



Vietcombank

February 2020

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1. Vietcombank overview

A leading player in Vietnam's banking sector



Market position in Vietnam by⁽¹⁾:

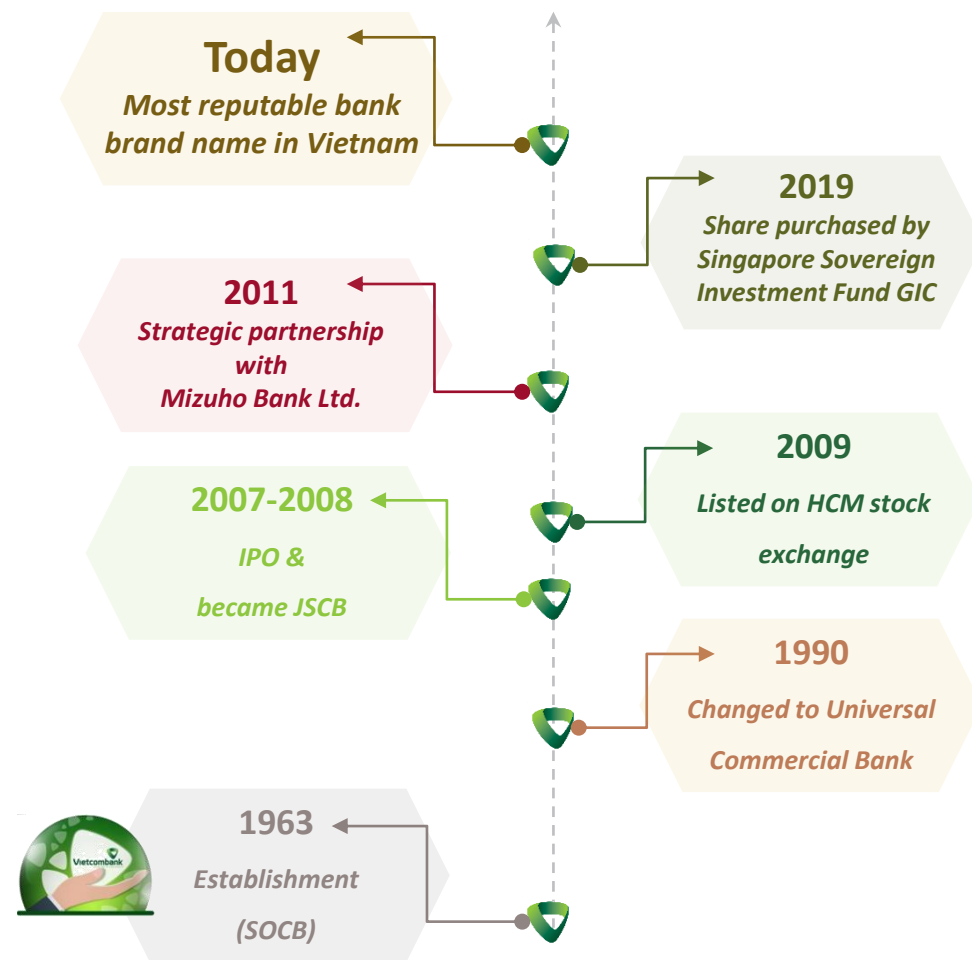
#1	Market capitalisation	US\$ 14.4 bn
#2	Ownership Capital	US\$ 3.7 bn
#3	Total Assets, Loans and Non-bank Deposits	US\$ 52.8 bn US\$ 31.7 bn US\$ 40.1 bn
#1	PBT	US\$ 995 mn
#1	Card Services	16.1 mn cards
#2	ATM & Point-of-Sale Networks	~2,600 ATMs ~60,600 PoS
#1	E-banking	16.8 mn users
#1	FX	US\$ 51.8 bn
#1	International Settlement	US\$ 85.4 bn

- Universal banking model across a wide range of financial services spanning retail, corporate and financial institutional clients
- 552 branches/ transaction offices and ~18,945 employees
- VCB maintains highest ratings among Vietnamese banks by international credit rating firms
- Listed on the Ho Chi Minh Stock Exchange (“HOSE”) since 2009

Firm	S&P	Fitch	Moody's
Rating	BB-	BB-	Ba2
Outlook	Stable	Positive	Negative

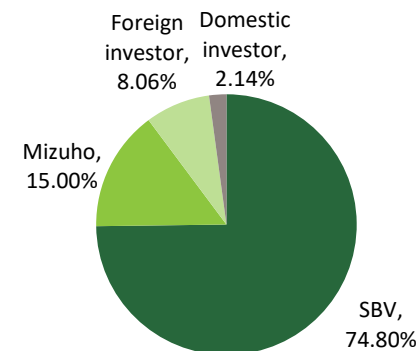
Strong heritage and track record of achievements

Corporate milestones



Note: SOCB refers to State Owned Commercial Bank and JSCB refers to Joint Stock Commercial Bank.

Key shareholders



Note: After GIC share purchase

Major awards

- Forbes** Best Listed Company in Vietnam 2013-2017
- ASIAMONEY** Best Banking Brands in Vietnam 2017
- THE ASIAN BANKER** 500 Strongest Banks in Asian Pacific 2017
- THE ASIAN BANKER** Best Bank in Trade Finance/ Card Services in Vietnam 2017
- THE ASIAN BANKER** Best Transaction Bank in Vietnam 2017
- EUROMONEY** Best Bank in Vietnam 2017
- Forbes 2017 GLOBAL FRANCHISE 2000** World's Best Regarded Companies in 2017
- The Banker** Ranked # 492 among the world's top 1000 banks in 2018

Corporate structure

Vietcombank

Financial Services

Commercial Banking

Vietcombank Laos
(100%)

Investment Banking

Vietcombank Securities (VCBS)
(100%)

Vietcombank Fund Management (VCBF)
(51%)

Other Financial Services

Vietcombank Leasing (VCBL)
(100%)

Vietnam Finance Co. (Vinafico HK)
(100%)

VCB Money
(87.5%)

Vietcombank Remittance (VCBR)
(100%)

Insurance

VCB Cardif Life Insurance
(45%)

Non-Financial Services

Real Estate

VCB Tower 198
(70%)

VCB – Bonday – Benthanh
(52%)

VCB – Bonday
(16%)



Domestic Subsidiaries



Joint Ventures



Foreign Subsidiaries

Experienced management team and BoD with deep industry expertise












Chairman and CEO profile

- Mr. Nghiem Xuan Thanh, Chairman of Board of Directors, has been with VCB since 2013 and has a banking career spanning over 25 years in various banks in Vietnam and in the State Bank of Vietnam. Before being appointed the Chairman, Mr. Thanh was member of the Board of Directors and concurrently the CEO of VCB
- Mr. Pham Quang Dzung, Chief Executive Officer, has been with VCB since 1994 and has over 20 years of banking and finance experience in Vietnam. Before being appointed the CEO, he held various positions in VCB, including member of the Board of Directors and the Deputy CEO




Board of Directors

 Nghiem Xuan Thanh Chairman of the BoD	 Pham Quang Dzung Member of the BoD cum CEO
 Do Viet Hung Member of the BoD	 Nguyen Manh Hung Member of the BoD
 Nguyen My Hao Member of the BoD	 Eiji Sasaki* Member of the BoD cum Deputy CEO
 Hong Quang** Member of the BoD	 Pham Anh Tuan Member of the BoD
 Truong Gia Binh Member of the BoD	

Board of Management

 Pham Quang Dzung Chief Executive Officer	 Pham Manh Thang Deputy CEO
 Dao Minh Tuan Deputy CEO	 Nguyen Thi Kim Oanh Deputy CEO
 Phung Nguyen Hai Yen Deputy CEO	 Dinh Thi Thai Deputy CEO
 Le Quang Vinh Deputy CEO	 Dang Hoai Duc Deputy CEO
 Nguyen Thanh Tung Deputy CEO	 Le Hoang Tung Chief Accountant
 Thomas W. Tobin Head of Retail Banking Group	

Supervisory Board

 Truong Le Hien Head Of Supervisory Board
 La Thi Hong Minh Member of Supervisory Board
 Do Thi Mai Huong Member of Supervisory Board

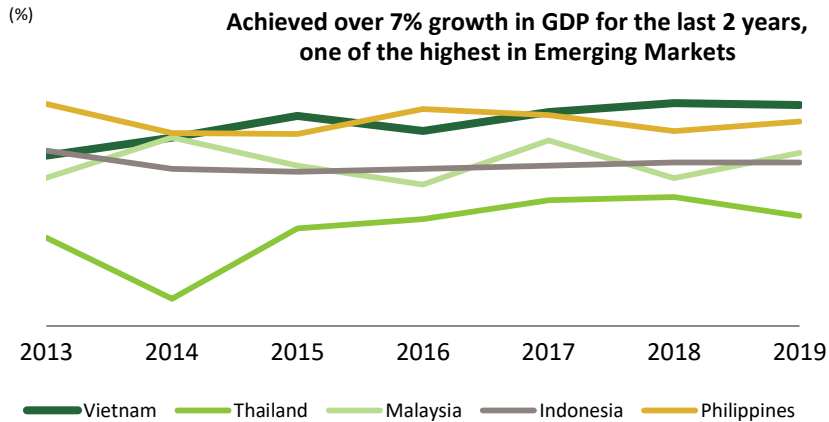
* Also serves as member of the Board of Management.

** Also serves as Head of Governance and Human Resource Development Group

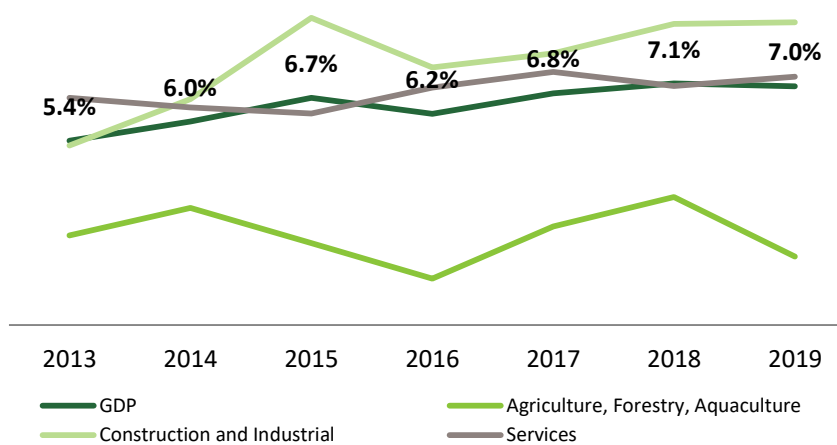
2. Business landscape

Favorable macroeconomic environment

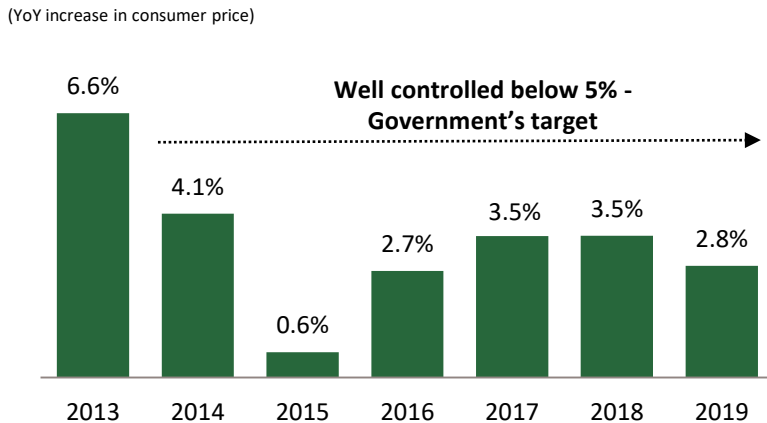
Strong GDP growth



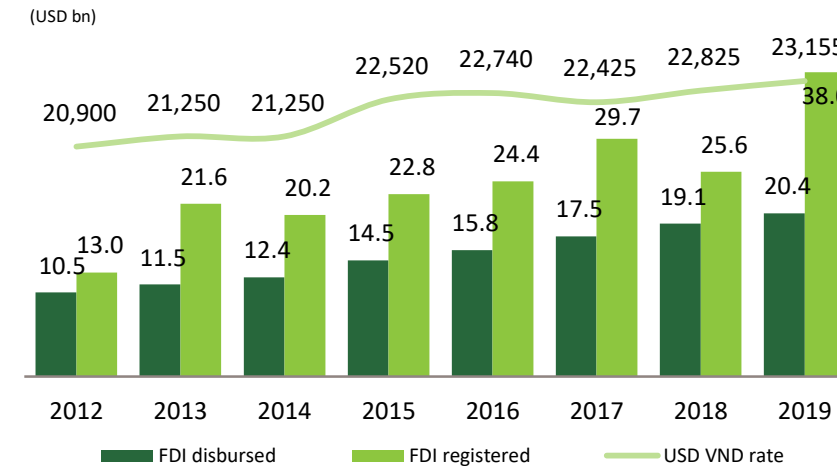
GDP growth by sector



Inflation below government target of 5% since 2014



Steady FDI inflows supporting FX rate

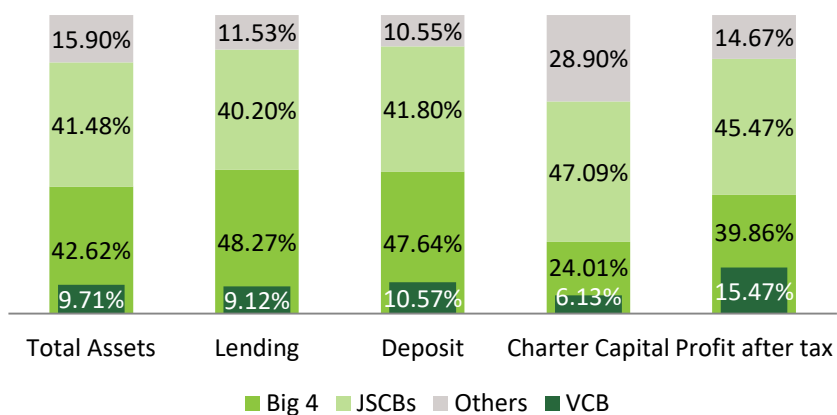


Banking sector overview

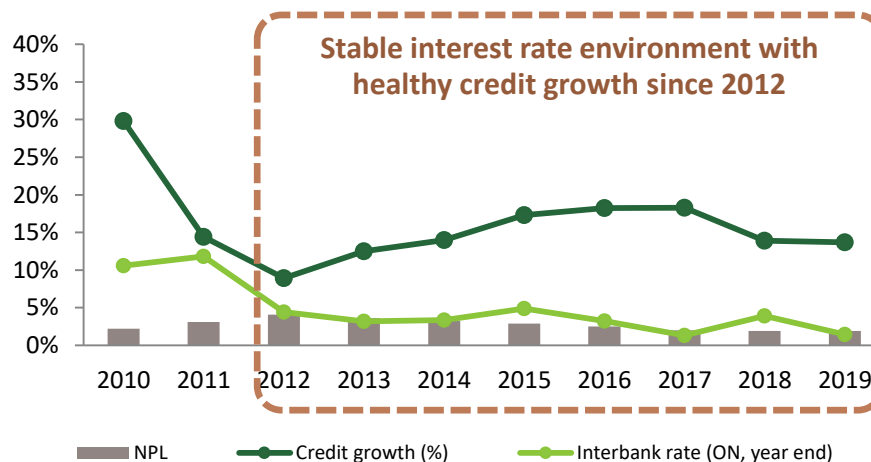
Overview

- Large number of banks (~90); of which the 4 biggest banks(*) occupy 45%-50% of deposit, lending and total assets.
- Industry restructuring plan commencing in 2011 has helped to (i) enhance credit control, (ii) increase the industry financial transparency through reducing cross ownership, (iii) strengthen the liquidity, efficiency and managerial capability of banks through M&A and self-restructuring; and aim to get the sector function in accordance with international norms.
- Strong, double digit growth in credit and deposits
- High growth potential: Favorable demographics with growing levels of urbanization, young population & rising income.

Market share (2019)



Stability and recovery of the banking sector



3. Key company highlights

Key company highlights

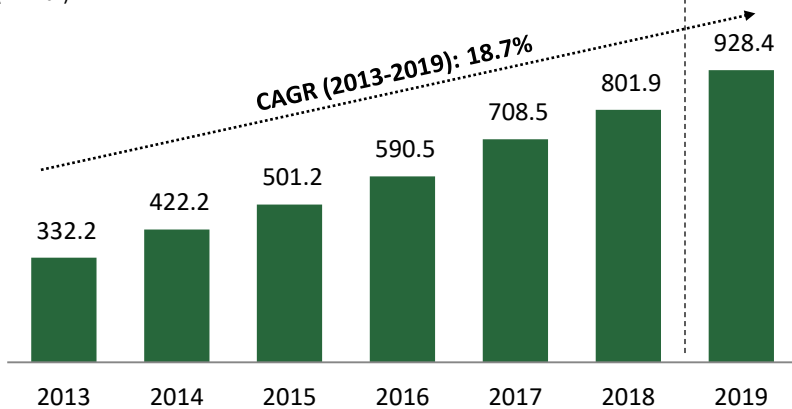


1 Strong brand positioning driving robust deposit growth

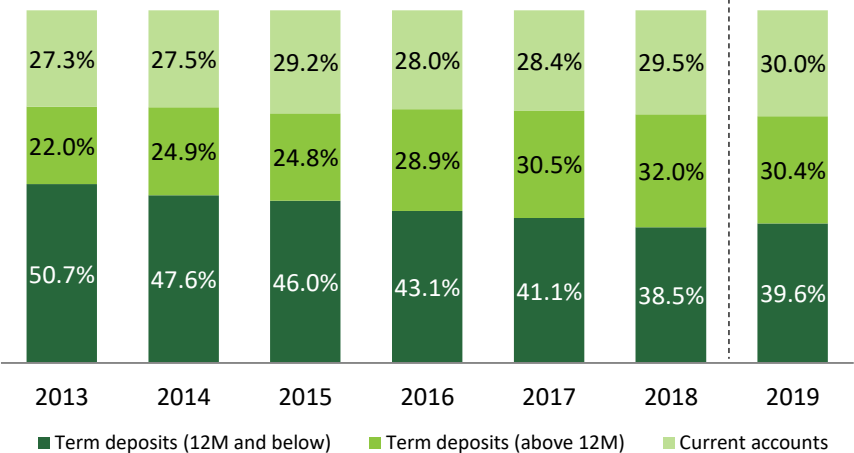
- Customer deposits are the largest source of total funding, accounting for ~81%
- Growing market share (~10.6%) on the back of strong nationwide brand recognition and loyalty
- 2019 deposit balance: ~VND 928.4 tn, up 15.8% compared with 2018; recorded 18.7% CAGR between 2013 – 2019
- Deposit structure:
 - CASA account for 30%, providing low cost funding to the bank
 - ~50% corporates and 50% individual
 - VND-denominated deposits account for ~83.6%

Customer deposit

(VND tn)



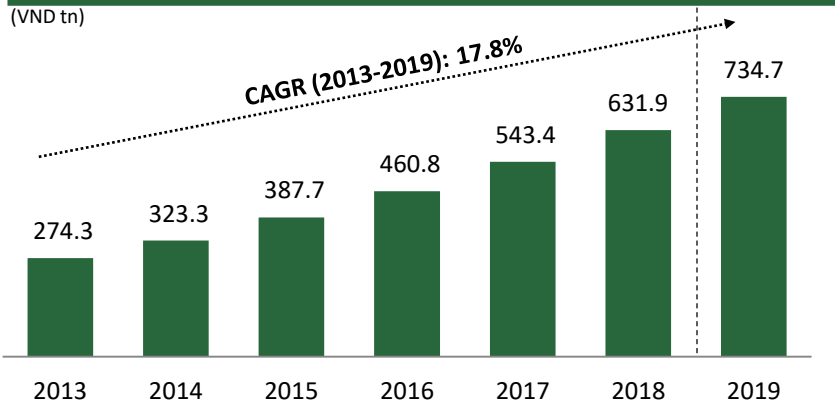
Deposit breakdown by term



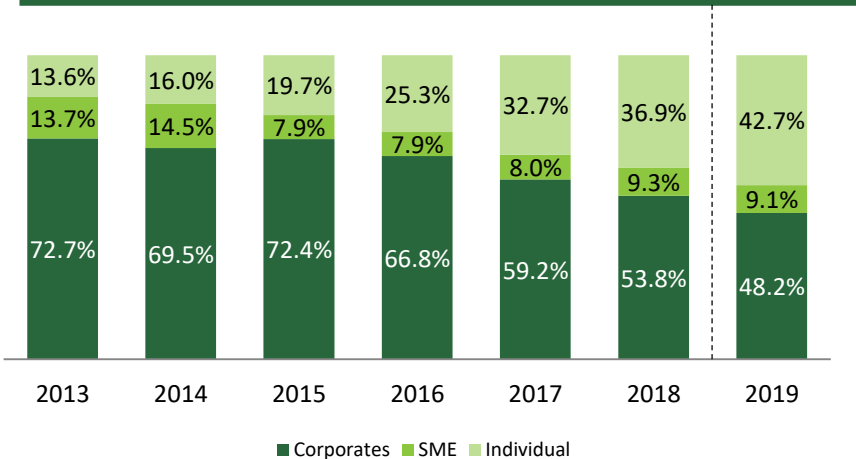
2 Growing loan portfolio with increasing retail component

- Market share ~9.1%
- 2019: Total loans: ~VND 734.7 tn, increased 16.2% against 2018; recorded 17.8% CAGR between 2013 – 2019
- Loan composition
 - Growing loan portfolio with a focused approach to increase loans to retail banking
 - Long and medium term loans account for 47.7% of total loans
 - Domestic currency loans account for 87.8% of total loans
- ~84% of the total loans are collateralized
- 2019 NPL ratio: 0.78% of total loans

Total loans



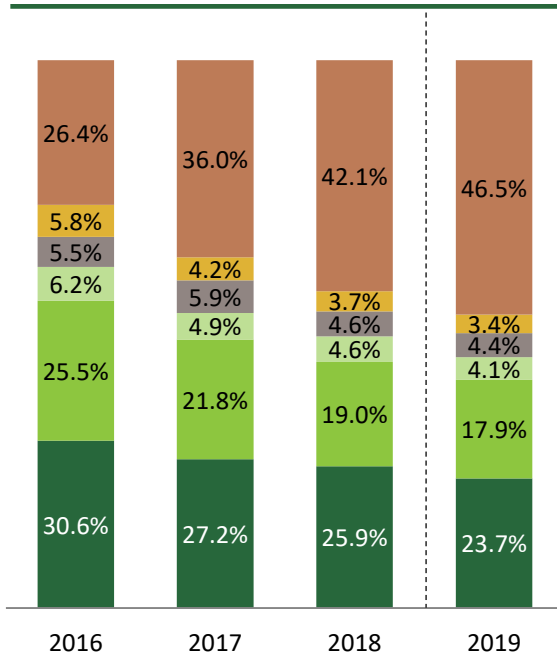
Lending breakdown by clients



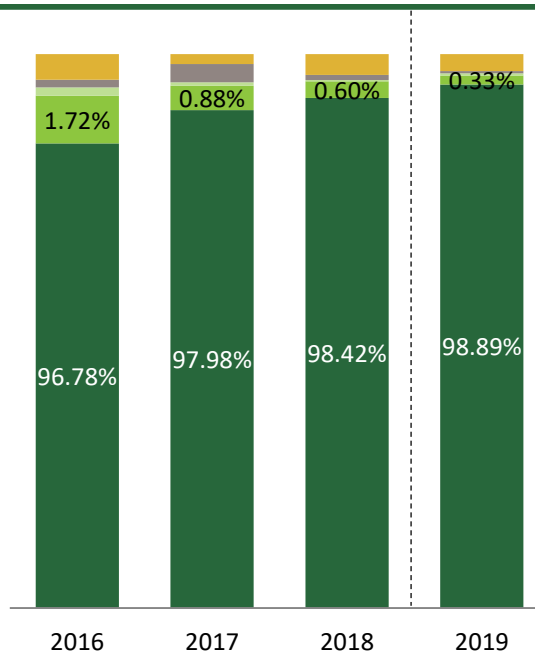
3 Diversified loan portfolio with a focus on high-growth sectors with good credit quality

Lending breakdown

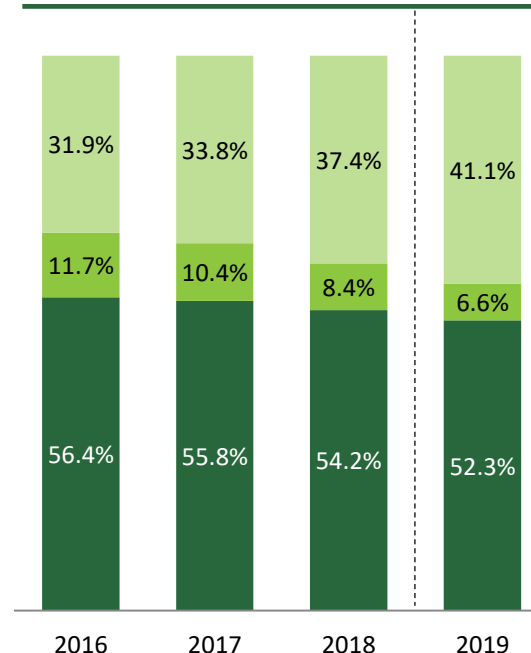
By sector



By loan group



By term



Others

Transportation, logistics, communication

Construction

Electricity, gas, water processing & supplying

Trading & services

Processing, manufacturing

Current

Sub-standard

Special mentioned

Loss

Doubtful

Short term

Medium term

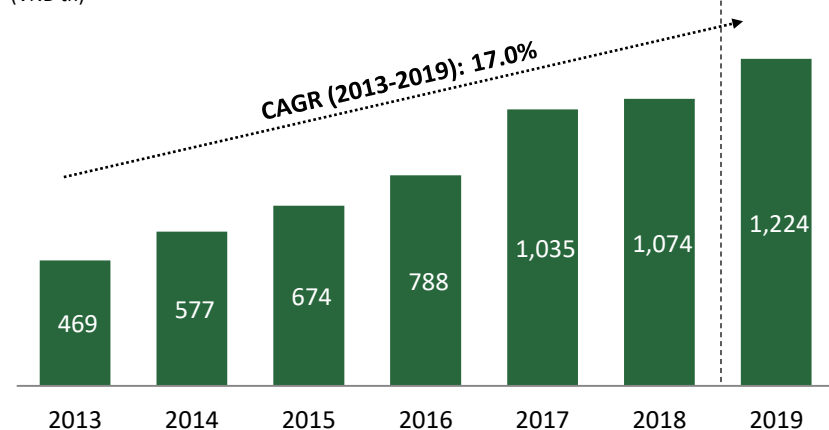
Long term

4 High asset quality and strong capital base

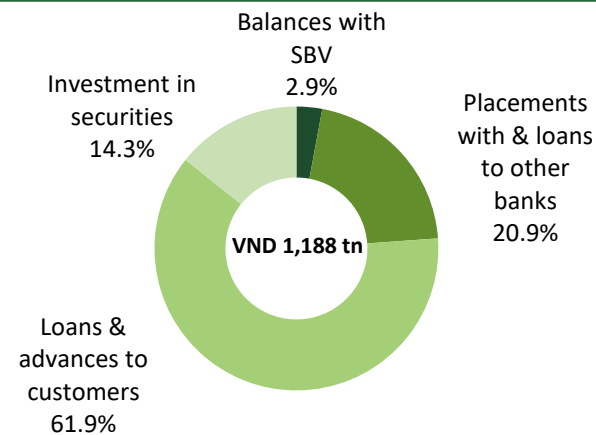
FY ended 31 December	2012A	2013A	2014A	2015A	2016A	2017A	2018A	2019
Loans to deposits	84.51%	82.56%	76.58%	77.36%	78.04%	76.70%	78.79%	79.14%
Loan loss reserve coverage (Provision/NPL)	91.07%	86.29%	94.43%	120.63%	117.12%	130.67%	165.41%	181.99%
NPL ratio	2.40%	2.73%	2.31%	1.84%	1.51%	1.14%	0.98%	0.78%
CAR	14.83%	13.37%	11.61%	11.04%	11.13%	11.63%	12.14%	9.60%*
Credit Cost	1.47%	1.37%	1.53%	1.71%	1.51%	1.23%	1.26%	0.99%

Total assets

(VND tn)



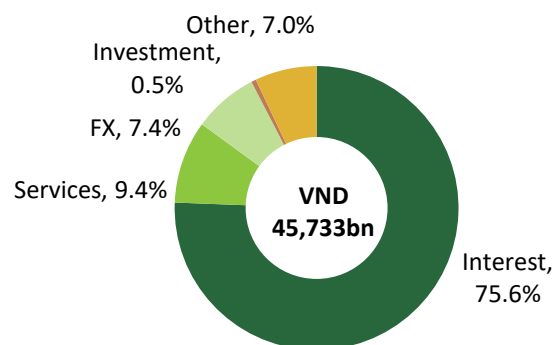
Earning assets breakdown (2019)



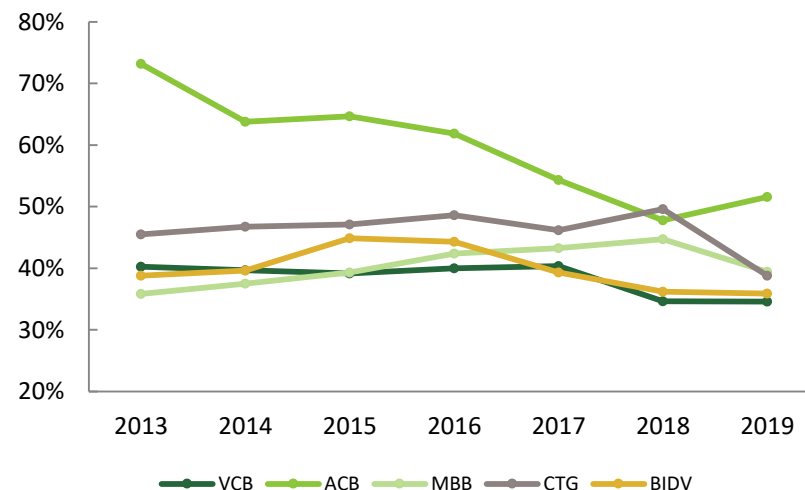
5 Consistently strong profitability and performance

FY ended 31 December	2012A	2013A	2014A	2015A	2016A	2017A	2018A	2019
Net interest margin	2.99%	2.62%	2.40%	2.57%	2.64%	2.66%	2.95%	3.13%
Non-interest income/Operating Income	26.09%	30.5%	32.0%	27.1%	25.5%	25.4%	27.67%	24.39%
Pre-Provision Operating Profit/Equity	25.84%	22.1%	24.4%	29.2%	32.1%	34.9%	44.74%	40.44%
ROAA	1.13%	0.99%	0.88%	0.85%	0.93%	1.00%	1.38%	1.61%
ROAE	12.54%	10.4%	11.0%	12.0%	14.7%	18.1%	25.46%	25.03%

Operating income structure (2019)



Cost to income ratios



6 Leading platform for trade financing and cross-border business needs

■ Leading position in Trade Financing (TF) and International Settlement

- Market share: ~16.52% in TF
- Solid customer-base include country's top importers & exporters
- Extensive correspondent network includes ~2,000 banks all over the world

■ Domestic Settlement (VCB Money)

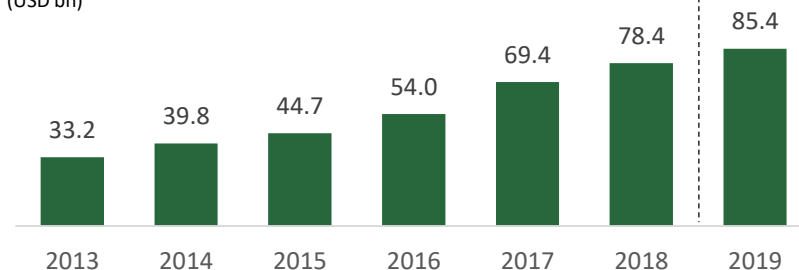
- The first and leading e-banking platform in Vietnam
- Clearing center in Vietnam for foreign currencies

■ FX Transactions and Derivatives

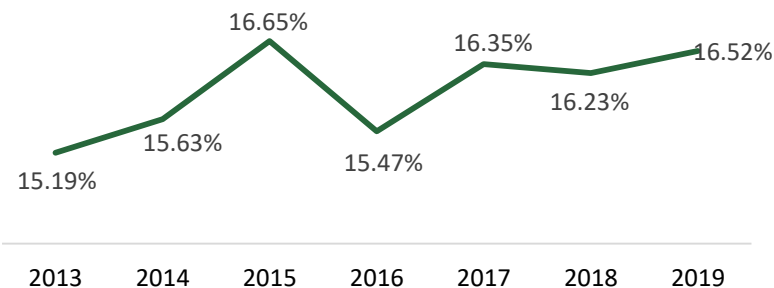
- Leader in Vietnam's foreign exchange market
- FX profit grows consistently ~10% yoy, contributing ~5-8% of total operating income

International settlement volume

(USD bn)

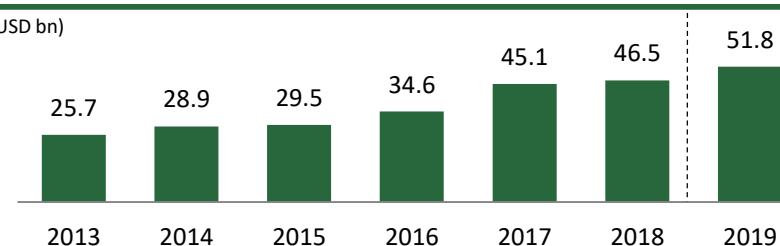


Market share in total international settlement



FX transaction volumes

(USD bn)

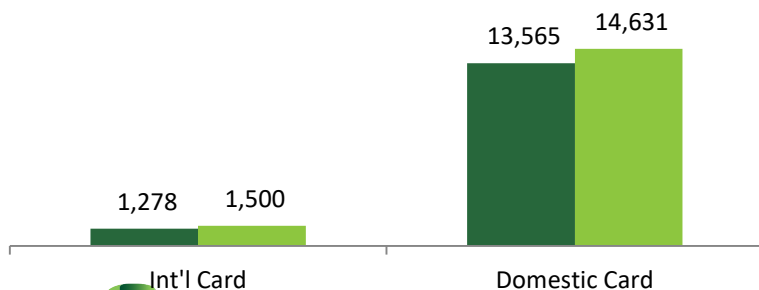


7 Leading platform for credit card services and products

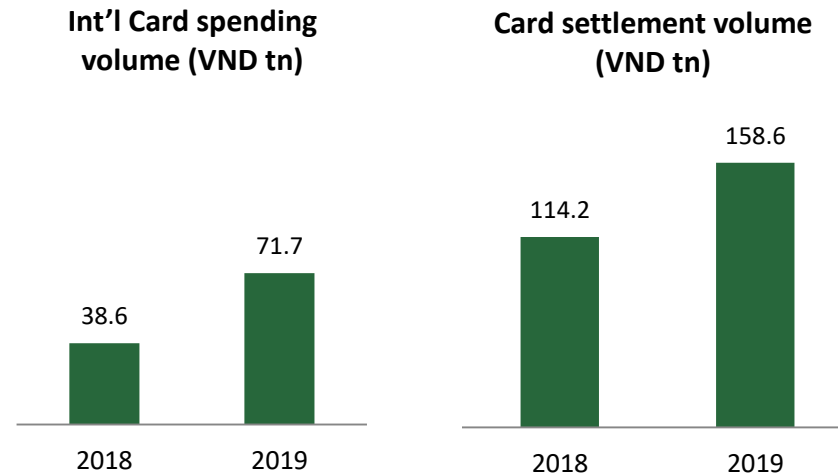
- Vietcombank is the pioneer bank to introduce card services to Vietnam and has since then kept the leading position:
 - Leading bank by card payment volume;
 - ~9.6% market share by the number of international credit card ;
 - ~17% market share by the number of debit cards.
- Strategic partners in Vietnam for international card organizations including Visa, Master, JCB, Diner's Club, China Union Pay and the sole banking partner of American Express in Vietnam.
- Large ATM network with ~2,600 ATMs and ~60,600 Points of Sale nationwide.

Number of cards

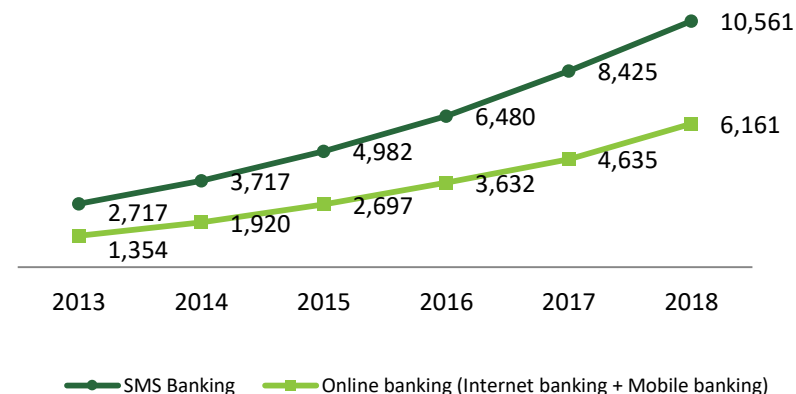
Number of Bank Card (in thousands)



Card payment volume

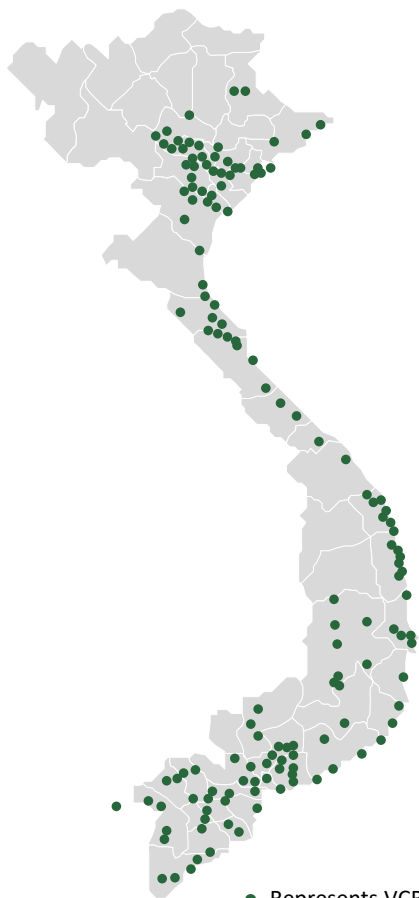


Number of e-banking users ('000)



8 Extensive branch / ATM network supported by strong investment in technology

Nationwide coverage and presence...



● Represents VCB branch

- In 2019, Vietcombank opened 5 branches and 10 transaction offices
- Vietcombank aims to open approximately 5 branches and 10-15 transaction offices each year

111

Branches

52

Cities covered

441

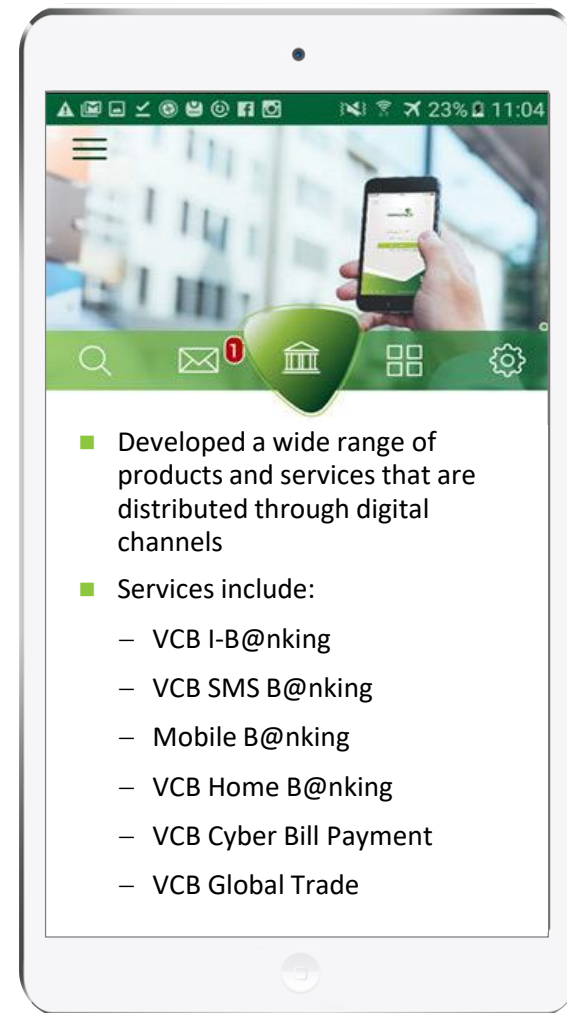
Transaction offices

hướng dẫn ở thanh công cụ
bên trái màn hình

HOTLINE
1900 54 54 13



...supported by a digital platform



- Developed a wide range of products and services that are distributed through digital channels
- Services include:
 - VCB I-B@nking
 - VCB SMS B@nking
 - Mobile B@nking
 - VCB Home B@nking
 - VCB Cyber Bill Payment
 - VCB Global Trade

4. Growth strategy and targets

Target to 2020

To become number 1 bank in Vietnam, ranked among the 100 largest banks in the region and among the 300 biggest financial groups in the world, underpinned by global best practices

I. Top 1 Retail and Top 2 Wholesale

II. The local most profitable bank with ROE ~ 20%

III. Number 1 by customer satisfaction

IV. Best local bank in human resource quality

V. Best local Bank in Risk management

■ **Deposits:**

- 60% retail
- 40% wholesales

■ **Loans:**

- 50% retails (40% individual)
- 50% wholesales

■ **ROE ~ 20%**

■ **ROA > 1%**

■ **Most convenient products and services**

■ **Best customer services**

■ **Highest Return for Customers**

■ **Highest labor productivity**

■ **Highest EES (Employee Engagement Survey)**

■ **Pioneer in applying standard Basel II by 2018 and advanced Basel II by 2020**

Key strategic initiatives



Business Expansion

- **Focus on growing the retail customer segment** supported by VCB's leadership in credit cards, largest ATM network in Vietnam, country wide extensive branch network and strong brand name
 - Increase proportion of retail loans
 - Grow proportion of low cost CASA⁽¹⁾ funding
 - Focus on NIM improvements
- Maintain strong position in wholesale banking
 - #1 in Vietnam for trade financing and international settlement
- Increase proportion of sustainable non-interest income including:
 - Retail banking fees
 - Wholesale banking fees
 - Insurance
- Improve operating cost management
- Optimize insurance business
- Increase capital to support growth



Enhancement of corporate governance

- Centralize organizational structure
- Standardize branch operating model
 - Customer service standards
- Accelerate transformation projects with a focus on performance and organizational optimization
 - Credit TOM⁽²⁾ · CLOS
 - Basel II
 - Management information systems
 - RTOM
 - ALM-FTP-MPA

Key financial and operating targets



Scale

- **Total assets:** USD 60bn
- **Total ownership equity:** USD 4.5bn



Growth

- **Loan growth:** ~ 15-16%
- **Deposit growth:** ~ 13-14%



Quality

- **LDR:** maintain at 80-85%
- **LLRC:** above 100%
- **NPL:** < 1.0%



Profitability

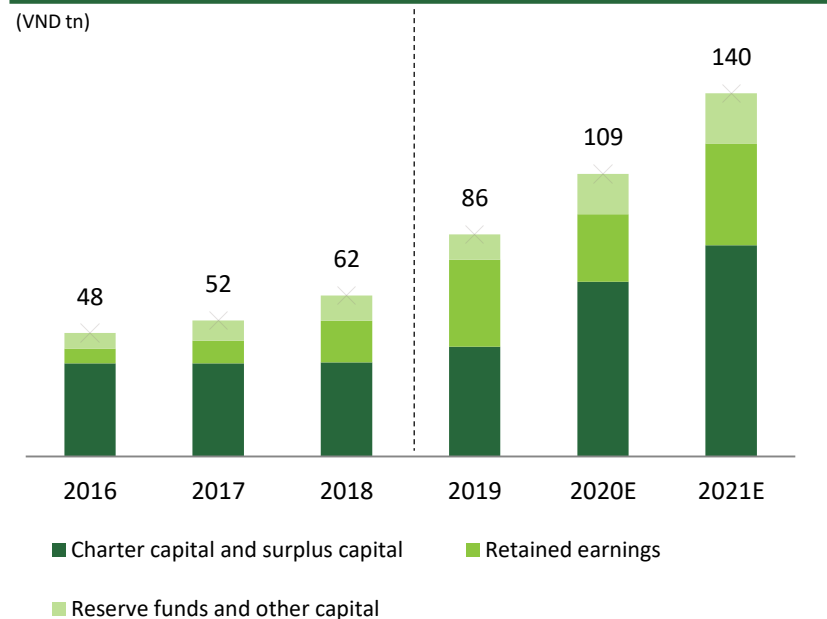
- **Interest income growth:** ~ 17-18%
- **Non-interest income growth:** ~19-20%
- **Cost to income ratio:** < 40%
- **ROAA:** > 1%
- **ROAE:** ~ 20%

Capital raising plan by 2021

Long term capital raising plans

- **Target shareholders equity of ~USD 4.7bn by 2020** to comply with Basel II capital adequacy requirements (CAR ≥ 9%) as well as have pursue quality investments aimed at improving VCB's operational capacity
- **Clear vision to achieve target capital structure** by improving financial returns and net retained earnings, as well as potential external capital raising exercises such as primary share issuance

Internal capital targets



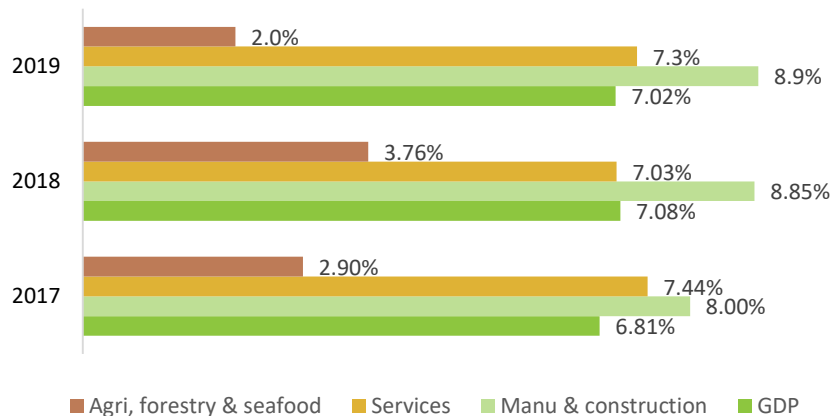
- 1 Retained earnings
- 2 New primary capital

5. 2019 highlights

2019 - Recap of Macro economy and banking sector

Key Macro indices

GDP growth & key sectors' growth (%)

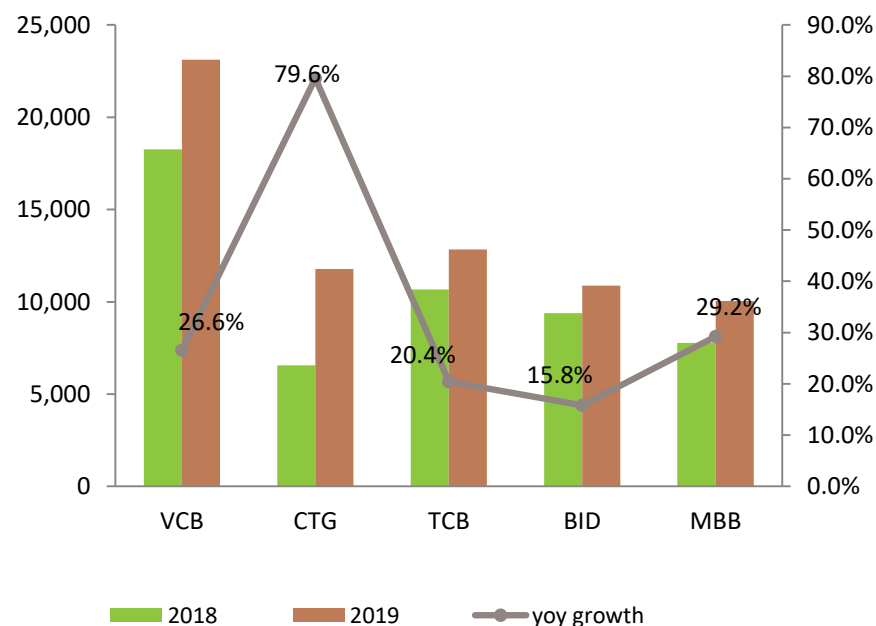


2017 2018 2019

	2017	2018	2019
CPI (yoy, %)	3.53	3.54	2.79
FDI			
Registered (USD, bn)	35.9	35.5	38.0
Growth (yoy, %)	44.40%	-1.00%	7.2%
Disbursed (USD, bn)	17.5	19.1	20.4
Growth (yoy, %)	10.80%	9.10%	6.7%
Export (USD, bn)	213.8	244.7	263.5
Growth (yoy, %)	21.10%	13.80%	8.1%
Import (USD, bn)	211.1	237.5	253.5
Growth (yoy, %)	20.80%	11.50%	7.0%

Banking sector and Top-5 profit before tax (*)

Growth vs 2018

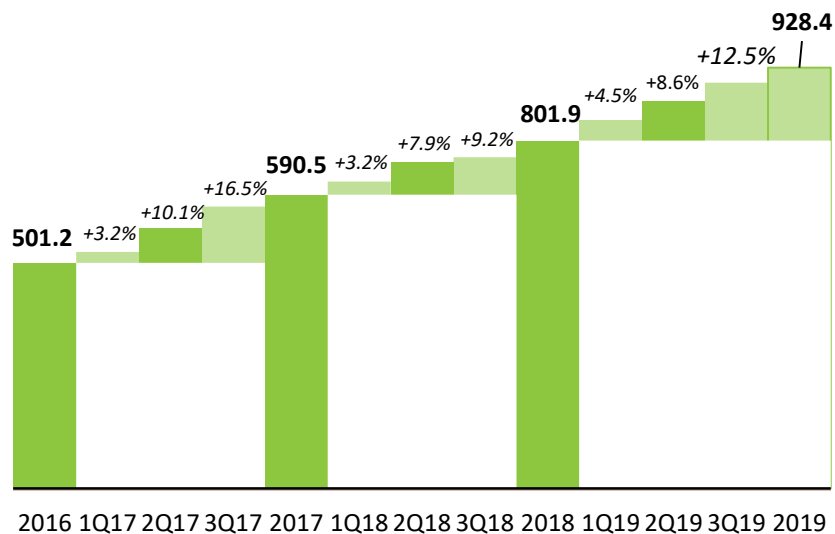


(*) Listed banks only

2019 results – Balance sheet

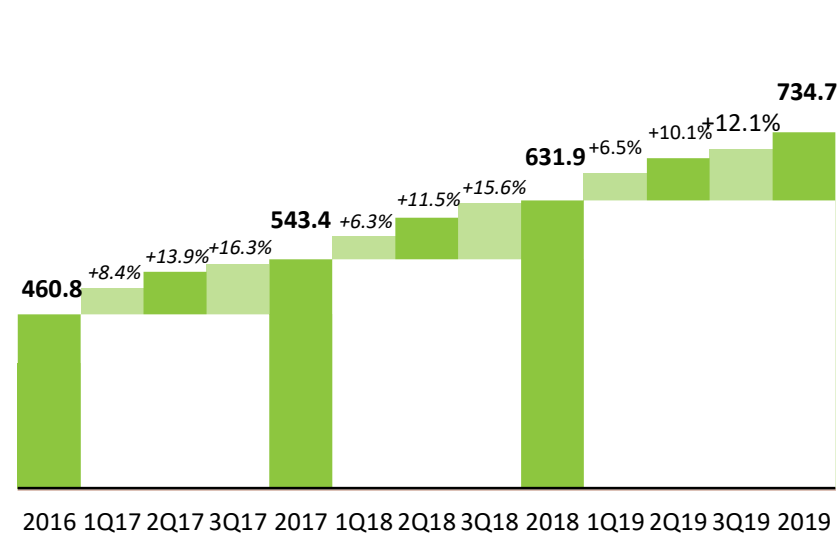
Total deposits (year-end, growth vs last year-end)

(VND tn)



Gross loans (year-end, growth vs last year-end)

(VND tn)

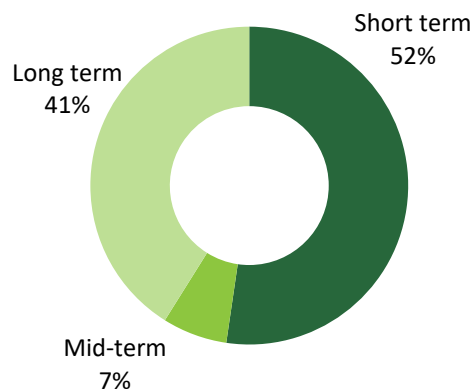


- As of 31 December 2019, **total deposits and total loans** increased by **15.8%** and **16.3%** respectively against 31 Dec 2018
- VCB continues to pursue quality lending opportunities, focusing on high growth sectors and retail accounts. Gross loans reached VND 734tn as of 31 December 2019
- NPL of 0.78% in 2019 vs 0.98% in 2018

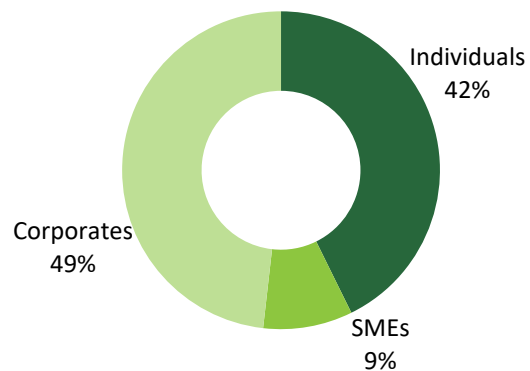
2019 results – Balance sheet

Gross loans breakdown

By term



By customer

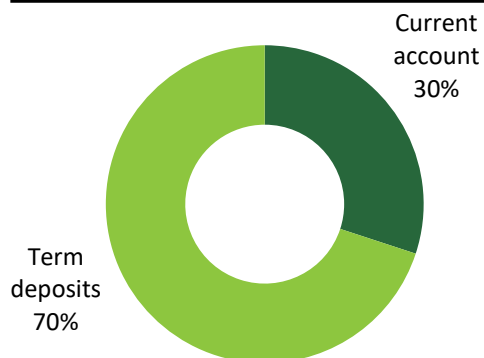


Key drivers:

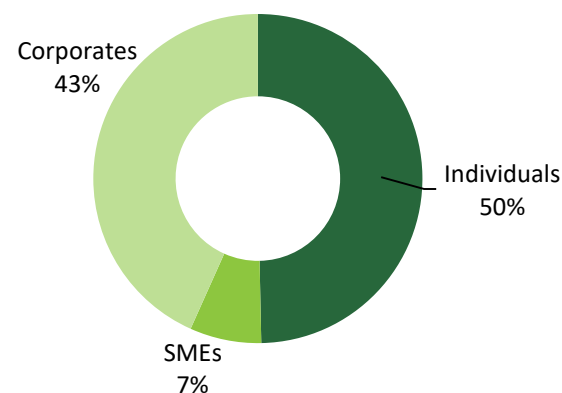
- Long term loans: 27.9%ytd
- Individual loans: 34.2%ytd

Total deposits breakdown

By term



By customer

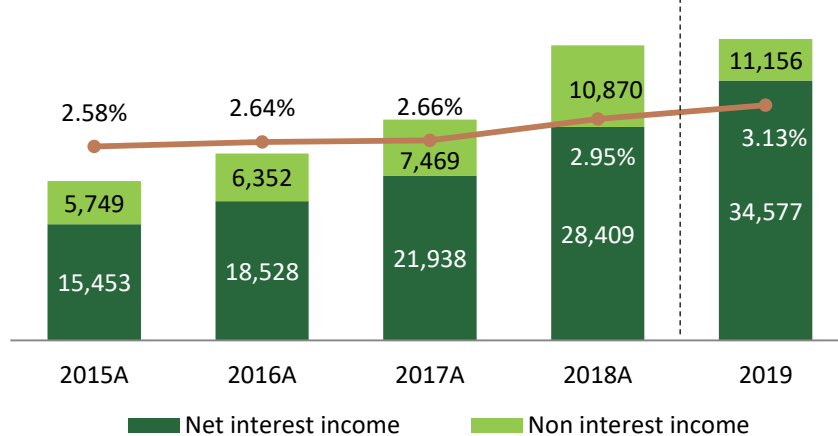


- The proportion of CASA (~30%) remained at high level
- Deposit by Corporates recorded the strongest growth: +19.9% ytd

2019 results – Income Statement

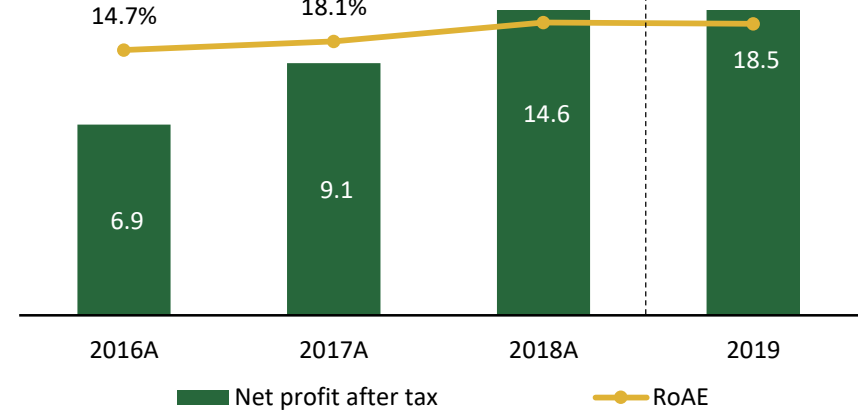
Net interest and non interest income

(VND tn)

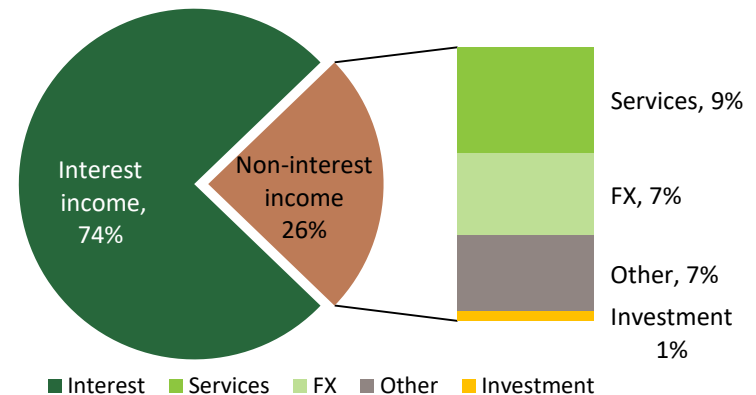


Net profit after tax

(VND tn)



Income breakdown (2019)



- In 2019, net interest income kept increasing by 0.18% together with the growth of the total loan book.
- Efficiency was also reflected on NIM which has been steadily improved since 2015 thanks to the restructure of loan mix towards retail.
- ROAE of the bank surged to ~25.03% in 2019

Increasing contribution of non-interest income in line with strategic direction focusing on income from services, treasury, & investment

2019 results – Key ratios

Quality	1Q17	2Q17	3Q17	FY17	1Q18	2Q18	3Q18	FY18	1Q19	2Q19	3Q19	2019
Loans to deposits	81.99%	80.70%	77.92%	76.70%	79.02%	79.27%	81.19%	78.79%	80.29%	79.86%	78.49%	79.14%
Loan loss reserve coverage (Provision/NPL)	128.9%	140.3%	164.8%	130.7%	121.4%	140.6%	155.5%	165.4%	169.2%	177.45%	185.21%	181.99%
NPL ratio	1.48%	1.51%	1.15%	1.14%	1.37%	1.15%	1.18%	0.98%	1.03%	1.03%	1.08%	0.78%
CAR	9.81%	9.72%	9.98%	11.63%	10.64%	10.35%	10.24%	12.14%	9.86%*	9.47%	9.92%	9.60%
Credit Cost	1.17%	1.22%	1.21%	1.23%	1.07%	1.13%	1.14%	1.26%	0.92%	1.00%	0.96%	0.99%

Profitability	1Q17	2Q17	3Q17	FY17	1Q18	2Q18	3Q18	FY18	1Q19	2Q19	3Q19	2019
Net interest margin	2.77%	2.77%	2.65%	2.66%	2.66%	2.83%	2.94%	2.95%	3.29%	3.24%	3.22%	3.13%
Non-interest income/Operating Income	27.60%	25.18%	26.12%	25.40%	37.56%	32.25%	28.57%	27.67%	27.78%	25.97%	26.03%	24.39%
Pre-Provision Operating Profit/Equity	33.73%	33.06%	32.51%	34.90%	43.14%	40.49%	38.99%	44.74%	43.70%	41.92%	41.67%	40.44%
ROAA	1.12%	1.03%	1.01%	1.00%	1.37%	1.28%	1.23%	1.38%	1.75%	1.65%	1.69%	1.61%
ROAE	17.99%	16.90%	16.64%	18.09%	25.85%	23.14%	21.89%	25.46%	27.86%	26.00%	26.22%	25.03%
Cost-to-income ratio	43.22%	43.39%	43.12%	40.35%	40.98%	41.35%	41.67%	34.7%	37.3%	36.6%	36.03%	34.59%

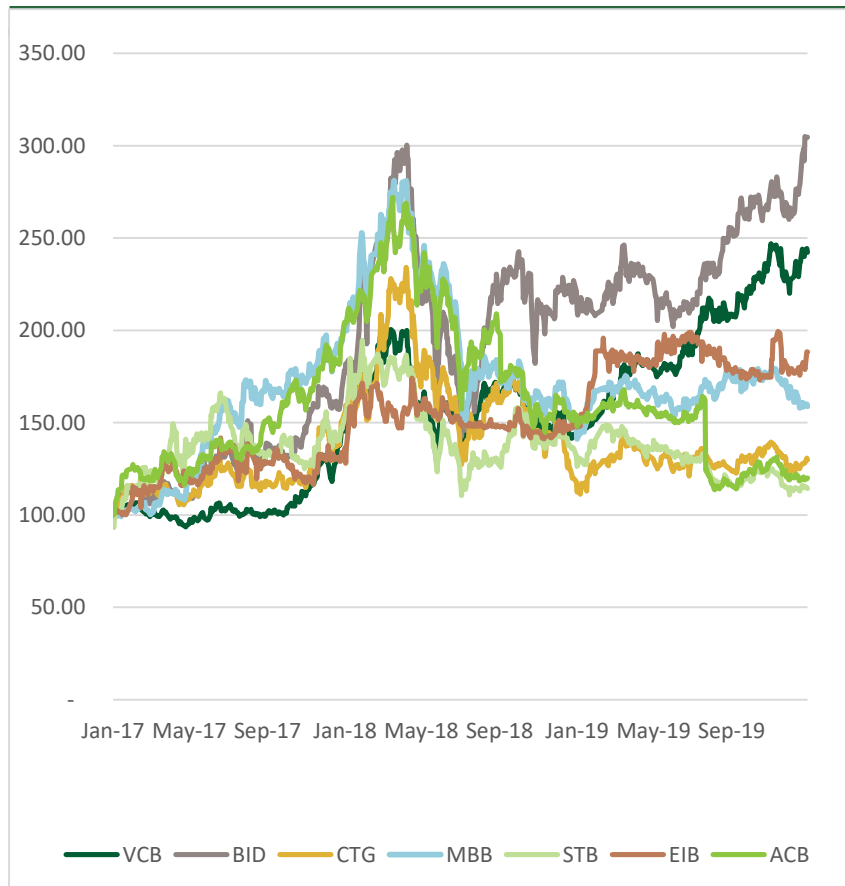
(*) CAR has been calculated in accordance with Circular 41 (Basel 2 standards) since 1 Jan 2019

VCB 2020 targets

Key targets	2018	2019	2019 growth	2020 Targets
Total assets (VND bn)	1,074,027	1,223,981	14.0%	~ 12%
Credits (VND bn)	639,549	741,228	15.9%	~ 14%
Deposits and valuable papers (VND bn)	823,390	949,798	15.4%	~ 13%
PBT (VND bn)	18,269	23,123	26.6%	~ 15%
NPL ratio (NPL/Credits)	0.98%	0.778%		< 0.9%

Sector leading share price performance

2016 –2019 share price performance⁽¹⁾



Trading statistics

- Number of shares: 3,708,877,448
- Last closed price (31/12/2019): 90,200 VND
- VWAP in the most recent 3 months: 86,626 VND
- 52-week high / low: 92,000 / 53,600 VND
- All shares are listed on the HOSE
- EPS (31/12/2019): 5,003 VND
- P/B (31/12/2019) = 4.6x
- P/E (31/12/2019) = 18.0x

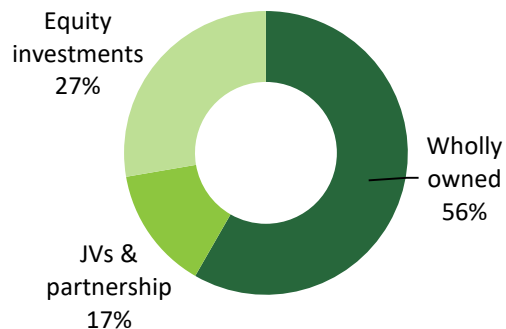
6. Annexes

Equity investments overview

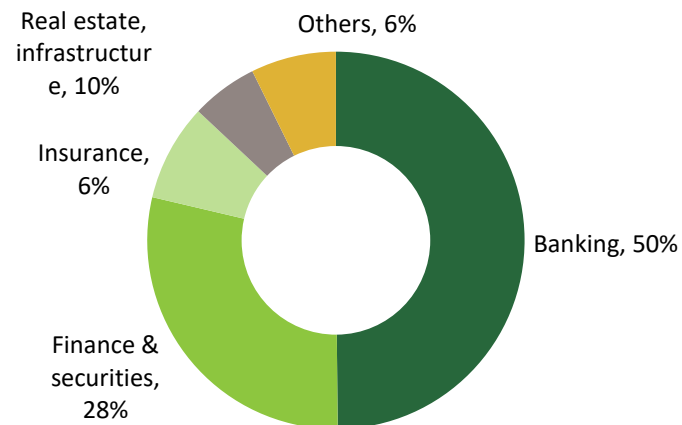
- Total investments - VND 5,954 bn (USD 257m) as of 31 Dec 2019
- Wholly – Owned Subsidiaries: VCBS, VCBL, VFC, VCB Laos, VCBR
- JVs and Partnerships: VCBF, Vietcombank Tower, VCB Money (TN Monex), VCB-Bonday-Ben Thanh, etc
- Equity Investments: MB, PJICO, etc
- VCBS, VCBF & VCB Investment Management Dept. – core components to upgrade to IB

Total investments by type

(%)



Total investments by sectors



Historical balance sheet

(Figures in VND bn)

FY ended 31 Dec	2014A	2015A	2016A	2017A	2018A	2019
Cash and cash equivalents	8,323	8,519	9,692	10,103	12,792	13,778
Balances with SBV	13,267	19,715	17,382	93,616	10,846	34,684
Current accounts, deposits and placements with banks	146,077	131,527	151,846	232,973	250,228	248,729
Investments in securities	77,246	117,523	136,005	139,621	152,227	169,429
Loans to customers	323,338	387,723	460,808	543,434	631,867	734,707
Provision for credit losses	-7,084	(8,610)	(8,124)	(8,113)	(10,294)	(10,417)
Equity investment	3,546	3,557	3,628	3,553	2,476	2,464
Net fixed assets	4,465	5,039	5,639	6,162	6,527	6,696
Other assets	7,818	9,400	11,031	13,111	17,357	23,909
Total Assets	576,996	674,394	787,907	1,035,293	1,074,027	1,223,981
Current accounts of banks and payables to SBV	54,093	41,480	54,151	171,385	90,685	92,366
Borrowings from SBV and term deposits from banks	43,238	72,135	72,238	66,942	76,524	73,622
Customers deposits	422,204	501,163	590,451	708,520	801,929	928,414
Valuable papers issued	2,209	2,479	10,286	18,215	21,461	21,383
Debt securities issued and other borrowed funds	75	-	-	23	26	20
Other liabilities	11,704	11,966	12,678	17,651	21,222	22,422
Total Liabilities	533,523	629,222	739,805	982,735	1,011,847	1,138,227
Minority Interest	148	165	144	89	69	82
Chartered capital	26,650	26,650	35,978	35,978	35,978	37,089
Other capital	5,921	5,940	213	521	548	5,470
Retained earnings and reserves	10,754	12,417	11,768	15,969	25,584	43,113
Total Shareholders' Equity	43,325	45,007	47,958	52,557	62,179	85,753

Source: VCB Consolidated Financial Statement.

Historical balance sheet

(Figures in USD m)

FY ended 31 Dec	2014A	2015A	2016A	2017A	2018A	2019
Cash and cash equivalents	392	389	437	451	551	595
Balances with SBV	624	901	784	4,175	467	1,497
Current accounts, deposits and placements with banks	6,876	6,009	6,853	10,389	10,786	10,735
Investments in securities	3,636	5,369	6,138	6,226	6,562	7,312
Loans to customers	15,220	17,712	20,796	24,233	27,236	31,709
Provision for credit losses	(333)	(393)	(367)	(362)	(444)	(450)
Equity investment	167	162	164	158	107	106
Net fixed assets	210	230	254	275	281	289
Other assets	368	429	498	585	748	1,032
Total Assets	27,159	30,808	35,557	46,167	46,294	52,826
Current accounts of banks and payables to SBV	2,546	1,895	2,444	7,643	3,909	3,986
Borrowings from SBV and term deposits from banks	2,035	3,295	3,260	2,985	3,298	3,177
Customers deposits	19,873	22,895	26,646	31,595	34,566	40,070
Valuable papers issued	104	113	464	812	925	923
Debt securities issued and other borrowed funds	4	-	-	1	1	1
Other liabilities	551	547	572	787	915	968
Total Liabilities	25,113	28,745	33,386	43,823	43,614	49,125
Minority Interest	7	8	6	4	3	4
Chartered capital	1,254	1,217	1,624	1,604	1,551	1,601
Other capital	279	271	10	23	24	236
Retained earnings and reserves	506	567	531	712	1,103	1,861
Total Shareholders' Equity	2,039	2,056	2,164	2,344	2,680	3,701

Historical income statement

(Figures in VND bn)

FY ended 31 Dec	2014A	2015A	2016A	2017A	2018A	2019
Interest income	28,222	31,361	37,713	46,159	55,864	67,724
Interest expenses	(16,214)	(15,908)	(19,185)	(24,221)	(27,455)	(33,147)
Net interest income	12,009	15,453	18,528	21,938	28,409	34,577
Service fee income	2,912	3,557	4,326	5,378	7,022	9,005
Service charges	(1,396)	(1,685)	(2,220)	(2,840)	(3,620)	(4,696)
Net fee income	1,517	1,873	2,107	2,538	3,402	4,309
Foreign exchange gain, net	1,345	1,573	1,850	2,042	2,266	3,378
Net gain on securities	419	350	406	457	250	153
Investment income (loss)	211	48	72	332	1,716	245
Other non-interest income	1,785	1,905	1,917	2,100	3,234	3,070
Non-interest income	5,277	5,749	6,352	7,469	10,870	11,156
Operating income	17,286	21,202	24,880	29,406	39,278	45,733
Operating expenses	(6,850)	(8,306)	(9,950)	(11,866)	(13,611)	(15,820)
Operating profit (pre-provision)	10,436	12,895	14,929	17,540	25,667	29,913
Provisions (net of reversals)	(4,591)	(6,068)	(6,406)	(6,198)	(7,398)	(6,790)
Profit before taxes	5,845	6,827	8,523	11,341	18,269	23,123
Income tax expense	(1,258)	(1,495)	(1,672)	(2,231)	(3,647)	(4,595)
Minority interest	(19)	(18)	(19)	(20)	(16)	(14)
Net profit /loss	4,568	5,314	6,832	9,091	14,606	18,514

Source: VCB Consolidated Financial Statement.

Historical income statement

(Figures in USD m)

FY ended 31 Dec	2014A	2015A	2016A	2017A	2018A	2019
Interest income	1,328	1,433	1,702	2,058	2,408	2,915
Interest expenses	(763)	(727)	(866)	(1,080)	(1,183)	(1,427)
Net interest income	565	706	836	978	1,225	1,488
Service fee income	137	163	195	240	303	388
Service charges	(66)	(77)	(100)	(127)	(156)	(202)
Net fee income	71	86	95	113	147	185
Foreign exchange gain, net	63	72	83	91	98	145
Net gain on securities	20	16	18	20	11	7
Investment income (loss)	10	2	3	15	74	11
Other non-interest income	84	87	87	94	139	132
Non-interest income	248	263	287	333	469	480
Operating income	814	969	1,123	1,311	1,693	1,969
Operating expenses	(322)	(379)	(449)	(529)	(587)	(681)
Operating profit (pre-provision)	491	589	674	782	1,106	1,288
Provisions (net of reversals)	(216)	(277)	(289)	(276)	(319)	(292)
Profit before taxes	275	312	385	506	787	995
Income tax expense	(59)	(68)	(75)	(99)	(157)	(198)
Minority interest	(1)	(1)	(1)	(1)	(1)	(1)
Net profit /loss	215	243	308	405	630	797

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