

Code EIB
Company name Vietnam Export Import Commercial Joint Stock Bank
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Subject Explanation for the 2020 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 for the first six months of 2020 as follows:

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

- Profit after tax was 443,799 million dong, decreasing by 157,145 million dong (-26.15%) compared to the same period of 2019 because of the following reasons:

Unit: million dong

Item	06 months of 2020	06 months of 2019	Difference amount <i>(million dong)</i>	Difference ratio <i>(%)</i>
Net interest income	1,609,185	1,646,138	(36,953)	(2.24)
Net fee and commission income	159,999	153,644	6,355	4.14
Net gain from foreign exchange trading activities	219,470	154,841	64,629	41.74
Net gain from investment securities	41,330	66,246	(24,916)	(37.61)
Other net gains	87,224	88,957	(1,733)	(1.95)
Income from capital contributions	1,169	4,182	(3,013)	(72.05)
Operating expenses	1,343,512	1,406,436	(62,924)	(4.47)
Provisions for credit risks	220,289	(43,303)	263,592	(608.72)
Profit before tax	554,576	750,875	(196,299)	(26.14)
Profit after tax	443,799	600,944	(157,145)	(26.15)

- i. Net interest income in the first six months of 2020 decreased by 2.24% (36,953 million dong) compared to the same period of 2019 because Eximbank rescheduled loans, reduced interest rates and kept the debt groups in order to support its clients during the Covid-19 pandemic.
- ii. Operating expenses decreased by 62,924 million dong (-4.47%) compared to the same period of last year because Eximbank cut down its operating expenses according to the guidelines by the State Bank of Vietnam.
- iii. Net fee and commission income increased by 6,355 million dong (+4.14%) compared to the same period of 2019.
- iv. Net gain from foreign exchange trading activities increased by 64,629 million dong (+41.74%) compared to the same period of 2019.
- v. Net gain from investment securities decreased by 24,916 million dong (-37.61%) compared to the same period of 2019.
- vi. Provisions for credit risks increased by 263,592 million dong compared to the same period of 2019.

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

- Profit after tax was 440,997 million dong, decreased by 169,575 million dong (-27.77%) compared to the same period of 2019 because of similar causes as above.

Unit: million dong

Item	06 months of 2020	06 months of 2019	Difference amount (million dong)	Difference ratio (%)
Net interest income	1,615,384	1,663,586	(48,202)	(2.90)
Net fee and commission income	164,054	158,495	5,559	3.51
Net gain from foreign exchange trading activities	219,470	154,841	64,629	41.74
Net gain from investment securities	41,330	67,739	(26,409)	(38.99)
Other net gains	88,004	89,717	(1,713)	(1.91)
Income from capital	1,169	4,182	(3,013)	(72.05)

contributions				
Operating expenses	1,357,348	1,419,326	(61,978)	(4.37)
Provisions for credit risks	220,289	(43,303)	263,592	
Profit before tax	551,774	762,537	(210,763)	(27.64)
Profit after tax	440,997	610,572	(169,575)	(27.77)