



VIETNAM PROSPERITY BANK

2017 - RESULTS

Feb 2018



OVERVIEW OF VPBANK



2017 FINANCIAL PERFORMANCE



STRATEGIC PLANS & TARGETS 2018



OVERVIEW OF VPBANK

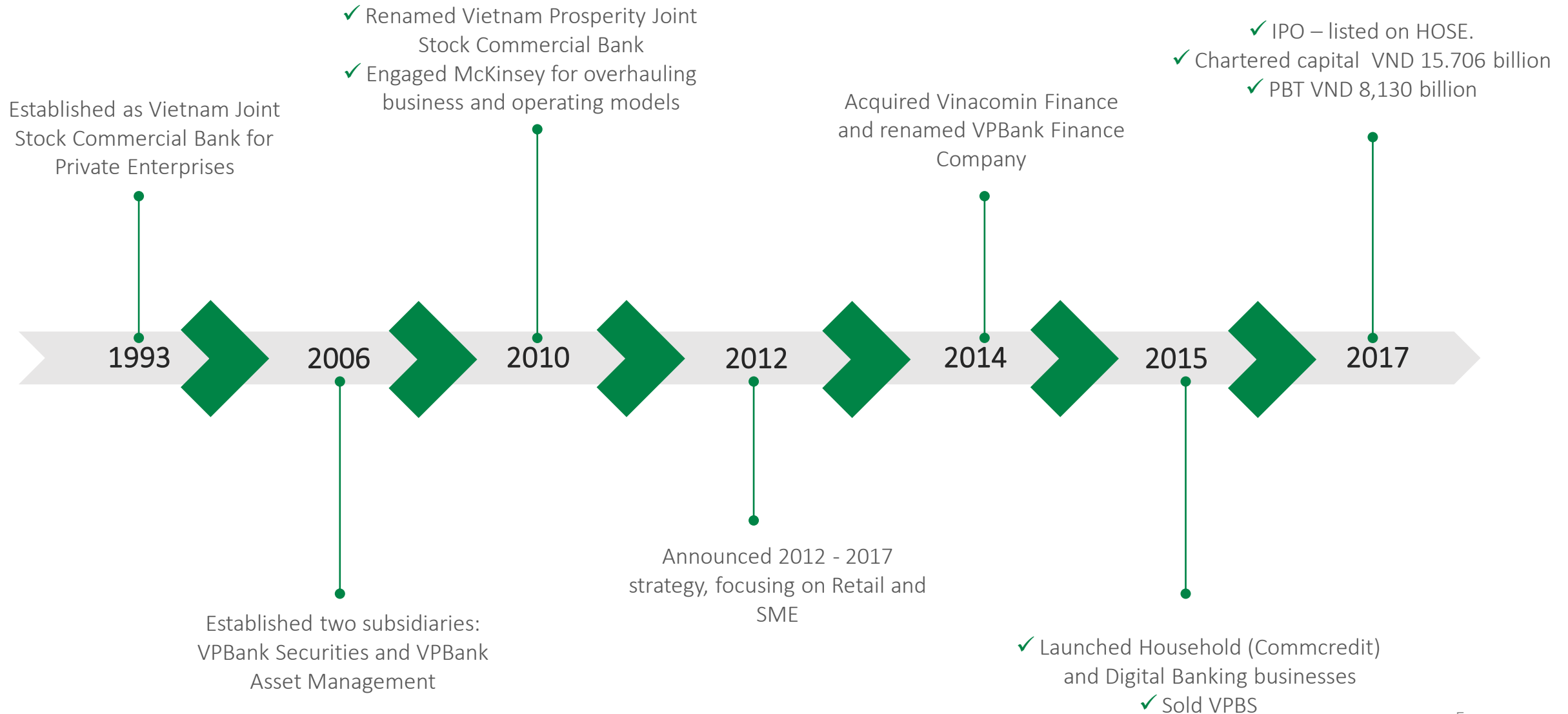


- VND 278 trillion total assets
- Around 5 million active customers
- 9 business segments
- 2 subsidiaries

-
- Strong risk management system with three-lines-of defense
 - End to end credit risk monitoring
 - One of the first bank implementing Basel II

- Full coverage of all banking segments
 - Highly centralized and specialized organization model
 - Over 23,800 employees
 - 217 branches , 77 SME centers & hubs, 236 Household centers & over 12,000 POS of FE Credit
 - Nearly 580 branded ATMs/CDMs, including 4 CDM TIMO
-
- Pioneering in digitalization and data management
 - Strong investment in IT systems
 - Professional working environment inspired by firmly established corporate culture

DEVELOPMENT HISTORY



BUSINESS SEGMENTS



VPBANK

4 Pillar strategic segments

- 1 Consumer Finance (FE Credit)
- 2 Retail Banking
- 3 Household Banking (Comm credit)
- 4 SME Banking

- Key products: cash loans, two-wheeler loans, consumer durables loans, credit card

- Core focus on retail bank lending and deposit products and services
- Key loan products: home loan, auto loan, consumption loan, business loan, UPL, credit card
- Promote Affluent Banking & Credit Card

- Division formed in July 2015 to target the self-employed mass segment
- Launched Commcredit to emphasize its focus on serving local communities

- Targets micro companies and SMEs through a network of SME centers
- Offers a full suite of banking products

5 Digital Banking Services

- Launched digital banking as a separate business segment in 2015 to digitize existing banking process and services
- Offers standard banking products through e-banking system accessible from the web and mobile apps
- Partnerships with FinTech companies

6 VP Direct

- Started in March 2017 and planned to go live in early 2018
- Aims to become a digital bank operated to international standards

7 Corporate and Investment Banking (CIB)

- Targets enterprises with annual revenues above VND1,600 billion
- Focuses on expanding corporate deposits and selectively growing its loan portfolio

8 Financial Markets / FI & Transaction Banking

- VPBank's capital markets division performs FX, monetary and bond market transactions
- Handles primarily transaction banking services for domestic and international financial institutions

9 Commercial Banking (CMB)

- Serves VPBank's corporate customers with annual revenues ranging from VND400bn to VND1,600bn
- Customers include private and local enterprises as well as medium-scale State-owned enterprises

NETWORK DISTRIBUTION

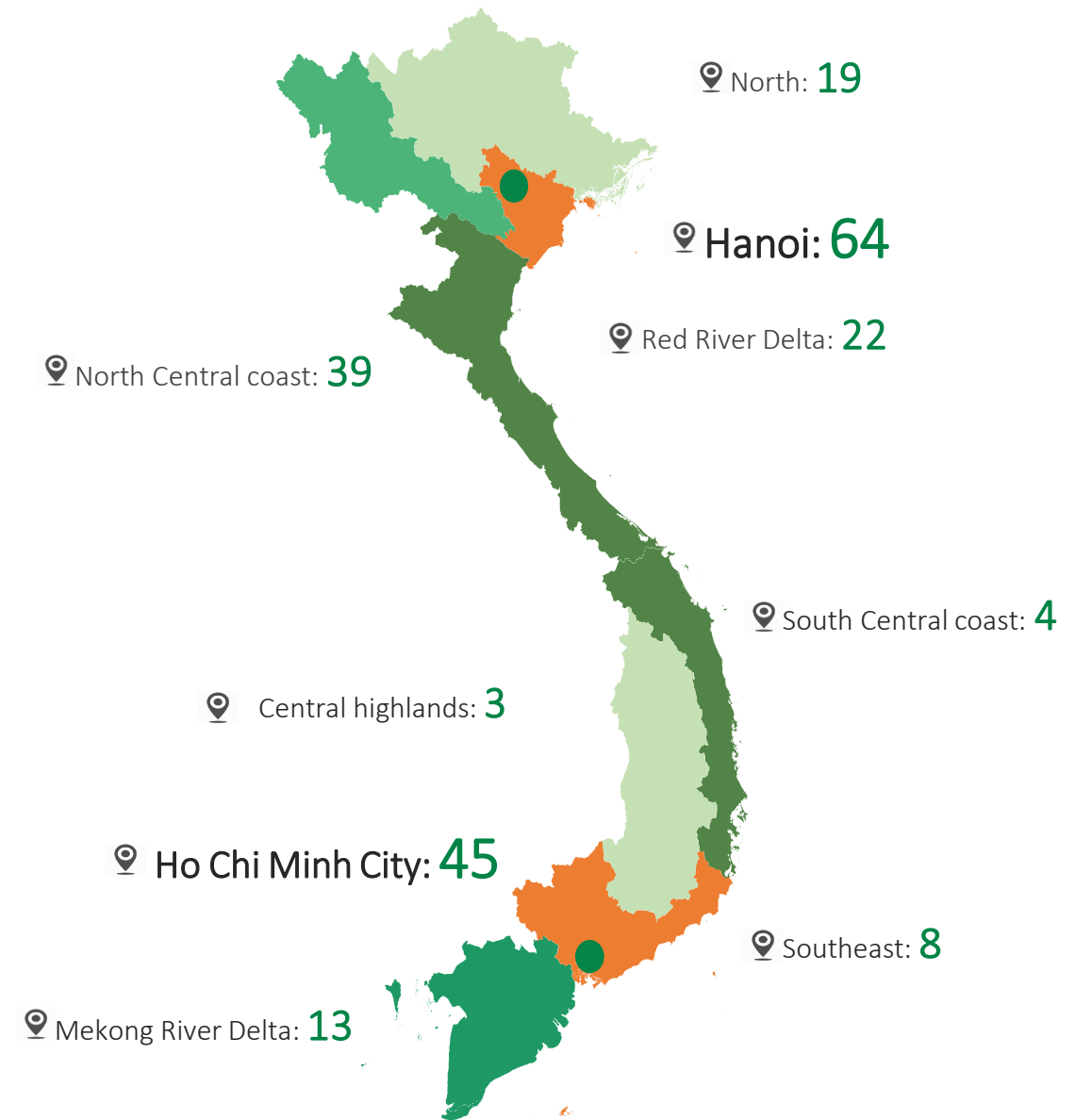
Physical distribution channels

- Over **23,800** employees
- **217** branches and **77** SME centers & hubs, approved by SBV to open 12 branches in 2018
- Nearly **580** branded ATMs/CDMs, including 4 CDM TIMO

Channels	Transaction points at 31.12.2016	Transaction points at 31.12.2017	y-o-y	Number of Sales Staff + sales agents
Retail branches	215	217	1%	3,860
SME centers and hubs	72	77	7%	1,220
Household centers (Commcredit)	130	236	82%	1,526
Corporate banking branches	4	4	0%	122
Consumer finance (FE Credit)	6,700	12,606	88%	9,744
ATM/CDM	439/44	474/105	20%	n/a
Alternative channels	n/a	n/a	n/a	930

VPBank's network is organized following a "hub" and "spoke" structure that allows the Bank to cover a wider area and reach more customers

Distribution network - bank branches



VPB FC Distribution Network

In line with product diversification, allowing VPBank Finance to capture consumer value via different distribution channels

Nationwide distribution network spanning across Vietnam

64 provinces

> 10,000 points of sale ("POS")

> 8,000 active agents

> 7,000 POS based agents

> 1,200 in-house telesales

3,900,000 active customers

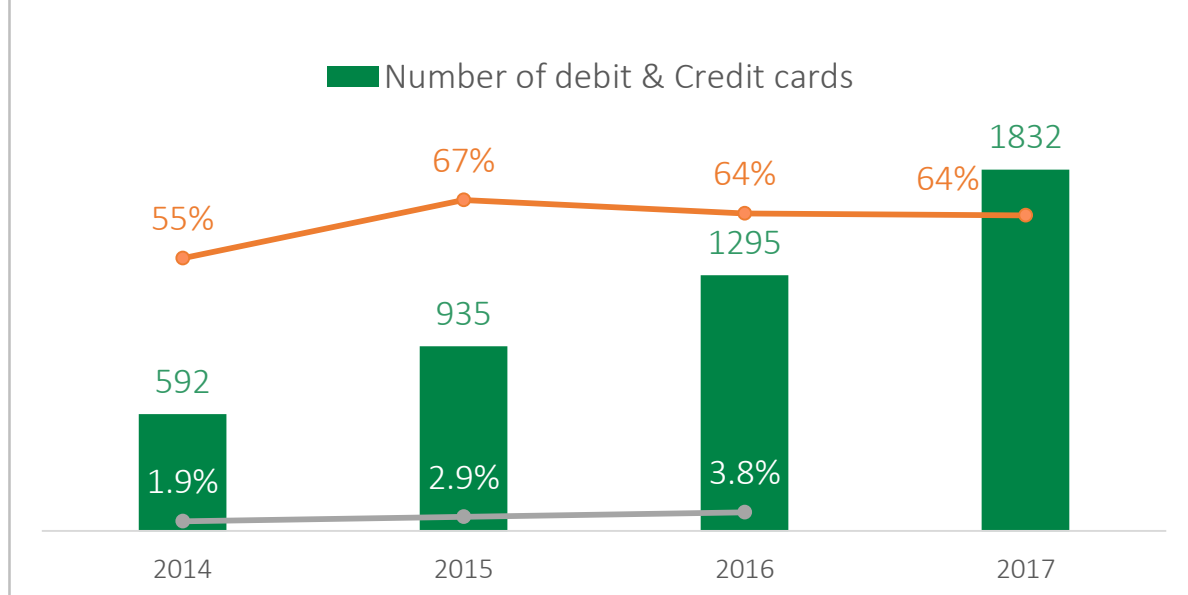
> 15,000 repayment points



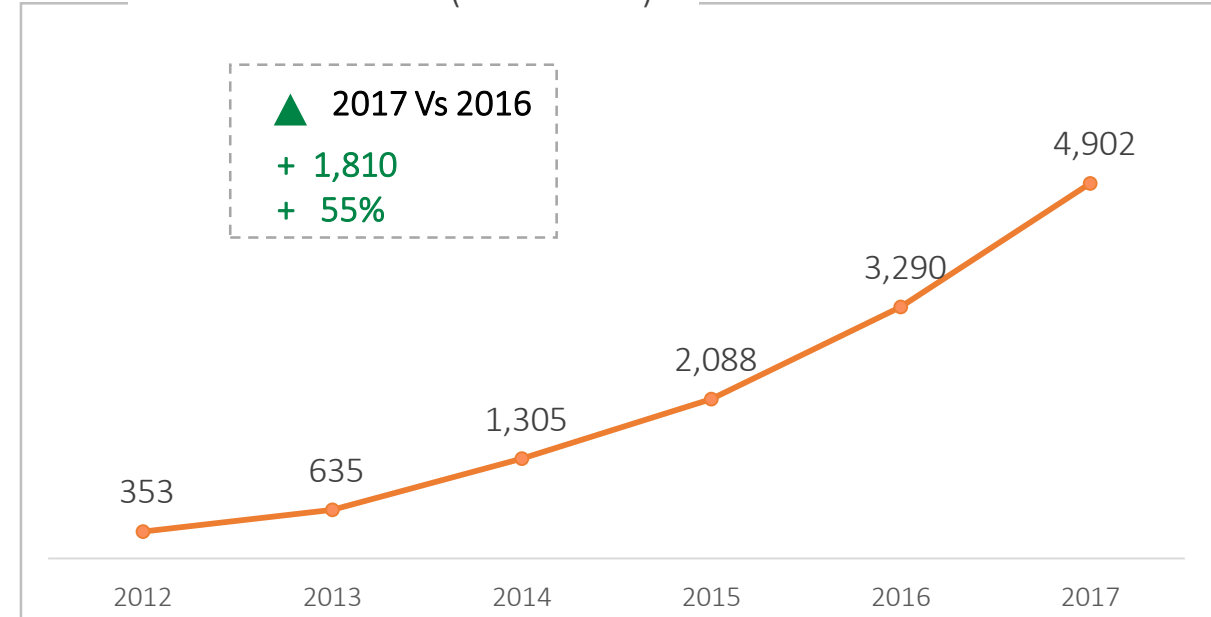
Source: Company information.

CUSTOMER BASE GROWTH

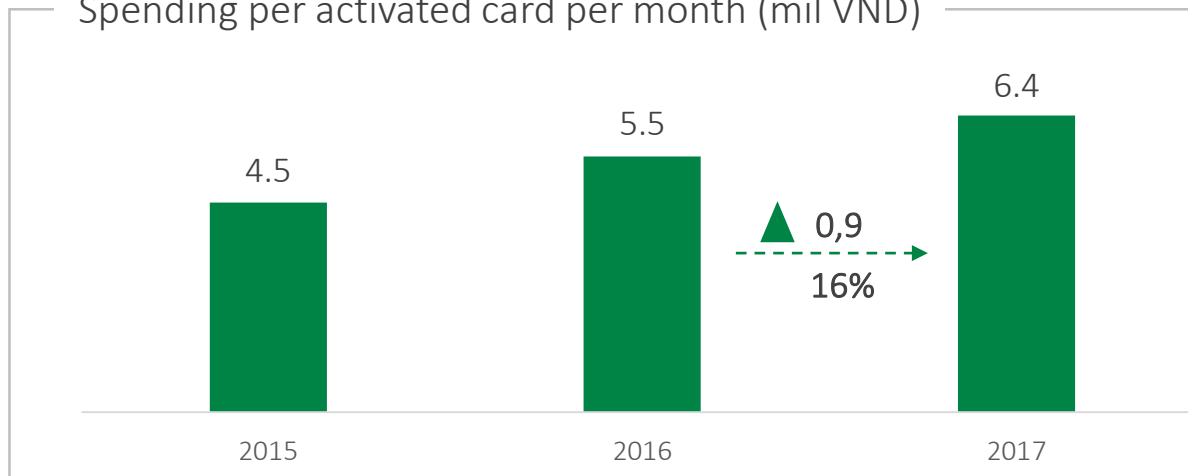
Number of cards issued, active rate and market share (thousands,%)



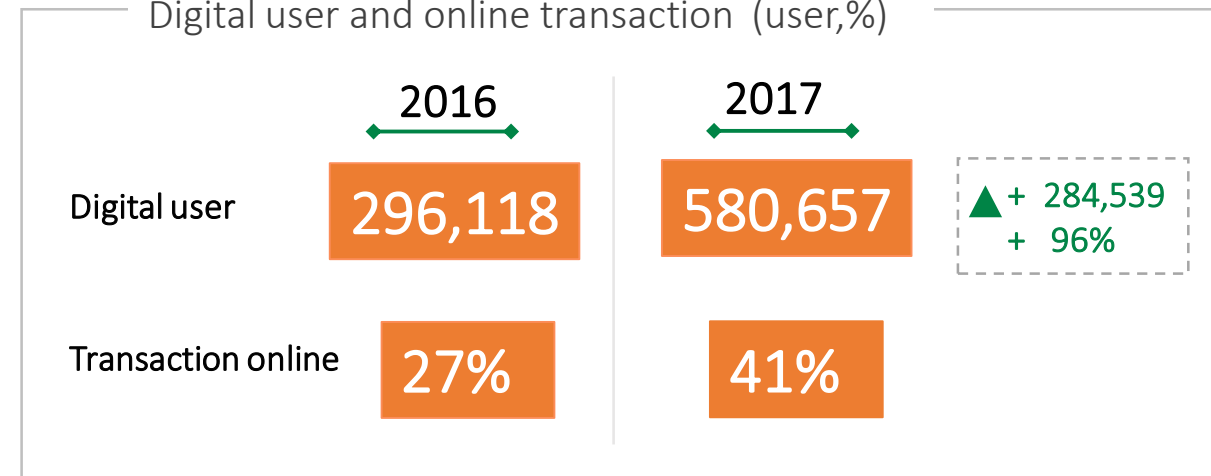
Active customers (thousands)



Spending per activated card per month (mil VND)



Digital user and online transaction (user,%)





2017 FINANCIAL PERFORMANCE

Source: Consolidate FS as at 31.12.2017, Unit: VNDbn

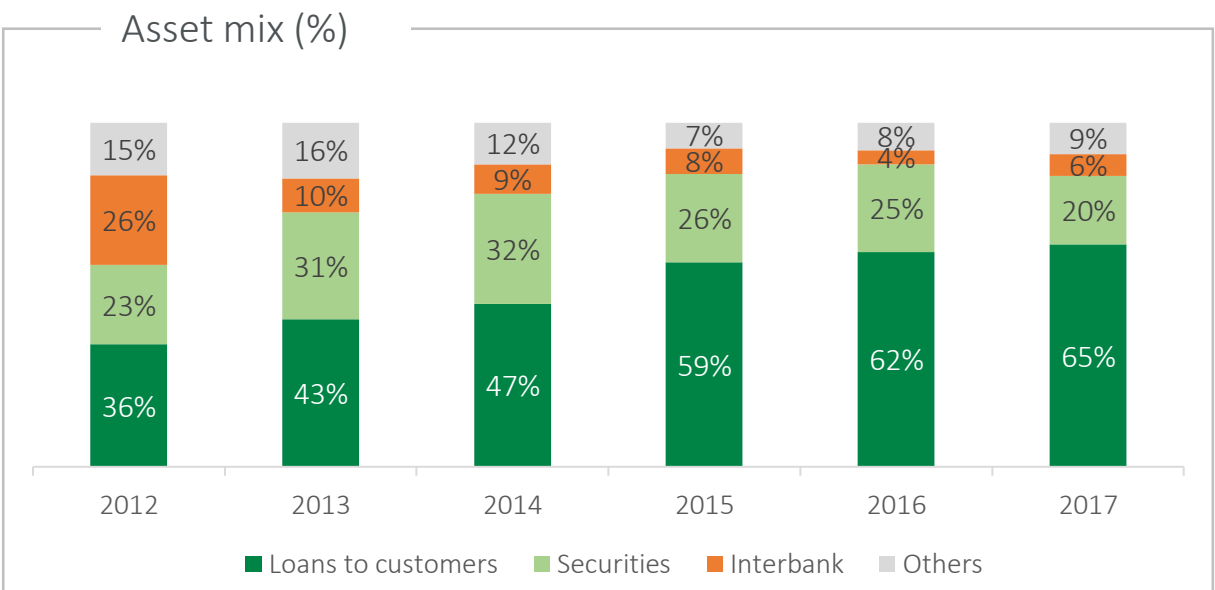
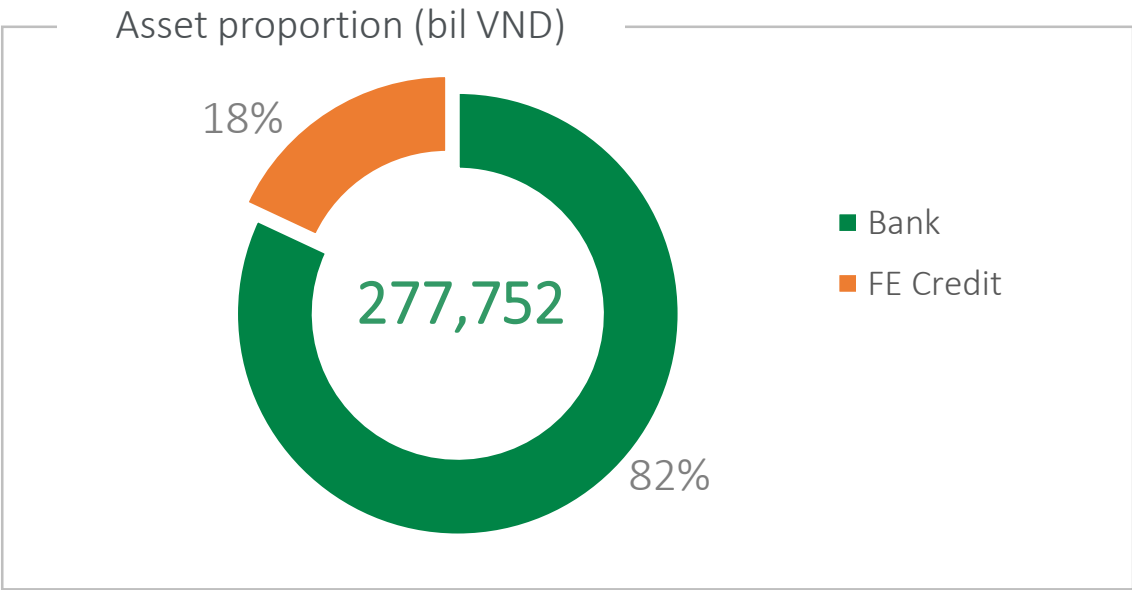
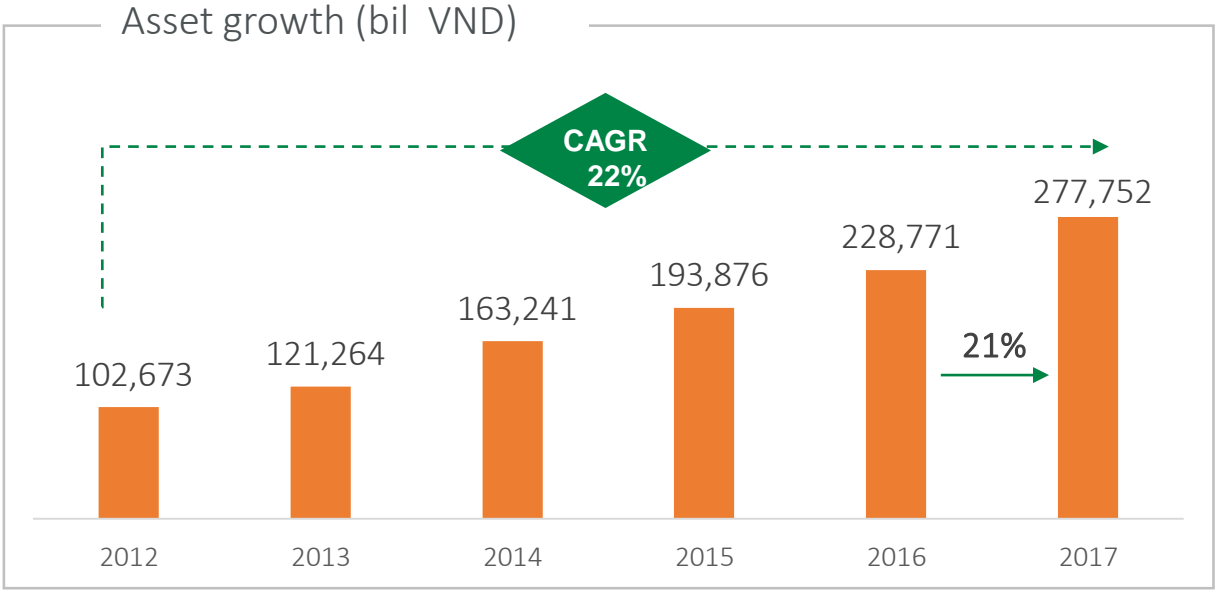
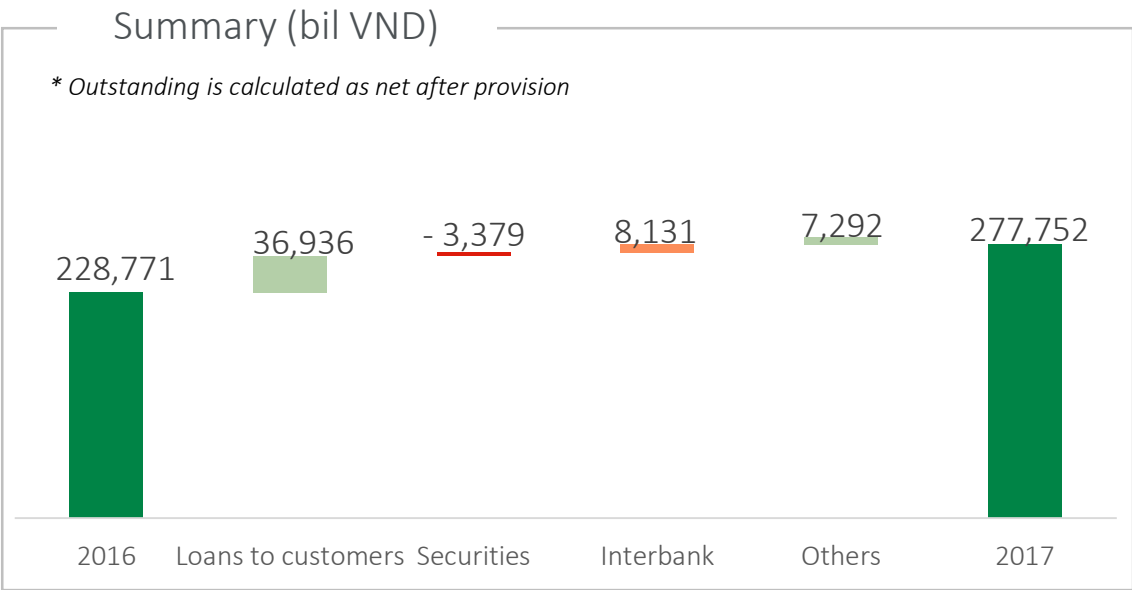
FY 2017 - PERFORMANCE INDICATOR HIGHLIGHTS



	2016	2017	Y-o-Y growth	Target 2017	Vs. Target
TOI	16,864	25,026	↑ 48.4%	23,500	● 106.5%
NII	15,168	20,614	↑ 35.9%	19,013	● 108.4%
OPEX	6,621	8,895	↑ 34.3%	8,760	● 101.5%
Provision expense	5,313	8,001	↑ 50.6%	7,547	● 106.0%
PBT	4,929	8,130	↑ 64.9%	7,192	● 113.0%
CIR	39.3%	35.5%			

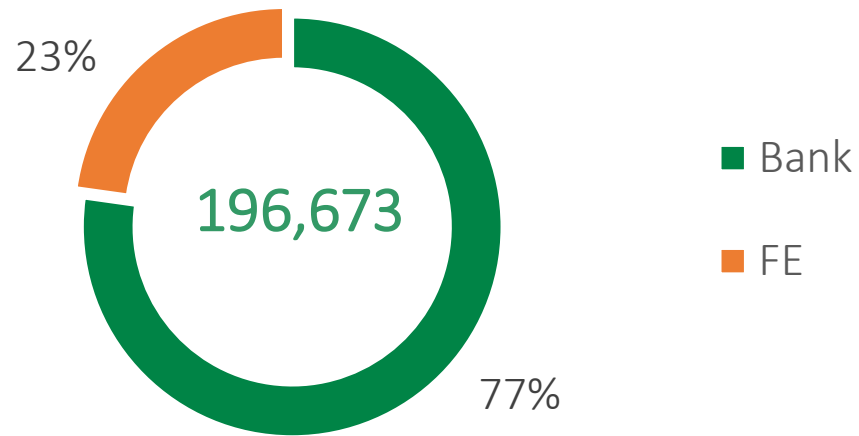
	2016	2017	Y-o-Y growth	Target 2017	Vs. Target
Loans to customers including corporate bonds	158,696	196,673	↑ 23.9%	199,078	● 98.8%
Total assets	228,771	277,752	↑ 21.4%	280,645	● 99.0%
Deposits from customers (including Valuable papers)	172,438	199,655	↑ 15.8%	224,842	● 88.8%
CAR Cir 36	13.3%	14.4%	↑ 8.0%		
CAR Basel II	9.4%	12.6%	↑ 33.6%		

SOLID ASSET GROWTH DYNAMIC

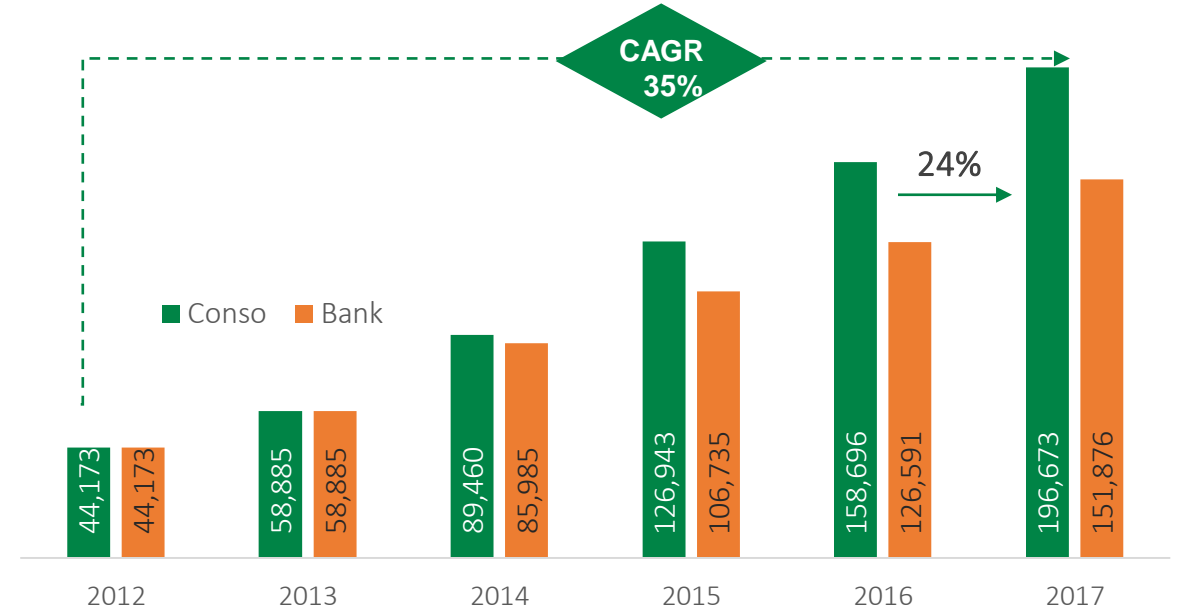


LOAN PORTFOLIO BREAKDOWN (*)

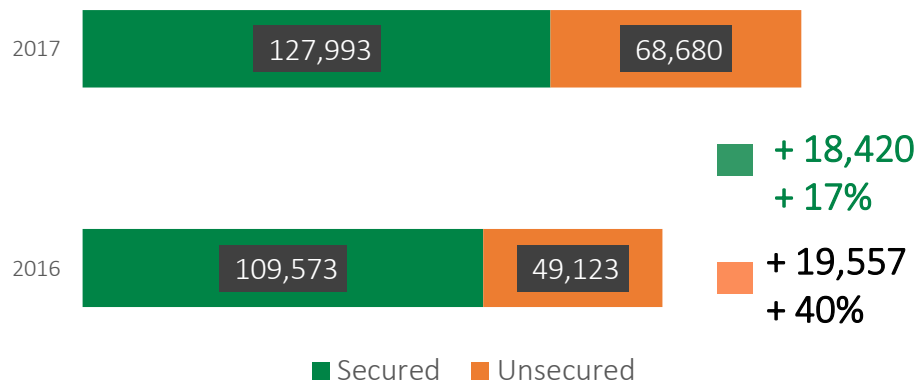
Summary (bil VND)



Loan growth (bil VND)

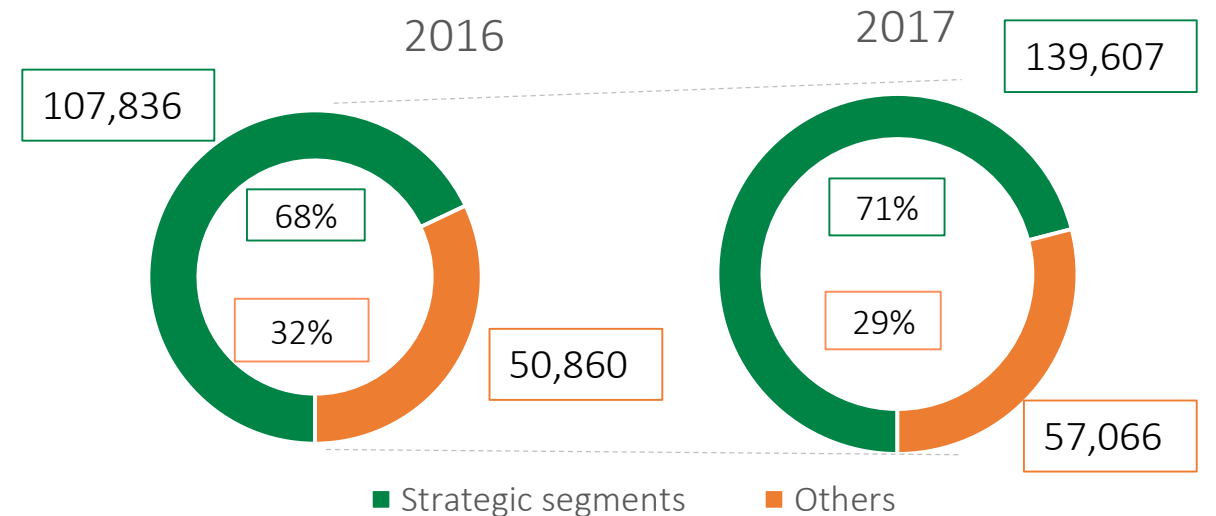


By type (bil VND)



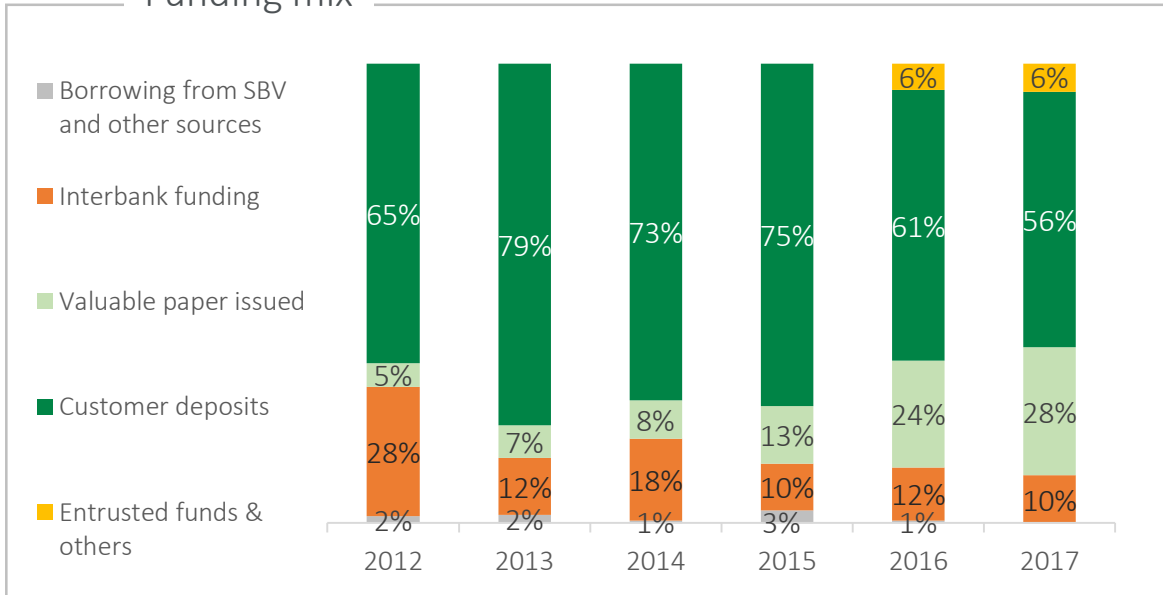
* Including Corporate bonds

By segments (bil VND)

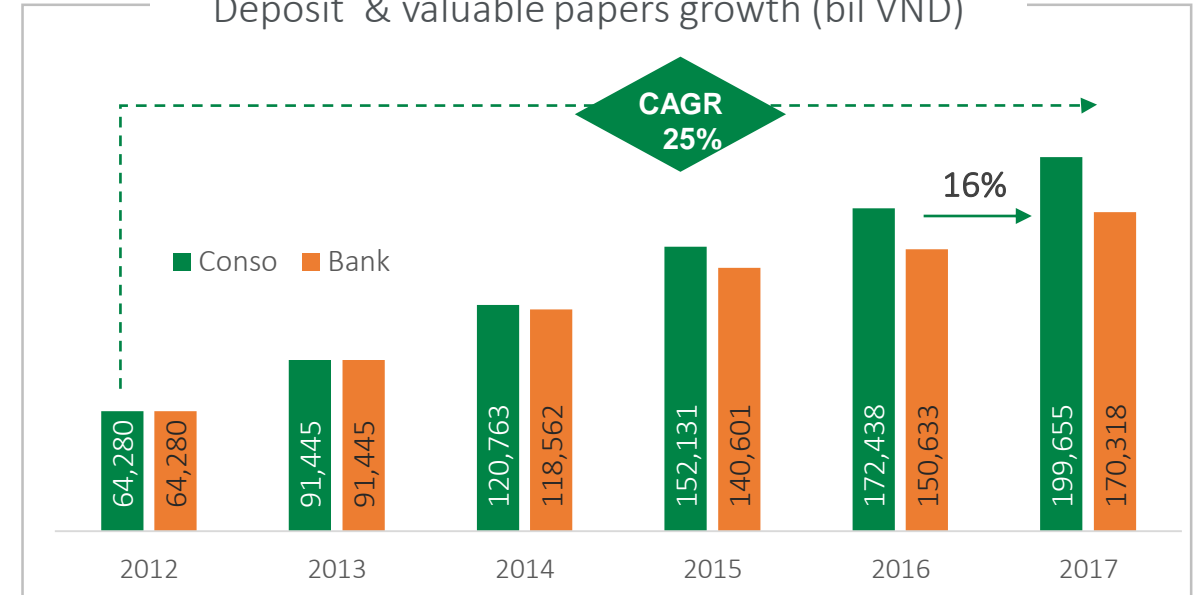


FUNDING MIX

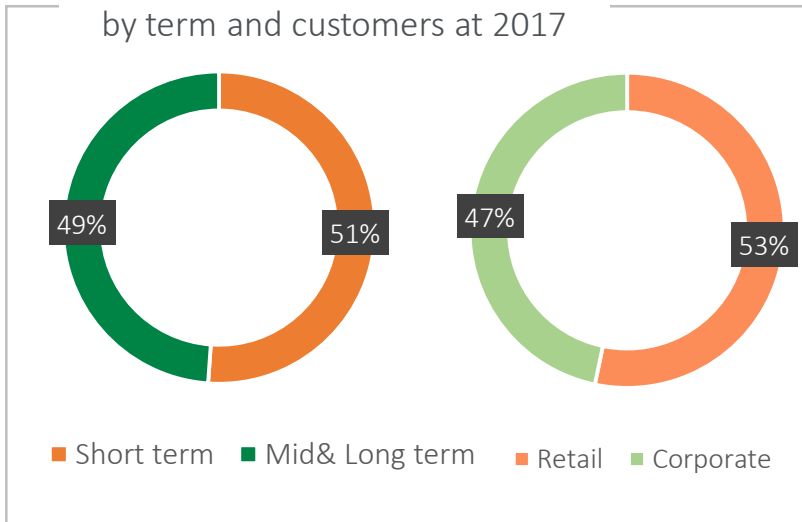
Funding mix



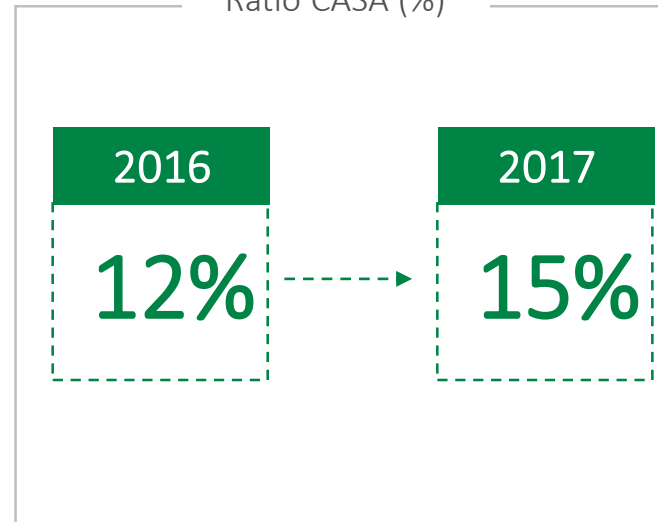
Deposit & valuable papers growth (bil VND)



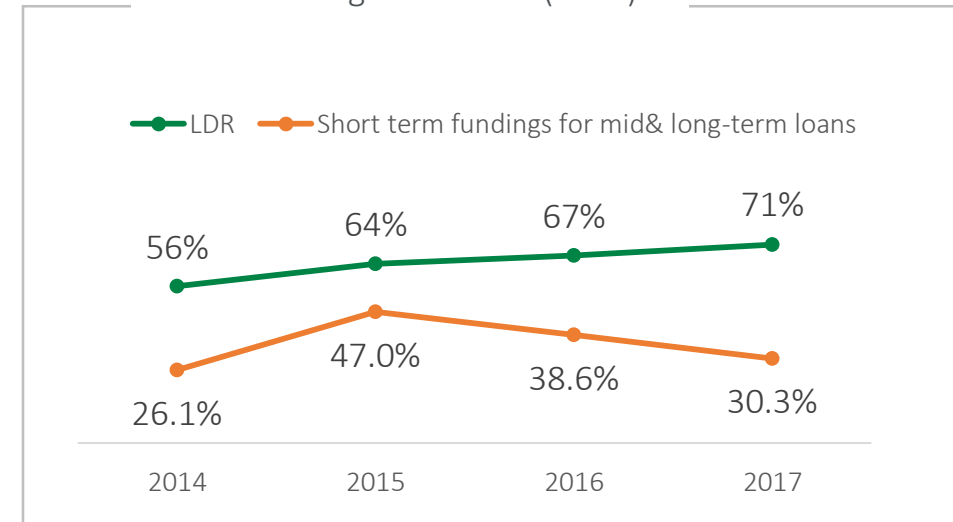
Deposits & valuable papers by term and customers at 2017



Ratio CASA (%)



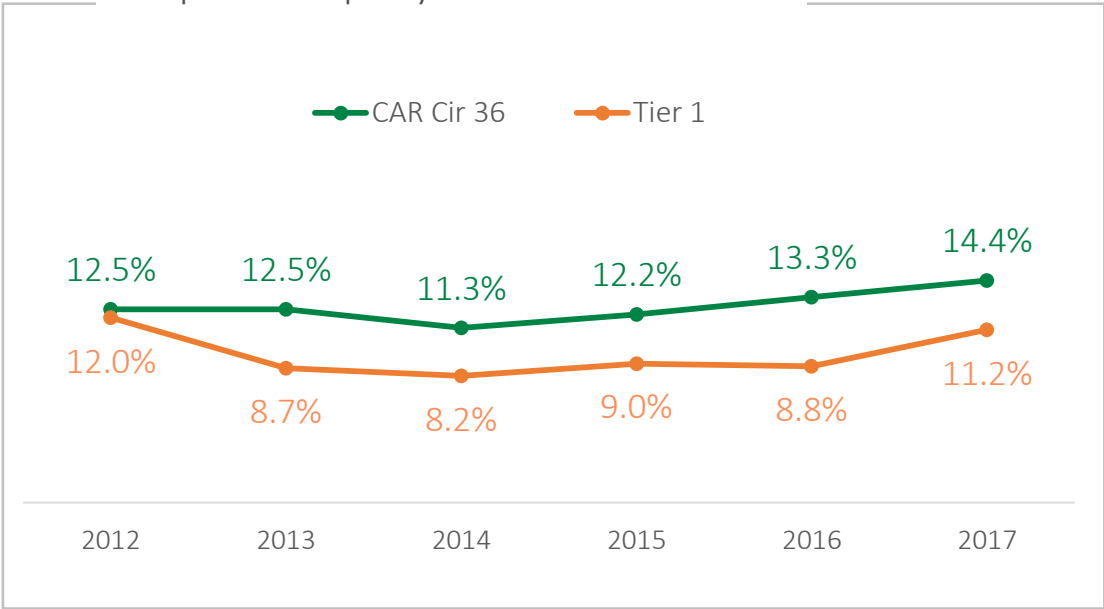
LDR & Short term funding for mid-long term loans (Bank)



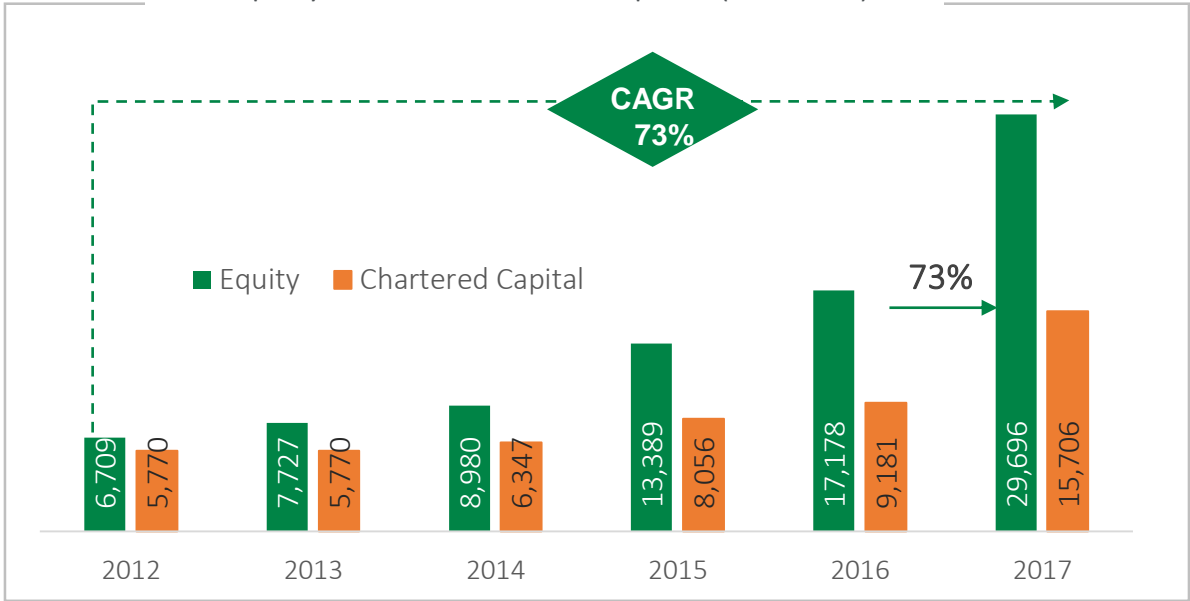
STRONG CAPITAL BASE



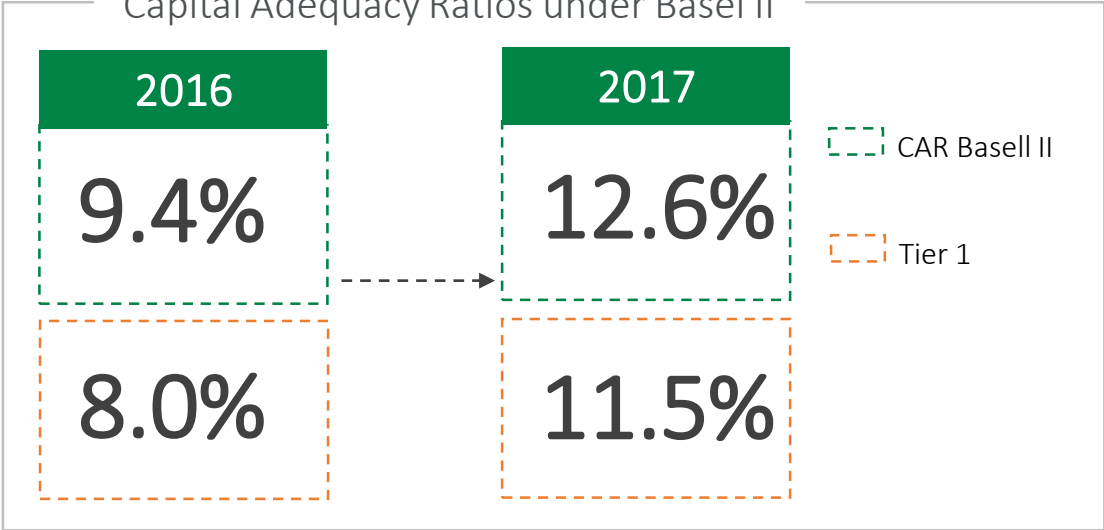
Capital Adequacy Ratios under Cir 36



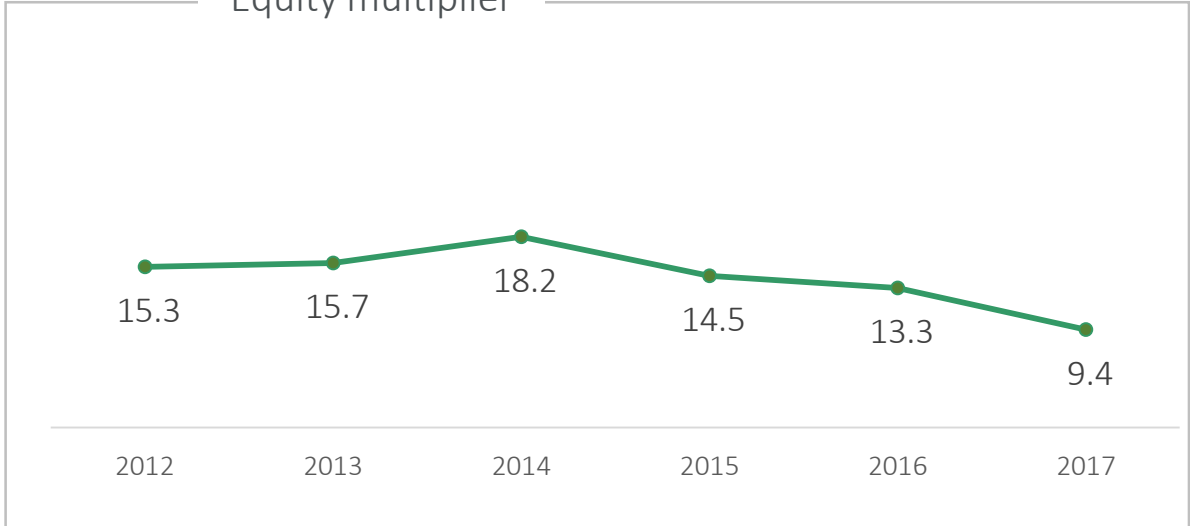
Equity and Chartered Capital (Bil VND)

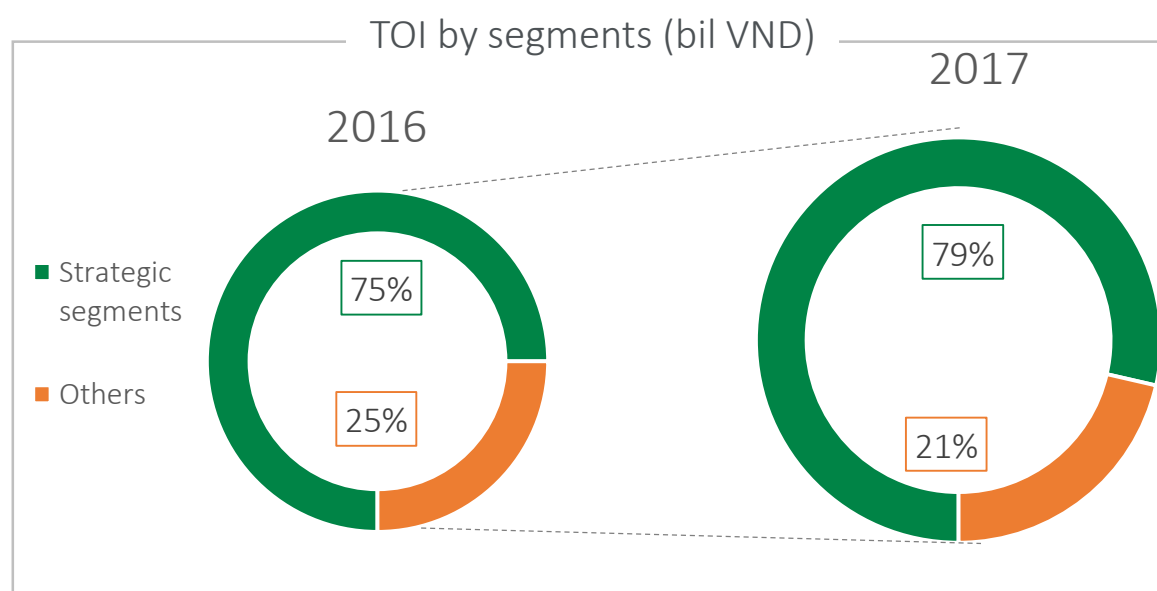
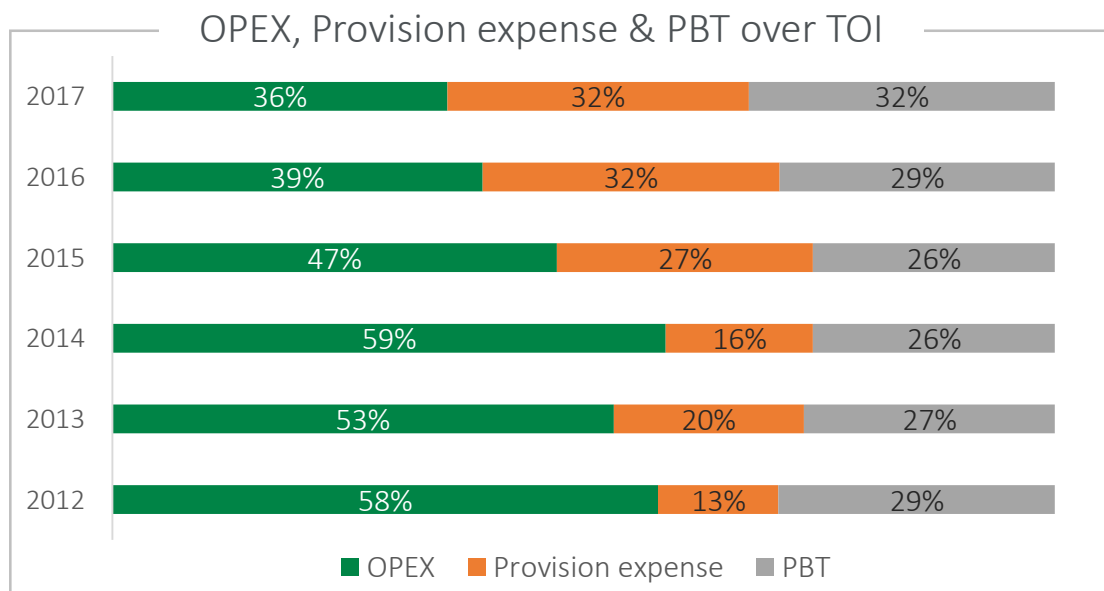
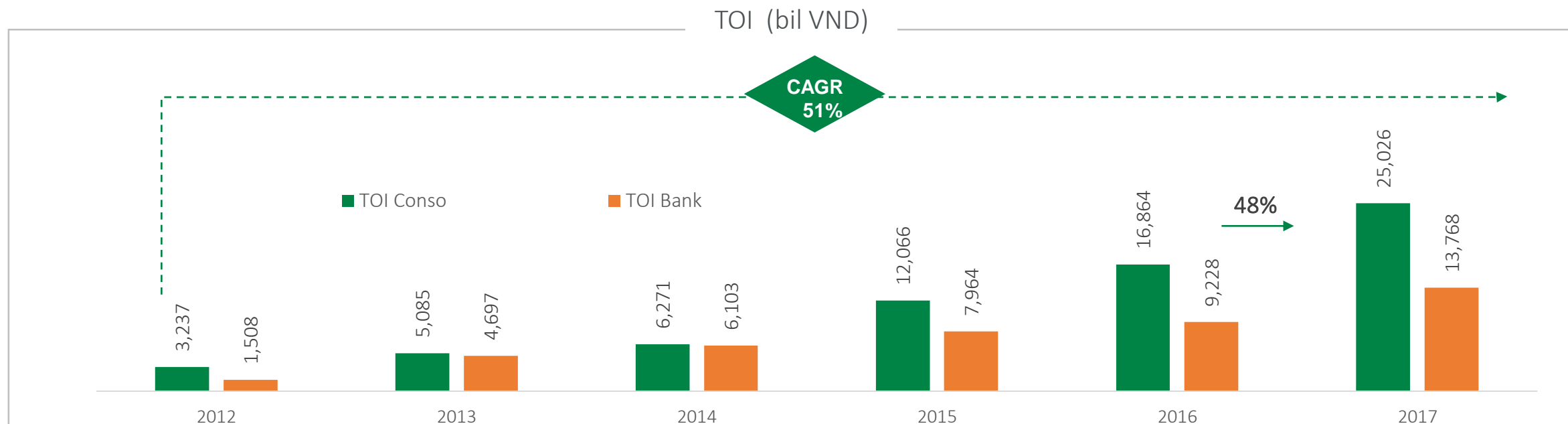


Capital Adequacy Ratios under Basel II

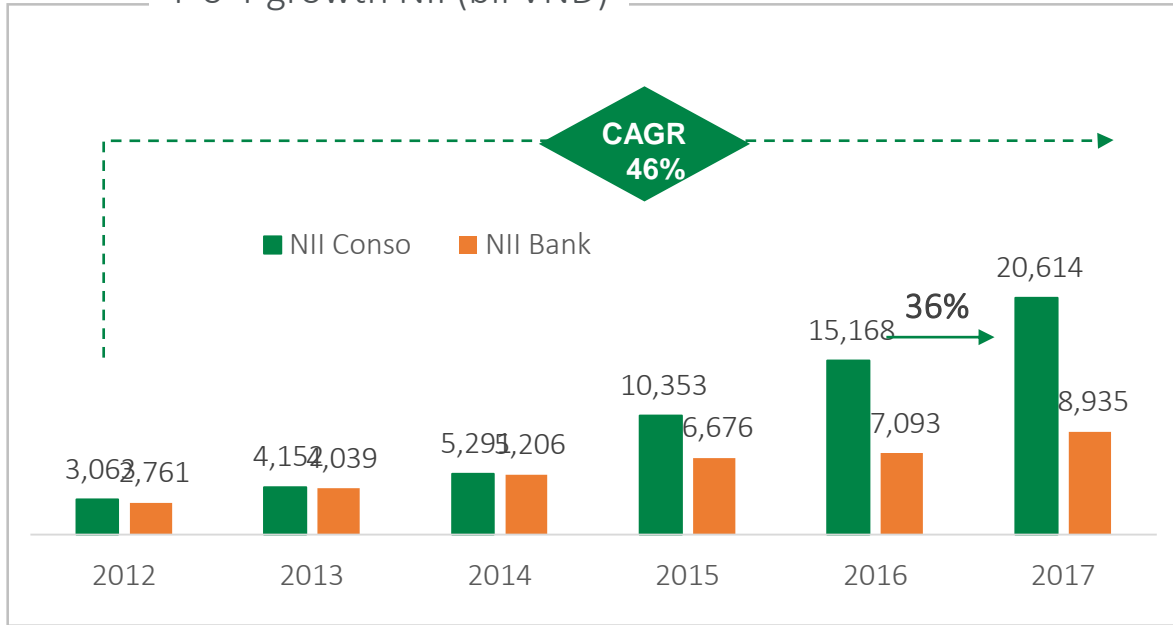


Equity multiplier

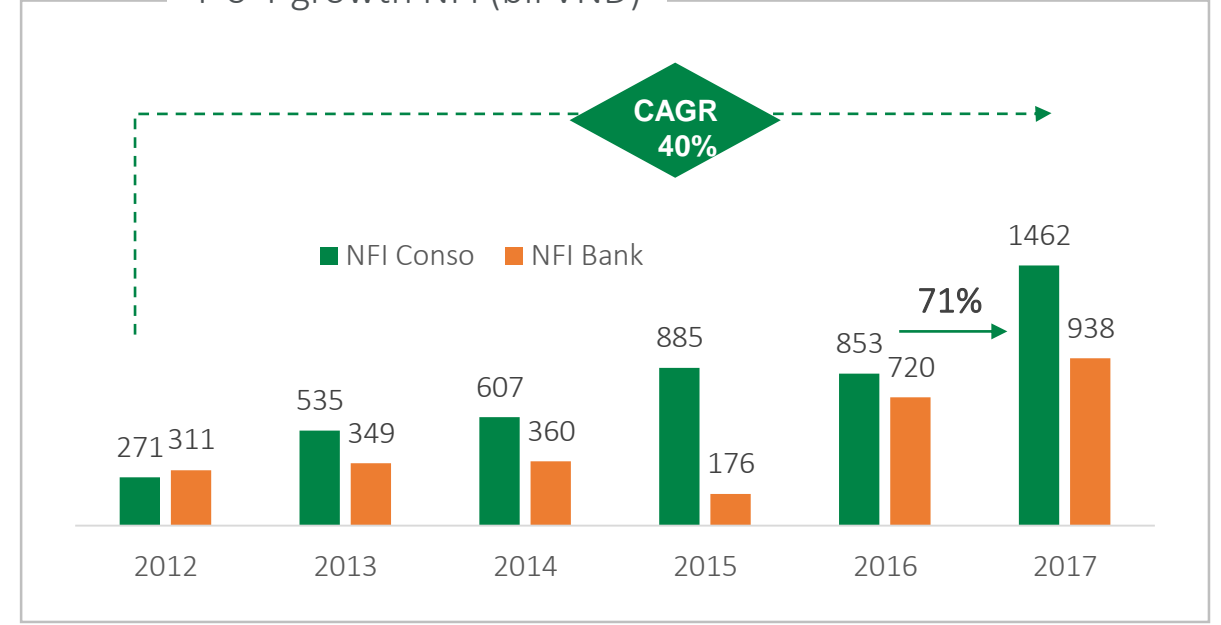




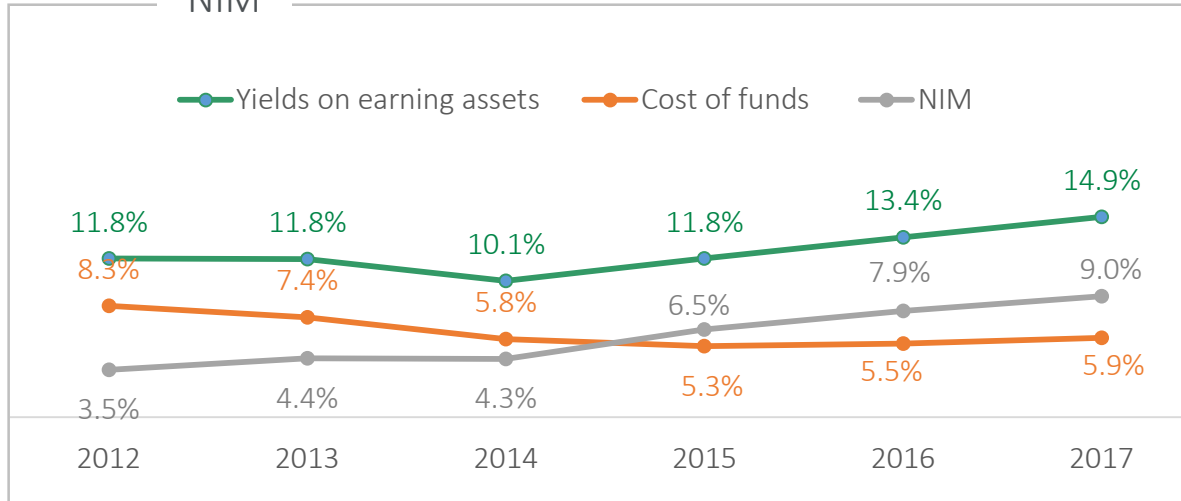
Y-o-Y growth NII (bil VND)



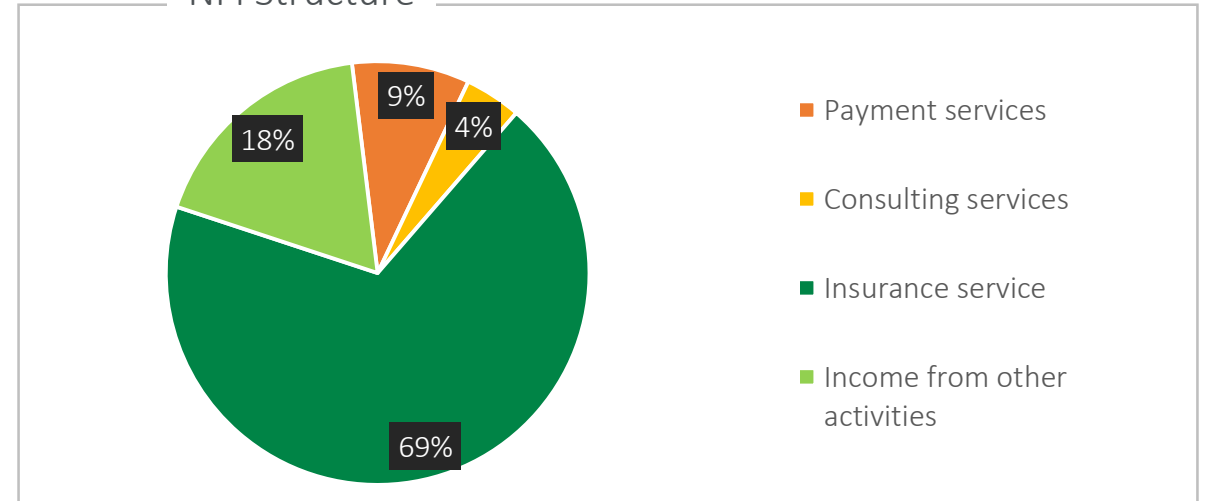
Y-o-Y growth NFI (bil VND)



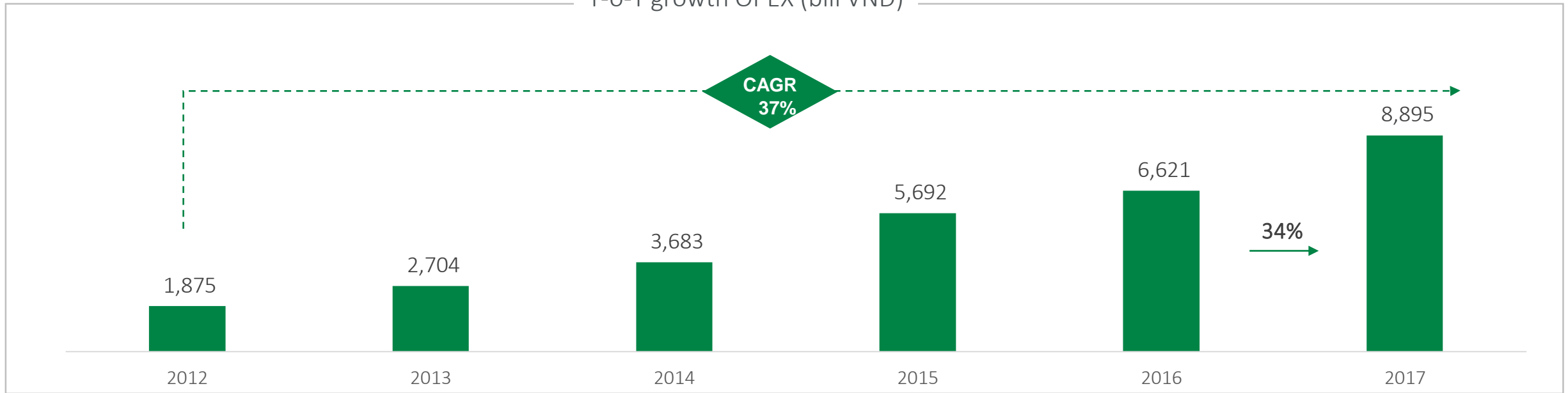
NIM



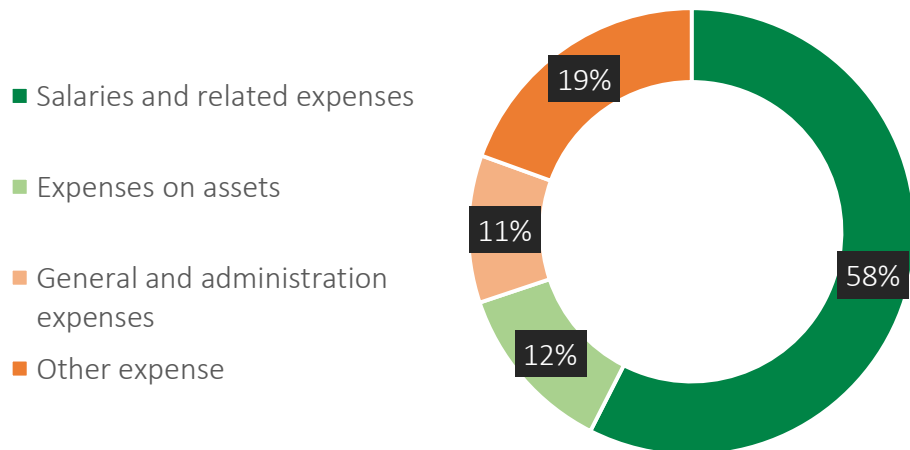
NFI Structure



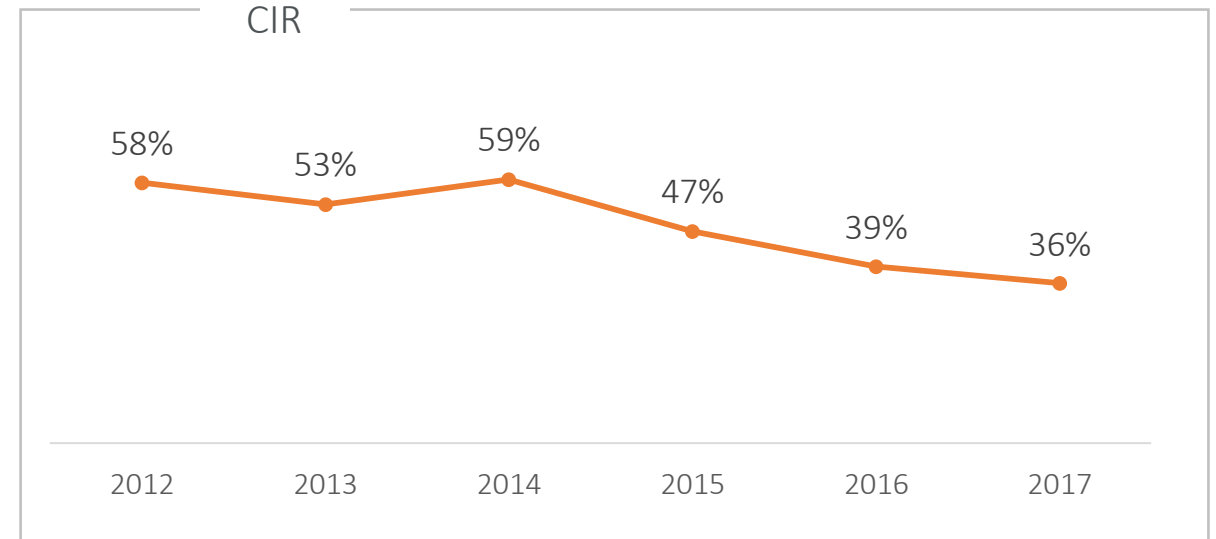
Y-o-Y growth OPEX (bill VND)



OPEX Structure



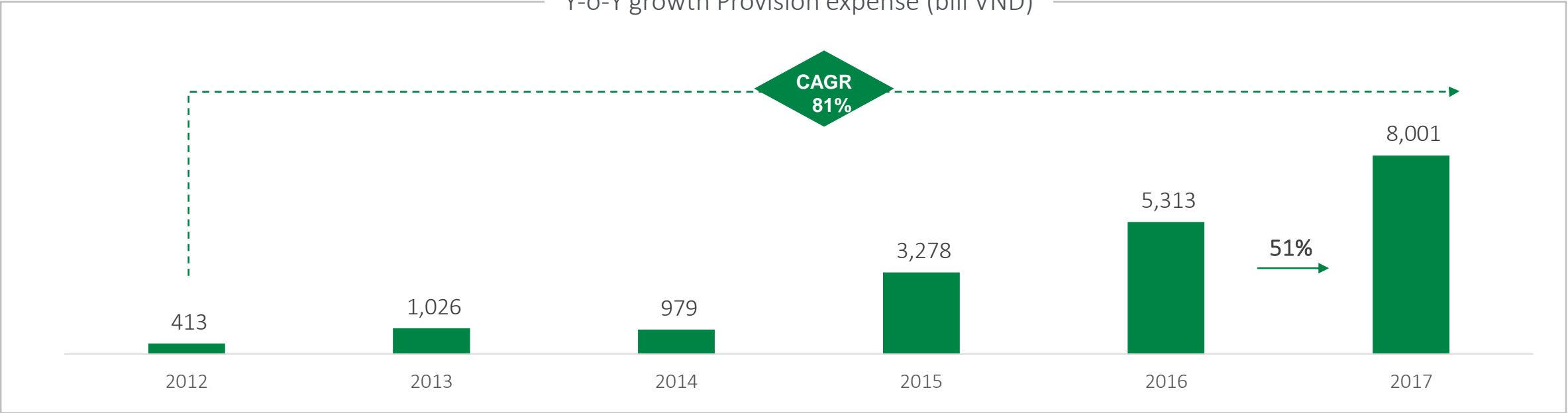
CIR



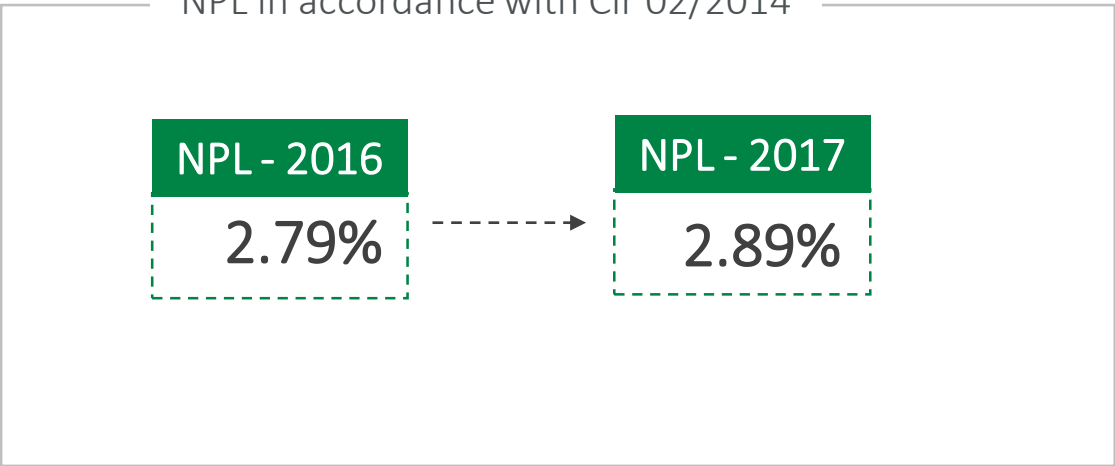
PROVISION EXPENSE



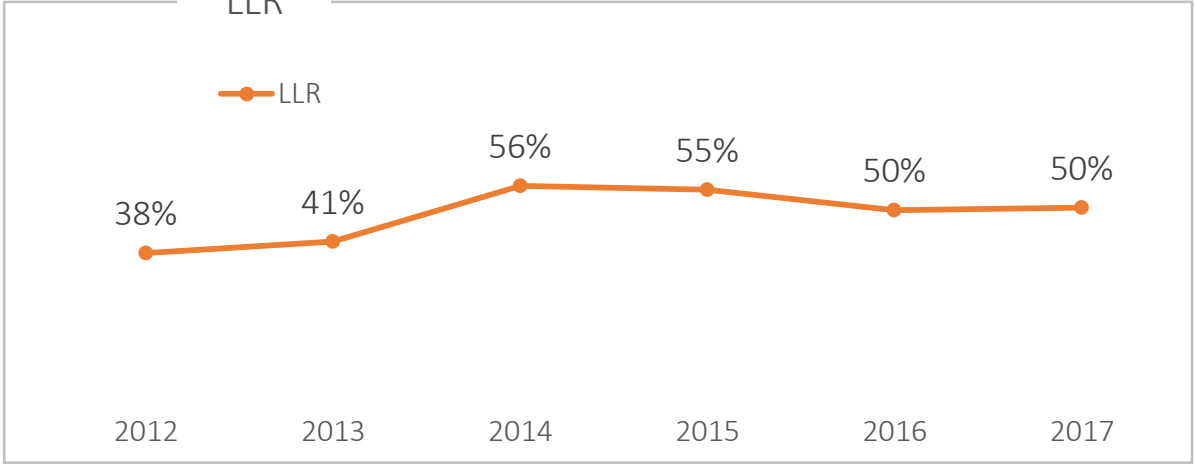
Y-o-Y growth Provision expense (bill VND)



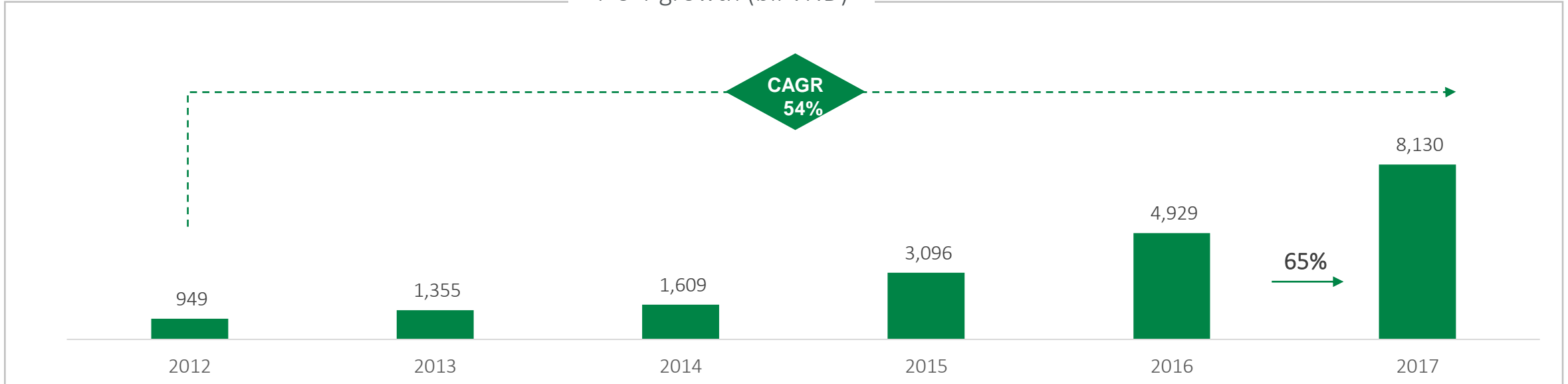
NPL in accordance with Cir 02/2014



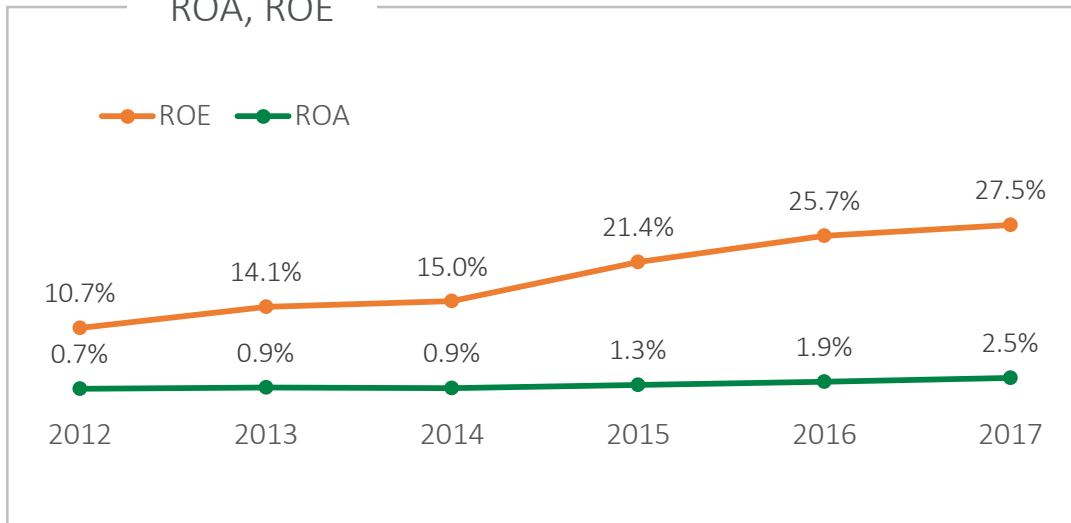
LLR



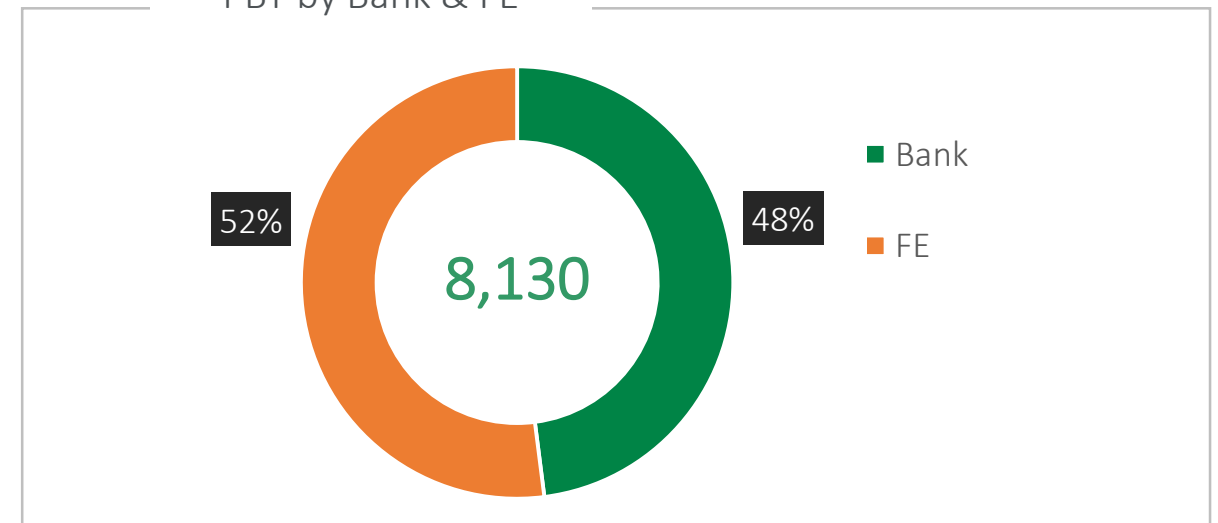
Y-o-Y growth (bil VND)



ROA, ROE

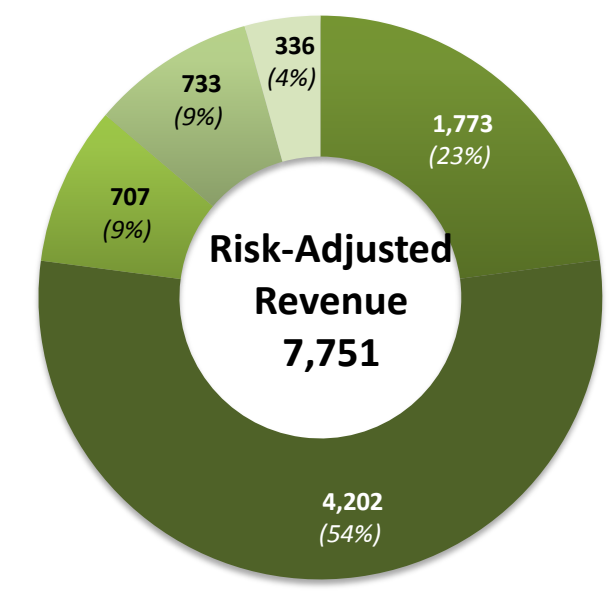
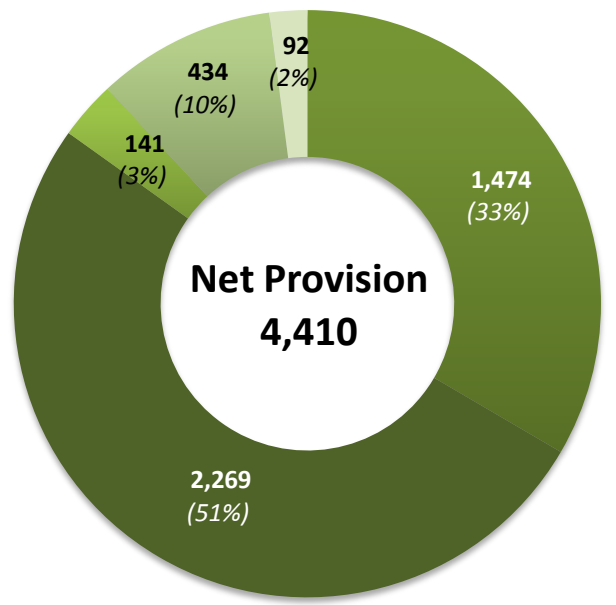
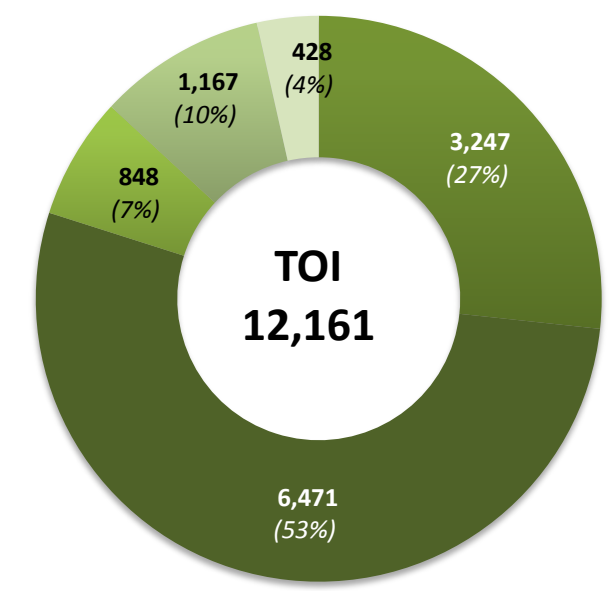
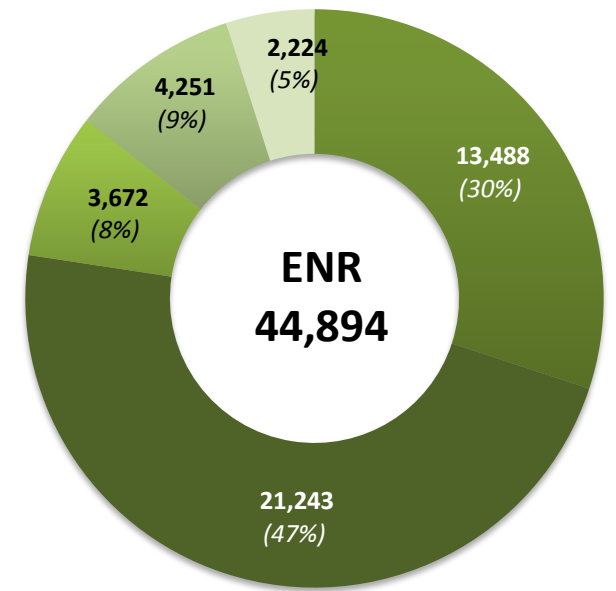


PBT by Bank & FE



Unit: Bio VND

■ NTB ■ XS/TU ■ TW ■ CD ■ CC





STRATEGIC PLANS & TARGETS 2018

VPBANK has achieved its 2012-17 aspirations



TARGETS IN 2012



ACHIEVEMENT IN 2012 - 2017

Become **top 3** Retail JSCB bank



Become **top 5** JSCB banks overall



Became the **most profitable JSCB** with CAGR TOI at 51%

Achieved **IPO valuation** of VND 52 tn in August 2017



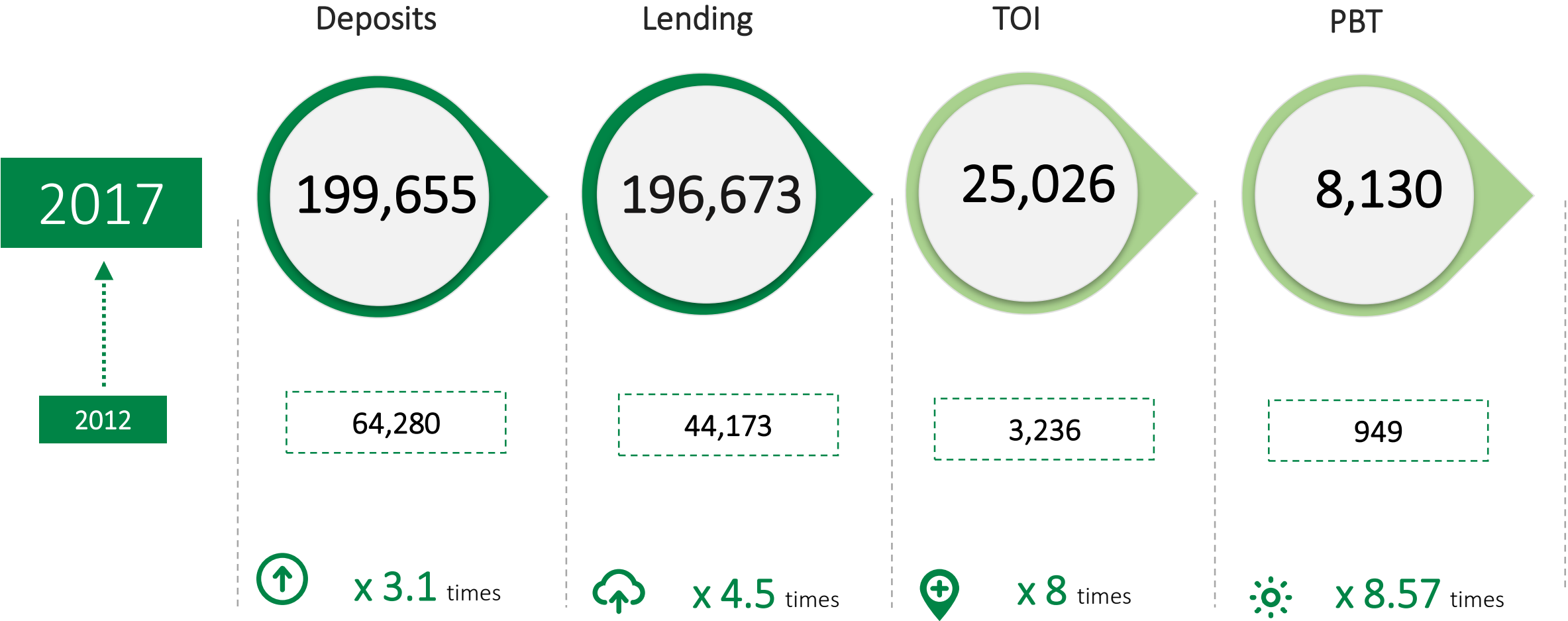
Achieved **top 3 retail bank status** by driving growth in core segments: e.g. retail, consumer finance, SME and successfully entering new segments (e.g. Household)



Built **new capabilities** such as Centralized Credit Processing and streamlined risk management



5 YEARS TRANSFORMATION PERFORMANCE



“

Become one of the top 3 most
VALUABLE banks in Vietnam by 2022

Become the **most consumer friendly**
bank through technology

”



STRATEGIC THEMES TO ACHIEVE 2020 ASPIRATIONS

Deliver a step change in sales and network productivity to drive value from **existing franchise** in retail, SME, household and commercial banking

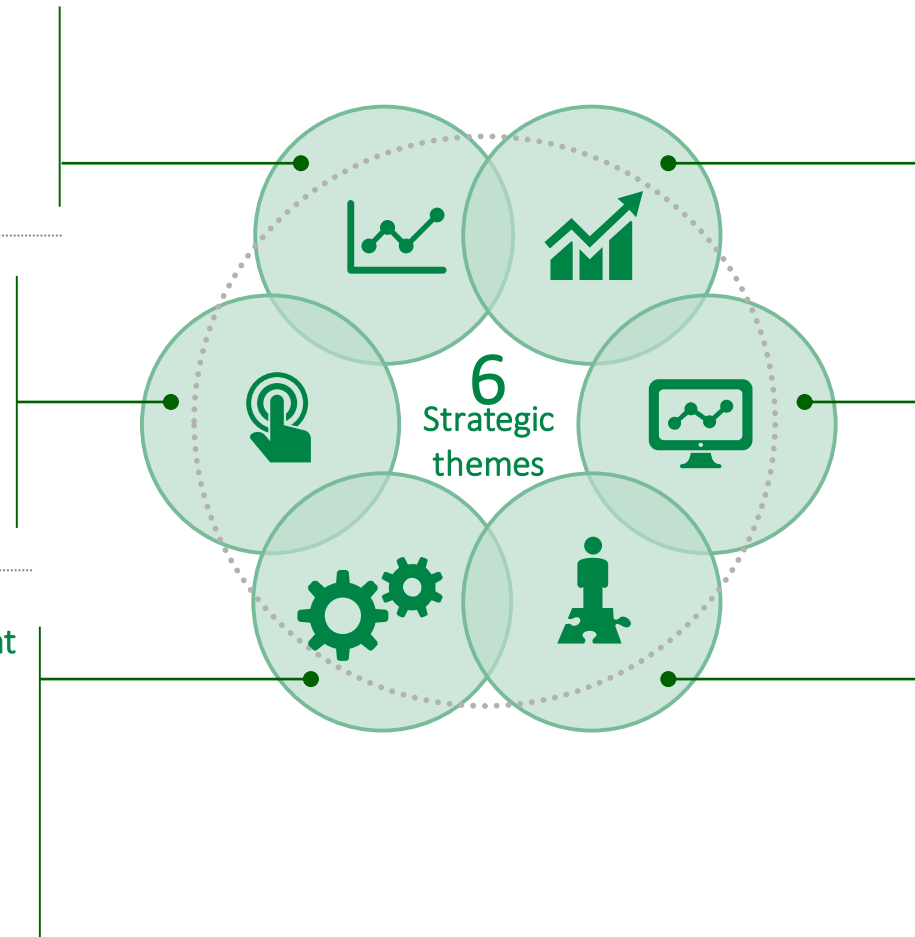
Launch new growth engines (e.g. transactions banking, unbanked, mobility and housing ecosystems) and scale up strategic partnerships (e.g. banca) to fuel future growth for VPBank

Conduct end to end redesign and digitization of the core banking journeys to substantially improve customer experience and lower costs with a lean and efficient process

Build next generation capabilities in data and analytics to unlock the power of data to drive non-linear growth and improve decision making

Achieve excellence in risk management and IT to support the growth of the bank, including through investing in new-age risk management tools, automating credit decisions and decreasing the time to market for development via building capabilities in Agile and DevOps

Strengthen organizational health to build a performance driven organization that attracts the best banking talent in the country and **define a VPBank culture** that promotes cross-functional collaboration
Be home to the best banking talent in the country

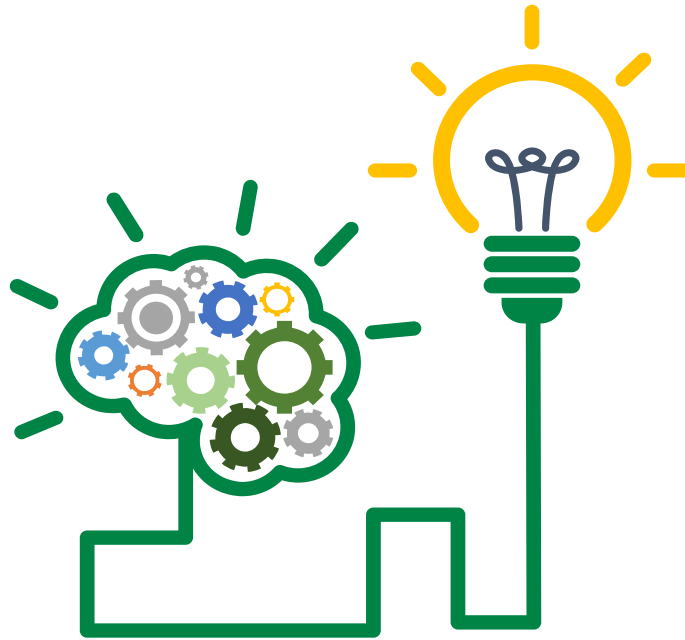


KEY INITIATIVES IN 2018

Affluent Banking



Enhancing credit cards



Digital banking

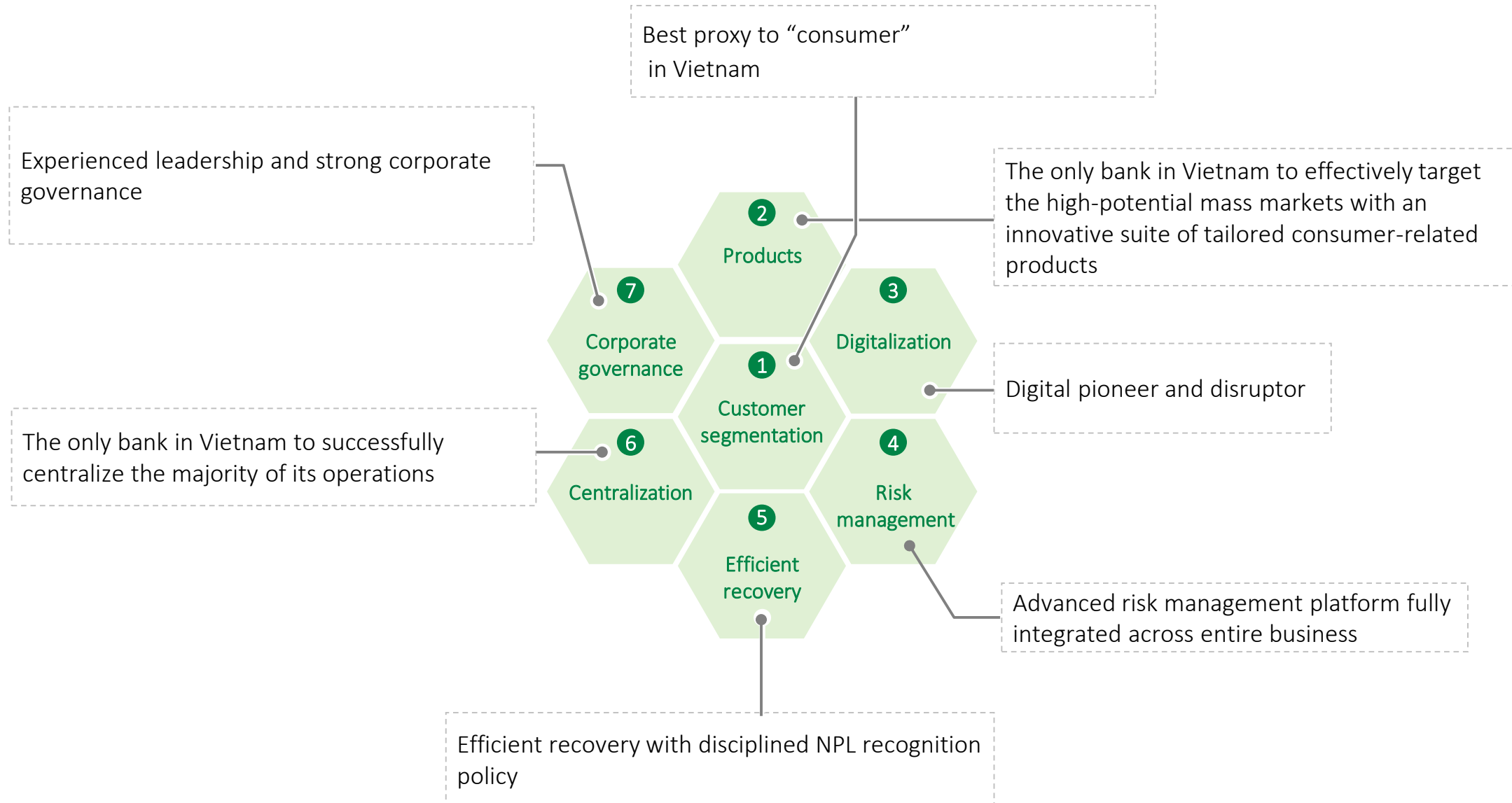


Focusing on CommCredit



Micro SME & Micro Banking

INVESTMENT HIGHLIGHTS RECAP



UỶ TÍN QUỐC TẾ

VỚI THẾ HÀNG ĐẦU VIỆT NAM

Sản phẩm vay
tín chấp tốt
nhất khu vực
Châu Á
The Asian Banker

Ngân hàng cung
cấp sản phẩm vay
tín chấp ưu việt
nhất Việt Nam
The Asian Banker

Giải pháp
Ngân hàng số
tốt nhất
Việt Nam
The Asian Banker

Ngân hàng tốt
nhất Việt Nam
dành cho các DN
nhỏ và vừa 2017
Asia Money

Ngân hàng dành
cho DN vừa và
nhỏ tốt nhất
Việt Nam 2017
ABF

Ngân hàng
TMCP tốt nhất
Việt Nam
2017
International Banker (UK)

Ngân hàng có Dịch
vụ Quản lý dòng
tiền tốt nhất cho
DN vừa và nhỏ 2017
ABF

Sản phẩm tín dụng
tốt nhất của năm
(Sản phẩm Thuế+
của CommCredit)
ABF

VPBank đứng
thứ 2 trong số
NH TMCP về giá
trị thương hiệu
Forbes

Giải pháp tốt
nhất cho phân
khúc thẻ
2017
Mastercard

Nơi làm việc
hạnh phúc nhất
Anphabe & Nielsen

Top 3 Doanh nghiệp
Thương mại dịch vụ
tiêu biểu Việt Nam
2016 (CommCredit)
Bà Công Thương

Thương hiệu
Ngân hàng tốt
nhất Việt Nam
2017
GBM

Top 100 Thương
hiệu tuyển dụng
hàng đầu
Châu Á
EBI

Top 500 doanh
nghiệp lợi nhuận
tốt nhất Việt Nam
Vietnam Report

Top 50 doanh nghiệp
xuất sắc nhất
Việt Nam
Vietnam Report

Top 10 doanh
nghiệp tư nhân
lớn nhất Việt Nam
Vietnam Report

Commcredit-
Thương hiệu mạnh
Việt Nam
Thời báo kinh tế VN và
Hội KH Kinh tế VN

Top 3 Ngân hàng TMCP
và đứng thứ 8 trong Top
10 Ngân hàng TM Việt
Nam uy tín năm 2017
Vietnam Report

Xếp hạng thứ 22
DN có giá trị
thương hiệu cao
nhất Việt Nam
Brand Finance

Disclaimer



The material in this presentation is general background information about VPBank's activities current at the date of the presentation. It is information given in summary form and does not purport to be complete. It is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor. These should be considered, with or without professional advice when deciding if an investment is appropriate.

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