SHINHAN SECURITIES

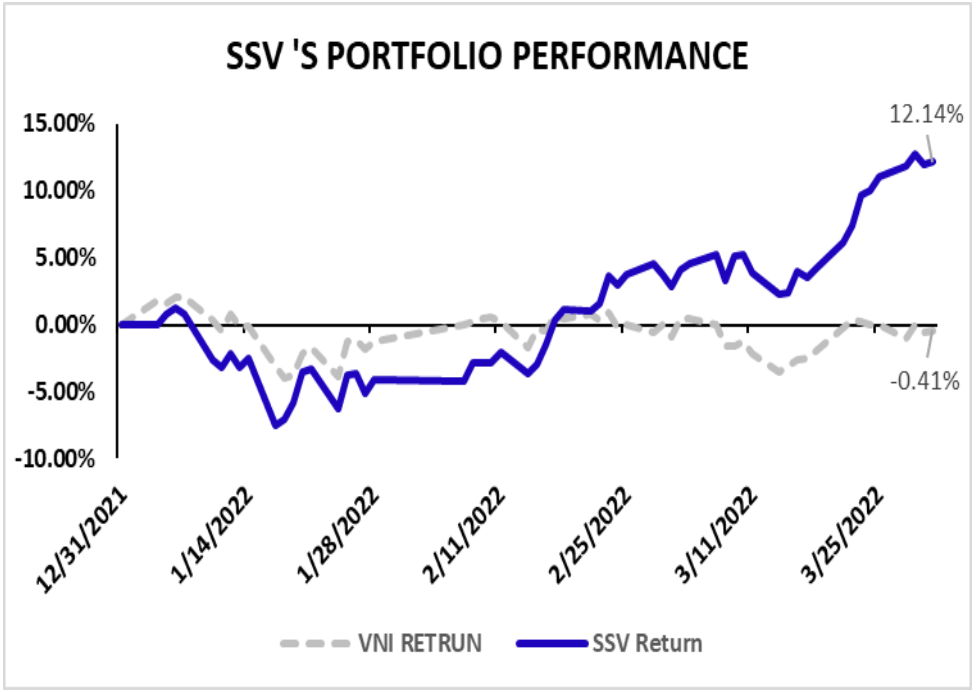
“April 2022: Continue to speed up”

[Vietnam Top Picks Universe]

Summary

- In March, most of the time VN-Index kept going sideways in the context of geopolitical tensions between Russia and Ukraine stood still accompanied by a sharp increase in commodity prices such as gasoline, oil, and coal. Which contributed to higher inflation. However, Vietnam's economy showed a strong recovery, reflected in macroeconomic indicators. During that time, SSV ‘s portfolio continued to increase by 7.31%, outperforming the VN-Index’s with 0.14% return in the recent month.
- The performance of our top 10 portfolio in 03/2022:
  - Portfolio + 7.31%
  - VN-Index + 0.14%
- The performance of our top 10 portfolio since 12/31/2021:
  - Portfolio + 12 .14%
  - VN-Index – 0.41%
- Based on macro factors, market movements along with upcoming earning prospects, we decided to remove DGC because the market price has reflected the company's intrinsic value that we estimated and replace by HPG, a leading steel company in the industry, which is currently having an attractive valuation with a weight of 10% in the April portfolio..





Source: Bloomberg, Shinhan Securities Vietnam

April, 2022

Shinhan Securities Vietnam

Top Picks Universe

Continue to speed up

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EQUITIES

General info					Share price			Price performance				Valuation (22F)			
No.	Ticker	Company name	Sector	Mkt Cap. (VND bn)	CP (VND)	TP (VND)	Upside (%)	1M	3M	6M	1Y	P/B (x)	P/E (x)	ROE (%)	EPS growth (% YoY)
1	DBC	Dabaco Corp.	Food	8,643	75,000	92,000	22.7	(2.3)	2.7	30.7	42.0	1.8	10.4	18.7	(40.8)
2	HPG	Hoa Phat Group JSC.	Steel	201,729	45,100	64,000	41.9	(4.4)	(2.8)	(14.7)	30.1	2.2	6.3	42.8	151.5
3	FPT	FPT Corp JSC.	IT	97,108	107,000	130,000	21.5	14.7	15.1	15.1	58.4	5.4	22.3	25.8	21.5
4	GEX	GELEX GROUP	Industrials	32,995	38,750	45,000	16.1	(5.7)	(4.7)	82.8	122.6	2.7	27.3	11.0	26.9
5	PET	PVN General Services	Retailers	5,651	62,900	70,000	11.3	12.1	72.1	134.7	174.7	3.2	29.9	11.4	112.6
6	PC1	Power Construction No. 1.	Construction	11,088	47,150	55,000	16.6	21.5	19.8	46.2	102.1	2.4	15.6	16.0	27.9
7	TV2	Power Engineering Consult. 2	Services	2,962	65,800	86,000	30.7	12.5	(8.9)	20.7	40.8	2.3	9.3	27.0	2.8
8	SZC	Sonadezi Chau Duc	Real Estate	7,650	76,500	95,000	24.2	(5.1)	12.5	62.8	98.4	5.2	25.4	23.7	71.0
9	STB	Sacombank	Banks	59,761	31,700	40,000	26.2	(3.5)	0.6	23.3	47.8	1.7	17.0	10.8	48.8
10	TCB	Techcombank	Banks	173,966	49,550	68,000	37.2	(1.7)	(0.9)	(0.1)	22.6	1.9	9.6	21.7	46.3

Dabaco Group JSC.

(DBC VN)

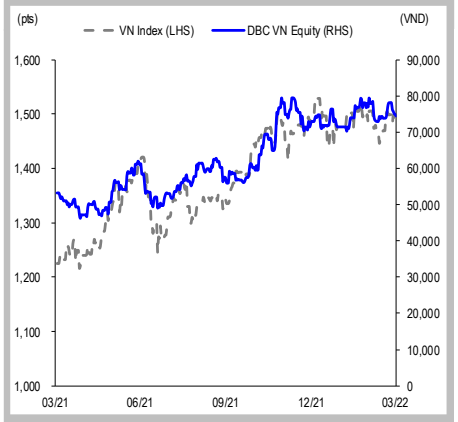
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EQUITIES

TARGET PRICE (VND)	BUY
92,000	
CURRENT PRICE (VND)	UP/DOWNSIDE
75,000	**22.7%**

VNINDEX	**1,496**
Market P/E (x)	**14.2**
Market Cap. (bn VND)	**8,170**
Outstanding Shares (mn)	**115**
Free Floating Shares (mn)	**60**
Free Floating (%)	**51.8**
52-Wk High (VND)	**80,800**
52-Wk Low (VND)	**44,091**
3M Avg. Trading Vol. (mn)	**1.89**
3M Avg. T/O (bn VND)	**134**
Beta (12M)	**1.3**

	3M	6M	12M
Absolute	**7.1**	**27.7**	**59.2**
Rel. to VNINDEX	**5.2**	**16.2**	**21.0**



Source: Bloomberg

Investment points

- Short-term catalyst is included the increasing demand for meat, including pork and chicken (main products of Dabaco) due to Vietnamese traditional holiday.
- Growth potential to be highlighted: 1) improving 2022F margins as improving ASP thanks to new normal status; 2) higher livestock output as resuming normal business operation; and 3) stable raw materials from import tax exemption.
- Dabaco is expected to succeed in research the African Swine Fever (ASF) vaccine, which would mitigate the impacts of disease to its livestock production (accounted for 90.3% of sales in 2020).
- Diversification of real estates: Dabaco is expected to record revenue and profit of VND1.6 tn and VND400 bn, respectively, from two real estate projects named Lotus Central Bac Ninh (started handing over 4Q21) and Huyen Quang (expected handover in 2022).

FY	2018	2019	2020	2021	2022F
Revenue (bn VND)	6,674	7,187	10,022	10,813	11,575
OP (bn VND)	539	605	1,838	1,103	1,088
OP margin (%)	8.1	8.4	18.3	10.2	9.4
NP (bn VND)	360	305	1,400	830	899
NP margin (%)	5.4	4.2	14.0	7.7	7.8
EPS (VND)	3,327	2,647	12,151	7,199	7,353
ROE (%)	14.6	10.6	38.7	18.7	18.4
P/E (x)	5.6	7.3	4.2	10.1	10.1
P/B (x)	0.8	0.7	1.4	1.8	1.6

Source: Bloomberg, Shinhan Securities, Data as of 01/04/22

Hoa Phat Group JSC.

(HPG VN)

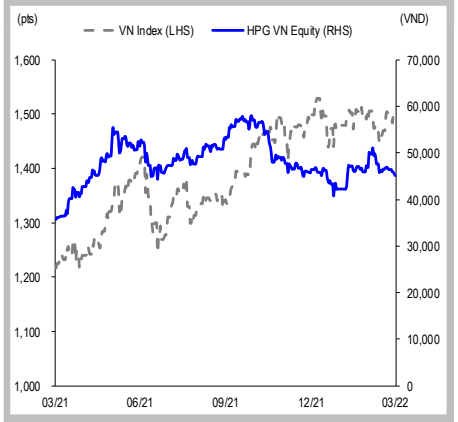
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EQUITIES

TARGET PRICE (VND)	BUY
64,000	
CURRENT PRICE (VND)	UP/DOWNSIDE
45,100	41.9%

VNINDEX	1,496
Market P/E (x)	14.2
Market Cap. (bn VND)	8,170
Outstanding Shares (mn)	115
Free Floating Shares (mn)	60
Free Floating (%)	51.8
52-Wk High (VND)	80,800
52-Wk Low (VND)	44,091
3M Avg. Trading Vol. (mn)	1.89
3M Avg. T/O (bn VND)	134
Beta (12M)	1.3

	3M	6M	12M
Absolute	7.1	27.7	59.2
Rel. to VNINDEX	5.2	16.2	21.0



Source: Bloomberg

Investment points

- Hoa Phat, top 1 of steel producers in ASEAN and top 50 in the world, has completed the value chain of steel industry, covering from mining iron ore, shipping over seas, and smelting cast iron to producing end-products such as HRC, construction steels, pipe steels, tole sheet steel, etc. This allows them to have great competitive advantages, including: 1) avoiding disruption of supply chain and production lines, 2) limiting the fluctuation of prices in raw materials and outputs to enhance profit margin, and 3) acquiring larger market share due to excellent reputation and various types of high-quality products.
- The Dung Quat 2 Complex will be launched from 1Q2022 and run with full capacity in 2025. Then, HPG will provide 8.6mn tonnes of HRC, surpassing Formosa to become the leader in Vietnam. HPG will also raise their total capacity to 14mn tonnes and thus generate tremendous revenue and profit.
- From 2022, Vietnam government will boost investment on public infrastructure to stimulate economy's growth (a new package of 150tn VND for 2022 besides the current package of 530tn VND). Furthermore, the real estate market is also expected to bounce back after the pandemic. This will motivate greater demand for steel consumption, ensuring 14mn tonnes of HPG's products to be fully absorbed in the next 5 years.
- HPG also planned to expand other businesses such as agriculture, real estate (residential property and industrial park), and container production, which will significantly contribute to their profit and growth in the

FY	2018	2019	2020	2021	2022F
Revenue (bn VND)	55,836	63,658	90,119	149,680	154,181
OP (bn VND)	10,550	9,743	17,123	37,664	34,206
OP margin (%)	18.9	15.3	19.0	25.2	22.2
NP (bn VND)	8,573	7,527	13,450	34,478	30,240
NP margin (%)	15.4	11.8	14.9	23.0	19.6
EPS (VND)	1,917	1,683	2,849	7,166	6,671
ROE (%)	23.6	17.1	23.9	42.8	29.3
P/E (x)	7.7	8.6	10.8	6.5	6.8
P/B (x)	1.6	1.4	2.3	2.3	1.7

Source: Bloomberg, Shinhan Securities, Data as of 31/03/22

FPT Corp. JSC.

(FPT VN)

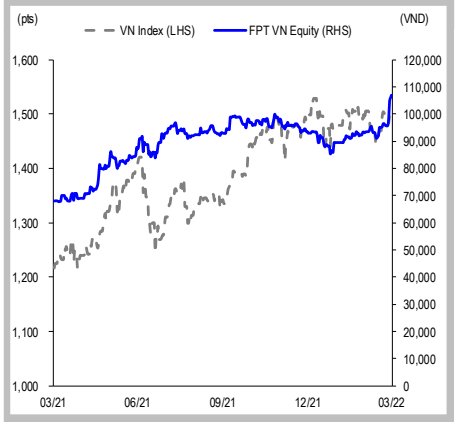
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EQUITIES

TARGET PRICE (VND)	BUY
130,000	
CURRENT PRICE (VND)	UP/DOWNSIDE
107,000	**21.5%**

VNINDEX	**1,496**
Market P/E (x)	**14.2**
Market Cap. (bn VND)	**8,170**
Outstanding Shares (mn)	**115**
Free Floating Shares (mn)	**60**
Free Floating (%)	**51.8**
52-Wk High (VND)	**80,800**
52-Wk Low (VND)	**44,091**
3M Avg. Trading Vol. (mn)	**1.89**
3M Avg. T/O (bn VND)	**134**
Beta (12M)	**1.3**

	3M	6M	12M
Absolute	**7.1**	**27.7**	**59.2**
Rel. to VNINDEX	**5.2**	**16.2**	**21.0**



Source: Bloomberg

Investment points

- Global demand and spending for technology have dramatically increased, especially on software development and digital transformation (DX) services of FPT. FPT has been rapidly transforming into a global DX pioneer through self-developed B2B products applying the latest technologies such as Artificial Intelligence (AI), Robotic Process Automation (RPA), Blockchain, Cloud, and Internet of Things (IoT).
- The revenue growth of DX services (FSoft) and Made-by-FPT products (FIS) at roughly +40-50% p.a. will be the key growth driver of revenue and profit. Besides, the Telecom segment also significantly contributes to FPT's pre-tax margin and growth thanks to the new income from PayTV and Data Center as well as the high growth of Broadband services. These motivations and the investment into the Education segment and new startups such as BASE, Utop, and Sendo will ensure FPT to grow by at least +20% p.a. in the next 3-5 years.

FY	2018	2019	2020	2021	2022F
Revenue (bn VND)	23,214	27,717	29,830	35,657	43,096
OP (bn VND)	3,122	4,147	4,605	5,415	6,980
OP margin (%)	13.4	15.0	15.4	15.2	16.2
NP (bn VND)	2,620	3,135	3,538	4,337	5,224
NP margin (%)	11.3	11.3	11.9	12.2	12.1
EPS (VND)	2,683	3,191	3,579	4,349	5,483
ROE (%)	20.0	21.6	21.7	23.4	27.2
P/E (x)	10.8	13.8	14.4	21.4	19.5
P/B (x)	2.1	2.8	2.9	4.7	4.2

Source: Bloomberg, Shinhan Securities, Data as of 31/03/22

GELEX GROUP. JSC.

(GEX VN)

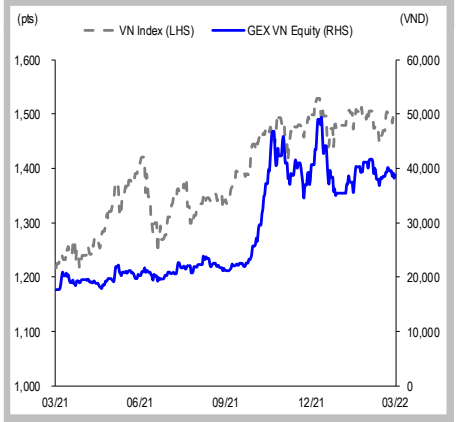
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EQUITIES

TARGET PRICE (VND)	BUY
45,000	
CURRENT PRICE (VND)	UP/DOWNSIDE
38,750	**16.1%**

VNINDEX	**1,496**
Market P/E (x)	**14.2**
Market Cap. (bn VND)	**8,170**
Outstanding Shares (mn)	**115**
Free Floating Shares (mn)	**60**
Free Floating (%)	**51.8**
52-Wk High (VND)	**80,800**
52-Wk Low (VND)	**44,091**
3M Avg. Trading Vol. (mn)	**1.89**
3M Avg. T/O (bn VND)	**134**
Beta (12M)	**1.3**

	3M	6M	12M
Absolute	**7.1**	**27.7**	**59.2**
Rel. to VNINDEX	**5.2**	**16.2**	**21.0**



Source: Bloomberg

Investment points

- Company profile: No.1 electrical equipment company in Vietnam; they are also expanding power generation sector (hydro & solar), construction materials and industrial park (by acquiring Viglacera Corp - VGC)
- The recovery of electrical equipment sector: In 2021, the impact of Covid-19 pandemic has lowered sales volume of electrical equipments. However, we expect this business will bounce back in 2022, supported by: 1) The economy's recovery will lead to higher demand, 2) The involvement of strategic investors (8% stake of Gelex Electric will be sold) will support GEX to gain market share in long-term.
- Potential from power generation sector: new wind farm projects with a total capacity of 140MW (Huong Phung 2 & 3 and Gelex 1, 2 & 3) came online by October 2021 and receive a favorable tariff of 8.5 US cents/kWh. In 2022, these projects will start to contribute expected profit more than VND150bn/year;
- Significant contribution from VGC: VGC - the leading player in construction materials and industrial park - has become the subsidiary of GEX since 2Q2021. In 2022, VGC is expected to record profit of VND600bn (equivalent to ~50% of GEX's 2022 net profit), thanks to the recovery core business.

FY	2018	2019	2020	2021	2022F
Revenue (bn VND)	13,699	15,315	17,949	28,578	35,340
OP (bn VND)	1,224	1,518	1,516	2,197	4,116
OP margin (%)	8.9	9.9	8.4	7.7	11.6
NP (bn VND)	942	603	802	1,039	1,763
NP margin (%)	6.9	3.9	4.5	3.6	5.0
EPS (VND)	1,614	857	1,183	1,501	2,070
ROE (%)	19.1	9.4	11.8	11.0	12.0
P/E (x)	8.7	16.5	13.9	27.1	18.7
P/B (x)	1.6	1.5	1.6	2.9	2.4

Source: Bloomberg, Shinhan Securities, Data as of 31/03/22

Power Construction No.1 JSC.

(PC1 VN)

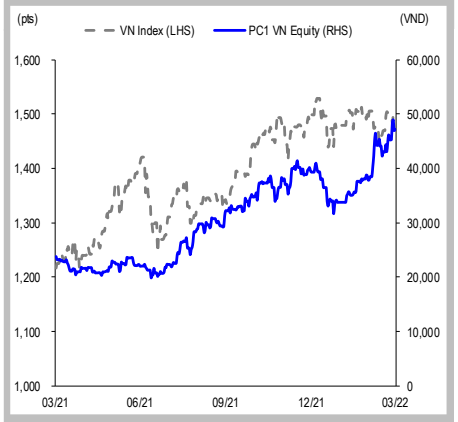
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EQUITIES

TARGET PRICE (VND)	BUY
55,000	
CURRENT PRICE (VND)	UP/DOWNSIDE
47,150	**16.6%**

VNINDEX	**1,496**
Market P/E (x)	**14.2**
Market Cap. (bn VND)	**8,170**
Outstanding Shares (mn)	**115**
Free Floating Shares (mn)	**60**
Free Floating (%)	**51.8**
52-Wk High (VND)	**80,800**
52-Wk Low (VND)	**44,091**
3M Avg. Trading Vol. (mn)	**1.89**
3M Avg. T/O (bn VND)	**134**
Beta (12M)	**1.3**

	3M	6M	12M
Absolute	**7.1**	**27.7**	**59.2**
Rel. to VNINDEX	**5.2**	**16.2**	**21.0**



Source: Bloomberg

Investment points

- PC1 holds outstanding construction technology in grid and wind power (such as UAV flying devices and crawler cranes for electric turbines).
- PC1 operates 7 hydropower plants with a total capacity of 169 MW, which is considered a strong cash cow. Their plants are located nationwide, avoiding the negative effects from clime changes, with stable revenue VND800bn/year with a gross margin of ~60%.
- Penetrating wind power with upcoming 150MW capacity COD in 4Q21, with favorable feed-in tariff and is expected to generate a profit of VND202bn (equivalent to 33% of 2022 net profit). Moreover, PC1 was also licensed to pre-feasibility study an onshore and offshore wind power with a capacity of +2,000 MW, securing stable growth over the next 5 years. Currently, PC1 is the only player who can build and operate their projects.

FY	2018	2019	2020	2021	2022F
Revenue (bn VND)	5,084	5,845	6,679	9,828	8,557
OP (bn VND)	657	594	823	859	1,174
OP margin (%)	12.9	10.2	12.3	8.7	13.7
NP (bn VND)	467	358	513	695	675
NP margin (%)	9.2	6.1	7.7	7.1	7.9
EPS (VND)	2,034	1,560	2,235	2,858	2,894
ROE (%)	16.1	10.9	13.8	15.1	11.5
P/E (x)	7.1	7.8	8.3	13.8	16.3
P/B (x)	1.1	0.8	1.1	2.0	2.1

Source: Bloomberg, Shinhan Securities, Data as of 31/03/22

PetroVietnam Gen. Services JSC. Corp.

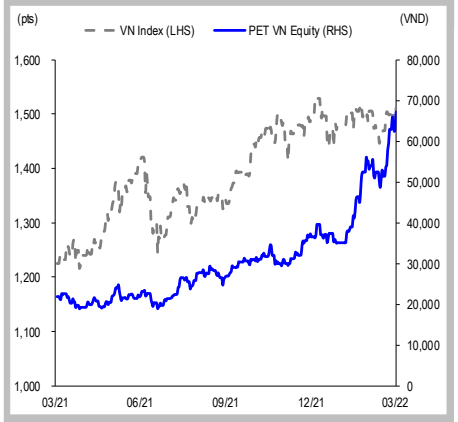
(PET VN)

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EQUITIES

TARGET PRICE (VND)	BUY
70,000	
CURRENT PRICE (VND)	UP/DOWNSIDE
62,900	**11.3%**
VNINDEX	**1,496**
Market P/E (x)	**14.2**
Market Cap. (bn VND)	**8,170**
Outstanding Shares (mn)	**115**
Free Floating Shares (mn)	**60**
Free Floating (%)	**51.8**
52-Wk High (VND)	**80,800**
52-Wk Low (VND)	**44,091**
3M Avg. Trading Vol. (mn)	**1.89**
3M Avg. T/O (bn VND)	**134**
Beta (12M)	**1.3**

	3M	6M	12M
Absolute	**7.1**	**27.7**	**59.2**
Rel. to VNINDEX	**5.2**	**16.2**	**21.0**



Source: Bloomberg

Investment points

- Distribution division is expected to maintain strong growth in 2021-22 period, thanks to: 1) one of four official Apple authorized distributors in Vietnam since 2020; 2) expanding the wholesale portfolio with various types of additional smart devices such as smartwatches or WiFi routers; and 3) high demand for digital devices (smartphones and laptops) due to the accelerated trend of digital transformation and remote working/learning during Covid-19.
- The combination of high season for smartphones before the Tet holiday and rising crude oil prices is short-term catalyst of Petrosetco.
- New source of earnings from Cape Pearl Binh Thanh real estate project (scheduled to start in 2022 with 7 floors for rent and 260 apartment for sales) and fertilizer distribution (starting in 2020). Notably, profit from real estate business accounts for more than 20% of the annual total profit of PET (2020: 24.6%), together with the high price of real estate projects in Binh Thanh area, we expect that PET will record a higher profit when the project is opened for sale.

FY	2018	2019	2020	2021	2022F
Revenue (bn VND)	11,092	10,008	13,453	17,511	19,970
OP (bn VND)	219	136	235	381	499
OP margin (%)	2.0	1.4	1.7	2.2	2.5
NP (bn VND)	113	122	137	256	300
NP margin (%)	1.0	1.2	1.0	1.5	1.5
EPS (VND)	1,232	1,323	1,526	3,245	3,312
ROE (%)	7.2	7.5	8.4	14.9	13.7
P/E (x)	6.6	5.7	10.6	11.3	11.0
P/B (x)	0.5	0.4	0.9	1.9	1.7

Source: Bloomberg, Shinhan Securities, Data as of 01/04/22

Power Engineering Consulting 2 JSC.

(TV2 VN)

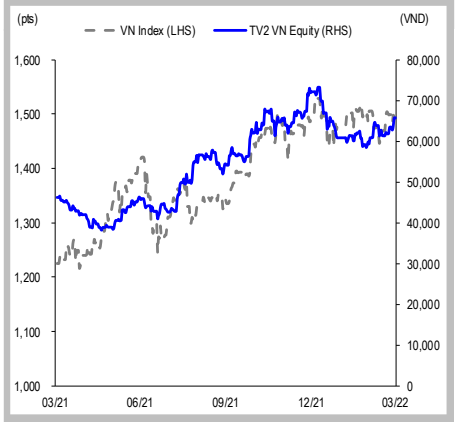
Shinhan
Compassionate Finance

EQUITIES

TARGET PRICE (VND)	BUY
86,000	
CURRENT PRICE (VND)	UP/DOWNSIDE
65,800	**30.7%**

VNINDEX	**1,496**
Market P/E (x)	**14.2**
Market Cap. (bn VND)	**8,170**
Outstanding Shares (mn)	**115**
Free Floating Shares (mn)	**60**
Free Floating (%)	**51.8**
52-Wk High (VND)	**80,800**
52-Wk Low (VND)	**44,091**
3M Avg. Trading Vol. (mn)	**1.89**
3M Avg. T/O (bn VND)	**134**
Beta (12M)	**1.3**

	3M	6M	12M
Absolute	**7.1**	**27.7**	**59.2**
Rel. to VNINDEX	**5.2**	**16.2**	**21.0**



Source: Bloomberg

Investment points

- TV2 is a leading power consulting company in Vietnam, specializing in survey and design, and construction of electricity development and investment projects. TV2 is always on the top-list of power consultants for EVN and private developers (including Tri An, Ca Mau, Nhon Trach power plants). Consulting segment earns a stable cash flow ~VND150bn/year with a margin of ~20%.
- From 2019, TV2 has operated the high-tech operation center - remote power plants, which provide solid Operations and Maintenance services (O&M) to renewable plants. By end-2020, TV2's O&M services are operating 1,500 MW solar farms, with stable revenue of VND200bn/year with a margin of ~40%.
- They are also taking advantage of the tremendous domestic demand for electricity while there is a shortage of supply. TV2 is bidding for a potential backlog of ~USD900mn for projects with a total capex of USD5bn over the next five years, which mainly includes wind and LNG projects. They are also bidding for a giant LNG-fired project (Long Son complex-phase 1; USD1.3bn) and the Quang Tri coal-fired power plant (USD2bn).

FY	2018	2019	2020	2021	2022F
Revenue (bn VND)	1,840	3,322	3,346	4,350	5,307
OP (bn VND)	244	261	272	348	716
OP margin (%)	13.3	7.9	8.1	8.0	13.5
NP (bn VND)	225	255	262	392	637
NP margin (%)	12.2	7.7	7.8	9.0	12.0
EPS (VND)	5,000	5,667	5,824	8,697	14,147
ROE (%)	37.5	31.3	25.0	27.3	37.0
P/E (x)	7.2	7.3	7.3	8.2	5.0
P/B (x)	2.3	2.0	1.6	2.2	1.9

Source: Bloomberg, Shinhan Securities, Data as of 01/04/22

Sonadezi Chau Duc JSC.

(SZC VN)

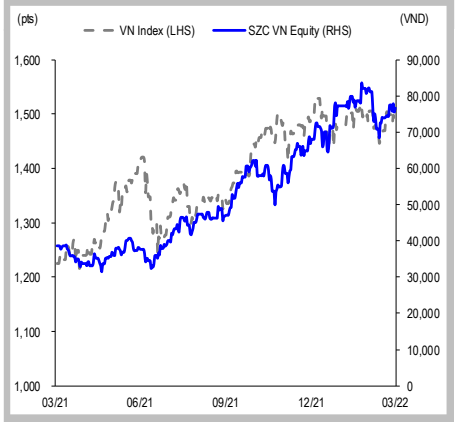
Shinhan
Compassionate Finance

EQUITIES

TARGET PRICE (VND)	BUY
95,000	
CURRENT PRICE (VND)	UP/DOWNSIDE
76,500	24.2%

VNINDEX	1,496
Market P/E (x)	14.2
Market Cap. (bn VND)	8,170
Outstanding Shares (mn)	115
Free Floating Shares (mn)	60
Free Floating (%)	51.8
52-Wk High (VND)	80,800
52-Wk Low (VND)	44,091
3M Avg. Trading Vol. (mn)	1.89
3M Avg. T/O (bn VND)	134
Beta (12M)	1.3

	3M	6M	12M
Absolute	7.1	27.7	59.2
Rel. to VNINDEX	5.2	16.2	21.0



Source: Bloomberg

Investment points

- Demand for industrial parks real estate in key economic regions of Vietnam will return to the growth trajectory in 2022 as well-tamed Covid-19 epidemic. Thus, industrial park real estate developers who have a large ready-to-lease land bank and are located in strategic locations will have a rapid rate of sales and benefit from rising real estate prices.
- SZC owns a large available for lease land bank (660 hectares) with competitive rental price in Ba Ria- Vung Tau, one of the key industrial centers in the South and is near convenient infrastructure clusters for such as, Cai Mep-Thi Vai port, Long Thanh International airport, Bien Hoa- Vung Tau expressway, and Phuoc An bridge.
- Chau Duc urban project was launced in the 2H21 after more than 10 years of delay due to prolonged legal procedures. Particularly, SZC is expected to sell 657 land plots and 1,213 apartments in phase 1 of the Sonadezi Huu Phuoc project (40.5 hectares).

FY	2018	2019	2020	2021	2022F
Revenue (bn VND)	290	329	433	713	1,055
OP (bn VND)	111	139	199	386	577
OP margin (%)	38.2	42.2	46.0	54.2	54.7
NP (bn VND)	97	134	186	324	490
NP margin (%)	33.5	40.7	43.0	45.4	46.4
EPS (VND)	779	1,164	1,681	2,874	4,396
ROE (%)	6.8	9.9	13.7	21.1	30.0
P/E (x)		15.2	19.0	23.7	17.4
P/B (x)		1.5	2.5	4.6	4.0

Source: Bloomberg, Shinhan Securities, Data as of 01/04/22

Saigon Thuong Tin Com. JS. Bank - Sacombank

(STB VN)

Shinhan
Compassionate Finance

EQUITIES

TARGET PRICE (VND)	BUY
40,000	
CURRENT PRICE (VND)	UP/DOWNSIDE
31,700	**26.2%**

VNINDEX	**1,496**
Market P/E (x)	**14.2**
Market Cap. (bn VND)	**8,170**
Outstanding Shares (mn)	**115**
Free Floating Shares (mn)	**60**
Free Floating (%)	**51.8**
52-Wk High (VND)	**80,800**
52-Wk Low (VND)	**44,091**
3M Avg. Trading Vol. (mn)	**1.89**
3M Avg. T/O (bn VND)	**134**
Beta (12M)	**1.3**

	3M	6M	12M
Absolute	**7.1**	**27.7**	**59.2**
Rel. to VNINDEX	**5.2**	**16.2**	**21.0**



Source: Bloomberg

Investment points

- We believe that Sacombank is being undervalued compared to its potential, due to the potential recovery of bad debts from the previous owners, and from the merger with Southern Commercial JSB.
- Sacombank is actively provisioning and handling VAMC bond debts from VND33tn in 2019 to VND25tn in 3Q21. We believe that given the high selling price of the real estate market, Sacombank can handle VAMC debt faster, creating a strong motivation for Sacombank's stock price and business results.
- Currently, Sacombank is a mid-range bank with no controlling shareholders and no foreign shareholders. We think that Sacombank can choose its strategic shareholders, which will be a strong motivation for share price.

FY	2017	2018	2019	2020	2021	2022F
Net interest income (bn VND)	8,931	11,390	14,262	18,755	35,699	42,284
Net non-interest income (bn VND)	8,369	9,389	8,407	10,147	22,151	22,151
OP (bn VND)	11,646	12,507	13,756	18,411	25,766	30,931
NP (bn VND)	6,446	8,463	10,075	12,325	17,255	22,151
NP margin (%)	37.3	40.7	44.4	42.6	29.8	34.4
EPS (VND)	2,573	2,692	2,871	3,515	4,915	6,309
ROE (%)	27.7	21.5	17.7	18.1	19.5	25.2
P/E (x)	19.6	9.6	8.2	9.0	10.3	8.0
P/B (x)	5.6	1.7	1.3	1.5	1.9	1.6

Source: Bloomberg, Shinhan Securities, Data as of 01/04/22

Vietnam Tech. & Com. JS Bank - Techcombank

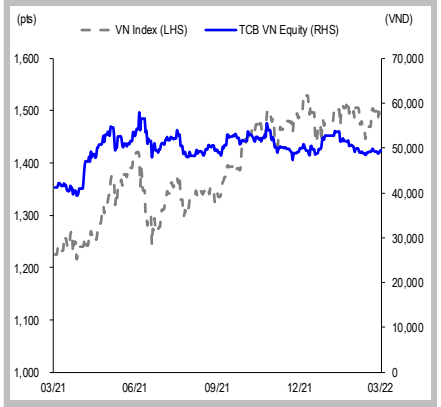
(TCB VN)

Shinhan
Compassionate Finance

EQUITIES

TARGET PRICE (VND)	BUY
68,000	
CURRENT PRICE (VND)	UP/DOWNSIDE
49,550	**37.2%**
VNINDEX	**1,496**
Market P/E (x)	**14.2**
Market Cap. (bn VND)	**8,170**
Outstanding Shares (mn)	**115**
Free Floating Shares (mn)	**60**
Free Floating (%)	**51.8**
52-Wk High (VND)	**80,800**
52-Wk Low (VND)	**44,091**
3M Avg. Trading Vol. (mn)	**1.89**
3M Avg. T/O (bn VND)	**134**
Beta (12M)	**1.3**

	3M	6M	12M
Absolute	**7.1**	**27.7**	**59.2**
Rel. to VNINDEX	**5.2**	**16.2**	**21.0**



Source: Bloomberg

Investment points

- Techcombank is the leading commercial bank in the retail segment for the middle and high-income customer segments. Techcombank is a bank leading the trend of strong investment in technology, creating many outstanding new products and services to meet the needs of high-end customers. Techcombank's strength is in providing financial services to large private conglomerate ecosystems in Vietnam (such as Vingroup and Masan).
- Techcombank maintains a high CASA ratio above 45% from 2020, the highest in the banking industry, and is expected to increase to 50% by 2025. We believe the ratio NIM continues to maintain a high level of ~5%-6% thanks to low funding costs and a high CASA ratio.
- Despite Covid-19 outbreak in Vietnam, Techcombank had relatively low NPL thanks to its quality customer portfolio. NPL ratio by end-3Q21 is 0.57%, the lowest in the banking industry.
- We believe Techcombank's business performance will keep growing strongly in coming 2022, thanks to the aggressive client base development via expanding margin loans book, advanced trading system and advanced products. TCB's valuation is relatively attractive at 2021F P/E of 10.3x and P/B of 1.9x

FY	2017	2018	2019	2020	2021	2022F
Net interest income (bn VND)	8931	11,390	14,262	18,755	35,699	42,284
Net non-interest income (bn VND)	8369	9,389	8,407	10,147	22,151	22,151
OP (bn VND)	11646	12,507.0	13,756.0	18,411.0	25,776.0	30,931.0
NP (bn VND)	6446	8,463	10,075	12,325	17,255	22,151
NP margin (%)	37.3	40.7	44.4	42.6	29.8	34.4
EPS (VND)	2573	2,692	2,871	3,515	4,915	6,309
ROE (%)	27.7	21.5	17.7	18.1	19.5	25.2
P/E (x)	19.6	9.6	8.2	9.0	10.3	8.0
P/B (x)	5.6	1.7	1.3	1.5	1.9	1.6

Source: Bloomberg, Shinhan Securities, Data as of 01/04/22

Appendix – Important Disclosure

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