



VIETNAM PROSPERITY BANK

9MFY2017 - Results

Presentation to Investors and Analysts

Oct 2017

AGENDA



Overview of VP Bank



9M FY 2017 Performance



Strategic plans & targets



Overview of VP Bank



9M FY 2017 Performance



Strategic plans & targets

VPBANK AT A GLANCE

- ✦ VND 254 trillion total assets
- ✦ Around 4.5 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



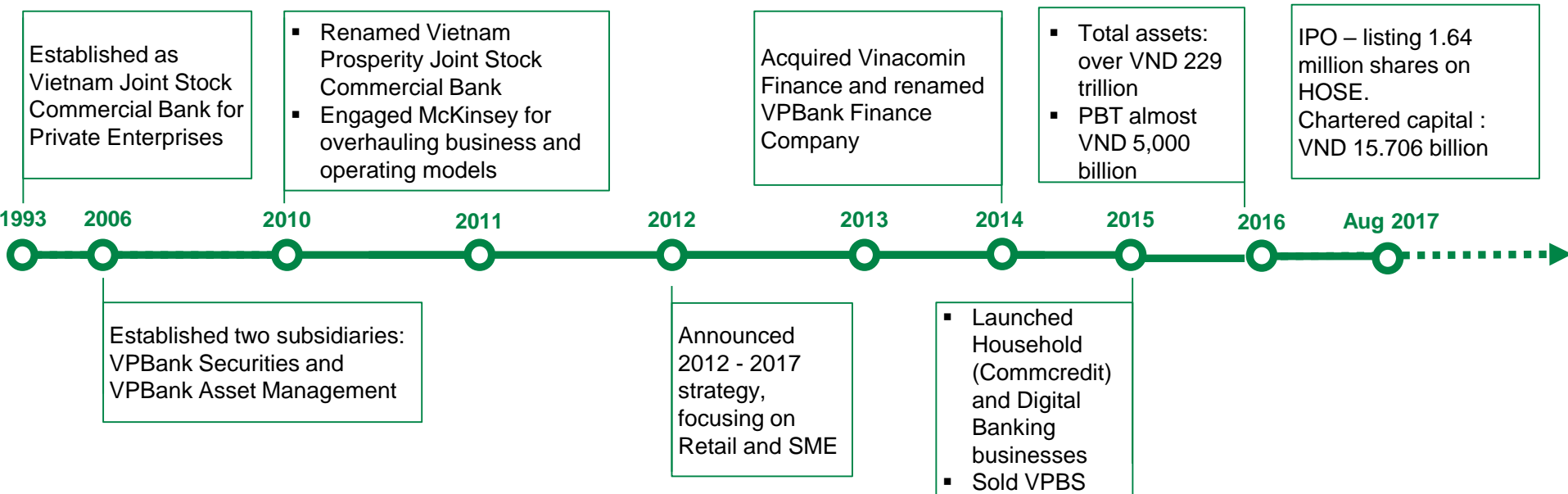
- ✦ Full coverage of all banking segments
- ✦ Highly centralized and specialized organization model
- ✦ Over 22,5000 employees
- ✦ 215 branches and 77 SME centers&hubs
- ✦ Over 500 branded ATMs/CDMs, nearly 17,000 linked ATMs



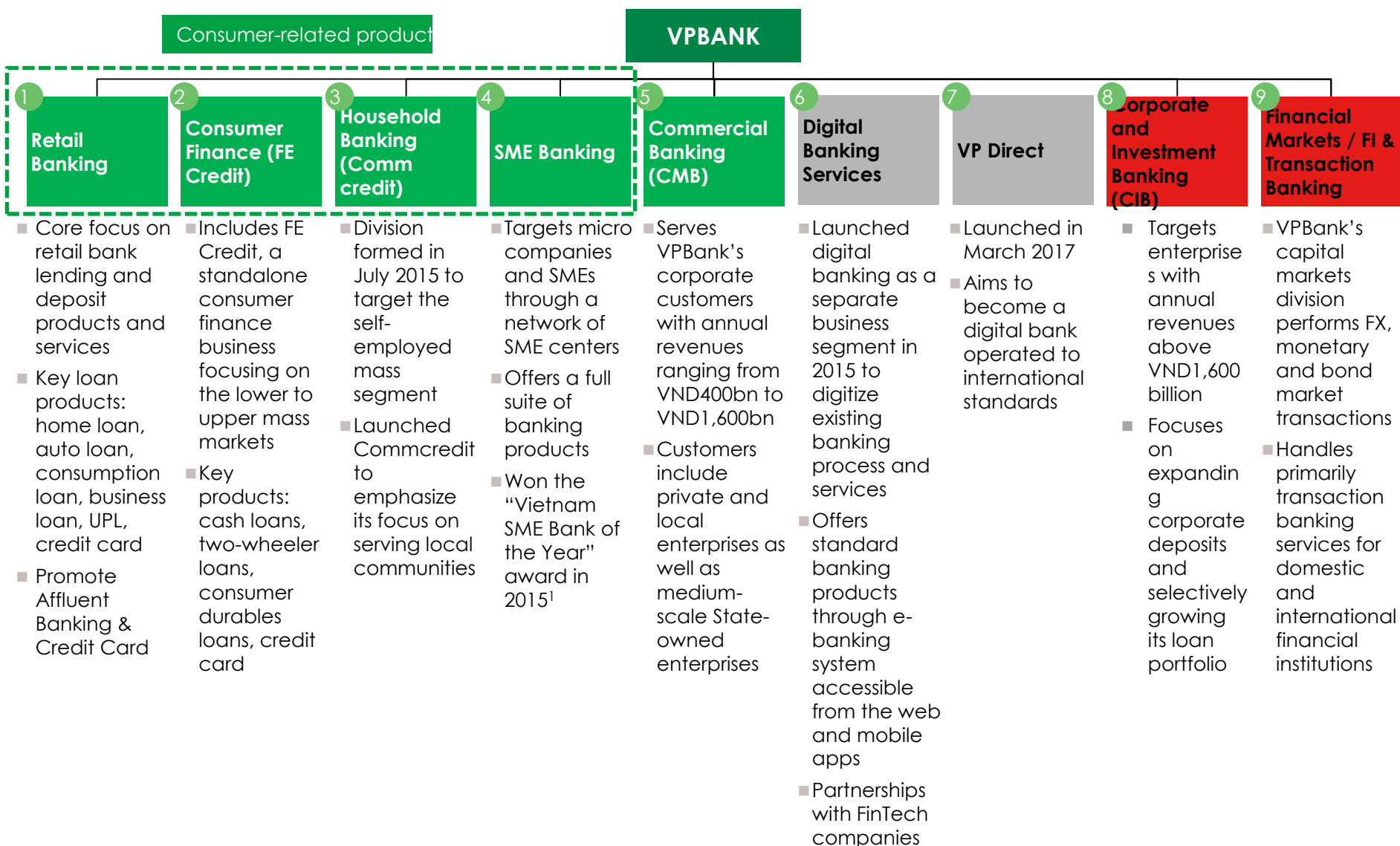
- ✦ Pioneering in digitalization and data management
- ✦ Strong investment in IT systems
- ✦ Professional working environment inspired by firmly established corporate culture



VPBANK AT A GLANCE



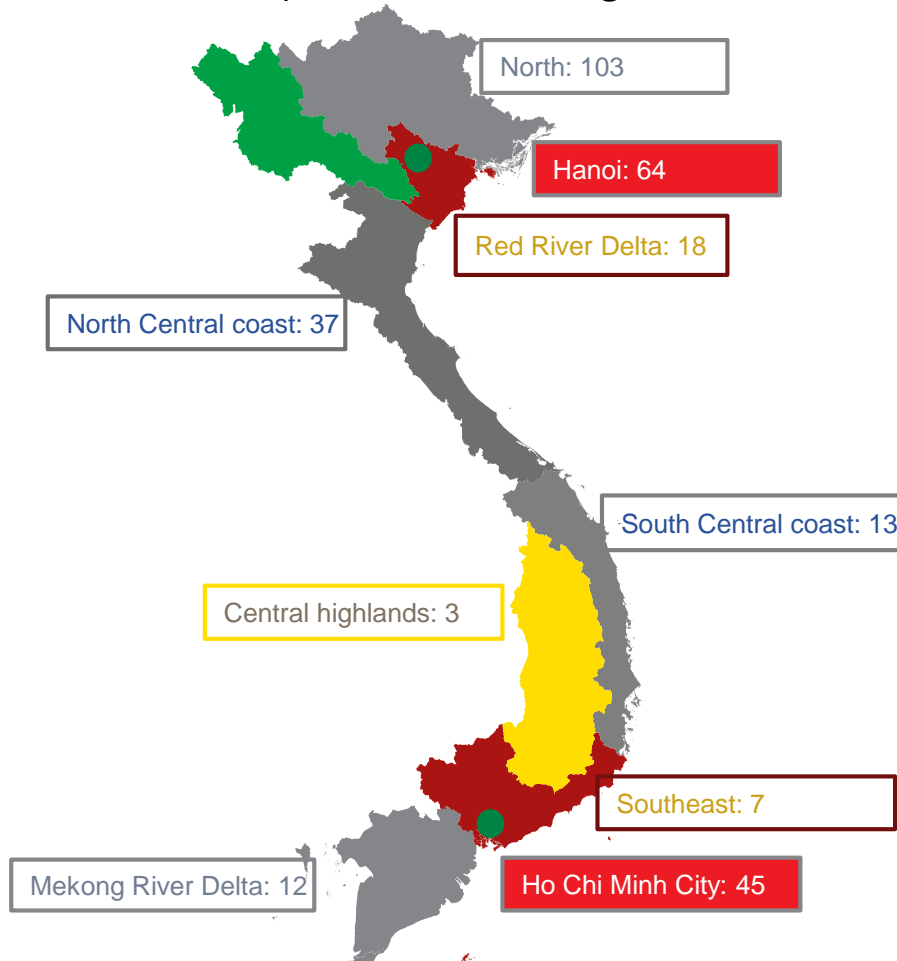
FOUR CONSUMER-RELATED PILLARS UNDERLYING BUSINESS GROWTH



NETWORK DISTRIBUTION

Distribution network - bank branches

Established presence throughout Vietnam



Physical distribution channels

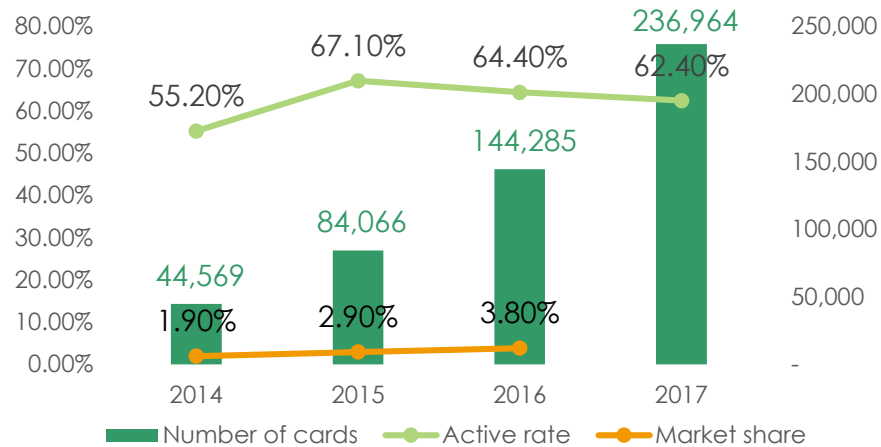
- Over 22,500 employees
- 215 branches and 77 SME centers&hubs
- Over 500 branded ATMs/CDMs, nearly 17,000 linked ATMs

Channels	Transaction points at 31.12.2016	Transaction points at 30.9.2017	Number of Sales Staff + sales agents
Retail branches	215	215	3,985
SME centers and hubs	72	77	1,088
Household centers (Commcredit)	130	236	1,242
Corporate banking branches	4	4	123
Consumer finance (FE Credit)	8,389	12,606	9,744
ATM/CDM	439/44	477/104	n/a
Alternative channels	n/a	n/a	930

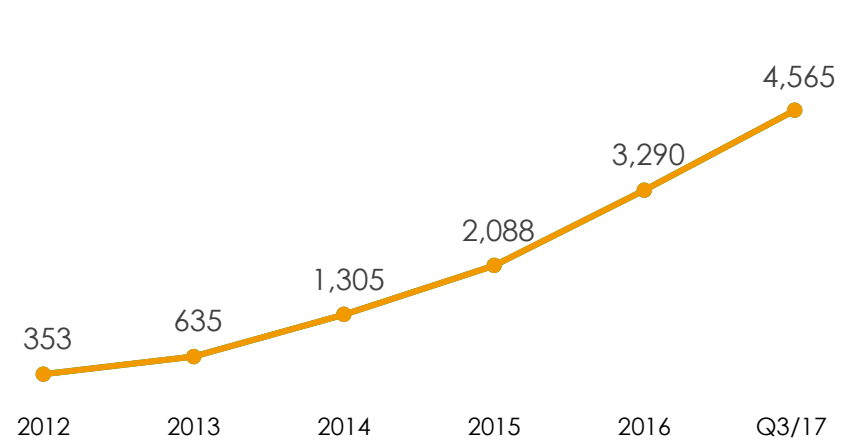
VPBank's network is organized following a "hub" and "spoke" structure that allows the Bank to cover a wider area and reach more customers

CUSTOMER BASE GROWTH

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

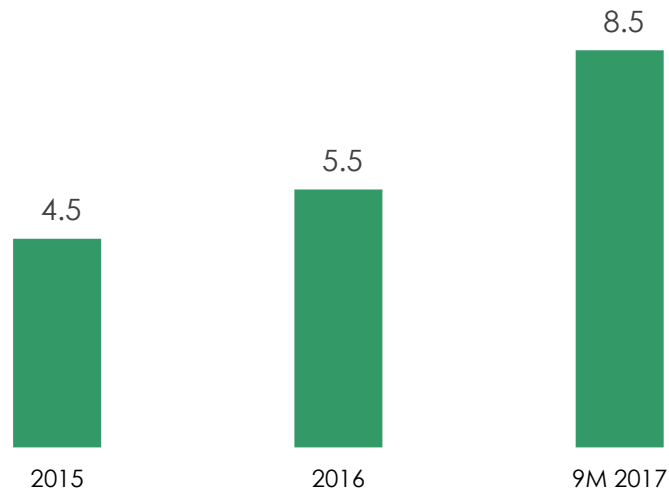


Active customers (thousands)



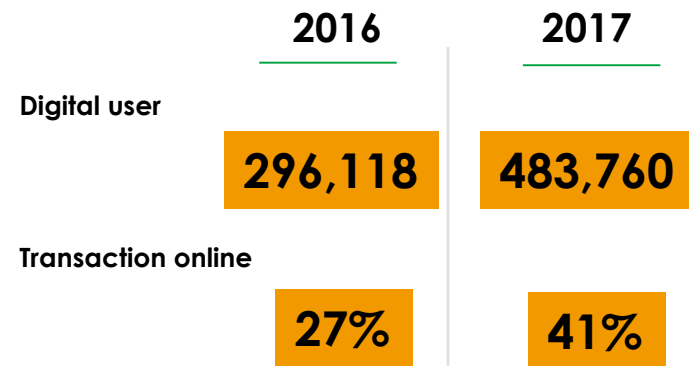
* Using figures at Bank level

Spending per active card per month (mil VND)



* Using figures at Bank level

Digital user and online transaction (user,%)



* Using figures at Bank level



Overview of VP Bank



9M FY 2017 Performance



Strategic plans & targets

9M FY 2017 - PERFORMANCE INDICATOR HIGHLIGHTS

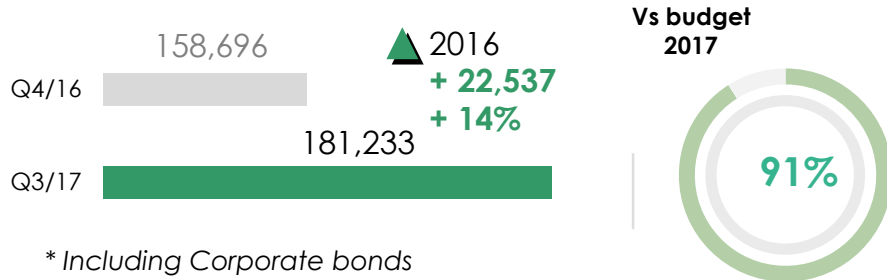
Unit: bill VND



P&L

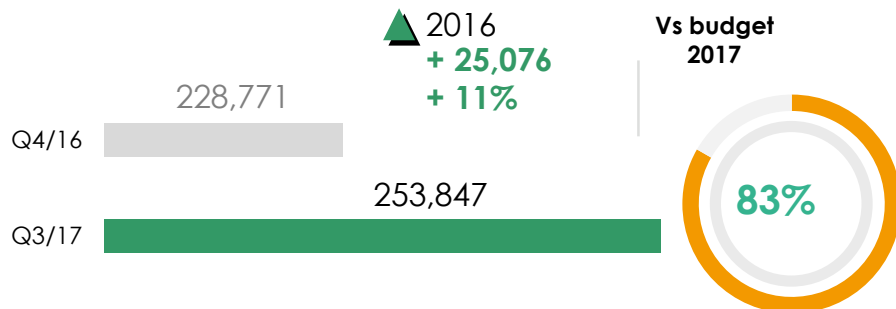
	9M FY 2017	Y-o-Y growth	Budget 2017	Progress status
TOI	17,575 ↑	48%	23,500 ●	75%
NII	14,944 ↑	41%	19,013 ●	79%
OPEX	6,319 ↑	33%	8,760 ●	72%
Provision expense	5,620 ↑	42%	7,547 ●	74%
PBT	5,635 ↑	79%	7,192 ●	78%
CAR Cir 36	16.7% ↑	39%		
CAR Basel II	13.5% ↑	60%		

Loans to customers

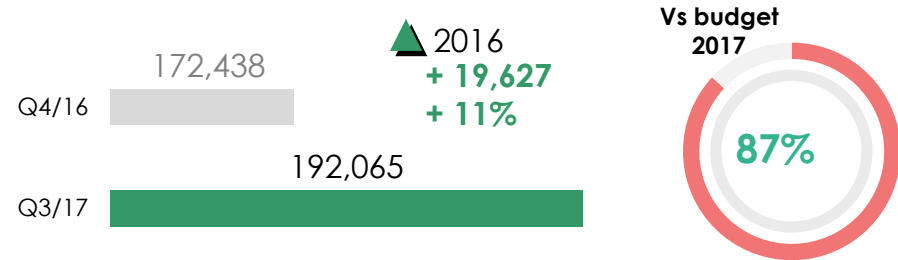


* Including Corporate bonds

Total assets



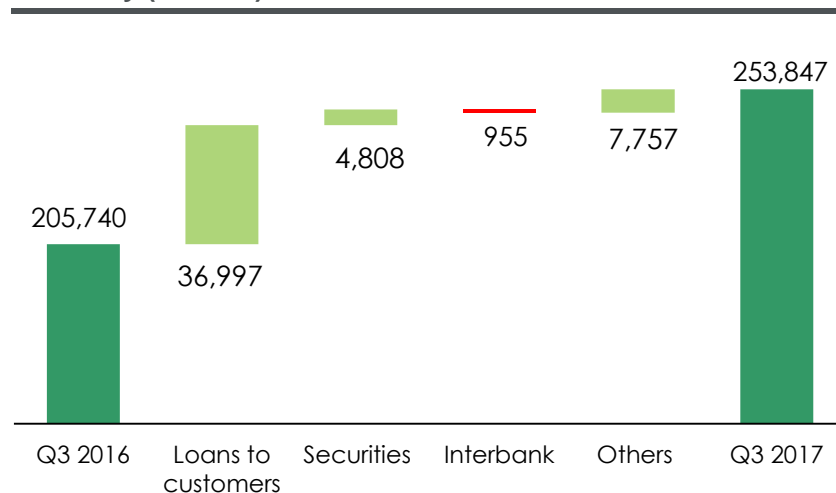
Deposits from customers



- NII increased by 41% y-o-y
- PBT increased 77%
- CAR under Cir 36 & Basel II improved to 15.7% & 13.5%, much further than the threshold regulated by SBV thanks to the increase at VND 6,4 trillion from IPO
- Equity multiplier is 9.2%, much lower than others especially state-owned joint-stock banks

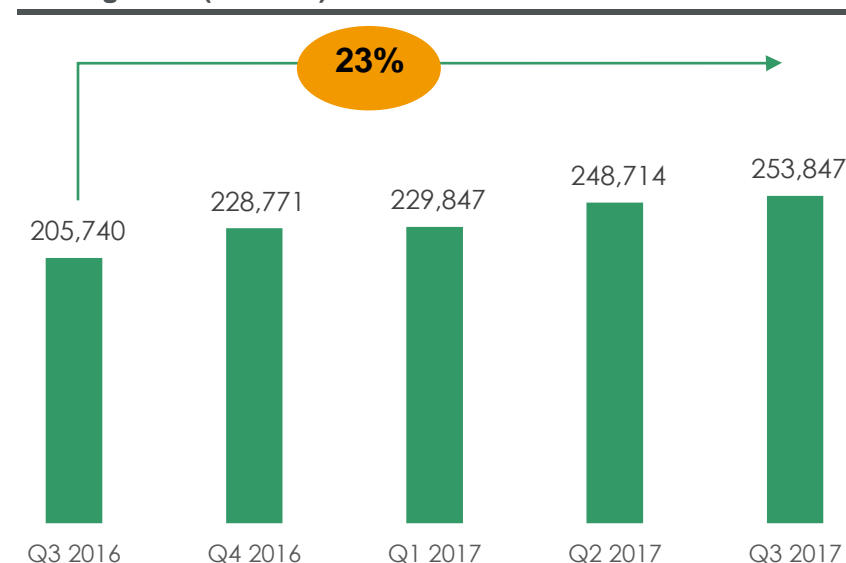
SOLID ASSET GROWTH DYNAMIC

Summary (bil VND)

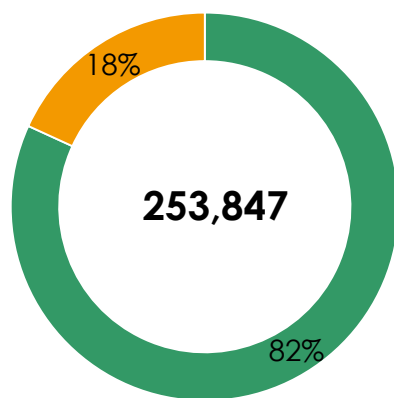


* Outstanding is calculated as net after provision

Asset growth (bil VND)

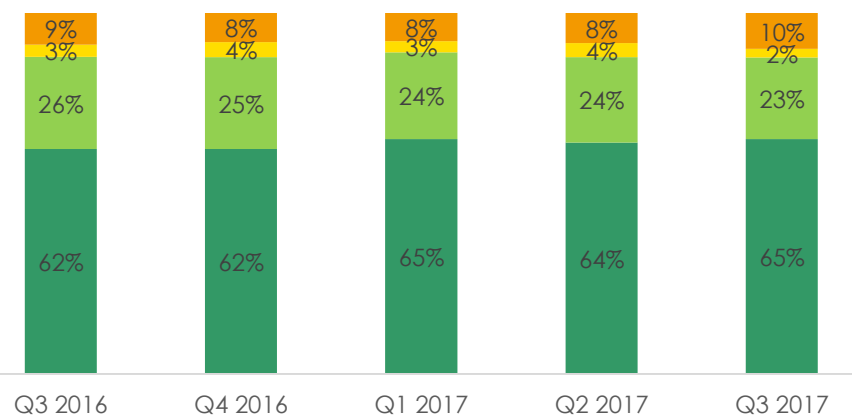


Asset proportion (bil VND)



■ Bank ■ FE Credit

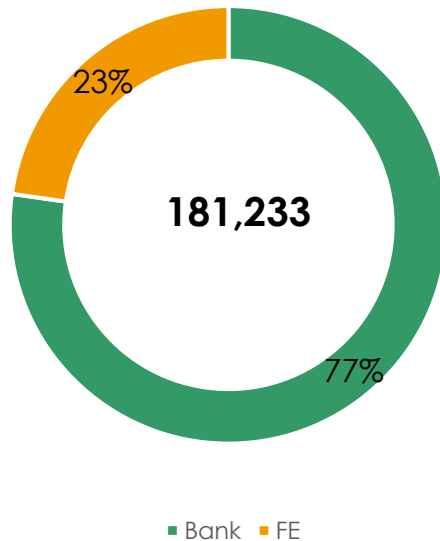
Asset mix (%)



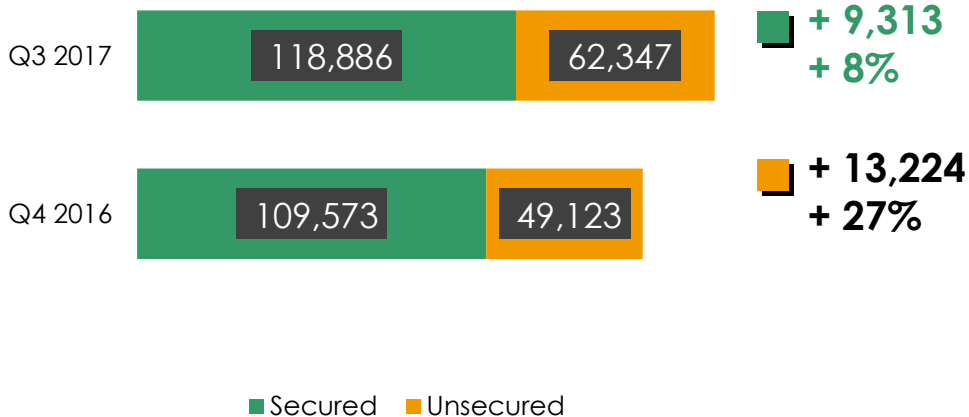
■ Loans to customers ■ Securities ■ Interbank ■ Others

LOAN PORTFOLIO BREAKDOWN (*)

Summary (bil VND)

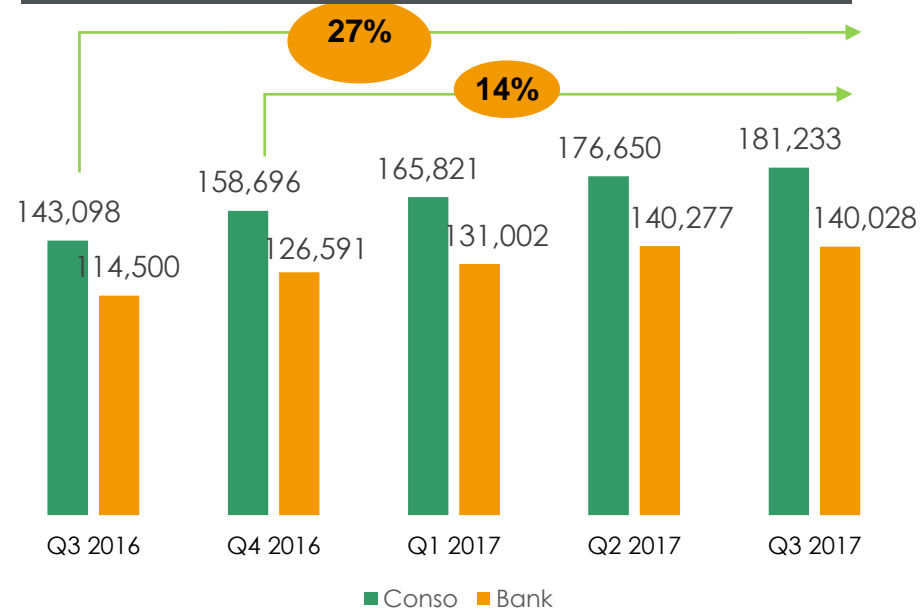


By type (bil VND)

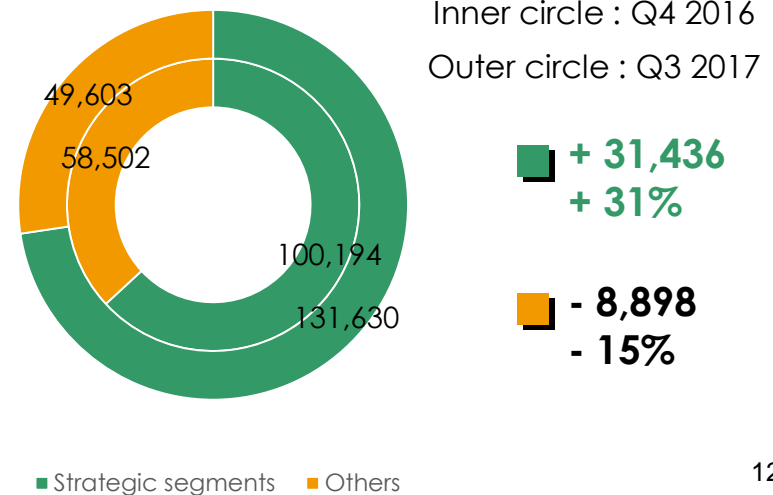


* Including Corporate bonds

Loan growth (bil VND)

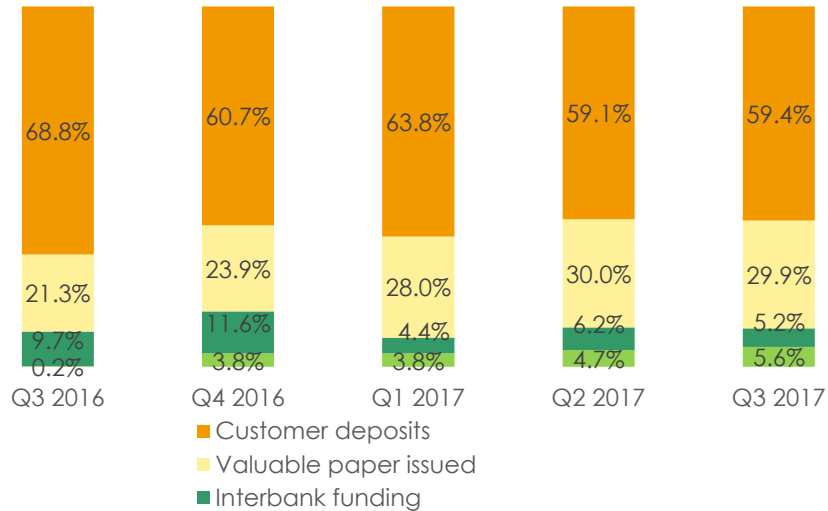


By segments (bil VND)

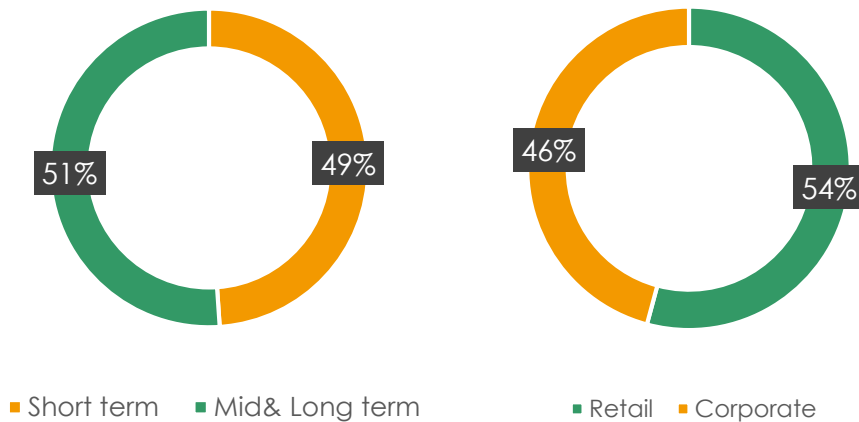


FUNDING MIX

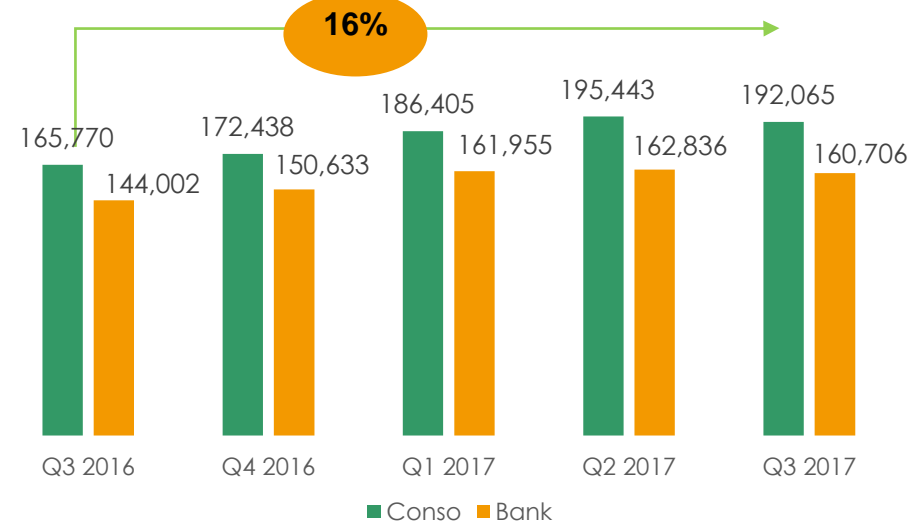
Funding mix



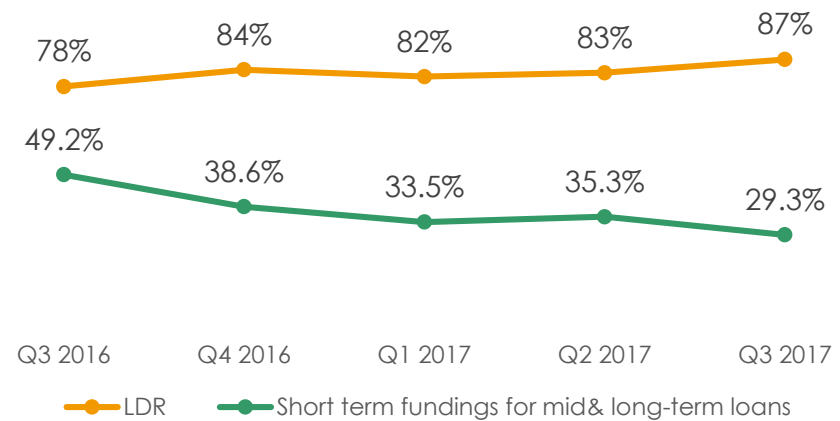
Deposits & valuable papers by term and customers at Q3 2017



Deposit & valuable papers growth (bil VND)

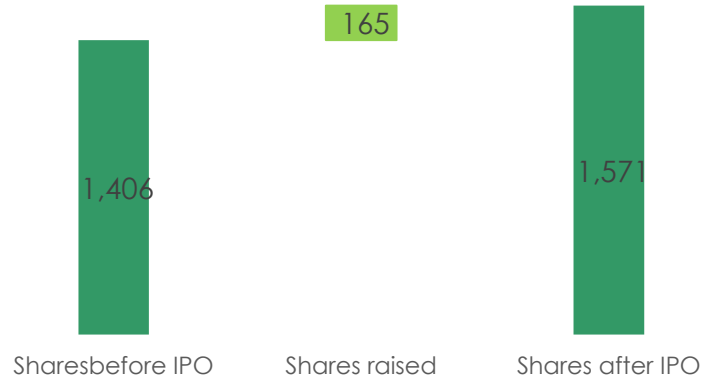


LDR & Short term funding for mid-long term loans (Bank)

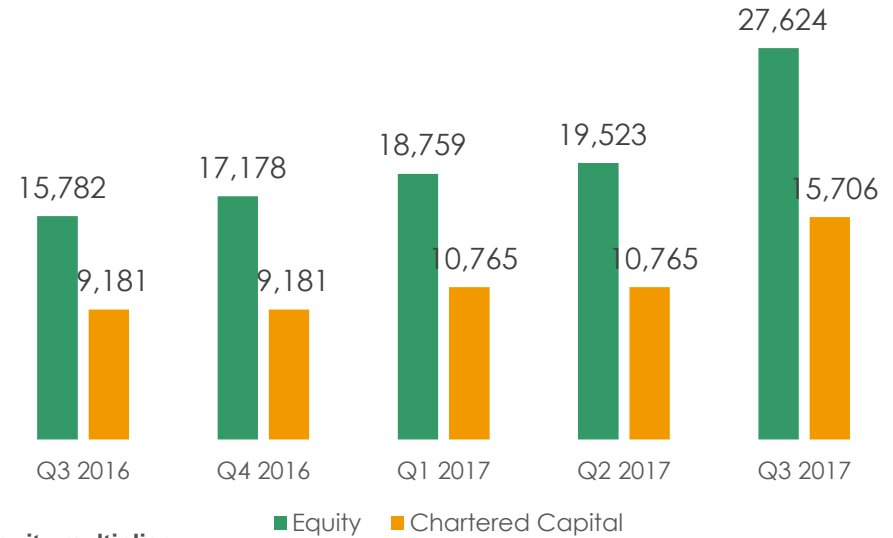


STRONG CAPITAL BASE

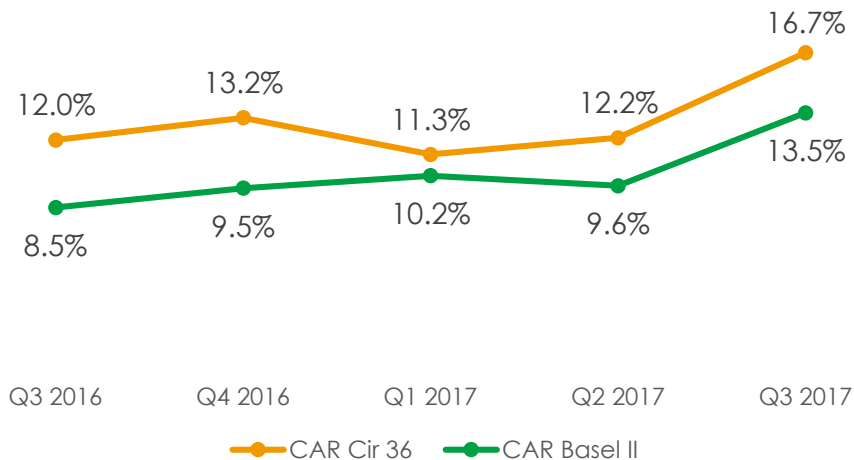
Number of shares (Million)



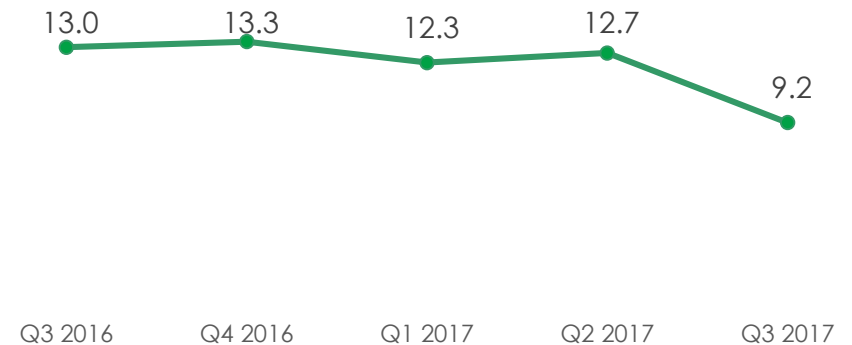
Equity and Chartered Capital (Bil VND)



Capital Adequacy Ratios

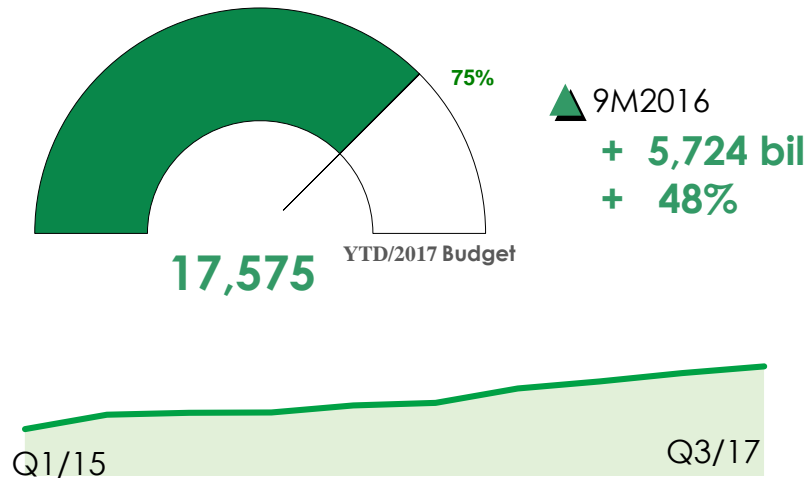


Equity multiplier

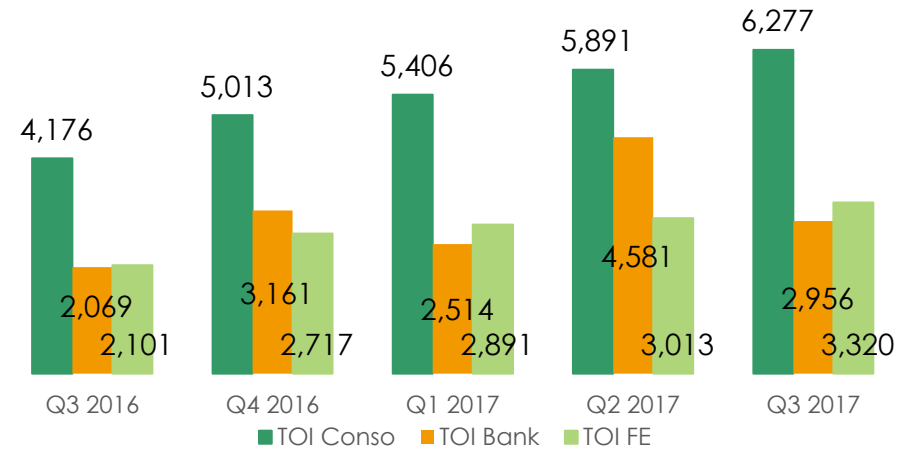


TOI

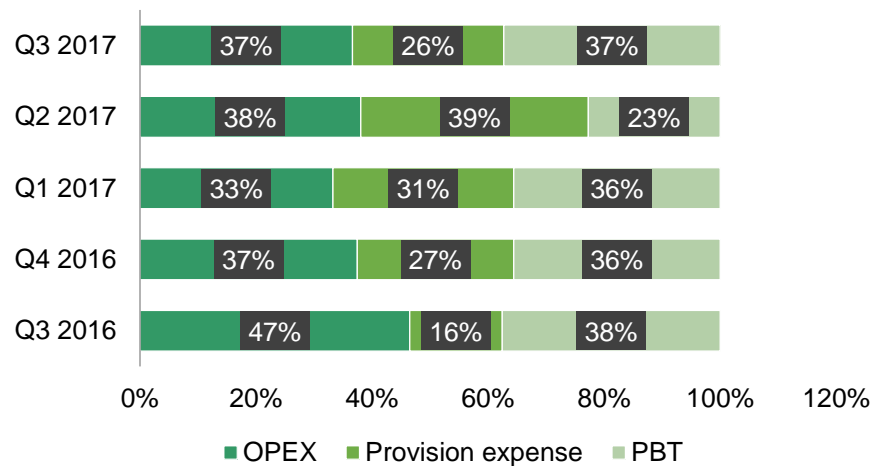
YTD TOI /Vs. Target 2017 (bil VND)



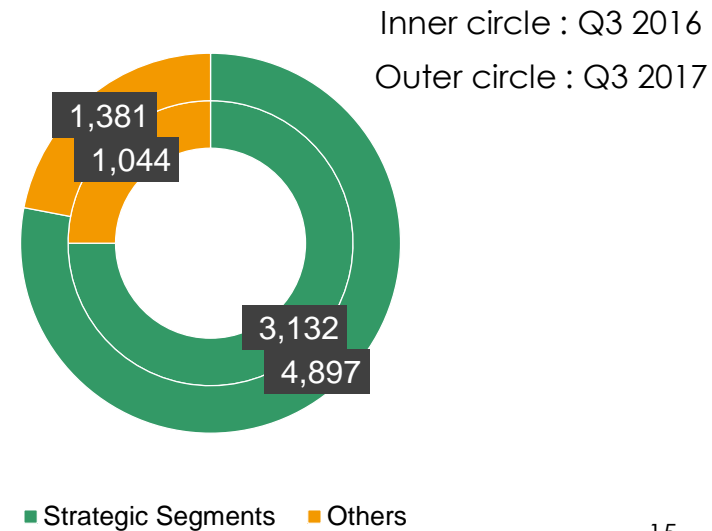
TOI (bil VND)



OPEX, Provision expense & PBT over TOI

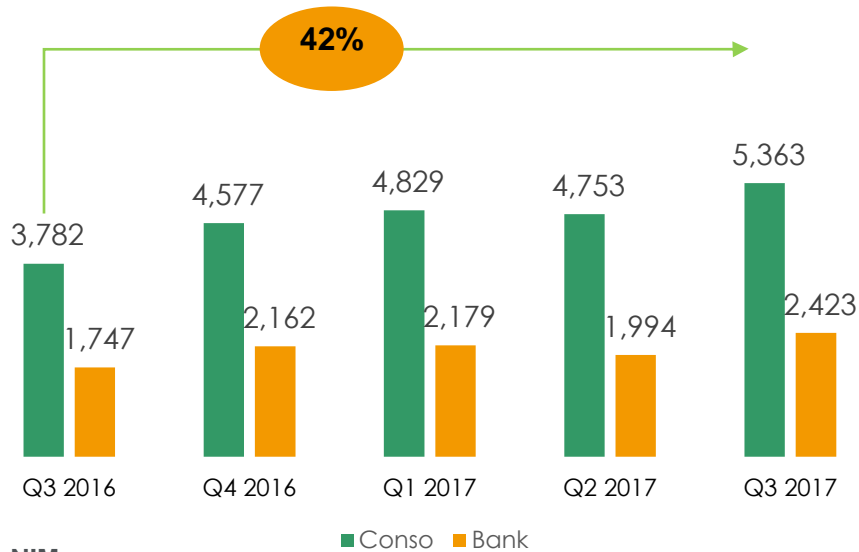


TOI by segments (bil VND)



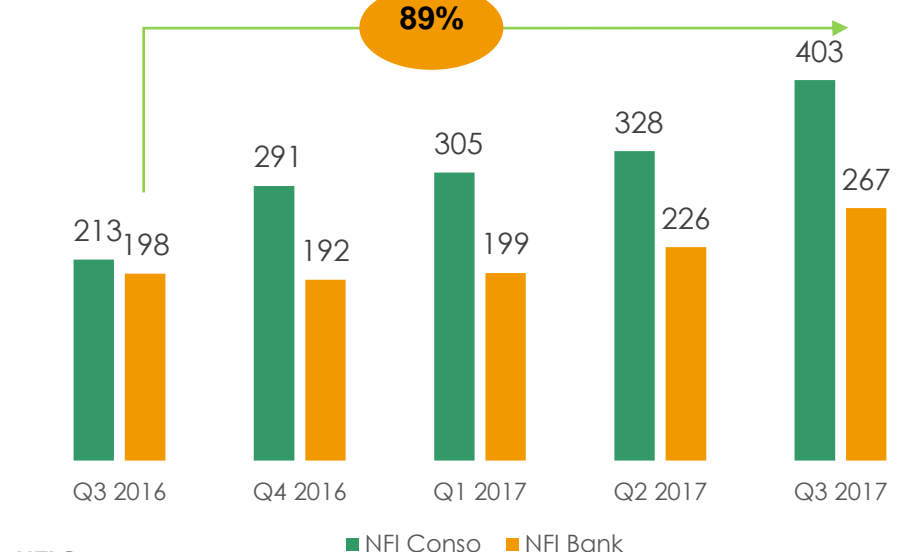
NII + NFI

Q-o-Q growth NII (bil VND)

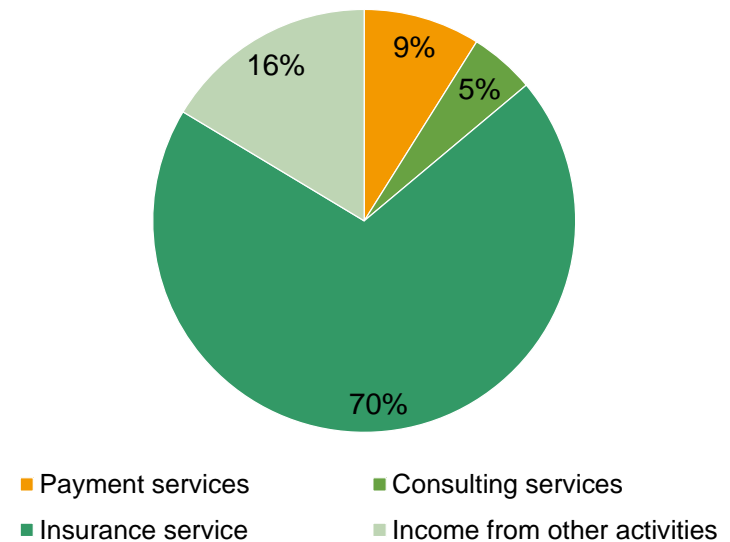
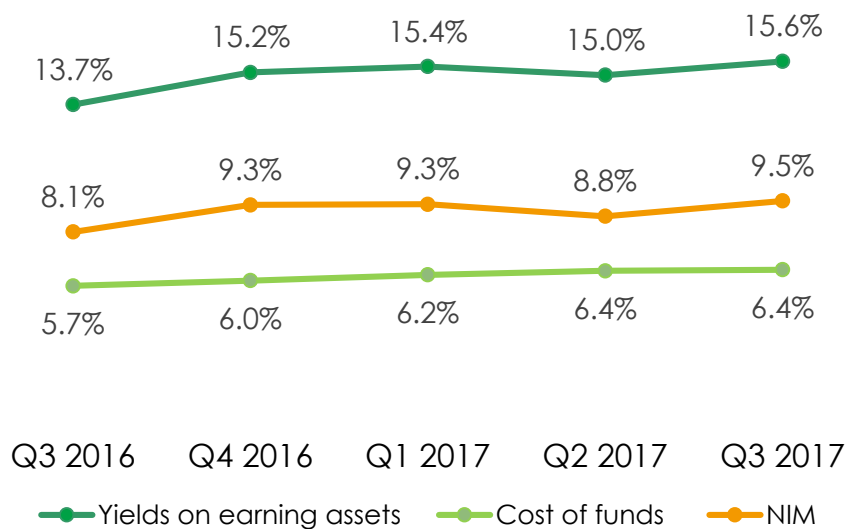


NIM

Q-o-Q growth NFI (bil VND)

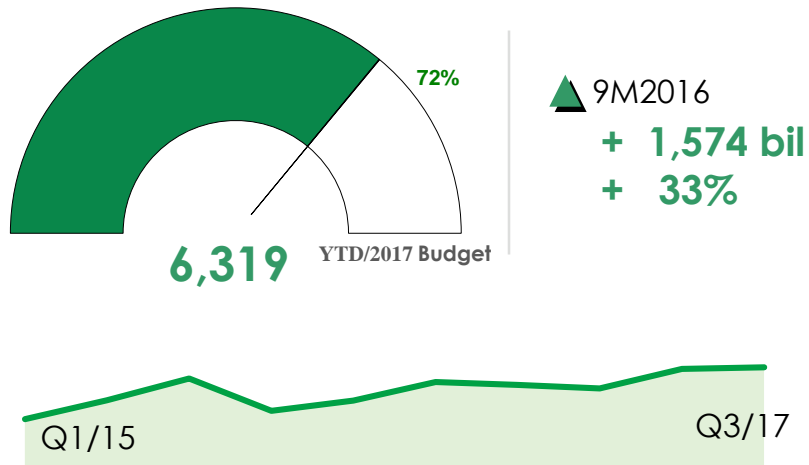


NFI Structure

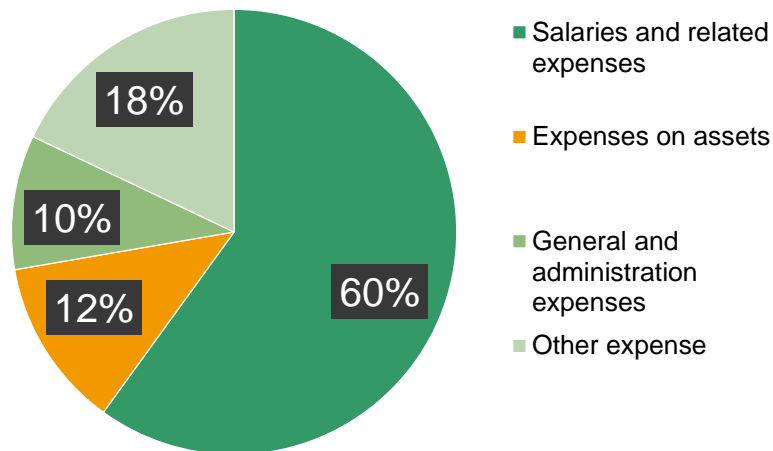


OPEX

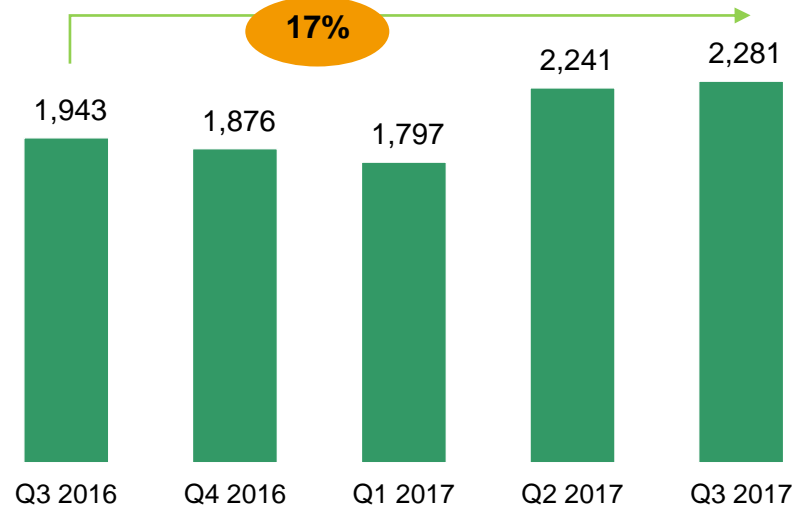
YTD OPEX/Vs. Target 2017 (Bill VND)



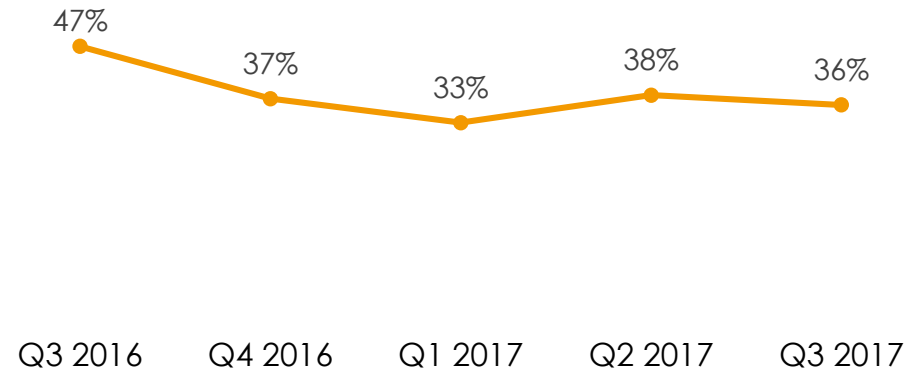
Structure



Q-o-Q growth OPEX (bill VND)

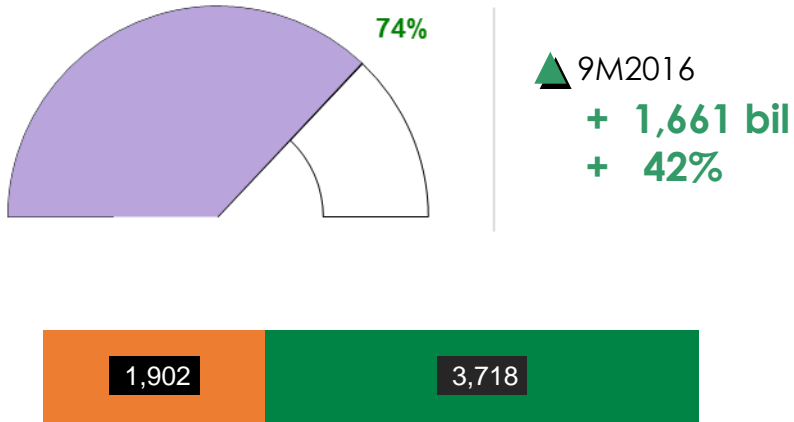


CIR



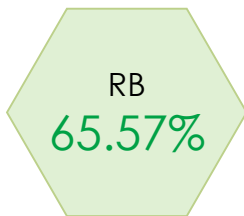
PROVISION EXPENSE

YTD Provision Expense/Vs. Target 2017

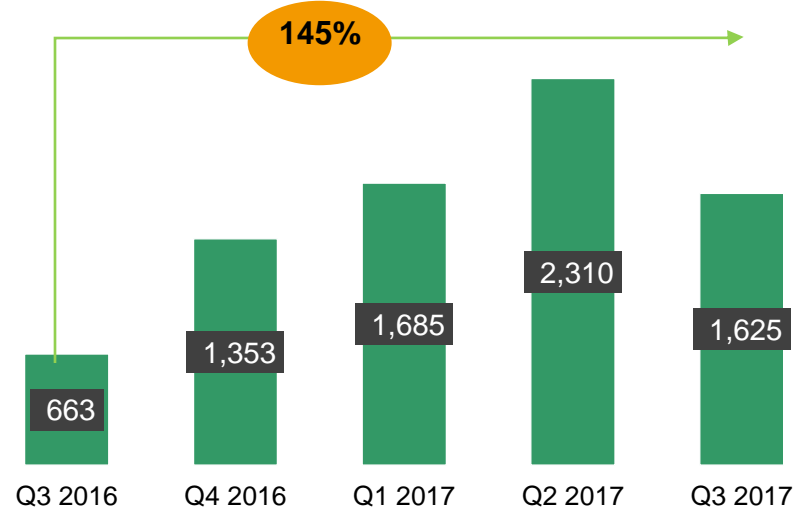


Recovery rate (Life time)

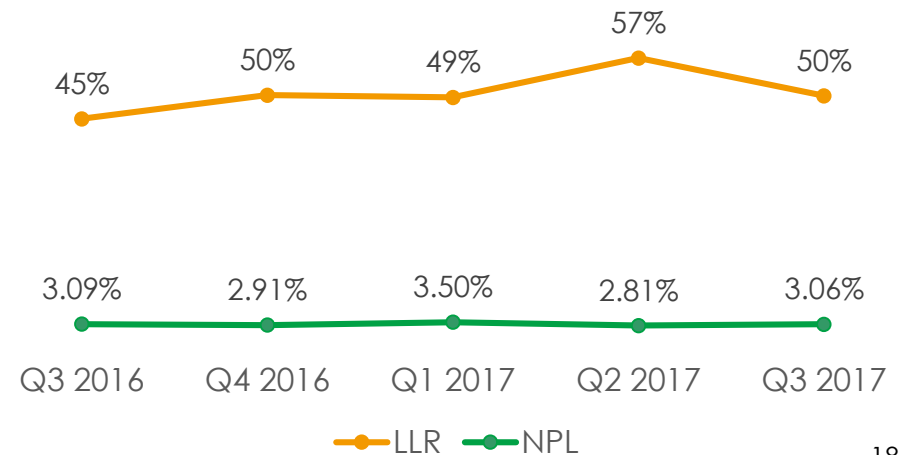
Bank FE



Q-o-Q growth (bil VND)

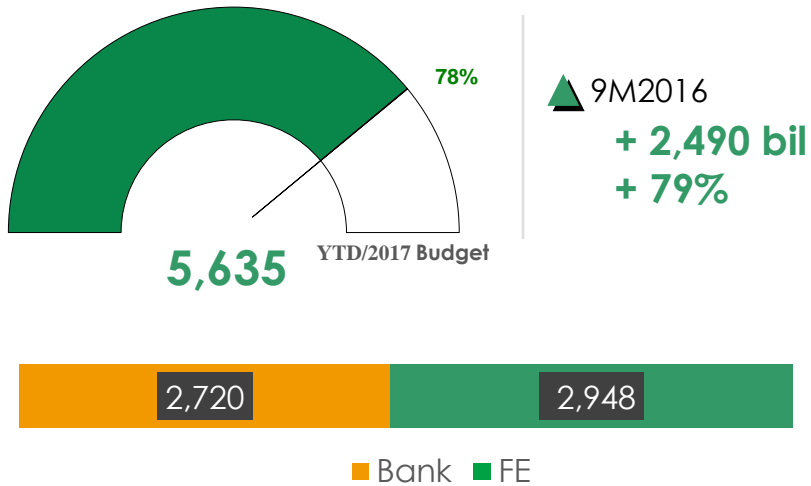


NPL, LLR

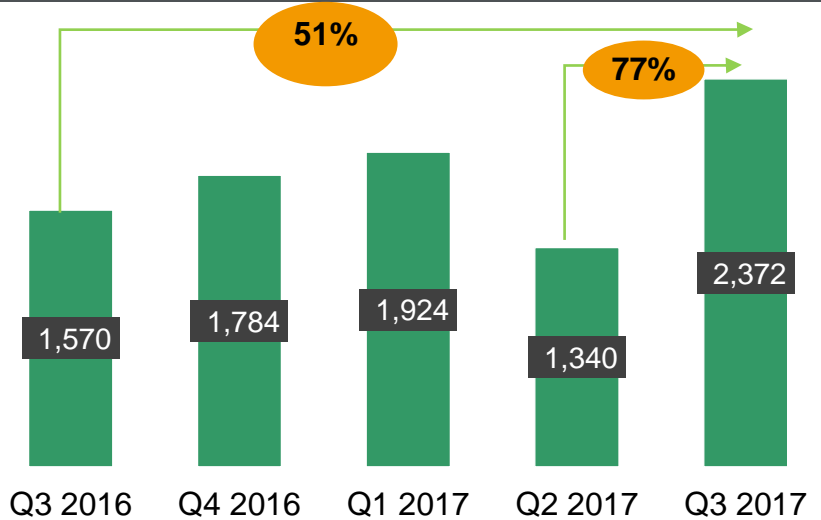


PBT

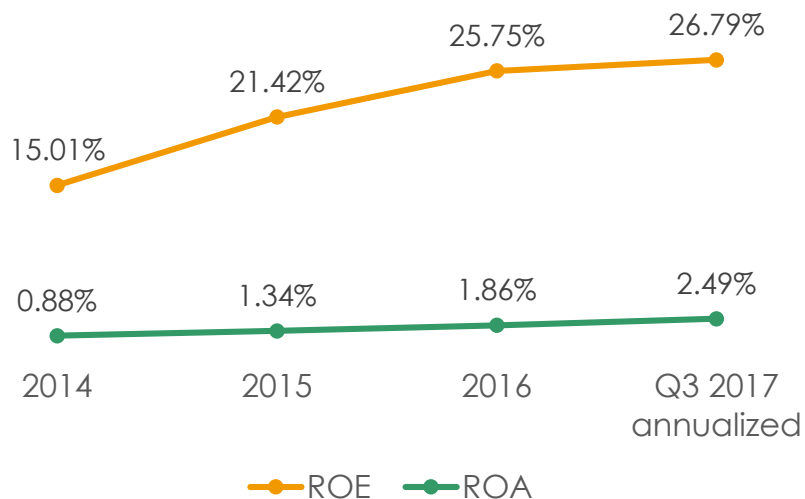
YTD PBT/Vs. Target 2017 (bil VND)



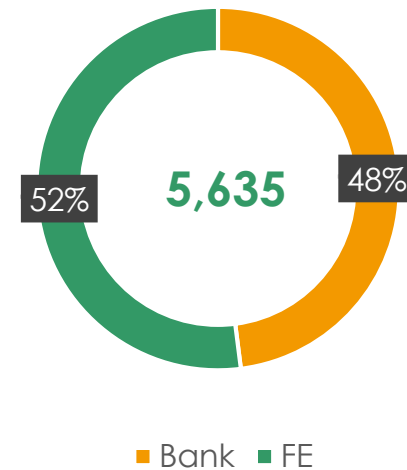
Q-o-Q growth (bil VND)



ROA, ROE annualized



PBT Bank and FE (bill VND)





Overview of VP Bank



9M FY 2017 Performance



Strategic plans & targets

The 2012-17 strategic plan has already been almost fully achieved

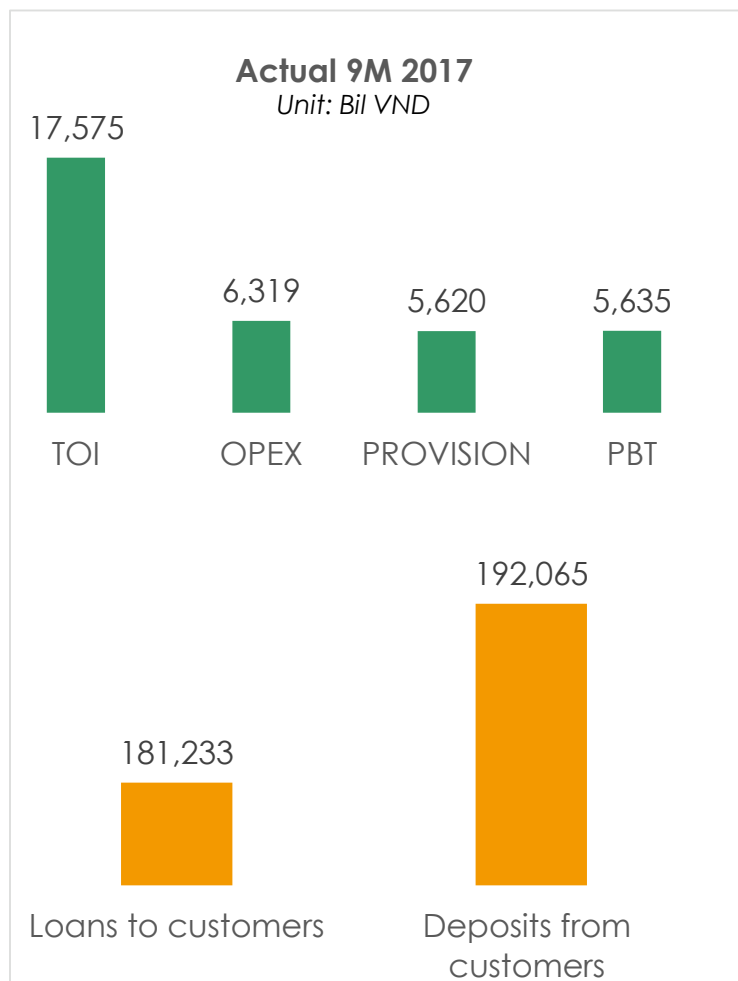
The detailed plan for 2018-20 will be finalized and announced later in 2017

2012-17 VISION

Top 5 Joint Stock Commercial Bank in Vietnam
Top 3 Retailing Joint Stock Commercial Bank in Vietnam

Key Pillars	Organic Growth	Strengthen Internal Capabilities	M&A Opportunities
Strategic Priorities	Retail banking	Five-point plan to aggressively grow high potential/high income products, explore new channels through strategic partnerships, develop online/mobile applications and enhance customer relationships through higher quality services	
	Consumer finance (FE Credit)	Remain #1 in consumer finance in Vietnam via the launch of new products and services to suit the evolving demands of customers Expand distribution network and develop relationships with top retailers to expand the business	
	Household banking (Commcredit)	Dedicated business segment created in 2015 to capture the growth of the self-employed family business sector, offering products and services uniquely designed for the segment	
	SME	A core business segment focused on rapid growth in lending, deposits and customers by enhancing sales productivity and launching new products and services to deliver high value to SMEs	
	Digital banking	A focal point of VPBank's retail banking strategy to position the bank as a digital disruptor and provider of optimal and convenient digital banking products and services to customers	
	CMB/CIB	Focuses on restructuring customer lending portfolios, promoting cross-selling, offering specialized products and optimizing balance sheets	
	Risk management, operations and IT	VPBank continues to strengthen its risk management systems, credit approval, NPL handling/collection, sales/service systems, human resources development and technology systems to ensure seamless support for growth	

FORECAST 2017



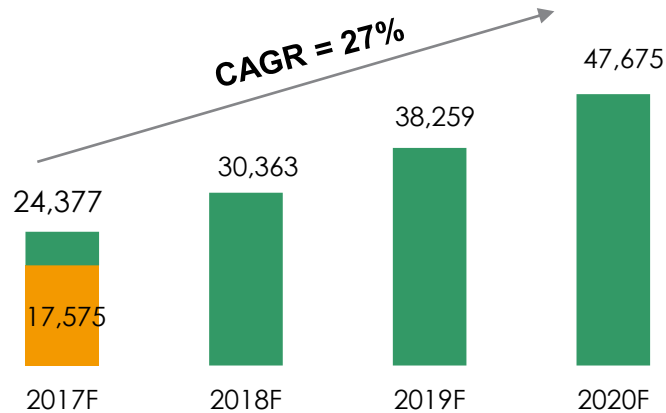
Indicator	Forecast 2017	Budget 2017	Forecast Vs budget
TOI	24,377	23,500	104%
OPEX	9,444	8,760	108%
PROVISION	7,694	7,547	102%
PBT	7,239	7,192	101%
Loans to customers	195,078	199,078	98%
Deposits from customers	213,599	224,842	95%

* Loans to customers including Corporate bonds

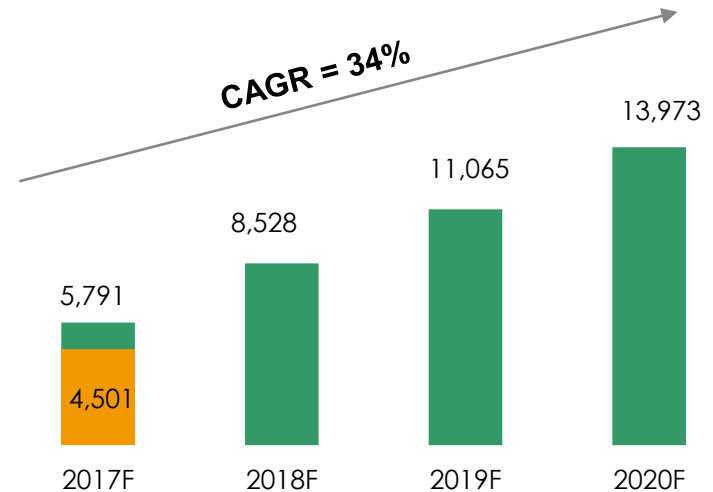
** Deposits from customers of forecast 2017 is lower than the figure of budget 2017 after getting the capital injection from IPO to use funds efficiently

SUSTAINABLE PROJECTED PROFITABILITY & BALANCE SHEET GROWTH

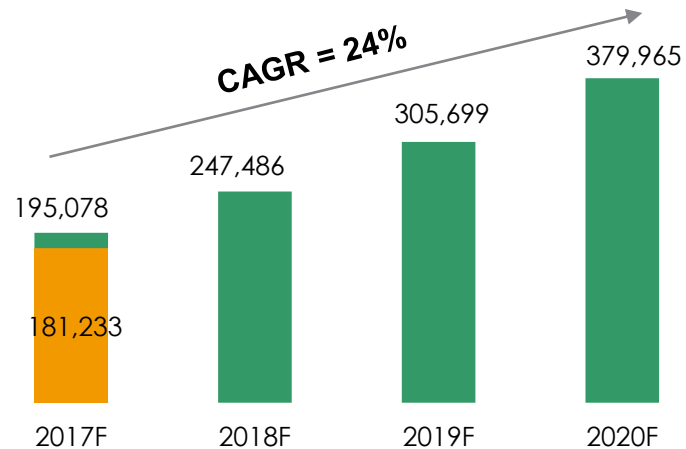
TOI (Billion VND)



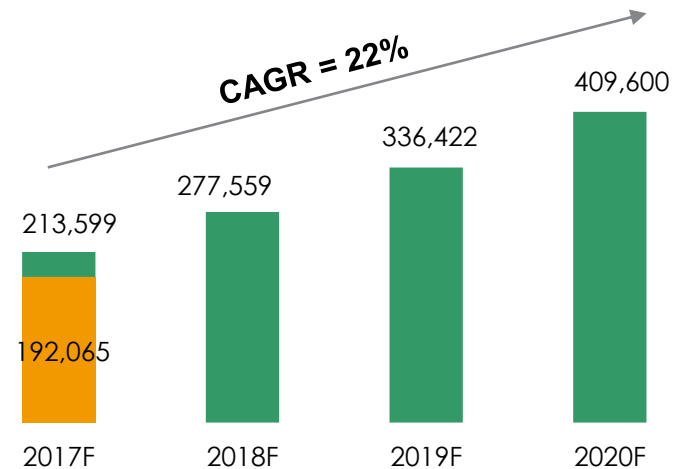
Net Profit (Billion VND)



Gross loans to customers (Billion VND)



Total deposits & valuable papers (Billion VND)



(*) Including corporate bonds

 Figures at 30 September 2017

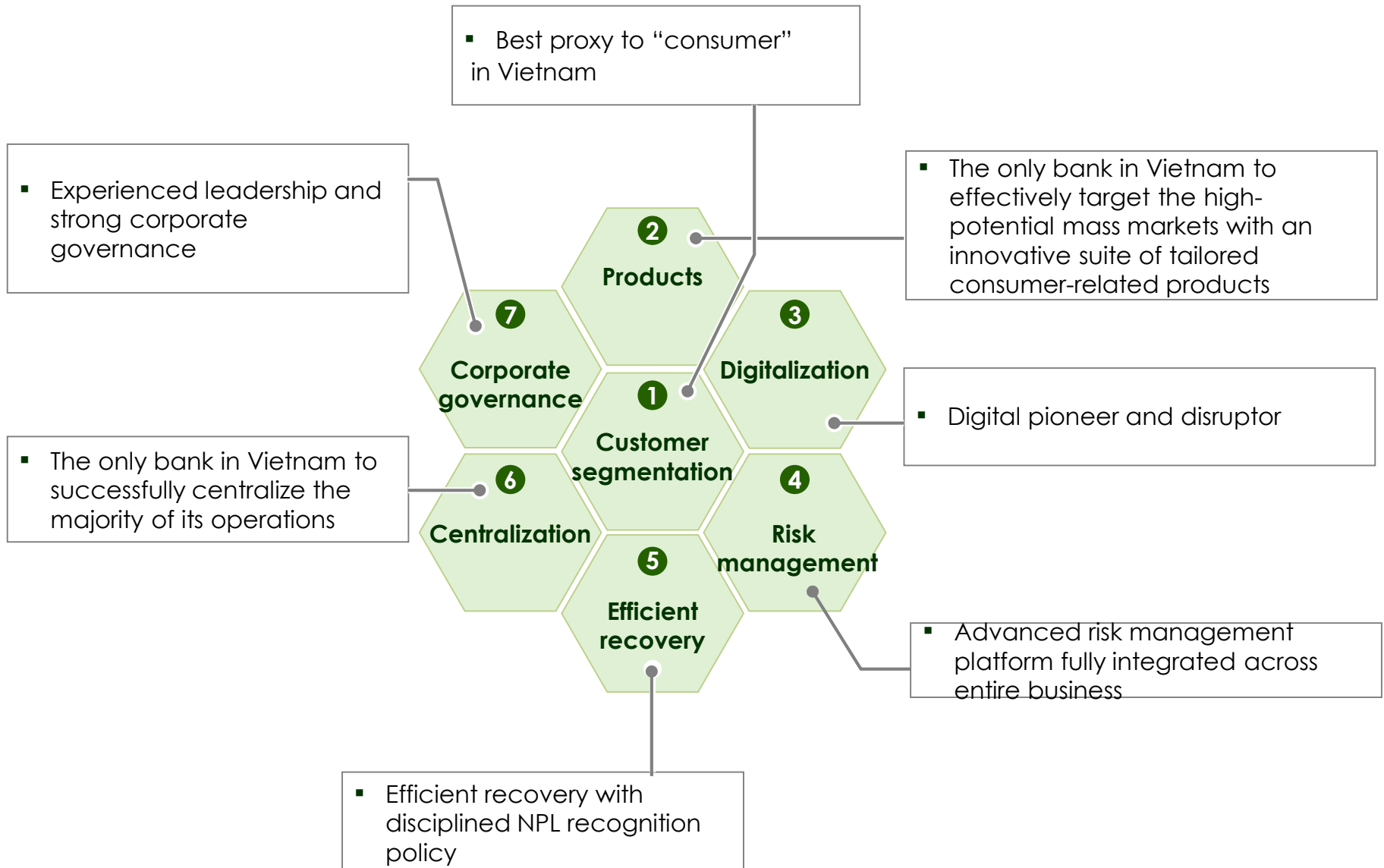
BANCA INSURANCE



AIA and VP Bank enter into a 15-year exclusive bancassurance partnership



INVESTMENT HIGHLIGHTS RECAP



GIẢI THƯỞNG QUỐC TẾ 2017

**NGÂN HÀNG DÀNH CHO DN
SMEs TỐT NHẤT VIỆT NAM**

Asian Banking and Finance (ABF)

**NGÂN HÀNG CÓ DỊCH VỤ
QUẢN LÝ DÒNG TIỀN
TỐT NHẤT CHO DN SMEs**

Asian Banking and Finance (ABF)

**THƯƠNG HIỆU NGÂN HÀNG
TỐT NHẤT VIỆT NAM**

Global Brands Magazine (UK)

**GIẢI PHÁP TÀI CHÍNH
MỚI CỦA NĂM DÀNH CHO
HỘ KINH DOANH**

Finance Digest (UK)

**SẢN PHẨM TÀI CHÍNH TIÊU
DÙNG TỐT NHẤT CHÂU Á**

The Asian Banker

**SẢN PHẨM TÍN DỤNG
TỐT NHẤT CỦA NĂM
(SẢN PHẨM THUẾ+ CỦA
COMMCREDIT)**

Asian Banking and Finance (ABF)

**SẢN PHẨM VAY TÍN CHẤP
TỐT NHẤT VIỆT NAM**

The Asian Banker

**THƯƠNG HIỆU TUYỂN DỤNG
HÀNG ĐẦU CHÂU Á**

Employer Branding Institute
& World HRD Congress

**GIẢI PHÁP NGÂN HÀNG SỐ
TỐT NHẤT VIỆT NAM**

The Asian Banker



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