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Hanoi, October 21, 2019

 Explanation of change in profit after
 tax between Q3/2018 and Q3/2019

**To: - State Securities Commission of Vietnam
 - Hochiminh Stock Exchange**

Letter of explanation of change in profit after tax between Q3/2019 and Q3/2018

1. **Listing organization:** Vietnam Prosperity Joint Stock Commercial Bank
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6. **Detailed explanation:**

Pursuant to Circular No. 155/2015/TT-BTC dated October 06, 2015 of the Ministry of Finance on guidelines on information disclosure on securities market, Vietnam Prosperity Joint-stock Commercial Bank would like to explain the consolidated business performance in Q3/2019 as follows:

The consolidated profit after tax of the bank and its subsidiaries in Q3/2019 was VND 2,282,602 million, which grew by VND 883,450 million, equivalent to a 63.14% year-on-year growth, due to the following:

	Increase/Decrease VND million	%
Increase in net interest and similar income (NII)	1,974,554	32.90
Increase in net fee and commission fee (NFI)	308,722	77.22
Decrease in net income from FX and gold trading	(299,268)	(137.37)
Increase in net income from securities held-for-trading	103,633	247.78
Increase in net income from securities held-to-maturity	126,540	171.66
Decrease in other net income	(317,056)	(36.61)
Increase in income from long-term investments	2,635	100.00
Increase in OPEX	(17,977)	0.58
Increase in provision expenses	(774,827)	28.20
Profit before tax change	1,106,956	63.27
Increase/Decrease in corporate income tax	(223,506)	63.80
Change in profit after tax	883,450	63.14

The consolidated profit after tax in Q3/2019 increased from the same period last year mainly thanks to the following:

- The increase in NII was VND 1,974,554 million, equivalent to 32.90%, because:
 - The increase in interest and similar income was VND 3,014,318 million, mainly due to VND 2,792,261 million increase in lending interest, equivalent to 32.45% thanks to the Bank' loan growth. Loan balance as of September 30, 2019 was VND 254,186,603 million, which grew by VND 54,111,181 million, equivalent to a year-on-year growth of 27.05%.
 - The increase in interest and similar expense of VND 1,039,764 million was lower than that in interest income. In particular, deposit interest expense increased by VND 980,689 million thanks to the increase of VND 49,143,462 million in deposit balance; the increase in interest expense for borrowings was VND 120,178 million; the decrease in interest on valuable papers issued was VND 118,146 million and the increase in the costs of other credit activities was VND 54,043 million on the year-on-year basis.
- The growth in net fee and commission income was VND 308.722 million, up 77.22% year over year, mainly thanks to the growth of income from insurance services.
- The growth in net income from held-to-maturity securities was VND 126,540 million, equivalent to 171.66%.
- The growth in net income from held-for-trading securities was VND 103,633 million, up 247.78% year over year.
- Other income dropped by VND 317,056 million (36.61%) against Q3/2018 due to VND 356,321 billion decrease (41.32%) in income from written-off debts.
- Net income from FX and gold trading decreased by VND 299,268 million (137.37%) against Q3/2018 due to VND 748,001 billion decrease (87.89%) in income from financial derivatives.
- Provision expenses increased by VND 774,827 million (28.20%). Provisions were made based on the customers' loan balance and classification as per regulations, including provisions for VAMC bonds.

Thanks to positive growth of interest income and fee income, TOI in Q3/2019 reached VND 9,501,293 million, an increase of VND 1,899,760 million (24.99%) against Q3/2018. Meanwhile, the growths of OPEX and provision expenses were less than that of TOI. As a result, the PBT of VPBank and its subsidiaries in Q3/2019 increased by VND 1,106,956 million and profit after tax increased by VND 883,550 million (63.14%).

We hereby certify the truthfulness of the information stated above and take full responsibility before the law for the disclosed information.

Person in charge of explanation
Acting Chief Finance Officer

(Signed)

