

Code	EIB
Company name	Vietnam Export Import Commercial Joint Stock Bank
Date	08/30/2019
Subject	Explanation for the 2019 semi-annual financial statements

Content:

Vietnam Export Import Commercial Joint Stock Bank (Eximbank) has explained the fluctuation in profit and loss in the consolidated and separate financial statements in the first six months of 2019 as follows:

1. For the reviewed separate financial statements of the Bank:

- Profit after tax was 600,944 million dong, decreasing by 128.162 million dong (-17.58%) compared to the same period of 2018 because of the following reasons:
 - In the first six months of 2018, the Bank sold out of the shares invested in a credit institution, leading the income from capital contribution.
 - Profit before tax (excluding the income from capital contribution for share purchase) in the first six months of 2019 grew 355,911 million dong, or 91.08%, compared to the same period of last year.

Unit: million dong

Item	06 months of 2019	06 months of 2018	Difference amount	Difference ratio
Net interest income	1,646,138	1,497,658	148,480	9.91%
Net fee and commission income	153,644	152,672	972	0.64%
Net gain from foreign exchange trading activities	154,841	125,237	29,604	23.64%
Net gain from investment securities	66,246	(17,695)	83,941	

Net other income	88,957	71,522	17,435	24.38%
Operating expense	1,406,436	1,267,406	139,030	10.97%
Provisions for credit risks	43,303	(171,206)	214,509	
Profit before tax (excluding the income from capital contribution for share purchase)	746,693	390,782	355,911	91.08%

- Net interest income in the first six months of 2019 increased by 9.91% compared to the same period of last year because Net interest margin (NIM) improved over the same period.
- In the first half of 2019, the Bank reversed a provision for credit risks of 43,303 million dong because the balance of doubtful debts decreased by 341,501 million dong (down 15.41%) compared to the same period of last year.

2. For the reviewed consolidated financial statements of the Bank:

- Profit after tax was 610,572 million dong, decreased by 126,789 million dong (-17.19%) compared to the same period of 2018 because of similar causes as above.
- Profit before tax in the first six months of 2019 grew 358,136 million dong (+89.49%) against the same period of last year.

Unit: million dong

Item	06 months of 2019	06 months of 2018	Difference amount	Difference ratio
Net interest income	1,663,586	1,504,109	159,477	10.60%
Net fee and commission income	158,495	157,584	911	0.58%

Net gain from foreign exchange trading activities	154,841	125,237	29,604	23.64%
Net gain from investment securities	67,739	(14,165)	81,904	
Net other income	89,717	71,614	18,103	25.28%
Operating expense	1,419,326	1,272,954	146,372	11.50%
Provisions for credit risks	43,303	(171,206)	214,509	
Profit before tax (excluding the income from capital contribution for share purchase)	758,355	400,219	358,136	89.49%

3. Vietnam Export Import Commercial Joint Stock Bank explained the difference in the profit in the first six months of 2019 before and after review as follows:
- The reviewed profit after tax in the first six months of 2019 increased 89,141 million (+17%) compared to the profit announced previously because the audit company made a decrease of 111,427 million in the exchange rate difference for term transactions, and an increase in the income from foreign exchange trading activities.