's social welfare activities over past years and in 2021.

SOCIAL WELFARE ACTIVITY RESULTS	Previous years to 2021	In 2021	Units
TOTAL AMOUNT (committed/implemented)	> 8,000	> 519	VND billion
Typical activities:			
 Supporting the fight against COVID-19	209	166	VND billion
 Building new houses for the poor	43,410	980	houses
 Building schools	744	21	projects
 Building classrooms	408	2	projects
 Building bridges, rural roads	992	13	projects
 Building healthcare centers	140	7	projects
 Funding ambulance cars	295	12	cars

6 - CORPORATE SOCIAL RESPONSIBILITIES

SIGNIFICANT SOCIAL WELFARE PROGRAMS OF VIETINBANK

JOINING HANDS TO SUPPORT THE PREVENTION AND CONTROL OF COVID-19

Over the past 2 years, the COVID-19 pandemic has developed complicatedly and unpredictably, affecting greatly the socio-economic development of the country as well as the health and livelihood of people. Understanding the difficulties of citizen affected by the pandemic; promoting the role of a pivotal and key enterprise, VietinBank has donated over VND 209 billion to accompany the Government and localities in pandemic prevention and control such as: Donating to Vietnam COVID-19 Vaccine Fund (VND 60 billion), sponsoring ventilators, quick test kits, masks, antiseptic solutions, body temperature monitors, etc.



Certification of VietinBank's support for Vietnam COVID-19 Vaccine Fund

209 VND BILLION
WAS DONATED BY VIETINBANK
FOR THE PREVENTION AND CONTROL OF
COVID-19



With the message "No one is left behind - Together, we would win", VietinBank's large-scale "Charity Rice Bank" program was organized to share a part of difficulties with the poor during the COVID-19 pandemic. The total amount of rice that had been distributed through VietinBank's "Charity Rice Bank" was 130 tons, equivalent to 26,000 rice servings at nearly 50 locations nationwide with a budget of approximately VND 2 billion.



VietinBank carried out "Rice Bank" to help the disadvantaged people during the COVID-19 pandemic

50 LOCATIONS
FOR CHARITY
RICE DISTRIBUTION
NATIONWIDE

26,000
RICE SERVINGS

WITH A BUDGET OF NEARLY
2 VND BILLION

In 2021, the COVID-19 pandemic not only affected citizen's health but also wreak havoc on the "health" of businesses. In order to companion with businesses and people to overcome difficulties and resume production, VietinBank promoted its role as a pioneer and proactive bank in supporting businesses and people to recover from hardship caused by the COVID-19 pandemic through interest reduction, debt restructuring, maintenance of debt group, etc. Along with that, VietinBank also actively advised and supported businesses to restructure their operations to suit the new situation; promptly satisfying the legitimate and necessary needs of capital and banking services of businesses, citizen, the economy and society. In 2021, VietinBank set aside nearly VND 7,000 billion from its profit to reduce lending interest rates, exempt and reduce service fees for businesses and citizen; making a very important and effective contribution to the economy to overcome difficulties, stabilize and continue to develop.

It can be affirmed that, with specific, practical and effective actions in the prevention and control of the COVID-19 pandemic, ensuring the maintenance of safe operations, VietinBank has been contributing to the successful implementation of the "dual target" of the Government. VietinBank wishes to join a hand with the Government and the community to deliver excessive resources for the prevention, control and fight against the COVID-19 pandemic to return the country to a new normal soon.

7,000
VND BILLION

TO SUPPORT CUSTOMERS
AFFECTED BY THE COVID-19 PANDEMIC

6 - CORPORATE SOCIAL RESPONSIBILITIES

JOINING HANDS FOR THE POOR, LEAVING NO ONE BEHIND



3,158
BREEDING BUFFALOES
AND COWS



43,400
HOUSES OF GRATITUDE

CHARITABLE PORRIDGE – THE WARM OF KINDNESS

At 6 a.m. every morning, VietinBank Youth Union members are present at Vietnam National Hospital of Pediatrics to distribute free porridge to poor children patients. The warm of charitable porridge not only promptly shares a part of difficulties with the families of patients, but also highlights humanistic tradition and VietinBank's responsibility to support the community.

Up to now, VietinBank has had more than 10 years of making a journey to bring free and warm porridge meals to children at the National Hospital of Pediatrics with the name "Kindhearted porridge pot". Each serving of porridge, in spite of small material value, contains the sincere feelings and responsibility of "VietinBank people" with the desire to share a part of hardship with the families of pediatrics patients, giving trust to the patients, together looking towards better things in life. Those are the porridge of compassion with all enthusiasm and responsibility.



VietinBank handed over breeding cows for the poor in Tra Vinh province

In order to promote the valuable tradition of "The leaves protect tattered ones" of the nation and implement the National Target Program on sustainable poverty reduction, responding to the campaign "The whole country joins hands for the poor – No one is left behind", during the past time, VietinBank has coordinated with the Central Committee of the Vietnam Fatherland Front and local authorities at all levels to take care of the poor and carry out poverty reduction. VietinBank has been donating 3,158 breeding buffaloes and cows for agricultural development; building and repairing over 43,400 houses of gratitude/house of solidarity and giving gifts on the occasion of annual Lunar New Year to ethnic minorities, poor households and disadvantaged families under preferential treatment policy in 63 provinces, cities for early livelihood stabilization



Members of VietinBank Youth Union participated in charity porridge delivery at the National Hospital of Pediatrics

200,000
NATIONAL FLAGS
60,000
UNCLE HO'S PICTURES



FOR THE SOVEREIGNTY OF THE FATHERLAND'S SEAS AND ISLANDS

In 2021, VietinBank and the Border Guard Command jointly organized the program "For the sovereignty of the Fatherland seas and islands" to show gratitude and encouragement to the people at border area and fishermen who have actively set sail, done sea-related businesses to build a prosperous life; VietinBank also actively participated with the armed forces and border guards to firmly protect the sovereignty and security of the sea and island border of the Fatherland. Accordingly, units in the entire Border Guard Command cooperated with VietinBank to unitedly present more than **200,000** national flags and **60,000** photos of Uncle Ho Chi Minh to people in sea and island border areas. Each fishing boat setting sail is a "living boundary marker" at the seas; affirming the country's sovereignty over the sacred seas and islands.

In the series of activities of the Program, VietinBank officers, soldiers, union members, local youth, and students have cleaned up, collected garbage at beaches in many areas.



VietinBank delivered gifts to disadvantaged families at the campaign "For the sovereignty of the Fatherland seas and islands" in 2021



VietinBank officers, soldiers, union members, local youth and students cleaned up beaches in many areas

6 - CORPORATE SOCIAL RESPONSIBILITIES

SUPPORT FOR HEALTH AND EDUCATION IN MANY LOCALITIES



744 SCHOOL
BUILDINGS



25 VND BILLION
DONATED TO THE PROGRAM
"INTERNET AND COMPUTERS
FOR CHILDREN"

Health and Education are two sectors that VietinBank always pays special attention to, devoting a lot of resources for development. VietinBank has consistently accompanied educational support programs of many localities. By the end of 2021, VietinBank has supported the construction of **744 school projects**, awarding scholarships and educational equipment; supporting study and talent promotion funds, etc. In 2021 alone, VietinBank donated VND **25 billion** to the program "**Internet and computers for children**" coordinated by the Ministry of Education and Training and the Ministry of Information and Communications with the aim of calling the whole society to join hands and support students with difficult circumstances, lack of means (computers) and online learning conditions during the period affected by the COVID-19 pandemic.



VietinBank donated VND 25 billion to accompany the program "Internet and computers for children"



140 MEDICAL STATIONS



295
AMBULANCE CARS

For the health sector, in addition to actively supporting the prevention and control of the COVID-19 pandemic, VietinBank also built **140 medical stations**; donated **295 ambulance cars**; donated medical equipment to hospitals from central to local areas. VietinBank's efforts have helped children have good, spacious and sustainable schools to play and study; people have better medical conditions to take care of their health.



VietinBank donated a number of ambulance cars and medial equipment to hospitals from central to to local areas

VietinBank's endeavors over the years have brought about certain successes in contributing to the fruitful implementation of the great policy of the Party, the Government and Banking sector for hunger eradication, poverty reduction and gratitude expression. Many poor districts and communes, after VietinBank's support, have gradually changed their appearance; the material, cultural and spiritual life of poor households and localities has been significantly improved and enhanced; people have houses to live in, have better medical conditions for health care as well as safe and convenient transportation, children have good, spacious and sustainable schools to play and study; people who are affected by natural disasters, storms, floods, COVID-19 pandemic have soon stabilized their lives, continued to work to promote production and business, etc. VietinBank always aims to develop a sustainable community in all aspects to demonstrate the social responsibility of a large-scale public enterprise that plays a pivotal role in the economy.

07

Audited Consolidated Financial Statements 2021

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- 2 Report of Management
- 3 Independent auditors' report
- 4 Consolidated balance sheet
- 5 Consolidated income statement
- 6 Consolidated cash flow statement
- 7 Notes to the consolidated financial statements

VIETNAM JOINT STOCK COMMERCIAL BANK FOR INDUSTRY AND TRADE GENERAL INFORMATION

THE BANK

Vietnam Joint Stock Commercial Bank for Industry and Trade (herein referred to as “the Bank” or “VietinBank”) is a joint stock commercial bank incorporated and registered in the Socialist Republic of Vietnam.

The Bank was incorporated on the basis of equitizing Vietnam Bank for Industry and Trade, a State-owned commercial bank that was incorporated under the name of Vietnam Industrial and Commercial Bank in accordance with Decree No. 53/ND-HDBT dated 26 March 1988 of the Ministers’ Council on the organization of the State Bank of Vietnam (“SBV”). The Bank was officially renamed Vietnam Bank for Industry and Trade in accordance with Decision No. 402/CT dated 14 November 1990 granted by the Chairman of Ministers’ Council. Also, the Governor of the SBV signed Decision No. 285/QĐ-NH5 dated 21 September 1996 to re-establish the Bank under State corporation model. On 25 December 2008, Vietnam Bank for Industry and Trade successfully carried out its initial public offering.

The Bank was equitized and renamed Vietnam Joint Stock Commercial Bank for Industry and Trade on 3 July 2009 according to Establishment and Operating License No. 142/GP-NHNN dated 3 July 2009 issued by the State Bank of Vietnam and Business Registration No. 0103038874 dated 3 July 2009 issued by Hanoi Authority for Planning and Investment. The latest amended Business Registration No. 0100111948 of the Bank was issued for the 12th time by Hanoi Authority for Planning and Investment on 8 September 2021.

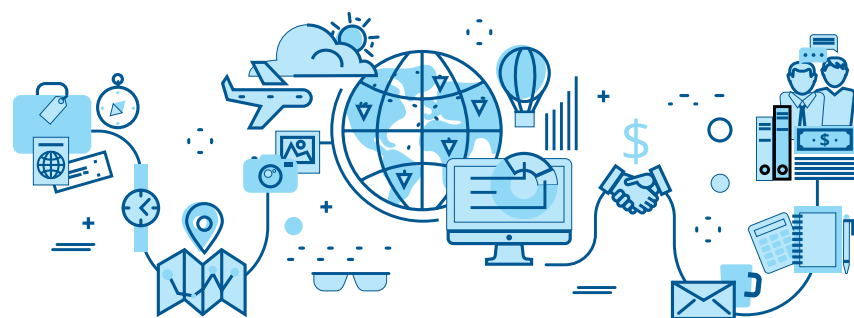
The Bank was established to provide banking services including mobilizing and receiving short, medium and long-term deposits from organizations and individuals; offering short, medium and long-term loans and advances to organizations and individuals based on the nature and ability of the Bank’s capital resources; conducting foreign exchange transactions, international trade finance services; discounting commercial papers, bonds and other valuable papers; and providing other banking services as allowed by the State Bank of Vietnam.

Charter capital

As at 31 December 2021, the charter capital of the Bank is VND48,057,506 million (31 December 2020: VND37,234,046 million).

Location

The Bank’s Head Office is located at 108 Tran Hung Dao Street, Hoan Kiem District, Hanoi, Vietnam. As at 31 December 2021, the Bank has one (01) Head Office; two (02) Local representative offices (in Da Nang and Ho Chi Minh City); nine (09) Administrative units include: one (01) School of Human Resource Development and Training; one (01) Information Technology centre; one (01) Card centre; one (01) Trade finance centre; five (05) Cash management centres; one-hundred and fifty five (155) branches and seven (07) subsidiaries; foreign networks include: one (01) overseas representative office in Myanmar; two (02) branches in the Federal Republic of Germany, one (01) 100% owned bank in Lao People’s Democratic Republic (VietinBank Lao Limited).



VIETNAM JOINT STOCK COMMERCIAL BANK FOR INDUSTRY AND TRADE GENERAL INFORMATION (continued)

BOARD OF DIRECTORS

Members of the Board of Directors of the Bank during the year and at the date of this report are:

Name	Position	Appointment/Resignation date
Mr. Tran Minh Binh	Chairman	Appointed on 7 September 2021
Mr. Le Duc Tho	Chairman	Resigned on 3 July 2021
Ms. Tran Thu Huyen	Member	
Mrs. Nguyen Thi Bac	Independent member	
Mr. Nguyen The Huan	Member	
Ms. Pham Thi Thanh Hoai	Member	
Mr. Tran Van Tan	Member	Appointed to be in charge of the Board of Directors’ activities from 3 July 2021 to 7 September 2021
Mr. Le Thanh Tung	Member	Appointed on 3 November 2021
Mr. Masahiko Oki	Member	
Mr. Masashige Nakazono	Member	Appointed on 16 April 2021
Mr. Shiro Honjo	Member	Resigned on 16 April 2021

VIETNAM JOINT STOCK COMMERCIAL BANK FOR INDUSTRY AND TRADE

GENERAL INFORMATION (continued)

MANAGEMENT AND CHIEF ACCOUNTANT

Members of the Management and Chief Accountant of the Bank during the year and at the date of this report are:

Name	Position	Appointment/Resignation date
Mr. Tran Minh Binh	General Director	Resigned on 7 September 2021
Mr. Nguyen Hoang Dung	Deputy General Director in charge of the Board of Management	Appointed on 7 September 2021
Mr. Tran Cong Quynh Lan	Deputy General Director	
Mr. Nguyen Dinh Vinh	Deputy General Director	
Ms. Le Nhu Hoa	Deputy General Director	
Mr. Nguyen Duc Thanh	Deputy General Director	
Mr. Masahiko Oki	Deputy General Director	Appointed on 26 May 2021
Ms. Nguyen Hong Van	Deputy General Director	Resigned on 3 November 2021
Mr. Nguyen Hai Hung	Chief Accountant	

SUPERVISORY BOARD

Members of the Supervisory Board of the Bank during the year and at the date of this report are:

Name	Position	Appointment/Resignation date
Ms. Le Anh Ha	Chief Supervisor	Appointed on 23 April 2019
Ms. Nguyen Thi Anh Thu	Member	Appointed on 23 April 2019
Mr. Nguyen Manh Toan	Member	Resigned on 3 November 2021
Ms. Pham Thi Thom	Member	Appointed on 16 April 2021

VIETNAM JOINT STOCK COMMERCIAL BANK FOR INDUSTRY AND TRADE

GENERAL INFORMATION (continued)

LEGAL REPRESENTATIVE

The legal representative of the Bank during the year and at the date of this report is Mr. Tran Minh Binh – the Chairman.

Mr. Nguyen Hoang Dung – Deputy General Director in charge of Board of Management is authorized by Mr. Tran Minh Binh to sign the accompanying consolidated financial statements for the year ended 31 December 2021 in accordance with the Letter of Authorization No. 1749/UQ-HĐQT-NHCT18 dated 31 December 2021.

AUDITORS

The auditor of the Bank is Ernst & Young Vietnam Limited.

VIETNAM JOINT STOCK COMMERCIAL BANK FOR INDUSTRY AND TRADE REPORT OF MANAGEMENT

Management of Vietnam Joint Stock Commercial Bank for Industry and Trade ("the Bank") is pleased to present this report and the consolidated financial statements of the Bank and its subsidiaries as at 31 December 2021 and for the year then ended.

MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the consolidated financial statements which give a true and fair view of the consolidated financial position of the Bank and its subsidiaries and of the consolidated results of their operations and their consolidated cash flows for the year. In preparing these consolidated financial statements, management is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the consolidated financial statements; and
- prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Bank and its subsidiaries will continue their business.

Management of the Bank is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the consolidated financial position of the Bank and its subsidiaries and to ensure that the accounting records comply with the applied accounting system. It is also responsible for safeguarding the assets of the Bank and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Management confirmed that it has complied with the above requirements in preparing the accompanying consolidated financial statements.

STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Bank and its subsidiaries as at 31 December 2021 and of the consolidated results of their operations and their consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System for Credit Institutions and statutory requirements relevant to preparation and presentation of the consolidated financial statements.



Mr. Nguyen Hoang Dung
Deputy General Director
In charge of the Board of Management

Hanoi, Vietnam
30 March 2022

INDEPENDENT AUDITORS' REPORT



Ernst & Young Vietnam
Limited
8th Floor, CornerStone
Building
16 Phan Chu Trinh Street
Hoan Kiem District
Hanoi, S.R. of Vietnam
Vietnam
Tel: +84 24 3831 5100
Fax: +84 24 3831 5090

Reference: 61034016/22828078-HN

To: **The Shareholders of
Vietnam Joint Stock Commercial Bank for Industry and Trade**

We have audited the accompanying consolidated financial statements of Vietnam Joint Stock Commercial Bank for Industry and Trade ("the Bank") and its subsidiaries as prepared on 30 March 2022 and set out on pages 7 to 83, which comprise the consolidated balance sheet as at 31 December 2021, the consolidated income statement and the consolidated cash flow statement for the year then ended and the notes thereto.

Management's responsibility

Management of the Bank is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System for Credit Institutions and statutory requirements relevant to preparation and presentation of consolidated financial statements, and for such internal control as management determines is necessary to enable the preparation and presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Bank's and its subsidiaries' preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's and its subsidiaries' internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITORS' REPORT (continued)**Opinion**

In our opinion, the consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of the Bank and its subsidiaries as at 31 December 2021, and of the consolidated results of their operations and their consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System for Credit Institutions and other statutory requirements relevant to preparation and presentation of consolidated financial statements.

Ernst & Young Vietnam Limited

Dang Phuong Ha
Deputy General Director
Audit Practising Registration
Certificate No. 2400-2018-004-1

Hanoi, Vietnam
31 March 2022

Nguyen Van Trung
Auditor
Audit Practising Registration
Certificate No. 3847-2021-004-1

VIETNAM JOINT STOCK COMMERCIAL BANK FOR INDUSTRY AND TRADE

B02/TCTD-HN

CONSOLIDATED BALANCE SHEET

as at 31 December 2021

	Notes	31 December 2021 VND million	31 December 2020 (restated) VND million
ASSETS			
Cash, gold and gemstones	5	11,330,659	9,930,181
Balances with the State Bank of Vietnam	6	23,383,443	57,616,650
Placements with and loans to other credit institutions	7	149,316,646	102,532,818
Placements with other credit institutions		129,799,364	92,628,245
Loans to other credit institutions		19,517,282	9,904,573
Held-for-trading securities	8	2,475,309	5,601,747
Held-for-trading securities		2,522,807	5,723,160
Provision for held-for-trading securities		(47,498)	(121,413)
Derivatives and other financial assets	9	1,454,790	137,122
Loans to customers		1,104,872,665	1,002,750,890
Loans to customers	10	1,130,667,767	1,015,333,270
Provision for credit losses on loans to customers	11	(25,795,102)	(12,582,380)
Investment securities	12	177,544,548	114,941,998
Available-for-sale securities	12.1	174,973,469	112,677,836
Held-to-maturity investments	12.2	2,696,832	2,616,778
Provision for investment securities	12.4	(125,753)	(352,616)
Long-term investments	13	3,290,027	3,335,507
Investment in a joint venture	13.1	3,073,356	3,117,572
Other long-term investments		240,662	240,662
Provision for long-term investments		(23,991)	(22,727)
Fixed assets		10,496,152	10,824,970
Tangible fixed assets	14	6,192,822	6,423,208
Cost		15,773,302	15,457,388
Accumulated depreciation		(9,580,480)	(9,034,180)
Intangible fixed assets	15	4,303,330	4,401,762
Cost		6,627,694	6,387,433
Accumulated amortization		(2,324,364)	(1,985,671)
Other assets	16	47,423,159	33,838,095
Receivables	16.1	34,233,578	22,843,565
Accrued interest and fee receivables		9,856,571	7,797,843
Deferred corporate income tax assets	23.1	338	-

VIETNAM JOINT STOCK COMMERCIAL BANK FOR INDUSTRY AND TRADE

B02/TCTD-HN

CONSOLIDATED BALANCE SHEET (continued)

as at 31 December 2021

	Notes	31 December 2021 VND million	31 December 2020 (restated) VND million
Other assets	16.2	3,403,230	3,270,000
Provision for other assets	16.3	(70,558)	(73,313)
TOTAL ASSETS		1,531,587,398	1,341,509,978
LIABILITIES			
Due to the Government and the State Bank of Vietnam	17	33,294,404	44,597,188
Deposits and borrowings from other credit institutions	18	138,833,846	128,519,115
Deposits from other credit institutions	18.1	33,670,804	98,537,440
Borrowings from other credit institutions	18.2	105,163,042	29,981,675
Customer deposits	19	1,161,848,113	990,331,285
Other borrowed and entrusted funds	20	2,527,930	2,733,251
Valuable papers issued	21	64,496,785	59,875,570
Other liabilities		36,936,809	30,014,345
Interest and fee payables		16,867,319	16,085,370
Deferred corporate income tax liabilities	23.2	-	38,008
Other payables	22.1	19,015,117	13,120,952
Other provision		1,054,373	770,015
TOTAL LIABILITIES		1,437,937,887	1,256,070,754
OWNERS' EQUITY			
Capital		57,548,112	46,724,652
- Charter capital		48,057,506	37,234,046
- Share premium		8,974,698	8,974,698
- Other capital		515,908	515,908
Reserves		13,673,265	11,605,468
Foreign exchange differences		245,231	481,781
Undistributed profits		21,488,131	26,027,244
Non-controlling interests		694,772	600,079
TOTAL OWNERS' EQUITY	26	93,649,511	85,439,224
TOTAL LIABILITIES AND OWNERS' EQUITY		1,531,587,398	1,341,509,978

VIETNAM JOINT STOCK COMMERCIAL BANK FOR INDUSTRY AND TRADE

B02/TCTD-HN

CONSOLIDATED BALANCE SHEET (continued)

as at 31 December 2021

OFF-BALANCE SHEET ITEMS

	31 December 2021 VND million	31 December 2020 VND million
Credit guarantees	3,237,485	7,995,477
Foreign exchange commitments	479,385,067	303,101,636
- Foreign exchange commitments - buy	5,748,679	13,463,062
- Foreign exchange commitments - sell	5,964,386	13,673,951
- Currency swap contracts	467,672,002	275,964,623
Letters of credit	46,584,571	48,283,386
Other guarantees	60,180,414	50,018,900
Other commitments	104,576,907	52,679,205

Prepared by:



Mr. Ngo Xuan Hai
Head of Financial Accounting
Management Department

Reviewed by:



Mr. Nguyen Hai Hung
Chief Accountant

Approved by:



Mr. Nguyen Hoang Dung
Deputy General Director
In charge of the Board of
Management

Hanoi, Vietnam
30 March 2022

VIETNAM JOINT STOCK COMMERCIAL BANK FOR INDUSTRY AND TRADE

B03/TCTD-HN

CONSOLIDATED INCOME STATEMENT

for the year ended 31 December 2021

	Notes	2021 VND million	2020 (restated) VND million
Interest and similar income	27	84,628,302	83,676,516
Interest and similar expenses	28	(42,839,837)	(48,096,888)
Net interest and similar income		41,788,465	35,579,628
Fee and commission income		9,572,678	8,358,635
Fee and commission expenses		(4,612,172)	(3,996,181)
Net fee and commission income	29	4,960,506	4,362,454
Net gain from trading in foreign currencies	30	1,812,484	1,999,721
Net gain from held-for-trading securities	31	495,864	601,275
Net gain from investment securities	32	223,865	360,950
Other income		4,516,269	2,714,619
Other expenses		(1,118,203)	(785,226)
Net gain from other activities	33	3,398,066	1,929,393
Income from investments in other entities	34	477,382	524,038
TOTAL OPERATING EXPENSES	35	(17,185,850)	(16,069,428)
Net profit before provision for credit losses		35,970,782	29,288,031
Provision expense for credit losses		(18,381,626)	(12,168,215)
PROFIT BEFORE TAX		17,589,156	17,119,816
Current corporate income tax expense	25.1	(3,412,160)	(3,322,056)
Deferred tax expense	25.2	38,346	(12,552)
Corporate income tax expense		(3,373,814)	(3,334,608)
PROFIT AFTER TAX		14,215,342	13,785,208
Non-controlling interests		126,582	65,006
Owners' net profit		14,088,760	13,720,202
Basic earnings per share (VND/share)	26.5	3,347	3,200

Prepared by:

Reviewed by:

Approved by:



Mr. Ngo Xuan Hai
Head of Financial Accounting
Management Department

Hanoi, Vietnam
30 March 2022



Mr. Nguyen Hai Hung
Chief Accountant



Mr. Nguyen Hoang Dung
Deputy General Director
In charge of the Board of
Management

VIETNAM JOINT STOCK COMMERCIAL BANK FOR INDUSTRY AND TRADE

B04/TCTD-HN

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2021

	Notes	2021 VND million	2020 VND million
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest and similar receipts		82,887,292	82,205,508
Interest and similar payments		(42,193,852)	(49,901,673)
Net fee and commission receipts		4,953,100	4,717,441
Net receipts from foreign currencies, gold and securities trading activities		2,473,910	3,052,193
Other (expenses)/income		(58,016)	394,785
Recoveries from bad debts written-off previously	33	3,244,952	1,751,795
Payments for operating and salary expenses		(16,694,320)	(15,289,442)
Corporate income tax paid during the year	24	(4,000,535)	(2,631,634)
Net cash flows from operating profit before changes in operating assets and liabilities		30,612,531	24,298,973
Changes in operating assets		(201,831,648)	(106,066,316)
Increase in deposits at and loans to other credit institutions		(9,749,589)	(2,406,359)
Increase in trading securities		(59,249,249)	(11,750,383)
(Increase)/decrease in derivatives and other financial assets		(1,317,668)	332,590
Increase in loans to customers		(115,334,497)	(80,062,325)
Utilization of provision to write off loans to customers, securities, long-term investments and other receivables		(5,174,930)	(19,710,547)
(Increase)/decrease in other assets		(11,005,715)	7,530,708
Changes in operating liabilities		176,620,626	89,612,979
Decrease in due to the SBV and the Government		(11,302,784)	(26,005,705)
Increase in deposits and borrowings from other credit institutions		10,314,731	19,036,056
Increase in customer deposits		171,516,828	97,546,057
Increase in valuable papers issued (except for valuable papers issued for financing activities)		4,621,215	2,809,217
Decrease in other borrowed and entrusted funds		(205,321)	(3,042,648)
Increase/(decrease) in other liabilities		1,675,957	(729,998)
Net cash flows from operating activities		5,401,509	7,845,636
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of fixed assets		(736,408)	(715,459)
Proceeds from disposal of fixed assets		7,371	108,296
Payments for disposal of fixed assets		(2,877)	(1,273)
Proceeds from investments in other entities		-	23,990
Dividends and profits received from long-term investments		83,771	67,061
Net cash flows used in investing activities		(648,143)	(517,385)

VIETNAM JOINT STOCK COMMERCIAL BANK FOR INDUSTRY AND TRADE

B04/TCTD-HN

CONSOLIDATED CASH FLOW STATEMENT (continued)

for the year ended 31 December 2021

	Notes	2020 VND million	2019 VND million
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend payment to shareholders		(21,267)	(1,881,229)
Net cash flows from financing activities		(21,267)	(1,881,229)
Net cash flows in the year		4,732,099	5,447,022
Cash and cash equivalents at the beginning of the year		160,175,076	155,046,744
Impact of exchange rate fluctuation		(530,589)	(318,690)
Cash and cash equivalents at the end of the year	36	164,376,586	160,175,076

Prepared by:

Reviewed by:

Approved by:



Mr. Ngo Xuan Hai
Head of Financial Accounting
Management Department



Mr. Nguyen Hai Hung
Chief Accountant



Mr. Nguyen Hoang Dung
Deputy General Director
In charge of the Board of
Management

Hanoi, Vietnam
30 March 2022

VIETNAM JOINT STOCK COMMERCIAL BANK FOR INDUSTRY AND TRADE

B05/TCTD-HN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at 31 December 2021 and for the year then ended

**1. GENERAL INFORMATION**

Vietnam Joint Stock Commercial Bank for Industry and Trade (herein referred to as "the Bank" or "VietinBank") is a joint stock commercial bank incorporated and registered in the Socialist Republic of Vietnam.

The Bank was incorporated on the basis of equitizing Vietnam Bank for Industry and Trade, a State-owned commercial bank that was incorporated under the name of Vietnam Industrial and Commercial Bank in accordance with Decree No. 53/ND-HDBT dated 26 March 1988 of the Ministers' Council on the organization of the State Bank of Vietnam ("SBV"). The Bank was officially renamed Vietnam Bank for Industry and Trade in accordance with Decision No. 402/CT dated 14 November 1990 granted by the Chairman of Ministers' Council. Also, the Governor of the SBV signed Decision No. 285/QD-NH5 dated 21 September 1996 to re-establish the Bank under State corporation model. On 25 December 2008, Vietnam Bank for Industry and Trade successfully carried out its initial public offering.

The Bank was equitized and renamed Vietnam Joint Stock Commercial Bank for Industry and Trade on 3 July 2009 according to Establishment and Operating License No. 142/GP-NHNN dated 3 July 2009 issued by the State Bank of Vietnam and Business Registration No. 0103038874 dated 3 July 2009 issued by Hanoi Authority for Planning and Investment. The latest amended Business Registration No. 0100111948 of the Bank was issued for the 12th time by Hanoi Authority for Planning and Investment on 8 September 2021.

The Bank was established to provide banking services including mobilizing and receiving short, medium and long-term deposits from organizations and individuals; offering short, medium and long-term loans and advances to organizations and individuals based on the nature and ability of the Bank's capital resources; conducting foreign exchange transactions, international trade finance services; discounting commercial papers, bonds and other valuable papers; and providing other banking services as allowed by the State Bank of Vietnam.

Charter capital

As at 31 December 2021, the charter capital of the Bank is VND48,057,506 million (31 December 2020: VND37,234,046 million).

VIETNAM JOINT STOCK COMMERCIAL BANK FOR INDUSTRY AND TRADE

B05/TCTD-HN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at 31 December 2021 and for the year then ended

1. GENERAL INFORMATION (continued)**Location**

The Bank's Head Office is located at 108 Tran Hung Dao Street, Hoan Kiem District, Hanoi, Vietnam. As at 31 December 2021, the Bank has one (01) Head Office; two (02) Local representative offices (in Da Nang and Ho Chi Minh City); nine (09) Administrative units include: one (01) School of Human Resource Development and Training; one (01) Information Technology centre; one (01) Card centre; one (01) Trade finance centre; five (05) Cash management centres; one-hundred and fifty five (155) branches and seven (07) subsidiaries; foreign networks include: one (01) overseas representative office in Myanmar; two (02) branches in the Federal Republic of Germany, one (01) 100% owned bank in Lao People's Democratic Republic (VietinBank Lao Limited).

Employees

As at 31 December 2021, the Bank has 25,154 employees (31 December 2020: 24,480 employees).

Subsidiaries

As at 31 December 2021, the Bank has seven (07) directly owned subsidiary companies and one (01) subsidiary bank as follows:

Subsidiaries	Operating Licences	Nature of Business	Ownership
VietinBank Leasing Company Limited (*)	Business Registration No. 0101047075/GP dated 31 August 2009 granted by Hanoi Authority for Planning and Investment, 10 th amendment dated 5 November 2020	Finance and banking	100%
VietinBank Securities Joint Stock Company	Establishment and Operating License No. 107/UBCK - GP dated 1 July 2009 granted by State Securities Commission and Amended License No. 25/GPDC-UBCK dated 25 May 2020	Security market	75.6%
VietinBank Debt Management and Asset Exploitation Company Limited	Business Registration No. 0302077030/GP dated 20 July 2010 granted by Department of Planning and Investment of Ho Chi Minh City, 6 th amendment dated 12 January 2021	Asset management	100%
VietinBank Insurance Joint Stock Corporation	Establishment and Operating License No. 21/GP-KDBH dated 12 December 2002 granted by the Ministry of Finance and Amended License No. 21/GPDC27/KDBH dated 13 June 2019 granted by the Ministry of Finance	Non-life insurance	73.4%
VietinBank Gold & Jewellery Trading Company Limited	Business Registration No. 0105011873/GP dated 25 November 2010 granted by Hanoi Authority for Planning and Investment, 7 th amendment dated 22 July 2019	Gold and jewellery trading and manufacturing	100%
VietinBank Fund Management Company Limited	Establishment and Operating License No. 50/UBCK-GP dated 26 October 2010 granted by State Security Commission and Amended License No. 102/GPDC-UBCK dated 9 November 2021	Fund management	100%
VietinBank Global Money Transfer Company Limited	Business Registration No. 0105757686 dated 3 January 2012 granted by Hanoi Authority for Planning and Investment, 1 st amendment dated 13 March 2015	Monetary transfer intermediary	100%
VietinBank Lao Limited	Business Registration No. 068/NHCHDCNDL dated 8 July 2015 granted by Lao DPR Central Bank	Finance and Banking	100%

VIETNAM JOINT STOCK COMMERCIAL BANK FOR INDUSTRY AND TRADE

B05/TCTD-HN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at 31 December 2021 and for the year then ended

1. GENERAL INFORMATION (continued)**Subsidiaries (continued)**

(*) On 22 June 2020, the Board of Directors of the Bank issued Resolution No. 231/NQ-HDQT-NHCT2.1 to (i) approving the transfer 49% of charter capital of VietinBank Leasing Company Limited ("VietinBank Leasing") owned by the Bank to a foreign investors - Mitsubishi UFJ Lease & Finance and transfer 1% of charter capital of VietinBank Leasing owned by the Bank to another domestic investor; and (ii) approving the transformation of legal form of VietinBank Leasing from a single-member limited liability credit institution to a multi-member limited liability credit institution upon completion of charter capital transferring. As at 31 December 2021, the Bank is in the process of applying for the approval from the relevant authority for the legal transformation of VietinBank Leasing.

2. ACCOUNTING PERIOD AND ACCOUNTING CURRENCY**2.1. Accounting period**

The Bank's fiscal year starts on 1 January and ends on 31 December.

2.2. Accounting currency

Currency used in preparation of financial statement of the Bank is Vietnam Dong ("VND"). For the purpose of preparing consolidated financial statements as at 31 December 2021, all amounts are rounded to the nearest million and presented in VND million. The presentation makes no impact on readers' view of consolidated financial position, consolidated income statement and consolidated cash flows.

3. APPLIED ACCOUNTING STANDARDS AND SYSTEM**3.1. Statement of compliance**

The Management of the Bank confirms that the accompanying consolidated financial statements have been prepared in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System for Credit Institutions and statutory requirements relevant to preparation and presentation of the consolidated financial statements.

3.2. Accounting standards and system

The consolidated financial statements of the Bank and its subsidiaries are prepared in accordance with the Accounting System applicable to Credit Institutions required under Decision No. 479/2004/QD-NHNN issued on 29 April 2004, Circular No. 10/2014/TT-NHNN dated 20 March 2014 and Circular 22/2017/TT-NHNN issued on 29 December 2017 amending and supplementing Decision No. 479/2004/QD-NHNN; Decision No. 16/2007/QD-NHNN dated 18 April 2007, Circular No. 49/2014/TT-NHNN amending and supplementing a number of articles of Decision No. 16/2007/QD-NHNN and the chart of account system for Credit Institutions issued in connection with Decision No. 479/2004/QD-NHNN by the Governor of the State Bank of Vietnam and Vietnamese Accounting Standards issued by the Ministry of Finance as per:

- Decision No. 149/2001/QD-BTC dated 31 December 2001 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series No.1);
- Decision No. 165/2002/QD-BTC dated 31 December 2002 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series No.2);
- Decision No. 234/2003/QD-BTC dated 30 December 2003 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series No.3);

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3. APPLIED ACCOUNTING STANDARDS AND SYSTEM (continued)**3.2. Accounting standards and system (continued)**

- Decision No. 12/2005/QĐ-BTC dated 15 February 2005 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series No. 4); and
- Decision No. 100/2005/QĐ-BTC dated 28 December 2005 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series No.5).

Accordingly, the accompanying consolidated financial statements and their utilization are not designed for those who are not informed about Vietnam's accounting principles, procedures and practices and furthermore are not intended to present the consolidated financial position and results of consolidated operations and consolidated cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

3.3. Assumptions and uses of estimates

The preparation of the consolidated financial statements requires management of the Bank to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities. These estimates and assumptions also affect the income, expenses and the results of provisions. The actual results may differ from such estimates and assumptions.

3.4. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Bank and its subsidiaries for the year ended 31 December 2021.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Bank obtains control, and continued to be consolidated until the date that such control ceases.

The financial statements of the Bank and its subsidiaries are prepared for the same reporting period, using consistent accounting policies.

All intra-company balances, income and expenses and unrealized gains or losses resulting from intra-company transactions are eliminated in full.

Non-controlling interests represent the portion of profit or loss and net assets not held by the Bank and are presented separately in the consolidated income statement and within equity in the consolidated balance sheet.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**4.1. Changes in accounting policies and disclosures**

The accounting policies adopted by the Bank in preparation of the financial statements are consistent with those followed in the preparation of the Bank's financial statements for the year ended 31 December 2020, excepted for:

Circular No. 03/2021/TT-NHNN ("Circular 03") and Circular No. 14/2021/TT-NHNN ("Circular 14") amending and supplementing a number of articles of Circular 01/2020/TT-NHNN ("Circular 01") date 13 March 2020 of the Governor of the State Bank of Vietnam providing regulations on loan restructuring, interest and/or fees exemption or reduction and debt classification retention for credit institutions and foreign bank branches to assist customers affected by the COVID-19 pandemic

On 2 April 2021 and 7 September 2021, the State Bank of Vietnam issued Circular 03 and Circular 14 which are effective from 17 May 2021 and 7 September 2021 accordingly to amend and supplement some articles of Circular 01. Main changes by Circular 03 and Circular 14 include:

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**4.1. Changes in accounting policies and disclosures (continued)**

- Revise and supplement condition for loans whose payment terms are restructured or whose interest and fee are reduced or exempted but classifications are remained;
- Supplement regulation on making specific provision and additional provision for borrowers having loans with payment terms are restructured or interest and fee are reduced or exempted as Circular regulated.

Circular No. 11/2021/TT-NHNN regulating the classification of assets, rates and method of setting up risk provisions, and use of provisions against credit risks in banking activity of credit institutions and foreign bank branches ("Circular 11")

On 30 July 2021, the State Bank of Vietnam issued Circular 11 which is effective from 1 October 2021 to replace Circular 02/2013/TT-NHNN date 21 January 2013 and Circular 09/2014/TT-NHNN date 18 March 2014. Main changes by Circular 11 include:

- Amend regulation on date and steps of loan classification and provision processes. Accordingly, at least once per month, within the first seven (7) days of the month, credit institutions and foreign bank branches implement its loan classification and provision for loans outstanding at the end of the last day of the previous month. At the same time, credit institutions and foreign bank branches are required to based on loan classification provided by CIC to adjust its own classification and corresponding provision;
- Amend some regulations on determination of deductible value of collateral used for making provision for credit loss;
- Supplement list of assets whose general provision is not required to be made for, including treasury bills, certificate of deposits, bonds issued by other domestic credit institutions/foreign bank branches and Government bonds under sell and repurchase transactions.

4.2. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, balance with the SBV, demand deposits and placements with other credit institutions with an original maturity of not more than three months from the transaction date, Government treasury bills and other short-term valuable papers eligible for rediscount with the SBV, securities with recovery or maturity period of not more than three months from date of purchase which are readily convertible into defined amounts of cash and that are subject to an insignificant risk of change in value.

4.3. Placements with and loans to other credit institutions

Placements with and loans to other credit institutions are presented at the principal amounts outstanding at the end of the year.

Placements with and loans to other credit institutions are classified and provisioned for in accordance with Circular 11.

Accordingly, the Bank makes a specific provision for placements with (except for current accounts) and loans to other credit institutions according to the method as described in Note 4.5.

According to Circular 11, the Bank is not required to make a general provision for placements with and loans to other credit institutions.

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**4.4. Loans to customers**

Loans to customers are presented at the principal amounts outstanding at the end of the fiscal year.

Provision for credit losses on loans to customers is accounted and presented in a separate line in the consolidated balance sheet.

Short-term loans have maturity of less than one year from disbursement date. Medium-term loans have maturity from one to under five years from disbursement date. Long-term loans have maturity from five years from disbursement date.

Loan classification and provision for credit losses are made according to Circular 11 as presented in Note 4.5.

4.5. Loan classification and provision for credit losses applied to placements with and loans to other credit institutions, unlisted corporate bonds purchased and trusted for purchase by the Bank, loans to customers granted and trusted for grant by the Bank and other credit risk bearing assets

The classification of placements with and loans to other credit institutions and foreign bank branches, direct and entrusted investments in unlisted corporate bonds (including bonds issued by other credit institutions), entrusting credit extension; buy and sell debt according to regulations; buy and sell government bonds on the stock market; buy promissory notes, bills, certificates of deposit issued by credit institutions, other foreign bank branches; financial leasing; discount, rediscount negotiable instruments and other valuable papers; factoring; granting credit in the form of credit card issuance; Payment on behalf of off-balance sheet commitments and other credit risk receivables (collectively "debts") are made using both the quantitative and qualitative methods as regulated under Article 10 and Article 11 of Circular 11. In case the classification results under Articles 10 and 11 are not the same, the debts must be classified into the higher risk group.

When the Bank participates in a syndicated loan not as a lead bank, it classifies loans (including the syndicated loan) of the customer into the higher risk group assessed by other participants.

When a customer has more than one debt with the Bank and any of the outstanding debts is classified into a higher risk group, the Bank has to classify the entire remaining debts of that customer into the corresponding higher risk group.

Since 1 January 2015, credit institutions, foreign bank branches have been required to use the updated information from Credit Information Centre ("CIC") about the loan group of customers at the time of loan classification to adjust the classification group of loans and off-balance sheet items (This regulation does not apply to the results of loan classification for customers of the Vietnam Development Bank provided by CIC). Accordingly, debts are classified based on risk level as follows: *Current*, *Special Mention*, *Sub-standard*, *Doubtful* and *Loss*. Loans which are classified as *Sub-standard*, *Doubtful* and *Loss* are non-performing loans.

Specific provision

Specific provision as at 31 December is made based on the principal balance less discounted value of collaterals multiplied by provision rates which are determined based on the loan classification results as at 30 December. The basis for determining the value and deductible value of each type of collateral is regulated in Circular 11.

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as at 31 December 2021 and for the year then ended

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**4.5. Loan classification and provision for credit losses applied to placements with and loans to other credit institutions, unlisted corporate bonds purchased and trusted for purchase by the Bank, loans to customers granted and trusted for grant by the Bank and other credit risk bearing assets (continued)***Specific provision (continued)*

The classification of debts and specific provision rates for each specific debt group according to the quantitative method specified in Article 10 of Circular 11 is as follows:

Group		Description	Provision rate
1	Current	a. Debts in due and assessed as fully and timely recoverable for both principals and interests; or	0%
		b. Debts overdue for a period of less than 10 days and assessed as fully recoverable for both overdue principals and interests, and fully and timely recoverable for both remaining principals and interests.	
2	Special Mention	a. Debts overdue for a period between 10 days and 90 days; or	5%
		b. Debts whose repayment terms are restructured for the first time.	
3	Sub-standard	a. Debts overdue for a period between 91 days and 180 days; or	20%
		b. Debts whose repayment terms are extended for the first time; or	
		c. Debts whose interests are exempted or reduced because customers do not have the capability to repay all interests under credit contracts; or	
		d. Debts under one of the following cases which have not been recovered in less than 30 days from the date of the recovery decision:	
		- Debts violating Clause 1, 3, 4, 5, 6 under Article 126 of Law on Credit Institutions; or	
		- Debts violating Clause 1, 2, 3, 4 under Article 127 of Law on Credit Institutions; or	
		- Debts violating Clauses 1, 2 and 5 under Article 128 of Law on Credit Institutions.	
		e. Debts required to be recovered according to regulatory inspection conclusions;	
		f. Debts are required to be recovered according to credit institutions, foreign bank branches' decisions on early payment due to customers' breach of agreements but have not yet been recovered in 30 days from the issuance date of the decision; or	
		g. At the request of the SBV based on the inspection, supervision conclusions and relevant credit information.	

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.5. Loan classification and provision for credit losses applied to placements with and loans to other credit institutions, unlisted corporate bonds purchased and trusted for purchase by the Bank, loans to customers granted and trusted for grant by the Bank and other credit risk bearing assets (continued)*Loan classification (continued)*

Group	Description	Provision rate
4	Doubtful	50%
	a. Debts are overdue for a period of between 181 days and 360 days; or	
	b. Debts which the repayment terms are restructured for the first time but still overdue for a period of less than 90 days under that restructured repayment term; or	
	c. Debts which the repayment terms are restructured for the second time; or	
	d. Debts are specified in Point (d) of Loan group 3 and overdue for a period of between 30 days and 60 days after decisions of recovery have been issued; or	
	e. Debts are required to be recovered according to regulatory inspection conclusions but still outstanding with an overdue period up to 60 days since the recovery date as required by regulatory inspection conclusions.	
	f. Debts are required to be recovered as follows the before-due recovery decision of the Branch due to customers' breach of the agreement with the Branch but still outstanding with an overdue for a period of 30 to 60 days from the date of recovery decision; or	
	g. At the request of the SBV based on regulatory inspection, supervision results and relevant credit information.	
5	Loss	100%
	a. Debts are overdue for a period of more than 360 days; or	
	b. Debts which the repayment terms are restructured for the first time but still overdue for a period of 90 days or more under that first restructured repayment term; or	
	c. Debts which the repayment terms are restructured for the second time but still overdue under that second restructured repayment term; or	
	d. Debts which the repayment terms are restructured for the third time or more, regardless of being overdue or not; or	
	e. Debts are specified in Point (d) of Loan group 3 and overdue for a period of more than 60 days after decisions on recovery have been issued; or	
	f. Debts are required to be recovered under regulatory inspection conclusions but still outstanding with an overdue period of more than 60 days since the recovery date as required by regulatory inspection conclusions; or	
	g. Debts are required to be recovered as follows the before-due recovery decision of the Branch due to customers' breach of the agreement with the Branch but still outstanding with an overdue for a period of more than 60 days from the date of recovery decision; or	
	h. Debts of credit institutions under special control as announced by the SBV, or debts of foreign bank branches which capital and assets are blocked; or	
	i. At the request of the SBV based on regulatory inspection, supervision results and relevant credit information.	

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as at 31 December 2021 and for the year then ended

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.5. Loan classification and provision for credit losses applied to placements with and loans to other credit institutions, unlisted corporate bonds purchased and trusted for purchase by the Bank, loans to customers granted and trusted for grant by the Bank and other credit risk bearing assets (continued)*Loan classification (continued)*

For loans in agricultural and rural areas, the Bank is allowed to restructure debt while keeping the corresponding debt group unchanged once time in accordance with Circular No. 10/2015/TT-NHNN dated 22 July 2015 and Circular No. 25/2018/TT-NHNN dated 24 October 2018 amending, supplementing Circular No. 10/2015/TT-NHNN guiding the implementation of a number of contents of Decree No. 55/2015/ND-CP dated 9 June 2015 issued by the Government on credit policies supporting agricultural and rural development.

From 13 March 2020, the Bank applied policies to restructure loan but retain its classification for loan to assist the borrowers affected by Covid-19 pandemic that qualified requirements of Circular 01, Circular 03 and Circular 14. Accordingly, for loans that principal and/or interest payment obligations incur during the period from 23 January 2020 to 30 June 2022, and these customers fail to make the principal and/or interest payment on time under the signed loan agreements, contracts due to the decrease in revenue and income affected by the COVID-19 pandemic, the Bank is allowed to restructure the repayment term for these debts and retain the latest debt classification as follows:

Overdue status of debts	Disbursement date	Due/overdue date	Debt classification retention
In due or overdue for a period of 10 days since the due date	Before 1 August 2021	From 30 March 2020 to before 30 June 2022	Retain the latest debt classification as before 23 January 2020 or the date of the first-time restructuring
	Before 23 January 2020	From 23 January 2020 to 29 March 2020	Retain the latest debt classification as before 23 January 2020
Overdue	From 23 January 2020 to before 10 June 2020	Before 17 May 2021	Retain the latest debt classification as before the overdue date
	From 10 June 2020 to before 1 August 2021	From 17 July 2021 to before 7 September 2021	

Additional specific provision according to Circular 03

Circular 03 requires the Bank to make specific provisions for customers whose repayment term of outstanding balance was restructured, interest was exempted or reduced are classified into two types of debt classification as follows:

(1) *debt classification was retained as before restructuring, interest exemption or reduction;*

(2) *debt classification according to the SBV's regulations on debt classification in operation of credit institutions.*

If the difference in provision made in accordance with debt classification (2) and debt classification (1) is positive, the Bank shall make additional specific provision as follows:

Additional provision	Duration
Minimum 30% of the additional specific provision	Up to 31 December 2021
Minimum 60% of the additional specific provision	Up to 31 December 2022
100% of the additional specific provision	Up to 31 December 2023

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**4.5. Loan classification and provision for credit losses applied to placements with and loans to other credit institutions, unlisted corporate bonds purchased and trusted for purchase by the Bank, loans to customers granted and trusted for grant by the Bank and other credit risk bearing assets (continued)***Loan classification (continued)*

From 1 January 2024, the Bank shall make provision in accordance with regulations on making risk provision in operation of credit institutions of the SBV for all outstanding loans to customers, off-balance sheet commitments including the outstanding loans that repayment term was restructured, interest was exempted or reduced and debt classification was retained as prescribed in Circular 03.

General provision

According to Circular 11, general provision as at 31 December is made at 0.75% of total outstanding loans as at 31 December excluding placements with and loans to other credit institutions and loans classified as loss group; treasury bills, certificate of deposits, bonds issued by other domestic credit institutions/foreign bank branches and Government bonds under sell and repurchase transactions.

Write-off bad debts

Provisions are recognized as an expense on the separate income statement and used to write-off bad debts. According to Circular 11, the Bank establishes a Risk Management Committee to deal with bad debts if they are classified as loss group or if the borrower is a dissolved, bankrupt organization or individual who is dead or missing.

4.6. Securities held for trading

Securities held for trading include debt securities, equity securities and other securities acquired and held for the purpose of reselling within one year to gain profit on price variances.

Securities held for trading are initially recognized at cost. Gains or losses from sales of trading securities are recognized in the consolidated income statement.

Interest and dividends derived from securities held for trading are recognized on a cash basis in the consolidated income statement.

Provision for impairment of securities held for trading is recorded when their book value is higher than their market value as stipulated in Circular No. 48/2020/TT-BTC ("Circular 48") dated 08 August 2020 issued by the Ministry of Finance. Provision for impairment is recognized in the consolidated income statement as "Net gain from securities held for trading".

Provision for credit losses of corporate bonds, which are not listed on the stock market or not registered on the unlisted public company market, is made in accordance with Circular 11 as described in Note 4.5.

4.7. Investment securities

Investment securities are classified into two categories: available-for-sale and held-to-maturity investment securities. The Bank classifies investment securities on their purchase dates. In accordance with Official Letter No. 2601/NHNN-TCKT dated 14 April 2009 issued by the SBV, the Bank is allowed to reclassify investment securities no more than one time after the purchase date.

4.. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**4.7. Investment securities (continued)***4.7.1. Available-for-sale securities*

Available-for-sale securities include debts and equity securities that are acquired by the Bank for investment and available-for-sale purposes, not regularly traded but can be sold when there is a benefit. For equity securities, the Bank is neither the founder shareholder nor the strategic partner and does not have the ability to make certain influence in establishing and making the financial and operating policies of the investees through a written agreement on assignment of its personnel to the Board of Directors/Management.

Available-for-sale equity securities are initially recognized at cost at the purchase date and continuously presented at cost in subsequent periods.

Available-for-sale debt securities are recognized at par value at the purchase date. Accrued interest before acquisition (for debt securities with interest payment in arrears) and deferred interest (for debt securities with interest payment in advance) are recognized in a separate account. Discount/premium, which is the difference between the cost and the amount being the par value plus (+) accrued interest before acquisition (if any) or minus (-) deferred interest (if any), is also recognized in a separate account.

In subsequent periods, these securities are continuously recorded at par value, and the discount/premium (if any) is amortized to the consolidated income statement on a straight-line basis over the remaining term of securities. The interest received in arrears is recorded as follows: Cumulative interest incurred before the purchasing date is recorded as a decrease in the accrued interest, cumulative interest incurred after the purchasing date is recognized as income based on the accumulated method. The interest received in advance is amortized into the securities investment interest income on a straight-line basis over the term of the securities investment.

Available-for-sale securities are subject to impairment review on a periodical basis.

Provision for diminution in value of securities is made when the carrying value is higher than the market value in compliance with Circular 48. In case market prices of securities are not available or cannot be determined reliably, no provision is required. Provision is recognized in the "Net gain/(loss) from investment securities" account of the consolidated income statement.

Provision for credit losses of corporate bonds which are not listed on the stock market or not registered on the unlisted public company market is made in accordance with Circular 11 as described in Note 4.5.

4.7.2. Held-to-maturity investment securities

Held-to-maturity investment securities include special bonds issued by Vietnam Asset Management Company ("VAMC") and other held-to-maturity securities.

Special bonds issued by VAMC

Special bonds issued by VAMC are fixed-term valuable papers used to purchase bad debts of the Bank. These special bonds are initially recognized at face value at the date of transaction and subsequently carried at the face value during the holding period. Face value of the special bonds equals the outstanding balance of the sold debts less their unused specific allowance.

During the holding period, the Bank regularly calculates and makes annual allowance in accordance with Circular No. 14/2015/TT-NHNN dated 28 August 2015 issued by the SBV amending and supplementing some articles of Circular No. 19/2013/TT-NHNN stipulating the purchase, sale and bad debt written-off of VAMC.

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**4.7. Investment securities (continued)****4.7.2. Held-to-maturity investment securities (continued)**

In accordance with Circular No. 14/2015/TT-NHNN, each year within 5 consecutive working days prior to the maturity date of special bonds, the Bank is obliged to fully make specific provision for each special bond using the below formula:

$$X_{(m)} = \frac{Y}{n} \times m - (Z_m + X_{m-1})$$

In which:

- $X_{(m)}$: minimum specific provision for special bonds in the mth year;
- X_{m-1} : accumulated specific provision for special bonds in the m-1th year;
- Y: face value of special bonds;
- n: term of special bonds (years);
- m: number of years from the bond issuance date to the provision date;
- Z_m : accumulated bad debt recoveries at the provision date (mth year). Credit institutions should co-operate with VAMC to determine the recovery amount of the bad debts.

If $(Z_m + X_{m-1}) \geq (Y/n \times m)$, the specific provision ($X_{(m)}$) will be zero (0).

Specific provision for special bonds is recognized in the consolidated income statement in "Provision expense for credit losses". General provision is not required for the special bonds.

On maturity date of special bonds, interest recovered from the debt is recorded to "Interest and similar income". When receiving bad debts from VAMC, credit institutions use specific provisions to write off bad debts. The difference between the provision and the carrying amount of the debt is recognized in "Other income".

Other held-to-maturity securities

Held-to-maturity securities are debt securities purchased by the Bank for investment purpose of earning interest and the Bank has the capability and intention to hold these investments until maturity. Held-to-maturity securities have the determined value and maturity date. In case the securities are sold before the maturity date, these securities will be reclassified to securities held for trading or available-for-sale securities.

Held-to-maturity securities are recorded and measured similarly to available-for-sale debt securities, which is presented at Note 4.71.

4.8. Investments in joint ventures

Investments in joint ventures whereby the Bank is subject to joint control are initially stated at cost.

Distributions from net accumulated profit of joint ventures after the date on which control is transferred to the Bank are recognized in the consolidated income statement. Other distributions are considered as recoveries of investments and deducted from the investment value.

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**4.9. Other long-term investments**

Other long-term investments represent capital investments in other enterprises where the Bank owns less than 11% of voting rights and is either a founding shareholder or a strategic partner; or has influences on the enterprise' planning and determining of financial and operating policies of entities being invested in under writing agreements to appoint personnel to the members' council/board of directors/board of management but the Bank does not have significant control or influence over the investees.

Other long-term investments include equity securities and other long-term capital contributions which are intended to be held, withdrawn or settled for a period of more than one year (except for capital contributions and investments into joint-ventures, associates and subsidiaries).

Other long-term investments are initially recognized at cost.

The allowance for diminution in the value of long-term investments is made if there are reliable evidence of the diminution in value of the economic entities in which the Bank invests at the end of the accounting period in accordance with Circular 48 issued by the Ministry of Finance. Accordingly, the allowance amount is the difference between the parties' actual capital contributions to the economic entity and the actual owners' equity multiplied (x) by the ratio of capital invested (%) by the Bank to the total actual capital of the economic entity at the end of the annual accounting period. For an investment in listed shares or shares whose market price can be determined reliably, allowance is made based on the shares' market price.

4.10. Re-purchase and re-sale contracts

Securities sold under agreements to be repurchased at a specific date in the future (repos) are still recognized in the consolidated financial statements. The corresponding cash received from these agreements is recognized in the consolidated balance sheet as a borrowing and the difference between the sale price and repurchase price is amortized in the consolidated income statement over the term of the agreement using the straight-line method based on the interest rate stipulated in the contract.

Securities purchased under agreements to be resold at a specific date in the future are not recognized in the consolidated financial statements. The corresponding cash paid under these agreements is recognized as a loan in the consolidated balance sheet and the difference between the purchase price and resale price is amortized in the consolidated income statement over the term of the agreement using the straight-line method based on the interest rate stipulated in the contract.

4.11. Fixed assets

Fixed assets are stated at cost less accumulated depreciation or amortization.

The cost of a fixed asset comprises its purchase price plus any directly attributable costs of bringing the asset to working condition for its intended use.

Cost related to additions, improvements and renewals are capitalized while expenditures for maintenance and repairs are charged to the consolidated income statement.

When assets are sold or retired, their cost and accumulated depreciation are deducted from the consolidated balance sheet item and any gain or loss resulting from their disposal is recorded to the consolidated income statement.

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**4.12. Depreciation and amortization**

Depreciation of tangible fixed assets and amortization of intangible fixed assets are calculated on a straight-line basis over the estimated useful life of each asset as follows:

Buildings and structures	05 - 40 years
Machinery and equipment	03 - 07 years
Means of transportation	06 - 07 years
Other tangible fixed assets	04 - 25 years
Land use rights (*)	Upon lease term
Computer software	03 - 08 years

(*) Indefinite land use rights are not amortized. Definite land use rights are amortized over the lease or usage term.

4.13. Receivables**4.13.1. Receivables classified as credit risk bearing assets**

Receivables classified as credit risk bearing assets are recognized at cost. Doubtful receivables are classified and provisioned for by the Bank in accordance with the regulations about recognition and use of provision to write off the credit risk as presented in Note 4.5.

4.13.2. Other receivables

Receivables other than receivables from credit risks of the Bank are initially recorded at cost and always carried at cost subsequently.

Provision for receivables is determined based on the overdue status of debts or expected loss in case the debts are not due for payment yet, but the corporate debtors are bankrupt or in the process of dissolution, or individual debtors are missing, fleeing, deceased, prosecuted, on trial or serving sentences. Provision expense incurred is recorded in "Total operating expenses" of the consolidated income statement.

Provision for overdue debts is made in accordance with Circular 48 as follows:

Overdue status	Allowance rates
From over six months up to one year	30%
From one to under two years	50%
From two to under three years	70%
From three years and above	100%

Debt classification and provisioning for debts sold but not yet collected

For debts sold but not yet collected, the Bank classifies and makes provision according to the principle of debt classification and valuation of collateral assets as before debt sale according to Circular 11.

4.14. Prepaid expenses and deferred expenses

Prepaid expenses include short-term or long-term prepaid expenses on the consolidated balance sheet and are amortized over the period for which the amount is paid or the period in which economic benefits are generated in relation to these expenses.

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**4.15. Leasing**

Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases. Rentals payable under leases are charged to "Other expenses" in the consolidated income statement on a straight-line basis over the term of the relevant lease.

The Bank as lessor

Amounts due from lessees under finance leases are recorded as loan to customer in the consolidated balance sheet at the amount of the Bank's net investment in the leases. Financial leases are recorded as principal of loan to customer and income from these are recognized as "Interest and similar income". Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Bank's net investment outstanding in respect of the leases.

Operating lease assets are recorded on the consolidated balance sheet. Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease and independent on payment method. Initial direct costs incurred for obtaining income from the operating lease are recognized as expenses in the period.

The Bank as lessee

Rentals payable under operating leases are charged to the consolidated income statement on a straight-line basis over the term of the relevant lease.

4.16. Recognition of income and expense**4.16.1. Interest income and expenses**

Interest income and interest expenses are recognized in the consolidated income statement on an accrual basis. The recognition of accrued interest income of a loan is suspended when that loan is classified in groups 2 to 5 in compliance with Circular 11, reconstructed under Circular 01 or remains its current loan group under other State policies. Suspended interest income is monitored in an off-balance sheet and recognized in the consolidated income statement upon actual receipt.

Fees and commissions are recognized on an accrual basis. Fees from guarantee activities, letter of credit, investment activities (bonds, etc.) are recognized on accrual/amortized basis.

4.16.2. Income and expenses from service activities

Service fees and commissions are accounted for on an accrual basis. Fees collected from guarantee activities, letters of credit, and investment activities (bonds, etc.) are accounted for on the basis of accrual and allocation.

4.16.3. Income from securities trading

Income from securities trading is recognized as differences between selling price and cost of securities sold.

4.16.4. Dividends

Dividends received in cash from investment activities are recognized as an income when the Bank's rights to receive dividends are established.

Dividends which are received in the form of shares, bonus shares and the right to buy shares for current shareholders, and shares from undistributed profits are not recognized as an increase in investment value and are not recorded as an income of the Bank but the number of shares is updated.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at 31 December 2021 and for the year then ended

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**4.16. Recognition of income and expense (continued)****4.16.5. Revenue from insurance business**

Gross written premiums are recognized in accordance with Circular No. 50/2017/TT-BTC dated 1 July 2017 ("Circular 50") on financial regime applicable to insurers, reinsurers, insurance brokers and foreign non-life insurance branches.

Accordingly, gross written premiums are recognized as revenue at the point of time when the following conditions are met: (i) the insurance contract has been entered into by the insurer and the insured; and (ii) there is evidence of a contract being signed and the premium paid by the insured or (iii) there is agreement between the Corporation and the insured on premium payment period. Premium payment period shall not exceed 30 days from policy inception date. For instalment contracts, non-life insurers are required to record revenue from insurance premium of the first instalment as of the insurance contract's effective date and record revenue from premium of the following instalments only when the policy holder makes full premium payment under the agreement of the contract. If policyholder cannot make full premium payment as agreed in the contracts, insurance contract shall be automatically terminated after contractual premium payment date.

Prepaid premium before due date as at the end of the fiscal year is recorded as "Revenue pending for allocation" in the consolidated balance sheet.

Premium return and premium reduction are considered as revenue deduction and must be booked separately. At year end, these amounts are net-off to gross written premium to calculate net written premium.

4.16.6. Income from other services

Where the contract outcome can be reliably measured, revenue is recognised by reference to the stage of completion. Where the contract outcome cannot be reliably measured, revenue is recognised only to the extent of the expenses recognised which are recoverable.

4.16.7. Recognition of receivables not yet collected

According to Circular No. 16/2018/TT-BTC dated 07 February 2018 issued by the Ministry of Finance, receivables from accrued income but not yet collected at the due date are recorded as reduction in revenue if the income has been accrued in the same accounting period or recorded as expense if the income has been accrued in different accounting periods and monitored in the off-balance sheet. Upon actual receipt of these receivables, the Bank recognizes them in the consolidated income statement.

4.16.8. Claim settlement expenses of insurance activities

Claim settlement expense is recognized at the point of time when the claim documents are completed and approved by authorized persons. Any claim that is not yet approved by authorized persons is considered as an outstanding claim and included in claim reserve.

4.16.9. Commission expenses for insurance activities

Commission is calculated at percentage of direct premiums for specific line of insurance as stipulated in Circular 50. Commission expense is allocated and recognized in the income statement for direct premiums earned during the period.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at 31 December 2021 and for the year then ended

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**4.17. Deposits from other credit institutions, customers and valuable papers issued, other borrowed and entrusted funds**

Deposits from other credit institutions, customer deposits and valuable papers issued, other borrowed and entrusted funds are disclosed at the principal amounts outstanding at the date of the consolidated financial statements. Issuing costs are initially deducted from original cost of bond. The Bank gradually amortised these costs to "Interest and similar expenses" on straight-line basis over the term of the valuable papers.

4.18. Foreign currency transactions

According to Bank accounting system, all transactions are recorded in original currencies. Monetary assets and liabilities denominated in foreign currencies are translated into VND using the exchange rates ruling at the consolidated balance sheet date (Note 48). Income and expenses denominated in foreign currencies during the year are converted into VND at the exchange rates ruling at the transaction dates. Foreign exchange differences arising from the translation of monetary assets and liabilities are recorded and monitored in the "Foreign exchange differences" under "Owners' equity" and will be transferred to the consolidated income statement.

4.19. Payables and accruals

Payables and accruals are recognized for amounts to be paid in the future for goods and services received, whether or not billed to the Bank.

4.20. Technical reserves for insurance

The technical reserves of VietinBank Insurance Joint Stock Corporation include (a) technical reserves for non-life insurance and (b) technical reserve of health insurance. The reserve appropriation methodologies are based on Official Letter No. 2821/BTC-QLBH dated 13 March 2018, which was approved by Ministry of Finance, in accordance with Circular 50.

Details of such reserving methodologies are as follows:

a. Technical reserves for non-life insurance**i. Unearned premium reserve**

Unearned premium reserve is calculated as a percentage of total premium or in accordance with a coefficient of the insurance contracts' terms, as such:

- For insurance contracts with a term of less than 1 year: for line of cargo insurance delivered by road, water, inland water, railway and airway, unearned premium reserve is made at 25% of the total insurance premium. For other insurance lines, unearned premium reserve is calculated at 50% of the total insurance premium.
- For insurance contracts with a term of more than 1 year, unearned premium reserve is calculated based on the 1/8 method. This method assumes that premiums for all insurance contracts issued in a quarter equally spread along the quarter. In other words, all insurance contracts of a particular quarter are assumed to be effective at that mid-quarter. Unearned premium reserve is calculated based on the following formula:

$$\text{Unearned premium reserve} = \text{Premiums} \times \text{Unearned premium rate}$$

- Gross and assumed unearned premium reserve is presented as liabilities. Unearned premium reserve of outward reinsurance is presented as reinsurance asset.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at 31 December 2021 and for the year then ended

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.20. Technical reserves for insurance (continued)

Technical reserves for non-life insurance (continued)

ii. Claim reserve

Claim reserve includes the reserve for outstanding claims and for claims incurred but not reported.

- Outstanding claim reserve is established based on the estimated claim payments for each claim for which the insurer is liable, which is either notified to the insurer or requested for payment but is still unresolved at the end of the fiscal year after deducting the amount recoverable from reinsurers; and
- Reserve for incurred but not reported claims for which the insurer is liable (IBNR) is established for each insurance operation as per formula below:

$$\begin{array}{l} \text{Reserve for payment of losses which have incurred but not yet reported for the current fiscal year} \\ = \frac{\text{Total indemnity for claims incurred but not reported at the end of the last three fiscal years}}{\text{Total indemnity for losses arising in the last three fiscal years}} \times \frac{\text{Indemnity for losses arising in the current fiscal year}}{\text{Net operating revenue of the previous fiscal year}} \times \frac{\text{Average delay in claim intimation of current fiscal year}}{\text{Average delay in claim intimation of previous fiscal year}} \end{array}$$

In which:

- The compensation amount arising from a fiscal year includes the compensation amount actually paid in the year plus increase/decrease of the provision for losses incurred under the insurance liability but still unresolved in financial year-end.
- The average time of delaying the claim for compensation is the average time since the loss occurs until the non-life insurance enterprise, foreign branch, reinsurance enterprise receives the notice of loss or a claim form for compensation (in days)
 - Gross and assumed reinsurance claim reserve is presented as liabilities; claim reserve of outward reinsurance is presented as reinsurance asset.

iii. Catastrophe reserve

- Catastrophe reserve is accrued annually until such reserve reaches 100% of the retained premiums of the current fiscal year and is made based on retained premiums according to Circular 50.
- Catastrophe reserve is presented as liabilities.

On 28 December 2005, the Ministry of Finance issued Decision No. 100/2005/QĐ-BTC governing the publication of four new accounting standards, one of which is Vietnamese Accounting Standard ("VAS") 19 – Insurance Contract. Following the issuance of this Standard, starting from January 2006, the provision of catastrophe reserve is no longer required since it represents "possible claims under contracts that are not in existence at the reporting date". However, since the Ministry of Finance has not issued detailed guidance for the implementation of VAS 19 and in accordance with the provision set out in Decree 73/2016/ND-CP issued by the Government of Vietnam on 1 July 2016 ("Decree No. 73") on the details of the implementation of the Law on Insurance Business and amendments to certain articles of the Law on Insurance Business, the Corporation has elected to adopt the policy of providing for the catastrophe reserve at 1% of total retained premiums for the year 2019.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at 31 December 2021 and for the year then ended

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.20. Technical reserves for insurance (continued)

b. Technical reserve for health insurance

i. Mathematical reserve

- Regarding health insurance contracts with a term of more than 1 year, mathematical reserve is calculated based on the 1/8 method.
- Regarding health insurance contracts provided by a non-life insurer or foreign branch which only cover death or total permanent disability, mathematical reserve is set aside based on a coefficient of the remaining days of insurance contracts.
- Mathematical reserve is recorded in un-earned premium reserve account in the balance sheet.

ii. Unearned premiums reserve

Regarding insurance contracts with a term of less than or equal to 1 year, unearned premiums reserve is calculated at 50% of the total insurance premiums.

iii. Claim reserve

- Outstanding claim reserve is established based on the estimated claim payments for each claim for which the insurer is liable, which is either notified to the insurer or requested for payment but is still unresolved at the end of the fiscal year after deducting the amount recoverable from reinsurers; and
- Reserve for incurred but not reported claims for which the insurer is liable (IBNR) is established for each insurance operation as per formula below:

$$\begin{array}{l} \text{Reserve for payment of losses which have incurred but not yet reported for the current fiscal year} \\ = \frac{\text{Total indemnity for claims incurred but not reported at the end of the last fiscal three years}}{\text{Total indemnity for losses arising in the last three fiscal years}} \times \frac{\text{Indemnity for losses arising in the current fiscal year}}{\text{Net operating revenue of the previous fiscal year}} \times \frac{\text{Average delay in claim intimation of current fiscal year}}{\text{Average delay in claim intimation of previous fiscal year}} \end{array}$$

In which:

- The compensation amount arising from a fiscal year includes the compensation amount actually paid in the year plus increase/decrease of the provision for losses incurred under the insurance liability but still unresolved in financial year-end.
- The average time of delaying the claim for compensation is the average time since the loss occurs until the non-life insurance enterprise, foreign branch, reinsurance enterprise receives the notice of loss or a claim form for compensation (in days)
 - Gross and assumed reinsurance claim reserve is presented as liabilities; claim reserve of outward reinsurance is presented as reinsurance asset.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at 31 December 2021 and for the year then ended

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**4.20. Technical reserves for insurance (continued)***iv. Equalization reserve*

Equalization reserve for health insurance is established at 1% of net premium and recognised in catastrophe reserve account on balance sheet.

4.21. Corporate income taxes*Current income tax*

Current income tax assets and liabilities for the current and prior years are measured at the amount expected to be paid to (or recovered from) the taxation authorities - applying the tax rates and tax laws enacted at the consolidated balance sheet date.

Current income tax is charged or credited to the consolidated income statement, except when it relates to items recognised directly to equity, in which case the current income tax is also dealt with in equity.

Current income tax assets and liabilities are offset when there is a legally enforceable right for the Bank to offset current tax assets against current tax liabilities and when the Bank intends to settle its current tax assets and liabilities on a net basis.

Deferred tax

Deferred tax is provided using the liability method on temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amount for consolidated financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the related transaction affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporarily differences associated with investments in subsidiaries and associates, and interests in joint ventures where timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carried forward unused tax credit and unused tax losses, to the extent that it is probable that taxable profit will be available against which deductible temporary differences, carried forward unused tax credit and unused tax losses can be utilised, except :

- where the deferred tax asset in respect of deductible temporary difference which arises from the initial recognition of an asset or liability which at the time of the related transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporarily differences associated with investments in subsidiaries, associates, and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at 31 December 2021 and for the year then ended

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**4.21. Corporate income taxes (continued)***Deferred tax (continued)*

The carrying amount of deferred tax assets is reviewed at each consolidated balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Previously unrecognised deferred tax assets are re-assessed at each consolidated balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled based on tax rates and tax laws that have been enacted at the consolidated balance sheet date.

Deferred tax is charged or credited to the consolidated income statement, except when it relates to items recognised directly to equity, in which case the deferred tax is also dealt with in the equity account.

Deferred tax assets and liabilities are offset when there is a legally enforceable right for the Bank to off-set current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on:

- either the same taxable entity; or
- when the Bank intends either settle current tax liabilities and assets on a net basis or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

4.22. Classification for off-balance sheet commitments

According to Circular 11, credit institutions only classify guarantees, payment acceptances and irrevocable loan commitments with specific effective date (generally called "off-balance sheet commitments") in compliance with Article 10, Circular 11 for management and monitoring of credit quality. Accordingly, off-balance sheet commitments are classified into the following groups: *Current, Special Mention, Sub-standard, Doubtful* and *Loss* based on the overdue status and other qualitative factors.

4.23. Derivatives

The Bank involves in currency forward contracts and currency swap contracts to facilitate customers' transferring, adjusting or reducing foreign exchange risk or other market risks, and also serve the Bank's business purposes.

Currency forward contracts

Currency forward contracts are commitments to sell or buy a specific currency on a pre-determined future date at a pre-determined exchange rate and are settled by cash. The currency forward contracts are recognized at nominal value at the transaction date and are revalued periodically, from which gains or losses are recognized in the "Foreign exchange differences" under "Owners' equity" in the consolidated balance sheet and will be transferred to the consolidated income statement at the end of the fiscal year.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at 31 December 2021 and for the year then ended

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**4.23. Derivatives (continued)***Swap contracts*

Swap contracts are commitments to settle by cash on a pre-determined future date based on the difference between pre-determined exchange rates calculated on a notional principal amount or commitments to settle interest amounts based on a floating rate or a fixed rate calculated on a notional amount and in the same period.

Differences in interest rate swaps are recognized in the consolidated income statement on an accrual basis.

4.24. Employee benefits*4.24.1. Post - employment benefits*

Employees at the Bank shall be entitled to receive allowances from the Social Insurance Fund upon retirement and shall be subsidized by the Bank two (2) months of additional salary based on job positions with the average KPI of the consecutive six months before retirement.

According to Decree No. 68/NQ-CP dated 1 July 2021 of the Government, the Bank are entitled to a premium rate of 0% of the salary fund as the basis for paying social insurance premiums to the insurance fund for occupational accidents and diseases for 12 months from 1 July 2021 to 30 June 2022.

4.24.2. Unemployment insurance

According to Article 57 of the Law on Employment No. 38/2013/QH13 effective from 01 January 2015 and Decree No. 28/2015/ND-CP dated 12 March 2015 of the Government providing guidelines for the Law on Employment in term of unemployment insurance, the Bank is required to contribute to the unemployment insurance at the rate of 1% of salary and wage fund of unemployment insurance joiners and deduct 1% of monthly salary and wage of each employee to contribute to the unemployment insurance. According to Decision No. 28/2021/QĐ-TTg of the Prime Minister, from 01 October 2021, the Bank is entitled to reduce the unemployment insurance contributions rate of 1% mentioned above to 0% within 12 months.

4.24.3. Severance allowance

The Bank has the obligation, under Article 46 of the Vietnam Labor Code 45/2019/QH14 effective from 1 January 2021, to pay allowance arising from voluntary resignation of employees, equal to one-half month's salary for each year of employment up to 31 December 2008 plus salary allowances (if any). From 1 January 2009, the average monthly salary used in this calculation is the average monthly salary of the latest six-month period up to the resignation date. Accordingly, working time at the Bank to calculate severance allowance is the total actual working time at the Bank minus (-) the time the employee has participated in unemployment insurance in accordance with the law regarding unemployment insurance, and the working time that has been paid off by employers for severance allowance

4.25. Capital and reserves*4.25.1. Ordinary shares*

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of ordinary shares are recognized as a deduction from share premium in equity.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at 31 December 2021 and for the year then ended

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**4.25. Capital and reserves (continued)***4.25.2. Share premium*

On receipt of capital from shareholders, the difference between the issuance price and the par value of the shares is recorded as share premium in equity.

*4.25.3. Reserves**i. The Bank's reserves*

Reserves are for specific purposes and appropriated from net profit after tax of the Bank at prescribed rates as below:

- Supplementary charter capital reserve: 5% of net profit after tax and does not exceed charter capital;
- Financial reserve: 10% of net profit after tax;
- Bonus to the Management, bonus and welfare funds are appropriated according to the decision approved in the Annual General Meeting of Shareholders;
- Other reserves: are to be made in accordance with the current regulations and decisions of the Annual General Meeting of Shareholders.

ii. Subsidiaries' reserves

Reserves at subsidiaries are appropriated under the Bank's policy, except for the following companies, which are appropriated in accordance with relevant legal regulations:

VietinBank Securities Joint Stock Corporation and VietinBank Fund Management Company Limited: reserves are appropriated from the Companies' net profit after tax according to Circular No. 146/2014/TT-BTC dated 6 October 2014 issued by the Ministry of Finance at prescribed rates as below:

- Supplementary charter capital reserve: 5% of net profit after tax and does not exceed 10% of charter capital;
- Financial reserve: 5% of net profit after tax and does not exceed 10% of charter capital.

VietinBank Insurance Joint Stock Corporation: the statutory reserve is made as per Decree No. 73/2016/ND-CP dated 1 July 2016 promulgated by the Government at the following rate:

- Statutory reserve fund: 5% of profit after tax, not exceeding 10% of the Company's charter capital

These reserves will be appropriated at the end of the fiscal year.

4.26. Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if, and only if, there is a currently enforceable legal right to offset financial assets against financial liabilities or vice-versa, and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at 31 December 2021 and for the year then ended

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**4.27. Business combinations and goodwill**

Business combinations are accounted for using the purchase method. The cost of a business combination is measured as the fair value of assets given, equity instruments issued and liabilities incurred or assumed at the date of Business combination plus any costs directly attributable to the business combination. Identifiable assets and liabilities and contingent liabilities assumed in a business combination are measured initially at fair values at the date of business combination.

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost the business combination over the Bank's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. If the cost of a business combination is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the consolidated income statement. After initial recognition, goodwill is measured at cost less any accumulated amortization. Goodwill is amortized ten (10) years on a straight-line basis.

4.28. Nil balance items

Items or balances required by Decision No. 16/2007/QĐ-NHNN dated 18 April 2007 and Circular No. 49/2014/TT-NHNN dated 31 December 2014 issued by the SBV regarding the financial reporting mechanism for credit institutions to be not shown in these consolidated financial statements indicate nil balance.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at 31 December 2021 and for the year then ended

5. CASH, GOLD AND GEMSTONES

	31 December 2021 VND million	31 December 2020 VND million
Cash on hand in VND	9,896,327	8,898,754
Cash on hand in foreign currencies	1,406,350	968,117
Monetary gold	10,783	45,089
Other gemstones	17,199	18,221
	11,330,659	9,930,181

6. BALANCES WITH THE STATE BANK OF VIETNAM ("the SBV")

	31 December 2021 VND million	31 December 2020 VND million
Balance with the SBV		
- In VND	19,166,884	55,135,829
- In foreign currencies	4,216,559	2,480,821
	23,383,443	57,616,650

Balances with the SBV include current accounts and compulsory reserves.

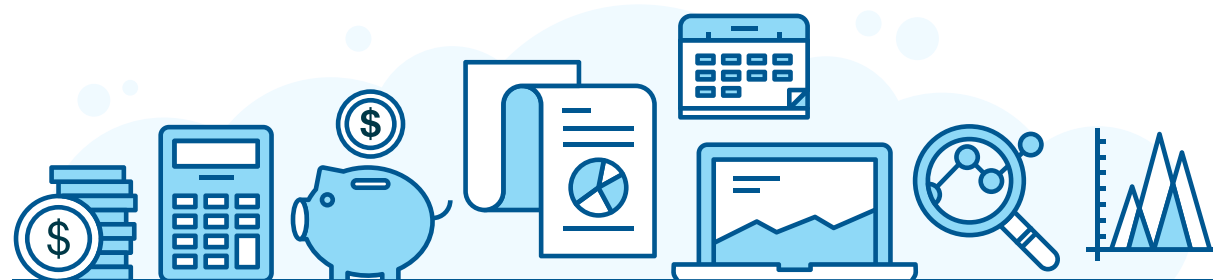
In accordance with regulations of the SBV about compulsory reserves, banks are permitted to maintain a certain balance with the SBV in their compulsory reserve account. The average monthly compulsory reserves must not be lower than the preceding month's average deposit balance multiplied by the corresponding compulsory reserve ratio.

Compulsory reserve ratios as at the reporting date are as follows:

	31/12/2021	31/12/2020
Preceding month's average deposit balance:		
Customer deposits		
- Deposits in foreign currencies with term under 12 months	8.00%	8.00%
- Deposits in foreign currencies with term from 12 months and over	6.00%	6.00%
- Deposits in VND with term under 12 months	3.00%	3.00%
- Deposits in VND with term from 12 months and over	1.00%	1.00%
Foreign credit institutions' deposits		
- Deposits in foreign currencies	1.00%	1.00%

As at 31 December 2021, compulsory reserves in VND and in foreign currencies bore interest at rates of 0.5% per annum and 0% per annum, respectively (as at 31 December 2020: 0.8% per annum and 0% per annum).

As at 31 December 2021, deposits in foreign currencies exceeding the compulsory reserve bore an interest rate of 0% per annum (as at 31 December 2020: 0.05% per annum).



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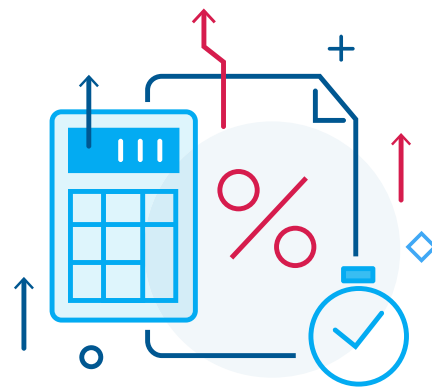
as at 31 December 2021 and for the year then ended

7. PLACEMENTS WITH AND LOANS TO OTHER CREDIT INSTITUTIONS

	31 December 2021 VND million	31 December 2020 VND million
Placements with other credit institutions		
Current accounts	88,559,894	37,969,725
- In VND	19,779,938	17,870,903
- In foreign currencies	68,779,956	20,098,822
Term deposits	41,239,470	54,658,520
- In VND	26,290,000	45,115,000
- In foreign currencies	14,949,470	9,543,520
	129,799,364	92,628,245
Loans to other credit institutions		
In VND	16,761,360	6,682,777
In foreign currencies	2,755,922	3,221,796
	19,517,282	9,904,573
	149,316,646	102,532,818

Placements with and loans to other credit institutions by loan group are as follows:

	31 December 2021 VND million	31 December 2020 VND million
Current	60,756,752	64,563,093



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8. HELD-FOR-TRADING SECURITIES

	31 December 2021 VND million	31 December 2020 VND million
Debt securities	1,899,732	5,060,257
Government securities	1,092,554	3,555,344
Securities issued by other domestic credit institutions	-	697,353
Securities issued by other domestic economic entities	807,178	807,560
Equity securities	623,075	662,903
Equity securities issued by other domestic credit institutions	178,563	9
Equity securities issued by other domestic economic entities	444,512	662,894
Provision for held-for-trading securities	(47,498)	(121,413)
<i>In which:</i>		
Provision for diminution in value	(41,444)	(116,927)
General provision	(6,054)	(4,486)
	2,475,309	5,601,747

8.1. Held-for-trading securities by listing status

	31 December 2021 VND million	31 December 2020 VND million
Debt securities	1,899,732	5,060,257
Listed securities	1,092,554	4,252,697
Unlisted securities	807,178	807,560
Equity securities	623,075	662,903
Listed securities	455,291	323,863
Unlisted securities	167,784	339,040
	2,522,807	5,723,160

9. DERIVATIVES AND OTHER FINANCIAL ASSETS

	31 December 2021 VND million	31 December 2020 VND million
Currency derivative financial instruments	1,296,937	63,191
Currency forward contracts	130,202	26,794
Currency swap contracts	1,166,735	36,397
Other derivative financial instruments	157,853	73,931
	1,454,790	137,122

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10. LOANS TO CUSTOMERS

	31 December 2021 VND million	31 December 2020 VND million
Loans to domestic economic entities and individuals	1,115,213,563	998,965,695
Discounted bills and valuable papers	2,170,538	1,998,693
Financial lease	3,585,536	3,303,174
Payments on behalf of customers	14,385	7,788
Loans financed by entrusted funds	62,318	116,523
Loans to foreign economic entities and individuals	9,621,427	10,941,397
	1,130,667,767	1,015,333,270

10.1. Analysis of loan portfolio by quality

	31 December 2021 VND million	31 December 2020 (restated) VND million
Current	1,104,465,335	1,002,771,068
Special mention	11,901,967	2,965,260
Sub-standard	7,095,731	1,891,960
Doubtful	2,003,066	1,627,523
Loss	5,201,668	6,077,459
	1,130,667,767	1,015,333,270

10.2. Analysis of loan portfolio by original maturity

	31 December 2021 VND million	31 December 2020 VND million
Short term loans	683,530,470	593,990,650
Medium term loans	66,214,587	61,855,251
Long term loans	380,922,710	359,487,369
	1,130,667,767	1,015,333,270

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10. LOANS TO CUSTOMERS (continued)**10.3. Analysis of loan portfolio by ownership and types of customers**

	31 December 2021 VND million	%	31 December 2020 VND million	%
State-owned companies	51,388,764	4.54	54,570,720	5.37
Single-member limited liability companies with 100% State ownership	24,016,904	2.12	29,301,967	2.89
Multi-member limited liability companies with over 50% State ownership or being controlled by the State	7,015,249	0.62	7,633,633	0.75
Other limited liability companies	254,976,627	22.55	235,071,957	23.15
Joint stock companies with over 50% State ownership or voting share capital; or being controlled by the State	29,986,650	2.65	29,717,803	2.93
Other joint-stock companies	324,836,944	28.73	280,725,913	27.65
Partnership companies	284,269	0.03	363,403	0.04
Private enterprises	13,249,546	1.17	14,020,853	1.38
Foreign invested enterprises	58,031,369	5.13	55,290,088	5.45
Co-operatives and unions of co-operative	1,436,474	0.13	1,460,651	0.14
Household business and individuals	362,632,638	32.07	304,459,440	29.99
Administrative unit, the Party, unions and associations	993,055	0.09	1,547,265	0.15
Others	1,819,278	0.17	1,169,577	0.11
	1,130,667,767	100	1,015,333,270	100

10.4. Analysis of loan portfolio by sectors

	31 December 2021 VND million	%	31 December 2020 VND million	%
Construction	91,228,785	8.07	93,553,063	9.21
Production and distribution of electricity, gas and water	63,232,247	5.59	44,507,857	4.38
Production and processing	263,169,799	23.28	247,514,600	24.38
Mining	12,391,069	1.10	16,322,921	1.61
Agricultural, forestry and aquaculture	43,619,396	3.86	43,208,964	4.26
Transportation, logistics and telecommunication	23,011,305	2.04	24,268,965	2.39
Wholesale and retail, repairing of cars, motor vehicles and motorcycles	375,754,856	33.23	324,181,013	31.93
Trading and services	170,503,149	15.08	151,370,848	14.91
Households services, production of physical products and services used by households	53,108,053	4.70	46,327,291	4.56
Other activities	34,649,108	3.05	24,077,748	2.37
	1,130,667,767	100	1,015,333,270	100

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11. PROVISION FOR CREDIT LOSSES ON LOANS TO CUSTOMERS

Movement of provision for credit losses on loans to customers during the year 2021 are as follows:

	General provision VND million	Specific provision VND million	Total VND million
Opening balance as at 1 January 2021 (<i>restated</i>)	7,365,419	5,216,961	12,582,380
Provision charged during the year	1,057,250	17,324,376	18,381,626
Provision used to write off bad debts	-	(5,174,930)	(5,174,930)
Other adjustment	-	6,026	6,026
Closing balance as at 31 December 2021	8,422,669	17,372,433	25,795,102

Movement of provision for credit losses on loans to customers during the year 2020 are as follows:

	General provision VND million	Specific provision VND million	Total VND million
Opening balance as at 1 January 2020	6,857,832	6,087,862	12,945,694
Provision charged during the year	507,587	5,840,325	6,347,912
Provision used to write off bad debts	-	(6,711,226)	(6,711,226)
Closing balance as at 31 December 2020 (<i>restated</i>)	7,365,419	5,216,961	12,582,380

12. INVESTMENT SECURITIES**12.1. Available-for-sale securities**

	31 December 2021 VND million	31 December 2020 VND million
Debt securities	174,596,854	112,301,221
Government debt securities	78,299,141	57,375,668
Debt securities issued by other domestic credit institutions	86,815,360	43,941,537
Debt securities issued by other domestic economic entities	9,482,353	10,984,016
Equity securities	376,615	376,615
Equity securities issued by domestic economic entities	376,615	376,615
Provision for available-for-sale securities	(122,027)	(349,490)
In which:		
<i>Provision for diminution in value</i>	<i>(51,189)</i>	<i>(50,918)</i>
<i>General provision</i>	<i>(70,838)</i>	<i>(298,572)</i>
<i>Specific provision</i>	<i>-</i>	<i>-</i>
	174,851,442	112,328,346

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12. INVESTMENT SECURITIES (continued)**12.2. Held-to-maturity securities****12.2.1. Held-to-maturity securities (excluding special bonds issued by VAMC)**

	31 December 2021 VND million	31 December 2020 VND million
Debt securities	2,696,832	2,616,778
Government bonds	2,200,000	2,200,000
Bonds issued by other domestic credit institutions	-	-
Bonds issued by other domestic economic entities	496,832	416,778
Provision for held-to-maturity securities	(3,726)	(3,126)
General provision	(3,726)	(3,126)
	2,693,106	2,613,652

12.3. Analysis by quality of investment securities classified as credit risk bearing assets

	31 December 2021 VND million	31 December 2020 VND million
Current	65,453,217	39,421,746
Special mention	-	-
Substandard	-	-
Doubtful	-	-
Loss	-	-
	65,453,217	39,421,746

12.4. Provision for investment securities

Movement of provision for impairment of investment securities during the year 2021 is as follows:

	Available-for-sale securities VND million	Held-to-maturity securities VND million	Total VND million
Opening balance as at 1 January 2021	349,490	3,126	352,616
Provision (reversed)/charged in the year	(227,463)	600	(226,863)
Closing balance as at 31 December 2021	122,027	3,726	125,753

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12. INVESTMENT SECURITIES (continued)**12.4. Provision for investment securities (continued)**

Movement of provision for impairment of investment securities during the year 2020 is as follows:

	Available-for-sale securities VND million	Held-to-maturity securities VND million	Total VND million
Opening balance as at 1 January 2020	1,292,424	6,591,919	7,884,343
Provision (reversed)/charged in the year	(352,934)	5,820,528	5,467,594
Provision used to write off bad debts	(590,000)	(12,409,321)	(12,999,321)
Closing balance as at 31 December 2020	349,490	3,126	352,616

13. LONG-TERM INVESTMENTS

Analysis by type of investments:

	31 December 2021 VND million	31 December 2020 VND million
Investment in a joint venture (Note 13.1)	3,073,356	3,117,572
Other long-term investments	240,662	240,662
Provision for long-term investments	(23,991)	(22,727)
	3,290,027	3,335,507

13.1. Investment in a joint venture

	31 December 2021			31 December 2020		
	Cost VND million	Carrying value (equity method) VND million	% owned	Cost VND million	Carrying value (equity method) VND million	% owned
Indovina Bank Limited	1,688,788	3,073,356	50%	1,688,788	3,117,572	50%
	1,688,788	3,073,356		1,688,788	3,117,572	

Indovina Bank Limited was established in Vietnam with the Head Office located in Ho Chi Minh City, whose main activity is providing banking services. This is a joint venture between the Bank and Cathay United Bank, a bank established in Taiwan. Indovina Bank Limited was granted Operating License No. 101/GP-NHNN dated 11 November 2019 (amended for Operating License No. 08/NH-GP dated 29 October 1992 issued by the State Bank of Vietnam) for the operating period of 99 years with the charter capital of USD193,000,000.

Since its establishment, as approved by the State Bank, Indovina Bank Limited has made several capital increases, in which the value of capital contributed by the two parties to the joint venture increased but the proportion of contributed capital did not change. As at 31 December 2021, the charter capital of Indovina Bank Limited is USD193,000,000.

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14. TANGIBLE FIXED ASSETS

Movements of tangible fixed assets in the year are as follows:

	Buildings and structures VND million	Machinery and equipment VND million	Means of transportation VND million	Other tangible fixed assets VND million	Total VND million
Cost					
Opening balance (restated)	793,726	5,540,628	1,627,313	352,182	15,457,388
Additions	179,685	144,136	155,281	26,559	505,661
Transfer from construction in progress	43,126	3,948	1,967	643	49,684
Disposals	(63,093)	(60,118)	(32,974)	(3,929)	(160,114)
Reclassification	-	713	-	(713)	-
Other increases/(decreases)	(27,753)	(46,919)	(4,911)	266	(79,317)
Closing balance	8,069,230	5,582,388	1,746,676	375,008	15,773,302
Accumulated depreciation					
Opening balance (restated)	2,522,396	5,029,943	1,180,338	301,503	9,034,180
Depreciation for the year	293,770	240,322	145,852	30,730	710,674
Disposals	(21,090)	(60,118)	(32,890)	(3,929)	(118,027)
Reclassification	-	288	-	(288)	-
Other increases/(decreases)	2,541	(47,080)	(1,488)	(320)	(46,347)
Closing balance	2,797,617	5,163,355	1,291,812	327,696	9,580,480
Net book value					
Opening balance (restated)	5,414,869	510,685	446,975	50,679	6,423,208
Closing balance	5,271,613	419,033	454,864	47,312	6,192,822

Cost of tangible fixed assets that are fully depreciated but are still in used as at 31 December 2021 is VND6,546,103 million (as at 31 December 2020: VND6,171,281 million).

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15. INTANGIBLE FIXED ASSETS

Movements of intangible fixed assets in the year are as follows:

	Land use rights VND million	Other intangible fixed assets VND million	Total VND million
Cost			
Opening balance (restated)	4,042,955	2,344,478	6,387,433
Additions	75,062	155,685	230,747
Transfer from construction in progress	4,752	-	4,752
Disposals	(4,752)	(509)	(5,261)
Other increases	585	9,438	10,023
Closing balance	4,118,602	2,509,092	6,627,694
Accumulated amortization			
Opening balance (restated)	373,555	1,612,116	1,985,671
Amortization for the year	42,636	257,678	300,314
Disposals	-	(509)	(509)
Other increases	2,785	36,103	38,888
Closing balance	418,976	1,905,388	2,324,364
Net book value			
Opening balance (restated)	3,669,400	732,362	4,401,762
Closing balance	3,699,626	603,704	4,303,330

Cost of intangible fixed assets that are fully depreciated but are still in used as at 31 December 2021 is VND749,457 million (as at 31 December 2020: VND814,053 million).

16. OTHER ASSETS**16.1. Receivables**

	31 December 2021 VND million	31 December 2020 (restated) VND million
Internal receivables	292,675	323,710
External receivables	27,252,654	15,799,806
Construction in progress	5,567,364	5,628,132
- <i>Constructions in the North</i>	5,275,665	5,210,728
- <i>Constructions in the Central</i>	183,683	330,482
- <i>Constructions in the South</i>	108,016	86,922
Fixed assets in purchase or under repair	1,120,885	1,091,917
	34,233,578	22,843,565

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16. OTHER ASSETS (continued)**16.2. Other assets**

	31 December 2021 VND million	31 December 2020 (restated) VND million
Materials and tools	125,198	137,498
Prepaid expenses	3,261,241	3,115,695
Other assets	16,791	16,807
	3,403,230	3,270,000

16.3. Provision for other assets

	31 December 2021 VND million	31 December 2020 (restated) VND million
Provision for bad debts	52,969	51,574
Provision for obsolete inventories	17,589	21,739
	70,558	73,313

17. DUE TO THE GOVERNMENT AND THE STATE BANK OF VIETNAM

	31 December 2021 VND million	31 December 2020 VND million
Borrowings from the SBV	1,505,274	1,969,774
Borrowings based on credit profiles	1,498,316	1,962,816
Borrowings to support State-owned enterprises	6,958	6,958
Deposits from the State Treasury and other dues	31,789,130	42,627,414
In VND	31,789,130	42,627,414
	33,294,404	44,597,188

18. DEPOSITS AND BORROWINGS FROM OTHER CREDIT INSTITUTIONS**18.1. Deposits from other credit institutions**

	31 December 2021 VND million	31 December 2020 VND million
Demand deposits	6,679,825	3,693,658
In VND	2,801,242	3,277,392
In foreign currencies	3,878,583	416,266
Term deposits	26,990,979	94,843,782
In VND	24,641,890	80,534,690
In foreign currencies	2,349,089	14,309,092
	33,670,804	98,537,440

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18. DEPOSITS AND BORROWINGS FROM OTHER CREDIT INSTITUTIONS (continued)**18.2. Borrowings from other credit institutions**

	31 December 2021 VND million	31 December 2020 VND million
In VND	10,950,415	6,992,376
In foreign currencies	94,212,627	22,989,299
	105,163,042	29,981,675

19. CUSTOMER DEPOSITS

	31 December 2021 VND million	31 December 2020 VND million
Demand deposits	225,756,534	186,452,167
- Demand deposits in VND	197,562,236	153,361,882
- Demand deposits in foreign currencies	28,194,298	33,090,285
Term deposits	928,319,195	796,126,147
- Term deposits in VND	899,476,972	764,975,526
- Term deposits in foreign currencies	28,842,223	31,150,621
Deposits for specific purpose	2,694,795	2,859,487
- Deposits for specific purpose in VND	2,207,309	2,178,695
- Deposits for specific purpose in foreign currencies	487,486	680,792
Margin deposits	5,077,589	4,893,484
- Margin deposits in VND	4,334,570	4,326,827
- Margin deposits in foreign currencies	743,019	566,657
	1,161,848,113	990,331,285



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19. CUSTOMER DEPOSITS (continued)

Analysis of customer deposits by type of entities is as follows:

	31 December 2021 VND million	%	31 December 2020 VND million	%
State-owned companies	169,750,631	14.61	151,784,675	15.33
Single-member limited liability companies with 100% State ownership	24,860,376	2.14	17,775,617	1.79
Multi-member limited liability companies with over 50% State ownership or being controlled by the State	1,220,648	0.11	1,270,315	0.13
Other limited liability companies	41,655,903	3.59	33,523,426	3.39
Joint stock companies with over 50% State ownership or voting share capital; or being controlled by the State	48,873,467	4.21	39,700,557	4.01
Other joint-stock companies	95,913,738	8.26	65,837,792	6.65
Partnership companies	8,933,336	0.77	8,189,560	0.83
Private enterprises	1,605,562	0.14	3,867,391	0.39
Foreign invested enterprises	114,923,002	9.89	99,332,249	10.03
Co-operatives and unions of co-operative	465,263	0.04	1,616,504	0.16
Household business and individuals	563,072,219	48.46	497,404,616	50.23
Administrative units, the Party, unions and associations	45,382,561	3.91	39,967,629	4.04
Others	45,191,407	3.89	30,060,954	3.02
	1,161,848,113	100	990,331,285	100

20. OTHER BORROWED AND ENTRUSTED FUNDS

	31 December 2021 VND million	31 December 2020 VND million
Funds received in VND	568,082	645,430
Funds received in foreign currencies	1,959,848	2,087,821
	2,527,930	2,733,251

21. VALUABLE PAPERS ISSUED

	31 December 2021 VND million	31 December 2020 VND million
In VND	64,496,607	59,874,697
Par value	64,496,607	59,874,697
In foreign currencies	178	873
Par value	178	873
	64,496,785	59,875,570

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21. VALUABLE PAPERS ISSUED (continued)

Details of the term of valuable papers issued at the end of the year are as follows:

	Bills of exchange VND million	VND million Bearer bonds	Book-entry bonds VND million	Certificates of deposits VND million	Total VND million
Less than 12 months	197	-	-	2,000,000	2,000,197
- In VND	197	-	-	2,000,000	2,000,197
From 12 months to under 5 years	-	166	-	26,400,192	26,400,358
- In VND	-	166	-	26,400,014	26,400,180
- In foreign currencies	-	-	-	178	178
From 5 years	-	-	36,096,230	-	36,096,230
- In VND	-	-	36,096,230	-	36,096,230
Closing balance	197	166	36,096,230	28,400,192	64,496,785

22. OTHER LIABILITIES**22.1. Other payables**

	31 December 2021 VND million	31 December 2020 (restated) VND million
Internal payables	3,635,218	3,889,593
External payables (*)	13,130,097	6,342,057
Bonus and welfare funds	2,249,802	2,889,302
	19,015,117	13,120,952

(*) Details of external payables are as follows:

	31 December 2021 VND million	31 December 2020 (restated) VND million
Collections, payments on behalf of other organizations	4,948,056	1,375,631
Amounts kept for customers and awaiting settlement	198,806	79,149
Corporate income tax payable (Note 25)	721,321	1,309,696
Other items awaiting payment	62,446	1,528,300
Payables related to securities	1,229,010	1,210,143
Tax and fee payables	218,575	274,491
Payables to the SBV due to the collection of written-off debts	76,007	76,007
Payables related to trade finance activities	5,996	8,904
Money transfer payable	347,380	207,440
Dividends	3,844,600	-
Other payables	1,477,900	272,296
	13,130,097	6,342,057

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23. DEFERRED CORPORATE INCOME TAX

The balance of deferred corporate income tax assets and the deferred corporate income tax liabilities at the year-end represent deferred corporate income tax assets and the deferred corporate income tax liabilities of some of the Bank's subsidiaries. Details are as follows:

23.1. Deferred corporate income tax assets

	31 December 2021 VND million	31 December 2020 VND million
Deferred tax assets arising from deductible temporary difference	338	-
	338	-

23.2. Deferred corporate income tax liabilities

	31 December 2021 VND million	31 December 2020 VND million
Deferred tax liabilities arising from deductible temporary difference	-	38,008
	-	38,008

24. TAX AND OTHER OBLIGATIONS TO THE STATE BUDGET

	Opening balance (restated) VND million	Movements during the year		Closing balance VND million
		Payables VND million	Paid VND million	
Value added tax	79,920	643,428	654,619	68,729
Corporate income tax	1,309,696	3,412,160	4,000,535	721,321
Other taxes	180,092	926,842	957,029	149,905
	1,569,708	4,982,430	5,612,183	939,955

25. CORPORATE INCOME TAX EXPENSE**25.1. Current corporate income tax expense**

Since 1 January 2016, the Bank has the obligation to pay corporate income tax ("CIT") at the rate of 20% of taxable profits according to Circular No. 78/2014/TT-BTC which was effective from 2 August 2014.

For VietinBank Lao Limited, the Bank shall calculate and determine the CIT payable according to the income tax regulations in Laos. According to Tax Law No. 67 issued by the National Assembly on 18 June 2020, the CIT amount of VietinBank Lao Limited is determined by 20% of the earned profit.

The Bank's tax reports are subject to examination by the tax authorities. Because the application of tax laws and regulations to many types of transactions is susceptible to varying interpretations, amount reported in the consolidated financial statements could be changed at a later date upon final determination of the tax authorities.

Current corporate income tax payables are determined based on taxable income of the year. Taxable income differs from the one reported in the consolidated income statement since taxable income excludes incomes which are taxable or expenses which are deducted in prior years due to the differences between the Bank's accounting policies and the tax regulations. It also excludes tax exempted income and non-deductible expenses. The current corporate income tax payables of the Bank is calculated based on the statutory tax rates applicable at the year-end.

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25. CORPORATE INCOME TAX EXPENSE (continued)

25.1. Current corporate income tax expense (continued)

Provision for current income tax expense is computed as follows:

	2021 VND million	2020 (restated) VND million
Profit before tax	17,589,156	17,119,816
<i>Plus/(minus)</i>		
- Non-bearing tax dividend income	(401,110)	(352,360)
- Subsidiaries' profits	(1,188,660)	(701,642)
- Income from increase in interest at joint venture	(14,804)	(114,261)
- Movement of provision for loans and bonds arising from consolidation process	111,196	9,783
- Others	94,623	30,907
Taxable income	16,190,402	15,992,243
Parent Bank's CIT expenses	3,238,080	3,198,449
Subsidiaries' CIT expenses	174,080	123,607
Total CIT expenses in the year	3,412,160	3,322,056
CIT payable at the beginning of the year	1,309,696	619,096
CIT paid during the year	(4,000,535)	(2,631,634)
Adjustment for CIT differences of previous years	-	177
Current income tax payable at the end of the year	721,321	1,309,696

25.2. Deferred corporate income tax expense

	2021 VND million	2020 VND million
Deferred corporate income tax (income)/expenses arising from deductible temporary differences	(38,346)	12,552
	(38,346)	12,552

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26. OWNERS' EQUITY AND RESERVES
26.1. Statement of changes in equity

	Charter capital VND million	Share premium VND million	Other owned capital VND million	Capital supplementary reserve VND million	Financial reserve VND million	Investment and development fund VND million	Foreign exchange difference VND million	Undistributed profits VND million	Non- controlling interests VND million	Total VND million
Balance as at 1 January 2020	37,234,046	8,974,683	515,908	3,210,462	6,322,449	77,150	626,014	19,832,683	561,423	77,354,818
Net profit for the year	-	-	-	-	-	-	-	13,720,202	65,006	13,785,208
Appropriation to reserves	-	-	-	675,218	1,349,516	598	-	(2,025,332)	-	-
Appropriation to bonus and welfare funds	-	-	-	-	-	-	-	(3,568,790)	(6,538)	(3,575,328)
Decrease from translation of financial statements for consolidation purposes	-	-	-	-	-	-	(144,233)	-	-	(144,233)
Dividends paid for the fiscal year 2020 to non-controlling interests	-	-	-	-	-	-	-	(1915,509)	(19,527)	(1,935,036)
Other adjustments	-	15	-	(6,965)	(19,494)	(3,466)	-	(16,010)	(285)	(46,205)
Balance as at 31 December 2020 (restated)	37,234,046	8,974,698	515,908	3,878,715	7,652,471	74,282	481,781	26,027,244	600,079	85,439,224
Increase of equity during the year	10,823,460	-	-	-	-	-	-	(10,823,460)	-	-
Net profit for the year	-	-	-	-	-	-	-	14,088,760	126,582	14,215,342
Appropriation to reserves	-	-	-	697,681	1,383,318	1,017	-	(2,082,016)	-	-
Appropriation to bonus and welfare funds	-	-	-	-	-	-	-	(1,803,677)	(10,297)	(1,813,974)
Decrease from translation of financial statements for consolidation purposes	-	-	-	-	-	-	(236,550)	-	-	(236,550)
Dividends paid for the fiscal year 2021	-	-	-	-	-	-	-	(3,844,600)	(21,267)	(3,865,867)
Other adjustments	-	-	-	-	(9,491)	(4,728)	-	(74,120)	(325)	(88,664)
Balance as at 31 December 2021	48,057,506	8,974,698	515,908	4,576,396	9,026,298	70,571	245,231	21,488,131	694,772	93,649,511

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26. OWNERS' EQUITY AND RESERVES (continued)**26.2. Equity**

Details of the Bank's authorised and issued shares are as follows:

	31 December 2021		31 December 2020	
	Shares	VND million	Shares	VND million
Number of authorised shares	4,805,750,609	48,057,506	3,723,404,556	37,234,046
Number of issued shares	4,805,750,609	48,057,506	3,723,404,556	37,234,046
- Ordinary shares	4,805,750,609	48,057,506	3,723,404,556	37,234,046
Number of shares in circulation	4,805,750,609	48,057,506	3,723,404,556	37,234,046
- Ordinary shares	4,805,750,609	48,057,506	3,723,404,556	37,234,046

The face value of each share of the Bank is VND10,000.

26.3. Dividend

In accordance with Resolution No. 179/NQ-HĐQT-NHCT2.1 dated 11 June 2021, the Board of Directors of the Bank decided to pay dividend by shares, making use of profit after tax, at the exercise rate of 100: 29.0695, which is equivalent to VND10,823,460 million.

In accordance with Resolution No. 472/NQ-HĐQT-NHCT2.1 dated 1 December 2021, the Board of Directors of the Bank has decided to pay cash dividend of 2020 at 8% of par value (one share received VND800), which is equivalent to VND3,844,600 million.

26.4. Breakdown of the Banks' owner equity:

Unit: VND million

	31 December 2021			31 December 2020		
	Total	Ordinary shares	Preferred shares	Total	Ordinary shares	Preferred shares
Contribution from the Government of Vietnam	30,979,325	30,979,325	-	24,001,066	24,001,066	-
Other capital contribution (shareholders, members...)	17,078,181	17,078,181	-	13,232,980	13,232,980	-
Share premium	8,969,827	8,969,827	-	8,969,827	8,969,827	-
Total	57,027,333	57,027,333	-	46,203,873	46,203,873	-

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26. OWNERS' EQUITY AND RESERVES (continued)**26.5. Basic earnings per share**

Profit for calculation of basic earnings per share

	2021 VND million	2020 VND million (restated)
Net profit	14,088,760	13,720,202
Bonus and welfare fund (*)	-	(1,803,677)
Profit attributed to ordinary equity holders (*)	14,088,760	11,916,525

Number of ordinary shares for calculation of basic earnings

	2021 Shares	2020 Shares
Number of ordinary shares issued at the beginning of the year	3,723,404,556	3,723,404,556
Effect of the number of shares issued in the year	486,314,391	-
Weighted average of ordinary shares for calculation of basic earnings per share	4,209,718,947	3,723,404,556

Basic earnings per share

	2021 VND/share	2020 VND/share (restated)
Basic earnings per share (*)	3,347	3,200

(*) Profit attributed to ordinary equity holders and basic earnings per share are restated because the appropriation of bonus and welfare funds in 2020 is restated according to the Bank resolution.

27. INTEREST AND SIMILAR INCOME

	2021 VND million	2020 (restated) VND million
Interest income from deposits	1,455,828	2,263,554
Interest income from loans to customers	74,973,599	73,398,977
Interest income from debt securities	6,423,049	6,423,265
Income from guarantee activities	853,304	688,186
Income from finance leases	326,565	292,990
Other income from credit activities	595,957	609,544
	84,628,302	83,676,516

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28. INTEREST AND SIMILAR EXPENSES

	2021 VND million	2020 VND million
Interest expenses for deposits	38,076,416	43,289,869
Interest expenses for borrowings	971,137	689,276
Interest expenses for valuable papers issued	3,511,189	3,923,225
Other expenses for credit activities	281,095	194,518
	42,839,837	48,096,888

29. NET FEE AND COMMISSION INCOME

	2021 VND million	2020 (restated) VND million
Fee and commission income	9,572,678	8,358,635
Settlement services	3,969,068	3,456,038
Advisory services	206,916	163,975
Trusted and agency services	129,339	193,029
Insurance services	2,592,477	2,349,953
Other services	2,674,878	2,195,640
Fee and commission expenses	(4,612,172)	(3,996,181)
Settlement services	(2,042,880)	(1,716,384)
Advisory services	(43,229)	(13,224)
Trusted and agency services	(207,144)	(183,839)
Treasury services	(286,045)	(333,535)
Insurance services	(1,801,533)	(1,524,305)
Other services	(231,341)	(224,894)
Net fee and commission income	4,960,506	4,362,454

30. NET GAIN FROM TRADING IN FOREIGN CURRENCIES

	2021 VND million	2020 VND million
Income from foreign currencies trading	5,068,589	17,807,772
Income from spot foreign currencies spot trading	1,686,174	1,316,995
Income from currency derivatives trading	1,649,446	1,484,248
Income from gold trading	1,732,969	15,006,529
Expenses for trading in foreign currencies	(3,256,105)	(15,808,051)
Expenses for spot foreign currencies spot trading	(292,940)	(120,375)
Expenses for currency derivatives trading	(1,114,598)	(726,661)
Expenses for gold trading	(1,848,567)	(14,961,015)
Net gain from foreign currencies trading	1,812,484	1,999,721

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31. NET GAIN FROM HELD-FOR-TRADING SECURITIES

	2021 VND million	2020 VND million
Income from held for trading securities	479,405	526,731
Expenses for held for trading securities	(57,457)	(29,913)
Provision reversed for held for trading securities	73,916	104,457
Net gain from held for trading securities	495,864	601,275

32. NET GAIN FROM INVESTMENT SECURITIES

	2021 VND million	2020 VND million
Income from trading in investment securities	-	9,075
Expenses for trading in investment securities	(2,998)	(835)
Provision reserved for investment securities	226,863	352,710
Net gain from investment securities	223,865	360,950

33. NET GAIN FROM OTHER ACTIVITIES

	2021 VND million	2020 (restated) VND million
Income from other activities	4,516,269	2,714,619
Income from recovery of bad debts previously written-off	3,244,952	1,751,795
Income from other derivatives	820,321	502,215
Income from transfer, disposal of assets	7,371	108,163
Other income	443,625	352,446
Expenses for other activities	(1,118,203)	(785,226)
Expenses for other derivatives	(545,977)	(353,120)
Expenses for transfer, disposal of assets	(2,877)	(53,715)
Other expenses	(569,349)	(378,391)
Net gain from other activities	3,398,066	1,929,393

34. INCOME FROM INVESTMENTS IN OTHER ENTITIES

	2021 VND million	2020 VND million
Income received from equity securities	13,195	4,854
Income received from capital contribution	70,576	62,207
Share from net profit under equity method of investment in a joint venture	393,611	456,977
	477,382	524,038

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35. TOTAL OPERATING EXPENSES

	2021 VND million	2020 VND million
Expenses on taxes, fees, charges	22,284	21,028
Personnel expenses	10,013,309	9,261,722
Salary and allowances	8,183,156	7,425,497
Expenses related to salary	590,312	570,425
Allowances	1,567	4,718
Other expenses	1,238,274	1,261,082
Expenses on assets	2,903,591	2,530,639
Depreciation and amortization expenses	1,010,988	969,995
Other expenses	1,892,603	1,560,644
Administrative expenses	3,387,571	3,252,080
Per-diem	106,724	136,945
Expenses for union activities	11,400	15,769
Other expenses	3,269,447	3,099,366
Insurance premium for customer deposits	772,469	722,082
Other provision expenses (excluding provision expenses for credit loss on- and off-balance sheet credit loss; provision expenses for securities)	86,626	281,877
	17,185,850	16,069,428

36. CASH AND CASH EQUIVALENTS

Cash and cash equivalents on the consolidated cash flow statement including items on the consolidated balance sheet are as follows:

	31 December 2021 VND million	31 December 2020 VND million
Cash and cash equivalents on hand	11,330,659	9,930,181
Balances with the SBV	23,383,443	57,616,650
Current accounts at other credit institutions	88,559,894	37,969,725
Placements with other credit institutions with terms not exceeding three (03) months	41,102,590	54,658,520
	164,376,586	160,175,076

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37. EMPLOYEES' REMUNERATIONS

	2021	2020
I. Total number of employees (persons) (*)	25,154	24,480
II. Employees' remuneration (VND million)		
1. Total salary fund	8,183,156	7,425,497
2. Other remuneration	452,677	422,871
3. Total remuneration (1+2)	8,635,833	7,848,368
4. Average monthly salary (**)	27.11	25.95
5. Average monthly remuneration (**)	28.61	27.42

(*) Data as at 31 December

(**) Calculated based on the average number of employees in the year

38. COLLATERAL AND MORTGAGES**38.1. Assets, valuable papers taken for mortgage, pledge and discount, rediscount**

Details of customers' collateral and mortgages at the Bank at the end of the year are as follows:

	31 December 2021 VND million	31 December 2020 (restated) VND million
Real estates	1,497,176,920	1,469,982,132
Movables	67,985,220	66,840,284
Deposits, gold, gemstones and valuable papers	215,143,774	163,111,720
Other assets	549,296,722	550,445,948
	2,329,602,636	2,250,380,084

Collaterals and mortgages held by the Bank which are permitted to sell to or re-pledge for a third party in the absence of default by the customers (owner of the collaterals) who are able to pay off the debts according to the law.

As at 31 December 2021, the Bank did not hold any collateral which the Bank is permitted to sell or re-pledge for a third party in the absence of default by the customers (owner of the collaterals) who are able to pay off the debt according to the law.

39. RELATED PARTY TRANSACTIONS

During normal business operation, the Bank has undertaken transactions with other parties to which the Bank is related. Parties are considered related if one is able to control or has significant influence on the other's decisions about financial policies and operations. A party is considered related to the Bank if:

- Directly, or indirectly through one or more intermediaries, that party:
 - controls, is controlled by, or is under common control by the Bank (including parent bank and subsidiaries;
 - has contributed capital (owning 5% or more of the charter capital or voting share capital) in the Bank and therefore, has significant influences over the Bank;
 - has joint control over the Bank;

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39. RELATED PARTY TRANSACTIONS (continued)

- b. The party is a joint venture in which the Bank is a venture or an associate (owning over 11% of the charter capital or voting share capital, but is not a subsidiary of the Bank);
- c. The party has a member who is also the key personnel of the Bank's Members' Council or Board of Management;
- d. The party is a close member in the family of any individual referred to in (a) or (c); or
- e. The party is an entity that is directly or indirectly controlled, jointly controlled or significantly influenced by, or has the right to vote, by any individual referred to in (c) or (d).

Details of significant balances with related parties as at 31 December 2021 are as follows:

Related organizations

Related parties	Relationship	Balances	31 December 2021 VND million	31 December 2020 VND million
The State Bank of Vietnam	Owner and direct management agency	Deposits of the Bank at the SBV	23,383,443	57,616,650
		Due to the SBV	1,505,274	1,969,774
Indovina Bank Limited	Joint venture	Deposits of the Bank and subsidiaries at Indovina Bank Limited	36,483	96,482
		Deposits of Indovina Bank Limited at the Bank	38,714	417,047

Details of significant transactions with related parties in the year are as follows:

Related Organizations

Related parties	Relationship	Transactions	2021 VND million	2020 VND million
The State Bank of Vietnam ("the SBV")	Owner and direct management agency	(Decrease)/Increase in deposits of the Bank at the SBV	(34,233,207)	32,742,936
		Decrease in borrowings from the SBV	(464,500)	(646,960)
Indovina Bank Limited	Joint venture	Decrease in deposits of the Bank and subsidiaries at Indovina Bank Limited	(59,999)	(3,919,326)
		Decrease in deposits of Indovina Bank Limited at the Bank	(378,333)	(3,627,865)
		Interest income	1	7,942
		Interest expenses	(20,687)	(28,584)

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39. RELATED PARTY TRANSACTIONS (continued)**Related individuals**

Remuneration of the Board of Directors, the Management and the Supervisory Board:

	2021 VND million	2020 VND million
Board of Directors	12,587	13,235
Management	13,220	13,527
Supervisory Board	4,232	3,725
	30,039	30,487

Details of income for each member of the Board of Directors, General Director and other managers in 2021 are as follows: average income per specialized manager (including Chairman of the Board of Directors, Members of the Board of Directors, General Director, Deputy General Director, Chief Accountant) is VND190.82 million/person/month. The average income of each independent member of the Board of Directors is VND100.95 million/person/month. The average salary of VietinBank specialized managers is approved by the State Bank of Vietnam in Official Dispatch No. 6900/NHNN-TCCB dated 28 September 2021 on the salary plan for 2021 of Vietnam Joint Stock Commercial Bank for Industry and Trade.

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40. SEGMENT INFORMATION
40.1. Business segment report

Unit: VND million

Items	Banking financial services	Non-banking financial services	Others	Adjustment	Total
I. Income	99,608,023	3,396,433	2,591,757	(844,944)	104,751,269
1. Interest income	83,980,616	520,665	227,978	(100,957)	84,628,302
- Interest income from external sources	83,922,826	493,963	223,860	(12,347)	84,628,302
- Interest income from internal sources	57,790	26,702	4,118	(88,610)	-
2. Income from services	7,081,895	2,728,767	5,166	(243,150)	9,572,678
3. Other income	8,545,512	147,001	2,358,613	(500,837)	10,550,289
II. Expenses	(64,133,201)	(2,896,814)	(2,234,024)	483,552	(68,780,487)
1. Interest expenses	(42,742,891)	(60,949)	(136,954)	100,957	(42,839,837)
- External interest expenses	(42,686,101)	(16,785)	(136,951)	-	(42,839,837)
- Internal interest expenses	(56,790)	(44,164)	(3)	100,957	-
2. Depreciation and amortization expenses	(989,461)	(11,858)	(9,669)	-	(1,010,988)
3. Expenses related to operating business	(20,400,849)	(2,824,007)	(2,087,401)	382,595	(24,929,662)
Net profit from operating activities before credit provision expenses	35,474,822	499,619	357,733	(361,392)	35,970,782
Provision expenses for credit losses	(18,371,712)	(33,294)	10,619	12,761	(18,381,626)
Segment profit before tax	17,103,110	466,325	368,352	(348,631)	17,589,156
Current corporate income tax expense	(3,261,251)	(89,804)	(61,105)	-	(3,412,160)
Deferred corporate income tax expense	-	504	37,842	-	38,346
Segment profit after corporate income tax	13,841,859	377,025	345,089	(348,631)	14,215,342
III. Assets	1,522,276,411	8,866,892	7,142,222	(6,698,127)	1,531,587,398
1. Cash on hand	11,298,386	782	31,491	-	11,330,659
2. Fixed assets	10,368,025	82,193	45,934	-	10,496,152
3. Other assets	1,500,610,000	8,783,917	7,064,797	(6,698,127)	1,509,760,587
IV. Liabilities	1,430,905,358	5,722,787	5,429,680	(4,119,938)	1,437,937,887
1. External liabilities	1,428,842,535	4,186,040	5,389,353	(4,115,260)	1,434,302,668
2. Internal liabilities	2,062,823	1,536,747	40,327	(4,678)	3,635,219

40. SEGMENT INFORMATION (continued)

40.2. Geographical segment report

Unit: VND million

Items	North	South	Others	Offset	Total
Segment profit before tax	3,877,985	10,944,846	3,114,959	(348,632)	17,589,158
Current corporate income tax expense	(3,398,118)	(3,146)	(10,896)	-	(3,412,160)
Deferred corporate income tax expense	38,346	-	-	-	38,346
Segment profit after corporate income tax	518,213	10,941,700	3,104,063	(348,632)	14,215,344
Segment assets	900,558,818	465,139,083	172,587,624	(6,698,127)	1,531,587,398
Segment liabilities	819,461,854	454,072,444	168,523,526	(4,119,938)	1,437,937,886

41. CONCENTRATION OF ASSETS, LIABILITIES AND OFF-BALANCE SHEET ITEMS BY GEOGRAPHICAL REGIONS

	Total loans VND million	Total deposits VND million	Credit commitments VND million	Derivative financial instruments VND million	Trading and investment of securities VND million
Domestic	1,140,804,263	1,222,046,515	109,824,524	1,454,790	180,193,108
Overseas	9,380,786	5,261,532	177,946	-	-
	1,150,185,049	1,227,308,047	110,002,470	1,454,790	180,193,108

42. FINANCIAL RISK MANAGEMENT POLICIES

Under the guidance of the State Bank of Vietnam on enhancing the role of risk management in credit institutions, the Bank continues implementing risk management policies for its entire business to support a safe and steady growth of business activities.

In order to achieve sustainable development and improve operational efficiency and competitive advantage, the Bank has always been one of the pioneers in researching and applying international practices to its governance. In particular, the application of Basel II Accord is one of the Bank's prioritized solutions. Projects under the Basel II program focus on the comprehensive enhancing of risk management on material areas. Until now, the Bank has completed the first phase following standard methods and is preparing for the second phase following the State Bank of Vietnam's direction.

The application of advanced practices in risk management is a prerequisite for the integration and expansion of the Bank's influence in the global financial banking industry. The Bank has always played a pioneering role in modernizing the banking system. In addition, after Circular 13/2018/TT-NHNN ("Circular 13") stipulating the internal control system of commercial banks and foreign bank branches was issued, the Bank took initiatives in reviewing and adjusting regulations and processes in accordance with the requirements of Circular 13 to ensure compliance with the standards of internal control system, risk management, internal audit internal assessment of sufficient capital level.

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42. FINANCIAL RISK MANAGEMENT POLICIES (continued)

In 2021, the Bank continued actively studying and implementing projects under the Basel II program in order to comprehensively enhance the management of all types of risks. Moreover, the Bank has continued to complete its policy system in five (5) levels, namely: (i) General policy regime, (ii) Detailed policies, (iii) Guidance documents on policies, (iv) General processes, and (v) Detailed processes for each product in order to ensure consistency and overall effectiveness of the policy system.

To manage risk related to financial instruments, the Bank has issued regulations, procedures, detailed guidance and internal indicators as well as strictly managed the balance between assets and liabilities, tightly controlled business activities' growth and credit quality; complied with limitation and safety ratio for operation; requirements for risk management as stipulated in Circular 22/2019/TT-NHNN and Circular 13/2018/TT-NHNN; regulations of the State Bank of Vietnam; and has met requirements for risk management in accordance with Basel II.

43. CREDIT RISK

Credit risk is the risk that results in the Bank's loss because its customers or counterparties default on their contractual obligations or fail to fulfil their committed obligations.

Tools that the Bank uses to manage credit risk include:

For credit activities: The Bank manages and controls credit risk by setting limits for credit risk control corresponding to the Bank's risk capacity for each customer, segment, geographical region and industry.

The Bank has established a credit quality review process to provide early identification of possible changes in the financial position as well as solvency of counterparties based on the qualitative and quantitative factors. The limit for credit risk control corresponding to each counterparty is established based on the risk rating assigned by the credit rating system. This risk rating can be modified and updated regularly.

For investment activities/interbank lending activities: The Bank controls and manages risks by setting interbank investment limits for each specific counterparty based on the analysis and assessment of the Bank for that counterparty's risk level. These limits are set by the Financial Institution Committee and executed by the Treasury Trading Department.

Methods of minimizing credit risk**Credit risk bearing assets of the Bank are divided into the following groups:**

- Financial assets which are neither past due nor impaired**

The Bank's financial assets which are neither past due nor impaired include loans classified as Current loans, except for the loans overdue less than 10 days, under Circular 11; securities, receivables and other financial assets which are not past due and whose provision is not required under Circular 48. The Bank believes that the Bank is fully capable of collect adequately and timely these financial assets in the future.

- Financial assets which are past due but not impaired**

Financial assets are overdue but not impaired because the Bank is currently holding enough collaterals to offset credit risks in accordance with the SBV's current regulations.

The Bank is currently holding collaterals in the forms of real estates, movables, valuable papers and other types for the above financial assets.

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43. CREDIT RISK (continued)

The maturity of overdue but not impaired financial assets is presented as follows:

Unit: VND million

	Undue and unimpaired VND million	Undue and impaired VND million	Overdue and unimpaired VND million	Overdue and impaired VND million	Total VND million
Placements with and credit granting to other CIs	149,316,646	-	-	-	149,316,646
-Placements with other CIs	129,799,364	-	-	-	129,799,364
-Credit granting to other CIs	19,517,282	-	-	-	19,517,282
Loans to customers (*)	1,095,838,561	8,626,773	1,082,699	25,119,734	1,130,667,767
Investment securities (*)	177,670,301	-	-	-	177,670,301
-Available-for-sale investment securities	174,973,469	-	-	-	174,973,469
-Held-to-maturity investment securities	2,696,832	-	-	-	2,696,832
Total	1,422,825,508	8,626,773	1,082,699	25,119,734	1,457,654,714

The above table presents the worst case scenario in which the Bank will incur the maximum credit exposures as at 31 December 2021, irrespective of any collateral held or their credit enhancement.

The Bank's financial assets which are neither overdue nor impaired include loans to customers classified as Group 1, including loans overdue less than 10 days, in accordance with Circular 11; loans qualified under Circular 01, Circular 03 and Circular 14 regulating on loan restructuring, interest and/or fees exemption or reduction, and debt classification retention to assist borrowers affected by the Covid-19 pandemic and no additional provision is required under Circular 03; securities, receivables and other financial assets which are not overdue and no provision is required in accordance with Circular 48. The Bank believes that it can recover fully and timely these financial assets in the near future.

Financial assets are overdue but not impaired because the Bank is currently holding sufficient collaterals to offset credit risk in accordance with the SBV's regulations.

The Bank currently holds collaterals which are real estate, movables, valuable papers and other types of collateral for these financial assets. The Bank has not yet determined the fair value of these collaterals due to the lack of specific instructions and necessary market information.

44. MARKET RISK**44.1. Interest rate risk**

Interest rate risk is the possibility of the Bank's income or asset value being affected when market interest rate fluctuates.

Interest rate risk of the Bank can derive from investment activities, capital mobilization and lending activities.

The effective interest rate re-pricing period is the remaining period from the date of consolidated financial statements to the nearest interest rate re-pricing term of assets and capital. The following assumptions and conditions have been adopted in the analysis of the effective interest rate re-pricing period of the Bank's assets and liabilities:

- Cash, gold, gemstones, fixed assets and long-term investments are classified as non-interest-bearing items;
- Balances with the SBV are considered demand deposits, thus the effective interest rate re-pricing term is assumed to be within one month;
- The maturity of securities held-for-trading is calculated on the basis of the probable time to convert bonds into cash because this portfolio includes highly liquid bonds with fixed interest rates;
- The effective interest rate re-pricing term of placements with and loans to other credit institutions; investment securities; loans to customers; other assets; borrowings from the Government and the SBV; deposits and borrowings from other credit institutions; deposits from customers, valuable papers issued, grants, trusted funds and borrowings at risk of credit institutions is determined as follows:
 - Items with fixed interest rate during the contractual period: the effective interest rate re-pricing term is determined from the consolidated balance sheet date to maturity date;
 - Items with floating interest rate: the effective interest rate re-pricing term is determined from the consolidated balance sheet date to the nearest interest rate re-pricing date;
 - Accrued income, accrued expenses: Classified as non-interest-bearing items.

The Bank's interest rate risk policies

For interbank lending activities (short-term), investment interest rate is based on the fluctuation of the market and the Bank's cost of capital. The interbank loans are usually short-term (of less than 3 months).

Based on forecasts on fluctuations of the market interest rate and its capital balancing ability, the Bank can make appropriate investment decisions.

For capital mobilization activities, interest rates are determined based on the market price, the business orientation of the Bank's management, the Bank's capital balance and regulations of the State Bank of Vietnam.

44. MARKET RISK (continued)**44.1. Interest rate risk (continued)**

For lending activities, the Bank determines lending interest rates based on the coverage of cost of capital, management expenses, risk considerations, collaterals' values and market interest rate to ensure the Bank's competitiveness as well as the efficiency. The Head Office regulates the lending interest rate floor for each period; branches can decide lending interest rates of each customer for each period based on credit risk analysis and assessment provided that these rates are not below the regulated floor rate and the annual budgeted profit is assured. Besides, due to the capital structure mainly comprising funds with short interest rate re-pricing terms, the Bank requires that all long-term and medium-term loans' interest must be floating (interest rate are not fixed during the whole loans' periods) to minimize possible arising interest rate risk.

Interest rate risk management

The Bank manages interest rate risk at 2 levels: transaction level and portfolio level, in which the former is more focused.

Interest rate risk management at the portfolio level

- Since 2013, VietinBank has issued regulations and procedures for managing interest rate risk on the banking book, which stipulate the principles for managing interest rate risk on the banking book through the process of identification, measurement, control and monitoring of risk to ensure the balance between the interest rate risk control/prevention goal and the maximization of net interest income as well as the economic value of equity in the business operations of the Bank.
- The Bank has completed the design, officially implemented and continuously upgraded the Assets-Liabilities Management (ALM) software system, which runs to the transaction level under international practices, automatically provides reports on re-evaluation term differences by nominal terms and by behaviours, scenarios analysis reports on interest rate increase/decrease situations, etc. in order to facilitate the Bank's interest rate risk management activities.
- The Bank adjusts the re-pricing term of loans to the re-pricing term of capital, ensuring the re-evaluation term difference is within the permitted limit.

Interest rate risk management at transaction level

- All credit contracts are required to include terms relating to interest rate risk prevention to ensure that the Bank can take initiative in coping with fluctuations of the market; lending interest rate must be set to accurately reflect the Bank's actual cost of capital;
- Management through the Fund Transfer Pricing (FTP) system: the Bank has completed and continuously improved the internal fund transfer pricing system (FTP), which enhanced the Bank's centralized capital and interest management. Depending on the orientation of the Bank and the market movements, the Head Office can change the capital trading price for each type of customers or products, etc. to give signals for the business units to determine their lending/capital mobilization rates.

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44. MARKET RISK (continued)
44.1. Interest rate risk (continued)

The table below shows the interest rate re-pricing period of assets and liabilities of the Bank as at 31 December 2021:

	Non-interest bearing VND million	Overdue		Interest rate re-pricing period						Total VND million
		Over 3 months VND million	Up to 3 months VND million	Up to 1 month VND million	From 1 to 3 months VND million	From 3 to 6 months VND million	From 6 to 12 months VND million	From 1 to 5 years VND million	Over 5 years VND million	
Assets										
Cash, gold and gemstones	11,330,659	-	-	-	-	-	-	-	-	11,330,659
Balances with the SBV	885,474	-	-	22,497,969	-	-	-	-	-	23,383,443
Placements with and loans to other credit institutions (*)	-	-	-	129,702,823	10,282,052	9,331,771	-	-	-	149,316,646
Securities held for trading (*)	-	-	-	2,522,807	-	-	-	-	-	2,522,807
Derivatives and other financial assets	-	-	-	1,454,790	-	-	-	-	-	1,454,790
Loans to customers (*)	-	14,300,465	11,901,967	335,130,124	312,985,926	324,199,665	99,099,378	29,683,636	3,366,606	1,130,667,767
Investment securities (*)	376,615	-	-	2,779,622	8,525,751	25,534,782	14,762,122	57,080,326	68,611,083	177,670,301
Long-term investments (*)	3,314,018	-	-	-	-	-	-	-	-	3,314,018
Fixed assets	10,496,152	-	-	-	-	-	-	-	-	10,496,152
Other assets (*)	47,423,159	70,558	-	-	-	-	-	-	-	47,493,717
Total assets	73,826,077	14,371,023	11,901,967	494,088,135	331,793,729	359,066,218	113,861,500	86,763,962	71,977,689	1,557,650,300

(*): Excluding provision

	Non-interest bearing VND million	Overdue		Interest rate re-pricing period						Total VND million
		Over 3 months VND million	Up to 3 months VND million	Up to 1 month VND million	From 1 to 3 months VND million	From 3 to 6 months VND million	From 6 to 12 months VND million	From 1 to 5 years VND million	Over 5 years VND million	
Liabilities										
Due to the Government and the SBV	-	-	-	28,796,088	3,477,634	637,176	383,506	-	-	33,294,404
Deposits and borrowings from other credit institutions	-	-	-	92,742,958	23,856,526	16,728,530	5,505,832	-	-	138,833,846
Customer deposits	-	-	-	496,076,567	207,060,119	168,851,930	245,205,282	44,639,366	14,849	1,161,848,113
Other borrowed and entrusted funds	-	-	-	-	2,527,930	-	-	-	-	2,527,930
Valuable papers issued	-	-	-	-	-	24,665,100	31,112,130	5,805,555	2,914,000	64,496,785
Other liabilities (*)	35,882,436	-	-	-	-	-	-	-	-	35,882,436
Total liabilities	35,882,436	-	-	617,615,613	236,922,209	210,882,736	282,206,750	50,444,921	2,928,849	1,436,883,514
Interest sensitivity gap of balance sheet items	37,943,641	14,371,023	11,901,967	(123,527,478)	94,871,520	148,183,482	(168,345,250)	36,319,041	69,048,840	120,766,786
Interest sensitivity gap of off-balance sheet items	-	-	-	-	-	-	-	-	-	-
Interest sensitivity gap of on, off-balance sheet items	37,943,641	14,371,023	11,901,967	(123,527,478)	94,871,520	148,183,482	(168,345,250)	36,319,041	69,048,840	120,766,786

(*): Excluding provision

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44. MARKET RISK (continued)**44.2. Currency risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Bank was incorporated and operates in Vietnam and its reporting currency is Vietnam Dong (VND). The Bank's main transaction currency is VND, while a part of the Bank's asset-capital is in foreign currencies (USD, EUR, etc.). Thus, currency risk may arise.

To prevent the risk of exchange rate fluctuations, the Bank has synchronously applied the following measures:

Based on actual data, the growth demand of affiliates and business orientations, the Treasury and Financial Planning Department analyses and projects cash inflows/outflows and proposes the capital planning for each currency unit (in VND, USD, and EUR equivalent) to the Bank's management, which is managed based on actual daily cash flows to ensure operational safety and effectiveness of the whole system.

The Bank's capital mobilization and lending activities are mainly in VND, with a small part is in USD, EUR and other foreign currencies. According to each period's business plan, the Bank has a currency position in its capital trading activities when making financial transactions on the market. The Bank sets limits for positions of each main currency based on the Bank's risk appetite, internal risk capacity and regulations of relevant regulatory authorities.

Currency positions are managed on a daily basis and hedging strategies are used by the Bank to ensure that the positions of currencies are maintained within the limits set.

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44. MARKET RISK (continued)**44.2. Currency risk** (continued)

The following table presents assets and liabilities in foreign currencies translated into VND as at 31 December 2021:

	EUR equivalent VND million	USD equivalent VND million	Other currencies equivalent VND million	Total VND million
Assets				
Cash, gold and gemstones	213,890	1,171,900	48,542	1,434,332
Balances with the SBV	13,440	4,203,119	-	4,216,559
Placements with and loans to other credit institutions	1,443,871	30,954,180	54,087,298	86,485,349
Derivatives	-	9,867,690	-	9,867,690
Loans to customers (*)	4,672,527	85,025,333	2,999,467	92,697,327
Fixed assets	35,359	-	496,701	532,060
Other assets (*)	1,515,465	19,254,901	62,698	20,833,064
Total assets	7,894,552	150,477,123	57,694,706	216,066,381
Liabilities				
Deposits and borrowings from other credit institutions	192,415	99,252,807	995,077	100,440,299
Customer deposits	2,873,489	52,486,797	2,906,742	58,267,028
Derivatives and other financial liabilities	2,225,125	-	53,316,898	55,542,023
Other borrowed and entrusted funds	152,218	1,783,441	24,189	1,959,848
Valuable papers issued	-	178	-	178
Other liabilities (*)	2,308,348	1,550,571	334,834	4,193,753
Total liabilities	7,751,595	155,073,794	57,577,740	220,403,129
FX position on balance sheet	142,957	(4,596,671)	116,966	(4,336,748)
FX position off-balance sheet	-	-	-	-
Net on, off-balance sheet FX position	142,957	(4,596,671)	116,966	(4,336,748)

(*) Excluding provision

44. MARKET RISK (continued)**44.3. Liquidity risk**

Liquidity risk is defined as the risk that the Bank has difficulties in meeting obligations associated with its financial liabilities. Liquidity risk arises when the Bank might be unable to meet its payment obligations at their due dates or when the Bank has to mobilize funds at a higher cost to meet its payment obligations.

The Bank had issued regulations and procedures on liquidity management, including rules about managing liquidity gap through maturity, liquidity risk ratios, stress test scenarios and backup plans to proactively take measures when facing market volatility. To minimize liquidity risk, the Bank plans to diversify its funding sources, develops a fund management report system to calculate liquidity position on a daily basis, as well as prepares analysis and forecast report on future liquidity positions on a regular basis, setting liquidity risk appetite and capacity.

At monthly ALCO Council meetings, fund balance and liquidity of the Bank is one of the key contents to be discussed. At Risk Management Committee, Risk Management Council meetings, the compliance of liquidity risk appetite and risk capacity is also reviewed and reported. Based on analysis and evaluation, Risk Management Committee/ALCO/Risk Management Council makes recommendations to the Board of Directors and the Management to best remain the Bank's solvency in a safe and effective way.

In addition, the Bank also maintains a list of secondary liquid assets such as the Government bonds, which may be sold or under repurchased contracts with the State Bank of Vietnam. It is not only a secondary reserve in liquidity stress circumstances (if any) but also a profitable investment.

The maturity of assets and liabilities represents the remaining time from the balance sheet date until the payment date regulated in the contract or terms of issuance.

The following assumptions and conditions have been adopted in the analysis of the Bank's maturity relating to its assets and liabilities:

- Cash, gold and gemstones and balance with the State Bank of Vietnam are classified into maturity up to one month;
- The maturity term of deposits at and loans to other credit institutions and loans to customers, investment securities, borrowings from the Government and the SBV, deposits, borrowings from other credit institutions, valuable papers issued, other borrowed and entrusted funds is based on the contractual maturity date;
- The maturity of securities held-for-trading is calculated on the basis of the probable time to convert bonds into cash because this portfolio includes highly liquid bonds;
- The maturity term of customer deposits is determined based on customer behaviour analysis and forecasts on interest rate policy and other macroeconomic factors.

Based on the Management's approval of the annual business plan, the Treasury and Financial Planning Department in cooperation with some other relevant specialized departments make analysis and forecasts on cash inflows/outflows of the system according to the approved plan; and also based on the actual daily capital fluctuations and utilisation, the Bank makes decisions on appropriate management and monitoring of available funds.

44. MARKET RISK (continued)**44.3. Liquidity risk** (continued)

Based on the projection of available funds, the Treasury and Financial Planning Department in cooperation with the Treasury Trading Department manage the secondary reserve through the approval of highly liquid valuable papers purchases, which could be converted into cash on the secondary market. The Treasury and Financial Planning Department in cooperation with the Treasury Trading Department may decide to sell valuable papers to the SBV on the open market, or to refinance loans when working capital is insufficient, ensuring the liquidity of the whole system.

Based on SBV's regulations, the Treasury and Financial Planning Department in cooperation with the Treasury Trading Department proposes the Bank's available fund management plan, ensuring the actual average balance of deposits in VND and foreign currencies at the SBV is not below the required level of compulsory reserve. Besides, the Bank also establishes credit limit with other banks and other credit institutions for mutual support when needed. The Market Risk Management Department acts as an independent supervisor to ensure that the liquidity risks are managed in compliance with regulations, management processes, and liquidity risk appetite/capacity of the Bank.

The amount of available funds is determined based on data from the Core Sunshine system, interbank payment program CITAD, Asset-Liability Management software, information about large cash flows from business units. Therefore, the Bank can actively manage its daily liquidity risk.

The Bank's liquidity risk management activities are monitored strictly in compliance with the regulations of the State Bank of Vietnam and the Bank's internal criteria for liquidity management for each major currency unit (such as VND, USD, EUR) for capital mobilization and loan portfolios.

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44. MARKET RISK (continued)

44.3. Liquidity risk (continued)

The table below presents the analysis of remaining maturity of assets and liabilities of the Bank as at 31 December 2021:

	Overdue		Current				Total VND million
	Over 3 months VND million	Up to 3 months VND million	Up to 1 month VND million	From 1 to 3 months VND million	From 3 to 12 months VND million	From 1 to 5 years VND million	Over 5 years VND million
Assets							
Cash, gold and gemstones	-	-	11,330,659	-	-	-	11,330,659
Balances with the SBV	-	-	23,383,443	-	-	-	23,383,443
Placements with and loans to other credit institutions (*)	-	-	129,792,326	10,223,426	9,300,894	-	149,316,646
Securities held for trading (*)	-	-	2,522,807	-	-	-	2,522,807
Derivatives and other financial assets	-	-	1,454,790	-	-	-	1,454,790
Loans to customers (*)	14,300,465	11,901,967	70,371,804	222,350,327	438,712,848	170,544,698	1,130,667,767
Investment securities (*)	-	-	2,779,622	8,525,751	40,296,904	57,080,326	177,670,301
Long-term investments (*)	-	-	-	-	-	-	3,314,018
Fixed assets	-	-	-	-	-	-	10,496,152
Other assets (*)	70,558	-	5,643,107	7,623,517	10,971,581	-	47,493,717
Total assets	14,371,023	11,901,967	247,278,558	248,723,021	499,282,227	227,625,024	1,557,650,300
Liabilities							
Due to the Government and the SBV	-	-	28,796,088	3,477,634	1,020,682	-	33,294,404
Deposits and borrowings from other credit institutions	-	-	47,970,595	24,927,577	47,132,779	18,802,895	138,833,846
Customer deposits	-	-	148,360,429	208,029,335	557,255,680	247,749,990	1,161,848,113
Other borrowed and entrusted funds	-	-	-	37,831	65,746	708,578	2,527,930
Valuable papers issued	-	-	-	-	25,400,000	3,450,555	64,496,785
Other liabilities (*)	-	-	13,306,699	3,095,771	6,870,293	12,111,638	35,882,436
Total liabilities	-	-	238,433,811	239,568,148	637,745,180	282,823,656	1,436,883,514
Net liquidity gap	14,371,023	11,901,967	8,844,747	9,154,873	(138,462,953)	(55,198,632)	120,766,786

(*): Excluding provision

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44. MARKET RISK (continued)

44.3. Liquidity risk (continued)

Other market price risk

Except for the assets and liabilities disclosed in the previous section, the Bank does not bear any other market price risks that account for 5% of its net profit or the value of its assets, liabilities accounting for 5% of total assets.

45. ADDITIONAL INFORMATION ON FINANCIAL ASSETS AND FINANCIAL LIABILITIES

On 6 November 2009, the Ministry of Finance issued Circular No. 210/2009/TT-BTC providing guidance on the adoption of the International Financial Reporting Standards for presentation and disclosures of financial instruments ("Circular 210") with effectiveness from financial years beginning on or after 1 January 2011.

The Circular 210 only regulates the presentation of financial statements and disclosures of financial instruments, therefore, the below definitions of financial assets, financial liabilities and other relating definitions on the consolidated financial statements are applied solely for the preparation of this Note. The Bank's assets, liabilities, and owners' equity are still recognized and recorded in accordance with Vietnamese Accounting Standards, Accounting System for Credit Institutions and other statutory requirements relevant to preparation and presentation of the consolidated financial statements.

Financial assets

Under Circular 210, financial assets of the Bank include placements with other credit institutions, loans to customers and other institutions, other receivables and assets under currency derivative contracts.

Financial assets within the scope of Circular 210, for disclosures of the notes to the consolidated financial statements, are classified into either of the followings:

- *Financial asset at fair value through profit or loss:*

Financial asset at fair value through profit and loss is a financial asset that meets either of the following conditions:

- It is classified as held for trading. A financial asset is classified as held for trading if:
 - It is acquired or incurred principally for the purpose of reselling or repurchasing it in the near term;
 - There is evidence of a recent actual pattern of short-term profit-taking; or
 - It is a derivative (except for a derivative that is a financial guarantee contract or an effective hedging instrument).
- Upon initial recognition, it is designated by the Bank as at fair value through profit or loss.

- *Held-to-maturity investments:*

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that the Bank has the positive intent and ability to hold to maturity other than:

- Those that the Bank upon initial recognition designates as at fair value through profit or loss;

45. ADDITIONAL INFORMATION ON FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)**Financial assets** (continued)

- b. Those that the Bank designates as available for sale; or
- c. Those meet the definition of loans and receivables.

- *Loans and receivables:*

Loans and receivables are non-derivative with fixed or determinable payments and are not quoted in an active market other than:

- a. Those that the Bank intends to sell immediately or in the near term, which are classified as assets held for trading, and those that the Bank upon initial recognition designates as at fair value through profit or loss;
- b. Those that the Bank classifies as available for sale upon initial recognition; or
- c. Those for which the holder may not recover substantially all of its initial investment, other than because of credit deterioration, which are classified as available for sale

- *Available-for-sale financial assets:*

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not classified as:

- a. Loans and receivables;
- b. Held-to-maturity investments; or
- c. Financial assets at fair value through profit or loss.

Financial liabilities

According to Circular 210, financial liabilities of the Bank includes deposits and borrowings from other institutions, valuable papers issued and other financial liabilities.

Financial liabilities within the scope of Circular 210, for disclosures of the notes to the consolidated financial statements, are classified into either of the followings:

- *Financial liability at fair value through profit or loss:*

Financial liability at fair value through profit and loss is a financial liability that meets either of the following conditions:

- a. It is classified as held for trading. A financial liability is classified as held for trading if:
 - It is acquired or incurred principally for the purpose of reselling or repurchasing it in the near term;
 - There is evidence of a recent actual pattern of short-term profit-taking; or
 - It is a derivative (except for a derivative that is a financial guarantee contract or effective hedging instrument).
- b. Upon initial recognition, it is designated by the entity as at fair value through profit or loss.

45. ADDITIONAL INFORMATION ON FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)**Financial liabilities** (continued)

- *Financial liabilities at amortized cost:*

Financial liabilities that are not classified as at fair value through profit or loss are classified as at amortized cost.

Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if and only if there is a currently enforceable legal right of the Bank to offset the recognized amounts and there is an intention to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

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45. ADDITIONAL INFORMATION ON FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

The carrying value and fair value of financial assets and financial liabilities of the Bank as at 31 December 2021 are presented as follows:

	Carrying value					Fair value VND million
	Financial assets at fair value through profit or loss VND million	Held-to- maturity VND million	Loans and receivables VND million	Available-for- sale VND million	Other assets and liabilities recorded at amortized cost VND million	Total VND million
Assets						
Cash, gold and gemstones	11,330,659	-	-	-	-	11,330,659
Balances with the SBV	23,383,443	-	-	-	-	23,383,443
Placements with and loans to other credit institutions	-	-	149,316,646	-	-	149,316,646
Securities held for trading	2,522,807	-	-	-	-	2,522,807
Derivatives and other financial assets	1,454,790	-	-	-	-	1,454,790
Loans to customers	-	-	1,130,667,767	-	-	1,130,667,767
Available-for-sale securities	-	-	-	174,973,469	-	174,973,469
Held-to-maturity securities	-	2,696,832	-	-	-	2,696,832
Other long-term investments	-	-	-	240,662	-	240,662
Other financial assets	-	-	47,493,717	-	-	47,493,717
	38,691,699	2,696,832	1,327,478,130	175,214,131	-	1,544,080,792
Liabilities						
Due to the Government and the SBV	-	-	-	-	33,294,404	33,294,404
Deposits and borrowings from other credit institutions	-	-	-	-	138,833,846	138,833,846
Customer deposits	-	-	-	-	1,161,848,113	1,161,848,113
Other borrowed and entrusted funds	-	-	-	-	2,527,930	2,527,930
Valuable papers issued	-	-	-	-	64,496,785	64,496,785
Other financial liabilities	-	-	-	-	34,942,482	34,942,482
	-	-	-	-	1,435,943,560	1,435,943,560

(*) The fair value of those financial assets and liabilities cannot be determined because there is no specific guidance from Vietnamese Accounting Standards and Accounting System on determination of fair value

46. CORRESPONDING FIGURES

During the year 2021, The State Audit Office of Vietnam (SAV) audited financial statements for the fiscal year ended 31 December 2020 of Vietnam Joint Stock Commercial Bank for Industry and Trade. In accordance with SAV's minute, the Bank restated figures corresponding to adjustments required by SAV on the consolidated financial statements for the fiscal year ended 31 December 2021.

The major adjustments are as follows:

- Consolidated statement of financial position: make adjustments to loan classification, fixed assets' cost and accumulated depreciation, other assets, liabilities and other payables;
- Consolidated income statement: make adjustments to expense for credit losses provision, operating expenses, interest and similar income, fee and commission income, other income and corporate income tax expense.

Extracted from Consolidated statement of financial positions as at 31 December 2020:

	31 December 2020 (VND million) Presented	Adjustment	31 December 2020 (VND million) Restated
ASSETS			
Loans to customers	1,002,771,868	(20,978)	1,002,750,890
Provision for credit losses	(12,561,402)	(20,978)	(12,582,380)
Fixed assets	10,811,098	13,872	10,824,970
Tangible fixed assets	6,409,409	13,799	6,423,208
Cost	15,445,093	12,295	15,457,388
Accumulated depreciation	(9,035,684)	1,504	(9,034,180)
Intangible fixed assets	4,401,689	73	4,401,762
Cost	6,387,313	120	6,387,433
Accumulated depreciation	(1,985,624)	(47)	(1,985,671)
Other assets	33,757,479	80,616	33,838,095
Receivables	22,822,852	20,713	22,843,565
Accrued interest and fee receivables	7,799,044	(1,201)	7,797,843
Other assets	3,208,896	61,104	3,270,000
Provision for other assets	(73,313)	-	(73,313)
TOTAL ASSETS	1,341,436,468	73,510	1,341,509,978

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at 31 December 2021 and for the year then ended

46. CORRESPONDING FIGURES (continued)

	31 December 2020 (VND million) Presented	Adjustment	31 December 2020 (VND million) Restated
LIABILITIES			
Other liabilities	29,968,809	45,536	30,014,345
Other payables	13,075,416	45,536	13,120,952
TOTAL LIABILITIES	1,256,025,218	45,536	1,256,070,754
OWNER'S EQUITY			
Undistributed profits	26,000,630	26,614	26,027,244
Non-controlling interests	598,719	1,360	600,079
TOTAL OWNER'S EQUITY	85,411,250	27,974	85,439,224
TOTAL LIABILITIES AND OWNER'S EQUITY	1,341,436,468	73,510	1,341,509,978

Extracted from Separate income statement for the fiscal year ended 31 December 2020:

	31 December 2020 (VND million) Presented	Adjustment	31 December 2020 (VND million) Restated
Interest and similar income	83,677,717	(1,201)	83,676,516
Net interest and similar income	35,580,829	(1,201)	35,579,628
Fee and commission income	8,342,502	16,133	8,358,635
Fee and commission expenses	(4,001,586)	5,405	(3,996,181)
Net fee and commission income	4,340,916	21,538	4,362,454
Other income	2,694,931	19,688	2,714,619
Net gain from other activities	1,909,705	19,688	1,929,393
TOTAL OPERATING EXPENSES	(16,085,348)	15,920	(16,069,428)
Net profit before provision for credit losses	29,232,086	55,945	29,288,031
Provision expense for credit losses	(12,147,237)	(20,978)	(12,168,215)
PROFIT BEFORE TAX	17,084,849	34,967	17,119,816
Current corporate income tax expense	(3,315,063)	(6,993)	(3,322,056)
Corporate income tax expense	(3,327,615)	(6,993)	(3,334,608)
PROFIT AFTER TAX	13,757,234	27,974	13,785,208
Non-controlling interests	63,646	1,360	65,006
Owners' net profit	13,693,588	26,614	13,720,202

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47. EVENTS AFTER THE CONSOLIDATED BALANCE SHEET DATE

There is no other matter or circumstance that has arisen since the consolidated balance date that requires adjustment or disclosure in the consolidated financial statements.

48. EXCHANGE RATES OF APPLICABLE FOREIGN CURRENCIES AGAINST VND AT REPORTING DATE

	31 December 2021 VND	31 December 2020 VND
USD	22,800	23,105
EUR	25,835	28,381
GBP	30,798	31,558
CHF	24,974	26,208
JPY	198.17	223.92
SGD	16,897	17,471
CAD	17,916	18,117
AUD	16,577	17,795
NZD	15,601	16,681
THB	686.75	778.33
SEK	2,491	2,965
NOK	2,563	2,707
DKK	3,474	3,815
HKD	2,855	2,980
CNY	3,587	3,533
KRW	1991	21.25
LAK	2.04	2.49
MYR	5,329	5,329

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Deputy General Director
In charge of Board of
Management

Hanoi, Vietnam
30 March 2022



VietinBank

