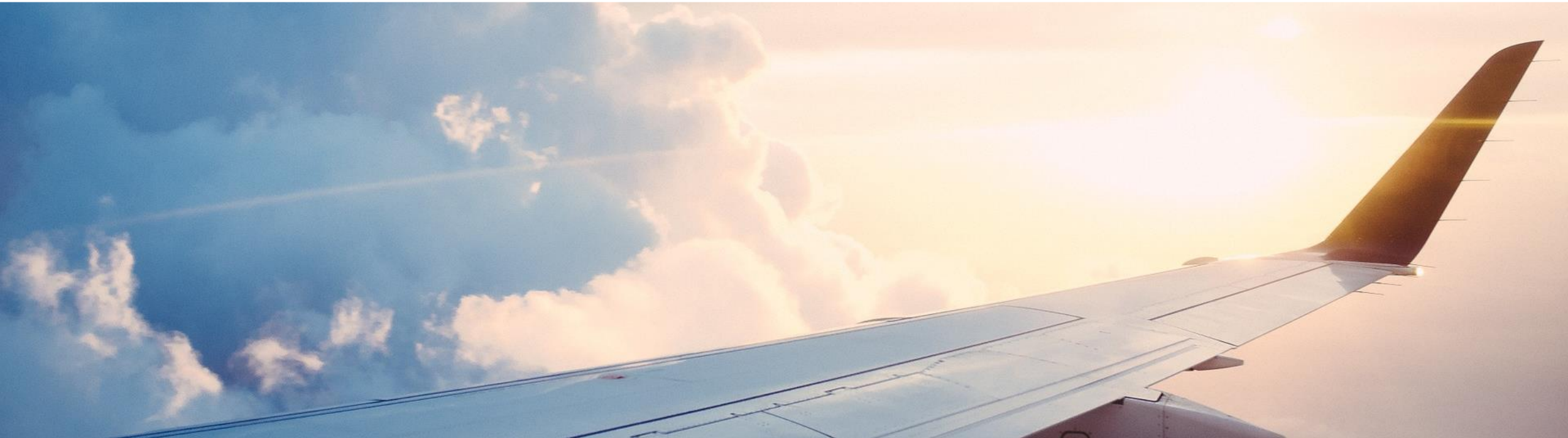


9M2018

Performance Results Update

Hanoi, Oct 2018



Content

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VPBank

02 Business
Highlights

03 9M2018
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Performance
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01

Overview Of VPBank

VPBANK AT A GLANCE

Accumulated as at 30.09.2018



- ✓ Upgraded long term deposits rating of local currency and issuer rating from **B2 to B1** by Moody's
- ✓ VND **296 trillion** total assets
- ✓ Around **5.6 million** active customers
- ✓ VND **22,112 billion** TOI and **6,125 billion** PBT
- ✓ **2** subsidiaries, **9** business segments
- ✓ Full coverage of all banking segments
- ✓ Highly centralized and specialized organization model
- ✓ Pioneering in digitalization and data management & security information



MOODY'S CREDIT RATING

Bank

- Upgraded long term deposits rating of local currency and issuer rating from **B2 to B1**.
- Outlook changes from positive to stable. BCA remains unchanged b2.

FE Credit

- First time assigned Corporate Family Rating (CFR) of **B2** to FE Credit. Standalone credit profile is b3. Outlook is stable.
- B2 CFR of FE Credit is equivalent to the rating level of several leading domestic and foreign financial institutions in Vietnam.
- Rationale for the assigned rating
 - Good position in Vietnam's consumer finance market.
 - Strong profitability and healthy capitalization driven by a combination of high net interest margins and good cost management.
 - High likelihood that FE Credit will receive support from its parent, VPBank (B1 stable, b2), if required.

CORPORATE GOVERNANCE SHOWCASE IN VIETNAM

Being selected by IFC as 1 out of 3 case studies in Corporate Governance in Vietnam along with VinaMilk and Thien Minh Group

BUSINESS	Provides retail, SME and commercial banking services in Vietnam.
LOCATION	Vietnam
SECTOR	Financial
2017 PROFIT Before Tax (Yr. Growth)	US\$ 363 million (65%) (Source: 2017 Annual Report)
TYPE	Private
■ EMPLOYEES	23,826 employees (Source: 2017 Annual Report)
■ OUTLETS	216 branches and 4.9 million active customers (Source: 2017 Annual Report)
IFC ASSESSMENT DATE	September 2012

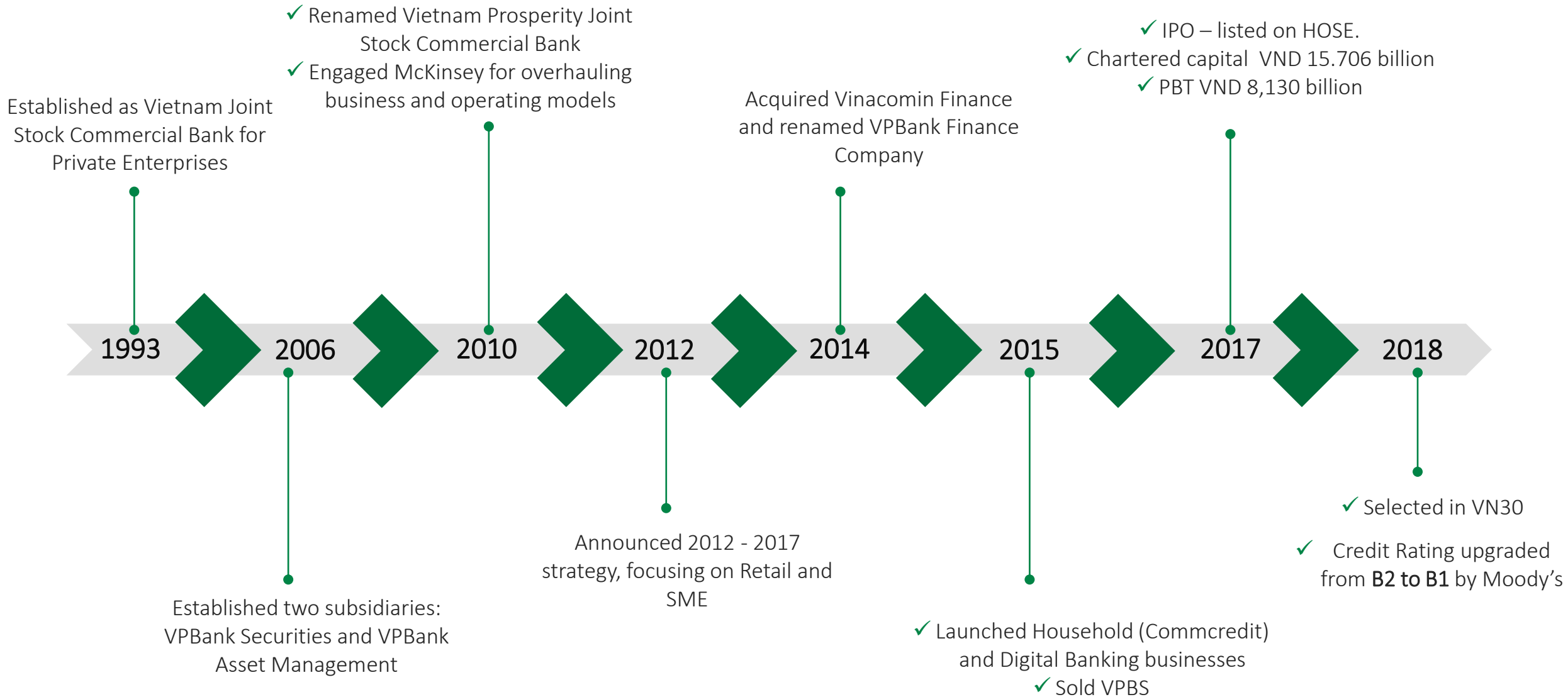
"Improved CG and greater transparency has positively impacted our IPO efforts. Our experience shows that when foreign investors look for good companies, they not only consider profitability, but also take into account non-financial factors such as CG and sustainability. In the race for capital, VPBank has paid close attention to improving its CG practices. Subsequently, that has significantly helped in securing foreign funding. We can now borrow from international lenders a lot more easily than we did earlier – a clear example of how CG has improved our overall operations, rating, and reputation." - Mr. Ngo Chi Dung, Chairman of the Board.

"Thanks to IFC's investment, VPBank can enhance its reputation and brand value through IFC's supervision and technical support in corporate governance, especially risk management." - Mr. Nguyen Duc Vinh, CEO.
(from Vietnam Plus, "IFC seals convertible loan of 57 million USD to VP Bank", July 19, 2017)

“ As VPBank aimed to become a top-tier bank in Vietnam, it recognized the need to improve its governance framework and go beyond the legislative minimum. The bank demonstrated a clear commitment to good Corporate Governance, though internal policies and by-laws were compliance-driven and adopted to meet regulatory requirements. ”

Source: IFC Corporate Governance Case Studies/Vietnam – Jun 2018

DEVELOPMENT HISTORY



EXPERIENCED LEADERSHIP TEAM

Board Of Management

BANK



Mr. Sanjeev Nanavati
Standing DCEO,
Senior Executive
Managing Director

In charge of all revenue generating business units including RB/SME/HHB/CMB/CIB/FM/FITB/DBS and related functions of SPM & Marcom



Mr. Nguyen Duc Vinh
CEO, Member of BOD

In charge of supporting business units including FIN/IT/OPS/RM/CM/HR/LC/BICC



Mrs. Luu Thi Thao
Standing DCEO,
Senior Executive
Managing Director

SUBSIDIARIES



Mr. Kalidas Ghose
Director of VPB FC



Mr. Hoang Anh Tuan
Director of VPB
AMC

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, Digital channel
- ✓ 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
- 6 VP Direct
- 7 Commercial Banking (CMB)
- 8 Corporate and Investment Banking (CIB)
- 9 Financial Markets / FI & Transaction Banking

- ✓ 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
- ✓ Started in March 2017 and planned to go live in 2nd half 2018
- ✓ Aims to become a digital bank operated to international standards
- ✓ 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
- ✓ Targets enterprises with annual revenues above VND1,600 billion
- ✓ Focuses on expanding corporate deposits and selectively growing its loan portfolio
- ✓ VPBank's capital markets division performs FX, monetary and bond market transactions
- ✓ Handles primarily transaction banking services for domestic and international financial institutions



02

BUSINESS HIGHLIGHTS

- ☐ MACRO ENVIROMENT
- ☐ KEY FOOTPRINT METRICS
- ☐ INTINIATIVES UPDATE
- ☐ CAPITAL PLAN

MACRO ENVIRONMENT

GDP Growth

- GDP growth rate in 3Q2018 was 6.88%, higher than expected. The rate for the January-September 2018 period was up to 6.98%, the highest rate for the nine-month period since 2011. The Vietnam Institute for Economic and Policy Research also forecasts that the country's full-year growth target is more likely to surpass 6.3%, underpinned by the Foreign Direct Investment sector's strong performance.

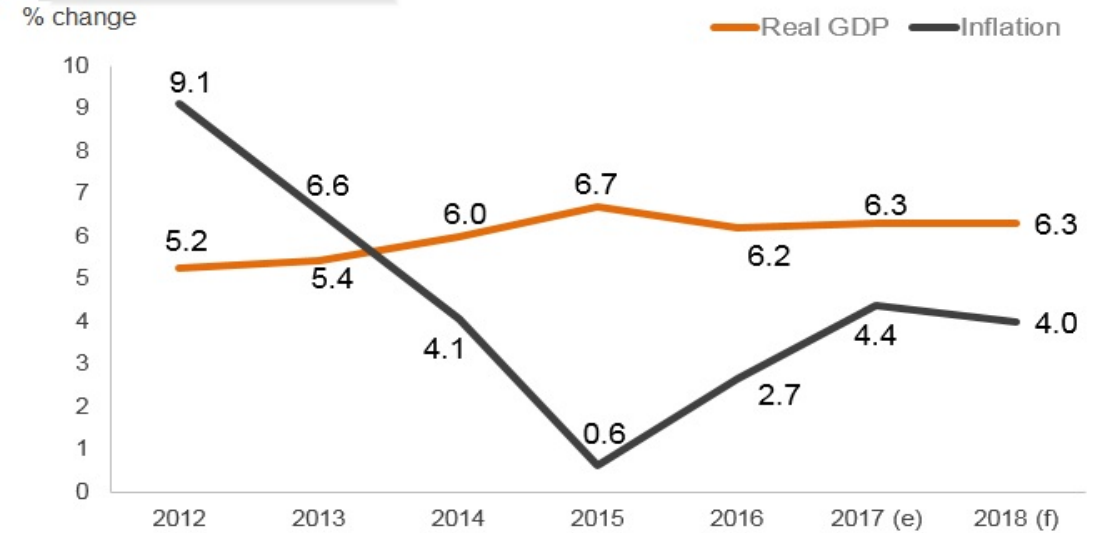
Inflation Rate

- Expected to slightly increase to 4 – 4.2% by the end of 2018 according to Trading Economics global macro models and analysts' expectation. 9M2018 inflation rate was 1.41% higher than that of corresponding period in 2017.
- Vietnam's inflation rate is increasing, meaning the economy could face risks in the case of high credit growth.
- VND is depreciating against the USD because of the US central bank's decision to hike the benchmark interest rate by 0.25% in September and the escalating US-China trade war, thus impacting on Vietnam's fight against inflation.

Banking sector's credit growth

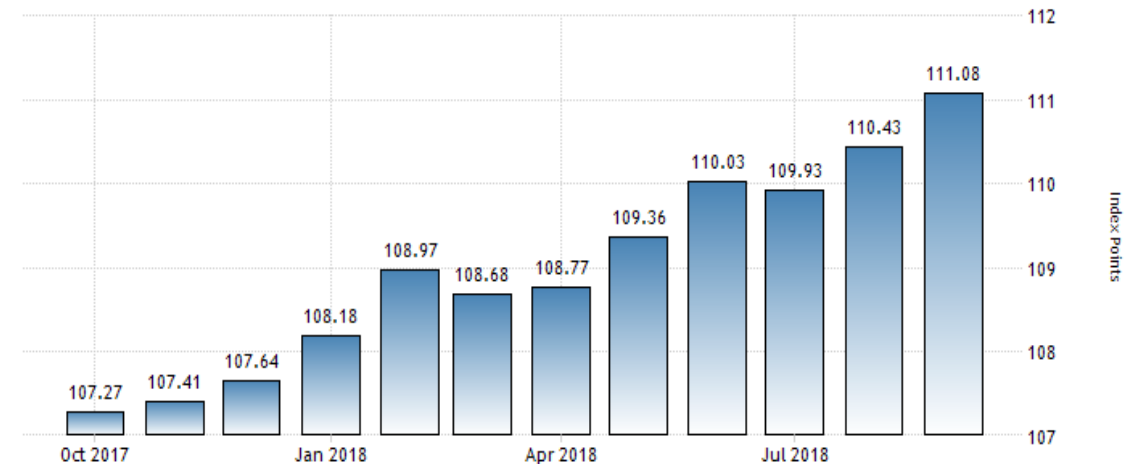
- According to the General Statistics Office, as of September 2018, the banking sector's credit growth was 9.52%, much lower than the 11.02% rate recorded a year earlier.
- According to the Directive 04/2018 by the Prime Minister of Vietnam and SBV's concerns, SBV will not adjust upward credit growth limits for commercial banks, except for special cases, for the rest of the year. Credit slowdown would allow banks to pay more attention to credit quality and credit risk management.

Real GDP and Inflation



*Sources: IMF, World Bank, Fitch Solutions

VIETNAM CONSUMER PRICE INDEX (CPI)



SOURCE: TRADINGECONOMICS.COM | GENERAL STATISTICS OFFICE OF VIETNAM

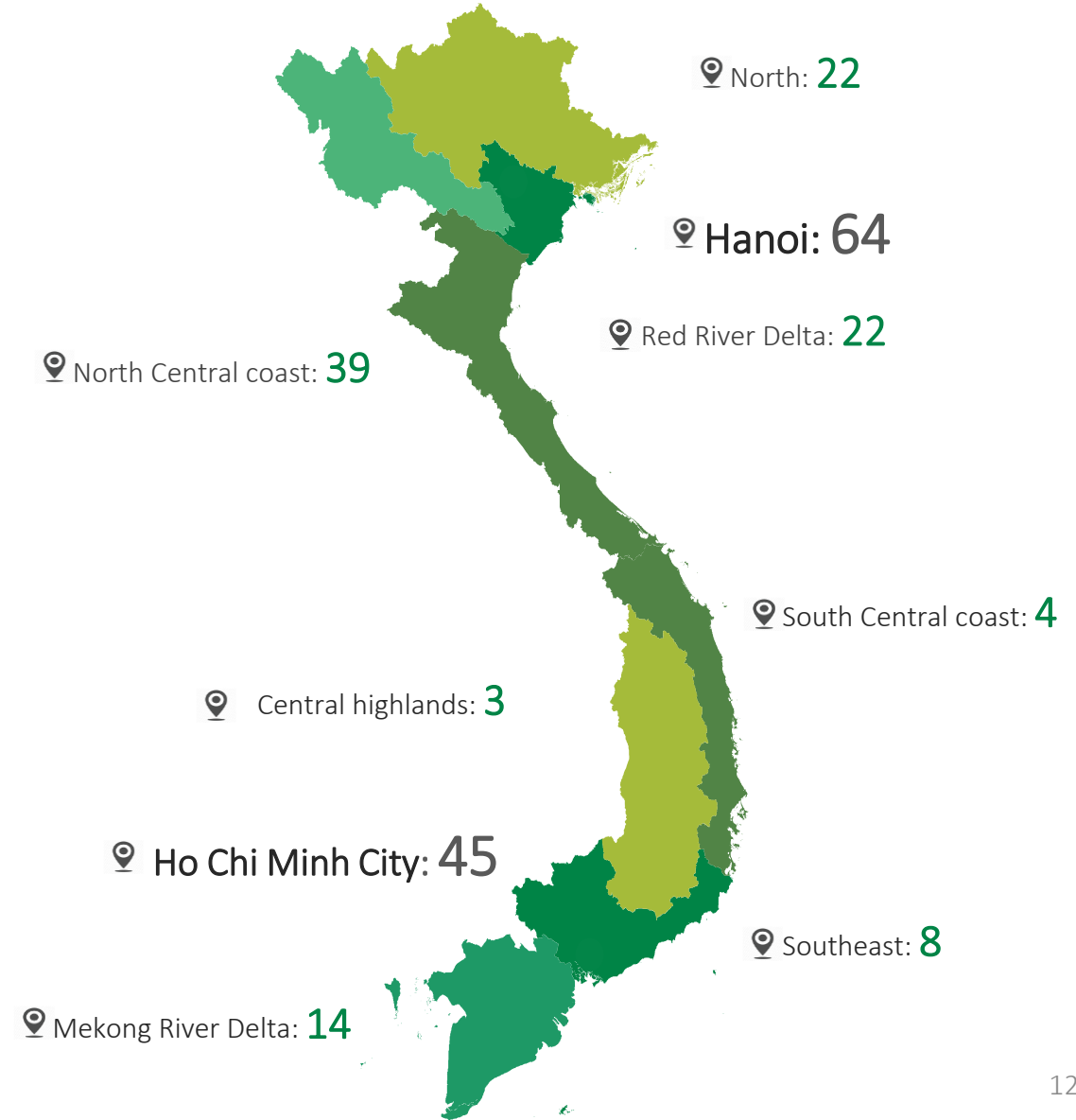
KEY FOOTPRINT METRICS - NETWORK DISTRIBUTION

Physical distribution channels

- Around **26,000** employees
- **221** branches and **83** SME centers & hubs, opened **4** branches since end of 2017
- Nearly **650** branded ATMs/CDMs

Channels	Transaction points at 31.12.2017	Transaction points at 30.09.2018	Number of Sales Staff + sales agents
Retail branches	217	221	4,211
SME centers and hubs	77	83	1,233
Household centers (CommCredit)	236	190	1,390
Corporate banking branches	4	4	143
Consumer finance (FE Credit)	>11,000	>11,000	>10,000
ATM/CDM/Timo CDM	474/105	486/150/4	

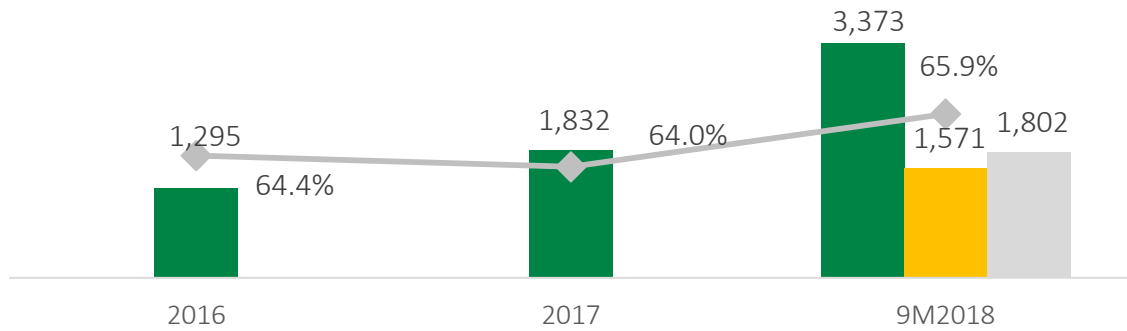
Distribution network - bank branches



KEY FOOTPRINT METRICS - CUSTOMER BASE

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

■ Number of Credit & Debit cards issued ■ Number of Credit cards issued
■ Number of Debit cards issued —◆— Active rate credit cards

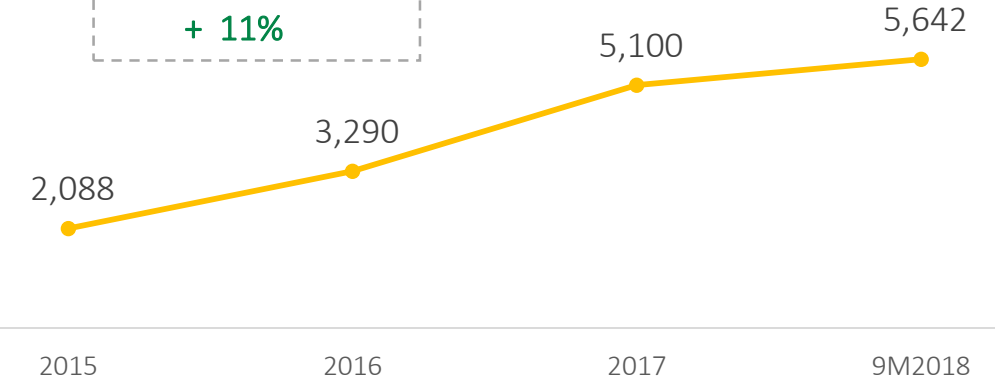


* 2016,2017: standalone figures; 2018: consolidated figures

** Active rate of retail customers

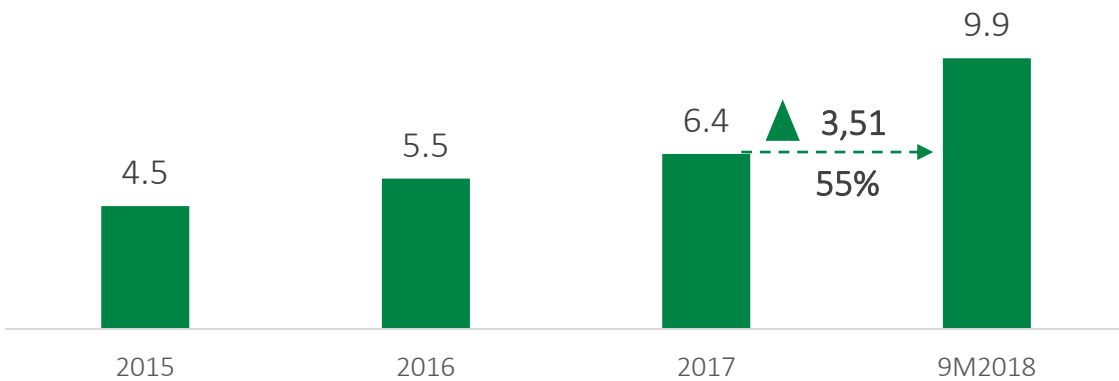
Active customers (*) (thousands)

▲ 9M2018 Vs 2017
+ 542
+ 11%



* Consolidated figures

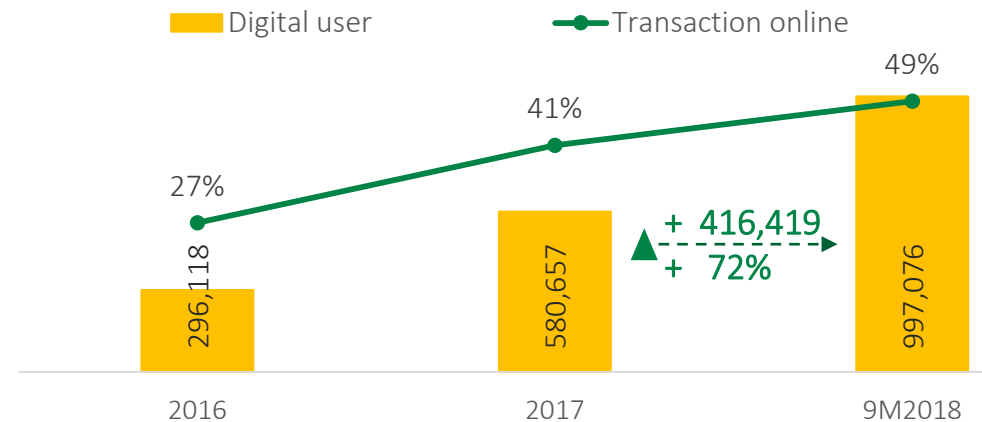
Spending per active card per month (*),(**) (mil VND)



* Standalone figures

** Spending per active card per month of retail customers

Digital users and online transaction (*) (user, %)



* Standalone figures

INITIATIVES UPDATE

VPDIRECT

COMMCREDIT

INFORMATION SECURITY

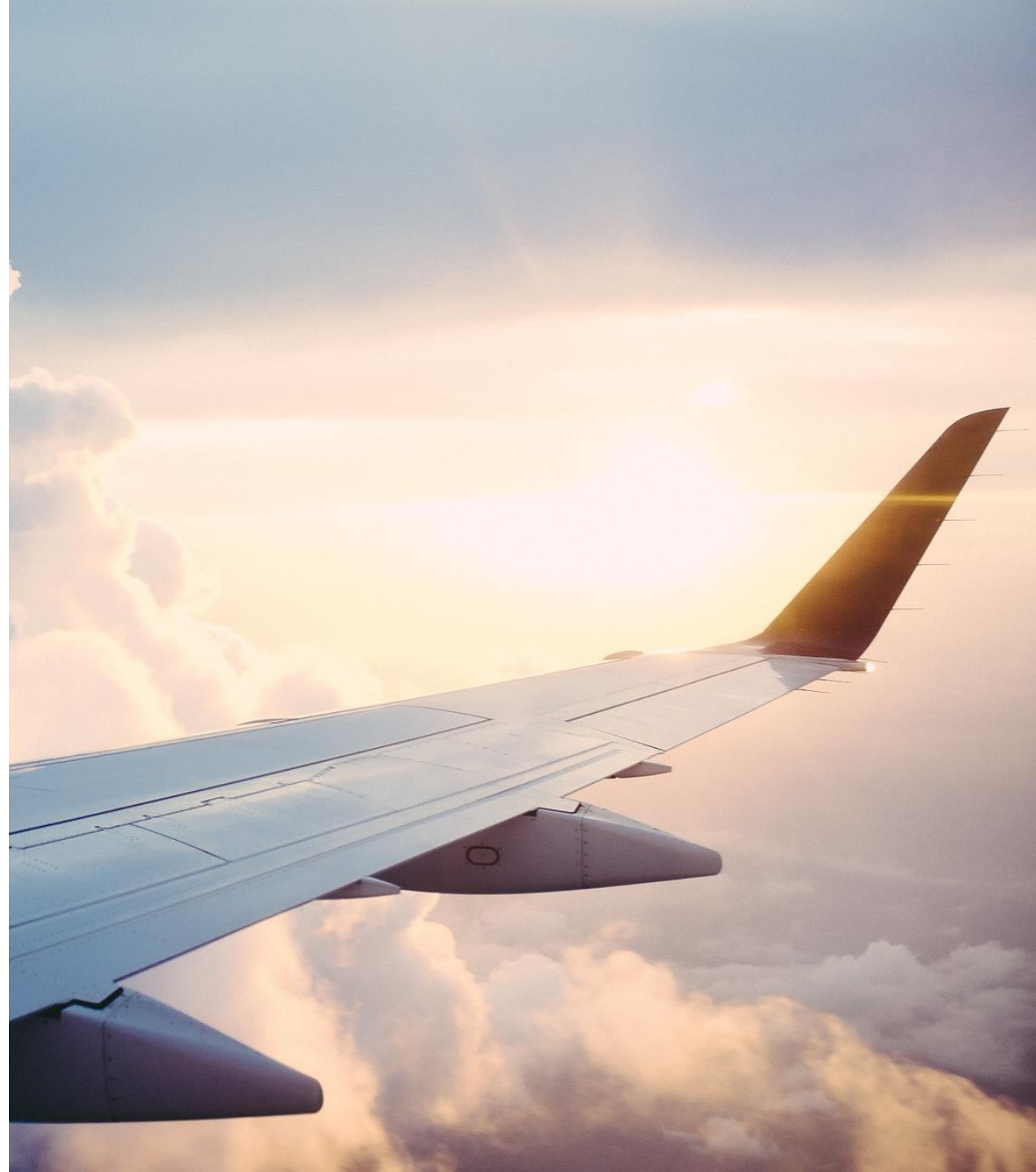
RETAIL



INITIATIVES UPDATE

VPDIRECT

YOLO



The cutting-edge utility digital banking for young generation



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



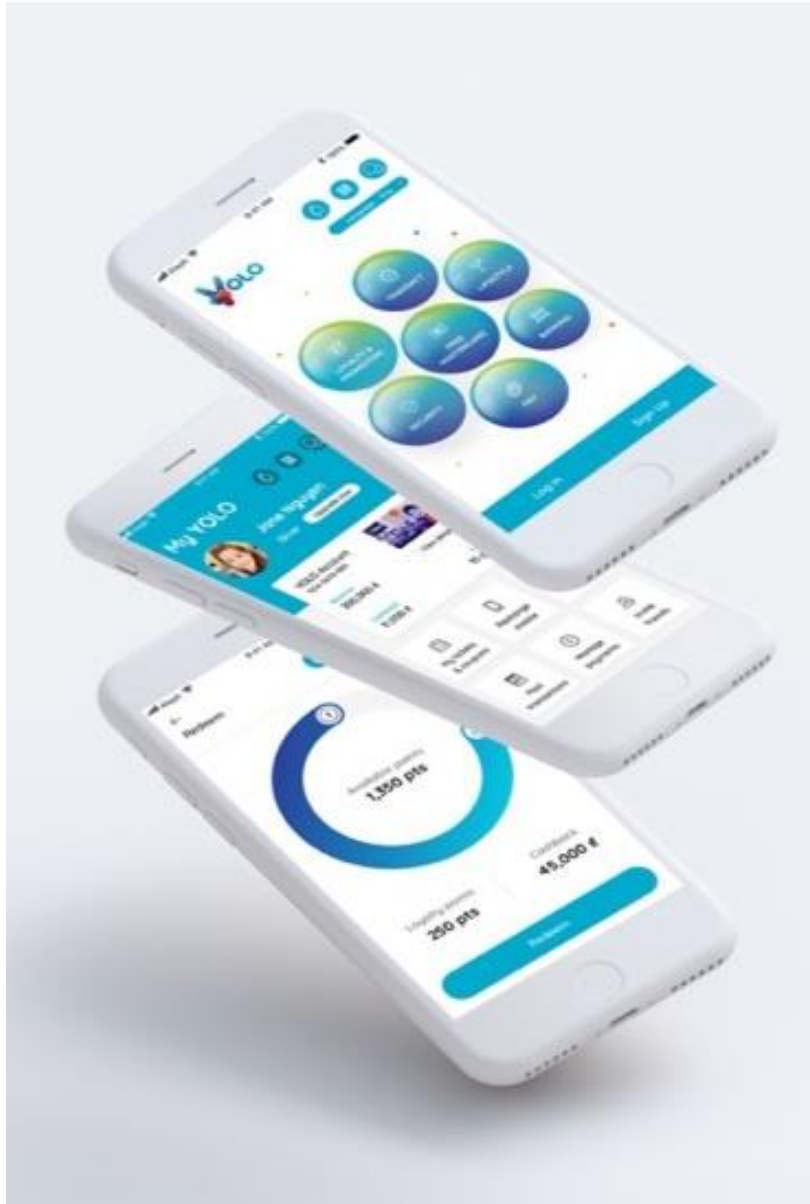
Upgrade their life in a different level by young, approachable, healthy financial & banking products and services



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

YOLO is a strategic product of VPBank, that has been built and developed by VPDirect since 2017

Impressive Business Result with Positive Media Coverage



Launched to open market on 14 September 2018

3 national television channels, HTV9, VTV9 and VTV1, broadcasted the news of YOLO launching

Over 100 reporters, newspaper agencies and journalists attended the opening event and placed questions.

118 columns in newspaper and magazines in 2 weeks after the launch

Total Registrations	24,392	~ 903 / day
Credit Transactions Volume	14,582	~ 540 / day
Credit Transactions Value	49,290 (VND mil)	
Debit Transactions Volume	20,370	~ 755 / day
Debit Transactions Value	47,533 (VND mil)	
Total Services Partners	30++	

**Data is calculated from 14 Sep 2018 – 10 Oct 2018*

INITIATIVES UPDATE

COMMCREDIT

SmartLEAD



SMARTLEAD ecosystem: various applications with **automation technology**; maximizing the process of converting leads to real customers.

5 key functions of SMARTLEAD



ATTRACT



ALLOCATE



CONVERT



RECORD

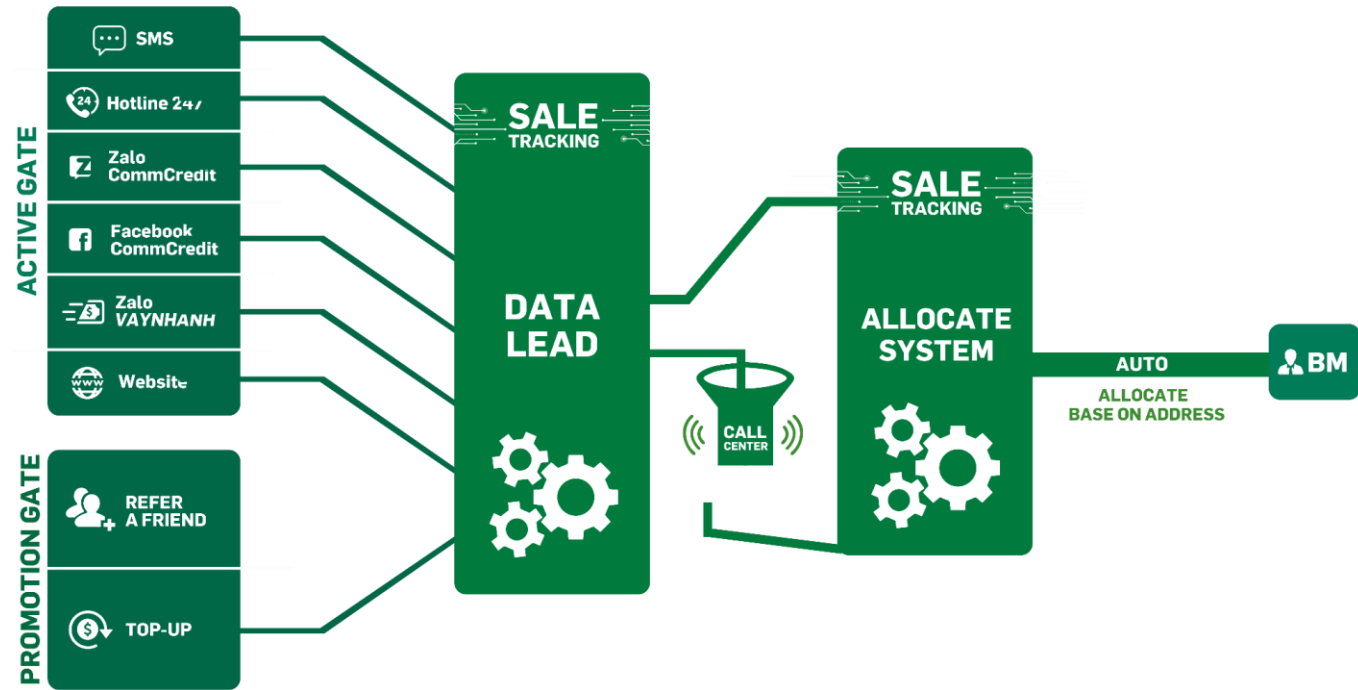


MANAGE

ATTRACT

Various gates are opened to attract potential customers.

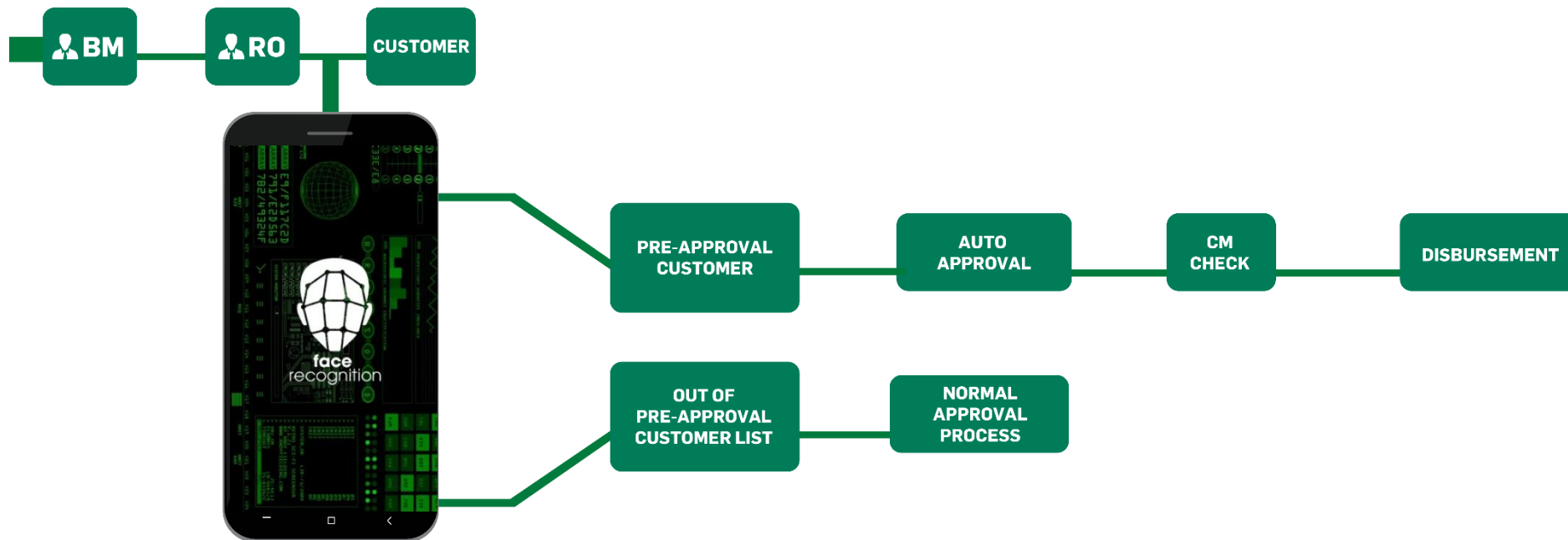
80% gates are digital, user-friendly and highly-interactive.



ALLOCATE

In 30s, leads are automatically sent to CommCredit Business Units (BU) based on location.

System will spot out leads without location information and transferred to Outbound Call, where Call Agents call customers to fill in information before sending to BU.



← AUTO UPDATE REPORT AND REMINDED →

CONVERT, RECORD and MANAGE

- CommCredit's Relationship Officers receive leads information real-time through smart devices.
- For pre-approval customer, face recognition technology is used for automate approval process.
- System automatically generate notification mails, reports & dashboards, helping CommCredit to optimize conversion rate.

INITIATIVES UPDATE

INFORMATION SECURITY



INFORMATION SECURITY

One of key priorities along with digitalization strategy

Information Security (IS) Areas

People:

Security Awareness

Training for:

- *Senior Management*
- *Technical staffs*
- *Bank-wide employees*

Process:

Compliance with:

- *SVB regulations*
- *International standards (ISO27001, ISO31000, COBIT5)*

Technology:

Multilayer technical controls:

- *Antivirus, anti-spam*
- *Firewall, IPS/IDS, APT*
- *SOC, SIEM*

Improvements

- Development of IS Strategy
- Standardized policies in accordance with ISO27001
- Dedicated IS Unit under Risk Management with duty segregation from IT Security
- Technical controls & measures with better performance and effectiveness





INITIATIVES UPDATE

RETAIL

Affluent Banking

AFFLUENT BANKING

Customer base is growing fast since official launch

Branding & Service

- ✓ Along with launch of Affluent Banking services at end-June 2018, VPBank brings an industry first, **Diamond Elite airport lounge** at Noi Bai Hanoi airport, exclusively for Diamond clients. 10K visits since the launching has **brought 1,500 potential Affluent Banking clients** for VPBank Diamond.
- ✓ **AF Customer Base** has continued great momentum to **nearly double** since Dec 2017 to 3Q2018.
- ✓ **Digital penetration** is a key business priority which enables efficient client experience and optimizes operation cost. Over 10K Affluent clients have registered for e-banking platform till 3Q2018, taking digital penetration to 63%.
- ✓ **NPS score** has constantly improved from **31% in 2Q2018 to 76% in 3Q2018**.

Wealth Management

- ✓ **Launched Investment Advisory Services**, managing the asset allocation in clients' portfolio and helping them achieve their goals.
- ✓ **Launched Prestige**, managing accounts from for Private clients aiming to generate alpha through concentrated holdings. Added Systematic Investment Plan (SIP) for clients wanting to leverage the cost averaging in volatile market or build long term portfolio through fixed savings. Enhance **fixed income, hybrid and capital protections solutions, to be available by end of 2018 to early 2019**.
- ✓ **Protection solutions** through AIA life insurance products have been scaling impressively. Accumulated 9M2018 Banca FYP contributed to **35% of Total Retail Banking Banca premium**.





AFFLUENT BANKING

Business Strategy

Target Client Segments

Business Owners

Efficiency
Family Care

Senior Salaried

Wealth creation
Efficient service

Retired Rich

Stable earning
Recognition

Best-in-class Product Suite

Funds, Portfolio & Structured Notes
Protection Solutions
World Credit Card
International Debit Card
Strategic Partnerships
Investment Advisory Services



Client Experience

CAPITAL PLAN IN 2018

Batch 1 + 2: Dividend + Bonus Shares

Pay-out ratio at 61.8% in shares to common shareholders



- Completed in June 2018
- Charter capital increased from VND 15.7 tril to VND 24.9 tril

Batch 3: Buy back preference shares

Reacquisition of 73 mil. preferred shares as treasury stock



- Completed in July 2018

Batch 4: ESOP

Issuance of 33 mil. shares to qualified employees



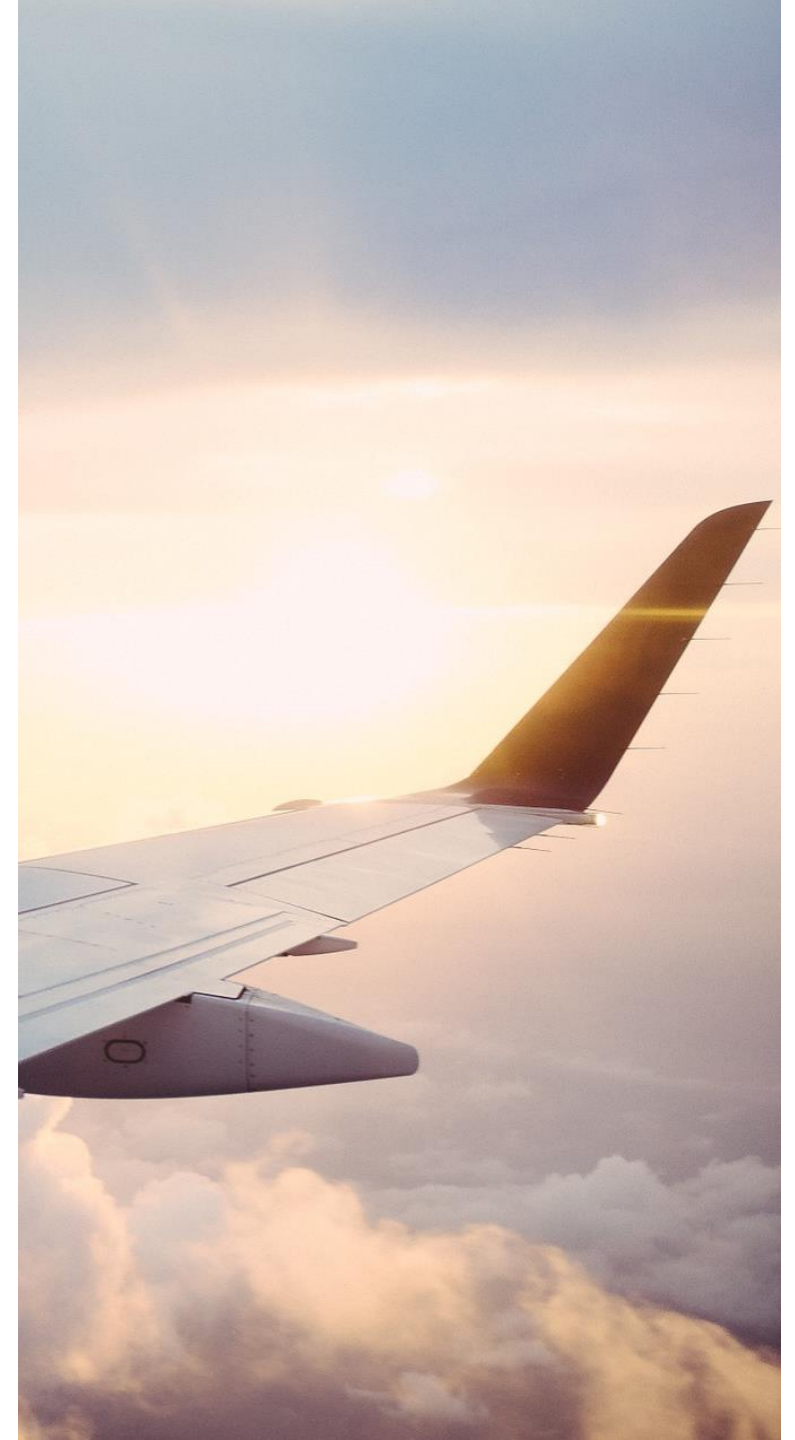
- Completed in Sep 2018
- Charter capital increased to VND 25.2 tril

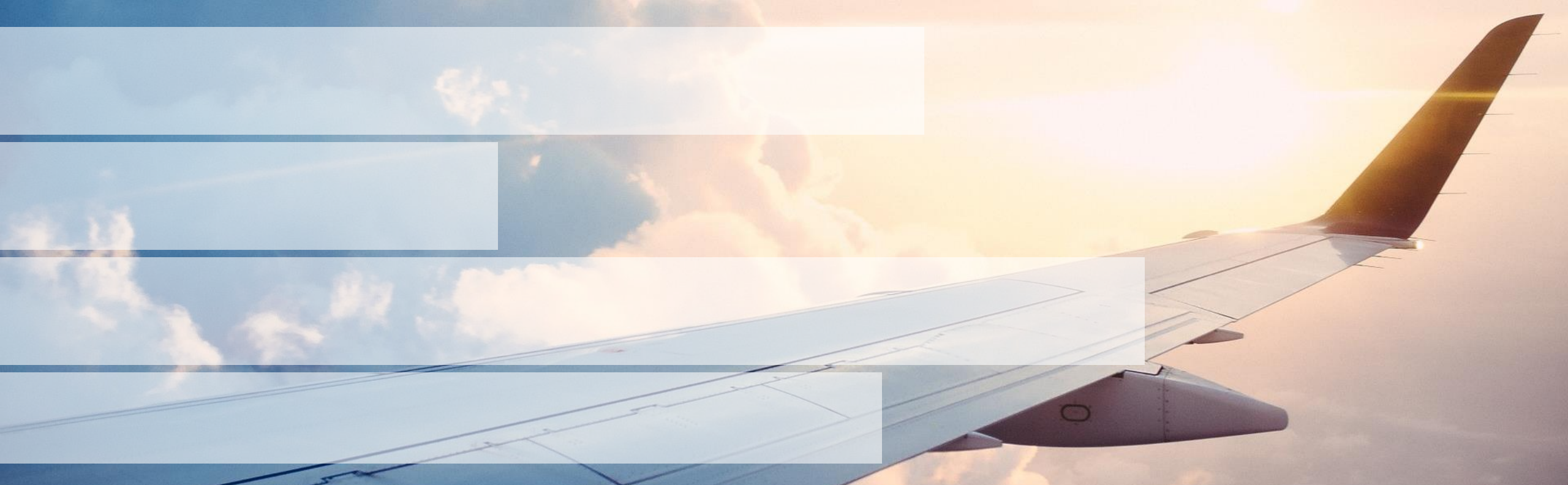
Batch 5: Private placement

Issuance to local & foreign investors to raise charter capital



- Rescheduled to 2019 due to unfavorable market condition & business strategy





03

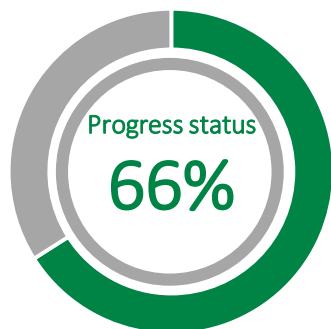
9M2018 **FINANCIAL**

PERFORMANCE

9M2018 – PERFORMANCE INDICATOR HIGHLIGHTS

Balance Sheet	Q3.18	FY2017	Q3.17	Vs. FY2017	Y-o-Y growth
Credit to customers	211,092	196,673	181,233	7.3%	16.5%
Total assets	296,216	277,752	253,847	6.7%	16.7%
Deposits from customers (including valuable papers)	212,701	199,655	192,065	6.5%	10.7%
CAR Cir 36	13.0%	14.6%	15.9%		
CAR Basel II	12.0%	12.6%	13.5%		

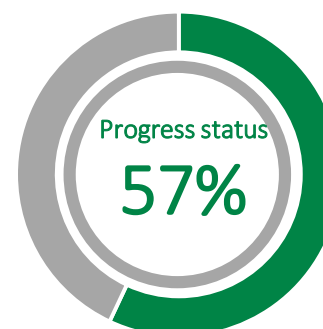
TOI



9M18 22,112

Y-o-Y growth 26%

PBT



9M18 6,125

Y-o-Y growth 9%

CIR

35.3%

ROE

21.2%

ROA

2.3%

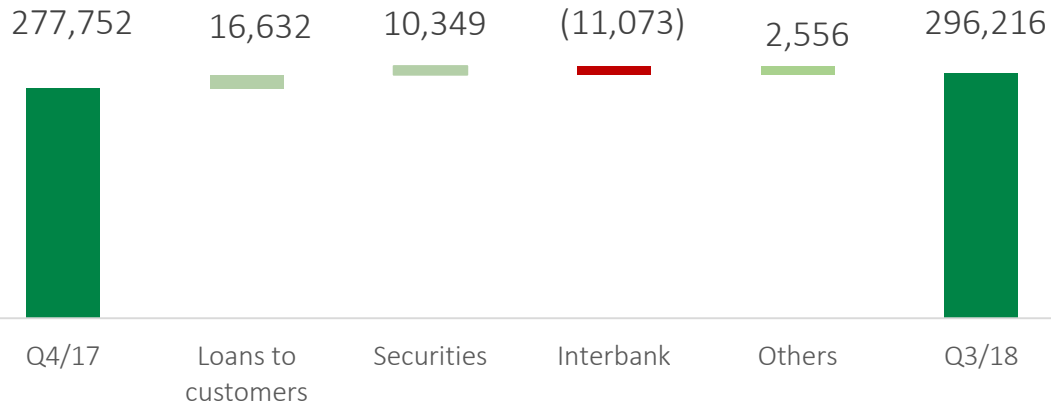
Unit: bil VND

Source: Unaudited Consolidated FS at 30.09.2018

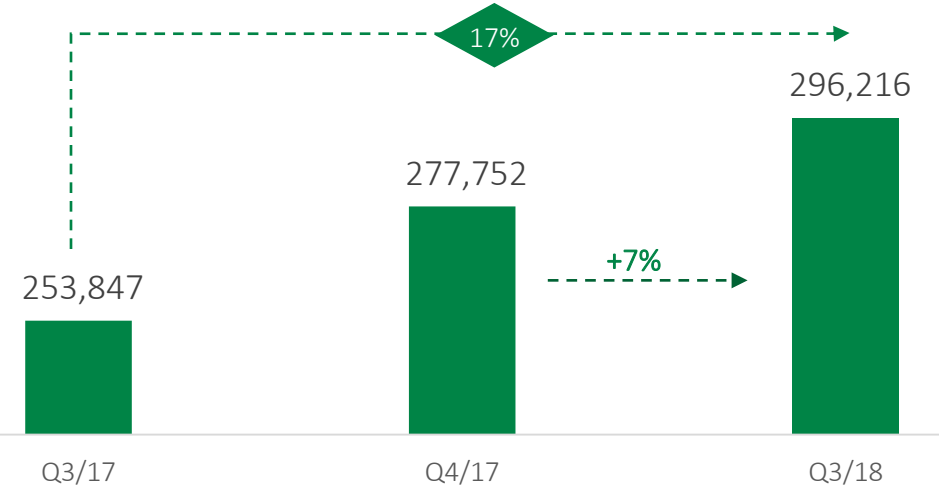
ASSET GROWTH

Summary (*) (bil VND)

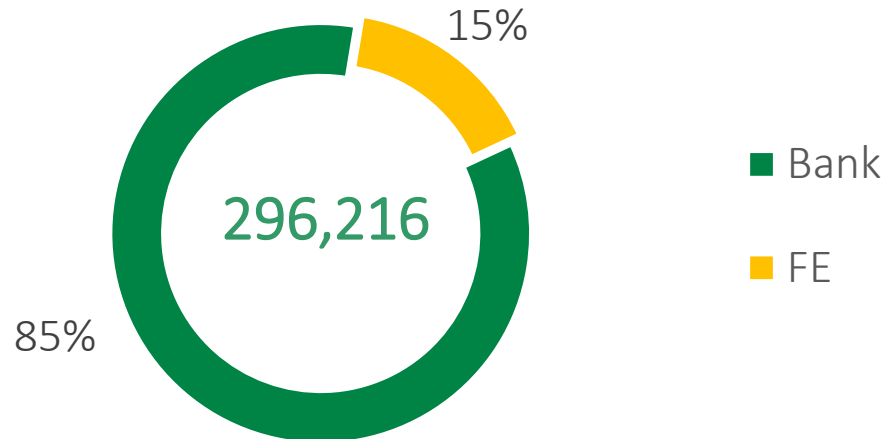
* Outstanding is calculated as net after provision



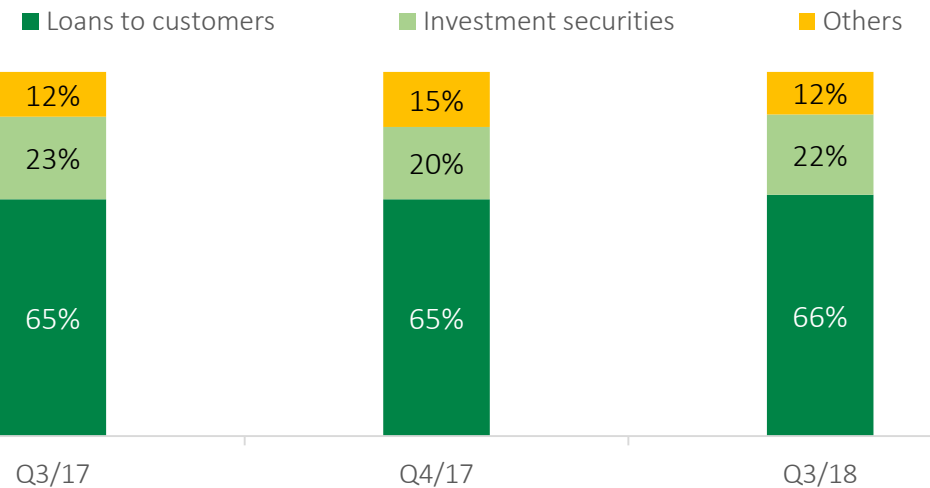
Asset growth (bil VND)



Asset proportion (bil VND)

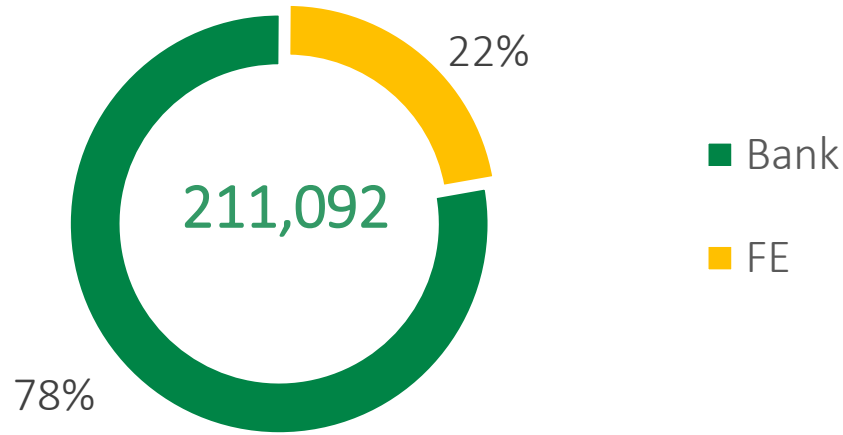


Asset mix (%)

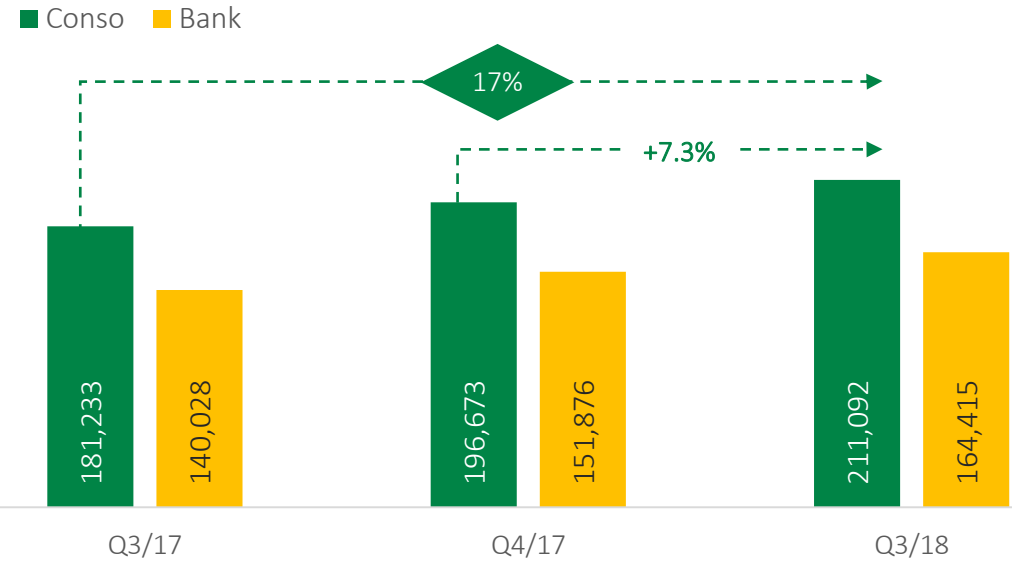


LOAN PORTFOLIO (*)

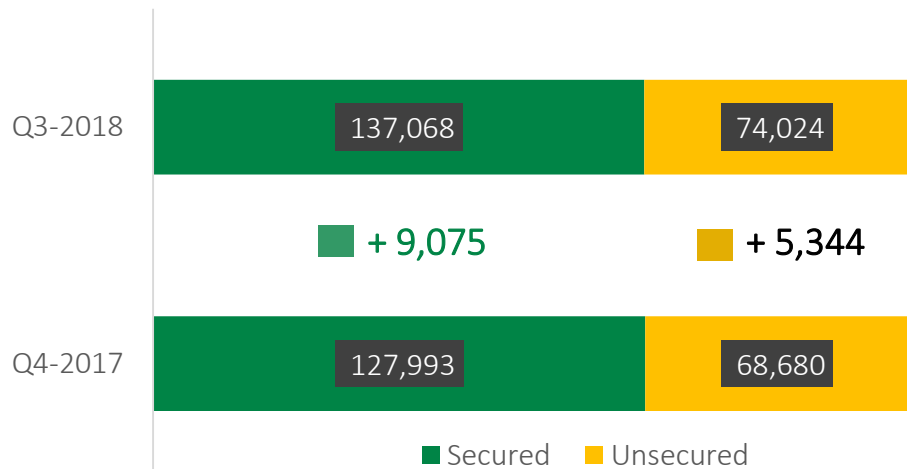
Summary (bil VND)



Credit growth (bil VND)

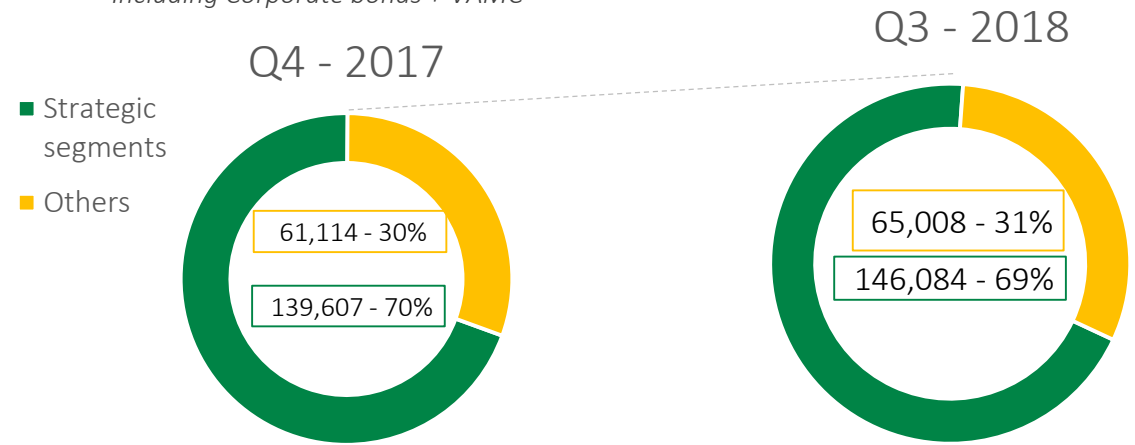


By type (bil VND)



By segments (*) (bil VND)

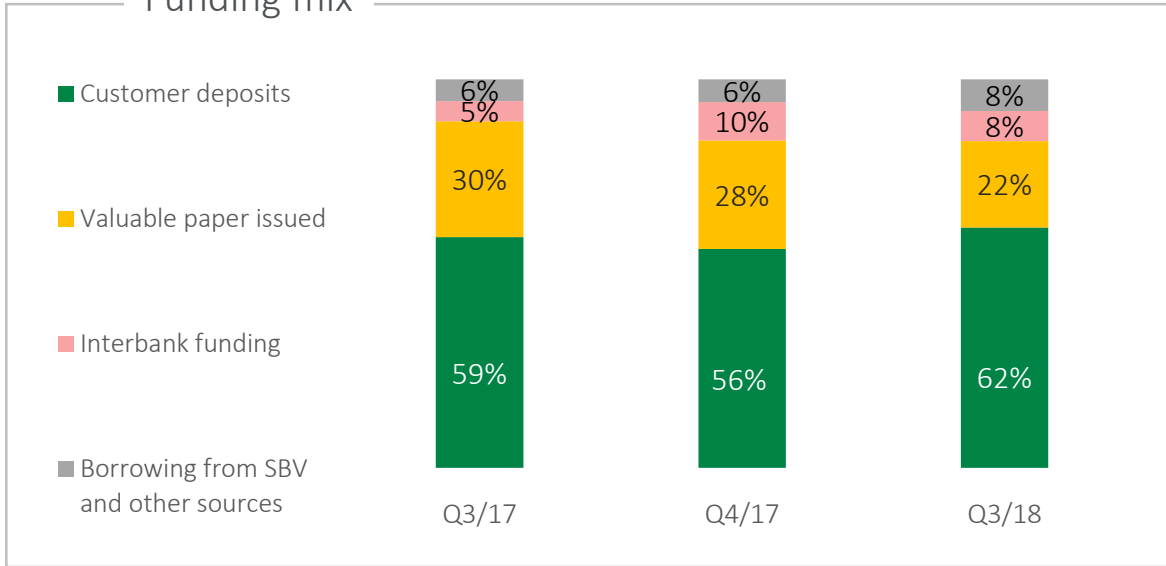
* Including Corporate bonds + VAMC



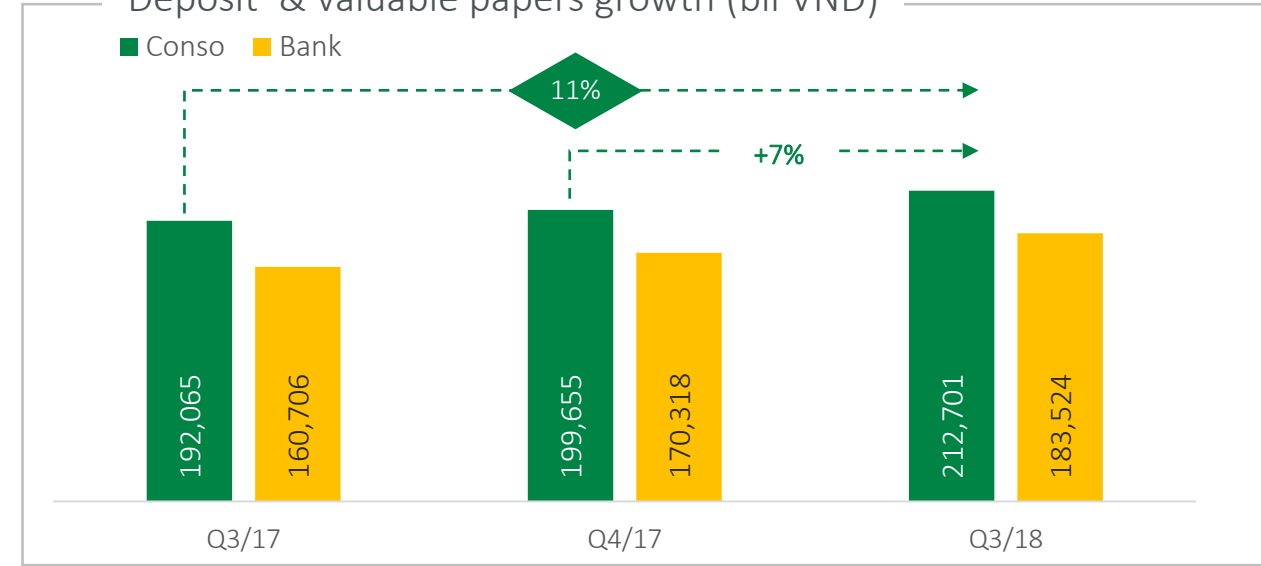
* Including Corporate bonds

FUNDING MIX

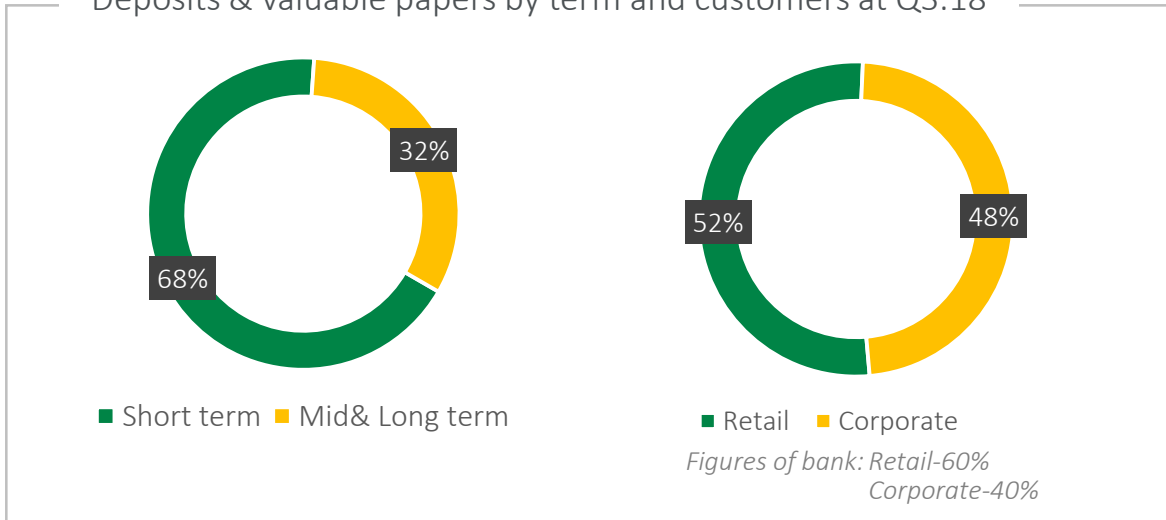
Funding mix



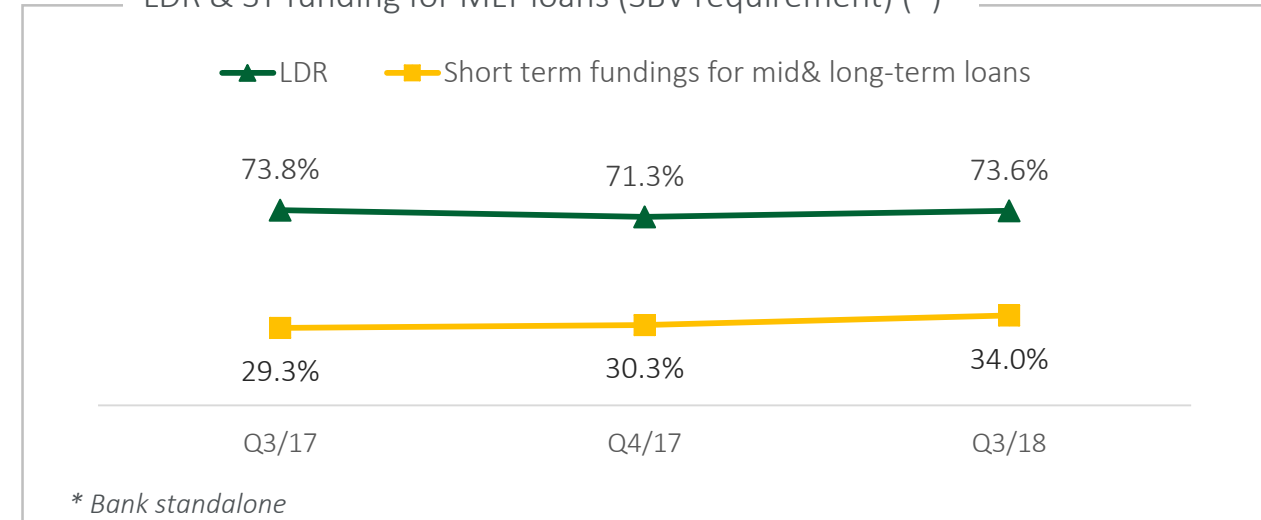
Deposit & valuable papers growth (bil VND)



Deposits & valuable papers by term and customers at Q3.18

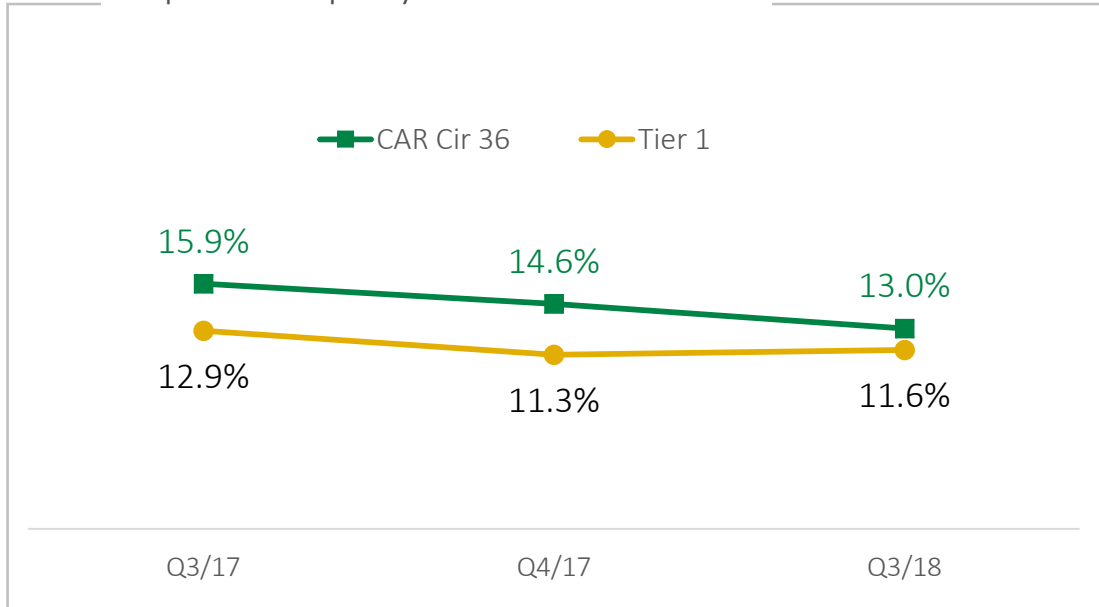


LDR & ST funding for MLT loans (SBV requirement) (*)

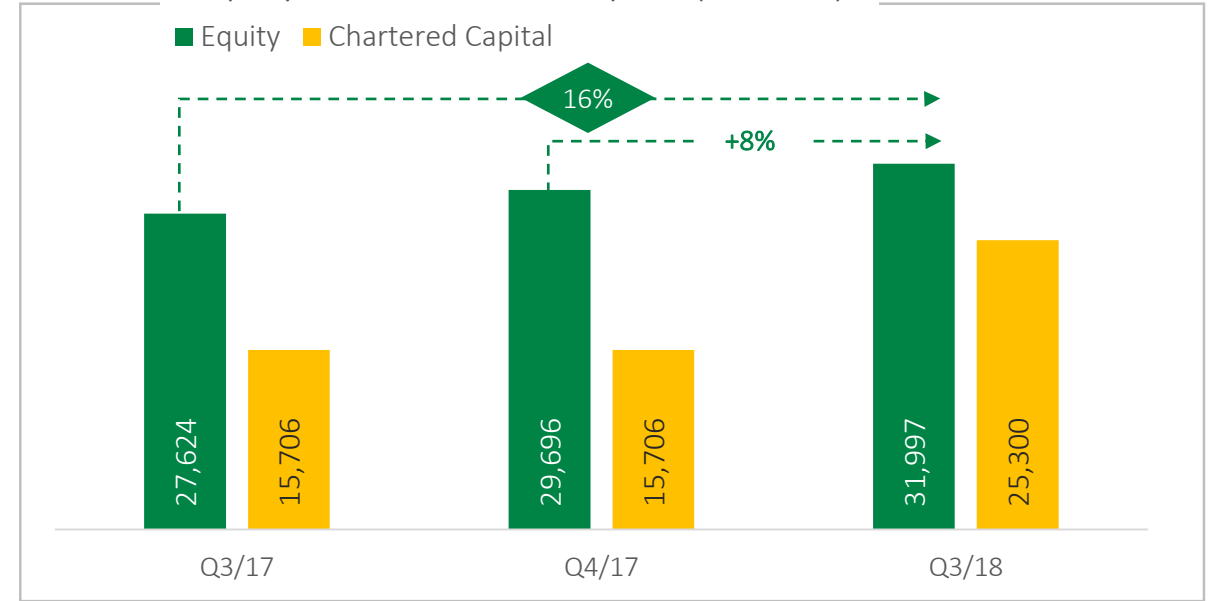


CAPITAL BASE

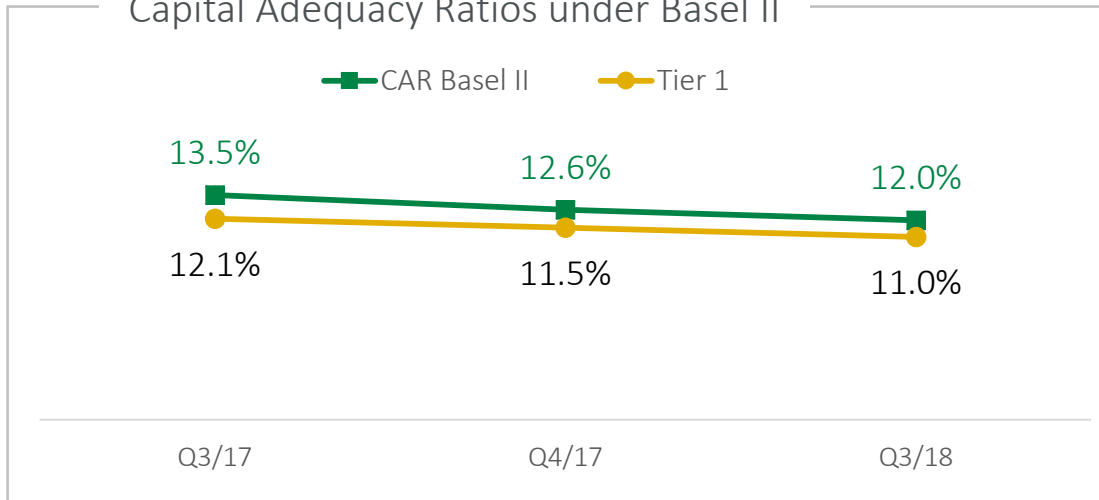
Capital Adequacy Ratios under Cir 36



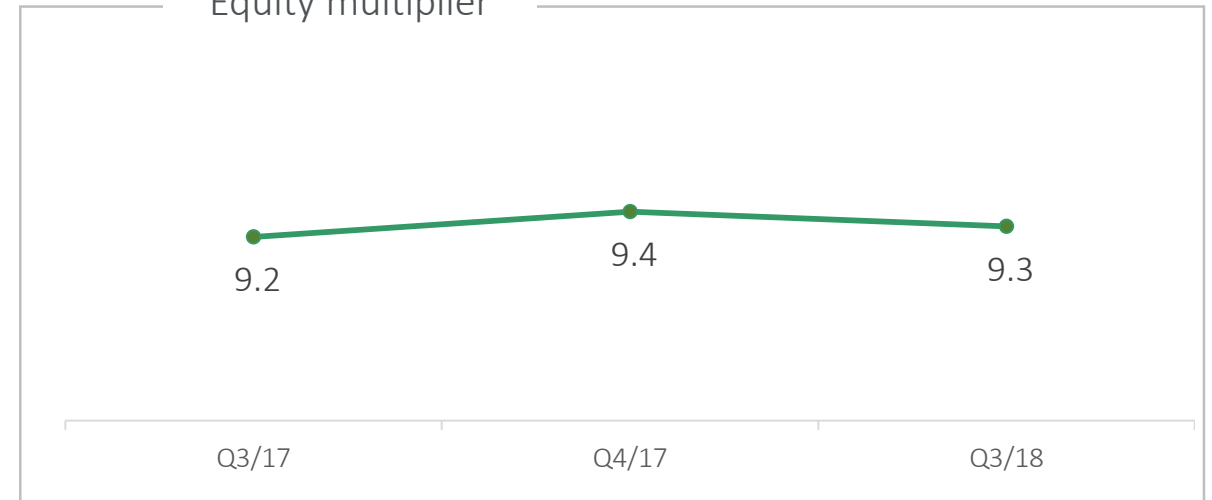
Equity and Chartered Capital (Bil VND)



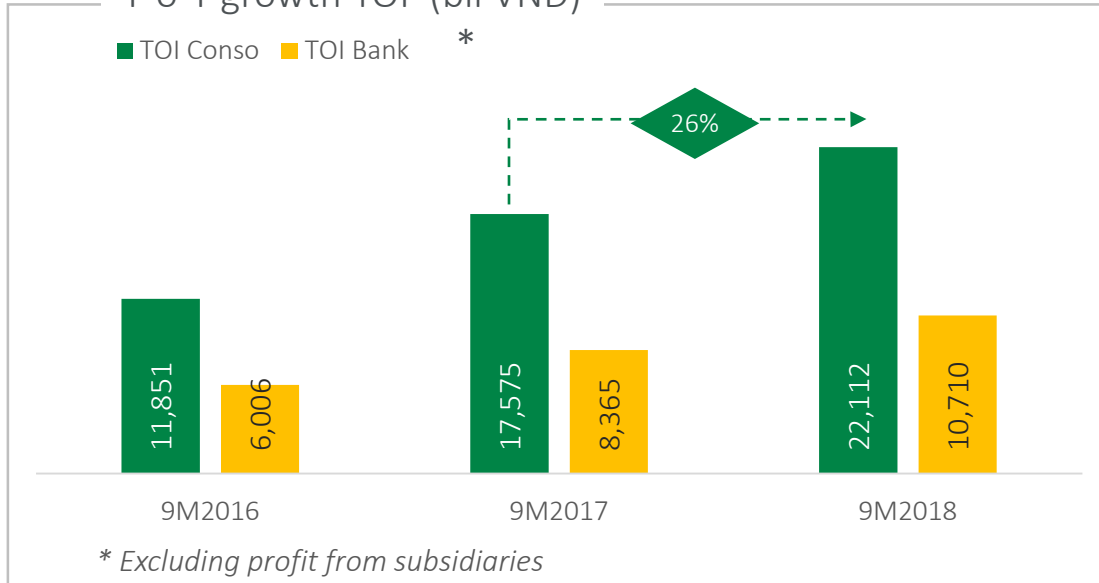
Capital Adequacy Ratios under Basel II



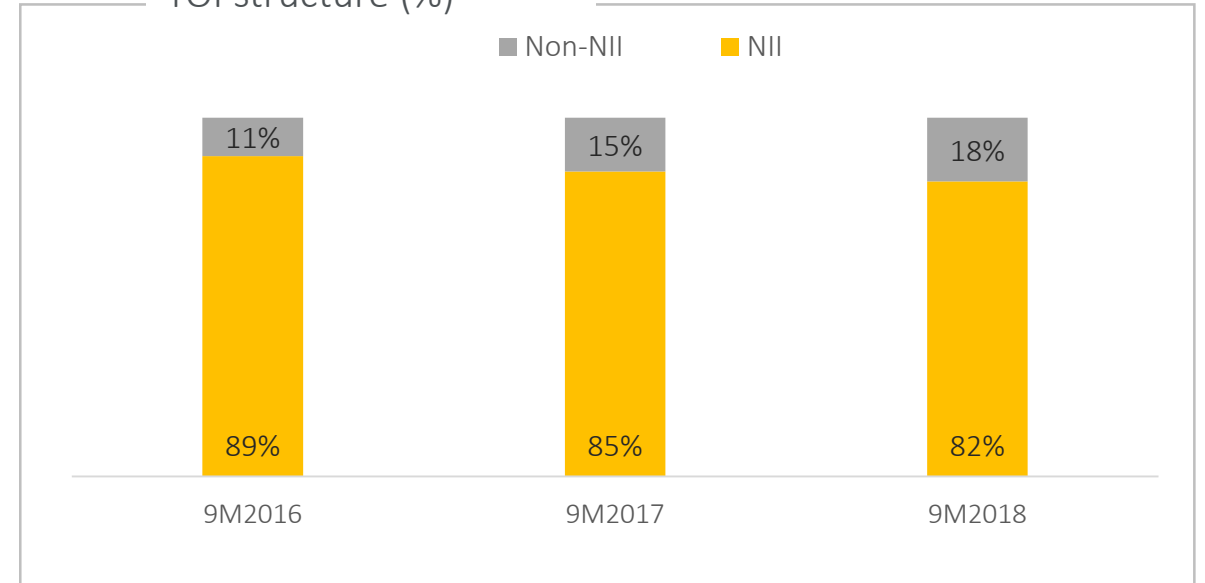
Equity multiplier



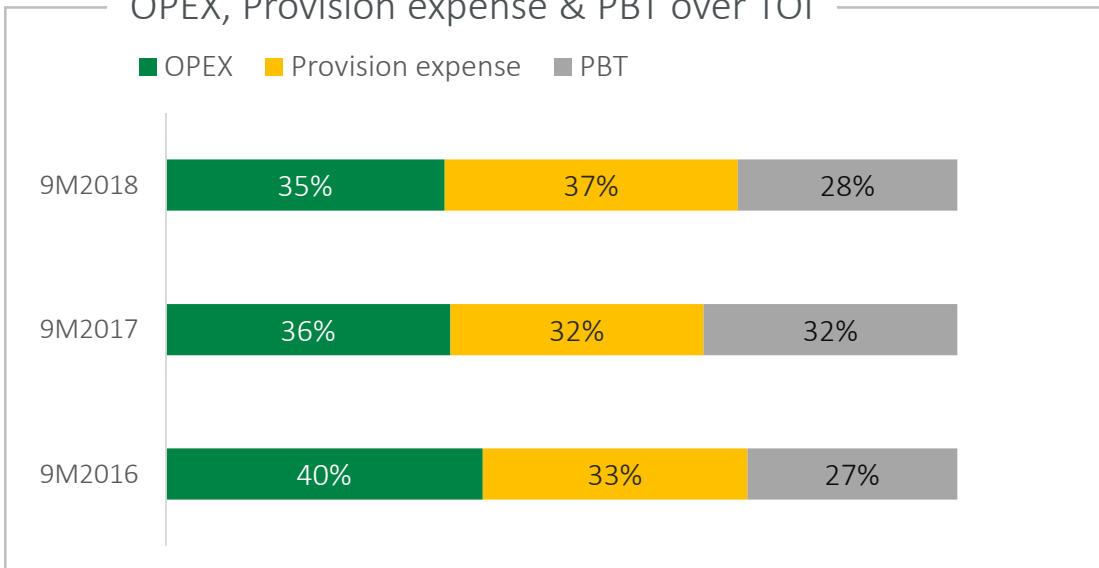
Y-o-Y growth TOI (bil VND)



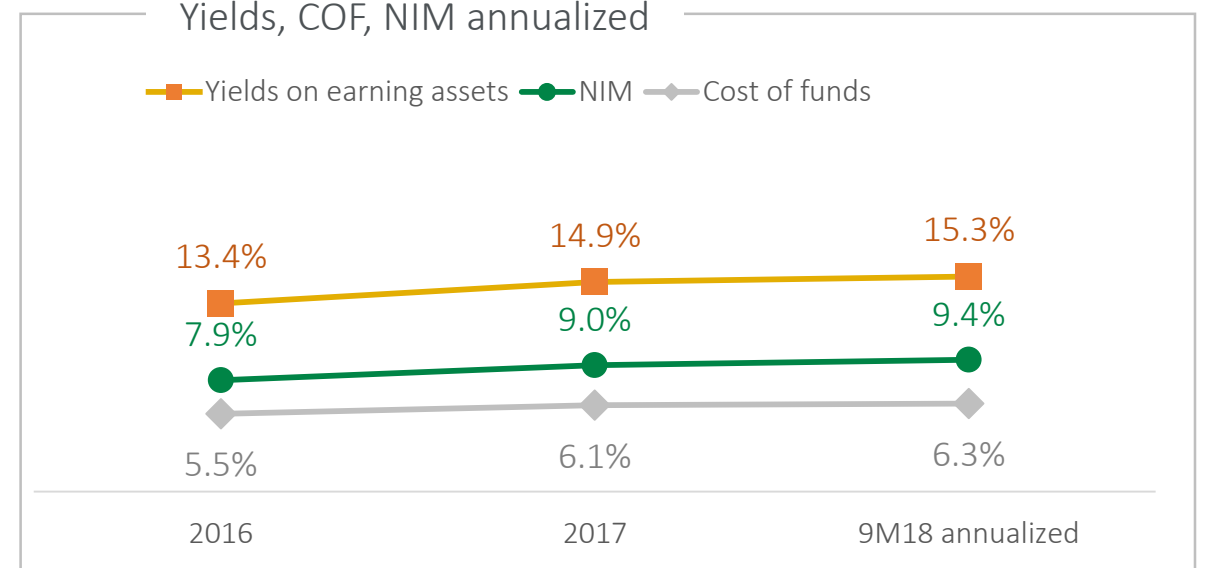
TOI structure (%)



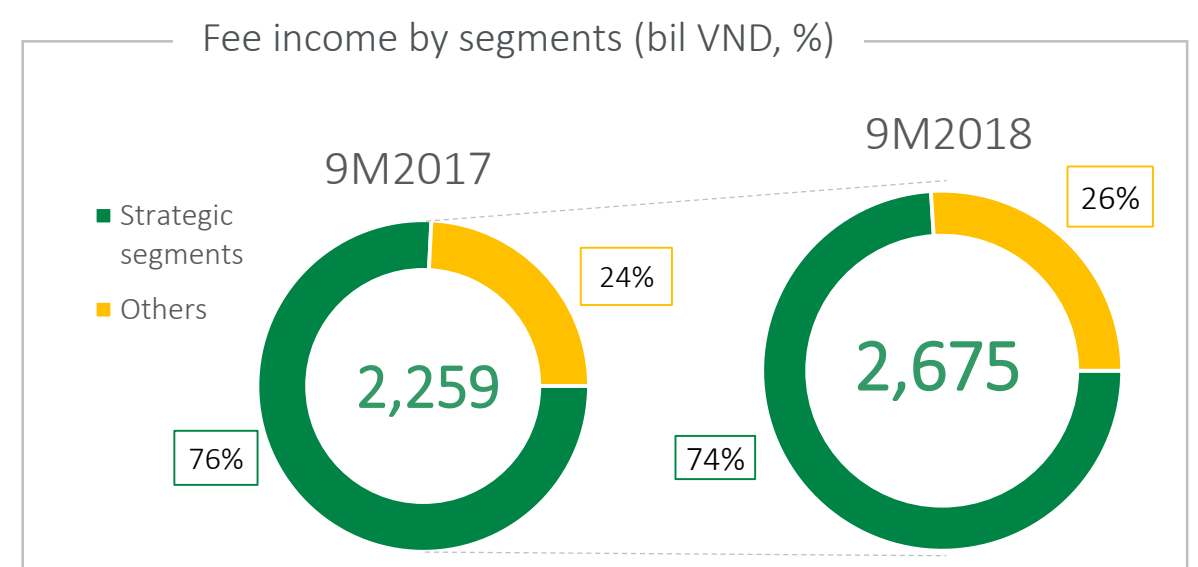
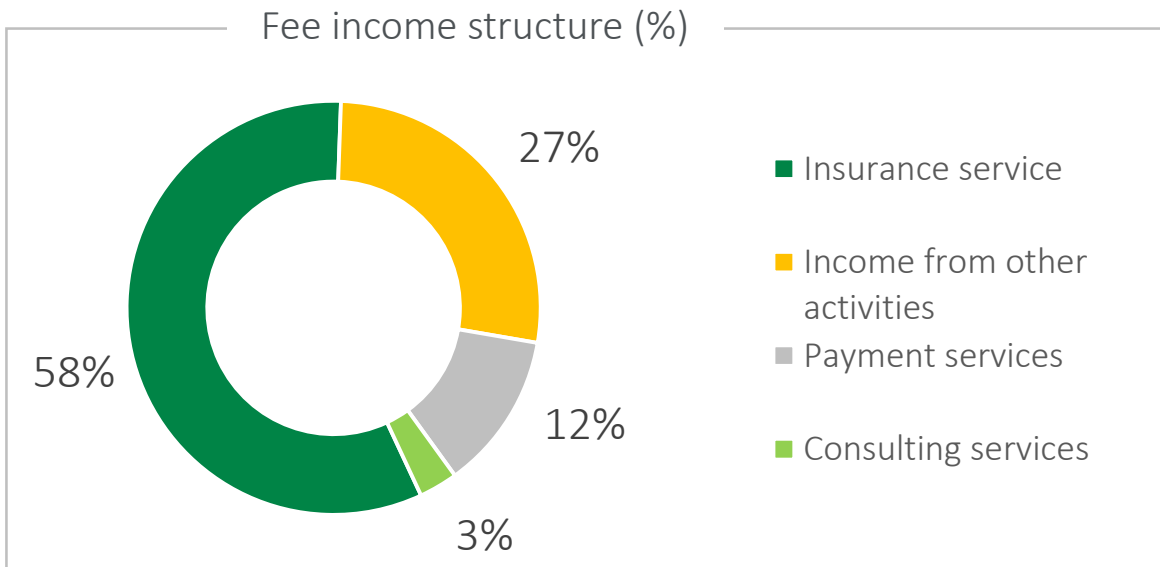
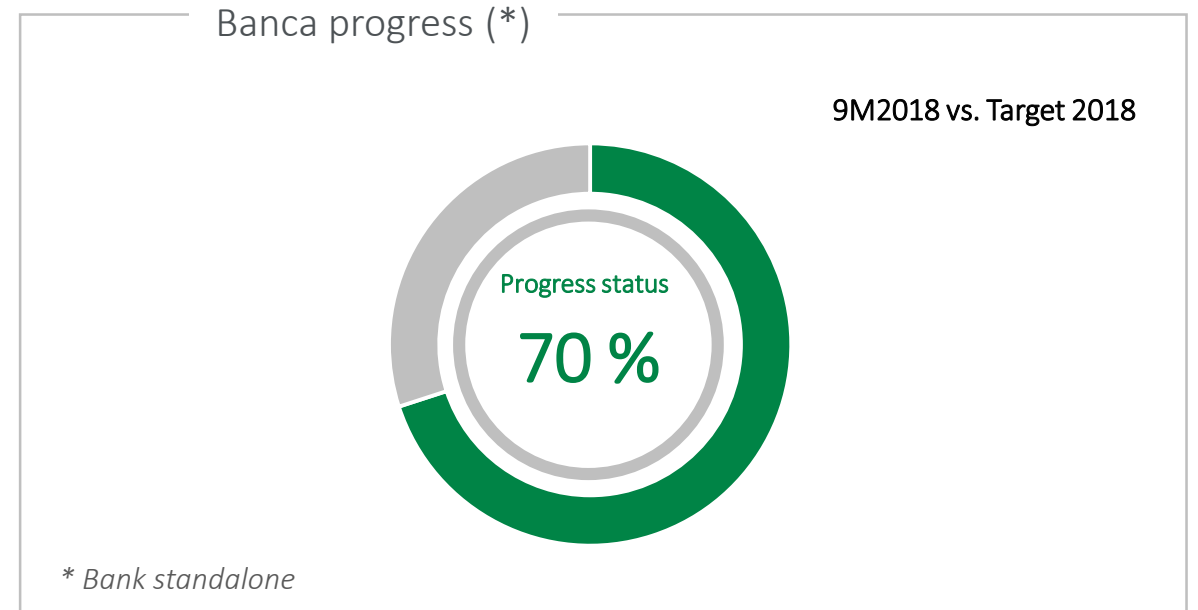
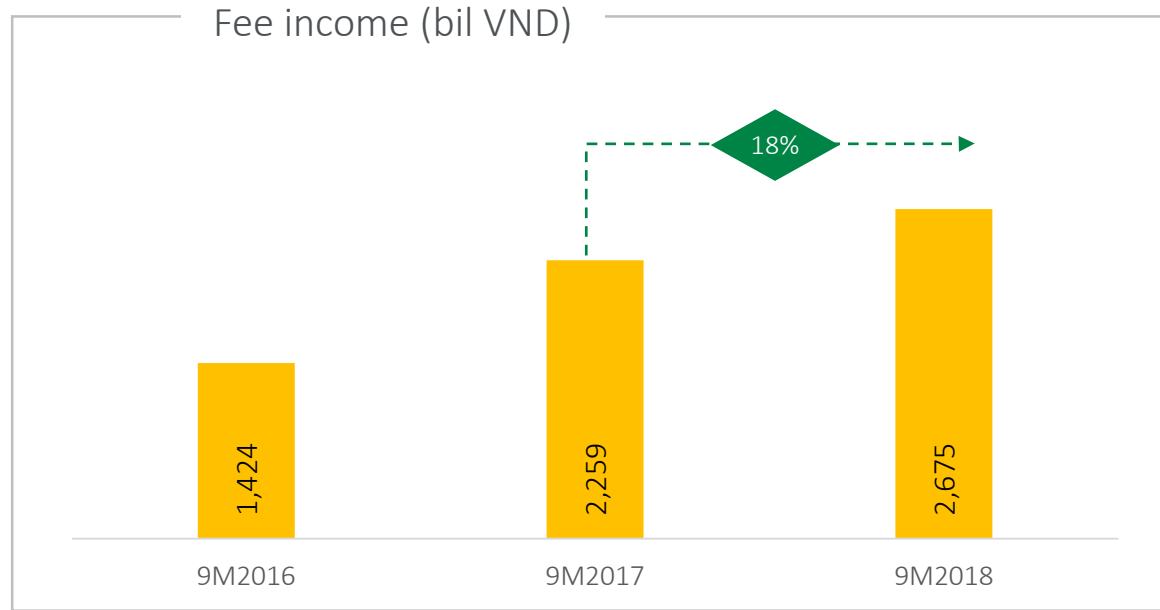
OPEX, Provision expense & PBT over TOI



Yields, COF, NIM annualized

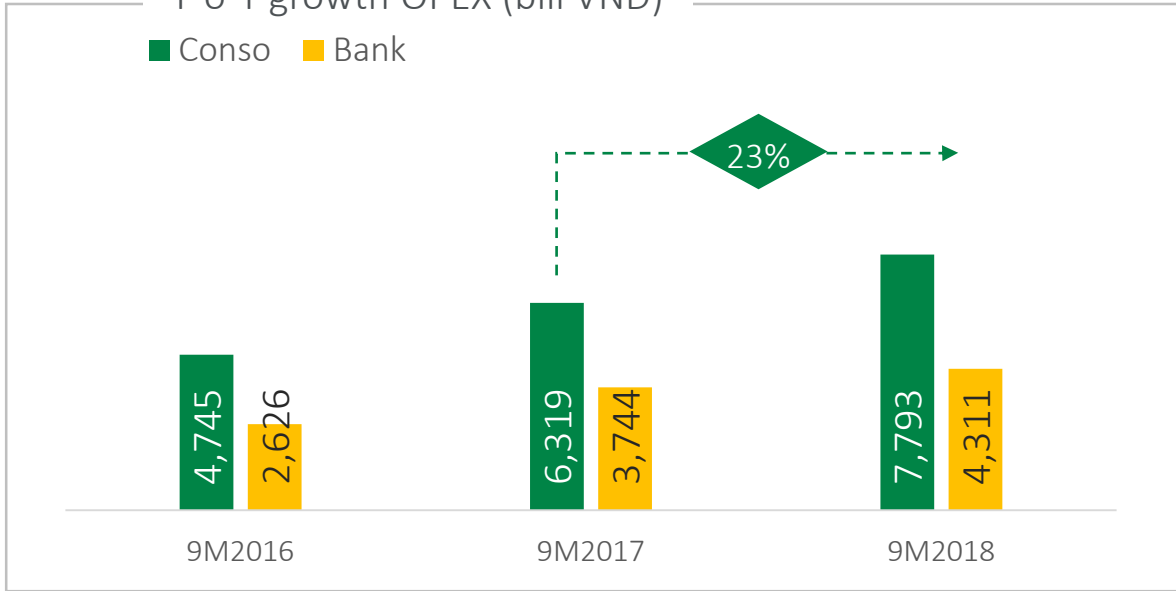


FEE INCOME

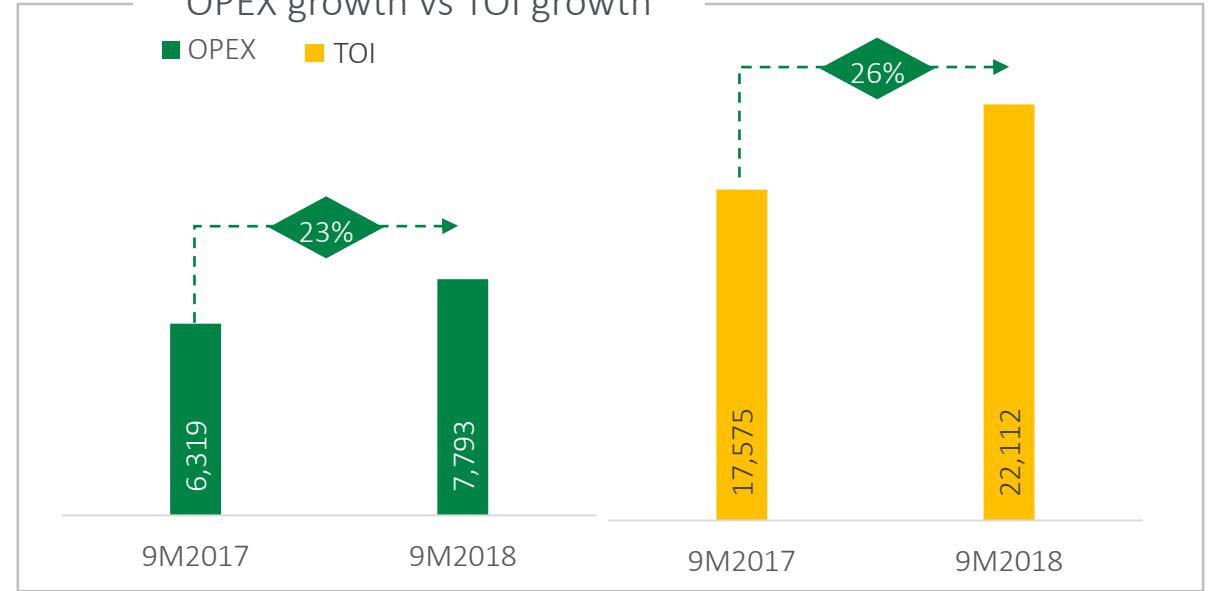


OPEX

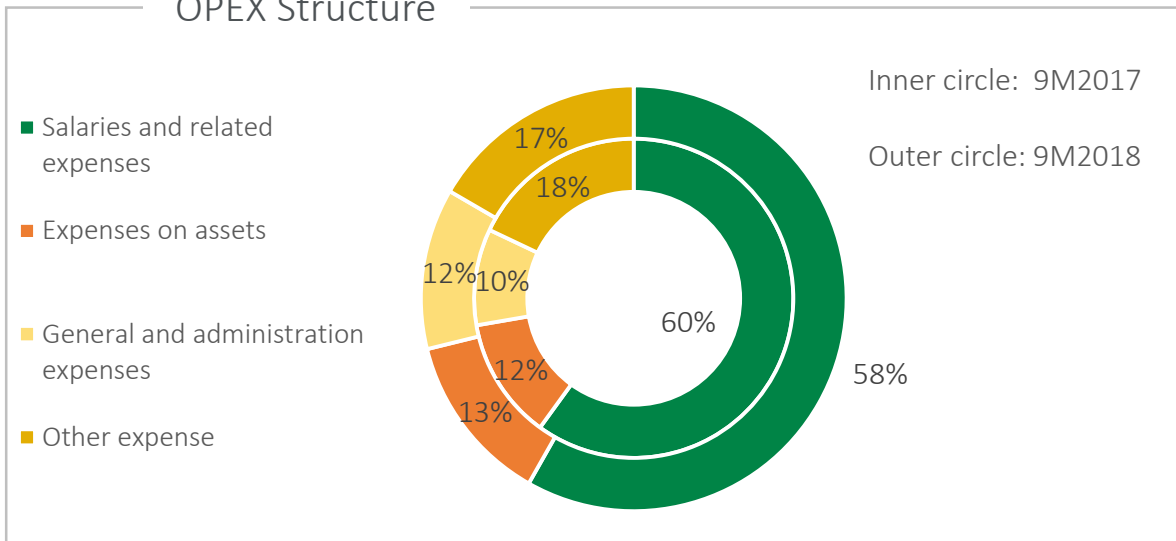
Y-o-Y growth OPEX (bill VND)



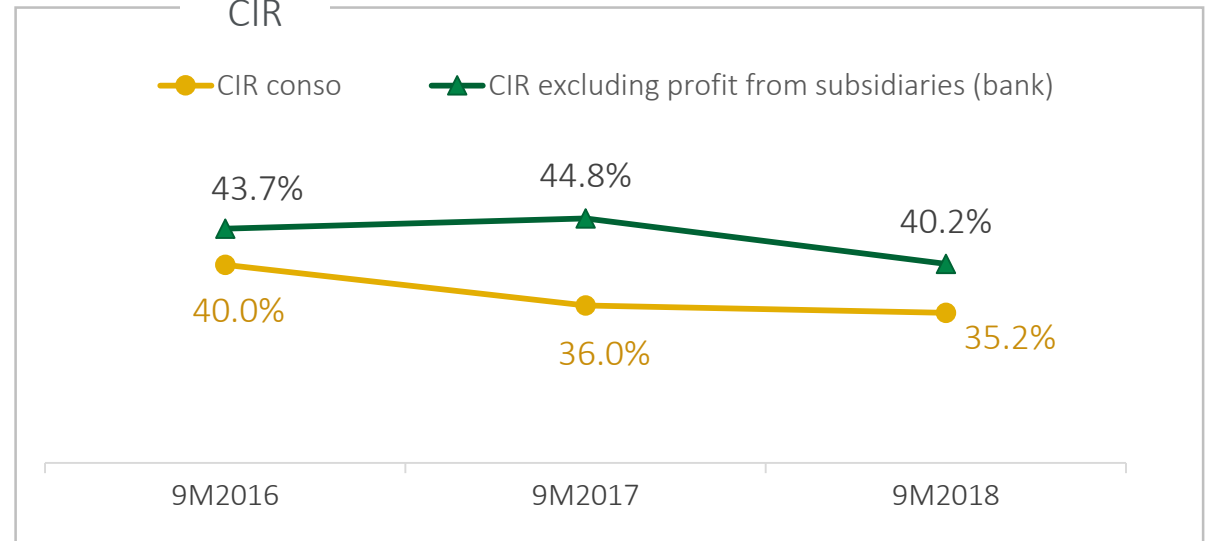
OPEX growth vs TOI growth



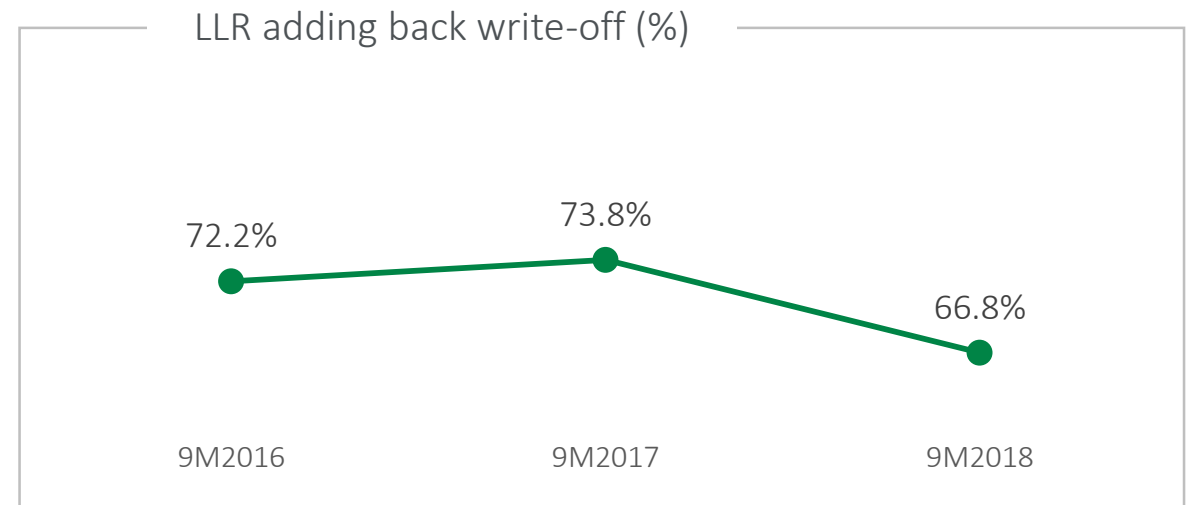
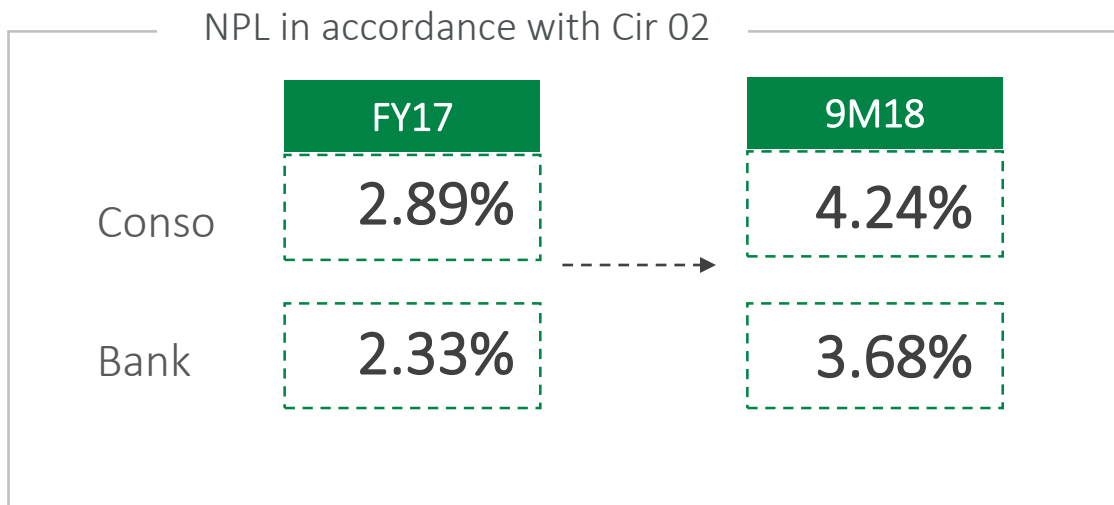
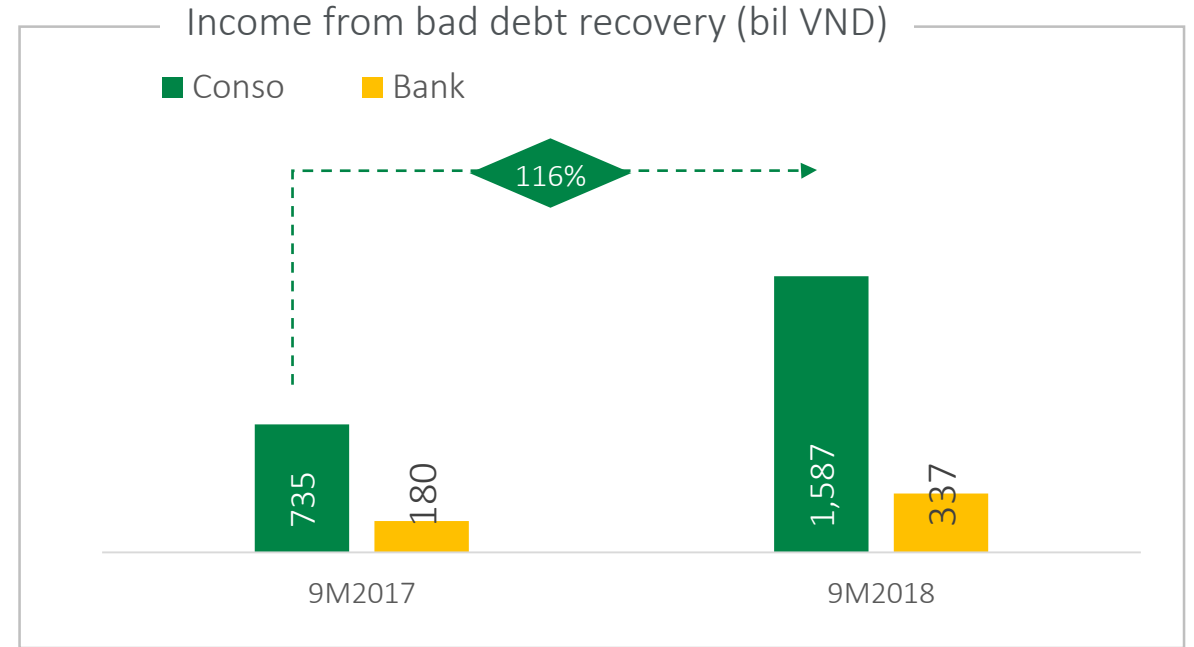
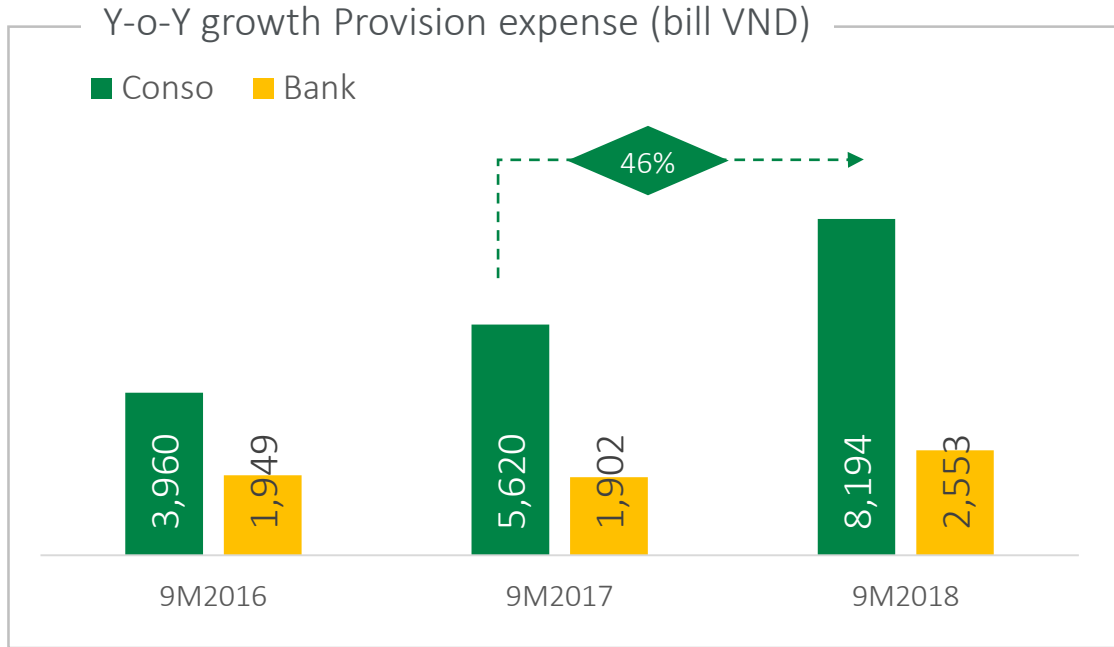
OPEX Structure



CIR

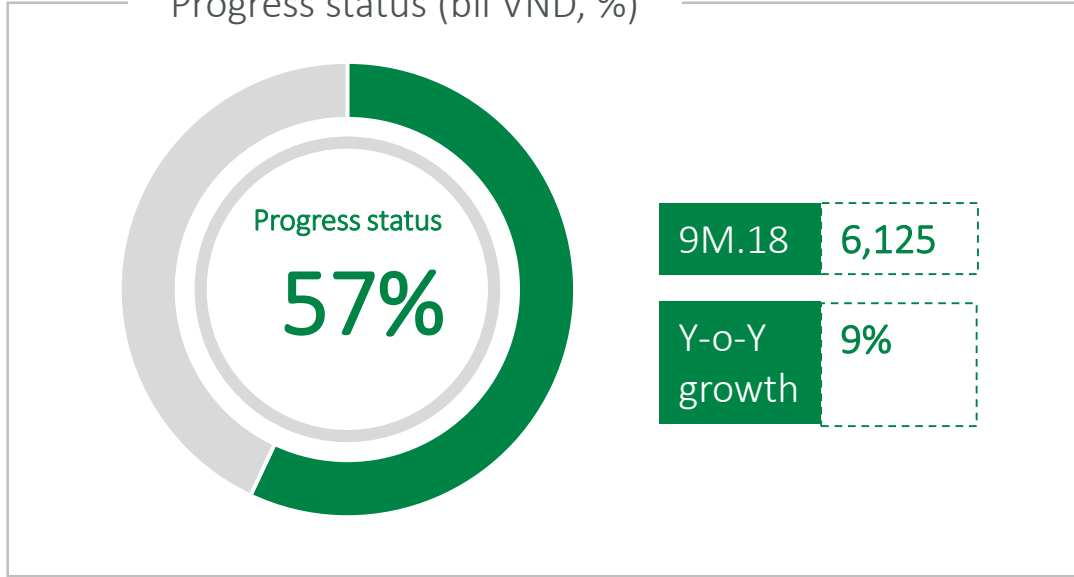


PROVISION EXPENSE

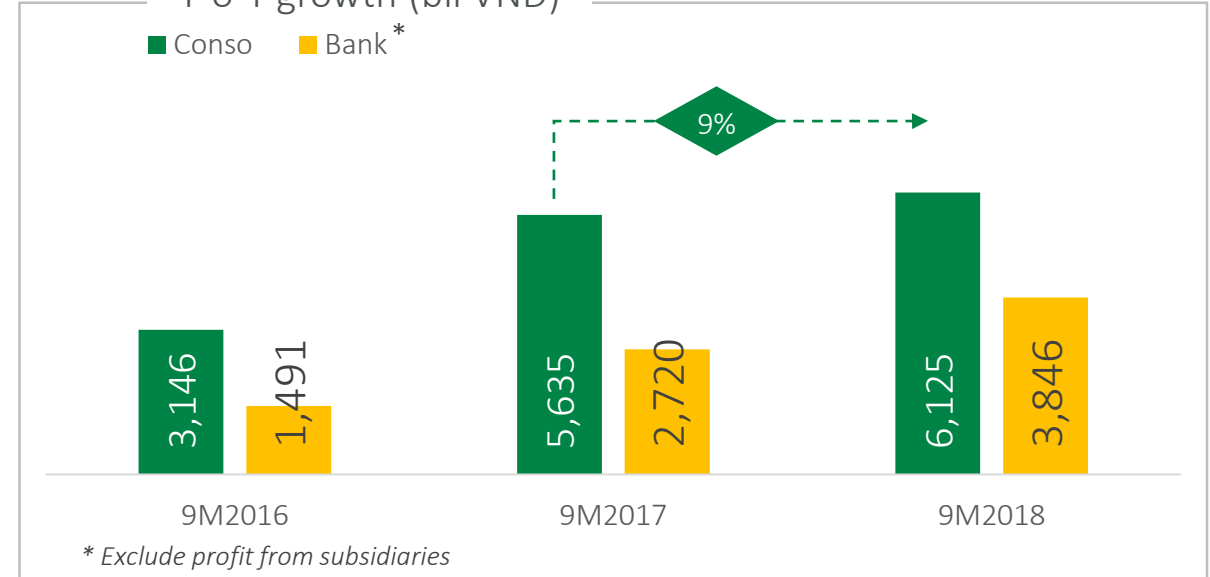


PBT

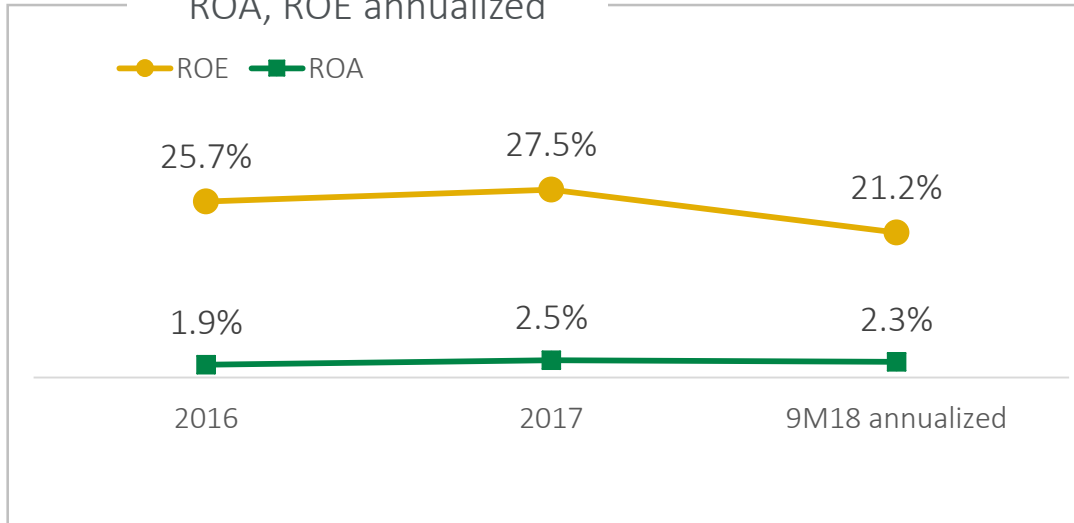
Progress status (bil VND, %)



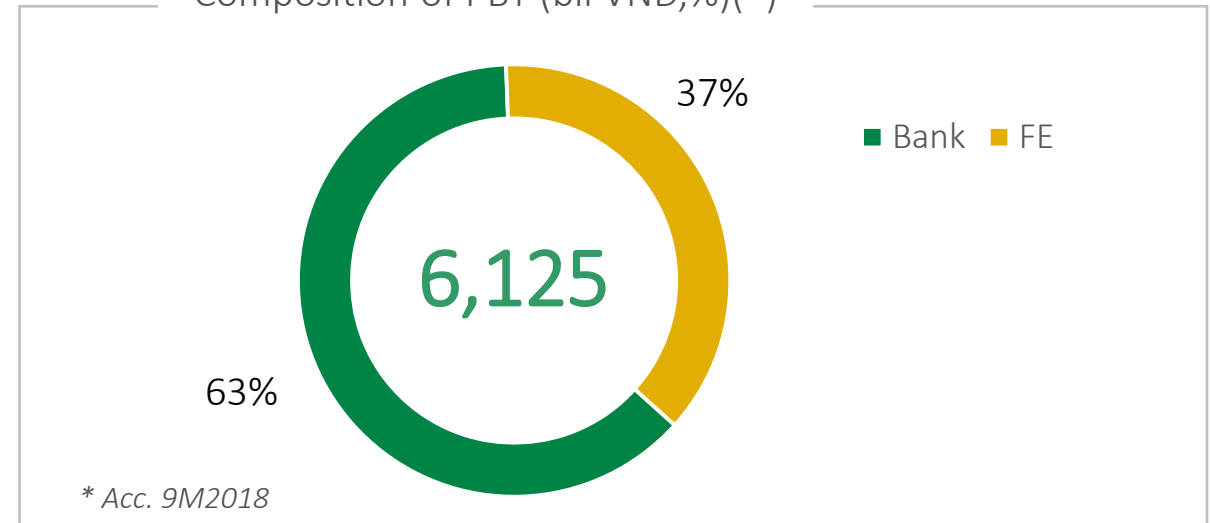
Y-o-Y growth (bil VND)



ROA, ROE annualized



Composition of PBT (bil VND,%)(*)



04

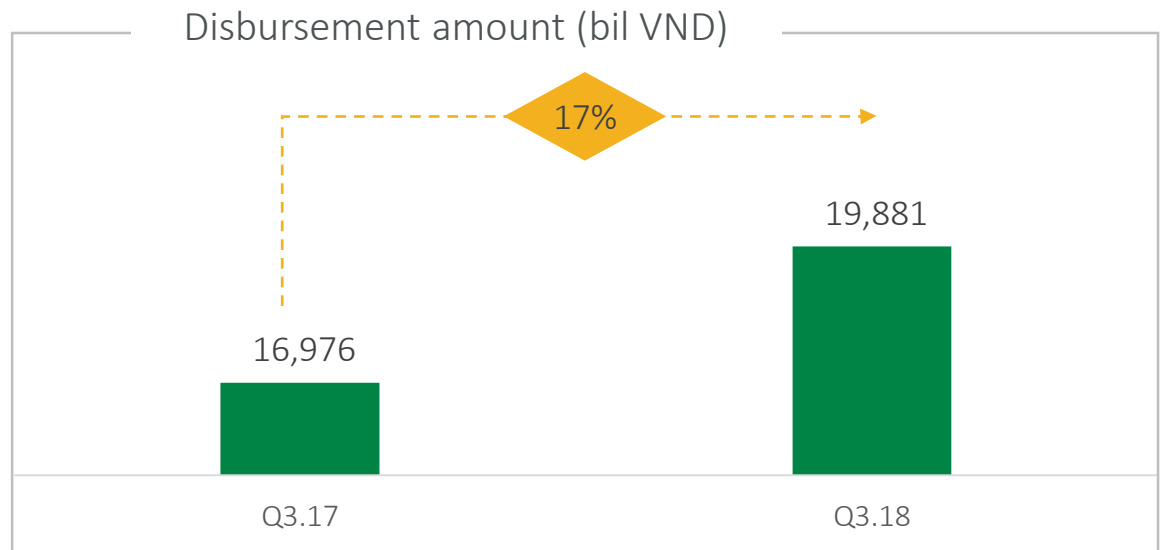
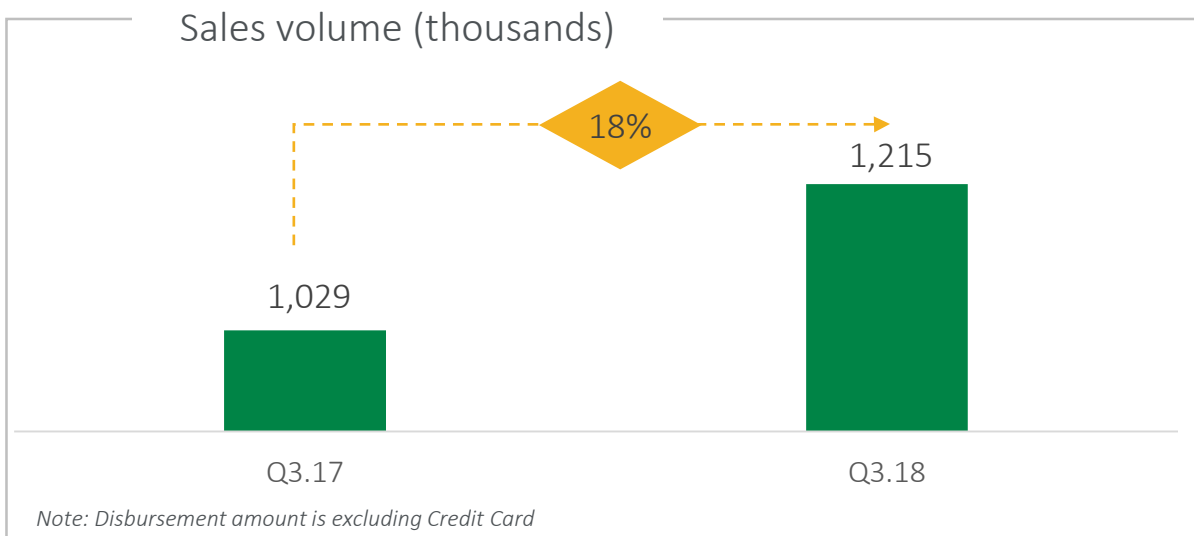
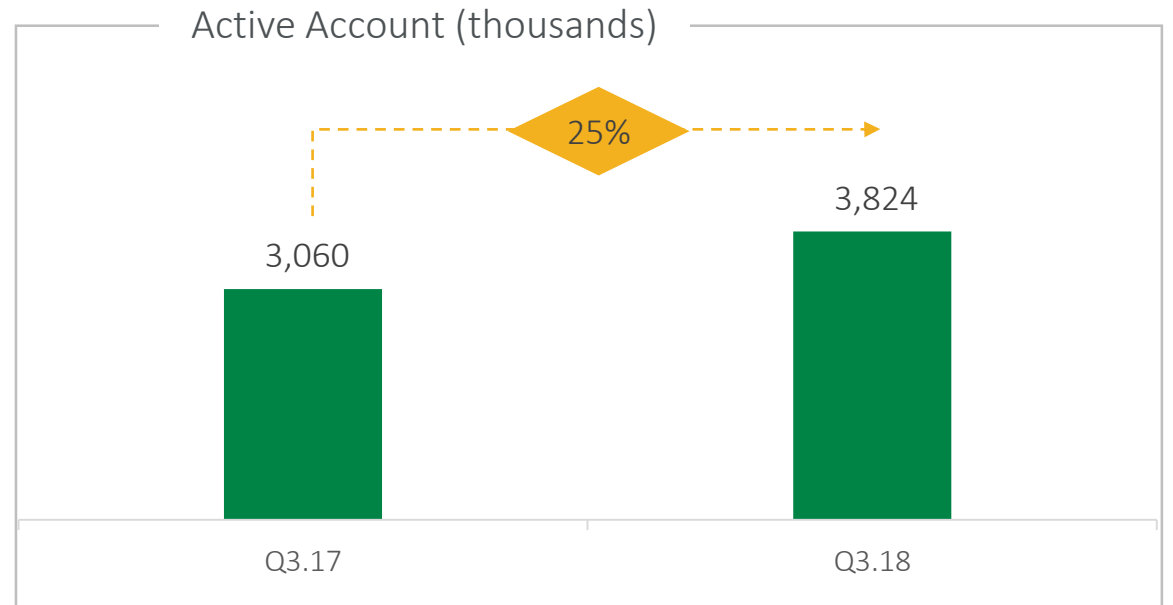
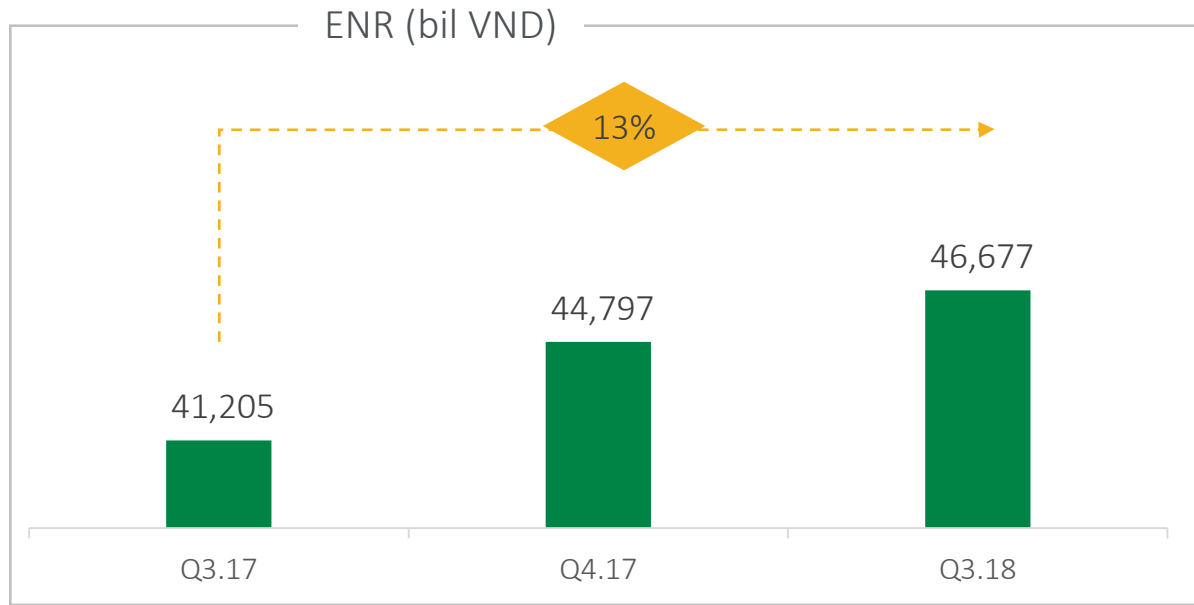
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FINANCIAL PERFORMANCE

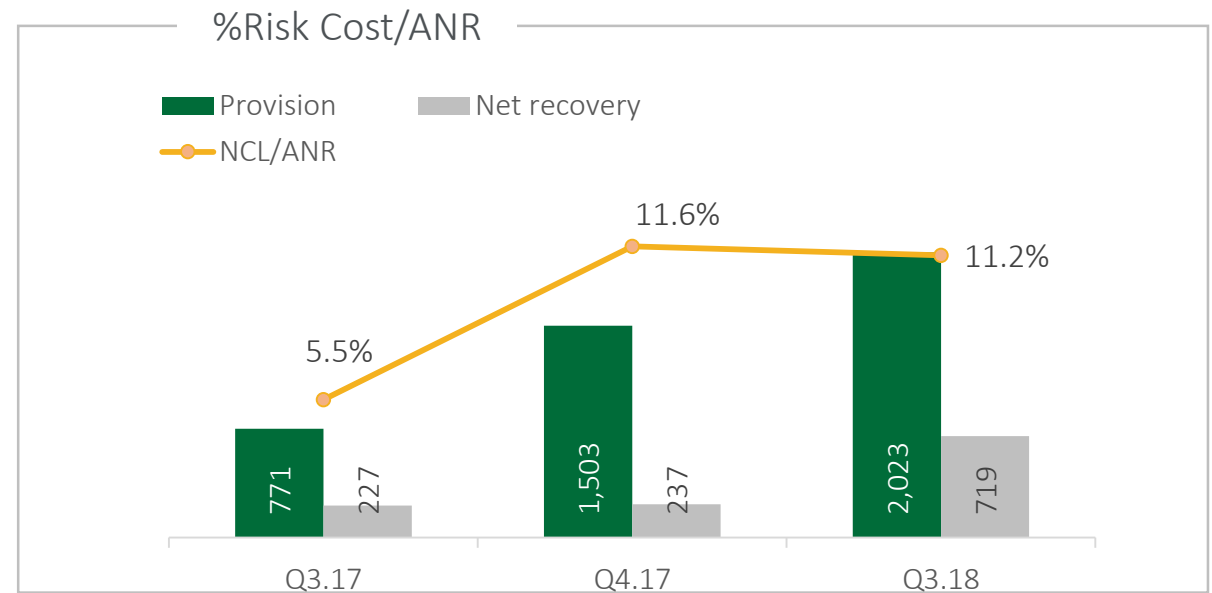
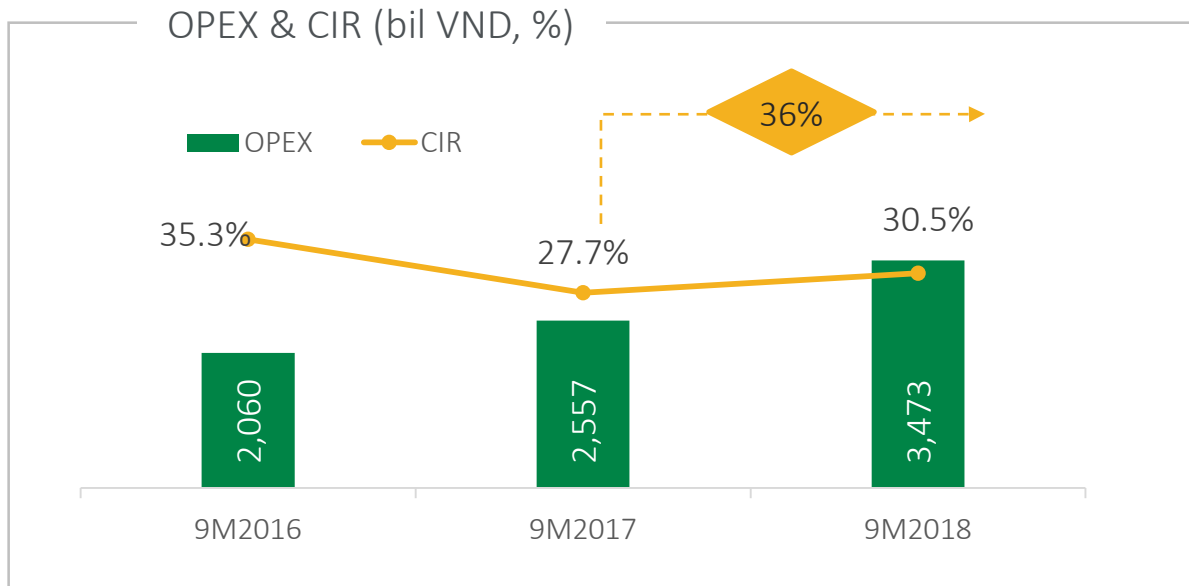
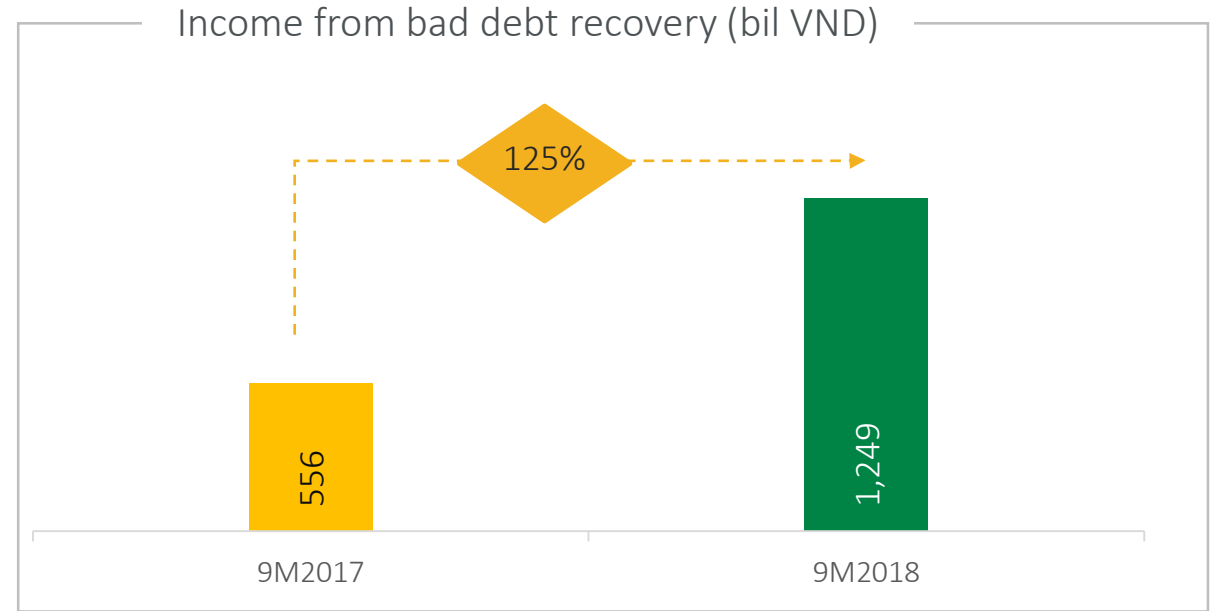
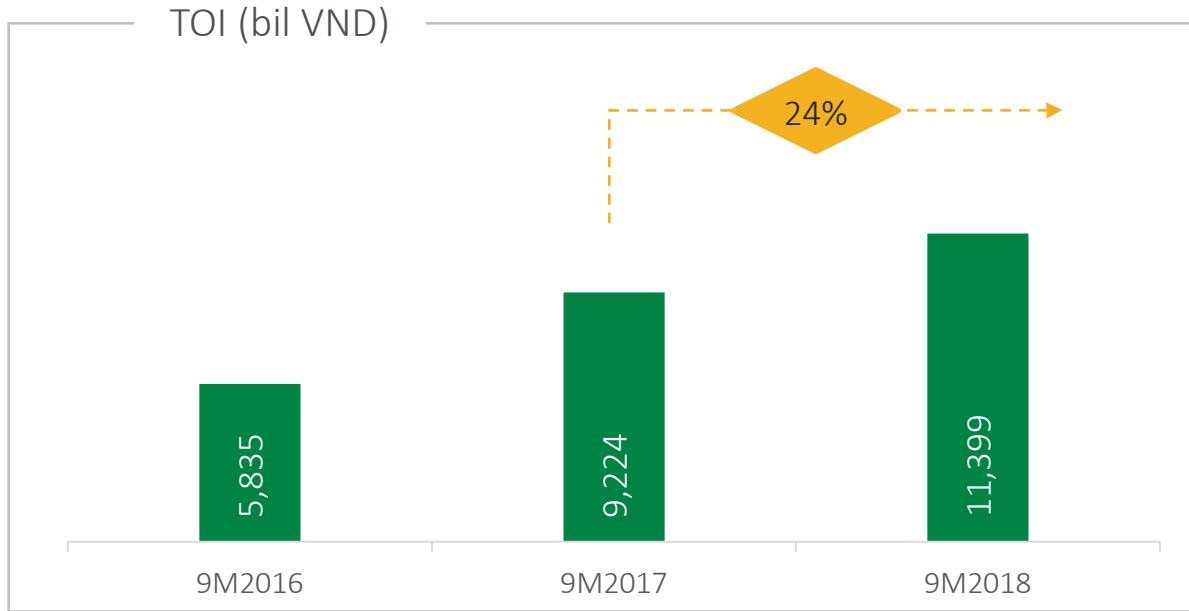
FE CREDIT



BUSINESS PERFORMANCE – FE CREDIT



FINANCIAL PERFORMANCE – FE CREDIT



GLOSSARY

AMC	Asset Management Company
CAR	Capital Adequacy Ratio
CASA	Current Account Savings Account
CCR	Credit Card
CIC	Credit Information Center
CIR	Cost-to-Income Ratio
ENR	Ending Net Receivables
HHB	Household Banking
LLR	Loan Loss Reserve
NFI	Net Fee Income
NIM	Net Interest Margin
NPL	Non-Performing Loan
PLNTB	Personal loans New to Bank
OPEX	Operating expense
ROE	Return on Equity
ROA	Return on Asset
SBV	State Bank of Vietnam
SME	Small and Medium-Sized Enterprises
TOI	Total Operating Income
UPL	Unsecured Personal Loan
XS/TU	Cross-sell/Top-up

DISCLAIMER

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