

Vietnam International Commercial Joint Stock Bank

(HOSE: VIB)

Hold

(Initial Report)

TP VND46.150**(+9,88%)**

Sustainable growth

Mirae Asset Securities (Vietnam) LLC.
 Nguyen Nam Son, son.nn@miraeasset.com.vn

Investment thesis

Impressive and sustainable growth in terms of size and profit

- As of June 30, 2021, Vietnam International Commercial Joint Stock Bank (VIB) has total assets of VND277.2tn, credit balance of VND182.9tn, and deposits from customers of VND168.1tn; up 13.3%, 8.1%, and 11.8%, respectively, from the start of the year. In 1H21, VIB continued the robust growth of 2017–2020, with CAGR of 25.7% in total assets, 28.5% in credit balance, and 30% in customer deposits.
- As of June 30, 2021, VIB has total operating revenue (TOI) of VND7,308bn, up 52% versus the same period in 2020. Profit before tax reached VND3,954 bn (+68% YoY), fulfilling 52.7% of the bank's 2021 target. In 1H21, the bank continued to improve its operational efficiency, lowering the operating expense to income ratio (CIR) to 37%. ROE LTM continues to lead the banking sector, at 32.8%.
- VIB's total NPL ratio fell to 1.32%, versus 1.46% at end-2020, while those of groups 3–5 fell from 1.74% to 1.69%. The bank's strictly-managed capital adequacy and liquidity ratios rank among the industry's best. Since 2017, VIB has maintained a loan-to-deposit ratio (LDR) of 71.9%–77.5% (versus a ceiling of 85%), and ratio of short-term capital for medium and long-term loans of around 35% (versus a ceiling of 40%). In 1H21, the LLR ratio rose to 63.8%, from 59.1% at end-2020.

Leading retail bank in Vietnam

- VIB is Vietnam's top bank, in terms of retail loan balance — at 94.8%, as of June 30, 2021. Since 2013, VIB has focused on its retail banking strategy, with its retail loan balance exceeding 50% for the first time, and remaining above 80% since 2019. In 1H21, VIB's retail loans grew by 14.5%, despite the pandemic. VIB's diversified, but retail-focused, lending book (home loans, auto loans, credit cards), and small average value per loan provide unique advantages in helping reduce concentration risk. This is especially crucial during the Covid-19 pandemic

Pioneer in new trends and using technology to customize products

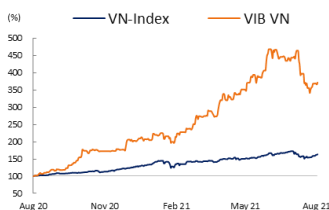
- A pioneer in cashless payment, VIB has invested heavily in the application of modern technology, including Big Data, artificial intelligence (AI), and cloud computing (Cloud), to quickly adapt to drastic changes in customers' demands.

Valuation and recommendation

Initiate at Hold and TP of VND46,150

- We initiate VIB at Hold, with a target price of VND46,150.

Key Data



Share performance

(%)	1M	6M	12M
Absolute	-16.8	66.1	269.4
Relative	-16.1	46.7	208.8

Current price (08/05/2021, VND)	42,000	Market cap (VNDbn)	61,660
NPAT (21F, VNDbn)	5,567	Shares outstanding (mn)	1,553
Consensus NPAT (21F, VNDbn)	-	Free float (%)	68
EPS growth (21F, %)	-12.5 ^(*)	Foreign ownership (%)	21
P/E (21F, x)	10.04	Beta (12M)	1.04
Market P/E (x)	16.8	52-week low (VND)	10,179
VN-Index	1,345.55	52-week high (VND)	54,214

Earnings and valuation metrics

Fiscal year (31/12)	12/31/2018	12/31/2019	12/31/2020	12/31/2021F	12/31/2022F	12/31/2023F
Net interest income (VNDbn)	4,825	6,213	8,496	10,176	13,340	16,559
Net fee income (VNDbn)	735	1,797	2,389	2,878	3,586	4,514
TOI (VNDbn)	6,086	8,152	11,216	13,313	17,200	21,264
NP (VNDbn)	2,194	3,266	4,642	5,567	7,333	8,919
EPS (VND)	3,873	3,894	4,096	3,584 ^(*)	4,721	5,743
ROE (%)	22.55%	27.11%	29.57%	26.82%	26.98%	25.31%
P/E (x)	4.54	7.96	5.65	10.04	8.90	7.31
P/B (x)	1.29	2.13	1.43	2.77	2.12	1.64
Book value (VND)	13,616	14,527	16,202	15,157	19,844	25,542

Source: Bloomberg, Mirae Asset Vietnam forecast, (*): This is 2021 fully-diluted EPS 2021. VIB paid 40% stock dividend in June 2021

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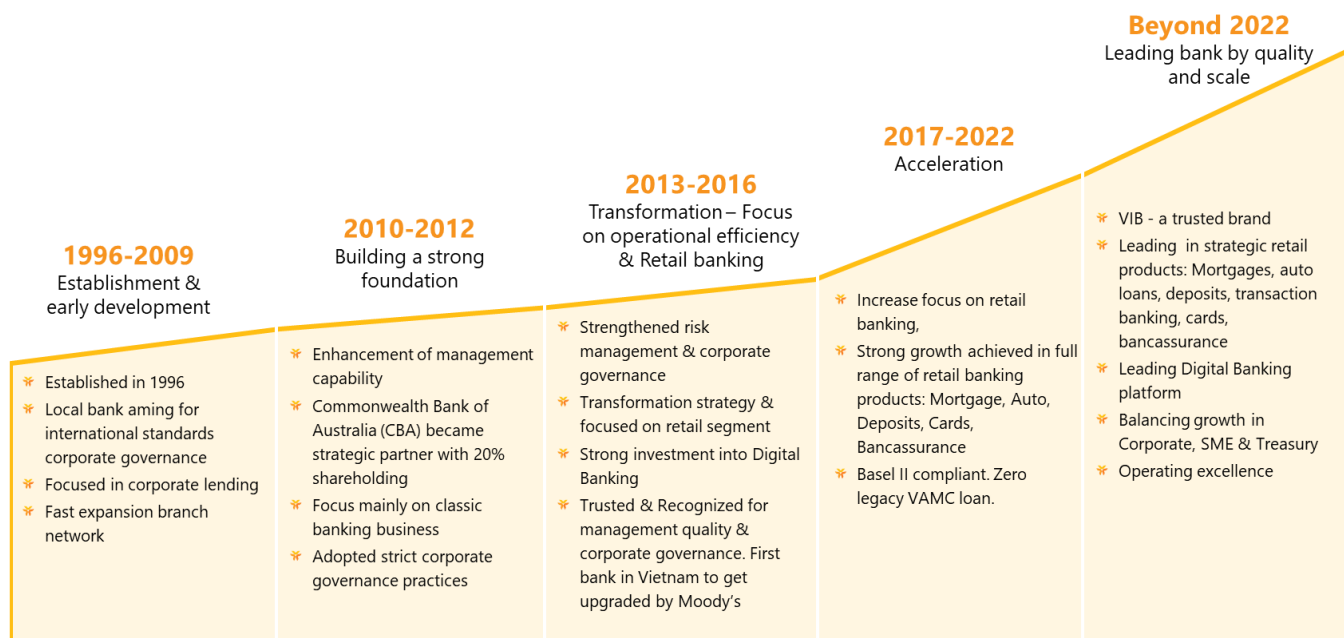
VIB Overview

Vietnam International Commercial Joint Stock Bank (HoSE: VIB), abbreviated as Vietnam International Bank (VIB), was established in 1996 with an initial charter capital of VND50bn and 23 employees. Since 2009, VIB has been implementing its transformation strategy with the support of Commonwealth Bank of Australia (CBA). In 2010, CBA purchased a 15% stake in VIB to become the strategic investor. In 2011, it then bought an additional 5%, increasing its stake to 20%, which it has continued to hold until now. In 2020, the bank was listed on the Ho Chi Minh City Stock Exchange with the VIB ticker.

As of December 31, 2020, VIB's charter capital reached VND11,094bn, with owner equity of VND17,972bn, and total assets of VND244tn. Currently, VIB has more than 9,400 employees, serving over 3mn customers at 165 branches and transaction offices in 27 key provinces/cities across the country.

VIB's business strategy is to focus on retail banking, with retail loans and retail customer deposits contributing approximately 94.8% of total loan book and 69.9% of customer deposits, as of June 30, 2021. Starting from 2017, VIB has gained a solid reputation in the car loan market, and boasts the segment's largest market share. In 2020, VIB still held the largest market share, at nearly 30% — up 4% YoY, according to statistics from the Vietnam Automobile Manufacturers Association (VAMA).

Figure 1: Historical and future development plans of VIB



Source: VIB, Mirae Asset Vietnam Research compilation

Currently, VIB locks its foreign ownership limit at 20.5%. VIB used to have a new-share issuance plan (through private placement). VIB is expected to reserve the remaining foreign ownership room (9.5%) for the upcoming private placement in the near future.

VIB's position and competitive advantages

In general, Vietnam's banking industry has ample room for growth, thanks to a favorable macroeconomic environment, if the pandemic is brought under control by August 2021. In addition, the combination of increasing numbers of people accessing financial services, a young population, a rising middle class, ongoing digital transformation, non-cash payments trend, and dramatic expansion in demand for capital market services will continue to boost the profits of the banking industry in the future.

To assess VIB's position in the banking industry, we compared VIB with 11 other banks, including three state-owned banks (VCB, BID, and CTG), and eight commercial banks (TCB, VPB, MBB, ACB, HDB, STB, TPB, and OCB). All comparisons are based on data collected from 2020 financial statements published by the banks and compiled by Mirae Asset.

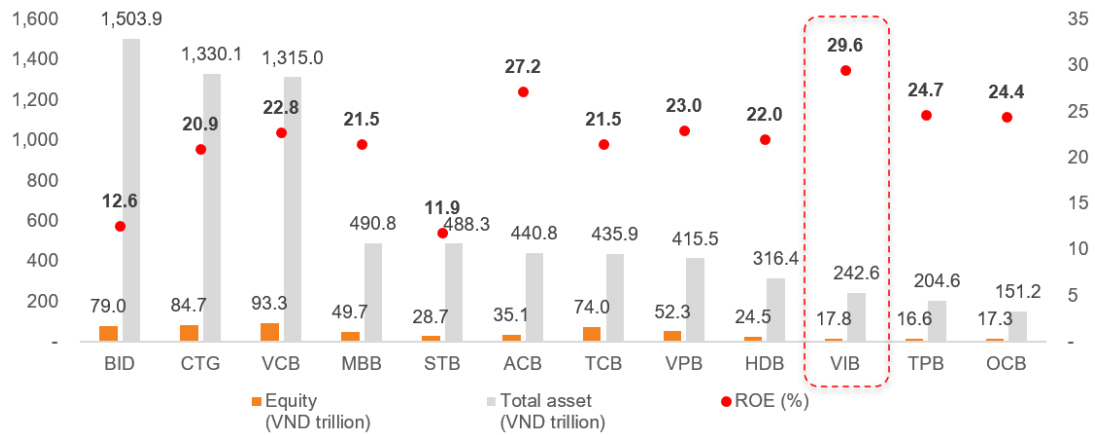
Figure 2: Size of VIB and other banks in 2020 and other key financial ratios

Ticker	Name	Market Cap (VND bn)	EPS LTM (VND)	LLR (%)	LDR (Pure %)	NPL (%)	CAR	NIM (%)	ROE (%)	ROA (%)	P/B	2021F P/B	P/E	2021F P/E	Equity (VND trillion)	Total asset (VND trillion)
State-owned bank																
VCB	BANK FOR FOREIGN	367,916	5,641	368.0	81.4	0.62	9.56	3.00	22.78	1.75	3.65	3.17	17.41	16.01	93.30	1,315.01
BID	BANK FOR INVESTM	172,396	2,455	89.2	97.2	1.76	> 8.00	2.60	12.62	0.65	2.12	1.93	17.34	18.30	78.97	1,503.85
CTG	VIETNAM JS COMM	164,024	3,647	132.0	100.0	0.94	> 9.00	2.99	20.93	1.38	1.80	1.50	9.26	8.87	84.69	1,330.09
Average					92.8	1.11		2.87	18.78	1.26	2.53	2.20	14.67	14.39		
Top Commercial JS banks																
TCB	VIETNAM TECHNOLO	183,635	4,573	171.0	100.0	0.47	16.10	4.97	21.50	3.59	2.21	2.03	11.38	11.20	73.98	435.88
VPB	VIETNAM PROSPERI	151,396	5,008	45.3	124.6	3.41	11.81	8.80	23.02	2.91	2.53	1.88	12.23	10.85	52.35	415.48
MBB	MILITARY COMMERC	113,120	2,740	134.1	83.8	1.09	10.42	4.91	21.49	2.21	2.13	1.84	10.85	10.14	49.68	490.79
ACB	ASIA COMMERCIAL	97,073	3,557	160.3	87.6	0.59	11.06	3.79	27.23	2.23	2.41	2.18	10.03	10.07	35.15	440.77
VIB	VIETNAM INTERNAT	65,100	3,720	59.1	112.8	1.74	10.01	4.51	29.57	2.16	3.10	2.77	11.19	10.04	17.82	242.61
HDB	HDBANK	56,464	3,052	82.1	96.6	1.32	12.10	4.70	21.99	1.75	2.30	1.93	11.49	10.30	24.49	316.43
STB	SACOMBANK	55,890	1,905	93.7	77.5	1.70	9.53	2.80	11.91	0.70	1.84	1.85	16.15	23.86	28.71	488.35
TPB	TIEN PHONG COMME	38,395	4,162	134.2	103.5	1.18	12.80	4.71	24.69	2.03	1.90	1.75	8.55	8.54	16.60	204.57
OCB	ORIENT COMMERCIA	33,768	3,040	62.1	97.5	1.69	12.85	3.23	24.43	2.61	1.73	1.56	8.10	7.13	17.29	151.24
Average					98.2	1.47		4.71	22.87	2.24	2.24	1.98	11.11	11.35		
Median										2.09			11.29			
Top Commercial JS banks																
SHB	SHB BANK	55,344	1,932	61.4	100.7	1.83	10.21	2.89	15.08	0.88	2.06	2.05	14.78	16.58	23.83	409.19
SSB	SOUTHEAST ASIA C	49,033	1,623	54.8	95.1	1.86	N/A	1.94	15.84	1.20	3.30	N/A	22.75	N/A	13.55	178.68
MSB	VIETNAM MARITIME	34,944	2,420	54.1	82.9	1.96	10.60	2.86	12.70	1.20	1.94	1.61	12.16	11.39	16.73	175.20
EIB	VIETNAM EXPORT-J	33,802	704	50.5	75.2	2.52	N/A	2.19	5.20	0.54	1.99	1.92	38.65	39.87	16.68	159.08
LPB	LIEN VIET POST J	31,230	2,201	89.6	101.2	1.43	10.81	3.02	19.42	1.19	2.01	1.85	11.71	12.65	14.11	240.29
ABB	AN BINH COMMERC	12,087	1,928	53.3	87.3	2.09	N/A	2.37	13.34	1.02	1.36	N/A	10.84	N/A	8.84	115.38
Average					90.4	1.95		2.55	13.78	0.97	2.11	1.88	18.48	18.37		
Average (12 banks)					94.7	1.57		3.68	19.10	1.67	2.24	1.99	14.16	14.11		

Source: VIB, 2020 audited FS of banks, Bloomberg, Mirae Asset Vietnam Research compilation (08/05/2020)

VIB is the first commercial JS bank recognized to have implemented Circular 41, one year ahead of schedule by the SBV in 2018.

Figure 3: Size & profitability of Vietnam's banks at end-2020

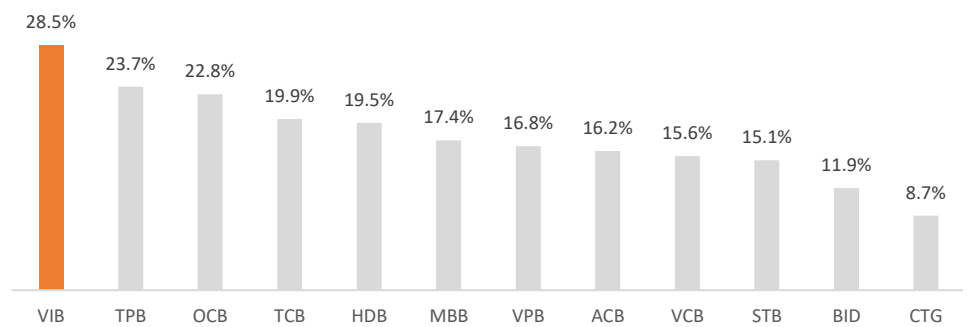


Source: VIB, 2020 audited FS of banks, Bloomberg, Mirae Asset Vietnam Research compilation (08/05/2020)

Compared with the other 11 banks used for comparison, VIB is the third smallest, in terms of total assets and equity, as of end-2020. However, VIB outperforms in term of profitability, with ROAE in 2020 reaching 29.6%. VIB achieved this impressive profitability due to its strategy of focusing on retail banking, as well as pioneering the use of technology to develop products & services, cross-sell products, and expand its network of retail customers.

The critical strategy a long with the low starting point has helped VIB impressively grow its loan book in the period of 2017 - 2020.

Figure 4: 2017–2020 loan book CAGR of Vietnam's banks



Source: VIB, 2020 audited FS of banks, Bloomberg, Mirae Asset Vietnam Research compilation (08/05/2020)

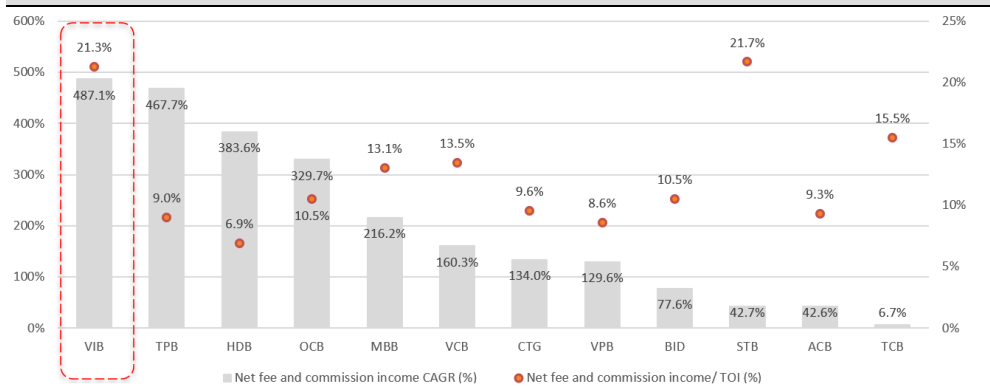
The strategy of focusing on retail banking is expected to help VIB maintain its high growth momentum in the light of:

- The 5-year average GDP growth target proposed by the government: ~6.5 % for the period 2021–2025
- Increasing urbanization of ~3% annually, with a young population (65% of the population is 15–64 years old)
- Increasing mass affluent
- The prolonged Covid-19 pandemic will have a big impact on enterprise customers, especially small and medium-sized enterprises (SMEs)

In 2020, the total number of VIB customers exceeded 3mn, of which the number of customers registered for digital banking via the MyVIB application increased by nearly 300%. In 2020, the number of customers activating digital banking services increased by 103%, and the number of online transactions rose by 110%. These factors have helped VIB become one of Vietnam’s top digital banking providers, with the highest online transaction volume — 91% of its total transactions.

According to VIB, thanks to the focus on service quality, transaction banking, and digital banking in recent years, the bank's non-credit activities have grown significantly, especially demand deposits (CASA), credit cards, and insurance (bancassurance). In 2020, the bank's non-interest income exceeded VND2,700bn, accounting for 24% of total revenue, +41% compared with 2019.

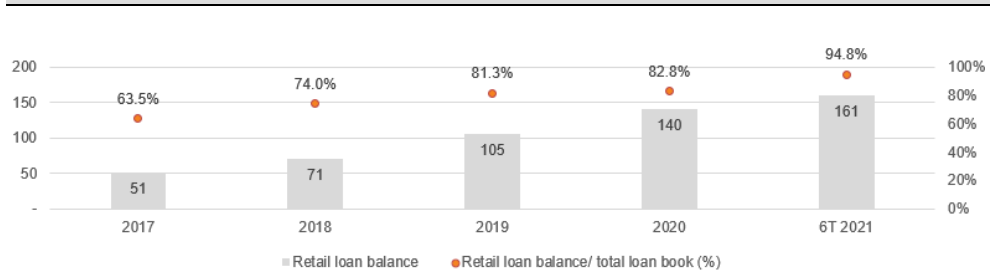
Figure 5: Net fee and commission income of Vietnam’s banks (CAGR 2017–2020)



Source: VIB, 2020 audited FS of banks, Bloomberg, Mirae Asset Vietnam Research compilation (08/05/2020)

As of June 2021, VIB is still the most retail-focused bank in Vietnam, with a retail loan balance of 94.8%.

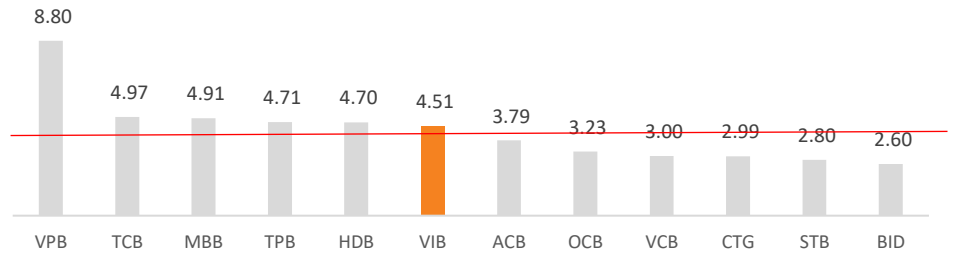
Figure 6: VIB’s retail loan balance and ratio of retail loan balance over loan book (2017–1H21)



Source: VIB, 2017–1H20 VIB audited FS

However, VIB does not have a CASA advantage. VIB’s CASA ratio remains quite low; 11.9% at end-2020, and 12% as of June 30, 2021. In the period 2017–2018, VIB did not have the advantage of CASA and low cost of mobilizing capital compared with some other rival banks. Starting from 2019, VIB started to promote short-term and medium-term mobilization from financial institutions in Vietnam and international capital markets. The balance of valuable papers reached more than VND17.1tn at end-2019 and VND28.5tn at end-2020, up 70% YoY and 66.5% YoY, respectively. In 2020, VIB successfully raised US\$255mn from foreign financial institutions. Thus, VIB’s NIM has improved markedly over the last two years, and is approaching that of the market leaders.

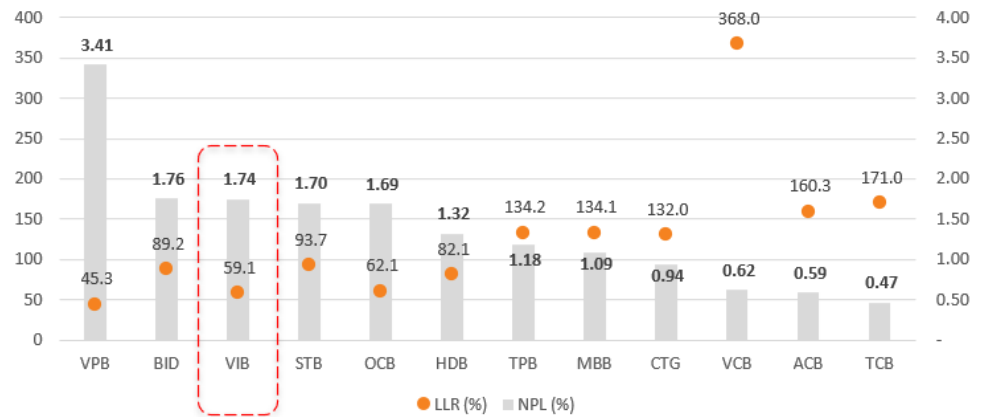
Figure 7: NIM (%) of Vietnam's banks in 2020 (average: 4.25%)



Source: VIB, 2020 audited FS of banks, Bloomberg, Mirae Asset Vietnam Research compilation (08/05/2020)

In recent years, while VIB's strong focus on retail banks has helped it achieve explosive growth, it has also kept VIB's bad debt ratio at a high level compared with those of other banks. Nevertheless, VIB remains quite confident of its position, as it has only made relatively small write-offs and provisions in the last few years, with 96% of the loans secured by collateral assets with a high discount rate (from 50% up to 80%).

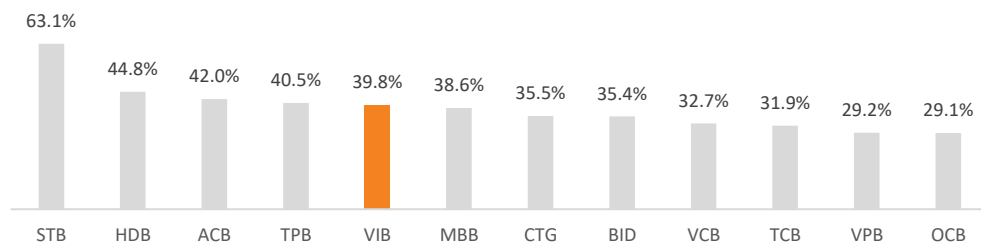
Figure 8: NPLs 3-5 (%) & LLR (%) of Vietnam's banks in 2020



Source: VIB, 2020 audited FS of banks, Bloomberg, Mirae Asset Vietnam Research compilation (08/05/2020)

In recent years, to meet the accelerated development, VIB's cost/income ratio (CIR) has remained around the industry average of 39.4%. The total number of employees increased sharply in 2020, up 32.2% YoY, from 7,112 to 9,400. The compensation budget accounted for 72.4% of business expenses in 2020.

Figure 9: CIR (%) of Vietnam's banks in 2020



Source: VIB, 2020 audited FS of banks, Bloomberg, Mirae Asset Vietnam Research compilation (08/05/2020)

Forecast & recommendation

1. Forecast

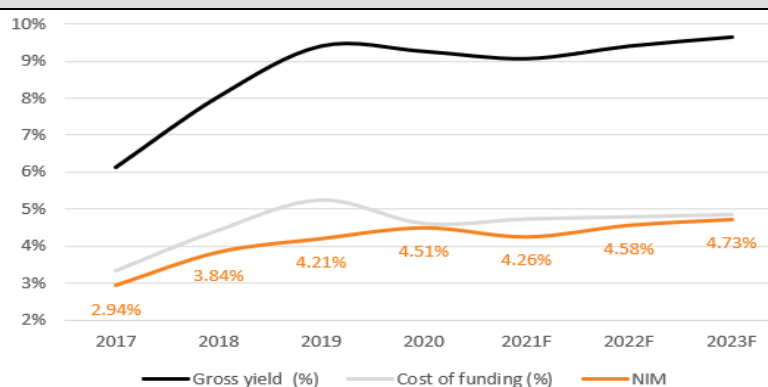
Based on historical performance, as well as the 2021 approved business plan, we make some key balance sheet assumptions, as follows:

Table 1: Assumptions for large items in balance sheet

	2018	2019	2020	2021F	2022F	2023F
Cash and balance with SBV (% of deposits)	3.8%	14.5%	14.5%	12.0%	12.0%	12.0%
% Cash	30.7%	5.7%	5.5%	5.6%	5.6%	5.6%
% Balance with SBV	69.3%	94.3%	94.5%	94.4%	94.4%	94.4%
Deposits with other CI growth	-18.1%	-52.3%	8.9%	14.0%	9.0%	9.0%
% Cash	91.8%	71.6%	64.8%	64.8%	64.8%	64.8%
% Loans	8.2%	28.4%	35.2%	35.2%	35.2%	35.2%
Gross loan growth	20.4%	34.4%	31.2%	25.0%	25.0%	20.0%
Investment securities						
Government bonds (liquidity mgmt.) - % of Deposits	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Government bonds - % of total liabilities	12.2%	5.7%	5.2%	5.2%	5.2%	5.2%
Bonds from other CI growth %	26.0%	79.3%	85.5%	5.0%	5.0%	5.0%
Customer deposit growth	24.1%	44.2%	22.9%	25.0%	25.0%	20.0%
Deposits and borrowings from other CIs/deposits	30.9%	19.5%	23.7%	20.0%	20.0%	20.0%
Interbank funding/deposits from other CIs	58.6%	52.1%	63.3%	60.0%	60.0%	60.0%
Bond and CD growth	12.2%	69.0%	66.5%	10.0%	10.0%	10.0%

In 1H21, VIB has a loan book of over VND182.9tn and deposits from customers of VND168.1tn, up 8.1% and 11.8%, respectively, compared with the beginning of the year. As retail loan balance usually increases strongly in the fourth quarter, we expect VIB to achieve a credit growth rate of 25% this year (5% lower than the 2021 AGM target of ~30%). This forecast assumes that Vietnam achieves effective control of the Covid-19 pandemic by August 2021.

Figure 10: Gross yield, cost of funding, and NIM forecast (2021–2023)



We expect VIB's NIM in 2021 to continue to improve, thanks to accelerating retail banking development and accessing new sources of funding to optimize costs. In 2Q21, VIB's NIM reached 4.6%. However, due to: 1) the continuing Covid-19 pandemic; 2) VIB's already-very-high (94.8%) retail loan balance; and 3) the likelihood that VIB may have to make more reductions in lending rates (to ease difficulties for customers) starting from 3Q21, we lower our 2021 NIM forecast to 4.26% in 2021 and expect it to improve in subsequent years.

Table 2: Net fee and commission income forecast

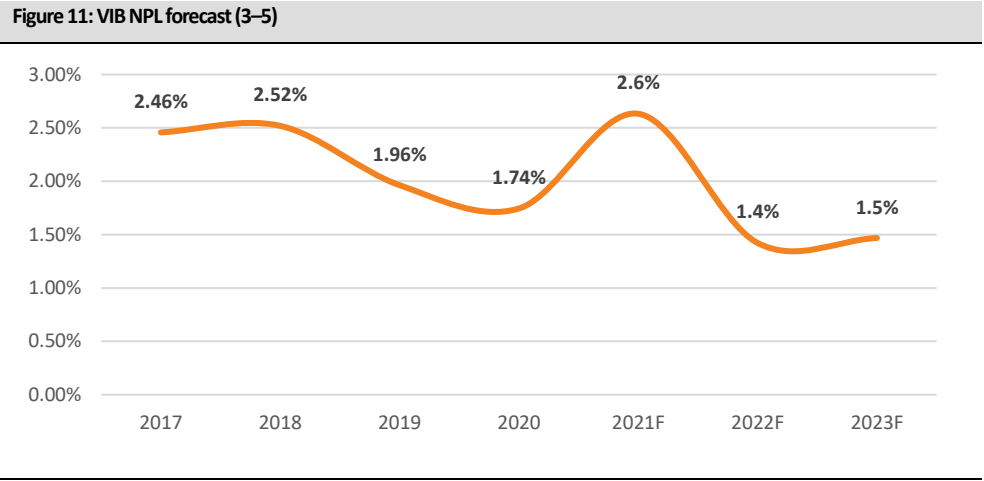
	2018	2019	2020	2021F	2022F	2023F
Settlement & cash services	335,239	552,324	891,415	1,247,981	1,747,173	2,446,043
Cashiering services	4,709	4,406	4,767	4,815	4,863	4,911
Consulting services	19,041	29	-	-	-	-
Trustee and agency services	1,772	1,902	1,736	1,910	2,101	2,311
Banca	239,888	1,111,629	1,217,277	1,339,005	1,472,905	1,620,196
Others	426,470	567,893	836,784	1,004,141	1,255,176	1,568,970
Total fee income	1,027,119	2,238,183	2,951,979	3,597,851	4,482,218	5,642,431
Fee expenses	(292,188)	(440,672)	(563,304)	(719,570)	(896,444)	(1,128,486)
NFI	734,931	1,797,511	2,388,675	2,878,281	3,585,774	4,513,944
NFI/TOI	12.1%	22.0%	21.3%	21.6%	20.8%	21.2%

Over the past two years, VIB has recorded outstanding bancassurance income and now holds the first or second position in the life insurance segment. According to Department of the Insurance Supervisory Authority of the Ministry of Finance, Vietnam's insurance sales/ GDP is currently at 3.07%, lower than the ASEAN average of 3.35%, Asia average of 5.37%, and world average of 6.3%. Over the past five years, the non-life insurance segment has recorded strong growth of over 20% per year, and is expected to maintain this double-digit growth until 2025. This is further reinforced by the continued growth in average income per capita.

Despite favorable business prospects, we assume VIB's insurance commission income will only grow at an average of 10% per year, due to: 1) fierce competition between banks, with many banks participating in this segment (bancassurance); and 2) future pressure, as the EVFTA agreement allows the increasing presence of foreign insurance companies in Vietnam.

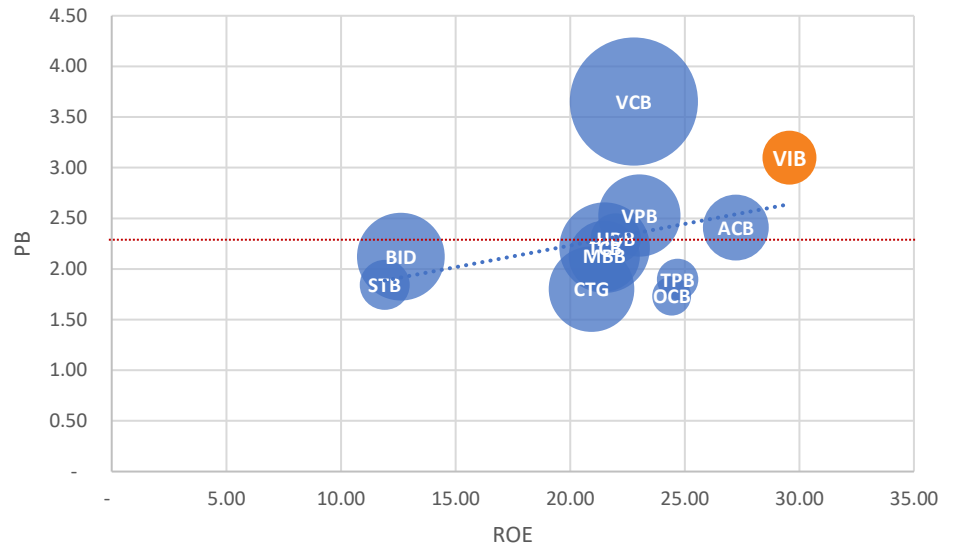
Regarding revenue from payment services, we still maintain an optimistic forecast, with a growth rate of 40% per year up to 2023 (the growth rates in 2018, 2019, and 2020 are 53.3%, 64.8%, and 61.4%, respectively). In a recent announcement, VIB said that its credit card opening and card spending rates reached an all-time high in 2Q21. VIB is a pioneer in applying modern technologies that help customers to register new credit cards completely online in a very short time.

In terms of NPL provision, we forecast the impact of the Covid-19 pandemic on VIB's total loan book in 2020. The provision will be made in 2022 and 2023 at the rate of 30% per year. To reflect the impact of the Covid-19 pandemic, we have increased our forecast for Group 5 NPL in 2021 up to 2.02%, in addition to our forecast that the bank will have to make aggressive provisions and write offs in 2022 and 2023.



2. Valuation & recommendation

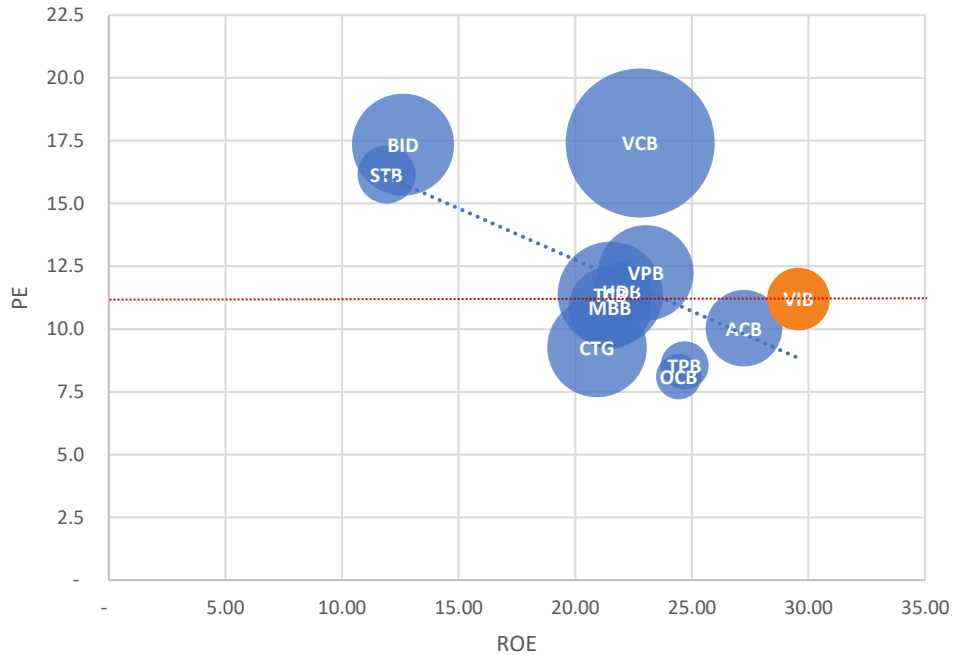
Figure 12: Market capitalization, P/B, and ROE 2020 (%) of Vietnam's banks



Source: VIB, 2020 audited FS of banks, Bloomberg, Mirae Asset Vietnam Research compilation (08/05/2020)

VIB is currently trading at a trailing P/B of 3.10x and forward P/B of 2.77x, compared with the other banks' average of 2.24x and 1.98x, respectively — equivalent to a premium of 38% compared with the industry average.

Figure 13: Market capitalization, P/E, and ROE 2020 (%) of Vietnam's banks



Source: VIB, 2020 audited FS of banks, Bloomberg, Mirae Asset Vietnam Research compilation (08/05/2020)

VIB is currently trading at a trailing P/E of 11.19x and forward P/E of 10.04x, compared with the other banks' average of 11.11x and 11.35x, respectively — equivalent to the industry average.

Because of VIB's solid growth potential, proven track record of profitability (ROE), and uniquely diversified loan book, minimizing concentration risks, VIB is currently trading with a trailing P/B of +38%, compared with the average of 12 comparable banks

If the pandemic situation is under control in August 2021, we believe that VIB will maintain a reasonable P/B valuation around 2.7x–3.0x, reflecting the expectation on the most profitable bank (in term of ROE) in Vietnam.

We forecast very high potential for the retail banking segment (home and car purchases), as well as demand for life insurance, and especially card payments, in the future. This is also consistent with the trend of non-cash payments taking place around the world. We assess that in the period of 2021–2023, VIB will continue to be a growth stock. We recommend Hold with a target price of VND46,150 (expected profit: +9.9%)

We used a combination of comparable and residual income methods to determine the fair value of VIB shares.

For the residual income method, we assume cost of equity of 12.24%, with forecast earnings as in the following page, and terminal growth rate of 5%. The target price according to this method is VND46,805/share.

Table 3: Target price

	2021F Book value	PB	Target price	Weight	W. Average
PB	15,157	3.0	VND45,470	50%	VND22,735
Residual income			VND46,805	50%	VND23,403
			Target price		VND46,138

Vietnam International Commercial JS Bank (VIB VN)

Income statement (summarized)

(VND bn)	2020	2021F	2022F	2023F
Interest Income	17,437	21,638	27,382	33,707
Interest Expense	(8,941)	(11,461)	(14,042)	(17,148)
Net Interest Income	8,496	10,176	13,340	16,559
Fee and commission income	2,952	3,598	4,482	5,642
Fee and commission expenses	(563)	(720)	(896)	(1,128)
Net fee and commission income	2,389	2,878	3,586	4,514
Income from foreign exchange activities	21	26	33	40
Income from trading securities	-	-	-	-
Income from securities investment	25	31	40	49
Net Other income	283	200	200	100
Equity Income	2	2	2	2
	-	-	-	-
Total Operating Income	11,216	13,313	17,200	21,264
Total Operating Expenses	(4,465)	(5,093)	(6,366)	(8,001)
Pre-provisions Operating Profit	6,751	8,221	10,834	13,263
Provision expenses	(948)	(1,262)	(1,668)	(2,114)
Profit Before Tax	5,803	6,958	9,166	11,149
Net Taxes	(1,161)	(1,392)	(1,833)	(2,230)
Net Profit	4,642	5,567	7,333	8,919
Minority interests	-	-	-	-
Net Profit Attributable to Parent	4,642	5,567	7,333	8,919
EPS (VND)	4,096	4,182	4,721	5,743

Statement of Financial Position (Summarized)

(VND bn)	2020	2021F	2022F	2023F
Cash and cash equivalents	1,422	1,475	1,812	2,151
Balances with SBV	24,592	24,849	30,527	36,241
Deposits and loans to other CIs	4,369	4,981	5,429	5,917
Net loans and advances to clients	167,772	209,737	262,522	315,010
Gross Loan	169,520	211,900	264,875	317,850
Provisions	(1,748)	(2,163)	(2,353)	(2,841)
Debt Purchases	249	199	159	127
Net Investment Securities	41,372	45,268	50,133	55,112
Net Long-term Investments	74	74	74	74
Fixed Assets	407	472	497	512
Net Other Assets	4,420	6,503	11,301	18,173
Total Assets	244,676	293,358	362,296	433,189
Liabilities	226,702	269,817	331,475	393,519
Deposits & borrowings from other CIs	42,488	43,873	53,898	63,987
Customer deposits	150,349	187,936	234,920	281,905
Trusted funds	10	12	15	18
Bonds & Certificates of deposits	28,559	31,415	34,556	38,012
Other liabilities	5,296	6,581	8,085	9,598
Shareholder's Equity	17,974	23,541	30,820	39,670
Charter Capital	11,094	15,531	15,531	15,531
Retained earnings	5,626	6,477	13,390	21,793
Share premium	1	1	1	1
Funds	1,253	1,531	1,898	2,344
Total Liabilities and Equity	244,676	293,358	362,296	433,189

Forecasts/Valuations (Summarized)

	2020	2021F	2022F	2023F		2020	2021F	2022F	2023F
Valuation					Growth ratios				
Average outstanding shares (mil)	1,017	1,331	1,553	1,553	Asset growth	32.6%	19.9%	23.5%	19.6%
Year-end outstanding shares (mil)	1,109	1,553	1,553	1,553	Loan growth	31.2%	25.0%	25.0%	20.0%
EPS (VND)	4,096	4,182	4,721	5,743	Customer deposit growth	22.9%	25.0%	25.0%	20.0%
EPS growth	5.19%	2.09%	12.91%	21.63%	Capital growth	33.8%	31.0%	30.9%	28.7%
BVPS (VND)	16,202	15,157	19,844	25,542	Pretax profit growth	42.2%	19.9%	31.7%	21.6%
PE forward (@VND42,000)		10.04	8.90	7.31	Net profit growth	42.1%	19.9%	31.7%	21.6%
PB forward (@VND42,000)		2.77	2.12	1.64	PPOP growth	43.2%	21.8%	31.8%	22.4%
Capital Adequacy Ratio					Profitability & Efficiency				
CAR	10.1%	N/A	N/A	N/A	ROA	2.16%	2.1%	2.2%	2.2%
Equity/Total Assets	7.3%	8.0%	8.5%	9.2%	ROE	29.57%	26.8%	27.0%	25.3%
Equity multiplier	13.6	12.5	11.8	10.9	Average funding cost	4.61%	4.73%	4.79%	4.85%
Asset quality					Average gross yield	9.25%	9.05%	9.39%	9.63%
Risk assets to total assets ratio	82.6%	83.9%	83.1%	82.1%	NIM	4.51%	4.26%	4.58%	4.73%
NPL ratio groups 3-5	1.74%	2.6%	1.4%	1.5%	NII/ TOI	75.8%	76.4%	77.6%	77.9%
NPL ratio groups 2-5	3.2%	3.6%	2.4%	2.5%	CIR	39.8%	38.3%	37.0%	37.6%
Loan loss coverage group 3-5 (LLR)	59.1%	38.8%	62.5%	60.9%	Provision expense/ TOI	8.4%	9.5%	9.7%	9.9%
Loan loss coverage group 2-5	31.9%	28.1%	36.7%	36.2%	Liquidity				
% write-off	0.28%	0.40%	0.56%	0.51%	Pure LDR	112.8%	112.8%	112.8%	112.8%
% NPLs pre-write-off	2.03%	3.03%	1.98%	1.98%	LDR	76.6%	80.5%	81.9%	82.8%
NPLs formation	0.53%	1.64%	-0.13%	0.80%	Interbank borrowing to total deposits	7.0%	6.7%	6.7%	6.7%
Credit cost	0.63%	0.66%	0.70%	0.73%					

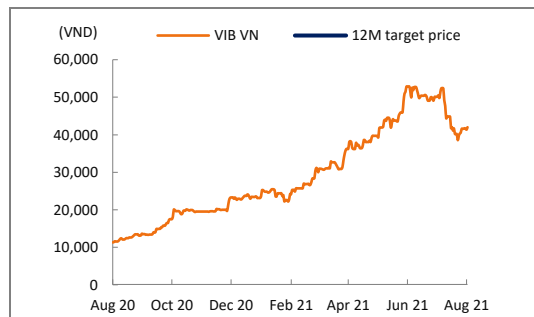
Source: Company financial statements, Mirae Asset Vietnam projection

APPENDIX 1

Important Disclosures & Disclaimers

2-Year Rating and Target Price History

Company (Code)	Date	Rating	Target Price
Vietnam International Commercial JS Bank (VIB VN)	08/05/2021	Hold	46,150



Stock Ratings

Buy	: Relative performance of 20% or greater
Trading Buy	: Relative performance of 10% or greater, but with volatility
Hold	: Relative performance of -10% and 10%
Sell	: Relative performance of -10%

Industry Ratings

Overweight	: Fundamentals are favorable or improving
Neutral	: Fundamentals are steady without any material changes
Underweight	: Fundamentals are unfavorable or worsening

Ratings and Target Price History (Share price (—), Target price (—), Not covered (■), Buy (▲), Trading Buy (■), Hold (●), Sell (◆))

* Our investment rating is a guide to the relative return of the stock versus the market over the next 12 months.

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Mirae Asset Securities (USA) Inc. 810 Seventh Avenue, 37th Floor New York, NY 10019 USA Tel: 1-212-407-1000	Mirae Asset Wealth Management (USA) Inc. 555 S. Flower Street, Suite 4410, Los Angeles, California 90071 USA Tel: 1-213-262-3807	Mirae Asset Wealth Management (Brazil) CCTVM Rua Funchal, 418, 18th Floor, E-Tower Building Vila Olimpia Sao Paulo - SP 04551-060 Brasil Tel: 55-11-2789-2100
PT. Mirae Asset Sekuritas Indonesia Equity Tower Building Lt. 50 Sudirman Central Business District Jl. Jend. Sudirman, Kav. 52-53 Jakarta Selatan 12190 Indonesia Tel: 62-21-515-3281	Mirae Asset Securities (Singapore) Pte. Ltd. 6 Battery Road, #11-01 Singapore 049909 Republic of Singapore Tel: 65-6671-9845	Mirae Asset Securities (Vietnam) LLC 7F, Saigon Royal Building 91 Pasteur St. District 1, Ben Nghe Ward, Ho Chi Minh City Vietnam Tel: 84-8-3911-0633 (ext.110)
Mirae Asset Securities Mongolia UTSK LLC #406, Blue Sky Tower, Peace Avenue 17 1 Khoroo, Sukhbaatar District 14240 Ulaanbaatar Mongolia Tel: 976-7011-0806	Mirae Asset Investment Advisory (Beijing) Co., Ltd 2401B, 24th Floor, East Tower, Twin Towers B12 Jianguomenwai Avenue, Chaoyang District Beijing 100022 China Tel: 86-10-6567-9699	Beijing Representative Office 2401A, 24th Floor, East Tower, Twin Towers B12 Jianguomenwai Avenue, Chaoyang District Beijing 100022 China Tel: 86-10-6567-9699 (ext. 3300)
Shanghai Representative Office 38T31, 38F, Shanghai World Financial Center 100 Century Avenue, Pudong New Area Shanghai 200120 China Tel: 86-21-5013-6392	Ho Chi Minh Representative Office 7F, Saigon Royal Building 91 Pasteur St. District 1, Ben Nghe Ward, Ho Chi Minh City Vietnam Tel: 84-8-3910-7715	