ASIA COMMERCIAL JOINT STOCK BANK (HNX: ACB)

Better-than-expected 3Q performance

(VND Bn)	3Q-FY20	2Q-FY20	+/- QoQ	3Q-FY19	+/- YoY
Total operating income	4,486	4,102	9.3%	3,849	16.5%
PBT and provision	2,754	2,334	18.0%	2,005	37.3%
PBT	2,592	1,895	36.8%	1,939	33.7%
NPAT	2,075	1,522	36.3%	1,549	33.9%

Source: ACB, Rong Viet Securities

9M 2020: Brilliant growth, but higher credit costs

- Main driver of 3Q profit was NII, which grew 12% YoY. Credit growth (+16% YoY, +11% YTD) was a major contributor. NIM was 3.6%. A part of NII growth was also attributed to reclassified fee income. Net service income reached VND 1,289 bn (USD 56 mn, -8.6% YoY), as a consequence of reclassification. Regarding the bancassurance market, ACB claimed to rank third in 9M2020. The exclusive bancassurance deal with Manulife is still in progress.
- 3Q operating costs grew at a slower pace than TOI (5% versus 15% YoY). Provision expenses in 3Q sharply increased 329% YoY but could not stop LLR from dropping to 117%, due to the lag in bad debt being recorded (NPL increased 29% QoQ in 3Q versus 7% QoQ in 2Q).
- 9M PBT was reported at VND 6,411bn (USD 278.7 mn, +15% YoY), fulfilling 84% of the year guidance. In 3Q, PBT was VND 2592 bn (USD 112.7 mn, + 34% YoY).

2020 and 2021 outlook

Due to the rapid expansion of credit in 3Q2020, we look forward to ACB using up the quota planning to ask for in the 2020 AGM (14.75%). We also believe that the BOM's plan to maintain NIM above 3.5% is feasible. For 2020, we estimate that NII and service income will reach VND 13.9 Tn (USD 602.7 mn, + 14.5% YoY) and VND 1.7 Tn (USD 74.2 mn, -10.0% YoY), respectively. TOI is predicted at 17,551 bn (USD 675 mn, +9.3%). We expect CIR to be at 45.6% due to effect of provision reversal. Provision expenses are most likely to surge by 359.2% to VND 1,258 bn (USD 54.7 mn) to ensure a safer LLR (140-150%). Those would result in a 10.4% YoY increase in PBT (VND 8,294 bn, USD 360.6 mn). For 2021, we look forward to a firm credit growth of 15% because ACB is not risk-seeking and the pandemic effect might still hit in 1H2021. Improved CASA is expected to relieve pressure on a stable NIM. We also expect a lower CIR, and reduction in provision expenses growth, but the drop could not be sharp to reach the level of pre-pandemic. Those will lead to a double-digit growth in PBT.

Valuation and recommendation

We maintain a positive long-term view on ACB considering its healthy lending business, a loyal middle-and-high-profile customer base, strong liquidity, and sufficient capital buffers. An exclusive bancassurance deal with Manulife would be a strong driver for sustainable service income growth, given the upside of a rising bancassurance market. In bad cycles, prudent and effective core business, and the capability to expand a loyal customer base, and maintain leverage ratio were convincing arguments to support the belief of ACB outperforming its peers. However, the low risk appetite seems to be a double-edge sword, as we would not count on ACB to be a leading growth bank in a credit expansion cycle. Thus, ACB's premium on the sector's valuation multiples could not be too significant.

ACB is currently trading at VND 26,500, equivalent to a PBR 2021 of 1.3x. We estimate the stock fair value at ***VND 29,950 per share.*** *With no cash dividend over the next 12 months, total upside should be* ***13%****. We reiterate our* ***ACCUMULATE*** *recommendation on the stock.*

ACCUMULATE +13%

Target price (VND)	29,950
Current market price (VND)	26,500
Cash dividend (VND)*	-

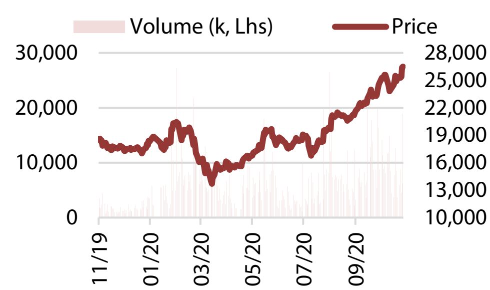
**Expected in the next 12 months*

Stock Info

Sector	Banks
Market Cap (VND bn)	57,281.3
Current Shares O/S (mn)	2,161.6
Beta	0.52
Free float (%)	95%
52 weeks High	26,500
52 weeks Low	13,691.8
Avg. Daily Volume (in 20 sessions)	9,194,000

	FY2019	Current
EPS	2,780	3,092
EPS Growth (%)	17.0	11.2
Diluted EPS	2,780	3,092
P/E	6.2	8.5
P/B	1.4	1.7
Cash dividend (%)	0	0
ROE (%)	24.6	22.9

Price performance



Major Shareholders (%)

Dragon Financial Holdings Limited	6.9%
Whistler Investments Limited	4.0%
Tran Hung Huy	3.4%
Foreign ownership room left (%)	*0%*

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Exhibit 1: 3Q 2020 Results

(VND Bn)	3Q-FY20	2Q-FY20	+/-(QoQ)	3Q-FY19	+/-(YoY)
Interest and Similar Income	7,931	7,613	4.2%	7,285	8.9%
Interest and Similar Expenses	-4,296	-4,501	-4.6%	-4,262	0.8%
Net Interest Income	**3,635**	**3,112**	**16.8%**	**3,023**	**20.2%**
Non-interest Income	851	990	-14.1%	826	3.0%
Net Fee and Commission Income	492	427	15.2%	519	-5.3%
Net gain/(loss) from foreign currency and gold dealings	193	153	26.2%	142	35.7%
Net gain/(loss) from trading of trading securities	17	71	-75.4%	52	-66.3%
Net gain/(loss) from disposal of investment securities	38	313	-88.0%	12	-
Net Other income/expenses	111	22	405.8%	84	32.5%
Income from capital contribution	0	4	-100.0%	17	-100.0%
Total operating income	**4,486**	**4,102**	**9.3%**	**3,849**	**16.5%**
Operating expenses	-1,732	-1,768	-2.0%	-1,844	-6.1%
Operating Profit Before Provision	2,754	2,334	18.0%	2,005	37.3%
Provision expenses	-162	-440	-63.1%	-66	143.7%
Profit before tax	**2,592**	**1,895**	**36.8%**	**1,939**	**33.7%**
Corporate income tax	-517	-373	38.6%	-390	32.7%
NPAT	**2,075**	**1,522**	**36.3%**	**1,549**	**33.9%**
Attributable to parent company	**2,075**	**1,522**	**36.3%**	**1,549**	**33.9%**

Source: ACB, Rong Viet Securities

Exhibit 2: 3Q 2020 Performance Analysis

(%)	3Q-FY20	2Q-FY20	+/-(QoQ)	3Q-FY19	+/-(YoY)
Profitability (TTM)					
NIM	3.6	3.6	2 bps	3.7	-4 bps
CIR	48.4	50.8	-245 bps	50.8	-237 bps
ROAE	22.9	22.5	40 bps	25.9	-297 bps
ROAA	1.7	1.6	7 bps	1.7	-1 bps
Assets Quality					
NPLs ratio	0.8	0.7	15 bps	0.7	16 bps
Bad debt coverage ratio	117.5	144.1	-2663 bps	158.9	-4146 bps
Equity-to-Assets ratio	7.9	7.8	9 bps	7.1	78 bps
Operating Safety Ratio					
Customer Loans-to-Total Assets ratio	77.4	77.1	31 bps	77.9	-43 bps
Customer LDR	92.0	91.9	2 bps	91.0	98 bps
Adjusted LDR	83.2	80.2	292 bps	80.9	227 bps

Source: ACB, Rong Viet Securities

Exhibit 3: 4Q 2020 Performance Forecast

Particulars (VND Bn)	4Q-FY20	+/- (QoQ)	+/- (YoY)
Net interest income	3,694	1.6%	10.9%
Total operating income	4,585	2.2%	-4.7%
Profit before tax and provision	2,447	-11.1%	18.4%
NPAT	1,507	-27.4%	-2.8%

Source: ACB, Rong Viet Securities

Update

Impressive credit growth in 3Q gives hope of fulfilling credit room

In February 2020, ACB was given a 11.75% credit growth cap by SBV. According to the Chairman's comments at the 2020 Annual General Meeting, ACB plans to use up this limit based on the prediction of Vietnam controlling the pandemic in the third quarter. Given the 2020 Business Plan, annual profit before tax was expected at VND 7,636 billion (USD 332 mn). The bank recorded 84% of the scheduled PBT in 9M2020, and is expected to exceed the annual target. More specifically, ACB recorded VND 2,592 billion (USD 112.7 mn) in PBT in the third quarter, which was 33.7% higher from last year. This contributed substantially to the 9M PBT, which was VND 6,411 billion (USD 278.7 mn, +15.3% YoY). In comparison to large banks (including SOBs, TCB, ACB, VPB, MBB), ACB ranked second in 9M NII growth.

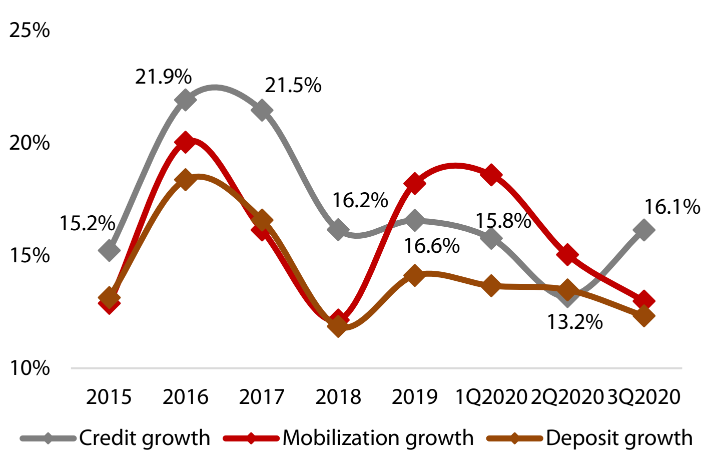
Regarding the sources of income, this performance was driven mainly by net interest income, which grew 20.2% in 3Q and 15.8% in 9M2020. However, part of service income was reclassified to be in interest income this year, making 9M2020 service income growth -8.6% YoY. We estimate that if it had not been for the reclassification, service income would have increased 15% and net interest income would have grown 12% YoY. Contributions of those to total operating income was 12.5% and 75.9% in the third quarter, respectively. This is a minor increase from the end of 2019. The figures were significant for 3Q, as other non-interest income only made up 8% of total operating income.

An explanation for the high growth of the core business in 3Q was credit growth. As the impact from Covid-19 decreased in 3Q, the lending business did better than in the first half of the year. Credit growth reached 16.1% YoY as the bank had the best 3Q in recent years. Virtually all of credit growth is attributed to loans, since ACB is still focused on traditional lending rather than corporate bonds. Regarding the loan portfolio, ACB is still focused on its strength, expanding retail and SME loans. These were the main drivers for the lending expansion, as loans to consumer and SME grew 12.5% and 10.7% YTD, respectively. Mortgage loans still accounted for 30% of retail loans (approximately 18% of total loans). Overall, loans to customers expanded VND 13.6 Tn (USD 591.3 mn), approximately equaled to the total expansion of loan balance in 1H2020. This led to a 10.7% YTD growth in credit, far higher than the sector (6.1% YTD). Considering the recovery in lending and the pandemic situation, ACB is likely to exceed the 11.8% credit growth limit initially offered by SBV.

Total mobilization (including customers deposit and valuable papers) grew 13% YoY, which is a steep decline from the high of 19% growth in 1Q. In 3Q2020, the gap between credit and mobilization growth turned positive after more than a year of issuing valuable papers (in 2019, ACB has issued over VND 12 Tn in bonds to increase its valuable papers balance by 151%). Without this, customers deposit kept a moderate growth in recent years, with the YoY growth of 12% in 3Q, due to sufficient liquidity.

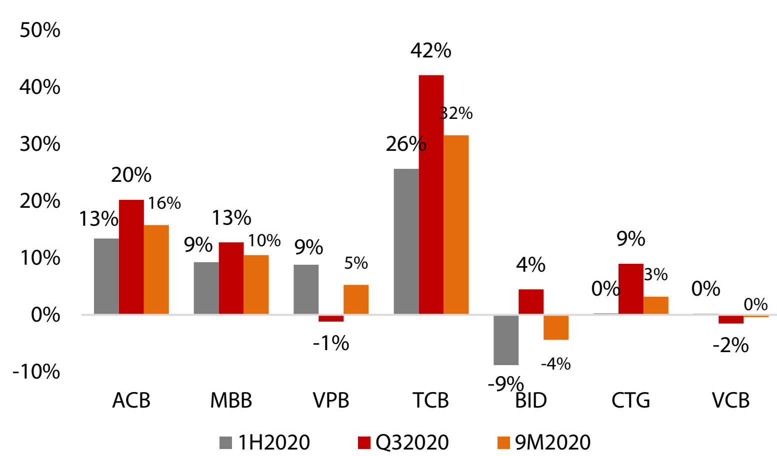
In the last quarter, ACB intended to only use up the 14.8% limit of credit growth planned that it asked for in the 2020 AGM. There will be about VND 11 Tn (USD 478 mn) available for credit expansion in the last quarter. For the next year, we look forward to a recovery in lending, a credit growth of 15% driven by SME loans.

Figure 1. ACB's credit and mobilization growth (YoY)



Source: ACB, Rong Viet Securities

Figure 2. Net interest income growth of the largest banks (YoY)

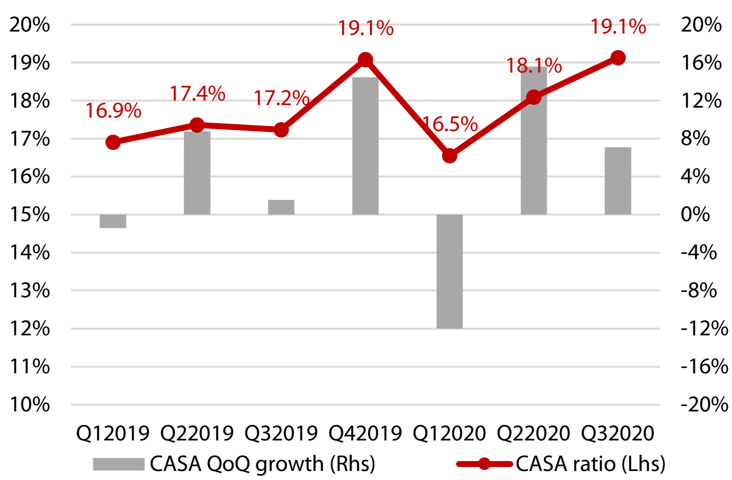


Source: ACB, Rong Viet Securities

Beside the advancement of credit balance in 3Q2020, ACB was also successful in keeping the NIM slightly higher (trailing, +2 bps QoQ). Despite the pressure caused by lowered interest rates, NIM was maintained around 3.6% throughout 9M2020. This is partially due to the ability to quote lower deposit rates matching the decrease in lending rates in 3Q compared to 1Q (trailing, -19 bps versus -11 bps). Enhancement in loans balance and maintaining an interest margin supported the net interest income growth of 20% in 3Q and 16% in 9M2020. Another spotlight of 3Q was the CASA improvement, which rose from 16.5% in 1Q to 19.1% in 3Q. In comparison to peers, there was also a development in most of the banks' CASA ratio. A sector's structural shift in deposit could be an explanation. Thus, ACB's rising CASA may not signal an increase in market share, which will reflect the effectiveness of ACB's employee banking, payroll, and transactional banking. Furthermore, the level of CASA in 3Q was just slightly higher than that of 4Q2019. Anyway, given current absolute expansion, the support of sector's structural shift and moderate deposit growth, we still evaluate the plan of BOM to reach 25% CASA ratio in 2021 feasible.

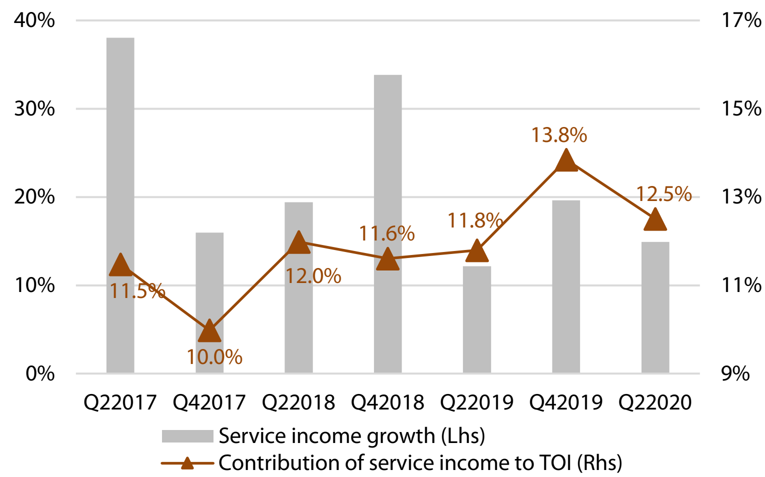
Net fee and commision income maintained robust growth. We estimate that service income before reclassification experienced a double-digit growth since the beginning of 2020. It became a main factor driving positive 3Q results besides the core lending business, when other non-interest income slowdowned. Net service income advanced 19.6% YoY in the third quarter, making up 13.8% of total operating income. The figures will be -5.3% YoY and 11.0% of TOI after being reclassified. We expect the reported numbers to be more positive in 2021, as the reclassification effect is being neutralized. Bancassurance was a positive impact for the development of service income. In that market, the bank ranked third in market share in 9M2020, rising from fourth position in 6M2020 and seventh position in 2019. In addition, progressing exclusive bancasurrance deal would be a synergy to boost service income. At the same time, a one-off profit coming from the deal's upfront fee is expected to be an upside risk for ACB, whether it will be recorded once or allocated in many quarters. We forecast service income to have a double-digit CAGR for the next five years.

Figure 3. CASA improvement



Source: ACB, Rong Viet Securities

Figure 4. Service income before reclassification growth (YoY)



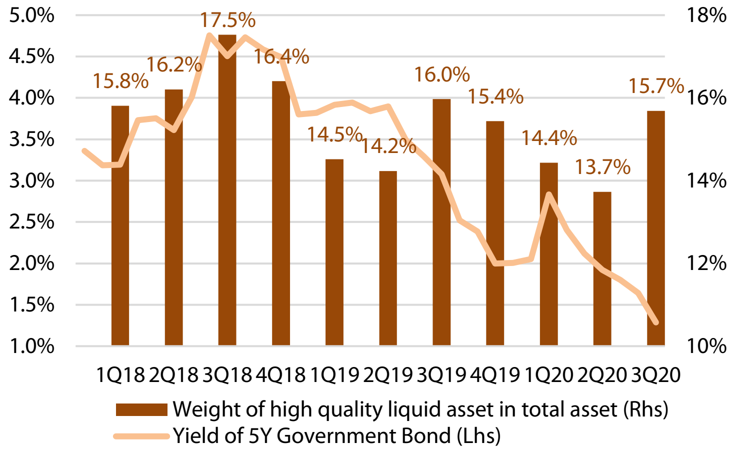
Source: ACB, Rong Viet Securities

Trading activities could not make up for missing of recovery gains

In regard of the other contributor to total operating income, other non-interest income was kept high throughout three quarters in 2020 because of profits from forex trading and investment and trading securities. In 1H2020, decreasing interest rates and picking up bond prices signaled opportunities to generate profit from trading activities. 5-year government bond yields fell from 2.8% at the end of 1Q to 1.9% at the end of the first half. In the past, ACB attempted to take advantage of the decline in government bond yields to sell bonds, then bought at lower yields. ACB's strategy of rolling yields led to a VND 748 billion (USD 32.5 mn) in profit in the first half of the year from investment and trading securities, which were primarily government bonds. In 3Q, ACB bought over VND 11 Tn (USD 478 mn) of government bonds. We suspect this was to sustain the ratio of high-quality liquid asset to total asset at about 16%. Bond yield kept decreasing in 3Q to 1.3% but ACB had not yet made use of it. In 4Q2020, we expect ACB to keep rolling an insignificant amount of bonds, take profit to support TOI growth.

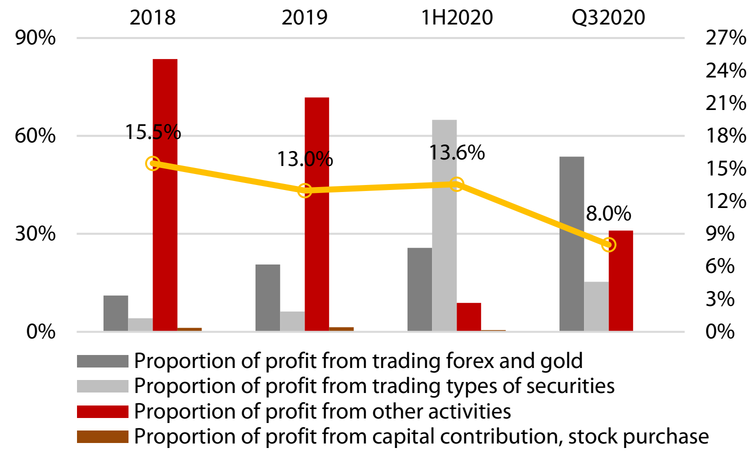
In the last two years, recovery gains have contributed largely to net other income (over 95% in 2018 and 2019) and also directly accounted for 13% of 2018's TOI and 9% of 2019's TOI. With Covid-19 outburst, it severely affected ACB's bad debt recovery business. Thus, the proportion of net other income to other non-interest income fell significantly from over 70% to 9%. In 1H2020, ACB rolled an amount of bonds to take profit. This covered the missing recovery gains, partially because of a low base. In 3Q, despite the rise of forex trading profit, missing recovery gains and profits from securities have caused a serious drop in contribution of other non-interest income (14% to 8%).

Figure 5. ACB's portfolio in a decreasing yield environment



Source: ACB, Rong Viet Securities

Figure 6. Other non-II breakdown and contribution to TOI

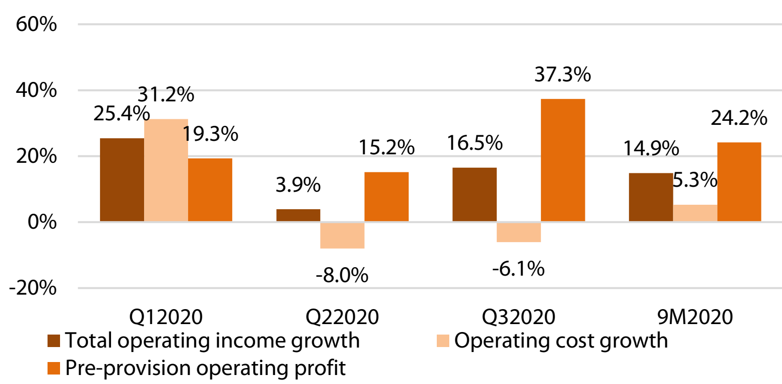


Source: ACB, Rong Viet Securities

High growth of TOI, CIR improvement does not look like what it seems

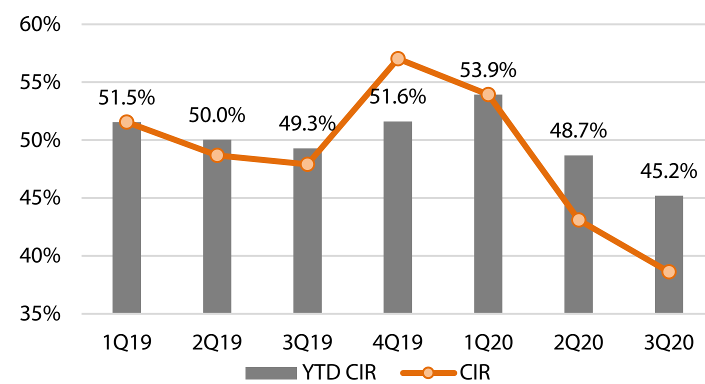
With the blooming of both NII and net service income (before being reclassified), total operating income in 9M increased significantly to VND 12,966 billion (USD 563.7 mn, +14.9% YoY). In 3Q, TOI grew 16.5% YoY partially because of low base in 3Q2019. Operating costs to income ratio decreasing to 39% seemed to be a salient point in 3Q. This resulted in YTD CIR being pulled down to 45.2%, reaching BOM's expectation (45%), and being on track of targeting CIR at 40% in 2024 (by keeping costs growth lower than income growth). However, this outcome was indeed supported by two factors. A part of yearly staff cost was booked in 1Q, making a surprise for CIR and operating costs growth. It also relieved the pressure on second and third quarter, resulting in operating costs growth being -8% and -6.1% YoY in 2Q and 3Q, respectively. When looking at a longer period, 9M2020 recorded a growth of 5.3% in operating costs. Another reason for well performance of operating costs was provision for receivables being booked in 2019 and reversed in 2020. This item was a provision of VND 303 billion (USD 13 mn) in 9M2019, and was a reversal of VND 175 billion (USD 8 mn) in 9M2020. Without those, 9M2020 would have a CIR of 46.6%, equaled to that of 9M2019, and operating costs growth of 14.9% YoY, instead of 5.3% YoY. If a provision reversal is not booked, we expect CIR to remain at 46.6% in 4Q, resulting in 2020 CIR moderately declined to 45.6%, then reach 45% as projection in 2021. Achievement of pre-provision operating profit (PPOP) was a result of the inverse movement of growths of operating costs and TOI in 3Q (Figure 7).

Figure 7. Pre-provision operating profit growth (YoY) breakdown



Source: ACB, Rong Viet Securities

Figure 8. ACB's CIR, quarterly and YTD

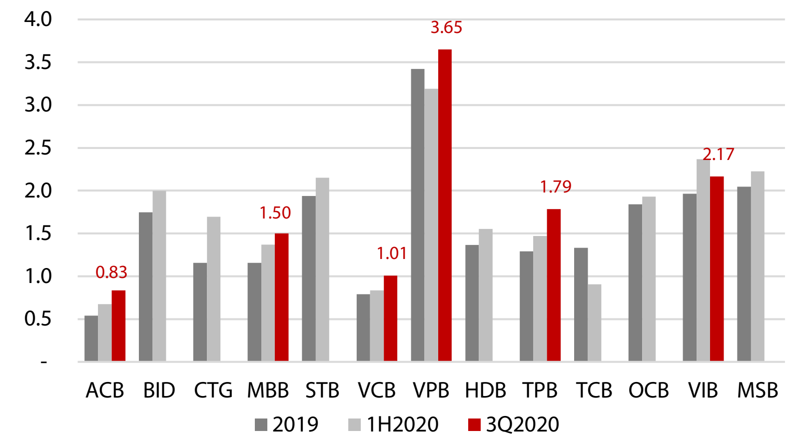


Source: ACB, Rong Viet Securities

Predictable change in asset quality

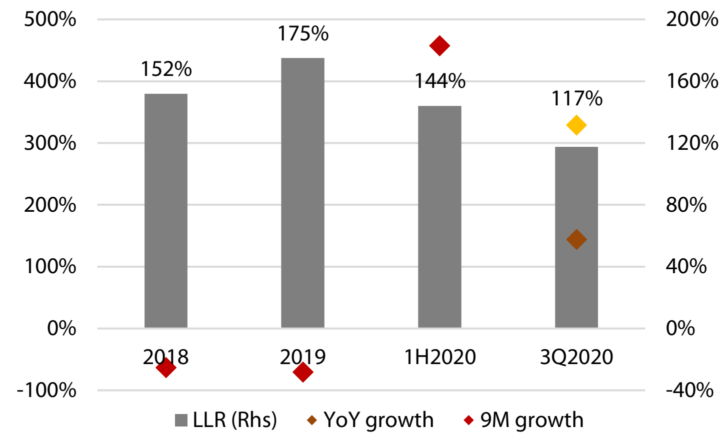
ACB was among the banks having high-quality balance sheet and a healthy lending business. Prior to 3Q2020, ACB was the bank having lowest NPL (group 3-5) ratio in listed banks. ACB lost this title to TCB in 3Q2020, partially due to strict bad debt write-off activity of TCB. In contrast, ACB only had VND 17 billion (USD 0.7 mn) of bad debt written off in 9M2020, while this figure was over VND 300 billion (USD 13 mn) in 2019. Due to pandemic event, quality of assets of banks was struck. Although ACB was not highly exposed to vulnerable sectors (transportation, tourism, hospitality, …), pandemic still had an impact on asset quality at some degree. Overall, non-performing loans ratios of Vietnamese listed banks increased significantly in 3Q2020. This reflected a lag in lending activities and bad debt record, when 2Q was the time Vietnam struggling with Covid-19. NPL of ACB rose from 0.68% in 2Q to 0.83% in 3Q in absolute, equivalent to a 22.1% relative increase. This has not yet counted in the restructured loans that slightly picked up to 9,200 billion in 3Q. Because of Circular 01/2020/TT-NHNN, those affected loans were not reclassified to non-standard groups and accrued interest of which was not yet recorded. This amount of loans is equaled to 3.1% of total loan balance of ACB at the end of 3Q2020. Given the circumstance that non-performing loans of ACB are relatively low compared to restructured loans, even a portion of restructured loans becoming bad debt would significantly increase NPL ratio. Therefore, we consider this to be a high risk not only to ACB, but likely to other Vietnamese banks. There is also a risk of SBV not extending effective period of Cir. 01 making banks' balance sheets exposed to reclassification of restructured and rescheduled loans sooner.

Figure 9. Non-performing loans (group 3-5) ratio (%) of various banks



Source: Banks' FS, Rong Viet Securities

Figure 10. Provision expenses growth (YoY) and NPL coverage ratio



Source: ACB, Rong Viet Securities

In case of a low NPL ratio, a high coverage ratio could be insignificant due to low base in absolute value. This applies to ACB, which has experienced a minor increase in NPL (0.3%) over 9M2020. In relative growth, this implied a 53.7% increase and thus, putting pressure on LLR and provision expenses. In advance of 2020, ACB had the second highest LLR (175%). The quality of loans also secured a low base of provision expenses, which decreased significantly over years in 2018 and 2019 (-63.7% and -70.6% respectively). During times of hardship, a significant relative rise in NPL ratio happened. Provision expenses increased 457% YoY in 1H2020 and 329% in 9M2020 but loan loss reserve ratio still dropped to 144% and then 117% at the end of 3Q. For the third quarter only, ACB showed a deceleration in provision expenses, when QoQ growth was -63% despite of 144% YoY growth. This could be explained by optimistic view of BOM on pandemic and national economy's recovery. We also share this thought, but we expect LLR to be higher in middle term. Accordingly, provision expenses could be still high until restructured loans recover and NPL falls. In 2021, depending on the progression of economy's recovery, we predict ACB's NPL ratio to stay at 0.7-0.9%, provision expenses will stop surging but the bank will be able to maintain LLR high.

2020/2021 outlook

We expect earnings growth to calm down in 4Q due to limited credit room and high base. Classified fee income will be a support for NII, while service income is expected to still underperform. Provision expenses are forecasted to continue increasing to keep LLR within the target. There also could be larger write-off in 4Q, to keep the NPL ratio stable. We predict that ACB's performance will be quite lower in 4Q2020 compared to 3Q, but still result in good annual growth. For the whole year, we look forward to a 10.5% growth in PAT, higher than the sector's average.

In 2021, we anticipate a better performance for the whole sector. Given the risk appetite of the bank and the recovery trend of the economy, we look forward to a 15.0% credit expansion. This will be accompanied by a deposit growth of 12.0%, and a slight extension in NIM to 3.6% due to a raise to 25.0% of the CASA ratio. We expect the bancassurance deal to be done, boosting the service income growth of 2021 to approximately 25%, partially due to a low base comparison. The CIR should stay at 45% throughout 2021. As a result, TOI of 2021 would reach VND 20.9 Tn (USD 908.7 mn, +19.3% YoY) and PBT would be at VND 10.1 Tn (USD 441.3 mn, + 22.4% YoY) attributed to a lower CIR.

Unit: VND Bn

INCOME STATEMENT	FY2018A	FY2019A	FY2020E	FY2021F
Interest and Similar Income	24,015	28,318	32,152	36,858
Interest and Similar Expenses	-13,652	-16,205	-18,291	-20,589
Net Interest Income	**10,363**	**12,112**	**13,860**	**16,968**
Non-interest Income	3,670	3,985	3,691	3,971
Net Fee and Commission Income	1,498	1,896	1,678	2,098
Net gain/(loss) from foreign currency and gold dealing	241	430	652	441
Net gain/(loss) from trading of securities	-78	75	130	70
Net gain/(loss) from disposal of investment securities	169	54	900	431
Net Other income/expenses	1,815	1,500	300	900
Income from capital contribution	26	29	30	30
Total operating income	**14,033**	**16,097**	**17,551**	**20,939**
Operating expenses	-6,712	-8,308	-7,999	-9,423
Operating Profit Before Provision	7,321	7,790	9,552	11,517
Provision expenses	**-932**	**-274**	**-1,258**	**-1,367**
Profit before tax	**6,389**	**7,516**	**8,294**	**10,149**
Corporate income tax	-1,252	-1,506	-1,656	-2,016
NPAT	**5,137**	**6,010**	**6,639**	**8,133**
Attributable to parent company	**5,137**	**6,010**	**6,639**	**8,134**

Unit: %

FINANCIAL RATIO	FY2018A	FY2019A	FY2020E	FY2021F
Growth				
Customer loans	15.9	16.7	14.7	15.0
Customer deposit	11.9	14.1	11.5	12.0
Net interest incomes	22.5	16.9	14.4	22.4
Operating income	22.7	14.7	9.0	19.3
NPAT	142.5	17.0	10.5	22.5
Total Assets	15.8	16.5	13.7	15.4
Equity	31.1	32.1	23.7	23.7
Profitability				
NIM	3.6	3.6	3.5	3.7
CIR	47.8	51.6	45.6	45.0
ROAE	27.7	24.6	21.4	21.2
ROAA	1.7	1.7	1.6	1.7
Asset Quality				
NPL ratio	0.7	0.5	0.9	0.7
Bad debt coverage ratio	151.9	175.0	139.5	173.3
Equity-to-Assets ratio	6.4	7.2	7.9	8.4
Operating Safety Ratio				
Customer Loans-to-Total Assets ratio	74.9	77.3	76.9	76.4
Customer LDR	85.4	87.2	89.9	92.4

Unit: VND Bn

BALANCE SHEET	FY2018A	FY2019A	FY2020E	FY2021F
Cash and precious metals	6,129	6,438	8,288	9,573
Balances with the SBV	10,684	10,420	13,743	15,392
Placements with and loans to other credit institutions	18,770	30,342	30,342	33,376
Trading securities, net	1,178	2,985	3,537	3,793
Derivatives and other financial assets	0	88	0	0
Loans and advances to customers, net	227,983	266,165	305,212	350,957
Investment securities	53,380	55,956	63,049	77,022
Investment in other entities and long-term investments	156	98	98	98
Fixed assets	3,233	3,770	4,362	5,038
Investment properties	247	362	358	355
Other assets	7,573	6,891	7,235	7,597
TOTAL ASSETS	**329,333**	**383,514**	**436,224**	**503,200**
Due to Gov and borrowings from SBV	3,074	0	0	0
Deposits and borrowings from other credit institutions	20,718	19,249	17,449	25,695
Deposits from customers	269,999	308,129	343,564	384,792
Derivatives and other financial liabilities	38	0	0	0
Funds received from Gov, international & other institutions	160	156	156	156
Convertible bonds/CDs and other valuable papers issued	8,291	20,831	33,329	43,328
Other liabilities	3,873	4,645	5,427	6,388
Total liabilities	**308,315**	**355,749**	**401,883**	**461,356**
Shareholder's equity	**21,018**	**27,765**	**34,342**	**42,476**
Capital	12,220	16,799	21,707	21,707
Reserves	3,693	4,596	5,593	6,815
Foreign currency difference reserve	0	0	0	0
Difference on assets revaluation	0	0	0	0
Retained Earnings	5,105	6,370	7,042	13,954
Minority interest	0	0	0	0
LIABILITIES AND SHAREHOLDER'S EQUITY	**329,333**	**383,514**	**436,225**	**503,831**

Unit: VND Bn

FOOTNOTES	FY2018A	FY2019A	FY2020E	FY2021F
Interest Income	**24,015**	**28,318**	**32,152**	**36,858**
From customers	20,471	24,425	27,700	31,854
From other Cis	309	608	394	414
From fixed-income investment	2,957	2,934	3,148	3,540
From guarantee	0	0	0	0
From other activities	209	272	831	971
Interest Expenses	**-13,652**	**-16,205**	**-18,291**	**-20,589**
To customers	-13,061	-15,062	-16,469	-18,038
To other Cis	-174	-103	-11	-13
To fixed-income investment	-371	-994	-1,811	-2,538
To other activities	-47	-47	0	0
Operating expenses	**-6,712**	**-8,308**	**-7,999**	**-9,423**
Provision expenses	**-932**	**-274**	**-1,258**	**-1,367**

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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