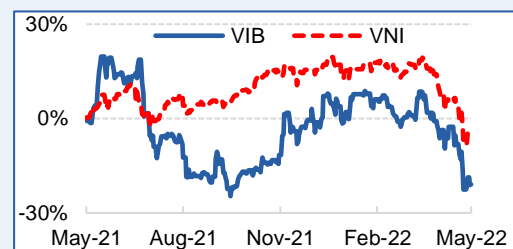


Vietnam International Bank (VIB) [BUY +27.8%]

Update Report

Industry:	Banking		2021	2022F	2023F	2024F
Report Date:	May 23, 2022					
Current Price:	VND24,800	PPOP y/y	42.3%	28.1%	20.3%	14.8%
Current Target Price:	VND31,700	NPAT y/y	38.1%	31.1%	20.0%	10.8%
Previous Target Price*:	VND32,500	EPS y/y	39.0%	31.1%	20.0%	10.8%
		NIM	4.38%	4.50%	4.52%	4.48%
		NPLs/loans	2.32%	1.97%	1.87%	1.77%
Upside to TP:	+27.8%	CIR	35.5%	33.8%	33.8%	34.7%
Dividend Yield:	0.0%	P/B	2.1x	1.6x	1.2x	1.0x
TSR:	+27.8%	P/E	8.1x	6.2x	5.2x	4.7x



Market Cap:	USD2.2bn		VIB	Peers	VNI
Foreign Room:	USD0mn	P/E (ttm)	7.1x	7.9x	13.2x
ADTV30D:	USD1.9mn	P/B (curr)	2.0x	1.6x	2.1x
State Ownership:	0%	ROE	32.2%	21.7%	15.8%
Outstanding Shares:	2.097 bn	ROA	2.5%	1.8%	2.6%
Fully Diluted Shares:	2.097 bn				

* Adjusted for a 100:35 stock dividend in May 2022

Company Overview

Established in 1996, VIB is the third smallest bank in our coverage universe in terms of total assets and brick & mortar network as of December 31, 2021. VIB's strategy focuses on retail banking. The bank was registered for trading on UPCoM in 2017 and listed on HOSE in November 2020.

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Faltering NOII to pick up in H2 2022

- We decrease our target price (TP) by 2.5% to VND31,700/share but upgrade our rating to BUY from MARKET PERFORM as VIB's share price has decreased ~27% over the last three months.
- Our lower TP is mainly due to (1) an 8.5% aggregate decrease in our projection for 2022-2026F NPAT-MI and (2) downward revision in our target P/B from 1.75x to 1.60x, which are partly offset by the positive effect of rolling over our TP to mid-2023.
- Our lower bottom-line forecasts are mainly derived from (1) a 5.6% aggregate decrease in 2022-2026F PPOP and (3) 10.1% aggregate increase in 2022-2026F provision expenses as we increase our forecast LLR levels to adjust low LLR banks like VIB.
- Our 2022F ROE and ROA are projected at 29.6% and 2.50% vs peer medians of 21.0% and 1.81%, respectively. VIB is currently trading at a 2022F P/B of 1.84x vs a peer median of 1.35x.
- Upside risks: Higher-than-expected loan growth; better-than-expected performance of NPLs could require less provision charges; stronger-than-expected recovery of bancassurance performance.
- Downside risks: Relatively thin provision buffer with the lowest LLR level in our coverage universe; higher NPLs and/or a failure to contain credit costs.

Upward pressure on funding costs is reduced via utilizing international funding sources. In Q1 2022, the bank received a three-year syndicated loan worth USD260mn from the Asian Development Bank (ADB) and a number of international financial institutions. According to the bank's disclosure, it expects to raise another USD300mn of offshore funding, with the lead arranger being the International Finance Corporation (IFC). Cheap funding costs from international sources should be a catalyst to reduce downward pressure on NIM in the next few years as we expect system-wide term deposit rates to increase in the vicinity of 50 bps in 2022. Progress on this front could be seen in VIB's Q1 2022 COF of 3.49% vs our previous 2022F forecast of 3.80% amid a 17% QoQ increase in FX loans from other credit institutions to VND24.5tn. We trim our assumption for COF by an average of 20 bps for each year during the explicit forecast years.

We expect a stronger net fee income performance in H2 2022, which will be driven more by income from settlement services. While VIB benefited from its card segment with settlement service fee income rising 52% YoY in Q1 2022, fee income from bancassurance decreased 20% YoY. According to the Vietnam Bank Card Association, VIB's new credit card issuance market share increased from 6% in 2020 to 8% in 2021, ranking fourth in the marketplace. We expect the credit card segment will remain strong in 2022F and compensate for subpar performance in bancassurance.

At VIB's recent analyst meeting, management disclosed that it expects Q2 2022 PBT of VND2.7tn (+26% YoY). This expectation is on track with our forecast for 2022F NPAT of VND10.5tn.

Q1 2022 Recap: Weak NOII holds back bottom-line growth

Figure 1: VIB's consolidated Q1 2022 results

VND bn	Q1 2021	Q1 2022	YoY	% of 2022F Old	VCSC comments
Net interest income (NII)	2,778	3,516	26.5%	24%	* Q1 2022 NII delivered strong 26.5% YoY growth that was mainly thanks to stronger credit growth vs deposit growth in the quarter, supporting NIM improvement. Overall, Q1 2022 NII was in line with our expectation.
Net fee income (NFI)*	617	567	-8.2%	16%	* Q1 2022 YoY NFI growth was mainly contributed by a 52% YoY increase in settlement services thanks to a 55% YoY increase in the number of cards in force, in our view. Meanwhile, weakness in fee income from bancassurance continued as bancassurance fee income decreased 20% YoY.
Total non-interest income (NOII)	723	620	-14.2%	15%	* We attribute the subpar performance of Q1 2022 NOII to (1) a VND81bn loss in trading FX in Q1 2022 vs a VND9bn gain in Q1 2021 and (2) 96% YoY drop in Q1 2022 gains from investment securities to VND2.3bn that outweighed (3) a 6.4% YoY increase in pure NFI.
TOI	3,502	4,136	18.1%	22%	
OPEX	(1,361)	(1,460)	7.3%	23%	* Q1 2022 CIR was 35.3% (-3.6 ppts YoY) vs our previous full-year forecast of 33.3%. Q1 2022 OPEX rose 7.3% YoY due to (1) a 26.7% YoY increase in expenses for fixed assets and (2) 22.5% YoY increase in expenses for operating management. Notably, expenses for employees decreased 1.5% YoY despite a 1.9% YoY increase in headcount to 9,895 in Q1 2022.
Pre-provision operating profits (PPOP)	2,141	2,676	25.0%	21%	
Provision expenses	(334)	(397)	18.9%	22%	* 2021 provision expenses increased 18.9% YoY to VND397bn (completing 22% of our full-year forecast), which we attribute to a 66-bp YoY spike in the NPL ratio. * Q1 2022 annualized write-offs to gross loans was 0.27% vs 0.45% in 2021.
Net profit	1,446	1,823	26.1%	21%	
Net-interest margin (NIM)	4.51%	4.54%	3 bps		* VIB's Q1 2022 NIM was 4.54% vs 4.38% in 2021 thanks to (1) a 3-bp increase in IEA yield in Q1 2022 vs FY2021 and (2) 17-bp decrease in COF in Q1 2022 vs FY2021. We believe 6.3% QoQ credit growth vs 5.9% QoQ deposit growth supported the expansion of NIM in Q1 2022.
Interest-earning asset (IEA) yields	8.10%	7.81%	-29 bps		
Cost of funds (COF)	3.89%	3.49%	-40 bps		* CASA ratio was 15.0% in Q1 2022 vs 16.3% in Q4 2021; however, CASA increased 2.5 ppts YoY which contributed to a YoY drop in COF. Also helping the fall in COF was a 17% QoQ increase in FX loans from other credit institutions to VND24.5tn, which serve as a low-cost form of funding.
CASA ratio**	12.5%	15.0%	2.5 ppts		
CASA with term deposits in foreign currencies	16.6%	18.5%	1.9 ppts		
CIR	38.9%	35.3%	-3.6 ppts		
NPL ratio	1.73%	2.39%	66 bps		* As of Q1 2022, the NPL ratio was 2.39% (+7 bps QoQ and +66 bps YoY) while Group 2 loans to gross loans surged 47 bps QoQ to 3.09%. Management claimed that 93% of NPLs were secured.
Loan growth (QoQ)	4.7%	6.3%	1.5 ppts		
Deposit growth (QoQ)	4.3%	5.9%	1.6 ppts		

Source: VIB, VCSC. Units are in VND bn unless otherwise stated - *Net fee income includes FX income; **CASA volume includes demand and margin deposits.

2022F Outlook: Robust settlement service fees to support fee income growth

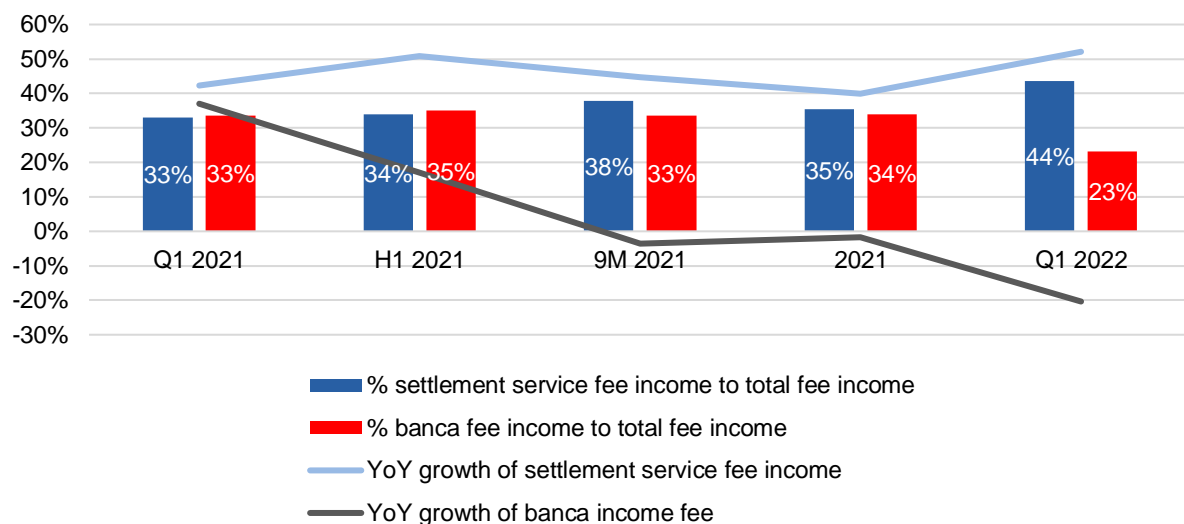
Figure 2: VCSC's 2022F forecasts

VND bn	2021	2022F old	2022F new	2022F new vs 2021	VCSC comments
Net interest income	11,816	14,853	14,920	26.3%	* We maintain our credit growth assumption at 21.8% in 2022F with a 12-bp YoY increase in NIM, which results in 26.3% YoY growth in NII.
Net fee income*	2,655	3,513	3,183	19.9%	* From the bank's disclosure, the weak banca performance in Q1 2022 was due to the lagged effect of COVID-19, which has created difficulties in consulting with customers and processing paperwork. We expect VIB will improve its performance in H2 2022. However, we project bancassurance fees to grow 5% YoY in 2022F vs 20% YoY in our previous forecast amid the continuing weak growth momentum experienced over the last few quarters. * In addition, we expect VIB's card business to become the key growth driver of fee income in 2022F as fee income from settlement services contributed 44% to total fee income in Q1 2022 vs only 33% in Q1 2021. Taken together, we forecast a 19.9% YoY expansion in net fee income.
Total NOII	3,075	4,006	3,676	19.6%	
TOI	14,891	18,859	18,596	24.9%	
OPEX	(5,282)	(6,285)	(6,285)	19.0%	
PPOP	9,609	12,574	12,311	28.1%	
Provision expenses	(1,598)	(1,804)	(1,804)	12.9%	* As there was no improvement in credit quality in Q1 2022, we believe pressure on provision expenses and elevated bad debt formation will keep VIB's NPL ratio near 2%. We maintain our assumption for 2022F write-off rate at a high level of 0.60% (vs 0.45% in 2021). * We expect provision expenses will increase 12.9% in 2022F from a high base in 2021.
Net profit	6,410	8,616	8,406	31.1%	
NIM	4.38%	4.50%	4.50%	12 bps	* Our forecast for 2022F NIM remains unchanged vs our previous forecast as (1) an 11-bp decrease in our forecast for IEA yield counteracts (2) an 11-bp decrease in our forecast for COF.
IEA yield	7.78%	8.04%	7.93%	15 bps	
Cost of funds	3.65%	3.80%	3.69%	4 bps	* We revise down our forecast for 2022F COF by 11 bps as (1) the 41-bp YoY drop in COF in Q1 2022 was higher than our expectation and (2) as VIB plans to raise another USD300mn of offshore funding from the IFC.
CASA ratio**	16.3%	16.9%	16.9%	0.6 ppts	
CIR	35.5%	33.3%	33.8%	-1.7 ppts	
NPL ratio	2.32%	1.97%	1.97%	-35 bps	* We expect the NPL ratio will be controlled under 2% in 2022F.
Gross loans	201,517	245,850	245,850	22.0%	
Customer deposits	173,565	208,278	208,278	20.0%	
Valuable papers	42,298	48,160	48,160	13.9%	
Total assets	309,517	371,731	375,489	21.3%	
Total equity	24,291	32,782	32,575	34.1%	* We project VIB will not pay a cash dividend in the forecast period.
ROE	30.3%	30.2%	29.6%	-77 bps	
ROA	2.3%	2.5%	2.5%	14 bps	
Regulated LDR	71.0%	73.8%	71.9%	0.9 ppts	

Source: VCSC. Units are in VND bn unless otherwise stated - *Net fee income includes FX income; **CASA volume includes demand and margin deposits.

The strong performance in settlement service fees has compensated for the subpar performance of VIB's bancassurance. According to the Vietnam Bank Card Association, VIB's new credit card issuance market share increased from 6% in 2020 to 8% in 2021, ranking fourth in the marketplace. In addition, according to the bank's disclosure, the number of in-force cards was around 448,000 (+55% YoY) with the attrition rate controlled at 1.5% in Q1 2022. As a result, there was an increase in the contribution of settlement service fees to total fee income from 33% in Q1 2021 to 44% in Q1 2022 amid weak bancassurance fee income over the last few quarters. This situation leads us to believe that credit the card segment will be the key growth driver of VIB's fee income moving forward. While Q1 2022 NFI (including FX) completed only 18% of our full-year forecast, we expect stronger fee income performance toward the end of the year. We note that VIB has a track record of higher fee income from both bancassurance and settlement services in the second half of the year, which includes the peak shopping season at year-end.

Figure 3: Contribution of settlement services and bancassurance to total fee income (Q1 2021-Q1 2022)



Source: VIB, VCSC

VIB recorded a VND25bn specific provisioning reversal thanks to the repayment of restructured loans. After a sharp decrease in Q4 2021, restructured loans dropped from VND1.1tn (equivalent to 0.52% of the total loan book) in Q4 2021 to VND840bn (equivalent to 0.39% of the total loan book) in Q1 2022 as more customers paid back their restructured loans. The provision balance for restructured loans was VND240bn as of Q1 2022 vs VND265bn as of Q4 2021. Amid the recovery of the economy, management expects that restructured loans will decrease to less than 0.1% of the total loan book in 2022F, resulting in no additional provisioning to be made.

Key figures of VIB

Figure 4: NIM (%) and NII (VND bn) (2019-2024F)

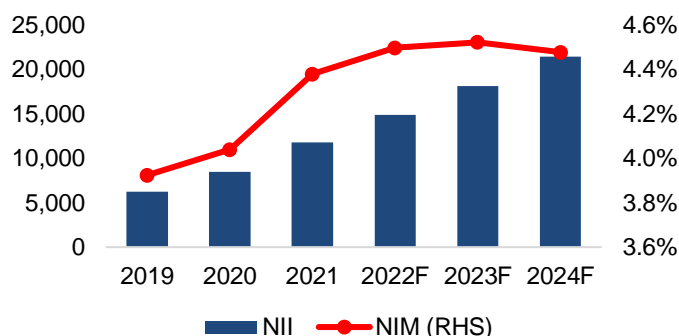
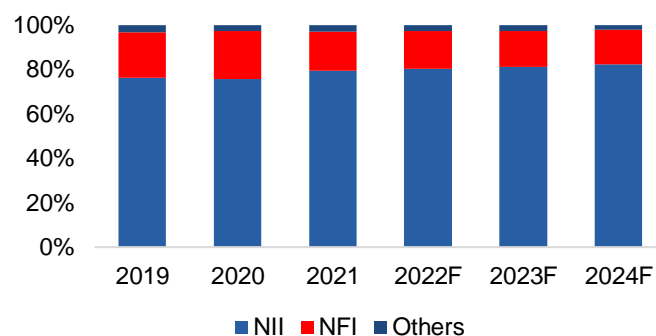


Figure 5: TOI components (2019-2024F)



Source: VIB, VCSC

Source: VIB, VCSC

Figure 6: OPEX, provision expenses and PBT as % of TOI (2019-2024F)

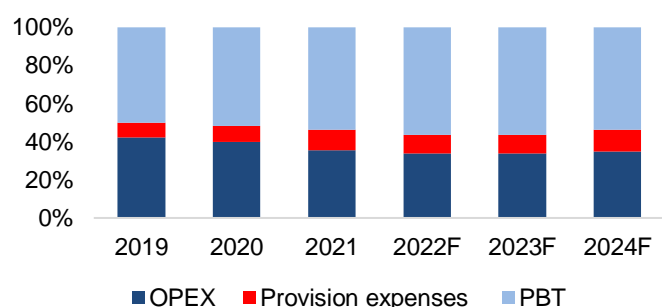
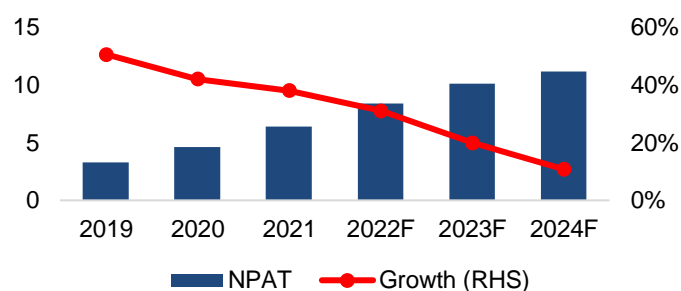


Figure 7: NPAT (VND tn) and NPAT growth (%) (2019-2024F)



Source: VIB, VCSC

Source: VIB, VCSC

Figure 8: Lending market share in our coverage universe (2019-2024F)

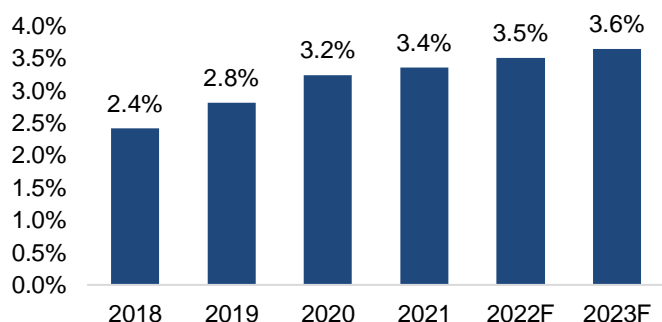
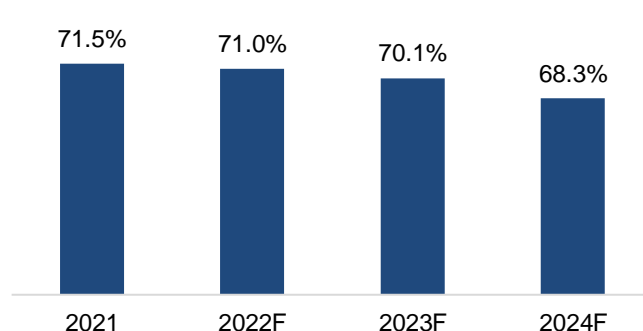


Figure 9: RWAs as % of total assets (2021-2024F)



Source: Company data, VCSC

Source: VIB, VCSC

Figure 10: NPL ratio, annualized write-offs over gross loans and LLR of banks under coverage (Q1 2022)**

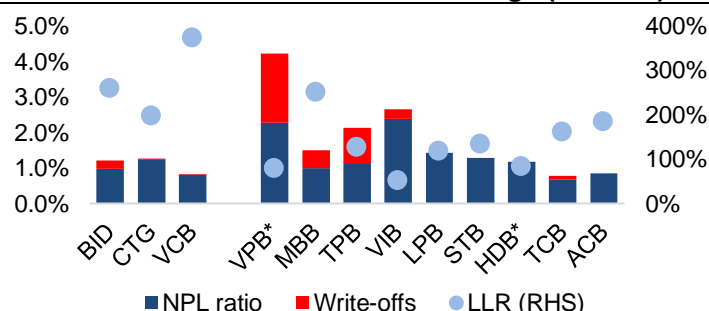
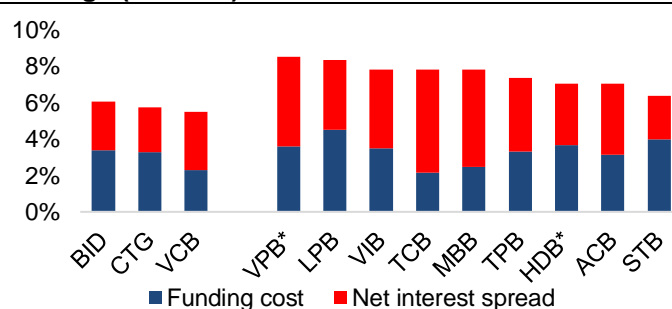


Figure 11: Interest-earning asset yields of banks under coverage (Q1 2022)



Source: Company data, VCSC – * standalone bank only; ** LLR is percentage of total provision balance over NPLs

Source: Company data, VCSC – * standalone bank only

Valuation

We utilize two valuation methodologies to derive our estimated target price for end-2022F — (1) a residual income method and (2) a target forward P/B valuation — with a 50% weighting assigned for each method.

In this Update Report, we decrease our TP by 2.5% to VND31,700/share due to (1) an 8.5% aggregate decrease in our projection for 2022-2026F NPAT-MI and (2) downward revision in our target P/B from 1.75x to 1.60x, which are partly offset by the positive effect of rolling over our TP to mid-2023. Our lower bottom-line forecasts are mainly derived from (1) a 5.6% aggregate decrease in PPOP and (3) 10.1% aggregate increase in provision expenses as we increase our forecast LLR levels to adjust low LLR banks like VIB.

Figure 12: Valuation summary

(VND/share)	Fair value	Weighting	Contribution
Number of outstanding shares (billion)			2.097
Residual income	34,700	50%	17,350
Target forward P/B @ 1.60x	28,654	50%	14,300
Target Price (TP)			31,700
Current Price			24,800
Upside to TP (%)			+27.8%
Dividend yield (%)			0.0%
TSR (%)			+27.8%
Mid-2023F P/B at TP			1.77x
Rating			BUY

Source: VCSC

Residual income model

Figure 13: Cost of equity

Risk free rate (%)	5.5%
Beta	1.0
Market risk premium (%)	7.0%
COE (%)	12.5%

Source: VCSC

Figure 14: Residual income model

(VND bn)	2022F	2023F	2024F	2025F	2026F
ROE (beginning period)	34.6%	31.0%	26.3%	22.4%	18.7%
COE	12.5%	12.5%	12.5%	12.5%	12.5%
Economic margin	22.1%	18.5%	13.8%	9.9%	6.2%
Equity value (beginning period)	24,291	32,575	42,519	53,536	65,345
Residual income (RI)	2,685	6,019	5,865	5,290	4,060
PV of RI	2,531	5,044	4,369	3,503	2,390
Sum PV of RI					17,837
PV of terminal value (4% intermediate growth for 10 years and thereafter at 3%)					10,828
Beginning EV (mid-2022F)					28,433
Current equity value					72,729
Total outstanding shares (billion)					2.097
Fair value per share (VND)					34,700

Source: VCSC

Target P/B

According to Bloomberg consensus, VIB is currently trading at a forward 2022 P/B of 1.84x — a 36.3% premium to the median peer level of 1.35x — with return metrics of a 2022F ROE of 28.2% vs a median peer ROE of 21.0% (see **Figure 17**). The sensitivity analysis using the Gordon Growth Model (GGM) with our average ROE in 2016-2026F of 22.3%, cost of equity at 12.5% (**Figure 15**) and terminal growth assumption of 3.0% illustrates a fair value P/B multiple for VIB at 2.03x. Although we agree that VIB should trade at a small premium to the peer median level given this ROE profile, we believe the appropriate trading multiple for VIB should be 1.60x to mid-2023F book value. There are three reasons to support our decision:

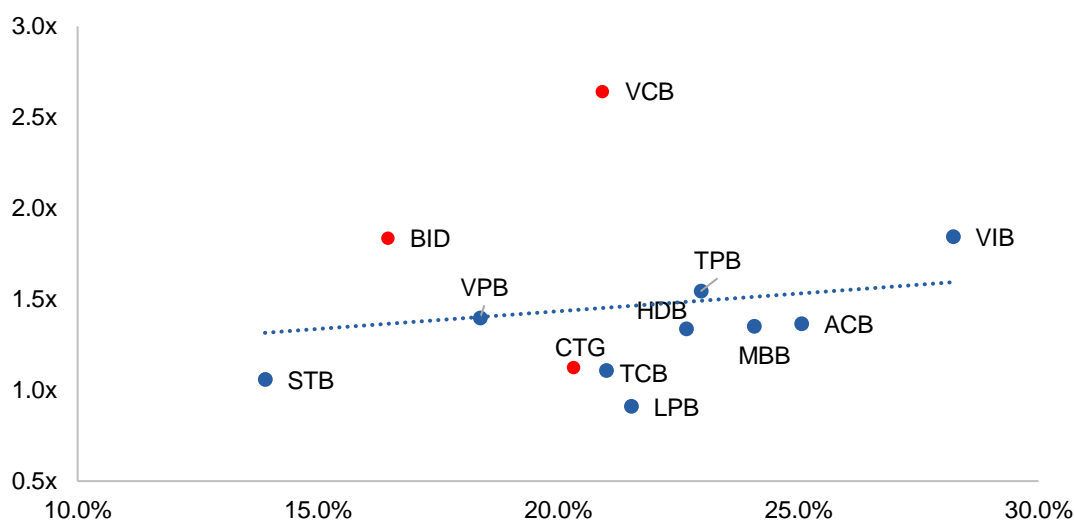
1. Rapid growth of the bank's loan book could lead to higher credit risk if the bank fails to correctly assess risk (especially as VIB is highly exposed to auto lending) and/or there is macro-driven stress on asset quality given that VIB currently has the lowest LLR level in our coverage at 51.4% and the highest non-consumer finance influenced NPL ratio in our coverage universe at 2.39% as of Q1 2022.
2. Bloomberg consensus concurs with the view that VIB's 2022F ROE will be the highest in our coverage. However, its leverage ratio remains elevated at 12.7x as of end-2021 (vs a private peer median of 11.8x — see **Figure 17**). We believe high ROEs of the last few years and 2022F's level — which elevate the 2016-2026F number we use in **Figure 15** — are unsustainable as the bank will need additional capital to maintain high-teen loan growth in the next five years.
3. Among banks that reported fee income from bancassurance in Q1 2022, VIB is the only bank in our coverage universe that experienced a decline in bancassurance fee income YoY. We expect rising competition within the bancassurance market threatens future expansion of fee income, which will put pressure on the bank's ROA beyond 2023F. The contribution of bancassurance fee income to VIB's fee income decreased from 34% in Q1 2021 to 23% in Q1 2022.

Figure 15: Sensitivity of 'fair P/B' for VIB for different ROEs and terminal growth rates derived from the Gordon Growth Model, ceteris paribus

Sustainable ROE						
Terminal growth (g)		19.3%	20.8%	22.3%	23.8%	25.3%
	2.0%	1.65	1.79	1.93	2.08	2.22
	2.5%	1.68	1.83	1.98	2.13	2.28
	3.0%	1.71	1.87	2.03	2.19	2.35
	3.5%	1.75	1.92	2.09	2.25	2.42
	4.0%	1.80	1.98	2.15	2.33	2.50

Source: VCSC

Figure 16: Vietnam banks P/B (y-axis) and ROE (x-axis) (2022F)



Source: Bloomberg as on May 20, 2022, VCSC

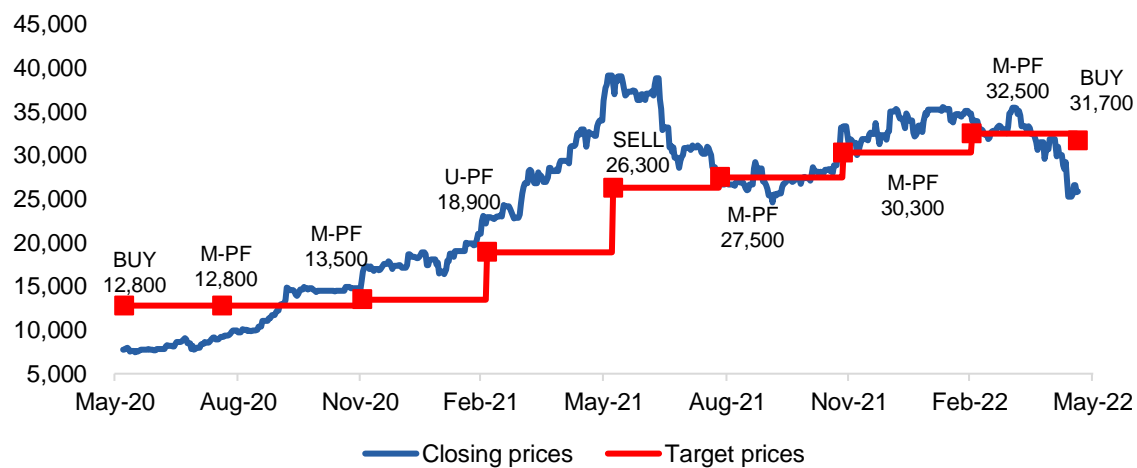
Figure 17: Consensus data of Vietnamese banks from Bloomberg

Bloomberg Ticker	Market Cap. (USD bn)	P/E			P/B			ROE			ROA TTM	Equity Multiplier 2021	NPLs/loans 2021
		2021	2022F	2023F	2021	2022F	2023F	2021	2022F	2023F			
ACB VN	3.39	7.5	6.3	5.2	1.63	1.36	1.10	24.2%	25.1%	23.1%	2.13%	11.8	0.77%
BID VN	7.54	15.2	13.3	9.2	2.01	1.83	1.47	13.8%	16.5%	19.2%	0.67%	20.4	0.98%
CTG VN	5.38	10.1	6.3	5.3	1.28	1.13	0.98	13.0%	20.3%	20.9%	0.82%	16.4	1.26%
MBB VN	4.41	7.5	6.8	5.4	1.59	1.35	1.10	23.7%	24.1%	23.4%	2.36%	9.7	0.90%
VCB VN	15.39	15.5	14.0	11.3	3.05	2.64	2.17	21.1%	20.9%	21.5%	1.68%	12.7	0.64%
VPB VN	5.88	7.9	8.5	7.2	1.56	1.40	1.16	24.0%	18.4%	17.2%	3.44%	6.3	4.47%
STB VN	1.76	10.3	9.4	5.5	1.15	1.06	0.90	11.9%	13.9%	17.8%	0.74%	15.2	1.47%
HDB VN	2.12	7.6	6.6	5.6	1.57	1.34	1.11	23.1%	22.7%	21.8%	1.81%	12.2	1.65%
TCB VN	5.41	6.5	5.8	4.8	1.28	1.11	0.90	21.7%	21.0%	20.3%	3.55%	6.1	0.66%
TPB VN	2.15	9.5	7.4	6.0	1.81	1.54	1.25	22.0%	23.0%	22.6%	1.92%	11.3	0.82%
LPB VN	0.95	6.6	5.2	4.8	1.16	0.91	0.77	18.5%	21.5%	19.0%	1.08%	17.2	1.33%
Median		7.9	6.8	5.5	1.57	1.35	1.10	21.7%	21.0%	20.9%	1.81%	12.2	0.98%
VIB VN	2.34	8.1	7.3	5.7	2.08	1.84	1.41	29.5%	28.2%	26.8%	2.29%	12.7	2.32%

Source: Bloomberg as on May 20, 2022, VCSC

Historical Recommendations

Figure 18: Historical VCSC target prices (VND/share, adjusted for share issues)



Financial Statements

P&L (VND bn)	2021	2022F	2023F	2024F
Interest inc.	20,975	26,323	32,152	38,446
Interest exp.	(9,159)	(11,403)	(14,002)	(16,966)
Net interest inc.	11,816	14,920	18,151	21,480
Net fee income	2,655	3,183	3,612	4,037
Other Noll	420	493	584	532
Total Noll	3,075	3,676	4,196	4,570
Total operating inc.	14,891	18,596	22,347	26,050
Non-interest exp.	(5,282)	(6,285)	(7,542)	(9,051)
Other G&A exp.	0	0	0	0
Total OPEX	(5,282)	(6,285)	(7,542)	(9,051)
PPOP	9,609	12,311	14,804	16,999
Provision exp.	(1,598)	(1,804)	(2,191)	(3,025)
Other inc./exp.	0	0	0	0
Pre-tax profit	8,011	10,507	12,613	13,974
Taxes	(1,601)	(2,101)	(2,523)	(2,795)
Net profit	6,410	8,406	10,090	11,180
Minorities/pref divs	0	0	0	0
Attributable profit	6,410	8,406	10,090	11,180
Wgt.avg.shares (bn)	2.097	2.097	2.097	2.097
EPS (VND)	3,013	3,951	4,743	5,255
DPS (VND)	0	0	0	0

RATIOS (%)	2021	2022F	2023F	2024F
Growth				
Loan growth	18.9	22.0	20.0	18.0
Deposit growth	15.4	20.0	19.0	17.0
TOI growth	32.8	24.9	20.2	16.6
PPOP growth	42.3	28.1	20.3	14.8
NPAT growth	38.1	31.1	20.0	10.8

Asset quality				
Group2 ratio	2.62	2.00	1.50	1.20
NPL ratio	2.32	1.97	1.87	1.77
LLR	51.4	56.2	62.1	77.5
Prov exp./ loans	0.79	0.73	0.74	0.87

Liquidity				
CAR under Basel II	11.7	12.8	13.7	14.6
Regulated LDR	71.0	71.9	72.4	72.6

B/S (VND bn)	2021	2022F	2023F	2024F
Cash & equiv.	1,522	1,853	2,244	2,686
Bal. with SBV	24,891	29,778	35,183	41,087
Due from FIs	27,985	41,578	58,973	80,083
ST investments	44,854	46,930	49,276	51,740
Net cust. loans	199,116	243,132	291,598	343,358
HTM	42	42	42	42
LT investments	70	40	42	44
Prop. & Equiv.	607	661	721	785
Other assets	10,431	11,474	12,621	13,883
Total assets	309,517	375,489	450,701	533,709
Bal. from SBV	0	0	0	0
Bal. from FIs	64,456	81,150	100,736	123,660
Other funds	9	9	9	9
Cust. deposits	173,565	208,278	247,851	289,985
Other fin.inst	64	0	0	0
Valuable papers	42,298	48,160	53,738	60,085
Other liabilities	4,834	5,318	5,849	6,434
Total equity	24,291	32,575	42,519	53,536
MI	0	0	0	0
Liabilities & SE	309,517	375,489	450,701	533,709

RATIOS (%)	2021	2022F	2023F	2024F
Profitability				
NIM	4.38	4.50	4.52	4.48
IEA yields	7.78	7.93	8.01	8.01
Funding costs	3.65	3.69	3.78	3.87
CIR	35.5	33.8	33.8	34.7
CASA ratio	16.3	16.9	17.7	18.5

ROE decomposition as % of total assets				
Pre-prov. NIM	4.26	4.36	4.39	4.36
Provisions	(0.58)	(0.53)	(0.53)	(0.61)
Post-prov. NIM	3.69	3.83	3.86	3.75
Non-interest inc.	1.11	1.07	1.02	0.93
Operating exp.	(1.91)	(1.84)	(1.83)	(1.84)
Taxes	(0.58)	(0.61)	(0.61)	(0.57)
ROAA	2.31	2.45	2.44	2.27
Equity Mult. (x)	13.1	12.0	11.0	10.2
ROAE	30.3	29.6	26.9	23.3

Source: VIB, VCSC

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MARKET PERFORM	If the projected TSR is between -10% and 10%
UNDERPERFORM	If the projected TSR is between -10% and -20%
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