

SSI Securities (SSI)

Great way to close the year

In-line with consensus

As expected, the 4Q21 business result of the company recorded the highest numbers in many aspects. Total revenue was VND2,423bn (+38.6% qoq) and PAT was VND 998bn (+46.2% qoq). In 2021, there were 3 consecutive quarters started from 2Q21 that the company broke its high record in terms of revenue and profit. Full-year 2021 revenue reached VND7,443bn (+70% yoy) and profit was flourished with VND2,695bn (+115% yoy). Net profit margin was 36.2% and ROE was impressive at 24.6%.

Brokerage activities expanded

Brokerage revenue in 4Q21 of SSI was pegged high due to 1) superior liquidity in the last quarter of 2021 and 2) the company's effort in grasping brokerage market share. In full-year 2021, brokerage market shares of SSI were 11.05% on HSX and 7.76% on HNX. Brokerage revenue was VND792bn (+18.7% qoq), creating a new high record. The commission rate in 4Q21 was estimated as 0.188% (+0.2%p qoq).

Powerful lending activities

The margin loan balance at the end-Dec 2021 of SSI was VND22.7tn (+25.6% qoq), a significant increase in percentage and absolute number. The margin ratio was up by 10% to 160%. Income from loans was booked VND556bn (+28.7% qoq), a new record high. The lending rate in 4Q21 improved to 9.1% (+0.6%p qoq).

Partial divestment in PAN and mixed results in FVTPL

In Nov 2021, SSI performed the divestment in PAN which decreased their ownership from 20% to 12.7%. The selling stakes action created VND241bn in financial revenue. Selling financial assets and unlisted fund certificates performed well in 4Q21. However, the big loss from derivatives trading offset the profit. In 2021, the derivatives profession was in red for 3 quarters with accumulated loss over VND200bn and only 1 profitable quarter with modestly VND4.4bn.

| Yr to | Net revenue | EBT | NP | EPS | BPS | PE | PB | ROA | ROE | DY |
|-------|-------------|----------|----------|-------|--------|------|-----|-----|------|-----|
| Dec | (VND bn) | (VND bn) | (VND bn) | (VND) | (VND) | (x) | (x) | (%) | (%) | (%) |
| 2017A | 2,898 | 1,405 | 1,161 | 1,350 | 9,727 | 10.4 | 1.4 | 6.9 | 14.7 | 4.1 |
| 2018A | 3,673 | 1,623 | 1,303 | 1,487 | 10,165 | 9.0 | 1.3 | 7.3 | 14.7 | 4.2 |
| 2019A | 3,235 | 1,106 | 907 | 1,018 | 10,465 | 9.3 | 0.9 | 6.1 | 9.8 | 6.0 |
| 2020A | 4,367 | 1,558 | 1,256 | 1,383 | 10,818 | 15.5 | 2.0 | 3.6 | 13.0 | 3.1 |
| 2021P | 7,443 | 3,365 | 2,695 | 2,738 | 14,440 | 16.4 | 3.1 | 6.2 | 22.4 | 0.0 |

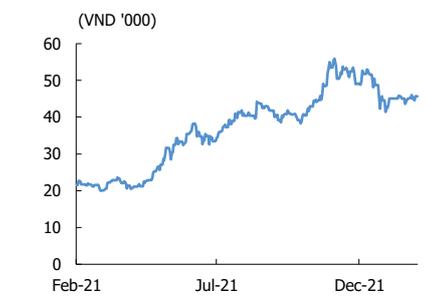
Stock Data

| | |
|------------------------------------|---------------|
| VNIndex (27 Feb, pt) | 1,499 |
| Stock price (27 Feb, VND) | 45,700 |
| Market cap (USD mn) | 1,997 |
| Shares outstanding (mn) | 993 |
| 52-Week high/low (VND) | 55,900/19,963 |
| 6M avg. daily turnover (USD mn) | 30.16 |
| Free float / Foreign ownership (%) | 87.1/38.9 |
| Major shareholders (%) | |
| Daiwa Securities Group | 15.7 |
| NDH Investment | 9.6 |
| Sai Gon Dan Linh Real Estate | 5.6 |

Performance

| | 1M | 6M | 12M |
|--------------------------|-----|-------|-------|
| Absolute (%) | 5.3 | 12.4 | 113.3 |
| Relative to VNIndex (%p) | 3.4 | (0.3) | 84.1 |

Stock price trend



Source: Bloomberg

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As expected, the 4Q21 business result of the company recorded the highest numbers in many aspects. Total revenue was VND2,423bn (+38.6% qoq) and PAT was VND 998bn (+46.2% qoq). In which, all three main professions of SSI have witnessed growth. FVTPL gain and brokerage account for the biggest weight in revenue with nearly 33% each. On the remaining, income from margin lending provided 23% of the revenue.

Brokerage activities expanded

It is not surprising that revenue from brokerage in 4Q21 of SSI was pegged high due to 1) superior liquidity in the last quarter of 2021 and 2) the company's effort in grasping brokerage market share. Brokerage revenue was VND792bn (+18.7% qoq), creating a new high record. However, the expense for this profession was also up 35.2% qoq. As a result, the gross profit margin for brokerage activities was cut to 37% (-8%p qoq). The commission rate in 4Q21 was estimated as 0.188% (+0.2%p qoq).

Table 1. SSI's Brokerage business

(VND bn, %)

| | 4Q20 | 1Q21 | 2Q21 | 3Q21 | 4Q21 | %qoq | %yoy |
|-------------------------------------|---------|---------|---------|---------|---------|--------|-------|
| Revenue | 307 | 437 | 623 | 667 | 792 | 18.7 | 81.4 |
| Expenses | 203 | 257 | 370 | 369 | 498 | 35.2 | 93.7 |
| Trading value of shares through SSI | 162,792 | 236,441 | 330,088 | 357,652 | 419,474 | 17.3 | 77.4 |
| Market share on HSX (%) | 11.65 | 11.89 | 10.97 | 11.58 | 11.05 | (4.6) | (7.1) |
| Gross margin ratio (%) | 34.05 | 41.07 | 40.67 | 44.75 | 37.08 | (17.1) | (9.7) |
| Brokerage rate (bps) | 18.88 | 18.46 | 18.88 | 18.65 | 18.88 | 1.2 | 2.3 |

Source: Company data, Korea Investment & Securities

Powerful lending activities

The margin loan balance at the end-Dec 2021 of SSI was VND22.7tn (+25.6% qoq), a significant increase in percentage and absolute number compared to other brokers. With the first place in margin loan provider, this action widened the gap with the second place, Mirae Asset, from 32% in 3Q21 to 47% in 4Q21. The margin ratio was up by 10% to 160% and there is still a plan in place for 2022 to increase capital which can help decrease the margin ratio.

Income from loans was booked VND556bn (+28.7% qoq), a new record high. The lending rate in 4Q21 improved to 9.1% (+0.6%p qoq). This signal is positive for SSI when the company is able to utilize its huge advantage of big owners' equity and margin loan balance.

Table 1. SSI's margin lending activities

(VND bn, %)

| | 4Q20 | 1Q21 | 2Q21 | 3Q21 | 4Q21 | %qoq | %yoy |
|-------------------------------|-------|--------|--------|--------|--------|-------|-------|
| Loan balance | 9,226 | 11,123 | 16,159 | 18,293 | 23,698 | 29.5 | 156.9 |
| Margin loan | 9,012 | 10,878 | 15,539 | 18,108 | 22,746 | 25.6 | 152.4 |
| Advance selling from customer | 213 | 245 | 613 | 185 | 952 | 414.8 | 346.2 |
| Margin loan/Equity (%) | 91.3 | 95.0 | 136.3 | 149.9 | 160.0 | 6.7 | 75.2 |
| Revenue | 154 | 246 | 338 | 432 | 556 | 28.7 | 260.9 |
| Lending rate TTM (%) | 9.6 | 8.6 | 8.3 | 8.5 | 9.1 | 6.3 | (5.3) |

Source: Company data, Korea Investment & Securities

Hold-to-maturity (HTM) lagged behind

In 4Q21, SSI nearly made no significant change in their HTM portfolio. HTM balance was VND7,834bn, same as 2Q21 and 3Q21 figures. However, the

revenue from HTM decreased 19% qoq, booked VND175bn in 4Q21. In our view, the fall in HTM revenue given the same balance of HTM is due to the delayed effect of diminishing deposit rates. We expect this performance of HTM will pick up in 2022 due to improved deposit rate from the beginning of the year.

Table 2. SSI's HTM investments

(VND bn, %)

| | 4Q20 | 1Q21 | 2Q21 | 3Q21 | 4Q21 | %qoq | %yoy |
|-------------------------|-------|-------|-------|-------|-------|--------|--------|
| HTM balance | 5,592 | 7,447 | 7,815 | 7,838 | 7,834 | (0.1) | 40.1 |
| HTM income | 150 | 171 | 158 | 216 | 175 | (18.9) | 16.9 |
| HTM income rate TTM (%) | 11.6 | 11.6 | 10.2 | 9.7 | 9.3 | (3.9) | (19.8) |

Source: Company data, Korea Investment & Securities

IB revenue stayed brisk

Revenue from IB activities still recorded high with VND40bn (+5% qoq, +130% yoy). Full-year IB revenue was VND107bn (+9% yoy). In 2021, SSI received the award “Best Institutional Broker in Vietnam” due to its exciting IB activities.

Table 3. SSI's IB revenue

(VND bn, %)

| | 4Q20 | 1Q21 | 2Q21 | 3Q21 | 4Q21 | % qoq | % yoy |
|--------------|-------|-------|-------|------|------|-------|--------|
| Revenue | 17.4 | 15.3 | 13.4 | 38.0 | 40.0 | 5.3 | 129.7 |
| Expenses | 25.2 | 15.7 | 15.2 | 12.9 | 21.2 | 64.6 | (15.9) |
| Gross profit | (7.8) | (0.3) | (1.8) | 25.1 | 18.8 | n/a | n/a |

Source: Company data, Korea Investment & Securities

Mixed results in FVTPL

As FVTPL comprises many items, we look at the gross profit of each kind of FVTPL class as well as realized profit and unrealized profit. Realized profit comes from the gain and disposal of FVTPL, including listed and unlisted shares, listed and unlisted bonds, derivatives, dividends, and interest received from holding financial assets. Unrealized profit is the revaluation of mentioned financial assets, updated to the end of the reporting period.

In 4Q21, the company decreased the **FVTPL balance** to VND12,292bn (-11.7% qoq). In which, the weight of **listed shares** remained at 15% and the balance decreased to VND1,829bn (-9.3% qoq). In addition, **deposit certificates** were lighter in weight, decreasing to 55% of the FVTPL portfolio and the balance plunged to VND6,773bn (-23% qoq). SSI increased **bonds** proportion in their portfolio from 20% to 27% and the balance lifted to VND3,310 (+20.4% qoq).

In general, the realized profit from FVTPL was VND199.5bn (+73.5% qoq, -30.4% yoy). On the positive side, profit from **listed shares** was VND84.2bn (+471% qoq, +43% yoy). In which, **CWs** still gained VND27.8bn (+1.8% qoq). Another positive figure is from **selling unlisted fund certificates** which brought about VND83bn (+82.2% yoy) thanks to effective fund management subsidiary SSIAM. On the negative side, derivatives trading raised a big concern. Particularly, derivatives loss in 4Q21 was VND105bn, the biggest loss of the year. In 2021, the derivatives profession was in red for 3 quarters with accumulated loss over VND200bn and only 1 profitable quarter with modestly

VND4.4bn. Unless SSI controls the derivatives profession in 2022, it will be a big threat to the company's profit.

Table 4. SSI's FVTPL realized profit

(VND bn, %)

| | 4Q20 | 1Q21 | 2Q21 | 3Q21 | 4Q21 | %qoq | %yoy |
|--|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| Gain from disposal FVTPL | 263.1 | 394.8 | 359.7 | 155.0 | 450.3 | 190.5 | 71.2 |
| Listed shares | 125.3 | 294.2 | 274.4 | 79.7 | 232.7 | 191.9 | 85.7 |
| <i>Covered Warrants</i> | 5.7 | 12.7 | 6.1 | 39.7 | 80.1 | 101.8 | 1,315.7 |
| Unlisted shares & fund certificates | 45.6 | 0.3 | 0.1 | 0.1 | 83.7 | 58,236.0 | 83.7 |
| Listed bonds | 1.6 | 3.1 | 2.2 | 0.6 | 0.9 | 49.2 | (40.3) |
| Unlisted bonds | 60.4 | 39.6 | 66.0 | 64.9 | 114.6 | 76.7 | 89.9 |
| Derivatives | 30.3 | 57.6 | 17.0 | 9.7 | 18.3 | 89.2 | (39.5) |
| Loss from disposal FVTPL | 120.8 | 288.3 | 217.5 | 143.7 | 345.6 | 140.5 | 186.1 |
| Listed shares | 66.5 | 178.7 | 203.6 | 65.0 | 148.6 | 128.6 | 123.5 |
| <i>Covered Warrants</i> | 51.0 | 120.5 | 165.3 | 12.4 | 52.3 | 322.9 | 2.6 |
| Unlisted shares | 0.0 | 0.0 | 0.0 | 0.0 | 0.7 | n/a | n/a |
| Listed bonds | 0.6 | 0.3 | 0.7 | 0.8 | 1.4 | 70.1 | 129.5 |
| Unlisted bonds | 20.5 | 5.2 | 0.5 | 5.6 | 71.7 | 1,171.3 | 249.6 |
| Derivatives | 33.2 | 104.0 | 12.7 | 72.3 | 123.2 | 70.5 | 271.2 |
| Realized Profit | 286.7 | 227.5 | 276.0 | 114.9 | 199.5 | 73.5 | (30.4) |
| Listed shares | 58.8 | 115.4 | 70.8 | 14.7 | 84.2 | 471.0 | 43.0 |
| <i>Covered Warrants</i> | (45.3) | (107.8) | (159.2) | 27.3 | 27.8 | 1.8 | (161.4) |
| Unlisted shares & fund certificates | 45.6 | 0.3 | 0.1 | 0.1 | 83.1 | 57,767.4 | 82.2 |
| Listed bonds | 0.9 | 2.8 | 1.4 | (0.2) | (0.5) | n/a | n/a |
| Unlisted bonds | 39.9 | 34.3 | 65.5 | 59.2 | 42.9 | (27.6) | 7.6 |
| Derivatives | (2.9) | (46.5) | 4.4 | (62.6) | (105.0) | 67.7 | 3,459.0 |
| Dividend, interest from FVTPL financial assets | 145.2 | 122.4 | 134.9 | 104.7 | 96.9 | (7.5) | (33.3) |
| Dividend from AFS | 0.4 | 0.0 | 0.0 | 0.0 | 0.0 | n/a | n/a |
| Transaction cost | (1.2) | (1.5) | (1.1) | (1.1) | (2.1) | n/a | n/a |

Source: Company data, Korea Investment & Securities

In terms of unrealized profit, the company booked a positive VND175.3bn in the adjustment. The majority was from the revaluation of current effective CWs. This balance adjusted from -VND27bn in 3Q21 to VND173bn which increased the number on the income statement a lot. Other FVTPL assets do not have any noteworthy points.

Table 5. SSI's FVTPL revaluation

(VND bn)

| | 4Q20 | 1Q21 | 2Q21 | 3Q21 | 4Q21 |
|---|--------------|---------------|--------------|--------------|--------------|
| Revaluation at end of the period | 9.2 | (1.4) | 11.7 | 6.9 | 175.3 |
| Listed shares | 36.3 | 34.4 | 32.4 | 34.2 | 29.3 |
| Listed shares for CWs | 27.1 | 34.8 | (0.9) | 24.6 | (2.6) |
| Unlisted shares & Fund certificates | (19.6) | (19.7) | (19.8) | (19.8) | (19.8) |
| AFS | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Covered warrant | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Net adjustment | (5.7) | (4.7) | (4.7) | (4.7) | (4.7) |
| Listed shares | (29.0) | (46.2) | 4.8 | (27.3) | 173.1 |
| Listed shares for CWs | 78.3 | (10.5) | 13.1 | (4.8) | 168.4 |
| Unlisted shares & Fund certificates | 75.7 | (1.9) | (2.1) | 1.8 | (4.8) |
| AFS | 23.3 | 7.8 | (35.8) | 25.6 | (27.2) |
| Covered warrant | (7.9) | (0.2) | (0.0) | (0.1) | 0.0 |

Source: Company data, Korea Investment & Securities

Partial divestment in PAN

In Nov 2021, SSI performed the divestment in PAN which decreased their ownership from 20% to 12.7%. The selling stakes action created VND241bn in financial revenue. Financial revenue in 4Q21 skyrocketed to VND293bn (+584% yoy).

Great way to close the year

SSI finished the year in a beautiful way with an all-time-high quarterly profit. In 2021, there were 3 consecutive quarters started from 2Q21 that the company broke its high record in terms of revenue and profit. Full-year 2021 revenue reached VND7,443bn (+70% yoy) and profit was flourished with VND2,695bn (+115% yoy). Net profit margin was 36.2% and ROE was impressive at 24.6%. Total asset increased by 42% yoy and owners' equity increased by 44% yoy.

Correction made valuation ratios lower

From the beginning of the year, SSI suffered a correction stage, and the market price was discounted by about 15%. Currently, SSI is trading at price VND46,000, PE 16.4x and PB 3.1x. The current industry mean of PE and PB were 13.0x and 2.6x, respectively. In 4Q21, profitability ratios ROE and ROA were improved to 22.4% and 6.2% but still slightly lower than the market average of 25.9% and 11.3%.

Table 6. Quarterly earnings

(VND bn, %)

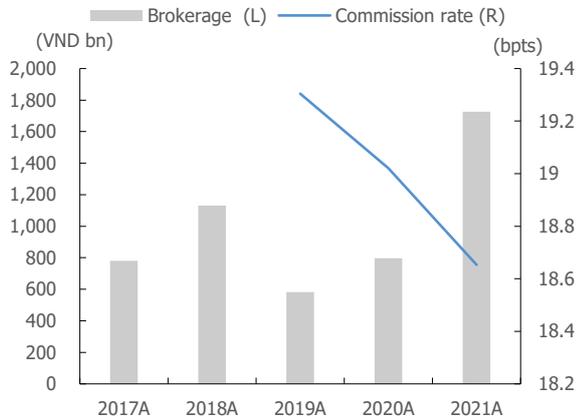
| | 4Q20 | 4Q21 | YoY | 2020 | 2021 | YoY |
|---------------------------------|----------------|----------------|---------------|----------------|----------------|--------------|
| Operating income | 1,174.7 | 2,423.3 | 106.3 | 4,366.8 | 7,443.2 | 70.4 |
| FVTPL gain | 521.6 | 795.5 | 52.5 | 1,779.4 | 2,325.2 | 30.7 |
| HTM income | 149.9 | 175.2 | 16.9 | 850.0 | 720.4 | (15.3) |
| AFS income | 0.4 | 0.3 | (35.1) | 232.8 | 0.8 | (99.6) |
| Loans and receivables | 154.0 | 555.6 | 260.9 | 525.1 | 1,570.7 | 199.1 |
| Brokerage | 307.3 | 792.1 | 157.7 | 797.3 | 2,519.0 | 215.9 |
| IB | 17.4 | 40.0 | 129.7 | 97.9 | 106.8 | 9.1 |
| Others (inc. custody services) | 24.1 | 64.7 | 168.2 | 84.3 | 200.2 | 137.6 |
| Operating expenses | 471.5 | 1,070.0 | 126.9 | 1,901.8 | 3,154.6 | 65.9 |
| FVTPL loss | 171.4 | 427.6 | 149.4 | 1,003.1 | 1,342.2 | 33.8 |
| AFS loss and revaluation | 13.4 | 0.0 | n/a | 13.4 | 0.9 | (93.0) |
| Prop trading expenses | 7.1 | 34.8 | 388.6 | 23.6 | 55.2 | 134.1 |
| Provision and interest expenses | (5.0) | (20.5) | n/a | 0.4 | (43.3) | n/a |
| Brokerage expenses | 202.7 | 498.3 | 145.9 | 625.8 | 1,494.0 | 138.7 |
| IB expenses | 25.2 | 21.2 | (15.9) | 66.5 | 65.0 | (2.3) |
| Others (inc. custody services) | 56.8 | 108.6 | 91.2 | 169.0 | 240.6 | 42.4 |
| Gross Profit | 703.2 | 1,353.3 | 92.4 | 2,465.0 | 4,288.6 | 74.0 |
| Financial activities | (177.2) | (20.6) | (88.4) | (728.4) | (771.3) | 5.9 |
| Revenue | 42.8 | 292.5 | 583.9 | 208.8 | 343.3 | 64.5 |
| Expenses | 220.0 | 313.2 | 42.3 | 937.2 | 1,114.6 | 18.9 |
| SG&A expenses | 49.5 | 78.6 | 58.9 | 184.2 | 265.0 | 43.9 |
| Operating profit | 476.5 | 1,254.0 | 163.2 | 1,552.5 | 3,252.3 | 109.5 |
| Other income | 0.7 | (1.0) | n/a | 5.1 | 112.7 | 2,110.4 |
| Earnings before tax | 477.2 | 1,253.1 | 162.6 | 1,557.6 | 3,365.0 | 116.0 |
| Earning after tax | 381.0 | 997.9 | 162.0 | 1,255.9 | 2,695.1 | 114.6 |

Source: Company data, Korea Investment & Securities

■ Company overview

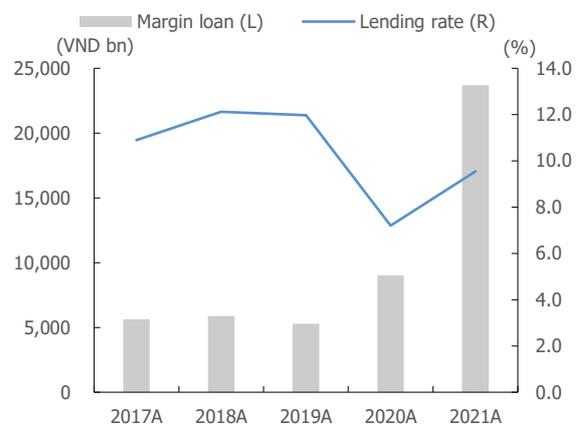
Founded in 1999, Saigon Securities Incorporated is one of the first companies to provide brokerage and investment advisory services in Vietnam. Currently, SSI Securities is the largest broker dealer firm and developing into an investment bank by aggressively expanding into the corporate bond market and asset management. SSI owns SSIAM as an arm for its asset management business.

Figure 1. Brokerage revenue and commission rate



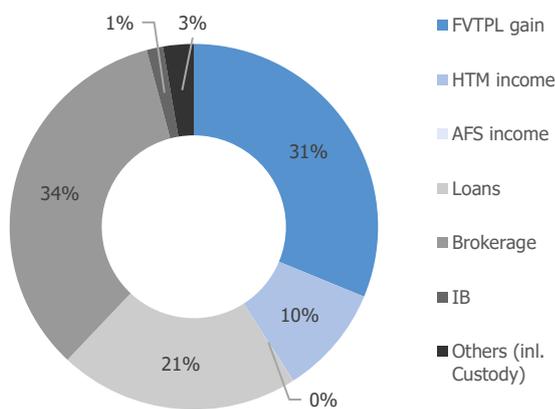
Source: Company data, Korea Investment & Securities

Figure 2. Loan balance and Lending rate



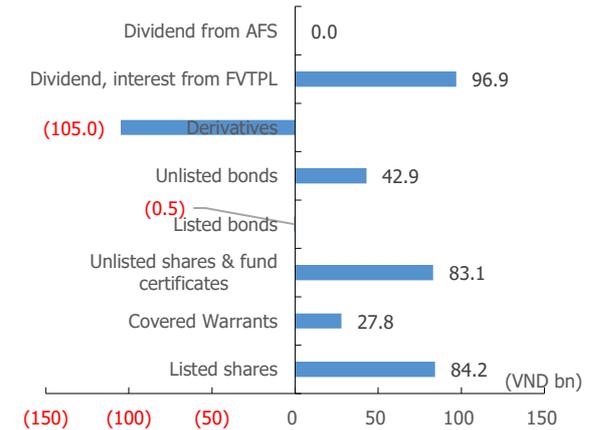
Source: Company data, Korea Investment & Securities

Figure 3. Revenue mix in 2021



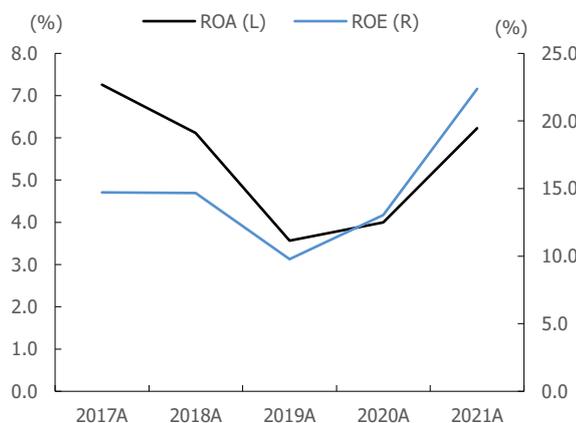
Source: Company data, Korea Investment & Securities

Figure 4. FVTPL realized profit in 4Q21



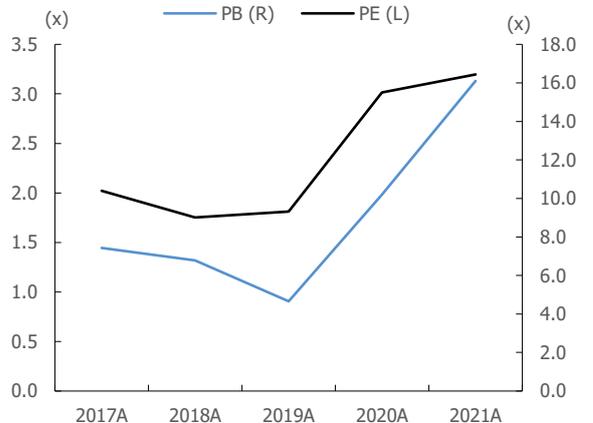
Source: Company data, Korea Investment & Securities

Figure 5. ROA & ROE



Source: Company data, Korea Investment & Securities

Figure 6. P/E & P/B



Source: Company data, Korea Investment & Securities

Balance sheet

(VND bn)

| | 2017A | 2018A | 2019A | 2020A | 2021P |
|---|--------|--------|--------|--------|--------|
| Total assets | 18,764 | 23,826 | 27,044 | 35,770 | 50,793 |
| Cash and Cash equivalent | 346 | 613 | 1,041 | 363 | 1,114 |
| Loans | 5,764 | 5,967 | 5,359 | 9,226 | 23,698 |
| FVTPL (incl. provision) | 1,408 | 2,010 | 4,274 | 13,204 | 11,961 |
| HTM | 7,882 | 12,326 | 10,722 | 5,592 | 7,834 |
| AFS | 1,535 | 1,265 | 760 | 186 | 272 |
| Accounts receivable (incl. provision) | 157 | 57 | 100 | 318 | 1,586 |
| Other current assets | 136 | 32 | 35 | 151 | 75 |
| Investments in associates | 813 | 764 | 794 | 785 | 602 |
| Long-term securities investment | 130 | 302 | 3,445 | 5,465 | 3,087 |
| Other long-term assets | 593 | 489 | 514 | 480 | 564 |
| Total liabilities | 10,148 | 14,670 | 17,643 | 25,897 | 36,573 |
| Borrowings | 8,504 | 11,193 | 15,550 | 23,351 | 31,121 |
| Bonds | 769 | 1,323 | 1,106 | 1,147 | 0 |
| Other liabilities | 225 | 132 | 128 | 73 | 94 |
| Owners' Equity | 8,616 | 9,156 | 9,401 | 9,873 | 14,220 |
| Common shares | 5,001 | 5,101 | 5,101 | 6,029 | 9,848 |
| Capital surplus | 29 | 29 | 29 | 29 | 817 |
| Conversion options on convertible bonds | 0 | 114 | 114 | 114 | 0 |
| Treasury shares | (2) | (9) | (19) | (35) | (22) |
| Charter reserve | 355 | 412 | 477 | 522 | 61 |
| Financial reserve funds | 271 | 328 | 393 | 438 | 496 |
| Capital adjustment | 671 | 319 | 300 | 35 | 30 |
| Undistributed earnings | 2,213 | 2,795 | 2,941 | 2,677 | 2,928 |
| Minority interests | 78 | 67 | 65 | 63 | 63 |

Key financial data

(VND bn)

| | 2017A | 2018A | 2019A | 2020A | 2021P |
|------------------------------|-------|-------|--------|-------|--------|
| Operating base | | | | | |
| No. of employees | n/a | n/a | 966 | 909 | 1,310 |
| Stock trading value (VND tn) | n/a | n/a | 302 | 419 | 1,344 |
| Margin loan balance (VND bn) | 5,633 | 5,888 | 5,286 | 9,012 | 23,698 |
| Financial Ratios (%) | | | | | |
| Margin loan/Equity ratio | 65.4 | 64.3 | 56.2 | 91.3 | 166.7 |
| Leverage ratio | 117.8 | 160.2 | 187.7 | 262.3 | 257.2 |
| Gross profit margin | 60.8 | 55.0 | 63.8 | 56.4 | 57.6 |
| Net profit margin | 39.5 | 40.1 | 35.5 | 28.0 | 36.2 |
| Growth (%) | | | | | |
| Total assets | 41.9 | 27.0 | 13.5 | 32.3 | 42.0 |
| Owners' equity | 20.5 | 6.3 | 2.7 | 5.0 | 44.0 |
| Net revenue | 30.7 | 26.7 | (11.9) | 35.0 | 70.4 |
| Net profit | 32.7 | 12.2 | (30.4) | 38.5 | 114.6 |

Income statement

(VND bn)

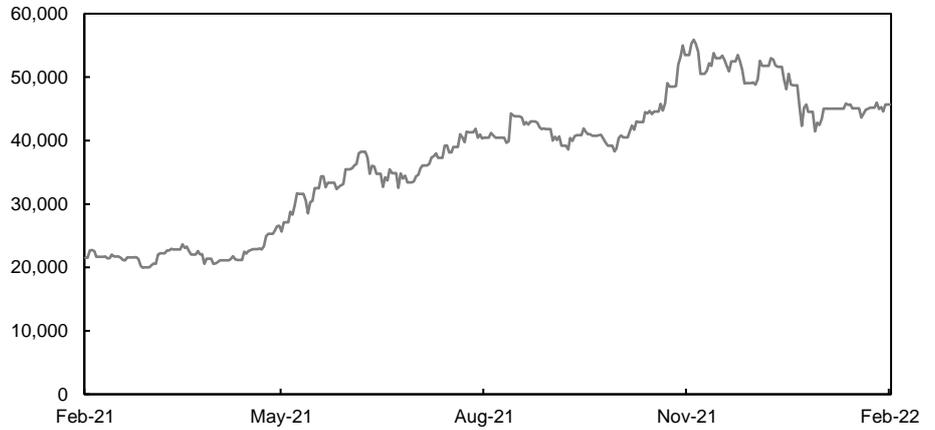
| | 2017A | 2018A | 2019A | 2020A | 2021P |
|---------------------------------|-------|-------|-------|-------|-------|
| Operating income | 2,898 | 3,673 | 3,235 | 4,367 | 7,443 |
| FVTPL gain | 668 | 647 | 699 | 1,779 | 2,325 |
| HTM income | 451 | 716 | 991 | 850 | 720 |
| AFS income | 259 | 210 | 83 | 233 | 1 |
| Loans and receivables | 520 | 711 | 678 | 525 | 1,571 |
| Brokerage | 780 | 1,131 | 582 | 797 | 2,519 |
| IB | 136 | 155 | 100 | 98 | 107 |
| Others (inc. custody services) | 84 | 104 | 102 | 84 | 200 |
| Operating expenses | 1,137 | 1,651 | 1,171 | 1,902 | 3,155 |
| FVTPL loss | 486 | 622 | 383 | 1,003 | 1,342 |
| AFS loss and revaluation | 1 | 1 | 0 | 13 | 1 |
| Prop trading expenses | 7 | 8 | 11 | 24 | 55 |
| Provision and interest expenses | (51) | 40 | 12 | 0 | (43) |
| Brokerage expenses | 516 | 773 | 555 | 626 | 1,494 |
| IB expenses | 81 | 74 | 54 | 66 | 65 |
| Others (inc. custody services) | 97 | 134 | 156 | 169 | 241 |
| Gross Profit | 1,761 | 2,022 | 2,064 | 2,465 | 4,289 |
| Financial activities | (174) | (200) | (281) | (772) | (728) |
| Revenue | 95 | 145 | 266 | 67 | 209 |
| Expenses | 269 | 345 | 547 | 839 | 937 |
| SG&A expenses | 168 | 174 | 193 | 184 | 265 |
| Operating profit | 1,392 | 1,567 | 1,099 | 1,552 | 3,252 |
| Other income | 13 | 56 | 7 | 5 | 113 |
| Earning before tax | 1,405 | 1,623 | 1,106 | 1,558 | 3,365 |
| Earning after tax | 1,161 | 1,303 | 907 | 1,256 | 2,695 |

Valuation

| | 2017A | 2018A | 2019A | 2020A | 2021P |
|--------------------------|-------|--------|--------|--------|--------|
| Per-share (VND) | | | | | |
| BPS | 9,727 | 10,165 | 10,465 | 10,818 | 14,440 |
| EPS | 1,350 | 1,487 | 1,018 | 1,383 | 2,738 |
| DPS | 569 | 569 | 569 | 661 | n/a |
| Valuation (x) | | | | | |
| PB | 1.4 | 1.3 | 0.9 | 2.0 | 3.1 |
| PE | 10.4 | 9.0 | 9.3 | 15.5 | 16.4 |
| Dividend yield (%) | 4.1 | 4.2 | 6.0 | 3.1 | 0.0 |
| Payout ratio (%) | 46.2 | 42.0 | 55.9 | 51.0 | 0.0 |
| Profitability (%) | | | | | |
| ROE | 14.7 | 14.7 | 9.8 | 13.0 | 22.4 |
| ROA | 7.3 | 6.1 | 3.6 | 4.0 | 6.2 |
| Commission rate (bp) | n/a | n/a | 19.3 | 19.0 | 18.7 |
| Lending ratio | 10.9 | 12.1 | 12.0 | 7.2 | 9.5 |

Changes to recommendation and price target

| Company (Code) | Date | Recommendation | Price target | % vs. avg. price | % vs. high (low) |
|----------------------|------|----------------|--------------|------------------|------------------|
| SSI Securities (SSI) | | | | | |



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- Hold: Expected total return will be between -5% and 15%
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- KIS Vietnam Securities Corp. does not offer target prices for stocks with Hold or Sell ratings.

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