

**VIETNAM JOINT STOCK COMMERCIAL
BANK FOR INDUSTRY AND TRADE**

SOCIALIST REPUBLIC OF VIETNAM
Independence – Freedom – Happiness

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REPORT BY THE BOARD OF MANAGEMENT ON BUSINESS PERFORMANCE IN 2024; ORIENTATIONS AND PLANS OF 2025

PART I. MACRO-ECONOMIC LANDSCAPE AND THE BANKING INDUSTRY IN 2024

1. Although the world economy in 2024 has improved compared to the previous year, it still faces many difficulties and challenges, geopolitical conflicts tend to rise, inflation, although improved, is still higher than the target of many central banks. Many major economies, including Vietnam's important trading partners, have slowed down, some are likely to fall into recession, directly affecting Vietnam's economy.
2. In the context of a difficult and challenging global socio-economic environment, Vietnam's economy still achieved positive results. GDP in 2024 grew by 7.09%, exceeding the planned target set by the National Assembly, macro-economic stability is maintained and major balances are well-kept while inflation is controlled at a reasonable level.
3. Having contributed to the achievements of the economy, the State Bank of Vietnam (SBV) enacted the Law on Credit Institutions 2024 while consistently and flexibly implemented solutions to manage monetary policy, stabilize exchange rates, control inflation, and have a positive impact on the finance - banking sector and the entire national economic system. At the same time, the SBV continues to lead commercial banks to spend reasonably with focus on digital transformation, strive to lower lending interest rates, further facilitate the access to bank loans by customers, contribute to the recovery of manufacturing, production and business, and participate in the policies, programs, and socio-economic development plans of the Party and the State. Outstanding credit balance of the banking system is estimated to grow by 15.08% compared to 2023.

PART II. VIETINBANK'S BUSINESS HIGHLIGHTS IN 2024

A. KEY HIGHLIGHTS OF BUSINESS PERFORMANCE IN 2024

VietinBank has proactively deployed business solutions, taking the lead in implementing policies and orientations of the Party, the State and market developments, striving to promote innovation, strongly transforming the growth model, implementing comprehensive digital transformation in all lines of business, improving financial capacity, developing modern financial banking solutions, service quality, and meeting customers' financial needs to the fullest extent. VietinBank has achieved impressive

business outcomes in 2024:

Unit: billion VN Dongs, %

Indicator	Dec 31, 2023	Dec 31, 2024	Dec 31, 2024 vs. Dec 31, 2023		Targets set by 2024 GMS	Tracked against 2024 targets
			+/-	+/- %		
Total Assets	2,032,614	2,385,388	352,774	17.4%	To grow by 8-10%	Pass
Fund mobilization	1,526,275	1,757,995	231,720	15.2%	To be aligned with credit growth and in compliance with the SBV-set prudence ratios	Pass
Credit Exposure	1,478,228	1,725,877	247,649	16.8%	To follow the SBV-approved credit growth cap and credit orientation policies from time to time	Pass
NPL ratio out of credit portfolio (Circular 31)	1.0%	1.1%			<1.8%	Pass
Separate PBT	24,194	30,361	6,167	25.5%	26,300	115%
Consolidated PBT	24,990	31,764	6,774	27.1%		

(Source: audited consolidated and separate financial statements of FY 2024)

1. Sustainable growth with better asset quality

- **Total assets** (consolidated basis) amount to VND 2.39 quadrillion, up by 17.4% from 2023.
- **Credit exposure** (consolidated basis) amounts to VND 1.73 quadrillion, up by 16.8% compared to 2023. Credit growth remains steady and firm and often higher than the industry's growth, responding to the economy's capital demands.
- **Mobilization** grow in alignment with credit growth, seeing to the required liquidity security ratios. Fund mobilization on consolidated basis reach almost VND 1.76 quadrillion, up by 15.2% from 2023. CASA ratio gets to 24.8%, greatly improved than 2023, helping to secure a better COF and sharpen VietinBank's competitive edge.
- **NPL ratio (Circular 31)** is controlled at 1.1% and in compliance with the targeted ratio set by the SBV and the AGM.
- **NPL coverage ratio** is 171.7% and remains constantly high.

2. Profit growth is achieved over-the-target while the income structure is shifted in

the desired direction¹

- **Total operating income (TOI)** amounts to VND 81.9 trillion, up by 16.1% from 2023.
- **Non-interest income** is achieved at VND 19.5 trillion, up by 10.9% compared to 2023, non-interest income accounts for 23.8% of the Bank's total income in which collection of written-off debts increased by 81.6% than 2023 and yields much better than previous years. Service net income and FX trading income continue making good contributions to the Bank's TOI.
- **Optimized cost efficiency and management** as cost allocation is prioritized to business development and digital transformation programs and other VietinBank's critical projects. CIR is 27.5%.
- In the context of frustrating local and international economies but assisted with great effort throughout VietinBank, profit before provisions of 2024 is VND 59.4 trillion, equal to an increase of 18.5% compared to 2023 and **spearheading the banking system. Separate profit before tax** is achieved at VND 30.4 trillion, up by 25.5% than 2023, fulfilling 115.4% of the target set by the General Meeting of Shareholders (GMS). Consolidated profit before tax is VND 31.8 trillion, up by 27.1% from 2023.

3. Effective execution of the Party lines and the State policies in supplying capital to the economy, providing support to our compatriots and enterprises, making significant contributions to the nation's recovery and development

- Closely following and implementing the policies and directions of the Government and the SBV, VietinBank has made efforts to control costs and manage asset quality, facilitating the implementation of solutions, launching a number of credit programs with preferential interest rates to support the people and businesses, driving credit growth to manufacturing, production and business sectors, "green" credit and priority sectors as directed by the Government and the SBV. We allocate resources to key economic zones to promote regional economic development, contributing to the development of the country.
- Take the lead in implementing the preferential lending program for social housing and worker housing projects, renovation and reconstruction of old apartment condominiums by Resolution 33/NQ-CP, Circular 02/2023/TT-NHNN to support the customers as directed by the Government and the SBV.
- Credit compliance is maintained. The total amount of credit provided to the customers categorized as 'restricted subjects' as defined at Clause 1, Article 135 of the law on CIs, up to December 31, 2024 is VND 5,952 billion, or 3.16% of VietinBank's capital.

B. CORPORATE GOVERNANCE AND MANAGEMENT IN 2024

VietinBank has taken consistent management actions from the Head Office to business units and branches with flexible adaptation to the market changes. Particularly

- Drastically promoted of credit growth in order to provide capital supplies to the

¹ Figures taken from the audited consolidated financial statement

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economy while conducting credit portfolio restructuring to raise the asset quality.

- Flexibly managed of assets and liabilities and interest rate policies in order to optimize capital efficiency as driven by the government's and the SBV's monetary policy.
- Continued implementation of thrifty and anti-waste practices in financial supervision and management, and solutions of enhancement of financial capacity.
- Dedicated resources to the implementation of digital transformation program to provide more high-tech products and services, raise service quality and improve customer experience.
- Strictly controlled of asset quality and credit underwriting. Risk management is constantly strengthened.
- Enhanced collection of NPLs and write-offs.
- Leaned, streamlined and specialized operating performance of the business network, improved quality of human resources and personnel affairs, and boosted labor productivity.

Thanks to our outstanding products and services as well as impressive business outcomes, VietinBank's brand and position has been decorated with major national and international accolades, for example, ranked 6th in the top 10 Vietnam's brands in Brand Finance's rankings table with a brand value of 1.5 billion USD. VietinBank is also named a National Brand for the eighth time and many more awards.

In addition to business activities, VietinBank continues to make significant contributions to social welfare programs as directed by the Party, the government and the SBV. In 2024, VietinBank dedicated more than VND 500 billion to social welfare projects.

PART III. BUSINESS PLANS FOR 2025

In 2025, the world economy in general and Vietnam in particular are expected to continue to face many difficulties and challenges. However, based on a stable macro foundation that attracts foreign investors and the growth quality that has been established in recent years, the Vietnamese economy is expected to continue to improve, creating favorable conditions for the business activities of credit institutions. According to Directive 01/CT-NHNN dated January 20, 2025, monetary policy tools will continue to be operated proactively, flexibly, promptly and effectively, in a well-coordinated and harmonious rhythm with fiscal policy and other policies, contributing to the strong promotion of economic growth associated with maintaining macroeconomic stability, controlling inflation, ensuring major balances of the economy, contributing to the fulfillment of the GDP growth target of at least 8% in 2025, facilitating the development of the economy in general and of credit institutions in particular.

In order to create sustainable development in the new era, based on an analysis of the potentials and growth drivers of the economy and the results achieved in 2024, VietinBank has identified key business tasks in 2025, continuing to drastically implement management actions, business promotion following the leadership and direction of the Government and the SBV as well as market developments to create sustainable

development in the new era, bringing value to the people, businesses and our shareholders.

Based on the business targets VietinBank has registered with the regulators, we would like to submit to the GMS several basic targets for 2025 as in the table below:

Indicator	Targets for 2025
Total assets	Grow by 8% - 10%
Credit exposure	In line with the credit growth quota as approved by the SBV and the credit management policy as directed by the SBV from time to time
Deposits	Grow in line with credit growth rate, compliant with the liquidity security ratios
NPL ratio out of credit exposure	< 1.8%
Separate profit before tax	As approved by the regulators (<i>VietinBank is to keep improving business performance and playing the role of a systematically important bank</i>)
Dividend	Dividend payout rate and structure (<i>cash, stocks</i>) are subject to the regulators' approval and in compliance with applicable law.
Operating adequacy ratios	In compliance with the SBV requirements

We would like to ask for the GMS' consent to authorizing VietinBank BoD to make decisions on the official targets upon the obtainment of the regulators' approvals, the market developments and VietinBank's business practice then to disclose information in due course.

Some key measures to roll out business activities and operations in 2025

- Execute monetary, credit and foreign exchange solutions, implement the restructuring plan in association with bad debt recovery as instructed by the government and the SBV.
- Maintain the growth of credit exposure balance sustainably, increase the proportion of highly profitable products with inherent risk within the allowed limits, and diversify the access to banking and financial services for the economy.
- Effectively manage assets – liabilities balance on the basis of ensuring liquidity safety, particularly focusing on CASA growth and low-cost funding sources.
- Increase the proportion of non-interest income (particularly service income and FX trading income), intensively and extensively enhance the quality of products and services.
- Continue aggressive implementation of digital transformation as directed by the government and the SBV.

- Continue dedicated collection and recovery of bad debts and written-off debts with the best effort and determination to make more contributions to VietinBank's total operating income.
- Improve the performance of risk management, ensuring operating compliance and safety, business development associated with strict control of credit quality.
- Continue to implement solutions to improve financial capabilities, effectively manage operating costs, and continue to keep expense growth lower than income growth.
- Consolidate the organizational structure, streamline the workforce, raise labor productivity and quality of human resources.

In 2025, on the foundations of our past achievements and present strengths, the senior management and every employee of VietinBank are determined to capture the opportunities and overcome the challenges, fully dedicated to the implementation of improving our business and operating performance, raising the labor productivity while aggressively deploying the digital transformation program and the thrifty and anti-waste practices so that we can successfully achieve all planned business targets and solidify VietinBank's position to make more contributions to the banking industry's development and the socio-economic development of the country.

**BOD MEMBER CUM
GENERAL DIRECTOR**



Nguyen Tran Manh Trung