

SSI SECURITIES CORPORATION

Sector: Financials

Industry: Securities

DATE: 7th, November, 2024
TICKER: HSX:SSI (Ho Chi Minh Exchange)

LAST CLOSE: VND 26,450

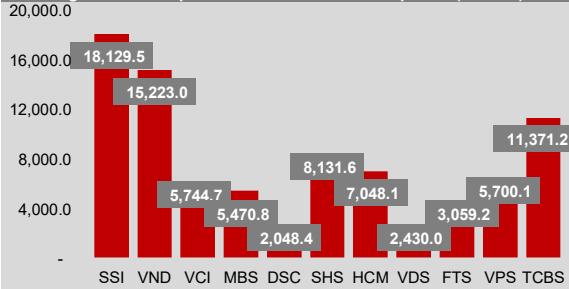
RECOMMENDATION: BUY (37% UPSIDE)
TARGET PRICE: VND 36,175

Fig.01: The Market Capitalization and Weight of FTSE Fund Investment in Some Emerging Market Countries

| | Market Capitalization (USD bn) | Weight of FTSE Fund Investment |
|--------------|--------------------------------|--------------------------------|
| Chile | 178.05 | 0.52% |
| China | 9,883.5 | 31.11% |
| India | 5,539.8 | 23.05% |
| Indonesia | 828.7 | 1.87% |
| Romania | 76.9 | 0.15% |
| Saudi Arabia | 2,694.1 | 4.24% |
| UAE | 942.7 | 1.60% |
| Vietnam | 219.4 | 0.60% |

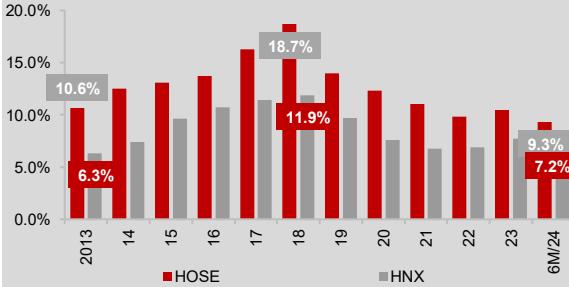
Source: FTSE Russell, Team's Analysis

Fig.02: Share Capital of Some Securities Companies (VND bn)



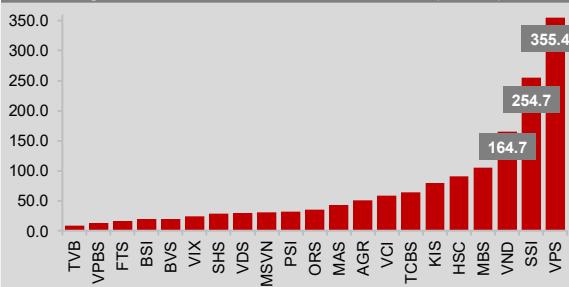
Source: Finpro, Team's Analysis

Fig.03: SSI's Brokerage Market Share



Source: HOSE, HNX, Team's Analysis

Fig.04: Value of Investment in Software in 2023 (VND bn)



Source: Finpro, Team's Analysis

Fig.05: Share Capital of SSI (VND bn)



Source: SSI, Team's Analysis

SSI: NAVIGATING GROWTH OPPORTUNITIES

With Vietnam's anticipated upgrade to emerging market status, SSI is well-placed to attract global investment flows, boosting demand for its services. Backed by strong capital, proven expertise, and early adoption of non-prefunding for foreign investors, SSI is ready to lead through this growth phase. Through continued investment in technology and financial strength, SSI is set to stay at the forefront of Vietnam's evolving market.

INVESTMENT HIGHLIGHT

We issue a **Buy** recommendation for SSI with a one-year target price of VND 36,175, offering a 37% upside from its current price of VND 26,450 as of November 6, 2024. Our rating is based on three key drivers: [1] SSI's positioning to capture capital inflows from Vietnam's emerging market upgrade, [2] its strong tech investment enhancing market leadership, and [3] a solid capital base supporting growth in diversified services.

Unlocking Vietnam's growth potential – Strategic advantage in capitalizing from Vietnam's emerging market upgrade

Attracting ETF and active fund inflows: Vietnam's anticipated upgrade to emerging market status by FTSE Russell by September 2025 positions SSI, as the market leader, to capture substantial capital inflows from global ETFs and active funds tracking emerging market indices. With a market capitalization of \$219.4 billion, comparable to Chile's \$178.05 billion [Fig.01], Vietnam has significant growth potential within the FTSE Emerging Markets Index. A projected 0.6% index weighting could drive approximately \$544.8 million in ETF inflows [APPENDIX - C], with a significant portion expected from the Vanguard FTSE Emerging Markets ETF, which may allocate around \$507 million to Vietnam alone. This upgrade is not only expected to attract fund inflows but also to drive increased demand for investment banking (IB) services as companies leverage the expanded capital access. SSI, with its robust financial resources, extensive market presence, and strong track record in investment banking, is ideally positioned to benefit. The firm has demonstrated its IB leadership through landmark deals, such as DXS's \$100 million IPO—the largest in Vietnam over the past three years—and PLX's \$125.8 million fundraising on the HOSE to fuel its growth strategy post-COVID-19.

First-mover advantage with non-prefunding: With the implementation of non-prefunding, outlined in Circular 68/2024/TT-BTC (effective from November 2024), SSI leads among securities firms, leveraging its large charter capital of 18,129.5 billion VND to support non-prefunding for foreign investors. This robust capital base – the highest among peers like VND (15,223 billion VND) and TCBS (11,371.2 billion VND) [Fig.02] – positions SSI to offer flexible, cost-effective transactions on a T+2 basis, enhancing appeal to international investors.

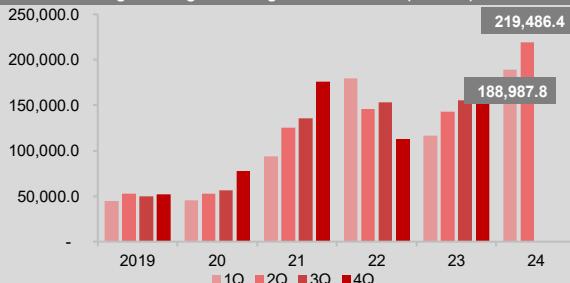
In short, we believe SSI's strong market position and robust financial strategies should not be overlooked. As Vietnam moves toward an upgrade to Primary Emerging Market status by 2025. Additionally, with its early adoption of non-prefunding, SSI stands out as a forward-thinking firm, offering increased flexibility for foreign institutional investors. Once the market stabilizes post-upgrade, SSI is expected to be one of the first to benefit from these favorable conditions, further strengthening its market position and growth potential.

Tech-Driven Market Leadership: SSI's Path to Sustained Dominance and Profitability

Unyielding Market Dominance in Vietnam's Brokerage Sector: SSI has established itself as a market leader in Vietnam's brokerage sector, leveraging its status as the oldest firm with the largest charter capital and a highly skilled workforce. From 2013 to 2023, SSI's market share consistently ranked in the top 3 on HOSE and maintained a solid presence with over 9% market share (HOSE) [Fig.03]. This sustained leadership stems from several competitive advantages: as the oldest brokerage firm in the market, SSI has unmatched expertise, the largest charter capital, and a highly skilled workforce. Its robust financial resources support continuous investments in technology, enabling the optimization of support systems and the standardization of its brokerage team. By the first half of 2024, SSI held a 9.34% market share on HOSE and 7.2% on HNX, consistently ranking in the top3. We believe these strengths will allow SSI to maintain a market share of around 10% on HOSE and 8% on HNX through 2024-2028, securing its position as a market leader in Vietnam's stock exchanges.

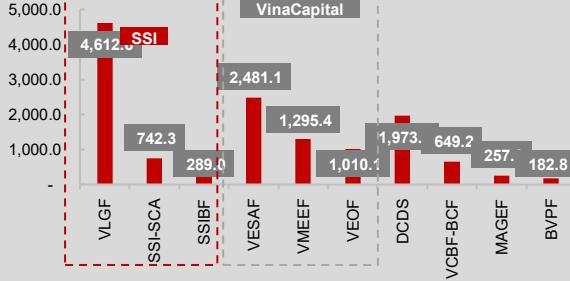
Unrivaled Tech Investment Driving Market Leadership: SSI's substantial investment in

Fig.06: Margin Lending of All Securities (VND bn)



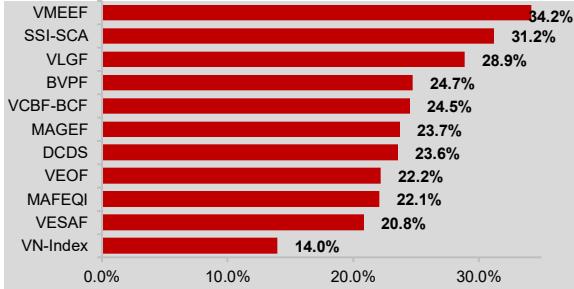
Source: Finpro, Team's Analysis

Fig.07: Net Asset of Some Funds (VND bn)



Source: Fmarket, Team's Analysis

Fig.08: Top 10 Funds' Profitability



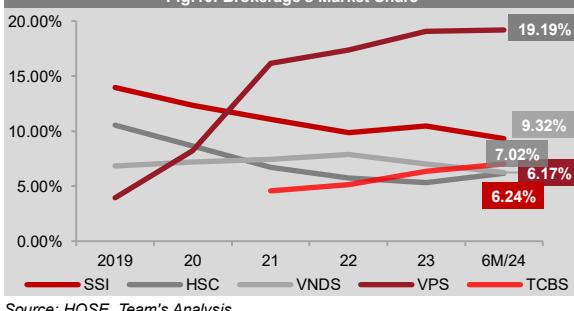
Source: Fmarket, Team's Analysis

Fig.09: Business Model



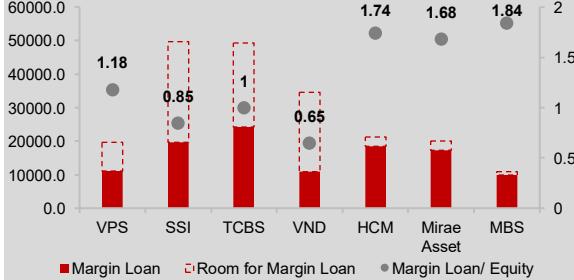
Source: SSI, Team's Analysis

Fig.10: Brokerage's Market Share



Source: HOSE, Team's Analysis

Fig.11: Margin Loan of Some Securities



Source: Finpro, Team's Analysis

information technology, totaling 254.7 billion VND in 2023, positioned the company as a leading player in Vietnam's securities market, second only to VPS in tech spending [Fig.04]. This 34.2 billion VND increase from 2022 underscores SSI's strategic emphasis on bolstering its digital infrastructure to enhance operational efficiency and deepen customer engagement. Achieving 99.99% trading facility availability in 2023, SSI ensured uninterrupted, high-speed trading for a growing base of tech-savvy investors. Looking ahead to 2024, SSI's tech budget is expected to continue surpassing that of its competitors, with a focus on upgrading data center resiliency and integrating AI-driven trading tools to further enhance execution speed and client service personalization.

In brief, we believe that SSI is well-positioned to maintain its top 3 market share in Vietnam's brokerage industry, capturing approximately 10% of total brokerage revenue from 2024 to 2028. Additionally, we expect the profit growth at a CAGR of +6.54% during this period, driven by its sustained market dominance and unrivaled tech investments. Besides, SSI's gross margin is expected to improve from 65% to 75%, further enhancing profitability as the company leverages its advanced digital infrastructure and strategic market leadership.

Capital Strength and Diversified Growth Propel Market Leadership and Sustained Profitability

Top Chartered Capital Driving Market Leadership and Expansion: SSI stands out as the company with the highest charter capital in Vietnam's securities market, with its capital growing from 3,537.9 billion VND in 2023 to 18,391.2 billion VND by mid-2024 [Fig.05], far surpassing other major players such as VND, TCBS [Fig.02]. This solid capital base reflects SSI's financial strength and provides ample room for expansion in product offerings and margin lending services, which are key growth drivers in the industry. As demand for margin financing continues to grow 16.1% in 2Q/2024 compared to 1Q/2024 and 53.8% YoY compared to 2Q/2023 [Fig.06], so SSI is well-positioned to capitalize on this trend. To further solidify its market position, SSI plans to raise its charter capital to 19,645 billion VND through a public offering of shares in 2024. By leveraging its strong capital structure, SSI not only reinforces its leadership in the securities industry but also gains a significant competitive advantage in expanding its product and service offerings, ensuring sustained growth in an increasingly competitive market.

Diversified Fund Leadership Strengthens Market Dominance: SSI's investment funds have demonstrated impressive scale and profitability compared to other leading investment funds in the market. SSI's VLGF fund leads with a net asset value (NAV) of 4,612.6 billion VND, surpassing notable competitors like VinaCapital's VESAF fund (2,481.1 billion VND) and DC's DCDS fund (1,973.3 billion VND) [Fig.07]. This indicates SSI's dominant position in managing large-cap equity funds, reflecting its ability to attract substantial investor capital. The SSI-SCA fund, with a NAV of 742.3 billion VND, also ranks highly in terms of profitability, delivering a 31.2% return, second only to VMEF at 34.2% [Fig.08]. Moreover, SSI offers a diverse range of investment products that cater to a wide variety of investors, including mutual funds, exchange-traded funds (ETFs) such as SSIAM VN30 ETF, and private equity products. The VN30 ETF delivered a 20.6% YTD return, while the VNFIN LEAD ETF achieved a 14.71% YTD return. Hence, we believe SSI can solidify its position as a leading player in Vietnam's financial markets.

In conclusion, with its strong capital base and diversified product offerings, we expect SSI to achieve a +7.8% CAGR in sales (2024-2028), including significant revenue from margin lending fees, estimated to reach around 4,000 billion VND by 2028, with a +8.85% CAGR over the same period. Additionally, we project SSI's margin loans to exceed 35,000 billion VND by 2028, driven by its continued leadership in wealth management and its ability to capitalize on growing investor demand. These factors highlight SSI's capacity to maintain its competitive edge and deliver consistent growth in Vietnam's financial markets.

BUSSINESS DESCRIPTION

SSI Securities Corporation (HOSE: SSI), founded in 1999, is one of the most enduring securities companies and has become a leading financial institution in Vietnam. From 2014 to 2020, it led the brokerage market. The company first listed on HOSE on October 29, 2007. Since then, SSI has expanded its market capitalization to 1,962,071,596 shares, reaching 51,406 billion VND as of November 7, 2024.

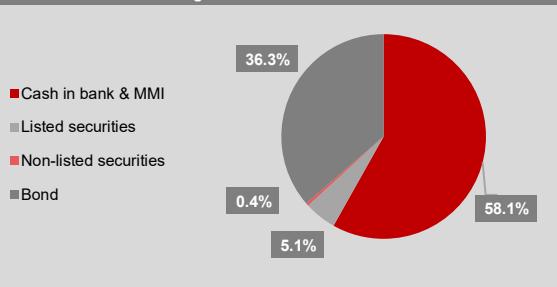
Business Model: SSI's growth is driven by four key business segments: Brokerage, Margin Lending, Proprietary Trading, and Investment Banking [Fig.09], contributing 22%, 21.9%, 50.9%, and 1.8% of total revenue, respectively. Other services account for 4.3% of revenue.

[1] Brokerage: SSI holds the second-largest brokerage market share (9.32% in 2H2024) since 2021 [Fig.10], following seven years of maintaining the top position. Unlike competitors pursuing zero-fee strategies to capture market share, SSI focuses on enhancing its advisory and asset management services to deliver superior customer service.

[2] Margin lending: SSI has second biggest margin loans balance and margin loans room in margin loans market after TCBS in 2H2024 [Fig.11].

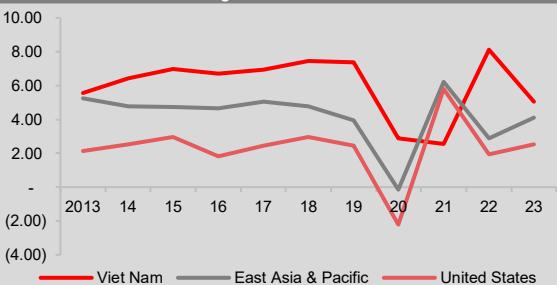
[3] Proprietary Trading: This segment contributes the largest share of revenue for SSI

Fig.12: Investment Portfolio



Source: SSI, Team's Analysis

Fig.13: GDP Growth



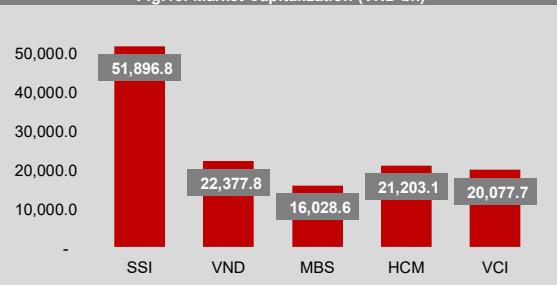
Source: Bloomberg, Team's Analysis

Fig.14: Brent Oil Price (USD/ Bbl)



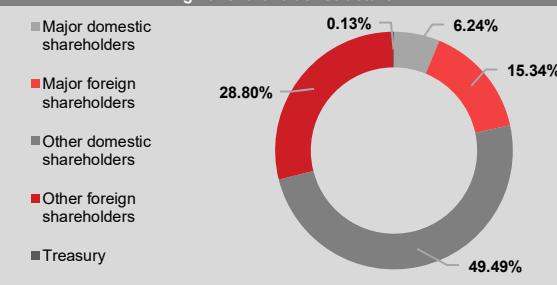
Source: World Bank, Team's Analysis

Fig.15: Market Capitalization (VND bn)



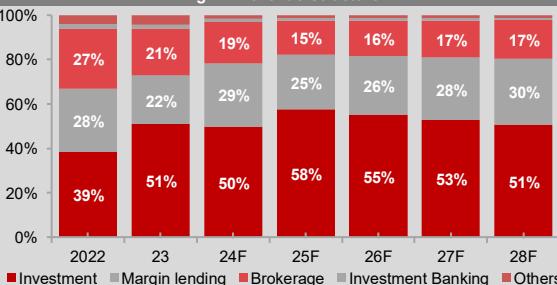
Source: Finpro, Team's Analysis

Fig.16: Shareholder Structure



Source: SSI, Team's Analysis

Fig.17: Revenue Structure



Source: SSI, Team's Analysis

approximately 44% and maintains a stable ROI that is higher than VNIndex growth in a fluctuating market [Fig.12]. This success can be attributed to:

The restructuring of the investment portfolio to focus on low-risk financial assets, concentrating on top companies in each industry that have high liquidity and growth potential, such as FPT, HPG, and ACB.

Trading derivatives, including VN30 derivatives, also contribute to the segment's performance.

[4] Investment Banking and Other Services: SSI offers a variety of other services, including securities investment advisory, securities custodian services, and more. Notably, SSIAM, a subsidiary specializing in asset management, holds a leading position in Vietnam and contributes 16% of SSI's revenue. SSI's investment banking arm is recognized for its role in numerous successful transactions involving companies like Vingroup and BIDV.

Business Strategy: SSI is dedicated to its mission of "Connecting capital to opportunities" and aims to remain the leading financial institution in Vietnam while gradually expanding internationally. This year and next, SSI's strategic priorities include: **[1] Strengthening existing business segments.** **[2] Optimally preparing for the anticipated market upgrade to emerging market status.** **[3] Enhancing technology and digital capabilities.**

INDUSTRY OVERVIEW

The Vietnamese securities market is gradually showing positive signs. **[1] Business activity across various sectors is recovering, which we believe will strengthen investor confidence.** **[2] Regulatory developments and potential market upgrades are helping to attract foreign investment.** However, the positive news has not yet been clearly reflected in market liquidity, the VN Index, or foreign capital inflows. We expect the market to show clearer positive momentum by the end of 2024 and into 2025.

Vietnam macroeconomic landscape

Resilient GDP growth

Vietnam's economy currently faces several macroeconomic challenges that could impact the securities market:

[1] Export-Driven GDP Growth: Vietnam relies heavily on exports as a primary driver of GDP [Fig.13].

[2] Geopolitical Tensions: Expanding geopolitical tensions across multiple regions could disrupt global supply chains, indirectly affecting Vietnam's manufacturing and export industries. Given that exports are a significant driver of Vietnam's GDP, any disruptions in manufacturing could have downstream impacts on GDP growth.

Inflation Trends

The inflation rate in Vietnam has been influenced by various factors:

[1] Decline in Fuel Prices: The recent decrease in fuel prices has moderated inflationary pressures, even as food prices have risen following storm-related agricultural disruptions. Overall, this has resulted in a Consumer Price Index (CPI) increase at one of the lowest levels observed recently [Fig.14].

[2] Potential Inflationary Pressures: Rising costs of construction materials, such as steel, due to supply chain disruptions exacerbated by geopolitical conflicts, could potentially drive inflation upward. Nevertheless, the inflation rate is expected to stabilize around 4.5% in the near term.

Interest Rate Expectations

With speculation that the U.S. Federal Reserve may reduce interest rates by 0.25% to 0.5%, the interest rate differential between the U.S. and Vietnam is expected to narrow. This may alleviate the trend of foreign investors withdrawing from Vietnam's market, as reduced interest rate gaps could enhance Vietnam's appeal to foreign investors. Additionally, lower import prices would further benefit Vietnam's export sector, potentially boosting economic activity and investor confidence in the securities market.

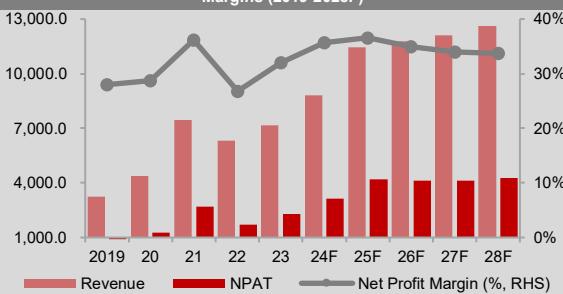
Regulatory Developments

Vietnam has introduced significant regulatory reforms in the securities market, aimed at increasing market accessibility and transparency for foreign investors:

[1] Elimination of Pre-Funding Requirements for Foreign Investors: Effective November 2, under Circular 68/2024/TT-BTC, foreign investors are no longer required to have pre-funded accounts when placing buy orders on the Vietnamese securities market, provided they are either organizational or foreign-incorporated entities. Securities firms will assume the payment risk in cases where foreign investors lack sufficient funds for purchases, except when a custodian bank managing the foreign investor's account assumes liability.

[2] Language Requirements for Market Disclosures: Starting January 1, 2025, listed

Fig.18: Steady Growth in Revenue and Profitability with Rising Net Profit Margins (2019-2028F)



Source: SSI, Team's Analysis

companies and large-scale public entities must provide regular information in both Vietnamese and English, promoting transparency and easing access to information for international investors.

Market Maturity and Growth Potential

Vietnam's securities market is in a rapid growth phase, progressing from a frontier market towards emerging market status. Established 24 years ago, the market now boasts 841 listed companies across the Hanoi Stock Exchange and the Ho Chi Minh City Stock Exchange, with approximately 8.8 million investor accounts, representing nearly 9% of Vietnam's population. The total market capitalization has reached approximately 6 quadrillion VND (around \$246 billion USD), accounting for 58.1% of Vietnam's GDP 2023.

Liquidity, however, remains a concern. Average liquidity across all three exchanges in September 2024 stood at 17,737 billion VND per session, a decline of 4.54% from August. This stagnation reflects cautious investor sentiment amidst limited information and anticipation of third-quarter 2024 financial results. While foreign investors remain net sellers, the pace of selling has slowed, indicating potential for renewed foreign capital inflow by year-end and into 2025.

COMPETITIVE POSITION

Market Leadership and Reputation

SSI Securities Corporation (SSI) is one of the leading securities companies in Vietnam. Consistently maintaining a top 2 position in market share has given SSI a solid standing and high reputation within the industry [Fig.10], providing a significant advantage in attracting customers, as investors tend to choose firms with substantial market share, long-standing reputation in the industry due to their confidence in management and customer service. This is evidenced by a 69% increase in the number of accounts in 2021 and a further 39.5% increase in 2022 compared to the same period. However, due to SSI's strategic focus on attracting new Gen Z clients rather than reducing commissions to boost market share, we conservatively project that SSI's market share will remain around 10% from 2024 to 2028.

Financial Strength and Room for Growth

SSI currently has the highest capitalization among securities companies in Vietnam with over 50,000 billion VND [Fig.15], accounting for 21% of the total value of the industry, followed by VND with 9.4% and HCM with 8.8%. This creates a solid foundation for its core business of margin lending. Specifically, in Q3/2024, SSI's outstanding margin lending balance reached more than VND 19,000 billion, an increase of nearly 30% compared to Q2/2024 [Fig 11]. We believe the strong capital base allows SSI to provide competitive margin loans to customers, thereby maintaining and expanding its market share.

Strong foreign capital attraction

SSI has attracted substantial investment capital from foreign investors, especially through its strategic partnership with Daiwa Securities Group Inc., one of Japan's leading financial groups. Daiwa's shareholding represents 15.34% of SSI's charter capital [Fig.16]. Overall, foreign investors hold 44.13% of SSI's charter capital, compared to 20.24% for VND and 30% for VCI. This ownership ratio reflects strong confidence and commitment from international investors toward SSI, providing a vital capital base to support the company's expansion and achieve greater cost optimization through economies of scale. Based on this, we forecast that SSI's ROE will increase from 10% in 2023 to 14% by 2028.

Balancing Service Quality with Market Share

Despite the pressure from the trend of "no-fee trading" to gain market share, SSI still maintains its top 2 position in market share with 8.84% in Q3 2024, above TCPS with 7.09% and VCI with 6.78%, just behind VPS with 17.63%. This achievement demonstrates SSI's ability to maintain its market position while balancing competitive pricing with high-quality services such as advisory services. Furthermore, SSI has proactively expanded its offerings by developing wealth management products, catering to the growing demand for personalised financial solutions. This focus on wealth management positions SSI to capture a new market segment and enhance its revenue streams beyond traditional brokerage services.

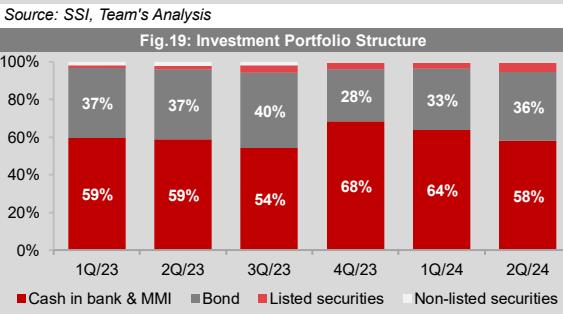
FINANCIAL ANALYSIS

Revenue Structure

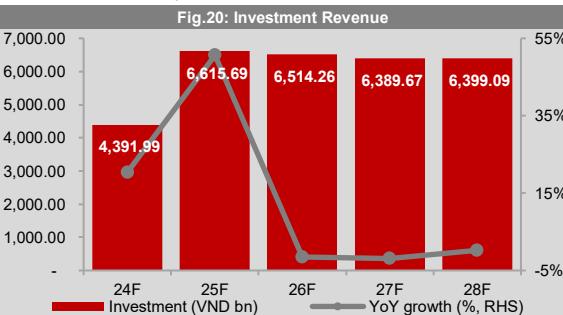
SSI has demonstrated consistent growth over the past few years, underpinned by its strategic focus on key revenue segments [Fig.17]. From 2019 to 2023, SSI's revenue grew steadily, reaching 7,157.7 billion VND in 2023 [Fig.18], with margin lending and stable yields driving strong profitability. We believe revenue will rise to 13,017.4 billion VND by 2028 with a CAGR of +7.8% (2024F-2028F), supported by continued growth in margin lending and a diversified revenue structure across investment, brokerage, and investment banking:

[1] Investment: SSI's revenue has been predominantly driven by its investment segment, contributing 39% in 2022 and peaking at 51% in 2023, with a portfolio heavily weighted towards bonds and money market instruments (MMI) [Fig.19]. Bonds and MMI accounted for 59% of SSI's investment portfolio by mid-2023, complemented by stable listed securities [Fig.19]. This conservative asset allocation has ensured steady returns even during market volatility. SSI's total investment portfolio, which reached 44,654.5 billion VND by Q4/2023 and adjusted to 40,289.0 billion VND in Q2/2024, reflects its balanced and diversified strategy.

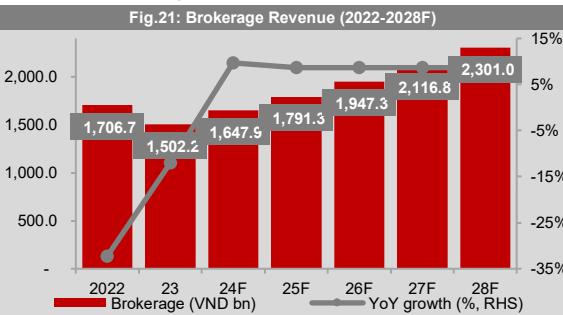
Looking ahead, we project that SSI's investment segment will consistently account for over



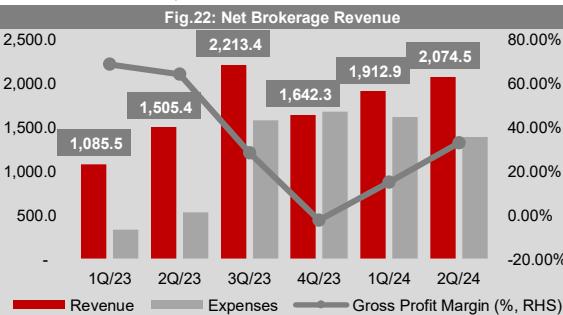
Source: SSI, Team's Analysis



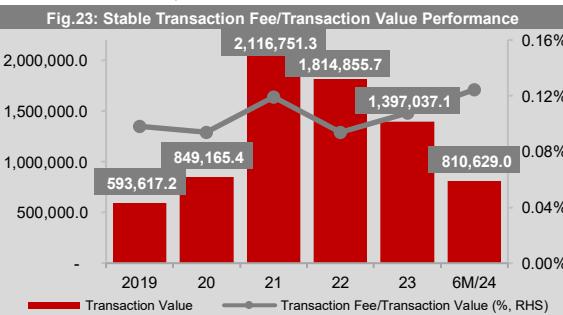
Source: SSI, Team's Analysis



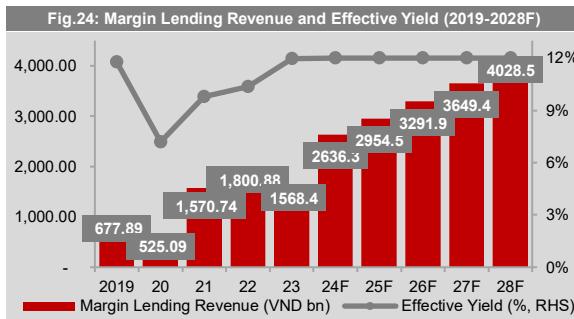
Source: SSI, Team's Analysis



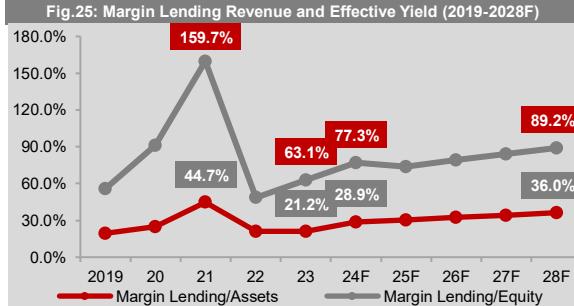
Source: SSI, Team's Analysis



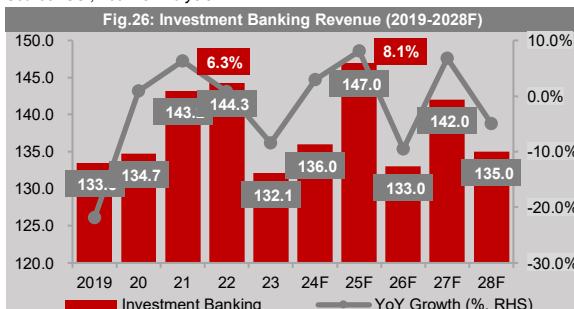
Source: SSI, Team's Analysis



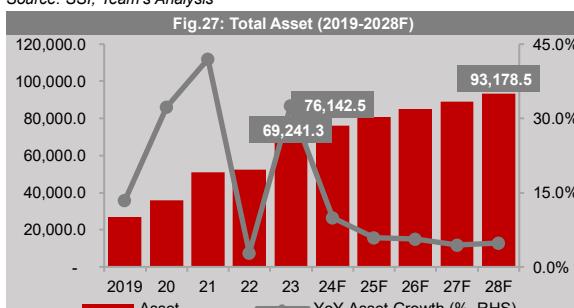
Source: SSI, Team's Analysis



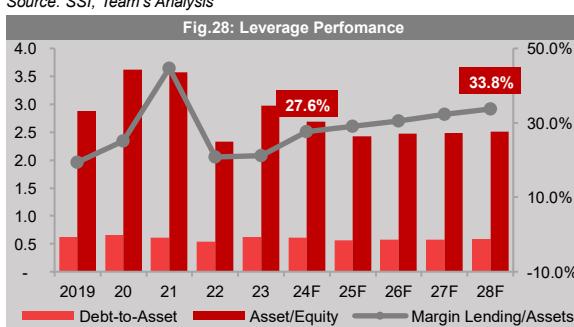
Source: SSI, Team's Analysis



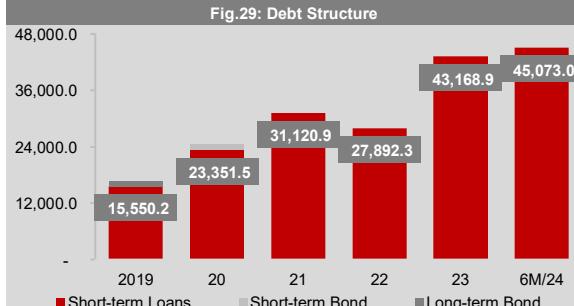
Source: SSI, Team's Analysis



Source: SSI, Team's Analysis



Source: SSI, Team's Analysis



Source: SSI, Team's Analysis

Looking ahead, we project that SSI's investment segment will consistently account for over 50% of total revenue from 2024 and reach at 6,399.09 billion VND by 2028 with a CAGR of +7.82% supported by Vietnam's evolving securities market and the company's strong emphasis on high-yield, low-risk investments [Fig.20].

[2] Brokerage: SSI's brokerage segment experienced notable fluctuations from 2021 to 2023, with revenue peaking at 2,519 billion VND in 2021 due to high market activity but declining to 1,502.2 billion VND in 2023 amidst intensified competition and the rise of zero-fee trading policies from competitors [Fig.21]. This competitive pressure significantly impacted profitability, especially in Q4/2023, when the gross profit margin dropped to -2.12% [Fig.22]. Despite this, SSI managed to maintain a relatively stable transaction fee-to-transaction value ratio, fluctuating between 0.09% and 0.12% [Fig.23], reflecting its ability to preserve fee structures.

With the industry-wide impact of fee-free trading, which has caused many brokerage firms to struggle with profitability, we expect that SSI can maintain a stable 12% of market share (2024-2028) due to the strategic focus on attracting younger investors like Gen Z through both traditional brokerage services and digital platforms such as Zalo and Facebook. Specially, brokerage revenue is forecasted to recover, reaching 2,301 billion VND by 2028 with a CAGR of +6.91% (2024-2028) [Fig.21].

[3] Margin lending: SSI's margin lending has experienced significant growth from 2019 to 2023, reaching 1,800.9 billion VND in 2022 before dipping slightly to 1,568.4 billion VND in 2023 [Fig.24]. Notably, 2021 was a standout year, with margin lending skyrocketing, driven by high market liquidity and investor demand as Vietnam's stock market reached new highs multiple times, with the VN-Index peaking at over 1,500 points. This spike in activity underscores the impact of favorable market conditions and aggressive capital inflows during that period. Furthermore, the margin lending to equity ratio surged to 159.7% in 2021, highlighting the significant reliance on equity to fuel margin loans during this period of heightened market activity [Fig.25]. By 2023, this ratio normalized to 63.1%, reflecting a more balanced approach to leveraging assets for margin lending.

Moving forward, we expect SSI's margin lending will grow steadily, with revenue projected to reach 4,028.5 billion VND by 2028 with a CAGR of +8.85% (2024-2028), supported by Vietnam's growing economy and increasing investor confidence. We forecast that SSI will maintain its market leadership in margin lending, capturing approximately 12% of the market and 12% effective yield during this period [Fig.24]. This growth is expected to be driven by strategic capital allocation and a robust equity position, enabling SSI to meet the rising demand for margin loans effectively.

[4] Investment Banking: SSI's investment banking segment has shown relatively steady performance from 2019 to 2023, with revenue hovering around 2% of total revenue during this period [Fig.26]. Notably, 2021 was a standout year with a significant growth (+6.3% YoY) in this segment, which was largely driven by an influx of market activity and favorable macroeconomic conditions as the economy recovered from the pandemic [Fig.26].

Looking ahead to 2024-2028, we believe this segment will maintain its 1-2% contribution to total revenue, with key drivers including Vietnam's impending market upgrade from frontier to emerging market status and growing demand for advisory services in mergers and acquisitions (M&A). The projected peak in 2025 at 147 billion VND reflects this upward trend [Fig.26], driven by increasing foreign capital inflows and a higher number of large IPOs anticipated due to favorable market reforms.

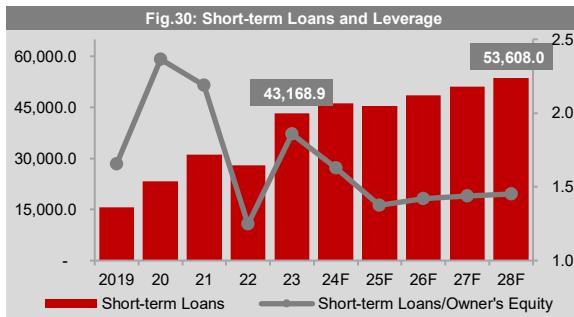
Financial Health

SSI's financial health is marked by balanced growth, with a strategic focus on leveraging margin lending for asset expansion and maintaining disciplined debt management to support sustainable growth:

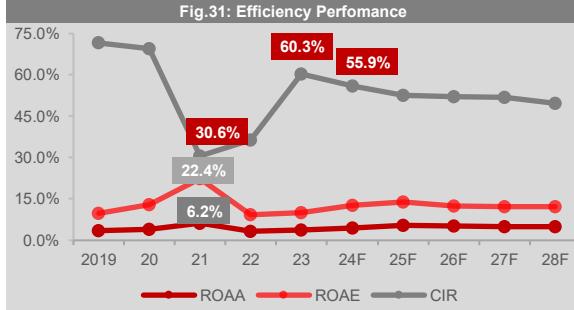
[1] Asset Structure: SSI's asset structure from 2019 to 2022 reflects a steady growth trend, with total assets rising from 27,044.1 billion VND in 2019 to 69,241.3 billion VND by 2023, driven by strategic capital allocation, particularly in margin lending. A key highlight was in 2021, where assets surged by 42%, fueled by strong market liquidity and aggressive margin lending, as reflected in the margin lending to assets ratio peaking at 44.7% [Fig.25] [Fig.27].

From 2024-2028, we expect SSI's asset structure to continue focusing on margin lending and reaching over 90,000 billion VND by 2028. The ratio of margin lending to assets is projected to rise from 28.9% to 36.0% during same period [Fig.25]. This shift demonstrates SSI's strategic emphasis on leveraging margin financing to capitalize on growing investor demand and favorable economic conditions.

[2] Debt Structure: SSI's debt structure from 2019 to 6M/24 reflects a consistent rise in short-term loans, growing from 15,550.2 billion VND in 2019 to 45,073.0 billion VND by mid-2024 [Fig.29]. The short-term loans-to-equity ratio fluctuated during this period, peaking at 2.2 times in 2021 before stabilizing at 1.9 in 2023 [Fig.30], indicating a measured use of leverage to support growth while maintaining a balanced financial health. This highlights SSI's strategic leveraging, maintaining financial stability while utilizing debt for expansion.



Source: SSI, Team's Analysis

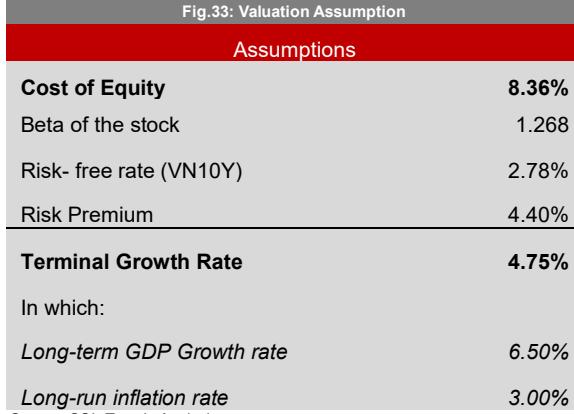


Source: SSI, Team's Analysis

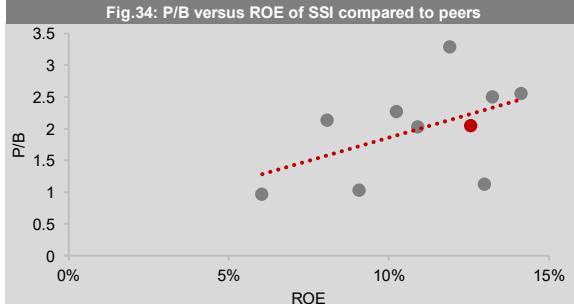
Fig.32: Valuation Summary

| INCOME APPROACH | | |
|---------------------------|--------|--------|
| Method | Weight | Target |
| Residual Income | 50% | 34,510 |
| MARKET APPROACH | | |
| Method | Weight | Target |
| P/E | 25% | 33,965 |
| P/B | 25% | 41,715 |
| Current price (06 Nov,24) | | 26,450 |
| Target price | | 36,175 |
| P/E 12M fwd | | 20.5x |
| P/B 12M fwd | | 2.2x |
| Upside | | 37% |

Source: SSI, Team's Analysis



Source: SSI, Team's Analysis



Source: Finpro, Team's Analysis

Looking ahead, we forecast that the short-term loans-to-equity ratio will remain stable around 1.4 times through 2028 [Fig.30], reflecting SSI's disciplined approach in managing debt to sustain its growth without overextending its financial leverage.

Efficiency

SSI's efficiency, as reflected by its ROAA, ROAE, and Cost-to-Income Ratio (CIR), showed significant variability from 2019 to 2023. Specifically, ROAA and ROAE peaked in 2021 at 6.2% and 22.4%, respectively, indicating strong operational efficiency [Fig.30]. However, by 2023, these ratios had dropped to 3.8% for ROAA and 10.1% for ROAE, largely due to the rising cost of interest expenses, which pushed the CIR up to 60.3%, signaling lower efficiency that year [Fig.31].

Looking forward, we expect SSI's efficiency to improve and stabilize, with ROAA and ROAE projected to maintain around 5% and 12%, respectively, while the CIR gradually declines to 49.7% by 2028 [Fig.31], reflecting better cost management and operational performance.

VALUATION

We issue a **BUY** recommendation for Saigon Securities Incorporated (HOSE: SSI) with 1-year target price of VND 36,175, representing 37% upside from its closing price VND 26,450 on 6th Nov, 2024. We used a weighted average of Residual Income Model [50%] and Price-to-book [25%], Price-to-Earning per Share [25%].

INCOME APPROACH - THE RESIDUAL INCOME MODEL

Net Income: We expect SSI to maintain an ROE of approximately 12% from 2024 to 2028, with net profit after tax growing at a CAGR of 6.54% between 2024 and 2028. This projection is based on five key assumptions: [1] We anticipate that the Vietnamese market will show positive signs in 2024 and reach full bloom by 2025, as pressures from interest rates and exchange rates ease and business conditions improve across sectors. However, at present, investors remain somewhat cautious, so market liquidity has not yet experienced a significant breakthrough. Consequently, we project gross profit CAGR for brokerage and margin lending segments to be 9.43% and 20.76%, respectively, from 2024 to 2028. [2] Cost-to-Income Ratio (CIR) is assumed to be around 52.4%, not much changed compared to 2023, given the sign of resilience and efficiency; [3] The tax rate is assumed to remain at 20% from 2024 to 2026.

Residual Income Model: [1] We calculate the cost of equity for SSI at 8.36%, based on an estimated beta of 1.268, which is the adjusted beta of SSI according to Bloomberg with assumption that in the long term, companies will move to the market average. We use the yield on Vietnam's 10-year government bonds (VN10Y) as the risk-free rate at 2.78% on November 6, 2024, and a market risk premium of 4.4%. [2] We assume a terminal growth rate of 4.75% for SSI which reflects long-term GDP Growth rate and long run inflation rate. For each forecast year and the terminal year, we subtract the equity cost from net income, then sum all residual income and calculate the present value of equity for 2024, dividing this by the number of shares outstanding. The resulting price per share is VND 36,175.

MARKET APPROACH - RELATIVE VALUATION MODEL

Regarding market approach, we utilize both P/B and P/E methods to estimate SSI's market value at VND 41,715 and VND 33,965 respectively. All the selected securities company is the top biggest market capital company which is listed on HOSE.

Price to book valuation: To evaluate a securities company which typically holds significant assets and high volatile earning to the market fluctuation, P/B is one of the most reliable measurements to offer a more stable valuation metric. We expect SSI should be traded at 2.20x, slightly higher than the median thanks to the advantage in equity of SSI can help them to expand their investment and new services.

The comparable result of P/B versus ROE [Fig.34] indicate that SSI is currently relatively undervalued and mispricing by the market given the mentioned potential.

ASSUMPTION

INCOME STATEMENT

[1] Brokerage: Market liquidity and trading volume are key determinants of brokerage revenue for both the market and SSI. To test the correlation, we ran a linear regression between annual trading volume and brokerage revenue, as well as trading volume and gross brokerage profit, using historical data from 2015 to 2023. Our findings confirm that higher trading volumes correlate with increased revenue and profit. We assume trading volume will grow at a 12% CAGR, resulting in a 9% increase in brokerage revenue for the entire Vietnam market. Additionally, we assume that SSI will maintain its second-place brokerage market share at 10%.

Risks to Forecast: [1] A potential decrease in SSI's market share; [2] Trading volume growth may not meet expectations.

[2] Margin Lending revenue: We assume the interest rate on margin loans will remain at 12%, in line with SSI's planned rate.

[3] Investment: SSI's strategy for its investment segment is to generate safe and stable income. We assume the investment balance will increase at a CAGR of +13.88% during 2024-2028 and average return on investment in 5Y 2024-2028 is 12%.

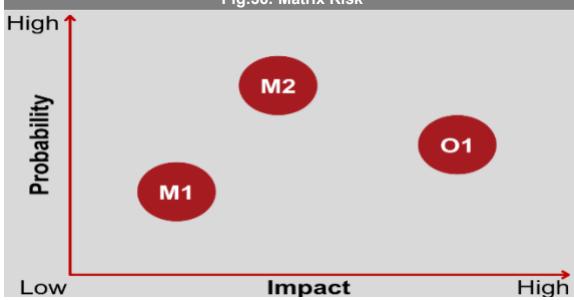
BALANCE SHEET

Fig.35: P/B & ROE of Some Securities

| Company | P/B | P/E |
|---------------|---------|----------|
| SSI | 2.0457 | 16.7255 |
| VND | 1.1223 | 8.721 |
| HCM | 2.0265 | 20.2914 |
| VCI | 2.2668 | 23.8598 |
| VIX | 0.9704 | 16.1362 |
| MBS | 2.4975 | 19.8247 |
| FTS | 3.2884 | 28.5254 |
| KSF | 2.5471 | 19.6538 |
| SHS | 1.0328 | 11.8791 |
| BSI | 2.1362 | 27.5252 |
| Median | 2.09095 | 19.73925 |
| Adjusted | 2.20 | 20.50 |
| Implied price | 41,715 | 33,965 |

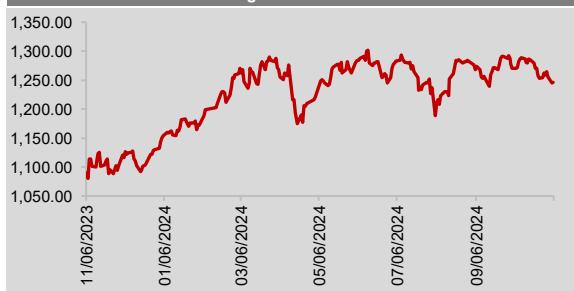
Source: Bloomberg, Team's Analysis

Fig.36: Matrix Risk



Source: Team's Analysis

Fig.37: VN-Index



Source: Finpro, Team's Analysis

Fig.38: Petroleum Consumption 2022



Source: SSI, Team's Analysis

Fig.39: GHG Emissions

| | |
|-----------------|-------|
| Total GHG | 9.33 |
| Total GHG/Sales | 34.44 |
| Total GHG/EVIC | 2.44 |

Source: Bloomberg, Team's Analysis

[1] Asset: For margin lending, GDP is one of the primary indicators for assessing economic health. An increase in GDP suggests that companies across various sectors are performing well, boosting investor confidence in the market and encouraging more margin lending for stock investments. Recognizing the connection between GDP growth and the margin lending balance, we performed a linear regression analysis on these two indicators based on historical data from 2015 to 2023. We plan to use the regression results to forecast both national and SSI-specific margin lending. With an optimistic economic outlook, we expect average GDP growth 5 years at 6%.

[2] Equity: Share capital and share premium follow the capital raising plan of SSI 2024-2025 [APEENDIX-].

INVESTMENT RISK

SSI faces significant risks, including [1] intensified competition from zero-fee strategies by bank-backed competitors, [2] potential impacts from slower economic growth affecting margin lending demand, and a stagnant VN-Index combined with delays in Vietnam's market upgrade, which may weaken investor sentiment and reduce trading volumes.

[O1] Operational Risk| Increased Competition from Zero-Fee Strategies

The adoption of zero-fee trading strategies by competitors, especially those backed by banks, poses a significant threat to SSI's market share in net brokerage and margin lending services. This intensified competition could lead to a loss of clients seeking lower transaction costs, thereby reducing SSI's revenue from these segments.

Valuation Impact: We estimate that a decrease of 1.5% in market share for net brokerage services and a 0.5% decrease in margin lending could result in a reduction of our target price by approximately 3.8%.

Mitigant: SSI can mitigate this risk by enhancing its value proposition through superior customer service, advanced trading platforms, and personalized investment advice. Investing in technology and differentiating its product offerings can help retain existing clients and attract new ones who prioritize quality and comprehensive services over zero fees.

[M1] Market Risk| [1] Slower Economic Growth Rate

In a negative economic scenario where Vietnam's GDP growth averages only 5.5% over the next five years, investor confidence may wane, leading to reduced demand for financial services like margin lending. A slower economy can result in decreased investment activities as investors become more risk averse.

Valuation Impact: We estimate that a 0.5% decrease in GDP growth could negatively impact margin lending revenue, leading to a decrease in our target price by approximately 0.7%.

Mitigant: SSI can focus on diversifying its revenue streams by expanding into more resilient sectors and enhancing its wealth management and advisory services. Strengthening risk management practices and offering tailored investment solutions can help maintain profitability despite slower economic growth.

[M2] Market Risk| [2] Stagnant VN-Index and Delayed Market Upgrade

If the VN-Index continues to move sideways without reaching the 1300-point threshold [Fig.36] and Vietnam's upgrade to emerging market status is delayed, investor sentiment may weaken. This could lead to decreased market liquidity and trading volumes, adversely affecting SSI's brokerage revenues due to lower transaction volumes.

Valuation Impact: We anticipate that reduced trading activity could decrease net brokerage revenue by 2.1%, resulting in a reduction of our target price by about 1%.

Mitigant: SSI can mitigate this risk by enhancing investor engagement through educational initiatives and digital platforms to encourage trading activity among retail investors. Additionally, SSI can broaden its product offerings to include alternative investments, attracting investors seeking diversification during periods of market stagnation.

ESG

We decided to combine with GRI for Environment & Social, and the lack of standardization on ESG reporting, so we consulted the LSEG, Bloomberg, and MSCI rating rationale that best represented the mix of each of the G factors for SSI to develop our own scorecard.

Environment

Regulatory Compliance and Resource Efficiency: SSI strengthened its environmental responsibility by ensuring full compliance with Vietnam's environmental laws and implementing efficient resource management practices during. Monthly tracking of electricity and water usage helped SSI maintain a sustainable office environment, with electricity consumption reaching 1,446,243 kWh and fuel usage reduced by 6% [Fig.38] that lowers both costs and emissions. In addition, SSI implemented other energy-saving measures, such as limiting after-hours air conditioning and encouraging employees to turn off unused equipment, which reinforced these efforts. The company also prioritized eco-friendly procurement by partnering with sustainable suppliers for office materials and equipment.

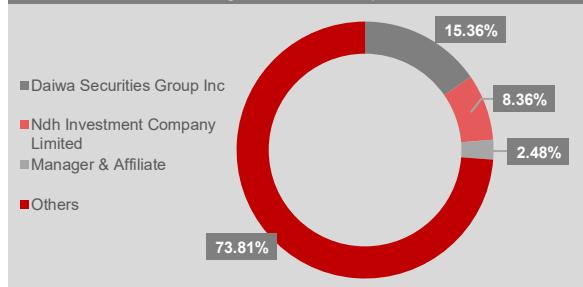
Employee Engagement in Sustainability Initiatives: SSI promotes environmental awareness

Fig.40: Some Programmes of SSI



Source: SSI, Team's Analysis

Fig.41: SSI Ownership



Source: SSI, Team's Analysis

among employees through in-house campaigns focused on recycling, energy conservation, and waste reduction. The annual "SSI for Community" month further engages employees in environmental projects like tree planting, embedding sustainability into the company's culture. These activities not only support SSI's ESG goals but also contribute to Vietnam's broader environmental objectives, enhancing a better workplace where sustainability is a shared responsibility.

However, SSI faces critical challenges in meeting environmental accountability standards due to the absence of formal net-zero and science-based greenhouse gas (GHG) reduction targets: This lack of clear, measurable goals restricts SSI's ability to align with global climate benchmarks that challenge its appeal to ESG-focused investors. With estimated total GHG emissions at 9.33 and a GHG intensity of 34.44 (GHG/Sales) [Fig.39], SSI's environmental impact is significant but lacks effective management due to missing reduction targets. While SSI has implemented internal energy efficiency efforts, such as monitoring electricity and reducing waste, these initiatives are confined to its own operations, limiting broader environmental impact.

Social

Cultivating a progressive workforce – Employee Development – Well-being: Through leadership training programs, the company prepares emerging leaders for future challenges, promoting sustainable organizational growth. With E-learning platforms, the employees can further access education to upskill continuously, while compliance and risk management training foster a legally aware and responsible workforce. By implementing the 3P compensation model (Position – Person - Performance), SSI ensures that compensation reflects individual contributions rather than seniority or academic qualifications, overcoming traditional pay model limitations. This model aligns incentives, bonuses, and career pathways with a talent management system that improves employee satisfaction, motivates high performance, and maintains top talent. In addition, SSI's place among Vietnam's Top 10 Best Workplaces by Anphabe in 2022 and 2023 underscores a culture of inclusivity and well-being, where healthcare programs and wellness activities contribute to a thriving work environment.

Empowering the Future – Youth Development – Financial Literacy: Through targeted investments in education, community support, and financial literacy, SSI deeply committed to fostering the next generation. In 2023, 51% of its CSR budget funded scholarships for underprivileged students, school infrastructure improvements, and university partnerships to promote financial literacy. The remaining 49% supported social programs for disadvantaged children and COVID-19 recovery efforts, providing essential resources to those impacted by the pandemic. SSI further embeds social responsibility through its annual "SSI for Community" month, where employees dedicate thousands of volunteer hours. These initiatives underscore SSI's commitment to building a sustainable, resilient community that contributes to Vietnam's socio-economic growth.

Investor Education and Market Resilience: Through partnerships with media and educational initiatives, SSI launched programs like "Café Chúng" and "Gõ Cửa Tháng Mới," which provide millions with vital market insights, while "Bí Mật Đồng Tiền" simplifies financial concepts for broader audiences. Targeting Gen Z, SSI's "Unitour: Money Hunter" and "The Moneyverse" series blend finance education with engaging formats, including the "Moneyescape" escape room, where young participants explore financial skills through immersive experiences. Hence, SSI plays a pivotal role in shaping a knowledgeable, empowered youth, laying a strong foundation for financial aware community, personal financial growth, and contributing to Vietnam's economic future.

Governance

Shareholder ownership: SSI has a diverse shareholder base, with foreign investors holding a significant 42.23% stake, following the lifting of foreign ownership limits in 2015. Key foreign stakeholders, such as Daiwa Securities Group Inc. (holding 15.36%) [Fig.41], strengthen SSI's financial position and global connections, supporting its growth and strategic initiatives within Vietnam's expanding securities market. Domestic shareholders hold 57.77% of the total shares, while other smaller shareholders collectively account for 73.80%. This balanced mix of foreign and domestic ownership ensures stable governance and prevents any single shareholder from exerting disproportionate control over the company.

Executive compensation: The compensation is structured around a base salary, performance-based bonuses, and additional benefits, with a strong focus on aligning pay with corporate success and individual contributions. In 2023, SSI allocated approximately 1,040 billion VND to employee compensation, with 41% tied to performance-based incentives, reinforcing a direct link between management performance and company goals. The compensation model follows the 3P approach—Position, Person, and Performance—to ensure competitive and fair remuneration that attracts and retains top talent. Benefits include premium health insurance, a 13th-month salary, and allowances, with entry-level salaries in key regions exceeding local minimum wages, reflecting SSI's commitment to employee well-being and satisfaction.

Diversity and expertise in leadership: The Board of Management at SSI demonstrates diversity and extensive experience, which contributes to effective governance and strategic direction. The team includes professionals with a variety of qualifications, bringing technical expertise in finance, investment, and corporate governance. This mix of backgrounds ensures that SSI is well-

-equipped to tackle challenges with a well-rounded perspective. Additionally, the presence of female executives in key positions such as Chief Financial Officer and Chief Accountant highlights SSI's commitment to gender diversity, promoting an inclusive leadership environment that supports balanced decision-making and corporate growth.

Board of directors - Risks of lack of diversity amid strength in expertise and independence: The tenure of SSI's board of directors' ranges from 4 to 5 years, ensuring both continuity and the infusion of new perspectives. However, the broad lack of female representation poses a risk by limiting the diversity of viewpoints that can be critical for balanced decision-making and addressing broader stakeholder concerns. Members bring a wide range of industry expertise, including finance, legal, and corporate governance, contributing to a well-rounded leadership team. The extensive experience in management and oversight positions strengthens SSI's ability to meet corporate goals effectively. Moreover, the presence of independent directors supports impartial governance, ensuring decisions align with stakeholder interests and maintain transparency.

APPENDIX NETWORK

[APPENDIX A - INCOME STATEMENT](#)

[APPENDIX A - BALANCE SHEET](#)

[APPENDIX C – Values of Some ETF Funds Using FTSE Emerging Markets Index Can Invest in VietNam](#)

[APPENDIX D – Some Apps of Securities](#)

[APPENDIX E – RESIDUAL INCOME MODEL](#)

[APPENDIX F – SSI ORGANIZATION](#)

APPENDIX A – INCOME STATEMENT

| Unit: VND Billion | 2022 | 2023 | 2024F | 2025F | 2026F | 2027F | 2028F |
|---------------------------------------|-----------------|-----------------|-----------------|------------------|------------------|------------------|------------------|
| OPERATING SALES | 6,335.82 | 7,157.69 | 8,941.55 | 11,645.65 | 12,025.99 | 12,445.11 | 13,017.42 |
| Investment gains | 2,440.33 | 3,646.55 | 4,391.99 | 6,615.69 | 6,514.26 | 6,389.67 | 6,399.09 |
| Brokerage fees | 1,706.66 | 1,502.19 | 1,647.88 | 1,791.33 | 1,947.26 | 2,116.76 | 2,301.02 |
| Investment banking fees | 144.28 | 132.10 | 136.00 | 147.00 | 133.00 | 142.00 | 135.00 |
| Margin lending fees | 1,800.88 | 1,568.44 | 2,636.30 | 2,954.53 | 3,291.86 | 3,649.43 | 4,028.46 |
| Other fees | 243.67 | 308.41 | 129.38 | 137.10 | 139.61 | 147.24 | 153.85 |
| OPERATING EXPENSES | 2,704.84 | 2,434.57 | 2,604.34 | 3,891.60 | 4,108.05 | 4,207.86 | 4,424.10 |
| Investment loss | 1,012.25 | 714.04 | 976.00 | 2,125.87 | 2,219.66 | 2,159.34 | 2,216.14 |
| Brokerage fees | 1,336.54 | 1,316.27 | 1,413.23 | 1,543.54 | 1,685.59 | 1,840.44 | 2,009.22 |
| Investment banking fees | 124.31 | 111.19 | 115.60 | 124.95 | 113.05 | 120.70 | 114.75 |
| Margin lending fees | (1.86) | 0.01 | 0.14 | 0.15 | 0.13 | 0.14 | 0.14 |
| Other fees | 233.60 | 293.04 | 99.38 | 97.10 | 89.61 | 87.24 | 83.85 |
| GROSS PROFIT | 3,630.99 | 4,723.13 | 6,337.20 | 7,754.05 | 7,917.95 | 8,237.25 | 8,593.32 |
| Interest expenses | 1,030.65 | 1,570.44 | 2,088.31 | 2,158.75 | 2,364.11 | 2,604.54 | 2,720.08 |
| Net other financial loss/(gain) | 204.29 | (56.10) | (200.00) | (200.00) | (200.00) | (200.00) | (200.00) |
| General and administrative expenses | 296.39 | 361.71 | 384.38 | 408.76 | 435.81 | 463.79 | 493.75 |
| OPERATING PROFIT | 2,099.66 | 2,847.08 | 4,064.51 | 5,386.54 | 5,318.03 | 5,368.92 | 5,579.50 |
| Other operating profit | 10.05 | 1.49 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 |
| PROFIT BEFORE TAX | 2,109.70 | 2,848.57 | 4,066.51 | 5,388.54 | 5,320.03 | 5,370.92 | 5,581.50 |
| Coporate income tax expenses | 412.01 | 554.09 | 813.30 | 1,077.71 | 1,064.01 | 1,074.18 | 1,116.30 |
| PROFIT AFTER TAX | 1,697.69 | 2,294.47 | 3,253.21 | 4,310.83 | 4,256.02 | 4,296.74 | 4,465.20 |
| Minority interest | (1.63) | (1.69) | 1.69 | 1.69 | 1.69 | 1.69 | 1.69 |
| Attributable to parent company | 1,699.32 | 2,296.16 | 3,251.52 | 4,309.14 | 4,254.33 | 4,295.05 | 4,463.51 |

APPENDIX B – BALANCE SHEET

| Unit: VND Billion | 2022 | 2023 | 2024F | 2025F | 2026F | 2027F | 2028F |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| A. CURRENT ASSETS | 48,731.92 | 65,755.29 | 72,363.42 | 76,508.12 | 80,797.24 | 84,259.59 | 88,110.76 |
| Financial Assets | 48,621.88 | 65,659.27 | 72,263.42 | 76,396.12 | 80,695.24 | 84,152.59 | 88,006.76 |
| Cash and cash equivalents | 1,417.81 | 493.91 | 600.69 | 735.77 | 745.47 | 800.95 | 830.80 |
| Financial assets at fair value through profit or loss (FVTPL) | 30,493.06 | 44,072.15 | 46,784.86 | 46,391.37 | 46,758.32 | 48,054.52 | 48,267.03 |
| Held-to-maturity investment | 3,507.50 | 4,972.97 | 1,769.81 | 3,619.94 | 4,753.33 | 3,972.25 | 4,280.01 |
| Loans | 11,057.16 | 15,134.07 | 21,969.14 | 24,621.11 | 27,432.20 | 30,411.96 | 33,570.50 |
| Available-for-sale financial assets (AFS) | 381.71 | 415.75 | 537.79 | 457.79 | 435.79 | 353.79 | 457.79 |
| Provision for diminution | (37.25) | (32.70) | (33.00) | (34.00) | (35.00) | (36.00) | (37.00) |
| Accounts receivable | 415.95 | 589.75 | 423.00 | 405.00 | 396.00 | 411.00 | 402.00 |
| Prepayments to suppliers | 1,413.30 | 32.29 | 201.00 | 213.00 | 221.00 | 230.00 | 234.00 |
| Receivables from services provided by the stock company | 19.99 | 20.70 | 31.00 | 26.00 | 34.00 | 29.00 | 31.50 |
| Other receivables | 184.52 | 192.25 | 201.00 | 195.00 | 186.00 | 197.00 | 203.00 |
| Provision for impairment of receivable | (231.87) | (231.87) | (221.87) | (234.87) | (231.87) | (271.87) | (232.87) |
| Other current assets | 110.03 | 96.02 | 100.00 | 112.00 | 102.00 | 107.00 | 104.00 |
| B. LONG-TERM ASSETS | 4,253.46 | 3,494.47 | 3,486.04 | 3,779.04 | 4,103.75 | 4,339.79 | 4,651.58 |
| Long term financial assets | 3,689.35 | 2,773.07 | 2,821.24 | 3,059.58 | 3,350.45 | 3,560.21 | 3,849.24 |
| Fixed assets | 188.97 | 281.93 | 269.48 | 293.76 | 312.50 | 336.29 | 356.04 |
| Investment properties | 233.18 | 265.11 | 235.72 | 258.00 | 264.00 | 261.00 | 259.00 |
| Long-term incomplete assets | 34.93 | 25.90 | 32.11 | 33.00 | 33.00 | 33.00 | 33.00 |
| Other long-term assets | 107.04 | 148.45 | 127.49 | 134.70 | 143.80 | 149.30 | 154.30 |
| TOTAL ASSETS | 52,226.38 | 69,241.33 | 76,142.45 | 80,611.87 | 85,137.03 | 88,911.17 | 93,178.45 |
| Current liabilities | 29,788.71 | 45,939.12 | 47,655.48 | 47,269.94 | 50,422.99 | 52,779.99 | 55,467.08 |
| Short-term borrowings | 27,892.29 | 43,168.93 | 46,103.00 | 45,430.00 | 48,630.00 | 51,011.00 | 53,608.00 |
| Other payables | 1,896.42 | 2,770.19 | 1,552.48 | 1,839.94 | 1,792.99 | 1,768.99 | 1,859.08 |
| Long-term liabilities | 53.79 | 61.32 | 61.39 | 63.39 | 64.39 | 66.39 | 67.39 |
| LIABILITIES | 29,842.50 | 46,000.43 | 47,716.87 | 47,333.33 | 50,487.37 | 52,846.38 | 55,534.46 |
| Common shares | 14,911.30 | 15,011.30 | 19,544.69 | 20,585.11 | 20,685.11 | 20,785.11 | 20,885.11 |
| Capital surplus | 3,299.22 | 3,299.21 | 2,565.91 | 5,061.91 | 5,076.91 | 5,089.91 | 5,110.91 |
| Treasury shares | (19.12) | (19.12) | (19.12) | (19.12) | (19.12) | (19.12) | (19.12) |
| Differences upon asset revaluation | (6.29) | (3.79) | (5.00) | (4.70) | (9.00) | (7.00) | (8.00) |
| Foreign exchange differences | 44.78 | 55.24 | 51.00 | 51.00 | 53.00 | 52.00 | 44.00 |
| Charter reserve | 61.25 | 61.25 | 61.25 | 61.25 | 61.25 | 61.25 | 61.25 |
| Undistributed earnings | 3,953.89 | 4,696.26 | 6,083.85 | 7,396.08 | 8,653.50 | 9,951.64 | 11,416.83 |
| Minority interests | 138.84 | 140.53 | 143.00 | 147.00 | 148.00 | 151.00 | 153.00 |
| Owner's Equity | 22,383.88 | 23,240.89 | 28,425.59 | 33,278.54 | 34,649.66 | 36,064.79 | 37,643.99 |

APPENDIX C – Values of Some ETF Funds Using FTSE Emerging Markets Index Can Invest in VietNam

| | Net Assets (USD bn) | Can Invest in Vietnam (USD mn) |
|---|---------------------|--------------------------------|
| Vanguard FTSE Emerging Markets ETF | 84.5 | 507 |
| Vanguard FTSE Emerging Markets UCITS ETF (London) | 2.89 | 17.34 |
| Vanguard FTSE Emerging Markets All Cap Index ETF (Canada) | 2.17 | 13.02 |
| Vanguard FTSE Emerging Markets ETF/Australia (Australia) | 1.09 | 6.54 |
| Invesco FTSE Emerging Markets High Dividend Low Volatility UCITS ETF (London) | 0.15 | 0.9 |
| Total | 90.8 | 544.8 |

Source: VWO, Team's Analysis

APPENDIX D – Some Apps of Securities

| Criteria | VPS SmartOne | SSI iBoard | VNDIRECT DSTOCK | TCBS TCInvest |
|-------------------------------|--|---|--|--|
| Ease of Use & Interface | ✓ Simple interface, user-friendly | ✓ Real-time updates, customizable | ✓ Quick buy/sell options, clear UI | ✓ Easy to use, robot advisor |
| Features & Functionalities | ✓ Full range of features (eKYC, Money Market) | ✓ Real-time tracking, one-tap trading | ✓ Real-time data, customizable alerts | ✓ Automated investment, margin lending |
| Unique Features | ✓ 20x leverage, community support | ✓ Advanced tools for analysis | ✓ Built-in consulting service | X Lacks advanced tools compared to others |
| Accessibility & Customization | ✓ Highly accessible for beginners | ✓ High level of customization | ✓ Customizable stock screens | ✓ Best for new investors |
| Analytical Tools | ✓ FIT recommendation tools | ✓ Advanced charting tools, Bollinger bands | ✓ Price tracking, stock screening | X Less comprehensive analytics |
| Fees & Promotions | ✓ Free first 6 months, low fees | ✓ Free access to stock data | ✓ Competitive fees | ✓ Low fees, margin lending |
| Investor Support | ✓ Community support (Safy) | ✓ Real-time support, insights | X Limited compared to others | ✓ AI-powered investment advice |

Source: SSI, VPS, VNDIRECT, TCBS, Team's Analysis

APPENDIX E – RESIDUAL INCOME MODEL

| RESIDUAL INCOME MODEL | 2024F | 2025F | 2026F | 2027F | 2028F | Terminal year |
|--|----------------------|---------------|------------|------------|------------|---------------|
| Net Income | 3,253.21 | 4,310.83 | 4,256.02 | 4,296.74 | 4,465.20 | 5,091.59 |
| - Equity Cost (see below) | (2,376.15) | (2,781.82) | (2,896.43) | (3,014.73) | (3,146.74) | (3,519.99) |
| Excess Equity Return | 877.06 | 1,529.01 | 1,359.59 | 1,282.01 | 1,318.46 | 1,571.60 |
| Terminal Value of Excess Equity Return | | | | | | 43,544 |
| Cumulated Cost of Equity | 1.08 | 1.17 | 1.27 | 1.38 | 1.49 | |
| Present Value | 809.40 | 1,302.20 | 1,068.59 | 929.88 | 30,030.14 | |
| Beginning BV of Equity | 28,426 | 33,279 | 34,650 | 36,065 | 37,644 | 42,109 |
| Cost of Equity | 8.36% | 8.36% | 8.36% | 8.36% | 8.36% | 8.36% |
| Equity Cost | 2,376.15 | 2,781.82 | 2,896.43 | 3,014.73 | 3,146.74 | 3,519.99 |
| Return on Equity | 11.44% | 12.95% | 12.28% | 11.91% | 11.86% | 12.09% |
| Net Income | 3,253.21 | 4,310.83 | 4,256.02 | 4,296.74 | 4,465.20 | |
| Dividends paid | | | | | | |
| Retained Earnings | 3,253.21 | 4,310.83 | 4,256.02 | 4,296.74 | 4,465.20 | |
| Equity Invested | 28,426 | | | | | |
| PV of Equity Excess Return | 34,140 | | | | | |
| Value of Equity | 62,566 | | | | | |
| Number of shares | 1,812,950,005 | | | | | |
| Value Per Share (VND) | | 34,510 | | | | |

APPENDIX F – SSI ORGANIZATION

BOARD OF DIRECTOR



Mr NGUYEN DUY HUNG
Chairman



Mr HIRONORI OKA
Board Member



Mr NGUYEN HONG NAM
Board Member and Chief Executive Officer



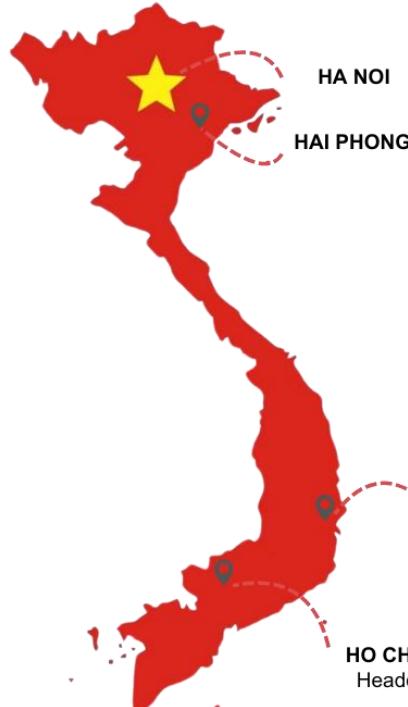
Mr NGUYEN DUY KHANH
Board Member



Mr PHAM VIET MUON
Board Member
Head of Audit Committee



Mr NGUYEN QUOC CUONG
Board Member
Member of Audit Committee



Mr NGUYEN HONG NAM
CEO (member of BOD)
Master of Information and Computer Engineering



Mr NGUYEN DUC THONG
Deputy CEO
Master of Science



Ms NGUYEN THI THANH HA
CFO
Master of Banking



Ms NGUYEN VUTHY HUONG
Senior Managing Director
Treasury & Principal Investment



Ms VU NGOC ANH
Chief Retail Officer
Bachelor of International Business Economics



Ms LE THI THU HANG
Chief Strategy Officer
Master of Finance



Mr NGUYEN MANH HUNG
Chairman of SSIAM
Bachelor of Economic Law



Mr MAI HOANG KHANH MINH
Managing Director
Institutional Brokerage (Equity Sales)
Master of Applied Finance



Mr NGUYEN KHAC HAI
Managing Director - Legal and Compliance
Master of Laws
Bachelor of Business Administration



Ms NGUYEN NGOC ANH
CEO of SSIAM
Master of Finance and Business Administration

BOARD OF MANAGEMENT