

35 Years
ASPIRING
TO NEW HEIGHTS
1988 - 2023

VietinBank 



ANNUAL REPORT
2022

ASPIRING TO NEW HEIGHTS

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
Co. Ltd.	Limited Company	ODA	Official Development Assistance
COVID-19	The global pandemic of coronavirus disease 2019 caused by severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2)	PBT	Profit Before Tax
Dept.	Department	P/E	Price to Earnings Ratio
EGM	Extraordinary General Meeting of Shareholders	ROA	Return on Assets
EPS	Earnings per Share	ROE	Return on Equity
FS	Financial Statement	SBV	The State Bank of Vietnam
FX	Foreign Currency Exchange	SMEs	Small and Medium Enterprises
GDP	Gross Domestic Product	SSC	State Securities Commission
GMS	General Meeting of Shareholders	TOI	Total Operating Income
HO	Head Office	VietinBank/ the Bank	Vietnam Joint Stock Commercial Bank for Industry and Trade
HOSE	Ho Chi Minh Stock Exchange	yoy	year on year (compared to the same period last year)
HR	Human Resources	ytd	year to date (compared to the beginning of the year)
		dd/mm/yyyy	Date format used in this report

Contents

PART 1

6

ABOUT VIETINBANK

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

PART 2

56

2022 PERFORMANCE REVIEW

1. Business performance
2. Investment activities and project implementation
3. Financial presentation in 2022
4. Shareholder structure, change in shareholder's equity
5. Bond issuance in 2022

PART 3

74

REPORT OF THE BOARD OF MANAGEMENT

1. Overview of the macro-economy and banking sector in 2022
2. Highlights in business performance of VietinBank in 2022
3. Orientation and business plan for 2023
4. Justification of the BoM for auditor's opinion
5. ESG assessment report of the BoM

PART 4

88

ASSESSMENT OF THE BOARD OF DIRECTORS ON PERFORMANCE OF VIETINBANK

1. Assessment of the BoD on all aspects of operations of VietinBank in 2022
2. Supervision by the BoD over the BoM
3. Orientation for development in 2023
4. Business targets for 2023

PART 5

100

CORPORATE GOVERNANCE

1. Activities of the BoD in 2022
2. Activities of Supervisory Board in 2022
3. Transactions, remuneration and interests of the BoD, Supervisory Board and BoM

PART 6

116

SUSTAINABLE DEVELOPMENT REPORT

1. Thrift practice 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

PART 7

146

AUDITED CONSOLIDATED FINANCIAL STATEMENTS 2022

MESSAGE FROM THE CHAIRMAN

Aspiring to new heights

“ 2023 is also marking VietinBank's 35th anniversary of maturity, resilience and courage...



... VietinBank will navigate the way through difficulties and challenges; promote comprehensive innovation in every area of operation; strive for leapfrog, sound, sustainable, effective growth, and added value for shareholders and employees.

”

Dear our valued shareholders, customers and partners,

In 2022, the post-COVID-19 global economic recovery was confronted with myriad challenges; the global and regional economies were full of rapid, complex, unforeseeable, and unprecedented developments. Notwithstanding the deceleration in many economies, Vietnam strongly rebounded with positive and comprehensive achievements. The GDP growth rate hit 10-year high of 8.02%, exceeding the set-forth target of 6-6.5%. Major balances were sustained, while the macro-economic fundamentals remained stable thanks to the integrated and flexible actions by the Government and the State Bank of Vietnam in managing the monetary policy, stabilizing the exchange rates, curbing the inflation, and securing the financial system.

As the systematically-important commercial bank and the pillar of the economy, in 2022, VietinBank pioneered the support for customers in reviving their production and business activities from the pandemic; dedicated resources to key business themes; enhanced risk management, restructured the credit portfolio and accelerated digital transformation towards improved service quality. Accordingly, VietinBank reaped a good harvest in every aspect of operations; cementing the foundation for the bank's business activities going forward.

2023 is forecast to be a tough year; however, Vietnam's economy is still expected to have plenty of room for growth. Accordingly, VietinBank will focus on leveraging internal resources and market opportunities to enable effective, sound and robust business growth, placing emphasis on **4 business topics** including: (i) **CASA growth**; (ii) **Non-interest income growth**; (iii) **Optimization of the ecosystem and cross-selling**; and (iv) **Collection of written-off debts**. At the same time, VietinBank will deploy comprehensive, flexible and synchronous solutions, focusing on **5 fundamental topics** including: (i) **Good debt quality and credit risk management**; (ii) **Effective management of assets & liabilities**; (iii)

Improvement of service quality; (iv) **Improvement of labor productivity**; and (v) **Development and implementation of digital transformation strategy**.

2023 is also marking VietinBank's **35th anniversary** of maturity, resilience and courage. I believe that by inheriting and furthering the achievements accumulated over the years, drastically advancing business and foundational themes in the spirit of solidarity and unity throughout the bank, VietinBank will navigate the way through difficulties and challenges; promote comprehensive innovation in every area of operation; strive for leapfrog, sound, sustainable, effective growth, and added value for shareholders and employees.

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 do hope and believe that we will continue to cooperate and stick closely for VietinBank's **ASPIRATION FOR NEW HEIGHTS!**

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 VietinBank leadership team
- 4 Development direction
- 5 Risk factors



VietinBank's first HO was located at 16 Phan Dinh Phung Str., Hanoi

1 - GENERAL INFORMATION

Overall 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

ICBVVNVX

BANKING LICENSE

Banking License No. 13/GP-NHNN dated 17/06/2022 by the SBV to renew and replace License for Establishment and Operation of a JSC Bank No.142/GP-NHNN dated 03/07/2009 and the Decisions on amending and supplementing the License for Establishment and Operation of VietinBank from 2017 to 2021

CERTIFICATE OF BUSINESS REGISTRATION

Business code: 0100111948

First issuance by Hanoi Department of Planning and Investment on 03/07/2009.

Registered for the 12th amendment on 08/09/2021

Credit ratings

FitchRatings

Short term **B**
Long term **BB**
Outlook **Positive**
Date **01/12/2022**



MOODY'S

Short term
Long term **Ba2**
Outlook **Positive**
Date **22/09/2022**



CHARTERED CAPITAL

VND 48,057,506,090,000

SHAREHOLDERS' EQUITY

(as at 31/12/2022)

VND 108,167,657,000,000

TOTAL NUMBER OF SHARE

4,805,750,609 shares

Par value per share: VND 10,000/share

STOCK CODE

CTG

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

Deloitte Vietnam Limited

1 - GENERAL INFORMATION

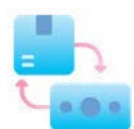
Scope of business

VietinBank performs the following banking operations:



Fund mobilization

taking deposits, issuing valuable papers, borrowing from other credit institutions and from the SBV



Credit extension

lending, discounting, re-discounting negotiable instruments and other valuable papers, issuing bank guarantees, credit cards, domestic factoring and other forms of credit extension according to provisions of law



Provision of payment and account services

opening accounts, providing payment means, domestic and international payment services, collection and payment services, and other payment services prescribed by law



Provision of foreign exchange

services on domestic and international markets according to the provisions of law



Provision of commodity price derivative products

according to regulations of the SBV



Provision of securities depository services

Other activities according to the Business License.

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

01 SOUTHERN CUSTOMER CENTER

2 REPRESENTATIVE OFFICES in Ho Chi Minh City and Da Nang

08 NON-BUSINESS UNITS

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

957 TRANSACTION OFFICES

NORTH
Head Office and 73 branches

CENTRAL
29 branches

SOUTH
53 branches

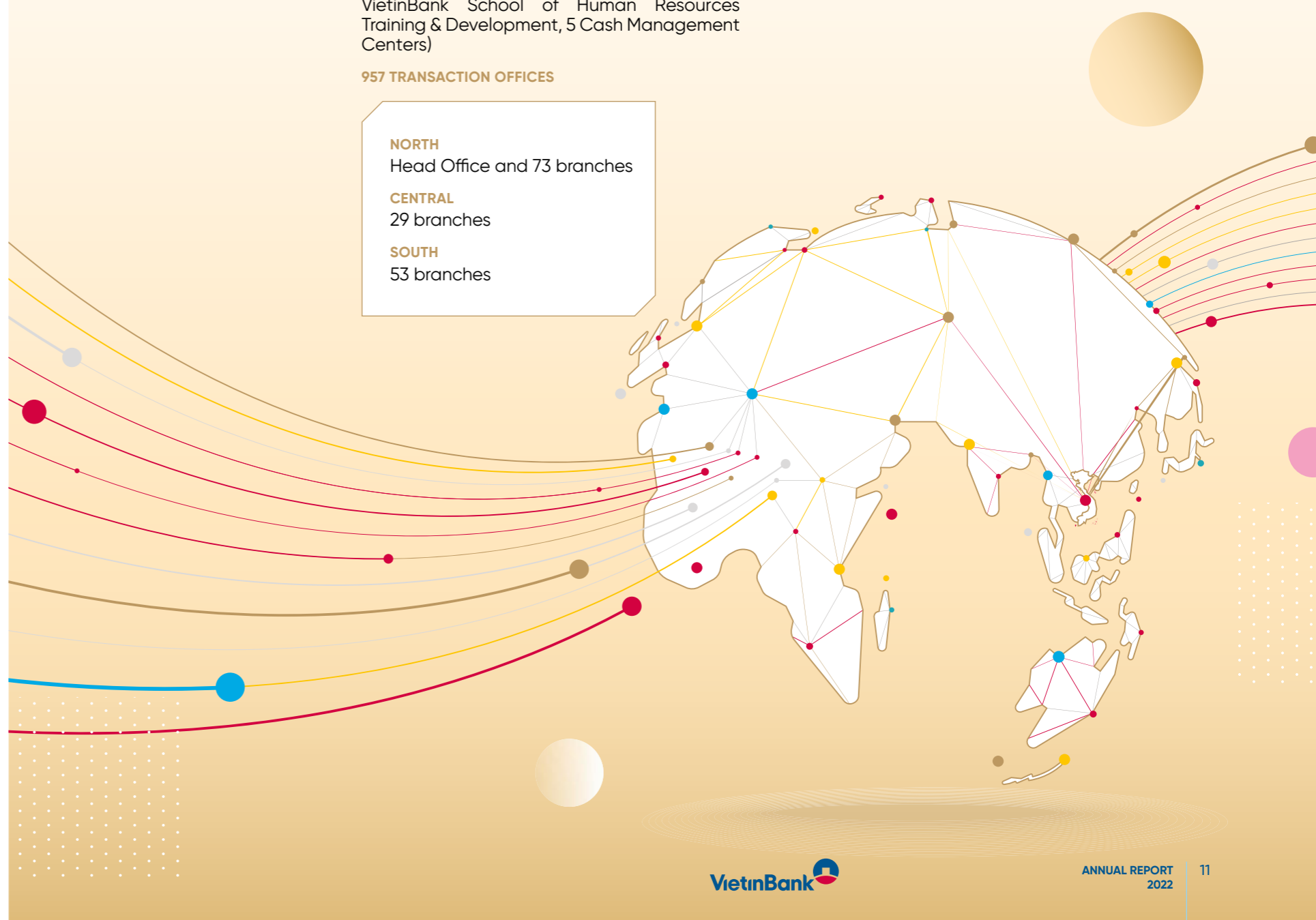
International network

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

1988 VietinBank (then called Incombank) was established after its separation from the SBV in accordance with Decree No.53/HDBT by the Ministers Council.



1990 VietinBank was the first bank in cooperation with a foreign bank to establish the joint venture Indovina Bank.



- 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.

2009 VietinBank stock was officially listed and traded on Ho Chi Minh City Stock Exchange (HOSE) with stock code CTG.



Chairman of the BoD of VietinBank Mr. Pham Huy Hung beat the gong to open the initial public offering (IPO) auction on December 25, 2008.

- 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.

- 2012**
- VietinBank was the first bank in Vietnam to successfully issue USD 250 million of international bonds.
 - Vientiane branch was opened in Laos PDR.

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.



VietinBank had the strongest shareholder structure in the Vietnamese banking system at that time

2014 VietinBank developed customer-oriented retail strategy, aiming to become the best retail bank in Vietnam.

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



2017 Successfully transformed SUNSHINE Core Banking system – the most innovative technology platform owned in the local banking industry.

- 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.

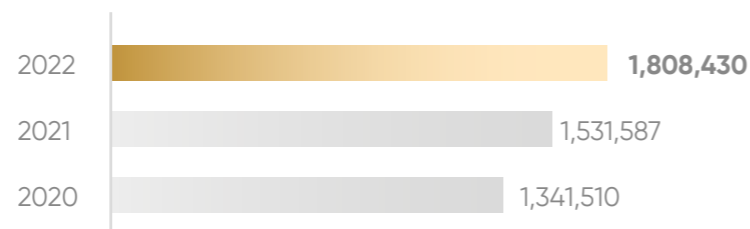
2021 Successfully increased charter capital from VND 37,234 billion to VND 48,058 billion, creating basis for VietinBank to improve its financial capacity, risk management capacity, proactively maximizing its position, potential, and invest in modern material and technological infrastructure, service development, network consolidation; creating sustainable growth momentum and contributing to increase benefits for customers and promote the country's socio-economic development.



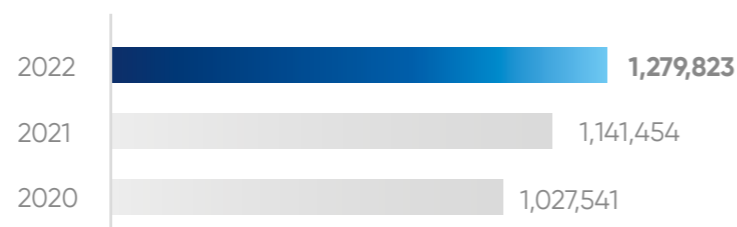
1 - GENERAL INFORMATION

Key financial indicators
in 2018 – 2022TOTAL ASSETS
(VND billion)

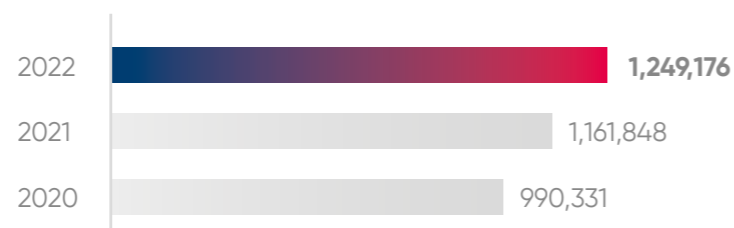
1,808,430

↑ 18.1%
vs. 2021GROSS LOAN
(VND billion)

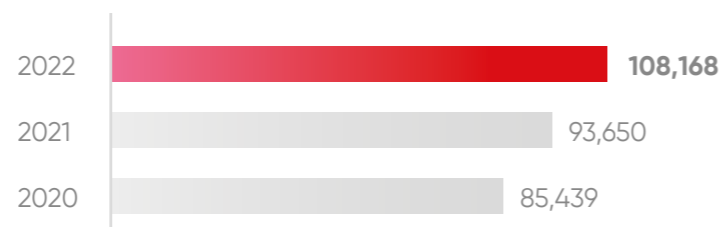
1,279,823

↑ 12.1%
vs. 2021CUSTOMER'S DEPOSITS
(VND billion)

1,249,176

↑ 7.5%
vs. 2021SHAREHOLDERS' EQUITY
(VND billion)

108,168

↑ 15.6%
vs. 2021

Indicator	Unit	31/12/2022	31/12/2021	31/12/2020	31/12/2019	31/12/2018
KEY BUSINESS INDICATORS						
Total Assets	VND billion	1,808,430	1,531,587	1,341,510	1,240,711	1,164,290
Shareholders' Equity	VND billion	108,168	93,650	85,439	77,355	67,316
Charter Capital	VND billion	48,058	48,058	37,234	37,234	37,234
Customer's deposits	VND billion	1,249,176	1,161,848	990,331	892,785	825,816
Gross Loans	VND billion	1,279,823	1,141,454	1,027,541	953,178	888,216
TOI	VND billion	64,117	53,157	45,357	40,519	28,446
Fee and Commission Income	VND billion	11,549	9,573	8,359	7,888	5,964
Total Operating Expenses	VND billion	(19,007)	(17,186)	(16,069)	(15,735)	(14,084)
Net profit before provision for credit losses	VND billion	45,109	35,971	29,288	24,785	14,361
Provisions expense for credit losses	VND billion	(24,163)	(18,382)	(12,168)	(13,004)	(7,803)
PBT	VND billion	20,946	17,589	17,120	11,781	6,559
Corporate Income Tax	VND billion	4,111	(3,374)	(3,335)	(2,304)	(1,281)
Profit after tax	VND billion	16,835	14,215	13,785	9,477	5,277
PROFITABILITY RATIO						
ROA	%	1.3%	1.2%	1.3%	1.0%	0.6%
ROE	%	16.7%	15.9%	16.9%	13.1%	8.1%
CAPITAL ADEQUACY RATIO						
NPL/Gross Loans	%	1.08%	1.14%	0.95%	1.20%	1.60%
CAR	%	Complied	Complied	Complied	Complied	Complied
SHARES						
Number of Ordinary shares	share	4,805,750,609	4,805,750,609	3,723,404,556	3,723,404,556	3,723,404,556
Value per share (as at end of year)	VND/share	27,250	33,900	34,550	20,900	19,300
Market Capitalization	VND billion	130,957	162,915	128,644	77,819	71,862
EPS	VND/share	3,491	2,510	3,678	1,966	1,454
P/E	time	7.81	13.5	9.39	10.63	13.27

Note:

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

- NPL/Gross loans for 31/12/2021 and 31/12/2022 are calculated in compliance with regulations of Circular No. 11/2021/TT-NHNN dated 30/07/2021 by the SBV.

- EPS for 2021 is restated according to Audited Consolidated FS 2022.

1 - GENERAL INFORMATION

Highlights in business activities

01

Supported economic development, took the lead in the implementation of the Government's and the SBV's policies



02

Revamped the management and governance, enhanced the supervisory roles and responsibilities across all levels



03

Consolidated the organizational model associated with proactive and integrated measures for lean human resources and improved productivity



04

Effectively implemented key business themes in 2022, accelerated income restructuring, achieved positive CASA growth compared to the market, expanded retail market share

05

Aligned selective credit growth to the growth in potential industries and locations



1 - GENERAL INFORMATION

Highlights in business activities

06

Effectively managed risks, accelerated the recovery of non-performing loans, written-off debts, with the largest-ever scale



07

Effectively managed finance, practiced cost savings and management



08

Drastically promoted comprehensive digital transformation in business operations and management, improved customer experiences



09

Affirmed VietinBank's position and brand reputation, improved international credit rating



10

Continued to make active contribution to and take the lead in corporate social responsibility activities



1 - GENERAL INFORMATION

Representative Awards and Accolades

Brand Finance®

GLOBAL BANKING 500

VietinBank is in Global Banking 500; Vietnam's Top 10 Most Valuable Brands according to Brand Finance's Ranking. Accordingly, VietinBank has a brand value of USD 1.064 billion and brand strength index (BSI) of 83.7, with AAA- rating.

Forbes

GLOBAL 2000

VietinBank ranks firmly in Forbes Global 2000 for the 10th year in a row.



Vietnam Value

VIETNAM VALUE

VietinBank is honored with "Vietnam Value 2022" award by the Ministry of Industry & Trade. This is the 7th award in a row conferred upon VietinBank.



TOP 10 SUSTAINABLE BUSINESSES

VietinBank is included in Top 10 Sustainable Businesses in 2022 in Trade - Services by the Vietnam Business Council for Sustainable Development and VCCI. This is the most prestigious award in Vietnam in the field of sustainable development. VietinBank is, for the 2nd time, honored to rank in Top 10 of the award.

THE ASIAN BANKER

STRATEGIC BUSINESS INTELLIGENCE FOR ASIA'S FINANCIAL SERVICES COMMUNITY

AWARDS BY THE ASIAN BANKER

VietinBank is honored with 4 awards, namely: the Best Digital Banking Initiative in the Asia-Pacific; the Best SME Bank in Vietnam; the Best Trade Finance in Vietnam and the Best Open Banking in Vietnam. The four prestigious awards conferred by The Asian Banker have recognized and affirmed the prestige and excellent quality of products and services provided by VietinBank in the domestic and international financial markets.



1 - GENERAL INFORMATION

Representative Awards and Accolades



SAO KHUE AWARD

Three technology products of VietinBank are honored with Sao Khue Award – the annual award organized by the Vietnam Software and IT Services Association (VINASA) to recognize the most outstanding and excellent IT, software products & services, and solutions in Vietnam. Specifically, "all in one" application - VietinBank iPay Mobile for individual customers; VietinBank eFAST and VietinBank ERP-Connect for corporate customers made a resounding victory at the Sao Khue Award. In particular, VietinBank eFAST is honored to rank in Top 10 Sao Khue in 2022.



BEST FOREIGN EXCHANGE PROVIDER IN VIETNAM IN 2022

This is the 5th year in a row VietinBank is honored with the "Best Foreign Exchange Provider in Vietnam for 2022" award by Global Finance – the world's prestigious magazine. The award conducted surveys and evaluation in 113 countries and territories based on such criteria as transaction volume, market share, global coverage, customer service, competitive pricing, advanced technology and professional consultation with industry analysts, executives, technology experts, etc. Especially, last year, Global Finance highly appreciated the importance of partners who offered foreign exchange solutions amid disrupted global supply chain. The recognition and award by the prestigious Global Finance magazine is a testament to VietinBank's success in the Foreign Exchange Services field.



BEST SERVICES FOR TRADE FINANCE IN VIETNAM 2022

VietinBank is honored with the "Best Services for Trade Finance in Vietnam 2022" award by Asiamoney magazine. The award is conferred following the survey of 10,714 banks, financial institutions, organizations, corporates and readers across the globe. The award is an objective, meaningful and valuable recognition in the international financial world for outstanding achievements, prestige, product quality, diversified and customer-centric services of VietinBank.



TOP 100 BEST PLACES TO WORK IN VIETNAM

VietinBank is honored as Top 100 best places to work in Vietnam in 2022 and Top 50 best employer of choice in 2022 according to the rankings of Anphabe – the leading consultancy on employer branding and happy workplace solutions. This is a recognition of the achievements from key investment in personnel in order to maintain the most enabling environment for career development at VietinBank.

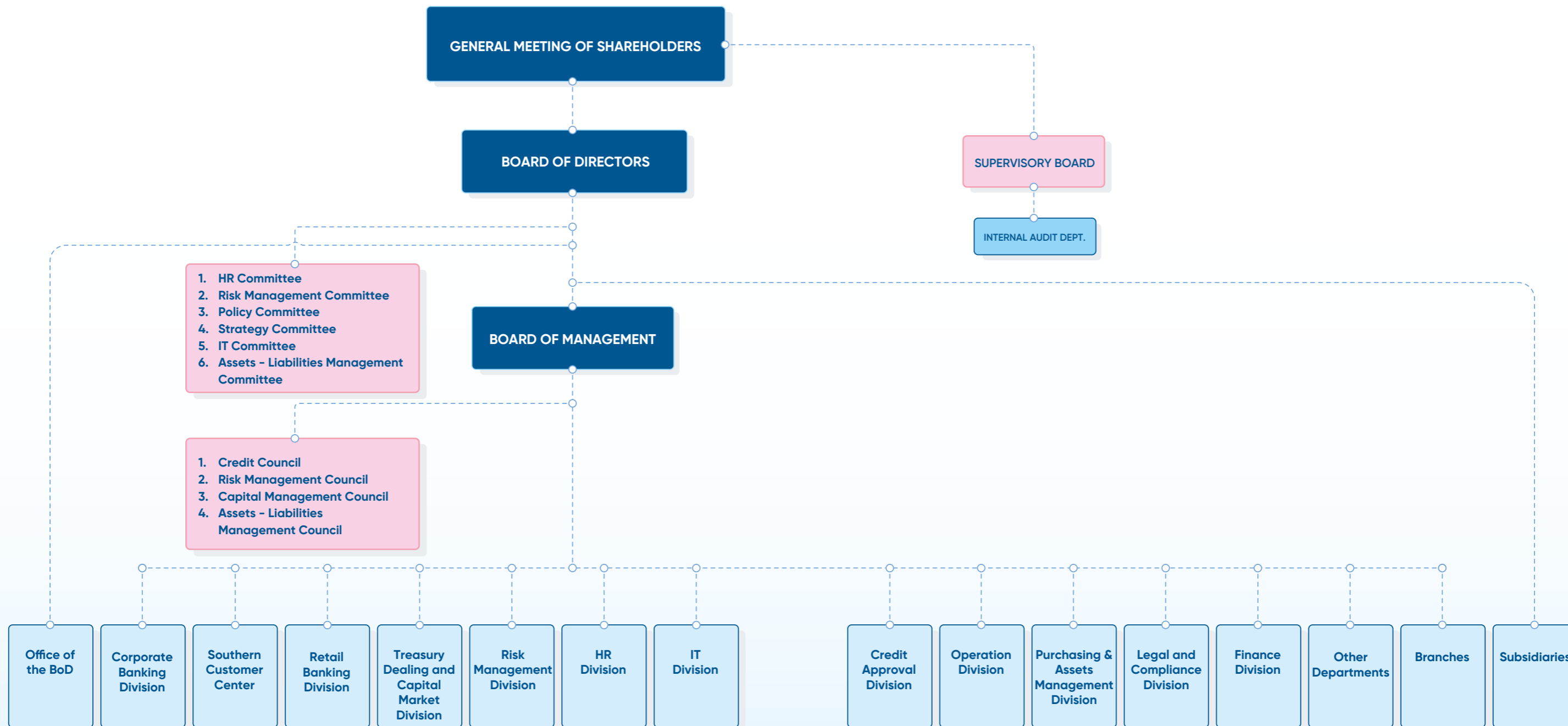


TOP 10 BEST ANNUAL REPORTS IN 3 CONSECUTIVE YEARS

VietinBank continues to be named in Top 10 Best Annual Reports at the 15th Listed Enterprises Voting Awards Ceremony, 2022 organized by the State Securities Commission, HOSE, Hanoi Stock Exchange and Dragon Capital. This is the 3rd year in a row, VietinBank is voted Top 10 Listed Enterprises with the Best Annual Reports in the large-cap group. VietinBank is also the only state-owned joint stock commercial bank to be honored for the meticulous investment and continuous improvement in both form and content of the 2021 Annual Report.



2 - GOVERNANCE MODEL AND STRUCTURE



Note: information updated as at 31/03/2023

3 - VIETINBANK 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. Nguyen Duc Thanh	Board Member	0	0%	Non-executive member
8	Mr. Masahiko Oki	Board Member and Deputy General Director	0	0%	Executive member
9	Mr. Masashige Nakazono	Board Member	0	0%	Non-executive member
10	Ms. Nguyen Thi Bac	Independent Board Member	0	0%	Independent Member

Notes: the number of shares in this table does not include representative of State capital.

CHANGES IN BOARD MEMBERS DURING THE YEAR 2022

No.	Full name	Title	Date of appointment/resignation
1	Mr. Nguyen Duc Thanh	Board Member	Appointed BoD member under 2022 AGM Resolution No. 25/NQ-DHDCD dated 29/04/2022.

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.



3 - VIETINBANK LEADERSHIP TEAM

Board of Directors

**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.

Ph.D in Economics.

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.

**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.

3 - VIETINBANK LEADERSHIP TEAM

Board of Directors

**Mr. NGUYEN ĐUC THANH**

Board Member

Born in 1970.

Master in Economics.

Joined VietinBank since 02/2010.

Appointed as Board Member of VietinBank for the term 2019 – 2024 on 29/04/2022.

Currently, Member of the VietinBank's Party Executive Committee, Board Member of VietinBank.

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, Deputy General Director of VietinBank, Chairman of VietinBank Laos Limited (concurrently), Head of Treasury & Capital Markets Division (concurrently).

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. MASASHIGE NAKAZONO

Board Member

Born in 1975. Nationality: Japanese.

Master in 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; Managing Director, Deputy Head of 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.

3 - VIETINBANK LEADERSHIP TEAM

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 governance 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%

CHANGES IN SUPERVISORY BOARD MEMBERS DURING THE YEAR 2022

In 2022, there was no change in the Members of the Supervisory Board of VietinBank.



Ms. LE ANH HA

Chief of Supervisory Board

Born in 1973.

Master in 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 April 23, 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 - VIETINBANK LEADERSHIP TEAM

Board of Management

The BoM is responsible for managing VietinBank's day-to-day business activities 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. The BoM is responsible to the BoD and reports on its work according to regulations to 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. Tran Cong Quynh Lan	Deputy General Director	0	0%
4	Mr. Nguyen Dinh Vinh	Deputy General Director	0	0%
5	Ms. Le Nhu Hoa	Deputy General Director	35,741	0.000744%
6	Mr. Le Duy Hai	Deputy General Director	20,000	0.000416%
7	Mr. Nguyen Tran Manh Trung	Deputy General Director	3	0.00000006%
8	Mr. Hoang Ngoc Phuong	Deputy General Director	0	0%
9	Mr. Do Thanh Son	Deputy General Director	112	0.0000023%
10	Mr. Nguyen Hai Hung	Chief Accountant	24,894	0.000518%

CHANGES IN THE BOARD OF MANAGEMENT DURING THE YEAR 2022

No.	Full name	Title	Date of appointment/resignation
1	Mr. Le Duy Hai	Deputy General Director	Appointed Deputy General Director of VietinBank since 09/05/2022 under Decision No. 669/QĐ-HĐQT-NHCT1.2 by VietinBank BoD.
2	Mr. Nguyen Tran Manh Trung	Deputy General Director	Appointed Deputy General Director of VietinBank since 12/05/2022 under Decision No. 8888/QĐ-HĐQT-NHCT1.2 by VietinBank BoD.
3	Mr. Hoang Ngoc Phuong	Deputy General Director	Appointed Deputy General Director of VietinBank since 12/05/2022 under Decision No. 1299/QĐ-HĐQT-NHCT1.2 by VietinBank BoD.
4	Mr. Do Thanh Son	Deputy General Director	Appointed Deputy General Director of VietinBank since 11/10/2022 under Decision No. 6666/QĐ-HĐQT-NHCT-NS2 by VietinBank BoD.

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, Deputy General Director of VietinBank.



3 - VIETINBANK LEADERSHIP TEAM

Board of Management

**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 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.

**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.

**Ms. LE NHU HOA**

Deputy General Director

Born in 1969.

Master in Finance, Banking and Insurance.

Joined VietinBank since 1990.

Appointed as Deputy General Director in 08/2016.

Currently Member of VietinBank's Party Executive Committee cum Deputy General Director.

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; Chairwoman of VietinBank Gold and Jewelry Trading Company (concurrently).

3 - VIETINBANK LEADERSHIP TEAM

Board of Management

**Mr. LE DUY HAI**

Deputy General Director

Born in 1977.

Master of Business Administration.

Joined VietinBank since 2007.

Appointed as Deputy General Director in 05/2022.

Currently Member of VietinBank's Party Executive Committee cum Deputy General Director; Chairman of VietinBank Fund Management Company Ltd.

Former positions: Deputy Head and then Head of Large Corporate Banking Department, Deputy Director of Corporate Banking Division, Deputy Director of VietinBank - Ba Dinh Branch, Director of VietinBank Corporate Banking Division, Chairman of the Members Council of Indovina Bank Limited (concurrently).

**Mr. HOANG NGOC PHUONG**

Deputy General Director

Born in 1984.

Master of Business Administration.

Joined VietinBank since 2012.

Appointed as Deputy General Director in 05/2022.

Currently Member of VietinBank's Party Executive Committee cum Deputy General Director.

Former positions: Deputy Head of Business Operations Department, Deputy Head of Large Corporate Banking Department, Deputy Director of VietinBank - Hanoi Branch, Hanoi, Director of VietinBank - Song Nhue Branch, Deputy Director of Risk Management Division, Director of Operations Division.

**Mr. DO THANH SON**

Deputy General Director

Born in 1976.

Ph.D in Banking & Finance.

Joined VietinBank since 1999.

Appointed as Deputy General Director in 10/2022.

Currently Member of VietinBank's Party Executive Committee cum Deputy General Director.

Former positions: Deputy Head and then Head of Corporate Banking Department of VietinBank - Binh Phuoc Branch, Deputy Director of VietinBank - Binh Phuoc Branch, Deputy Director and then Director of VietinBank - Branch 11 in Ho Chi Minh City, Chairman of the Members Council of Ocean Commercial One Member Limited Liability Bank (Ocean Bank).

**Mr. NGUYEN TRAN MANH TRUNG**

Deputy General Director

Born in 1983.

Master in Banking & Finance.

Joined VietinBank since 2005.

Appointed as Deputy General Director in 05/2022.

Currently Member of VietinBank's Party Standing Committee cum Deputy General Director.

Former positions: Deputy Head of Risk Management & NPL Loans Department of VietinBank - Dong Da Branch; Acting Head of Business Operations Management Department - VietinBank Corporate Banking Division; Deputy Director of VietinBank Corporate Banking Division, Director of VietinBank - Hanoi Branch.

**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

Following our business philosophy in the new development period, VietinBank focus on enhancing the main capabilities that act as key pillars for successful implementation of the set-forth strategy. The 7 crucial elements include:

1. Vigorous deployment of corporate culture
2. Data measurement and management
3. Excellent operation
4. Optimization of business model and network
5. Risk management based on the best practices
6. Excellent personnel
7. 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

Sustainable development is one of the key strategies of VietinBank, in addition to the goal of business efficiency and profit growth. By participating in the sustainable development ecosystem, VietinBank can make active contribution to the national development of the sustainable economy and fair society. Under the leadership and direction of the Party and the Government towards improved social environment, rapid and sustainable eradication of hunger and poverty, protection of natural resources and environment, infrastructure development, green credit growth and fight against the climate change, VietinBank is committed to working hands in hands with businesses in looking for cooperation opportunities to promote the mobilization of green finance, the transfer of green and low-carbon technologies. At the same time, these activities will help advance the net "zero" goal, adapt to climate change, realize the Sustainable Development Goals and improve the competitiveness as well as position of Vietnam in the international arena.

With a forward-looking vision, VietinBank will develop and publish the Bank's Sustainable Development Strategy; at the same time, formulate and implement financial solutions, coordinating mechanisms on international funding, and well-organized sales plans in the field of sustainable development. Aspiring to engage in the development of a sustainable society, VietinBank will further make all-out efforts to drastically foster sustainable finance products and services.



5 - RISK FACTORS

Business
environment
risk

In 2022, the world's economy struggled with enormous challenges, rapid, unpredictable fluctuations and high uncertainties; decades-high inflation prompted countries to tighten their monetary policy; strategic, geopolitical competition between major powers, Russia - Ukraine military conflict; natural disasters, epidemics, climate change, etc. added risks to the global financial and monetary markets.

In such context, Vietnam's economy made a strong recovery. The gross domestic product (GDP) of Vietnam in 2022, for the first time, exceeded USD 400 billion, GDP per capita was estimated at VND 95.6 million per capita, equivalent to USD 4,110, up USD 393 year-over-year (YoY) 2021. In particular, Vietnam's GDP in 2022 recorded the 12-year high YoY growth rate of 8.02%. Specifically, the major contributors to the total added value of the whole economy included: agriculture, forestry and fishery, up 3.36%, contributing 5.11%; industry and construction, processing and manufacturing sector, up 8.10%, making up 38.24%; services recovered and expanded remarkably at 9.99% in 2022, the highest growth rate in the 2011 - 2022 period, accounting for 56.65%.

Besides, import and export were also a bright spot in the midst of curtailed demand and belt-tightening in multiple major markets. In full-year 2022, the total import and export turnover was estimated at USD 732.5 billion, up 9.5% YoY. This has been a record high in recent years. In particular, export and import went up 10.6%, and 8.4% respectively. Merchandise trade balance in 2022 recorded the surplus of USD 11.2 billion (versus USD 3.32 billion in 2021) for the 7th year in a row. Import and export in 2023 are forecast to be struggling amid inflation spike in most countries and Vietnam's major markets, which will impact consumption of non-essential goods, resulting in declining demand for imports from other countries. Export also faces the challenge of shrinking markets due to uncertainties related to regional and global geopolitical tensions. Higher imported input prices and uncertain growth prospects of Vietnam's major trading partners may also limit the ability to maintain trade surplus since Vietnam is an open economy with large exposure (over 200%).

The average consumer price index (CPI) in 2022 increased by 3.15% compared to 2021, fulfilling the National Assembly's set-forth target. However, the inflation pressure in 2023 is relatively large, as indicated in the inflation target set by the National Assembly, which is below 4.5% in 2023 compared to below 4% in previous years. The higher inflation pressure next year comes from China's lifting of Zero COVID measures, prompting a sharp increase in the demand for goods in China, pushing up the world's commodity prices, while Vietnam imports a lot of input goods, which has a significant implication for domestic inflation. Besides, the scheduled increase in tuition fees and medical service prices, planned spike in electricity prices in 2023, and basic pay rise from July 1, 2023 will add more inflation pressures on the economy.

In 2022, the SVB balanced key macroeconomic targets and adopted integrated and flexible measures in managing the monetary policy, stabilizing the exchange rates, curbing the inflation alongside with controlling liquidity risks, securing the

operation of the financial system; interest rate hikes by the SBV during the year were in line with global developments and eased pressure on the exchange rate.

In 2023, Vietnam's economy will still face challenges from a high interest rate environment and tightening liquidity amid the US Federal Reserves' (FED's) ongoing interest rate hikes to fight against inflation. The interest rate pressure is forecast to be sticky in the first half of 2023 due to liquidity constraints from the corporate bond market and increasing funding demand among banks to secure capital adequacy indicators as well as to meet higher demand for loans in the economy. However, deposit interest rates are expected to decrease slightly in the second half of 2023 thanks to: easing exchange rate pressure, which enables the SBV to inject liquidity into the system and stabilize interest rates, well-controlled domestic inflation in line with the Government's target to curb the average inflation in 2023 below 4.5% and considerations by the Government to promulgate support policies to strengthen the investors' confidence in the corporate bond market.

Notwithstanding potential risks and volatilities in the global economy, international organizations are still optimistic about Vietnam's GDP growth rate in 2023, which is forecast by the International Monetary Fund (IMF) at 6.2%¹, by the World Bank (WB) at 6.5%², and by HSBC at 5.8%³. This is a positive outlook compared to those of other countries in the region or many major economies in the world.

¹ <https://www.imf.org/en/Countries/VNM>

² <https://laodong.vn/kinh-doanh/giam-doc-quoc-gia-world-bank-du-bao-gdp-viet-nam-2023-dat-65-1140678.ldd>

³ <https://vtvn/kinh-te/hsbc-nang-du-bao-tang-truong-kinh-te-viet-nam-2022122155659357htm>

5 - RISK FACTORS

Credit risk

In 2022, the economic turmoil and wars affected the whole world's economy, in general and Vietnam's economy, in particular. In such context, with the aim to improve financial capacity, strictly control debt quality to ensure sound, sustainable and effective growth, VietinBank has always proactively managed credit risks both on the portfolio and transactional levels, early identified potentially risky industries/sectors/customers in order to promptly classify debt collection and recovery workflows, minimizing losses for the Bank; at the same time, deployed measures to support customers in stabilizing production and business activities after the COVID-19 pandemic, overcoming difficulties such as debt restructuring, new disbursement, and preferential interest rates in accordance with regulations of the State Bank of Vietnam. As a result, VietinBank's asset quality has always been kept under good control.

In 2023, the world's and Vietnam's economies are expected to witness myriad unpredictable changes. To ensure sound, effective and sustainable growth and development for customers, the bank as well as the economy, VietinBank focuses on consolidating and standardizing policy documents in line with international practices and promoting the achievements of digital transformation in credit risk management from the portfolio level down to the transactional level. VietinBank also boosts measures to limit newly arising non-performing loans, improve portfolio quality and capital efficiency.

Working towards the goal of sustainable development, VietinBank has issued and adopted policies on social and environmental impact assessment in credit appraisal and decision-making for investment projects. Before credit extension, projects are reviewed to see whether they meet social and environmental requirements as regulated by applicable laws and VietinBank's regulations. VietinBank strictly controls compliance with social and environmental requirements in projects' operations and promptly takes credit measures in case of necessity.

Market risk

In 2022, in the face of unpredictable developments in the domestic and international financial markets due to the impacts of interest rate hike, increasing inflation over the globe and Russia – Ukraine tension, VietinBank continued to focus on close supervision and timely control of market risks in the business operations.

The Bank's market risk management includes objectives and appropriate control measures in line with VietinBank's medium and long-term business strategy, ensuring the safe and sustainable development of business operations, in compliance with regulations of the authorities, commitments with strategic partners and in line with international practices.

The model of 3 lines of defense in market risk management continues to prove its efficiency in risk identification, control and mitigation. The Bank's system of policies, regulations and methodologies on management of market risk and concentration risk associated with proprietary trading were timely reviewed and updated in accordance with the market movements and business performance of VietinBank, in line with Basel II standards and regulatory requirements.

To manage market risks, VietinBank has established market risk appetites and limits, covering such indicators as: Profits/losses at market rates, positions, Value at Risk (VaR), Limit of position/outstanding by trading products, currencies, counterparty in proprietary trading portfolio with concentration risks... Accordingly, the indicators are subjected to measurement, monitoring and reporting on a daily basis, for timely warning against risks of exceeding thresholds tolerable to VietinBank in order to anticipate corrective measures. In addition, periodic analysis of losses under stress assumptions are conducted for determination of capital required for market risk; and backtest of models of market risk measurement are also performed to ensure an accurate assessment of the level of potential risks.

Since 2013, VietinBank has introduced the Treasury Murex system to monitor, approve and manage treasury transactions across all three components of Front Office, Middle Office and Back Office. In 2023, VietinBank will continue to innovate in risk management systems and methodologies in line with the market conditions, follow advanced practices to support and promote business activities.

5 - RISK FACTORS

Operational risk

Amid increasingly complex economic developments due to the dual effects of the COVID-19 pandemic, the emergence of digitalized financial products during and after the lockdown period to serve the customer's demand for payments and transactions has led to potential risks in the field of information technology and cybersecurity.

Over the past 10 years, the operational risk management has been continuously upgraded and improved through a system of policies and technological solutions on risk management, ensuring practicality, promoting and enhancing business efficiency, adapting to international practices through such outstanding operational risk management activities as: (i) Researching, developing and running operational risk management tools based on integrated policy documents as well as putting in place risk management technology system; (ii) Diversifying and synchronizing communication and training activities to raise bank-wide risk management awareness; (iii) Dedicating resources, actively coordinating with units on the first line-of-defense in reporting IT incidents, taking measures to fix serious problems, evaluating some critical systems, digital products and services that directly affect customers, coming up with risk-mitigating solutions before rolling out the products; (iv) Well performing the role in ensuring the bank's business continuity, including: counter-terrorism, prevention of robbery of the bank's money and assets, warning of signs of fraud risks in the form of phishing emails, solutions to prevent high-tech crimes and ensure cybersecurity with digital content services in Vietnam. In 2022, the Emergency Response Handbook at VietinBank was also issued to equip units in the bank with the fastest responses to a number of incurred incidents, ensuring smooth, effective, and secure operation of VietinBank system according to international standards on risk management.

In 2023, the emerging trend of developing technology-intensive products and services and enhancing partnership with/outsourcing to third parties could pose increasing operational risks related to technology application, third party cooperation. Recognizing the importance of this issue, VietinBank has been increasingly focusing on risk review and assessment throughout all stages and proactively proposing appropriate responsive measures, and continuously improving and upgrading the system, strengthening security capabilities of digital solutions to monitor and detect fraud risks as well as prevent cyber attacks.

Fraud risk, anti-money laundering and countering the financing of terrorism

In 2022, VietinBank did not record any incidents or transactions that violate embargo, anti-money laundering and combating the financing of terrorism (AML/CFT) lists/programs of international organizations, despite the fact that political turmoil related to the Russia-Ukraine war triggered an upward trend in the economic sanctions against Russia-related individuals and organizations. This resulted from VietinBank's regular follow-up and input of embargo programs related to Russia/Ukraine on the system and timely warnings to our branches. At the same time, VietinBank also relentlessly boosted ties with financial institutions, security agencies, and the State Bank of Vietnam in promptly preventing suspicious transactions, ensuring stable financial and monetary system.

Concurrently, VietinBank has been advancing comprehensive digital transformation in every aspect of operations based on modern technology platform, as well as accelerating the migration of transaction channels; thereby, diversifying products and services, improving customer experiences. However, political instability and technological development have led to an increasing number of sophisticated frauds, which pose big challenges to the banking system. Closely following the instructions of the State Bank of Vietnam, VietinBank has not only developed, updated internal regulations and processes, but also actively applied modern technology into fraud prevention and control.

In 2023, VietinBank will further accelerate the progress of building ALM/CFT and anti-fraud system - phase 2 to facilitate monitoring, early identification, detection of risks and abnormal signs of transactions across all channels and business fields, promoting safe and sound growth. In addition, VietinBank also adopts multiple forms of communication about cheating and frauds and code of conduct to raise awareness and vigilance of not only VietinBank staff but also of customers; thereby, ensuring the safety of customers' and VietinBank's assets.

5 - RISK FACTORS

Liquidity risk

In 2022, VietinBank developed a liquidity risk management strategy, focusing on following key objectives:

- Ensuring liquidity safety, effectively managing and stabilizing capital in response to business growth and customer's payment needs;
- Maintaining highly liquid assets to meet the bank's liquidity needs in both normal and stress liquidity conditions;
- Setting up and monitoring risk appetite indicators and liquidity risk limits in compliance with the provisions of applicable laws, of regulators and VietinBank's internal objectives;

The model of 3 lines of defense has maintained its relevance. The Bank's capital balances and liquidity indicators and risk limits are closely monitored on a daily basis to ensure compliance with regulatory limits as prescribed by the SBV. On a monthly basis, in the meetings of Risk Committee & ALCO, balance of funding, liquidity and compliance with risk ratios are reviewed and reported; relevant recommendations for capital management are proposed to ensure sound liquidity and capital efficiency.

VietinBank establishes and operates the Assets - Liabilities Management (ALM) system in accordance with international practice to provide automatic reports on the balance of funding and cash flows to calculate daily liquidity status, provide multi-dimensional, on-time and accurate information to serve liquidity risk management. The liquidity risk is also closely monitored by type of currency (VND, USD, EUR) on the basis of analyzing liquidity demand, source of liquidity for each business operation, structure of assets/payables and cash flows of on- and off-balance sheet items as well as the accessibility to market liquidity.

In 2023, VietinBank will continue to innovate and upgrade the risk identification and early warning system, research and apply liquidity risk management criteria according to Basel III, in line with the reality of the Vietnamese market and the Bank's business operations.

Interest risk in the banking book

For interest rate risks on 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 continues adopting the policy of centralized management at the HO under 3 lines of defense model which is similar to liquidity risk management.

VietinBank periodically revisits regulations and processes for management of interest rate risk on the Banking book; managing re-pricing gap, revising and updating limits for re-pricing gap, and changes in net interest income (NII) and in economic value of equity (EVE) with different interest rate scenarios to comprehensively evaluate interest rate risk on the Banking book that may affect VietinBank's operations, in line with volatile market conditions in 2022; at the same time utilizing appropriate derivative products for control of portfolio-level risks. ALM system and internal fund transfer system (FTP) of VietinBank allow us to centrally manage interest rate risk at the HO, automate reporting on re-pricing gap, reporting on analysis of scenarios of interest rate increase/decrease ... for purposes of control over re-pricing gap, mitigation of impacts of changes in interest rates on NII and EVE of VietinBank for tolerable limits. Analysis of market interest rate movements, levels of interest rate risk and compliance with interest rate risk limits are updated in reporting to the Bank's Management Team at monthly meetings of Risk Committee and ALCO for timely adjustments of investment, lending and fund mobilizing strategies in response to market interest rate developments to ensure delivery of the profit target and stabilization of the EVE of the Bank.

At transaction level, we apply interest rate risk precautionary terms in credit contracts to ensure that the Bank is always well prepared against market volatility. We determine lending interest rates appropriately to reflect our actual cost of fund and manage interest rates via internal funds transfer pricing (FTP) tool in consistence with the management's direction and market developments. In 2023, VietinBank will continue to review and upgrade the interest rate risk measurement approach according to various interest rate scenarios in line with market realities, international standards and the Bank's business orientation.

5 - RISK FACTORS

Information
technology
system risk

VietinBank owns a large-scaled IT system for deploying many new and IT-intensive products and services which are connected to IT systems of partners on many IT platforms. The digitalization of IT system of VietinBank in 2022 was aggressively deployed with a lot of new products and services, more frequent system updates and connected to various systems of partners. 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:

- Development and standardization of our Security Information and Event Management (SIEM), introduction of Security Operation Center (SOC) in IT system of VietinBank for central monitor of security systems, early detection of any potential risks and taking timely responsive measures;
- Regular evaluation to identify information security and operation risks on new products and services before launching to implement appropriate control measures, especially for all e-banking systems and services as well as other key systems;
- 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 SWIFT's security standards under the Customer Security Program (CSP) for SWIFT payment system; deployment and obtainment of international security certificate ISO27001:2013 for Internet Banking system; application of Payment Card Industry Data Security Standards (PCI-DSS) for card system;
- 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 through call center, SMS, OTT, website, fanpage.

In 2023, in addition to the aforementioned, VietinBank will focus on implementing some additional orientations as below:

- Official operation of the SOC for 24-hour monitor of security events, signs of information insecurity occurring on the IT system to promptly deal with abnormal incidents on the IT system;
- Consolidation and upgrade of infrastructure and security systems to ensure the performance and availability of the systems;
- Development and implementation of drills of proactive attack prevention scenarios.

02

2022 Performance Review

- 1 Business performance
- 2 Investment activities and project implementation
- 3 Financial presentation in 2022
- 4 Shareholder structure, change in shareholder's equity
- 5 Bond issuance in 2022



Launching ceremony of the new trademark VietinBank (2008)

1 - BUSINESS PERFORMANCE

Business results in 2022

In 2022, VietinBank actively adopted integrated business measures; made efforts to promote innovation and comprehensive restructuring of operations in the direction of drastically transforming the growth model, accelerating the shift in the income structure, upholding the customer-centric strategy; and determined to compete by fostering advanced financial banking solutions, improving advisory capacity, service quality, optimally fulfilling the financial needs of customers. Accordingly, VietinBank achieved positive business results in all aspects of operations in 2022, laying the solid foundation for the bank's business activities going forward. VietinBank successfully delivered the targets assigned by the Annual General Meeting of Shareholders (GMS), with business efficiency growing greater than growth in asset size, specifically:

- VietinBank's **total assets** as at 31/12/2022 reached VND 1.81 quadrillion, a yoy increase of 18.1% and well achieved the target set by the GMS.
- **Credit balance** at the end of the period reached VND 1.28 quadrillion, up 12.1%, meeting the target set at the AGM. The structure of credit balance shifted positively towards improved profitability and proportions of loans to retail customers and SMEs. Credit granting policies were directed towards feasible projects with good credit ratings and high profitability.
- **Funding** was aligned with the credit growth. Consolidated deposits exceeded VND 1.34 quadrillion, increasing by VND 114 trillion (+9.3%) y-o-y. In particular, by the end of 2022, demand deposits (CASA) increased by 7.1% compared to 2021, the proportion of CASA reached more than 20%, making a positive contribution to controlling the bank's cost of fund.
- **NPL ratio according to Circular 11** was curbed at 1.08%, in line with the target set forth by the GSM. **NPL coverage ratio** was 188%, higher than that in 2021 (180%). Credit quality was strictly controlled, complying with the provisions of the law and prudent limits prescribed by the SBV.

- **Business efficiency** was improved. **Separated PBT** in 2022 reached VND 20,353 billion, up 20.7% yoy, achieving 105% of the target set out by the GMS. **Consolidated PBT** in 2022 reached VND 20,946 billion, up 19.1% yoy.

- » **Net profit from lending and investment activities** reached VND 47.8 trillion, up 14.4% yoy. In 2022, VietinBank has applied a flexible strategy for assets and liabilities management, making the best use of funding sources with the most reasonable costs in order to optimize capital efficiency and ensure liquidity.
- » **Non-interest income** experienced a notable increase of 43.6% to VND 16.3 trillion, contributing significantly to the improvement of the proportion of non-interest income from 21.4% in 2021 to 25.5% in 2022. In which, net fee income increased by 18.2% compared to 2021; FX trading activities elevated by 96%, reaffirming VietinBank's position in the market. In addition, thanks to drastic measures taken in collection of written-off debts, the collected written-off debts for the whole year of 2022 reached VND 5.3 trillion, up 65% compared to 2021.
- » **Operating expenses** were effectively controlled, CIR stood at 29.6%.

- Business operation complied with prudential regulations by the SBV.

Performance vs. Objectives

Unit: VND, billion

Indicator (consolidated)	31/12/2022	31/12/2021	31/12/2022 vs. 31/12/2021		2022 GMS target	% achieved vs. 2022 objectives
			+/-	+/- %		
Total assets	1,808,430	1,531,587	276,843	18.1%	Growth of 5 - 10%	Achieved
Fund mobilization	1,340,546	1,226,345	114,201	9.3%	Growth of 8 - 10%	Achieved
Credit exposure	1,279,823	1,141,454	138,369	12.1%	Growth according to executive monetary policy of the SBV	Achieved
NPL/credit exposure according to Circular 11	1.08%	1.14%			<1.8%	Achieved
Separated PBT	20,353	16,860	3,493	20.7%	19,451	105%
Consolidated PBT	20,946	17,589	3,357	19.1%		

(Source: Audited separated and consolidated FS 2022)



2 - INVESTMENT ACTIVITIES AND PROJECT IMPLEMENTATION

Major investment

In 2022, 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	10 th , 11 th floor, No. 126 Doi Can Street, Ba Dinh 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/GPĐC33/KDBH dated 03/03/2022 by the Ministry of Finance
BUSINESS ACTIVITIES	Non-life insurance
CHARTER CAPITAL (31/12/2022)	VND 666 billion
VIETINBANK'S OWNERSHIP	73.37%

TOTAL ASSETS
(VND billion)

5,623.6

↑ 26.3%

vs. 2021

TOTAL REVENUE
(VND billion)

3,214.2

↑ 30.3%

vs. 2021

PBT
(VND billion)

253.8

↑ 24.5%

vs. 2021

BUSINESS FIELD:

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

BUSINESS RESULTS AS OF 31/12/2022:

Total assets reached VND 5,623.6 billion, up over 26.33% yoy. In 2022, VBI's business activities continued to develop and expand. Total insurance premium revenue reached VND 3,214.2 billion, up 30.3% compared to 2021, ranking in the Top 10 non-life insurers with the largest market share. The company's profit before tax in 2022 reached VND 253.8 billion, up 24.5% compared to 2021, VBI's profit growth topped the market, being one of the 4 out of 10 non-life insurers with the largest market share with reported positive growth in profit. The Company's ROE in 2022 reached 14.3%, helping its ranking from Top 6 (2021) to Top 3 (2022) in terms of ROE. 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, 4% in 2021 and reached 4.5% in 2022.

*Source: Insurance Supervisory Authority



VietinBank Fund Management Company Ltd.

ABBREVIATION	VietinBank Capital
REGISTERED OFFICE	6 th 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. 105/GPĐC-UBCK dated 03/11/2022 by the SSC
BUSINESS ACTIVITIES	Fund management
CHARTER CAPITAL (31/12/2022)	VND 300 billion
VIETINBANK'S OWNERSHIP	100%

TOTAL ASSETS
(VND billion)

409

↓ 2%

compared to 2021

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 31/12/2022:

Vietnam's stock market in 2022 recorded many fluctuations with a continuous decline, therefore, the Company has not restructured its investment portfolio to realize profits. PBT in 2022 only reached VND 830.6 million, of which: Revenue from financial investment activities reached VND 38.1 billion, down 40.8% compared to 2021 and accounting for 90.2% of total revenue in 2022; Financial expenses increased by VND 46.3 billion, equivalent to an increase of 181.4% over the same period in 2021 due to an increase in provision for securities investment activities. Total assets as of December 31, 2022 reached VND 409 billion, down 2% compared to the same period last year. In 2022, the Company gradually concentrated its operation on specified core business activities (*managing securities investment funds, securities investment portfolio and investment consulting services*); comprehensively restructured its business operations as well as organization structure while shifting its income structure (*from revenue generating from financial investment activities to service-based income*), hence improving the efficiency of capital investment, creating premise for the Company's sustainable development.

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. 97/GPĐC UBCK dated 10/10/2022 by the SSC.
BUSINESS ACTIVITIES	Securities
CHARTER CAPITAL (31/12/2022)	VND 1,487
VIETINBANK'S OWNERSHIP	75.64%

PBT
(VND billion)

78.8

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 31/12/2022:

In 2022, the unfavorable stock market and challenging bond market had a great impact on the business activities of securities companies. Facing difficulties and great fluctuations of the market, the Company made great efforts and implemented solutions to both strengthen risk management and promote the Company's business activities during the year of 2022 in a secure and effective manner. Total revenue and other income of the company in 2022 reached VND 876.13 billion (of which revenue from business activities and revenue from financial activities was VND 876.04 billion), down 17.88% compared to the previous year 2021. PBT in 2022 reached VND 78.8 billion, completing 15.6% of the plan, of which: Realized profit reached VND 209.9 billion, up 41% compared to the average level of the previous three years (2019 -2021). Realized PAT in 2022 of the company reached VND 175.974 billion.



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 1 st time by Hanoi Planning and Investment Dept., amended 11 th registration dated 01/06/2022.
BUSINESS ACTIVITIES	Financial leasing
CHARTER CAPITAL (31/12/2022)	VND 1,000 billion
VIETINBANK'S OWNERSHIP	100%

TOTAL ASSETS

(VND billion)

4,875

↑ **26%**

vs. 2021

TOI

(VND billion)

375

↑ **14.1%**

vs. 2021

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 31/12/2022:

The Company's 2022 PBT was VND 141.3 billion, down 15% yoy. As at 31/12/2022, total assets of the Company reached VND 4,875 billion, up 26% yoy. TOI was VND 375 billion, up 14.1% yoy, mainly from leasing activities of VND 373 billion, up 14% yoy. Total expense was VND 234 billion, up 44% yoy. Gross leasing balance reached VND 4,614 billion, up 29% yoy. Regarding the Company's position, the Company ranked 2nd in terms of market share in local leasing activities. Group 2 debt accounted for 3.3% of the total leasing balance; NPL ratio was reported at 0.47% of the total leasing balance.



2 - INVESTMENT ACTIVITIES AND PROJECT IMPLEMENTATION



VietinBank Gold and Jewelry Trading Company Ltd.

ABBREVIATION	VietinBank Gold & Jewellery
REGISTERED OFFICE	2 nd 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 1 st time by Hanoi Planning and Investment Dept.; 9 th Amendment dated 19/12/2022.
BUSINESS ACTIVITIES	Trading and manufacturing and processing of gold, gemstones and jewelry
CHARTER CAPITAL (31/12/2022)	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 31/12/2022:

Total assets reached VND 231.9 billion, down 2.6% compared to December 31, 2021. In 2022, although the Company has made great efforts in implementing business activities, especially in exporting gold jewelry, but due to the difficult economic situation, and the big gap between domestic and world gold prices, the Company's business results have been impacted, specifically: gross profit from sale of goods and services in 2022 reached VND 25.4 billion (down 21.2% yoy); total income reached VND 38.6 billion (slightly down 0.9% yoy) and Total expense was VND 33 billion (up 12.2% yoy). PBT for the year reached VND 6.1 billion, down 39.2% 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, 6 th registration dated 12/01/2021
BUSINESS ACTIVITIES	Asset management
CHARTER CAPITAL (31/12/2022)	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 31/12/2022:

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 2022, VietinBank AMC's total revenue was VND 78.6 billion, up 14% yoy. In which, asset evaluation activities contributed mostly to its revenue, reached VND 69.7 billion, up 12% yoy and achieved 103% of the targets set by VietinBank. Debt settlement activities as authorized by VietinBank started in 2022 with a revenue of VND 3.53 billion. The Company's pre-tax profit in 2022 reached VND 15 billion. If debt settlement activities were excluded, the profit of the Company could reached VND 18.1 billion, fulfilling 115% of the profit target assigned by VietinBank (excluding debt settlement activities).



TOI
(VND billion)
78.6
↑ 14%
vs. 2021

ASSET EVALUATION REVENUE
(VND billion)
69.7
↑ 12%
vs. 2021

2 - INVESTMENT ACTIVITIES AND PROJECT IMPLEMENTATION



VietinBank Global Money Transfer Company Ltd.

ABBREVIATION	VietinBank Money Transfer
REGISTERED OFFICE	3 rd 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 1 st time by Hanoi Planning and Investment Dept.; 1 th Amendment dated 13/03/2015.
BUSINESS ACTIVITIES	Monetary intermediation
CHARTER CAPITAL (31/12/2022)	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 31/12/2022:

Total income of the Company in 2022 reached VND 69.5 billion, of which income from service activities reached VND 43.2 billion, down 15% over the same period; The Company's PBT in 2022 reached VND 40 billion, down 30% compared to 2021, partly due to a significant decrease in volume from the Company's two largest remittance markets, Korea and Japan, in the past year. In 2022, the Japanese Yen and the Korean Won recorded a deepest fall in 24 years (down 28%), making the income and accumulation of workers greatly affected, and people tended to accumulate and wait for the exchange rate to rise before sending remittances home.



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 (31/12/2022)	USD 50 million
VIETINBANK'S OWNERSHIP	100%

TOTAL ASSETS
(VND billion)

5,477.12

↑ 29.22%
vs. 2021**GROSS LOAN**
(VND billion)

4,465.30

↑ 24%
vs. 2021**PBT**
(VND billion)

56.29

↑ 55%
vs. 2021

VietinBank Laos was established in March 2012 in the form of a branch under VietinBank's Head Office. By August 2015, Lao branch was upgraded to a subsidiary bank, creating opportunities to expand its scale in provinces and cities, providing convenient and versatile products and services to customers, promoting strong growth. in Laos. After 10 years of operation, VietinBank Lao is ranked 8th among commercial banks in Laos and 2nd among Vietnamese commercial banks in Laos.

BUSINESS RESULTS AS OF 31/12/2022:

2022 was a year full of difficulties and challenges for Laos economy in general and VietinBank Laos' business activities in particular in the context of the global economic crisis and the Russia-Ukraine war tension. However, VietinBank Lao has made great efforts to complete the assigned plan. Total assets of VietinBank Laos by the end of 2022 reached USD 234,465.58 thousand (equivalent to VND 5,477.12 billion, up 29.22% yoy). Gross loans in 2022 were USD 191,151.39 thousand (equivalent to VND 4,465.30 billion), up 24% yoy. Total mobilization of VietinBank Laos in 2022 was USD 193,092.57 thousand (equivalent to VND 4,510.64 billion), up 38% yoy. PBT in 2022 was USD 2,409.42 thousand (equivalent to VND 56.29 billion), up 55% yoy. NPL was 1.32% lower than required by the State Bank of Laos (3%) and lower than planned target for 2022 (2.5%), NPL coverage ratio was 146%. Financial indicators: ROA 0.93%, ROE 5.42% higher than that of 2021 (In 2021: ROA 0.7%, ROE 3.7%).

In 2023, VietinBank will complete the increase of charter capital for VietinBank Laos by 12 million USD. 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 (31/12/2022)	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 31/12/2022:

Total assets as at 31/12/2022 were reported at VND 58.6 trillion, up 6.8% yoy. Gross loans were VND 31.5 trillion, down 5% yoy, accounted for 53.7 % of total assets. The Bank's TOI in 2022 reached VND 2,024 billion, of which: net interest income was VND 1,717 billion, up 22.3% yoy. Net fee-based income reached VND 63 billion, up 2.4% yoy. Total operating cost in 2022 amounted to nearly VND 554 billion, down 2.1% yoy. PBT for the year 2022 reached VND 1,069 billion, up 8% yoy.

TOTAL ASSETS
(VND billion)

58,600

↑ 6.8%
vs. 2021**PBT**
(VND billion)

1,069

↑ 8%
vs. 2021

3 - FINANCIAL PRESENTATION IN 2022

Unit: VND billion

Indicator (consolidated)	2022	2021	% change
Total assets	1,808,430	1,531,587	18.1%
Funds mobilization	1,340,546	1,226,345	9.3%
Credit exposure	1,279,823	1,141,454	12.1%
Profit before tax	20,946	17,589	19.1%
Profit after tax	16,835	14,215	18.4%

Major financial indicators

Unit: VND billion

Indicator	2022	2021
1. Assets and Capital		
Total assets	1,808,430	1,531,587
Charter capital	48,058	48,058
Shareholders' equity	108,168	93,650
2. Business Performance		
Net interest income	4,7792	41,788
Net fee and commission income	5,862	4,961
Net profit before provision for credit losses	45,109	35,971
Profit before tax	20,946	17,589
Profit after tax	16,835	14,215
NIM	2.98%	3.01%
CIR	29.6%	32.3%
ROE	16.7%	15.9%
ROA	1.26%	1.22%
3. Special-mentioned loans and NPLs		
Special mentioned loans/ Gross loans	2.3%	1.0%
NPLs/Gross loans	1.08%	1.14%
4. Liquidity		
Liquid reserve ratio	15.1%	13.3%
LDR	81.8%	81.9%
Ratio of short-time capital used for medium & long term loans	25.7%	24.3%
CAR	Complied	Complied

(Source: Audited separated and consolidated FS 2022)

Notes: NIM does not include guarantee fees.

4 - SHAREHOLDER STRUCTURE, CHANGE IN SHAREHOLDER'S EQUITY

Shares

TOTAL NUMBER OF ORDINARY
SHARES ISSUED

(shares)

4,805,750,609

TOTAL NUMBER OF OUTSTANDING
SHARES

(shares)

4,805,750,609

NUMBER OF RESERVE SHARES,
TREASURY SHARES

(shares)

0

MAXIMUM FOREIGN OWNERSHIP RATE

30%

List of shareholders with restricted shares transfer (as of 31/12/2022):

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		142,480	0.0030%	60,409
	- BoD		55,066	0.0011%	55,066
	- Supervisory Board		5,343	0.0001%	5,343
	- BoM		82,071	0.0017%	0
3	VietinBank Trade Union	310/ToC- CĐNH	55,157,526	1.15%	0
4	Strategic shareholder				
	MUFG Bank, Ltd.	CA6217	948,150,205	19.73%	0

Shareholders structure as at 31/12/2022

By ownership ratio

No.	SHAREHOLDER	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%

By type: organization/individual

No.	SHAREHOLDER	Number of shares	Ownership percentage (%)
1	Organizations of which:	4,588,811,105	95.49%
	- The State Bank of Vietnam	3,097,932,535	64.46%
	- Other organizations	1,490,878,570	31.03%
2	Individuals	216,939,504	4.51%
	TOTAL	4,805,750,609	100%

By type: domestic/foreign

No.	SHAREHOLDER	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	316,272,339	6.58%
	- Local organizations	102,934,848	2.14%
	- Local individuals	213,337,491	4.44%
3.2	Foreign shareholders	1,336,388,209	27.81%
	- Foreign organizations	1,332,786,196	27.73%
	- Foreign individuals	3,602,013	0.07%
	TOTAL	4,805,750,609	100%

4 - SHAREHOLDER STRUCTURE, CHANGE IN SHAREHOLDER'S EQUITY

Changes in shareholders' equity

In 2022, VietinBank's charter capital remained unchanged at VND 48,058 billion. The history of VietinBank's capital increases is listed in the table below:

No.	Type of issuance	Percentage (%)	Number of shares (unit)	Ex-right date	Executio Date	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 existing 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			

Cash dividend history

Year	Percentage (%)	Type of payment	Ex-right 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 2022.

5 - UPDATE ON BOND ISSUANCE IN 2022

With the goal of consolidating the Bank's financial capacity, improving capital adequacy ratio and promoting sustainable and effective growth, bond issuance at VietinBank, with focus on tier-2 bonds, is a key business theme in the business plan and general development strategy of VietinBank. By the end of 2022, VietinBank had successfully issued a total amount of VND 5,610 billion of bonds to raise tier-2 capital.

Although, the privately placed corporate bond market recorded a quietness for most of the time in 2022 with a sharp decrease in issuance volume and liquidity, VietinBank continued to be in top 2 credit institutions as issuers of large volume of tier-2 capital raising bonds in the market.

Private placement channel was optimized with 14 private placements. VietinBank's privately placed bonds varied in terms (from 8 years to 15 years), and offered both fixed interest rate and floating interest rate. With regards to floating interest rate, bond coupon was determined according to benchmark rate (which is a median of 12-month VND savings interest rate at maturity of 4 banks namely Vietcombank, BIDV, Agribank and VietinBank) plus spread in the range of 0.9% to 1.2% p.a., meeting the diverse demand and appetite of investors, especially major financial institutions, in the market.

Decree 65/2022/ND-CP amending and supplementing Decree 153 on private placement of bonds promulgated on September 16, 2022, has made changes in the legal framework, helping to enhance safety, transparency and sustainability of the privately placed bond market. With VietinBank's efforts in reviewing the current regulations in order to fully meet the current legal requirements applicable to private placement of bonds and the Bank's successful public offering of a large volume of bonds, VietinBank became the first commercial bank in Vietnam to obtain approval from Hanoi Stock Exchange (HNX) for listing of publicly offered bonds right at the end of the offering according to new regulations of the Securities Law 2019, effective from January 1st 2021. Accordingly, bonds publicly offered by VietinBank in 2021 were officially listed and traded starting from January 10th 2022.

Given remarkable achievements in bond issuance in a year of great market volatility, VietinBank continued to affirm the prestige and brand on the financial market, taking the lead among domestic CIs in complying with regulations of securities law, at the same time, strongly demonstrating commitments of VietinBank to the market in order to provide safe, effective, transparent, highly liquid financial products to investors.



Hà Nội, ngày 8 tháng 7 năm 2009

03

Report of the Board of Management

- 1 Overview of the macro-economy and banking sector in 2022
- 2 Highlights in business performance of VietinBank in 2022
- 3 Orientation and business plan for 2023
- 4 Justifications of the BoM for auditor's opinion
- 5 ESG assessment report of the BoM



Launching Ceremony of Vietnam Joint Stock Commercial Bank for Industry and Trade (2009)

1 - OVERVIEW OF THE MACRO-ECONOMY AND BANKING SECTOR IN 2022



1

In 2022, the world's recovery from the Covid-19 pandemic was confronted with many challenges; the global and regional economy was filled with rapid, complex and unpredictable changes; myriad unprecedented developments emerged, i.e military conflicts between Russia and Ukraine; record high inflation in many countries; persistent natural disasters on a large scale in different regions, etc. In such a context, major powers responded by tightening their monetary policies, taking every possible measure to ensure energy security, etc.; thereby, having direct implications for the global economy, including Vietnam.

Notwithstanding the slow-down in the growth of many economies, Vietnam made great strides, reaping positive and comprehensive achievements in the economic recovery. 2022's GDP growth hit 10-year high of 8.02%, exceeding the set-forth target of 6-6.5%. Major balances were persistently secured, while the macro foundation continued to remain stable.

2

2022'S GDP

ACHIEVED

8.02%

3

THE CREDIT GROWTH OF THE WHOLE INDUSTRY IN 2022

WAS ABOUT

14.2%

As an active contributor to the economic progress, the State Bank of Vietnam (SBV) balanced key macro-economic objectives and took integrated, flexible actions in managing the monetary policy, stabilizing the exchange rates, curbing the inflation, and securing smooth operations of the financial system. The credit growth of the whole industry in 2022 was about 14.2%, meeting the capital needs of the economy. At the same time, the SBV continued to direct and instruct commercial banks to spend effectively, focus on digital transformation, make efforts to reduce lending interest rates, support businesses and individuals in restoring their business and production activities after the prolonged pandemic, concurrently, take the initiative in implementing the policies, programs and plans for socio-economic development of the Party and the State.



2 - HIGHLIGHTS IN BUSINESS PERFORMANCE OF VIETINBANK IN 2022

A VIETINBANK'S BUSINESS PERFORMANCE IN 2022

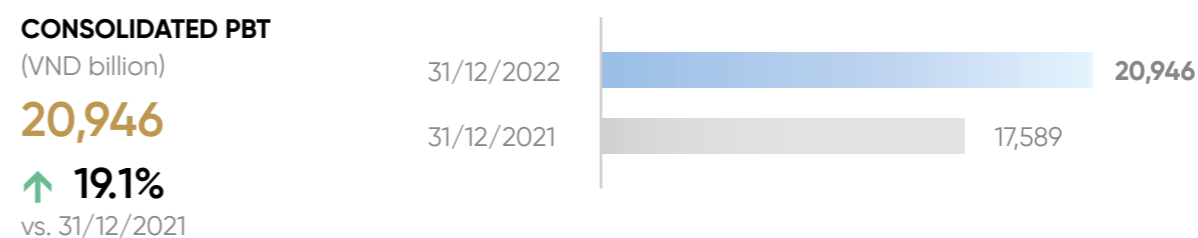
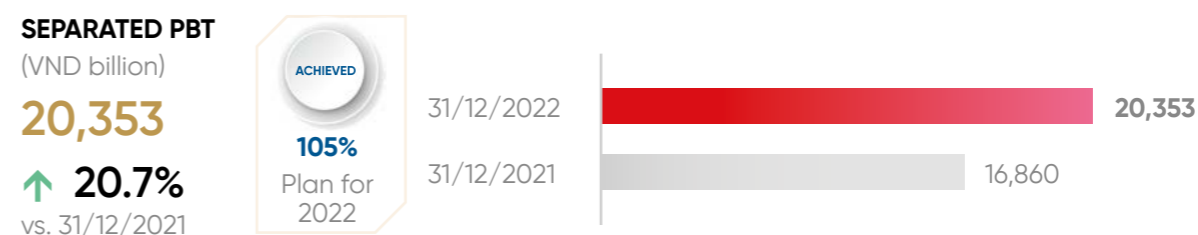
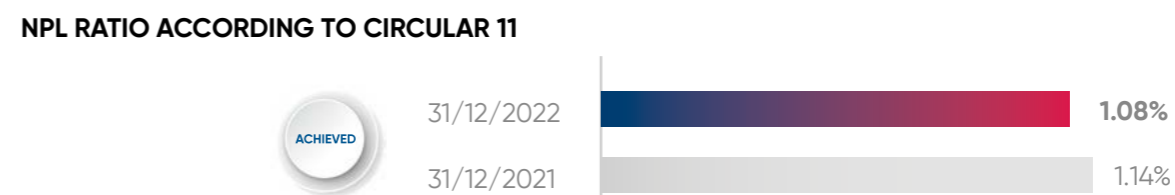
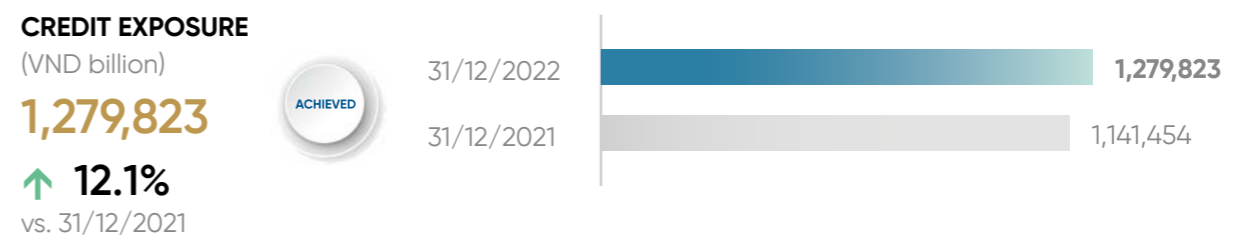
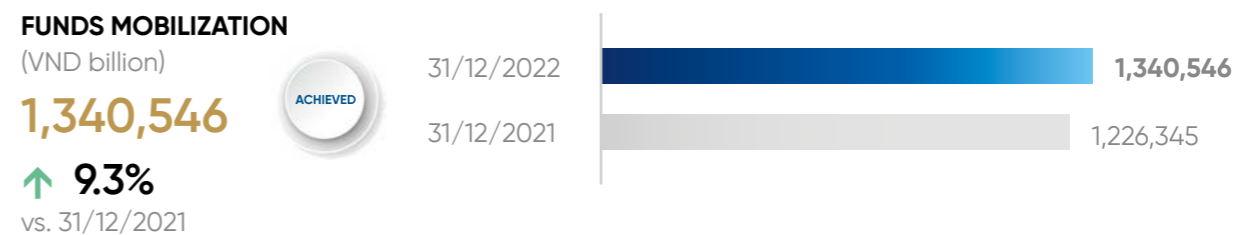
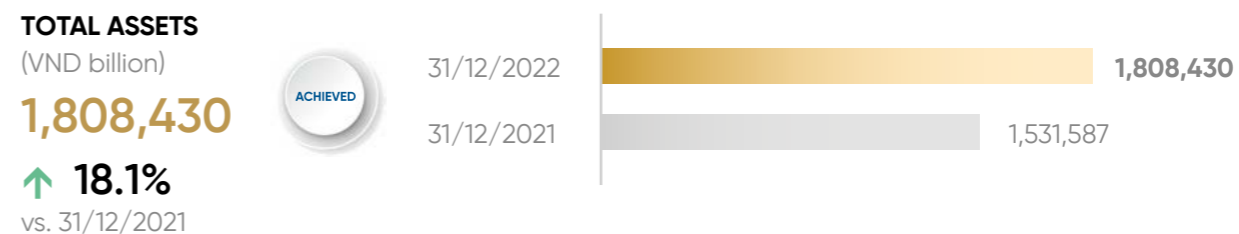


VietinBank proactively implemented integrated business measures, took the lead in adopting policies and directions of the Party and the State, made an effort to foster innovation and thorough restructuring through aggressively transforming the growth model, hastening a shift in the income structure, 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 2022, laying a robust foundation for the bank's business activities going forward.**

Unit: VND billion, %

Indicators	31/12/2021	31/12/2022	31/12/2022 vs. 31/12/2021		Targets set by AGM in 2022	Relative to targets set for 2022
			+/-	+/- %		
Total assets	1,531,587	1,808,430	276,843	18.1%	Growth rate of 5 - 10%	Achieved
Funds mobilization	1,226,345	1,340,546	114,201	9.3%	Growth rate of 8 - 10%	Achieved
Credit exposure	1,141,454	1,279,823	138,369	12.1%	Growth according to executive monetary policy of the SBV	Achieved
NPL ratio according to Circular 11	1.14%	1.08%			<1.8%	Achieved
Separated PBT	16,860	20,353	3,493	20.7%	19,451	105%
Consolidated PBT	17,589	20,946	3,357	19.1%		

(Source: Audited separated and consolidated FS in 2022)



2 - HIGHLIGHTS IN BUSINESS PERFORMANCE OF VIETINBANK IN 2022

1

DELIVERED SUSTAINABLE GROWTH BY SCALE, IMPROVED ASSET QUALITY

- **Total assets** on a consolidated basis reached VND 1.81 quadrillion, up 18.1% yoy.
- **Credit exposure** on a consolidated basis reached VND 1.28 quadrillion, up 12.1% yoy; The proportion of Retail and SMEs loan balance further expanded, helping to diversify credit risks and improve the profitability of the credit portfolio.
- **Fund mobilization** was in optimal balance with the credit growth rate, ensuring liquidity reserve ratios. Consolidated funds mobilization reached more than VND 1.34 quadrillion, up 9.3% yoy.
- **NPL ratio according to Circular 11** was curbed at 1.08%, in line with the target set forth by the SBV and the AGM.
- **Coverage ratio** of NPL and bonds on the balance sheet was 188%, higher than that of 2021.

3

EFFECTIVE EXECUTION OF THE GUIDELINES AND POLICIES OF THE PARTY AND THE STATE IN FUNDING THE ECONOMY, FURTHER STANDING BY BUSINESSES AND INDIVIDUALS AFFECTED BY THE PANDEMIC, MAKING CRITICAL CONTRIBUTIONS TO THE NATIONAL RECOVERY AND DEVELOPMENT

- In 2022, VietinBank continued to actively reduce costs and well control asset quality, facilitated credit growth and advanced banking products and services, launched preferential lending interest rate programs, helping customers get access to credit and banking products and services at low costs, optimally catering for the financial needs of the economy.
- VietinBank oriented credit growth towards production and business fields, industries and enterprises, which are well-positioned and promising for development, prioritized and encouraged by the Government and the SBV; allocated resources to key economic regions, worked hands in hands with regions and localities to promote regional economy in active contribution to the national development; put in place strict credit control over areas with risk potential.
- Took the lead in interest rate support as per Decree 31/2022/ND-CP and Circular 03/2022/TT-NHNN under the direction of the Government and the SBV.
- Adhered to applicable laws in credit granting. The total credit exposure to restricted borrowers specified in Clause 1, Article 127 of the Law on Credit Institutions as of December 31, 2022 was VND 1,699 billion, accounting for 1.20 % of VietinBank's own capital.

2

PROFITS GREW BEYOND TARGET PLAN, INCOME STRUCTURE CHANGED POSITIVELY

- **TOI** was up 20.6% yoy.
- **Non-interest income** grew by 43.6% yoy, expanding its portion out of the bank's total income in 2022 to 25.5%, of which:
 - **Net fee income** advanced 18.2% from 2021.
 - **FX trading income** was up 96.2% yoy; VietinBank continued to top the market in both volume and market share of FX trading.
 - **Written-off debt recovery** advanced 65.3% from 2021.
- **Optimal cost efficiency and management**, with priority given to business promotion activities, key projects of VietinBank. The CIR stood at 29.6%.
- Despite myriad hardships in the domestic and international economy, the efforts and determination across VietinBank enabled the profit before loan loss provision in 2022 to increase by VND 9.1 trillion, up 25.4% yoy, **the separated PBT reached VND 20,353 billion, up 20.7% yoy – completing 105% of the AGM's target, the consolidated PBT amounted to VND 20,946 billion, up 19.1% yoy.**

2 - HIGHLIGHTS IN BUSINESS PERFORMANCE OF VIETINBANK IN 2022

B PERFORMANCE IN GOVERNANCE AND ADMINISTRATION IN 2022

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 adapted to the business environment, specifically as follows:

01

AGGRESSIVELY RESTRUCTURED THE CREDIT PORTFOLIO TOWARDS HIGHER PROFITABILITY AND BETTER ASSET QUALITY.



02

FURTHER STRENGTHENED FINANCIAL CAPACITY, IMPROVED FINANCIAL GOVERNANCE, FROM FINANCIAL PLANNING, SUPERVISION AND MANAGEMENT TO OPERATING COST CONTROL.



03

FLEXIBLY MANAGED ASSETS AND LIABILITIES AND PRICING POLICY, OPTIMIZED CAPITAL EFFICIENCY AMID MARKET TURMOIL.



04

FOCUSED ON DIGITAL TRANSFORMATION, WITH PARTICULAR EMPHASIS ON DRASTIC PROMOTION OF HIGH-TECH PRODUCTS AND SERVICES TO IMPROVE CUSTOMER SERVICE QUALITY.



05

STRICTLY CONTROLLED ASSET QUALITY, IMPROVED CREDIT APPRAISAL QUALITY AND ENHANCED RISK MANAGEMENT.



06

PROMOTED RECOVERY OF NPLS AND WRITTEN-OFF DEBTS.

07

CONSOLIDATED AND ENHANCED THE PERFORMANCE OF THE ORGANIZATION AND THE NETWORK, IMPROVED THE QUALITY OF HUMAN RESOURCES AND PERSONNEL ARRANGEMENT, RAISED LABOR PRODUCTIVITY, REVAMPED COMPENSATIONS AND BENEFITS POLICIES; PROMOTED THE EXECUTION OF CORPORATE CULTURE.

With outstanding products and services and spectacular business results in recent years, VietinBank's position and brand has been unceasingly affirmed by many prestigious domestic and international awards. In the second and third quarter of 2022, Moody's and Fitch Ratings – the credit rating agencies continuously upgraded VietinBank's credit rating, demonstrating their higher recognition of VietinBank's capacity, position, and prestige.

3 - ORIENTATION AND BUSINESS PLAN FOR 2023

In 2023, the world's economy in general and Vietnam's economy in particular are still forecasted to be confronted with many potential challenges and risks. Based on stable macro foundation attractive to foreign investors, and well-established growth quality, Vietnam's economy is expected to further prosper. According to Directive 01/CT-NHNN dated January 17th, 2023, the monetary policy tools will continue to be flexibly orchestrated in order to stabilize the exchange rate, control the inflation, and ensure liquidity and safety of the banking system, effectively fund the economy, facilitate the development of credit institutions.

Given the analysis of the potential, growth drivers of the economy and the achievements in 2022, VietinBank has identified business focuses in 2023, continues to drastically implement measures to manage and promote business activities closely in line with the orientations and directions of the Government and the SBV as well as market developments in order to set the tone for sustainable development in the new period, offer value to individuals, businesses and shareholders.

The table below presents some basic indicators in 2023 that VietinBank has submitted to the competent State agency and are under consideration. Specific targets will be implemented according to the final approval of the AGM 2023.

Indicators	2023 projection
Total assets	Growth rate of 5% - 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
Funds mobilization	Growth in line with credit growth rate, compliant with the SBV's liquidity ratios.
NPL ratio	< 1.8%
Separate PBT	In accordance with approval of the competent State authorities (<i>VietinBank continues to aggressively improve business performance, promote the role as the key commercial bank and the driving force of the economy.</i>)
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 2023 ARE AS FOLLOWS:



01 Deploying monetary, credit and foreign exchange solutions, implementing the restructuring plan associated with NPL settlement according to the direction of the SBV.

02

Continuing to sustainably grow balance sheet, increasing the proportion of products with high returns and risks within the prescribed limit, diversifying access to financial and banking services in the economy.



03

Effectively managing assets and liabilities, focusing resources on promoting funding growth to secure liquidity; paying special attention to the growth of CASA and low-cost funding sources.

04

Increasing the proportion of non-interest income (particularly fee income and FX trading income); drastically and thoroughly improving the quality of products and services.



05

promoting technology application and digitalization in every operation, closely following the digital transformation plan of the banking industry according to the orientation of the Government and the SBV.

3 - ORIENTATION AND BUSINESS PLAN FOR 2023

06 Speeding up the collection and recovery of NPLs and written-off debts.



07 Enhancing risk management, ensuring compliance, safety in operations, linking business development with strict control of credit quality.

08 Continuing to take integrated measures to strengthen financial capacity, effectively manage costs, further securing positive jaws, maintaining suitable CIR.



09 Consolidating the organizational model, improving labor productivity and human resources quality.

In 2023, 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.

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

None

5 - ESG ASSESSMENT REPORT OF THE BOARD OF MANAGEMENT

In terms of environmental responsibility, in 2022, VietinBank launched and delivered the project on "Electricity Savings & Efficiency" in order to reduce operating costs in line with VietinBank's operating targets as well as market characteristics and conditions. The adoption of power savings and efficiency measures proved extremely fruitful. VietinBank is the only bank to be honored by Hanoi People's Committee with the accolade of "4-star green building" for the Head Office at 108 Tran Hung Dao, Hoan Kiem, Hanoi.



VietinBank was honored with the accolade of "4-star green building" for the Head Office at 108 Tran Hung Dao, Hoan Kiem, Hanoi

- Regarding policies for employees, in 2022, amid adverse impacts of the COVID-19 pandemic on the labor market, VietinBank consistently secured jobs and social security for employees; supplemented, amended and improved benefits and perks to enhance employee engagement and dedication, retain and attract well-educated and qualified staff. VietinBank built and promoted active learning culture across the bank. VietinBank's people were continuously provided with development training with modern and diverse training methods and forms to improve trainee experiences and training efficiency. VietinBankers were guaranteed access to career development opportunities. In 2022, VietinBank comprehensively reformed the identification, development of the training and development roadmap, and succession planning for middle managers and key staff of the Bank; accordingly, ensuring the selection of right people to meet the Bank's business strategy.
- Apart from business development, VietinBank has always taken the lead in corporate social responsibility (CSR) activities to facilitate hunger and poverty eradication, improvement in material and spiritual life of people in disadvantaged localities with multiple practical and meaningful programs in contribution to the common development of the community and society. In 2022, VietinBank spared over VND **306** billion for CSR activities, focusing on housing construction for the poor, construction of schools, medical facilities, and infrastructure in disadvantaged, rural, and remote areas, support for recovery from the aftermath of natural disasters and hazards, as well as support for national security and defense.
- Details of the assessment report on the above contents are presented in Part 6 - Sustainable Development Report.

LỄ KÝ KẾT HỢP ĐỒNG ĐẦU TƯ CHIẾN LƯỢC VÀ HỢP ĐỒNG HỢP TÁC TOÀN DIỆN GIỮA VIETINBANK VÀ BANK OF TOKYO-MITSUBISHI UFJ

Signing Ceremony
Strategic Investment Agreement and Comprehensive Cooperation Agreement
between VietinBank and BTMU

Hanoi, December 7th 2012

04

Assessment of the Board of Directors on performance of VietinBank

- 1 Assessment of the BoD on all aspects of operations of VietinBank in 2022
- 2 Supervision by the BoD over the BoM
- 3 Orientation for development in 2023
- 4 Business targets for 2023



VietinBank had the strongest shareholder structure in Vietnam Banking system (2012)

1 - ASSESSMENT OF THE BOARD OF DIRECTORS ON ALL ASPECTS OF OPERATIONS OF VIETINBANK IN 2022

As a systematically important bank of the economy, throughout the year 2022, VietinBank took the leading role in supporting the bank's customers to recover their businesses post-pandemic; having prioritized our resources for the key areas of business; further enhancing risk management, restructuring of the credit portfolio and accelerating digital transformation to improve service quality. Accordingly, VietinBank achieved positive business results in all aspects; laying a robust foundation for the bank's business activities going forward. Specifically, the BoD assessed the Bank's activities in 2022 as follows:

01 OPTIMIZATION OF RESOURCES, EFFECTIVELY IMPLEMENTING KEY BUSINESS TOPICS IN 2022



In 2022, VietinBank achieved encouraging achievements with total assets increasing by **18.1%**, operational efficiency ratios improved, and realized profit target fulfilled on the basis of ensuring the prudent ratios and strict and substantial asset quality management. The above results are achieved through the effective implementation of the key business themes:

- **Improvement of income structure** by providing holistic financial solutions and improving the quality of products and services, especially non-credit products. We have expanded in export-import finance and SME banking business in the bank's ecosystem. Net income from the delivery of services increased by 18.2% vs. 2021 and from almost all types of services. Net non-interest income items such as trade finance fee, FX trading gains, etc. increased significantly. Non-interest income contributed **25.5%** of TOI, a sharp increase as compared to **21.4%** of 2021.
- **Effective funding growth, optimal funding structure management:** Throughout the year, VietinBank has maintained effective assets-liabilities management, therefore, we can keep a stable growth of funding and deposit by switching flexibly between onshore and offshore sources of funding. Consolidated funding and deposit reached **VND 1.34 quadrillion**, up 9.3% yoy. **CASA** deposits improved, **up 7.1%** yoy. CASA ratio out of the total funding and deposit remains at **20%** in the context of increasingly difficult competition in CASA among banks and thanks to these CASA deposits, VietinBank can keep costs of fund under control.
- **Selective credit growth, industry-driven and geography-driven business:** VietinBank continued shifting the credit portfolio towards providing more loans to the Retail and SME banking segments. The average exposure to these two segments increased from **58.6%** of the loan book in 2021 to **63.1%** in 2022. Concurrently, VietinBank aimed credit growth at areas and industries with good potential of growth and recovery post-pandemic, and priority areas as defined by the Government and the SBV such as manufacturing, green credit, sustainable development; developed geography-specific sales and product policies to ensure the bank's growth is in alignment with the key areas and industries which are the main growth engines of the country.

In general, throughout 2022, thanks to our business restructuring, transformation of the business model, shifting the loan mix and income mix, keeping good control and optimization of the capital efficiency and operating costs of the Bank, **the consolidated PBT** amounted to **VND 20,946 billion**, up **19.1%** yoy, **the separated PBT** reached **VND 20,353 billion**, up **20.7%** yoy – completing **105%** of the AGM's target. This profit is a valuable financial resource for VietinBank to play our role as one of the systematically important state-owned banks and contribute to the state budget revenue and the country's socio-economic development.

02 STRONG IMPLEMENTATION OF COMPREHENSIVE DIGITAL TRANSFORMATION IN BUSINESS AND CORPORATE GOVERNANCE, IMPROVEMENT OF CUSTOMER EXPERIENCE



Adhering to the objectives of the Digital Transformation Plan of the Banking Sector to 2025, with a vision to 2030, VietinBank established the Digital Transformation Steering Committee, urgently deploying the preparation to select a consulting firm to develop digital transformation strategies and plans for the period of 2022-2025, with a vision to 2030 and plan to comprehensively implement the Digital Transformation strategy in the next 3-5 years.

In 2022, VietinBank also actively deployed financial products and services on the basis of modern technology, constantly updating, optimally meeting the financial needs of customers; promoting cooperation activities with great benefits (partnerships with Grab, Manulife, etc.); enhancing customer experience, promoting digital transformation through process automation, Big Data application, enhancing online transactions (eFAST, iPay); promoting cross-selling, shifting distribution channels, analyzing data and applying AI in operating management and business development with the goal of building an ecosystem that meets the maximum needs of customers.

VietinBank continued to promote digital transformation in its operation process to improve its ability to quickly execute at all positions, applied new technologies such as biometric technology to automatically identify and support customers in transactions at the service counters, helping to reduce turnaround time by up to 30%; RPA process automation technology (robotics process automation) helped save up to 65% of processing time for mortgage loan applications with savings cards/books for customers, etc...

Up to now, at VietinBank, **63%** of key banking operations can be performed entirely on digital channels, exceeding the target under the Digital Transformation Plan to 2025 of the banking industry. At the same time, over **80%** of transactions of corporate customers and **97%** of transactions of retail customers are done entirely through digital channels. In addition, VietinBank also automates many internal processes for governance, including the application of digital technology to governance, strengthening risk management, and applying AI to create chatbots to support business.

63%

BANKING OPERATIONS CAN BE PERFORMED ENTIRELY ON DIGITAL CHANNELS

80%

TRANSACTIONS OF CORPORATE CUSTOMERS

&

97%

TRANSACTIONS OF RETAIL CUSTOMERS

ENTIRELY THROUGH DIGITAL CHANNELS

1 - ASSESSMENT OF THE BOARD OF DIRECTORS ON ALL ASPECTS OF OPERATIONS OF VIETINBANK IN 2022

03 CONSOLIDATION OF ORGANIZATION MODEL ASSOCIATED WITH PROACTIVE AND SYNCHRONOUS IMPLEMENTATION OF LEAN SOLUTIONS, IMPROVING HUMAN RESOURCE EFFICIENCY



In 2022, VietinBank will continue to synchronously implement solutions in organization and personnel to ensure timely support for business activities, standardization and specialization in good practices and improve coordination efficiency.

VietinBank continued to consolidate and optimize the organizational model of units at the HO and Branches; strengthen the model of several units to improve efficiency, establish new units to meet business requirements and promote effective coordination among units in the Bank: establishing the Procurement & Assets Management Division, IT Division, Bancassurance Unit; transforming the model of Finance Division, Card Center; regularly review and evaluate the performance of newly established units such as the Business Centre in the South, Financial Solution Development Centre; research and complete the model of Debt Handling Center and Online Retail Hub to put it into practice in 2023.

VietinBank also synchronously implemented solutions to consolidate and improve the quality of human resources at all levels through: (i) Strengthening senior and mid-level personnel to improve governance and administration efficiency through appointment of senior personnel including one member of the BoD and four Deputy General Directors; rotating and appointing mid-level personnel including six Division Directors and three Division Deputy Directors; (ii) To seriously implement the rotation/conversion of positions; (iii) Continue to innovate and be transparent in recruitment, staffing, and creating opportunities of fair promotion for the employees; (iv) Conduct capacity assessment for managers; (v) Carry out performance evaluation and implementation of lean HR solutions; Controlling the headcount growth on the bank-wide level, shifting the HR structure towards focusing on personnel for business activities and increasing labor productivity; (vi) Renovating the salary policy and remuneration mechanism; parallel implementation of the salary package mechanism to optimize the salary fund, strengthen the front-office functions; create motivation to engage and attract experts and high-quality personnel; (vii) Strengthening discipline in parallel with comprehensive reform of the policy system on personnel and salary; (viii) Promoting the implementation of corporate culture, building a working environment that promotes innovation, spreading the Agile working culture; (ix) Implement training to improve staff capacity, identification, training, development, and retention of talents.

04 DEVELOPMENT OF RIGOROUS RISK MANAGEMENT CAPACITIES AND STRICT CONTROL OF ASSETS QUALITY



Risk management continued to be strengthened and complied with the principles and decisions of the State Bank of Vietnam, Basel II standards and in line with advanced practices. VietinBank issued risk limits in line with the regulations of the SBV and VietinBank's risk appetite, early building a credit orientation as a basis for business units to approach and develop customers from the very beginning of a year; Regularly followed up with geopolitical fluctuations, market and macro-economic developments, the actual situation of production and business lines, in order to promptly identify and assess the impact on the assets portfolio of VietinBank and have appropriate solutions and measures.

VietinBank strengthened early risk identification, developed and implemented drastically and effectively measures to handle and recover group-2 debts, bad debts, and written-off debts; strengthening the model of debt settlement, diversifying measures to recover written-off debts, initially implementing centralized handling of large debts and debt collection by proxy. VietinBank also actively increased the provisions to increase the bad debt coverage ratio, helping to increase the financial provision buffer for the Bank's operations in the context of the economy still facing many difficulties and unpredictable fluctuations.

05 INNOVATION OF CORPORATE GOVERNANCE AND MANAGEMENT, ENHANCEMENT OF ROLES AND RESPONSIBILITIES OF SUPERVISION AT ALL LEVELS



VietinBank continued to innovate in governance in a proactive direction, promoting flexible management thinking, promoting the spirit of innovation, enterprising for the common good, and at the same time ensuring integrity, discipline, and strict supervision. In 2022, VietinBank documented regulations to strengthen the role and responsibility of the head persons in organizing and implementing tasks, promoting growth in association with safety and efficiency; completing regulations on supervision activities, especially supervision regulations of the BoD in modern governance practices; renovating the assignment in the work of the BoM to strengthen the role of the BoM members in directing and comprehensively supporting activities at the units assigned to be in charge.

1 - ASSESSMENT OF THE BOARD OF DIRECTORS ON ALL ASPECTS OF OPERATIONS OF VIETINBANK IN 2022

06

PROMOTION OF SUSTAINABLE DEVELOPMENT, CONTRIBUTION TO THE COUNTRY'S SOCIO-ECONOMIC DEVELOPMENT



With its position as the leading commercial bank in Vietnam, playing a pivotal role in the economy, accompanying the development of the country, besides the goal of effective business and profit growth, VietinBank continued to contribute positively to the socio-economic development of the country. VietinBank implemented policies of fee exemption and reduction to support customers (*in which, retail customers can use iPay service free of charge since the beginning of 2022*); took the lead in implementing interest rate support under Decree 31 of the Government, focusing on promoting lending to priority areas under the direction of the Government with the outstanding loans accounting for more than **39%** of the Bank's total outstanding loans.

At the same time, being aware of the important role and influence of environmental and social factors on the bank's sustainable development, realizing the sustainable development goals in the Development Strategy to 2030 with a vision to 2045, VietinBank proactively developed policies and products to create a flexible mechanism for financing green projects, while always prioritizing resources to finance investment projects regarding environmental protection, climate change response and sustainable development. In 2022, the proportion of green project financing in VietinBank's total credit balance increased to **6.05%** (*from 1.47% in 2018*). The total number of customers who signed credit contracts was over 1,000 customers, of which the field that accounts for the largest proportion was renewable energy. In addition, VietinBank actively promoted technology application, built environmentally-friendly customer habits, developed electronic transaction channels via eFAST, iPay, new services and payment methods on the modern technology platform. Accordingly, payment transactions on digital channels in 2022 continued to grow strongly by 92% yoy, contributing to the goal of "greening" the banking system.

2 - SUPERVISION BY THE BOD OVER THE BOM



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 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 2022, the BoM strengthened capacity and improved financial management activities from financial planning, monitoring and administration, operating cost control; flexibly managed capital balance and interest rate policy, optimized capital use efficiency in the context of complicated and challenging market developments; focused on digital transformation, strongly improved products and services with high technology content in order to improve customer service quality; at the same time, strictly controlled asset quality, continuously strengthened credit appraisal and risk management while promoting bad debt recovery and risk settlement. In addition, the BoD also reviewed and consolidated the system of internal management mechanisms, regulations, and policy documents of VietinBank in a streamlined and coherent manner, actively supporting business activities, sped up the resolution of difficulties for Branches to improve competitiveness while strictly controlling material risks.

At monthly meetings of the BoD, the 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; and (vi) business plan in the coming months. The Deputy CEO in-charge of the BoM also reported on progresses and results of the implementation of GMS Resolutions, BoD's resolutions, decisions and directions as well as reports at the request of the Chairman of the BoD, of Board Members and of Committees under the BoD, reports on several topics as required by the BoD to serve the supervision activities of 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 2023

In 2023, the world economy in general and Vietnam in particular are forecasted to still have many potential challenges and risks such as geopolitical conflicts that continue to develop complicatedly, inflation pressures to increase and stay at a high level, tightened monetary and fiscal policies in other economies. However, with a relatively stable macrofoundation, attracting foreign investors and continuously growing in recent years, Vietnam's economy in 2023 still has a lot of room for development and is forecast to reach **6% - 6.5%** (down from **8.02%** in 2022 but still good compared to many economies in the world). The SBV continues to flexibly administer policy tools to stabilize the exchange rate, control inflation, and at the same time ensure liquidity and safety of the banking system, effectively supply capital to the economy, and create favorable conditions for the development of credit institutions.

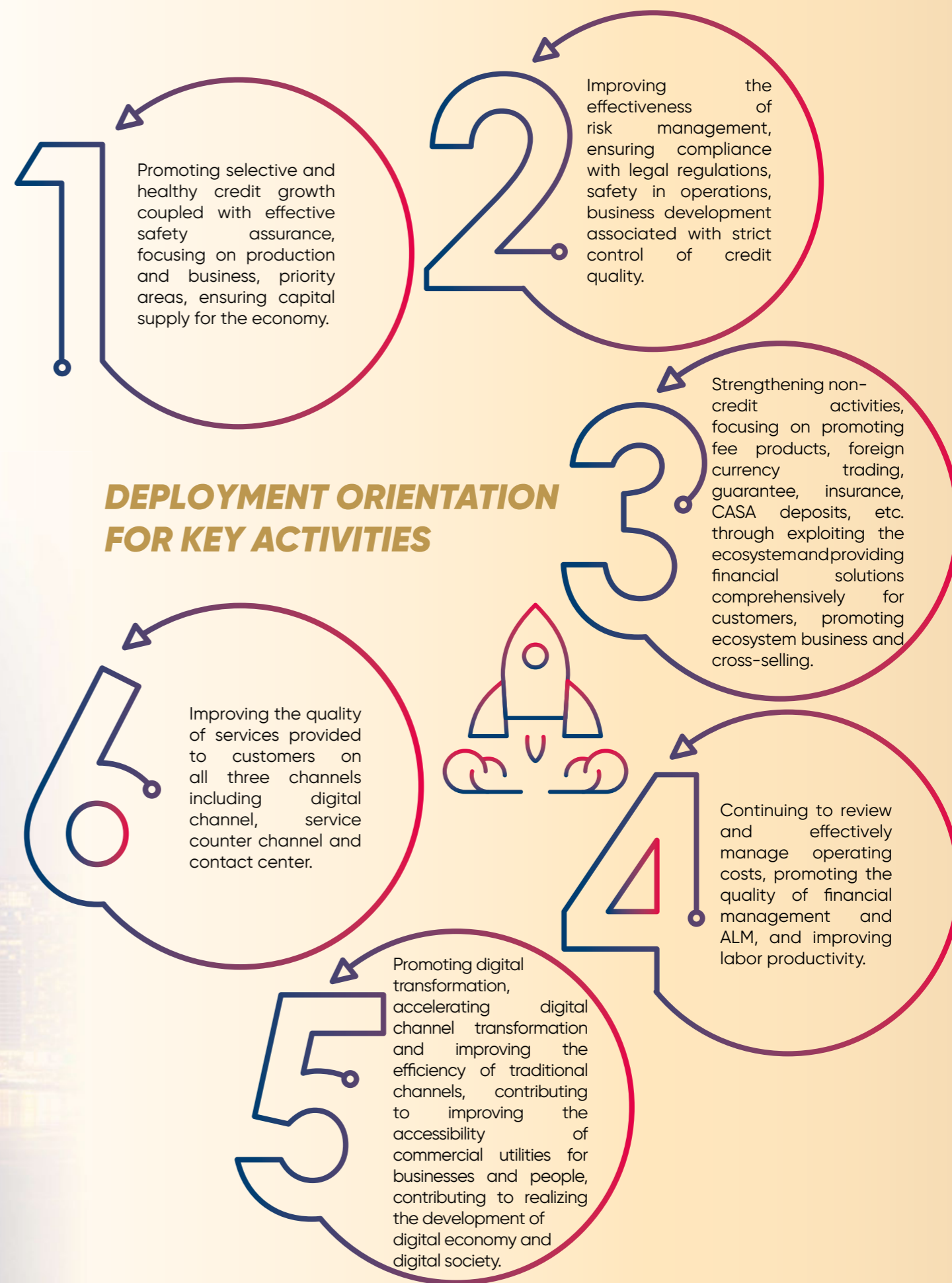
With the goal of taking advantage of market opportunities, exploiting all resources, focusing on effective, safe and sustainable growth, VietinBank orients to focus on implementing

4 business topics including:

- CASA growth;
- Non-interest income growth;
- Ecosystem business and cross-selling;
- Collection of written-off debts.

5 fundamental topics including:

- Good debt quality and credit risk management;
- Effective management of assets & liabilities;
- Improvement of service quality;
- Improvement of labor productivity;
- Development and implementation of digital transformation strategy.




4 - BUSINESS TARGETS FOR 2023




TOTAL ASSETS

Growth rate of 5% – 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



FUNDS MOBILIZATION

Growth in line with credit growth rate, compliant with the SBV's liquidity ratios.




NPL RATIO

< 1.8%




SEPARATE PBT

In accordance with 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.

Building upon our past achievements, executing business themes and foundation themes on the premise of our unity and solidarity, VietinBank will overcome all obstacles, innovate in all areas of business to grow fast, sustainably and efficiently, creating value for the shareholders and employees. Thereby, VietinBank can affirm its role as a key and pillar commercial bank, contributing to the development of the banking industry and the country's socio-economic development.



(1) Final targets are subject to approval of the AGM 2023.

VietinBank Lao Limited

VietinBank VietinBank

05

Corporate Governance

- 1 Activities of the BoD in 2022
- 2 Activities of Supervisory Board in 2022
- 3 Transaction, remuneration and interests of the BoD, Supervisory Board and BoM



Upgrading VietinBank branch in Vientiane, Laos to Vietnam Bank for Industry and Trade Limited in Laos (2015)

1 - ACTIVITIES OF THE BOD IN 2022

BOARD MEMBERS AND STRUCTURE OF THE BOD

- The number of Board Members and their respective share ownership are presented in the table below (as at 31/12/2022):

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. Nguyen Duc Thanh - Board Member	0	0%
8	Mr. Masashige Nakazono - Board Member	0	0%
9	Mr. Masahiko Oki - Board Member and Deputy General Director	0	0%
10	Ms. Nguyen Thi Bac - Independent Board Member	0	0%
TOTAL		3,097,987,601	64.4642%

- As at 31/12/2022, there is one Board Member of VietinBank who is currently holding management position at other company, being Ms. Pham Thi Thanh Hoai - concurrently holding the position of Chairwoman of VietinBank Laos.
- Independent Board Member: as at 31/12/2022, VietinBank BoD comprised of 1 Independent Board Member Ms. Nguyen Thi Bac.
- Changes in Board Members during the year 2022: (please refer to "VietinBank Leadership Team" on page 26)

COMMITTEES UNDER THE BOD

VietinBank has 03 committees under the BoD, namely Human Resource (HR) Committee, Risk Management Committee (RMC) and Policy Committee. The establishment of these Committees complied with the regulations of the SBV and the provisions of law. The BoD assessed that in 2022, the Committees worked closely with relevant departments and units to fully, timely and effectively carry out their functions and duties according to their Regulations on Organization and Operation issued by the BoD respectively. Thereby, the Committees under the BoD helped the BoD to enhance the effectiveness of governance, the effectiveness of supervisory activities of the BoD towards units and individuals under the supervision of the BoD in the VietinBank system. Specific results are as follow:

- HR Committee:** 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 titles under the BoD's authority; assisting the BoD in supervising the implementation of HR mechanism and policies as well as HR management activities of VietinBank. Regarding the composition, the Chairman of VietinBank's BoD is also the Chairman of HRC, one Board Member cum Head of Human Resources Division is the Vice Chairman of HRC and the other 2 members of HRC is the Deputy General Director in charge of the BoM and Director of HR Development Department. In 2022, HR Committee advised and assisted the BoD in improving the quality of human resources at all levels, including: (i) Consolidating high-level personnel (additional election of 01 Board Member and 04 Deputy General Directors); rotation and appointment of Directors/Deputy Directors of Division; consolidating the titles of full-time Capital Representative, Board Members/Council Members for VietinBank's subsidiaries in order to strengthen control over business activities and develop VietinBank's ecosystem; (ii) Developing team capacity, transparency in recruitment examination, staff arrangement, creating equal promotion opportunities for staffs, especially the core management staffs; (iii) Implement personnel planning at all levels and promote the rotation of managers between Head Office and branches to increase practical experience. Regarding the organizational model: HR Committee advised and assisted the BoD in continuing to transform the model in the direction of leanness, specialization and improved coordination among units: (i) Propose and implement the establishment of IT Division, Finance Division, Purchasing & Asset Management Division, transform the model of Card Center; (ii) Research/deploy models to promote business strategies, support product development and direct sales departments; (iii) Renovate the salary and remuneration policy in order to effectively use the salary fund, properly recognize and pay appropriately for the contributions of employees that directly create products and efficiency. In 2023, the HR Committee will continue to promote research and advise the BoD on advanced and modern HR management strategies, following international practices, ensuring support for the effective, safe and sustainable implementation of business strategies.
- RMC:** The personnel structure of the RMC includes 1 Board Member being the Chairman of the RMC, and other members namely: an independent Board Member, Deputy General Director in charge of Risk Management Division, Director of Risk Management Division, the Deputy Director of the Legal & Compliance Division cum Director of Compliance Management Dept., the Deputy Head of HR Division cum Director of HR Development Dept. and the Director of Internal Control Dept. In 2022, the RMC actively advised the BoD on several risk management policies, guidelines



1 - ACTIVITIES OF THE BOD IN 2022

and directions such as: credit orientation; strictly control the compliance with risk appetite and credit growth ceiling of the State Bank, which included controlling credit granting for real estate business, assessing retail credit portfolio and proposing appropriate risk management measures; strengthened measures to control potentially risky transactions in core operations, ensuring safety for banking operations; additional measures to control technological risks; review of additional tools to control transactions related to embargoes and sanctions against Russia; research and implementation of risk management methods according to regional and international practices... In addition, on the basis of monitoring the evolution of the risk status at VietinBank, the RMC proposed and recommended the BoD many important contents regarding risk management, ensuring VietinBank's business activities being safe, efficient and in compliance with the provisions of the Law in the context of the economy still facing many difficulties due to the impact of the COVID-19 epidemic, the conflict between Russia and Ukraine as well as fluctuations in the bond, stock, and real estates markets. Besides, the RMC advised the BoD to implement key projects related to risk management activities, helping to minimize risks and maximize profits, towards safe, effective and sustainable business growth. In the coming time, the RMC should continue to promote and enhance its advisory role for the BoD in implementing initiatives towards advanced international practices on risk management; strengthen supervision of the implementation of the instructions of the RMC to ensure effective implementation of measures to prevent risks, promptly respond to and maintain safe and effective business activities in the face of fluctuations in the economy.

- Policy Committee:** performs 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 in charge of 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. Continuing to implement the orientation of the Steering Committee for restructuring the system of policy documents, in the first months of 2022, the policy committee focused on directing the focal units to issue/manage policy documents to review the entire system of policy documents and refer to the document system of other relevant credit institutions to identify outstanding problems as a basis for proposing and approving the plan to restructure the system of policy documents according to the principle of streamlining quantity and content, improving the quality of documents, aiming to user-friendly and especially customer-centric orientation. In 2022, In addition to controlling the bibliographic tree of policy documents, the implementation progress as well as the quality of the promulgation of the document management focal units to give timely direction to ensure the restructuring plan being implemented in accordance with the approved schedule and orientation, the policy committee also identified other outstanding issues of the policy document system related to the adjustment of the document system when the law changed; the development and management of a set of contract templates that VietinBank signed with customers...for timely guidance, contributing to a complete and synchronous system of policy documents. It is expected that in 2023, the policy committee will continue to strengthen the supervision of units in the implementation of the restructuring plan to build a lean and complete document system. In addition, the policy committee also increased the requirements for units to self-identify outstanding issues during the implementation of the document in order to propose appropriate adjustments and promote business activities yet still comply with the law.

ACTIVITIES OF THE BOD IN 2022

In 2022, VietinBank's BoD held periodical 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 and approved issues under BoD's approval authority through written – opinion form. 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		306/306	100%	
2	Mr. Tran Van Tan	Board member	23/04/2019		305/306	99.67%	Business trip
3	Mr. Le Thanh Tung	Board member	03/11/2021		306/306	100%	
4	Ms. Tran Thu Huyen	Board member	24/07/2014		305/306	99.67%	Business trip
5	Mr. Nguyen The Huan	Board member	23/04/2019		306/306	100%	
6	Ms. Pham Thi Thanh Hoai	Board member	23/04/2019		306/306	100%	
7	Mr. Nguyen Duc Thanh (1)	Board member	29/04/2022		218/218	100%	
8	Mr. Masahiko Oki	Board member cum Deputy CEO	23/05/2020		306/306	100%	
9	Mr. Masashige Nakazono	Board member	16/04/2021		306/306	100%	
10	Ms. Nguyen Thi Bac	Independent	23/05/2020		306/306	100%	

Notes:

(1) Attend BoD meetings and give written opinions since 29/04/2022 (start being a BoD member)

- The total number of meetings of the BoD in 2022 was **306**, including **11** in-person monthly meetings and **295** times of written opinions. Contents and voting results of these meetings were presented in Appendix 01, Corporate Governance Report 2022 which was publicly disclosed on VietinBank's IR website at the link:

<https://investor.vietinbank.vn/Handlers/DownloadAttachedFile.ashx?NewsID=86338>

- 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: are non-residential Board members, (i) attended some BoD's in-person meetings and (ii) gave written opinions to the BoD.

- From 01/01/2022 to 29/04/2022: 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.

- From 29/04/2022 to 30/06/2022: VietinBank's BoD for the term of 2019-2024 includes **10** 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. Nguyen Duc Thanh – 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 2022

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 according to regulations:**
 - Participating fully in all meetings of the BoD, giving opinions/casting votes on discussed contents with the sense of ensuring compliance with the provisions of Law, Charter, internal regulations and in constructive dialogues to build VietinBank to develop sustainably, safely and effectively.
 - Regarding issues under the BoD's authority that are voted in the form of written opinions: Independent Board Member studied, thoroughly reviewed the dossiers attached to the opinion form and commented or voted independently, ensuring compliance with laws and internal policies of VietinBank and timeline, specifically:
 - > 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.
 - > Giving comments/casting vote to approve issues related to credit activities under the BoD's authority.
 - > 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.
 - > In addition, doing research and giving comments on a number of internal regulations in the drafting process such as: draft regulations on management of capital construction projects of VietinBank; draft working statutes of the BoM and Division Directors of VietinBank; the draft regulation on the process of debt collection through out-of-court conciliation, participation in legal proceedings and enforcement of civil court decisions in VietinBank system.
- **Performing the duties of an Independent Board Member:**
 - 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 in accordance with the law and the Charter of VietinBank.

- **Participating in solving legal issues as assigned by the BoD:** making reports and giving opinions responsibly on the issues assigned for juridical advice and support, ensuring compliance with law and regulations.
- **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 BoM in 2022.**



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



1 - ACTIVITIES OF THE BOD IN 2022

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 2022, VietinBank's BoD, Supervisory Board, BoM and Directors of Head Office departments/divisions as well as Branches attended in-person, 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 international practices to continuously improve and enhance the management and governance of VietinBank's business activities.



Below are several courses that VietinBank's senior leaders and managers attended in 2022:

STT	Course name	Course duration	Number of senior leaders participated
1	Certificate for Board Member (provide students with professional knowledge on corporate governance, good corporate governance practices in the region and in the world, and update leadership skills in a challenging working environment for Board Members).	3 sessions	1 person
2	Internal audit in banking activities	2 sessions	1 person
3	Global Leadership (long-term training program from October 2022 to March 2023)	long term	3 people
4	New management method, flexible management	1 session	5 people
5	Human Resources Management	1 session	3 people
6	Change Management	1 session	1 person
7	Training to apply lean six sigma improvement method	2 sessions	3 people
8	Excellent Customer Experience	4 sessions	1 person
9	Seminar: Solving capital difficulties for businesses	1 session	1 person
10	Workshop on Capital Markets topic	1 session	1 person
11	Conference on international and Vietnam economic prospects 2023 (13-14 December 2022)	1 session	All Members of BoD and BoM

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 2022

In 2022, the Supervisory Board held 15 meetings to carry out work, discuss and give opinions on the contents within the scope of work, responsibilities and rights of the Supervisory Board. Meeting attendance rate reached 100%, specifically:

No.	Members of Supervisory Board	Number of meetings attended	Attendance rate	Voting rate	Reasons for absence
1	Ms. Le Anh Ha	15/15	100%	100%	
2	Ms. Nguyen Thi Anh Thu	15/15	100%	100%	
3	Ms. Pham Thi Thom	15/15	100%	100%	

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

In 2022, the Supervisory Board implemented the tasks and rights set forth in VietinBank's Charter and Regulations on organization and operation of the Supervisory Board. The supervision of the Supervisory Board over the BoD, the BoM and shareholders was implemented through the followings:

- Supervising the BoD and General Director in the management and administration of VietinBank (including checking the rationality, legality, honesty and prudence in business management and administration; appraising the adequacy, legitimacy and truthfulness of the report on evaluation of the management of the BoD);
- High-level supervision for internal audit;
- Appraisal of VietinBank's six-month and annual financial statements (including checking the systematicity, consistency and suitability of accounting, statistical and financial statement preparation);
- 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.

The results of several specific tasks are as follows:

SUPERVISING THE BOD AND GENERAL DIRECTOR IN THE MANAGEMENT AND ADMINISTRATION OF VIETINBANK

The Supervisory Board has supervised the BoD and BoM in complying with the provisions of the Law and the Bank's Charter in governance and administration in order to comply with VietinBank's 2022 financial orientation and goals approved by the GMS. Based on the monitoring results, basically, the BoD and BoM directed and operated VietinBank's business activities in accordance with the objectives and complied with the provisions of the Law on Credit Institutions and the Bank's Charter. The Supervisory Board carried out regular and continuous monitoring activities through the following specific actions:



i. 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.

ii. Review 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. The assessment of compliance and suitability of policy documents is specifically done through internal audit activities.

iii. Control internal audit data and results:

On the basis of periodic reports and ad-hoc reports on the results of each internal audit, the Supervisory Board considered and evaluated the issues recorded through the audit activities, identified material issues, and transmitted them to the content of the report to the BoD and BoM at regular meetings.

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

In 2022, the Supervisory Board regularly directed and supervised the Internal Audit Department's activities according to the approved functions, tasks and plans. The Supervisory Board directed the Internal Audit Department to carry out unit-by-unit and thematic audits, assess the compliance with legal regulations, internal mechanisms/policies/regulations on senior supervision, internal control and risks management, identification of limitations and causes. Thereby, the Supervisory Board proposed and made recommendations to the competent authorities to handle the shortcomings and limitations. The high-level supervision of the Internal Audit Department was implemented through the role of the Person-in-charge in each 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.

2 - ACTIVITIES OF SUPERVISORY BOARD IN 2022

APPRAISAL OF FINANCIAL STATEMENTS

Performing the functions and duties as prescribed in VietinBank Charter as well as Regulation on organization and operation of the Supervisory Board, the Supervisory Board established an Appraisal Team to appraise the audited 2021 financial statements and reviewed 1H2022 financial statements. Through the appraisal, the Supervisory Board assessed the reasonableness, legitimacy, honesty and carefulness in accounting, statistics and preparation of financial statements. The appraisal results showed that VietinBank's financial statements had been prepared and reviewed in accordance with the provisions of law, and reflected honestly and reasonably, in all material aspects, the financial position of VietinBank.

UPDATING THE LIST OF MAJOR SHAREHOLDERS AND AFFILIATED PERSONS OF MEMBERS OF THE BOD, MEMBERS OF THE SUPERVISORY BOARD AND MEMBERS OF THE BOM

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 2022 had several changes compared to that of year end 2021 due to some changes in the BoD members for the term of 2019-2024, appointment of new Deputy General Directors of the BoM and change of the Person in charge of Corporate Governance. Specifically:

- The additional election of Mr. Nguyen Duc Thanh to hold the position of VietinBank's Board Members for the term 2019-2024 since 29/04/2022;
- The appointment of Mr. Le Duy Hai – Head of Corporate Banking Division to hold the position of VietinBank's Deputy General Director since 09/05/2022;
- The appointment of Mr. Nguyen Tran Manh Trung – Director of VietinBank Hanoi City Branch to hold the position of VietinBank's Deputy General Director since 12/05/2022;
- The appointment of Mr. Hoang Ngoc Phuong – Head of Operation Division to hold the position of VietinBank's Deputy General Director since 12/05/2022.
- The appointment of Mr. Do Thanh Son – Chairman of the Council Member of Ocean Commercial Bank, Ltd to hold the position of VietinBank's Deputy General Director since 11/10/2022.



- The dismissal of Mr. Duong Van Quan, former Chief of the Office of the BoD of VietinBank, Director of VietinBank Hanoi City Branch cum Assistant to the Chairman of VietinBank from the position of the Person in charge of Corporate Governance since 18/10/2022.
- The appointment of Mr. Dong Xuan Hung – Acting Chief of the Office of the BoD of VietinBank to hold the position of the Person in charge of Corporate Governance since 18/10/2022.

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 2022, the Supervisory Board reviewed contracts between VietinBank and institutional affiliated entities (subsidiaries, affiliated companies, major shareholder). The reviews showed that the signing and implementation of the contracts had a legal basis and approval of the BoD in accordance with its authority and was disclosed according to regulations.

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 two-way 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 governance and management 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. On the other hand, the BoD and the BoM also created conditions for the Supervisory Board to perform their duties and responsibilities as prescribed. The advice and recommendations of the Supervisory Board and Internal Audit were recognized by the BoD and BoM to direct relevant units to follow on a roadmap basis.

OTHER ACTIVITIES OF THE SUPERVISORY BOARD

The Supervisory Board made specific recommendations and notes of advisory nature on the governance and management 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.



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 2022, the remuneration of the BoD and Supervisory Board was **0.16%** of profit after tax (in compliance with Article 5, Resolution of the AGM 2022 No. 25/NQ-ĐHĐCĐ dated 29/04/2022 approving remuneration amount of the BoD and Supervisory Board realized in 2022 maximum to 0.28% of profit after tax of 2022). Details are presented in Part 7 - Audited Consolidated FS 2022 - Notes 43 Transactions and balances with related parties.

TRANSACTIONS OF INTERNAL PERSONS AND THEIR AFFILIATED PERSONS

In 2022, there was no transaction by internal persons and their affiliated persons related to CTG stocks of VietinBank.

CONTRACTS OR TRANSACTIONS WITH INTERNAL SHAREHOLDERS

No activity recorded in 2022.

IMPLEMENTATION OF REGULATIONS ON CORPORATE GOVERNANCE

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

On 18/10/2022, VietinBank's BoD issued Decision No. 356/NQ-HĐQT-NHCT-VPHĐQT1 on changing the Person in charge of Corporate Governance. Accordingly, the BoD of VietinBank dismissed Mr. Duong Van Quan, former Chief of the Office of the BoD of VietinBank, Director of VietinBank - Hanoi City Branch cum Assistant to the Chairman of the BoD of VietinBank, from the position of Person in charge of Corporate Governance and appointed Mr. **Dong Xuan Hung** - Acting Chief of the Office 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/Handlers/DownloadAttachedFile.ashx?NewsID=86307>.

Mùa Xuân cho em
 LẦN THỨ 15
 Chủ đề: Vì ngày mai tươi sáng

06

Sustainable Development Report

- 1 Thrift practice and compliance with the law 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



VietinBank sponsored VND 2 billion for the event "Spring for you"

1 - THRIFT PRACTICE AND COMPLIANCE WITH THE LAW ON ENVIRONMENTAL PROTECTION

THRIFT PRACTICE

Following the action plan of the Government and the Banking sector on the practice of thrift and anti-waste, over the past few years, this practice has been taken seriously by VietinBank through bank-wide communication, direction, instruction and implementation. As a result, VietinBank made positive achievements in the practice of thrift and anti-waste in 2022:

- *Communication, popularization and thorough education on the practice of thrift and anti-waste:*

+ The training, thorough education, and execution of the Government's law/the Banking sector's action plan on the practice of thrift and anti-waste were maintained and unified throughout the system from the HO to branches/subsidiaries, and consistent at all levels of the Party's organizations, the Trade Union, and the Youth Union with unit/position-based forms and methods of communication and popularization. Accordingly, VietinBank employees had better understanding and awareness, and took specific actions to promote fundamental changes in working style, administrative reform, practice of thrift and anti-waste.

+ In 2022, VietinBank issued documents related to the practice of thrift and anti-waste, including the project on "Electricity savings and efficiency" to reduce operating costs in line with VietinBank's operating targets as well as market characteristics and conditions.

The directions on the practice of thrift and anti-waste were elaborated on scope, progress, objectives, and mechanism on inspection, supervision and complete performance review report.

- *Results of thrift and anti-waste practice*

+ The adoption of power savings and efficiency measures proved extremely fruitful: (i) Reducing electricity consumption by more than **2%/year** on average, contributing to the conservation of national primary energy sources, the reduction of greenhouse gas emissions, the environmental protection and the response to global climate change; (ii) Cutting the cost of clean water by **2%/year** on average, helping save the national clean water source. In 2022, VietinBank was the only bank to be honored by Hanoi People's Committee with the accolade of "**4-star green building**" for the HO at 108 Tran Hung Dao, Hoan Kiem, Hanoi.

+ VietinBank carried out procurement and repair in accordance with the provisions of applicable laws, processes, and regulations, evaluated, selected effective investment scale, scope, and forms. Procurement and repair items were of the right type, quality and on schedule. The total number of procurement and repair packages in 2022 was **85** bidding packages, totaling over VND **50** billion. Through the appraisal, approval of projects, total cost estimate, competitive bidding and verification, approval of the final settlement, VietinBank saved about **VND 1.2 billion** in the procurement plan.

+ In 2022, VietinBank developed a plan to control the use of cars: (i) Quota on shared cars/branch, unit; (ii) Norms for travel distance (in kilometers) of cars (excluding cash vans). It is expected to save VND **15** billion/year once the control plan is in place.

In terms of human resources savings and efficiency, along with timely allocation of staff to deliver the business plan, VietinBank regularly implemented personnel restructuring and planning solutions in line with the medium-term goals of controlling staffing increase in pursuit of lean and improved workforce throughout the bank. Specifically:

- Aligned headcount increase with MTBP, ensuring that the actual staffing of the HO and branches in 2022 neither increases year-over-year 2021 nor exceeds the 2022's headcount;
- Continued to improve bank-wide labor productivity. The 2022's labor productivity in terms of profit-before-tax per capita went up **18%** year-over-year 2021;
- Restructured the workforce in the direction of downsizing the personnel at the HO and support functions to focus on front-office and branch's staffing. The ratio of branch's and front-office personnel in 2022 were **84.8%** and **73.6%**, respectively.

Thanks to the foregoing thrift practices and effective cost management, VietinBank's full-year CIR in 2022 was **29.6%**, better than the ratio of 32.3% in 2021.

COMPLIANCE WITH LAWS ON ENVIRONMENTAL PROTECTION

VietinBank always complies with applicable laws on environmental protection, specifically the Law on Environmental Protection, Decree No. 08/2022/ND-CP by the Government detailing a number of articles in the Law on Environmental Protection; Circular No. 02/2022/TT-BTNMT elaborating on the execution of a number of articles in the Law on Environmental Protection. On an annual basis, VietinBank signs service contracts with professional agencies to perform regular monitoring of wastewater and working environment, and signs contracts for collection, transportation and treatment of waste at headquarters in accordance with applicable laws. At the same time, VietinBank also issued and disseminated the Guidelines for the implementation of Regulations on Occupational Safety and Health across the bank.

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 TO FINANCE INVESTMENT PROJECTS IN ENVIRONMENTAL PROTECTION, RESPONSE TO CLIMATE CHANGE AND SUSTAINABLE DEVELOPMENT; CREDIT PROGRAM FOR ENERGY SAVING AND EFFICIENCY PROJECTS

Following Vietnam's strong commitment to a carbon-neutral roadmap and net zero orientation by 2050 at the 26th United Nations Climate Change Conference in 2021 (COP 26), in 2022, the Government of Vietnam took the initiative in developing an action plan and initially implemented pivotal actions to this end. In order to help realize Vietnam's commitments at COP 26, VietinBank actively contributed initiatives for sustainable development by participating in green project financing, giving comments on relevant documents of the State agencies.

Besides, based on the direction of the SBV, the support from the ecosystem of partner banks of VietinBank such as MUFG, Danamong, Krungsri, etc., VietinBank's key staff received regular training and updates on investment trends and policies related to green projects in the world; at the same time, planned to develop VietinBank's overall sustainable development strategy and target product tree in this field.

Apart from the general policies, VietinBank issued special products and promotion programs for the green sector, i.e investment in rooftop solar power projects, guideline on solar power project financing, and guideline on wind power project financing, etc. The taken actions helped grow VietinBank's outstanding green loans

over the years, advancing the portion of green project financing out of the bank's total credit exposure from **1.47 %** in 2018 to **6.05%** in 2022. The total number of customers who signed credit contracts was over **1,000** customers, majorly in the renewable energy.

Going forward, the sustainable development, climate change and green growth topics will continue to be incorporated into credit programs and projects; at the same time, the research and development of deposit and credit products in low-carbon industries will be further promoted in contribution to environmental protection, improved efficiency of resources and energy use.

In addition, in order to attract more funding for green projects, VietinBank will continue to connect with regional partners and financial institutions to build appropriate funding structures, launch products and services at the bank's advantages in facilitation of access to green funding.

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

In recent years, although the borrowing ODA and concessional loans from foreign donors has become subdued, this source of fund still makes a positive contribution to the economic growth and development. In such context, VietinBank still remained in the group of commercial banks holding a major market share in terms of mobilizing, managing and disbursing international fund for projects/programs every

year. Specifically, VietinBank was further selected as the on-lending and service bank, managing funds and multiple international credit programs. VietinBank served some projects, namely: Hanoi Metro Rail System Project - Line 3 Nhon - Hanoi Station; Ho Chi Minh Metro Rail System Project - Line 2 Ben Thanh - Tham Luong, Thai Binh Thermal Power Plant Project (USD 1.2 billion), Da Nang - Quang Ngai Expressway Project (\$673 million), Project on Construction of International Passenger Terminal T2 at Noi Bai International Airport, Project on "Component 1A of Tan Van - Nhon Trach section of Ho Chi Minh City's Ring Road No. 3" (USD 300 million); etc. These are all national key projects to which the State and Government pay special attention.

The attraction of ODA projects and foreign concessional loans has been well orchestrated by VietinBank since 2009 and only after a short period of time, VietinBank has become one of the leading state-owned commercial banks assigned to serve many huge projects financed by foreign governments, i.e Japan, France, Germany, Korea, etc. and by international financial institutions, i.e Japan International Cooperation Agency (JICA), World Bank (WB), Asian Development Bank (ADB), European Investment Bank (EIB), etc.

The projects were served, disbursed quickly, efficiently and safely by VietinBank according to the regulations of the Donors and the Government of Vietnam. Disbursement activities, and risk management standards were benchmarked to international practices. Through servicing and on-lending of nationwide programs/projects such as electricity grid



improvement, power transmission, education, water supply, and environmental sanitation, VietinBank made positive contributions to the production and business activities of enterprises, advancing hunger eradication and poverty reduction, improving the social quality of life, and developing key economic sectors of the country.

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

Green bonds are issued by the Government, local authorities, enterprises, etc. to raise fund for environmental protection activities and investment projects that bring environmental benefits. Green bonds have been considered an effective instrument of mobilizing capital



2 - BUSINESS ACTIVITIES TOWARD GREEN ENVIRONMENT AND SOCIETY

from the private sector for projects with environmental and social benefits in support of the Sustainable Development Goals and the 2015 Paris Climate Agreement. In recent years, the development of the green bond market has attracted a large number of international investors. The community of institutional investors (pension fund managers, wealth management companies, high-net-worth individuals) with large investment portfolios, including investors with sustainability-related goals, are looking for more green investment opportunities in developing markets.

As one of the countries heavily affected by annual natural disasters and climate change, Vietnam identifies green growth as an important strategy towards sustainable development, the green bonds will help Vietnam raise capital to improve adaptability and deliver committed goals on climate change, since currently

Vietnam ranks in top 6

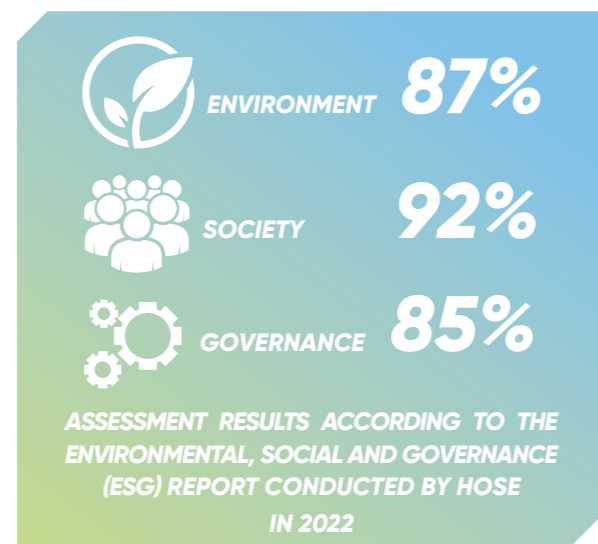


countries most affected by climate change. On June 15 and 16, 2022, the State Securities Commission and the The German Agency for International (GIZ) organized a training program on "Issuing green bonds in Vietnam" to enhance the capacity of key market organizations.

As a member and maker in the debt instrument market, VietinBank has been actively participating and cooperating with large financial institutions such as the International Finance Corporation (IFC), the Asian Development Bank (ADB) and MUFG Bank in researching and seeking opportunities to participate in the potential green bond market in Vietnam.

VietinBank was also highly appreciated by HOSE for sustainable development according to the Environment, Society and Governance (ESG) report in 2022. The report assessed policy objectives, management systems, the roles of stakeholders, information disclosure and transparency, responsibilities of the BoD and control environment in terms of Environment, Society and Governance. According to the assessment results, VietinBank achieved 87% (Environment - 87%, Society - 92% and Governance - 85%), VietinBank's performance were assessed to be above the industry average, especially with regard to the Environment index, which demonstrated a significant improvement vs. 2021.

VietinBank believes that the green bond market will open up new funding channels for long-term investment projects in the field of infrastructure and renewable energy, helping increase capital to support green growth and sustainable development in Vietnam.



3 - RESPONSIBILITIES TO OUR CUSTOMERS

OVER 4,000,000
times of customer being served through various service touch points

LEADING CONTACT CENTER VIETNAM

5 YEARS IN A ROW

Taking the lead in customer care services in Vietnam's banking industry

2018 - 2022

Following 2020-2021, in 2022, the world's and Vietnam's economies continued to face challenges and difficulties from the aftermath of the COVID-19 pandemic, the Russia-Ukraine military conflict, the embargo, the energy crisis and the high inflation. This was considered a turbulent year for the global production and business. Vietnam's economy, with its increasing openness, was not outside the recessionary influence of the world's economy. Therefore, besides supporting policies from the Government, VietinBank provided appropriate and timely support for different customer segments.

Upholding "customer centricity" as the core value, VietinBank always met diverse needs of customers with value-added services at competitive prices and the best services. At the same time, VietinBank built sustainable relationships with customers from approaching, advising to delivery of services and finally after-sales services.

BANK-WIDE CUSTOMER CARE AND SUPPORT

With a large customer base including both

corporate and retail customers, VietinBank always paid special attention to and constantly improved the quality of bank-wide customer care and support across the bank by issuing policy documents, regulations, processes, guidelines, manuals, and handbooks to manage customer service quality. In 2022, VietinBank issued **a set of service quality standards on customer touch points**; at the same time, communicated widely to employees across the bank.

In 2022, along with the drastic migration to electronic channels, the demand for advice, support, etc. through the call center also increased rapidly. The Contact Center made efforts to innovate and enhance systems, improve the quality of human resources in contribution to improved productivity and operational efficiency and optimal satisfaction of customer needs. Specifically, the Contact Center served **more than 4 million** customers through such touch points as: phone, email, fan page inbox and IVR; conducted marketing, sales and surveys among **more than 413,000** customers; completely resolved **more than 85,600** problems, complaints and feedback from customers, helping enhance customer engagement and satisfaction.

3 - RESPONSIBILITIES TO OUR CUSTOMERS



In parallel with above activities, in order to lay a foundation for developing new service channels in 2022, the Contact Center implemented the Contact Center Omni-channel; at the same time, developed extended arms in the North, the Central and the South in order to pioneer in customizing customer service to local cultural characteristics. With the focus on improving service quality, the customer satisfaction index (CSI) at the Contact Center reached **85%**, far exceeding the industry standard (78%), showing a high level of trust and sustainable connection throughout VietinBank's journey to improve customer experiences.

In recognition of the persistent efforts and integrated solutions of VietinBank in improving the service quality and enhancing customer satisfaction throughout the time; the Global Banking & Finance Review magazine awarded VietinBank with the prestigious accolade of **"The Leading Contact Center of Vietnam" for 5 consecutive years (2018-2022)** and the accolade of **"Banking Customer Satisfaction and Happiness" in 2022.**

CORPORATE CUSTOMER CARE AND SUPPORT

In 2022, the corporate customer care and support were elaborated through following

preferential lending programs and interest rate support packages:

- Continued to maintain support and preferential policies for corporate customers affected by the COVID-19 pandemic in the first 6 months of 2022. Based on the extent of the impact of the COVID-19 pandemic on customers, VietinBank proactively reviewed and considered preferential policies for corporate customers: (i) Continuing to apply preferential interest rate programs for corporate customers affected by the COVID-19 pandemic; (ii) Maintaining the preferential interest rate applicable before the rescheduling of debt repayment; exempting and reducing lending interest rate for short-term loans with rescheduled repayment; (iii) Reducing lending interest rate by up to 0.5%/year compared to the applicable interest rate for loans without rescheduled repayment; exempting/reducing interest/maintaining the same debt groups due to the impact of COVID-19 pandemic; (iv) Waiving service maintenance fee, transaction fees on eFAST channel, reducing up to 100% of international payment and trade finance fees compared to the applicable fee schedule; (v) Restructuring debt, maintaining the same debt group for corporate customers struggling in payment cash flow due to the

impact of the COVID-19 pandemic in line with regulations.

- Provided lending interest rate support under the direction of the Government as per Decree 31/2022/ND-CP and Circular 03/2022/NHNN-TD: 2% interest rate support program as per regulations from the State budget is a solution for people, businesses in industries and fields heavily affected by the COVID-19 pandemic to access capital at low cost, develop production and business activities, laying a foundation for strong economic recovery and growth;

- In late 2022 and early 2023, VietinBank continued to add VND **5,000** billion to the preferential interest rate package with an interest rate up to **2.0% p.a lower** compared to regulations. The preferential interest rate applies to both VND and USD loans with a term of up to 6 months arising from the start of the program until the end of February 28, 2023. The program is exclusively for businesses in the provinces of the Mekong Delta, operating in the key fields, industries or borrowing for the key industries in the Mekong Delta such as fisheries, rice, agriculture, agricultural materials, animal feed, forestry, and etc.

2022 was a tough year for credit institutions in controlling cost of fund and credit growth limits; however, VietinBank still made an effort to maintain credit programs, credit packages and preferential fees for corporate customers, specifically:

- The Program on Accompanying Large

Corporates; Credit Package for Real Estate in Industrial Zones; Program on Medium and Long Term Loan with Fixed Interest Rate, Fee Exemption/Reduction Mechanism for Strategic Customers of VietinBank; Priority Package for Short Term Loan Disbursement with focus on credit extension to micro and super micro sub-segments (who are in need of credit; decentralizing credit risks for the Bank);

- VietinBank implemented a variety of business promotion methods to increase competitiveness and attract depositors such as: Program on Payment of Referral Commissions to Individuals and Organizations to introduce new SME customers; Promotion Program for Customers with Fixed Deposits "Depositing in the golden season, receiving countless gifts" with total prize value of up to VND 3 billion;

- VietinBank promoted trade finance and guarantee products to increase guarantee fee income: launched a Promotion Program for SME customers who apply for guarantee issuance "Issuing guarantees to win fortunes" with many valuable gifts delivered to customers;

- VietinBank actively promoted communication to customers about eFAST and ERP as two main transaction channels. In order to encourage customers to quickly use eFAST, VietinBank launched the promotion program "Opening eFAST now to win millions". The program attracted a large number of interested customers, contributing to an increase in the number of new eFAST users;



3 - RESPONSIBILITIES TO OUR CUSTOMERS



● VietinBank also actively researched and issued comprehensive financial product packages for specific industries/enterprises, key projects such as: financial solution package for contractors of the North-South expressway project, package of products and services for contractors of Long Thanh airport, promotion package for groups of customers who are petroleum traders, credit package for customers in the Mekong Delta, etc. VietinBank provided corporate customers with preferential policies customized to the characteristics of industries, business fields and business relationships in the supply/distribution chain; brought added value to corporate customers based on the advantages of the industry and value chain.

In addition, VietinBank offered domestic and international business matching solutions to support corporate customers in boosting partnership, business cooperation, and expanding market presence. At the same time, together with subsidiaries and affiliates in the ecosystem, VietinBank provided comprehensive financial solutions to meet increasing demands in business activities of corporate customers. Promoting the role of a large State-owned commercial bank, VietinBank further proved to be a reliable partner and maintained the leading position in delivering financial services to large State-owned and private corporations/groups,

prioritizing funding for key national projects such as renewable energy projects, real estate in industrial zones, road transport, etc. contributing to the country's economic development.

VietinBank continued to affirm the prestige in the market, making a good impression on customers and the business community. In August, 2022, VietinBank was honored with the **"Project Infrastructure Finance Deal of the Year" award** at the Corporate and Investment Banking Awards 2022 hosted by The Asian Banking & Finance. Accordingly, the deal closed by VietinBank is to finance an important project related to the expansion of a leading industrial park in a key emerging economic zone of Vietnam. This project is expected to attract large amounts of foreign investment and create thousands of new jobs.

CUSTOMER CARE & SUPPORT FOR FINANCIAL INSTITUTIONS

As one of the leading state-owned joint stock commercial banks in Vietnam market, VietinBank has always received the attention and cooperation of many domestic and foreign financial institutions (FI). In 2022, VietinBank is constantly developing and expanding comprehensive cooperation with FI customer segments including domestic commercial banks, foreign banks, securities companies, insurance companies,

fund management companies, etc. In particular, VietinBank always focuses on developing sales promotion policies, credit approval policies and risk appetite, developing products and services specifically for the financial institution customer segment. As an intermediary ecosystem ready to connect with all partners, VietinBank continues to expand its Bankpay payment solution in order to provide the market with modern payment services, which is the foundation for VietinBank's partners to save costs and provide diverse payment services to customers. On the other hand, upgrading Bankpay into a BankCasa payment solution suite is a strategic step of VietinBank to expand its market share of payment services, at the same time, to grow demand deposits, and to attract low-cost capital to optimize costs of fund. In addition, BankCasa also allows financial institutions to actively inquire and check their account balance in real time (real-time) and automatically overflow investment accounts when the balance on the account exceeds the default payment balance in automated interest rates. In addition to developing product platforms, VietinBank continuously improves its policies and applies digitalization to its processes to improve the quality of pre- and post-sale services, ensuring that the customer experience is seamless throughout their journey with VietinBank.

In cooperation with correspondent banks, VietinBank is always trusted by correspondent banks and granted large limits for inter-bank transactions, trade finance and international capital mobilization with competitive interest rates. VietinBank has continuously successfully implemented many international syndicated loan transactions in the last two years with the participation of the world's leading financial institutions as the funds arrangers. VietinBank's international capital mobilization transactions are considered to be the largest in Vietnam's financial market in order to realize the "dual goal" of completing the business orientation and plan of 2022 and meeting capital needs as well as supporting businesses in the context of economic fluctuations due to the negative impact of the COVID-19 pandemic, the risk of a global economic recession and the political conflict between Russia and Ukraine. As a result, VietinBank has increasingly strengthened its financial capacity to effectively take advantage of business opportunities in the market. With a good reputation for many years in the domestic and international markets, VietinBank has affirmed its role as an intermediary financial institution - a capital facilitating channel for businesses

to access the capital market through capital arrangement activities based on VietinBank's guarantee, advisory and underwriting services for private placement of bonds, and mergers & acquisitions advisory services.

In the transaction relationships with financial institutions, VietinBank always maintains a cautious view, regularly assesses and reviews the capacity of financial institutions that are granted transaction limits/credit lines by VietinBank, and implements risk management across all lines of defense, towards the goal of sustainable growth and effective risk management.

In 2023, with a vision to become "the most prestigious, modern, multi-functional bank in Vietnam, in the top 20 strongest banks in the Asia-Pacific region", VietinBank is committed to continuing to capture the potentials of the financial institution customer segment in all aspects, diversifying cooperative relationships with commercial financial institutions as well as development financial institutions to strongly grow income from this segment, and at the same time, through international funding sources with competitive preferential interest rates, serving the funding needs of Vietnamese enterprises safely and effectively.

CUSTOMER CARE & SUPPORT FOR RETAIL CUSTOMERS

With the enthusiastic advice of our bankers, new individual customers are fully advised on the profile, features and benefits, etc. of banking and financial products/packages, and have their



VietinBank was honored with the "Project Infrastructure Finance Deal of the Year" award by The Asian Banking & Finance

3 - RESPONSIBILITIES TO OUR CUSTOMERS

questions answered, helping customers get the best financial plans for the future. For existing individual clients, VietinBank divides customers into different groups in order to manage customer relationships, take care of customers regularly, and promptly respond to customers' needs.

In the process of using banking services, with the goal of "always accompanying and bringing the highest value to customers", VietinBank has many channels to receive comments and evaluations from customers. For direct and indirect transaction channels, customers can always contact the bank anytime, anywhere and vice versa VietinBank can immediately advise on products and answer questions from customers: Hotline: 1900558868/(+84)2439418868; or Email: Contact@vietinbank.vn; or Facebook: <https://www.facebook.com/VietinBank>; or Website: www.vietinbank.vn; Meet directly with Customer Relationship Managers at all branches/transaction offices of VietinBank nationwide.

From 2019 to April 2022, in the context of complicated developments of the COVID-19 epidemic, negatively affecting all aspects of the economy, from production and business activities to people's lives, VietinBank has proactively and promptly deployed credit programs/packages for customers, especially those who are prioritized for credit access such as financial packages for front liners who battle the epidemic with preferential interest rates and fees for hospitals/police personnel/military personnel/people's committees. Policy of exemption/reduction of penalty fees for early payment of debts, preferential interest rate revocation fees

for customers who pay back debts before due date during the period of COVID-19 pandemic; Disbursement via email, fax for customers affected by COVID-19, whereby money is disbursed by the bank to the customer without having to go to the bank's branch/transaction office, etc.

From May 2022 until now, right after transitioning to the "new normal" stage, implementing the Government's policy on focusing on economic recovery and development, VietinBank prioritized all resources for lending to business borrowers, especially customers operating in priority areas such as agriculture and high technology application. In addition, VietinBank also quickly approached customers to advise customers to receive the 2% support in interest rate funded by the state budget according to Decree No. 31/2022/ND-CP by the Government, partially providing financial support to customers during the period of difficulties caused by COVID-19 epidemic.

With comprehensive support in policies, interest rates, fees, diversified transaction channels, etc., VietinBank has been standing and will continue to stand side by side with individual customers to overcome difficulties during the period affected by COVID-19 and at the same time, gradually tighten the comprehensive relationships between customers and VietinBank, creating sustainable bilateral ties.

SPECIAL CREDIT PROGRAMS OF PREFERENTIAL INTEREST RATE SUPPORT FOR SMEs

By the end of December 31, 2022, the total number



of SMEs having business relations with VietinBank was more than 220,000 enterprises with a total accumulated disbursement of the year of more than VND 650,000 billion, of which working capital loans disbursed for production and business activities are nearly VND 620,000 billion and medium and long-term loans disbursed for investments are more than VND 30,000 billion. Outstanding loans to SMEs by VietinBank by the end of December 31, 2022 reached more than VND 320,000 billion, an increase of VND 34,000 billion compared to 2021, the growth rate in 2022 is **12%**, an encouraging figure, making a great contribution to credit growth of VietinBank. The average credit growth rate of the last 5 years (from 2018) reached an average of **10%** per year, greatly contributing to the growth in the number of new customers and growth of outstanding loans, improving the financial indicators of VietinBank's business performance.

To achieve these remarkable results, VietinBank always closely follows the directions of the State Bank of Vietnam, goes hand in hand with SME customers in priority areas of the economy. VietinBank balances loan assets, cooperates with the local authorities and the SBV offices of provinces to implement socio-economic promotion programs for 5 priority areas of the Government, namely exports, agriculture and rural development, SMEs, supporting industries, and high-tech enterprises. Currently, the short-term lending interest rate cap for these 5 priority areas is only **5.5%**/year. In which, disbursed

volume for agricultural and rural development reached more than VND **90,000** billion.

In 2022, in continuation of going hand in hand with the SME community, especially when the State Bank of Vietnam started to tighten credit control since the middle of the year, VietinBank still actively implemented activities to support SMEs to serve the funding needs of production and business operations. The outstanding loan balance of SME customers receiving interest rate support under Decree 31 by the Government reached more than VND 2,300 billion (out of the total interest-supported outstanding loan balance of VietinBank of more than VND 9,200 billion), the total amount of accumulated interest support provided to SMEs is nearly VND 4 billion (out of the total amount of interest support provided by VietinBank of nearly VND 23 billion).

In the context that credit growth is strictly controlled by the State Bank of Vietnam, in order to meet the additional disbursement needs of SME businesses, priority disbursement packages of up to VND **4,000** billion for SME customers have been provided by VietinBank.

For two consecutive years 2021 and 2022, VietinBank has won the prestigious award "**Best SME Bank in Vietnam**" given by The Asian Banker. This is an acknowledgement of VietinBank's outstanding contributions to the development of the Vietnamese SME community.

4 - RESPONSIBILITIES TO SHAREHOLDERS AND INVESTORS

VietinBank IR Team, 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. VietinBank is also the leading bank in reporting and disclosing of sufficient information on a regular/extraordinary basis in a timely and transparent manner with both Vietnamese and English versions. In 2022, VietinBank provided comprehensive periodic and extraordinary information disclosure such as financial statements, corporate governance reports, information about AGM/EGM; changes of internal persons; transactions with our subsidiaries as well as bond issuance, etc. Especially, VietinBank's 2021 Annual Report - **"Shape the future"** was voted **for the third consecutive year** in the Top 10 Best Annual Reports of listed companies at the Vietnam Listed Company Awards (VLCA) in 2022 thanks to careful investment in both form and content, demonstrating the role of a leading bank, a systematically important bank to the national economic system; promoting the strategy of "customer centricity"; developing modern and comprehensive financial solutions; constantly striving to improve capacity building towards

standards and best practices in governance and administration; pioneering and typical example in investment and development of digital technology to support business activities. Among banks, VietinBank was the only state-owned commercial joint stock bank to receive this award.

In 2022, VietinBank also successfully organized the AGM 2022 in the online form to approve many important contents and ensure the interests of shareholders in the context of the complicated development of the COVID-19 pandemic. VietinBank always ensures the interests of shareholders through shareholders having the right to question (directly/indirectly) and propose recommendations to VietinBank's BoD before voting on important issues related to all operations and activities of VietinBank. VietinBank also fully discloses information related to the GMS and publishes it on the IR column of VietinBank website to ensure transparency of information to all shareholders and investors.

At the same time, in 2022, VietinBank also completed and promulgated internal regulations in IR activities to ensure compliance with relevant legal regulations as well as ensured benefits and enhanced shareholder's value.



VietinBank excellently won Top 10 Best Annual Report for 3 consecutive years



AGM 2022 was held online

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

VietinBank constantly improves the quality and professionalism of information supply channels in order to enhance investors' access to information on business results, therefore receiving high and increasingly positive appreciation from investors as well as the market. In addition to the quality management of the Investor Relations website with a modern and professional interface at <http://investor.vietinbank.vn>, it helps to provide rich, useful and easy-to-search information to the investors. In 2022, VietinBank continued to actively increase frequency, diversify forms, improve quality, and proactively supply to the market through the implementation of: **(i)** Business results update conference of 2021 and Quarter II, III/2022 to update detailed information on business results of VietinBank; **(ii)** Quarterly Financial Statements to quickly update the market on business results, explain changes in key indicators after disclosing FS; **(iii)** Monthly Investor Newsletter to regularly provide information related to VietinBank's outstanding activities on topics of interest to investors;

(iv) Increasing the frequency of one-to-one face-to-face meetings with large domestic and foreign investment funds interested in investment opportunities in CTG shares, etc., thereby, continuing to affirm the professionalism and transparency in providing information to the investors and the market.

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 2023

In 2023, in addition to performing well on regular tasks, VietinBank will continue to improve the frequency, improve the quality, and increase the level of interaction with investors and the market with the goal of bringing VietinBank's IR close to international practices and standards, improving operational efficiency and meeting the expectations of shareholders and investors.

5 - RESPONSIBILITY TO OUR EMPLOYEES

GUARANTEED EMPLOYMENT FOR OUR STAFF

The total number of our employees as of 31/12/2022 was **25,119** people (including employees of all subsidiaries, business units, representative offices and employees working on temporary basis). In 2022, in the context of the labor market being negatively affected by the COVID-19 pandemic, 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.

Regarding indicators related to personnel changes in 2022, VietinBank's new recruitment rate was 9.3% while the labor contract termination rate was 4.4%.

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 2022, VietinBank's average salary increased by **11.6%**, reaching the absolute value and the highest growth rate in the period from 2018 to date on the basis that the average labor productivity of the whole system increased above the plan. Details of the average salary of employees are presented in Part 7 - Audited Consolidated FS 2022.

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 2022, 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:

- (i) **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.
- (ii) **4** 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.

In 2022, studying the advanced practices of welfare - remuneration in the market, VietinBank issued a new Regulation on welfare - remuneration regime; in which VietinBank supplemented and modified a number of welfare - remuneration regimes to suit the business situation and actual operation of VietinBank, improving the welfare - remuneration regime for employees, increasing and strengthening the level of commitment and dedication of employees to the Bank.

TRAINING FOR QUALITY IMPROVEMENT

In 2022, VietinBank held **876 classes** (excluding OJT - On-job training, Coaching, Mentoring, internal training programs organized by units/departments themselves), up **28%** yoy. The number of trainees participating in training sessions was **119,047 turns** (2 times more than in 2021), with **the average number of training sessions being 4.62 days/person** (2021: 4.34 days/person).

876 CLASSES

28% HIGHER THAN THE PLAN

THE AVERAGE NUMBER OF TRAINING SESSIONS

4.62 DAYS/PERSON



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

Classification according to types of trainee	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)	5.03	7,479
Managers (Head/Deputy Head of Branches, Head/Deputy Head of non-business Unit)	5.35	40,411
Other employees	3.5	71,157
Total	4.62	119,047



5 - RESPONSIBILITY TO OUR EMPLOYEES



Innovating training content and methods, ensuring practicality and high applicability

In 2022, VietinBank returned to a focused training rhythm after the pandemic and also successfully completed the tasks of updating and equipping the bank's staff with new knowledge and skills. Training activities and professional exams to support the Business and Operations Divisions, support to improve execution capacity and closely link with VietinBank's 2022 topics such as:

- Digital transformation project (Smart Digital Branch training program, RPA labor productivity improvement software; Sales skills on digital platforms);
- Project to improve service quality (training a set of service quality standards for tellers, customer relationship managers on a group-wide basis; Seminar on Understanding Vocation - Keeping Career, etc.);
- Professional skills for sales promotion for leaders and staff with topics closely related to business activities.

The methods and training formats were continuously innovated, diversified activities in the direction of increasing the experience for students and increasing training efficiency with an online training rate of **44%**. Especially, VietinBank promoted direct training courses at branches (**233** classes, up **32%** compared to 2021)

with diverse topics, suitable for needs, closely adhere to reality, and helped solving current difficulties and problems encountered at work. The number of participating trainees was huge, saving travel costs and not affecting business activities of branches.

In the volatile context of 2022, VietinBank continuously updated the necessary skills in executive management and the trending topics of each period to help leaders improve their leadership capacity and flexibly adapt to the changing environment of business. At the same time, fostering potential employees to designated roles, responsibilities, and career paths in the organization.

Build and promote a culture of active learning throughout the organization

In 2022, VietinBank built and promoted a culture of active learning throughout the organization, in many forms such as:

- Carrying out activities to build a self-learning environment on the online learning system;
- Organizing professional exams, attractive mini-games and gameshows to create a vibrant learning environment throughout the organization;
- Applying learning KPIs to units in the organization to enhance OJT responsibilities of the managers and supervisors.

CAREER ADVANCEMENT OPPORTUNITY AND VIETINBANK TOP 500 PROGRAM

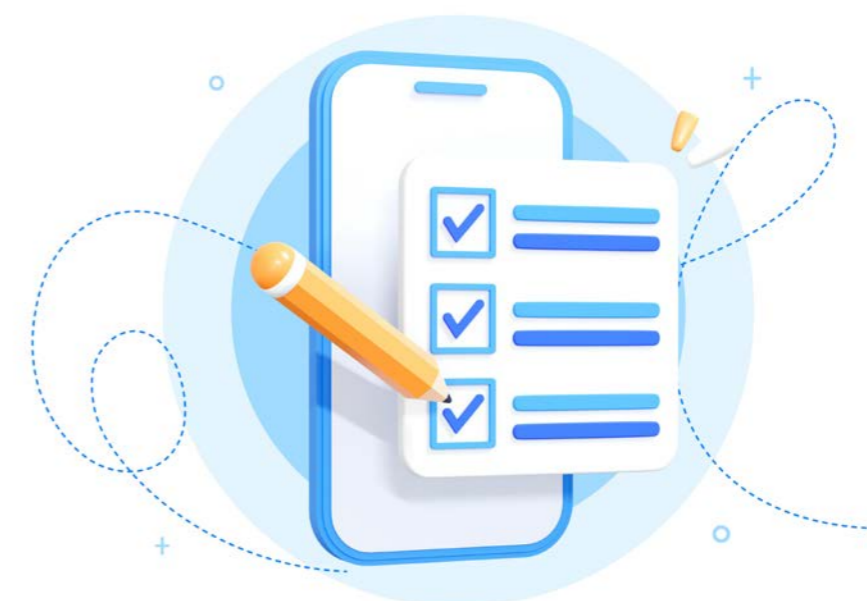
VietinBank continued to promote early identification, build a training roadmap and comprehensively develop human resources for the positions of mid-level management and strategic officers of the Bank: (i) Identifying potential employees for middle-level managements (Top 500), focusing on training programs 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.

INCREASE IN EMPLOYEE SATISFACTION AND ENGAGEMENT

Following the results of the Employee Satisfaction and Engagement Survey in 2019, on the basis of identifying areas that VietinBank had high survey scores and was competitive compared to the market as well as areas that needed improvement to improve employee engagement, VietinBank's BoD approved the implementation of the Annual Satisfaction and Engagement Survey 2022 in order to improve and enhance employee satisfaction, in which focusing on five main topics:

- Working environment
- Empowerment/being empowered
- Assess work/life balance
- Direct managers
- Freesurvey contents on areas for improvement

Survey results on these topics are studied and transformed into specific programs and solutions to promote employee engagement and satisfaction, enhance empowerment, and improve autonomy in the workplace, encouraging creative ideas, new and effective ways of doing things of the employees.

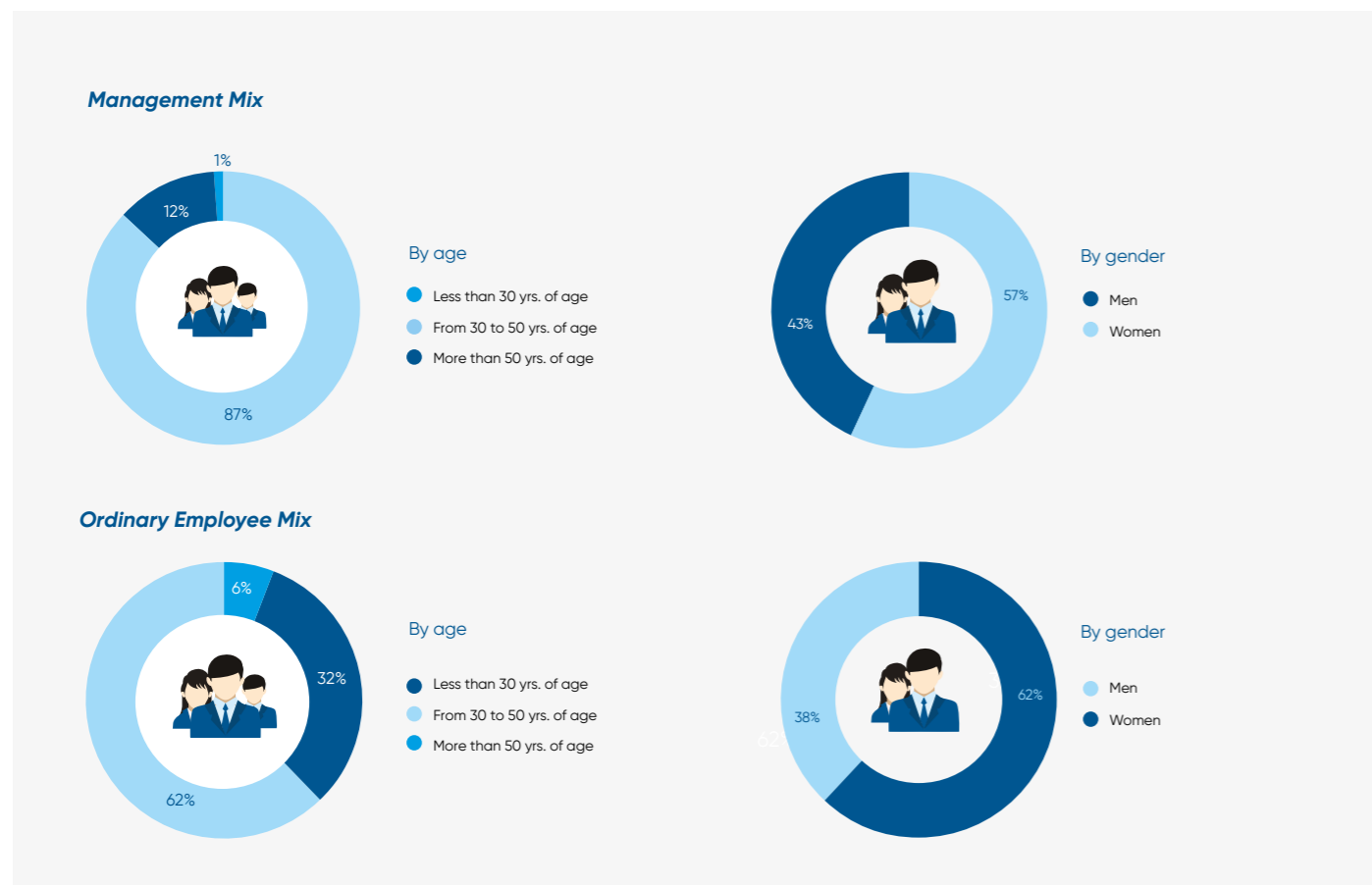


5 - RESPONSIBILITY TO OUR EMPLOYEES

GENDER EQUALITY IN OUR BUSINESS

In 2022, with the attention of VietinBank's BoD, the Committee for the Advancement of VietinBank Women implemented the following activities:

- Developing a national strategic plan on gender equality 2021 - 2030.
- Developing a plan to implement gender equality and women's advancement in 2022.
- The Board promulgated documents guiding the unit to implement activities in Action Month of 2022; Organizing the launch of Action Month in an appropriate form, strengthen communication on the topic, message and activities of the Action Month for gender equality and prevention and control of gender-based violence in various formats, suitable for each target group and actual situation, etc.
- Implementing key programs for female cadres and workers, launch emulation activities associated with the organization of movements and activities of practical and effective significance, attracting the large participation of employees, union members and female workers. In addition, the VietinBank Committee for the Advancement of Women directed units to strengthen the care and protection of female workers' rights, inspected and supervised the implementation of regimes and policies for female employees; proactively advised and introduced female cadres to the Party committees and authorities in planning, training, fostering and employing female employees, etc. Introducing female employees to participate in advanced training professional qualifications, caring about creating conditions for female employees to have the opportunity to strive, dedicate, study to improve their qualifications and participate in mass organizations to promote their capacity in all fields of work, contributing well to the function of representing and protecting the interests of female workers. Rewarding was always paid attention to timely, in order to encourage female employees with typical achievements and to replicate advanced examples in order to promote female employees to unite and try their best to complete well and perfectly all goals and tasks of VietinBank, etc.



INTENSIVE IMPLEMENTATION OF CORPORATE CULTURE

In 2022, VietinBank continued to vigorously implement solutions to build, perfect and spread VietinBank's core values, towards the goal of creating "a unique identity", a "distinct competitive advantage" of VietinBank, including:

- Promoting the role of exemplary, consistent in behavior standards, leadership of the Heads of VietinBank units; building and promoting a culture of discipline, consensus through the Promulgation and Communication of Unit Head Persons' Responsibility Regulation which is a guideline throughout the thinking and action orientation of the Unit Heads;
- Organizing training, piloting and spreading the Agile Management method, aiming to build an open and transparent culture and working environment, promoting effective coordination between units. Establishing Agile Teams to enhance open dialogue and empowerment, supporting a number of key business activities of VietinBank;
- To comprehensively assess the current state of VietinBank's corporate culture, develop a plan to promote the implementation of corporate culture in the following years.



6 - CORPORATE SOCIAL RESPONSIBILITIES



VietinBank donated VND 5 billion to the Fund for the Poor and Social Security in 2022

The total budget VietinBank has spent on social security work so far is more than








VND 8,500 BILLION

Figure for 2022 was more than

VND 306 BILLION

As one of the largest state-owned enterprises operating in the financial-monetary sector, VietinBank always actively implements the guidelines and policies of the Party, State, Government and banking industry to contribute to hunger eradication, poverty reduction, improvement and improvement of the material and spiritual life of people in disadvantaged localities with many practical and meaningful programs, contributing to the general development of the community and society. In 2022, VietinBank has been performing well social security and gratitude activities through sponsoring many welfare projects and programs with a total value of over VND 306 billion, increasing the total budget VietinBank spends on this cause so far to over VND 8,500 billion. VietinBank's social security activities focus on building houses for the poor, building schools, health facilities, and infrastructure projects in disadvantaged areas, rural, remote and isolated areas, assisting in overcoming the consequences of natural disasters, storms and floods, supporting national security and defense.

SUMMARY OF VIETINBANK'S SOCIAL WELFARE ACTIVITIES OVER PAST YEARS AND IN 2022:

SOCIAL WELFARE ACTIVITY RESULTS	Previous years to 2022	In 2022	Units
TOTAL AMOUNT (committed/implemented)	> 8,500	> 306	VND billion
Typical activities:			
 Giving social insurance books and health insurance cards to those who are disadvantaged	6,448	6,448	book/cards
 Building new houses for the poor	44,787	1,318	houses
 Support the construction of cultural houses for community activities and disaster prevention	86	1	projects
 Building bridges, rural roads	997	5	projects
 Building schools	752	8	projects
 Building healthcare centers	143	1	projects
 Funding ambulance cars	301	6	cars

6 - CORPORATE SOCIAL RESPONSIBILITIES

SIGNIFICANT SOCIAL WELFARE PROGRAMS OF VIETINBANK
JOIN HANDS TO HELP DISADVANTAGED PEOPLE



VietinBank donated VND 5 billion in forms of social insurance books and health insurance cards to those who are disadvantaged

With the desire to receive the cooperation and contribution of the social community, implement the policy of "social insurance and health insurance for all people" of the Party and the State, with the desire for the Vietnamese people, especially those in difficult circumstances with difficulties in getting medical care when being sick, guaranteed income when they reach the end of their working age, VietinBank donated **1,806** social insurance books and **4,642** health insurance cards to the program "Giving social insurance books and health insurance cards to people in difficult circumstances" towards ethnic minorities who are not eligible for payment from the state budget or support to pay health insurance premiums; people who do not have health insurance cards are newly escaped from poverty; people from near-poor households, people with average living standards who have not yet participated in social insurance and health insurance, and people with other difficult and disadvantaged circumstances, etc.

With the humanistic and humanitarian meanings, the shared community of social insurance and

health insurance policies, the social insurance book, the health insurance card when given to people in difficult circumstances was not only material sharing but also a great spiritual encouragement. More importantly, when participating in social insurance and health insurance, people were allowed to participate in the national social security network, besides being guaranteed by the national social security fund for their legitimate rights and interests, they also had the opportunity to be re-shared with the community - which seemed impossible for the disadvantaged - who seemed to only be able to receive help from society, could now be proud that they also shared with the community - through their participation in social insurance and health insurance. These charitable acts of VietinBank contributed to spreading the VietinBank brand, raising the value of life throughout the country, helping disadvantaged people to access social insurance and health insurance policies of the Party and State, serving as a motivation for those disadvantaged people to strive and rise in life.

FOR THE SOVEREIGNTY OF THE FATHERLAND'S SEAS AND ISLANDS



VietinBank donates for social security and sovereignty of the sea and islands of the country

In 2022, VietinBank contributed and supported the Navy to build a motorboat and sponsored medical equipment through the Vietnam-Germany Friendship Hospital to donate to the Spratly Islands and DK1 staging house, contributing to improving the ability to ready to fight, continuous defense posture, having more resources to protect the sovereignty of the sea and islands and being a fulcrum for fishermen to reach out, stick to the sea, exploit fishery, and build a prosperous life, actively participating with the armed forces and the Navy to firmly protect the sovereignty and security of the sea border and islands of the Fatherland, affirming the country's sacred sovereignty over sea and islands.

6 - CORPORATE SOCIAL RESPONSIBILITIES

JOINING HANDS FOR THE POOR, NO ONE LEFT BEHIND



44,787

HOUSES OF GRATITUDE/
GRAND SOLIDARITY



VietinBank donated VND 5 billion to support the construction of 100 houses for poor households in Lai Chau province



1,318

HOUSES OF GRATITUDE/
GREAT SOLIDARITY
(IN 2022)



VietinBank donated VND 5 billion to support the construction of 125 houses for poor households in Cao Bang province



VietinBank donated VND 1 billion to join hands "For the poor"

In order to promote the precious tradition of "Good leaves protect the torn leaves" of the nation and implement the National Target Program on sustainable poverty reduction, responding to the movement "The whole country joins hands for the poor - No one is left behind", over the years, 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 implement poverty reduction. VietinBank has built and repaired over 44,787 houses of gratitude/grand solidarity. In 2022 alone, VietinBank supported the construction of 1,318 houses of gratitude/great solidarity and presented gifts on the occasion of the Lunar New Year every year to ethnic minorities, poor households and support-needed families with difficult circumstances across 63 provinces and cities for them to stabilize their lives as soon as possible.

HEALTH AND EDUCATION
SUPPORT IN MANY LOCALITIES



752 SCHOOL
PROJECTS



8 SCHOOL
PROJECTS
(IN 2022)



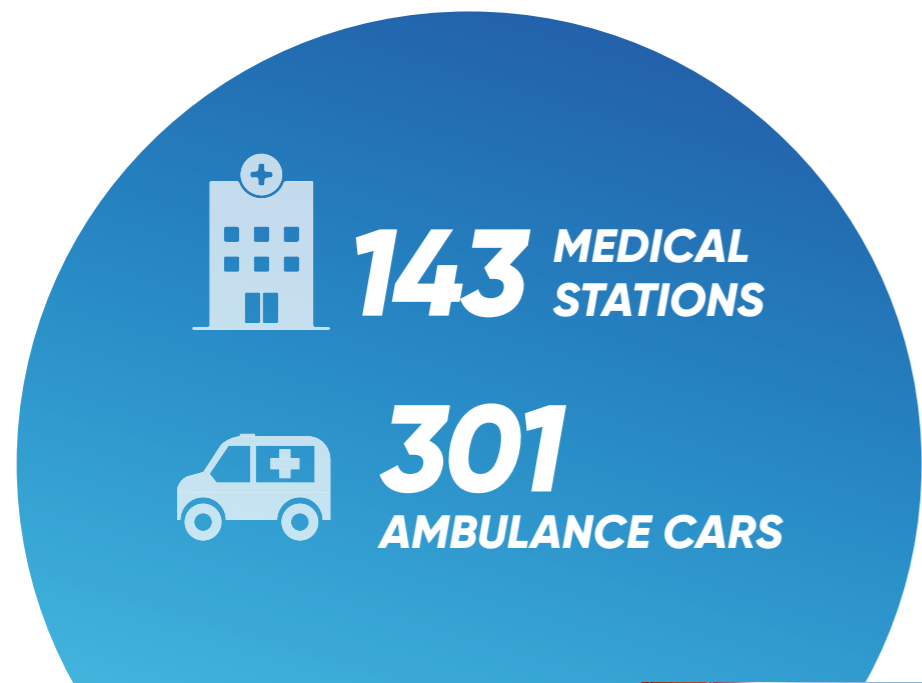
VietinBank sponsored VND 5 billion to build Hao Duoc B Primary School, Tay Ninh province



VietinBank donated for social security in Tuyen Quang province

Health and Education are two areas that are always paid special attention by the Party, State and Government and spent a lot of resources to develop and VietinBank always accompanies the health and education support programs of many provinces. By the end of 2022, VietinBank has supported the construction of 752 school projects, donated scholarships and educational equipment; supported for study promotion and talent promotion funds, etc. Particularly in 2022, VietinBank supported the construction of 8 school projects in the provinces and regions to help teachers and students with better conditions for "Teach well, Study well", the children had conditions to play, live and study, "Practice virtue, Practice talent", to develop fully physically and intellectually.

6 - CORPORATE SOCIAL RESPONSIBILITIES



VietinBank handed over 2 ambulances to the Healthcare Department in Dien Bien province



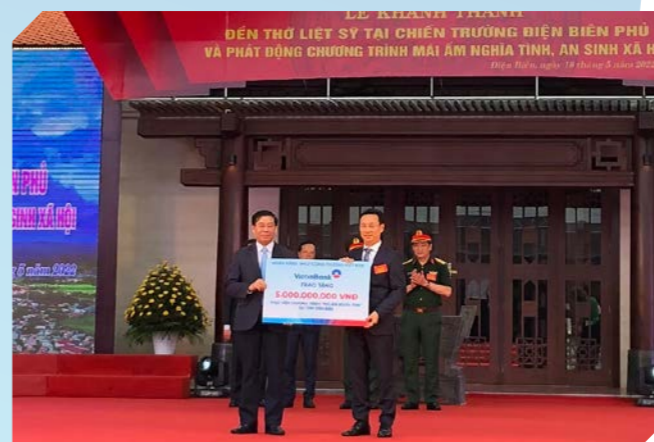
VietinBank donated 2 ambulances in Nam Dinh province



VietinBank donated 1 ambulance to Hanoi Heart Hospital

For the medical field, VietinBank built 143 medical stations; donated 301 ambulance cars; donated medical equipment to hospitals from central to local levels. VietinBank's efforts contributed to helping children have good, spacious and sustainable schools to play and study; people have better medical conditions to take care of their health

PROMOTE THE TRADITION OF "DRINKING WATER, REMEMBERING ITS SOURCE"



VietinBank awarded VND 5 billion to the event "House of love and social security" in Dien Bien province



VietinBank organized many gratitude activities on the occasion of Invalids and Martyrs' Day

"Give back for gratitude", "Drink water, remember its source" are good traditions of the Vietnamese people, and also a cultural beauty of VietinBank. Over the years, VietinBank has always actively participated in many practical and meaningful activities to show gratitude to Heroic Martyrs, policy support-eligible families, people with meritorious services to the Revolution, wounded soldiers, sick soldiers, and Vietnamese heroic mothers. These activities encouraged, nurtured and educated the young generation about national pride and upheld the traditions of their ancestors. In 2022, VietinBank participated in supporting the construction of houses to welcome people with meritorious services in Con Dao district; embellishing and renovating a number of works of Martyrs Cemetery in the provinces of Quang Tri, Gia Lai, Nghe An and Thanh Hoa; embellishing the historical relic at Dong Loc T-junction (Ha Tinh); visited and encouraged the wounded and sick soldiers being treated in the provinces of Ninh Binh, Bac Ninh, Ha Nam, Phu Tho, etc. on the occasion of Invalids and Martyrs' Day on July 27; visited and gave gifts to policy support-eligible beneficiaries, poor people, and disadvantaged families on the occasion of the Lunar New Year, etc.

Efforts to implement social responsibility for the community over the years have brought certain successes in contributing to the successful implementation of the great policy of the Party, the Government and the banking sector for the eradication of hunger, poverty alleviation and gratitude services. 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, safe and convenient transportation, children have good, spacious and sustainable schools to play and study, etc. VietinBank always aims at sustainable community development in all aspects in order to demonstrate the social responsibility of a large-scale public company which plays a pivotal role in the economy.



07

Audited Consolidated Financial Statements 2022

- 1 Statement of the Board of Management
- 2 Independent Auditors' report
- 3 Consolidated statement of financial position
- 4 Consolidated income statement
- 5 Consolidated cash flow statement
- 6 Notes to the consolidated financial statements



VIETNAM JOINT STOCK COMMERCIAL BANK FOR INDUSTRY AND TRADE

STATEMENT OF THE BOARD OF MANAGEMENT

The Board of Management of Vietnam Joint Stock Commercial Bank for Industry and Trade (the "Bank") presents this report together with the Bank's consolidated financial statements for the year ended 31 December 2022.

The members of the Board of Directors, Board of Supervisors, Board of Management and the Chief Accountant of the Bank during the year and to the date of this report are as follows:

BOARD OF DIRECTORS

Mr. Tran Minh Binh	Chairman
Mr. Nguyen Duc Thanh	Member (appointed on 29 April 2022)
Ms. Nguyen Thi Bac	Independent Member
Ms. Tran Thu Huyen	Member
Mr. Nguyen The Huan	Member
Ms. Pham Thi Thanh Hoai	Member
Mr. Tran Van Tan	Member
Mr. Le Thanh Tung	Member
Mr. Masahiko Oki	Member
Mr. Masashige Nakazono	Member

BOARD OF SUPERVISORS

Ms. Le Anh Ha	Chief Supervisor
Ms. Nguyen Thi Anh Thu	Member
Ms. Pham Thi Thom	Member

BOARD OF MANAGEMENT AND CHIEF ACCOUNTANT

Mr. Nguyen Hoang Dung	Deputy General Director in charge of the Board of Management
Mr. Nguyen Tran Manh Trung	Deputy General Director (appointed on 12 May 2022)
Mr. Le Duy Hai	Deputy General Director (appointed on 09 May 2022)
Mr. Hoang Ngoc Phuong	Deputy General Director (appointed on 12 May 2022)
Mr. Do Thanh Son	Deputy General Director (appointed on 11 October 2022)
Mr. Tran Cong Quynh Lan	Deputy General Director
Mr. Nguyen Dinh Vinh	Deputy General Director
Ms. Le Nhu Hoa	Deputy General Director
Mr. Masahiko Oki	Deputy General Director
Mr. Nguyen Duc Thanh	Deputy General Director (resigned on 04 May 2022)
Mr. Nguyen Hai Hung	Chief Accountant

AUTHORIZED PERSON FOR SIGNING FINANCIAL STATEMENTS

Mr. Nguyen Tran Manh Trung	Deputy General Director (According to Authorization letter No.699/UQ-HDQT-NHCT18 of the Chairman on 01 June 2022)
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VIETNAM JOINT STOCK COMMERCIAL BANK FOR INDUSTRY AND TRADE

STATEMENT OF THE BOARD OF MANAGEMENT (Continued)**THE BOARD OF MANAGEMENT'S STATEMENT OF RESPONSIBILITY**

The Board of Management of the Bank is responsible for preparing the consolidated financial statements, which give a true and fair view of the consolidated financial position of the Bank as at 31 December 2022, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime applicable to credit institutions in Vietnam and legal regulations relating to consolidated financial reporting. In preparing these consolidated financial statements, the Board of 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 principles have been followed, subject to any material departures disclosed and explained in the consolidated financial statements;
- Prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Bank will continue in business; and
- Design and implement an effective internal control system for the purpose of properly preparing and presenting the consolidated financial statements so as to minimize errors and frauds.

The Board of Management 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 that the consolidated financial statements comply with Vietnamese Accounting Standards, accounting regime applicable to credit institutions in Vietnam and legal regulations relating to consolidated financial reporting. The Board of Management is also responsible for safeguarding the assets of the Bank and hence for taking reasonable steps for the prevention and detection of frauds and other irregularities.

The Board of Management confirms that the Bank has complied with the above requirements in preparing these consolidated financial statements.

For and on behalf of the Board of Management,



Nguyen Tran Manh Trung
Deputy General Director

Hanoi, 30 March 2023

VIETNAM JOINT STOCK COMMERCIAL BANK FOR INDUSTRY AND TRADE

INDEPENDENT AUDITORS' REPORT

No: 0953/VN1A-HN-BC

**To: The Shareholders
The Board of Directors and the Board of Management
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"), prepared on 30 March 2023 as set out from page 05 to page 68, which comprise the consolidated statement of financial position as at 31 December 2022, the consolidated income statement and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Management's Responsibility

The Bank's Board of Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Vietnamese Accounting Standards, accounting regime applicable to credit institutions in Vietnam and legal regulations relating to consolidated financial reporting and for such internal control as the Board of Management determines is necessary to enable the preparation of 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' judgement, 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 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 internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of 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.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Bank as at 31 December 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime applicable to credit institutions in Vietnam and legal regulations relating to consolidated financial reporting.

VIETNAM JOINT STOCK COMMERCIAL BANK FOR INDUSTRY AND TRADE

INDEPENDENT AUDITORS' REPORT (Continued)**Other matter**

The consolidated financial statements of the Bank for the year ended 31 December 2021 were audited by another auditor who expressed an unmodified opinion on those financial statements on 31 March 2022.



Khuc Thi Lan Anh
Deputy General Director
Audit Practising Registration Certificate
No. 0036-2023-001-1

Mai Thi Thuy Loan
Auditor
Audit Practising Registration Certificate
No. 3837-2021-001-1

DELOITTE VIETNAM AUDIT COMPANY LIMITED

30 March 2023
Hanoi, S.R. Viet Nam

VIETNAM JOINT STOCK COMMERCIAL BANK FOR INDUSTRY AND TRADE

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

Unit: VND Million

NO.	ITEMS	Notes	Closing balance	Opening balance
A.	ASSETS			
I.	Cash, gold and gemstones	5	11,066,956	11,330,659
II.	Balances with the State Bank of Vietnam ("SBV")	6	29,727,110	23,383,443
III.	Placements with and loans to other credit institutions	7	242,431,953	149,316,646
1.	Placements with other credit institutions		222,454,660	129,799,364
2.	Loans to other credit institutions		19,977,293	19,517,282
IV.	Trading securities	8	1,406,183	2,475,309
1.	Trading securities		1,622,967	2,522,807
2.	Provisions for impairment of trading securities		(216,784)	(47,498)
V.	Derivative financial instruments and other financial assets	9	3,058,727	1,454,790
VI.	Loans to customers		1,245,057,876	1,104,872,665
1.	Loans to customers	10	1,274,821,709	1,130,667,767
2.	Provisions for credit losses of loans to customers	11	(29,763,833)	(25,795,102)
VII.	Investment securities	12	180,312,848	177,544,548
1.	Available-for-sale investment securities	12.1	178,685,028	174,973,469
2.	Held-to-maturity investment securities	12.2	1,696,778	2,696,832
3.	Provisions for impairment of investment securities	12.4	(68,958)	(125,753)
VIII.	Capital contribution, long-term investments	13	3,519,441	3,290,027
1.	Investments in joint ventures	13.1	3,303,160	3,073,356
2.	Other long-term investments		234,462	240,662
3.	Provisions for impairment of long-term investments		(18,181)	(23,991)
IX.	Fixed assets		10,202,191	10,496,152
1.	Tangible fixed assets	14	6,047,480	6,192,822
a.	Cost		16,190,830	15,773,302
b.	Accumulated depreciation		(10,143,350)	(9,580,480)
2.	Intangible assets	15	4,154,711	4,303,330
a.	Cost		6,779,297	6,627,694
b.	Accumulated amortisation		(2,624,586)	(2,324,364)
X.	Other assets	16	81,646,479	47,423,159
1.	Other receivables	16.1	65,993,812	34,233,578
2.	Interest and fee receivables		12,399,295	9,856,571
3.	Deferred tax assets		-	338
4.	Other assets	16.2	3,314,998	3,403,230
5.	Provisions for impairment of other assets	16.3	(61,626)	(70,558)
TOTAL ASSETS			1,808,429,764	1,531,587,398

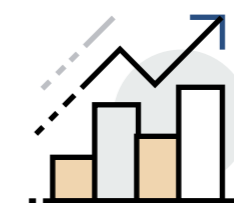
VIETNAM JOINT STOCK COMMERCIAL BANK FOR INDUSTRY AND TRADE

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

As at 31 December 2022

Unit: VND Million

NO.	ITEMS	Notes	Closing balance	Opening balance
B.	LIABILITIES AND OWNERS' EQUITY			
I.	Borrowings from the Government and the SBV	17	104,779,302	33,294,404
1.	Deposits and borrowings from the Government and the SBV		104,779,302	33,294,404
II.	Deposits and borrowings from other credit institutions	18	209,429,843	138,833,846
1.	Deposits from other credit institutions	18.1	139,932,528	33,670,804
2.	Borrowings from other credit institutions	18.2	69,497,315	105,163,042
III.	Deposits from customers	19	1,249,176,034	1,161,848,113
IV.	Grants, trusted funds and borrowings where the Bank bears risks	20	2,392,201	2,527,930
V.	Valuable papers issued	21	91,370,419	64,496,785
VI.	Other liabilities		43,114,308	36,936,809
1.	Accrued fee and interest expenses		21,587,660	16,867,319
2.	Deferred tax liabilities		112	-
3.	Other payables and liabilities	22	20,487,746	19,015,117
4.	Other provisions		1,038,790	1,054,373
TOTAL LIABILITIES			1,700,262,107	1,437,937,887
VII.	Capital and reserves	24	108,167,657	93,649,511
1.	Contributed capital		57,868,215	57,548,112
a.	Charter capital		48,057,506	48,057,506
b.	Share premium		8,974,677	8,974,698
c.	Other capital		836,032	515,908
2.	Reserves		16,074,632	13,673,265
3.	Foreign exchange reserves		120,993	245,231
4.	Retained earnings		33,364,370	21,488,131
5.	Non-controlling interests		739,447	694,772
TOTAL LIABILITIES AND OWNERS' EQUITY			1,808,429,764	1,531,587,398



VIETNAM JOINT STOCK COMMERCIAL BANK FOR INDUSTRY AND TRADE

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

As at 31 December 2022

Unit: VND Million

OFF-BALANCE-SHEET ITEMS

NO.	ITEMS	Notes	Closing balance	Opening balance
1.	Credit guarantees	39	7,692,271	3,237,485
2.	Foreign exchange transactions commitments	39	260,355,738	479,385,067
	<i>Foreign currency purchase commitments</i>		1,994,153	5,748,679
	<i>Foreign currency sale commitments</i>		1,903,759	5,964,386
	<i>Cross currency swap contracts</i>		256,457,826	467,672,002
3.	Letters of credit (L/C) commitments	39	73,681,359	46,584,571
4.	Other guarantees	39	78,231,151	60,180,414
5.	Other commitments	39	53,105,344	104,576,907
6.	Uncollected interest income and fees	40	8,353,544	7,904,314
7.	Bad debts written-off	41	116,947,615	95,202,933
8.	Other properties and valuable papers	42	105,915,412	111,165,425

VIETNAM JOINT STOCK COMMERCIAL BANK FOR INDUSTRY AND TRADE

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2022

Unit: VND Million

NO.	ITEMS	Notes	Current year	Prior year
1.	Interest and similar income	25	104,664,634	84,628,302
2.	Interest and similar expenses	26	(56,872,679)	(42,839,837)
I.	Net interest income		47,791,955	41,788,465
3.	Income from services		11,549,069	9,572,678
4.	Expenses on services		(5,687,120)	(4,612,172)
II.	Net profit from services	27	5,861,949	4,960,506
III.	Net gain from trading foreign currencies	28	3,555,521	1,812,484
IV.	Net (loss)/gain from trading securities	29.1	(112,163)	495,864
V.	Net (loss)/gain from investment securities	29.2	(30,184)	223,865
5.	Other operating income		7,506,525	4,516,269
6.	Other operating expenses		(969,157)	(1,118,203)
VI.	Net profit from other activities	30	6,537,368	3,398,066
VII.	Income from capital contribution, equity investments	31	512,244	477,382
VIII.	Operating expenses	32	(19,007,454)	(17,185,850)
IX.	Net profit from operating activities before credit provision expenses		45,109,236	35,970,782
X.	Provision expenses for credit losses		(24,163,177)	(18,381,626)
XI.	Profit before tax		20,946,059	17,589,156
7.	Current corporate income tax expense	33	(4,110,614)	(3,412,160)
8.	Deferred corporate income tax expense		(451)	38,346
XII.	Corporate income tax expense		(4,111,065)	(3,373,814)
XIII.	Profit after corporate income tax		16,834,994	14,215,342
XIV.	Non-controlling interests		59,920	126,582
XV.	Profit attributable to the owners of the Bank		16,775,074	14,088,760
XVI.	Basic earnings per share (VND)	34	3,491	2,510

Prepared by

Approved by

Approved by





Ngo Xuan Hai
Head of Financial
Accounting Department

Nguyen Hai Hung
Chief Accountant

Nguyen Tran Manh Trung
Deputy General Director

30 March 2023

Prepared by

Approved by

Approved by





Ngo Xuan Hai
Head of Financial
Accounting Department

Nguyen Hai Hung
Chief Accountant

Nguyen Tran Manh Trung
Deputy General Director

30 March 2023

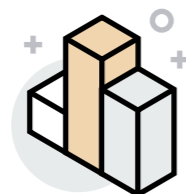
VIETNAM JOINT STOCK COMMERCIAL BANK FOR INDUSTRY AND TRADE

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2022

Unit: VND Million

NO.	ITEMS	Current year	Prior year
CASH FLOW FROM OPERATING ACTIVITIES			
01.	Interest and similar income received	102,424,705	82,887,292
02.	Interest and similar expenses paid	(52,210,737)	(42,193,852)
03.	Income received from service	6,015,156	4,953,100
04.	Net cash received from trading foreign currencies, gold and securities	3,525,665	2,473,910
05.	Other income/(expense)	4,505,276	(58,016)
06.	Cash recovered from bad debts written off or compensated by provision for credit losses	5,362,486	3,244,952
07.	Payments to employees and for operating management	(17,193,419)	(16,694,320)
08.	Corporate income tax paid for the year	(1,911,799)	(4,000,535)
	Net cash from operating profit before movements in assets and working capital	50,517,333	30,612,531
	Movement in operating assets	(219,036,702)	(201,831,648)
09.	(Increase) in placements with and loans to other credit institutions	(27,273,637)	(9,749,589)
10.	Decrease/(Increase) in trading securities	6,188,335	(59,249,249)
11.	(Increase) in derivatives and other financial assets	(1,603,937)	(1,317,668)
12.	(Increase) in loans to customers	(144,153,942)	(115,334,497)
13.	(Decrease) in provision for credit losses	(20,194,345)	(5,174,930)
14.	(Increase) in other operating assets	(31,999,176)	(11,005,715)
	Movement in operating liabilities	252,983,098	176,620,626
15.	Increase/(Decrease) in borrowings from the Government and the SBV	71,484,898	(11,302,784)
16.	Increase in deposits and borrowings from other credit institutions	70,595,997	10,314,731
17.	Increase in deposits from customers	87,327,921	171,516,828
18.	Increase in valuable papers issued (excluding issued valuable papers charged to financial activities)	26,873,634	4,621,215
19.	(Decrease) in grants, trusted funds and borrowings where the Bank bears risks	(135,729)	(205,321)
20.	(Decrease)/Increase in other operating liabilities	(3,163,623)	1,675,957
I.	Net cash generated by operating activities	84,463,729	5,401,509



VIETNAM JOINT STOCK COMMERCIAL BANK FOR INDUSTRY AND TRADE

CONSOLIDATED CASH FLOW STATEMENT (Continued)

For the year ended 31 December 2022

Unit: VND Million

NO.	ITEMS	Current year	Prior year
CASH FLOWS FROM INVESTING ACTIVITIES			
01.	Acquisition of fixed assets	(623,680)	(736,408)
02.	Proceeds from sales, disposals of fixed assets	16,841	7,371
03.	Expenses on sales, disposal of fixed assets	(2,178)	(2,877)
04.	Investments in other entities	6,200	-
05.	Dividends and profit received from long-term investments and capital contribution	87,736	83,771
II.	Net cash (used in) investing activities	(515,081)	(648,143)
CASH FLOWS FROM FINANCING ACTIVITIES			
01.	Dividends paid	(3,844,600)	(21,267)
III.	Net cash (used in) financing activities	(3,844,600)	(21,267)
IV.	Net increase in cash	80,104,048	4,732,099
V.	Cash and cash equivalents at the beginning of the year	164,376,586	160,175,076
VI.	Effects of changes in foreign exchange rates	(182,414)	(530,589)
VII.	Cash and cash equivalents at the end of the year (Note 35)	244,298,220	164,376,586

Prepared by

Ngo Xuan Hai
Head of Financial
Accounting Department

Approved by

Nguyen Hai Hung
Chief Accountant

Approved by

Nguyen Tran Manh Trung
Deputy General Director

30 March 2023

The accompanying notes are an integral part of these consolidated financial statements

VIETNAM JOINT STOCK COMMERCIAL BANK FOR INDUSTRY AND TRADE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements

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.

Establishment and operation

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 Council of Ministers 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 the Council of Ministers, and remodeled to become a State Corporation under Decision No. 285/QD-NH5 dated 21 September 1996 of the Governor of the SBV. On 25 December 2008, Vietnam Bank for Industry and Trade successfully carried out its initial public offering.

On 03 July 2009, the Bank was equitized and renamed Vietnam Joint Stock Commercial Bank for Industry and Trade according to Establishment and Operation License No. 142/GP-NHNN dated 03 July 2009 issued by the SBV and Business Registration Certificate No. 0103038874 dated 03 July 2009 issued by Hanoi Authority for Planning and Investment. The latest (12th) amended Enterprise Registration Certificate No. 0100111948 was issued by Hanoi Authority for Planning and Investment on 08 September 2021. On 17 June 2022, the SBV granted Establishment and Operation License No. 13/GP-NHNN to replace the Establishment and Operation License No. 142/GP-NHNN dated 03 July 2009 and amending and supplementing decisions relating thereto from 2017 to 2021.

The Bank was established to carry out banking activities under its Establishment and Operation License and Enterprise Registration Certificate, including receiving demand deposits, term deposits, savings deposits and other types of deposits; credit granting; opening current accounts for customers; providing domestic payment services; opening accounts; organizing internal payment and joining the national interbank payment system; providing cash management, banking and financial advisory services; services of managing, preserving assets, leasing cabinets, safe boxes; participating in bidding, purchasing and selling for Treasury bills, negotiable instruments, Government bonds, State Bank of Vietnam bills and other valuable papers on the money market; buying and selling Government bonds and corporate bonds; issuing certificates of deposit, promissory notes, treasury bills and bonds to mobilize capital according to the provisions of Law on credit institutions, Law on securities, the Government’s regulations and the SBV’s guidance; borrowing capital from the SBV in the form of refinancing according to the provisions of the Laws of the SBV and the SBV’s guidance; having borrowings to/from and deposits at/from other credit institutions, branches of foreign banks, domestic and foreign financial institutions according to the provisions of law and the SBV’s guidance; carrying out capital contribution, shares acquisition according to the provisions of law and the SBV’s guidance; acting as trustor, trustee and agent in banking-related activities, insurance business and asset management according to the provisions of law and the SBV’s guidance; trading and providing foreign exchange services on the domestic and international market within the scope prescribed by the SBV; trading and supplying interest rate derivatives; providing securities depository and gold trading services; e-wallet; supplying commodity price derivative products; investing in Government bond futures contracts.

Charter capital

The Bank’s charter capital under the Establishment and Operation License No. 142/GP-NHNN dated 03 July 2009 is VND 11,252,973 million, of which State-owned capital is VND 10,040,855 million and capital raised from the Initial Public Offering is VND 1,212,118 million.

On 18 October 2010, the Bank completed its share issuance with 391,931,841 shares additionally issued, of which 76,848,603 shares were issued in form of share dividend payment and 315,083,238 shares were sold to the Bank’s shareholders.

VIETNAM JOINT STOCK COMMERCIAL BANK FOR INDUSTRY AND TRADE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

On 10 March 2011, the Bank completed its share issuance to a strategic shareholder with the total number of newly issued shares of 168,581,013.

On 28 December 2011, the Bank completed its share issuance to the existing shareholders with the total number of newly issued shares of 337,162,100.

On 13 April 2012, the Bank completed its share issuance to the existing shareholders with the total number of new issued shares of 598,782,376.

On 14 May 2013, the Bank completed its share issuance to Bank of Tokyo-Mitsubishi UFJ, Ltd. with the total number of newly issued shares of 644,389,811.

On 22 October 2013, the Bank completed its share issuance to the existing shareholders with the total number of newly issued shares of 457,260,208.

On 21 July 2021, the Bank completed its share issuance to the existing shareholders for dividend payment purpose with the total number of newly issued shares of 1,082,346,053.

Accordingly, as at 31 December 2022, the Bank’s charter capital is VND 48,057,506 million.

Operating network

The Head Office of the Bank is located at 108 Tran Hung Dao Street, Hoan Kiem District, Hanoi, Vietnam. As at 31 December 2022, the Bank has one (01) Head Office; two (02) local representative offices (in Da Nang and Ho Chi Minh City) and (01) overseas representative office in Myanmar; eight (08) administrative units including: one (01) School of Human Resource Development and Training, one (01) Card centre, one (01) Trade Finance Centre, five (05) Cash management centres; one hundred and fifty seven (157) branches and nine hundred and fifty seven (957) transaction offices (including two (02) overseas branches).

Subsidiaries

As at 31 December 2022, the Bank has seven (07) subsidiary companies and one (01) subsidiary bank as follows:

No.	Name	Operating Licence	Nature of Business	Proportion of Ownership of the Bank
1	VietinBank Leasing Company Limited	License of Establishment and Operation No. 53/1998/QD-NHNN5 dated 26 January 1998 issued by the SBV and the 1 st Business Registration Certificate No. 0101047075/GP dated 31 August 2009 by Hanoi Authority for Planning and Investment, the 11 th amendment dated 01 June 2022	Finance and banking	100%
2	VietinBank Securities Joint Stock Company	Establishment and Operation License No. 107/UBCK-GP dated 01 July 2009 issued by the State Securities Commission and Amended License No. 97/GPDC-UBCK dated 10 October 2022	Securities activities	75.6%
3	VietinBank Debt Management and Asset Exploitation Company Limited	Business Registration Certificate No. 0302077030/GP dated 20 July 2010 issued by Department of Planning and Investment of Ho Chi Minh City, the 6 th amendment dated 12 January 2021	Asset management	100%

VIETNAM JOINT STOCK COMMERCIAL BANK FOR INDUSTRY AND TRADE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

No.	Name	Operating Licence	Nature of Business	Proportion of Ownership of the Bank
4	VietinBank Insurance Joint Stock Corporation	Establishment and Operation License No. 21/GP-KDBH dated 12 December 2002 issued by the Ministry of Finance and Amended License No. 21/GPDC33/KDBH dated 03 March 2022 by the Ministry of Finance	Non-life insurance	73.4%
5	VietinBank Gold and Jewellery Trading Company Limited	Enterprise Registration Certificate No. 0105011873/GP dated 25 November 2010 granted by Hanoi Authority for Planning and Investment, the 9th amendment dated 19 December 2022	Trading, producing and refining gold, silver, precious stones	100%
6	VietinBank Fund Management Company Limited	Establishment and Operation License No. 50/UBCK-GP dated 26 October 2010 issued by State Securities Commission and Amended License No. 105/GPDC-UBCK dated 03 November 2022	Fund management	100%
7	VietinBank Global Money Transfer Company Limited	Enterprise Registration Certificate No. 0105757686 dated 03 January 2012 issued by Hanoi Authority for Planning and Investment, the 1st amendment dated 13 March 2015	Monetary transfer intermediary	100%
8	VietinBank Laos Limited	Enterprise Registration Certificate No. 068/NHCHDCNDL dated 08 July 2015 granted by Bank of the Lao P.D.R.	Finance and banking	100%

Employees

The total number of employees of the Bank and its subsidiaries as at 31 December 2022 was 25,119 (as at 31 December 2021: 25,154).

2. ACCOUNTING CONVENTION AND FINANCIAL YEAR**Accounting convention**

The accompanying consolidated financial statements, expressed in Vietnam Dong (VND), are prepared under the historical cost convention and in accordance with Vietnamese Accounting Standards, accounting regime applicable to credit institutions in Vietnam and legal regulations relating to consolidated financial reporting. However, due to the Bank's large scale of operation, for the purpose of preparing these consolidated financial statements, the figures are rounded to and presented in millions of Vietnam Dong (VND Million). This presentation does not materially impact the consolidated financial statements in terms of the consolidated financial position, the consolidated financial performance and consolidated cash flows of the Bank. With regard to the number of shares, the Bank presented the items in Note 24.3.

The accompanying consolidated financial statements are not intended to present the consolidated financial position, consolidated financial performance and consolidated cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Vietnam.

Financial year

The Bank's financial year begins on 01 January and ends on 31 December.

VIETNAM JOINT STOCK COMMERCIAL BANK FOR INDUSTRY AND TRADE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**3. APPLICATION OF NEW GUIDELINES AND NEW ACCOUNTING GUIDELINES ISSUED BUT NOT YET APPLIED****Application of new guidelines**

On 31 December 2021, the SBV issued Circular No. 27/2021/TT-NHNN ("Circular 27") amending and supplementing a number of articles of the account system of credit institutions issued in conjunction with Decision No. 479/2004/QD-NHNN dated 29 April 2004 ("Decision 479") and financial reporting regime for credit institutions issued in conjunction with Decision No. 16/2007/QD-NHNN dated 18 April 2007 ("Decision 16") issued by the SBV. This Circular took effect from 01 April 2022 onwards.

Some major changes in this Circular that have an impact on the Bank's consolidated financial statements in the financial year include:

- Amending and supplementing a number of accounts and corresponding details in accounting and replacing name of some items in the accounts system of credit institutions issued in conjunction with Decision 479;
- Amending and supplementing a number of articles of the financial reporting regime for credit institutions issued in conjunction with Decision 16. Accordingly, comparative figures of some indicators having changes in terms of content and method of obtaining data should be restated for comparison purposes (as detailed in Note 53).

On 17 December 2021, the Ministry of Finance issued Circular No. 114/2021/TT-BTC ("Circular 114") annulling entirely Circular No. 146/2014/TT-BTC ("Circular 146") dated 06 October 2014 by the Ministry of Finance on guiding the financial regime for securities companies and fund management companies. Circular 114 took effect from 01 February 2022 onwards.

Some major changes in Circular 114 that have an impact on the Bank's consolidated financial statements in the financial year include:

- Regulating on making and using provisions for devaluation of inventory, impairment of financial investments, bad debts according to Circular No. 48/2019/TT-BTC ("Circular 48") dated 08 August 2019 and amendments, supplements and replacements thereto (if any);
- Regulating on the use of charter capital supplementary reserve, operational risk and financial reserve made according to Circular 146.

On 07 April 2022, the Ministry of Finance issued Circular No. 24/2022/TT-BTC ("Circular 24") amending and supplementing a number of articles of Circular 48 on providing guidance on making and using provisions for devaluation of inventory, impairment of financial investments and bad debts. Circular 24 took effect from 25 May 2022 onwards.

The Bank has applied these Circulars in the preparation and presentation of the consolidated financial statements for the year ended 31 December 2022.

New accounting guidelines issued but not yet applied

On 16 June 2022, the National Assembly promulgated the Law on Insurance Business No. 08/2022/QH15 ("Law on Insurance Business 2022") regulating the organization and operation of insurance business; rights and obligations of entities and individuals involving in insurance; State management of insurance business activities. Law on Insurance Business 2022 replaces Law on Insurance Business No. 24/2000/QH10, Law No. 61/2010/QH12 and Law No. 42/2019/QH14 from 01 January 2023 onwards, except for a number of provisions taking effect from 01 January 2028.

The Bank's Board of Management believes that the application of Law on Insurance Business 2022 has no material effect on the comparative figures in the future consolidated financial statements of the Bank.

VIETNAM JOINT STOCK COMMERCIAL BANK FOR INDUSTRY AND TRADE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies which have been adopted by the Bank in the preparation of these consolidated financial statements, are as follows:

Estimates

The preparation of the consolidated financial statements in conformity with Vietnamese Accounting Standards, accounting regime applicable to credit institutions in Vietnam and legal regulations relating to consolidated financial reporting requires the Board of Management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the financial year. Although these accounting estimates are based on the Board of Management's best knowledge, actual results may differ from those estimates and assumptions.

Basis of consolidation

The consolidated financial statements incorporate the separate financial statements of the Bank and the financial statements of the enterprises/bank controlled by the Bank ("its subsidiaries") for the year ended 31 December 2022. Control is achieved when the Bank has the power to govern the financial and operating policies of investee enterprises so as to obtain benefits from their activities.

The operating results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those used by the Bank. All internal transactions and balances between the Bank and its subsidiaries and among subsidiaries are eliminated in full on consolidation.

Non-controlling interests consist of the amount of those non-controlling interests at the date of the original business combination and the non-controlling interests' share of changes in equity since the date of the combination. Losses in subsidiaries are respectively attributed to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Business combinations

On acquisition, the assets, liabilities and contingent liabilities of the subsidiaries are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognized as goodwill. Any deficiency of the cost of acquisition below the fair values of the identifiable net assets acquired is credited to profit and loss in the year of acquisition.

The non-controlling interests are initially measured at the non-controlling shareholders' proportion of the net fair value of the assets, liabilities and contingent liabilities recognized.

Investments in joint ventures

A joint venture is a contractual arrangement whereby the Bank and other parties undertake an economic activity that is subject to joint control, i.e., the strategic financial and operating policy decisions relating to the activities require the unanimous consent of the parties sharing control. Joint venture arrangements that involve the establishment of a separate entity in which each venturer has an interest are referred to as jointly controlled entities. The Bank reports its interests in jointly controlled entities using the equity method of accounting. According to equity method of accounting, investments in joint ventures are initially stated at historical cost. Subsequently, interests in joint ventures are adjusted by post-acquisition changes in the Bank's share of the net assets of the joint ventures.

VIETNAM JOINT STOCK COMMERCIAL BANK FOR INDUSTRY AND TRADE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**Foreign currencies**

According to the Bank's accounting system, all transactions are recorded in original currencies. At the reporting date, monetary assets and liabilities denominated in foreign currencies are translated into VND using the average buying and selling spot exchange rates at the close of business of the year-end date if the difference between this rate and the weighted average buying and selling exchange rate of the same day is less than 1% (see details of foreign currency rates applied as at 31 December 2022 in Note 51). Otherwise, the Bank uses the weighted average buying and selling exchange rates ruling at the year-end date for conversion. Income and expenses arising in foreign currencies of the Bank are converted into VND at exchange rates ruling at the transaction dates. Foreign exchange differences arising from the translation of monetary assets and liabilities from foreign currencies into VND are recognized to the consolidated income statement.

Cash and cash equivalents

Cash and cash equivalents comprise cash, gold, gemstones, precious metals, current accounts at the SBV, treasury bills and other short-term valuable papers that are qualified for being discounted at the SBV, current accounts and time deposits with term of three months or less from the deposit date at other credit institutions and securities investment with the original maturity of three months or less from the transaction date.

Placements with and loans to other credit institutions

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

The credit risk classification for placements with and loans to other credit institutions and the corresponding provisioning shall comply with the provisions of Circular No. 11/2021/TT-NHNN dated 30 July 2021 ("Circular 11") of the SBV. Accordingly, the Bank makes specific provisions for deposits (except for current accounts and placements with Vietnam Bank for Social Policies in accordance with the regulations of the SBV on maintaining balance of deposits at Vietnam Bank for Social Policies of state credit institutions) at other credit institutions and foreign bank branches as prescribed by law, and making deposits at overseas credit institutions and loans to other credit institutions in a similar way to those for loans to customers.

Derivatives**Foreign currency forward and swap contracts**

For foreign currency forward and swap contracts, the difference between equivalent VND amounts of foreign currency purchase/sale commitments using forward exchange rate and spot exchange rate as at effective date of the contract is recognized immediately at the effective date of the contract under "Interest and fee receivables" item or "Interest and fee payables" item in the consolidated statement of financial position. The difference is subsequently allocated to "Net gain/(loss) from foreign currency trading" item over the term of the contract.

As at the date of the consolidated financial statements, commitments of foreign currency forward contracts and swap contracts are revaluated and exchange differences arising from the revaluation of foreign currency denominated balances of these contracts are recognized in the consolidated income statement.

Interest rate swap contracts

Commitments of one-currency-interest-rate swap contracts are not recorded in the consolidated statement of financial position. For two-currency-interest-rate swap contracts with nominal principal swap, commitments are recognized in the consolidated statement of financial position. Income and expenses arising from interest rate effects are recorded on the accrual basis. For two-

VIETNAM JOINT STOCK COMMERCIAL BANK FOR INDUSTRY AND TRADE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

currency-interest-rate swap contracts without nominal principal swap, commitments are recognized in the consolidated statement of financial position at the date of principal exchange. Income and expenses arising from interest rate effects are recorded on accrual basis.

Loans to customers

Loans to customers are disclosed and presented at their principal amounts outstanding at the end of the financial year.

Provision for credit losses**Classification of loans and provision for credit losses**

In accordance with Circular 11, credit institutions are required to implement loan classification and credit risk provisioning. Loan classification and credit risk provisioning in compliance with Circular 11 are applied to Assets (hereinafter referred to as "debts") including:

- Loans;
- Finance leasing;
- Discounts, rediscounts of negotiable instruments and other valuable papers;
- Factoring;
- Credit facilities in the form of credit card issuance;
- Payments on behalf under off-balance-sheet commitments;
- Amounts for purchase and entrustment of purchase of corporate bonds (including bonds issued by other credit institutions) which have not yet been listed on stock exchanges nor registered for trading on the UPCoM trading system (hereinafter referred to as unlisted bonds), excluding the purchase of unlisted bonds with trusted funds to which the trustee bears the risk;
- Credit granting entrustment;
- Deposits (except for current accounts and deposits at Vietnam Bank for Social Policies in accordance with regulations of the SBV on maintaining balance of deposits at Vietnam Bank for Social Policies of state credit institutions) at other credit institutions and foreign bank branches as prescribed by law, and deposits at overseas credit institutions;
- Debt sale and purchase according to the State Bank's regulations on buying and selling debt;
- Repos of Government bonds in the stock market in accordance with law on issuance, registration, depository, listing and trading of Government debt securities in the stock market;
- Purchase of promissory notes, bills and certificates of deposit issued by other credit institutions and foreign bank branches.

Accordingly, customers' loans are determined to be the highest of risk group as classified under Article 10 and Article 11 of Circular 11 and customers' highest debt group at credit institutions provided by the Credit Information Center ("CIC") of the SBV at the time of loan classification.

The Bank and its subsidiaries maintain the debt group for certain loans as stipulated in Circular No. 10/2015/TT-NHNN dated 22 July 2015 and Circular No. 25/2018/TT-NHNN dated 24 October 2018 of the SBV amending and supplementing a number of articles of Circular No. 10/2015/TT-NHNN guiding the implementation of some contents of the Government's Decree No. 55/2015/ND-CP dated

VIETNAM JOINT STOCK COMMERCIAL BANK FOR INDUSTRY AND TRADE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

09 June 2015 ("Decree 55") on credit policies for agricultural and rural development; Circular No. 01/2020/TT-NHNN dated 13 March 2020 ("Circular 01") on debt rescheduling, exemption or reduction of interest and fees, maintaining debt categories at credit institutions and branches of foreign banks to assist customers affected by Covid-19 pandemic; Circular No. 03/2021/TT-NHNN dated 02 April 2021 ("Circular 03") amending and supplementing a number of articles of Circular 01; Circular No. 14/2021/TT-NHNN ("Circular 14") amending and supplementing a number of articles of Circular 01 and documents of the SBV on debt classification and risk provisioning.

Loans are classified by risk level into following groups: Standard, Special mention, Substandard, Doubtful and Loss. Loans classified as either Substandard, Doubtful or Loss are considered as bad debts. Loan classification and provision for credit losses will be made at the end of each month and recognised in the following month. Provision for credit losses as at 31 December is recognized in the consolidated income statement for that year.

Specific provision at the year end date is calculated by subtracting the discounted value of collateral from the outstanding loan balance multiplied by the specific provision rate based on the loan classification result at the year-end. Specific provision rate for each debt group is prescribed as follows:

Group	Category	Provision rate
1	Standard	0%
2	Special mention	5%
3	Substandard	20%
4	Doubtful	50%
5	Loss	100%

In accordance with Circular 03, the Bank should make a specific provision for customers whose debts are rescheduled or granted interest and fees exemption or reduction as prescribed by this Circular as follows:

- Up to 31 December 2021: by at least 30% of the specific provision to be additionally made;
- Up to 31 December 2022: by at least 60% of the specific provision to be additionally made; and
- Up to 31 December 2023: 100% of the specific provision to be additionally made.

Following Circular 11, a general provision is made for credit losses that are yet to be identified during the loan classification and specific provisioning process as well as in cases where the Bank encounters potential financial difficulty due to the deterioration in loan quality. Accordingly, the Bank is required to fully make and maintain a general provision at 0.75% of the total outstanding balance of loans which are classified into groups 1 to 4, excluding deposits at domestic credit institutions and foreign bank branches in Vietnam following the law and at overseas credit institutions; loans, termed purchase of valuable papers among credit institutions and foreign bank branches in Vietnam; purchases of promissory notes, bills, certificates of deposit or bonds issued locally by other credit institutions and foreign bank branches; and repurchase agreements of Government bonds in accordance with Circular 11.

Write-off of bad debts

Provision is recorded as an expense on consolidated income statement and used to write – off bad debts.. In accordance with Circular 11, the Bank must set up Risk Management Committee to deal with bad debts if they are classified as Group 5, or if borrowers are either liquidated or bankrupted legal entities, or deceased or missing individual.

VIETNAM JOINT STOCK COMMERCIAL BANK FOR INDUSTRY AND TRADE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**Classification of off-balance-sheet commitments**

The Bank classifies guarantee, acceptances of payment and irrevocable loan commitments and other credit risk bearing commitments (collectively referred to as "off-balance-sheet commitments") into groups as stipulated in Article 09, Article 10 or Article 11 of Circular 11. Accordingly, off-balance-sheet commitments are classified by risk level into the following groups: Standard, Special mention, Substandard, Doubtful and Loss.

The Bank does not make general and specific provisions for off-balance-sheet commitments in accordance with the guidance of Circular 11.

Investments**Trading securities**

Trading securities include debt securities, equity securities and other securities that the Bank and/or its subsidiaries has bought and had the intention to sell in the near future in order to gain benefits from price differences. Trading securities are recognized at cost at the date of transaction and subsequently recorded at cost during the holding period. Interest and cash dividends derived from trading securities are recognized on a cash basis in the consolidated income statement.

These securities are subject to impairment review at the date of the consolidated financial statements. Provisions for securities that are stipulated in the scope of Circular 11 (as described in the summary of significant accounting policies for "Provision for credit losses") are made in accordance with Circular 11. Provisions for impairment of securities that are not stipulated in the scope of Circular 11 are made when their carrying values are higher than their market values determined in accordance with prevailing accounting regulations. Provision for impairment is recognized in the consolidated income statement as "Net gain/ (loss) from trading securities".

Investment securities**Available-for-sale investment securities**

Available-for-sale securities include debt and equity securities that the Bank and/or its subsidiaries holds for investment and available -for-sale purposes, not frequently traded but can be sold when there is a benefit. For equity securities, the Bank and/or its subsidiaries is neither the founding shareholder nor the strategic partner of the investees through a written agreement on the assignment of its personnel to the Board of Directors/Board of Management.

Available-for-sale equity securities are recognized at cost at the transaction date and subsequently recorded at cost during the holding period.

Available-for-sale debt securities are initially recognized at par value at the transaction date. Accrued interest before the acquisition date (for debt securities with interest payment in arrears) or interest income received upfront awaiting amortisation (for debt securities with interest payment in advance) is recorded in a separate account. Any discount or premium, which is the difference between the cost and the amount equal to par value plus (+) accrued interest before the acquisition date (if any) or minus (-) interest received upfront awaiting amortization (if any), is also recorded in a separate account.

During the term of those securities in subsequent period, these securities are recorded at par value, and the discount/premium (if any) is amortised into the consolidated income statement using the straight-line method over the estimate remaining term of securities. The interest received during the securities term is recorded as follows: accumulative interest income before the purchasing date is recored as a decrease from the cost of such securities and the same amount is credited into the accrued interest income; accumulative interest income after the purchasing date is recognised as the Bank's income on an accrual basis. Interest received in

VIETNAM JOINT STOCK COMMERCIAL BANK FOR INDUSTRY AND TRADE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

advance is recorded as income from securities investment using the straight-line method over the period of securities investment.

Periodically, available-for-sale securities are subject to impairment review. Provisions for securities that are stipulated in the scope of Circular 11 (as described in the summary of significant accounting policies for "Provision for credit losses") are made in accordance with Circular 11. Provisions for impairment of securities that are not stipulated in the scope of Circular 11 are made when their carrying values are higher than their market values determined in accordance with prevailing accounting regulations. Provision for impairment is recorded in the consolidated income statement as "Net gain/(loss) from investment securities".

Held-to-maturity investment securities

Held-to-maturity investment securities are debt securities that the Bank and/or its subsidiaries purchases for investment purpose in order to gain interest and the Bank and/or its subsidiaries has intention and the capacity to hold the securities until maturity. Held-to-maturity securities have determinable value and fixed maturity dates. In case of being sold before maturity, they will be reclassified as trading or available-for-sale securities. Held-to-maturity investment securities are recognized similarly to available-for-sale debt securities.

Periodically, held-to-maturity securities are subject to impairment review. Provisions for securities that are fallen within the scope of Circular 11 (as described in the summary of significant accounting policies for "Provision for credit losses") are made in accordance with Circular 11. Provisions for impairment of securities that are not fallen within the scope of Circular 11 are made when their carrying values are higher than their market values determined in accordance with prevailing accounting regulations. Provision for impairment is recorded in the consolidated income statement as "Net gain/(loss) from investment securities".

Reclassification

According to Official Letter No. 2601/NHNN-TCKT dated 14 April 2009 by the SBV, reclassification after transaction date is made only once for each item of investment securities. In special cases or in case a large number of securities have to be reclassified (greater than or equal to 50% of total value of the portfolio), the Bank will disclose the effect of reclassification on total assets, liabilities, equity, income and expenses of the Bank in the consolidated financial statements.

Other long-term investments

Other long-term investments represent capital investments of the Bank and/or its subsidiaries in other enterprises at which the Bank and/or its subsidiaries either owns less than 11% of the voting rights and is a founding shareholder; or a strategic partner; or is capable of controlling, to some extent, the process of initiating and approving financial and operating policies of the investees, which is evidenced by a written agreement on delegating personnel for representation in the Board of Directors/Board of Management. These investments are initially recognized at cost at the transaction date and always carried at that cost during the subsequent holding period.

Provision for impairment of capital contribution, long-term investments

Provision for impairment of investments in capital contribution, long-term investments are made when the investee is operating at loss in accordance with prevailing accounting regulations.

Provision for impairment of capital contribution, long-term investments are recognized as an operating expense in the consolidated income statement. In case an investment is made in listed shares or the fair value of an investment is reliably determined, the provision is made based on the market value of the stock (similar to the provision for impairment of trading securities).

VIETNAM JOINT STOCK COMMERCIAL BANK FOR INDUSTRY AND TRADE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**Recognition**

The Bank and/or its subsidiaries recognizes investment securities and other investments at the date when the Bank performs the contractual terms (transaction-date based policy). Investment securities and other investments are initially recognized at cost. After initial recognition, investment securities and other investments are recognized under the above accounting policies.

Derecognition

Investments in securities are derecognized when the rights to receive cash flows from the investments end or when the Bank and/or its subsidiaries transfers to the buyer the significant risks and rewards associated with the ownership of the investments.

Repurchase and re-sale contracts

Securities sold under agreements to be repurchased at a specific date in the future (repos) are recorded in the consolidated financial statements. The corresponding cash received from these agreements is recognized in consolidated financial statement as a borrowing and the difference between the sale price and the repurchase price is allocated to the consolidated income statement over the agreement validity period using the straight-line method based on the contractual interest rate.

Securities purchased under agreements to be resold at a specific date in the future (reverse repos) are not recognized in the consolidated financial statements. The corresponding cash paid under these agreements is recognized in the consolidated statement of financial position as a loan and the difference between the purchase price and resale price is amortized in to the consolidated income statement over the agreement validity period using the straight-line method based on the contractual interest rate.

Trust activities and trusted funds

The value of trusted funds is recorded when the trust contracts have been signed and trusted funds have been realised. Rights and obligations of the trustor and trustee relating to profit and profit sharing, trust fees, other rights and obligations comply with the terms of the signed contracts. The assets that are held under custody services are not considered assets of the Bank and/or its subsidiaries and therefore, they are not recognized in the consolidated statement of financial position of the Bank.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. The cost of tangible fixed asset comprises all its purchase price of the Bank and its subsidiaries plus any directly attributable costs of bringing the asset to the working condition for its intended use.

Costs related to additions and improvements are capitalized and expenditures for maintenance and repairs are charged to the consolidated income statement when incurred. When assets are sold or disposed, their cost and accumulated depreciation are written off from the consolidated statement of financial position and any gains or losses resulting from their disposals are recorded in the consolidated income statement.

Intangible assets

Intangible assets are stated at cost less accumulated amortization. The cost of an intangible asset comprises all expenditures of the Bank and its subsidiaries paid to acquire the asset until it is put into use.

Expenditures for improvements of intangible assets are capitalized. The expenditures related to intangible assets incurred after initial recognition and evaluated with certainty, increasing the

VIETNAM JOINT STOCK COMMERCIAL BANK FOR INDUSTRY AND TRADE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

economic benefits of the intangible fixed assets compared to the initial activity level, shall be capitalized. Other expenditures related to intangible assets incurred after initial recognition are charged to the consolidated income statement. When intangible assets are sold or disposed, their cost and accumulated amortisation are written off from the consolidated statement of financial position and any gains or losses resulting from their disposals are recorded in the consolidated income statement.

Leasing

A lease is classified as a finance lease when significant rights and risks relating to ownership of the leased item are transferred to the lessee. All leases other than finance leases are classified as operating leases.

Operating lease assets are recognized off the consolidated statement of financial position. Rentals under operating leases are recorded in "Operating expenses" on a straight-line basis over the lease term.

Depreciation and amortization

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

Assets	Estimated useful lives (Years)
Buildings and structures	05 - 40
Machinery and equipment	03 - 07
Motor vehicles and transmission equipment	06 - 08
Management tools, equipment and other tangible fixed assets	04 - 25
Computer software and other intangible assets	03 - 08

Land use rights are not amortized if they are granted by the Government of Vietnam for an indefinite term. Land use rights with definite term are amortized over the lease or usage term.

Prepaid expenses

Prepaid expenses include actual expenses that have arisen but are related to the results of production and business activities of many accounting periods. Prepaid expenses comprise prepaid office rentals and other prepaid expenses.

Office rentals represent the rental for office paid in advance. Prepaid office rental is allocated to the consolidated income statement using the straight-line method over the rental period.

Other prepaid expenses include repair, maintenance costs for assets, costs of tools and supplies issued for consumption, prepaid service charges and other prepaid expenses, which are expected to provide future economic benefits to the Bank. These expenses are capitalized as prepaid expenses and are allocated to the consolidated income statement using the straight-line method over the period of three years or less in accordance with prevailing accounting regulations.

VIETNAM JOINT STOCK COMMERCIAL BANK FOR INDUSTRY AND TRADE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**Receivables**

Receivables other than those from credit activities in the Bank's operation are initially recognized at cost and subsequently recorded at cost. Other receivables are subject to impairment review based on the overdue status or based on the expected loss for the following cases: institutional debtors who have fallen into bankruptcy or have been in the process of dissolution; or individual debtors who are missing, escaping, prosecuted, on trial or passed away even though receivables are not overdue. Provision expense incurred is recorded as "Operating expenses" in the consolidated income statement during the year.

Provision rates for doubtful receivables are applied in accordance with the prevailing accounting regulations.

Other provisions

Other provisions are recognized when the Bank and its subsidiaries has a present obligation as a result of a past event, and it is probable that the Bank and its subsidiaries will be required to settle that obligation. Other provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the financial year end.

Capital and reserves**Common shares**

Common shares are classified as owners' equity.

Share premium

When capital is received from shareholders, the difference between selling price and par value is recorded as share premium in owners' equity. Incurred expenses that directly relate to the issuance of common shares are recognized as a decrease in share premium.

Treasury shares

When issued shares are repurchased, the aggregate amount paid, including expenses that directly relate to the repurchase of shares, after deducting taxes, is recorded as treasury shares and stated as a decrease in owners' equity.

Reserves

Reserves are used for specific purposes and are appropriated from the Bank's profit after tax based on the regulated ratios in the following sequence:

- Supplementary charter capital reserve: 5% of profit after tax but not exceeding the Bank's charter capital;
- Financial reserve fund: 10% of profit after tax;
- Bonus fund for the Board of Management, bonus and welfare fund are established in accordance with the decision of the General Shareholders' Meeting;
- Other reserves: established in accordance with current regulations and the Decisions of the General Shareholders' Meeting.

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

VIETNAM JOINT STOCK COMMERCIAL BANK FOR INDUSTRY AND TRADE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

- VietinBank Securities Joint Stock Company and VietinBank Fund Management Company Limited reserves are appropriated from their net profit after tax according to Circular No. 114/2021/TT-BTC dated 17 December 2021 annulling entirely Circular No. 146/2014/TT-BTC dated 06 October 2014 ("Circular 146") issued by the Ministry of Finance. Accordingly:
 - The balance of the supplementary charter capital reserve built up according to the provisions of Circular 146 is used to supplement the charter capital in accordance with the provisions of Law on Securities No. 54/2019/QH14, related guiding documents and the Charter on organization and operation of these companies;
 - The balance of the operational risk and financial reserve built up according to the provisions of Circular 146 is used to supplement the charter capital or in accordance with decision of the General Shareholders' Meeting, Board of Members or Chairman/President in accordance with the provisions of Law on Securities No. 54/2019/QH14, related guiding documents and the Charter on organization and operation of these companies, ensuring that the financial safety ratios are met as prescribed by securities law.
- VietinBank Insurance Joint Stock Corporation reserves are appropriated from its net profit after tax according to Decree No. 73/2016/ND-CP dated 01 July 2016 issued by the Government at the following rate:
 - Statutory reserve fund: 5% of profit after tax, not exceeding 10% of the Company's charter capital.
- VietinBank Laos Limited: statutory reserve fund, investment and development fund and other funds are appropriated from VietinBank Lao Limited's net profit after tax according to Amended Law on Commercial Banks on 07 December 2018 published by the Lao National Assembly at the following rates:
 - Statutory reserve fund: 10% of profit after tax;
 - Investment and development fund: established in accordance with the owner's approval.

These reserves are built up at the end of the financial year.

Revenue and expenses**Interest and similar income/expenses**

Interest income and interest expenses are recognized in the consolidated income statement on the accrual basis. The recognition of accrued interest income arising from the loans that are classified from group 2 to group 5 in accordance with Circular 11, accrued interest income on loans restructured and maintained as Standard loan groups (group 1) as prescribed in Circular 01, Circular 03, Circular 14 and Decree 55 will not be recognized in the consolidated income statement. Accrued interest income on such loans is recorded as an off-balance-sheet item and is recognized in the consolidated income statement upon actual receipt.

Income and expenses from interest on investments are recorded on the accrual basis. Accrued interest income of securities that are fallen within the scope of Circular 11 and classified from group 2 upwards is not recognized in the consolidated income statement for the year. These accruals are recorded as off-balance-sheet items and are only recognized in the consolidated income statement upon actual receipt.

VIETNAM JOINT STOCK COMMERCIAL BANK FOR INDUSTRY AND TRADE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**Insurance income and expenses***For direct premium insurance transactions*

Gross direct premiums are recognized in accordance with Circular No. 50/2017/TT-BTC by the Ministry of Finance effective from 01 July 2017 ("Circular 50"). Accordingly, gross direct premiums are recognized when one of the following conditions are met: (1) the agreement has been entered into by the insurer and the insured, who have fully paid premiums; (2) there is evidence that the insurance contract has been signed and the insured has paid the premiums fully; and (3) the insurance contract is signed and there is an agreement between the insurer and the insured for delayed payment of insurance premium, and in this case, the insurer will still record the premium amount as an income for the current year even though the amount has not been paid by the insured. The premium payment period is no longer than 30 days from the effective date of the insurance policy. In the case of the periodic payment, the insurer records income from insurance premiums of the first payment period when the policy is effective and only records revenue from insurance premiums of the next payment periods when the insured has fully paid the insurance premium as per the policy. In case the insured has not fully paid the insurance premium as agreed in the contract, the insurance contract shall be automatically terminated at the end of the insurance premium payment term.

The prepaid premium before the due date as at the end of the fiscal year is recognized in the "Other payables and liabilities" item in the consolidated statement of financial position. Premium return and premium reduction are considered as revenue deduction and must be recorded separately. At the year end, these amounts are net-off to gross written premium to calculate net written premium in the "Income from services" item in the consolidated income statement.

Insurance claim expenses are recognized when the claim documents are completed and approved by the authorized person. In case that the final claim amount has not been finalized, but the insurer is certain that the loss is within its insured liabilities and has paid an advance to the customer as per their request, such advance would also be recognized as claim expense. The claims which have not been approved as at the consolidated balance sheet date are considered as outstanding claims and included in claim reserves.

The commission expense of each product is calculated at percentage of direct premium stated in Circular 50. Commission expenses are allocated and recognized in the consolidated income statement corresponding with the premium earned.

*For reinsurance transactions***i. Reinsurance ceded**

Reinsurance premium ceded under treaty reinsurance agreements are recognized when gross written premiums within the recognition of the scope of the treaty agreements.

Reinsurance premium ceded under facultative reinsurance agreements is recognized when the facultative reinsurance agreement has been signed and when gross written premiums within the recognition of the scope of the facultative agreements.

Claim receipts from ceded policies is recognized when there is evidence of liability on the part of the reinsurer.

Commission on reinsurance ceded and other related revenue are recognized corresponding to reinsurance premium ceded incurred during the year. At the end of financial year, the reinsurance commission equivalent to the insurance commission which is not included in premium of the current year corresponding to unearned premium of reinsurance ceded shall be determined and allocated to the subsequent years based on registered method of unearned premium reserve.

VIETNAM JOINT STOCK COMMERCIAL BANK FOR INDUSTRY AND TRADE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**ii. Reinsurance assumed**

Reinsurance assumed under treaty arrangement:

- Revenue and expenses relating to reinsurance assumed under treaty arrangements are recognized when the statement of account is received from the cedants.

Reinsurance assumed under facultative arrangement:

- Reinsurance premium assumed is recognized when the facultative reinsurance agreement has been signed and a statement of account (for each facultative reinsurance agreement) has been received from the cedants;
- Claim expenses for reinsurance assumed is recognized when the liability under agreement arises and when a statement of account has been sent to the reinsurer; and;
- Commission on reinsurance assumed is recognized when the reinsurance premium is ceded and when a statement of account has been sent to the reinsurer. At the end of financial year, the part of insurance commission which is not included in expense of the year corresponding to unearned premium of reinsurance assumed shall be determined and allocated to the subsequent financial based on registered method for unearned premium reserve.

Income from service charges and commissions

Income from service charges and commissions is recognized on the accrual basis.

Income from guarantee and L/C commitment activities

Income from guarantee and L/C commitment activities is recognized on the accrual and allocation bases.

Income from securities trading

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

Recognition of dividends and profits received

Cash dividends and profits received from investment and capital contributions activities are recorded in the consolidated income statement when the Bank's right to receive dividends and profits has been established. Share dividends, which are distributed from profits of joint stock companies, are recognized neither as an increase in the value of received shares nor financial income in the consolidated financial statements but are only used for tracking the increase in the number of shares according to Circular No. 200/2014/TT-BTC dated 22 December 2014 issued by the Ministry of Finance.

Revenue from other service

When the contract results can be determined reliably, revenue will be recognized based on the level of work completion. If the contract results cannot be determined reliably, revenue will only be recognized at the recoverable level of the recorded expenses.

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 recognized as accrued income but subsequently assessed to be not recoverable or not yet recoverable at the due date are recorded as reduction in revenue if the income has been accrued

VIETNAM JOINT STOCK COMMERCIAL BANK FOR INDUSTRY AND TRADE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

in the same financial year or recorded as other expenses if accrued in different financial year and monitored off-balance-sheet. Upon actual receipt of these receivables, the Bank recognizes them as income according to the nature of the income in the consolidated income statement.

Expenses recognition principle

According to Circular 16, only incurred economic transactions which are deductible expenses in accordance with regulations of law on corporate income tax are recorded in the consolidated income statement by the Bank.

Taxation

Corporate income tax expense represents the sum of the current corporate income tax expense and deferred tax.

The current corporate income tax expense is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years (including loss carried forward, if any) and it further excludes items that are never taxable or deductible.

Deferred tax is recognized on temporary differences between carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases. Deferred tax liabilities are generally recognized for all taxable temporary differences, unless they occurred from the initial recognition of an asset or liability of a transaction which has no impact on accounting profit or taxable profit/(loss) at the transaction date. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilized.

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset is realized. Deferred tax is charged or credited to the consolidated income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax authority and the Bank intends to settle its current tax assets and liabilities on a net basis.

The determination of the current corporate income tax expense is based on the current interpretation of tax regulations. However, these regulations are subject to periodic variation and their ultimate determination depends on the results of the tax authorities' examinations.

Other taxes are paid in accordance with the prevailing tax laws in Vietnam.

Employee benefits*Post-employment benefits*

Post-employment benefits are paid to retired employees of the Bank and its subsidiaries in Vietnam by the Social Insurance Agency, a government-affiliated agency. The Bank and its subsidiaries in Vietnam are required to contribute to these post-employment benefits by paying social insurance premium to the Social Insurance Agency at the rate of 17.5% of the basic employee's monthly salary for their working period. In addition, the Bank shall pay a subsidy of 02 months of additional salary based on job positions with the average key performance indicator ("KPI") of the six consecutive months before retirement.

According to Resolution No. 68/NQ-CP dated 01 July 2021 by the Government, from 01 July 2021 to 30 June 2022, the Bank and its subsidiaries in Vietnam are entitled to a premium rate of 0% of the

VIETNAM JOINT STOCK COMMERCIAL BANK FOR INDUSTRY AND TRADE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

salary fund as the basis for paying social insurance premiums to the insurance fund for occupational accidents and diseases. From 01 July 2022, the Bank and its subsidiaries in Vietnam must contribute to the insurance fund for occupational accidents and diseases at the old rate specified in Decree No. 58/2020/ND-CP dated 27 May 2020 by the Government.

Severance allowance

According to Article 46 of Labour Code No. 45/2019/QH14 effective from 01 January 2021, the Bank and its subsidiaries in Vietnam are responsible to pay severance allowance for employees who have regularly been working at the Bank for 12 months or more, with half-month salary allowance for each working year (clauses 1, 2, 3, 4, 6, 7, 9 and 10 of Article 34 of the Labor Code), except for those who are eligible for receiving pension under the provisions of the law on social insurance and those as specified at point e, clause 1, Article 36 of the Labor Code 2019. The working period used for calculation of severance allowance excludes the period that employees benefit from unemployment insurance in accordance with regulations and the working period that employees have received severance allowance and retrenchment benefits from employers. The salary as the basis for calculation of severance allowance shall be the average salary of the last 06 months under the employment contract before the termination of labor.

Unemployment insurance

According to Circular No. 28/2015/TT-BLĐTBXH dated 31 July 2015 ("Circular 28") of the Ministry of Labor - War Invalids and Social Affairs guiding the implementation of Article 52 of the Employment Law 2013 and Decree No. 28/2015/ND-CP of the Government dated 12 March 2015 regulating the implementation of the Employment Law on unemployment insurance, from 01 January 2009, the Bank and its subsidiaries in Vietnam are obliged to pay unemployment insurance to eligible employees at 1% of their salary fund allocated for unemployment insurance. According to Decision No. 28/2021/QĐ-TTg of the Prime Minister, from 01 October 2021, the Bank and its subsidiaries in Vietnam are entitled to a reduction in the unemployment insurance contributions rate from 1% to 0% within 12 months. From 01 October 2022, the Bank and its subsidiaries in Vietnam must pay unemployment insurance to eligible employees at the old rate specified in Circular 28.

Related parties

The parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making decisions on financial and operating policies. A party is considered as a related party with the Bank if:

(a) Directly or indirectly through one or more intermediaries, the party:

- Controls, or is controlled by, or is under common control by the Bank (including the holding company and its subsidiaries);
- Contributes capital to the Bank and therefore has significant influence over the Bank;
- Has joint control over the Bank;

(b) The party is a joint venture or an associate of which the Bank is a venturer or an investor;

(c) The party has a key management personnel who is also a member of the Board of Directors, Board of Management, and Board of Supervisors of the Bank;

(d) The party is a close member of 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 of which, significant voting power in such entity resides with, any individual referred to in (c) or (d).

VIETNAM JOINT STOCK COMMERCIAL BANK FOR INDUSTRY AND TRADE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**Technical reserves for insurance activities**

The technical reserves are calculated in accordance with Circular 50 and Official Letter approved by the Ministry of Finance including Official Letter No. 2821/BTC-QLBH dated 13 March 2018 and Official Letter No. 1916/BTC-QLBH dated 28 February 2022. Details are as follows:

(a) Technical reserves for non-life insurance*Unearned premium reserve*

For non-life insurance policies, reinsurance policies ("insurance policy"), unearned premium reserve is made based on the coefficient of the insurance policy duration, applying the 1/8 method for making premium provision on the basis of gross premium.

Claim reserve

For incurred and reported losses, claim reserves for direct insurance and assumed reinsurance and ceded reinsurance are made using the statistic of retention liabilities for each estimated loss incurred and reported.

For losses incurred but not reported ("IBNR"), claim reserve is provided for based on statistical ratio of claims incurred during 3 consecutive years.

Catastrophe reserve

According to Vietnamese Accounting Standard ("VAS") No. 19 - Insurance Contract, catastrophe reserve for possible claims under contracts that are not in existence at the reporting date is no longer required. However, VietinBank Insurance Joint Stock Corporation follows the reserve policy in accordance with Circular 50, accordingly, catastrophe reserve for all types of insurance services is consistently made at 1% of total retained premiums for the year.

(b) Technical reserve for health insurance*Mathematical reserve*

- Regarding health insurance contracts, reinsurance policies ("insurance policy") with a term of more than 1 year, mathematical reserve is made based on the coefficient of the insurance policy duration, applying the 1/8 method for making premium provision on the basis of gross premium.
- Regarding health insurance contracts, reinsurance policies ("insurance policies") which only cover death or total permanent disability, mathematical reserve is set aside based on a coefficient of the insurance policies duration, applying the daily method according to gross premium.

Unearned premium reserve

For health insurance policies, reinsurance policies ("insurance policy") with a term of less than 01 year, unearned premium reserve is made based on the coefficient of the insurance policy duration, applying the 1/8 method for making premium provision on the basis of gross premium.

Claim reserve

For incurred and reported losses, claim reserves for direct insurance and assumed reinsurance and ceded reinsurance are made using the statistic of retention liabilities for each estimated loss incurred and reported.

For losses incurred but not reported ("IBNR"), claim reserve is provided for based on statistical ratio of claims incurred during 3 consecutive years.

VIETNAM JOINT STOCK COMMERCIAL BANK FOR INDUSTRY AND TRADE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)*Equalization reserve*

Equalization reserve for health insurance is set up at 1% of retained premium in the year and recognised in catastrophe reserve account on the consolidated financial statement.

Offsetting

Financial assets and financial liabilities are offset and the net amounts are reported in the consolidated financial statement if, and only if, there is a currently enforceable legal right 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.

The Bank is not allowed to offset reserves for direct insurance and assumed reinsurance against reserve for ceded reinsurance. Such reserves should be presented separately in the consolidated financial statement, in which unearned premiums reserve, claims reserve for direct insurance and assumed reinsurance and catastrophe reserve are recognized as liabilities in "Other payables and liabilities" item in the consolidated financial statement; while unearned premium reserve for outward reinsurance and claims reserve for ceded reinsurance are recognized as reinsurance assets in "Other assets" item in the consolidated financial statement.

5. CASH, GOLD AND GEMSTONES

	Closing balance	Opening balance
	VND Million	VND Million
Cash in VND	9,897,136	9,896,327
Cash in foreign currencies	1,148,066	1,406,350
Monetary gold	3,666	10,783
Other precious metal and gemstones	18,088	17,199
	11,066,956	11,330,659

6. BALANCES WITH THE STATE BANK OF VIETNAM ("SBV")

	Closing balance	Opening balance
	VND Million	VND Million
Current account at the SBV		
- In VND	29,416,069	19,166,884
- In foreign currencies	311,041	4,216,559
	29,727,110	23,383,443

Balances with the SBV are for the purpose of payment and compulsory reserves at the SBV as required.

VIETNAM JOINT STOCK COMMERCIAL BANK FOR INDUSTRY AND TRADE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

7. PLACEMENTS WITH AND LOANS TO OTHER CREDIT INSTITUTIONS

	Closing balance	Opening balance
	VND Million	VND Million
Placements with other credit institutions		
Demand deposits	131,699,995	88,559,894
- In VND	69,108,008	19,779,938
- In foreign currencies	62,591,987	68,779,956
Term deposits	90,754,665	41,239,470
- In VND	28,517,000	26,290,000
- In foreign currencies	62,237,665	14,949,470
	222,454,660	129,799,364
Loans to other credit institutions		
- In VND	18,587,904	16,761,360
- In foreign currencies	1,389,389	2,755,922
	19,977,293	19,517,282
Placements with and loans to other credit institutions	242,431,953	149,316,646

Analysis of placements with other credit institutions (excluding current accounts at domestic credit institutions, foreign banks' branches in Vietnam, placements with Vietnam Bank for Social Policies and deposits at overseas credit institutions under Circular 11) and loans to other credit institutions by quality is as follows:

	Closing balance	Opening balance
	VND Million	VND Million
Current loans	110,731,958	60,756,752
Special mention loans	-	-
Sub-standard loans	-	-
Doubtful loans	-	-
Loss loans	-	-
Total	110,731,958	60,756,752

VIETNAM JOINT STOCK COMMERCIAL BANK FOR INDUSTRY AND TRADE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

8. TRADING SECURITIES

	Closing balance	Opening balance
	VND Million	VND Million
Debt securities	752,618	1,899,732
Government bonds	231,018	1,092,554
Debt securities issued by local economic entities	521,600	807,178
Equity securities	870,349	623,075
Equity securities issued by other local credit institutions	387,238	178,563
Equity securities issued by local economic entities	483,111	444,512
	1,622,967	2,522,807
Provisions for impairment of trading securities	(216,784)	(47,498)
Provision for impairment	(212,872)	(41,444)
General provision	(3,912)	(6,054)
	1,406,183	2,475,309

Listing status of trading securities is as follows:

	Closing balance	Opening balance
	VND Million	VND Million
Debt securities	752,618	1,899,732
Listed	231,018	1,092,554
Unlisted	521,600	807,178
Equity securities	870,349	623,075
Listed	655,203	455,291
Unlisted	215,146	167,784
	1,622,967	2,522,807

Quality analysis of securities classified as credit risk assets based on their face values

	Closing balance	Opening balance
	VND Million	VND Million
Current loans	521,600	807,178
Special mention loans	-	-
Sub-standard loans	-	-
Doubtful loans	-	-
Loss loans	-	-
	521,600	807,178

VIETNAM JOINT STOCK COMMERCIAL BANK FOR INDUSTRY AND TRADE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

9. DERIVATIVES AND OTHER FINANCIAL ASSETS/(LIABILITIES)

	Net book value (at exchange rate as at the reporting date)		
	Assets	Liabilities	Net amount
	VND Million	VND Million	VND Million
Closing balance			
Currency derivative financial instruments	3,150,003	-	3,150,003
- Forward contracts	127,406	-	127,406
- Swap contracts	3,022,597	-	3,022,597
Interest rate derivative financial instruments	-	(91,276)	(91,276)
	3,150,003	(91,276)	3,058,727
Opening balance			
Currency derivative financial instruments	1,296,937	-	1,296,937
- Forward contracts	130,202	-	130,202
- Swap contracts	1,166,735	-	1,166,735
Interest rate derivative financial instruments	157,853	-	157,853
	1,454,790	-	1,454,790

10. LOANS TO CUSTOMERS

	Closing balance	Opening balance
	VND Million	VND Million
Loans to local economic entities and individuals	1,258,111,234	1,115,213,563
Discounting promissory notes and valuable papers	1,824,896	2,170,538
Finance leases	4,613,703	3,585,536
Payments made on behalf of customers	473,842	14,385
Loans by grants, investment trusts	28,238	62,318
Loans to foreign organisations and individuals	9,769,796	9,621,427
	1,274,821,709	1,130,667,767

Analysis of loan portfolio by quality

	Closing balance	Opening balance
	VND Million	VND Million
Current loans	1,229,062,260	1,104,465,335
Special-mentioned loans	299,584,669	11,901,967
Sub-standard loans	7,305,070	7,095,731
Doubtful loans	2,261,011	2,003,066
Loss loans	6,234,899	5,201,668
	1,274,821,709	1,130,667,767

VIETNAM JOINT STOCK COMMERCIAL BANK FOR INDUSTRY AND TRADE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Analysis of loans portfolio by original term

	Closing balance	Opening balance
	VND Million	VND Million
Short-term loans (Up to 1 year)	772,203,915	683,530,470
Medium-term loans (From 1 to 5 years)	83,412,853	66,214,587
Long-term loans (Above 5 years)	419,204,941	380,922,710
	1,274,821,709	1,130,667,767

Analysis of loan portfolio by type of customers and type of businesses

	Closing balance	Opening balance
	VND Million	VND Million
State-owned enterprises	64,730,484	51,388,764
State-owned one-member limited enterprises	18,079,808	24,016,904
Two or more member limited liability enterprises with more than 50% of the State's share holding	7,683,364	7,015,249
Other limited companies	267,466,339	254,976,627
Joint stock companies with more than 50% of the State's share-holding	21,181,071	29,986,650
Other joint stock companies	346,530,426	324,836,944
Partnership companies	4,190	284,269
Private companies	13,350,585	13,249,546
Foreign invested enterprises	61,301,483	58,031,369
Cooperatives, cooperative unions	1,307,206	1,436,474
Household businesses, individuals	471,393,466	362,632,638
Administrative units, the Party, unions and associations	913,395	993,055
Others	879,892	1,819,278
	1,274,821,709	1,130,667,767

Analysis of loan portfolio by sector

	Closing balance	Opening balance
	VND Million	VND Million
Agriculture, forestry and aquaculture	46,625,378	43,619,396
Mining and quarrying	9,933,405	12,391,069
Production and processing	269,186,570	263,169,799
Electricity, fuel gas and water production and distribution	64,515,281	63,232,247
Construction	87,356,195	91,228,785
Wholesale and retail; repair of cars, motorcycles, motorbikes and other motor vehicles	437,098,865	375,754,856
Transport, warehouse and communication	23,669,902	23,011,305
Trade and service	237,775,449	170,503,149
Employment activities in households, production of material products and services for household self-consumption	68,847,438	53,108,053
Others	29,813,226	34,649,108
	1,274,821,709	1,130,667,767

VIETNAM JOINT STOCK COMMERCIAL BANK FOR INDUSTRY AND TRADE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**11. PROVISIONS FOR CREDIT LOSSES ON LOANS TO CUSTOMERS**

Movements in provisions for credit losses on loans to customers for the year ended 31 December 2022 are as follows:

	General provision	Specific provision	Total
	VND Million	VND Million	VND Million
Opening balance	8,422,669	17,372,433	25,795,102
Provision made for the year	1,065,454	23,097,723	24,163,177
Provision used to write off bad debts for the year	-	(20,194,345)	(20,194,345)
Other adjustments	-	(101)	(101)
Closing balance	9,488,123	20,275,710	29,763,833

Movements in provisions for credit losses on loans to customers for the year ended 31 December 2021 are as follows:

	General provision	Specific provision	Total
	VND Million	VND Million	VND Million
Opening balance	7,365,419	5,216,961	12,582,380
Provision made for the year	1,057,250	17,324,376	18,381,626
Provision used to write off bad debts for the year	-	(5,174,930)	(5,174,930)
Other adjustments	-	6,026	6,026
Closing balance	8,422,669	17,372,433	25,795,102

12. INVESTMENT SECURITIES**12.1 Available-for-sale investment securities**

	Closing balance	Opening balance
	VND Million	VND Million
Debt securities	178,308,413	174,596,854
Government bonds	77,511,269	78,299,141
Debt securities issued by other domestic credit institutions	96,813,834	86,815,360
Debt securities issued by domestic economic entities	3,983,310	9,482,353
Equity securities	376,615	376,615
Equity securities issued by domestic economic entities	376,615	376,615
Provisions for impairment of available-for-sale investment securities	(65,232)	(122,027)
In which:		
Provisions for impairment	(35,357)	(51,189)
General provision	(29,875)	(70,838)
	178,619,796	174,851,442

VIETNAM JOINT STOCK COMMERCIAL BANK FOR INDUSTRY AND TRADE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**12.2 Held-to-maturity investment securities**

	Closing balance	Opening balance
	VND Million	VND Million
Debt securities	1,696,778	2,696,832
Government bonds	1,200,000	2,200,000
Debt securities issued by domestic economic entities	496,778	496,832
Provisions for impairment of held-to-maturity investment securities	(3,726)	(3,726)
In which:		
General provision	(3,726)	(3,726)
- Specific provision		
	1,693,052	2,693,106

12.3 Quality analysis of securities classified as credit risk assets based on their face values

	Closing balance	Opening balance
	VND Million	VND Million
Current loans	91,779,755	65,453,217
Special mention loans	-	-
Sub-standard loans	30	-
Doubtful loans	-	-
Loss loans	-	-
	91,779,785	65,453,217

12.4 Movements in provision for impairment of investment securities

Movements in provision for credit losses on investment securities for the year ended 31 December 2022 are as follows:

	Provision for available-for-sale investment securities		Provision for held-to-maturity investment securities	
	General provision	Provisions for impairment	General provision	Total
	VND Million	VND Million	VND Million	VND Million
Opening balance	70,838	51,189	3,726	125,753
Provision (reversed) for the year	(40,963)	(15,832)	-	(56,795)
Closing balance	29,875	35,357	3,726	68,958

VIETNAM JOINT STOCK COMMERCIAL BANK FOR INDUSTRY AND TRADE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Movements in provision for credit losses on investment securities for the year ended 31 December 2021 are as follows:

	Provision for available-for-sale investment securities		Provision for held-to-maturity investment securities	Total
	General provision	Provisions for impairment	General provision	
	VND Million	VND Million	VND Million	
Opening balance	298,572	50,918	3,126	352,616
Provision (reversed)/made for the year	(227,734)	271	600	(226,863)
Closing balance	70,838	51,189	3,726	125,753

13. CAPITAL CONTRIBUTION, LONG-TERM INVESTMENTS**Analysis by type of investment**

	Closing balance	Opening balance
	VND Million	VND Million
Investments in joint ventures (Note 13.1)	3,303,160	3,073,356
Other long-term investments	234,462	240,662
Provisions for impairment of long-term investments	(18,181)	(23,991)
	3,519,441	3,290,027

13.1 Investment in joint venture

	Closing balance				Opening balance			
	Cost	Net value of investment using equity method	Net value of investment using equity method	Proportion of ownership interest	Cost in original currency	Cost	Net value of investment using equity method	Proportion of ownership interest
	VND Million	VND Million	VND Million	%	VND Million	VND Million	VND Million	%
Indovina Bank Ltd.	1,688,788	3,303,160	3,303,160	50	96,500,000	1,688,788	3,073,356	50
		3,303,160	3,303,160			1,688,788	3,073,356	

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 Establishment and Operation License for Joint venture bank No. 101/GP-NHNN dated 11 November 2019 (replacing Operation License for Joint venture bank No. 08/NH-GP dated 29 October 1992) for the duration of 99 years with the charter capital of USD 193,000,000, equivalent to VND 3,377,500 million.

Since its establishment, as approved by the SBV, 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 2022, the charter capital of Indovina Bank Limited is USD 193,000,000, equivalent to VND 3,377,500 million.

VIETNAM JOINT STOCK COMMERCIAL BANK FOR INDUSTRY AND TRADE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**14. INCREASES, DECREASES IN TANGIBLE FIXED ASSETS**

	Buildings, structures	Machinery, equipment	Motor vehicles	Management tools, equipment and other tangible fixed assets	Total
	VND Million	VND Million	VND Million	VND Million	VND Million
Cost					
Opening balance	8,069,230	5,582,388	1,746,676	375,008	15,773,302
Acquisitions during the year	1,180	236,311	135,403	29,212	402,106
Transfer from construction in progress	112,765	4,266	13,278	4,551	134,860
Other additions	47,860	27,060	3,784	6,214	84,918
Disposals	(4,843)	(54,872)	(73,186)	(5,669)	(138,570)
Other decreases	(34,532)	(18,090)	(9,220)	(3,944)	(65,786)
Closing balance	8,191,660	5,777,063	1,816,735	405,372	16,190,830
Accumulated depreciation					
Opening balance	2,797,617	5,163,355	1,291,812	327,696	9,580,480
Depreciation charged for the year	279,051	234,178	153,872	30,737	697,838
Reclassification	-	(167)	167	-	-
Disposals	(4,687)	(50,248)	(69,652)	(5,668)	(130,255)
Other increase/(decrease)	133	1,788	(3,253)	(3,381)	(4,713)
Closing balance	3,072,114	5,348,906	1,372,946	349,384	10,143,350
Net book value					
As at the end of the year	5,119,546	428,157	443,789	55,988	6,047,480
As at the beginning of the year	5,271,613	419,033	454,864	47,312	6,192,822

Other information about tangible fixed assets:

	Closing balance	Opening balance
	VND Million	VND Million
Cost of tangible fixed assets fully depreciated but still in use	7,113,429	6,546,103
	7,113,429	6,546,103

VIETNAM JOINT STOCK COMMERCIAL BANK FOR INDUSTRY AND TRADE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

15. INCREASES, DECREASES IN INTANGIBLE ASSETS

	Land use rights	Computer software and other intangible assets	Total
	VND Million	VND Million	VND Million
Cost			
Opening balance	4,118,602	2,509,092	6,627,694
Acquisitions during the year	-	159,063	159,063
Other increases			-
Other decreases	(4,660)	(2,800)	(7,460)
Closing balance	4,113,942	2,665,355	6,779,297
Accumulated amortisation			
Opening balance	418,976	1,905,388	2,324,364
Amortisation charged for the year	38,739	224,097	262,836
Other increases	2,102	35,284	37,386
Closing balance	459,817	2,164,769	2,624,586
Net book value			
As at the end of the year	3,654,125	500,586	4,154,711
As at the beginning of the year	3,699,626	603,704	4,303,330
Other information about intangible assets:			
	Closing balance	Opening balance	
	VND Million	VND Million	
Cost of intangible assets fully amortized but still in use	1,057,617	749,457	
	1,057,617	749,457	

16. OTHER ASSETS

16.1 Receivables

	Closing balance	Opening balance
	VND Million	VND Million
Construction in progress (i)	5,633,260	5,567,364
Purchases and major repair of fixed assets	935,649	1,120,885
External receivables	59,253,934	27,252,654
Internal receivables	170,969	292,675
	65,993,812	34,233,578

VIETNAM JOINT STOCK COMMERCIAL BANK FOR INDUSTRY AND TRADE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(i) Construction in progress

	Closing balance	Opening balance
	VND Million	VND Million
Constructions in the Northern area	5,359,085	5,275,665
Constructions in the Central area	144,036	183,683
Constructions in the Southern area	130,139	108,016
	5,633,260	5,567,364

16.2 Other assets

	Closing balance	Opening balance
	VND Million	VND Million
Materials and tools	169,493	125,198
Prepaid expenses	3,128,982	3,261,241
Other assets	16,523	16,791
	3,314,998	3,403,230

16.3 Provisions for impairment of other balance sheet assets

	Closing balance	Opening balance
	VND Million	VND Million
Provision for bad debts	45,699	52,969
Provision for devaluation of inventories	15,927	17,589
	61,626	70,558

17. BORROWINGS FROM THE GOVERNMENT AND THE SBV

	Closing balance	Opening balance
	VND Million	VND Million
Borrowings from the SBV	1,736,629	1,505,274
Loans under credit contracts	1,081,275	1,498,316
Borrowings for grants to State-owned enterprises	6,958	6,958
Discounting and rediscounting valuable papers	648,396	-
Current accounts held by the State Treasury	103,042,673	31,789,130
In VND	103,042,673	31,789,130
	104,779,302	33,294,404

VIETNAM JOINT STOCK COMMERCIAL BANK FOR INDUSTRY AND TRADE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

18. DEPOSITS AND BORROWINGS FROM OTHER CREDIT INSTITUTIONS

18.1 Deposits from other credit institutions

	Closing balance	Opening balance
	VND Million	VND Million
Demand deposits	98,563,856	6,679,825
- In VND	50,738,812	2,801,242
- In foreign currencies	47,825,044	3,878,583
Term deposits	41,368,672	26,990,979
- In VND	38,387,000	24,641,890
- In foreign currencies	2,981,672	2,349,089
	139,932,528	33,670,804

18.2 Borrowings from other credit institutions

	Closing balance	Opening balance
	VND Million	VND Million
- In VND	8,542,533	10,950,415
- In foreign currencies	60,954,782	94,212,627
	69,497,315	105,163,042

19. DEPOSITS FROM CUSTOMERS

	Closing balance	Opening balance
	VND Million	VND Million
Demand deposits	243,525,291	225,756,534
- Demand deposits in VND	208,131,149	197,562,236
- Demand deposits in foreign currencies	35,394,142	28,194,298
Term deposits	999,060,030	928,319,195
- Term deposits in VND	965,635,265	899,476,972
- Term deposits in foreign currencies	33,424,765	28,842,223
Deposits for specific purpose	2,290,610	2,694,795
- Deposits for specific purpose in VND	1,470,044	2,207,309
- Deposits for specific purpose in foreign currencies	820,566	487,486
Margin deposits	4,300,103	5,077,589
- Margin deposits in VND	3,962,796	4,334,570
- Margin deposits in foreign currencies	337,307	743,019
	1,249,176,034	1,161,848,113

VIETNAM JOINT STOCK COMMERCIAL BANK FOR INDUSTRY AND TRADE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Customer deposit portfolio by type of customers and type of businesses

	Closing balance	Opening balance
	VND Million	VND Million
State-owned enterprises	197,119,163	169,750,631
Single-member limited liability companies with 100% State ownership	27,855,219	24,860,376
Multi-member limited liability companies with over 50% State ownership or being controlled by the State	1,080,309	1,220,648
Other limited companies	43,666,936	41,655,903
Joint stock companies with more than 50% of the State's share-holding	47,298,642	48,873,467
Other joint stock companies	101,113,291	95,913,738
Partnership companies	10,293,399	8,933,336
Private companies	2,527,779	1,605,562
Foreign invested enterprises	107,368,822	114,923,002
Cooperatives, cooperative unions	640,972	465,263
Household businesses, individuals	621,134,929	563,072,219
Administrative units, the Party, unions and associations	53,361,235	45,382,561
Others	35,715,338	45,191,407
	1,249,176,034	1,161,848,113

20. GRANTS, TRUSTED FUND AND BORROWINGS WHERE THE BANK BEARS RISKS

	Closing balance	Opening balance
	VND Million	VND Million
Grants, trusted funds and borrowings in VND	505,248	568,082
Grants, trusted funds and borrowings in foreign currencies	1,886,953	1,959,848
	2,392,201	2,527,930

21. VALUABLE PAPERS ISSUED

	Closing balance	Opening balance
	VND Million	VND Million
Valuable papers in VND	91,370,235	64,496,607
Par value	91,370,235	64,496,607
Valuable papers in foreign currencies	184	178
Par value	184	178
Premium		
	91,370,419	64,496,785

VIETNAM JOINT STOCK COMMERCIAL BANK FOR INDUSTRY AND TRADE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Details of the term of issued valuable papers:

Valuable papers	Bill	Bearer bonds	Book-entry bonds	Certificate of deposit	Total
	VND Million	VND Million	VND Million	VND Million	VND Million
Closing balance					
Term under 12 months	197	-	-	43,000,000	43,000,197
- VND	197	-	-	43,000,000	43,000,197
Term from 12 months to under 5 years	-	166	-	12,043,826	12,043,992
- VND	-	166	-	12,043,642	12,043,808
- Foreign currency	-	-	-	184	184
Term over 5 years	-	-	36,326,230	-	36,326,230
- VND	-	-	36,326,230	-	36,326,230
	197	166	36,326,230	55,043,826	91,370,419
Opening balance					
Term under 12 months	197	-	-	2,000,000	2,000,197
- VND	197	-	-	2,000,000	2,000,197
Term from 12 months to under 5 years	-	166	-	26,400,192	26,400,358
- VND	-	166	-	26,400,014	26,400,180
- Foreign currency	-	-	-	178	178
Term over 5 years	-	-	36,096,230	-	36,096,230
- VND	-	-	36,096,230	-	36,096,230
	197	166	36,096,230	28,400,192	64,496,785

22. OTHER LIABILITIES

	Closing balance	Opening balance
	VND Million	VND Million
Internal payables	2,524,770	1,749,061
External payables	15,366,185	15,016,254
Bonus and welfare funds	2,596,791	2,249,802
	20,487,746	19,015,117

VIETNAM JOINT STOCK COMMERCIAL BANK FOR INDUSTRY AND TRADE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Details of external payables are as follows:

	Closing balance	Opening balance
	VND Million	VND Million
Payments/receipts on behalf of other organisations	3,896,715	4,948,056
Amount due to customers and deferred payment	84,460	198,806
Corporate income tax payables	2,922,556	721,321
Dividends payable to shareholders	-	3,844,600
Unearned revenue	5,490,441	1,886,157
Other payables relating to securities activities	362,994	1,207,552
Other tax payables	275,055	218,576
Payables to the SBV from recovery of written-off bad debts	-	76,007
Payables relating to trade finance activities	6,000	5,996
Interbank payables	805,824	66,869
Money transfer payables	224,454	347,380
Other pending payments	1,163,971	1,205,076
Other payables	133,715	289,858
	15,366,185	15,016,254

23. THE BANK'S OBLIGATIONS TO THE STATE BUDGET

	Movement in the year			Closing balance
	Opening balance	Payable	Paid	
	VND Million	VND Million	VND Million	VND Million
a. Tax receivables				
Corporate income tax	-	-	2,344	2,344
	-	-	2,344	2,344
a. Tax payables				
Value added tax	68,729	1,034,754	1,021,597	81,886
Corporate income tax	721,321	4,110,690	1,909,455	2,922,556
Other taxes	149,905	1,127,239	1,083,975	193,169
	939,955	6,272,683	4,015,027	3,197,611

VIETNAM JOINT STOCK COMMERCIAL BANK FOR INDUSTRY AND TRADE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

24. CAPITAL AND RESERVES

24.1 Changes in main items under owners' equity

	Charter capital	Share premium	Other capital	Foreign exchange reserves	Investment and development fund	Financial reserve fund	Capital supplementary reserve	Retained earnings	Non-controlling interests	Total
	VND Million	VND Million	VND Million	VND Million	VND Million	VND Million	VND Million	VND Million	VND Million	VND Million
Opening balance	48,057,506	8,974,698	515,908	245,231	70,571	9,026,298	4,576,396	21,488,131	694,772	93,649,511
Profit after tax for the year	-	-	-	-	-	-	-	16,775,074	59,920	16,834,994
Transfer from reserves to other capital	-	-	64,390	-	-	(42,815)	(42,815)	-	-	(21,240)
(Decrease) due to financial statements translation for consolidation purpose	-	-	-	(124,238)	(7,038)	(15,503)	-	-	-	(146,779)
Adjustment of appropriation of funds of previous financial years	-	-	-	-	-	2,286	1,143	(3,429)	-	-
Appropriation to reserves ^(*)	-	-	-	-	12,292	1,658,416	835,465	(2,506,173)	-	-
Dividends declared	-	-	255,734	-	-	-	-	(255,734)	-	-
Appropriation to bonus and welfare fund ^(**)	-	-	-	-	-	-	-	(2,026,477)	(15,238)	(2,041,715)
Others	-	(21)	-	-	-	-	(64)	(107,022)	(7)	(107,114)
Closing balance	48,057,506	8,974,677	836,032	120,993	75,825	10,628,682	5,370,125	33,364,370	739,447	108,167,657

(*) The appropriation to statutory reserves and bonus and welfare fund from 2021 profit according to Resolution of the Board of Directors of the Bank and its subsidiaries made during the year 2022.

(**) Representation the share dividend from subsidiary's realized profit after tax in the year 2022.

VIETNAM JOINT STOCK COMMERCIAL BANK FOR INDUSTRY AND TRADE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

24.2 Details of the Bank's shares

	Closing balance		Opening balance	
	Ordinary shares	Preference shares	Ordinary shares	Preference shares
	VND Million	VND Million	VND Million	VND Million
Capital of the Government	30,979,325	-	30,979,325	-
Contributed capital (shareholders, members)	17,078,181	-	17,078,181	-
Share premium	8,969,827	-	8,969,827	-
	57,027,333	-	57,027,333	-

24.3 Details of the Bank's shares

	Closing balance	Opening balance
Number of registered shares for issue (unit)	4,805,750,609	4,805,750,609
Number of shares in circulation (unit)	4,805,750,609	4,805,750,609
- Ordinary shares (unit)	4,805,750,609	4,805,750,609
- Preference shares (unit)	-	-
Par value of share in circulation (VND)	10,000	10,000

25. INTEREST AND SIMILAR INCOME

	Current year	Prior year
	VND Million	VND Million
Interest from deposits	3,059,911	1,455,828
Interest from loans to customers	92,897,289	74,973,599
Interest from trading, investment in debt securities	6,810,416	6,423,049
Income from guarantee services	873,429	853,304
Interest income from finance leases	372,923	326,565
Other income from credit activities	650,666	595,957
	104,664,634	84,628,302

26. INTEREST AND SIMILAR EXPENSES

	Current year	Prior year
	VND Million	VND Million
Interest expense on deposits	48,089,159	38,076,416
Interest expense on borrowings	3,147,687	971,137
Interest expense on valuable papers issued	3,786,570	3,511,189
Expense on other credit activities	1,849,263	281,095
	56,872,679	42,839,837

VIETNAM JOINT STOCK COMMERCIAL BANK FOR INDUSTRY AND TRADE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**27. NET GAIN FROM SERVICES**

	Current year	Prior year
	VND Million	VND Million
Income from services	11,549,069	9,572,678
Income from remittance services	3,835,873	3,969,068
Income from trust and agency services	413,861	129,339
Income from consulting services	339,633	206,916
Income from trading and insurance services	3,213,741	2,592,477
Others	3,745,961	2,674,878
Expense for services	(5,687,120)	(4,612,172)
Expense for remittance services	(2,700,073)	(2,042,880)
Income for consulting services	(62,255)	(43,229)
Expense for trust and agency services	(262,439)	(207,144)
Expense for treasury services	(299,859)	(286,045)
Expense for trading and insurance services	(2,005,887)	(1,801,533)
Others	(356,607)	(231,341)
Net gain from services	5,861,949	4,960,506

28. NET GAIN FROM FOREIGN CURRENCY TRADING

	Current year	Prior year
	VND Million	VND Million
Income from trading foreign currencies	8,541,178	5,068,589
- Income from spot trading foreign currencies	2,603,567	1,686,174
- Income from trading gold	1,317,933	1,732,969
- Income from trading currency derivative financial instruments	4,619,678	1,649,446
Expense for trading foreign currencies	(4,985,657)	(3,256,105)
- Expenses for spot trading foreign currencies	(484,448)	(292,940)
- Expense for trading gold	(1,313,509)	(1,848,567)
- Expense for trading currency derivative financial instruments	(3,187,700)	(1,114,598)
Net gain from trading foreign currencies	3,555,521	1,812,484

VIETNAM JOINT STOCK COMMERCIAL BANK FOR INDUSTRY AND TRADE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**29. NET (LOSS)/GAIN FROM TRADING SECURITIES AND INVESTMENT SECURITIES****29.1 Net (loss)/gain from trading securities**

	Current year	Prior year
	VND Million	VND Million
Income from trading securities	122,938	479,405
(Expense) for trading securities	(65,815)	(57,457)
Provision (made)/reversed for impairment of trading securities	(169,286)	73,916
Net (loss)/gain from trading securities	(112,163)	495,864

29.2 Net (loss)/gain from investment securities

	Current year	Prior year
	VND Million	VND Million
Income from trading investment securities	28,990	-
(Expense) for trading investment securities	(115,969)	(2,998)
Provision reversed for impairment of investment securities	56,795	226,863
Net (loss)/gain from trading investment securities	(30,184)	223,865

30. NET GAIN FROM OTHER ACTIVITIES

	Current year	Prior year
	VND Million	VND Million
Other operating income	7,506,525	4,516,269
Income from recovery of bad debts	5,362,486	3,244,952
Income from transfer, disposals of assets	16,841	7,371
Income from other derivatives	838,171	820,321
Other income	1,289,027	443,625
Other operating expenses	(969,157)	(1,118,203)
Expense for other derivatives	(407,916)	(545,977)
Expense for transfer, disposal of assets	(2,178)	(2,877)
Other expenses	(559,063)	(569,349)
Net profit from other activities	6,537,368	3,398,066

VIETNAM JOINT STOCK COMMERCIAL BANK FOR INDUSTRY AND TRADE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

31. INCOME FROM CAPITAL CONTRIBUTION, EQUITY INVESTMENTS

	Current year	Prior year
	VND Million	VND Million
Dividends received in cash from capital contribution, equity investments	87,736	83,771
- from equity investment securities	14,648	13,195
- from capital contribution and long-term investments	73,088	70,576
Share from net profit under equity method of investments in joint ventures	424,508	393,611
	512,244	477,382

32. OPERATING EXPENSES

	Current year	Prior year
	VND Million	VND Million
Taxes, fees and charges	25,107	22,284
Staff cost	11,086,985	10,013,309
- Salaries and allowances	9,213,531	8,183,156
- Salary-based expenses	592,476	590,312
- Other benefits	2,115	1,567
- Other expenses	1,278,863	1,238,274
Expenses for fixed assets	2,692,809	2,903,591
- Depreciation and amortisation expenses	960,674	1,010,988
- Others	1,732,135	1,892,603
Expenses for operating management	4,234,100	3,387,571
- Per diems	179,660	106,724
- Expenses for union activities	18,646	11,400
- Others	4,035,794	3,269,447
Insurance premium for customers' deposits	880,010	772,469
Provision expenses (excluding provision expenses for credit risks; provision for securities)	88,443	86,626
	19,007,454	17,185,850

VIETNAM JOINT STOCK COMMERCIAL BANK FOR INDUSTRY AND TRADE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

33. CURRENT CORPORATE INCOME TAX EXPENSE ("CIT")

	Current year	Prior year
	VND Million	VND Million
Profit before tax	20,946,059	17,589,156
Adjustments for:		
- Non-taxable dividend income	(421,947)	(401,110)
- Profit before tax of subsidiaries	(592,710)	(1,188,660)
- Income from increase in interest in joint ventures	(90,298)	(14,804)
- Change in provision/revaluation for loans and bonds for consolidation purpose	(71,508)	111,196
- Others	98,776	94,623
Taxable income of the Holding Bank	19,868,372	16,190,402
CIT expense of the Holding Bank based on local taxable income	3,973,674	3,238,080
CIT expense of subsidiaries	136,940	174,080
CIT expense based on the taxable income	4,110,614	3,412,160

34. BASIC EARNINGS PER SHARE

Profit for calculation of basic earnings per share

	Current year	Prior year (Restated)
	VND Million	VND Million
Profit after corporate income tax	16,775,074	14,088,760
Appropriation to bonus and welfare funds (*)	-	(2,026,475)
Profit attributable to common shareholders	16,775,074	12,062,285

(*) The prior year's appropriation to bonus and welfare funds is restated according to actual amount in the Resolution of the Board of Directors of the Bank and its subsidiaries in 2022.

As at the date of the consolidated financial statements, the Bank and its subsidiaries have not yet estimated the appropriation to bonus and welfare funds for the financial year ended 31 December 2022. Therefore, the basic earnings per share is estimated not taking into consideration the appropriation to 2022 bonus and welfare funds. An actual appropriation to bonus and welfare funds for the financial year ended 31 December 2022 will be approved by General Annual Meeting for the year 2023 therefore, there may be a difference in the basic earnings per share in comparison to the above presented figures.

Number of ordinary shares for calculation of basic earnings

According to Resolution No. 179/NQ-HDQT-NHCT2.1 dated 11 June 2021, the Board of Directors of the Bank decided to issue shares to pay dividends at the rate of 100:29.0695 from profit after tax. On 21 July 2021, the Bank completed the share issuance of 1,082,346,053 to pay dividends, which resulted in the basic earnings per share for the year ended 31 December 2021 being restated as follows:

VIETNAM JOINT STOCK COMMERCIAL BANK FOR INDUSTRY AND TRADE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

	Current year	Prior year (Restated)
	Share	Share
Weighted average number of ordinary shares to calculate basic earning per share	4,805,750,609	4,805,750,609
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	4,805,750,609	4,805,750,609

Basic earnings per share

	Current year	Prior year (Restated)
	VND	VND
Basic earnings per share	3,491	2,510

The basic earnings per share for the year ended 31 December 2021 are restated as follows:

	Current year	Prior year (Restated)
	Share	Share
Profit attributable to common shareholders (VND)	14,088,760	12,062,285
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share (share)	4,209,718,947	4,805,750,609
Basic earnings per share (VND)	3,347	2,510

35. CASH AND CASH EQUIVALENTS

Cash and cash equivalents on the consolidated cash flow statement include items on the consolidated statement of financial position as follows:

	Closing balance	Opening balance
	VND Million	VND Million
Cash, gold and gemstones	11,066,956	11,330,659
Balances with the SBV	29,727,110	23,383,443
Current deposits at other credit institutions	131,699,995	88,559,894
Placements with other credit institutions with terms not exceeding 3 months	63,804,159	41,102,590
Securities with recovery or maturity term not exceeding 3 months from the date of purchase	8,000,000	-
	244,298,220	164,376,586

VIETNAM JOINT STOCK COMMERCIAL BANK FOR INDUSTRY AND TRADE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

36. EMPLOYEE'S INCOME

	Current year	Prior year
	VND Million	VND Million
I. Total average number of employees during the year (person)	24,830	25,154
II. Employees' income (VND Million)		
1. Total salary fund	9,213,531	8,183,156
2. Other allowances	194,123	452,677
3. Total income (1+2)	9,407,654	8,635,833
4. Average monthly salary	30.92	27.11
5. Average monthly income	31.57	28.61

37. COLLATERALS AND MORTGAGES

Assets, valuable papers taken for mortgage, pledge and discount, rediscount

Details of customers' collaterals and mortgages at the Bank at the end of the year are as follows:

	Closing balance	Opening balance
	VND Million	VND Million
Real estate	1,713,903,142	1,497,176,920
Movable assets	66,886,344	67,985,220
Deposits, gold, precious metals, gemstones, valuable papers	164,645,975	215,143,774
Other assets	561,400,615	549,296,722
	2,506,836,076	2,329,602,636

Collaterals and mortgages held by the Bank are permitted to sell to or re-pledge to a third party in case the customer (owner of the collaterals) is able to pay off the debts according to the law.

As at 31 December 2022, the Bank did not hold any collateral which the Bank is permitted to sell or re-pledge to a third party in case the customer (owner of the collaterals) is able to pay off the debt according to the law.

38. TRUST AND AGENCY ACTIVITIES FOR CREDIT INSTITUTIONS

	Closing balance	Opening balance
	VND Million	VND Million
Lending from trusted sources without risk	15,424	20,174
Correspondent banking activities	6,040,960	6,040,960
	6,056,384	6,061,134

VIETNAM JOINT STOCK COMMERCIAL BANK FOR INDUSTRY AND TRADE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

39. OFF-BALANCE-SHEET ITEMS WHERE THE BANK BEARS SIGNIFICANT RISKS

	Closing balance	Opening balance
	VND Million	VND Million
Contingent liabilities	159,604,781	110,002,470
Credit guarantees	7,692,271	3,237,485
Letters of Credit (L/C) commitment	73,681,359	46,584,571
Other guarantees	78,231,151	60,180,414
Commitments	313,461,082	583,961,974
Foreign exchange transactions commitments	260,355,738	479,385,067
Other commitments	53,105,344	104,576,907
	473,065,863	693,964,444

40. UNCOLLECTED INTEREST INCOME AND FEES

	Closing balance	Opening balance
	VND Million	VND Million
Uncollected loan interest	7,984,670	7,354,781
Uncollected interest from securities	282,858	476,354
Uncollected fees	86,016	73,179
	8,353,544	7,904,314

41. BAD DEBTS WRITTEN-OFF

	Closing balance	Opening balance
	VND Million	VND Million
Principals of written-off bad debts under observation	62,372,393	47,557,911
Interests of written-off bad debts under observation	54,573,860	47,643,660
Other written-off bad debts	1,362	1,362
	116,947,615	95,202,933

42. OTHER PROPERTIES AND VALUABLE PAPERS

	Closing balance	Opening balance
	VND Million	VND Million
Other assets in custody	6,063,559	5,345,563
Outsourced assets	11,023,860	10,448,109
Other valuable papers in custody	88,827,993	95,371,753
	105,915,412	111,165,425

VIETNAM JOINT STOCK COMMERCIAL BANK FOR INDUSTRY AND TRADE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

43. RELATED PARTY BALANCES AND TRANSACTIONS

Details of significant transactions with related parties during the year ended 31 December 2022 are as follows:

Related party	Relationship	Transactions	Current year	Prior year
			VND Million	VND Million
The State Bank of Vietnam	Direct owner and management agency	Increase/(decrease) in deposits at the SBV	6,343,667	(34,233,207)
		Increase/(Decrease) in borrowings from the SBV	231,355	(464,500)
Indovina Bank Limited	Joint venture bank	Increase/(decrease) in deposits from related party	989,000	(59,999)
		Dividends received from related party	334,211	378,807
		Interest income from deposits	3,278	1
		Interest expense on deposits	(110)	(20,687)
		(Decrease) in deposits at the Bank	-	(1,100,000)
		(Decrease)/increase in deposits at the Bank	(148,639)	108,083
Bank of Tokyo-Mitsubishi UFJ	Strategic shareholder	(Decrease)/increase in loans at the Bank	(7,517,189)	3,722,981
		(Decrease)/increase the accrued interest payable	(13,724)	4,943
		Interest expenses on deposits	2,663	1,883
		Interest expenses on Loans	16,424	47,352

Details of significant balances with related parties as at 31 December 2022 are as follows:

Related party	Relationship	Balances	Closing balance	Opening balance
			VND Million	VND Million
The State Bank of Vietnam	Direct owner and management agency	Demand deposits at the SBV	29,727,110	23,383,443
		Borrowings from SBV	(1,736,629)	(1,505,274)
Indovina Bank Limited	Joint venture bank	Deposits from related party	1,025,483	36,483
		Deposits at related party	(124,277)	(38,714)
Bank of Tokyo-Mitsubishi UFJ	Strategic shareholder	Deposits of the Bank	212,265	360,904
		Loans of the Bank	8,198	7,525,387
		Accrued interest expenses	91	13,815

VIETNAM JOINT STOCK COMMERCIAL BANK FOR INDUSTRY AND TRADE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Details of salaries and allowances of the members of the Board of Directors, Board of Supervisors and Board of Management are as follows:

Name	Title	Appointment/Resignation Date	Current year	Prior year
			VND Million	VND Million
BOARD OF DIRECTORS			15,391	12,587
Mr. Tran Minh Binh	Chairman		2,461	2,370
Mr. Le Duc Tho	Chairman	Resigned on 03 July 2021	-	1,329
Mr. Nguyen Duc Thanh	Member	Appointed on 29 April 2022	1,987	-
Ms. Tran Thu Huyen	Member		2,124	2,029
Ms. Nguyen Thi Bac	Independent Member		1,800	1,464
Mr. Nguyen The Huan	Member		1,826	1,746
Ms. Pham Thi Thanh Hoai	Member		1,593	1,467
Mr. Tran Van Tan	Member		1,621	1,497
Mr. Le Thanh Tung	Member		1,593	300
Member nominated by MUFJ partner	Member		386	385
<i>Mr. Masahiko Oki</i>	<i>Member</i>			
<i>Mr. Masashige Nakazono</i>	<i>Member</i>			
Board of Supervisors			3,678	4,232
Ms. Le Anh Ha	Chief Supervisor		1,589	1,524
Ms. Nguyen Thi Anh Thu	Member		1,174	1,082
Ms. Pham Thi Thom	Member		915	623
Mr. Nguyen Manh Toan	Member	Resigned on 04 November 2021	-	1,003

VIETNAM JOINT STOCK COMMERCIAL BANK FOR INDUSTRY AND TRADE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Name	Title	Appointment/Resignation Date	Current year	Prior year
			VND Million	VND Million
BOARD OF MANAGEMENT			11,953	11,427
Mr. Nguyen Hoang Dung	Deputy General Director in charge of the Board of Management		2,368	2,167
Mr. Nguyen Tran Manh Trung	Deputy General Director	Appointed on 12 May 2022	1,166	-
Mr. Le Duy Hai	Deputy General Director	Appointed on 09 May 2022	1,067	-
Mr. Hoang Ngoc Phuong	Deputy General Director	Appointed on 12 May 2022	982	-
Mr. Do Thanh Son	Deputy General Director	Appointed on 11 October 2022	420	-
Mr. Tran Cong Quynh Lan	Deputy General Director		2,262	2,174
Mr. Nguyen Dinh Vinh	Deputy General Director		1,921	1,838
Ms. Le Nhu Hoa	Deputy General Director		1,768	1,704
Mr. Nguyen Duc Thanh	Deputy General Director	Resigned on 04 May 2022	-	1,841
Ms. Nguyen Hong Van	Deputy General Director	Resigned on 03 November 2021	-	1,703

44. CONCENTRATION OF ASSETS, LIABILITIES AND OFF-BALANCE-SHEET ITEMS BY GEOGRAPHICAL REGIONS AS AT 31 DECEMBER 2022

	Total loan balance	Total deposits	Credit commitments	Derivatives (Difference between debit - credit)	Trading and investment securities (Difference between debit - credit)
	VND Million	VND Million	VND Million	VND Million	VND Million
Domestic	1,285,202,632	1,486,900,022	159,560,293	3,058,727	182,004,773
Overseas	9,596,370	5,251,213	44,488	-	-
	1,294,799,002	1,492,151,235	159,604,781	3,058,727	182,004,773

45. SEGMENT REPORTS

A business segment is a distinguishable component of the Bank that is engaged in providing products and services and that is subject to risks and returns that are different from those of other business segments.

A geographical segment is a distinguishable component the Bank that is engaged in providing products and services and that is subject to risks and returns that are different from those of components operating in other economic environments.

Primary segment report of the Bank is business segment report; secondary segment report of the Bank is geographical segment report.

VIETNAM JOINT STOCK COMMERCIAL BANK FOR INDUSTRY AND TRADE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Business segment report

NO.	ITEMS	Banking financial services	Non-banking financial services	Others	Off-set	Total
		VND Million	VND Million	VND Million	VND Million	VND Million
I.	Income	127,376,035	4,030,025	2,010,249	(490,732)	132,925,577
1.	Interest income	103,781,428	638,519	385,758	(141,071)	104,664,634
	- External interest income	103,674,509	607,546	382,579	-	104,664,634
	- Internal interest income	106,919	30,973	3,179	(141,071)	-
2.	Income from services	8,448,092	3,339,378	6,809	(245,210)	11,549,069
3.	Other income	15,146,515	52,128	1,617,682	(104,451)	16,711,874
II.	Expenses	(82,656,482)	(3,585,287)	(1,944,475)	369,903	(87,816,341)
1.	Interest expenses	(56,662,181)	(151,593)	(199,976)	141,071	(56,872,679)
	- External interest expenses	(56,617,204)	(55,500)	(199,976)	1	(56,872,679)
	- Internal interest expenses	(44,977)	(96,093)	-	141,070	-
2.	Depreciation and amortisation expenses	(938,414)	(13,649)	(8,611)	-	(960,674)
3.	Expenses directly related to operating business	(25,055,887)	(3,420,045)	(1,735,888)	228,832	(29,982,988)
	Net profit from operating activities before provision expenses for credit losses	44,719,553	444,738	65,774	(120,829)	45,109,236
	Provision expenses for credit losses	(24,180,014)	(34,249)	636	50,450	(24,163,177)
	Segment profit before tax	20,539,539	410,489	66,410	(70,379)	20,946,059
	Current corporate income tax expense	(3,993,274)	(82,865)	(34,925)	(1)	(4,111,065)
	Segment profit after corporate income tax	16,546,265	327,624	31,485	(70,380)	16,834,994
III.	Assets	1,799,013,299	11,061,581	5,223,901	(6,869,017)	1,808,429,764
1.	Cash on hand	11,041,493	662	24,801	-	11,066,956
2.	Fixed assets	10,071,718	86,605	43,868	-	10,202,191
3.	Other assets	1,777,900,088	10,974,314	5,155,232	(6,869,017)	1,787,160,617
IV.	Liabilities	1,693,515,553	7,759,337	3,506,204	(4,518,987)	1,700,262,107
1.	External liabilities	1,688,548,839	7,638,631	3,472,063	(4,518,987)	1,695,140,546
2.	Internal liabilities	4,966,714	120,706	34,141	-	5,121,561

VIETNAM JOINT STOCK COMMERCIAL BANK FOR INDUSTRY AND TRADE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Geographical segment report

NO.	ITEMS	Northern (*)	Southern	Others	Off-set	Total
		VND Million	VND Million	VND Million	VND Million	VND Million
I.	Segment profit before tax	2,814,503	13,715,260	4,486,674	(70,378)	20,946,059
	Current corporate income tax expense	(4,096,587)	(3,110)	(11,368)	-	(4,111,065)
II.	Segment profit after corporate income tax	(1,282,084)	13,712,150	4,475,306	(70,378)	16,834,994
III.	Segment assets	1,075,845,597	545,159,248	194,293,938	(6,869,019)	1,808,429,764
IV.	Segment liabilities	984,572,621	531,309,210	188,899,263	(4,518,987)	1,700,262,107

(*)As at 31 December 2022, the Head Office in Northern region calculated and paid corporate income tax for all Bank's branches.

46. FINANCIAL RISK MANAGEMENT POLICIES RELATED TO FINANCIAL INSTRUMENTS

Under the guidance of the SBV on enhancing the role of risk management in credit institutions, the Bank continues implementing risk management policies for its entire business.

In order to achieve sustainable development, 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 SBV'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 No. 13/2018/TT-NHNN and amendments and supplements of the regulatory authorities ("Circular 13") stipulating the internal control system of commercial banks and foreign bank branches were 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 and assess capital adequacy requirement internally.

In 2022, 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, sets of indicators and internal limits as well as strictly managed the balance between assets and liabilities, tightly controlled business activities' growth and credit quality; complied with limitation and safety ratios for operation; requirements for risk management as stipulated in Circular No. 22/2019/TT-NHNN (effective from 01 January 2020) and amendments and supplements of the regulatory authorities, Circular 13 and regulations of the SBV; and has gradually met requirements for risk management in accordance with Basel II.

VIETNAM JOINT STOCK COMMERCIAL BANK FOR INDUSTRY AND TRADE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**47. CURRENCY RISKS**

Currency risk is the risk that the Bank's asset or value of an investment fluctuates due to changes in foreign exchange rates.

The Bank was incorporated and operates in Vietnam and its reporting currency is 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.



VIETNAM JOINT STOCK COMMERCIAL BANK FOR INDUSTRY AND TRADE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The book value of cash assets and cash liabilities denominated in foreign currencies as at 31 December 2022 are as follows:

ITEMS	EUR equivalent	USD equivalent	Other currencies equivalent	Total
	VND Million	VND Million	VND Million	VND Million
Assets				
Cash, gold and gemstones	195,379	790,018	162,669	1,148,066
Balances with the SBV	19,792	291,249	-	311,041
Placements with and loans to other credit institutions (*)	896,258	89,414,196	35,908,587	126,219,041
Derivative financial instruments and other financial assets	-	847,548	-	847,548
Loans to customers (*)	5,944,552	70,959,432	1,811,302	78,715,286
Fixed assets	33,551	-	172,895	206,446
Other assets (*)	1,686,861	25,814,210	84,927	27,585,998
Total assets	8,776,393	188,116,653	38,140,380	235,033,426
Liabilities and owners' equity				
Deposits and borrowings from other credit institutions	574,833	109,365,505	1,821,160	111,761,498
Deposits from customers	2,895,389	65,360,358	1,721,033	69,976,780
Derivative financial instruments and other financial liabilities	1,192,089	11,761,382	34,539,771	47,493,242
Grants, trusted funds and borrowings where the Bank bears risks	-	1,886,953	-	1,886,953
Valuable papers issued	-	184	-	184
Other liabilities (*)	3,896,019	955,421	22,750	4,874,190
Total liabilities and owners' equity	8,558,330	189,329,803	38,104,714	235,992,847
Balance sheet currency position	218,063	(1,213,150)	35,666	(959,421)

(*) Excluding provision.

48. 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:

VIETNAM JOINT STOCK COMMERCIAL BANK FOR INDUSTRY AND TRADE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

- Cash, gold, gemstones; balances with the SBV; fixed assets; capital contribution, long-term investments and other liabilities are classified as non-interest-bearing items;
- The maturity of trading securities are 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; derivative financial instruments and other financial assets; 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 where the Bank bears risks are determined as follows:
 - Items with fixed interest rate during the contractual period: the effective interest rate re-pricing term is determined from the reporting date to maturity date;
 - Items with floating interest rate: the effective interest rate re-pricing term is determined from the reporting 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 the market fluctuations of interest rate and its capital balancing ability, the Bank will make appropriate investment decisions. In case that interest rates are forecasted to go down, the Bank will strengthen long-term investments to increase profitability. In contrast, if interest rates are forecasted to go up, the Bank will increase short-term investments.

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 SBV. The Bank's mobilized capital mainly has a short interest rate re-pricing term.

For lending activities, the Bank determines lending interest rates based on the principle of sufficient coverage for 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 rates 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, the Bank 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.

VIETNAM JOINT STOCK COMMERCIAL BANK FOR INDUSTRY AND TRADE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

- 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 the 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 capital management and centralized interest. 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.



VIETNAM JOINT STOCK COMMERCIAL BANK FOR INDUSTRY AND TRADE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

	Non - interest bearing	Overdue		Current							Total	
		Over 3 months	Within 3 months	Within 1 month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	From 1 to 5 years	Over 5 years			
	VND Million	VND Million	VND Million	VND Million	VND Million	VND Million	VND Million	VND Million	VND Million	VND Million	VND Million	VND Million
Assets												
Cash, gold and gemstones	11,066,956	-	-	-	-	-	-	-	-	-	-	11,066,956
Balances with the SBV	29,727,110	-	-	-	-	-	-	-	-	-	-	29,727,110
Placements with and loans to other credit institutions (*)	-	-	-	196,312,394	24,250,987	14,012,418	7,856,154	-	-	-	-	242,431,953
Trading securities (*)	-	-	-	1,622,967	-	-	-	-	-	-	-	1,622,967
Derivative financial instruments and other financial assets	-	-	-	3,058,727	-	-	-	-	-	-	-	3,058,727
Loans to customers (*)	-	15,800,980	29,958,469	422,410,045	378,705,289	317,631,746	75,270,548	34,177,691	866,941	-	-	1,274,821,709
Investment securities (*)	4,535,179	-	-	476,669	14,471,493	21,581,986	27,927,525	39,960,681	71,428,273	-	-	180,381,806
Capital contribution, long-term investments (*)	3,537,622	-	-	-	-	-	-	-	-	-	-	3,537,622
Fixed assets	10,202,191	-	-	-	-	-	-	-	-	-	-	10,202,191
Other assets (*)	53,539,988	61,626	-	6,936,058	12,414,307	8,001,095	755,031	-	-	-	-	81,708,105
Total assets	112,609,046	15,862,606	29,958,469	630,816,860	429,842,076	361,227,245	111,809,258	74,138,372	72,295,214	1,838,559,146		
Liabilities												
Borrowings from the Government and the SBV	-	-	-	101,549,631	2,208,989	637,176	383,506	-	-	-	-	104,779,302
Deposits and borrowings from other credit institutions	-	-	-	152,453,107	4,794,1870	8,273,187	761,679	-	-	-	-	209,429,843
Deposits from customers	-	-	-	547,131,704	194,442,335	198,846,824	261,833,836	46,917,212	4,123	-	-	1,249,176,034
Grants, trusted funds and borrowings where the Bank bears risks	-	-	-	-	1,574,426	817,775	-	-	-	-	-	2,392,201
Valuable papers issued	-	-	-	500,561	16,900,000	23,515,100	46,314,298	1,700,460	2,440,000	-	-	91,370,419
Other liabilities (*)	42,075,518	-	-	-	-	-	-	-	-	-	-	42,075,518
Total liabilities	42,075,518	-	-	801,635,003	263,067,620	232,090,062	309,293,319	48,617,672	2,444,123	1,699,223,317		
Balance sheet net interest gap	70,533,528	15,862,606	29,958,469	(170,818,143)	166,774,456	129,137,183	(197,484,061)	25,520,700	69,851,091	139,335,829		

(*) Excluding provision

VIETNAM JOINT STOCK COMMERCIAL BANK FOR INDUSTRY AND TRADE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

49. 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 Council meetings, the compliance with liquidity risk appetite and risk capacity is also reviewed and reported. Based on analysis and evaluation, ALCO/Risk Management Committee/Risk Council make recommendations to the Board of Directors and the Board of Management for future guidance to maintain 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 SBV. 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 reporting 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 balances with the SBV are classified into maturity up to one month;
- The maturity terms of placement with and loans to other credit institutions; derivative financial instruments and other financial assets; loans to customers, investment securities; other assets; borrowings from the Government and the SBV; deposits and borrowings from other credit institutions; valuable papers issued; grants, trusted funds and borrowings where the Bank bears risk; other liabilities are determined based on the contractual maturity date;
- The maturity of trading securities is calculated on the basis of the probable time to convert bonds into cash because this portfolio includes highly liquid bonds;
- The maturity date of capital contribution, long-term investments is classified as over five (05) years as these investments have no defined maturity;
- The maturity term of deposits from customers is determined based on customer behaviour analysis and forecasts on interest rate policy and other macroeconomic factors;
- The maturity date of fixed assets is classified as five (05) years or more.

Based on the Board of Management's approval of the annual business plan, the Treasury and Financial Planning Department in cooperation with some other relevant specialized departments makes 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.

VIETNAM JOINT STOCK COMMERCIAL BANK FOR INDUSTRY AND TRADE

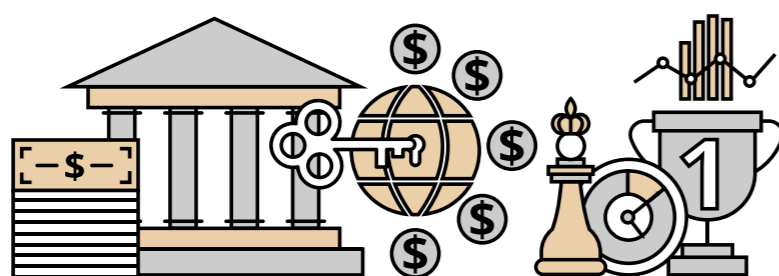
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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.



VIETNAM JOINT STOCK COMMERCIAL BANK FOR INDUSTRY AND TRADE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

	Overdue		Current				Total
	Over 03 months	Within 03 months	Within 01 month	From 01 to 03 months	From 03 to 12 months	From 01 to 05 years	
	VND Million	VND Million	VND Million	VND Million	VND Million	VND Million	VND Million
Assets							
Cash, gold and gemstones	-	-	11,066,956	-	-	-	11,066,956
Balances with the SBV	-	-	29,727,110	-	-	-	29,727,110
Placements with and loans to other credit institutions (*)	-	-	196,312,393	24,250,987	21,868,573	-	242,431,953
Trading securities (*)	-	-	1,622,967	-	-	-	1,622,967
Derivative financial instruments and other financial assets	-	-	3,058,727	-	-	-	3,058,727
Loans to customers (*)	15,800,980	29,958,469	93,176,573	267,428,479	467,326,880	188,050,797	1,274,821,709
Investment securities (*)	-	-	4,629,888	14,471,493	49,509,511	3,996,068	71,810,233
Capital contribution, long-term investments (*)	-	-	-	-	-	-	3,537,622
Fixed assets	-	-	-	-	-	-	10,202,191
Other assets (*)	61,626	-	10,691,246	28,573,288	25,587,957	1,897,135	81,708,105
Total assets	15,862,606	29,958,469	350,285,860	334,724,247	564,292,921	229,908,613	1,838,559,146
Liabilities							
Borrowings from the Government and the SBV	-	-	101,549,631	2,208,989	1,020,682	-	104,779,302
Deposits and borrowings from other credit institutions	-	-	152,453,107	21,559,038	24,421,725	10,964,780	209,429,843
Deposits from customers	-	-	184,521,207	197,978,423	606,951,444	259,711,011	1,249,176,034
Grants, trusted funds and borrowings where the Bank bears risks	-	-	224,002	38,351	58,617	456,506	2,392,201
Valuable papers issued	-	-	609,189	16,900,000	36,285,000	1,700,000	35,876,230
Other liabilities (*)	-	-	19,226,902	11,473,735	8,454,985	2,919,896	42,075,518
Total liabilities	-	-	458,584,038	250,158,536	677,192,453	275,752,193	1,699,223,317
Net liquidity difference	15,862,606	29,958,469	(108,298,178)	84,565,711	(112,899,532)	(45,843,580)	139,335,829

(*) Excluding provision.

VIETNAM JOINT STOCK COMMERCIAL BANK FOR INDUSTRY AND TRADE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**50. 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.

With the orientation of improving financial capacity, strictly controlling credit quality to ensure sustainable and effective growth, the Bank always tries to actively review and control the quality of credit portfolio, implement synchronously credit risk management at both portfolio and transaction levels. Accordingly:

- At portfolio level: in addition to establishing risk limits and annual credit orientation, the Bank regularly monitors the credit portfolio to give early warning about banks having indicators of potential risks (through Early Warning System, remote monitoring and face-to-face inspection) and strengthens credit granting secured by assets.
- At transaction level: the Bank focuses on the appraisal and thorough screening of customers, strengthens management and supervision, cash flow control and asset quality, and closely monitors customer activities to give appropriate and timely responses, minimizing the impact on the Bank's debt quality.

Maximum exposures to credit risk irrespective of collateral or their credit enhancement

Maximum exposures to credit risk irrespective of collateral or their credit enhancement for each asset class equal to the carrying amount (excluding provision) of that asset class on the separate statement of financial position as at 31 December 2022 which presented as follows:

	Undue and unimpaired	Overdue and unimpaired	Overdue and impaired	Total
	VND Million	VND Million	VND Million	VND Million
Placements with and loans to other credit institutions	242,431,953	-	-	242,431,953
- Placements with other credit institutions	222,454,660	-	-	222,454,660
- Loans to other credit institutions	19,977,293	-	-	19,977,293
Loans to customers	1,211,740,669	1,293,299	61,787,741	1,274,821,709
Investment securities	180,381,776	30	-	180,381,806
- Available-for-sale investment securities	178,685,028	-	-	178,685,028
- Held-to-maturity investment securities	1,696,748	30	-	1,696,778
Total	1,634,554,398	1,293,329	61,787,741	1,697,635,468



VIETNAM JOINT STOCK COMMERCIAL BANK FOR INDUSTRY AND TRADE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**51. EXCHANGE RATES OF SOME FOREIGN CURRENCIES AT THE END OF THE YEAR**

	Closing balance	Opening balance
	VND	VND
USD	23,543.00	22,800.00
EUR	25,093.00	25,835.00
GBP	28,335.00	30,798.00
CHF	25,207.27	24,974.00
JPY	178.51	198.17
SGD	17,550.00	16,897.00
CAD	17,381.00	17,916.00
AUD	16,170.31	16,577.00
NZD	14,914.00	15,601.00
THB	669.17	686.75
SEK	2,255.00	2,491.00
NOK	2,355.42	2,563.00
DKK	3,375.00	3,474.00
HKD	3,019.00	2,855.00
CNY	3,390.00	3,587.00
KRW	16.91	19.91
LAK	1.37	2.04
MYR	5,329.00	5,329.00

52. SUBSEQUENT EVENTS

No events occurred after the reporting date that have a material effect on the consolidated operations of the Bank, its consolidated financial position and the consolidated results of those operations that required adjustment or disclosure in the consolidated financial statements.

53. COMPARATIVE FIGURES

The comparative figures are the figures of the audited consolidated financial statements for the year ended 31 December 2021.

VIETNAM JOINT STOCK COMMERCIAL BANK FOR INDUSTRY AND TRADE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Certain prior year's figures have been additionally presented to enhance their comparability with the current year's presentation. Details are as follows:

Off-balance-sheet items	Previously presented on the consolidated financial statements for the year ended 31/12/2021	Additional presentation according to Circular 27	Presented on the consolidated financial statements for the year ended 31/12/2022
	VND Million	VND Million	VND Million
Uncollected interest income and fees	No presentation	7,904,314	7,904,314
Bad debts written off	No presentation	95,202,933	95,202,933
Other properties and valuable papers	No presentation	111,165,425	111,165,425

Prepared by



Ngo Xuan Hai
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Approved by



Nguyen Hai Hung
Chief Accountant

Approved by



Nguyen Tran Manh Trung
Deputy General Director

30 March 2023

