



SUSTAINABLE DEVELOPMENT REPORT

- 128 Leadership's statement on sustainable development
- 130 Overview of the sustainable development report
- 138 Sustainable economic development
- 144 Customer orientation
- 156 Fostering corporate culture and developing human resources
- 168 Network development
- 170 Investment in IT development
- 174 IR activities
- 178 Footprints in social security activities
- 182 Contribution to environment improvement
- 192 Strategy and synergy for environment protection
- 192 GRI standards compliance table

Leadership's statement on sustainable development

Dear valued customers and investors,

Sustainable development on all three aspects including economy, society and environment is a global concern and an urgent requirement for Vietnam. Nowadays, economic growth is often associated with use of non-renewable natural resources (fuel, energy...), that leads to destruction of the natural environment, disruption of ecological balance, and catastrophic disasters. Therefore, sustainable development should become a common responsibility of the whole society, which requires efforts and synergy of all economic sectors, regulators and social organizations. The banking industry, an important capital channel of the economy, contributes significantly to the sustainable development of the country. A sustainable and efficient banking system will bring

many benefits to the economy, minimize adversity to society and environment.

Over 65 years of development and growth, BIDV has constantly fostered and increased sustainable development factors both in breadth and depth, as well as scale and scope of operation. As a leading bank in the country, BIDV defines its mission as: "Delivering the best interests and conveniences to customers, shareholders, employees and society". BIDV is aware that harmonization of interests between related parties including customers, shareholders, employees and community will ensure the long-term existence of the bank. This also helps promote inclusive, long-term and sustainable growth in the context of the increasingly changing and competitive business environment to bring interests to the country's economy and society.

BIDV's perspectives on sustainability have been instilled into the entire organization from the Leadership to each staff at all levels, from overall strategy to implementation in each line of business, products and services... Sustainable development reporting is the practice of measuring, announcing and being accountable to all parties for its activities towards sustainable development. BIDV developed this report to evaluate and disclose information about the Bank's performance in environmental and social aspects, in addition to information on financial performance and governance. The report mentions three main points: (i) Sustainable economic growth; (ii) Investment in community development and (iii) Contribution to environmental improvement, particularly:



SUSTAINABLE ECONOMIC GROWTH

For the banking industry, when referring to sustainable aspect, we must first mention the economic sustainability that helps survive, grow in the long term, balance the short and the long term business goals, balance the expected profit and level of risk tolerance. The stability of a large commercial bank like BIDV will make an important contribution to ensuring the safe and stable operation of the entire banking system and the sustainable development of the economy. The measure for BIDV's financial sustainability is expressed through factors: (i) Financial capacity is increasingly stable, meeting operating safety requirements in accordance with regulations and best practices; (ii) Sustainable operational efficiency on the basis of improving asset quality, improving the proportion of non-interest income; (iii) Customer structure shifts positively towards increasing the proportion of retail, SME and FDI customers; (iv) Organizational model and governance pattern meet regulations of state regulators, moving towards international best practices; (v) Investing in information technology infrastructure and applying digital banking in Vietnam to adapt to the changes of the time; (vi) Building a high-quality staff force to meet the development requirement of the banking industry given the international integration and the fourth industrial revolution, fostering corporate culture and maintaining a professional, modern, learning and creative working environment...



INVESTMENT IN COMMUNITY DEVELOPMENT

Not only does BIDV do business effectively for itself, but it also focuses on bringing values to customers, ensuring equality in interests for shareholders, employees, and related parties. BIDV also carried out satisfaction surveys of customers and employees, listening to the feedback of shareholders, considering it an effective channel to improve the relationship between BIDV and related parties. In addition, BIDV has always been a pioneer in implementing the guidelines and policies of the Government and the State Bank of Vietnam in supporting a rational economic shift following the orientation, showing responsibility to the community through social security programs, poverty reduction, creating jobs for the economy, supporting disaster, flooding recovery, and environmental improvement...



CONTRIBUTION TO ENVIRONMENTAL IMPROVEMENT

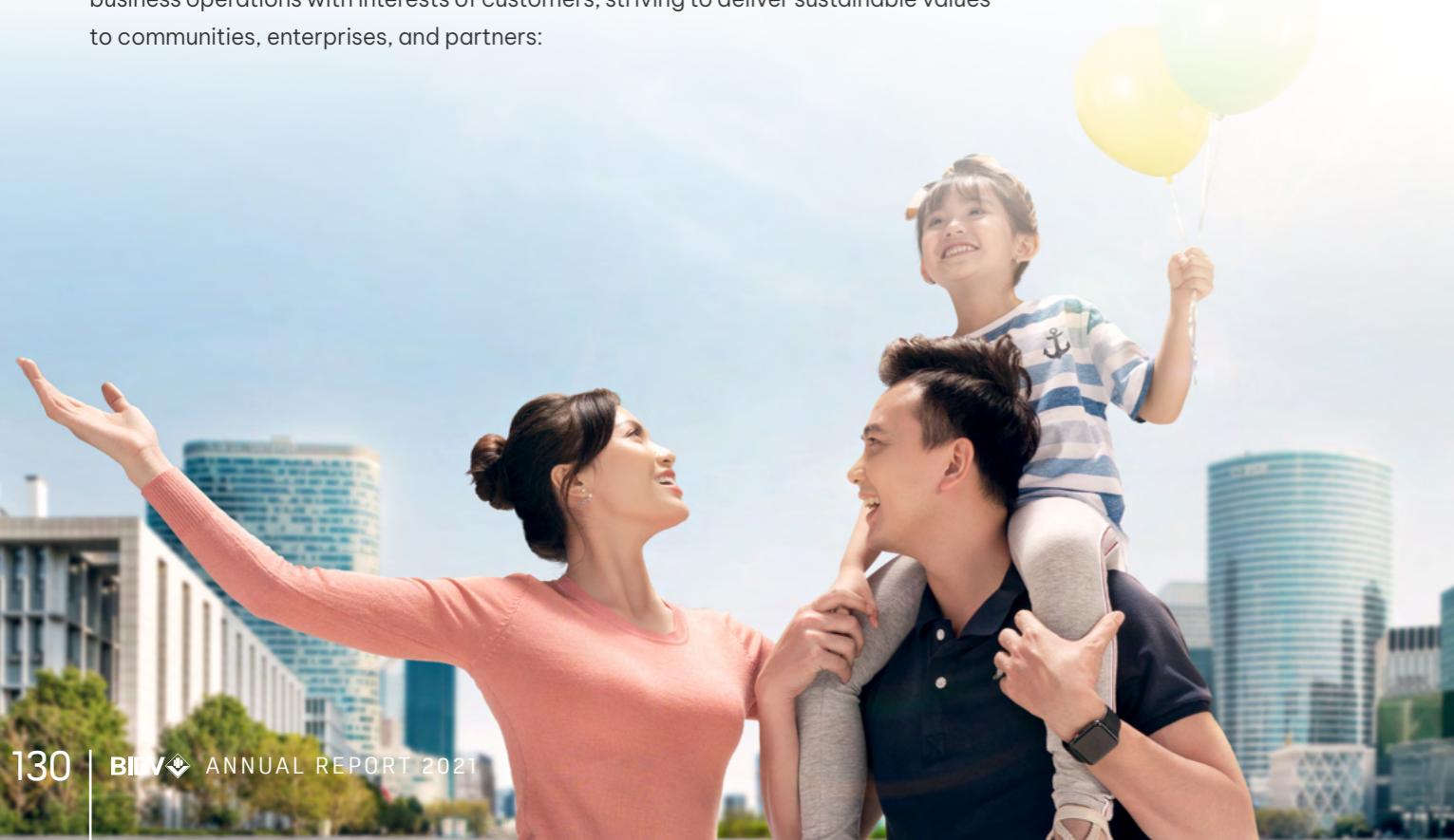
For the banking industry, environmental sustainability can be considered in the aspect that banks integrate environmental criteria into their credit decision-making processes, promote green credit growth and manage environmental and social risks in credit extension. The environmental protection results of rural finance projects funded by the World Bank (WB), in which BIDV acts as a wholesale bank - is one of the typical examples that need to be replicated, which is highly appreciated by the international community. In its business activities, BIDV has promoted communication to raise employees' awareness of saving and protecting the environment, as well as supporting environment programs.

Overview of the sustainable development report

In 2021, the world economy in general and Vietnam's economy in particular were severely affected by the Covid-19 pandemic. The fourth outbreak of the pandemic in Vietnam had an extremely adverse impact, severely affecting all aspects of socio-economic life. A series of problems related to environment such as natural disasters, floods, drought and saltwater intrusion, air pollution, etc. are increasing. This poses increasing challenges and requirements for maintaining sustainable development, environmental protection, energy saving as well as efficient use of natural resources.

Banking is a smoke-free industry, and in principle it has little or no direct impact on the environment. However, by extending credit and providing products and services to their large network of customers, banks indirectly affect the sustainable development and the environment.

Over 65 years of development, BIDV has become one of the largest joint stock commercial banks, with total assets of VND1.76 quadrillion and the number of individual customers accounting for 16% of the country's population. The bank's SME customers accounted for 40% of total SME enterprises in the country. With such a large scale and strong customer base, BIDV is always looking for solutions that link business operations with interests of customers, striving to deliver sustainable values to communities, enterprises, and partners:



Firstly, in BIDV's business development strategy with vision to 2030, BIDV has clearly defined its goal that is to deliver the best benefits and conveniences to customers, shareholders, employees and society.

Secondly, BIDV publicly discloses its responsibility for sustainable development. In its annual report, BIDV always announces that sustainable development was established according to GRI standards, clearly stating the bank's responsibility to environment, society and employees.

Thirdly, BIDV always gives priority to and professionalizes the management of environmental and social risks through credit extension processes. BIDV carefully assesses the environmental risks when evaluating projects, and requires customers to strictly comply with the provisions of law on environmental protection. During project implementation, BIDV regularly monitors and manages environmental and social risks in parallel with the disbursement process, ensuring that projects financed by BIDV minimize negative impacts on the environment.

Fourthly, BIDV is always active and pioneering in social security activities. BIDV's social security programs were deployed to the right audience, at the right time, highly pervasive and recognized by the community.

Fifthly, with a staff force of more than 27,000 employees, BIDV always determines that human resource development in terms of both quantity and quality is a core task in its business strategy, creating an important basis for successful implementation of the goals set.

BIDV has received long-term economic benefits and reputation through the aforementioned efforts, specifically:

Firstly, sustainable development, in a broad sense, including sustainability in the capital structure - assets, customer base, and sound finance, is the basis for BIDV to meet the requirements of Basel II, laying foundations for successful implementation of business strategy to 2025 with vision to 2030, that is to become the leading financial institution in Southeast Asia, have the best digital platform in Vietnam, be among Top 100 largest banks in Asia.

Secondly, sustainable development helps BIDV not only limit credit risks, but also improve its reputation, be recognized and trusted for cooperation by the international community in the context of many changes to foreign entrusted fund management mechanisms by the Government. BIDV has successfully mobilized capital from the World Bank for the Renewable Energy Development Project (REDP), Vietnam Energy Efficiency for Industrial Enterprises (VEEIE)... In particular, in May 2021, BIDV was provided a SUNREF non-sovereign credit line of USD100 million by AFD.

Thirdly, sustainable development brings a positive image of BIDV to the community, shareholders and employees. With strict implementation of sustainable development strategy, in 2020, BIDV was honored as one of 10 sustainable enterprises in the fields of commerce and services by Vietnam Chamber of Commerce and Industry (VCCI) and related ministries. Thereby, BIDV is trusted by employees to work in the long run; customers and partners trust and use the bank's services.

Overview of the sustainable development report

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2021 marked the fifth consecutive year that BIDV has implemented a Sustainable Development Report under a comprehensive plan in accordance with GRI standards. Main contents of report are:



REPORT CONTENTS

The report records BIDV's important activities relating to sustainable development issues in 2021, including standardized information disclosures based on the sustainable development reporting guidelines GRI Standards of the Global Reporting Index.

The 2021 Sustainable Development Report is communicated to shareholders and stakeholders of BIDV.

SCOPE OF THE REPORT

This report is conducted annually and presented in the Annual Report of BIDV, with information and data collected between 01 January 2021 to 31 December 2021 and some indicators in the past to show the growth.

MATERIAL TOPICS

Material topics presented in the report include:

- GRI 100: Universal Standards
- GRI 200: Economic Standards
- GRI 300: Environmental Standards
- GRI 400: Social Standards

The material topics were selected through consulting GRI Standards and considering other stakeholders that had direct influence on BIDV, evaluating the materiality of the topics in the context of sustainability of enterprises, country and region.

STAKEHOLDER ENGAGEMENT

We identify stakeholders based on possible impacts from BIDV's operations on them or on individuals/organizations that had an interest in or influence on the current activities of BIDV. We approach stakeholders through various sources of information in an appropriate manner to listen to each party's opinions and concerns about BIDV's activities, especially corporate governance, human resources development, economic growth, and contribution to society and environment. The interaction with the parties also helps BIDV proactively identify trending and contemporary issues as well as review objectively our policies, reports and information disclosure that we have made.

Overview of the sustainable development report

Identifying key stakeholders

Organizations and individuals that are considered stakeholders of BIDV include: shareholders, investors, customers, employees, regulators, communities, press agencies, partners, suppliers. We actively consult stakeholders, proactively cooperate to ensure the harmonization of interests among the parties.

-  **SHAREHOLDERS/INVESTORS**
-  **CUSTOMERS**
-  **EMPLOYEES**
-  **REGULATORS**
-  **COMMUNITIES**
-  **PRESS AGENCIES**
-  **SUPPLIERS**

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Methods and frequency of interaction with stakeholders

Methods of interactions with stakeholders	Frequency of interactions with stakeholders
SHAREHOLDERS/INVESTORS	
Annual General Meeting of Shareholder	Annual/Extraordinary
Regular information update via IR website, direct meeting, phone, email	Monthly or when incurred
Meeting with analysts	Frequently after quarterly financial results are released
CUSTOMERS	
Direct interview	Quarterly
Contact center and 24/7 hotline	24/7
Satisfaction Survey	Quarterly
Social media and social listening newsletter	Daily
EMPLOYEES	
Satisfaction Survey	Annual via anonymous survey
Annual employee conference	Annual
Internal channels: intranet, internal newsletters	Daily
Communication with Trade Union	Monthly
Connecting and educational environment	Daily
REGULATORS	
Maintaining regular dialogue mechanism	Monthly
Meeting for discussion at forums	When incurred
Macroeconomic and thematic report provided by BIDV Training and Research Institute	Monthly, quarterly depending on topics
Contribution for inputs on drafts and policies	When requested

Overview of the sustainable development report

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Methods and frequency of interaction with stakeholders

(continued)

Methods of interactions with stakeholders	Frequency of interactions with stakeholders
COMMUNITIES	
Coordinating with local authorities	Annually
Meeting to understand the expectation of local people	Annually
Social security programs with local authorities	Quarterly
MEDIA	
Press Conference	Quarterly
Press Releases/Periodical business reports	Quarterly
Experts providing information to the press	When requested
SUPPLIERS	
Direct meeting, adding to bidding regulations, cooperating with suppliers	When incurred
Maintaining competitiveness	Frequently in the process
Ensuring transparency in bidding offers	Frequently in the process
Quality service, clear origin of goods	Frequently in the process

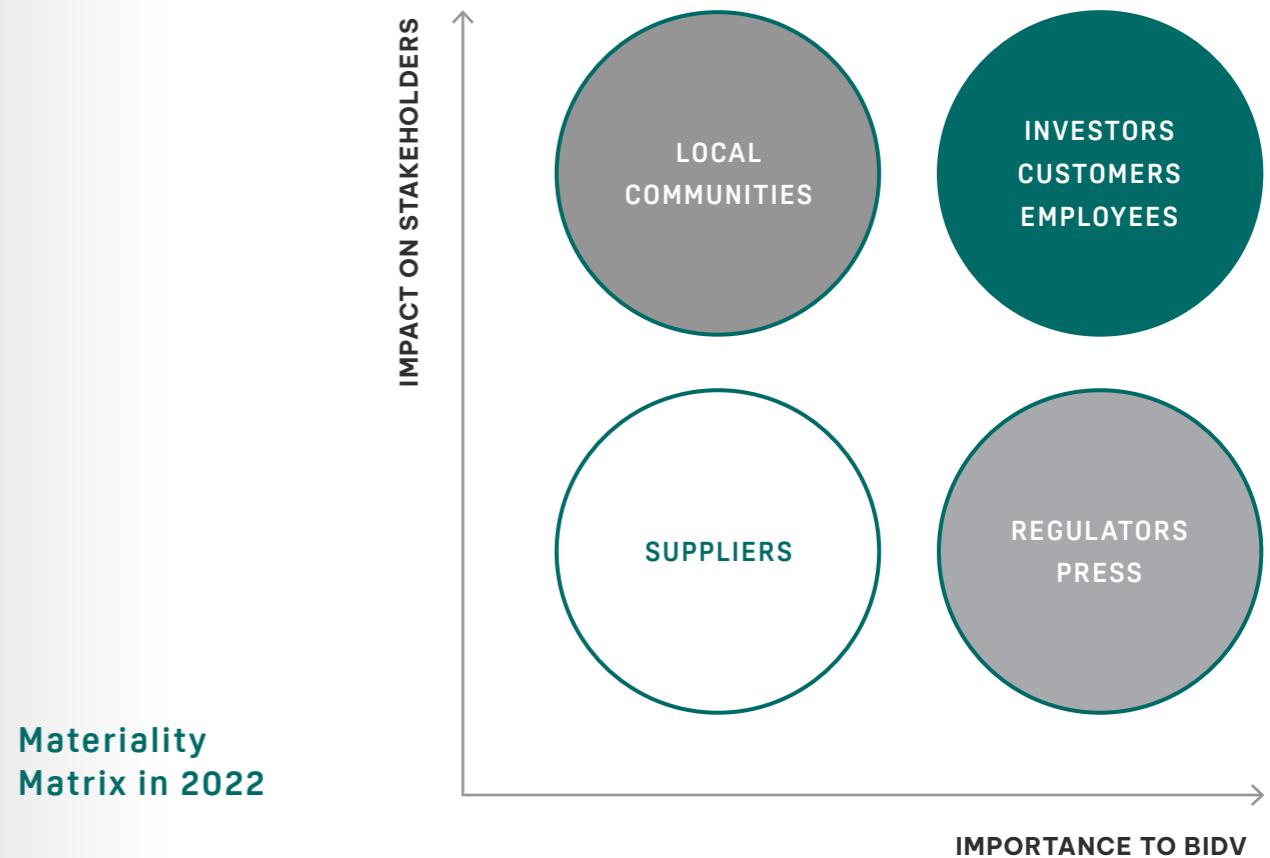
Identifying material issues

BIDV regularly works with stakeholders and consults experts to identify material issues through activities such as:

Participating in seminars on Vietnam market evaluation to get updated of market trends, competitors and developments in the world's market which may impact Vietnam's market to identify material issues in the fields BIDV is operating in.

Referring to information from various sources of stakeholders, experts' opinions on sustainable development (GRI, CSR, ACGS, ADB, IMF, and PWC) to identify a list of environmental, social and governance topics.

Regularly working with, discussing, consulting, conducting surveys to collect opinions from employees, departments and units at BIDV, shareholders, investors, customers and partners to gather feedbacks on the environmental, social, and governance topics. BIDV also referred to the reports and evaluation of stakeholders, and documents of rating organizations to get a broader view on the topics of interest



Sustainable economic development

BIDV defines that the sustainable development goal can only be attained when economic goals are ensured. The comprehensively continued accomplishment of business targets over the years has laid solid foundations for BIDV to fulfill its social responsibility through contributions to the State budget, delivering long-term financial benefits to shareholders and employees. Developing economic sectors, local economies, supporting small and medium enterprises, empowering women, making significant contribution to hunger elimination and poverty reduction, and improving living conditions.



01 Significant contribution to the State budget

In 2021, BIDV paid **VND5,169 billion** to the State budget including more than **VND651 billion** of cash dividends. The State capital at BIDV has been preserved and grown.



02 Ensuring the interests of Shareholders

BIDV paid dividends at the ratio of **2% in cash** and **25.77% in shares** to shareholders.



03 Developing economic industries and local economies under priority areas

BIDV accompanied enterprises across the country through connecting banks and enterprises; facilitating them to access bank credits; supporting businesses in areas and industries according to the long-term development orientation of the Government and the State Bank of Vietnam, contributing to the country's long-term economic development goal. BIDV implemented solutions, mechanisms and policies for enterprises to facilitate them to access loans and banking services such as streamlining credit extension process; administrative reform, providing large-scale credit programs and packages at preferential interest rates, with priority given to small and medium enterprises, export financing and high-tech businesses. In particular, in the year BIDV implemented its corporate social responsibility through measures and supporting policies for subjects affected by the Covid-19 pandemic, natural disasters and flooding.

BIDV's loans to priority areas according to the direction of the Government/State Bank of Vietnam:

Unit: VND billion

NO	INDICATOR	31 DEC 2020	31 DEC 2021	GROWTH
1	Export financing	55,838	54,482	2.49%
2	Loans to small and medium enterprises	281,358	283,539	-0.77%
3	Loans to agriculture and rural development	316,276	298,670	5.89%
4	Loan to supporting industries	66,876	61,401	8.92%
5	Loans to high-tech businesses	10,435	8,321	25.41%

Sustainable economic development

04 Supporting small and medium enterprises and women-owned businesses

For small and medium enterprises (SMEs)

On 21 January 2020, the Government issued Decision No.149/QĐ-TTg approving the National Comprehensive Financial Strategy to 2025, with orientation to 2030, focusing on the target groups that have limited or no access to financial products and services, including women-owned SMEs. Law on supporting SMEs No.04/2017/QH14 dated 12 June 2017 provides specific regulations on special incentive support programs for women-owned SMEs (WSMEs). Accordingly, BIDV has identified Women-owned SMEs as a separate customer segment that needs special attention and support in the current period. On that basis, BIDV has researched and promoted financial inclusion and implemented many supporting solutions for WSMEs, specifically:

- BIDV signed an agreement with the Asian Development Bank (ADB) and the State Bank of Vietnam to support WSMEs in mitigating the impact of the Covid-19 pandemic. Accordingly, the program supports interest on structured loans at BIDV or supports commitment fee for new loans at BIDV with a maximum amount of USD10,000/customer, and the customers can participate in free training courses and business advisory programs conducted by ADB consultants. In addition,

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For individual customers

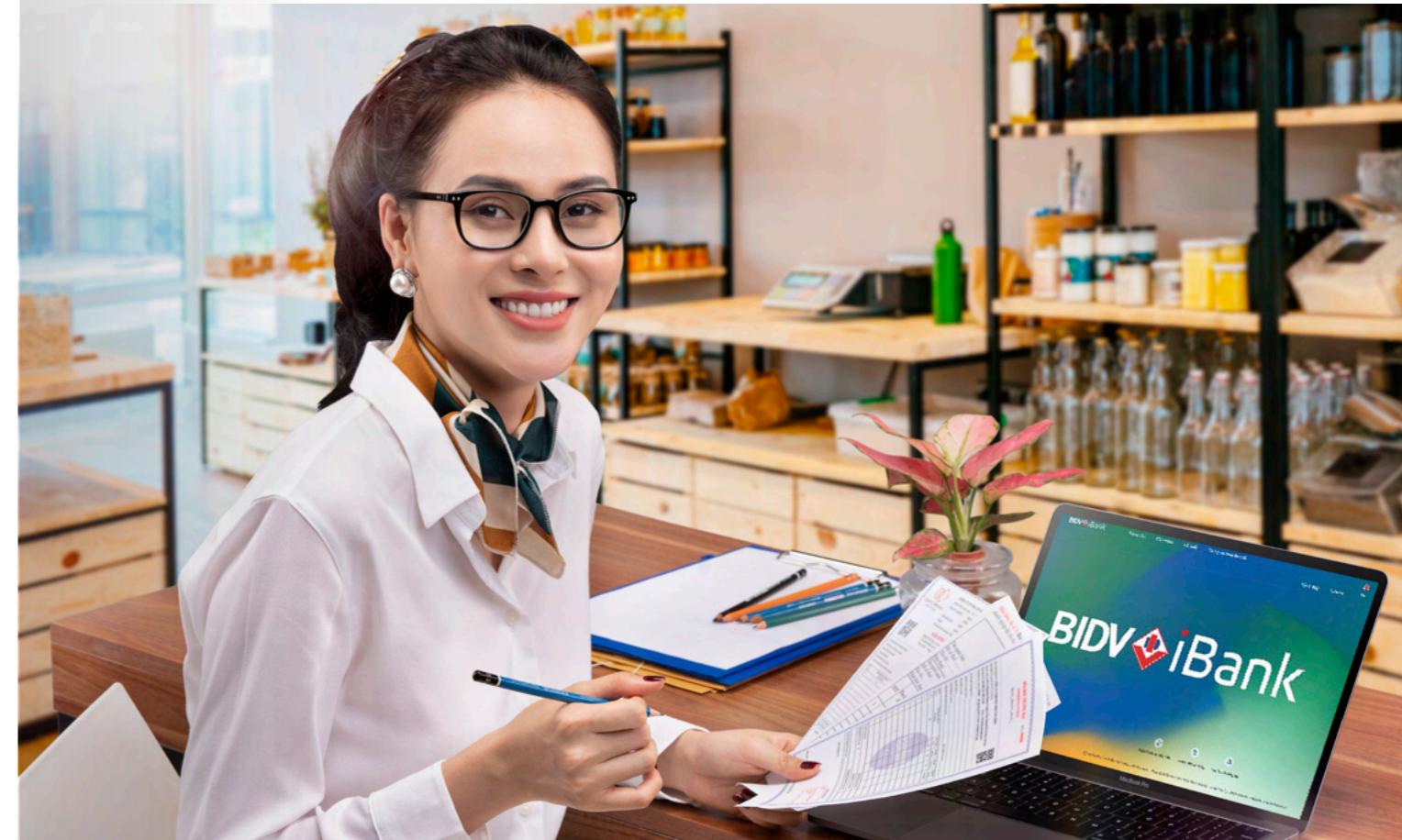
BIDV provided flexible financial products and services, suitable for the poor, low-income people, women, and micro-enterprises in rural, and remote areas, specifically:

- Providing flexible deposit products for low-income customers (but currently facing difficulties because the State Bank of Vietnam requested BIDV to strictly comply with regulations on deposit terms and how to handle when customers want to withdraw in parts).
- Launching free B-Free packages that fully satisfy the diverse needs of customers, free up to 10 basic service fees: account management fee (1 account), Smartbanking maintenance fee, balance change notification via OTT, online transfer fee inside and outside BIDV, domestic debit card issuance fee,

annual fee domestic debit card, Platinum credit card issuance fee, Platinum credit card annual fee for the first year, ATM domestic withdrawal fee.

- Issuing product packages for customers receiving unemployment benefits, customers who are students entitled to free account management, BSMS, card issuance and annual fees with no requirement for minimum balance when opening and maintaining an account, annual fee waiver for customers registering for Smartbanking service.

BIDV provided various types of payment and money transfer services that are easy to use and suitable to conditions in rural, and remote areas, diversified payment services on Mobile banking and Internet banking channels to help customers pay and transfer money anytime, anywhere.



Sustainable economic development

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05 Entrusted funds operation

BIDV is one of the first commercial banks in the Vietnamese banking system to participate in foreign entrusted capital activities since the 1990s. With a wide network of branches and transaction offices throughout the country, up to now, BIDV has mobilized and managed more than 200 entrusted foreign financing projects with a total committed value of USD18.5 billion, equivalent to VND425,000 billion from the Governments of Germany, Switzerland, Russia, France and international financial institutions such as WB, ADB, AFD, KFW, NIB, EIB, EDCF.

After more than 28 years of mobilizing and effectively managing foreign entrusted financing projects along with the country's socio-economic development, BIDV has determined the cross-cutting goal is to move towards a green financial institution and sustainable development. As a large state-owned commercial bank, BIDV has synchronously implemented many solutions to successfully mobilize green credit

development projects such as the World Bank's funding for Vietnam Energy Efficiency for Industrial Enterprises Project (VEEIE) and the Renewable Energy Development Project; SUNREF - Green Facility of AFD, EUR 150 million loan for climate change mitigation from EIB. Thereby, BIDV has affirmed the image and brand of the leading bank in sustainable economic development according to the Government's orientation, solving pollution and improving environmental quality; climate change adaptation and green growth; improving traffic infrastructure, social infrastructure; researching, developing and reforming policy and institutions; human resource development, knowledge transfer and technology development; increasing labor productivity, creating jobs, eradicating hunger and reducing poverty, narrowing the gap in development levels between regions and ethnic groups.

In 2021, in the context of complicated developments of the Covid-19 pandemic, BIDV continued to be the TOP bank in foreign entrusted finance in Vietnam, successfully mobilizing USD305 million (equivalent to VND7,000 billion) from WB, AFD, JICA, Korea Economic

Development Co-operation Fund (EDCF) financing the construction of technical infrastructure and urgent works for University of Da Nang in Hoa Quy - Dien Ngoc; SUNREF - Green Facility of AFD; Ialy Hydropower Plant Expansion Project; Medical Equipment Supply Project for Quy Nhon City Medical Centre; the project of supplying medical equipment to Duc Tho District General Hospital, Ha Tinh province; Non-project supporting equipment for investigating, surveying and analyzing ocean plastic waste. Also, BIDV became the first bank to receive a direct loan from AFD without government guarantee and proposed a long-term cooperation in the field of green credit and other funding areas.

With the goal of constantly improving the quality of management and using foreign entrusted funds, BIDV always focuses on standardizing processes, building management mechanisms, reviewing and monitoring, strengthening the digitization of products and services of foreign entrusted finance in the era of Industry 4.0, improving the quality of human resources to ensure efficient and professional deployment of the funds. Thereby, BIDV continues to be an effective bridge for the Government's foreign loans, actively contributing to improve the quality of social life and sustainable economic development, which is recognized and appreciated by sponsoring agencies, ministries, and customers.

As a leading bank in foreign entrusted funds in Vietnam with the reputation in on-lending, effectively serving foreign entrusted financial projects, BIDV was awarded the Certificate of Merit by the Governor of the State Bank of Vietnam for outstanding achievements in the implementation of ODA projects in 2021 (Decision No. 910/QĐ-NHNN dated 27 May 2021).

06 Supporting customers affected by the Covid-19 pandemic

For individual customers

In 2021, following the direction of the Government and the orientation of the State Bank on the implementation of policies to support enterprise customers affected by the Covid-19 pandemic, the Wholesale Banking group of BIDV issued and implemented 19 credit packages

(including 18 short-term credit packages and 01 medium and long-term credit package) with a total scale of up to VND550,000 billion and lending rate lower than normal rate from 1.0%-1.5%. By the end of 31 December 2021, BIDV's credit packages supported over 10,000 customers with a year-round disbursement of more than VND1 quadrillion, outstanding loans of the credit package mentioned above as of 31 December 2021 was about VND350 trillion, contributing to support business customers to reduce financial costs during the difficult time due to the impact of the Covid-19 pandemic.

For individual customers

The "campaign" on developing payroll customers and small traders started in October 2021 right in the midst of the most difficult and struggling days after the pandemic. This was a completely new challenge that needed divergent ways to increase individual customer base at BIDV, helping to change customer's point of view (the bank approaches customers instead of customers going to the bank), gathering the synergy of the system. The initial results were positive: increasing 2,287 new payroll corporate customers at BIDV, 230,000 small traders; 160,000 new salary customers, of which 100,000 new customers receive salary through BIDV generated salary payment transactions.

BIDV made quick decisions, leaded the market, implemented credit programs and special services to support frontline health workers in the fight against the pandemic in accordance with the Government's policy, which demonstrates the spirit of accompanying the health sector, joining hands to overcome the pandemic; additionally, increasing retail customer base, towards serving good and reputable customers. BIDV implemented (i) a package of VND20,000 billion for home loans with a fixed interest rate of 5.5%/year for 24 months and (ii) a package of VND5,700 billion loan for living needs without collateral at the fixed interest rate of 1%/year for 24 months and many kinds of retail service fee exemption and reduction according to package Bfree, free early repayment, reduced insurance fee, etc. Over the past 4 months, the programs supported 115,300 customers who are frontline medical staffs in the fight against the pandemic with more than 11,000 new customers and 80 medical facilities including hospitals, health centers, CDC have established new relationships with BIDV.



Customer orientation



PRODUCT AND SERVICE QUALITY IMPROVEMENT

Developing premium banking strategy and proposition, implementing premium services

- Completed the Premium Service Development Plan at BIDV, including solutions for business models, specialized human resources, product portfolios, facilities, branding strategies... for both segments-Premier and Private banking.
- Established Private Banking Center at BIDV Head Office in Hanoi, issued a Premier Banking model along with detailed business instructions at some major branches. Improved brand strategy, positioning, identity and overall privileged benefits for both segments. Guided the development and standardization of a specialized sales force in both Premier & Private banking segments.
- Deployed new specialized products for the Premier customer segment: Smart Bond (corporate bonds), Smart Fund (fund certificates) and developing preferential policies on fees and interest on banking products and products of other BIDV group's member companies such as BSC, BIC, BIDV MetLife.

Changing retailed credit business methods towards meeting customer needs and controlling risks

- Deployed retailed credit products to meet the diverse needs of customers, focusing on prestigious customers with stable income sources to ensure repayment, collateral to meet 100% of loan balance, in accordance with BIDV's regulations and at the same time using a variety of products and services that bring common benefits to BIDV.
- Removed difficulties and obstacles for branches in terms of policies, decentralization of authorization, etc. for timely adjustment and supplementation, increasing competitiveness for BIDV, attracting customers but still ensuring control of incurred risks.
- Continued to deploy competitive credit packages, specific credit granting policies in the direction of custom tailoring, suitable to the needs of each specific customer group and partner. Implemented 8 competitive credit programs with a total scale of more than VND300,000 billion and 30 programs for specific customers/projects.

- Actively transformed digitally in retailed credit activities as branches can be able to save operating time, labor productivity, and improve business efficiency through the successful deployment and expansion of the RLOS System on a nationwide basis with 03 products: Daily life loan without collateral, Quickloan and issuing credit cards without collateral with total sales reaching VND1,700 billion. Completed the signing of the contract to deploy the consulting package to standardize the process, products and build the retail credit approval matrix. Strengthening risk control through the implementation of Risk Management and Compliance Monitoring software to support quick and accurate assessment of credit quality of branches.

Card business: focuses on effective and key products. Completing the card system planning, the planning structure of the card product and service portfolio in the direction of digital transformation and customer orientation

- Implemented comprehensively the card system makeover planning in terms of card products and services, the card technology system towards building an open system in meeting the needs of digitizing card products and services; planning the automatic teller machine network for the period of 2021-2025 and the card payment acceptance array; streamlining over 50% of card policy documents in the direction of science for easier look-up.
- Planning the structure of the BIDV card product and service portfolio with a focus on promoting effective products, building clear product features that are suitable for each customer segment; Executing synchronized implementation of business solutions such as changes in branch quota allocation, credit card policy, sales policy, promotions, bounty policy, loyalty incentives towards online transactions to suit business during the epidemic situation in order to promote the scale and sales of credit card issuance, especially with the key product -Platinum credit card (highest

average card income). As a result, Platinum credit card products in 2021 grew strongly in size (up 65% over the same period last year). At the same time, the BIDV Visa Platinum Cashback card was honored with the "Vietnam Trust Award 2021" award for its creativity and suitability for customers' tastes, adapting well to the epidemic situation.

Change the way to support customer care, timely implementation on all interactive channels in the context of prolonged Covid pandemic, especially during Tet holidays and during the implementation of big campaigns:

The new generation of Smartbanking, Converting cards from domestic debit to chip cards... The total number of support requests reached over 2.15 million (> 5,800 requests/day, an increase of 13%, of which voice channel was up 7.7%; social media channels up 87%; email up 57%). Expanded the scope of support for many services such as supporting customers to switch to a new generation of Smartbanking app, unlock / reissue passwords / cancel Smartbanking services... From July 2021, BIDV Contact Center supports and responds to customer comments on the Google Play/Apple Store app store, contributing to expanding the scale and channels of interaction with customers. The customer satisfaction score of BIDV Contact Center reached 9.02 points, up 1.7% compared to the previous year.

Promoted sales activities through channels at BIDV Contact Center with total direct sales in 2021 reaching over 150,000 successfully registered products, of which: Direct registration right in the telesales call out reached more than 63,000 products (up 153%), focusing on Smartbanking products with more than 44,000 products; closing appointments to move branches was promoted, effectively supporting the branch in approaching potential customers with more than 75,000 products and services. Furthermore, more after-sales customer care activities were developed: proactively surveying customers on e-banking services (Smartbanking) and card services through multichannel at BIDV Contact Center.

Customer orientation

CUSTOMER CARE AND SUPPORT ACTIVITIES

- After a challenging year with complicated developments of the COVID-19 epidemic, BIDV Contact Center has successfully completed its task of maintaining 24/7 customer support activities, acting as a solid bridge between customers and the bank, to support customers' arising needs to the max, making the customer experience always seamless in the context of prolonged social distancing and travelling became difficult. Over 2.2 million customer turns were supported across all channels (up 11.5% y/y) and over 98% first call resolution rate has shown BIDV's unremitting efforts to meet the increasing demands of customers.
- With the goal of a comprehensive multi-channel customer care, BIDV Contact Center continuously expands new support channels to constantly listen to customers' opinions and feedbacks. In July 2021, BIDV Contact Center officially launched customer support service on the App Store channels (Appstore & CH Play), bringing the total number of customer support channels up to 7 channels, making BIDV one of the banks with the highest number of customer support channels in Vietnam.
- Carrying out the mission of listening to customers to improve and develop, in 2021, BIDV Contact Center has standardized the process of improving the quality of products and services from customers' opinions, thereby clarifying the roles and responsibilities of product development, business development and system operation teams in overcoming problems and implementing improvement measures based on customer feedback and suggestions through
- In addition to the important task of being the focal point to conduct customer survey campaigns throughout the system about service quality of all BIDV branches, creating a basis for BIDV to build and implement improvements at the branches, BIDV Contact Center also promoted customer care, marketing and support programs to register products and services with remarkable results. Particularly in the context of the Covid-19 outbreak in many localities across the country in the past year, BIDV Contact Center is considered the most effective channel to sell and introduce Smartbanking services to customers with a closing volume of about 3.5 times the average number of newly registered Smartbanking app of a branch. The promotion of sales and customer care in both incoming calls and outbound campaigns helps bring outstanding benefits to customers, helping them achieve the best experiences on BIDV's digital channels.
- In coordination with the active digital transformation flow at BIDV, BIDV Contact Center has been focusing on investment and research to implement information technology projects and digital transformation initiatives to increase labor productivity and customer experience, in which the focus is on the Contact Center modernization project with the expectation of bringing a multi-channel integrated system that provides a uniform and seamless customer experience across multiple channels. Also, in the coming months, BIDV is going to apply AI technologies in customer care activities, in order to promptly listen and deliver the best experience to customers.

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Customer orientation

IMPROVING CUSTOMER EXPERIENCE ON DIGITAL CHANNELS



WEBSITE: <https://www.bidv.com.vn/>

7.8 million users

20%
compared to 2020

25.9 million page views

15.6 million engagements

2000 news/articles

TOP 1 brand search keyword
“BIDV” on Google

60%

top non-brand search keywords that lead to BIDV website (Top 3 Google)



Organic search and direct access accounts for
87.5% of total access



TOP 1
Vietnamese bank
mentioned on the Internet



65,000
articles

PUBLIC RELATIONS

LEADING BANK BRAND

mentioned regarding to businesses and society supporting activities amidst Covid-19 pandemic
(over 30,000 articles)

OUTSTANDING BANK BRAND

actively providing **365 communication topics** on BIDV branding, products & services.

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SOCIAL MEDIA

IMPRESSIVE FIGURES



Top 2 Vietnamese Banks
Info coverage



Top 2 Vietnamese Banks
Highest engagement



Top 4 Vietnamese Banks
Largest fan community (Facebook, YouTube)



500% growth rate
of BIDV's Zalo account

CUSTOMER CARE

159,000
Social supports
(Zalo, Facebook)

1.9 times
compared to 2020



Removed 40 infringing domains, deleted 51 fake fan pages and removed 05 false Google advertising videos



Handled more than 100 arising cases that affected the image and reputation of the BIDV brand



Published 12 issues

ĐẦU TƯ PHÁT TRIỂN

covering all BIDV's operations aspects (in Vietnamese and Korean)

Published 12 issues

BIDV Review

(in English)

Launched

BIDV coffee
Cùng chia sẻ

BIDVoice

Retail FM

Broadcasted 3 episodes
DigiTalk

Broadcasted 24
BIDV TV News

BIDV TV

Customer orientation

DEVELOPMENT OF DIGITAL BANKING SERVICE



Promulgating BIDV's digital transformation strategy for the period of 2021 - 2025 with a vision to 2030 on the basis of the consulting project with EY

- The strategy sets out four pillars and focuses on eight aspects covering all banking activities, including the digitalization of internal management. On that basis, the Chief Executive Officer has issued Directives and Action Plans to implement the Strategy, established a Digital Transformation Sub-Committee in each Division and issued a list of digital transformation initiatives at BIDV in the 2021-2025 period with 174 initiatives sorted by resources and specific priorities.
- The eKYC service (electronic Know Your Customer) was also launched in the new generation of Smartbanking, attracting more than 341,600 customers successfully registering as of 31 December 2021. In August, the upgraded version was successfully deployed, adding a citizen identification card reading function.

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Towards BIDV's vision to 2030 to becoming a financial institution with a good digital platform, the business targets on digital channels have grown well and surpassed the plan thanks to outstanding results of the following digital transformation activities:

Enhancing the development of digital distribution channels, digitalizing traditional products and developing new products on digital channels

- Deploying the new generation Smartbanking: On 20 March 2021, BIDV officially launched a new generation of Smartbanking service that merges online platforms, replacing Internet Banking and Mobile Banking services. Along with many utilities, the system has been deployed "quickly" in 6 months. By the end of December 2021, the conversion rate had reached over 80% of total Smartbanking active users; the number of new registered customers had increased 2-3 times higher than before the new system implementation. This is a big step in the overall digital transformation strategy that is being vigorously deployed at BIDV, affirming its position as the Number 1 retail bank in the market. In 2021, Smartbanking had been upgraded 5 times with many outstanding features such as: Customer referrals, Personal financial management, Online card issuance registration, Securities, Account opening with personalized account number, QR function,...

- Pilot version of iBank 1.5: In October 2021, Mobile App for iBank was first launched and has now been piloted in phase 2 at a number of branches in Hanoi.

- Application of retail data analysis: in the third quarter of 2021, BIDV successfully tested digital channel conversion for 4,310 customers. After only 1 month of implementation, the successful rate of Smartbanking account opening was 23% with 100% of customers having transactions right in the month of account opening. In addition, the data models of credit card limit and of minimizing customer abandonment have been completed.

- Continuously upgraded money transfer and payment systems to optimize processing performance, enhanced collaboration with partners to diversify services offered to customers.
- Continued to upgrade the self-service transaction area on eZone, deployed multi-functional ATM.
- Official bank-wide deployment of unsecured online loan product with existing customer portfolio (Quickloan) and automatic approval system RLOS in October 2021. At the end of December 2021, loan product secured by online savings book was deployed in the 6th version of Smartbanking.

Studying to build an ecosystem and new business model

- BIDV's bill payment system has now connected with more than 1,200 partners and provided nearly 40 types of services, serving nearly 3.5 million customers.
- Promoting open banking strategy: With the ERP Connection product launched in 2020, BIDV has successfully connected with 4 major partners in ERP system (Fast, MISA, VNResource, KIU) and nearly 40 customers for individual ERP connections.
- Researching to apply new business model on BIDVHome application with the goal of building an ecosystem for retail customers.



Focusing on the implementation of key IT projects

In order to promote digital transformation and ensure synchronization in the overall digital architecture, BIDV has been implementing key IT projects such as: Enterprise Content Management (ECM), Business Process Management (BPM), API Management Project, Management Information System (MIS), Enterprise Resource Planning (ERP module of Finance and Centralized Human Resource Management), Bank-wide Risk Management System (with many key projects such as the procurement of risk management and compliance systems, AML expansion and upgrading, etc.), Big Data Platform System (Hadoop infrastructure), information security systems (security infrastructure systems, data security, application security, security monitoring and testing, etc.) and branch automation system (currently deployed on eZone and will be upgraded to automation-oriented).

Customer orientation

DEVELOPMENT OF DIGITAL BANKING SERVICE

Focusing on digitalizing internal governance activities

- Besides implementing many systems and software for internal operations and administration such as the Human Resource Management System, Dashboard Program, ECM System, etc., BIDV has been promoting the application of RPA into its operational processes such as: payroll payment, trade finance operations, batch card issuance, etc., in September 2021, successful POC with FPT for 2 operational automation processes in handling tracing, complaints and supporting the eKYC post-checking process at the branch.
- Initiatives to digitize processes, operations and the needs of RPA application in internal governance for the period 2021 - 2025 have been registered by the departments at HO within the framework of implementing the digital transformation strategy at BIDV.



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Promoting communication and training on digital transformation

Communication activities on digital transformation strategy are continuously promoted through Digitalk seminars with experts and BIDV's Leadership, regularly published articles on BIDV Review, Workplace, news on BIDV TV channel. In particular, the Infographic form has been put into application to communicate the implementation results of the action program and the bank-wide digital transformation initiatives.

Within the framework of supporting activities for Digital Transformation Strategy implementation at BIDV, the Digital Transformation team at the Digital Banking Center has coordinated with the Institute of Training and Research to organize a series of training sessions, sharing knowledge about digital transformation and new technologies for units directly involved in the implementation of digital transformation projects and initiatives, of which more than 40 Departments have participated with average of nearly 100 students per class. The training sessions received positive reviews and feedback from participating units. In the coming time, the Digital Transformation team will continue to develop specific training content for each Division and coordinate with the Institute of Training and Research to cooperate with external experts to participate in teaching.



IMPROVING CUSTOMER SATISFACTION

Survey results in 2021 showed good customers satisfaction with the quality of BIDV's products and services. The number of loyal and trusted customers using BIDV's products and services grew well compared to the previous period. Many customers are willing to introduce BIDV's products and services to acquaintances. Besides, what impressed

customers the most is the service attitude and serving style of BIDV's employees, which should be promoted by BIDV for customer retention in the current context of banks competing by quite similar products and services. Feedbacks from customers have been recognized and reviewed for appropriate improvement by BIDV.

POLICY ON CUSTOMER INFORMATION CONFIDENTIALITY

Policy on the collection, use, retrieval and non-disclosure of customer's personal information

- Pursuant to the SBV's Circular on information system security in banking operations (currently Circular 09/2020/TT-NHNN) and related information security regulations, BIDV has issued policies on the retrieval and confidentiality of customers' personal information.
- Along with that, BIDV has equipped with technical solutions to protect customers' information such as data encryption, database security, multi-factor authentication, data loss prevention...



Customer orientation

RESPONSIBILITIES TO CUSTOMERS

Developing and implementing programs to enhance financial literacy and compliance with financial consumer protection regulations

- Service fee schedule is publicly listed at transaction counters throughout the system and published on BIDV's website.
- In 2021, BIDV implemented Bfree packages with up to 10 types of service free of charges, especially online money transfer transaction fees inside and outside BIDV, including NAPAS 247 fast money transfer. For money transfer transactions at the counter, BIDV also implemented a fee reduction policy to remove difficulties and ensure social security in response to the COVID-19 pandemic.

Facilitating all types of customers to access and use financial products and services with equality

- BIDV offers preferential Bfree account packages suitable for each target customer group and deploys many preferential policies and attractive promotions to encourage customers to register and use e-banking services, promoting cashless payments. Especially for small traders with a very high frequency of cash transactions, BIDV offers free VietQR service to increase payment transactions via digital channels and free of charge policy for account maintenance, money transfer via electronic banking. For groups such as retirees, social allowance beneficiaries, the elderly, the poor, pupils, students and other disadvantaged groups, BIDV also has appropriate incentive policies such as: providing payment accounts without minimum balance requirement, preferential policies on card fees and service charges when registering suitable account packages.
- In 2021, BIDV launched a new remittance service with the international money transfer company Ria to attract remittances to Vietnam from 200 countries worldwide. Developing international money transfer services in the form of API connection with bilateral partners to promote remittances to Vietnam from Korea, Cambodia markets. Deploying real-time

>> continued



bilateral payment channel with partner banks has improved customer experience with instantly credited transactions.

- BIDV has opened payment accounts for all loan customers, promoting cashless disbursement and payments. Simultaneously in 2022, BIDV launched loan product secured by savings books via Smartbanking channel, encouraging customers to borrow and get disbursement via wire transfer right on Smartbanking application, gradually reducing cash payment form.
- Measures have been implemented to promote payment of public services, payment of social security, salary payment, payment of goods and services by cashless payment forms: (i) BIDV has coordinated with the Government Office, Ministries, Departments of Taxation and other administrative and non-business units to deploy payment for online services on the national public service portal, including collecting transportation fines, payment of social insurance, payment of fees and charges at local departments and agencies, payment of land tax; (ii) In the coming time, BIDV will continue to add other services to the national public service portal

such as hospital fees, tax payment, etc. to meet the payment needs of people in all regions.

- BIDV offers current account with no account maintenance fee and minimum account balance, linked to an ATM card for retirees, social beneficiaries, the elderly, the poor, students, and other disadvantaged groups, specifically: (i) BIDV has opened accounts linked with ATM cards to beneficiaries of allowance/subsidy from the budget/social insurance since 2006; BIDV always has a preferential mechanism when opening accounts, issuing ATM cards to students through cooperation with universities and colleges. BIDV is considering to implement services for students through working with high schools, however, implementing modern transaction methods is difficult as some schools are concerned about the smart phone abuse that may affect students' study; (ii) BIDV has launched the account opening application and account service registration on Smartbanking by eKYC form from March 2021; The application has attracted and supported many customers to access banking services, promoting cashless payments.

Fostering corporate culture and developing human resources

STRATEGY TO IMPROVE THE QUALITY OF HUMAN RESOURCE

Identifying “human resources and corporate culture” as one of the three development pillars and a priority goal of BIDV in the period of 2021 - 2025; BIDV has developed and implemented the BIDV Human Resource Development Strategy for 2021 - 2025 period, with a vision to 2030, with the following vision, goals and solutions:



Vision to 2030

To become the bank with the leading digital human resource in Vietnam



Priority goals for the period of 2021-2025

- Human resource 4.0 – technology – savvy
- Top 05 commercial banks in labor productivity
- Top 05 best workplaces in Vietnam.



Strategic solutions

In order to materialize the vision and goals mentioned above, BIDV has identified a number of strategic solutions as follows:

Firstly, developing the roles and responsibilities of heads of units and leaders at all levels in human resource development. Grasping thoroughly, improving the roles and responsibilities of heads of units and leaders at all levels in detecting and introducing talents; training and retaining qualified staff. Facilitating young and talented staff to bring out the best in their abilities to become key staffs; adding values to the unit in particular and the whole BIDV system in general.

Secondly, continue to rationally shift labor structure; focusing on high quality workforce (experts, technology staff), personnel at the Head Office and sales officers at the branches.

Thirdly, improving the policy on human resource development, including the following contents:

- Enhancing BIDV's recruitment reputation in the market; Completing and renovating a flexible system of staff recruitment policies to improve competitiveness in the labor market, creating favorable conditions for attracting personnel.
- Continue to innovate methods and mechanisms for staff evaluation to properly assess the quantity, quality, work progress and the employees' sense of discipline and ethics at work; which served as the basis for appropriate job arrangement and training, planning, appointment, etc. for employees.
- Developing and implementing a training program of “adaptive training and transformational training” associated with digitization, renovating training with a focus on the necessary requirements of digital human resources.
- Selecting qualified personnel (especially young personnel) with good capacity and growth potential who fully meet the criteria and conditions

for consideration of planning and appointing to management positions at the units.

• Continue to review and adjust the appropriate remuneration policy (salary, bonus) to ensure more competitiveness in the labor market and internal fairness so that the policy can promote its role in labor reproduction at the bank, becoming a driving force for employees to improve their qualifications, striving to contribute more to the bank.

• Building the image of BIDV as one of the best places to work in Vietnam, developing and forming innovative habits, thinking and actions in each employee; Spreading the risk culture throughout the system; Maintaining and promoting BIDV's core values among all staff; Designing a dynamic, youthful and modern working style, creating conditions for employees to balance work and life.

Fourthly, improving the human resource management capacity of the Human Resources Department and officials working in human resources at the affiliated units.

Fifthly, periodically reviewing and strengthening organizational model, functions and tasks of the units in the BIDV system (especially at the Head Office); strongly promoting professionalization, streamlining, limiting the overlap of functions and tasks, optimizing and improving management capacity, ensuring efficient and smooth operation, meeting business development requirements in each period.



Fostering corporate culture and developing human resources

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COMPREHENSIVE DEVELOPMENT FOR EMPLOYEES

HUMAN RESOURCE GROWTH FIGURES OVER 3 YEARS

No	Year	2019	2020	2021
1	Total number of employees	26,135	26,752	27,223
2	University degree and above	91.50%	91.40%	91.8%
3	Age			
	<=30	30.40%	28.40%	24.76%
	From 31 to 40	47.40%	47.70%	48.53%
	From 41 to 50	17.90%	19.60%	21.89%
	From 50	4.30%	4.30%	4.82%
4	Position			
	Senior leaders at BIDV	0.10%	0.10%	0.08%
	Leaders at unit level	3.80%	3.80%	3.42%
	Divisional leaders	25.60%	25.90%	22.77%
	Officers	70.50%	70.20%	73.73%

Highlights of BIDV's human resources in the period of 2019 - 2021:

- BIDV's labor scale growth rate maintained at a more reasonable level compared to the previous period, continuing to be the bank with the second highest workforce in the commercial banking system of Vietnam. This is an advantage to arrange human resources to meet the requirements of business expansion.
- The professional quality of employees at BIDV has always remained higher than the average of the banking industry and increased year by year in the period of 2019 - 2021; employees at BIDV basically have good qualifications, are formally trained, and have appropriate majors; at work, the staff regularly comprehend professional skills and are educated to meet the requirements of banking business in the current period.
- The labor structure was reasonably regulated to meet the requirements of business expansion.
- BIDV always pays attention to, takes care of the comprehensive development of employees, fully implementing material and spiritual benefits for employees on the basis of their contribution and dedication to the development of BIDV, ensuring compliance with current laws. BIDV is committed to ensure that employees fully enjoy the following benefits:
 - Employment and opportunities for promotion, career development. Be assigned jobs in accordance with qualifications, capacity and work experience.
 - Salary arrangement, salary increase and full salary payment in accordance with BIDV's regulations, in compliance with the law and competitiveness in the market
 - Loan support.
 - Other benefits: buying shares, stocks, participation in real estate projects of BIDV, etc.
 - Grassroots Communist Party organizations support the access to the Party (if desired).

Fostering corporate culture and developing human resources

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TRAINING

In 2021, due to the complicated spreading of the Covid-19 pandemic, BIDV promoted the development of E-learning, applied new technology to digitize online courses (simulation, gamification of training content), flexibly changed organizational methods and actively trained and implemented new projects. Last year, BIDV successfully organized 133 courses – equivalent to 318 classes (meeting 101% of the year plan) including 84 domestic centralized classes and 234 E-learning & online classes via Webex/Zoom for 78,167 trainees (meeting 306% of the year plan, up 27% over the previous year). The percentage of trainees participating in online training reached 95% of the total for the whole year – the highest ever.



78,167 TRAINEES

306%
of the
year plan

27%
over the
previous year

AVERAGE TRAINING HOURS AT BIDV IN 2021

1 training day = 6 hours

NO.	CONTENT	DAY/PERSONNEL	HOUR/PERSONNEL
1	Average training time	2.70	16.2
2	Average training time according to the classification of attendees		
	- BIDV's leadership, unit-level leaders	0.026	0.156
	- Divisional leaders	0.751	4.506
	- Officers/Staff	1.919	11.514
	- Expert/others	0.003	0.024

(The data is based on classes organized by the BIDV Research and Training Institute)

Training programs at BIDV in 2021 focused on the target operational groups: Retail Banking, Risk Management, IT & Digital Banking, Operations, Profession and general skills. The key course – the Banking Future Leaders – Class 10 continued to be methodically implemented, providing an opportunity for officials to exchange knowledge and share work experience. The course was successfully organized, created opportunities for staff to form, complete and implement ideas in business through graduation projects, with some highlights as follows: Improving credit products suitable to the characteristics of the Mekong Delta region; Solutions to increase demand deposits in VND based on existing customers of BIDV; Studying corporate culture at BIDV and proposal to innovate corporate culture to serve BIDV's business activities in the digital transformation period...etc.

The quality of training course continued to remain at high level (94% of evaluation was good and very good)

Besides, BIDV also widely promoted the communication of the Framework of training by position title. Completing the development of the Framework of training by position title after planning for the whole system.



Fostering corporate culture and developing human resources

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WELFARE POLICY FOR EMPLOYEES



Implementing measures to ensure the health and safety of employees during the 4th wave of Covid-19 pandemic

Propagating and encouraging employees to implement a number of urgent measures to prevent Covid-19 by the Prime Minister, and measures to respond to Covid-19 by BIDV; The employees thoroughly grasped to seriously implement the 5Ks “Face masks - Disinfection - Distancing - No gathering - Health declaration”.

- Implementing preventive solutions such as: providing face masks, hand sanitizers, anti-drop glasses and disinfecting offices...; Developing scenarios and implementing ‘three on the spot’ according to Prime Minister’s Directive 16/CT-TTg in some localities;
- Reporting and proposing to relevant authorities and local authorities to give priority to the bank employees for vaccination against the Covid; Directing trade unions to coordinate with experts in deploying vaccination for employees and children in the whole system (Up to now, the 2nd dose vaccination has been basically completed and the 3rd booster plan is being implemented for the employees). Paying attention to and deploying vaccination for retired employees and employees’ relatives.
- Participating with expertise in formulating regimes and policies for employees affected by the Covid-19 pandemic; Timely providing financial support to the grassroots trade unions to proactively respond to the pandemic; Reviewing and paying for food and testing expenses for staff in pandemic-affected areas, and supporting F0, F1 employees in isolation areas/ medical facilities³... with a total amount of nearly VND32 billion (of which VND30.3 billion was from trade union funds).

³ Supporting VND20 million for each infected Covid-19 persons (F0) (VND10 million from business source and VND10 million from Trade Union budget and Affection Fund)

Supporting VND1.5 million for each person closely contacting infected persons (F1) (VND7 million from business source and VND4.5 million from Trade Union budget and Affection Fund)

Caring for employees' lives

- Promoting the role of representative of employees, Trade Unions at all levels actively participated in formulating and collecting opinions of employees on the draft new salary regulation, collective labor agreement, and grassroots democracy regulation in Vietnam. BIDV, Labor Regulations... Participating in planning, appointing official, consolidating the organizational model, perfecting the set of KPIs....
- Participating and supervising the implementation of regimes and policies such as: social insurance, health insurance, unemployment insurance, BIC Care, BIDV Care, annual leave, compensatory leave, periodical health check
- Timely visiting and supporting about 3,600 trade union members and employees with difficult circumstances/serious diseases with an amount of nearly VND8 billion from the bank's gratitude fund.

Proactively organizing movement activities to raise the spirit of both working and fighting the pandemic while spreading love to the community

Setting up an online photo contest (with 161 works of 69 grassroots trade unions participating); Poetry/prose composition competition (with 202 works by 62 grassroots trade unions participating); cooperating with experts to continue organizing the BIDVRun – For a green life. In addition, BIDV's Trade Union actively implemented movement activities raised by the Vietnam Bank's Union such as: songwriting contest “Melodies for frontline”, video clip contest “Unforgettable moment”; Writing contest “The Bank that I love”, the Cultural Beauty in Banking sector contest, the online exam to learn about the 70-year history of the banking sector.

Regarding the regulations on reception of union members: The trade unions developed and promulgated a schedule and rules for reception of union members and employees, and created a book to monitor the receipt of complaints and denunciations. Executive committees of grassroots trade unions arranged staff to receive and handle problems and suggestions of employees on issues related to trade union activities and profession.

Fostering corporate culture and developing human resources

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FOSTERING THE SUSTAINABLE CORPORATE CULTURE

Over 65 years of development with countless great achievements, BIDV has built a system of corporate culture values drawn from its unique characteristics and core values. In the new context with many changes in the global economy - culture - society - technology - living environment; BIDV has been building a strong transformation strategy to meet and take advantage of these new opportunities; in which a strategic pillar is on human resources and corporate culture, serving as the foundation for strengthening the engagement with staff and customers of the bank.

In 2021, the BIDV's Corporate Culture project was officially launched to standardize the corporate culture values within the organization, serving as a foundation to firmly consolidate the building of BIDV's values and brand identity according to new business strategy that goes towards the community and society, and at the same time building BIDV's own cultural identity. This is the principal guideline for every BIDV employees' action, a pride that connects everyone altogether.



The standardization of BIDV's corporate culture must meet the following requirements:

- 01 Consistent with the historical character and long-term strategy of BIDV;
- 02 Expressing leadership's deep expectations for BIDV's development;
- 03 Suitable for business characteristics of the banking industry;
- 04 Easy to understand, easy to remember, easy to apply and practice;
- 05 There is a set of corporate culture manuals for communication and training within BIDV.

Accordingly, BIDV consulted with members of the Board of Directors and Board of Management, Branches leaders and conducted a survey with nearly 5,000 officers in the system. Combining with the use of advanced models and theories in corporate culture management, BIDV performed screening to select appropriate traditional cultural values while also adding new values that suits BIDV's future development direction.

Building a strong corporate culture is BIDV's goal, whereby corporate culture must become beliefs, interests and motivations for employees to act; at the same time orienting the whole system to create pioneering high-tech products; promote a culture of learning and innovation with the goals: "Leadership is the standard and role model of corporate culture" and "Each BIDV's officer is a brand ambassador".

BIDV is celebrating the 65th anniversary - a long history with many ups and downs, the summation and distillation of the outstanding cultural values - identity is even more important to see the internal forces that have helped BIDV overcome the challenges strongly, and at the same time, a preparation for future generations to continue developing the bank sustainably.

Fostering corporate culture and developing human resources

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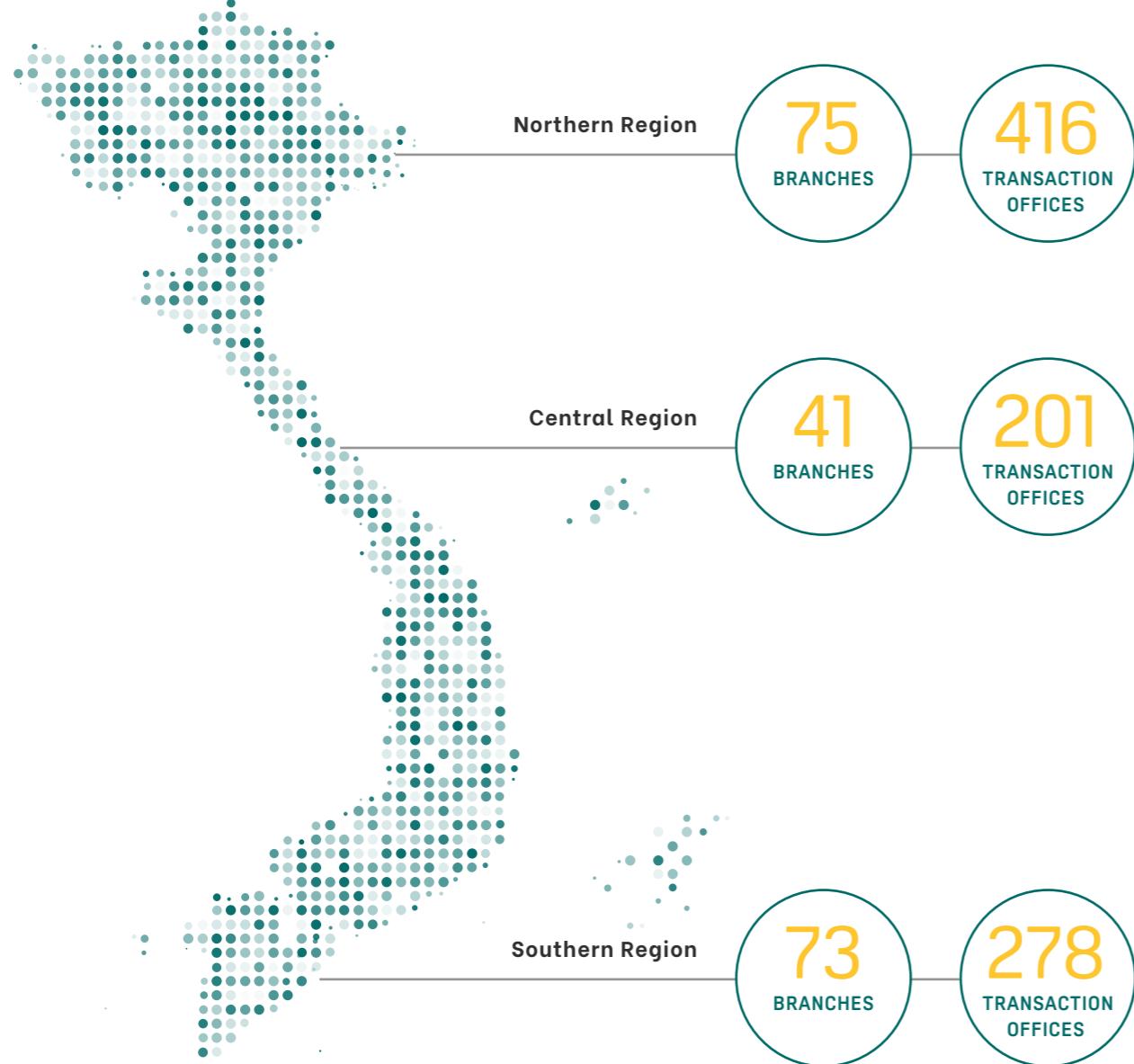


MEASURING EMPLOYEE SATISFACTION

In the general difficult situation due to the impact of the Covid-19 pandemic on the bank in general and BIDV's employees, BIDV's Leadership paid considerable attention to the employee's lives, focusing on implementing the measurement of employee satisfaction to grasp their aspirations, difficulties and problems, promptly making adjustments to human resource management policies as well as having appropriate policies to support employees affected by the Covid-19 pandemic.

In 2021, the Employee Satisfaction Measurement program improved, adjusted the questionnaires to focus on issues of great concern to employees, and shortened the measurement time to promptly review and appropriately handle the issues. The program attracted the participation and direct feedback on issues of salary, bonuses, welfares, employee development and corporate culture... On the basis of reviewing the satisfaction measurement results and employee's contributions, BIDV gave direct feedback to the staff at the Conference of employees at grassroots and system level, together with improving mechanisms and policies in order to further improve the level of staff satisfaction with BIDV.

Network development



In 2021, BIDV completed the opening of 35 transaction offices on schedule as approved by the SBV in Official Dispatch No. 9177/NHNN-TTGSNH dated 17 December, 2020. At the same time, BIDV terminated the operation of 11 transaction offices in the Mekong Delta region in order to rearrange the network and improve operational quality.

As of 31 December 2021, BIDV had 1,084 operating points spreading across 63 provinces and cities nationwide and 01 foreign branch in Myanmar.

1,804

OPERATING POINTS

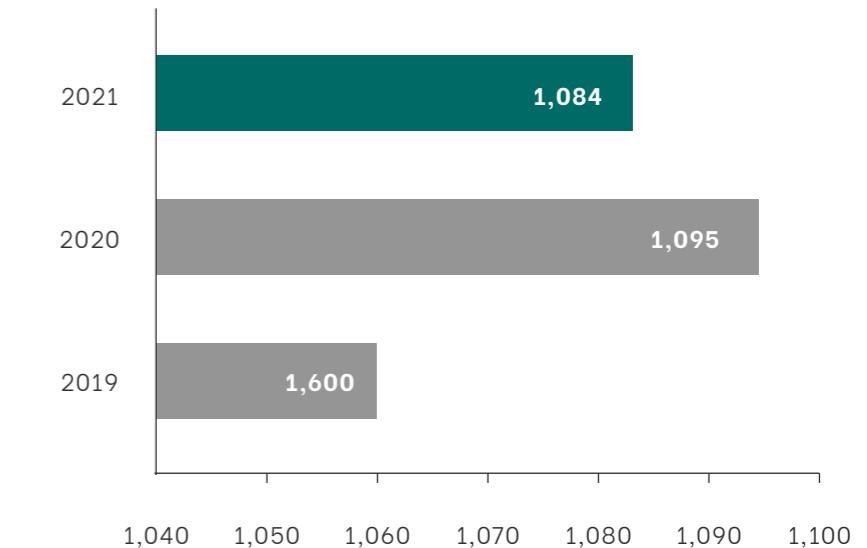
63

PROVINCES

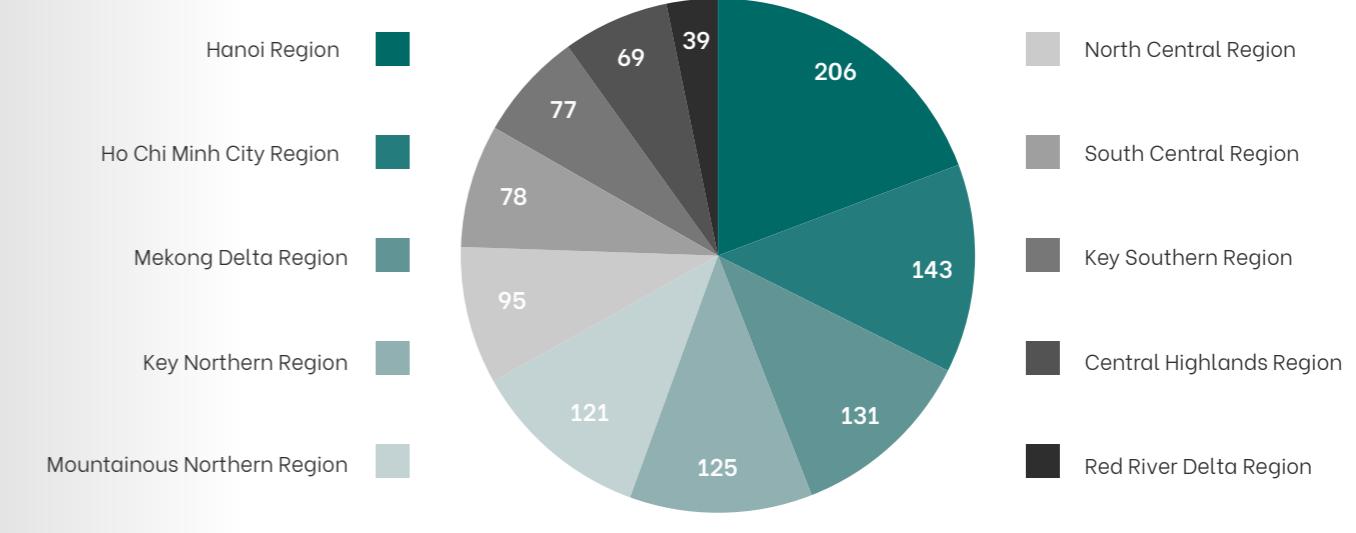
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FOREIGN BRANCH

Network development results
in the period of 2019-2021



BIDV's domestic network is divided into 10 regions and mostly concentrated in two key regions, Hanoi and Ho Chi Minh City (accounting for 32%).



Investment in IT development

In the context of Industry 4.0, the application of digital platforms is an inevitable trend that helps improve competitive advantages and optimize corporate governance in all fields in general and in the banking sector in particular. Since 2018, BIDV has focused on vigorously implementing comprehensive digital transformation in all aspects of operations, defining IT development and digital transformation as two inseparable tasks, technology power as the foundation for the digital transformation strategy. The main results achieved are as follows:

Modernizing the bank's IT system, aggressively digitalizing and transforming the bank's professional operations to digital platforms

The determination to implement digital transformation at BIDV is reflected on the following outstanding results: In March 2019, BIDV established and launched the Digital Banking Center. In November 2019, a Business Analyst unit under the Technology Department was established. On 20 March 2021, BIDV officially launched a totally new digital banking service on SmartBanking through integrating online transaction platforms (as replacement for the Internet Banking and Mobile Banking services).

In May 2021, BIDV's Board of Directors issued a Resolution approving BIDV's digital transformation strategy for the period of 2021-2025, with a vision to 2030. Accordingly, BIDV aims to comprehensively innovate and modernize its operations on the basis of effectively applying and exploiting the achievements of the fourth industrial revolution, making BIDV the bank with the best digital platform in Vietnam.

BIDV focused human resources on the implementation of key IT projects - the foundation and premise for the bank's development and digital transformation. Accordingly, so far BIDV has completed the implementation of the following projects: Enterprise Content Management (ECM) infrastructure, CROMS system, Launching a new Trade Finance system at BIDV, Centralized human resource management system. Projects under implementation include: API management system, Business process management (BPM), ALM system solution, Data

management solution, Electronic invoice, Retail loan origination on BPM platform, Deployment of eKYC for new customer registration on SmartBanking, Deployment of Smart Teller Machines (STMs) and Cash Recycling Machines (CRMs),...

In January 2021, BIDV signed a contract with Fidelity to deploy the Core Banking Profile software system (as replacement for the current Core Banking SIBS system). It is expected that in September 2023, the system will be completed and put into use. This is an IT project of special significance related to most of the business activities at BIDV. BIDV's Board of Directors is determined to successfully implement the Core Banking transformation project in order to create breakthroughs and improve the bank's competitive capacity.

Strengthening IT application to enhance governance and management capacity, implementing IT application systems for compliance with Basel at BIDV

To improve governance and management capacity, BIDV has invested in and launched IT systems: Management Information System (MIS); self-built software to connect, extract, supplement, and enrich data for the MIS system, ERP system, Multi-dimensional Profitability Analysis (MPA) system, Treasury system, etc., and deployed systems for administrative reform at BIDV (such as BIDV portal, electronic office, email management). The IT application systems for risk management and compliance with international standards and practices have been completed and deployed at BIDV (such as Anti-money laundering system, Management system for operational risk, liquidity risk, interest rate and software to meet the State Bank's Basel II requirement). In December 2019, BIDV was recognized by the State Bank as compliance with Basel II ahead of deadline.

In July 2021, BIDV's Board of Directors issued a Resolution approving the orientation of data

management and analysis for BIDV's business activities in the period 2021-2025. The Chief Executive Officer issued an Action Plan for the implementation of data management and data analysis that serves BIDV's business activities in the period 2021-2025, laying a solid foundation for data management and analysis activities at BIDV.

Standardizing IT infrastructure and security according to domestic and international technology standards, ensuring safe and stable operation of IT system, meeting BIDV's growth requirements, ensuring ability to cope with increasing risks and ensuring compliance with regulations of State regulators

BIDV's IT operation has annually been ensured safe, continuous and smooth in an increasingly complex cyber-security environment. IT systems were managed and operated at nearly 100% efficiency and no problems arose that disrupt the operation of the whole system of BIDV.

At the end of 2020, BIDV had completed and put into use a new modern data center towards international standard Tier 3. IT infrastructure systems have progressively been standardized. The application of information security management standards under ISO27001:2013 aims to equip BIDV with a comprehensive information security framework that covers all aspects of information security in BIDV's systems.

Risk prevention plans and scenarios were formulated and periodically drilled, helping BIDV promptly respond to information security and attack events from outsiders, ensuring backups, helping IT systems operate stably and safely.

Investment in IT development

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Developing high-quality IT human resources

BIDV has paid great attention to training and developing high-quality IT human resources. Accordingly, BIDV has experts in the fields of software, database, cyber-security, and communication who are recognized by major technology firms in the world (such as IBM, Microsoft, Oracle, Cisco, etc.). Through the Scheme on training and recruiting IT experts for the period 2020-2025, BIDV's IT and Digital Banking group set the goal of having at least 22 IT experts whose qualifications are on par with those of IT experts in the region. In addition, BIDV had trained hundreds of staffs to obtain international IT certificates in order to serve all aspects of BIDV's IT activities.

BIDV's IT system has constantly grown, well meeting the bank's annual growth needs in terms of both number of customers and number of transactions. BIDV's IT has prepared the best conditions to conquer a new stage – the digital era.

In December 2021, BIDV kicked off a consultancy project on building an overall IT architecture and development strategy for the period 2022-2031, with a vision to 2035. The project deliverables will help BIDV finalize and issue an overall IT architecture, develop an IT development strategy to shape a big landscape of BIDV's IT for IT management, planning, and development, and effective exploitation of IT systems, ensuring the IT investment, development and management are in line with the orientation and actual needs, maximizing investment efficiency; Developing plans and roadmaps to deploy IT projects in line with BIDV's business management and governance strategy.

OUTSTANDING IT AWARDS AND ACCOLADES IN THE PERIOD OF 2019 - 2021

Thanks to efforts in IT development and application to business activities, BIDV was recognized and awarded by international and domestic organizations:



For 12 consecutive years (from 2009 to 2020), BIDV has ranked first for readiness for IT application (Vietnam ICT Index) among Vietnam's commercial banks as voted by Vietnam Association for Information Processing and the Ministry of Information and Communications.



For 7 consecutive years (2015 - 2021) BIDV has received Sao Khue awards for 23 software programs/products as voted by Vietnam Software and IT Services (VINASA). Of which, between 2019 and 2021, BIDV won Sao Khue awards for 15 IT products and applications.



BIDV iBank was named Outstanding Digital Solution Product and Service at the Vietnam Digital Awards Program 2019.



Internet Banking and Mobile Banking systems won the Outstanding Electronic Banking Award 2019 as voted by the Vietnam Banks Association (VNBA) and International Data Group (IDG).



Best Mobile Banking Support Award for BIDV SmartBanking as voted by the International Finance Magazine (IFM) in 2019.



Outstanding Digital Transformation Bank 2020 awarded by IDG



Outstanding Bank Award in 2020; Most active bank in implementing projects with NAPAS in 2020 as voted and awarded by NAPAS.



Outstanding Digital Award for two consecutive years 2020 and 2021 as voted by Vietnam Digital Communications Association (VDA).

Investor Relations

Investor Relations (IR) in BIDV is developing towards professionalism and effectiveness, on the basis of fully complying with regulations as long as applying the best practices of Information Disclosure and Transparency, Equal Treatment to Shareholders, Shareholder Rights Protection in alignment with international standards.

In 2021, at the IR Award program co-organized by Vietstock, VAFE Association (Vietnam Association of Financial Managers) and FILI newspaper, BIDV entered the top 15 large-cap companies with the best IR activities. This program evaluated IR performance includes a comprehensive survey on information disclosure on the stock market within 12 months, open public IR voting and IR assessment from professional financial institutions. This result has once again confirmed the professionalism and efficiency of BIDV's IR activities.

RESULTS OF IR ACTIVITIES IN 2021

01 Successfully organizing the Annual General Meeting of Shareholders and Collecting written opinions of shareholders twice in 2021

In the context of the COVID-19 pandemic, BIDV successfully held the 2021 Annual General Meeting of Shareholders (AGM) in a thoughtful and solemn manner, complying with current regulations and safety in prevention and control of COVID-19. The AGM is one of the channels to maintain interaction between BIDV and the investor community while ensuring the interests of investors, therefore BIDV focused on preparation and organization workload. At the Meeting 2021, shareholders had the right to discuss, vote on important issues related to BIDV's operation and to directly raise

questions and propose recommendations to BIDV's management. After the Meeting, BIDV promptly finalize the documents approved by the AGM and published them on BIDV's Investor Relation website to ensure all shareholders, especially those who did not attend the meeting can understand the key contents of the AGM.

In addition to organizing AGM, in 2021, BIDV collected written opinions of shareholders twice about the Issuance of bonds to increase capital in 2021 and the Plan to increase charter capital in 2021.

02 Actively implementing the payment of cash dividends in 2020 and increasing charter capital in 2021 of BIDV

On the basis of approval from the regulators and the authorization of the General Meeting of Shareholders, BIDV implemented the procedures for paying cash dividends in 2020 at the rate of 2% and paying stock dividends at the rate of 25.77119312% to increase charter capital in 2021. Currently, BIDV's charter capital is VND50,585 billion - largest in the Vietnamese banking system.

03 Maintaining, promoting relationships with the Investor community in general and Potential Investors in particular

Through frequent contacts and meetings, BIDV has established and maintained good relationships with a large number of domestic and foreign professional institutional investors. With their extensive operation and experience, investors have provided useful feedbacks, recommendations and suggestions for BIDV's operation.

In 2021, despite the unfavorable developments of Covid-19, BIDV maintained a regular and uninterrupted channel of contact with the domestic and foreign investors community, working (directly and virtually) with more than 50 investment funds, securities companies, investment banks from the US, Switzerland, UAE, Japan, Singapore, Hong Kong and Vietnam, etc. to update on BIDV's performance, analysis of macroeconomic environment, the banking industry as well as the business plan of the coming years and the investment possibilities in BIDV's shares in the future.

04 Disclosure of information fully, timely in compliance with regulations

BIDV always respects transparency, accuracy and timeliness in information disclosure activities. In 2021, BIDV developed a Regulation on disclosure of information by public companies on the stock market (Circular 96/2020/TT-BTC of the Ministry of Finance)

and Regulation on information disclosure by State-owned enterprises (Decree 47/2021/NĐ-CP of the Government). These regulations not only meet the requirements of the law (complying with Circular 155/2015/TT-BTC of the Ministry of Finance) but also meet the diverse needs of investors for information, thereby building and maintaining investors' confidence.

In 2021, BIDV made 22 contents of periodical and on request information disclosure, 72 contents of extraordinary information disclosure in a timely and complete manner, including information on financial reports, annual report, sustainable development report, corporate governance reports, meeting invitation information, seeking shareholders' comments in writing, transactions with related parties, etc. in both Vietnamese and English on the website of BIDV.

In addition, BIDV always strives to diversify and improve the quality of information disclosure channels. Up to now, channels providing information to shareholders and the community of investors have included: Information provided directly to shareholders at the General Meeting of Shareholders, Information exchanged at investor and analyst meetings, Information disclosure at BIDV website (convenient operation on handsets with many additional new features), portal of the Stock Exchange and the State Securities Commission, Annual reports, Sustainable reports, periodical presentation to investors and other mass media.

05 Managing shareholder information and adjusting shareholder information quickly, in accordance with regulations, to meet requirements

To ensure investors' rights, especially with a large and diversified number of shareholders, BIDV always pays close attention to shareholder management. The Investor Relations has actively supported and answered investors' questions and requests, especially individual investors through interactive channels such as telephone, email and chatbot on the new website. The adjustment of shareholder information is performed quickly, in accordance with regulations and meeting the requirements of shareholders.

Investor Relations

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ORIENTATION OF IR ACTIVITIES IN 2022

With the official participation of foreign strategic shareholder, the growing interest of the community of investors and the preparation for the application of new regulations under the Securities Law in 2019 and other implementation guidance documents, Circular No. 96/2020/TT-BTC of the Ministry of Finance regarding information disclosure on the stock market, BIDV defines the focus of the investor relations in 2022 as follows:

01 Study step-by-step to apply e-meeting and e-voting, whereby shareholders do not have to attend the General Meeting of Shareholders but still exercise their right to vote on important issues of BIDV, contributing to ensure the rights of shareholders to be better exercised, increasing the interests of shareholders.

04 Continue to implement the consultant's recommendations on investor relations related activities; continue to improve the contents and forms of media publications, consider adding information transmission channels via webcasts; diversify and further improve the quality of information provided on BIDV's new website.

02 On the basis of the approval of the General Meeting of Shareholders, to implement the dividend payment for existing shareholders, issue additional shares to ensure compliance with the current regulations and the interests of the shareholders.

05 Continue to maintain effective information disclosure through timely, proactive and parallel provision of information in both Vietnamese and English, proactively comply with the new provisions of the Securities Law 2019 and move towards international standards.

03 Continue to effectively implement activities of contacting, exchanging and updating information with the community of investors in general and investors interested in the opportunity to become a financial investor of BIDV in particular to increasing financial capacity and supporting comprehensive operational development of BIDV.

Contact persons:

IN CHARGE OF INFORMATION DISCLOSURE

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INVESTOR RELATIONS

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Footprints in social security activities

As the longest-established bank in Vietnam, over the past 65 years, the Joint Stock Commercial Bank for Investment and Development of Vietnam has promoted its role as an effective instrument of the Party, State and Government in the implementation of the country's socio-economic development tasks. Besides, BIDV also actively implemented social security activities, considering this as one of the fundamental objectives in its operations. Social responsibility is a task that BIDV's leaders and employees pay great attention to and spend much time, energy and resources on. In its development strategy, BIDV affirms that social responsibility is one of its four core values. BIDV determines that it is not only merely social responsibility but also a political responsibility to the country.



Continuing the social security activities which have been implemented in recent years, in 2021 BIDV continued to focus on priority areas including education, healthcare, building solidarity houses, disaster relief, giving Tet gifts to the poor, etc. In 2021, BIDV implemented 178 social security programs with realized funding of over VND400 billion.

BIDV's social security programs have contributed to creating positive values, building infrastructure for poverty reduction, educational development, raising people's knowledge as well as improving healthcare conditions for the people, contributing to stabilizing the poor's lives, easing difficulties caused by natural disasters such as floods, storms, droughts, the Covid-19 pandemic, etc.

178
SOCIAL SECURITY PROGRAMS
VND **400**
BILLION



Footprints in social security activities

>> continued

COVID-19 FIGHTING AND HEALTHCARE

In 2020-2021, Vietnam and the world witnessed the violent outbreak of the Covid-19 pandemic. Never before did the world witness a double crisis – the economic and health crisis, taking its toll on economy and society over the past 2 years. In the fight against the pandemic, together with the Party, State and people, BIDV promoted its social responsibility for the community, making positive and effective contributions to the prevention of the Covid-19 pandemic, and was recognized by the authorities, people and community.

BIDV donated more than VND300 billion to Covid-19 response activities, Covid-19 funds and prevention programs, medical facilities, border security forces, supporting the Government, and localities across the country. BIDV supported medical equipment for hospitals and front-line medical facilities in performing medical examination and treatment, and testing related to Covid-19. The bank also promptly provided practical support to medical teams, donating medical equipment for the fight against the pandemic to units such as K Hospital, Central Tropical Disease Hospital, National Children's Hospital, Bach Mai Hospital, E Hospital, Central Lung Hospital, Da Nang Hospital, Hung Vuong Hospital, Ho Chi Minh City Hospital for Tropical Diseases,... More than 100,000 sets of protective clothing had been donated to the doctors and nurses in the epicenter in 19 southern provinces and cities, give them more spiritual strength in the fight against the pandemic and protect the people's health. Total donation to the health industry was nearly VND80 billion. It was the timely support of material and spiritual significance for the "white-shirted soldiers" on the front line of fighting against the pandemic.

During outbreaks of the Covid-19 pandemic in localities in 2020 and 2021, BIDV promptly donated to the disease prevention and control work in provinces as well as functional forces such as Da Nang , Quang Nam, Ha Tinh, Gia Lai, Hai Duong, Quang Ninh, Bac Giang, Bac Ninh, Ho Chi Minh City, Tien Giang, Hung Yen, Vinh Long, Long An, Tien Giang, Binh Duong,... with donation of billions of VND to each locality. In addition, BIDV contributed to equipping/ upgrading facilities and medical equipment for hospitals, medical clinics, medical examination and treatment facilities in localities, helping improve the health examination and treatment conditions for the people.



EDUCATION

BIDV implemented educational sponsorship programs totalling over VND76 billion. The bank helped construct, upgrade tens of schools/classrooms/boarding facilities; thousands of scholarships and hundreds of teaching and learning equipment, training management software for educational institutions in localities across the country. BIDV contributed positively and effectively to supporting localities to complete/upgrade educational facilities and improve teaching and learning conditions for teachers and students in disadvantaged regions.



BUILDING HOUSES FOR THE POOR

In 2021, BIDV supported the construction of houses of solidarity/gratitude for the poor and social policy beneficiaries across the country. BIDV donated over VND40 billion for the construction of nearly 750 new houses, providing the poor and social policy beneficiaries in localities across the country a place for settling down.



TET GIFTS FOR THE POOR

Continuing the annual charity program of giving New Year (Tet) gifts to the poor which has been implemented since 2009, in 2021 BIDV continued to present 60,000 sets of Tet gifts totalling VND30 billion, shouldering with local authorities to take care of the poor's lives and bring them a happy and warm Tet.



In addition, BIDV also implemented many programs to support other social and cultural activities, contributing to preserving and restoring historical and cultural relics, educating patriotic tradition for younger generations. Through the social security activities, BIDV continued to affirm that it is not only the leading financial institution in doing business but also a pioneer in the sustainable development for the community and society. BIDV's social security programs have built and fostered its prestige and brand as a bank for community and been highly appreciated by the people. The social security programs over the years have been highly recognized by regulators, localities, social organizations and beneficiaries. Partners, customers and the public also joined the bank's social security programs, helping spread to society as a whole.

Contribution to environment improvement

IMPLEMENTING SAVING MEASURES

Following the policy of the banking sector on implementing communication and learning of the thrift practice and waste combat program, in 2021 in the context of the complicated developments of the Covid-19 pandemic around the world, the BIDV system proactively implemented uniform measures for thrift practice across all operations of the bank, particularly:



01 Propagation, dissemination of thrift practice and waste combat

Organizing the dissemination of laws, the Government's and State Bank's action programs on thrift practice and waste combat across the bank's system

Timely communicating and disseminating the Party's and State Bank's policies on saving and waste combat in line with the actual developments of the Covid-19 pandemic through various channels (internal portal, electronic office, internal social network).

02 Directing the formulation and implementation of thrift practice and waste combat programs

In 2021, BIDV issued documents guiding the whole system to review and reduce operating costs and implement saving and waste combat programs. BIDV uniformly launched an electronic office system (BOffice) to send and receive documents, minimizing the use of paper documents as an effort of administrative reform and printing cost reduction.

Also, BIDV aggressively instructed its units to strictly comply with regulations on rewards and penalties in thrift practice and waste combat regarding administration expenses (electricity, water, printing papers, advertising, etc.). In 2021, BIDV organized 10 batches of checks on financial and accounting work at a number of member units and branches, including contents on thrift practice and waste combat. Given the complicated developments of the pandemic in 2021, BIDV developed a centralized monitoring and control mechanism, regularly reviewing thrift and anti-waste practice through assessing the performance of units against the plan and the system of norms, thereby timely giving warnings and requesting correction; applying the reward and penalty mechanism in thrift practice and waste combat, including reward for units with effective cost management and lowest cost to income ratio in each area as well as rewards and penalties in cost savings for administration expenses.

In addition, the review of standards, norms, administration cost plans, and procurement of

assets was carried out periodically and regularly. The direction and implementation of thrift practice and waste combat were specific in terms of scope of work, progress, objective, monitoring, supervision and reporting on implementation results.

03 Results of thrift practice and waste combat in specific areas

Issuing, implementing norms, standards, and regimes

In 2021, BIDV continued to thoroughly control operating costs through the operating cost to operating income ratio when developing and assigning business plans.

BIDV issued a number of documents regarding decentralization of authority in financial management, cost norms, financial schemes to ensure consistent implementation across the bank's system, including: Board of Directors'/CEO's delegation of financial authority; financial regime for overseas representative offices; regulation on expenses for science, technology and initiatives; regulation on deposit insurance; regulation on commission; regime for deduction and collection of debts from risk provision funds; delegation of authority for business cooperation contracts, creating corridors of policies and ensure proactiveness of units in implementing and controlling expenses.

The documents on regimes, mechanisms and policies were all associated with administrative procedure reform, cost-saving, waste combat and cost-effectiveness.

Specific results of thrift practice

- Cost control: According to the consolidated financial statements, the growth rate of operating costs (9%) was much lower than that of income (25%).
- Particularly, administration cost increased by 3% only compared to that of 2020 (BIDV's 2021 consolidated administration cost was VND3,612 billion, compared to VND3,514 billion in 2020). Compared to 2020, there were significant reductions in cost such as training cost reducing by 24%, seminar and workshop costs by 27%, and travel expenses by 16%.

Contribution to environment improvement



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BUILDING A MODERN AND ENVIRONMENTALLY FRIENDLY WORKPLACE

Given the digital economy and the implementation of the "National Strategy for Green Growth for the 2021-2030 period, with a vision to 2050" issued under the Prime Minister's Decision No. 1658/QD-TTg dated 1 October 2021, BIDV has been focusing on investing and developing modern IT systems to serve administration and management work, build a professional, effective, and environmentally friendly and energy-efficient workplace to create a new and sustainable working space.

Turning IT infrastructure green

Most of the professional activities at BIDV employ IT and are deployed on a uniform IT infrastructure, progressively standardized. Accordingly, BIDV has invested in building and deploying eco-friendly IT infrastructure systems (using green technology, saving energy, limiting emissions that have negative impacts on the environment, replacing old systems with modern new ones to save space and energy), at the same time studying to reuse IT assets appropriately and effectively. Enhancing virtualization to reduce number of servers and devices as needed, saving energy and costs.

Effective application of IT to operations

Digitalizing internal operations, BIDV invested in building and upgrading its electronic office system (Boffice); issuing a regulation on operating and handling work in the form of email, Regulation on management and use of the electronic mailing system to circulate documents across BIDV's system through the intranet system, helping reduce printing costs, papers, postage costs and bringing convenience in storing and using information.

Investing in building and deploying a Video Conference system, increasing meetings via online platforms such as Webex Meeting, Online Training system (E-learning), internal information exchange (Sky for business, BIDV workplace), Deploying mobile devices/software and services to serve BIDV's remote work processing requirements,... offering quickness and convenience to organization, meeting, information exchange, and handling work across the bank's system, helping save time and costs of travel and accommodation.

MANAGING ENVIRONMENTAL AND SOCIAL RISKS AND EXTENSION OF GREEN CREDIT

BIDV always attaches importance to environmental and social risk management in its credit extension activities. According to the current process on providing credit to institutional customers, BIDV has implemented environmental and social risk assessments on each credit facility, ensuring financed projects comply with the law on environment protection, taking measures to hedge risks and conducting regular and periodical supervision over the financed projects.

Required credit documents include those related to social and environmental risk assessment, risk hedging and mitigation plans (such as License of exploiting natural resources for enterprises operating in this field; report on environmental impact assessment, plan on fire prevention and fighting, waste water treatment (for required projects); license on environmental protection and waster discharge license.)

Following the State Bank of Vietnam's Directive on promoting green credit growth and managing

Investing in developing e-banking systems/channels (Internet Banking, Mobile Banking, Smartbanking, BSMS, HomeBanking, automated teller machines such as ATM, CDM, STM, etc.); electronic payment/collection services (bill payment for electricity, water, telecommunications, television; collection service for the State Treasury and the General Department of Taxation, etc.), helping customers use the bank's services anywhere, anytime without visiting brick and mortar transaction points.

In addition, BIDV is currently implementing technological solutions to boost digital transformation in business activities to reduce paperwork and space for document storage and rotation. BIDV completed an enterprise content management (ECM) infrastructure in 2020 for digitalising bank's records and documents; implementing Business Process Management (BPM) system to automate the bank's business processes; studying customer relationship management (CRM) systems.

environmental and social risks in credit extension; recommendations by the Asian Development Bank (ADB) as well as BIDV's commitments to sustainable development goal, in February 2019, BIDV issued an Environmental and Social Risk Management System (ESMS) which is compulsory for projects funded by ADB. The ESMS specifies a process for environmental and social risk assessment, including the following contents: (i) Screening and classifying environmental and social risks; (ii) Detailed assessment of environmental and social risks in accordance with the general and specific regulations of 10 groups of specific industries; (iii) Corrective action plans as well as environmental and social monitoring and reporting after disbursement.

BIDV is closely following the progress of issuing a circular by SBV on social and environmental risk management, ensuring credit activities in general and green credit in particular at BIDV comply with the provisions of law and regulations of the State Bank of Vietnam.

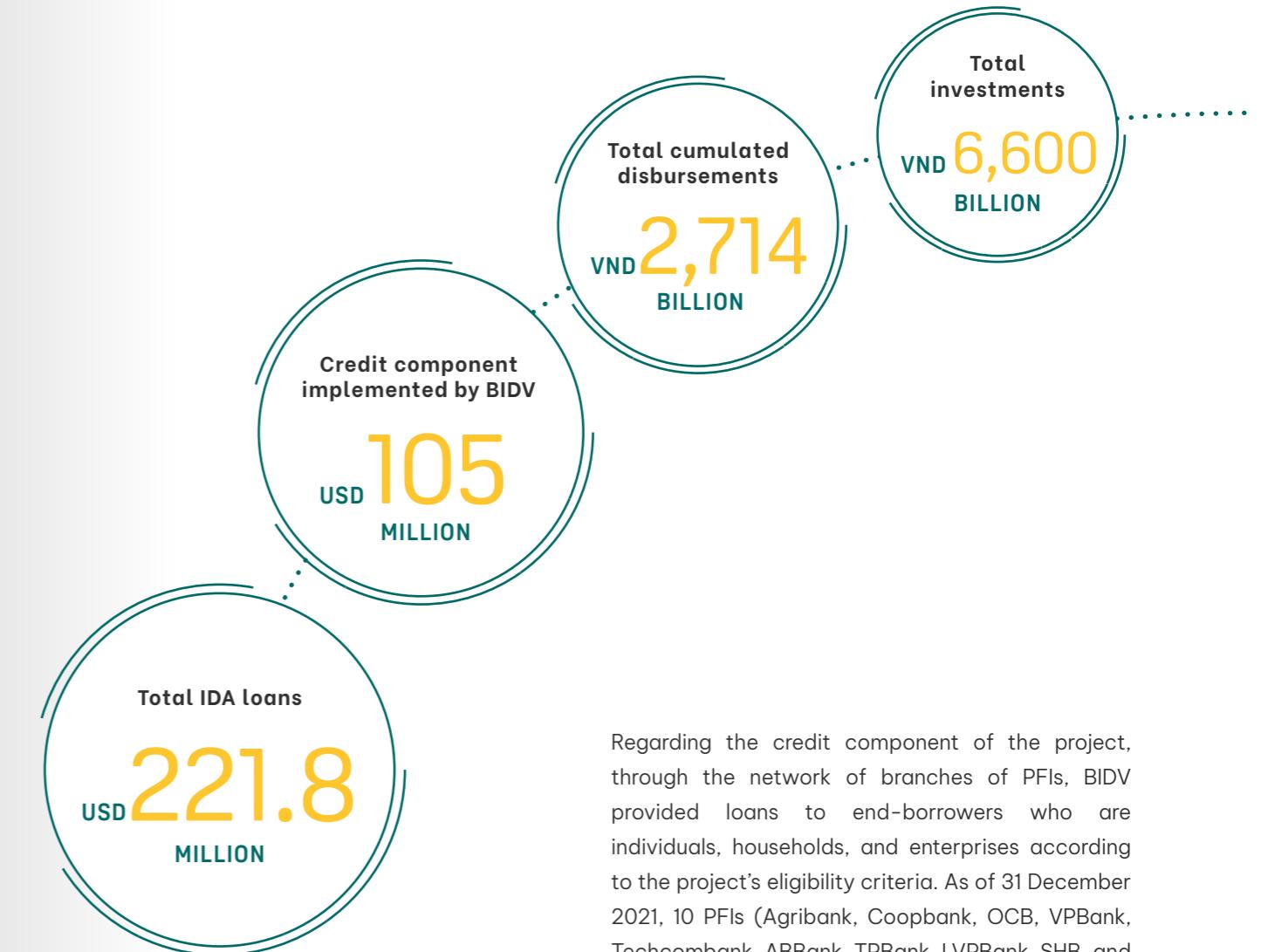
Contribution to environment improvement

SUSTAINABLE AGRICULTURE TRANSFORMATION



With the achievements in implementing the Rural Finance Projects, in 2015 BIDV was proudly selected by the World Bank and the Government of Vietnam as the wholesale bank for Vietnam Sustainable Agriculture Transformation project (VnSAT).

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The objective of the VnSAT project is to support the Government of Vietnam in promoting the “Agricultural Restructuring Project” through strengthening institutional capacity of the agricultural sector; innovating the farming practice towards sustainability; continuously improving the value chain of the two product lines including rice and coffee in two key commodity production areas in Vietnam namely Mekong Delta (including 8 provinces: Kien Giang, An Giang, Hau Giang, Tien Giang, Long An, Dong Thap, Can Tho, and Soc Trang) and the Central Highlands (including 5 provinces: Lam Dong, Dak Lak, Dak Nong, Gia Lai and Kon Tum). Total IDA loans for the project were USD221.8 million, of which credit component was USD105 million implemented by BIDV and non-credit component of USD116.8 million implemented by the Ministry of Agriculture and Rural Development – the governing agency.

Regarding the credit component of the project, through the network of branches of PFIs, BIDV provided loans to end-borrowers who are individuals, households, and enterprises according to the project's eligibility criteria. As of 31 December 2021, 10 PFIs (Agribank, Coopbank, OCB, VPBank, Techcombank, ABBank, TPBank, LVPBank, SHB, and Sacombank) had participated in the project with total cumulated disbursements of nearly VND2,714 billion. The project contributed total investments of VND6,600 billion in the Central Highlands and the Mekong Delta regions (VND3,600 billion for rice and VND3,000 billion for coffee), providing a stable source of medium and long-term capital for coffee replanting people and rice processing enterprises, effectively contributing to the development of the agricultural and rural sector in these two regions.

The WB and the governing body highly appreciated BIDV's efforts and active operation in disbursing the credit component in particular and the project in general. After the capital withdrawal period at end-2020, the project credit has still been revolved by BIDV until 2040, continuing to contribute to supporting the development of the two rice and coffee industries according to the Project's objectives.

Contribution to environment improvement

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SUSTAINABLE AGRICULTURE TRANSFORMATION *(continued)*

Environmental protection results of VnSAT project

The Vietnam Sustainable Agriculture Transformation project (VnSAT) funded by the World Bank in which BIDV acted as a wholesale bank to implement the credit component of the project (USD105 million in 8 provinces in the Mekong Delta region and 5 provinces in Central Highlands region).

The objective of the project, beside sustainable agriculture transformation, improving productivity and quality of rice and coffee products, all activities must be directed towards environmental sustainability. This was a challenge not only for the entire VnSAT project in general, but also for BIDV in particular regarding the management and execution of the on-lending component.

One of the important achievements BIDV has gained during the implementation of the project since 2015 is that the bank proactively coordinates with Vietnam Ministry of Agriculture and Rural Development (the governing body of the VnSAT project) to research, develop and issue the "Environmental and Social Management Framework (ESMF)" which consists of two books: Book 1 is for environmental and social management activities which are implemented by the Ministry of Agriculture and Rural Development. Book 2 is for environmental and social management activities which are carried out by BIDV. Based on the "Environmental and Social Management Framework (ESMF)" (Book 2) issued by the Minister of Agriculture and Rural Development in July 2015, BIDV actively realized the environmental and social management requirements into its "Project operational manual" - Volume 2 - Guidance on implementation of loans (POM2). In particular, BIDV specified steps of organization, implementation of the entire credit component as well as detailing environmental and social management procedures and processes according to regulations. The POM2 manual was first issued in 2016 and continued to be updated, amended and supplemented in 2021 under Decision No. 4099/QD-BNN-HTQT dated 21 October 2021 by the Ministry of Agriculture and Rural Development.

As a wholesale bank taking main responsibility for implementing the Environmental and Social Management Framework (ESMF), BIDV monitored, provided guidance to participating financial institutions (PFIs) to comply with regulations on environmental and social safeguards according to provisions in the ESMF and POM2. During the project implementation, due to adjustments to the capital source structure and changes in documents and regulation on environmental and social safeguards, BIDV reviewed, supplemented and amended POM2, revising provisions on environmental and social safeguards to suit the actual project implementation. BIDV provided guidance to PFIs and rice processing sub-project owners to finalize procedures on environment according to regulations. As of 31 December 2021, 100% sub-projects had received Decision on approval of environmental impact assessment/ Environmental management plan issued by Vietnam's competent authorities with total cumulative disbursements to 10 enterprises in the rice component reaching approximately of VND765 billion. For the coffee component, BIDV had disbursed 5,412 coffee replanting loans through 10 PFIs with total cumulative disbursements reaching VND1,949 billion. As reported by PFIs, borrowers and PFIs entered into an "Environmental Protection Agreement" for 100% coffee replanting loans which satisfy all terms and conditions on environmental protection as specified in the ESMF and POM2.

In addition to monitoring and guiding PFIs to comply with environmental and social safeguards, the inspection and supervision of PFIs' compliance with regulations on environmental and social safeguards is also paid attention. During the project implementation, BIDV organized inspection and supervision of the sub-projects' compliance with environmental and social safeguards on a regular, periodical or ad-hoc basis or in coordination with the WB's mid-term evaluation team. However, since 2020, due to the complicated developments of the Covid-19 pandemic, the inspection and supervision on compliance with environmental and social safeguards faced certain difficulties and limitations. Despite this, in the first quarter of 2021, BIDV successfully organized one batch of periodic inspection and supervision to ensure that environmental safeguards are complied. During the inspection and supervision, besides checking the compliance of PFI branches, BIDV re-guided credit officers of the PFIs on regulations related to environmental and social safeguards of the VnSAT project. With great attention paid to the inspection and supervision, there were no environmental issues occurred since the project implementation. At review meetings as well as in MOUs, the WB greatly appreciated BIDV's and the PFIs' compliance with regulations on environmental and social safeguards.



Contribution to environment improvement

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PROJECTS RELATED TO ENVIRONMENT AND ENERGY EFFICIENCY

At BIDV, the number of renewable energy projects and loans for renewable energy sector (solar energy, wind power, etc.) in 2021 increased significantly. For large wind and solar power projects with a loan scale of over VND500 billion alone, in the period 2020 - 2021 BIDV had financed 25 projects with a total loan amount of approximately VND23,400 billion (more than USD1 billion).

To realize the strategic goal of transition to green growth, BIDV specified regulations on environmental risk assessment when appraising and approving loans. BIDV is the first bank to issue regulations on Environmental and Social Risk Management Framework which is applicable to projects funded by ADB, and encouraged other projects to apply it. BIDV is currently working with the German Agency for International Cooperation (GIZ) and the Climate Bond Initiative (CBI) under the support of the State Bank of Vietnam to develop a standardized framework on green bond issuance. This is the basis for BIDV to aim to be the first bank to successfully issue green bonds according to international standards to finance sustainable green projects at reasonable costs in Vietnam.

To meet the capital needs of the energy industry, in addition to the normal capital source BIDV has successfully mobilized capital sources for green credit from international organizations such as the World Bank for the Renewable Energy Development

Project (REDP), the Vietnam Energy Efficiency for Industrial Enterprises (VEEIE)... In particular, in May 2021, BIDV was provided a SUNREF non-sovereign credit line of USD100 million by AFD. In just 6 months of implementation, the facility had been fully disbursed by BIDV to support businesses investing in renewable energy. Regarding communication, in the Annual Report, BIDV issued a report on the Bank's responsibility to the environment, society and employees, and considered it one of the important tasks in the bank's operations. In addition, BIDV implemented many solutions to communicate and market products to customers on media channels, joining to provide advices at seminars and conferences on green growth, financial inclusion at home and abroad.

With great contributions to green growth and sustainable development, BIDV was honored to be awarded "Top 10 Sustainable Enterprises 2018, 2019, 2020 in the fields of Trade and Services. In addition, BIDV is also a permanent member of the National Council for Sustainable Development. By the end of 2021, BIDV's credit scale for renewable energy sector had reached more than USD1.7 billion, accounting for 36% of total loans for renewable energy in Vietnam.

Some projects BIDV has on-lent from foreign entrusted funds in the fields of energy efficiency and environment in recent years are as follows:

01
The World Bank's USD50 million for the Vietnam Energy Efficiency for Industrial Enterprises (VEEIE) to finance 06 projects with total investment of VND1,695 billion. The program aims to support businesses to invest in energy efficiency, contributing to the national goals of energy efficiency and reduction of greenhouse gas emissions.

02
The World Bank's USD200 million for the renewable energy development project (REDP) to finance the construction of 10 hydropower plants in Lao Cai, Son La and HoaBinh provinces, contributing to reducing greenhouse gas emissions, protecting environment, reducing dependence on fossil fuels, and ensuring national energy security.

03
The World Bank's EUR100 million to finance investment in 04 hydropower projects in Lao Cai, Bac Kan, Binh Dinh and Dak Lak provinces, significantly contributing to reducing greenhouse gas emissions and protecting the environment, making positive contribution to the country's sustainable development.

AFD's SUNREF green credit line of USD100 million to finance 03 wind power projects which have total investment of VND4,642 billion in Gia Lai and Soc Trang provinces, supporting businesses to invest in renewable energy, environmental protection, adaptation to climate change and green growth, thereby contributing to the socio-economic development of localities and national energy security.



Strategy and synergy for environment protection

In 2021, there were no penalties due to non-compliance with laws and regulations on environment at BIDV.

GRI STANDARDS compliance table

No.	GRI	Information disclosed	Detailed content
GRI102: General disclosure			
I	Organizational profile		
102-1	Name of the organization		
102-2	Activities, brands, products, and services	BIDV at a glance (Page 20)	
102-3	Location of headquarters		
102-4	Location of operations	Network chart (Page 29)	
102-5	Ownership and legal form	Key milestones (Page 22)	
102-6	Markets served	BIDV Overview	
102-7	Scale of the organization	Introduction of BIDV via key financial and non-financial indicators	
102-8	Information on employees and other workers	Employees are classified by position; qualification; age (refer to Organization and Human Resources (Page 64))	

No.	GRI	Information disclosed	Detailed content
102-9	Supply chain		Business lines (Page 26)
102-10	Significant changes to the organization and its supply chain		Organizational structure, Board of Directors, Supervisory Board, Board of Management (Page 34); Shareholding structure, changes to owners' equity (Page 80)
102-11	Precautionary Principle or approach		External and internal risks (Page 48)
102-12	External initiatives: A list of externally-developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes, or which it endorses.		Vietnam Sustainable Agriculture Transformation Project (VnSAT) (Page 186)
II Strategy			
102-14	Statement from senior decision-maker		Message from the Chairman of the Board (Page 8), BOD's evaluation (Page 96); Management's evaluation, Leadership's statement on sustainable development
102-15	Key impacts, risks, and opportunities		External and internal risks (Page 48)
III Overview of Sustainable Development Report			
102-18	Governance structure		Activities of BOD and Committees (Page 112)
102-21	Consulting stakeholders on economic, environmental, and social topics		Stakeholder engagement (Page 134)
102-22	Composition of the highest governance body: independence, tenure, positions and commitments, competencies, stakeholder representation		Introduction of the Board of Directors, Supervisory Board and Board of Management (Page 36)
102-23	Whether the chair of the highest governance body is also an executive officer in the organization.		Description of the Board of Directors, and its committees (Page 112)
102-27	Measures taken to develop and enhance the Board of Directors' collective knowledge of economic, environmental, and social topics		Participation in corporate governance training courses (List of BOD members participating in corporate governance programs during the year). Committees under the Board of Directors, units/departments propose measures to manage risks. Research Center and some professional departments provide macroeconomic newsletters, legal newsletters, operation and market risk newsletters,...

GRI STANDARDS compliance table

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No.	GRI	Information disclosed	Detailed content
102-28		Processes for evaluating the Board of Directors' performance with respect to governance of economic, environmental, and social topics.	Activities of the BOD in 2021 Orientation for operation of the BOD in 2022 at the BOD's evaluation (Page 96)
102-29		The Board of Directors' role in identifying and managing economic, environmental, and social topics.	The Board of Directors sets up Risk Management Committee to assist the BOD in risk identification and management, as well as assessment of the effectiveness of the risk management processes. The committee's meetings are held on a quarterly or ad-hoc basic upon request.
102-30		The BOD's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental, and social topics.	
102-31		Frequency of the BOD's review of economic, environmental, and social topics and their impacts, risks, and opportunities.	
102-32		Highest governance body's role in sustainability reporting	Branding and Communication Department and BOD's Secretariat and Investor Relations review and submit to the Board of Management for approval
102-35		Remuneration policies for the Board of Directors and Board of Management	Remunerations and benefits (Page 120)
III Stakeholder engagement			
102-40		A list of stakeholder groups engaged by the organization	Customers Employees Shareholders, investors Service suppliers Government agencies Press agencies Community
102-42		The basis for identifying and selecting stakeholders with whom to engage.	Stakeholder engagement (Page 134) Measuring customer satisfaction (Page 144)
102-43		Approach to stakeholder engagement	Measuring employee satisfaction (Page 166)
102-44		Key topics and concerns raised	

No.	GRI	Information disclosed	Detailed content
IV Reporting practice			
102-45		Entities included in the consolidated financial statements	Performance of subsidiaries, joint-venture and affiliates
102-46		Defining report content and topic boundaries	Overview of the Sustainable Development Report
102-47		List of material topics	
102-50		Reporting period for the information provided	Report for the period from 1 January 2021 to 31 December 2021
102-52		Reporting cycle	Annual
102-53		Contact point	Email: nhadautu@bidv.com.vn Hotline: 024 22201099
102-54		Claims of reporting in accordance with the GRI Standards	Overview of the Sustainable Development Report (Page 130)
102-55		GRI content index	GRI Standards Compliance Table (Page 192)
GRI 200: Economic standards			
201		Direct economic value generated and distributed	Section Business performance in 2021 (Page 58)
203		Indirect economic impacts	Section Sustainable economic development (Page 138)
GRI 300: Environmental standards			
302-4		Reduction of energy consumption	Implementation of saving measures (Page 182) Building a modern and environmentally friendly workplace (Page 184)
GRI 400: Social standards			
401-2		Benefits provided to full-time employees	Section Schemes and policies for employees (Page 162)
404		Training and education	Section Training for employees (Page 160)
413		Local communities	Section Social security (Page 178)
417		Marketing and Labeling	Section Customer orientation (Page 144)