

VIETNAM PROSPERITY BANK

---

---

# Q1 - 2018 Results

April, Hanoi



Innovation  
Branding  
Solution  
Marketing  
Analysis  
Ideas  
Success  
Management



# CONTENT

---

- | OVERVIEW OF VPBANK
- | Q1-2018 BUSINESS UPDATE
- | Q1-2018 FINANCIAL PERFORMANCE
- | STRATEGIC PLANS & TARGETS 2018



# OVERVIEW OF VPBANK

# VPBANK AT A GLANCE

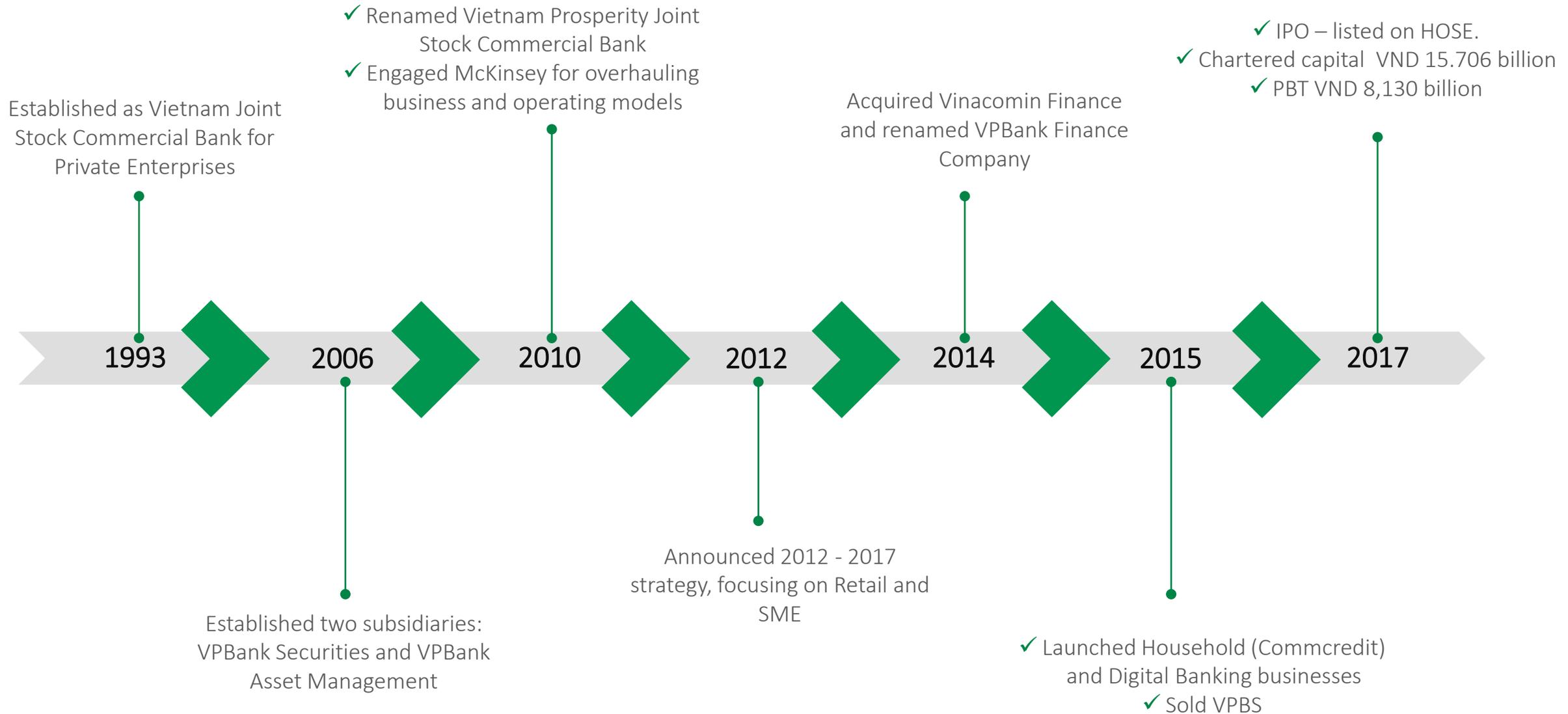
As at 31.03.2018

- ✓ VND **284 trillion** total assets
- ✓ Around **5.2 million** active customers
- ✓ VND **7,660 billion** TOI and **2,619 billion** PBT
- ✓ Approximately VND **95 trillion** market capital

- ✓ **2** subsidiaries, **9** business segments
- ✓ Full coverage of all banking segments
- ✓ Highly centralized and specialized organization model
- ✓ Strong risk management system with three-lines-of defense
- ✓ Pioneering in digitalization and data management



# DEVELOPMENT HISTORY



# BUSINESS SEGMENTS



## VPBANK

### 4 Pillar strategic segments

#### 1 Consumer Finance (FE Credit)

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

#### 2 Retail Banking

- ✓ 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

#### 3 Household Banking (Comm credit)

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

#### 4 SME Banking

- ✓ 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 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

#### 8 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

#### 9 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



Q1-2018

**BUSINESS UPDATE**

---

---

# NETWORK DISTRIBUTION



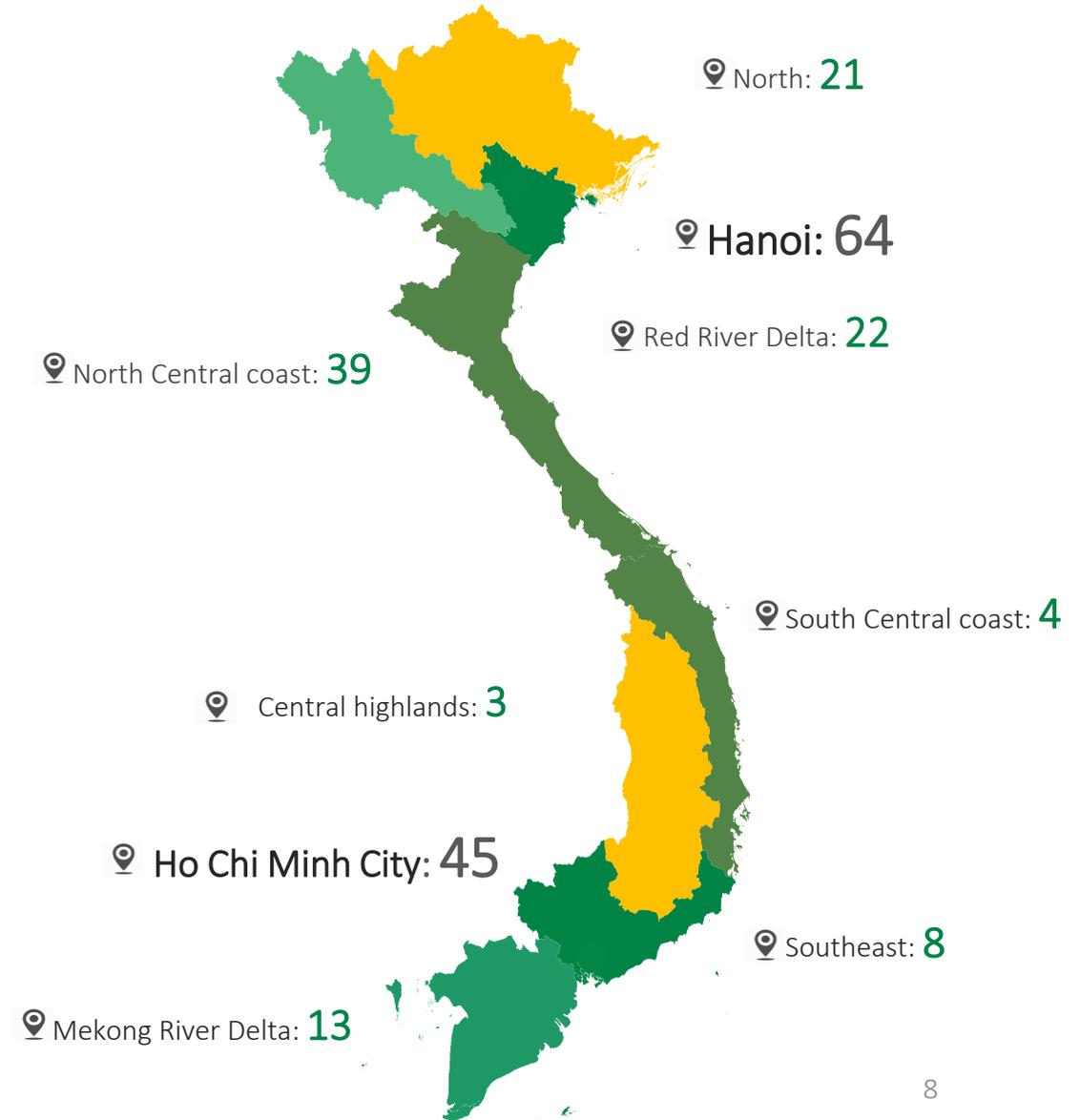
## Physical distribution channels

- Around **24,000** employees
- **219** branches and **84** SME centers & hubs, approved by SBV to open 13 branches in 2018
- Nearly **600** branded ATMs/CDMs, including 4 CDM TIMO

Channels	Transaction points at 31.12.2017	Transaction points at 31.03.2018	Number of Sales Staff + sales agents
Retail branches	217	219	4,085
SME centers and hubs	77	84	660
Household centers (Commcredit)	236	236	1,448
Corporate banking branches	4	4	140
Consumer finance (FE Credit)	>11,000	>11,000	> 10,000
ATM/CDM	474/105	492/105	

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

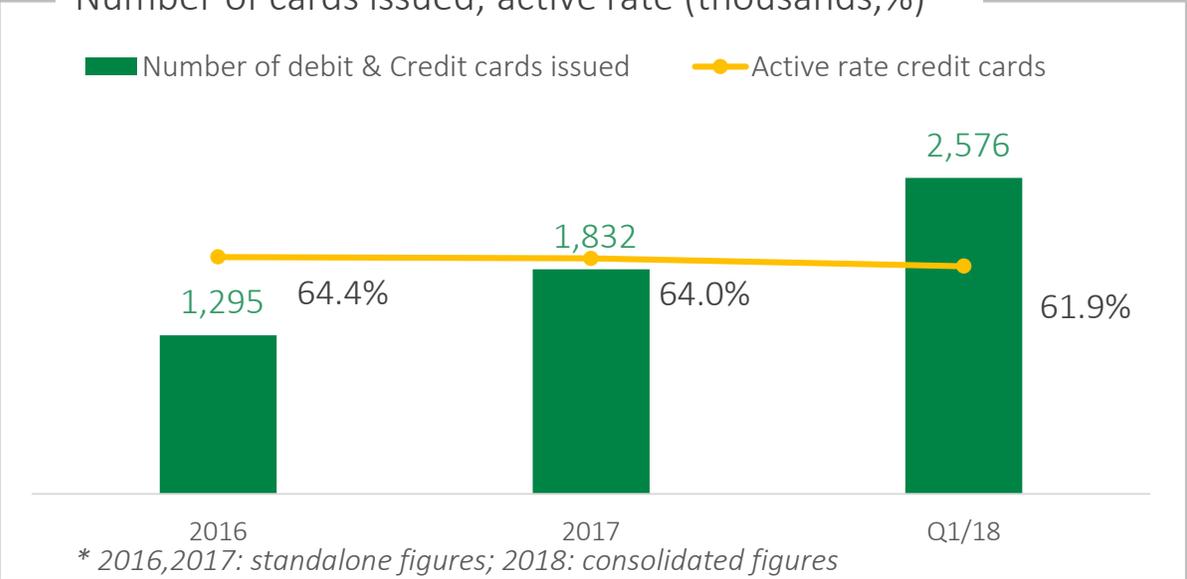
## Distribution network - bank branches



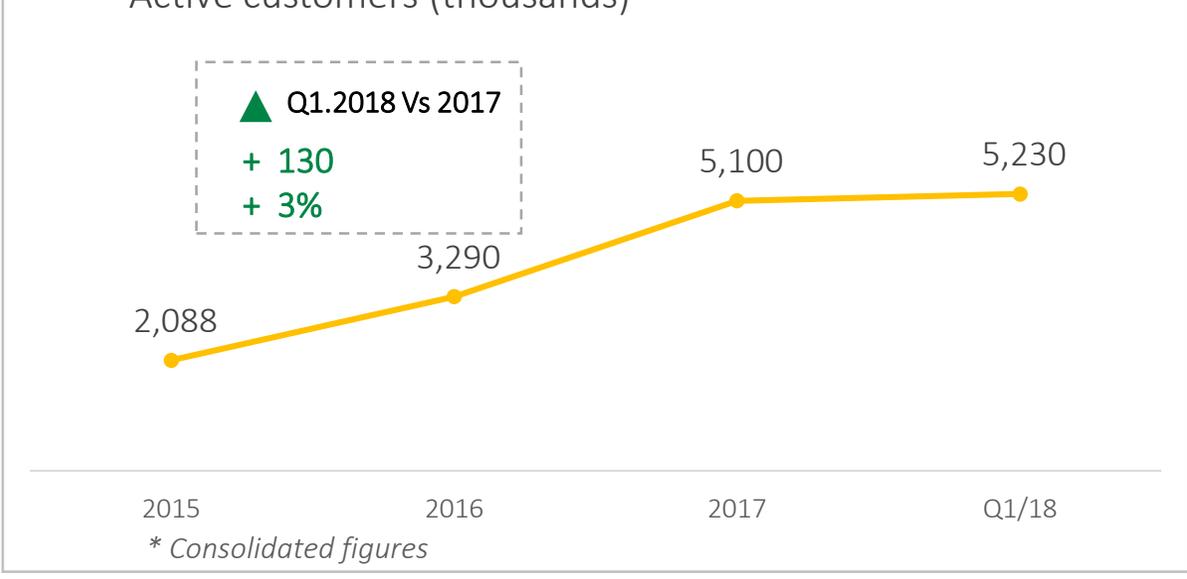
# CUSTOMER BASE GROWTH



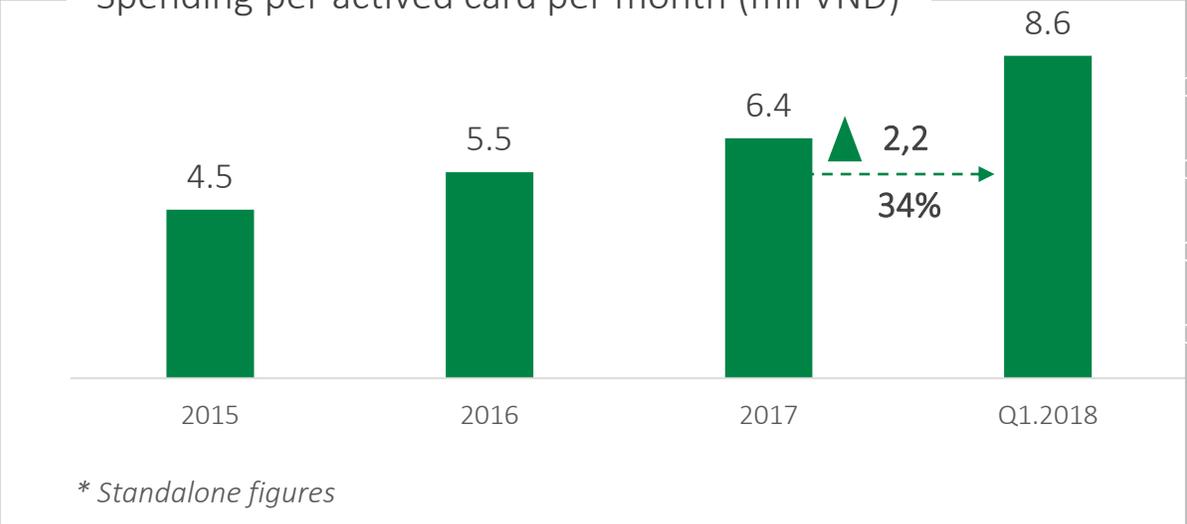
Number of cards issued, active rate (thousands,%)



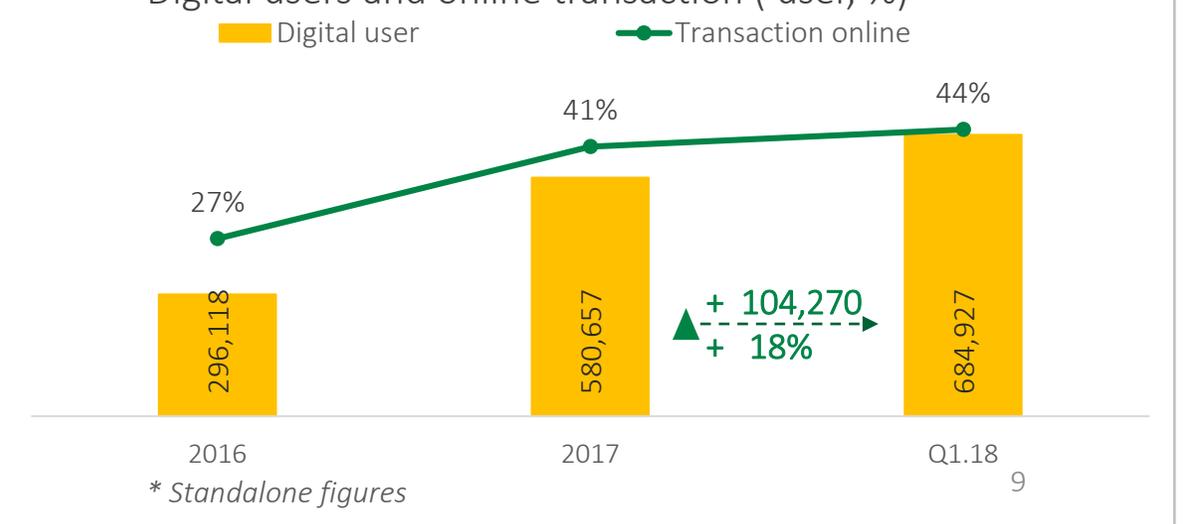
Active customers (thousands)



Spending per activated card per month (mil VND)



Digital users and online transaction ( user, %)





# INITIATIVES LAUNCH

---

- ▶ DIAMOND ELITE
- ▶ DREAM PROJECT
- ▶ CREDIT CARD ONBOARDING PROJECT
- ▶ UPL ONBOARDING PROJECT
- ▶ SME CONNECT PROJECT

# INITIATIVES LAUNCH - Diamond ELITE



## NEW BRANDING



## CLIENT VALUE PROPOSITION

### BEYOND BANKING

Your trusted partner delivering comprehensive financial solutions to respond to your changing wealth and business needs

#### Relationship Management

Trusted partner for wealth & business solutions

Wealth Management Solutions

Business Solutions

Insights & Advice

Expertise

#### Team-Based Delivery

There for you when and where you need them most

Team-based approach for advisory & service

Personalized Service

Omni-channel

Responsiveness

#### Exclusive Benefits

Bespoke privileges, pricing & access

Premium Pricing

Lifestyle Benefits

Loyalty Rewards

Recognition



VPBANK DIAMOND ELITE LOUNGE at NOI BAI INTERNATIONAL AIRPORT (HANOI)



AFFLUENT BANKING LOUNGE AT VPBANK TOWER HANOI

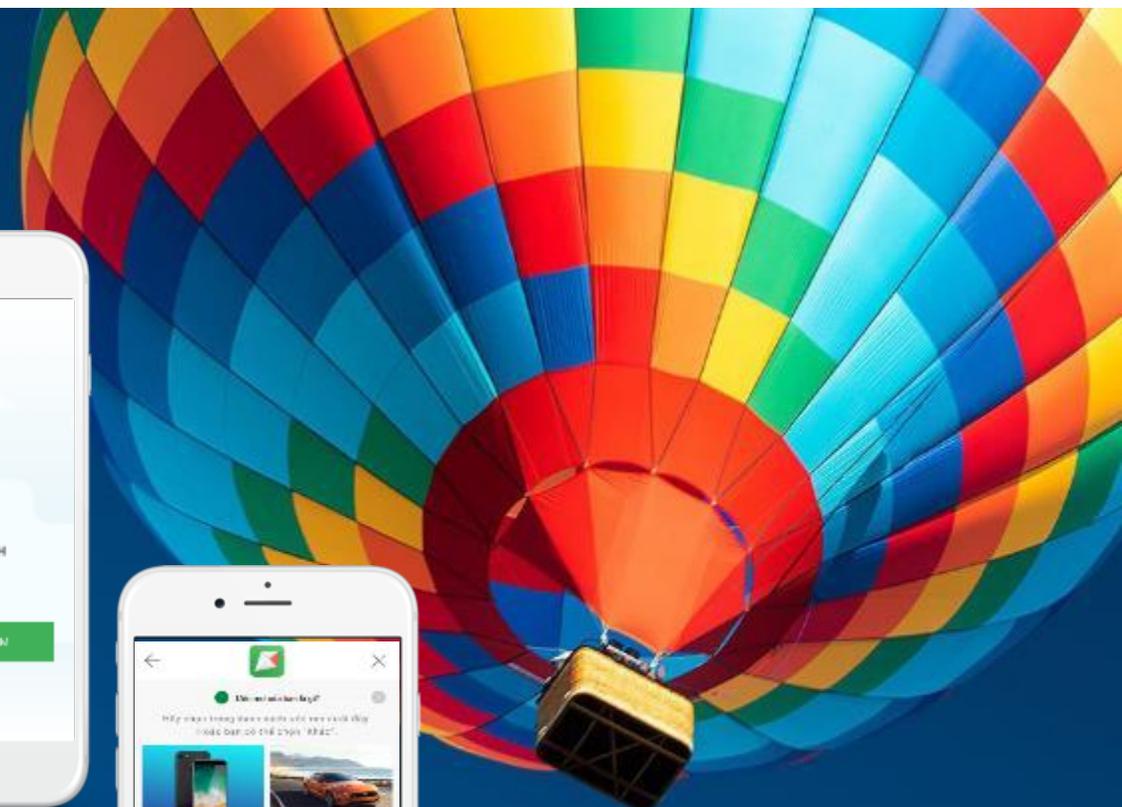
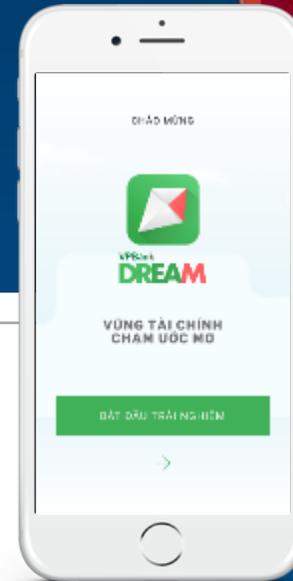
# INITIATIVES LAUNCH – Dream Project



DREAM desktop & mobile web application has been public launched by end of Mar 2018. Mobile app launched by end of May 2018.

After 04 weeks launched, page has acquired nearly

- ▶ 13,000 users
- ▶ 2,000 current accounts.



# INITIATIVES LAUNCH – Credit Card Onboarding Project



VPBank targets to reach leading position at Credit Cards market in order to achieve this target, transformation of Credit Cards Value Proposition was started with big focus on digitization.

“Credit Card Digital Journey” project included transformation and digitization of the whole Customer Journey – including customer facing elements (advertising, onboarding, KYC) and internal processes (Underwriting, sales and CRM processes, disbursement).

## Key figures

Number of visits	1,583,604
Leads collected	188,232
Total Submitted Apps	61,153
Cards issued	10,929



\* Accumulated data as at 18.4.2018



# INITIATIVES LAUNCH – SME Connect Project



As part of digital transformation to improve SME customers experience. It was agreed to build web portal – SME CONNECT as the platform for all SME digital initiatives. First version of the portal was launched in Q4 2017. For the Q1, page has acquired 2940 users who are interested in bank loans and information.

VPBank SME

Trang chủ Sự kiện Thông tin Liên hệ Nhận tư vấn

## Tiếp sức Doanh nghiệp nhỏ lớn mạnh

Doanh nghiệp mới thành lập Đăng ký

Doanh nghiệp cần mở rộng Đăng ký

Doanh nghiệp mới mở rộng Đăng ký

Nhận tư vấn miễn phí

### Lợi ích khi tham gia SME CONNECT

**Sự kiện**

- Tham gia đào tạo công chuyên gia nhà lãnh đạo
- Tham gia hội thảo và mở rộng kinh doanh với các doanh nghiệp cùng ngành

Xem thêm

**Giải pháp tài chính**

- Cung cấp giải pháp tài chính hàng đầu cho các doanh nghiệp vừa và nhỏ
- Vì sao lại đòi nhận hỗ trợ doanh nghiệp phát triển kinh doanh

Xem thêm

**Kênh bán hàng online**

Xem thêm

**Tin tức & công cụ doanh nghiệp**

- Cập nhật tin tức thị trường & các bài phân tích chuyên sâu
- E-learning, tài công cụ dành cho nhà quản lý tài vụ

Xem thêm

ĐĂNG KÝ NGAY

VPBank SME

Trang chủ Sự kiện Thông tin Liên hệ Nhận tư vấn

## Trở thành Doanh nghiệp lớn Tại sao không?

### Cấp vốn cho doanh nghiệp mới hoạt động

Doanh thu trung bình năm Tỷ năm

Nhận vốn 0.05 tỷ

Kỳ hạn vay 6 tháng

Số tiền trả định kỳ hàng tháng 8,27 triệu

(Số tiền vay tối thiểu có thể thay đổi tùy vào tình hình thực tế của doanh nghiệp)

Doanh thu tối thiểu linh hoạt

Thủ tục đơn giản

Tư vấn tài chính từ chuyên gia

Không yêu cầu thế chấp tài sản

ĐĂNG KÝ NGAY



# Q1-2018 FINANCIAL PERFORMANCE

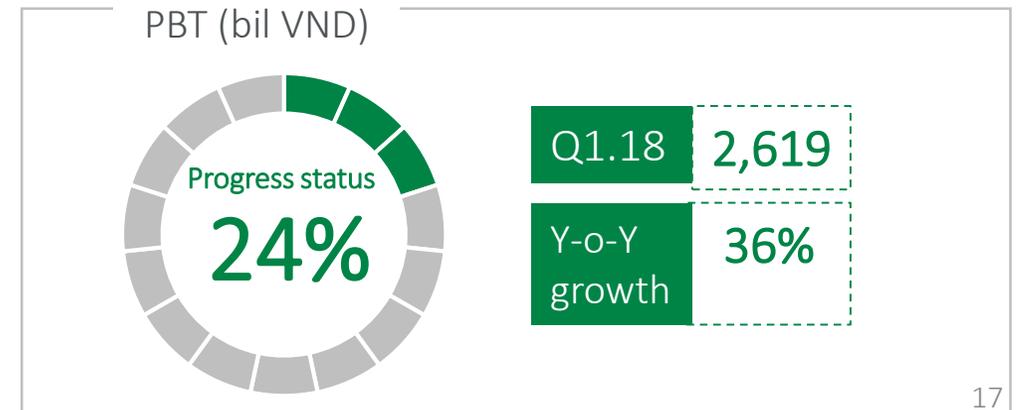
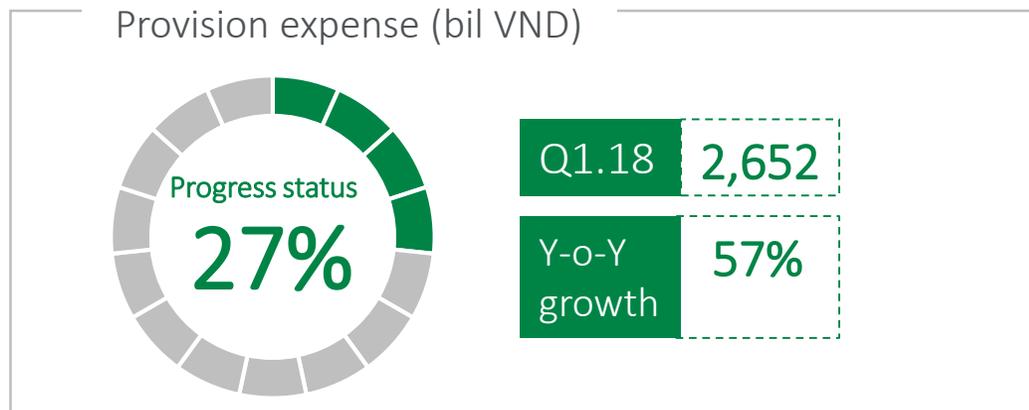
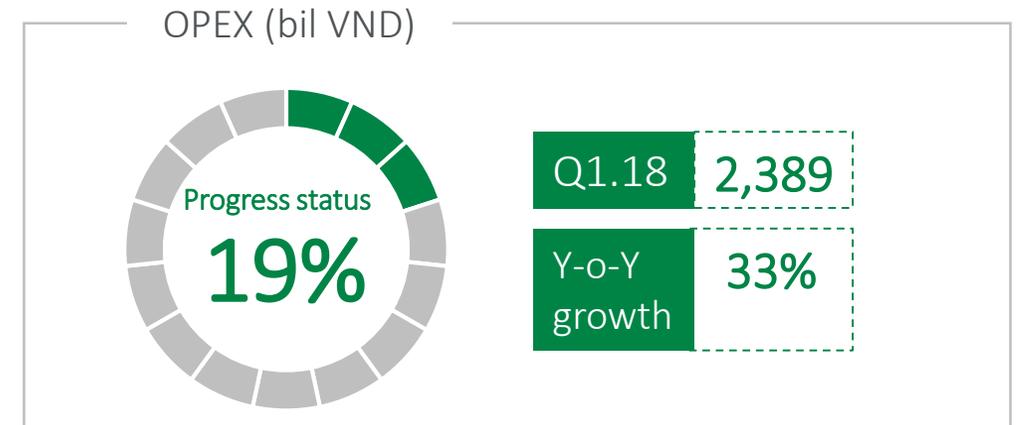
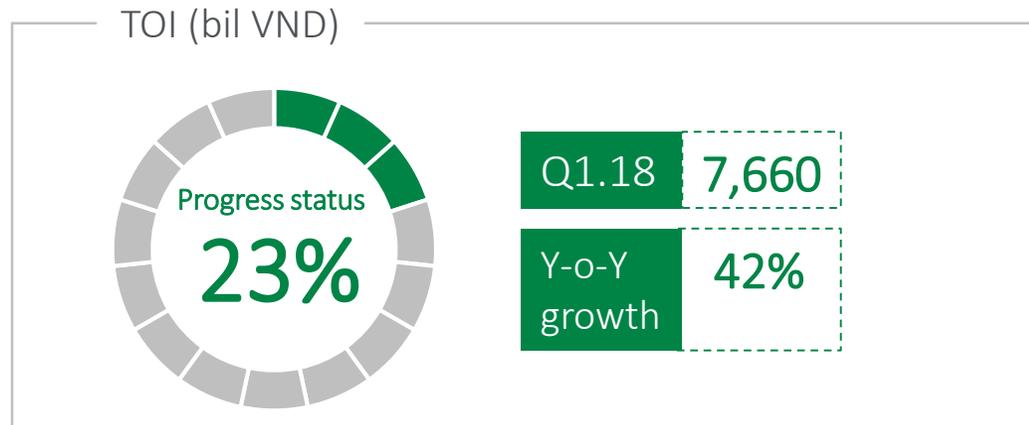
*Unit: bil VND*

*Source: Unaudited FS at 31.3.2018*

# Q1.2018 - PERFORMANCE INDICATOR HIGHLIGHTS



<u>Balance Sheet</u>	Q1 - 2017	Q4 - 2017	Q1 - 2018	Vs. Q1 - 2017	Vs. Q4 - 2017	Target	Vs. Target
Credit to customers	165,821	196,673	202,205	22%	3%	243,320	11.9%
Total assets	229,847	277,752	284,388	24%	2%	359,477	8.1%
Deposits from customers ( including valuable papers)	186,405	199,655	209,927	13%	5%	241,675	24.4%
CAR Cir 36	11.3%	14.6%	15.2%	35%	4%		
CAR Basell II	10.2%	12.6%	13.2%	30%	5%		

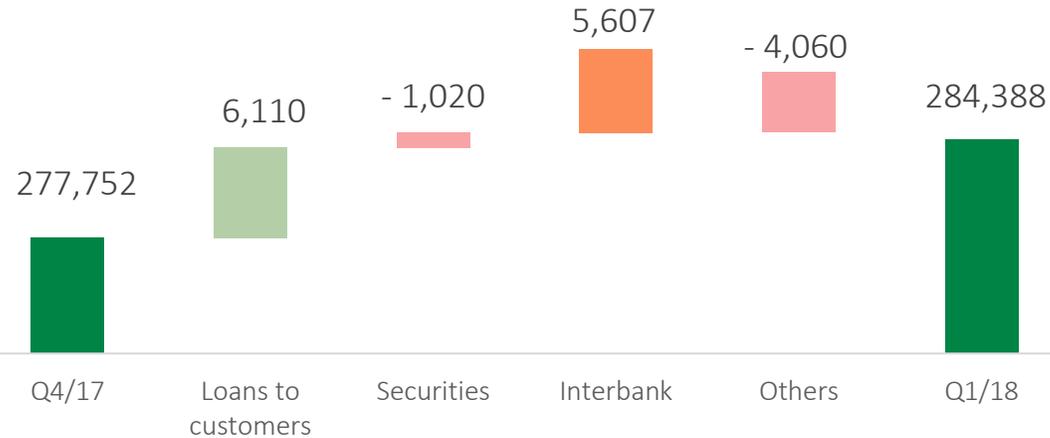


# SOLID ASSET GROWTH DYNAMIC

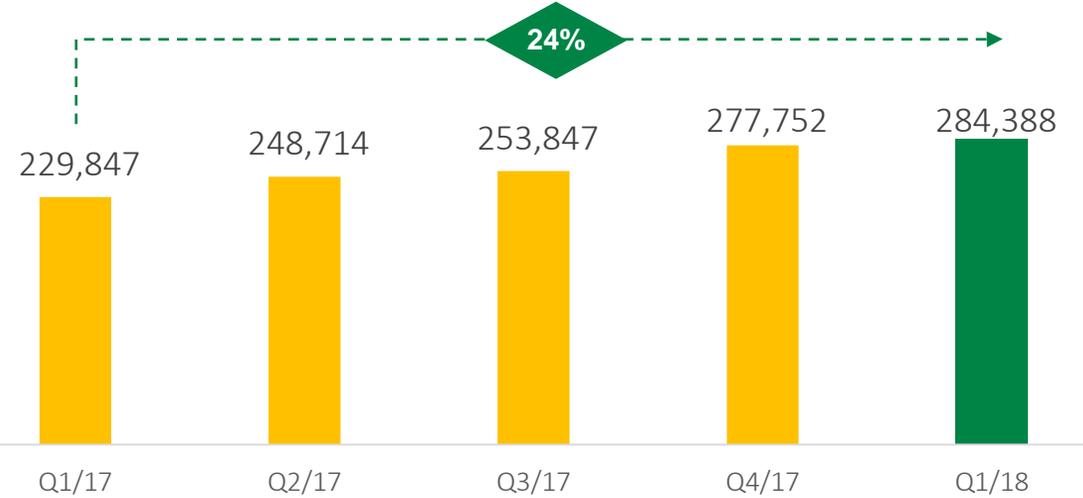


Summary (bil VND)

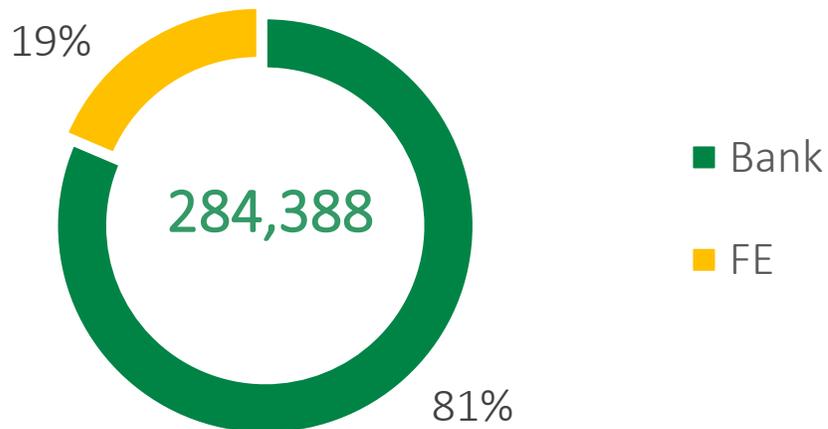
\* Outstanding is calculated as net after provision



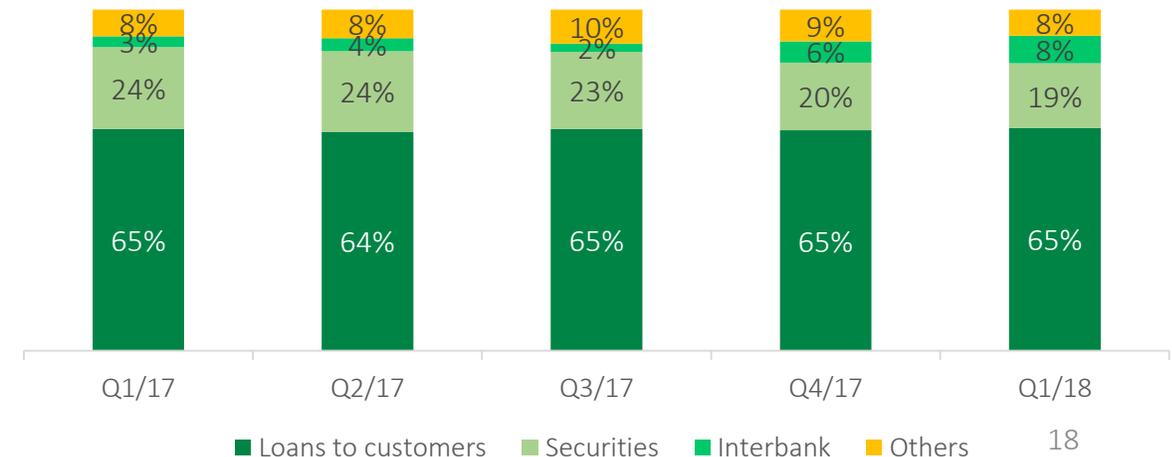
Asset growth (bil VND)



Asset proportion (bil VND)



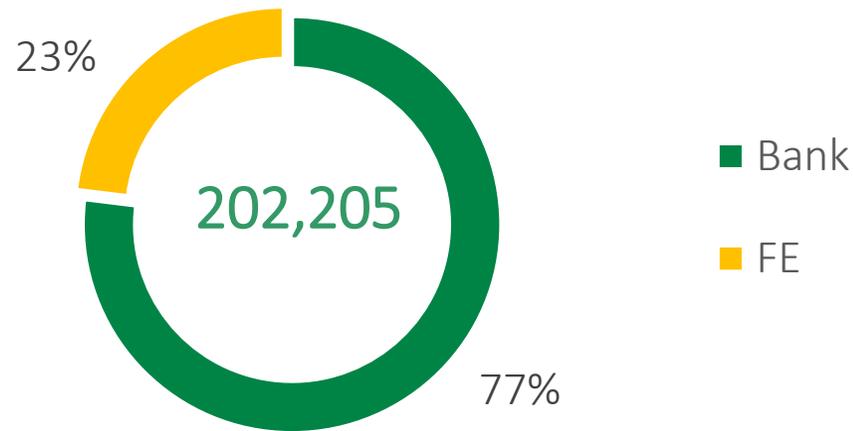
Asset mix (%)



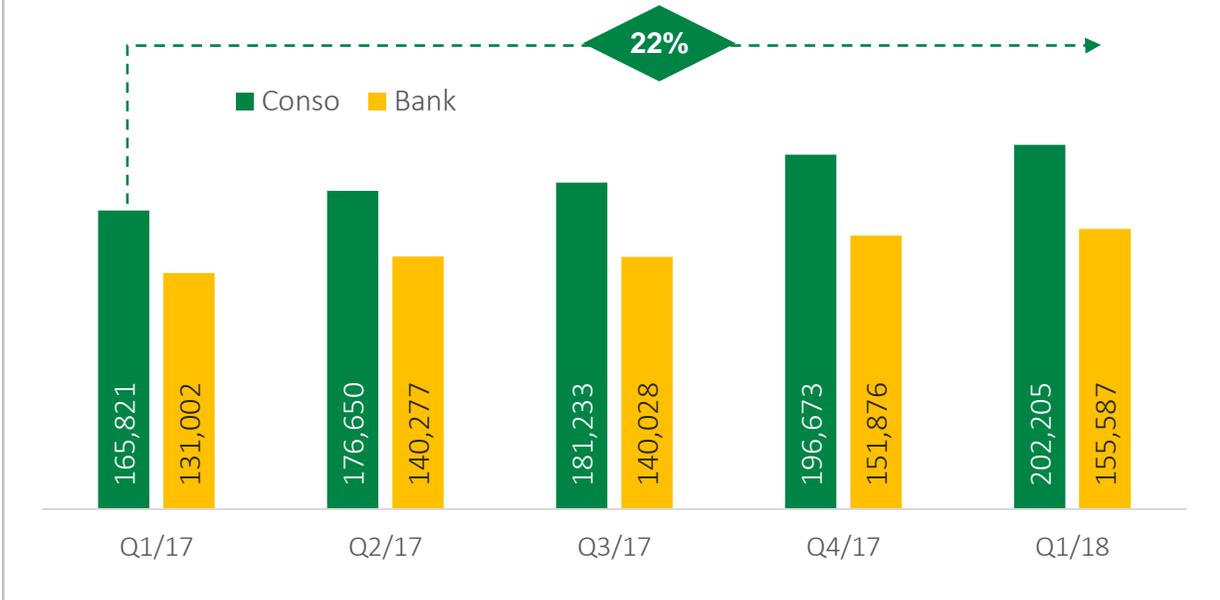
# LOAN PORTFOLIO BREAKDOWN (\*)



Summary (bil VND)



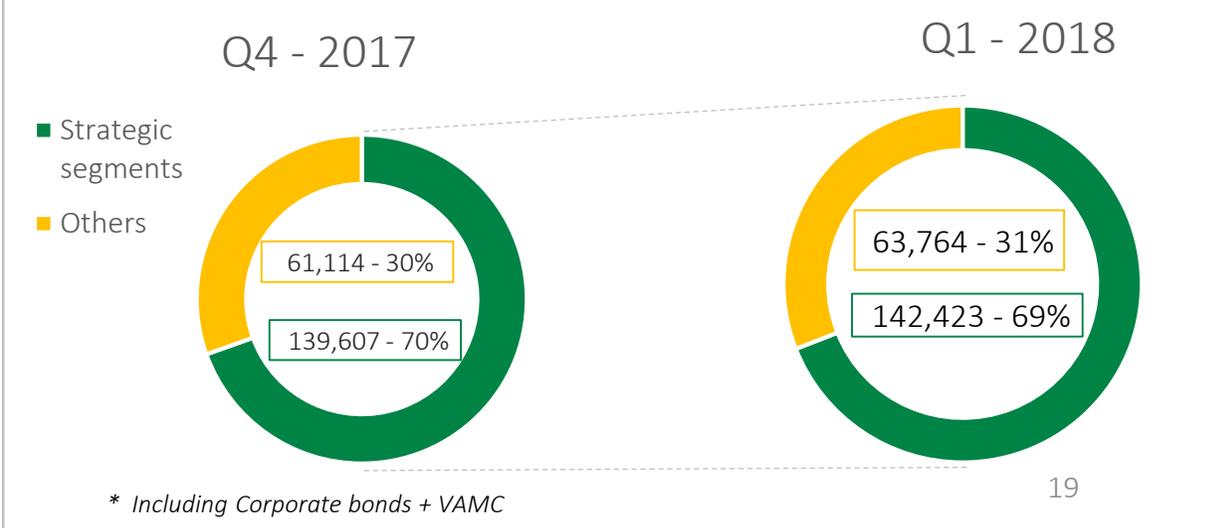
Credit growth (bil VND)



By type (bil VND)



By segments \* (bil VND)

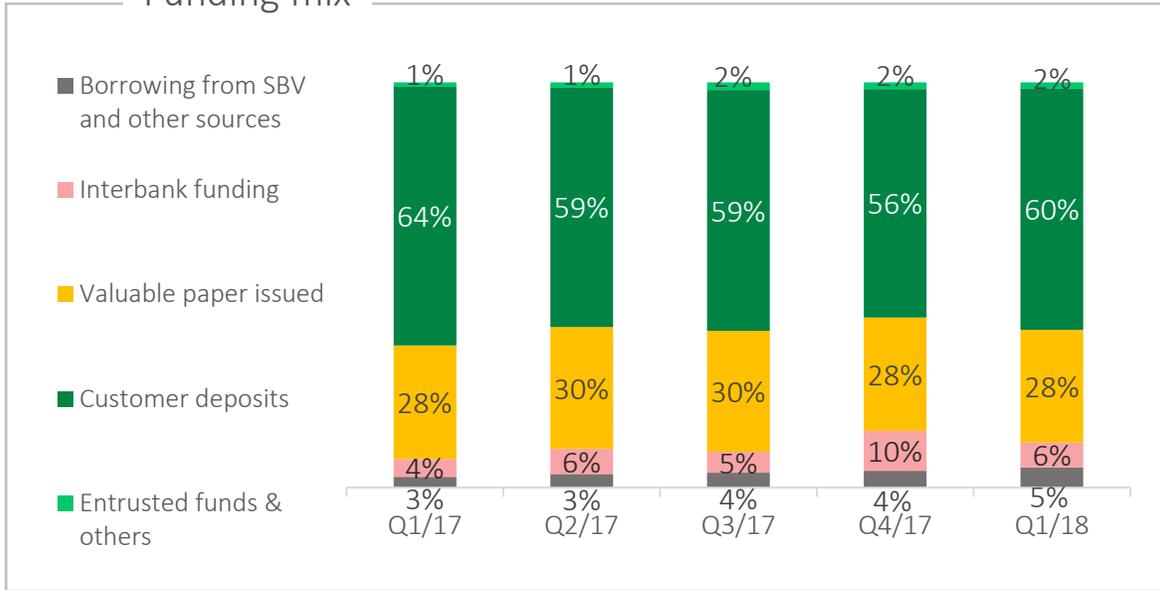


\* Including Corporate bonds

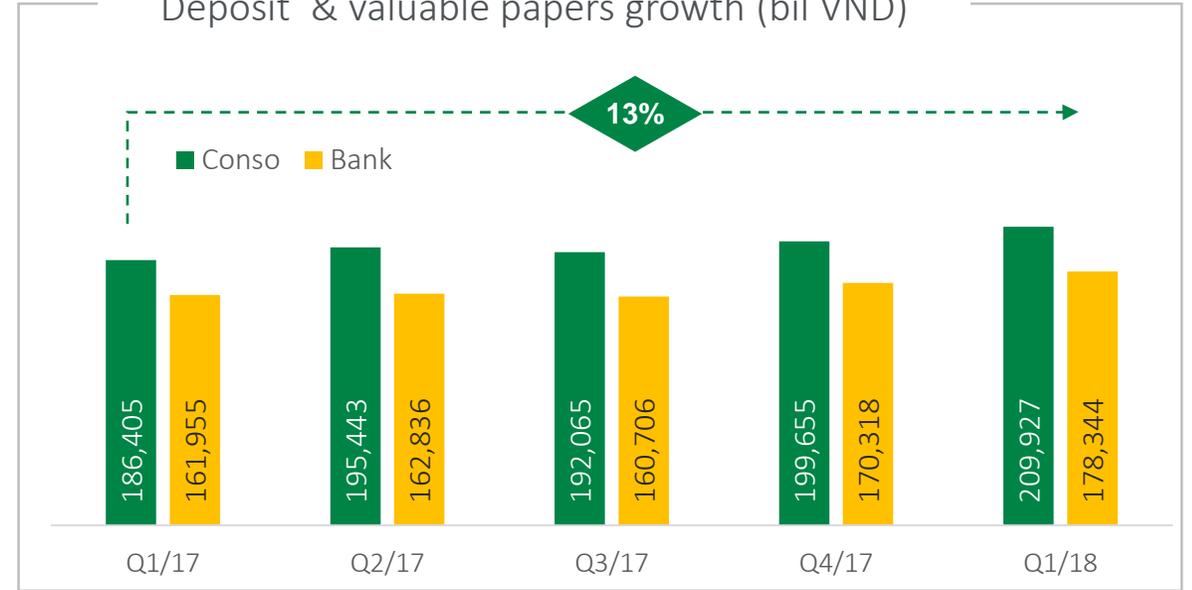
# FUNDING MIX



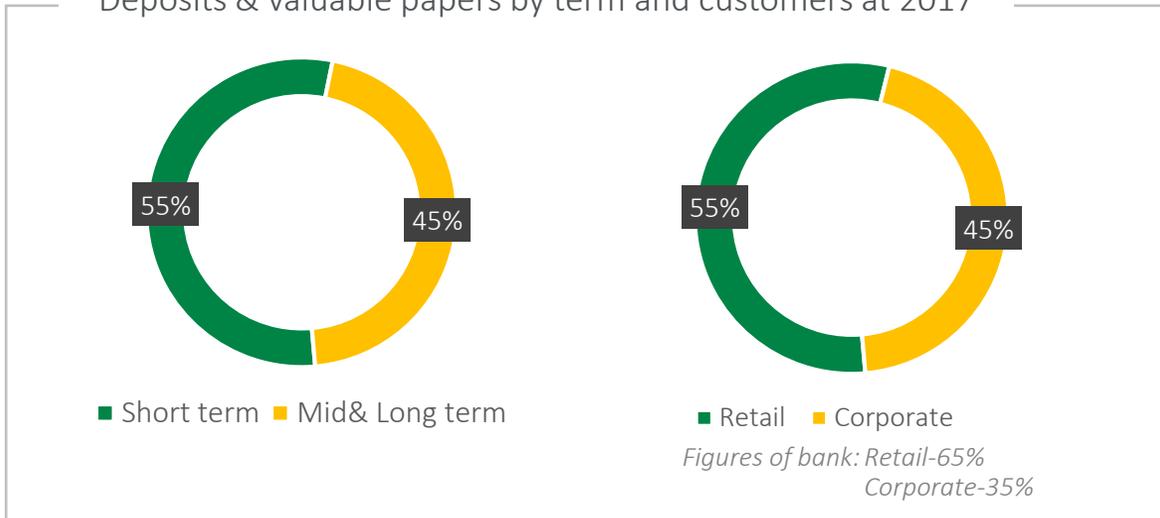
Funding mix



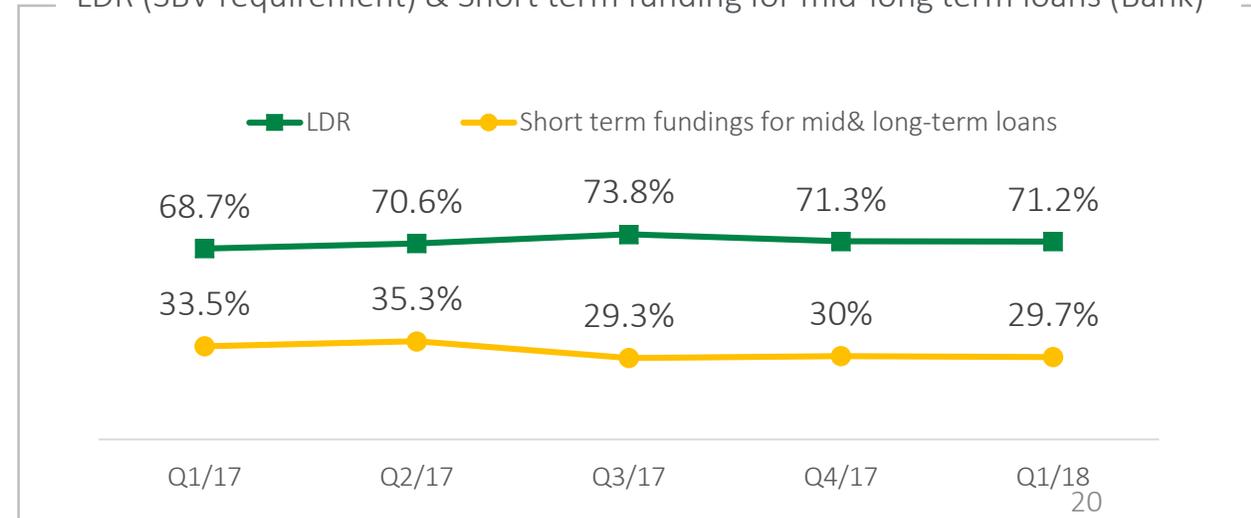
Deposit & valuable papers growth (bil VND)



Deposits & valuable papers by term and customers at 2017



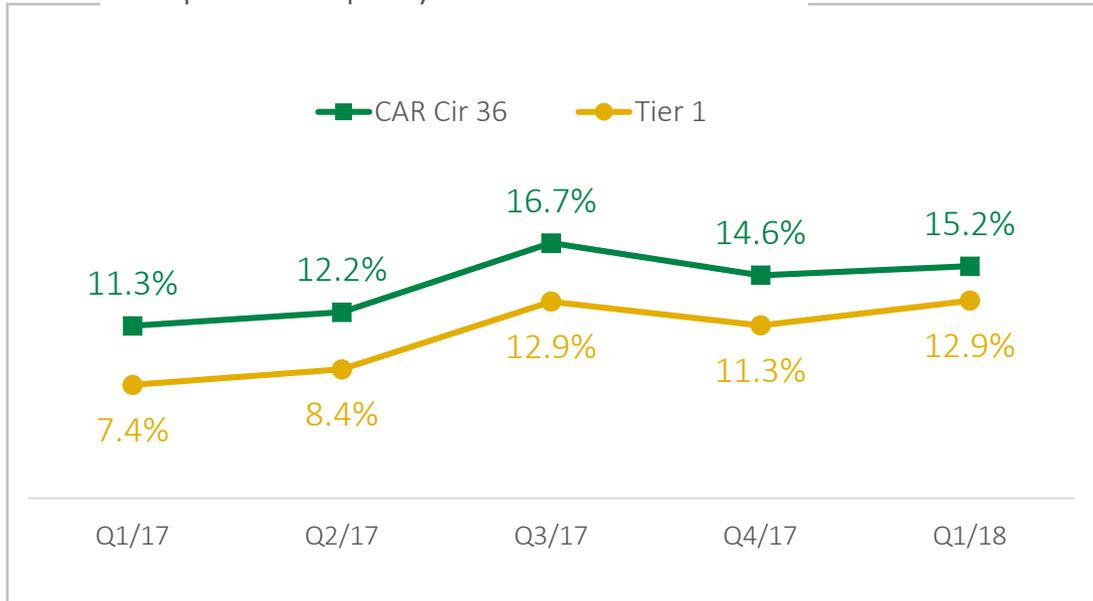
LDR (SBV requirement) & Short term fundings for mid-long term loans (Bank)



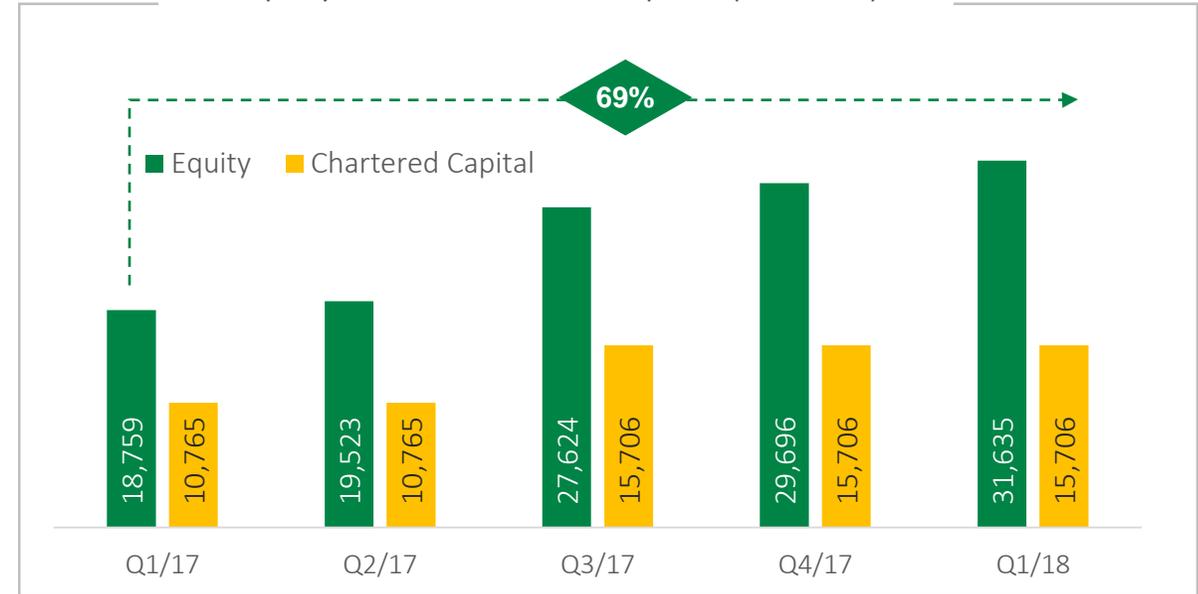
# STRONG CAPITAL BASE



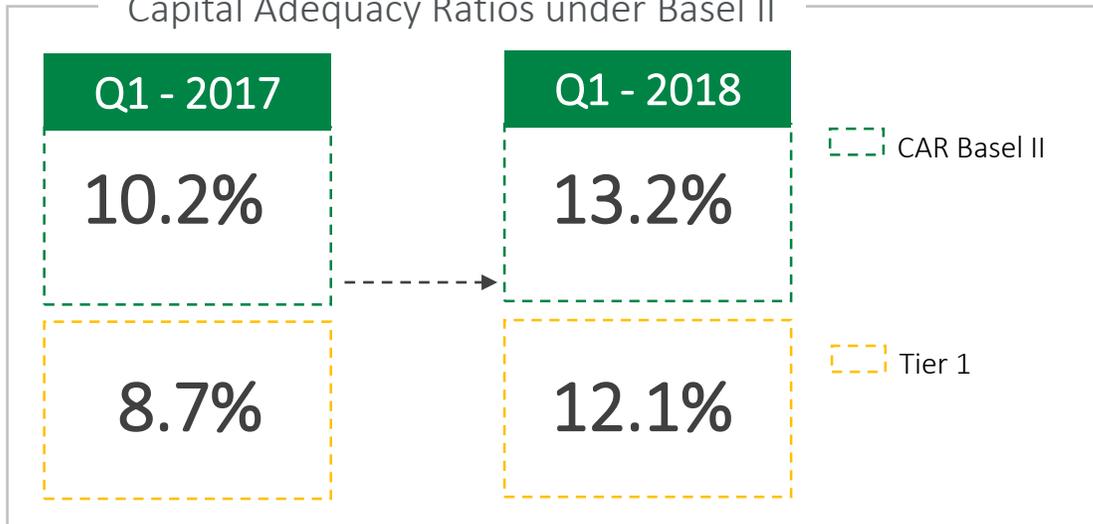
### Capital Adequacy Ratios under Cir 36



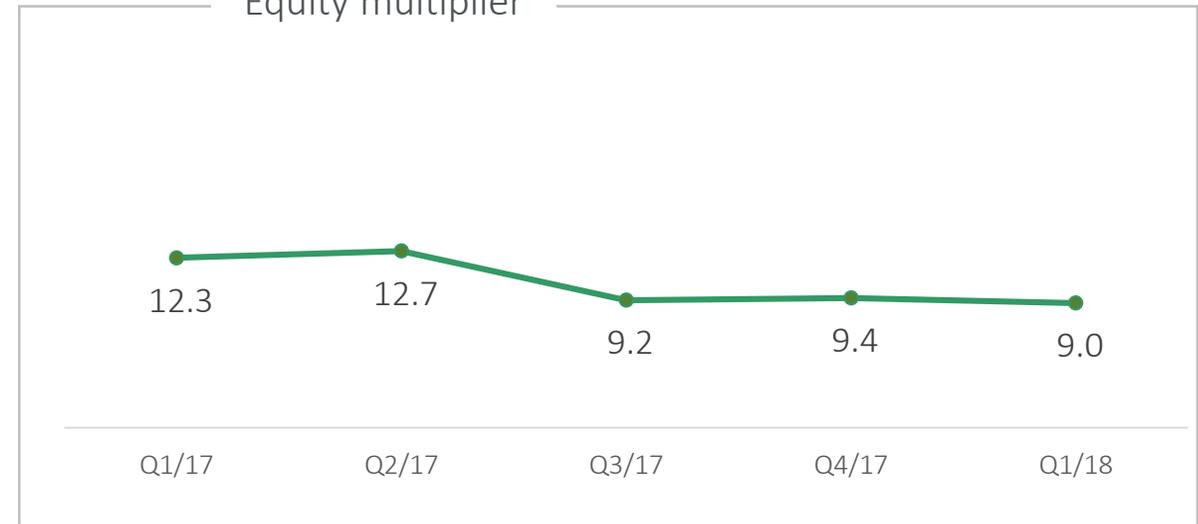
### Equity and Chartered Capital (Bil VND)



### Capital Adequacy Ratios under Basel II



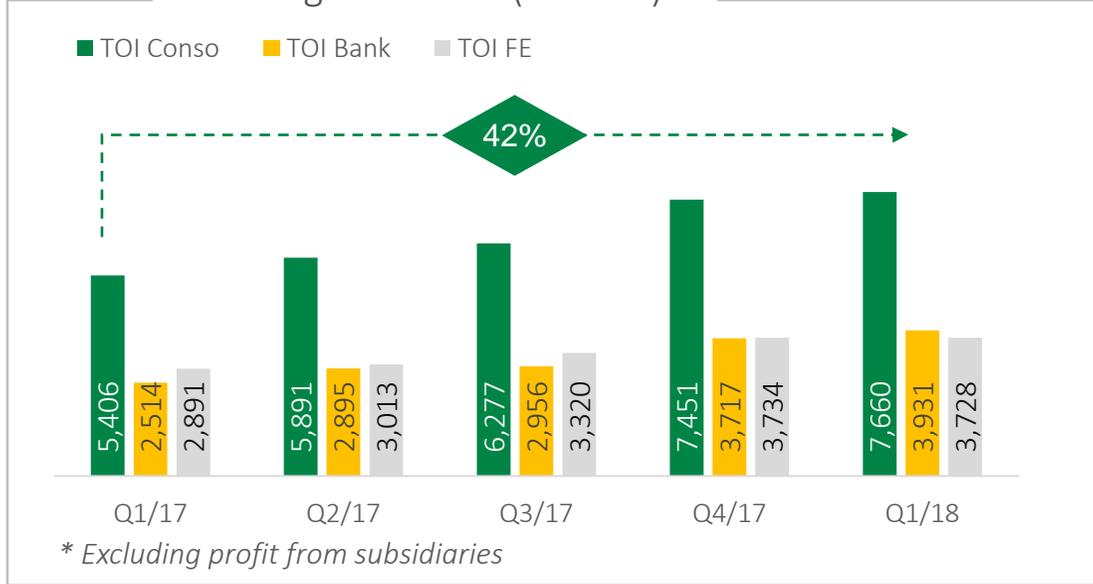
### Equity multiplier



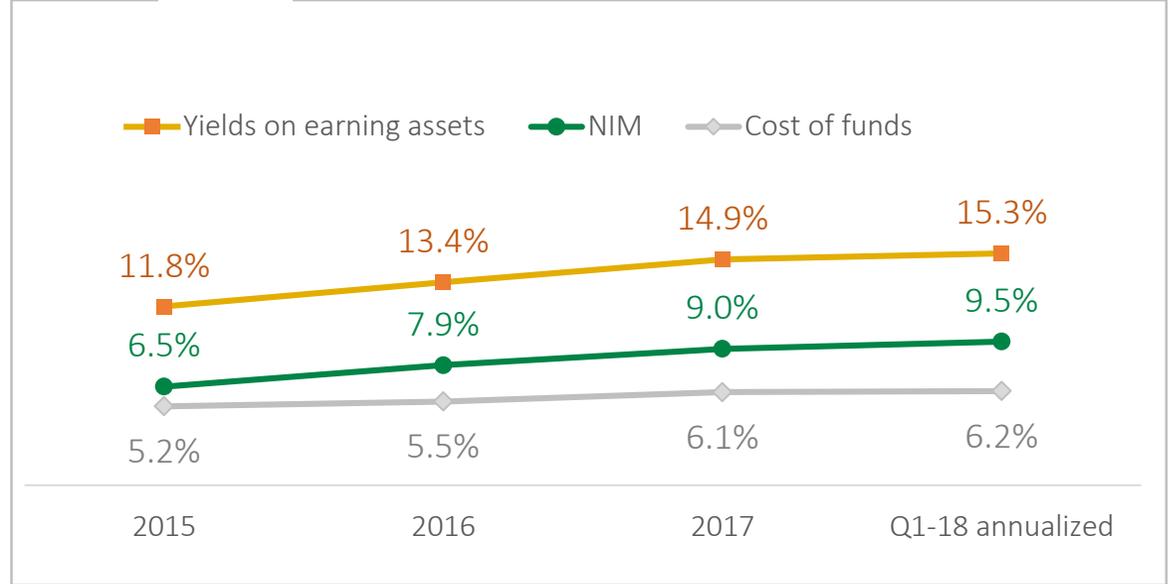
# TOI, NII, NFI



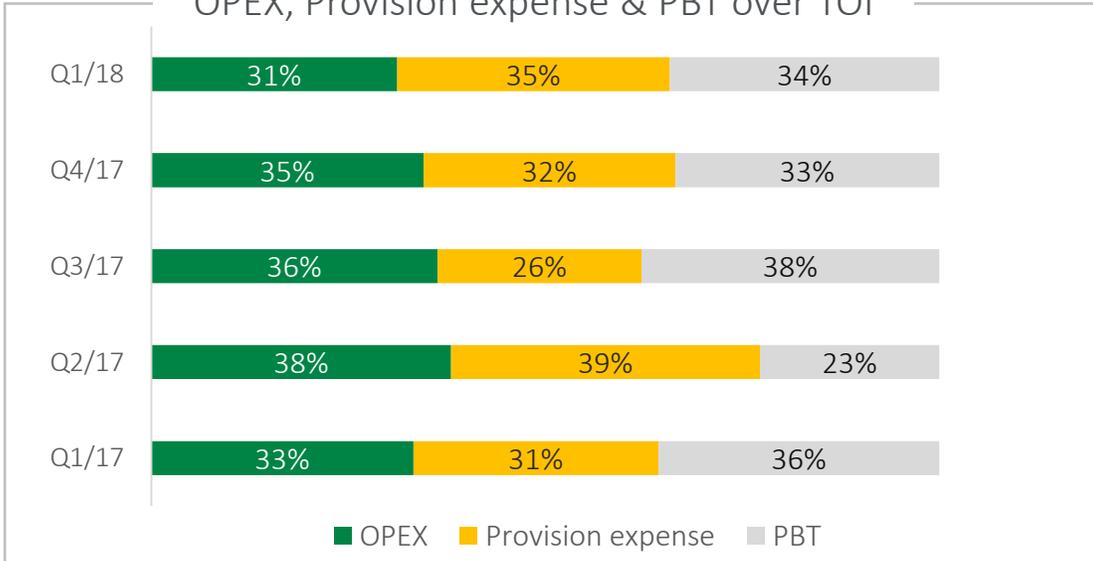
### Y-o-Y growth TOI (bil VND)



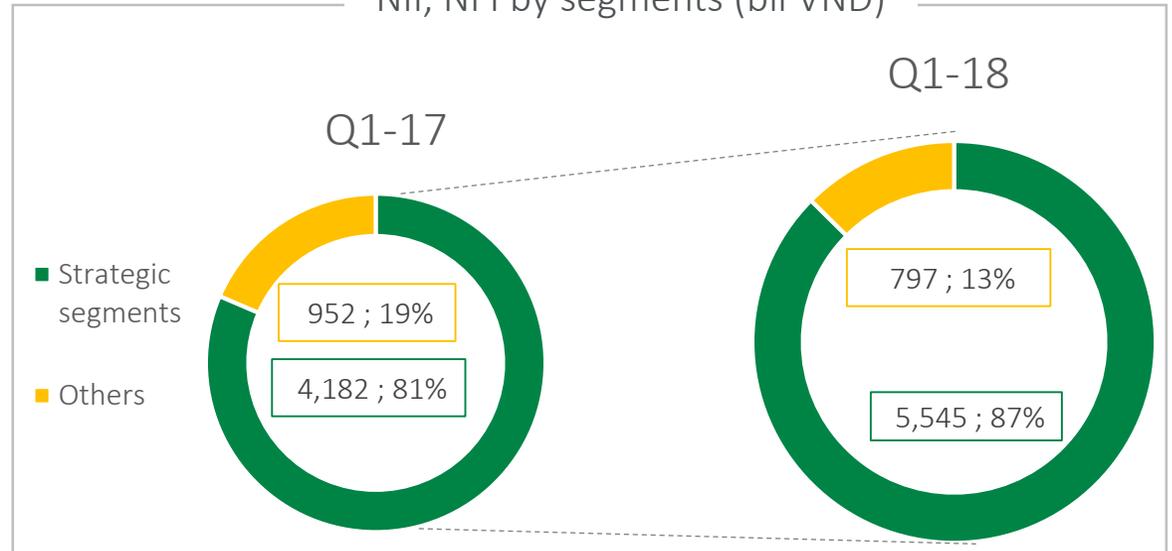
### NIM



### OPEX, Provision expense & PBT over TOI



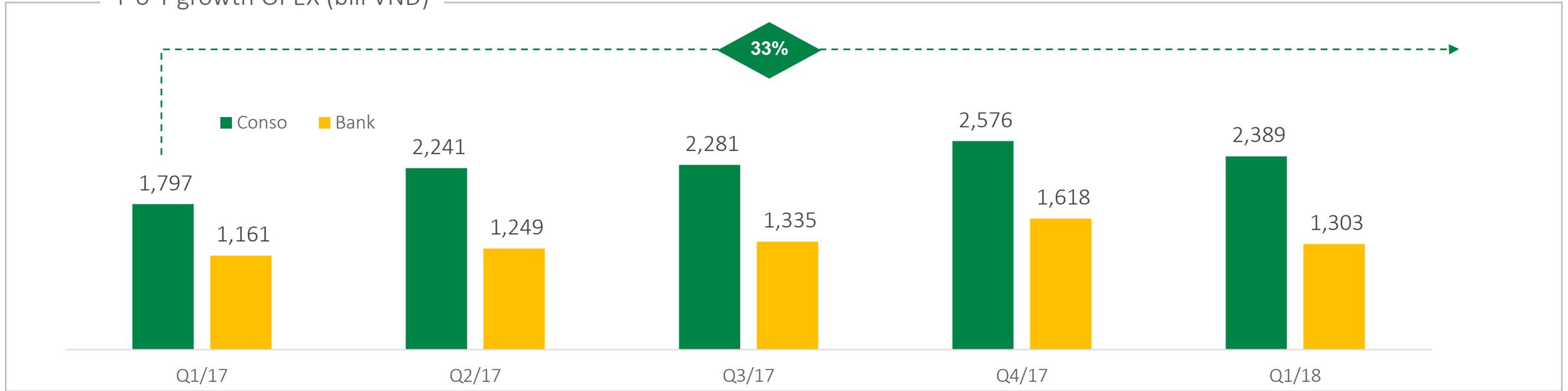
### NII, NFI by segments (bil VND)



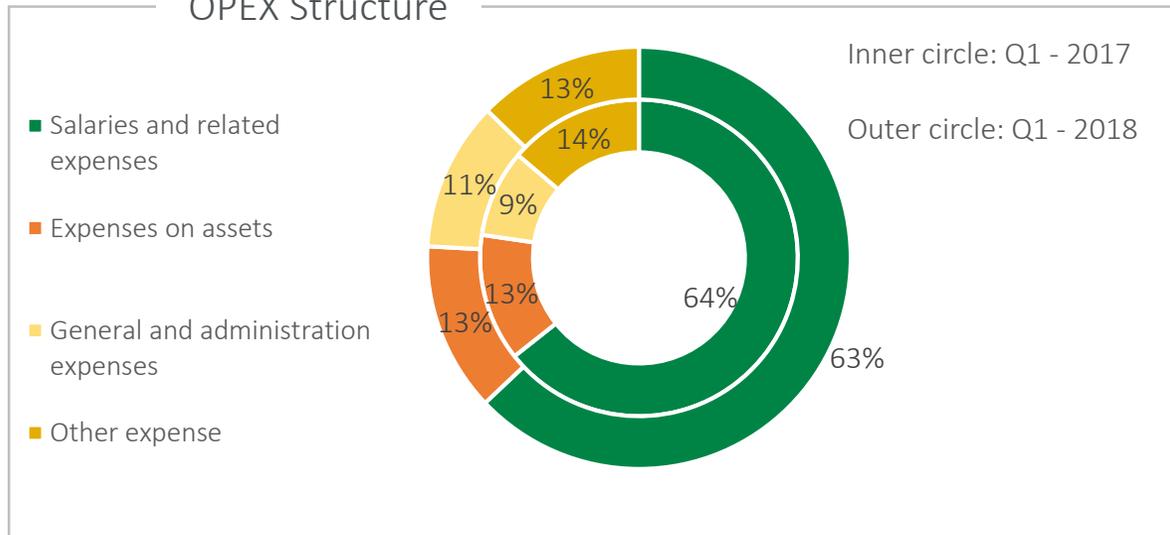
# OPEX



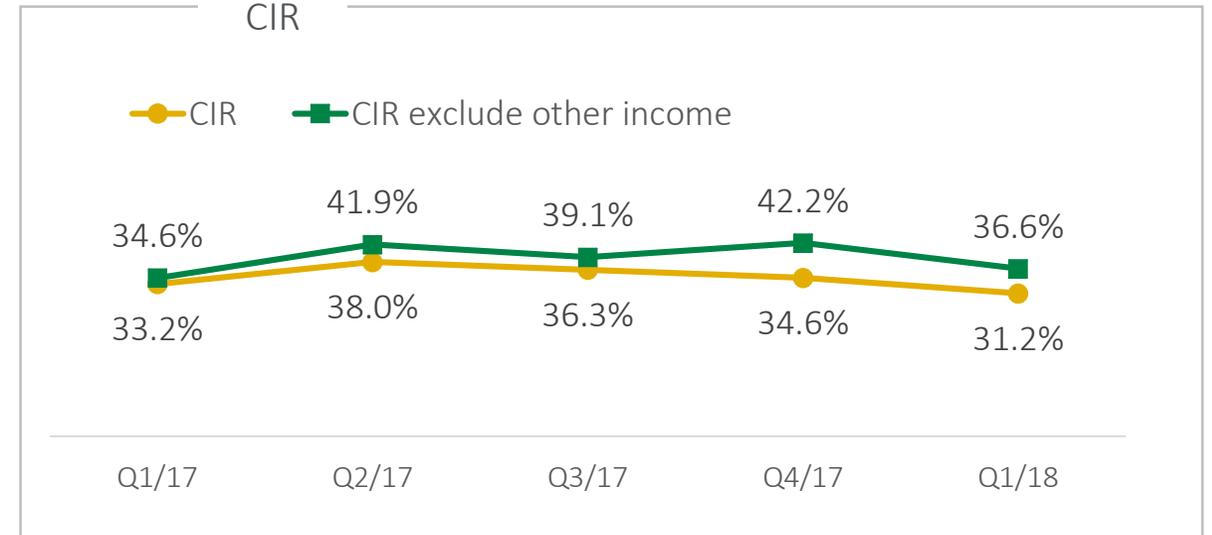
Y-o-Y growth OPEX (bill VND)



OPEX Structure



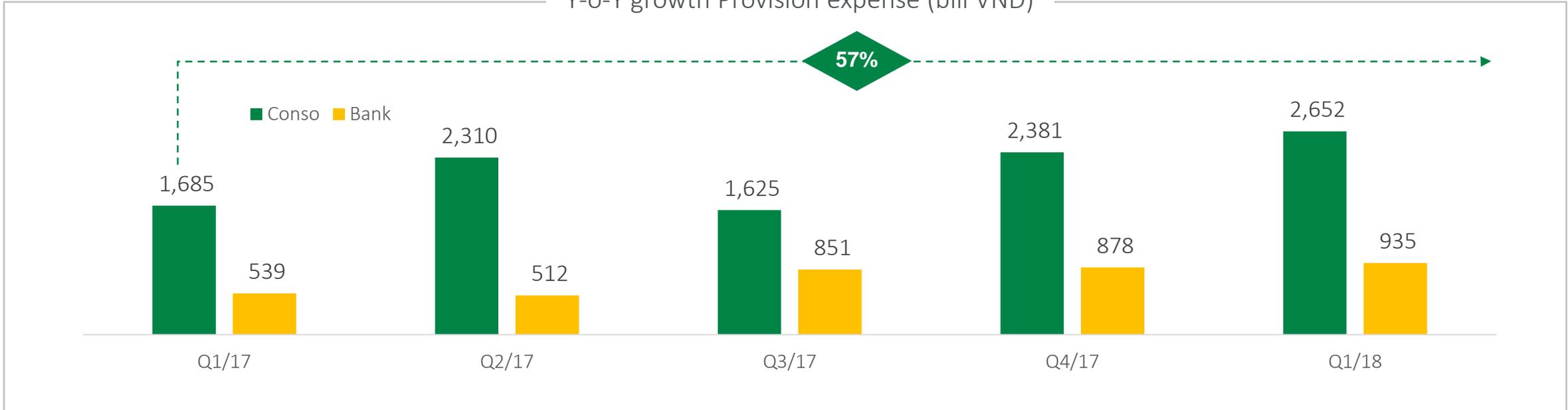
CIR



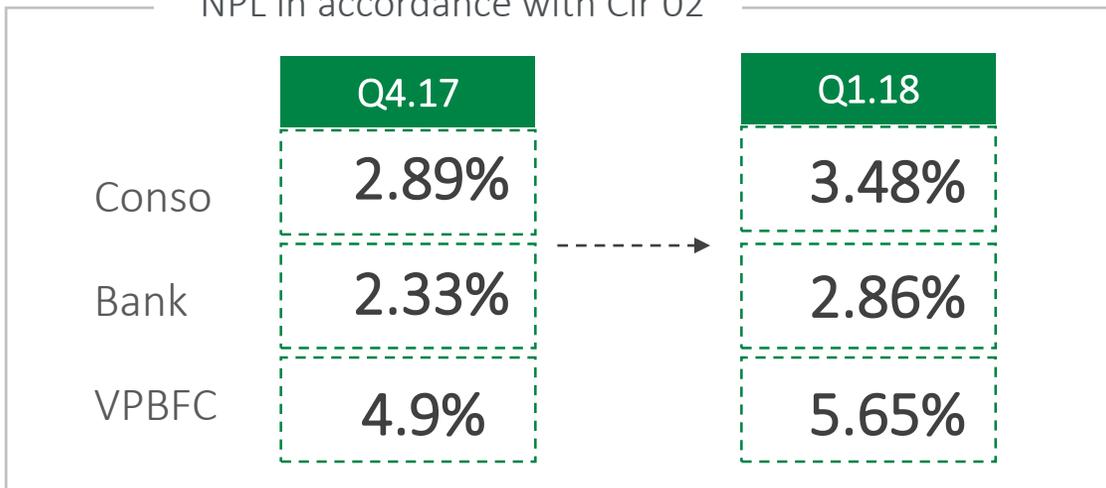
# PROVISION EXPENSE



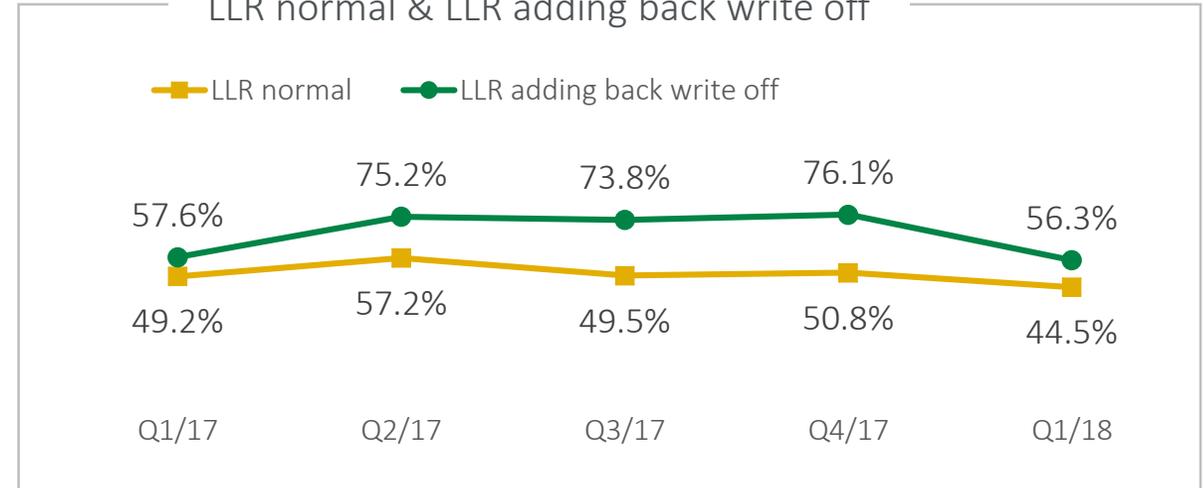
Y-o-Y growth Provision expense (bill VND)



NPL in accordance with Cir 02



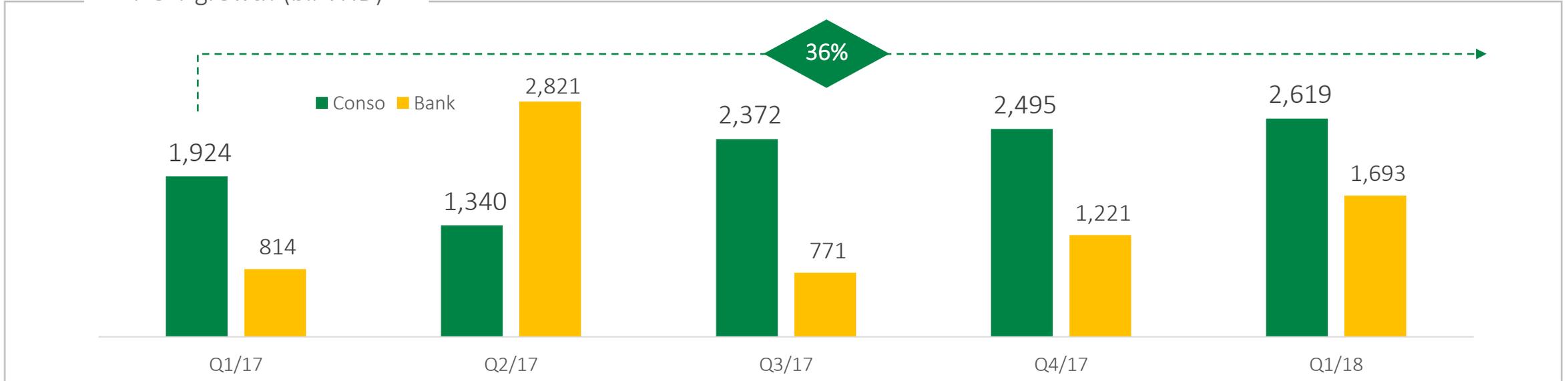
LLR normal & LLR adding back write off



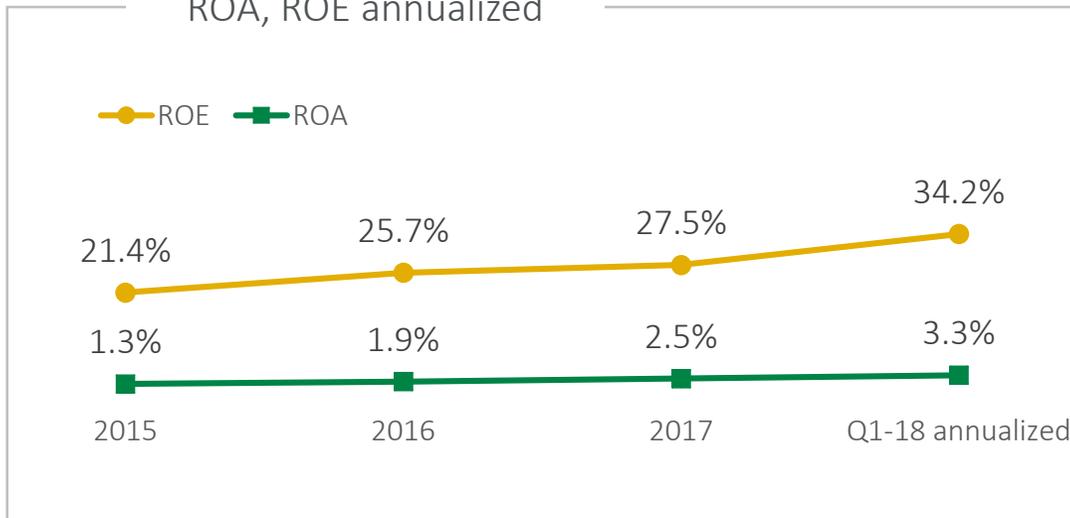
# PBT



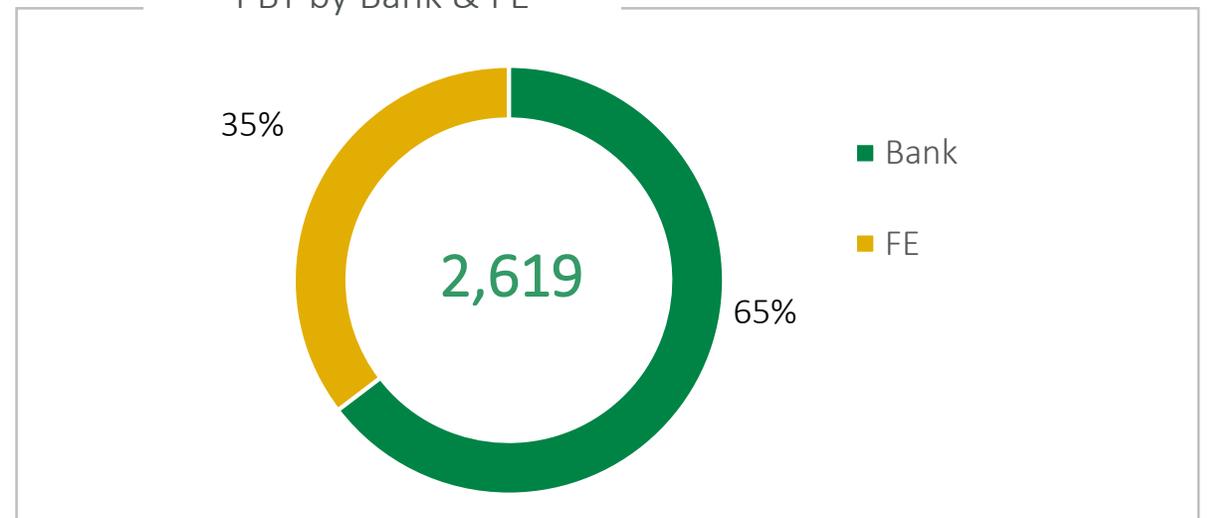
### Y-o-Y growth (bil VND)



### ROA, ROE annualized



### PBT by Bank & FE





# STRATEGIC PLANS & TARGETS 2018



# VPBANK is setting bold aspirations for 2022



“

---

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

**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

**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



**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

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

**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 Banking



## Product's value proposition: Bank for All Partnership with a telco company

### UNLIMITED METHOD OF REMITTANCE

- Cash in with scratch cards, Prepaid VPB+, bank accounts
- Money transfer to Prepaid VPB+, VPBank account, via CITAD, NAPAS
- Remittance to mobile number, to National ID
- Cash out at VPBank, telco agent network

### CONVENIENT SAVING

- Online term deposit with VPBank Plus anywhere, anytime
- Flexible interest rate policy

### BEHAVIOR- BASED MICRO LENDING

- Pre-approved overdraft based on risk scoring model in cooperation with telco
- On-line application and disbursement
- Immediate disbursement upon credit approval

### ONLINE CREDIT CARD ISSUANCE

- Online application, from the app
- Rapid underwriting
- Optimum TAT and card delivery process

# DIGITAL BANKING - VPDIRECT



A standalone digital bank establishment



## Empower you from “WHAT IF” to “WHY NOT”

A digital breakthrough innovative platform empowers user

Enjoy life with lifestyle contents and services through entertaining partners



Control their daily financial transactions and their daily activities with diversified service providers

Upgrade their life in a different level by young, approachable, healthy financial & banking products and services



# FINANCIAL TARGETS 2018



Total assets

359,477

Customer deposits and  
Valuable papers issued

241,675

Loans to customers

243,320

Bad debt ratio

< 3%

PBT

10,800



\* Unit: Bil VND

# INVESTMENT HIGHLIGHTS RECAP



**1 CUSTOMER SEGMENTATION**  
Best proxy to “consumer” in Vietnam

**2 PRODUCTS**  
The only bank in Vietnam to effectively target the high-potential mass markets with an innovative suite of tailored consumer-related products

**3 DIGITALIZATION**  
Digital pioneer and disruptor

**4 RISK MANAGEMENT**  
Advanced risk management platform fully integrated across entire business

**5 EFFICIENT RECOVERY**  
Efficient recovery with disciplined NPL recognition policy

**6 CENTRALIZATION**  
The only bank in Vietnam to successfully centralize the majority of its operations

**7 CORPORATE GOVERNANCE**  
Experienced leadership and strong corporate governance

# UỶ TÍN QUỐC TẾ

## VỚI THẺ 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 tuyến đứng  
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.

For further information, visit [www.vpbank.com.vn](http://www.vpbank.com.vn) or contact

IR team

Tel: +8424 3928 8869

Fax: +8424 928 8867

Email: [ir@vpbank.com.vn](mailto:ir@vpbank.com.vn)