MILITARY COMMERCIAL JSB - MBB

Long-term growth drivers remain intact

FINANCIALS | Update

Add

Target price (12M)

VND29,300

Consensus*: Add:11 Hold:2 Reduce:0

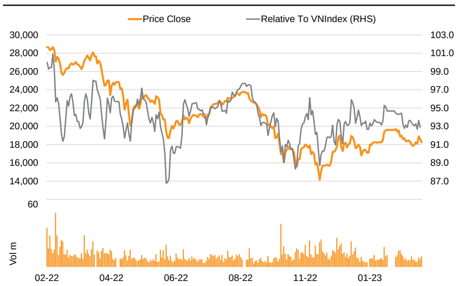
Target price / Consensus: -5%

Key changes in the report

- Lower FY23-24F net profit by 4%/6%
- Lower target price by 4%

Previous rating	Add
Previous TP	VND30,600
Current price	VND17,800
52w high (VND)	28,082
52w low (VND)	14,150
3m Avg daily value (VNDmn)	153,375
Market cap (VNDbn)	79,798
Free float	52%
Dividend yield	0%
TTM P/E (x)	4.6
Current P/B (x)	1.1

Price performance



Source: VNDIRECT RESEARCH

Ownership

Viettel Group	18.5%
SCIC	9.4%
Vietnam Helicopter Corporation	8.8%
Others	63.3%

Source: VNDIRECT RESEARCH

Analyst(s):

Quan Vu – Senior Analyst

quan.vuthe@vndirect.com.vn

- Against a challenging macro backdrop, we expect MBB's credit growth to moderate to 17% yoy over FY23-24F from 25% in FY22.
- Coupled with higher cost of funds (COF) pressure and rising credit risk, we forecast the bank's net profit (NP) growth to slow down to 10%/16% yoy over FY23-24F, respectively, after strong FY22 of 38% yoy growth.
- Reiterate Add rating with a lower TP of VND29,300.

Strong credit growth and NIM performance drove earnings growth in FY22

MBB delivered 25% credit growth yoy in FY22, among the highest in our coverage, driven by robust loan growth of 27% yoy. Deposit growth was also strong at 15% yoy as MBB succeeded in attracting nearly 7m new customers during FY22 to bring the number of customers the bank served as of end-FY22 to 20m. With strong customer acquisition, MBB surpassed TCB to achieve the highest CASA ratio in the system at 40.6% at end-FY22 (-1.8% pts qoq and -8.1% pts yoy). FY22 NIM improved by ~70bps to 5.8%, which is also among the highest in the system. Overall, MBB delivered strong NP growth of 38% yoy in FY22.

NPL ratio remains under control so far with high LLR but risks are rising

Asset quality deteriorated slightly as NPL ratio rose only by 5bps qoq and 20bps yoy to 1.1% at end-FY22. During FY22, the bank wrote off VND4.4tr (+24% yoy) of bad debts, implying write-off rate 1.1% (flat yoy). For MBB and other banks with relatively heavy exposure to the corporate bond market (~9% of total credit for MBB) and the real estate and construction sectors (30-35% of total credit, including mortgages), asset quality has been the biggest concern for investors. However, we note MBB's loan loss ratio (LLR) continues to be strong at 238% at end-FY22 vs. 268% at end-FY21, which should help mitigate the bank's provision burden under adverse scenarios. We currently forecast MBB's provision expenses will increase by 26%/14% yoy during the FY23-24F period, respectively, to VND9.9tr/VND11.3tr – which equate to ~2.0% of average loans vs. 1.9% in FY22.

FY23-24F outlook: slower earnings growth but profitability remains strong

We expect MBB's credit growth to slow down to 17% yoy over FY23-24F from 25% range over the past 3 years following SBV's initial guide of 14-15% for the system in FY23F. We forecast NIM will decline by 15bps to 5.6% in FY23-24F from FY22 level due to higher COF. Regarding operating expenses, we expect cost-to-income (CIR) ratio will improve slightly to 32.3%/32.0% in FY23-24F from 32.5% in FY22. Overall, FY23-24F NP is expected to grow 10%/16% yoy, to VND19.2tr/VND22.3tr. Under our forecasts, profitability will remain strong with ROE in the 21-23% range.

Headwinds largely priced in; reiterate ADD rating with lower TP of VND29,300

We believe much of the headwind / uncertainty around the bank's asset quality has been priced in as MBB is now trading at only 0.8x FY23F P/B, well below its 3-year average of 1.5x. At this valuation, we continue find MBB attractive for its long-term growth drivers including low COF advantage via top-tier CASA level and diversified ecosystem of financial services via its subsidiaries and affiliates. Thus, we reiterate ADD with slightly lower TP of VND 29,300. Downside risks include higher-than-expected bad debts and lower-than-expected credit growth.

Financial summary (VND)	12-21A	12-22A	12-23E	12-24E
Net interest income (bn)	26,200	36,023	41,961	48,640
Net interest margin	5.0%	5.7%	5.6%	5.6%
Total operating income (bn)	36,934	45,593	51,537	59,244
Total provision charges (bn)	(8,030)	(8,048)	(9,928)	(11,307)
Net profit (bn)	12,697	17,483	19,208	22,282
Net profit growth	53.7%	37.7%	9.9%	16.0%
Adjusted EPS	3,154	3,954	3,982	4,620
BVPS	15,768	16,751	20,987	25,902
ROAE	23.6%	25.8%	22.5%	21.0%

Source: VNDIRECT RESEARCH

Long-term growth drivers remain intact

Investment thesis

Despite near-term turbulence, we believe the long-term growth story of MBB remains compelling given the bank's following attributes: (1) above-average credit growth backed by strong liquidity position, participation in handling of weak credit institutions, and strength in high-growth areas such as renewable energy and retail lending, (2) low COF advantage driven by market leading CASA ratio to help sustain top-tier NIM, and (3) diversified ecosystem of financial services to empower long-term sustainable growth encompassing consumer finance, insurance (life and non-life), securities brokerage, and fund management. The subsidiaries providing these services outside the traditional lending business contributed to 11% of MBB's consolidated pre-tax profit in FY22, with significant headroom for growth.

At the current price, MBB is trading at merely 0.8x FY23F P/B, well below its 3-year average of 1.5x. We find this valuation attractive for investors seeking for high-quality growth in the long run. Downside risks include higher-than-expected bad debts and lower-than-expected credit growth.

Reiterate ADD with lower 1-year target price of VND29,300

We lower our 1-year TP by 4% to VND 29,300 following our downward revision of MBB's earnings by 4-6% over the FY23-24F period.

Specifically, for P/B valuation, we maintain target multiple of 1.4x on FY23F book value per share of ~VND21,000. With equal weights between the residual income valuation and P/B multiple valuation, we derive a target price of VND29,300 for MBB. Downside risks include higher-than-expected bad debts and lower-than-expected loan growth.

Figure 1: Target price calculation, based on our estimates

Approach	Weight	Fair value (VND/share)	Contribution (VND/share)
Residual income	50%	29,264	14,632
P/BV multiple (at 1.4x FY23F BVPS)	50%	29,382	14,691
Target price (VND/share)			29,323
Target price (VND/share, rounded)			**29,300**

Source: VNDIRECT Research

Figure 2: Key assumptions of residual income valuation, based on our estimates

GENERAL ASSUMPTIONS	2023F	2024F	2025F	2026F	2027F	Terminal
Risk free rate (5-year VGB yield)	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Equity risk premium	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%
Beta	1.1	1.1	1.1	1.1	1.1	1.1
Cost of equity	16.1%	16.1%	16.1%	16.1%	16.1%	16.1%
Long-term growth rate						3.0%
Opening shareholder's equity	75,949					
PV of RI (5 years)	26,294					
PV of Terminal value	30,439					
Implied Equity value	132,683					
No.of o/s shares (m shares)	4,534					
Implied value per share (VND/share)	**29,264**					

Source: VNDIRECT Research

Figure 3: Vietnam peer's comparison (price as of 03/09/2023)

Banks	Bloomberg Ticker	Recommendation	Closing Price	Target Price	Market cap	P/BV (x)		P/E (x)		FY21-24F EPS CAGR	ROE (%)		ROA (%)	
			(local curr.)	(local curr.)	(US$bn)	FY23F	FY24F	FY23F	FY24F	%	FY23F	FY24F	FY23F	FY24F
Vietcombank	VCB VN	ADD	93,000	84,600	18.4	2.7	2.3	15.4	13.5	14.3%	20.5%	19.3%	1.6%	1.6%
VietinBank	CTG VN	ADD	29,400	36,200	6.0	1.1	1.0	7.7	6.6	15.2%	16.4%	15.5%	1.0%	1.0%
Vietnam Prosperity JSC Bank	VPB VN	ADD	18,200	25,700	5.1	1.1	0.9	7.1	5.7	21.5%	16.3%	17.0%	2.8%	3.0%
Techcombank	TCB VN	ADD	27,800	44,000	4.1	0.7	0.6	3.9	3.4	16.4%	19.9%	18.7%	3.5%	3.5%
Asia Commercial JS Bank	ACB VN	ADD	25,350	30,000	3.6	1.2	1.0	5.8	5.3	19.3%	22.5%	20.1%	2.4%	2.3%
HD Bank	HDB VN	ADD	18,500	25,000	2.0	1.0	0.8	5.1	4.3	21.7%	23.2%	22.4%	2.2%	2.2%
Vietnam International Bank	VIB VN	ADD	21,200	27,000	1.8	1.2	0.9	4.7	4.0	20.8%	29.3%	26.2%	2.6%	2.7%
Tien Phong Commercial JSB	TPB VN	ADD	24,500	31,000	1.6	1.0	0.8	5.6	4.8	19.0%	19.4%	18.9%	2.0%	2.2%
LienViet Post Bank	LPB VN	ADD	14,800	15,700	1.1	0.9	0.8	5.7	5.0	23.2%	17.5%	16.7%	1.3%	1.3%
Average						***1.2***	***1.0***	***6.8***	***5.8***	***19.0%***	***20.5%***	***19.4%***	***2.2%***	***2.2%***
Military Commercial JSB	*MBB VN*	*ADD*	*17,800*	*29,300*	*3.4*	*0.8*	*0.7*	*4.2*	*3.6*	*20.6%*	*22.5%*	*21.0%*	*2.4%*	*2.4%*

Source: VNDIRECT Research, BLOOMBERG

4Q22/FY22 recap: in-line with our expectation with strong earnings growth primarily driven by NII growth

Figure 4: 4Q22 and FY22 results comparison (VND bn, otherwise noted)

Profit & Loss statement	4Q22	4Q21	% yoy	3Q22	% qoq	FY22	FY21	% yoy	VND FY22F forecasts	% of VND forecasts	Comments
Net interest income	9,630	7,170	34%	9,039	7%	36,023	26,200	37%	34,014	106%	Better-than-expected NIM
Non-interest income	2,122	2,947	-28%	1,948	9%	9,570	10,735	-11%	10,165	94%	Weaker-than-expected NFI and trading gains
Operating revenue	11,751	10,117	16%	10,986	7%	45,593	36,934	23%	44,179	103%	
Operating expenses	(3,628)	(3,463)	5%	(3,729)	-3%	(14,816)	(12,377)	20%	(14,800)	100%	
Pre-provision profit	8,123	6,654	22%	7,257	12%	30,777	24,557	25%	29,379	105%	
Provision expenses	(3,585)	(2,011)	78%	(962)	273%	(8,048)	(8,030)	0%	(6,946)	116%	We believe the bank took a cautious stance with regards to provision in 4Q22
Pre-tax profit	4,538	4,643	-2%	6,296	-28%	22,729	16,527	38%	22,433	101%	
Net profit (ex. MI)	3,434	3,526	-3%	4,879	-30%	17,483	12,697	38%	17,498	100%	

Source: VNDIRECT Research, Company reports

Figure 5: MBB's key ratios by quarter

Key ratios	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22
NII/Total Operating Income (TOI)	74%	70%	77%	75%	65%	74%	75%	71%	72%	80%	82%	82%
Non-II/TOI	26%	30%	23%	25%	35%	26%	25%	29%	28%	20%	18%	18%
NIM (annualised)	4.8%	4.7%	5.1%	5.3%	5.0%	5.4%	5.1%	5.2%	5.6%	5.7%	5.8%	5.8%
NPL	1.6%	1.4%	1.5%	1.1%	1.3%	0.8%	0.9%	0.9%	1.0%	1.2%	1.0%	1.1%
Loan-Loss-Reserves (LLR)	98%	121%	119%	134%	127%	236%	233%	268%	250%	221%	208%	238%
Credit cost (annualised)	3.3%	2.0%	1.3%	2.7%	2.3%	3.0%	2.1%	2.2%	2.2%	1.2%	0.9%	3.2%
CIR (cost-to-income)	32%	37%	42%	42%	31%	35%	35%	34%	31%	34%	34%	31%
Provision/Pre-provisioning operating profit (PPOP)	49%	29%	23%	43%	28%	42%	31%	30%	26%	19%	13%	44%

Source: VNDIRECT Research, Company reports

FY23-24F outlook: slower earnings growth but profitability remains strong

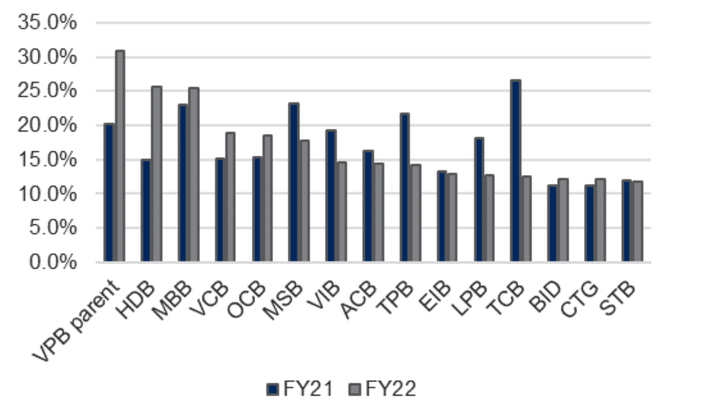
Credit growth to slow over FY23-24F amid macro challenges

For FY22, credit grew by 25.0% yoy, which was among the highest growth rates in the system. Strong loan growth of 26.7% yoy was the main driver behind credit growth, with significant contribution from Retail customers (+32.4% yoy). The bank continued to shift its credit mix towards this customer group, which now accounts for 48.1% of total loans (vs. 46.0% in FY21). Meanwhile, corporate bonds balance increased by 9.5% yoy but declined by 4.7% qoq as issuance activities have been largely frozen.

As Vietnam's economy is going through tough times due to stricter monetary policies, we forecast MBB's credit growth will slow over FY23-24F to 17% from 23-25% range over the past 3 years. Specifically, we assume 18-19% loan growth and flat growth in corporate bonds for each year. Although we expect MBB's credit growth to moderate, we believe strong liquidity position and the fact that MBB will be supporting a distressed credit institution will enable the bank to continue to receive above-average credit quota from SBV.

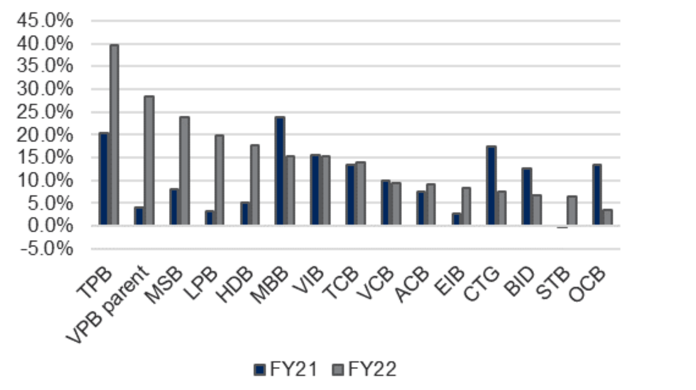
On the funding side, customer deposit grew by 15.3% yoy, which was better than the system at 6.0% yoy. Reasonably strong deposit growth continues to suggest MBB as one of the leading banking brands in Vietnam. Within customer deposits, CASA funds declined by 3.9% yoy in FY22. As a result, CASA ratio fell from 48.7% at end-FY21 to 40.6% at end-FY22, a trend seen at most banks. However, MBB actually surpassed TCB to achieve the highest CASA level among all banks. For FY23-24F, we forecast annual customer deposit growth of ~16% to support credit growth and CASA ratio to remain robust at 40%+ range.

Figure 6: MBB recorded the 3rd highest credit growth within our coverage for FY22



Source: VNDIRECT Research, Company reports

Figure 7: The bank's deposit growth in FY22 was also solid at 15.3% after a strong FY21



Source: VNDIRECT Research, Company reports

FY23F NIM under pressure due to rising COF pressure

In terms of NIM, MBB managed to improve its NIM by ~70bps bps to 5.8% in FY22 as its asset yield rose by ~80bps to 8.3% and its COF rose by only ~25bps to 3.0%. Increases in the weights of Retail loans and high-risk areas such as real estate contributed to higher asset yield. Meanwhile, COF increased only slightly given strong CASA funding as well as the fact that MBB did not have to raise its deposit rates until late in FY22 given its strong liquidity position.

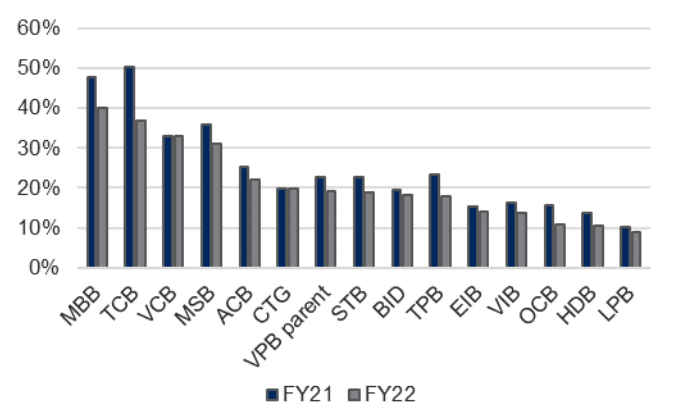
For FY23-24F, we forecast consolidated NIM at 5.6%, down slightly from 5.8% in FY22 as we think MBB can offset most of the impact of higher deposit rates / COF by increasing the Retail weight in its credit mix and maintaining its already strong CASA funding.

Figure 8: MBB managed to improve NIM in FY22 (Unit: bps)

	Asset yield	CoF	NIM
EIB	72	-36	106
STB	69	13	72
MSB	100	44	71
MBB	76	25	70
HDB	110	39	63
LPB	7	-20	38
VIB	65	52	34
OCB	63	31	34
ACB	28	3	25
VCB	16	5	24
VPB parent	40	50	20
BID	-5	-2	2
CTG	7	35	-3
TPB	7	43	-34
TCB	22	66	-41

Source: VNDIRECT Research, Company reports

Figure 9: MBB took over the #1 spot in CASA ratio from TCB in FY22



Source: VNDIRECT Research, Company reports

Non-II: we're not expecting significant growth in the near term

Non-II dropped by 10.9% yoy in FY22 with declines in most components except for net FX gains. Specifically, NFI (43% of FY22 non-II) declined by 5.3% yoy due to weaker income from securities brokerage activities per MBB. Net other income (22% of non-II), which primarily consists of bad debt recovery, dropped by 34.2% yoy. Net securities trading income (15% of non-II) declined by 12.6% yoy, likely due to lower bonds trading gains as rates went higher. Net FX gains (18% of non-II) was the only bright spot and rose by 28.0% yoy.

For FY23-24F, we forecast overall NFI growth at 10% yoy with the key driver being settlement and treasury services thanks to strong customer acquisition. For the brokerage (MBS), life insurance (MB Ageas), and non-life insurance arms (MBB owns majority stakes in all 3), we expect fee income growth to be modest as the growth outlook of these businesses is closely tied to the economy.

Solid operating expenses control

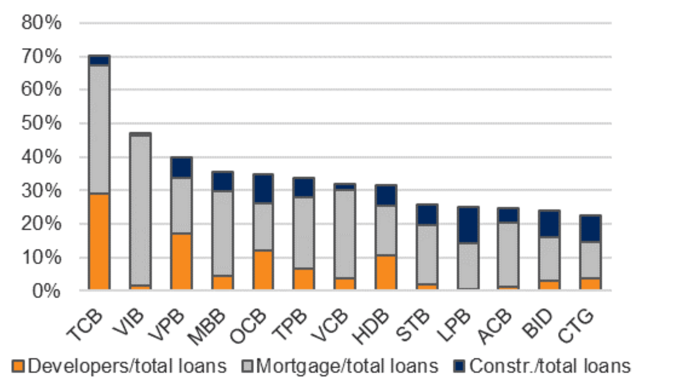
CIR ratio improved by 1.0% pts yoy to 32.5% in FY22 as MBB gained operating leverage from TOI growth despite expanding its work force by 6.3% and raising its average income per staff by 14.3% yoy. Regarding non-staff operating expenses, management indicates the bank will continue to prioritize investing in IT and digitalization to support its customer acquisition strategy. We expect CIR to improve slightly to 32.3%/32.0% in FY23-24F, respectively, vs. 32.5% in FY22 as MBB balances between investing into marketing/digitalization and realizing operating leverage from TOI growth.

Asset quality: NPL remains under control so far but risks are rising

Asset quality at MBB deteriorated slightly in FY22 as its NPL ratio increased by ~20bps yoy to 1.1% at end-FY22, among the lowest in the system. However, group 2 as % of loans increased more meaningfully yoy by 60bps to 1.7% at end-FY22. LLR declined by 30% pts yoy but improved qoq by 30% pts to 238%, the 2nd highest in our coverage and only behind VCB. Strong LLR should help the bank mitigate provision burden under adverse scenarios. We note MBB's corporate bond balance and loans to the real estate and construction sector (including mortgages) accounted for 9% and over 30% of the bank's total credit exposure, respectively, as of end-FY22.

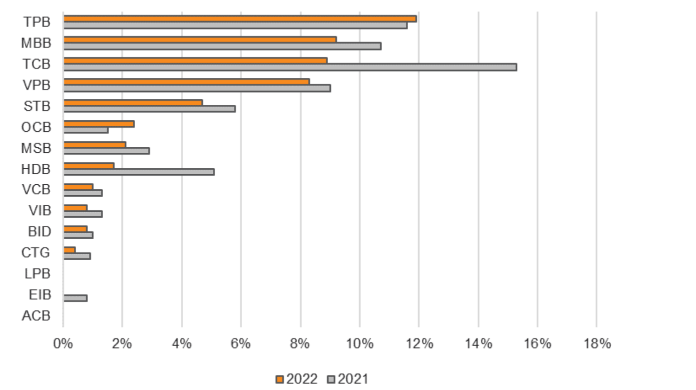
In terms of provisioning, we forecast provision expenses will increase by 26%/14% yoy in FY23-24F to VND9.9tr/VND11.3tr, respectively, which reflects our expectation of rising default risks especially in the real estate space. These are equivalent to ~2.0% of average loans, which is largely similar to FY22 level. We forecast NPL ratio to be stable at 1.1% in FY23-24F as we assume MBB will write off bad debts aggressively at 2.1%/1.7% of average loans, respectively, which is higher than just 1.1% in FY21-22.

Figure 10: MBB has relatively high credit exposure to the real estate/construction sectors



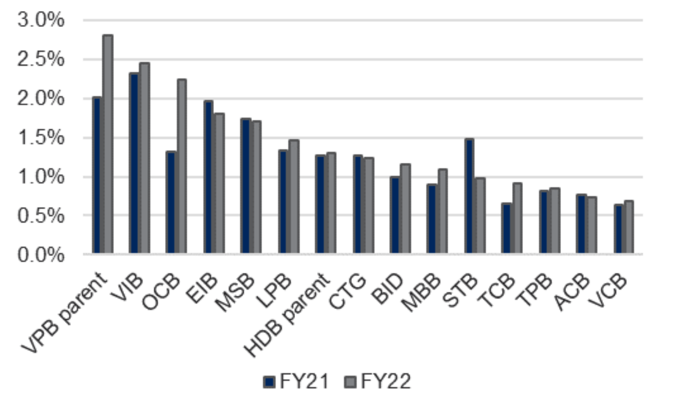
Source: VNDIRECT Research, Company reports

Figure 11: Its corporate bond exposure is also fairly sizeable as % of total credit exposure



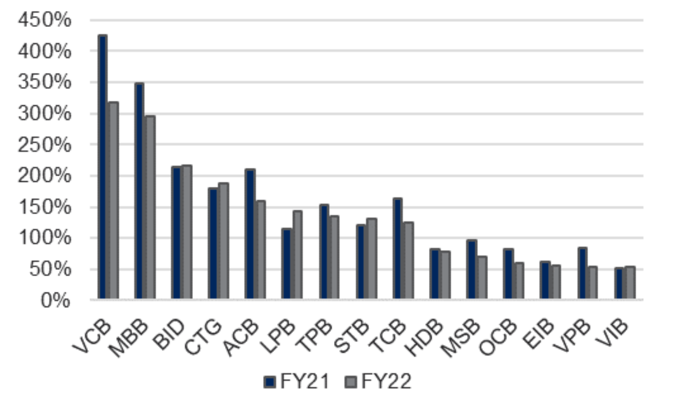
Source: VNDIRECT Research, Company reports

Figure 12: MBB's NPL ratio is in the lower range of our coverage



Source: VNDIRECT Research, Company reports

Figure 13: … while the bank's LLR is at the high end in our coverage



Source: VNDIRECT Research, Company reports

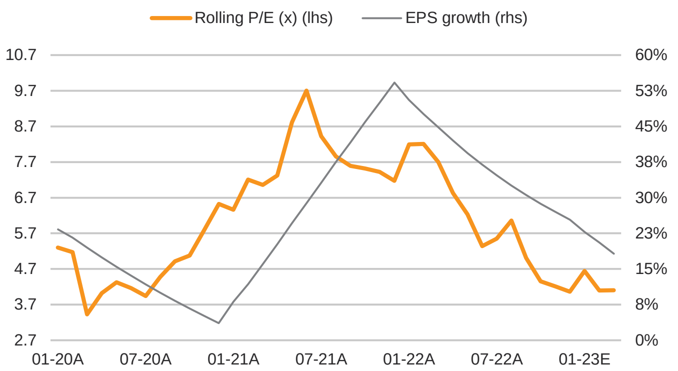
All in all, we revise MBB's net profit in FY23-24F lower by 4.5%/6.2%, respectively. Our revised forecasts still imply solid earnings growth of 9.9%/16.0% yoy over FY23-24F, respectively. Under our forecasts, MBB's ROE will remain strong in the 21-23% range.

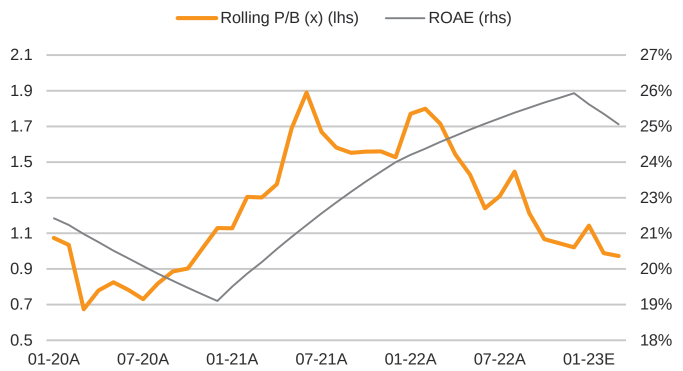
Figure 14: FY23-24F earnings revision (VNDbn unless otherwise noted)

	Old forecasts		New forecasts		Change		Comments
	FY23F	FY24F	FY23F	FY24F	FY23F	FY24F	
Net Interest Income	39,035	45,404	41,961	48,640	7.5%	7.1%	We increase our NIM assumption given better-than-expected results in 4Q22 and strong CASA performance
Non-Interest Income	11,891	13,907	9,577	10,605	-19.5%	-23.7%	We reduce NFI and securities trading gain given weaker-than-expected results in FY22
Operating revenue	50,926	59,311	51,537	59,244	1.2%	-0.1%	
Operating expenses	(17,569)	(20,462)	(16,633)	(18,973)	-5.3%	-7.3%	We lower CIR assumptions to reflect better-than-expected results in FY22
Pre-provision profit	33,356	38,849	34,905	40,271	4.6%	3.7%	
Provision expenses	(7,571)	(8,398)	(9,928)	(11,307)	31.1%	34.6%	We increase provision expenses with to reflect rising credit default risks and higher-than-expected provision in FY22
Pre-tax profit	25,786	30,451	24,976	28,964	-3.1%	-4.9%	
Net profit	20,113	23,751	19,208	22,282	-4.5%	-6.2%	

Source: VNDIRECT Research

Valuation





Income statement

(VNDbn)	12-22A	12-23E	12-24E
Net interest income	**36,023**	**41,961**	**48,640**
Non interest income	**9,570**	**9,577**	**10,605**
Total operating income	**45,593**	**51,537**	**59,244**
Total operating costs	(14,816)	(16,633)	(18,973)
Pre-provision operating profit	**30,777**	**34,905**	**40,271**
Total provision charges	**(8,048)**	**(9,928)**	**(11,307)**
Income from associates & JVs			
Net other income			
Pre-tax profit	**22,729**	**24,976**	**28,964**
Tax expense	(4,574)	(4,995)	(5,793)
Profit after tax	**18,155**	**19,981**	**23,171**
Minority interest	(672)	(773)	(889)
Net profit	**17,483**	**19,208**	**22,282**

Balance sheet

(VNDbn)	12-22A	12-23E	12-24E
Gross loans to customers	460,574	546,188	647,717
Loans to banks	32,937	36,357	40,131
Total gross loans	**493,512**	**582,545**	**687,848**
Securities - total	164,089	181,124	199,927
Other interest earning assets	40,731	44,847	49,391
Total gross IEAs	**698,331**	**808,516**	**937,166**
Total provisions	**(12,379)**	**(11,915)**	**(13,162)**
Net loans to customers	**448,599**	**534,719**	**635,047**
Total net IEAs	**685,952**	**796,601**	**924,004**
Cash and deposits	3,744	4,348	5,043
Total investments	861	1,000	1,160
Other assets	37,975	44,100	51,153
Total non-IEAs	**42,580**	**49,449**	**57,357**
Total assets	**728,532**	**846,049**	**981,361**
Customer deposits	443,606	515,536	599,129
Cds outstanding	96,578	106,604	124,712
Customer interest-bearing liabilities	540,184	622,140	723,841
Bank deposits	65,149	71,909	84,117
Broad deposits	605,332	694,049	807,959
Other interest-bearing liabilities	2,003	2,003	2,003
Total IBLs	**607,335**	**696,051**	**809,961**
Deferred tax liability			
Other non-interest bearing liabilities	41,584	50,404	48,634
Total non-IBLs	**41,584**	**50,404**	**48,634**
Total liabilities	**648,919**	**746,455**	**858,595**
Share capital	45,340	45,340	45,340
Additional paid-in capital	2,257	2,257	2,257
Treasury shares	0	0	0
Retained earnings reserve	19,064	38,272	60,554
Other reserves	9,289	9,289	9,289
Shareholders' equity	**75,949**	**95,157**	**117,439**
Minority interest	3,664	4,437	5,327
Total equity	**79,613**	**99,594**	**122,766**
Total liabilities & equity	**728,532**	**846,049**	**981,361**

	12-22A	12-23E	12-24E
Growth rate (yoy)			
Cust deposit growth	15.3%	16.2%	16.2%
Gross cust loan growth	26.7%	18.6%	18.6%
Net interest income growth	37.5%	16.5%	15.9%
Pre provision operating profit growth	25.3%	13.4%	15.4%
Net profit growth	37.7%	9.9%	16.0%
Growth in IEAs	21.3%	16.1%	16.0%
Share value			
Basic EPS (VND)	4,206	4,236	4,914
BVPS (VND)	16,751	20,987	25,902
DPS (VND)	0	0	0
EPS growth	25.4%	0.7%	16.0%

Key ratios

	12-22A	12-23E	12-24E
Net interest margin	5.7%	5.6%	5.6%
Cost-income ratio	(32.5%)	(32.3%)	(32.0%)
Reported NPLs / gross cust loans	1.5%	1.4%	1.3%
Reported NPLs / net cust loans	1.5%	1.4%	1.4%
GP charge / average cust loans	2.0%	2.0%	1.9%
Total CAR	11.5%	11.6%	11.5%
Loan deposit ratio	85.3%	87.8%	89.5%
Margins and spreads			
Return on IEAs	8.2%	9.5%	9.3%
Cost of funds	2.9%	4.6%	4.3%
Interest return on average assets	5.4%	5.3%	5.3%
ROAE	25.8%	22.5%	21.0%

Source: VND RESEARCH

DISCLAIMER

RECOMMENDATION FRAMEWORK

Stock Ratings	Definition:
Add	The stock's total return is expected to reach 15% or higher over the next 12 months.
Hold	The stock's total return is expected to be between negative 10% and positive 15% over the next 12 months.
Reduce	The stock's total return is expected to fall below negative 10% over the next 12 months.

The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.

Sector Ratings	Definition:
Overweight	An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
Neutral	A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
Underweight	An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.

Hien Tran Khanh – Head of Research
Email: hien.trankhanh@vndirect.com.vn

Quan Vu – Senior Analyst
Email: quan.vuthe@vndirect.com.vn

VNDIRECT Securities Corporation
1 Nguyen Thuong Hien Str – Hai Ba Trung Dist – Ha Noi
Tel: +84 2439724568
Email: research@vndirect.com.vn
Website: https://vndirect.com.vn