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Dear our Valued Shareholders,

VPBank Investor Relations (IR) would like to inform our IR newsletter volume 21, issued February 2025.

VPBANK'S HIGHLIGHT

VPBank officially takes over GPBank under the mandatory transfer

On January 17, 2025, the State Bank of Vietnam (SBV) announced the mandatory transfer the 100% stated-owned GPBank to VPBank in accordance with the plan approved by the Government. VPBank's involvement in the mandatory transfer of GPBank reflects the Government's and SBV's confidence in VPBank's reputation, capability, and experience in restructuring distressed credit institutions. It also reaffirms VPBank's pivotal role in the banking sector.

VPBank acknowledges that the mandatory transfer process is a formidable challenge, yet the bank is fully committed to dedicating its resources and workforce to executing the Government and SBV's mandate. This initiative aims to stabilize the financial market, strengthen monetary security, and bolster investor and public confidence in the banking system.



VPBank ranked among the Top 10 Large-cap companies with Best Corporate Governance in 2024

At the 2024 Listed Companies Awards, hosted by the Ho Chi Minh City Stock Exchange, VPBank was honored in the Top 10 Large-Cap Companies with the Best Corporate Governance for the first time since IPO.

This prestigious award affirms VPBank's relentless efforts to enhance corporate governance in line with international standards, uphold transparency, and lead the way in sustainable strategies.



VPBank partnered with Mobile World to launch Agent-banking model

In early December 2024, VPBank and Mobile World signed a strategic partnership agreement to implement the agent-banking model. VPBank became the first bank in Vietnam to receive approval from the SBV to implement this business model, allowing customers to easily access financial services at 3,000 Mobile World and Dien May Xanh retail outlets nationwide.

Through this collaboration, customers can conveniently deposit, withdraw, and transfer money at Mobile World and Dien May Xanh stores with the same convenience as at a VPBank branch. This partnership significantly expands VPBank's financial service touchpoints, enhancing the customer experience and strengthens the VPBank's market presence, bringing its products and services to a broader customer base.



Mastercard honors VPBank with 9 Prestigious Awards

At the "Vietnam Appreciation Dinner 2024 – Together in Harmony" event, the international card organization Mastercard honored VPBank in 9 prestigious award categories. This marks the fifth consecutive year that VPBank has received a shower of esteemed awards from this organization. VPBank's continuous recognition across multiple prestigious award categories by Mastercard once again reaffirms VPBank Card's leading position in the market.

FINANCIAL SNAPSHOT

Banking sector

In 2024, the global economy returned to a recovery trajectory as consumer demand, investment, and trade rebounded, laying the foundation for stability and sustainable growth. Amid this landscape, Vietnam's economy also experienced a strong rebound, with GDP growth was 7.09%, driven by stable FDI inflows, robust exports, a manufacturing recovery, and increased public investment in key infrastructure projects. However, economic growth remains uneven across all sectors.

The banking sector remained a cornerstone of financial stability and economic growth. The State Bank of Vietnam's flexible policies on exchange rates, interest rates, and liquidity management played a crucial role in preserving the stability of the banking system and the whole economy. Throughout 2024, the banking industry prioritized credit allocation to productive sectors, particularly supporting small and medium-sized enterprises. However, a slow recovery in consumer demand and ongoing challenges in the real estate market constrained credit growth for most of 2024. A significant revival in the final quarter pushed overall credit growth rate beyond 15%, in line with the SBV's target.

VPBank

Credit growth rebounds fuels profit acceleration

Consolidated profit before tax (PBT) for the year surpassed VND20 trillion – a 85% surge compared to 2023, marking the highest growth rate in the banking system. In Q4 alone, VPBank's consolidated profit reached over VND6.1 trillion, a 2.4-fold increase yoy. The parent bank's PBT, in which, reached nearly VND18.3 trillion, posting a 36% increase yoy.

Its subsidiaries also made significant contributions to the group's results, particularly FE Credit, which made a strong comeback following a comprehensive restructuring process, reporting positive profits for three consecutive quarters and VND500 billion in PBT for the year.

By December 31, 2024, VPBank's consolidated credit to customer made its new highs at VND 710 trillion, in which the parent bank's credit to customer exceeded VND629 trillion, marking a 19.4% yoy increase, outpacing the industry average of 15%. In Q4 alone, the figure surged by 8.2% qoq.

In addition to maintaining its position in the retail sector, VPBank sought opportunities in new high-potential segments. Supported by its strategic shareholder, SMBC, the bank's FDI segment reported a threefold increase in lending portfolio compared to 2023.

Effective balance sheet management and funding cost optimisation

By optimising its customer deposit portfolio and diversifying international medium- and long-term funding sources, the bank's cost of fund (COF) stood at 4.3%, nearly 200bps lower than in 2023, providing strong support for net interest income growth.

Prudent ratios, including the loan-to-deposit ratio (LDR) of 81.6% and the short-term funding for medium- and long-term loans ratio at 27.3%, remained well complied with the limits set by the State Bank of Vietnam (SBV). Meanwhile, the consolidated capital adequacy ratio (CAR) under Basel II standards reached 15.5%, continuing to lead the banking system.

With a well-structured debt recovery strategy alongside accelerated digital technology, income from bad debt recoveries reached VND 5.6 trillion in 2024, a 2.3-fold increase compared to 2023. The parent bank's non-performing loan (NPL) ratio in accordance with Cir 31 remained below 3%. Simultaneously, FE Credit achieved a marked improvement with NPLs declining for three consecutive quarters.

Distinctive and expanding ecosystem paves the way for future growth

With its distinctive and expansive ecosystem, VPBank has been able to preserve its competitive advantage in the market, being capable of comprehensively addressing the financial and lifestyle needs of diverse customer segments, thus setting the stage for a sustainable growth era.

The recent integration of GPBank into VPBank's expanded ecosystem has brought not only a new subsidiary but also synergies to the bank, helping to extend the business network and strengthen the group's overall competitiveness.

Detailed analysis on VPBank's operating results is updated periodically on its website ([More details](#))

Vietcap – 23.01.2025

Price target: VND 25,000

Upside: 32.6%

“Asset quality improves better than expectations”

Yuanta – 24.01.2025

Price target: VND 23,610

Upside: 25.2%

“A sector-high CAR”

SSI – 23.01.2025

Price target: VND 23,400

Upside: 24.1%

“Consolidated PBT beating projection”

UBS – 23.01.2025

Price target: VND 24,000

Upside: 27.3%

“Impressive turnaround at FE Credit”

VNDirect – 23.01.2025

Price target: VND 23,500

Upside: 24.7%

“Income from bad debt recovery surges”

HSC – 23.01.2025

Price target: VND 23,000

Upside: 22.0%

“Consolidated credit growth was strong”

** Upside compared to the VBP's stock price as of 17.02.2025*

Analysis reports on VPBank are updated periodically on its website ([More details](#))

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