April 6th, 2023

Shinhan Securities



Vietnam Banks

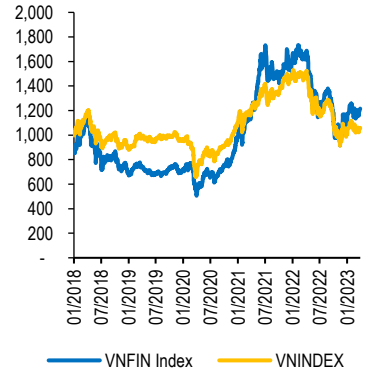
Sector report **[Vietnam / Bank]**

NEUTRAL

Update report

Stock	Market Cap (VND trillion)	PE (x)	PB(x)
VCB	432.6	14.7	3.1
BID	233.7	26.7	2.2
VPB	141.3	7.7	1.4
CTG	140.3	8.7	1.3
TCB	99.7	5.4	0.9
ACB	84.4	6.1	1.4
MBB	82.7	4.7	1.0
SSB	64.2	15.7	2.5
STB	49.4	10.6	1.3
HDB	48.4	6.1	1.2
VIB	45.1	5.3	1.4
TPB	35.1	5.6	1.1
SHB	33.0	4.2	0.8

VNINDEX			1,080
P/E Forward (23F, x)			10.2
Performance	3T	6T	12T
Absolute (%)	6.4	9.4	-26.6
Relative to VN-Index (%)	4.4	11.4	3.2



Source: Bloomberg

Weather the storm

Update bank sector with NEUTRAL rating

With a GDP growth target of 6-6.5% and a credit growth target of around 14-15%, which was set by the SBV, banks have generally propose their business plan in line with the industry's orientation. Interest rates have returned to pre-epidemic levels, cash flow difficulties related to corporate bonds and real estate businesses may worsen the bank's bad debt ratio. On the positive side, the government and industry are actively working to remove legal difficulties for real estate businesses, which we consider to be an important factor for the market and the banking industry to recover in the second half of 2023.

Impressive business results in 2022

In 2022, banks listed on HOSE recorded good credit growth. These banks average credit growth at 15.5%. Earning before tax of this group of banks, except for OCB, grew strongly at an average of 36.6%. This growth can be explained by NIM expansion and strong credit growth. NIM is increased by about 20bps to reach the level of 4.1% by the end of 2022.

The bank's asset quality is still at a safe level

The industry's on-balance-sheet bad debt ratio is at 1.92%, up slightly from 1.9% in 2021. Vietnamese banks are strictly managed by the SBV, therefore the collapse of Sillion Valley Bank is unlikely to happen in Vietnam. We have performed a sensitivity analysis and in the worst case scenario, the bank's bad debt ratio is still under control. With the bad debt ratio under control and the bad debt coverage ratio large enough, we assess the bank's asset quality will not have any major problems in the next two years.

Liquidity has passed a difficult period

The bank's liquidity was significantly less stressed than at the end of 2022. The overnight interbank interest rate from 4-6% has dropped sharply to around 1%. Recent open market operations have witnessed many sessions without members participating in bidding process. The improved liquidity at the moment can be explained by the good regulation of the SBV at a time of difficult liquidity and weak credit demand in the first months of 2023.

Business outlook in 2023 is geared toward asset quality

With Vietnam's economic growth likely to slow down to 6%, we think the bank's credit growth could reach around 14-15%. The SBV decided to cut interest rates twice, helping commercial banks reduce the average cost of capital and thereby reducing the lending interest rate for businesses. However, the bank's NIM in our coverage may decrease slightly by 40bps in 2023. Banks in general propose the business plan for 2023 with focus on asset quality management and set growth targets in line with consistent with the growth of the industry. In this report, we choose ACB because of its low concentration risk, good asset management, steady growth rate and high business performance.

Risks: (1) Risks related to corporate bonds are worse than forecast; (2) The risk that the passed laws and decrees do not help to improve the current problems of the real estate business.

Stocks	ROE(%)	NIM(%)	CIR (%)	LLR(%)	NPL(%)	Price target	Current price	Upside (%)
VCB	24.2	3.4	31.2	317	0.68	94,600	92,300	2.49%
CTG	16.7	3.0	29.9	188	1.24	30,600	29,650	3.20%
MBB	24.6	5.7	32.5	238	1.09	27,610	18,750	47.25%
TCB	19.5	5.3	32.8	125	0.91	34,700	29,400	18.03%
VPB	19.2	7.6	24.4	54	5.73	32,000	21,300	50.23%
ACB	26.5	4.3	40.3	159	0.74	33,500	25,150	33.2%

Source: Company data, Shinhan Securities Vietnam, * Based on purchase agreement between SMBC and VPBank

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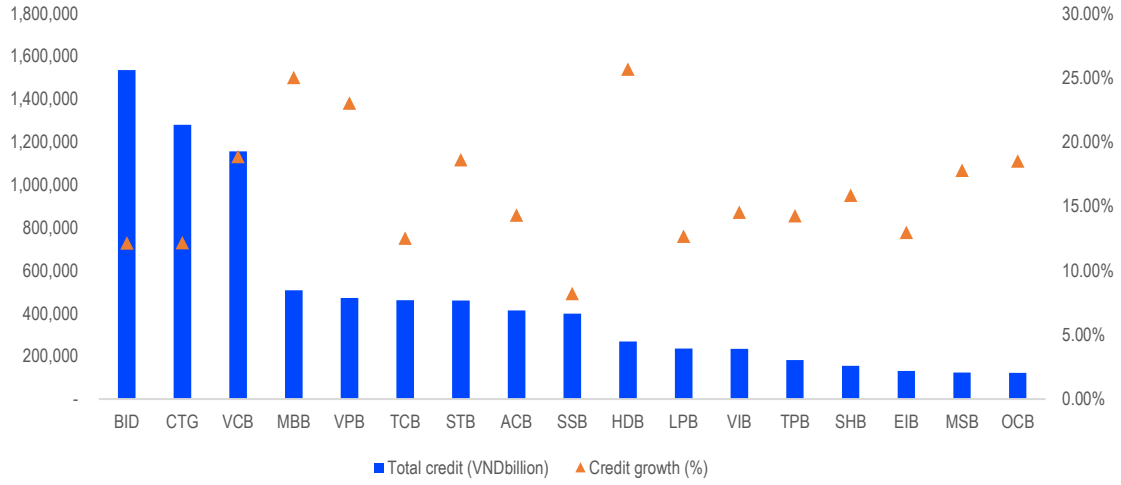
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Impressive business results in 2022

Credit achieves high growth rate

In terms of credit scale, the state-owned banks including BID, CTG and VCB are the banks with the largest total outstanding loans in the system. In 2022, the group of listed state-owned commercial banks has an average growth rate of 14%. Joint stock commercial banks listed on HOSE showed even better growth, this group's credit growth averaged 17% over the same period.

Credit growth of banks listed on HOSE in 2022



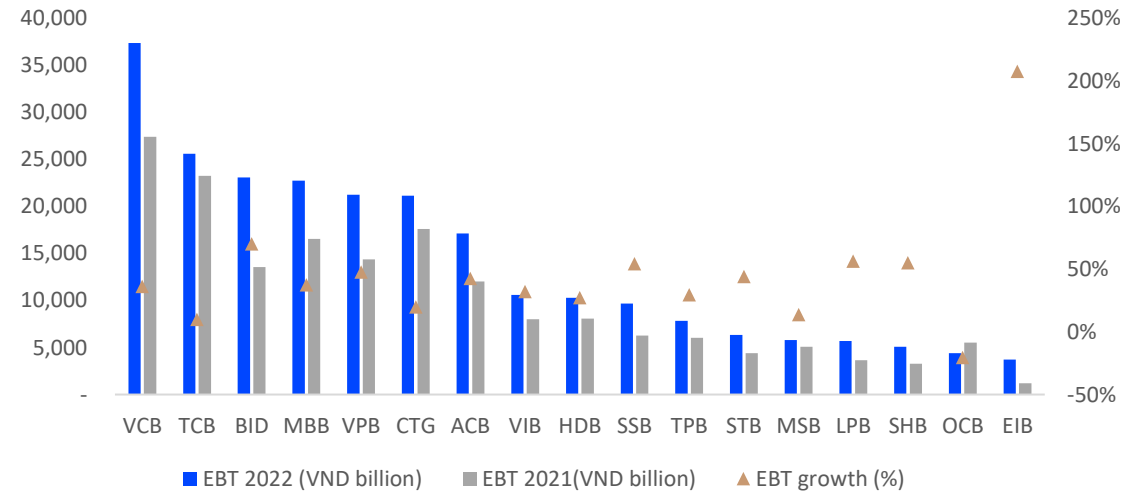
Source: Fiinpro, Company data, Shinhan Securities Vietnam

Profit before tax increased sharply thanks to NIM expansion and strong credit growth

In the group of banks listed on HOSE, except for OCB's decrease in profit, the remaining banks grew at an average rate of 36.6% yoy. This growth can be explained by strong credit growth and expansion of NIM.

The NIM of banks from 3.9% in 2021 has expanded by 20bps to reach the level of 4.1% by the end of 2022. While the average cost of capital (COF) in 2022 increased by about 20bps over the same period, the asset yield (IAE) increased by 40bps. The increase in lending interest rates was higher than deposit rates leading to better NIM in 2022.

Growth of Earning before tax in 2022



Source: Fiinpro, Company data, Shinhan Securities Vietnam

The bank's asset quality is still good

Low non-performing loan ratio and bad debt coverage ratio at a safe level

According to the State Bank of Vietnam, on-balance sheet bad debt ratio of the whole banking system in 2022 stayed at 1.92%. This ratio has not changed much compared to 1.9% level in 2021. This slight increase also occurs in banks listed on HOSE, the bad debt ratio of this group of banks reached 1.47% at the end of Q4/2022. , a slight increase of 11bps compared to Q1/2022 figures.

Banks in general are very active in making provision for bad debts during the epidemic period and this provision level will continue to be maintained by the bank into the recovery period in 2022. Bad debt coverage ratio of the banking group goods listed on HOSE reached 137.6% based on the financial statements of Q4/2022. This number implies that banks have provisioned to cover all of its bad debt balance.

With raising concern about bad debt situation that could have a big impact on the entire banking industry, we have run a scenario analysis for banks' bad debt ratios in 2023:

- In the good case: NPL ratio remains unchanged at 1.92%
- In the base case: based on the bad debt movements in the second half of 2022, we forecast that this ratio may increase slightly to 2.05% by the end of the year.
- In the worst case: Based on the data provided by the Ministry of Construction, the outstanding loan for real estate businesses is at VND 800 trillion. Assuming the conservative default rate is at 20%, based on Finrating's report on the percentage of Real estate enterprises that fail to pay their financial obligations related to bonds. The industry's bad debt at the end of the year may increase by 67bps, to 2.59%.

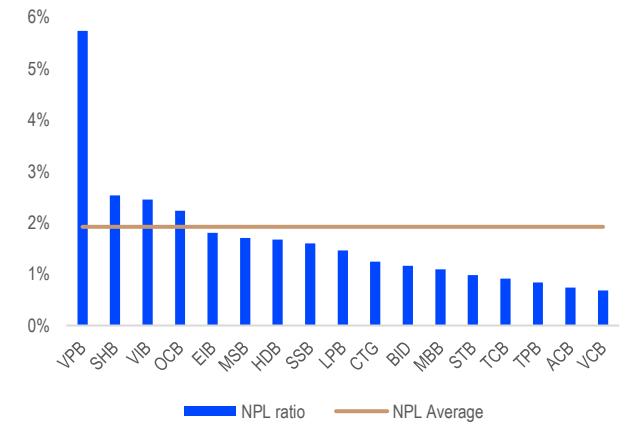
The ratio in this case is still lower than 3% according to the regulations of the State Bank, therefore we assess that the bank's asset quality is not currently having major problems. Note, the figure in the worst case does not take into account the enterprises' abilities to negotiate, restructure their debts and financial obligations.

Senario analysis of NPL (%)

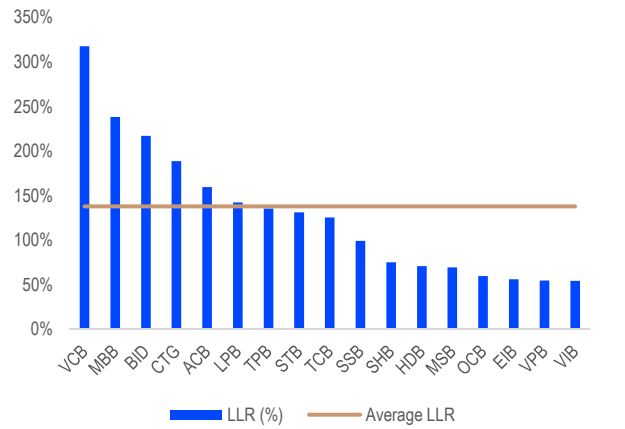
Case	NPL forecast for 2023 (%)
Best case	1.92
Base case	2.05
Worst case	2.59

Source: Company data, Shinhan Securities Vietnam

Non-performing loan ratio in 2022 (%)



Loan loss provision coverage ratio in 2022 (%)



Source: Company data, Shinhan Securities Vietnam

The Silicon Valley Bank event is unlikely to happen in Vietnam

Banks in Vietnam are under strict management from the SBV and must ensure compliance with regulations regarding to safety and liquidity ratio, according to Circular 41/2016/TT-NHNN and Circular 22/2019/TT - The State Bank:

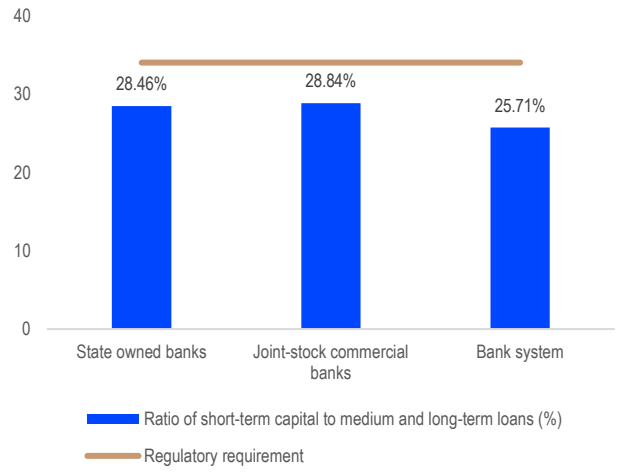
1) The maximum ratio of loans to total deposits (LDR) is capped at 85%

2) The maximum ratio of short-term funds used for medium and long-term loans is at the rate of 34%, from 1/10/2023 the maximum is set at 30%

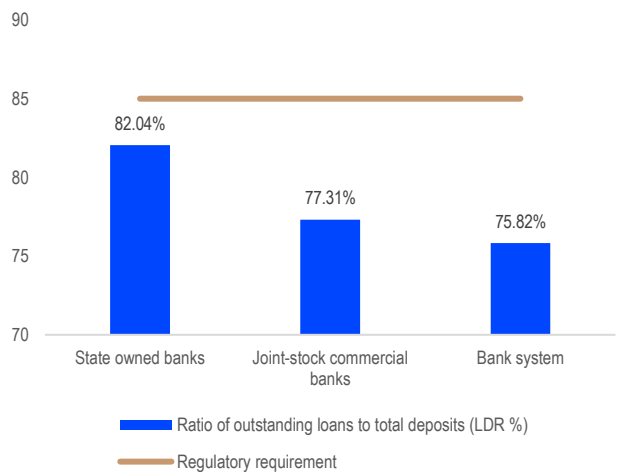
3) 30-day solvency ratio for VND is at least at 50%

4) Minimum Capital adequacy ratio (CAR) at 8%. Based on the latest published data of SBV, domestic banks need to always maintain CAR higher than requirement.

Ratio of short-term capital to medium and long-term loans in 2022(%)



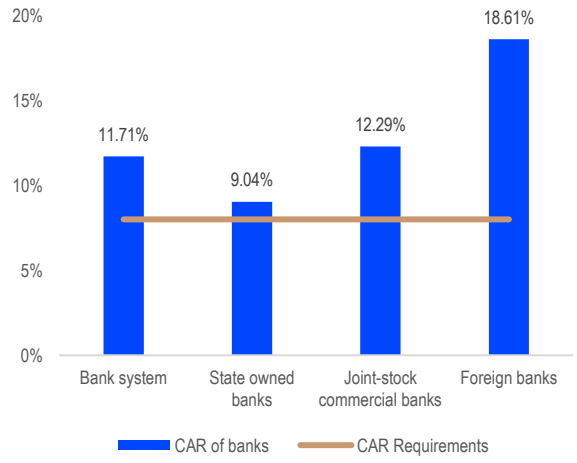
Loan-to-deposit ratio in 2022 (%)



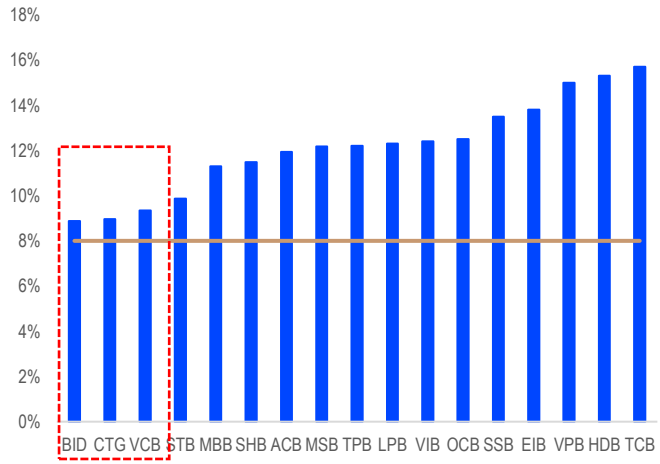
Source: SBV, Company data, Shinhan Securities Vietnam

The capital adequacy ratio has a divergence among commercial banks. State-owned commercial banks such as BID, CTG and VCB have CAR just enough to meet the regulations of SBV. Therefore, this group of banks is expected to supplement charter capital in the near future to improve financial capacity. Regarding the application of risk management standards, most of the major banks in Vietnam have successfully applied BASEL 2. In which, 6 banks have implemented risk management according to BASEL 3 standards, including VPB , TPB, SeaBank, Nam A Bank, OCB and ACB.

CAR of banks in 2022 (%)



CAR of listed bank on HOSE in 2022 (%)



Source: SBV, Company data, Shinhan Securities Vietnam

Decree 08 helps reduce pressure on debt repayment time for businesses

The Government issued Decree 08/2023/ND-CP on March 5, 2023 to address corporate bonds situation. One of the important points of the Decree 08 is that in case bond issuers face difficulties in paying bond principal and interest, these enterprises can use their legal assets to negotiate with bondholders. This is considered to be an important change. This creates a legal corridor for businesses and bondholders to negotiate with each other on the time to pay principal and interest of the bond. In the context that the real estate market has not yet recovered, this negotiation could reduce pressure on business loans at banks in the short term.

Policy changes are expected to help the real estate market recover

Decree No. 08/2023/ND-CP has positive effects in the short term but does not really improve the core business of real estate developers. Improving cash flow from its core business will be essential for the market. In case of improving cash flow, the banking system could face less the pressure of increasing bad debts, as well as improve lending to the real estate sector.

The Land Law (amended), Housing Law (amended) and Law on real estate business (amended) are being consulted and are expected to be approved in the second half of this year. The changes from the above law can help real estate businesses solve legal problems in the upcoming development phase. The main changes in the draft Land Law (amended) are:

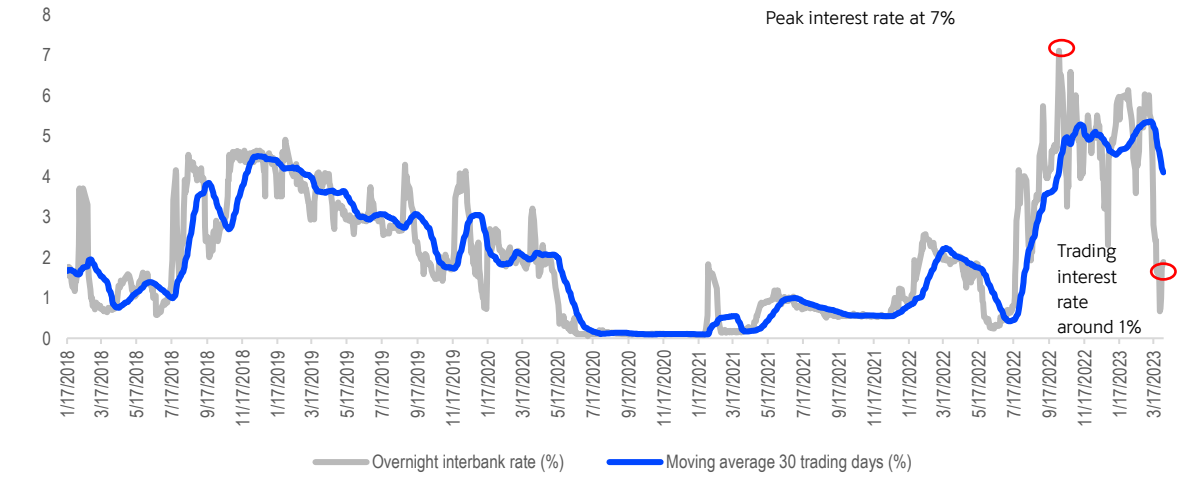
- Synchronizing master plans and plans on land use
- Completing regulations on land allocation, land lease, and land use purpose change
- More specific regulations on compensation, support for resettlement, land recovery process
- Completing the mechanism for determining land prices in line with market price
- Prescribing higher tax rates for people with large areas of land, many houses, land speculation trading, delay putting land in use, abandon land
- Completing legal regulations related to the real estate market.

Liquidity has passed a difficult period

The liquidity situation changed from tight to abundant

The cases related to Van Thinh Phat Group and people's decision to withdraw money massively at Saigon Joint Stock Commercial Bank have led to difficulties in liquidity of the whole banking system. The problem with liquidity led to an increase in interbank interest rates to a peak of 7.1% in the early days of October 2022. The SBV was very active in conducting open market operations during this period to help coordinate liquidity for the system.

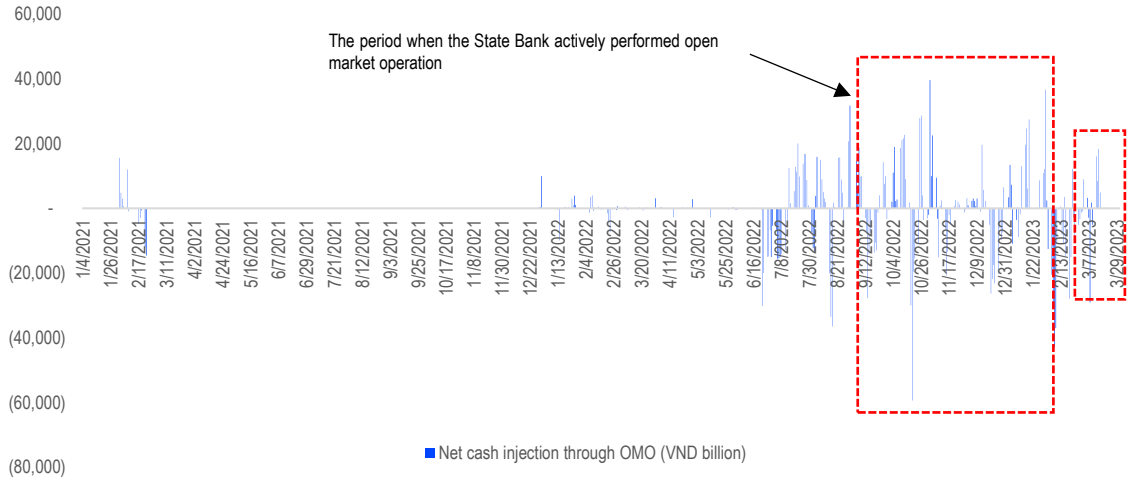
Overnight interbank interest rate (%)



Source: SBV, Bloomberg, Company data, Shinhan Securities Vietnam

Liquidity in the first couple months of 2023 showed a completely different picture, weak credit demand and improved deposit flow into the system due to high interest rates helped to bring back liquidity for commercial banks. Overnight interbank interest rates traded from an average of 4-6% and fell to less than 1% on the last trading day of March. The last days of March witnessed many sessions without members participating in bidding on the open market.

Open market operation



Source: SBV, Company data, Shinhan Securities Vietnam

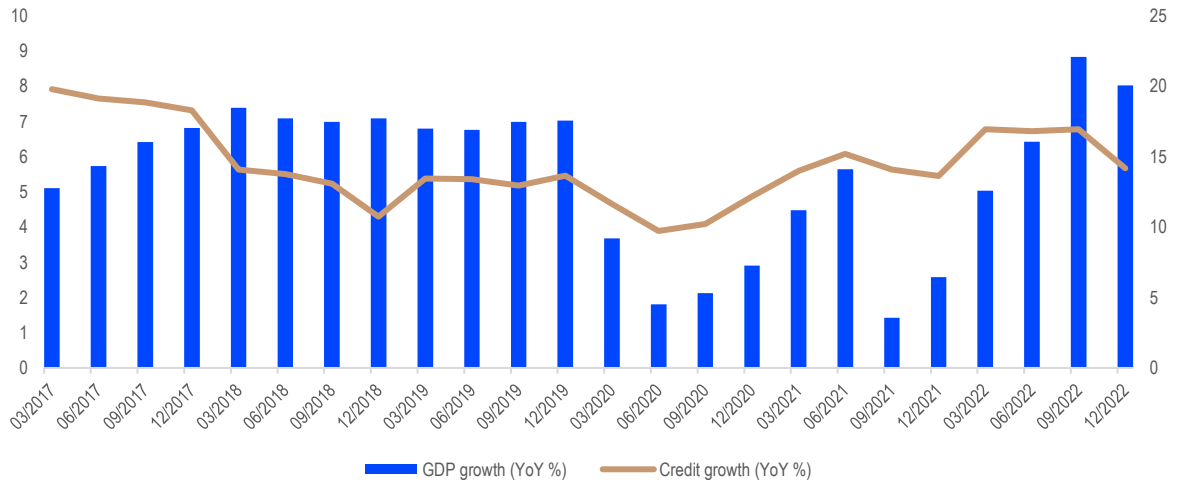
Cautious business plan for 2023

SBV sets a credit growth target of about 14-15%

The Congress has approved the GDP growth target in 2023 at 6.5%. Accordingly, the State Bank has also set a credit growth target for the whole year around 14-15%, which can be adjusted based on the development of the economy.

Based on historical data for the period 2017-2022, we forecast that credit growth could reach the target of 14-15% if Vietnam's economy able to achieve growth rate at 6-6.5%. This will largely depend on the recovery of the economy in the second half of this year.

GDP growth and Credit growth (%)

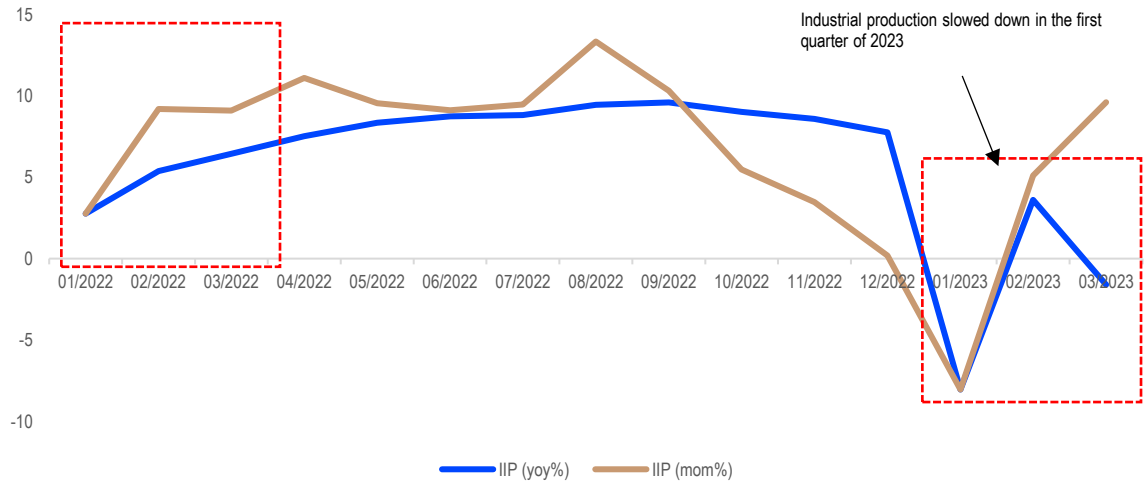


Source: SBV, GSO, Company data, Shinhan Securities Vietnam

The economic situation in the first quarter of 2023 was as gloomy as expected

GDP growth in Q1/2023 according to the General Statistics Office increased by only 3.32% over the same period, the consumption index of the whole processing and manufacturing industry decreased by 2.9%. Purchasing Managers' Index (PMI) in March only around 47.7, the volume of new orders decreased due to weak demand of customers. As expected, economy was not growing fast in Q1/2022. We expect the situation to be more optimistic in the third quarter of this year.

Industrial production index - IIP (%)



Source: GSO, Company data, Shinhan Securities Vietnam

Banks set growth targets in line with industry orientation

According to our observations, banks tend to prioritize asset quality management, review current loans and set a more conservative growth target for 2023. VCB, CTG, VPB , ACB or VIB all set a target of growing EBT around 15%. Meanwhile, TCB expects profit to drop 14% to reflect difficulties in the market.

Business plans in 2023 of some major banks

Stock	Business plan of 2023
VCB	Credit growth 12.8%, NPL ratio below 1.5%, EBT increase at least 12%
CTG	Credit growth 10-12%, NPL ratio below 1.8%, Total assets increased 5-10%
VPB	Credit growth (parent bank) 33%, individual bad debt ratio below 3%, EBT up 13%
TCB	Credit growth of 15%, NPL ratio below 1.5%, EBT down 14%
ACB	Credit growth at 14-15% (according to the system target), NPL ratio below 2%, EBT increased by 17.2%
VIB (approved)	Credit growth by 25%, EBT by 15.3%

Source: Company data, Shinhan Securities Vietnam

SBV decided to reduce interest rates could help banks reduce lending rates

In just one month, the State Bank of Vietnam issued 2 decisions to reduce the policy interest rate. The main interest rates are changed as follows:

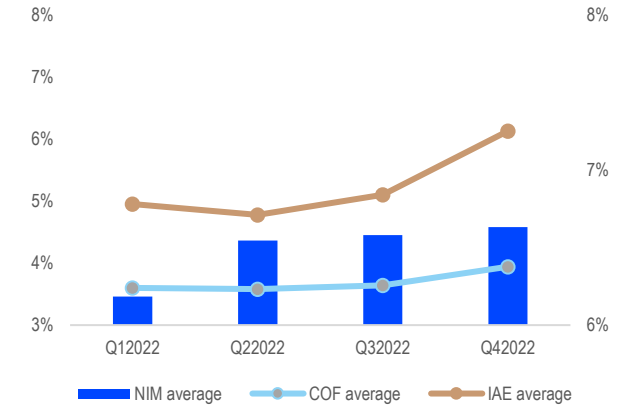
1) Refinance interest rate reduced from 6% to 5.5%
2) Rediscount rate from 4.5% to 3.5%
3) Overnight lending rate in interbank electronic payment remains unchanged at 6%
4) Maximum short-term lending interest rate in Vietnam from 5.5% to 4.5%
5) Reducing the ceiling interest rate on demand deposits under 1 month from 1% to 0.5%
6) Reduce the ceiling interest rate for 1 to 6 month deposits from 6% to 5.5%

Given the slow credit demand in the first couple months of the year, the reduction of the SBV's policy interest rate could help reduce the COF of the bank for the remainder of 2023 and thus create a basis for banks to reduce the lending interest rate.

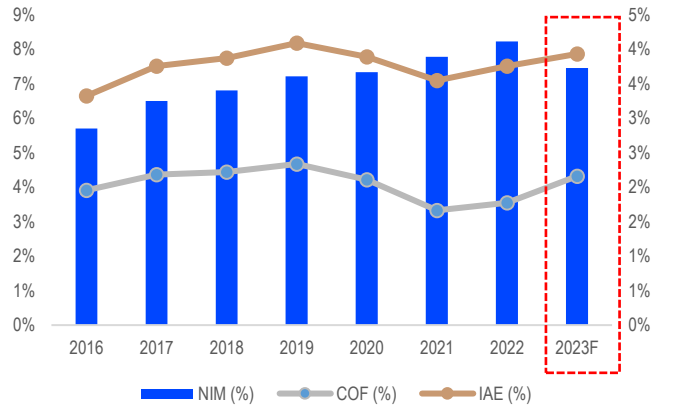
NIM of banks may decrease slightly

Although the State Bank has decided to reduce interest rates, for the NIM of banks listed on HOSE may be slightly reduced by 40 bps. Average cost of capital and average return in 2023 will reach 4.3% and 7.9%, respectively.

Cost of fund - COF , Asset yield - IAE, Net profit margin - NIM (%)

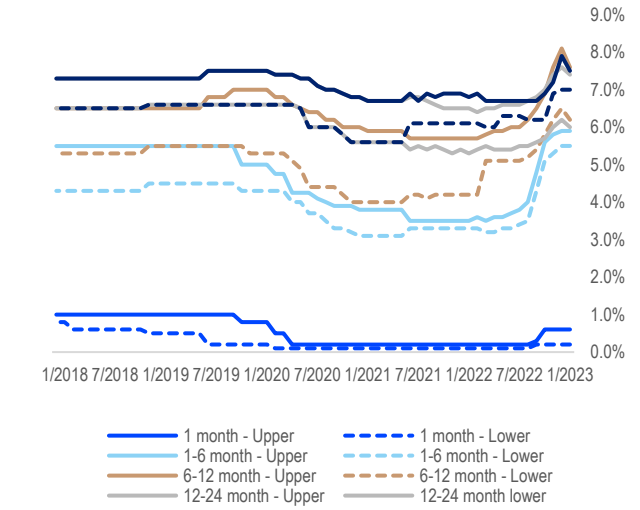


NIM of banks listed on HOSE (%)

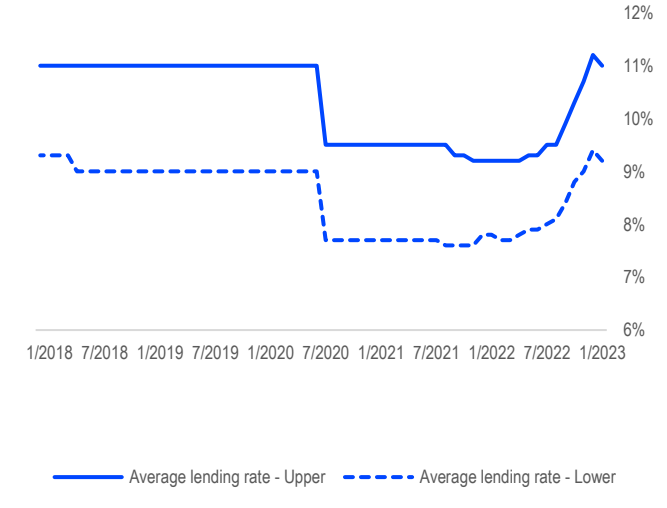


Source: Fiinpro, Company data, Shinhan Securities Vietnam

Average deposit interest rate (%)



Average loan interest rate (%)

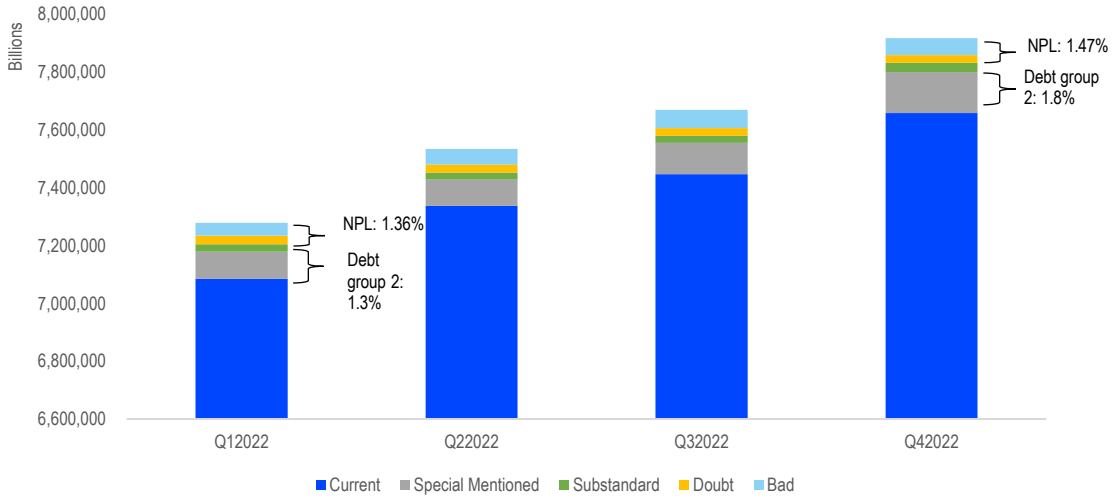


Source: SBV, Fiinpro, Company data, Shinhan Securities Vietnam

NPL ratio is forecasted to continue to increase but not to concern

Special mention loan (debt group 2) of banks listed on HOSE in the fourth quarter increased sharply by 31% compared to the previous quarter. The significant increase in debt group 2 reflects the difficulties that businesses face in the second half of 2022 when orders decrease, the real estate market cools down and interest rates rose sharply. We think this trend will continue in 2023, NPL of this group of banks is forecasted to increase from 1.47% to 1.81%. With a coverage ratio of 138%, we believe that the current position of banks could not face significant problems.

Non-performing loan ratio of listed bank on HOSE



Source: Fiinpro, Company data, Shinhan Securities Vietnam

Bank valuations are currently at attractive level

Policy interest rates in many major economies may decrease by the end of this year, helping to improve bank stocks valuation

Policy interest rates in major markets such as the US and EU are currently implied by the market to peak in the next 3-6 months. The last months of the year and the period 2024-2025 will be the time when central banks in the US and Europe make decisions to lower interest rates. Interest rates peaking soon will ease the pressure on exchange rate and help support the SBV's decision to lower interest rates just approved in March 2023.

Implied interest rates at some central banks (%)

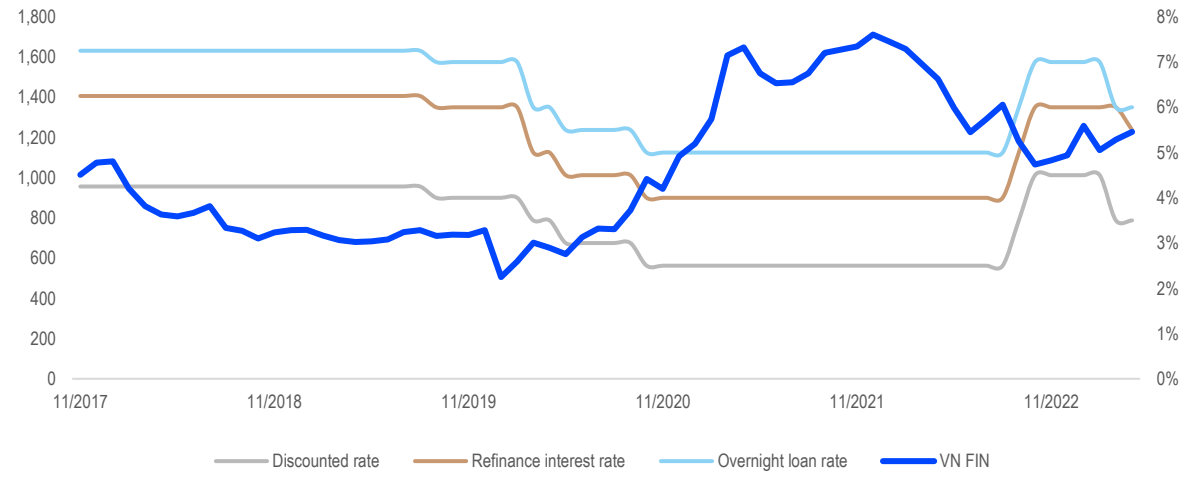
Market	Policy rate	1M	3M	6M	1Y	2Y	3Y
USA	4.88	4.89	4.95	4.77	4.05	2.98	2.82
EU	3.00	3.03	3.32	3.54	3.37	2.82	2.59
UK	4.25	4.26	4.51	4.66	4.40	3.78	3.53
AUS	3.60	3.66	3.64	3.54	3.35	3.00	3.07
China	2.00	1.27	1.63	1.60	1.77	2.04	2.30

Source: Bloomberg, Company data, Shinhan Securities Vietnam

The decrease in risk-free rate could have positive impact on stock valuation

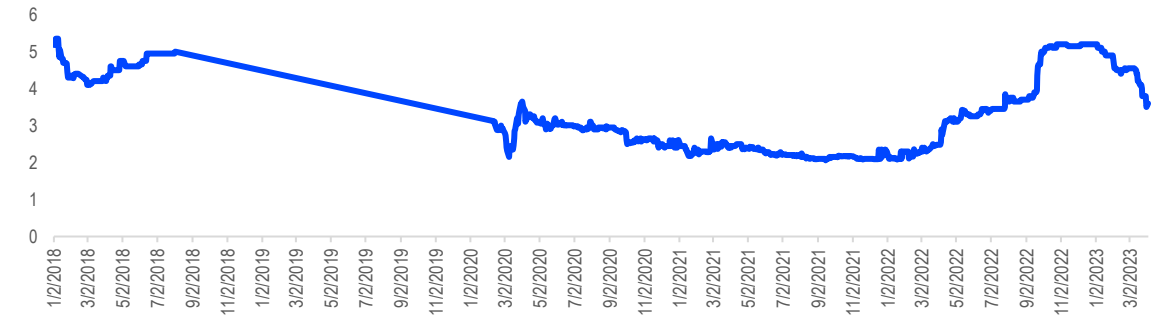
After the SBV's decision to cut the operating interest rate, 10-year bond yields fell from around 5.2% in November 2022, to 3.6% in early April 2023. 10-year bond yields are used to calculates the discount rate, so when bond yields fall, the valuation of the stock in the market will improve.

VNFIN Index and Policy interest rate



Source: SBV, Fiinpro Company data, Shinhan Securities Vietnam

Vietnam 10-Year bond yield (%)

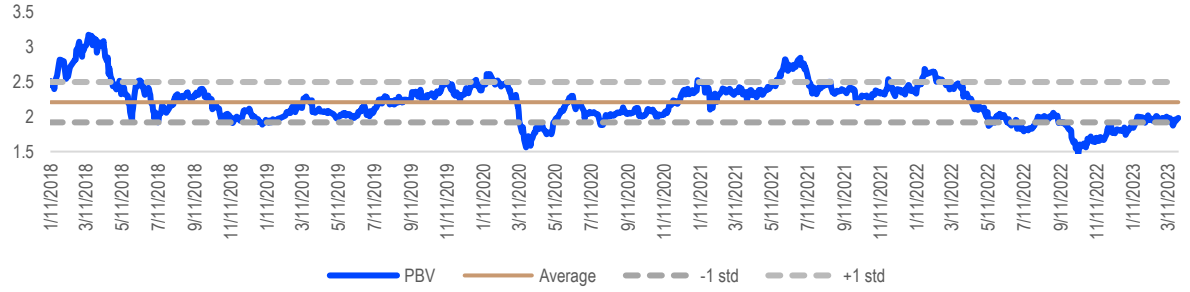


Source: Bloomberg, Company data, Shinhan Securities Vietnam

Bank PB valuation is currently trading below 5-year average

PB valuation of banks listed on HOSE is currently only 1.98x. This valuation is about 1 standard deviation below the 2018-2023 average, which is about 2.2x. This low valuation reflects concerns regarding the banking sector's non-performing loan and corporate bonds that will mature largely in 2023-2024. Looking at past trading data, shortly after SBV lowered interest rates, VN FIN index increased noticably. If the problems related to the real estate market can be solved, we expect the bank's valuation can gradually return to its average level.

P/B of banks listed on HOSE



Source: Bloomberg, Company data, Shinhan Securities Vietnam

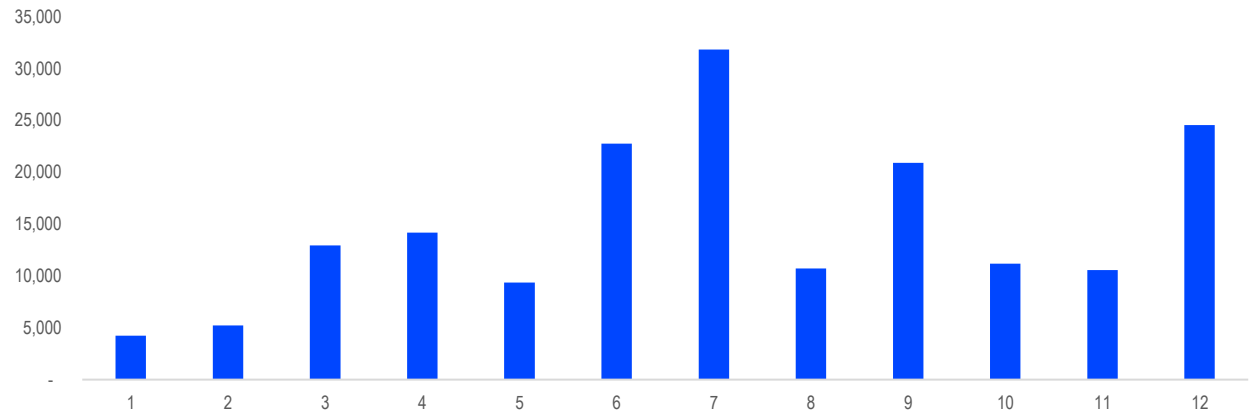
ACB was chosen by us for this report

ACB with a low proportion of real estate loans, focuses on lending to individual customers and small and medium enterprises. This bank is also one of the best asset management banks in recent years. We assess that ACB's business will be less affected by volatility related to corporate bonds and real estate businesses.

Investment risks

1) Systematic risk associated with the corporate bond market. With the maturity value in the period of 2023-2024 up to more than 500 trillion VND. According to aggregated data from HNX, real estate businesses account for 36% of the total value of bonds on the market. If the lackluster real estate market demand lasts longer than we forecast, bond repayment pressure could spread to bank loans

Value of bonds maturing in 2023 (VND billion)



Source: HNX, Company data on March 31st,2023

2) Changes to the policies may not meet the expectations of the real estate businesses and the market therefore takes more time to recover.

Asia Commercial Joint Stock Bank (HOSE: ACB)

Recommended BUY, target price VND33,500

With the residual method (RI) and the comparative method based on the P/B ratio, we update the target price for ACB for the next 12 months at VND33,500, upside potential at 33.2%. ACB is strategically oriented by management to be the leading retail bank in Vietnam. This is also a bank with a conservative development strategy and does not investing in corporate bonds. In terms of asset quality, this bank is one of the pioneer banks to complete the BASEL III standard. ACB has good credit growth and improves its business model over the years. We believe that ACB's stock is now discounted to an attractive price.

Banking focused on individual customers

In the past 5 years, the proportion of personal loans of ACB accounted for more than 80% of the total outstanding loans to customers. With individual customer loans accounting for the majority of total outstanding loans, ACB have a relatively low concentrating risk in its credit portfolio.

ACB does not invest in corporate bonds

ACB maintains a prudent loan portfolio and does not hold corporate bonds. According to ACB, real estate loans accounted for 24% of total loans. Of which 80% comes from individual mortgages. Given its low exposure to the real estate lending sector, we expect ACB's profitability to not face much pressure in 2023.

Asset quality is among the top banks

ACB's on-balance sheet bad debt ratio (NPL) during the period 2017-2022 was maintained below 1%. By the end of 2022, this number is sitting at 0.74%. The bad debt coverage ratio in 2022 has decreased compared to the previous year, but is still highly appreciated by us. The bank has set aside enough provision to cover up to 159.3% of the bad debt balance. The capital adequacy ratio as announced by the bank reached 11.96%.

Dividend plan

ACB is expected to pay a dividend of 25%, of which 15% is paid in shares and 10% in cash. If the plan is approved, the charter capital of ACB will increase to VND 38,840 billion.

Business forecast for 2023

We forecast 1) ACB's credit will grow about 14% in 2023, a lower growth rate than in 2022; 2) ACB's NIM decreased slightly by 24bps, to 4.02%, due to an increase in deposit interest rates; 3) Bad debt of the controlling bank is less than 1%; 4) CIR operating costs remain below 40%; 5) Non-interest income continues to grow above 20%; 6) ACB's EBT is conservatively forecasted to increase by 9% yoy.

Investment risk

1) Slower-than-expected economic recovery leads to lower-than-forecast ACB's credit growth
2) Interest rates continue to increase to control inflation

Year	2019	2020	2021	2022	2023F
Interest income (VNDbn)	12,112	14,582	18,945	23,534	25,097
Non-interest income (VNDbn)	3,985	3,579	4,619	5,257	7,070
Total operating income (VNDbn)	**16,097**	**18,161**	**23,564**	**28,790**	**32,166**
Provision and other expenses (VNDbn)	(8,581)	(8,565)	(11,566)	(11,676)	(13,553)
Profit before tax (VNDbn)	**7,516**	**9,596**	**11,998**	**17,114**	**18,614**
Credit growth (%)	16.56%	15.92%	16.19%	14.31%	14%
NIM (%)	3.55%	3.66%	4.01%	4.26%	4.02%
ROE (%)	24.64%	24.31%	23.90%	26.49%	23.78%

Source: Fiinpro Company data, Shinhan Securities Vietnam

Apendix: Financial statements of ACB

Balance sheet

Year (bn VND)	2019	2020	2021	2022	2023F
Total assets	**383,514**	**444,530**	**527,770**	**607,875**	**679,753**
Cash and precious metals	6,438	6,968	7,510	8,461	12,744
Balances with the SBV	10,420	16,617	32,350	13,658	7,939
Placements with and loans to	30,342	31,671	49,819	85,971	94,942
Trading securities	2,985	6,168	11,260	1,131	1,528
Derivatives and other financial assets	88	54	227	100	100
Loans and advances to customers	266,165	308,529	356,051	408,857	464,748
Debts purchase	-	-	-	-	-
Investment securities	55,956	63,399	59,475	75,535	82,524
Long-term investments	98	99	172	147	162
Fixed assets	3,770	3,783	3,763	3,981	4,352
Investment properties	362	349	216	177	177
Other assets	6,891	6,893	6,929	9,858	10,538
Total liabilities	**355,749**	**409,082**	**482,869**	**549,437**	**612,972**
Due to Gov and Loans from SBV	-	-	-	506	607
Deposits and Loans from other	19,249	23,875	54,394	67,841	75,409
Deposits from customers	308,129	353,196	379,921	413,953	463,627
Derivatives and other financial liabilities	-	-	-	-	-
Funds received from Gov, international and other	156	117	86	60	60
Convertible bonds/CDs and other	20,831	22,050	30,548	44,304	55,380
Other liabilities	7,384	9,844	17,920	22,772	17,888
Shareholder's equity	**27,765**	**35,448**	**44,901**	**58,439**	**66,782**
Capital	16,799	21,887	27,291	34,046	34,046
Reserves	4,596	5,742	7,164	9,220	10,270
Retained earnings	6,370	7,819	10,445	15,172	22,465
Minority interest	-	-	-	-	-
Total liabilities and equity	**383,514**	**444,530**	**527,770**	**607,875**	**679,753**

Income statement

Year (bn)	2019	2020	2021	2022	2023F
Interest and Similar Income	28,318	31,856	33,714	40,699	47,102
Interest and Similar Expenses	(16,205)	(17,274)	(14,769)	(17,165)	(22,005)
Net Interest Income	**12,112**	**14,582**	**18,945**	**23,534**	**25,097**
Net Fee and Commission Income	1,896	1,695	2,894	3,526	4,092
From foreign currency and gold	430	687	872	1,048	1,363
From trading of trading securities	75	167	450	(388)	183
From disposal of investment securities	54	732	244	21	21
Net Fee and Commission Income	1,500	280	139	990	1,351
Dividends income	29	19	20	59	59
Total non-interest income	**3,985**	**3,579**	**4,619**	**5,257**	**7,070**
Total operating income	**16,097**	**18,161**	**23,564**	**28,790**	**32,166**
General and Admin expenses	(8,308)	(7,624)	(8,230)	(11,605)	(12,825)
Operating Profit Before Provision (PPOP)	7,790	10,537	15,334	17,185	19,341
Provision for credit losses	(274)	(941)	(3,336)	(71)	(727)
Profit before tax	**7,516**	**9,596**	**11,998**	**17,114**	**18,614**
Corporate income tax	(1,506)	(1,913)	(2,395)	(3,426)	(3,723)
Net profit after tax	**6,010**	**7,683**	**9,603**	**13,688**	**14,891**
Attributable to parent company	6,010	7,683	9,603	13,688	14,891

Financial ratios

Year	2019	2020	2021	2022	2023F
Growth (% YoY)					
Loans to customers	16.56	15.92	16.19	14.31	14.00
Deposits from customers	14.12	14.63	7.57	8.96	12.00
Shareholders' equity	32.10	27.67	26.67	30.15	14.28
Total assets	16.45	15.91	18.73	15.18	11.82
Net interest income	16.88	20.39	29.92	24.22	6.64
Net non-interest income	8.58	-10.19	29.06	13.80	34.49
PPOP	6.40	35.27	45.53	12.07	12.55
Net profit before tax	17.65	27.67	25.03	42.64	8.76
Net profit after tax	16.99	27.84	24.99	42.54	8.79
Profitability (%)					
NIM	3.55	3.66	4.01	4.26	4.02
ROA	1.69	1.86	1.98	2.41	2.31
ROE	24.64	24.31	23.90	26.49	23.78
Liquidity (%)					
LDR	87.2	88.2	95.3	99.9	101.7
Asset quality					
Leverage (x)	13.81	12.54	11.75	10.40	10.18
NPL ratio (%)	0.54	0.59	0.77	0.74	0.85
LLR ratio (%)	175.0	160.3	209.4	159.3	171.5
Reverse/total credit (%)	0.94	0.95	1.62	1.17	1.46
Credit costs/total loans (%)	0.10	0.30	0.92	0.02	0.15
Credit costs/total credit (%)	0.10	0.30	0.92	0.02	0.15
Per share items (VND)					
EPS	3,614	3,554	3,554	4,053	4,409
BPS	16,699	16,399	16,618	17,303	19,773
PPOP/share	4,685	4,875	5,675	5,088	5,727

Source: Company data, Shinhan Securities Vietnam

Shinhan Securities Vietnam

Stock	Industry
◆ **BUY:** Upside potential in 12 months more than 15% ◆ **HOLD:** Upside potential in 12 months from -15% to 15% ◆ **SELL:** Upside potential in 12 months more than -15%	◆ **POSITIVE:** Based on market cap, largest share of sector stocks under coverage is rated BUY ◆ **NEUTRAL:** Based on market cap, largest share of sector stocks under coverage is rated HOLD ◆ **NEGATIVE:** Based on market cap, largest share of sector stocks under coverage is rated SELL

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