

Vietnam

ADD (previously HOLD)

Consensus ratings*: Buy 3 Hold 3 Sell 0

Current price:	VND49,450
Target price:	VND59,500
Previous target:	VND68,000
Up/downside:	20.9%
CGS-CIMB / Consensus:	-18.5%
Reuters:	VPB.HM
Bloomberg:	VPB VN
Market cap:	US\$3,245m
	VND74,046,600m
Average daily turnover:	US\$9.15m
	VND206,737m
Current shares o/s:	1,497m
Free float:	72.7%
*Source: Bloomberg	

Key changes in this note

- FY18-19F pre-tax profit decreased by 2.1-3.5%.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	-5.6	-20	
Relative (%)	-6.3	-12.3	

Major shareholders

	% held
Mr. Ngo Chi Dzong	4.5
Mr. Bui Hai Quan	2.3
Mr. Lo Bang Giang	0.1

Analyst(s)



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Vietnam Prosperity JSC Bank

Growth on track but concerns over investigation into consumer finance operation casting a shadow

- VPB reported a 1Q18 pre-tax profit growth of 36.1%, driven by NIM expansion and strong Non-Il growth. 1Q18 net profit was in line at 24.5% of our full-year forecast.
- Loan growth was weaker at 3.5% YTD (vs. 5.2% YTD growth in 1QFY17).
- We think the impact of the State Bank of Vietnam's planned investigation into VPB's consumer finance arm, FE Credit, will result in short-term headwinds.
- We cut our FY18-19F EPS forecasts by 2.2-3.6%, on lower loan growth expectations for FE Credit. Consequently, our TP falls to VND59,500.
- We upgrade our rating to Add from Hold as we think the sharp price correction is overdone.

Decent topline growth

VPB's 1QFY18 NII grew 24.8% yoy, driven by 24.1% yoy loan growth and an impressive 14bp yoy increase in NIM. Non-Il surged by 183.1% yoy, driven by a 3.1% fee income growth, 159.4% growth in income from investments and a four-fold increase in Other Income. The latter stemmed from the bancassurance business which was mostly contributed by AIA's upfront payment of VND850bn to VPB. Operating revenue grew 41.7% yoy, in line with expectation, forming 24.2% of our FY18F forecast.

Modest loan growth, strong deposit growth, improving LDR

Modest YTD credit growth in 1QFY18 of 3.5% (versus 5.2% ytd growth in 1QFY17) was roughly in line with the FY18 guidance of 23.0% but slower than the 26.3% growth seen last year. The standalone bank's and FE Credit's loan balance grew by 3.4% YTD and 4.1% YTD, respectively. On the other hand, customer deposits surged by 7.2% YTD, mainly stemming from rising term deposits (+10.6% YTD). We estimate that the pure LDR decreased to 129.7% by end-1Q18 from 134.4% at end-FY17.

Asset quality deteriorated but this is not a surprise

The end-1Q18 NPL ratio rose 70bp from 3.4% at end-FY17 and even higher than the 3.5% level seen in 1Q17. We estimated that end-1Q18 NPL ratio of standalone bank and FE Credit were 3.6% and 5.9%, respectively, up 70bp and 90bp versus last year end, respectively, as the bank aggressively pushed into unsecured loans, including household and micro SME banking. Provision expenses rose 57.4% yoy, causing annualised credit costs to rise to 5.6%, from the 4.3% level seen in 1Q17.

The impact of investigation into FE Credit is a short-term headwind

SBV will launch an inspection of FE Credit this year, for allegedly harassing clients after multiple complaints that the firm had been used threats to collect overdue debts. In our view, the potential public relations fallout could damage FE Credit's brand name and potentially hurt near-term credit growth. Thus, we lower our FY18F FE Credit loan growth forecast to 25%, from 30% previously, but maintain 30% for FY19-20F. As a result, our pretax profit forecasts are cut by 2.1% and 3.5% for FY18F and FY19F, respectively.

Buy on dips

Concerns over the SBV investigation has dragged VPB's share price down by 22%, outpacing the sharp 16% correction in banking sector stocks seen in May due to profit-taking. We believe that the impact of the investigation will be contained and the recent correction is a knee-jerk reaction by investors to the news; the bank remains well positioned to tap into the promising retail lending opportunity in Vietnam. We upgrade our rating to Add from Hold with a lower TP of VND59,500 (RI approach, COE:13.3%, LTG:4%). Downside risk is lower-than-expected loan growth.

Financial Summary

	Dec-16A	Dec-17A	Dec-18F	Dec-19F	Dec-20F
Net Interest Income (VNDb)	15,168	20,625	25,961	31,618	38,984
Total Non-Interest Income (VNDb)	1,696	4,399	5,164	5,504	6,110
Operating Revenue (VNDb)	16,864	25,023	31,125	37,122	45,094
Total Provision Charges (VNDb)	(5,313)	(8,002)	(9,479)	(11,056)	(13,444)
Net Profit (VNDb)	3,789	6,292	8,331	10,015	12,187
DPS (VND)	-	-	-	-	-
Dividend Yield	0%	0%	0%	0%	0%
BVPS (VND)	12,218	18,906	24,425	29,683	37,442
P/BV (x)	4.05	2.62	2.02	1.67	1.32
ROE	24.8%	26.8%	24.5%	23.6%	23.1%
% Change In BVPS Estimates			(0.50%)	(1.20%)	(1.70%)

SOURCES: CGS-CIMB-VND RESEARCH, COMPANY REPORTS

Growth on track

Figure 1: Results comparison

FYE (VNDbn)	1QFY18	1QFY17	yoy chg	4QFY17	qoq % chg	FY18F	Comments
Net interest income	6,027	4,829	24.8%	5,681	6.1%	26,503	slightly below our expectation, forming 23% of our FY18 forecast significantly outdid our expectation due to higher income from bancassurance and equity investments
Non-interest income	1,633	577	183.0%	1,768	-7.6%	5,189	
Operating revenue	7,660	5,406	41.7%	7,449	2.8%	31,692	inline, forming 24.2% of our FY18 forecast below as 1Q18 CIR is 33.2%, lower than our annualized CIR forecast of 35.5%
Operation expenses	2,389	1,797	32.9%	2,576	-7.3%	11,251	
Pre-provision profit	5,271	3,609	46.1%	4,873	8.2%	20,442	in line, forming 25.8% of our FY18 forecast
Total provision charges	2,652	1,685	57.4%	2,382	11.3%	9,613	in line, forming 27.6% of our FY18 forecast
Pre-tax profit	2,619	1,924	36.1%	2,491	5.1%	10,829	in line, forming 24.2% of our FY18 forecast
Tax rate (%)	20%	20%	N/A	22%	N/A	20.0%	
Net profit	2,089	1,537	35.9%	1,938	7.8%	8,516	in line, forming 24.5% of our FY18 forecast

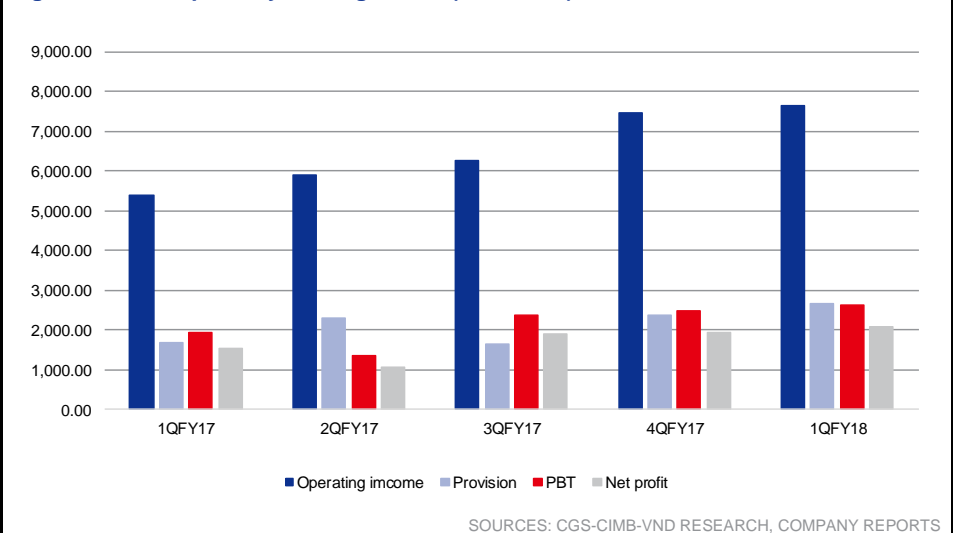
SOURCES: CGS-CIMB-VND RESEARCH, COMPANY REPORTS

Figure 2: VPB's key ratios by quarter

	1QFY17	2QFY17	3QFY17	4QFY17	1QFY18
NII/TOI	89.3%	80.7%	85.4%	76.3%	78.7%
Non-II/TOI	10.7%	19.3%	14.6%	23.7%	21.3%
NIM (annualized)	8.91%	8.42%	9.08%	9.08%	9.05%
CIR	33.2%	38.0%	36.3%	34.6%	31.2%
Loan-to-Deposit ratio	115.5%	123.0%	129.2%	134.4%	129.7%
NPL	3.5%	2.8%	3.1%	3.4%	4.1%
LLR	49.2%	57.2%	49.5%	50.8%	44.5%
Credit cost	1.1%	1.4%	0.9%	1.3%	1.4%
ROAA (annualized)	2.7%	1.8%	3.0%	2.9%	3.0%
ROAE (annualized)	34.2%	22.4%	32.1%	27.0%	27.3%

SOURCES: CGS-CIMB-VND RESEARCH, COMPANY REPORTS

Figure 3: VPB's quarterly earnings trend (in VND bn)



SOURCES: CGS-CIMB-VND RESEARCH, COMPANY REPORTS

We think the impact of SBV's planned investigation into FE Credit will create short-term headwinds

Recently, FE Credit – VPB's consumer finance arm - was implicated in allegations of client harassment after multiple complaints were lodged that the firm has been inundating customers with too many phone calls. The consumer protection agency sent a document summing up customers' complaints, saying that FE Credit had used threats to collect debts related to loans taken out to purchase cosmetics products from DeAura, one of FE Credit's partners. DeAura was reported to have enticed thousands of customers to sign loan agreements of nearly \$2,000 each without financial checks. Numerous DeAura customers said that they did not know that they signed a loan agreement. In addition, there were allegedly cases wherein customers were not qualified to get loans due to low creditworthiness but FE Credit still disbursed the money.

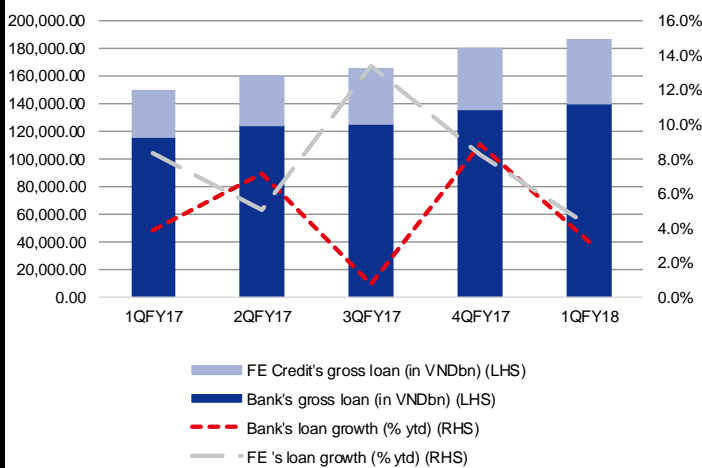
The SBV's Banking Supervision Agency announced that it will inspect FE Credit; however, this inspection is a periodic regimen already announced by the SBV at the end of 2017. It would look into all complaints following a document from the consumer protection agency documenting accusations by consumers.

FE Credit, quickly responded to those complaints, saying that it has complied with all regulations and disbursed loans for funding purchased of DeAura cosmetics only once the customers were found to have met all requirements. The Company, however, also admitted to certain misbehaviour via phone calls of its debt collectors which violates customer treatment rules, causing dissatisfaction among clients, adding that it would take measures to remedy this.

In our view, SBV is highly unlikely to curtail credit growth for FE Credit, but the investigation might negatively impact near-term credit growth due to a negative perception of FE Credit's brand. FE experienced incredible loan growth of 49.2% in FY17, riding the consumer lending boom in Vietnam. The company set lower loan growth targets of 30-35% for FY18F in order to improve asset quality. As of end-1Q18, FE Credit's loan balance was estimated to have grown by 4.1% YTD, far below the growth of nearly 8.1% YTD seen in 1Q last year as the company lost a number of sales staff and debt collectors to a competitor. Thus, we lower our forecasts on FE Credit loan growth to 25% from 30% for FY18F but still maintain the forecasted loan growth of 30% for FY19-20F as we think that this current set back is temporary in nature.

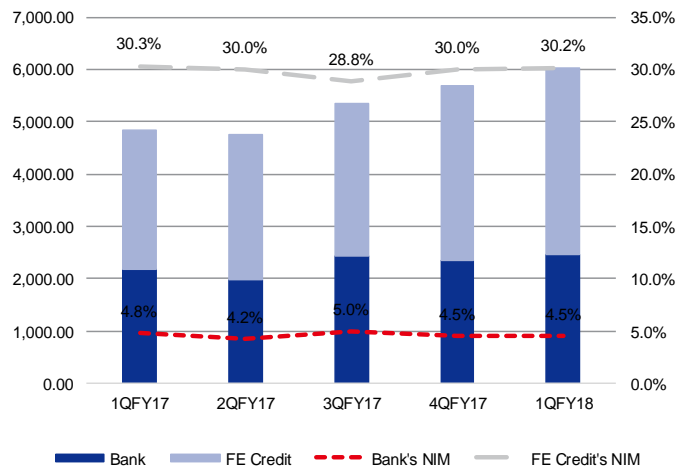
Currently, FE Credit accounts for 24.5% of VPB's consolidated loan book. However, FE Credit's contribution to VPB's NII was a rather significant 59.1% in 1Q18.

Figure 4: Bank's & FE Credit's gross loan balance and YTD growth



SOURCES: CGS-CIMB-VND RESEARCH, COMPANY REPORTS

Figure 5: Bank's & FE Credit's NII and NIM



SOURCES: CGS-CIMB-VND RESEARCH, COMPANY REPORTS

Greater regulatory scrutiny of consumer finance operations is not restricted to FE Credit

SBV recently sent out an official document requesting credit institutions to rectify their consumer lending activities, in reaction to growing complaints from customers. The major complaints are: 1) the high interest rates charged; 2) the inadequate/misleading information on the lending terms; and 3) the verbal harassment by debt collectors. We think any regulatory fallout of these investigations would not majorly hinder the continued growth of the sector.

It is true that consumer finance companies are charging a very high interest rates in the range of 36-37% per annum. However, these high interest rates are not against the law because the consumer finance companies are governed under the Law on Credit Institutions which does not stipulate a lending interest rate cap. Besides, we believe Vietnam's consumer finance market is still in its nascence with an undiversified product portfolio and low credit card penetration implying that lots of "low-hanging fruit" remain to be picked. Thus, consumer finance still has ample room for NIM expansion even if lending rates come under some scrutiny, going forward.

Secondly, consumer finance is helping support the rise in expenditure on house, car and durable goods, thereby boosting consumption and having a huge multiplier effect across the economy. Given that this sector is improving access to credit and supporting consumption for the low-to-middle income segment of the population, policymakers would have an interest in continuing to use it as a tool to support the government's development agenda.

Thirdly, SBV has requested credit institutions to review their internal regulations, ensure that the staff follow due process and improve the quality of recruitment and staff evaluation. So, any regulatory fallout might be related to more stringent process review and staff quality control requirements which will raise operating expenses of consumer finance companies rather than curtailing loan growth.

We lower our near-term forecasts on FE Credit's loan growth

We believe that while the SBV will not cut down the guidance on credit growth for FE Credit, negative publicity might hurt loan growth in the near term. Thus, we lower our forecasts on FE Credit's loan growth to 25%, from 30%, for FY18F but still maintain the forecasted loan growth of 30% for FY19-20F. We maintain our FY18-19F loan growth for the standalone-bank as we believe the bank's efforts to push into household and micro-SME banking this year will be the new drivers and, also, because any near-term damage to FE Credit's brand is unlikely to spill-over to the retail banking operation. Consolidated loan growth will soften by 140bp and 10bp in FY18F and FY19F, respectively, versus previous forecasts.

Consequently, we adjust our pretax profit down by 2.1% and 3.5% for FY18F and FY19F, respectively.

Figure 6: VPB's IEAs forecasts revision					
<i>(in VNDbn, otherwise noted)</i>					
		Old		New	
Interest-earnings assets (excl. Provision) "IEAs"	2017A	2018F	2019F	2018F	2019F
Average IEAs	238,483	285,111	335,485	283,991	332,909
% growth	21.5%	18.0%	17.4%	17.1%	17.3%
Loan balance	182,666	223,679	270,930	221,439	268,018
% growth	26.3%	22.5%	21.1%	21.1%	21.0%
<i>in which</i>					
Bank (non-FE)	22.5%	20.0%	18.0%	20.0%	18.0%
FE Credit	39.5%	30.0%	30.0%	25.0%	30.0%

SOURCES: CGS-CIMB-VND RESEARCH, COMPANY REPORTS

Figure 7: Earnings revision

FYE (VNDbn)	2017A	2018F			2019F			2020F		
		Old	New	%change	Old	New	%change	Old	New	%change
Net interest income	20,626	26,503	25,961	-2.0%	32,760	31,618	-3.5%	40,475	38,984	-3.7%
Non-interest income	4,399	5,189	5,164	-0.5%	5,544	5,504	-0.7%	6,154	6,110	-0.7%
Operating revenue	25,023	31,692	31,125	-1.8%	38,304	37,122	-3.1%	46,629	45,094	-3.3%
Operation expenses	8,895	11,251	11,049	-1.8%	13,789	13,364	-3.1%	16,786	16,234	-3.3%
Total provision charges	8,002	9,613	9,479	-1.4%	11,353	11,056	-2.6%	13,812	13,444	-2.7%
Pre-tax profit	8,126	10,829	10,597	-2.1%	13,162	12,702	-3.5%	16,030	15,417	-3.8%
BVPS (VND)	18,906	24,543	24,425	-0.5%	30,035	29,683	-1.2%	38,107	37,442	-1.7%

SOURCES: CGS-CIMB-VND RESEARCH, COMPANY REPORTS

Lower TP of VND59,500 as a result of higher COE and lower earnings forecast

Our previous TP was based on long-term residual income approach with COE of 12.4% and LTG of 4%). We revise up our COE to 13.3% from 12.4% as a consequence of lifting the RFR from 4.1% to 5.0%, reflecting the expected rise in 10 year Vietnam government bond yields. We lower our target price to VND59,500, based on higher COE and a lower earnings forecast.

We think the recent sharp re-rating of banking sector is mainly due to investors' profit-taking activities rather than a reaction to deteriorating fundamentals of the banking sector in Vietnam. The majority of Vietnamese banks recorded a new historical high in earnings growth in 1Q18 thanks to both strong NIM expansion and Non-Il growth. Thus we believe bank stocks will bounce back in the second quarter on evidence of continue growth momentum and compelling valuations.

Figure 8: Residual income model - key assumptions & input, based on our estimated

General assumptions	2016A	2017A	2018F	2019F	2020F	2021F	2022F
Risk free rate (10-year VGB yield)	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Equity risk premium	10.10%	10.10%	10.10%	10.10%	10.10%	10.10%	10.10%
Beta (source: BB, 1-y adj.beta)	0.82	0.82	0.82	0.82	0.82	0.82	0.82
Cost of equity	13.28%	13.28%	13.28%	13.28%	13.28%	13.28%	13.28%
Long-term growth rate							4.00%
Long-run COE							13.00%
<i>(in VNDbn, otherwise noted)</i>							
Opening shareholder's equity			29,693				
PV of RI (5 years)			17,871				
PV of Terminal value			41,463				
Implied EV			89,028				
No. of o/s shares (mn shares)			1,497				
Implied value per share (VND/share)			59,471				

NOTES: We round up our target price to VND58,500 as the tick size for stocks valued higher than VND50,000 is VND100.

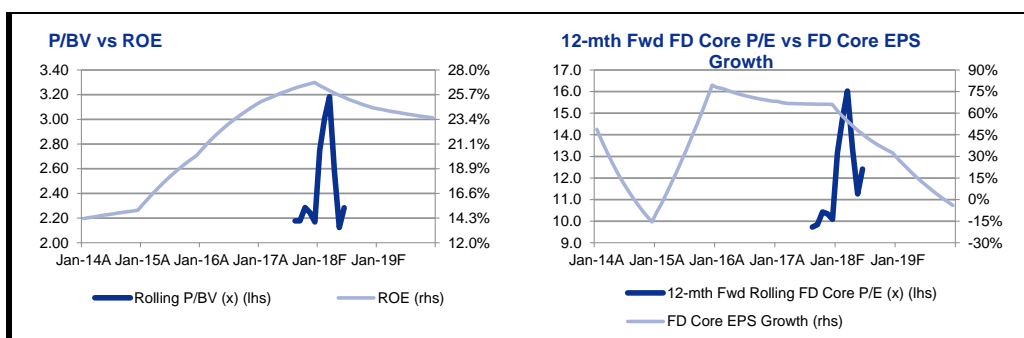
SOURCES: CGS-CIMB-VND RESEARCH, COMPANY REPORTS

Figure 9: Regional banking sector comparison (as at 6 Jun)

Company title	Bloomberg Code	Country	Recom.	Closing price	Target Price	Market cap	ROE (%)		P/BV (x)		P/E (x)	
				(local curr.)	(local curr.)	(US\$ m)	FY18F	FY19F	FY18F	FY19F	FY18F	FY19F
Bank Rakyat Indonesia	BBRI IJ	Indonesia	ADD	3,060	4,700	26,706	18.5%	19.8%	2.0	1.8	11.6	9.6
Bank Negara Indonesia	BBNI IJ	Indonesia	ADD	7,675	11,100	10,127	15.4%	16.1%	1.3	1.2	8.9	7.6
Indonesia average							16.9%	17.9%	1.7	1.5	10.2	8.6
Public Bank Bhd	PBK MK	Malaysia	HOLD	24	23	23,636	13.8%	12.6%	2.0	1.8	16.0	14.9
BIMB Holdings	BIMB MK	Malaysia	HOLD	4	5	1,660	14.6%	14.5%	1.4	1.3	9.9	9.1
Malaysia average							14.2%	13.6%	1.7	1.5	12.9	12.0
Siam Commercial Bank	SCB TB	Thailand	HOLD	136	140	14,410	13.3%	12.8%	1.2	1.1	11.6	11.3
Kiatnakin Bank	KKP TB	Thailand	HOLD	67	80	1,777	19.0%	19.4%	1.3	1.3	8.6	8.1
Kasikornbank	KBANK TB	Thailand	REDUCE	192	193	14,302	12.5%	12.7%	1.2	1.1	13.0	11.9
Thailand average							14.9%	15.0%	1.2	1.2	11.1	10.4
Vietcombank	VCB VN	Vietnam	ADD	53,300	79,500	8,421	16.3%	16.4%	3.1	2.6	20.2	17.3
ASEAN average							15.4%	15.5%	1.7	1.5	12.5	11.2
Vietnam Prosperity JSC Bank	VPB VN	Vietnam	ADD	49,400	59,500	3,245	24.5%	23.6%	2.0	1.7	9.4	8.1

SOURCE: CGS-CIMB-VND RESEARCH, BLOOMBERG

BY THE NUMBERS



Profit & Loss

(VNDb)	Dec-16A	Dec-17A	Dec-18F	Dec-19F	Dec-20F
Net Interest Income	15,168	20,625	25,961	31,618	38,984
Total Non-Interest Income	1,696	4,399	5,164	5,504	6,110
Operating Revenue	16,864	25,023	31,125	37,122	45,094
Total Non-Interest Expenses	(6,621)	(8,895)	(11,049)	(13,364)	(16,234)
Pre-provision Operating Profit	10,242	16,128	20,076	23,758	28,860
Total Provision Charges	(5,313)	(8,002)	(9,479)	(11,056)	(13,444)
Operating Profit After Provisions	4,929	8,126	10,597	12,702	15,417
Pretax Income/(Loss) from Assoc.	0	0	0	0	0
Operating EBIT (incl Associates)	4,929	8,126	10,597	12,702	15,417
Non-Operating Income/(Expense)	0	0	0	0	0
Profit Before Tax (pre-EI)	4,929	8,126	10,597	12,702	15,417
Exceptional Items					
Pre-tax Profit	4,929	8,126	10,597	12,702	15,417
Taxation	(994)	(1,688)	(2,119)	(2,540)	(3,083)
Consolidation Adjustments & Others					
Exceptional Income - post-tax					
Profit After Tax	3,935	6,438	8,478	10,162	12,333
Minority Interests					
Pref. & Special Div	0	0	0	0	0
FX And Other Adj.	(147)	(147)	(147)	(147)	(147)
Net Profit	3,789	6,292	8,331	10,015	12,187
Recurring Net Profit	3,789	6,292	8,331	10,015	12,187

Balance Sheet Employment

	Dec-16A	Dec-17A	Dec-18F	Dec-19F	Dec-20F
Gross Loans/Cust Deposits	117%	137%	154%	174%	198%
Avg Loans/Avg Deposits	103%	127%	146%	164%	186%
Avg Liquid Assets/Avg Assets	33.3%	30.4%	28.2%	26.1%	24.1%
Avg Liquid Assets/Avg IEAs	35.3%	32.3%	29.8%	27.3%	25.0%
Net Cust Loans/Assets	62.3%	64.6%	67.3%	69.8%	72.2%
Net Cust Loans/Broad Deposits	70.8%	77.1%	81.1%	84.2%	87.0%
Equity & Provsns/Gross Cust Loans	13.3%	18.0%	19.3%	19.6%	20.4%
Asset Risk Weighting	73.8%	86.1%	88.0%	88.6%	89.0%
Provision Charge/Avg Cust Loans	4.06%	4.89%	4.69%	4.52%	4.53%
Provision Charge/Avg Assets	2.51%	3.16%	3.16%	3.17%	3.30%
Total Write Offs/Average Assets	2.35%	2.74%	2.78%	2.72%	2.92%

SOURCES: CSG-CIMB-VND, COMPANY REPORTS

BY THE NUMBERS... cont'd
Balance Sheet

(VNDb)	Dec-16A	Dec-17A	Dec-18F	Dec-19F	Dec-20F
Total Gross Loans	157,045	206,646	245,899	292,967	350,445
Liquid Assets & Invst. (Current)	58,292	54,983	60,453	66,498	73,148
Other Int. Earning Assets					
Total Gross Int. Earning Assets	215,337	261,629	306,352	359,465	423,593
Total Provisions/Loan Loss Reserve	(2,090)	(3,149)	(4,271)	(5,836)	(7,382)
Total Net Interest Earning Assets	213,247	258,481	302,081	353,629	416,211
Intangible Assets	201	351	375	402	430
Other Non-Interest Earning Assets	13,595	16,344	17,489	18,713	20,023
Total Non-Interest Earning Assets	13,797	16,695	17,864	19,114	20,452
Cash And Marketable Securities	1,727	2,574	2,754	2,947	3,154
Long-term Investments	0	0	0	0	0
Total Assets	228,771	277,750	322,700	375,691	439,817
Customer Interest-Bearing Liabilities	172,438	199,655	233,604	276,335	329,020
Bank Deposits	28,836	33,200	34,061	34,949	35,865
Interest Bearing Liabilities: Others	2,685	4,086	4,484	4,922	5,403
Total Interest-Bearing Liabilities	203,959	236,942	272,149	316,206	370,288
Bank's Liabilities Under Acceptances					
Total Non-Interest Bearing Liabilities	7,635	11,115	12,189	12,865	10,722
Total Liabilities	211,593	248,057	284,338	329,071	381,011
Shareholders' Equity	17,178	29,693	38,362	46,620	58,806
Minority Interests	0	0	0	0	0
Total Equity	17,178	29,693	38,362	46,620	58,806

Key Ratios

	Dec-16A	Dec-17A	Dec-18F	Dec-19F	Dec-20F
Total Income Growth	39.8%	48.4%	24.4%	19.3%	21.5%
Operating Profit Growth	60.7%	57.5%	24.5%	18.3%	21.5%
Pretax Profit Growth	59.2%	64.8%	30.4%	19.9%	21.4%
Net Interest To Total Income	89.9%	82.4%	83.4%	85.2%	86.5%
Cost Of Funds	5.52%	6.13%	6.22%	6.58%	6.87%
Return On Interest Earning Assets	12.9%	14.3%	14.7%	15.3%	16.0%
Net Interest Spread	7.34%	8.19%	8.50%	8.73%	9.11%
Net Interest Margin (Avg Deposits)	11.9%	16.0%	18.7%	21.2%	24.4%
Net Interest Margin (Avg RWA)	9.8%	10.1%	9.9%	10.3%	10.8%
Provisions to Pre Prov. Operating Profit	51.9%	49.6%	47.2%	46.5%	46.6%
Interest Return On Average Assets	7.18%	8.14%	8.65%	9.05%	9.56%
Effective Tax Rate	20.2%	20.8%	20.0%	20.0%	20.0%
Net Dividend Payout Ratio	NA	NA	NA	NA	NA
Return On Average Assets	1.79%	2.48%	2.78%	2.87%	2.99%

Key Drivers

	Dec-16A	Dec-17A	Dec-18F	Dec-19F	Dec-20F
Loan Growth (%)	23.9%	26.3%	21.2%	21.0%	21.3%
Net Interest Margin (%)	7.6%	8.6%	9.1%	9.5%	10.0%
Non Interest Income Growth (%)	-1.0%	159.4%	17.4%	6.6%	11.0%
Cost-income Ratio (%)	39.3%	35.5%	35.5%	36.0%	36.0%
Net NPL Ratio (%)	-4.0%	-6.3%	-9.5%	-11.2%	-12.7%
Loan Loss Reserve (%)	49.7%	50.8%	74.7%	78.3%	81.1%
GP Ratio (%)	0.8%	1.0%	1.1%	1.2%	1.3%
Tier 1 Ratio (%)	10.0%	12.4%	13.4%	13.9%	15.0%
Total CAR (%)	13.2%	14.6%	14.9%	14.8%	15.3%
Deposit Growth (%)	-5.0%	7.9%	7.5%	7.6%	6.5%
Loan-deposit Ratio (%)	115.2%	134.4%	151.3%	169.8%	193.0%
Gross NPL Ratio (%)	2.9%	3.4%	2.6%	2.8%	2.8%
Fee Income Growth (%)	-3.6%	69.8%	15.0%	10.0%	10.0%

SOURCES: CGS-CIMB-VND, COMPANY REPORTS

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Neutral	A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.
Underweight	An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.

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