

**THE SOCIALIST REPUBLIC OF VIETNAM**

**Independence – Freedom – Happiness**

-----oOo-----

*Hanoi, April 8, 2021*

**BUSSINESS PLAN FOR THE YEAR 2021**

*(To be submitted to the General Meeting of Shareholders on 29<sup>th</sup> April 2021  
for approval)*

**To: GENERAL MEETING OF SHAREHOLDERS**

*Pursuant to the Law on Credit Institutions dated Jun 16, 2010 and has been supplemented dated Nov 20, 2017, the Chief executive officer respectfully submits the 2021 business plan to shareholders for approval, specifically as follows:*

**I. Forecast of Vietnamese economics for 2021**

**1. In 2020**

According to the Report on the implementation of the Socioeconomic development plans in 2020 and 5 years (2016-2020); plans for 2021 and five-year (2021-2025) tasks, directions of the Government submitting to the National Assembly, Vietnam's macro-economy is expected to remain stable, inflation is controlled at a low level, growth quality is enhanced, major balances of the economy are improved.

Accordingly, the economic growth rate in the 2016-2019 period is quite high, at an average rate of 6.8%/year. In 2020, although the economy is heavily affected by the Covid-19 epidemic, economic growth in 2020 reached 2.91%.

With this growth rate, Vietnam is considered one of the highest growing countries in the region and in the world, thanks to internal resources and, making good use of the opportunities and ability to diversify as well as flexibility of its economy

**2. Vietnam's economic growth through comments from international organizations**

According to the World Economic Outlook Report released in November 2020, the International Monetary Fund (IMF) forecasts that by 2021, Vietnam's economy will

reach a growth rate of 6.5% and become one among four economies (Vietnam, Taiwan, Egypt and China) with the highest growth of GDP per capita.

Besides, leading financial-banking institutions in the world also gave optimistic comments on the prospects of economic growth in general and GDP growth of Vietnam in particular. According to the "Asian Development Outlook Update (ADO) 2020" of the Asian Development Bank (ADB) announced on September 15, 2020, in 2021, Vietnam's GDP growth is expected to reach 6.3%, while GDP in Asia is estimated to grow by 6.8%.

ADB forecasts Vietnam's medium- and long-term economic prospects positively, thanks to its participation in bilateral and multilateral trade agreements, and benefiting from the current shift in supply chains from Vietnam to lower cost countries

## II. Business targets for the year 2021

*Unit: bil dong*

No	Item	Actual 2020	Plan 2021	Compare Plan 2021 / Actual 2020
1	Total assets	116,267	120,217	103%
2	Deposit from Market 1	80,591	87,112	108%
	<i>Customer</i>	78,128	85,794	110%
	<i>IFC, DEG &amp; Norfund</i>	2,463	1,318	54%
3	Credit balance (including: loan from corporates and individuals, investment in corporate bonds) (*)	69,469	81,655	118%
4	Bad debt ratio ( Group 3-5)	< 3%	< 3%	
5	Net service income and guarantee fee / Net interest income	13.1%	20%	
6	Profit before taxes	1,368	1,973	144%
8	ROE after tax	13.2%	16.9%	128%

(\*) *Based on credit room approved by the State Bank of Vietnam for each period*

### III. Key missions for 2021

- Concentrating resources to develop the retail sector; increasing the number of active individual customers; Increasing the average number of products per individual customer.
- Increasing the proportion of service incomes in the income structure including domestic and international service charges (including guarantee fees and foreign currency trading).
- Focusing on profit growth towards Top 8 ROE target of joint stock commercial banks.
- Building a friendly and professional working culture in parallel with modern corporate governance according to international standards.
- Maintaining and improving credit rating of ABBANK.
- Improving brand identity of ABBANK in the market.
- Developing digital banking technology to create a foundation for product and service competition as well as improving risk control capacity.

### IV. Action plan

#### 1. Business unit network planning and sale capacity optimisation

- Effectively implement business units of Corporate banking, SMEs and Consumer banking according to ABBANK's organizational model and business orientation based on strategic objectives for the period from 2020 to 2025.
- Enhancing the management role of business lines in the business units.
- Comprehensive evaluation of the effectiveness and profitability of business units by each division (Corporate banking, SMEs and Consumer banking) in order to add new business units, which promote strengths and tailored for specific customer groups.
- Restructuring ineffective business units to modify the sales model of these units in order to improve efficiency based on the units's resources as well as the market potential.

#### 2. Digital Transformation

- *Toward the perfect customer experience to increase customer base and upsell opportunities*

COVID-19 has not only accelerated the digital transformation in enterprises, digitized products and services, but also changed the consumer behavior of each individual.

According to PwC's 2020 “Global Consumers” survey, 63% of respondents reported having more online transactions during the COVID-19-affected period and 86% of respondents would continue to use mobile channels when social distancing measures are removed. Along with social distancing, previously unpopular means became indispensable for the majority of respondents, namely conversation application (59% of respondents), messaging application news (58%) and social media (86%). In particular, the majority (74% - 91%) of customers will stay on the network through these communication channels.

In an age of digitalization accelerated by today's new technology and normalization, more than ever, customers expect safe, easy, and accessible experiences that provided by reative financial service providers.

In 2021, ABBANK will focus on digitalization by launching ABDitizen and using eKYC in customer onboarding.

- ***Cost optimisation***

Digitalisation not only contributes to increase the bank incomes and customer base but also helps the bank to save cost by digitalizing the bank processes. This initiative is crucial for the bank to achieve the CIR optimization target.

Chief executive officer (CEO) respectfully submits to shareholders for approval on the business plan of the year 2021. In addition, CEO will implement solutions, action plans to achieve the targets as defined in this business plan.

Chief executive officer respectfully submits to shareholders for approval!

**CHIEF EXECUTIVE OFFICER**

*(Signed)*

**LE HAI**