BANK FOR FOREIGN TRADE OF VIETNAM (HSX: VCB)

Resilient amidst uncertainties

(VND bn)	Q4-FY22	Q3-FY22	+/-(qoq)	Q4-FY21	+/-(yoy)
Total operating income	18,663	16,714	11.7	14,869	25.5
PPOP	14,098	10,344	36.3	11,813	19.3
PBT	12,419	7,566	64.1	8,064	54.0
NPAT	9,928	6,065	63.7	6,451	53.9

Source: VCB, Rong Viet Securities

4Q2022 and 2022: Robust growth driven by core income and policies

- VCB was amongst the few banks that could maintain growth momentum until the last quarter of the year. Both quarterly and yearly bottom line growth were driven by tailwinds in interest income (+25.6% YoY) and credit cost (-19.5% YoY). On a quarterly basis, credit growth ticked up 1.5% alongside a 10bps expansion in NIM, resulting in a single- digit growth in NII (8% QoQ). Meanwhile, NoII surged by 26% boosting by trade finance and FX activities. Altogether, TOI witnessed a modest growth of 12%, yet the slump of 40% in provision expenses has lifted the bottom line (+64%QoQ).
- FY2022, VCB recorded a top-line result of VND 68.1 tn (or USD 2.8 bn, +20%YoY), of which NII and NFI reached 53.2 tn (or USD 2.2 bn, +26%YoY) and 6.8 tn (or USD 285mn, -7.7% YoY), respectively. Interest income reached the highest portion in 5 years thanks to top-tier quota and NIM widening. The plunge in income from digital banking as the result of the zero-fee campaign dragged down NoII by 8% YoY. The conservative method in building a best-in-class provisioning buffer had paid off in 2022, a large amount of provisioning reversal eased credit costs. Overall, PBT reached VND 37.4 tn in 2022 (or USD 1.6 bn, +36.5% YoY).

2023: Top-tier provisioning buffer will be a major growth engine

For 2023, we anticipate tougher macro conditions, VCB will pay more attention to control risk rather than expansion. Thereby, credit growth is forecasted to be 13.5% while NIM is expected to be flat. On the funding side, CASA is a bit lower compared to 2022 and mobilization growth is forecasted to be roughly 11%. Hence, net interest income is projected to reach VND 61 tn (USD 2.5 bn, 14% YoY) in 2023. NFI will be supported by trade financing segment which will grow 18% in 2023. Total operating income will expand by circa 13% YoY this year. The best-in-class provisioning buffer will ensure PBT growth during a tough time in 2023. Overall, we project that 2023 PBT will be VND 44.5 tn (USD 1.8 bn), up 19% from 2022.

Valuation and recommendation

Macroeconomic conditions might be tougher in 2023, risk of real estate and corporate bond market remains even though some bottlenecks have been released to protect the banking system. However, we expect VCB to be able to weather the storm amid uncertainties and maintain sustainable profit growth. In the medium term, Circular 26 tends to benefit SoCBs on the funding side which also be the short-term catalyst. In addition, the private placement in 2024, CAR is expected to expand by roughly 200 to 250 bps, which will lay down the foundation to sustain VCB's earnings onwards.

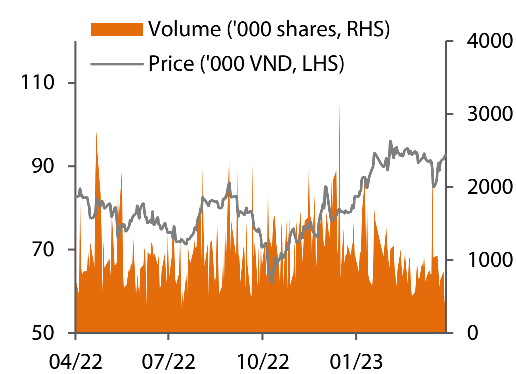
*We maintain a positive view of VCB's provisioning buffer and advantages on the funding front. Amidst rising uncertainties, we believe that VCB will be the last vulnerable bank thanks to the top-tier provisioning buffer and healthy balance sheet. Alongside with growth momentum of net interest and non-interest income, VCB will sustainably grow in the medium term. Therefore, we revise our target price to VND 107,000/share, implying a 2023 PBR of 3x. This is equivalent to an **BUY** recommendation with an upside of 22% from the closing price of April 12th, 2023.*

BUY	+22%
Current market price (VND)	88,300
Target price (VND)	107,000
Cash dividend	-

Stock Info	
Sector	Banks
Market Cap (VND billion)	433.971,8
Current Shares O/S	4.732,5
Avg. Daily Volume (in 20 sessions)	866,4
Free float (%)	23
52 weeks High	96.000
52 weeks Low	62.000
Beta	0,7

	FY2021	FY2022
EPS	3,039	3,216
EPS Growth (%)	14%	30%
Diluted EPS	3,039	3,216
P/E	10.1	7.2
P/B	2.1	1.5
Cash dividend yield (%)	0%	0%
ROE (%)	21.8%	23.08%

Price performance



Major Shareholders (%)	
State Bank of Vietnam	74.8%
Mizuho Bank Limited	15.0%
GIC Private Limited	2.6%
Vietnam Enterprise Investments Limited	0.3%
Foreign ownership room (%)	1.0

Thao Nguyen

(084) 028- 6299 2006 – Ext 1524

thao.nn@vdsc.com.vn

Exhibit 1: Q4-2022 Results

(VND Bn)	Q4-FY22	Q3-FY22	+/-(qoq)	Q4-FY21	+/-(yoy)
Interest and Similar Income	25,534	22,569	13.1%	18,067	41.3%
Interest and Similar Expenses	-10,725	-8,905	20.4%	-7,285	47.2%
Net Interest Income	**14,809**	**13,664**	**8.4%**	**10,781**	**37.4%**
Non-interest Income	3,853	3,050	26.3%	4,088	-5.7%
Net fee and commission Income	*2,331*	*1,102*	*111.5%*	*2,414*	*-3.4%*
Net gain/(loss) from foreign currency and gold dealings	*1,188*	*1,587*	*-25.2%*	*1,173*	*1.3%*
Net gain/(loss) from trading of securities	*4*	*-154*	*N/A*	*-14*	*N/A*
Net gain/(loss) from disposal of investment securities	*-2*	*-1*	*70.1%*	*-85*	*-*
Net other income/expenses	*300*	*389*	*-23.1%*	*570*	*-47.4%*
Income from capital contribution	*32*	*127*	*-74.6%*	*31*	*4.2%*
Total operating income	**18,663**	**16,714**	**11.7%**	**14,869**	**25.5%**
Operating expenses	-4,565	-6,370	-28.3%	-3,057	49.3%
Operating profit before provision	14,098	10,344	36.3%	11,813	19.3%
Provision expenses	-1,679	-2,778	-39.6%	-3,748	-55.2%
Profit before tax	**12,419**	**7,566**	**64.1%**	**8,064**	**54.0%**
Corporate income tax	-2,486	-1,497	66.1%	-1,608	54.6%
NPAT	**9,934**	**6,069**	**63.7%**	**6,457**	**53.8%**
Attributable to parent company	**9,928**	**6,065**	**63.7%**	**6,451**	**53.9%**

Source: VCB, Rong Viet Securities

Exhibit 2: Q4-2022 Performance Analysis

Particulars	Q4-FY22	Q3-FY22	+/-(qoq)	Q4-FY21	+/-(yoy)
Profitability (TTM)					
NIM	3.4	3.3	11 bps	3.2	24 bps
CIR	31.2	30.7	50 bps	31.0	24 bps
ROAE	24.0	22.2	179 bps	20.9	314 bps
ROAA	1.9	1.7	11 bps	1.6	25 bps
Asset Quality					
NPL ratio	0.7	0.8	-11 bps	0.6	4 bps
Bad debt coverage ratio	317.4	401.8	-8440 bps	424.4	-10700 bps
Equity-to-assets ratio	7.6	7.8	-18 bps	7.9	-25 bps
Operating Safety Ratio					
Customer loans-to-total assets ratio	79.0	84.7	-564 bps	82.0	-297 bps
Customer LDR	97.1	101.5	-430 bps	93.2	397 bps
Adjusted LDR	91.1	94.2	-307 bps	84.4	673 bps

Source: VCB, Rong Viet Securities

Exhibit 3: Q1-2023 Forecast

Particulars (VND Bn)	1Q-FY23	+/- (QoQ)	+/- (YoY)	Comment
TOI	18,747	0.5%	12.0%	Amidst the high-interest-rate environment and gloomy economy, we expect credit to grow by roughly 12% YoY, resulting in a climb of 21% in NII. NOII is expected to slow down, and TOI is forecasted to grow 1by 2%. Cost savings and a slower pace of provision expenses growth will support PBT.
PPOP	14,012	-0.6%	14.6%	
PBT	11,512	-7.3%	15.7%	
NPAT	9,203	-7.3%	15.6%	

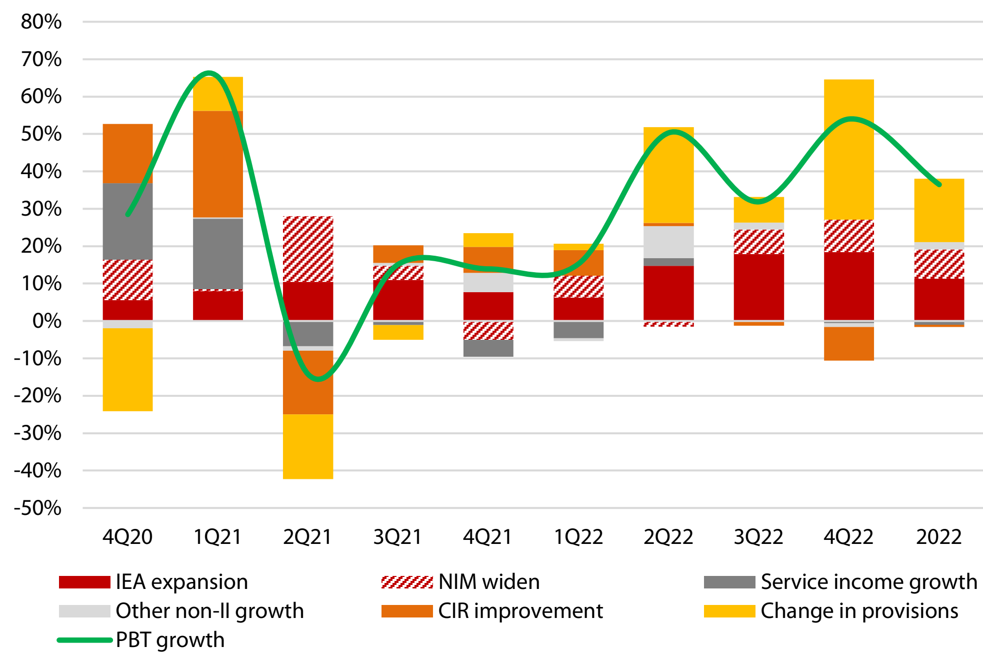
Source: VCB, Rong Viet Securities

Update

Robust 4Q22 and full-year growth boosted by core income and prudent policies

The bank's PBT witnessed an impressive high growth in 4Q22 and 2022, which were 54% YoY and 36.5% YoY, respectively, higher than the industry-average figure of 17.2% YoY and 30.6% YoY (calculated on 27 listed banks, excluding VPB's one-off upfront fee recorded in 1Q22). VCB was amongst the few banks that could maintain growth momentum until the last quarter of the year when the cooling down status was anticipated for the whole system's performance to factor in distressed socio-economic conditions. Both quarterly and yearly bottom line growth was motivated by tailwinds in interest income and credit cost while dragged down by adverse impacts from fee income and operating expense. Accordingly, net interest income rose 25.6% YoY and provision expenses were reduced by 19.5% YoY in 2022, which were favorable factors contributing to the PBT improvement. On the other hand, net fee income plummeted by 7.7% YoY and operating expenses surged by 21% YoY, both dragging down PBT growth.

Figure 1. Quarterly and yearly PBT growth (%, YoY)



Source: VCB, Rong Viet Securities

PBT growth in 4Q2022

- Balance sheet expansion made PBT grow by 18% YoY in 4Q22 compared to 8% in 4Q21 due to high credit growth.
- NIM continued to be a positive factor in 4Q22 with a modest PBT growth contribution (8% YoY).
- Negative NFI growth on both a quarterly and yearly basis (-3.4% YoY and -7.7% YoY) resulted in negative contribution to PBT growth of -0.6% and 1%.
- Total operating income growing at 25% YoY in 4Q22, making PBT grow by 26% YoY.
- The expanding PBT margin pushed 4Q22 PBT growth to 54% YoY.
- The improvement was attributed to the s55% YoY reduction in provision expenses, which made PBT up by 38% YoY.
- CIR contribution declined from the last three quarters to hamper PBT growth by 9%.

VCB recorded top-line results of VND 18.6 tn (USD 778 mn, +26%YoY) for 4Q22 and VND 68.1 tn (or USD 2.8 bn, +20%YoY) for FY2022, of which net interest income (NII) reached VND 14.8 tn/53.2 tn (or USD 617/ 2.2 bn) in 4Q22/FY22 and net fee income (NFI) reached VND 2.3 tn/6.8 tn (or USD 97/285 mn) in 4Q22/FY22, respectively. Interest income reached the highest portion in five years, which accounted for 78% of total operating income (TOI), owing to the 5-year highest credit growth and the expansion of the market 1 rate gap.

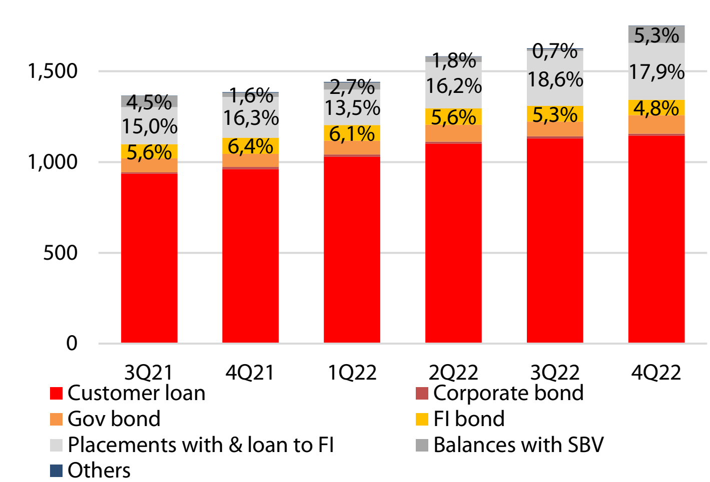
Non-interest income sources, though experiencing negative growth rates across most items as well as narrowed down contributions, still show some bright colors thanks to the bank's strategic competitive edge. Regarding NFI, the plunge in income from digital banking as the result of the zero-fee campaign was offset by the expansion in the trade finance and insurance segment. The bank's trade finance market share increased from 15.4% to 18.5% with export-import turnover up by 32% while bancassurance FYP doubled, and its market share rose from 5.2% to 8.2%. Thanks to the widespread, long-lasting reputation and massive network of domestic exporters and importers, and favorable market conditions in the last months in 2022, VCB benefited from FX sale activity (+31.9% YoY), which has played a supportive role in non-funded income throughout the years.

Overall, the bank's PBT reached circa VND 12.4 tn in 4Q22 and VND 37.4 tn in 2022 (+54% YoY and +36.5% YoY, respectively), mainly coming from interest-earning assets expansion, widened NIM and credit cost reduction.

In 2022, VCB was granted a high credit growth quota, which the bank utilized almost fully to make up an 18.8% YTD credit growth on consolidated basis and. Notably, customer loan growth was 19.2% YTD and the continuous shrinkage of corporate bond balance since the beginning of 2022, was -7.3% YTD. Among the segments, individual loan accounted for the largest proportion of 47.2% of customer loan and implied an increase of 21% YoY. At the same time, corporate loan balance rose by 18.7% YoY yet reduced its proportion to 44.6% from the previous 44.8% in 2021. This is in line with the bank's retail-oriented strategy as more and more assets have been shifted to the retail segment, namely 47.2% and 8.2% of lending book for individual and SME, respectively. This is also the factor boosting asset yield by roughly 35 bps regardless of the running of the reducing interest rate support package during 2022.

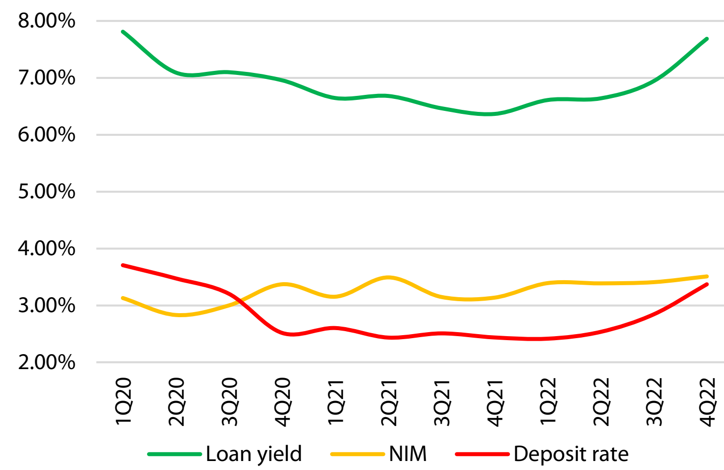
Interest-earning assets in general were also robustly enhanced with support from the rising contribution from placements and loans to credit institutions and the balances with SBV, attributing to an increase of PBT 11% YoY. As of 4Q22, balances with the SBV saw a dramatic surge of 311.2% to reach VND 92.6 tn from 22.5 tn in 2021, accompanied by the 39.1% increase of placements and loans to credit institutions. Bond balance bounced back to VND 102 tn after declining by circa 12 tn in 3Q22.

Figure 2. Interest earning asset mix (VND tn, %)



Source: VCB, Rong Viet Securities

Figure 3. Lending yield, deposit rate & NIM (%, annualized)

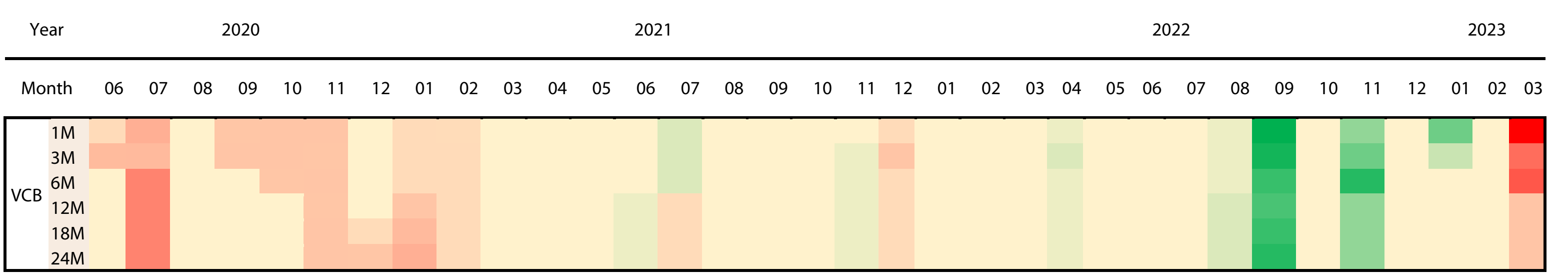


Source: VCB, Rong Viet Securities

Regarding the funding side, VCB's deposit growth reached 9.5% YTD as of 4Q22, significantly improving compared to the YTD growth of 5.3% in 3Q, thereby narrowing down the credit-deposit gap, easing pure loan to deposit ratios to 92.1% from 94.4%. That is an adverse trend in comparison with over the last few years when the bank tried to mobilize deposits slowly in the early period of the year and accelerate towards the year-end to maximize the efficiency of yields. 4Q22 continued to witness one quoted rate hike, ranging from 0.7 to 1.1% for all tenor in November and remained unchanged in the last month of 2022. Those movements eventually transferred into a 13-bps surge in the average deposit rate and contributed to a 9 bps rise in the cost of funds, on a quarterly basis. As a result, the CASA ratio kept declining to 32.3% from 32.9% in 3Q22 after peaking at the historical high of 33.7% in 2Q yet remained in the top-tier figure among industry peers.

With the quarter-over-quarter increase of 19 bps in average lending yield and 13 bps in average deposit rate, annualized NIM picked up 10 bps to 3.51% in 4Q22. On yearly basis, average lending yield and average deposit rate had climbed by 57 bps and 34 bps in 2022 compared to 2021, respectively. This had driven NIM up from 3.1% to 3.4% in 2022, which accounted for a 7% contribution to the year-over-year PBT growth.

Table 1. MoM change in average quoted deposit rates (colored by scale, green: up, red: down, yellow: unchanged)



Source: Rong Viet Securities. Online quoted interest rates.

Healthy balance sheet amid rising asset quality concerns for the banking sector

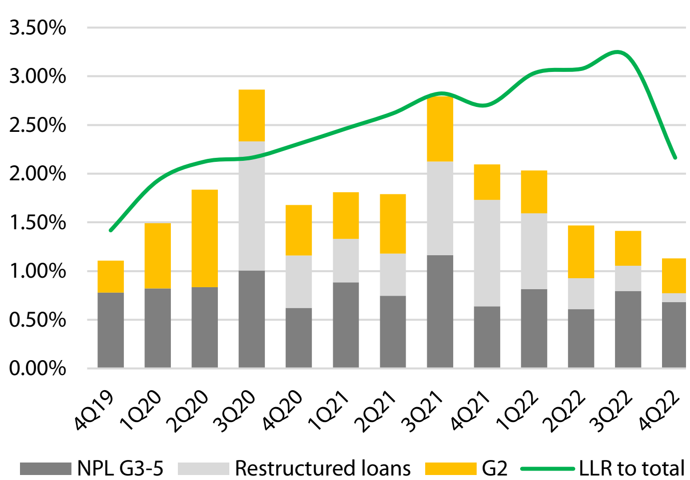
Asset quality to stay resilient amidst rising uncertainties in 4Q2022. Net NPL formation negligibly improved by 0.4 tn, as opposed to 2.4 tn in the previous quarter while most of banks showed a deterioration trend in 4Q2022. The NPL ratio down from 0.8% in 3Q22 to 0.7% in 4Q22 attributing by the 3 tn write-off, yet this ratio increased compared to that of last year (0.6%). Besides, Covid 19-related restructured loans continued to decline to 1.05 tn compared to 2.9 tn in 3Q22, equivalent to 0.1% of loan book.

The coverage ratio, although staying at the highest level among industry peers (317.4%), kept decreasing from the historical high of 509% in 2Q22 due to the notable provision reversal in 4Q22. Specifically, the bank made about 8 tn reversal in specific provisions for customer loans in the last quarter of the year after a period of proactive provisioning thanks to its prudent approach policy. Thus, credit cost margin (TTM) for customer loans alone fell sharply to 0.25% in 4Q22 after quarters of anchoring above 1%. On the other hand, remarkable in 4Q was the circa 10 tn gross provision for lending to other credit institutions to support system liquidity during distressed periods, as shared by the bank. Per our estimation, if taking into account this interbank provision, provisioning buffer also stands at approximately 450% compared to the report number of 317% for customer loan provision.

VCB has been taking advantage of credit cost reduction to boost bottom line growth for 5 consecutive quarters while still insisting on conservative measures regarding asset quality. This prolonged effort eventually paid off in 4Q22 and is expected to keep benefiting the bank's earnings growth as a springboard in the upcoming period. The first signal of which is the potential reversals for interbank loans, roughly 10 tn in 2023.

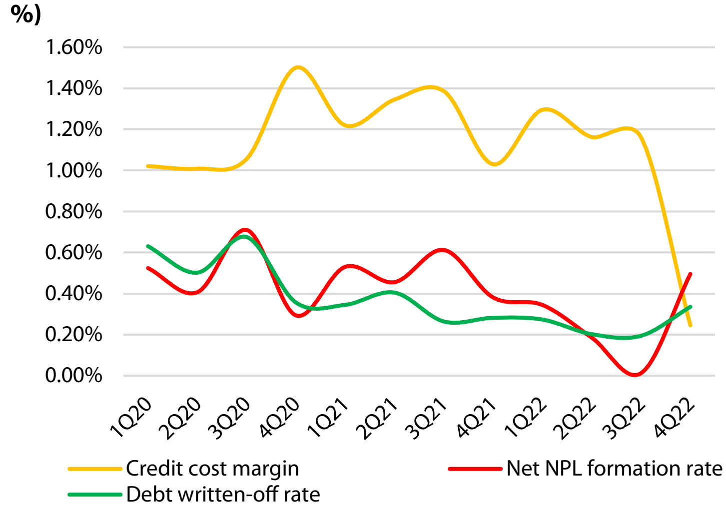
Regarding the recent headwinds on the corporate bonds and real estate market, VCB has shown a comparatively healthy growth prospect due to its stringent assets allocation policy. Its corporate bond book has been relentlessly reduced since 1Q22 and remained below 1% of total assets for a long time. Per the Bank, the proportion of developers and mortgage lending to the total loan book was roughly 1% and 26%, respectively as of 4Q22.

Figure 4. Asset quality indicators (%)



Source: VCB, Rong Viet Securities

Figure 5. NPL formation, credit cost margin & write-off (TTM, %)



Source: VCB, Rong Viet Securities

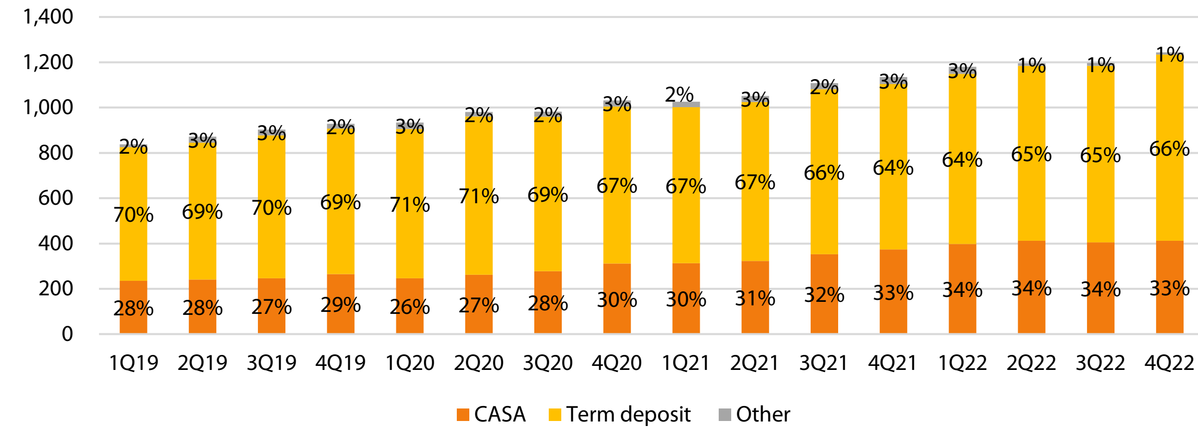
Capitalizing on favorable conditions on the funding side and private placement in the medium term

As the credit-deposit growth gap widened in 2022 and Market 1 surplus has entered the negative zone since July, pressure was put on the whole sector's liquidity. Pure LDR at most banks had jumped to range from 90% to100% in 3Q22 and VCB was no exception. To cope with such a situation, on December 31st, the SBV promulgated Circular 26/2022 amending Circular 22/2019, which changed the calculation on LDR ratios. Accordingly, 50% of Treasury term deposit will be included in the deposit within 2023, 40%/20% will be included by the end of 2024/2025 and none of that will be factored in the LDR calculation from 2026.

We believe this Amendment is supposed to favor SoCBs by mitigating pressure from mobilization and somewhat ease rising funding cost. As of 4Q22, VCB's Treasury term deposit balance was VND 48.7 tn while that in 3Q22 was 85.1 tn. However, this may not be considered a long-term advantage due to the halt of inclusion by early 2026 and the acceleration of public investment.

Furthermore, the private placement of 6.5% charter capital to foreign investors will play as the main pillar in the next two years. It is expected that the private placement will take place in early 2024 when the interest rate is more favorable. Per the Bank, CAR is expected to expand by roughly 200 to 250 bps, laying down the foundation for further growth in the long term.

Figure 6. Customer deposits breakdown by term



Source: VCB, Rong Viet Securities

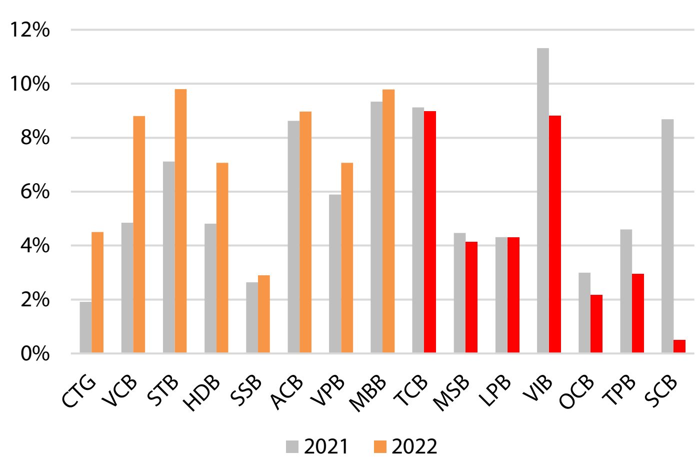
2023-2024 outlook: Sustainable growth amidst rising uncertainties

In the 2023-2024 period, we expect the bank's growth momentum to be stable. On the one hand, VCB is able to lower its funding cost by raising CASA portion, particularly the low funding source from private placement in 2024. On the other hand, lending yield's upward trend throughout the last three years thanks to retail-oriented strategy, NIM is expected to further expand in the long run.

For 2023, we anticipate tougher macro conditions, VCB pays more attention to control risk than expansion, thereby, factoring in a lower credit growth. Credit growth at 13.5% will be the major growth engine while NIM is expected to be flat. On the funding side, CASA is a bit lower compared to 2022 and mobilization growth is forecasted to be roughly 11%. Net interest income is projected to reach VND 61 tn (USD 2.5 bn, 14% YoY) in 2023. In the medium term, we still think VCB will be granted a top-tier quota given its support for credit funds and loan exposure to prioritized sectors.

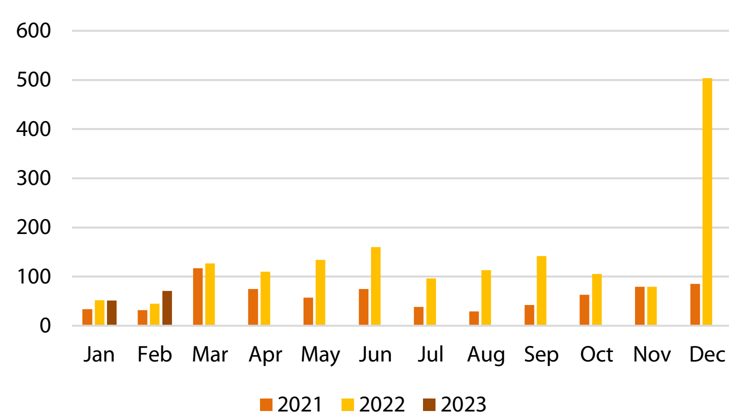
It is projected that NFI growth will no longer be affected by the zero-fee program in 2023 due to the base effect and income from trade financing segment may experience prosperous period when international trade activities recover accompanied by extended market share from 2H2023. On top of that, VCB retains huge potential from the Bancassurance activities when the Bank currently operates referral model and gain market share year over year.

Figure 7: Banca market share (%)



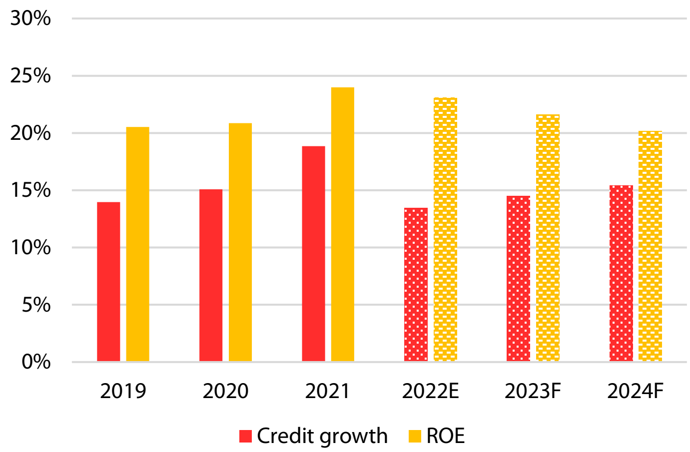
Source: VCB, Rong Viet Securities

Figure 8: VCB's APE per month (VND bn)



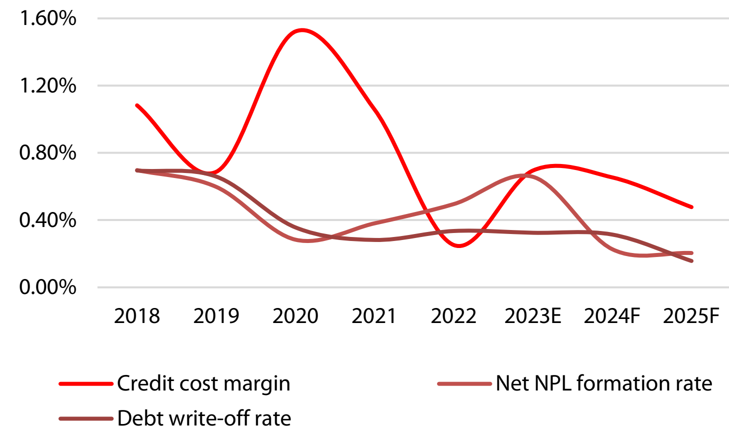
Source: VCB, Rong Viet Securities

Figure 9: Credit growth and RoE (%)



Source: VCB, Rong Viet Securities

Figure 10: Credit cost margin and net NPL formation rate (%)

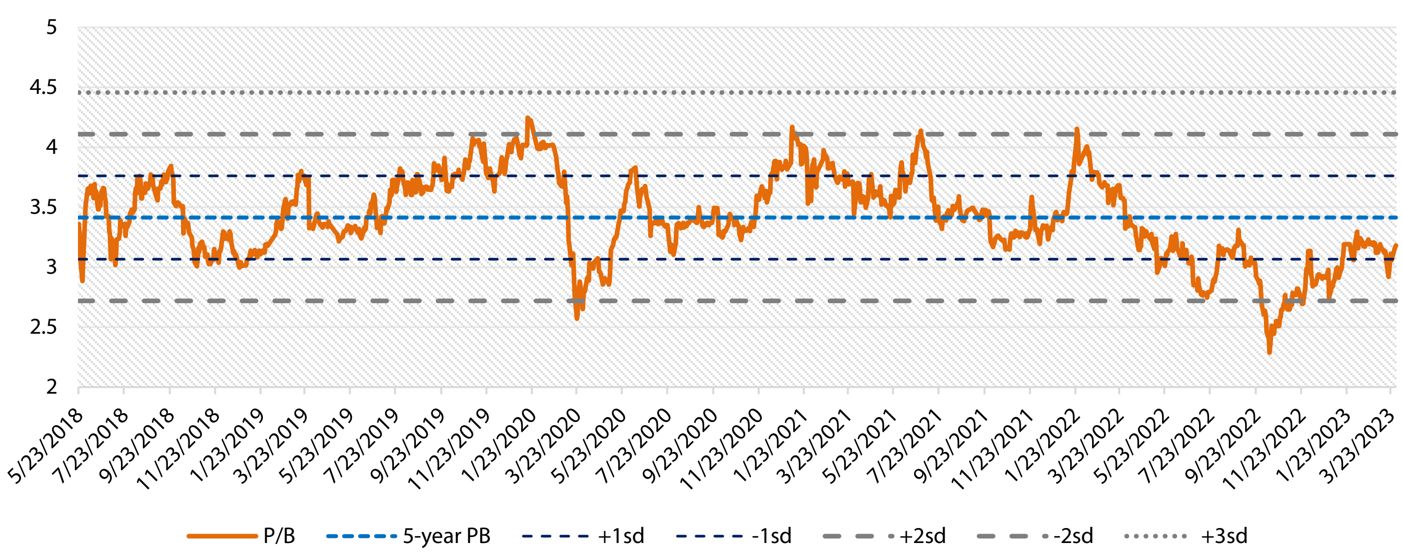


Source: VCB, Rong Viet Securities

We forecast NFI to grow 18% to reach VND 8 tn (or USD 336 mn) in 2023. Total operating income will expand by circa 13% this year to VND 22 tn (USD 1 bn). OPEX is forecasted to slightly increase by 12%, resulting in CIR of 31.5%, nearly flat compared to that in 2022 (31.2%). Although the economy encounter difficulties, VCB has thick provisioning buffer for customer loans and credit institution. We expect VCB to lower provision expenses to VND 8.3 tn (or USD 346 mn) in 2023. Overall, we project that 2023 PBT will be VND 44.4 tn (USD 1.8 bn), up 19% from 2022, driven by both net interest and non-interest income.

We maintain a positive view on VCB's provisioning buffer and advantages on the funding front. Amidst rising uncertainties, we believe that VCB will be the last vulnerable bank thanks to the best-in-class provisioning buffer and healthy balance sheet. Alongside with growth momentum of net interest and non-interest income, VCB will sustainably grow in the medium term. Therefore, we revise our target price to **VND 107,000/share,** and a 2023 PBR of 3.0x, lower than that of the average five years. This is equivalent to an **BUY** recommendation with an upside of **22%** from the closing price of April 12th, 2023.

Figure 11: Price to book ratios



Source: BB, Rong Viet Securities

VND Bn

INCOME STATEMENT	FY2021A	FY2022A	FY2023E	FY2024F
Interest and Similar Income	70,749	88,113	105,482	118,669
Interest and Similar Expenses	-28,371	-34,866	-44,764	-48,968
Net Interest Income	**42,379**	**53,246**	**60,717**	**69,701**
Non-interest Income	14,324	14,836	16,202	19,779
Net fee and commission Income	7,407	6,839	8,062	9,578
Net gain/(loss) from foreign currency and gold dealing	4,375	5,768	5,972	7,393
Net gain/(loss) from trading of securities	104	-115	36	39
Net gain/(loss) from disposal of investment securities	-85	82	85	85
Net other income/expenses	2,393	2,054	1,948	2,460
Income from capital contribution	130	208	100	224
Total operating income	**56,703**	**68,083**	**76,919**	**89,480**
Operating expenses	-17,570	-21,260	-24,055	-26,848
Operating profit before provision	39,133	46,823	52,864	62,632
Provision expenses	**-11,761**	**-9,464**	**-8,312**	**-8,909**
Profit before tax	**27,372**	**37,359**	**44,552**	**53,723**
Corporate income tax	-5,448	-7,446	-8,865	-10,697
NPAT	**21,924**	**29,912**	**35,686**	**43,025**
Attributable to parent company	**21,903**	**29,892**	**35,663**	**42,997**

%

FINANCIAL RATIO	FY2021A	FY2022A	FY2023E	FY2024F
Growth				
Customer loans	13.9	19.8	13.4	14.5
Customer deposit	10.0	9.5	11.0	13.0
Net interest income	17.0	25.6	14.0	14.8
Operating income	15.7	20.1	13.0	16.3
NPAT	18.7	36.5	19.3	20.6
Total Assets	6.6	28.2	7.0	11.2
Equity	12.5	24.1	20.5	21.0
Profitability				
NIM	3.2	3.4	3.3	3.4
CIR	31.0	31.2	31.3	30.0
ROAE	20.9	24.0	23.4	23.4
ROAA	1.6	1.9	1.9	2.1
Asset Quality				
NPL ratio	0.6	0.7	0.9	0.7
Bad debt coverage ratio	424.4	317.4	245.3	315.8
Equity-to-Asset ratio	7.9	7.6	8.6	9.3
Operating Safety Ratio				
Customer Loans-to-Total Assets ratio	82.0	79.0	82.4	84.2
Customer LDR	84.6	92.1	94.2	95.4

VND Bn

BALANCE SHEET	FY2021A	FY2022A	FY2023E	FY2024F
Cash and precious metals	18,012	18,349	13,403	-422
Balances with the SBV	22,507	92,558	66,349	46,421
Placements with and loans to other credit institutions	225,395	313,592	329,271	362,199
Trading securities, net	2,766	1,500	1,718	1,970
Derivatives and other financial assets	303	157	0	0
Loans and advances to customers, net	934,774	1,120,287	1,270,526	1,454,442
Investment securities	170,605	196,171	181,534	210,684
Investment in other entities and long-term investments	2,346	2,194	2,347	2,610
Fixed assets	8,626	7,985	11,648	12,951
Investment properties	0	0	0	0
Other assets	29,432	61,397	64,467	67,690
TOTAL ASSETS	**1,414,765**	**1,814,188**	**1,941,263**	**2,158,545**
Due to Gov and borrowings from SBV	9,468	67,315	75,393	84,440
Deposits and borrowings from other credit institutions	109,758	232,511	204,610	184,149
Deposits from customers	1,135,324	1,243,468	1,380,250	1,559,683
Derivatives and other financial liabilities	0	0	0	0
Funds received from Gov, international & other institutions	8	3	4	4
Convertible bonds/CDs and other valuable papers issued	17,388	25,338	28,632	38,653
Other liabilities	6,900	7,495	8,556	9,897
Total liabilities	**1,303,595**	**1,676,200**	**1,774,940**	**1,957,282**
Shareholder's equity	**111,171**	**137,988**	**166,211**	**201,122**
Capital	42,429	53,130	53,130	53,130
Reserves	14,977	18,133	19,626	21,426
Foreign currency difference reserve	-5	-863	-863	-863
Difference on assets revaluation	0	0	0	0
Retained Earnings	53,683	67,500	94,317	127,428
Minority interest	87	88	112	141
LIABILITIES AND SHAREHOLDER'S EQUITY	**1,414,765**	**1,814,188**	**1,941,263**	**2,158,545**

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FOOTNOTES	FY2021A	FY2022A	FY2023E	FY2024F
Interest Income	**70,749**	**88,113**	**105,482**	**118,669**
From customers	59,308	75,333	91,830	103,668
From other Cis	1,781	3,774	4,627	4,641
From fixed-income investment	8,139	7,470	6,846	7,900
From guarantee	0	0	0	0
From other activities	1,213	1,180	1,745	1,970
Interest Expenses	**-28,362**	**-34,866**	**-44,764**	**-48,968**
To customers	-26,601	-33,291	-42,961	-46,935
To other Cis	-284	-494	-515	-449
To fixed-income investment	-1,428	-1,025	-1,204	-1,487
To other activities	-49	-56	-84	-97
Operating expenses	**-17,570**	**-21,260**	**-24,055**	**-26,848**
Provision expenses	**-11,761**	**-9,464**	**-8,312**	**-8,909**

RESULT UPDATE

This report is created for the purpose of providing investors with an insight into the discussed company that may assist them in the decision-making process. The report comprises analyses and projections that are based on the most up-to-date information with the objective that is to determine the reasonable value of the stock at the time such analyses are performed. Through this report. we strive to convey the complete assessment and opinions of the analyst relevant to the discussed company. To send us feedbacks and/or receive more information. investors may contact the assigned analyst or our client support department.

RATING GUIDANCE

Ratings	BUY	ACCUMULATE	REDUCE	SELL
Total Return including Dividends in 12-month horizon	>20%	5% to 20%	-20% to -5%	<-20%

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ANALYSIS & INVESTMENT ADVISORY DEPARTMENT

Lam Nguyen
Head of Research
lam.ntp@vdsc.com.vn
+ 84 28 6299 2006 (1313)
- Market Strategy
- Industrial Park

Vu Tran
Senior Manager
vu.thx@vdsc.com.vn
+ 84 28 6299 2006 (1512)
- O&G
- Fertilizer

Tam Pham
Manager
tam.ptt@vdsc.com.vn
+ 84 28 6299 2006 (1530)
- Bank
- Insurance
- Construction materials

Tung Do
Manager
tung.dt@vdsc.com.vn
+ 84 28 6299 2006 (1521)
- Aviation
- Logistics
- Market Strategy

An Nguyen
Senior Analyst
an.ntn@vdsc.com.vn
+ 84 28 6299 2006 (1541)
- Food & Beverage
- Automotive & Spare parts

Hung Le
Analyst
hung.ltq@vdsc.com.vn
+ 84 28 6299 2006 (1546)
- Industrial RE
- Market Strategy

Loan Nguyen
Analyst
loan.nh@vdsc.com.vn
+ 84 28 6299 2006 (1531)
- Retails
- Fishery
- F&B

Thao Nguyen
Analyst
thao.nn@vdsc.com.vn
+ 84 28 6299 2006 (1524)
- Utilities
- Bank

Quan Cao
Analyst
quan.cn@vdsc.com.vn
+ 84 28 6299 2006 (2223)
- Sea ports
- Pharmaceuticals

Hoai Trinh
Analyst
hoai.ttt@vdsc.com.vn
+ 84 28 6299 2006 (1545)
- Utilities
- Textiles

Bernard Lapointe
Senior Consultant
bernard.lapointe@vdsc.com.vn
+ 84 28 6299 2006

Ha My Tran
Senior Consultant
my.tth@vdsc.com.vn
+ 84 28 6299 2006
- Macroeconomics

Trinh Nguyen
Senior Consultant
trinh.nh@vdsc.com.vn
+ 84 28 6299 2006

Ha Tran
Assistant
ha.ttn@vdsc.com.vn
+ 84 28 6299 2006 (1526)

Khanh Bui
Assistant
khanh.bdc@vdsc.com.vn
+ 84 28 6299 2006

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OPERATING NETWORK

HEADQUARTER IN HO CHI MINH CITY
Floor 1-2-3-4, Viet Dragon Tower, 141 Nguyen Du,
Ben Thanh Ward, District 1, Ho Chi Minh City
T (+84) 28 6299 2006 E info@vdsc.com.vn
F (+84) 28 6291 7986 W www.vdsc.com.vn
Tax code 0304734965

HANOI BRANCH
10th floor, Eurowindow Tower, 2 Ton That Tung,
Trung Tu Ward, Dong Da District, Hanoi
T (+84) 24 6288 2006
F (+84) 24 6288 2008

NHA TRANG BRANCH
7th floor, 76 Quang Trung, Loc Tho Ward,
Nha Trang City, Khanh Hoa
T (+84) 25 8382 0006
F (+84) 25 8382 0008

CAN THO BRANCH
8th floor, Sacombank Tower, 95-97-99, Vo Van Tan,
Tan An Ward, Ninh Kieu District, Can Tho City
T (+84) 29 2381 7578
F (+84) 29 2381 8387

VUNG TAU BRANCH
2nd floor, VCCI Building, 155 Nguyen Thai Hoc,
Ward 7, Vung Tau City, Ba Ria – Vung Tau Province
T (+84) 25 4777 2006

BINH DUONG BRANCH
3rd floor, Becamex Tower, 230 Binh Duong Avenue,
Phu Hoa Ward, Thu Dau Mot City, Binh Duong Province
T (+84) 27 4777 2006

DONG NAI BRANCH
8th floor, TTC Plaza, 53-55 Vo Thi Sau,
Quyet Thang Ward, Bien Hoa City, Dong Nai Province
T (+84) 25 1777 2006