

IR News

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Our Valued Shareholders,

VPBank Investor Relations (IR) would like to inform our IR newsletter volume 04, issue November 2020.

VPBANK'S HIGHLIGHTS

Business highlights

Thanks to the Government's aggressive actions, as of now the Covid-19 outbreak has been put under control and there have been signs of local economic recovery. There have also been positive developments in the banking industry in general and VPBank in particular. Hence, VPBank's performance is expected to exceed key targets set at the beginning of 2020. Some business highlights in 3Q2020 were as follows:

- VPBank and AIA Vietnam continued to provide special Covid-19 customer relief programs;
- VPBank continued to collaborate with IFC/Proparco in Q3 to beef-up the source of green credit and help fund SMEs with agreement totalling USD 150 million;
- CARE, Mastercard, VPBank, WISE, and Canal Circle officially announced the Ignite initiative in Vietnam promoting the empowerment of women-led micro and small enterprises;
- VPBank and Mastercard announced the collaboration with Amazon Web Services (AWS) to help small and medium enterprises in Vietnam use AWS cloud to modernize IT infrastructure;
- VPBank, Shopee and Visa launched "VPBank - Shopee credit card" with the privileges of full year free shipping and up to 10% cashback. This collaboration was designed for catching up with the ever-increasing development of e-commerce market in Vietnam;
- VPBank launched its feature of opening IDC online, anytime, anywhere of customers' convenience.

Operation highlights



One of the five most profitable private companies in Vietnam 2020 (PROFIT500)

In the list of Top 500 Most Profitable Companies in Vietnam 2020 announced by Vietnam Report and Vietnamnet e-magazine on November 11, 2020, VPBank was named among the top five. Its ranking jumped up one level compared to 2019 and this is the fourth year in a row, VPBank was honored among reputable companies such as VinGroup, Vinamilk and Thaco, etc... At the same time, VPBank has been continuously ranked in the top of private banks in terms of operation efficiency.

"The Best Liquidity Risk Management" international award

The prestigious award given to VPBank by The Asian Banker was voted and approved on the basis of reviewing and evaluating the effectiveness of VPBank's liquidity risk management system to ensure the safety of the bank's operation and healthy balance sheet structure, as well as the ability to monitor liquidity risks and funding mobilization capability and funding growth rate in the capital market. This award is a clear proof of VPBank's solid governance foundation, marking an important milestone in the

"VPBank Household Academy" named the best CSR project in 2020

VPBank has made remarkable efforts to fulfill its social responsibility towards household community through a variety of activities such as successfully holding 10 online courses on business skills with nearly 300,000 followers; actively developing partnership with companies like Be Group, Tiki, Shopee, Sendo, etc... to offer customers special promotional programs or discounts. This does not only resonate with the international acknowledgement for VPBank but also reflects accurately its endeavors in socio-economic sectors over the last 27 years.

development of the bank's sound risk management.



#VPBANKFORTHECENTRAL Embrace of green leaves

VPBank donated VND 2 billion to the local people and authorities in the Central in general and Hue province in particular with the aim of alleviating the severe flood-induced toll inflicted upon them.

Simultaneously, VPBank Quang Tri gave 1,000 gifts to the people suffering from the flood. Specifically, on October 24 and 25, VPBank Quang Tri visited, comforted and gave the distressed people 1,000 gifts with the total value of VND 300 million as a means of supporting them.

VPBank holds a strong and hopeful conviction that the Government's determination on top of the concerted efforts of people and corporate community shall help navigate the hardship that the Central people and authorities have been bearing towards socio-economic stability.



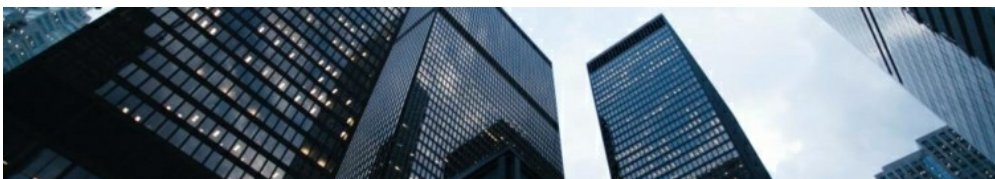
VPBank Hanoi Marathon Asean – 2020 Meet sunrise – Welcome to New Normal

Under the slogan of "Meet sunrise – Welcome to New Normal", VPBank Hanoi Marathon ASEAN 2020 (VPHM) is an impressive highlight in politics and diplomacy as it became the official event of the ASEAN 2020 Chairmanship and also celebrated 1010th anniversary of Thang Long – Hanoi.

Amid most of the international marathon events being suspended or cancelled, the success of VPHM ASEAN 2020 implies a special meaning at the national level, i.e. the vivid image of a safe and welcoming Vietnam for global integration and tourism on the grounds that the pandemic has been spectacularly contained by the country.

FINANCIAL SNAPSHOT

The Banking industry



The operations of credit institutions in 9M2020 were severely affected by the Covid-19 and credit growth as at 30 Sep 2020 at 6.09%. This was the lowest growth since 2014, however, the State Bank of Vietnam (SBV) has promptly issued policies on interest rate adjustments to facilitate market stability which led to signs of credit recovery. In Q3, the growth rate reached 2.8%, higher than those of two previous quarters.

The YTD customer deposit growth reached 7.7%, reflecting ample liquidity of the industry.

In the remaining months, the SBV has set 9%-10% growth target at system-wide for FY2020. In order to realize such target, the SBV will focus on introducing flexible and proactive monetary policies, reviewing and finalizing credit policies, especially Circular No. 01 to support the Covid19-impacted customers.

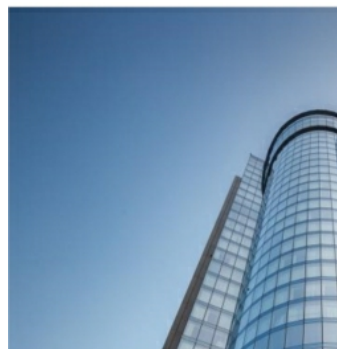
Source: gso.gov.vn

VPBank

Thanks to the continuous pursuit of efficiency and sustainable growth strategy in the tough times, VPBank gained positive 9M2020 results and is projected to deliver outstanding full-year performance. By the end of Q3, the consolidated credit growth reached 16.5% vs 19.3% at bank standalone. The consolidated NPL ratio was kept under 3% while the standalone one was down from 2.18% at the end of 2019 to 2.01% as at September 30, 2020.

NFI continued its role as VPBank's income growth driver. In 9M2020, the standalone bank's NFI grew by 36% y-o-y, reaching approximately VND 2.2 trillion. In addition, the contribution of NFI in TOI rose from 13.2% to 15.1% compared to corresponding period.

Income growth was also attributable to income from bad debt recoveries of VND 1.5 trillion in 9M2020 (up 24%). FE Credit itself delivered an impressive 30.3% y-o-y growth.



Apart from asset quality monitoring, the consolidated provision expense increased by 14.4% year on year (exclusive of VAMC provision expense in 2019) while the standalone one grew by nearly 30%, reflecting the bank's high readiness to tackle pandemic outbreak impacts with provision buffer.

The bank also proactively optimized the balance sheet, took full advantage of ample liquidity, reduced term deposit interest rates by 1%-2% in different terms, and increased CASA contribution, thus improving the cost of fund significantly.

In 9M2020, VPB maintained #1 position among private banks in terms of consolidated total operating income with VND 28.3 trillion (up 7.6%) while that of parent bank grew by 18.7% year on year.

Tremendous efforts to lay a solid foundation for scale and efficiency continued to yield positive results for VPBank. By the end of October 2020, credit to customers showed positive growth in key strategic segments, PBT reached over VND 10 trillion, up 22% year on year and fulfilling the AGM plan by 101%.

As the Covid-19 outbreak has been put under control by the Government and in light of positive market movements, the leadership expects that VPBank will close 2020 on a high note with many outstanding achievements and exceed the profit target set at the beginning of the year by 10%-15%.

Detailed analysis on VPBank's operating results are updated periodically on its website (For more details)

Consolidated CIR recorded a sharp reduction, from 34.7% of 9M2019 to 30.4% of 9M2020. Specifically, CIR of standalone bank was 32.3%, the lowest among private banks, and 28.4% at FE Credit.

By the end of September 2020, VPBank was among those with highest PBT completion rate of AGM plan, at 92% and equivalent to VND 9.4 trillion. Parent bank's PBT stood at VND 6.2 trillion, accounting for 66% of the consolidated PBT.



ANALYSIS REPORT ON VPBANK

VNDirect – 12.11.2020

"Strong earnings growth on positive operating jaws"

EFG Hermes – 06.11.2020

"Earnings outlook remains positive. Selling stake in FE credit a potential share price catalyst"

UBS – 05.11.2020

"Upbeat outlook and target to conclude FE Credit's strategic partner and IPO next year"

HSC – 21.10.2020

"9M2020 consolidated PBT was better than expected, strong credit growth"

VCSC – 20.10.2020

"VPB released consolidated results for 9M 2020 with net profit totaling VND 7.5tn. Positive credit growth."

JP Morgan – 20.10.2020

"3Q result beats on fees, costs and asset quality"

VCBS – 01.10.2020

"VPBank's business model is dynamic and efficient. Profit growth is fast"

Analysis reports on VPBank are updated periodically on its website (For more details)

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