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Hanoi, 22 July 2022

*Explanation about change in profit after tax  
between Q2 2022 and Q2 2021*

**To:**           - State Securities Commission of Vietnam  
                  - Ho Chi Minh Stock Exchange

**Letter of explanation about change in profit after tax between Q2 2022 and Q2 2021**

1. **Organization:** Vietnam Prosperity Joint Stock Commercial Bank (“VPBank”)
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6. **Detailed explanation:**

Pursuant to Circular No. 96/2020/TT-BTC dated November 16, 2020 of the Ministry of Finance on guidelines on information disclosures on securities market, Vietnam Prosperity Joint Stock Commercial Bank would like to explain the standalone and consolidated business performance in Q2 2022 as follows:

The standalone profit after tax of the bank in Q2 2022 was 3,738,081 million, decreased by 3,632,054 million, equivalent to 49.28% year on year; the consolidated profit after tax of the bank and its subsidiaries in Q2 2022 was VND 3,324,075 million, decreased by VND 692,288 million, equivalent to 17.24% year on year, due to the following:

	<i>Increase/(decrease)(VND million)</i>	
	<i>Standalone</i>	<i>Consolidated</i>
Increase in NII	1,368,348	1,233,817
Increase in net income from services	432,033	453,082
Decrease in net income from FX and gold trading	(133,565)	(173,696)
Decrease in net income from trading securities	(262,609)	(288,716)
Decrease in net income from held-to-maturity securities	(1,042,673)	(1,041,785)
Increase in other net income	371,286	1,047,187
(Decrease)/increase in income from equity investment	(3,560,663)	9,654
Increase in OPEX	(337,059)	(707,485)
Increase in provision	(483,398)	(1,386,486)
Change in profit before tax	<u>(3,648,300)</u>	<u>(854,428)</u>

Change in corporate income tax	<u>16,246</u>	<u>162,140</u>
Change in profit after tax	<u>(3,632,054)</u>	<u>(692,288)</u>

The change of the standalone and consolidated profit after tax in Q2 2022 from the same period last year were mainly due to the following:

- The standalone NII increased by VND 1,368,348 million (up 26.93%) mainly because the lending interest income of the parent bank increased by VND 1,720,752 million while its interest expense only increased by VND 910,400 million; the consolidated NII increased by VND 1,233,817 million (up 13.36%) which was lower than the increase in the standalone NII because of the decrease in interest income and other similar sources of income of the subsidiary.
- The standalone net income from held-to-maturity securities was 347,714 million, decreased by VND 1,042,673 million (equivalent to 74.99%) year over year;
- The standalone provision expense increased by VND 483,398 (up 27.81%) and the consolidated provision expense increased by VND 1,386,486 million (up 33.02%). Provisions were made based on the customers' loan balance and debt bucket as per the regulations on the debt classification and their provision of the State Bank of Vietnam effective as of the reporting time, inclusive of additional provision according to Circular No. 03/2021/TT-NHNN dated April 02, 2021 of the State Bank of Vietnam amending and supplementing a number of articles of the Circular No. 01/2020/TT-NHNN on debt rescheduling, waiver or reduction of interest and charges, and loan retention in debt buckets in order to help their clients affected by the Covid-19 pandemic.

Because of the aforementioned reasons and changes in net income from other activities, the total operating income of the bank alone in Q2 2022 reached VND 8,880,096 million and the total consolidated operating income of the bank and its subsidiaries reached VND 13,286,489 million; the standalone profit before tax reached VND 4,664,241 million and the consolidated profit before tax reached VND 4,176,730 million. The standalone profit after tax reached VND 3,738,081 million, decreasing by VND 3,632,054 million, equivalent to 49.28% and the consolidated profit after tax of the bank and its subsidiaries reached VND 3,324,075 million, decreasing by VND 692,288 million, equivalent to 17.24%.

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

**Vietnam Prosperity Joint Stock  
Commercial Bank**

**CHIEF EXECUTIVE OFFICER  
(signed)**

Nguyen Duc Vinh