

TO: GENERAL MEETING OF SHAREHOLDERS
REPORT BY THE MANAGEMENT ON BUSINESS PERFORMANCE IN 2022
AND PLAN FOR 2023

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The Management of Vietnam Export Import Commercial Joint Stock Bank (Eximbank) would like to report to the General meeting of shareholders the business performance in 2022 and plan for 2023 as hereunder.

I. Business performance in 2022

The global economic growth in 2022 was constrained by COVID-19 outbreaks in some parts of the world, the Ukraine – Russia war, increased inflation, and disruption of goods supplies which raised prices high (energy and food prices). Its growth was forecast at around 3%.

In Vietnam, the socio-economy took place under great influences of quick and unprecedented fluctuations of the world economy in the year. However, thanks to the determination in economic resilience and development which aims at creating momentum to fulfill the targets set for 2022 and period of 2021-2025, the Vietnam's economy has sharply recovered with macro situation stabilized and inflation controlled. Specifically, GDP growth reached the highest level in 12 years at 8.02%; total export-import turnover made the new record of USD732.5 billion, up 9.5% from 2021; inflation remained at 2.69%; and CPI increased 3.15% as compared to 2021 – accomplishing the objectives set by the National Assembly.

2022 was a challenging year to the management of monetary policies. The State Bank of Vietnam (SBV) has timely and flexibly managed monetary policy instruments, and synchronously implemented monetary, credit and liquidity solutions for stabilization of the market: deposits increased 7.98%, credit exposure hiked 14.18%, and total means of payment rose 6.15% as compared to 2021.

In such context, Eximbank has endeavored and achieved some principal operating results as follows:

Unit: VND billion

No.	Item	2021	2022 plan	Executed in 2022			% plan completion
				Amount	+/- from 2021	%	
1	Total assets	165,832	179,000	185,056	19,224	11.6%	103%
2	Capital funding, end-of-period	137,374	147,600	148,615	11,241	8.2%	101%
3	Credit exposure (incl. corporate bonds)	115,590	127,149	130,581	14,991	13.0%	103%
4	On-balance NPL ratio (groups 3-5)	1.94%	≤ 1.70%	1.80%		-0.14%	
5	Profit before tax	1,205	2,500	3,709	2,504	207.7%	148%

1. Assessment of the achievements in 2022

The domestic and foreign financial-banking markets, especially the domestic one, dealt with lots of difficulties in 2022. Nonetheless, Eximbank has made the best efforts and gained really impressive achievements.

(i) Core business activities

- Reasonably and effectively managing the funding – fund use structure, ensuring the network’s safety;

- Sizing up and fulfilling the targets as proposed: total assets grew 11.6%, outperforming the target by 103%; and deposits rose 8.2%, completing 101% of the plan. As for credit exposure, Eximbank proposed and obtained SBV’s consent for raising the credit growth limit to 11.2% from 10% and then to 13.2%. Based on growing fund demands from the economy for business recovery after a long time being suffered from the pandemic, Eximbank has proactively boosted up lending within the growth limit allowed by SBV. Consequently, by end of 2022, its credit growth reached 13%, completing 103% of the plan, and profit tripled the one made in 2021, outperforming the plan by 148%;

- Significantly cutting down on bond investments, especially corporate bonds, while prioritizing loans for essential consumption, production and business purposes, helping the Bank to improve business effectiveness, ensure liquidity safety, and mitigate mark-to-market risks to investment assets when interest rates went up high;

- Restructuring the loan portfolio with focuses on SME and retail customers, and loans for business, production and consumption purposes. Tightly controlling the loan

portfolio in way of gradually reducing those loans without security and proportion of high-risk ones;

- Raising funds from economic entities and individuals at appropriate levels, in alignment with the directions of credit growth and liquidity safety from time to time;
- Maintaining good control of credit quality with the NPL ratio of 1.80%, down 0.14% from 2021 (1.94%);
- Controlling and complying with prudent ratios in operations.

(ii) Development of effective foundation

- Frequently reviewing, and innovating respective internal procedures and regulations to strengthen risk management in credit activities;
- Deploying tools for managing market risk and other risks corresponding to Circular 13;
- Heightening awareness and responsibility in risks management at units through training and communication sessions to guide and manage operational risks of the Bank's officers;
- Cost-controlling: the cost-to-income ratio was well improved, dropping to 47.29% from 53.39% in 2021.

(iii) Information technology and operation

- Offering more utilities and value-added products and services to customers. In 2022, Eximbank successfully launched such projects as Eximbank Edigi – an integrated digital banking platform between IB and MB; optional account number; gold trading e-channel, etc.; improved Teller App, eKYC, and online international payments; developed ecosystems connecting new services; and deployed technological applications to strengthen operation;
- Centralizing operations to release sales forces and reinforce the management of operational risk. Investing in and replacing technological systems for risk mitigation, and carrying out projects to comply with SBV regulations;
- Rolling over digital transformation projects for management activities such as MIS and LOS.

(iv) Improvement of productivity

Treatments and benefits for employees have increasingly been improved, motivating all the staff to fulfill their jobs with higher productivity.

(v) Enhancement of Eximbank name in the domestic and foreign markets

Local banks have reserved remarkably higher interbank limits for Eximbank than previous years. In the offshore market, major financial institutions (such as ADB, etc.) provide it with large loan limits, and the international card organization VISA has entered into the strategic cooperation with Eximbank.

2. Operations of the subsidiary

The capital of Asset Management One-Member Limited Liability Company – Vietnam Export Import Commercial JS Bank (shortly as Eximbank AMC) actually paid up as at 31/12/2022 was VND300 billion, completing the plan as proposed.

II. Business plan for 2023

1. Operating environment

It is forecast that more challenges and difficulties are still ahead for Vietnam's economy in 2023, especially the pressure of rising inflation. New coronavirus variants and disrupted economic activities remain inherent risk which can't be ignored. Inflation and monetary tightening in the US and other developed economies may cause major changes to the global financial markets, slowing down the growth impetus of Vietnam.

Objectives set for the country in 2023 include maintaining macroeconomic stability, controlling inflation, promoting growth, and ensuring large balances of the economy. Concretely, GDP is expected to grow 6.5%, consumer price index (CPI) to reach 4.5%, total export-import turnover to rise 7-8% from 2022, trade balance to remain in surplus, FDI flows to surge, and FX reserves to stand at 3-4 months' worth of imports.

Meanwhile, SBV will regulate the monetary policy in a solid, proactive, flexible and effective manner in synchrony and close combination with the fiscal and other macro policies for inflation control. Credit growth is expected at 14-15% upon appropriate control. Credit funds shall be routed to production and business and prioritized areas, and loans to risk-implied areas shall be tightly monitored. Digital transformation in banking activities shall be boosted, ensuring the safety and security of information technology and payment systems.

2. Business plan for 2023

- Based on the analysis and evaluation of the factors affecting Eximbank's business activities in 2022 and the operating environment in 2023;

- Based on the business targets set for 2023 as approved by the Board of Directors in Resolution 461/2022/EIB/NQ-HDQT dated 02/12/2022,

The Management would like to submit to the General meeting of shareholders the targets for 2023 as follows:

2.1. Main business targets

Unit: VND billion

No.	ITEM	2022	2023 plan		
			Amount	+/- from 2022	%
1	Total assets	185,056	210,000	24,944	13.5%
2	Capital funding, end-of-period	148,615	165,000	16,385	11.0%

3	Credit exposure (incl. corporate bonds)	130,581	146,600	16,019	12.3% (*)
4	On-balance NPL ratio (groups 3-5)	1.80%	≤ 1.60%		
5	Profit before tax	3,709	5,000	1,291	35%

Note: () This is the growth target submitted by the Management and approved by the Board of Directors and to be executed in the condition allowed by SBV*

2.2. Solutions to carry out the 2023 business plan

In order to achieve the plan suggested above, Eximbank will focus on such major solutions as below:

(1) Customer base

Continuing to pay attention to maintaining and developing the existing customer base while looking to acquire new ones, increasing the use of products and services as well as value of product usage per customer; and strengthening cross-selling; developing appropriate customer care policy for each segment; and leveraging the strength of digital banking to quickly scale up the customer base, particularly individual customers.

(2) Products and pricing

Tailoring products and pricing by specific segments, subjects and locations; launching new products and services on ground of digital banking which are suitable to the particularities of each location and customer segment; bundling product and service packages which are highly competitive in the market; and robustly promoting programs and products for CASA development, life and non-life insurance and credit cards.

(3) Risk management and compliance

Innovating internal regulations in credit operations on par with SBV stipulations and changes in the organization and operations of Eximbank; implementing the new internal credit ratings system; automating risk alerts; continuing to deploy and complete centralization models; perfecting the technological projects for risk control and risk measurement tools; and providing more training to enhance the knowledge of operational risk management.

(4) Technology and operation

Promoting business operations in way of digital transformation and development of digital banking services; assisting the management and operation; strengthening and stabilizing the system operation; reinforcing and ensuring security and compliance; and persisting in operational centralization.

(5) Personnel organization

Continuing to complete the organization model at Head Office and business units in light of streamlining and improved efficiency; centralizing operation, optimizing resources for the network, and increasing job opportunities and benefits for employees;

heightening the competency of business promotion forces; and offering more internal training and coaching programs.

(6) *Marketing and branding*

In parallel with launching new products, services and utilities for customers, the communication of products, services and promotions to customers should be thoroughly made on various channels in the principle of being customer-friendly, easily accessed, and understandable; arranging, renovating, constructing and developing the transaction network nationwide so as to get Eximbank name closer to customers.

III. It is hereby submitted to the General meeting of shareholders for approval:

1. The Management's report on the business performance in 2022 and plan for 2023.
2. To assign/authorize the Board of Directors to direct the performance and decide the adjustment of the 2023 Business plan in conformity with actual situation and consent of competent State agencies.

Yours sincerely,

CHIEF EXECUTIVE OFFICERS