



# CFA Institute

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## CFA Institute Research Challenge hosted in Vietnam

### Hanoi University of Science and Technology

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SELL

HOLD

BUY

-15%

0%

15%

Upside

Securities Industry

# SSI SECURITIES CORPORATION

Ho Chi Minh Stock Exchange (HOSE)

**Figure 1: Market profile****Market Profile**

<b>Current Price</b>	26,450
<b>Shares Outstanding (mn)</b>	1,962,071,596
<b>Foreign Instutution Ownership</b>	42.20%
<b>Foreign Individual Ownership</b>	1.60%
<b>Securities Service</b>	28,707,024,186,044
<b>Principal Investment</b>	19,915,511,089,886
<b>Treasury</b>	18,365,667,319,257
<b>Asset Management</b>	589,628,647,389
<b>Investment Banking</b>	34,327,827,378
<b>Market Cap</b>	67,612,159,069,954

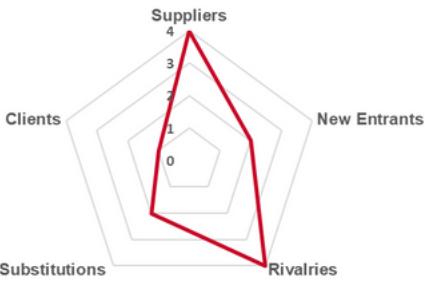
Source: Team's Analysis

**Valuation date:** 11/06/2024**Current price:** 26,450 VND**Ticker:** SSI (HOSE)**Recommendation:** BUY**Target price:** 33,500 VND**Upside:** 26.69%**Stock Exchange:** Ho Chi Minh**Industry:** Securities

Founded in December 1999, SSI Securities Corporation (SSI-HOSE) is a dominant player in the Vietnamese financial market. Over 24 years, SSI has built a solid foundation driven by strong financial resources, high standards of corporate governance, and a team of skilled professionals. The company provides a diverse portfolio of financial products and services, with a steadfast commitment to delivering maximum value for shareholders and clients alike.

**SSI: BUY position for spectacular returns**

We issue a **BUY** recommendation for SSI at the 1-year target price of VND 33,500/share, representing an upside of 26.69% from its closing price of VND 26,450 on 6th November, 2024. We believe that SSI deserves a **BUY** rating as the company provide wide range of investment tools for its customer, while also preparing for KRX upgraded system. This will lead to improved profitability for shareholders, with a forward P/E ratio of 10.4x (**Figure 1**), aligning with the following merits and concerns:

**Figure 2: Porter's 5 Force Analysis**

Source: Team's Analysis

**MERITS****Securities service, the main player in the industry.**

In 2024, SSI's Securities Services generated significant revenue, contributing substantially to the company's total revenue. Among these, revenue from brokerage, custody, and investment advisory services formed a major part, highlighting the company's efficiency in connecting transactions and developing new products on its trading platforms. SSI also focused on expanding its branch network and brokerage staff to meet the diverse needs of various customer segments.

**Proprietary Trading: A Conservative Company**

Investment Activities continued to be the largest source of revenue for SSI. The company's investment portfolio remains concentrated on leading industry players with high liquidity, reasonable valuations, and strong growth potential. Additionally, SSI engages in derivative trading, such as VN30 index futures, to minimize risk in its portfolio and short-term investments.

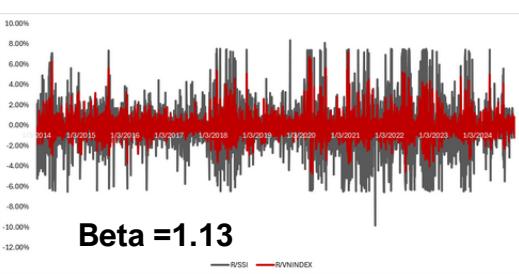
**Capital Management: Changing to Adapt**

Capital and Financial Operations made a significant contribution to the company's overall revenue. This division continued to play a vital role in managing SSI's capital and liquidity effectively, ensuring the company's ability to meet liquidity needs at all times and allocate funds into safe, high-yielding investment channels.

**Investment Banking: Common Challenges Across the Sector**

Investment Banking Services recorded positive results, executing major deals with high-quality advisory services. SSI also adapted its product mix and made organizational adjustments to strengthen its position as a leading financial advisor, staying flexible to market fluctuations and responding effectively to industry challenges.

Other Revenue primarily came from SSI's subsidiaries, including SSI International and SSI Digital Technology Corporation, contributing to the company's total revenue.

**Figure 3: SSI & VNINDEX Rate of Return**

Source: Team's Analysis

**Beta =1.13**

—SSI —VNINDEX

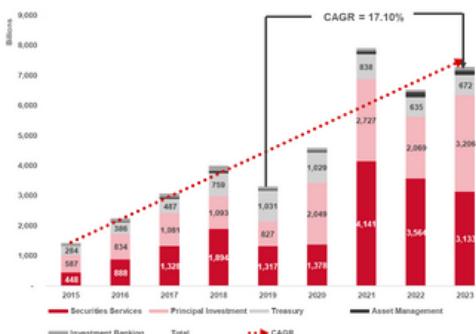
KEY FINANCIAL METRICS	2019A	2020A	2021A	2022A	2023A	2024F	2025F	2026F	2027F	2028F	2029F
NET PROFIT/(LOSS) AFTER TAX	907	1,256	2,695	1,698	2,294	3,275	4,229	4,894	5,584	6,352	7,120
Net Profit Margin (%)	28.04%	28.76%	36.21%	26.80%	32.06%	37.60%	37.05%	36.99%	37.05%	37.26%	38.06%
Debt to equity	65.24%	72.40%	72.00%	57.14%	66.43%	66.31%	67.50%	67.50%	67.50%	67.50%	67.50%
ROA (%)	3.35%	3.51%	5.31%	3.25%	3.31%	4.08%	4.37%	4.38%	4.35%	4.31%	4.20%
ROE (%)	9.65%	12.72%	18.95%	7.58%	9.87%	12.11%	13.04%	13.09%	12.99%	12.81%	12.42%

**Figure 5: Product and Division Matrix**

	Individual Customers	Institutional Customers	SSI
Securities Services	Security Trading Account Opening	Trading Account Opening	
	Margin Trading	Investment Analysis	
	Securities depository	Investor relations management	
	Consulting analysis	Derivatives trading Services	
Investment Banking		Equity Capital Market	
		Debt Capital Market	
		M&A	
Asset Management		Consulting full-service financial	
Treasury	Interest Rate Swap	Liquidity Management	
	Cross Currency Swap	Currency Trading	
Principal Investment	Structuring Bond Trades	Bonds and Fixed-rated Products	
	Derivative Investment	Equity Investment	

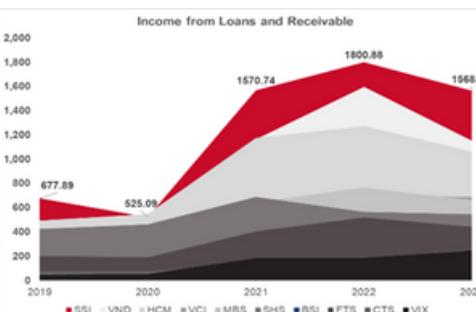
Source: SSI annual report

**Figure 6: Total Operating Income growth**



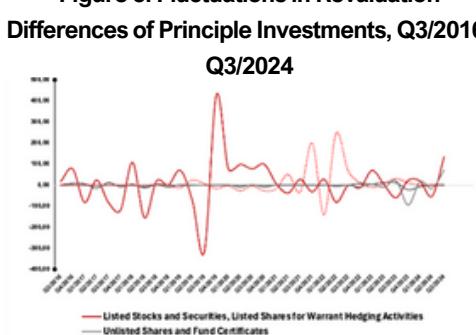
Source: SSI, Team's Analysis

**Figure 7: Peer's margin lending**



Source: SSI, Team's Analysis

**Figure 8: Fluctuations in Revaluation**



Source: SSI, Team's Analysis

## BUSINESS DESCRIPTION

SSI Securities Corporation (SSI-HOSE), established in December 1999, boasts decades of experience in the Vietnamese financial market and holds the leading position in terms of market capitalization and brokerage revenue (Figure 5). Over the past 24 years, SSI has built a formidable presence, leveraging its strong financial strength, exemplary corporate governance and highly skilled staff, SSI provides a comprehensive suite of financial products and services, always aiming to maximize value for both shareholders and customers.

### BUSINESS MODEL

SSI is ranked as one of the tops publicly listed brokerage firms in Vietnam (APPENDIX C3), with notable growth in its workforce, reaching 1,637 employees in 2023 (Figure 28). Due to its extensive reach and diverse range of products and services across two main segments: Securities Services and Proprietary Trading, the company has achieved a 17.2% CAGR (2019 – 2023) in revenue over the past five years (APPENDIX A2).

**Securities Services:** The source of revenue accounting for a large proportion of SSI comes from the Securities Services segment with three main groups of activities: [1] Brokerage, [2] Margin lending, [3] Other security services. In particular, the brokerage business focuses on supporting the trading of stocks, warrants, bond derivatives, and fund certificates on the Vietnam Stock Exchange, accounting for 51.74% of the revenue of the Securities Services segment, 22.73% of the total revenue of SSI with a CAGR of 20.88% in 2019/23). In Q3/2024, SSI continued to maintain a stable position and continued its upward trajectory in 2023, reaching 9.32% on the stock and warrant brokerage market share ranking. In addition, margin lending activities with lending rates maintained at 13.5%/year accounted for 45.61% of revenue in the Securities Services segment, 20.19% of SSI's total revenue (5-year average), with a CAGR of 18.27%.

In 2023, SSI established the Retail Division on the basis of consolidating 3 business units: Individual Client Securities Services, Online Services and Asset Management Services and implemented projects one after another through each consecutive quarter in the past year: transaction fee incentives, preferential margin lending rates, upgrading the Virtual Trading iBoard.

**Principal Investment:** SSI is the company with the largest capital reserve in the whole market regarding Principal investment, followed by its competitor VNDirect (Figure 9). In 2023, principal investment brought the largest profit for the company (Figure 6) with an ROA of 4 (industry average of 2), ROI of 1.7 compared to 0.8 of industry's ROI average), all owing to [1] large contribution from security (Figure 9) [2] and the growth trend of the stock market (Figure 39). The company distributed its portfolio with 70.5% for Deposit of Certificate, 21.6% for Unlisted bonds, 3.5% for Listed bonds, 3% for Listed stocks, 1.3% for Unlisted stocks. SSI also stands out for its strong research department and in-depth understanding of the market, with a frequency of more than 500 research papers for a year. Besides, it is inevitable that a company with large investment capital is highly sensitive to market fluctuations, especially when SSI only focuses on one main market, domestic securities. It is manifested in the fact that profits from stocks are highly volatile. (Figure 8).

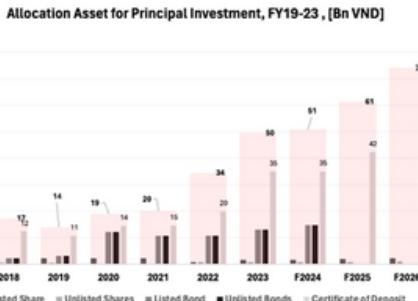
**Other segments:** In the realm of fund management, SSI, through its subsidiaries SSIAM and IMF member funds, currently provides 13 funds. SSIAM manages clients' assets and in charge of orientating portfolio management, and also coordinates with international fund management companies to provide complete asset allocation solutions across a variety of investment forms. The Investment Banking segment is designed for organizational customers and provides advisory on [1] capital raising, [2] corporate financing and [3] M&A. SSI also generates revenue and optimizes their operation through Treasury activities. Their subject focuses on efficiently managing capital structure and expanding financial assets through their own building of investment strategies.

### CORPORATE STRATEGY

#### Short-term Investments

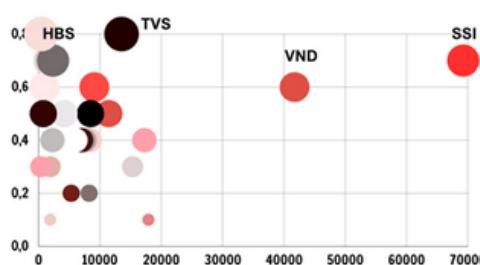
**Types of Investment Securities:** Since 2020, the company has increased its investment in short-term certificates of deposit, comprising 76% of the total investment portfolio, equivalent to VND 8.8 trillion. By the end of 2023, this investment still represented 71% of the total investment capital and 43% of total assets. The reasoning behind this strategy is as follows:

**Figure 9: Allocation for Principal Investment, FY19-23 [Bn VND]**



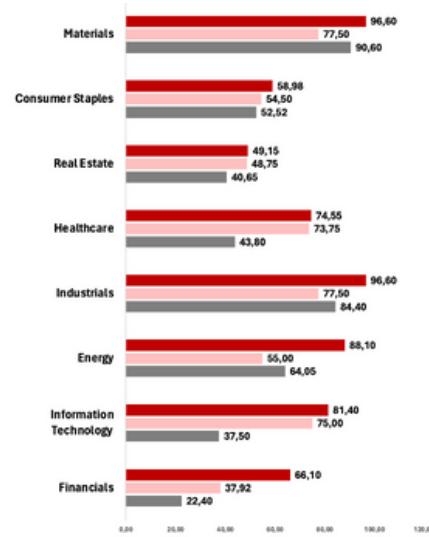
Source: SSI, Team's Analysis

**Figure 10: Capital Allocation Ratio for Proprietary Trading Network, FY23 [Mn VND]**



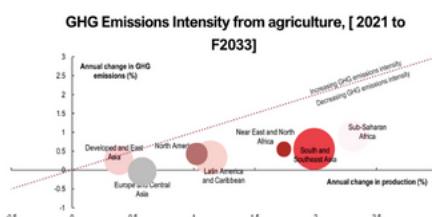
Source: SSI, Team's Analysis

**Figure 11: Evaluating ESG Scores Across Industries in Vietnam, 2023**



Source: Team's Analysis

**Figure 12: Peer's margin lending**



Source: World Bank, Team's Analysis

[1] Certificates of Deposit (CDs) help mobilize capital for business operations through repo transactions [2] The company engages in short-term bank loans and purchases investment securities issued by credit institutions to benefit from the interest rate differential. In 2023, the lending rate for margin deposits was 13.5% per year, while overdrafts were 9.3% per year, and short-term loans were under 8.3% per year. Thus, the focus on certificates of deposit in the investment portfolio helps the company to: [1] Reduce capital costs. [2] Rebuild customer trust by ensuring the availability of lending capital. [3] The shift toward a certificate of deposit portfolio helps mitigate market volatility impacts on stocks and bonds.

#### Long-term investment

**Promoting Covered Warrant Products for Market-Making Activities:** In 2024, SSI is one of the leading issuers alongside major securities firms of Vietnam's covered warrant market such as ACBS, VND, HCM, and KIS. SSI plays a crucial role in providing popular covered warrant codes, especially those linked to high-liquidity underlying stocks like HPG, FPT, and STB with an issuance scale of more than VND 1,480 billion, accounting for 40.2% of the whole market. This strategy is based on three foundations: [1] SSI needs effective risk management tools to ensure that market-making activities do not lead to unnecessary losses. [2] The warrant market is vibrant: In May 2024, the total market trading volume reached approximately 54.5 million warrants, equivalent to 54.75 billion VND, an increase from the previous session. [3] SSI aims to propose expanding the list of underlying assets for warrants beyond the VN30 stocks to add more diversity and appeal as the market only offers "call" warrants, meaning that when the underlying market declines, the liquidity of warrants is affected.

**Testing API to Prepare for the KRX System quantitative trading algorithms,** the company is implementing an expanded trading API with features for [i] Scalping (short-term trading), [ii] Pair Trading, and [iii] Grid Trading. Currently, three securities firms—BSI, DNSE, and SSI—have integrated API capabilities. While DNSE focuses on enhancing system security and BSC offers diverse products, SSI is focused on integrating real-time data and supporting the integration of programming languages like Python, Node.js, Java, and .NET. The API enables SSI to easily adopt new technologies while developing innovative financial products and services from the KRX system (accompanied with regulations and legality), including [i] T+0 intraday trading, [ii] short selling, and [iii] options trading.

## ENVIRONMENT-SOCIAL-GOVERNANCE

The characteristics of the financial sector, specifically securities, do not have direct activities that impact on the environment, and the information disclosure activities lack high synchronization. (Figure 11). This is reflected in [1] despite SSI's serious implementation of sustainability reporting over the past seven years, the information has not been comprehensive (ESG disclosure score of 24/100). [2] Statistics show that only 10-15 out of 74 securities companies in Vietnam publish sustainability reports (the specific number changes annually depending on legal requirements, investor expectations, and market conditions). However, the efforts for green development by SSI cannot be denied.

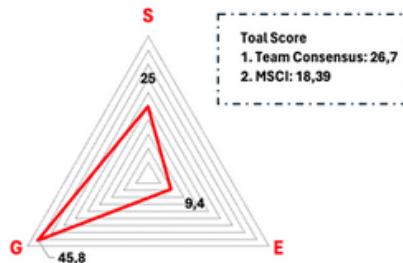
#### ENVIRONMENT

##### Investment in green projects:

[i] Through core business activities: SSI invests in Pan Group Joint Stock Company, which operates in the agriculture sector. In 2023, Pan Group was recognized as a company with active green operations leading the industry, with a total waste generation of 7.65 tons per billion revenues in FY23, a reduction of 61.27% compared to 2022. Additionally, the agricultural sector in Southeast Asia has an inverse relationship with emissions (Figure 12). Consulting on preferential share issuance for DEG by Gia Lai Electricity Joint Stock Company – the largest renewable energy enterprise listed. [ii] Through educational programs inside and outside the company, it is noted that this year SSI has invested in several major academic competitions. One of them is the ESG Challenge 2024, where students and the judging panel become the Board of Directors to discuss public governance issues. This aims to enhance the capability and increase the awareness of both management agencies and market participants, investors regarding green financial instruments and sustainable development.

**Reducing carbon emissions:** The company's emissions come from moving between locations. To address this issue, the company is partly transitioning from on-site to hybrid working.

**Figure 13: SSI ESG Matrix Following GRI standard, 2023, [max=100]**



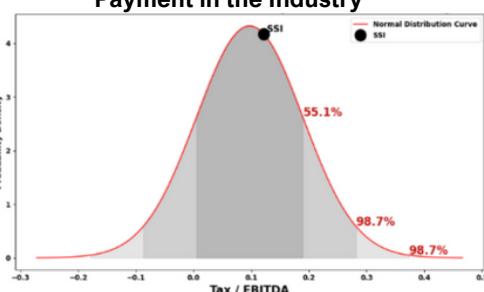
Source: VASEP, Team's Analysis

**Figure 14: SSI's Contribution to the development paradigm for Vietnam**



Source: PAN, Team's Analysis

**Figure 15: Normal Distribution of Tax Payment in the Industry**



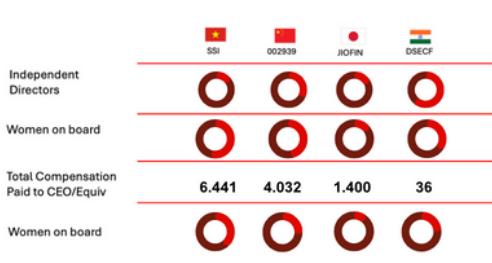
Source: Bloomberg Team's Analysis

**Figure 16. Governance Score, FY23**



Source: NOAA, Team's analysis

**Figure 16.1 Shareholder index, FY23**



Source: Bloomberg, Team's Analysis

**Integrating sustainable products:** Since 2019, the company has provided advisory services and issued bonds through SSI Co. Ltd, a participant in the UNPRI initiative related to the United Nations Principles for Responsible Investment. SSI applies a strict ESG screening process to select and identify potential companies, investing only in sectors that contribute to the development of consumers in Vietnam and globally.

## SOCIAL

### Labor relations and corporate culture

In 2023, SSI also reported an employee turnover rate of 21.1%, considered average compared to the entire industry. In our survey, 94% of respondents feel "*I am proud to say I work for this company*" and 86% of them say "*I would recommend this company as a great place to work*". 92% of people say "*Where I work, people can state their opinion without the fear of negative consequences*". There has been no pay gap in recent years between female and male employees, and in 2022, the figure was VND 1,244.17 million. (APPENDIX B1)

### Corporate Social Responsibility (CSR).

[i] Participated in providing feedback for legal decrees and circulars guiding the regulatory documents on the securities market: Draft decree guiding the Securities Law 2019; Draft decree guiding private bond transactions; Draft decree guiding the Enterprise Law; Draft amendment to Decree 156 on administrative fines in the field of securities and the securities market. [ii] Complying with tax obligations, SSI has paid a tax rate of 12% on total EBITDA, which is higher than the industry average of 9%. In 2023, SSI was the 37th member on the list of the 1,000 largest tax-paying businesses. [iii] Collaborated with member companies to research and connect with carbon credit market operators in developed countries to learn from their experiences and observe market operations. The goal is that by the 2025-2027 period, the carbon credit trading market will begin pilot operations. SSI has been making significant contributions to the national decarbonization strategy. (Chart 7)

## GOVERNANCE

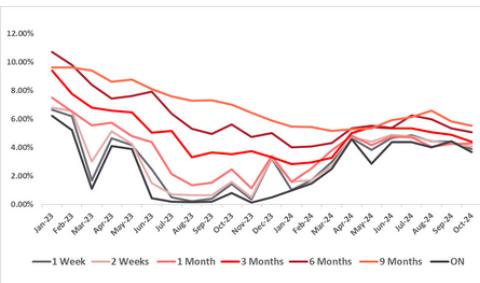
We believe that SSI has a standard governance structure, with an ESG matrix that heavily leans towards the governance pillar. With 10 key evaluation criteria and the 3 highlights: Board of Directors, Executive Committee and Remuneration.

**Board of Directors (BoD):** SSI's Board of Directors consists of 6 members with knowledge and experience from various relevant fields, which helps strengthen the company's position to face future challenges and opportunities. In 2023, the company's independent director ratio was 13%, (Chart 16.1) and we believe a higher percentage would support more impartial decision-making and create value. A key strength is that one of the 6 members comes from Daiwa Corporation in Japan, which brings creativity and cultural diversity to the board. We suggest that this member should hold shares in SSI to act in the best interest of shareholders. Furthermore, 48% of the board members are female, a gender ratio we consider fair and appropriate.

**Executive Committee:** The executive committee consists of 10 members, with 40% female representation, responsible for managing daily operations. The executive team is experienced and has an appropriate educational background in specialized fields such as finance, technology, and sales, helping SSI achieve its goals and vision. This dynamic and youthful team is a key strength in engaging with the young customer segmentation. **Remuneration:** Despite salary and other benefits fluctuations, the total remuneration for SSI's management remains high and stable. This indicates a focus on maintaining a reasonable compensation policy to incentivize performance while reflecting a cautious approach to cost control when necessary. In 2023, there was growth in insurance and other benefits, which reflects an emphasis on improving employee welfare, potentially helping attract and retain talent with CAGR= 2,3% compared to 2020. However, SSI has not implemented an unemployment support policy, and the costs for brokerage staff are lower than the industry average. Employees also self-rate their mental health as unsatisfactory.

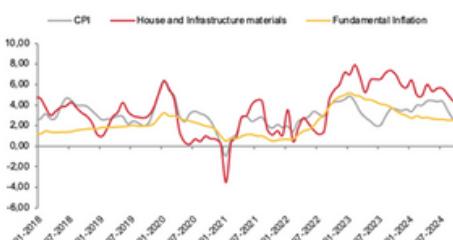
In summary, although industry performance has not been a major focus, SSI has performed well compared to its peers in the sector. Therefore, ESG risks may not be a significant concern for investors.

**Figure 17: Interbank Interest rate (%)**



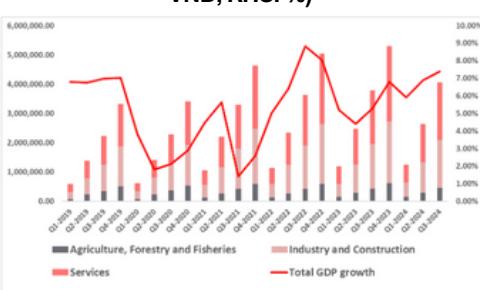
Source: Bloomberg, Team's analysis

**Figure 18. Fundamental CPI Rate (%)**



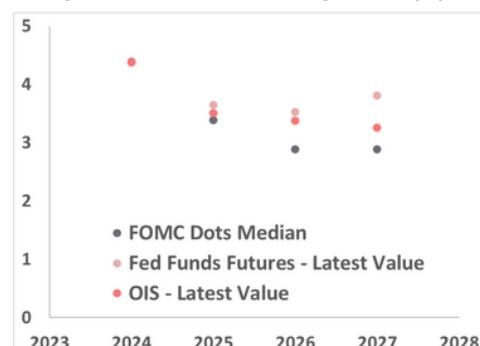
Source: Bloomberg, Team's analysis

**Figure 19. GDP and GDP Growth (LHS: Billion VND, RHS: %)**



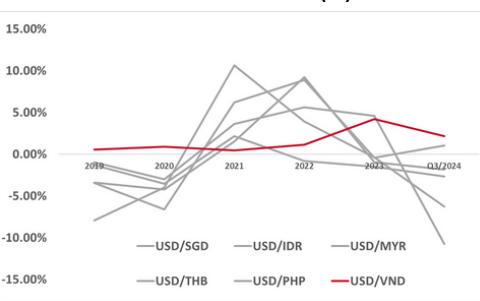
Source: Bloomberg, Team's analysis

**Figure 20. Implied FED Target Rate (%)**



Source: Bloomberg, Team's analysis

**Figure 21: Vietnam Currency change vs other currencies in SEA (%)**



Source: Bloomberg, Team's analysis

## INDUSTRY OVERVIEW

Vietnam's macroeconomic landscape is gradually stabilizing with [1] Exchange rate pressures being well-managed; [2] A dovish interest rate environment; and [3] An emphasis on public investment. Consequently, the economy is expected to recover quickly, with GDP growth outperforming that of other Southeast Asian nations, accompanied by a stable exchange rate, which provides a positive catalyst for the stock market in the short term. In the longer term, Vietnam's stock market is positioned as a leader among frontier markets with significant growth potential for both equity and debt securities.

### VIETNAM'S MACROECONOMIC RECOVERY STAGE

**Exchange Rate Stabilized by FDI Inflow and Flexible Monetary Policy:** In recent months, Vietnam's exchange rate pressure has been controlled and maintained at a stable level under 3% (**Figure 21**), supported by the following factors: [1] New FDI inflows have shown robust growth, reaching USD 21.2 billion and are projected to attract an additional USD 25 billion in 2023, consistent with the World Bank's forecast; [2] Vietnam's trade balance remains in surplus (**APPENDIX C1**); [3] Flexible monetary policy through two main tools: [i] Short-term interest rate controls via OMO and Bills bidding, [ii] Intervention by the State Bank of Vietnam (SBV) via spot and forward USD sales, [iii] The Federal Reserve targeting a rate cut to 3% by 2026; [4] Increased remittance flows from [i] The Vietnamese community abroad, [ii] The new Housing Law 27/2023/QH15, which expands property ownership rights for overseas Vietnamese.

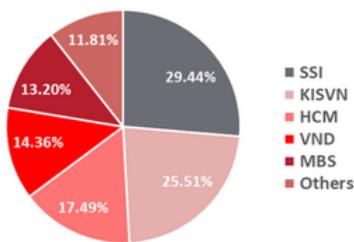
**Inflation Stabilizes After Short-Term Challenges:** Vietnam's economy is currently facing certain challenges: [1] Geopolitical tensions (**Figure**) are creating significant liquidity pressure on banks (**APPENDIX C1**); [2] Supply-side inflationary pressures, with disruptions from Typhoon Yagi impacting production and transportation, resulting in a 0.23% decrease in the agriculture, forestry, and fisheries sector compared to the previous year. However, September's CPI rose by 0.29% from the previous month, keeping average inflation within the controlled range of 3.88% (**Figure 18**). We expect inflation to average 3.4% in 2025, supported by: [1] Supply chain recovery after Typhoon Yagi; [2] Exchange rate stability under SBV's goals; [3] The substantial weight of food and beverages in the CPI, with declining fertilizer and rice prices post-La Niña.

**Positive GDP Growth Expected in 2024 and 2025:** Vietnam is showing promising growth with cumulative quarterly GDP growth of 7.4%, surpassing expectations and indicating minimal impact from Typhoon Yagi. We estimate Vietnam's GDP growth to reach 6.1% in 2024 and 6.5% in 2025 (**APPENDIX C1**) due to: [1] Credit growth at 20% (2023-2024); [2] Fiscal policies supporting economic growth, including [i] An extension of the 2% VAT reduction; [ii] A budget of VND 657 trillion for transport infrastructure to boost public investment and long-term economic growth.

**Interest Rate Trends and Margin Revenue Growth Outlook:** Interbank overnight rates have fluctuated significantly to balance exchange rates, ranging from 0.97% to 4.44% (**Figure 17**). Although exchange rate pressures have eased, SBV maintains a defensive stance. As a result, Vietnam's interest rate system currently faces short-term liquidity shortages but has an ample supply of medium- to long-term capital. The slight rise in deposit rates in September 2024 indicates a recovering demand for capital in the economy. We anticipate margin revenue growth of 13.73% CAGR from 2024-2029F (**APPENDIX A2**), driven by factors such as: [1] Sustained low interest rates (**APPENDIX C1**); [2] Increased new lending, supported by rising real estate values from public investment; [3] Positive GDP growth in 2024 and 2025.

**Stock Market Benefits from Upgrading and KRX System:** Given these positive macroeconomic factors, we forecast notable growth in the VNI, HNX, and UPCOM indices by the end of 2026, with projected levels of 1639.269, 375, and 127.46 points, respectively (**APPENDIX C1**), along with underlying stories such as: [1] Anticipation of Vietnam's MSCI and FTSE upgrade to an emerging market status, attracting substantial foreign capital between 2025 and 2026; [2] The successful implementation of the KRX system, reducing settlement cycles to T+0 to enhance transparency and mitigate risks; [3] World Bank support for Vietnam in its market upgrade.

**Figure 22: Covered Warrant By Corporate**



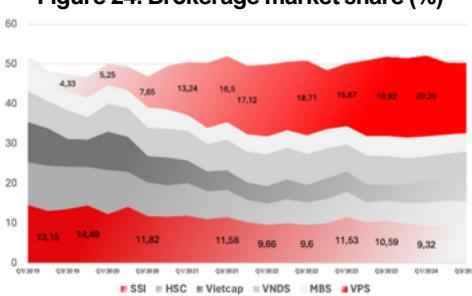
Source: Bloomberg, Team's analysis

**Figure 23: Shareholder By Individual**

	Shares	%
Daiwa Securities Group Inc	231,737,895	15.34%
Ndh Investment Company Limited	126,237,688	8.35%
Sai Gon Dan Linh Real Estate Company	58,901,068	3.90%
En Fund L.P	23,429,746	3.57%
Deutsche Bank Aktiengesellschaft, London Branch	18,962,224	3.95%
Norges Bank	13,380,000	2.62%
Nguyen Duy Hung	11,677,050	0.77%
VanEck Vietnam ETF	11,264,221	2.30%
Sun Way Investment Joint Stock Company	11,034,420	2.58%
Nguyen Manh Hung	8,025,000	0.53%
Veil Holdings Limited	4,514,027	0.92%
Beira Limited	3,031,673	0.63%
Venner Group Limited	3,000,000	0.60%
Hanoi Investments Holdings Limited	2,593,000	0.51%

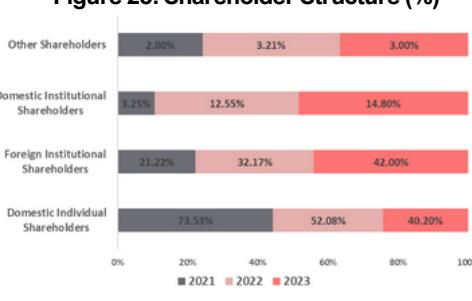
Source: SSI, Team's analysis

**Figure 24: Brokerage market share (%)**



Source: Ozyra, Team's analysis

**Figure 25: Shareholder Structure (%)**



Source: SSI, Team's analysis

## SECURITY PRODUCTS WILL GROW WITH RISING INCOME

**Securities Services:** The growth rate of profit margins from brokerage fee revenue of securities firms is set to increase soon due to: [1] Nearly 9 million accounts both domestic and foreign, coupled with rising trading values; [2] Brokerage revenue from securities firms, with an average CAGR of 17.8% (2019-2023) (**APPENDIX A**). As the brokerage market share expands, lending services in securities firms also have promising growth prospects, fueled by: [1] Demand factors: [i] Market scale expands and trading volume rises by 12.2% year-over-year, [ii] Low margin rates relative to market returns increase borrowing demand; [2] Supply factors, with abundant capital raised at low-interest rates from both domestic and foreign securities firms. CAGR of 17.8% (2019-2023) (**APPENDIX A**). As the brokerage market share expands, lending services in securities firms also have promising growth prospects, fueled by: [1] Demand factors: [i] Market scale expands and trading volume rises by 12.2% year-over-year, [ii] Low margin rates relative to market returns increase borrowing demand; [2] Supply factors, with abundant capital raised at low-interest rates from both domestic and foreign securities firms.

**Principal Investment:** Proprietary trading activity among securities firms is projected to become more active due to the broader market recovery (**APPENDIX A**). The outlook for proprietary trading on the VN-Index is positive, supported by factors such as: [1] Potential investment portfolios as overall market levels rise; [2] Improved market liquidity metrics. The bond market also shows positive trends, driven by: [i] A shift toward FI Bonds for their superior liquidity features; [ii] FI Bonds offer a higher level of safety than other bond types.

**Funding Sources:** International capital access continues to provide significant benefits for firms, thanks to: [1] Favorable loan interest rates from foreign institutions, averaging just 3.0-4.5% annually; [2] External loans often carry substantially lower costs than domestic loans, albeit with exchange rate risk. Domestically, capital availability is also strengthening, with: [1] Average loan rates from banks at 4.9%; [2] An increase in bond financing of 31.6% with attractive yields post-2022 market crash recovery. (**APPENDIX C**)

**Asset Management:** Growing demand for portfolio diversification and liquidity among domestic and foreign investors, especially in ETFs, is further driven by factors such as: [1] Circular 68/2024 allowing foreign investors to purchase securities without sufficient funds in their accounts; [2] NAV growth averaging 26.24% CAGR (2019-2023); [3] Foreign capital inflows concentrated on ETFs such as Xtrackers FTSE and KIM Growth VN30 (**APPENDIX C2**).

**Investment Banking:** The debt and capital markets services are significantly bolstered by capital market development and stable stock market growth due to: [1] A low number of IPOs in Vietnam (2019-2023), highlighting considerable growth potential; [2] A 46.6% increase in new guaranteed bond issuances (2019-2023) (**APPENDIX C1**).

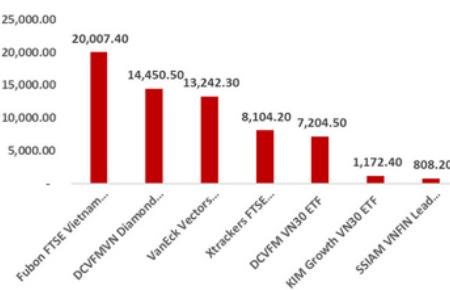
## COMPETITIVE POSITIONING

SSI currently leads the listed joint-stock companies on the stock exchange in terms of market capitalization and brokerage market share, affirming its position as one of Vietnam's top securities firms. Not only does SSI dominate in the covered warrant brokerage market, but it also boasts a high-quality research team that provides in-depth information and analysis, bringing significant value to investors.

**Securities Services:** SSI continues to maintain its leadership in the covered warrants market, with a brokerage market share of 30% (**Figure 22**), underscoring its strength and credibility in the financial industry. The firm's strong capital base provides flexibility for investment and the development of new products, enabling it to meet a diverse range of client needs. However, revenue from securities services at SSI shows signs of slowing due to several factors: [1] Brokerage market share decreased by 2.7% in the first nine months of the year, impacted by strong competition; [2] SSI's loan interest rate is at 13.5%, which is relatively high compared to securities firms backed by banks and foreign capital, leading investors to prefer firms with more attractive interest rates (**APPENDIX C2**). These factors pose considerable challenges for SSI in sustaining its competitiveness and attracting investors. Nevertheless, SSI remains focused on enhancing its services and improving client experiences to retain its appeal and leading market position.

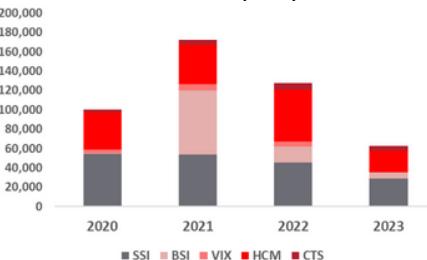
**Principal Investment:** SSI continuously improves its services and sustains its industry-leading position by: [1] Having a high-quality research team (SSI Research), considered one of the top research teams in Vietnam's securities industry, providing analyses of market trends and macroeconomic conditions.

**Figure 26: ETF Fund (Billion VND)**



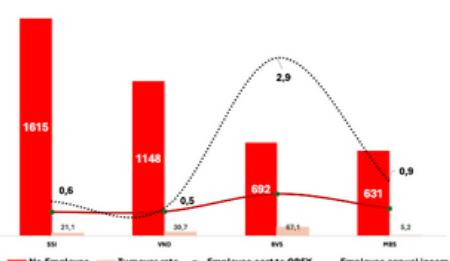
Source: SSI, Team's analysis

**Figure 27: Revenue In Financial Advisory Services (VND)**



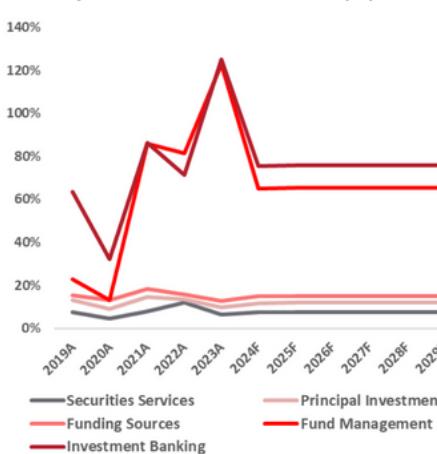
Source: SSI, Team's analysis

**Figure 28: Number of Employee, Employee Turnover rate (%), Employee cost to OPEX, Employee Annual Income (Bn VND)**



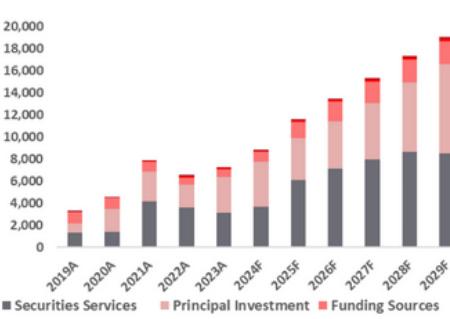
Source: SSI, Team's analysis

**Figure 29: Return On Asset (%)**



Source: SSI, Team's analysis

**Figure 30: Revenue Breakdown**



Source: SSI, Team's analysis

management efficiency, streamlining trading processes, and minimizing risk, giving SSI a competitive edge. The combination of in-depth research and modern technology not only benefits clients but also supports SSI's sustainable growth and leadership in the industry (**APPENDIX D**).

**Funding Sources:** A large portion of SSI's shareholder base is composed of foreign institutional investors (**Figure 25**), significantly surpassing other securities firms, including those supported by parent banks. This reflects strong international investor confidence in SSI's potential. However, SSI may face higher borrowing costs due to: **[1]** The absence of support from a parent bank, requiring it to rely on external capital; **[2]** A borrowing rate of 8.3%, higher than TCBS (7.73%) and MBS (6.5%) for terms under one year (**APPENDIX C1**). This puts pressure on SSI's ability to compete and maintain market share against rivals with lower capital costs.

**Asset Management:** SSI's investment funds rank among the top eight in terms of net asset value in the market, with the SSIAM VNFIN Lead fund standing out by holding VND 808 billion and achieving an annual return rate of 23.94% (**Figure 26**) – the highest among funds, thanks to a long-term investment strategy and diversified portfolio. In the future, SSI plans to expand its fund offerings, enhance diversification, and leverage advanced technology to optimize investment performance.

**Investment Banking:** SSI's corporate financial advisory products and services face intense competition from industry rivals as: **[1]** The widespread availability of these services across most securities firms has eroded SSI's competitive edge; **[2]** Revenue from investment banking services has shown signs of decline as competitors with bank backing gain more ground (**Figure 27**).

## FINANCIAL ANALYSIS

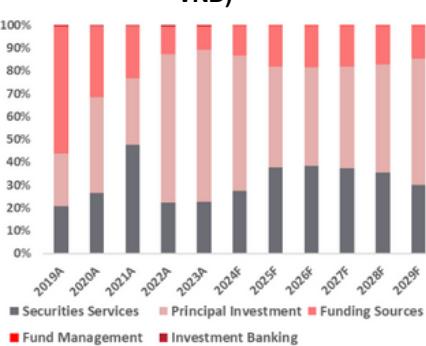
### OPERATIONAL EFFICIENCY

SSI is expected to maintain a ROA of 5.2% and ROE of 16.2% in 2026F. In the first two years, SSI faced numerous challenges, which were reflected in a significant 26% decline in the securities services and asset management sectors. In contrast, the proprietary trading, capital, and investment banking sectors showed notable positive signs, especially proprietary trading, which saw a breakthrough growth of 185% in 2023 (**Figure 29**). We forecast that ROA in SSI's securities services, proprietary trading, capital, asset management, and investment banking sectors will remain stable at respective rates of 8%, 4%, 3%, 50%, and 10% CAGR (2024-2029), supported by several factors: **[1]** Exchange rates are well controlled and maintained at stable levels, reducing currency risk for investments; **[2]** The growing influx of FDI, supported by policies from the World Bank and positive impacts from the supply chain shift away from China; **[3]** Inflation in Vietnam is expected to stabilize following recent short-term challenges; **[4]** The economy is driven by strong GDP growth forecasted for the next two years; **[5]** A favorable interest rate trend and growth in revenue from margin lending activities; **[6]** The Vietnamese stock market stands to benefit from the plan to upgrade to an emerging market status and the KRX trading system, which promises to enhance liquidity and improve market structure (**APPENDIX C1 & C2**). With the support of macroeconomic factors and a sound development strategy, SSI will continue to maintain stable ROA and ROE levels in the long term, solidifying its leadership position in Vietnam's securities industry (**APPENDIX D3**).

### REVENUE BREAKDOWN

**Growth Outlook for Revenue from Securities Services and Proprietary Trading Segments:** Revenue from the two key segments, securities services and proprietary trading, currently accounts for the largest share of SSI's total revenue, contributing 43% and 44%, respectively (**Figure 30**). Although the securities services segment experienced a significant decline in 2023, we believe this is a temporary slowdown due to the company's strategic focus on its proprietary trading segment in 2023. We forecast that revenue from these two core segments – securities services and proprietary trading – will continue to grow robustly at 18.3% and 14.9% CAGR during the 2024-2029 period, alongside the growth of other segments, driven by the following factors: **[1]** Expansion and the increasing attraction of domestic and foreign investors, alongside growing trading volumes. This will provide opportunities for the company to

**Figure 31: Asset Allocation By Services (Billion VND)**



Source: SSI, Team's analysis

**Figure 32: Loans And Loans Growth Rate (RHS: Billion VND, RHS: %)**



Source: SSI, Team's analysis

**Figure 33: Funding Growth Rate (LHS: Bn VND, RHS: %)**



Source: SSI, Team's analysis

**Figure 34 : Targeted Price**

<b>Current Price</b>	<b>26.45</b>
<b>RIM</b>	<b>32.55</b>
<b>Sum-Of-The-Parts</b>	<b>34.46</b>
<b>Valuation</b>	<b>33.51</b>
<b>Upside</b>	<b>26.69%</b>

Source: Team's Analysis

**Figure 35: Residual Income Model**

<b>Residual Income Model - Base Case</b>	
Book value of equity (last historical year)	27,043.76
PV of RI	2,578.24
PV of Terminal Value	33,559.54
<b>Total Equity Value</b>	<b>63,181.54</b>
Outstanding Shares	1,962.07
<b>Target Price</b>	<b>32.20</b>
Current Price	26.45
<b>Upside to last close</b>	<b>21.74%</b>

Source: Team's Analysis

expand its financial services and increase market share in the securities field; [2] Development of the bond market, especially FI Bonds, which will continue to thrive due to their high liquidity and stable profitability, presenting significant opportunities for SSI to attract investment capital and improve business efficiency from complex financial products; [3] Improved market liquidity, making the Vietnamese stock market more attractive to investors, particularly international financial institutions; [4] The large potential from IPO deals, as the IPO market in Vietnam remains underdeveloped, offering substantial opportunities for SSI in accessing and advising businesses on IPO execution; [5] The implementation of quantitative trading algorithms will help SSI optimize its investment strategy and meet the increasing demand from customers for efficient trading execution. With these factors in place, SSI is poised for strong and sustainable growth in the coming years, solidifying its position as a leading financial firm in Vietnam (**APPENDIX C2**).

## ASSET, LIABILITY & FUNDING MANAGEMENT

**Optimizing Asset Allocation and Strengthening Principal Investment Development:** In 2023, SSI decided to allocate the majority of its assets to the proprietary trading segment, which now accounts for 66.6% of total assets (**Figure 31**). This clearly reflects the company's strategic shift to focus on developing proprietary trading. This decision not only demonstrates a strong commitment to optimizing profits from proprietary investment activities but also serves as a strategy to strengthen the company's sustainable growth amidst the volatile financial market environment. This shift also explains the decline in revenue from securities services last year, while revenue from proprietary trading recorded an impressive growth of 54.9% compared to the same period last year (**Figure 30**). This indicates that the strategy of focusing on proprietary trading has yielded positive results, especially in the context of a challenging securities market in 2023. Based on current factors and future prospects, we forecast that in the coming years, SSI will continue to prioritize investment and development in the proprietary trading segment, making it one of the company's main revenue sources, instead of securities services as in previous years. SSI will continue to expand and improve the operational efficiency of its proprietary trading segment by increasing investments in high-potential areas such as bonds, derivatives, and other financial instruments. Specifically, assets allocated to proprietary trading are expected to grow steadily at a rate of 14.5% CAGR (2024-2029), indicating the company's focus and long-term commitment to this field. Alongside this increase, SSI will maintain a reasonable asset allocation strategy to other segments, with an 18.3% CAGR (2024-2029), while boosting capital through fundraising channels such as borrowing and bond issuance. Specifically, capital growth and loan amounts are expected to increase at rates of 15.3% CAGR and 16.1% (2024-2029) respectively (**Figure 32 & 33**) through: [1] SSI will continue to leverage opportunities to raise capital from diverse international sources with preferential borrowing rates from foreign financial institutions, optimizing the cost of capital and ensuring strong access to financial resources; [2] Maximizing the potential for raising capital through bond issuance, particularly after the market downturn in 2022 (**APPENDIX C2**).

## VALUATION

We initiate a **BUY** recommendation for SSI with a 1-year target price of 33,5000 VND , reflecting an upside of 26.68% from its current price of 26.45 as of 06/11/2024. Our valuation approach utilizes the Residual Income Model [50%] and Sum-of-the-parts valuation for Local Security companies [50%]. Beyond the base RIM scenario, we conduct a scenario analysis across three cases—Bull, Bear—to evaluate potential market uncertainties affecting SSI's valuation. In each Scenario, we run Additive Decomposition and Seasonal Naive Model on econometric variables, combining with Linear regression model to identify the relation of macroeconomic variables with the internal performance of SSI. Finally, we benchmark against Price to Book multiples of peer security companies and estimate SSI's stock price by 2025. To further confirm our valuation's reliability, we applied Monte Carlo simulations.

### VALUATION | RESIDUAL INCOME MODEL

In the Base scenario, our two-stage RIM values SSI at 33.4 per share, incorporating a forecast cost of equity of 11.2% and a terminal cost of equity and terminal growth rate of 5.7%. Given the business's maturity, a two-year forecast horizon was applied to limit forecast inaccuracies associated with extended timeframes. Residual income, representing the excess return on the company's invested capital above the cost of capital, was calculated by forecasting cash earnings and new share issuance.

**Figure 36: P/E valuation for Brokerage**

SSI Comparables			
Security Company	P/E (100%)	EPS (0%)	ROE (0%)
SSI	16.39	1,853.04	0.12
VND	11.94	2,603.99	0.15
ORS	14.09	1,025.24	0.11
VCI	12.19	3,296.00	0.15
TVB	12.43	423.38	0.01
VIX	10.16	1,646.53	0.12
FTS	12.52	2,501.88	0.14
MBS	12.2	1,679.00	0.13
BSI	16.39	1,853.04	0.08
TCI	13.13	946.28	0.08
Industry Multiple	1,782.84	0.11	13.15
Q1	1,180.56	0.09	12.20
Median	1,766.02	0.12	12.48
Q3	2,339.67	0.14	13.85
Implied Multiples	1,874.89		
Price [VND]	19,905		

Source: SSI, Team's Analysis

**Figure 37: P/E valuation for Asset Management Segment**

Asset Management Company	Total Equity ('23)	P/E	ROE	Debt/Equity ('23)
ASX: PTM	329.53	12.24	40.28	0.99
TYO: 8739	26,047.00	17.13	15.76	36.24
SWX: EFGN	2,217.10	14.17	9.26	10.80
AMS: VLK	1,348.78	5.67	7.41	143.35
NYSE: IVZ	15,916.00	9.54	5.41	56.83
NASDAQ: PFG	11,210.60	11.02	14.52	37.18
ETR: ALV	61,560.00	12.11	10.69	94.71
TSE: CIX	1,040.04	7.85	22.54	366.34
BKK: ASP	4,892.89	11.34	10.93	2.84
BKK: MFC	1,189.07	14.81	11.60	20.00

Source: SSI, Team's Analysis

**Figure 38: P/B valuation for Margin Lending**

Ticker	Company Name	P/B
VND	VNDirect Securities	1.82
HCM	HSC Securities	1.91
VCI	Vietcap Securities	2.23
TVB	Tri Viet Securities	1.12
AGR	Agriseco	1.1
FTS	FPT Securities	1.66
MBS	MB Securities	1.69
BSI	BIDV Securities	1.51
TCI	Thanh Cong Securities	1.01
VDS	Viet Dragon Securities	1.22

P/B Model	Value
P/B of Security Industry	1.58
SSI Book Value	13,143.29
MARKET CAP	20,830.90

Source: SSI, Team's Analysis

**Figure 38: P/E valuation for Treasury**

Ticker	Company Name	P/B
SSI	SSI Securities	1.98
VND	VNDirect Securities	1.82
DSC	DSC Securities	1.5
BAB	Bac A Bank	1.46
ORS	Tien Phong Securities	1.33
CTS	Vietinbank Securities	0.97
FTS	FPT Securities	1.66
MBS	MB Securities	1.69
BSI	BIDV Securities	1.51
MBB	MBBank	1.25

P/B Model	Value
P/B of Security Industry	1.50
SSI Book Value	12,243.78
MARKET CAP	18,365.67

deducting capital charges—derived by applying the cost of equity to the book value of equity each period. The terminal residual income was estimated using the perpetuity growth method.

**Net Income:** Revenue from SSI was projected based on overall industry trends and expected economic conditions to reflect a moderate growth outlook. We estimated average yields across a whole company income source and calculated spreads relative to relevant benchmarks. Given expectations of regulatory adjustments and possible rate shifts, we anticipate 4 assumptions: [1] Vietnam's long-term GDP growth is assumed to be 4.11%. As a developing country and the securities industry is in the process of being considered for upgrading to an emerging market, long-term GDP growth will objectively reflect the percentage growth in SSI's revenue in particular and company value in general. To accurately project the income source of SSI Securities Company, we based on the company's market share on all stock exchanges in each quarter in the past. [3] We forecast the growth in transaction value of the entire market to increase sharply in 2025 at 66% and cool down in the following year at 17% growth. At the same time, we monitor [4] SSI's market share from past data and make a bearish assessment on future performance. Therefore, the average number was used to set the stable market share of SSI for the long run at 8.93%.

**Residual Income Model:** The annual capital charges are calculated by applying the cost of equity to the average of the current and previous year's shareholder's equity balance. The cost of equity is determined as: X% and Y%. Residual income for each period was calculated by subtracting the capital charge from the corresponding cash NPAT. The terminal value of residual income was determined using the perpetuity growth formula, assuming a terminal growth rate of [X]%. By dividing the implied equity value of the firm by (equity value) the number of shares outstanding, we arrived an equity valuation of VND per share.

#### Simulation Analysis - Residual Income Valuation – Monte Carlo Simulation:

Monte Carlo Simulation model was used to simulate 10,000 iterations in our model, which help us to conclude the price range of 4.7 to 68.64 following Normal distribution due to the characteristic of the high beta stock. by flexing on variables such as Vietnam GDP growth, inflation rate, number of new opened investor accounts from 2024-2029F, the simulation results

**Multiple Valuation Model:** Divides into 5 segments, each with appropriate P/E and P/B ratios based on the characteristics of the sectors and subsectors. Specifically, for the securities services sector, it is divided into two parts: [1] P/E for the brokerage segment valuation, and [2]. P/B for the margin lending segment valuation. Each segment will be compared to peers based on different criteria: [1] The securities services segment is classified by market share, [2] The proprietary trading segment is based on the total investment to total assets ratio, [3] The funding segment is selected based on interest income from HTM (Held-to-Maturity) securities, [4] Investment funds are compared and adjusted with foreign funds, [5] The investment banking segment is evaluated based on advisory income as a percentage of total revenue.

Input	Rate	Source
Adjusted Beta	1.09	Using regional peers to arrive at unlevered and re-levered beta
Risk-Free Rate	3.17%	Vietnam's 10-year government bond yield (3Y Average)
Annual Market Return	10.55%	Vietnam 3Y arithmetic average annual market return
Country Risk Premium	4.40%	Damodaran (2024) based on the Moody's Rating of Ba3 for Vietnam
Cost of Equity	11.20%	CAPM is used with the incorporation of the country risk premium
Pre-Tax Cost of Debt	6.45%	Calculated by adding risk-free rate to SSI's synthetic default spread
Corporate Income Tax	20.00%	Corporate income tax decreed by the government of Vietnam
D/(D+E)	57.92%	Derived from SSI's debt and equity market value
<b>WACC</b>		<b>7.70%</b>

Source: SSI, NYU, SBV, Damodaran, Team's Analysis

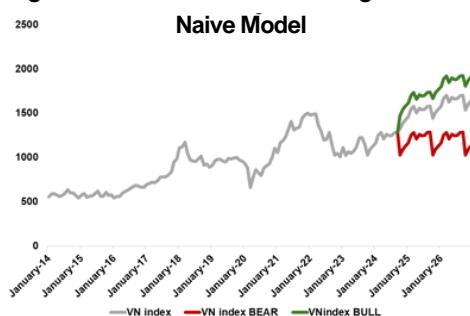
	2025 F	2026 F	2027 F	2028 F	2029 F
Opening Owner's Equity (E0)	27,043.76	<b>31,441.43</b>	36,318.59	41,678.77	47,878.86
(+) Net Income for the Period (NI)	3,275.12	4,229.01	4,893.52	5,584.10	6,352.15
(+) Payment of Cash Dividends (D)	(1,964.06)	(2,592.56)	(3,422.18)	(4,517.28)	(5,962.81)
(+) Capital Increase through Issuance	2,946.09	3,240.70	3,888.84	5,133.28	6,775.92
Closing Owner's Equity (Et)	31,300.91	36,318.59	41,678.77	47,878.86	55,044.12
Cost of Equity Capital (ke * E0)	3,028.50	3,520.98	4,067.15	4,667.41	5,361.73
RI = NI - ke * E0	<b>246.61</b>	<b>708.03</b>	<b>826.37</b>	<b>916.68</b>	<b>990.42</b>
<b>NPV(RI)</b>	\$2,577.47				
(+) Opening Owner's Equity (E0)	27,043.76	31,441.43	36,318.59	41,678.77	47,878.86
(+) Cash NPAT	690.07	797.12	914.76	1,050.85	1,208.11
<b>Intrinsic Value of Equity</b>	<b>VND 63,870</b>	<b>VND 65,797</b>	<b>VND 70,792</b>	<b>VND 76,288</b>	<b>VND 82,646</b>

Figure 38: SSI Risk Matrix



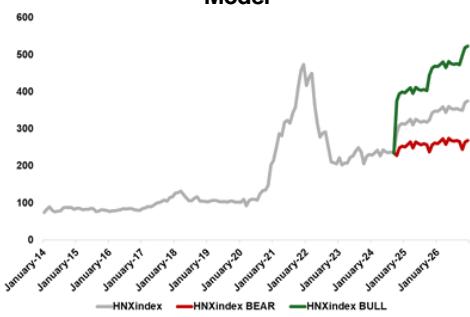
Source: SSI, Team's Analysis

Figure 39: Forecast VNIndex Using Seasonal Naive Model



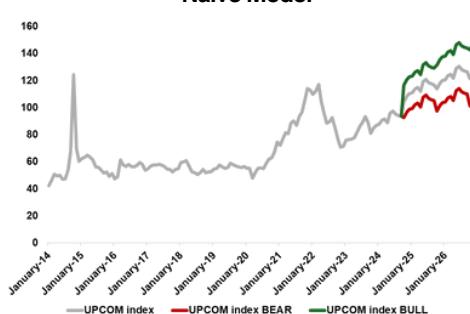
Source: SSI, Team's Analysis

Figure 40: Forecast HNX Using Seasonal Naive Model



Source: SSI, Team's Analysis

Figure 41: Forecast UPCOM Using Seasonal Naive Model



Source: SSI, Team's Analysis

## INVESTMENT RISKS

**[I1-MARKET RISK] Fierce Competition | High Probability, Medium Impact:** Revenue from securities services has declined in recent years, primarily due to a decrease in the company's brokerage market share (Figure 38), caused by: [1] The entry of new securities firms, especially those associated with banks like TCBS and MBS, which has intensified competitive pressures; [2] The margin loan interest rates offered by other competitors are also more attractive, averaging around 10% (APPENDIX C2).

**Valuation Impact:** The decline in brokerage market share has led to a 14% drop in brokerage revenue in 2023. We estimate that, over the coming years, if the Quant Trading strategy proves ineffective, the brokerage segment may experience a decline of 18.89% CAGR (2024-2029) (APPENDIX A2).

**Mitigant:** [1] SSI aims to attract foreign institutional clients to diversify revenue streams and enhance stability in brokerage services; [2] The company is implementing quantitative trading algorithms featuring strategies such as Scalping, Pair Trading, and Grid Trading to increase transaction volume among retail clients and improve trading performance.

**[I2-MARKET RISK] Stock Market Volatility | High Probability, High Impact:** In a downside scenario, if the U.S. Federal Reserve (FED) delays rate cuts, this could strongly impact the exchange rate, pushing it beyond control thresholds and possibly exceeding the 3% mark (APPENDIX C1). Such a scenario would likely prompt the government to tighten monetary policy to maintain macroeconomic stability, potentially exerting a negative impact on the stock market.

**Valuation Impact:** The stock market decline will lead to negative impacts (Figure 39) on the company as follows: [1] The increase in capital costs and reduced liquidity have caused revenue from securities services to decrease by 12.42% CAGR (2024-2029); [2] The drop in stock prices on the VNIndex may also adversely affect the company's proprietary trading profits.

**Mitigant:** SSI has implemented strategies involving investments in certificates of deposit and FIBond bonds to manage short-term risks effectively, while maintaining capital stability in the event of an unexpected interest rate drop.

**[R1 - REPUTATION] Difficulty in Managing Human Resources | Medium Probability, Medium Impact:** The rapid expansion of personnel in the brokerage segment has led the company to extend hiring to collaborators without brokerage licenses.

**Valuation Impact:** These factors could significantly damage the company's reputation: [1] A decrease in customers' net assets may lead to reduced brokerage revenues (APPENDIX A2); [2] A decline in brokerage market share efficiency, potentially resulting in a 200 million VND fine for violating Clause 4 Article 26 of Decree 156/2020/NĐ-CP in securities.

**Mitigant:** [1] The company is tightening internship recruitment, prioritizing high-achieving finance students from major competitions, and enhancing qualifications and experience requirements for brokers; [2] Disclosing detailed information about customer service personnel; [3] Providing mandatory training and upskilling for official brokers.

**[I1 - INFORMATION SECURITY SYSTEM] System Security and Stability Challenges | Low Probability, High Impact:** The securities company faces rising risks in data security and information protection due to: [1] Being targeted by hackers due to weaker security compared to firms with bank-backed security infrastructure; [2] System malfunctions with unstable links and complex user instructions.

**Valuation Impact:** [1] Exposure and breaches of clients' financial and personal data; [2] Direct negative impact on customer experience and financial losses; [3] System fails to meet KRX schedule.  
**Mitigant:** [1] Researching and implementing new technology compatible with KRX, such as Quant Trading; [2] Enhancing backup and recovery procedures.

**[I1 - LEGAL RISK] KRX System Delay and Market Reclassification | High Probability, Medium Impact:** Vietnam's stock market currently faces some legal and regulatory obstacles: [1] The KRX system does not yet comply fully with legal standards due to a lack of an overall acceptance record among investors, contractors, and beneficiaries; [2] Vietnam has not yet achieved market reclassification due to unmet requirements on free capital flows.

**Valuation Impact:** If this delay persists, adverse impacts may include: [1] Limited liquidity growth if the settlement cycle is not reduced; [2] Constraints on capital and access to international clients for securities companies.  
**Mitigant:** [1] Investment in technology and internal systems to increase client turnover; [2] Development of analytical tools and flexible trading algorithms aligned with settlement cycles; [3] Collaboration with foreign partners to obtain convertible bond loans as a temporary measure.

# **LIST OF APPENDICES**

## **APPENDIX SECTION A: FINANCIAL STATEMENTS**

**APPENDIX A1: BALANCE SHEET**

**APPENDIX A2: INCOME STATEMENT**

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**APPENDIX B1: GOVERNMENT SCORE BY SECTOR IN VIETNAM [MAX=1]**

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## APPENDIX A1: BALANCE SHEET

BALANCE SHEET (VND Billion)	2019A	2020A	2021A	2022A	2023A	2024F	2025F	2026F	2027F	2028F	2029F
<b>A. CURRENT ASSETS</b>	<b>22,291</b>	<b>29,040</b>	<b>46,540</b>	<b>48,732</b>	<b>65,755</b>	<b>80,273</b>	<b>96,741</b>	<b>111,748</b>	<b>128,241</b>	<b>147,319</b>	<b>169,366</b>
Short term financial assets	22,256	28,889	46,464	48,622	65,659	76,120	91,736	105,967	121,607	139,697	160,604
Cash and cash equivalents	1,041	363	1,114	1,418	494	573	690	797	915	1,051	1,208
Financial assets at fair value through profit or loss (FVTPL)	4,315	13,252	12,023	30,493	44,072	51,094	61,576	71,128	81,626	93,768	107,801
Held-to-maturity investment	10,722	5,592	7,834	3,508	4,973	5,765	6,948	8,026	9,210	10,581	12,164
Loans	5,359	9,226	23,698	11,057	15,134	17,545	21,145	24,425	28,030	32,199	37,018
Available-for-sale financial assets (AFS)	760	186	272	382	416	482	581	671	770	885	1,017
Provision for diminution	(41)	(48)	(62)	(37)	(33)	(38)	(46)	(53)	(61)	(70)	(80)
Accounts receivable	100	318	1,586	1,802	603	699	843	973	1,117	1,283	1,475
Prepayments to suppliers	10	199	1,256	1,413	32	37	45	52	60	69	79
Receivables from services provided by the stock company	43	29	35	20	21	24	29	33	38	44	51
Other receivables	4	5	10	185	192	223	269	310	356	409	470
Provision for short term receivables	(308)	(301)	(243)	(232)	(232)	(269)	(324)	(374)	(429)	(493)	(567)
Other current assets	35	151	75	110	96	111	134	155	178	204	235
<b>B. LONG-TERM ASSETS</b>	<b>4,753</b>	<b>6,730</b>	<b>4,253</b>	<b>3,494</b>	<b>3,486</b>	<b>4,041</b>	<b>4,871</b>	<b>5,626</b>	<b>6,456</b>	<b>7,417</b>	<b>8,527</b>
Long term financial assets	4,239	6,250	3,689	2,773	2,821	3,271	3,942	4,553	5,225	6,002	6,901
Fixed assets	147	148	189	282	269	312	377	435	499	573	659
Investment properties	206	197	233	265	236	273	329	380	437	502	577
Long-term incomplete assets	29	43	35	26	32	37	45	52	59	68	79
Other long-term assets	132	92	107	148	127	148	178	206	236	271	312
<b>TOTAL ASSETS</b>	<b>27,044</b>	<b>35,770</b>	<b>50,793</b>	<b>52,226</b>	<b>69,241</b>	<b>80,273</b>	<b>96,741</b>	<b>111,748</b>	<b>128,241</b>	<b>147,319</b>	<b>169,366</b>
<b>C. LIABILITIES</b>	<b>17,643</b>	<b>25,897</b>	<b>36,573</b>	<b>29,843</b>	<b>46,000</b>	<b>53,229</b>	<b>65,299</b>	<b>75,429</b>	<b>86,562</b>	<b>99,439</b>	<b>114,320</b>
Current liabilities	16,410	25,823	36,479	29,789	45,939	53,158	65,212	75,328	86,446	99,306	114,168
Long-term liabilities	1,234	73	94	54	61	71	87	101	115	133	152
<b>D. OWNER'S EQUITY</b>	<b>9,401</b>	<b>9,873</b>	<b>14,220</b>	<b>22,384</b>	<b>23,241</b>	<b>27,044</b>	<b>32,424</b>	<b>37,399</b>	<b>42,976</b>	<b>49,591</b>	<b>57,304</b>
Shareholders' equity	5,225	6,138	10,643	18,191	18,291	23,738	27,667	31,005	35,110	40,658	47,982
Differences upon asset revaluation	260	(5)	(4)	(6)	(4)	22	22	22	22	22	22
Foreign exchange differences	40	39	34	45	55	60	60	60	60	60	60
Charter reserve	477	522	61	61	61	3	3	3	3	3	3
Financial reserve funds	393	438	496	-	-	-	-	-	-	-	-
Undistributed earnings	2,941	2,677	2,928	3,954	4,696	3,220	4,531	6,168	7,639	8,707	9,096
Minority interests	65	63	63	139	141	141	141	141	141	141	141
<b>TOTAL RESOURCES</b>	<b>27,044</b>	<b>35,770</b>	<b>50,793</b>	<b>52,226</b>	<b>69,241</b>	<b>80,273</b>	<b>96,741</b>	<b>111,748</b>	<b>128,241</b>	<b>147,319</b>	<b>169,366</b>

## APPENDIX A2: INCOME STATEMENT

INCOME STATEMENT (VND Billion)	2019A	2020A	2021A	2022A	2023A	2024F	2025F	2026F	2027F	2028F	2029F
<b>OPERATING SALES</b>	<b>3,235</b>	<b>4,367</b>	<b>7,443</b>	<b>6,336</b>	<b>7,158</b>	<b>8,712</b>	<b>11,414</b>	<b>13,232</b>	<b>15,075</b>	<b>17,050</b>	<b>18,708</b>
Income from financial assets recognized through profit/loss (FVTPL)	699	1,779	2,325	2,020	3,167	3,855	5,050	5,854	6,670	7,544	8,277
Income from held to maturity investment (HTM)	991	850	720	417	474	2,282	2,990	3,466	3,949	4,466	4,901
Income from loans and receivables	678	525	1,571	1,801	1,568	28,848	37,795	43,812	49,915	56,457	61,947
Income from available for sales assets (AFS)	83	233	1	3	6	33	44	51	58	65	72
Revenue in Brokerage services	582	797	2,519	1,707	1,502	2,180,651	2,856,988	3,311,818	3,773,103	4,267,619	4,682,617
Revenue in Underwriting services	29	33	28	32	22	125	164	190	216	244	268
Revenue in Stock Investment Advisory services	12	11	25	28	42	17,074	22,370	25,932	29,543	33,415	36,665
Revenue in Securities custody services	34	37	36	40	40	8,193	10,734	12,442	14,175	16,033	17,593
Revenue in Financial Advisory services	59	54	54	45	29	6,293	8,244	9,557	10,888	12,315	13,512
Others revenue	68	47	164	244	308	93,729	122,800	142,350	162,177	183,432	201,270
Net sales	3,235	4,367	7,443	6,336	7,158	8,712	11,414	13,232	15,075	17,050	18,708
<b>OPERATING EXPENSE</b>	<b>(1,171)</b>	<b>(1,902)</b>	<b>(3,155)</b>	<b>(2,705)</b>	<b>(2,435)</b>	<b>(2,640)</b>	<b>(3,501)</b>	<b>(4,065)</b>	<b>(4,625)</b>	<b>(5,206)</b>	<b>(5,611)</b>
Loss from financial assets recognized through profit/loss (FVTPL)	(383)	(1,003)	(1,342)	(962)	(656)	(712)	(944)	(1,096)	(1,247)	(1,403)	(1,512)
Loss from available for sales assets (AFS)	(0)	(13)	(1)	-	(26)	(28)	(37)	(43)	(49)	(55)	(59)
Provision for losses from mortgage assets, uncollectible receivables, and loan exper.	(555)	(626)	(1,494)	(1,337)	(1,316)	(1,427)	(1,893)	(2,198)	(2,500)	(2,815)	(3,033)
Proprietary trading services expenses	(15)	(8)	(17)	(10)	(10)	(11)	(14)	(17)	(19)	(21)	(23)
Brokerage expenses	(22)	(19)	(20)	(23)	(23)	(25)	(34)	(39)	(44)	(50)	(54)
Underwriting, securities issuance expenses	(28)	(32)	(41)	(44)	(45)	(49)	(64)	(75)	(85)	(96)	(103)
Expenses for securities advisory	(17)	(39)	(28)	(48)	(33)	(36)	(48)	(55)	(63)	(71)	(76)
Investors' securities depository expenses	(129)	(137)	(199)	(234)	(293)	(318)	(421)	(489)	(557)	(627)	(675)
Expenses for financial advisory activities	(12)	(0)	43	2	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Other expenses	(11)	(24)	(55)	(51)	(32)	(35)	(46)	(54)	(61)	(69)	(74)
<b>GROSS PROFIT</b>	<b>2,064</b>	<b>2,465</b>	<b>4,289</b>	<b>3,631</b>	<b>4,723</b>	<b>6,072</b>	<b>7,913</b>	<b>9,167</b>	<b>10,450</b>	<b>11,844</b>	<b>13,098</b>
<b>REVENUE FROM FINANCIAL ACTIVITIES</b>											
Realized and unrealized foreign exchange gain	0	29	11	28	8	10	13	15	17	19	21
Income from non fixed accrued dividend and interest	20	13	19	36	27	33	44	51	58	65	72
Gain from disposals or sales of investments in subsidiaries, associates and joint vent.	-	14	241	1	-	-	-	-	-	-	-
Other revenue from investments	46	153	72	115	88	107	140	162	185	209	229
Revenue from financial activities	67	209	343	181	123	150	197	228	260	294	322
<b>EXPENSE FROM FINANCIAL ACTIVITIES</b>											
Realized and unrealized foreign exchange loss	(20)	(12)	(38)	(124)	(25)	(28)	(37)	(43)	(48)	(55)	(59)
Interest expenses	(804)	(829)	(1,030)	(1,031)	(1,570)	(1,703)	(2,259)	(2,622)	(2,983)	(3,358)	(3,619)
Other investment expenses	(15)	(95)	(47)	(261)	(42)	(45)	(60)	(70)	(79)	(89)	(96)
Expense from financial activities	(839)	(937)	(1,115)	(1,416)	(1,638)	(1,776)	(2,355)	(2,734)	(3,111)	(3,502)	(3,774)
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>	<b>(193)</b>	<b>(184)</b>	<b>(265)</b>	<b>(296)</b>	<b>(362)</b>	<b>(392)</b>	<b>(520)</b>	<b>(604)</b>	<b>(687)</b>	<b>(774)</b>	<b>(834)</b>
<b>OPERATING PROFIT/(LOSS)</b>	<b>1,099</b>	<b>1,552</b>	<b>3,252</b>	<b>2,100</b>	<b>2,847</b>	<b>4,054</b>	<b>5,234</b>	<b>6,057</b>	<b>6,912</b>	<b>7,862</b>	<b>8,812</b>
Net other income/expenses	7	5	113	10	1	2	3	3	3	4	4
<b>NET ACCOUNTING PROFIT/(LOSS) BEFORE TAX</b>	<b>1,106</b>	<b>1,558</b>	<b>3,365</b>	<b>2,110</b>	<b>2,849</b>	<b>4,056</b>	<b>5,237</b>	<b>6,060</b>	<b>6,915</b>	<b>7,866</b>	<b>8,816</b>
<b>BUSINESS INCOME TAX EXPENSES</b>	<b>(198)</b>	<b>(302)</b>	<b>(670)</b>	<b>(412)</b>	<b>(554)</b>	<b>(780)</b>	<b>(1,008)</b>	<b>(1,166)</b>	<b>(1,330)</b>	<b>(1,513)</b>	<b>(1,696)</b>
<b>NET PROFIT/(LOSS) AFTER TAX</b>	<b>907</b>	<b>1,256</b>	<b>2,695</b>	<b>1,698</b>	<b>2,294</b>	<b>3,275</b>	<b>4,229</b>	<b>4,894</b>	<b>5,584</b>	<b>6,352</b>	<b>7,120</b>
Attributable to parent company	909	1,257	2,696	1,699	2,293	3,273	4,226	4,890	5,580	6,347	7,114
Minority interests	(2)	(1)	(1)	(2)	2	(3)	(3)	(4)	(4)	(5)	(6)
<b>OTHER COMPREHENSIVE INCOME (LOSS) AFTER TAX</b>	<b>(18)</b>	<b>(264)</b>	<b>1</b>	<b>(2)</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## APPENDIX SECTION B: BUSINESS DESCRIPTION & ESG

### APPENDIX B1: GOVERNMENT SCORE BY SECTOR IN VIETNAM [MAX=1]

Environment	Materials	Energy	Water and effluents	Biodiversity	Emissions	Waste	Environmental Compliance	Supplier Environmental Assessment
Security - SSI	0.00	0.20	0.00	0.00	0.00	0.20	1.00	0.00
Bank	0.07	0.44	0.25	0.05	0.26	0.20	0.60	0.40
Consumer Discretionary	1.00	1.00	1.00	0.00	0.57	1.00	1.00	0.00
Consumer Staples	0.58	0.40	0.75	0.13	0.32	0.65	0.75	0.63
Energy	0.67	0.70	0.88	0.63	0.43	0.60	0.50	0.75
Healthcare	0.17	0.60	0.88	0.25	0.00	0.60	0.50	1.00
Industrials	0.33	0.80	0.75	1.00	1.00	1.00	1.00	1.00
Information Technology	0.00	0.80	0.50	0.25	0.14	0.40	0.00	1.00
Materials	1.00	0.80	0.75	1.00	1.00	1.00	1.00	1.00
Real Estate	0.67	0.50	0.50	0.25	0.36	0.30	1.00	0.25

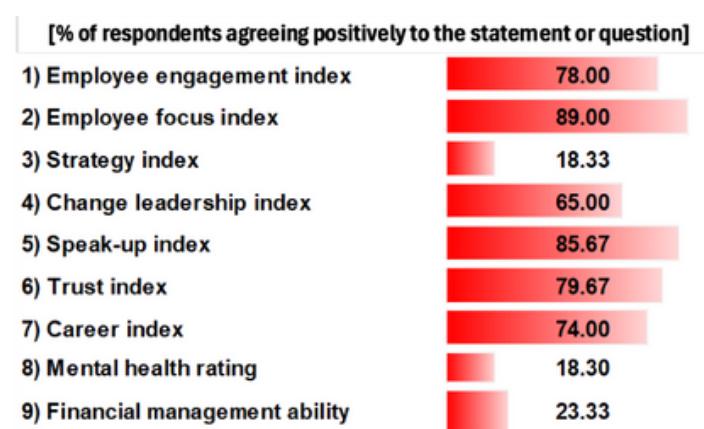
### APPENDIX B2: SOCIAL SCORE BY SECTOR IN VIETNAM [MAX=1]

Social	Employment	Labor Relations	Occupational Health and Safety	Training and Education	Diversity and Equal Opportunity	Non-discrimination	Freedom of Association and Collective Bargaining	Child Labor	Forced or Compulsory Labor	Security Practices	Rights of Indigenous Peoples	Human Rights Assessment	Local Communities	Supplier Social Assessment	Public Policy	Customer Health and Safety	Marketing and Labeling	Customer Privacy	Socioeconomic Compliance
Security - SSI	0.67	0.00	0.00	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.50	0.00	0.00	0.00	1.00	1.00	
Bank	0.80	0.40	0.34	0.93	0.80	0.20	0.30	0.40	0.20	0.20	0.20	0.20	0.60	0.20	0.20	0.40	0.07	0.60	0.20
Consumer Discretionary	1.00	1.00	0.90	0.67	1.00	0.00	0.50	1.00	1.00	0.00	0.00	0.00	0.50	0.00	0.00	0.00	0.00	1.00	1.00
Consumer Staples	0.83	0.50	0.55	1.00	0.63	0.50	0.50	0.50	0.50	0.25	0.00	0.25	0.75	0.13	0.00	0.75			
Energy	1.00	0.50	0.55	0.83	0.75	0.50	0.50	0.50	0.50	0.50	0.00	0.50	0.25	0.50	0.00	0.50	0.50	0.50	0.50
Healthcare	1.00	1.00	0.75	1.00	1.00	0.50	0.75	1.00	0.50	0.00	0.50	0.33	0.75	0.50	0.50	1.00	0.83	0.50	1.00
Industrials	0.67	1.00	0.40	1.00	1.00	1.00	1.00	1.00	1.00	0.00	1.00	1.00	1.00	0.00	1.00	1.00	1.00	1.00	1.00
Information Technology	1.00	1.00	0.90	1.00	1.00	1.00	0.50	0.00	0.00	1.00	0.67	1.00	0.50	0.00	1.00	0.67	0.00	0.00	
Materials	0.67	1.00	0.40	1.00	1.00	1.00	1.00	1.00	1.00	0.00	1.00	1.00	1.00	0.00	1.00	1.00	1.00	1.00	1.00
Real Estate	0.83	0.50	0.65	0.67	0.75	0.00	0.50	1.00	0.00	0.00	0.50	0.50	0.50	0.25	0.50	0.25	0.17	0.50	0.00

### APPENDIX B3: GOVERNANCE SCORE BY SECTOR IN VIETNAM [MAX=1]

Governance	General Disclosures	Management approach
Security - SSI	0.62	0.25
Bank	0.73	0.20
Consumer Discretionary	0.74	0.83
Consumer Staples	0.88	1.00
Energy	1.00	0.33
Healthcare	0.80	1.00
Industrials	1.00	0.33
Information Technology	0.50	0.33
Materials	0.59	0.00
Real Estate	0.48	0.00

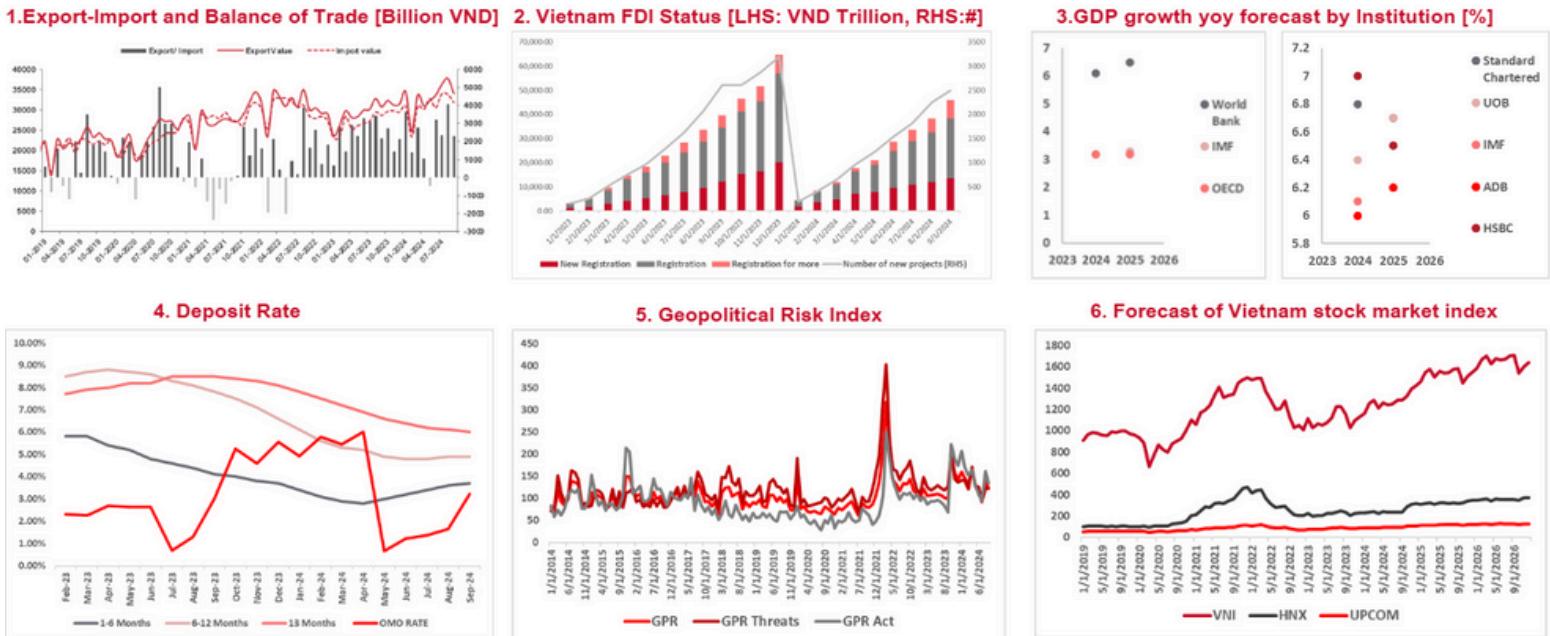
### APPENDIX B1: SSI EMPLOYEE SATISFACTION SURVEY



# APPENDIX SECTION C: INDUSTRY OVERVIEW & COMPETITIVE POSITIONING

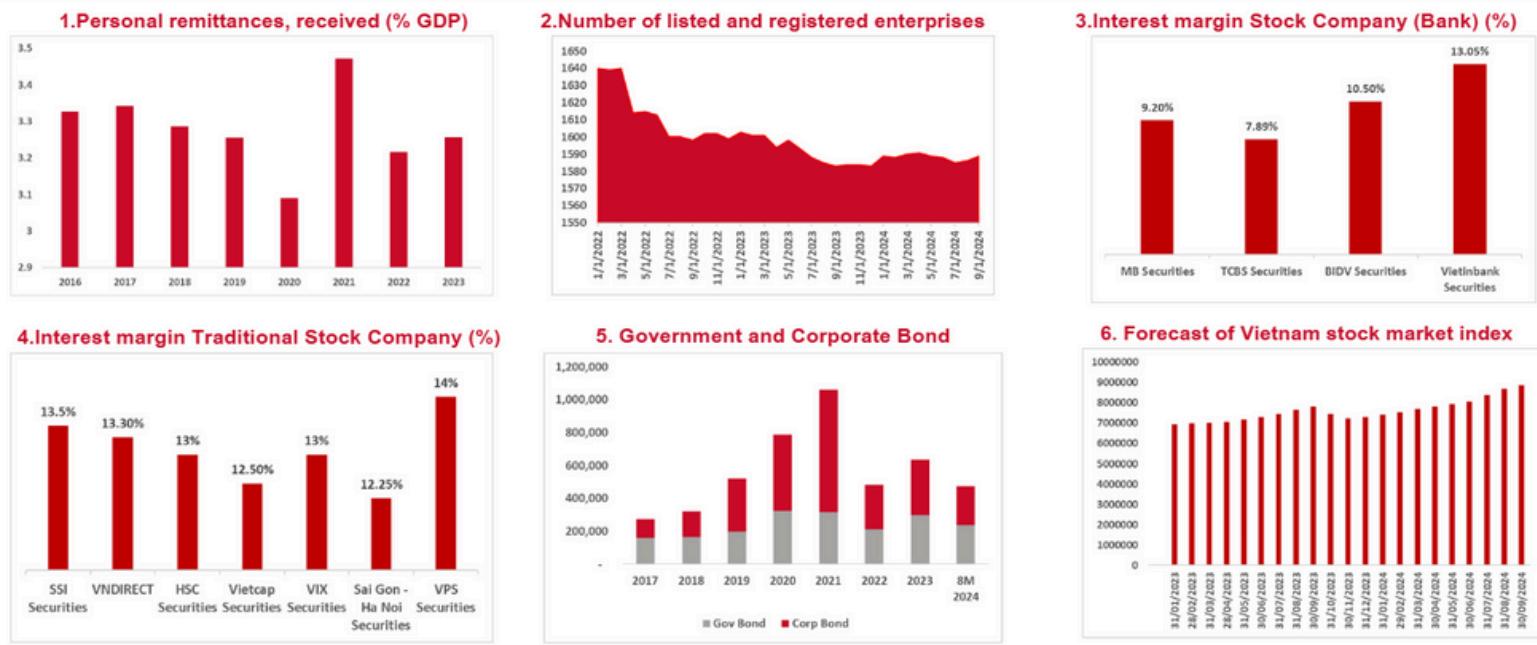
## APPENDIX C1: VIETNAM ECONOMIC SNAPSHOT 1

### VIETNAM ECONOMIC SNAPSHOT



## APPENDIX C2: VIETNAM ECONOMIC SNAPSHOT 2

### VIETNAM MARKET SNAPSHOT



## APPENDIX C3: MARKET CAPITALIZATION BY PEER

	Market Capitalization				
	2019	2020	2021	2022	2023
<b>SSI Securities</b>	18,030,751,229,400	25,504,599,429,900	18,907,200,422,400	50,922,094,178,550	40,905,796,233,250
<b>VNDIRECT Securities</b>	6,767,206,188,300	13,754,842,545,600	6,480,675,836,300	26,427,214,995,300	18,024,091,333,200
<b>HSC Securities</b>	10,292,938,149,950	11,287,055,504,700	10,466,496,585,950	11,268,088,228,200	13,901,889,338,450
<b>Vietcap Securities</b>	9,946,200,000,000	8,909,280,000,000	9,240,750,000,000	18,378,095,822,200	15,750,000,000,000
<b>VIX Securities</b>	2,914,326,813,800	3,397,324,735,000	2,001,799,219,410	10,100,114,929,150	7,564,725,392,500
<b>MB Securities</b>	2,735,583,872,000	5,209,295,362,800	3,773,418,368,400	9,020,056,896,600	12,779,963,795,600
<b>FPT Securities</b>	2,266,600,361,350	6,051,231,216,750	2,921,832,480,600	8,787,450,792,550	9,440,859,428,000
<b>Sai Gon - Ha Noi Securi</b>	6,093,685,109,400	8,166,367,119,400	2,959,911,745,700	14,962,084,163,200	12,522,613,919,200
<b>BIDV Securities</b>	2,044,673,806,500	4,217,521,194,900	2,258,296,443,000	9,615,366,144,000	10,281,104,538,900
<b>Vietinbank Securities</b>	1,830,709,107,200	4,103,130,004,800	1,532,686,694,400	4,224,168,032,400	5,971,843,186,650

## APPENDIX C4: 5-FORCES

### THREAT OF NEW ENTRANTS - 2

#### ADVANTAGES FROM BANK PARTNERSHIPS

Regulations for securities companies are not as stringent as those for banks, but they still require substantial capital. Key trends show that 14 securities firms affiliated with banks have competitive advantages, including: [1] large capital reserves; [2] access to lower-cost funding; [3] enhanced data security systems inherited from their parent banks.

### BARGAINING POWER OF SUPPLIERS - 4

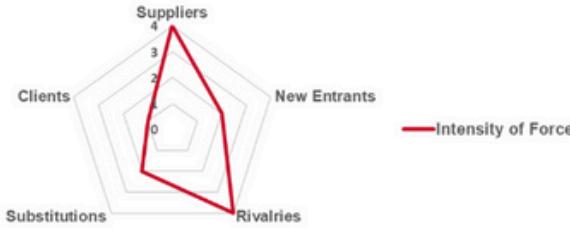
#### INTENSIFYING CAPITAL COMPETITION

Resources are the lifeblood of a securities company, encompassing capital, technology, and skilled personnel. However, this company is facing challenges with high funding costs and must increase foreign borrowing to remain competitive with securities firms backed by parent banks.

### RIVALRY OF EXISTING COMPETITORS - 4

#### A PROFITABLE INDUSTRY COMPETING ON BROKERAGE MARKET SHARE

VPS dominates the brokerage market share with 17.63% due to its policy of extending credit beyond limits. Additionally, TCBS is also a promising company, benefiting from low-cost funding provided by Techcombank. However, SSI remains a pioneer in establishing the warrant market; [2] it maintains a highly skilled workforce.



### THREAT OF SUBSTITUTIONS - 2

#### DIGITAL OFFERINGS TO THRIVE

Bitcoin, along with the rise of cryptocurrencies, forex, and foreign securities, has driven demand for advanced tech solutions like Quant Trading and Intraday Trading. However, since these products are not yet state-approved, Vietnam is allocating significant resources to supplementary technology, aiming to gain a competitive edge in this evolving sector.

### BARGAINING POWER OF CLIENTS - 1

#### MORE INVESTORS

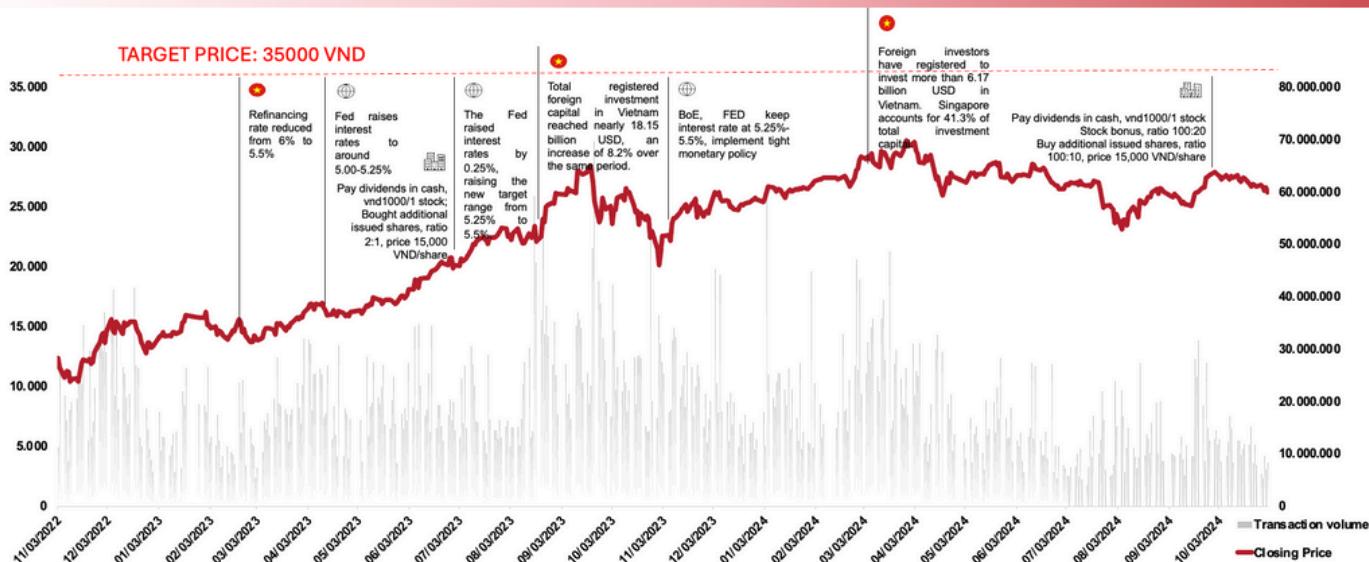
The significant presence of 8 million accounts both domestic and foreign investors, coupled with growing demand, indicates potential for market upgrades, making foreign traders a promising target.

## APPENDIX SECTION D: FINANCIAL ANALYSIS

### APPENDIX D1: SSI FINANCIAL BUDGETING

	2019A	2020A	2021A	2022A	2023A	2024F	2025F	2026F	2027F	2028F	2029F
<b>NET REVENUE FROM SECURITIES BUSINESS ACTIVITIES</b>											
Securities Services	1,317.17	1,378.40	4,140.70	3,564.49	3,133.31	3,664.28	6,091.14	7,135.51	7,958.68	8,661.92	8,497.77
Principal Investment	826.92	2,048.00	2,727.41	2,069.34	3,206.34	4,046.02	3,752.12	4,285.70	5,118.99	6,235.57	8,107.07
Funding Sources	1,030.78	1,029.49	838.03	634.69	672.26	890.01	1,479.46	1,733.12	1,933.06	2,103.87	2,063.99
Fund Management	33.84	27.51	100.68	164.95	145.70	129.91	147.30	154.73	162.83	171.08	178.53
Investment Banking	99.84	97.43	93.76	94.30	125.81	134.56	143.91	153.92	164.62	176.06	188.30
Total	3,308.55	4,580.83	7,900.58	6,527.77	7,283.41	8,864.77	11,613.93	13,462.97	15,338.18	17,348.50	19,035.67
<b>PROFIT FROM OPERATING ACTIVITIES BEFORE TAX</b>											
Securities Services	406.91	410.75	1,870.17	1,350.64	988.76	1,659.13	2,757.97	3,230.85	3,603.57	3,921.98	3,847.66
Principal Investment	355.80	674.10	982.55	551.24	1,574.78	2,019.37	1,875.32	2,127.74	2,532.49	3,098.32	4,135.43
Funding Sources	312.80	464.76	463.31	150.89	219.63	333.25	553.97	648.95	723.82	787.77	772.84
Fund Management	6.01	0.08	48.74	81.44	60.32	40.85	46.32	48.66	51.21	53.80	56.14
Investment Banking	24.00	7.86	0.26	-24.51	5.08	2.81	3.00	3.21	3.43	3.67	3.93
Total	1,105.52	1,557.55	3,365.04	2,109.70	2,848.57	4,055.42	5,236.58	6,059.41	6,914.51	7,865.55	8,816.00
<b>TOTAL ASSET</b>											
Securities Services	5,534.16	9,416.84	23,955.41	11,439.14	15,494.04	21,998.45	36,568.02	42,837.89	47,779.79	52,001.67	51,016.17
Principal Investment	6,161.11	14,839.33	14,759.18	33,383.97	45,762.52	47,601.77	42,491.10	48,210.56	57,381.37	70,202.09	93,700.94
Funding Sources	14,928.78	11,162.69	11,532.40	6,194.96	7,175.00	10,564.08	17,560.68	20,571.59	22,944.79	24,972.21	24,498.96
Fund Management	79.54	71.01	72.35	124.41	54.83	81.54	92.45	97.11	102.20	107.38	112.06
Investment Banking	59.10	41.68	44.40	242.84	229.63	26.90	28.77	30.77	32.91	35.20	37.64
Total	27,044.12	35,769.53	50,889.04	52,226.38	69,241.33	80,272.74	96,741.02	111,747.92	128,241.06	147,318.55	169,365.77
<b>TOTAL DEBT</b>											
Securities Services	2,177.60	2,348.02	19,022.82	10,124.89	11,149.19	12,901.18	15,826.75	18,281.91	20,980.23	24,101.34	27,708.30
Principal Investment	732.47	9,864.43	6,978.26	16,628.30	31,044.32	35,922.66	44,068.75	50,905.01	58,418.31	67,108.88	77,152.28
Funding Sources	14,507.44	13,479.62	10,083.89	2,798.23	3,342.93	4,334.07	5,316.90	6,141.69	7,048.17	8,096.69	9,308.43
Fund Management	18.41	14.67	23.77	94.96	29.29	33.89	41.58	48.03	55.12	63.32	72.79
Investment Banking	46.18	33.06	42.90	44.39	32.13	37.18	45.61	52.69	60.46	69.46	79.85
Total	17,643.06	25,896.73	36,572.97	29,842.50	46,000.43	53,228.98	65,299.59	75,429.33	86,562.29	99,439.69	114,321.65

### APPENDIX D2: HISTORICAL DATA



### APPENDIX D3: PEER SELECTION BY MARKET CAPITALIZATION

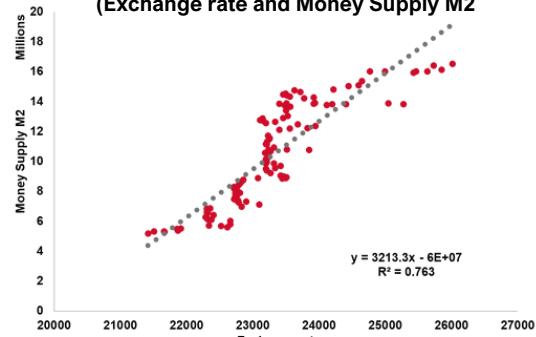
	2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023
	ROE (%)			ROA (%)			ROIC (%)			Asset Turnover(x)			Debt to Asset (x)		
<b>SSI Securities</b>	22.5	9.34	10.11	6.23	3.30	3.78	2.05	1.4	1.48	0.17	0.12	0.12	0.72	0.57	0.66
<b>VNDIRECT</b>	34.94	10	13.01	9.15	3.21	5.01	3.27	1.74	2.24	0.23	0.18	0.16	0.74	0.63	0.60
<b>HSC Securities</b>	19.5	11.2	8.32	6.22	4.28	4.04	2.17	1.76	1.40	0.24	0.2	0.17	0.70	0.49	0.54
<b>Vietcap Securities</b>	27.09	13.3	7.09	11.98	5.63	3.12	3.98	2.56	1.38	0.3	0.2	0.16	0.61	0.54	0.57
<b>VIX Securities</b>	26.7	5.37	11.58	21.50	4.85	11.21	5.54	1.26	3.04	0.46	0.18	0.19	0.20	0.03	0.03
<b>MB Securities</b>	21.45	13	12.26	6.50	4.74	4.50	2.83	2.25	1.62	0.25	0.18	0.14	0.69	0.58	0.67
<b>FPT Securities</b>	32.63	10.1	12.73	13.17	4.32	6.58	5.74	3.77	1.92	0.22	0.12	0.14	0.68	0.37	0.56
<b>Sai Gon - Ha Noi Securities</b>	30.09	2.09	5.68	15.65	1.49	5.00	5.63	0.68	1.36	0.32	0.14	0.13	0.44	0.13	0.10
<b>BIDV Securities</b>	22.24	3.69	9.02	8.00	1.94	5.87	2.94	1.66	2.18	0.3	0.19	0.18	0.71	0.22	0.44
<b>Vietinbank Securities</b>	23.79	3.88	9.63	7.05	1.21	2.78	2.74	0.58	1.69	0.19	0.15	0.17	0.73	0.63	0.76
<b>Median</b>	<b>25.25</b>	<b>9.69</b>	<b>9.87</b>	<b>8.58</b>	<b>3.79</b>	<b>4.75</b>	<b>3.11</b>	<b>1.70</b>	<b>1.66</b>	<b>0.25</b>	<b>0.18</b>	<b>0.16</b>	<b>0.70</b>	<b>0.52</b>	<b>0.57</b>
	Debt to Equity(x)			Net Margin (%)			Gross Profit Margin (%)			EBIT Margin (%)			EBITDA Marign (%)		
<b>SSI Securities</b>	2.57	1.33	1.98	36.21	26.80	32.06	57.62	57.31	65.99	54.1	52.6	60.9	54.92	54.03	62.41
<b>VNDIRECT</b>	2.78	1.68	1.53	39.46	17.87	30.82	61.51	43.98	66.56	56.5	38.4	60.0	56.91	38.83	60.69
<b>HSC Securities</b>	2.33	0.96	1.15	25.72	21.85	23.23	38.67	36.27	41.59	32	27.3	28.9	32.56	27.95	30.0
<b>Vietcap Securities</b>	1.54	1.19	1.34	40.43	27.53	19.90	64.23	55.69	56.98	59.2	53.3	52	59.36	53.56	52.42
<b>VIX Securities</b>	0.26	0.04	0.03	46.88	26.27	59.51	61.94	36.43	75.76	60.8	34.3	73.4	60.8	34.33	73.51
<b>MB Securities</b>	2.24	1.37	2.04	26.46	26.26	32.16	57.59	62.93	68.53	46.3	53.1	59.4	47.29	55.38	62.58
<b>FPT Securities</b>	2.17	0.58	1.26	61.15	37.43	47.12	74.81	60.56	65.16	70.5	51.6	56.3	71.49	53.55	58.42
<b>Sai Gon - Ha Noi Securities</b>	0.8	0.16	0.12	48.23	10.52	38.31	71.23	29.41	58.46	65.5	23	50.6	65.62	23.43	51.1
<b>BIDV Securities</b>	2.49	0.28	0.78	26.77	10.32	32.43	52.24	29.56	64.19	42.7	28.7	51	43.14	29.36	51.68
<b>Vietinbank Securities</b>	2.69	1.72	3.15	36.31	8.15	16.38	67.24	45.39	60.34	59.5	35.1	49.6	60.42	36.05	50.1
<b>Median</b>	<b>2.29</b>	<b>1.08</b>	<b>1.30</b>	<b>37.88</b>	<b>24.05</b>	<b>32.11</b>	<b>61.73</b>	<b>44.69</b>	<b>64.68</b>	<b>57.85</b>	<b>36.76</b>	<b>54.17</b>	<b>58.14</b>	<b>37.44</b>	<b>55.42</b>

## APPENDIX SECTION E: KEY ASSUMPTIONS

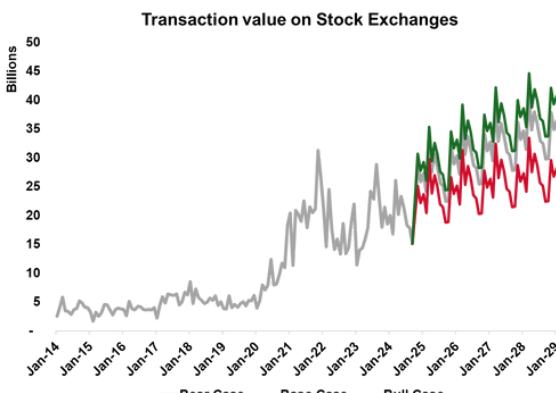
### APPENDIX E1: RELATIVE P/E & P/B, EV/REV & EV/EBITDA VALUATION FOR AGRICULTURE

**Figure E1: Linear Regression analysis**

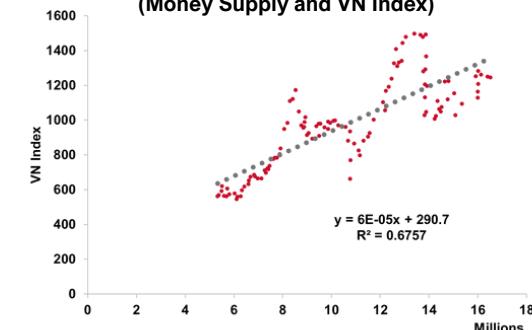
(Exchange rate and Money Supply M2)



Source: Team Analysis on R



**Figure E2: Linear Regression analysis**  
(Money Supply and VN Index)



VN Index	Coef.	St Err	t - value	p-value	[95% Conf Interval]	Sig
M2	6.48E-05	4.2051E-06	15.40564506	1.96E-29	5.645E-05	7.311E-05
Constant	290.88	47.27	6.15	1.21E-08	197.21	384.54
Mean dependent var			976.33	SD dependent var		145.97
R Square			67.5%	No of obs		114
F-test			237.33	Prob > F		1.96E-29

### I. Macroeconomic Assumptions

#### 1. Exchange rate and Money Supply M2

In many circumstances, an increase in the money supply could lead to a depreciation in the exchange rate (USD/VND). Vietnam government control the exchange rate to be below 3% per year.

Using decomposition for time series data, we identify the exchange rate to rise by time, which is also following an annual pattern of 12 months. Therefore, time series seasonal naïve model was used to project the exchange rate to rise by 1.14% and 1.12% respectively in 2025 and 2026.

#### 2. Money Supply M2 – Expansionary monetary policy

Given that M2 policy includes Cash, other forms of Cash equivalent and with term deposits at banks, certificates of deposit. The Money Supply policy is implemented by the government to control the foreign exchange rate (Foreign currency/VND) when the exchange rate tends to increase. In the context of strong FDI inflows, the supply of foreign currency will continue to be abundant in the coming time. The Policy directly and also indirectly causing a big impact on the stock market in particular and the financial market in general.

Due to this reason, we did researches on these 2 indicators and run linear regression analysis model to test the correlation between Money Supply M2 and Exchange Rate.

The given result from our linear regression model projects the Money Supply M2 to increase by 6.74% in 2025 and by 4.85% in 2026.

#### 3. Security Market Performance VN Index, Volume and Value of Stocks transaction- analysing trend and seasonal pattern

The VN Index compares the current market value of the stock exchange to its base market value and indirectly reflects the psychology and confidence of investors. security company operates base on the efficiency of the Vietnam overall market performance and also the security market. Using additive decomposition model, we identify VN index, as well as transaction value of stock follows seasonal pattern of 12 months, given the Ljung-box test checking for residual satisfying assumption on seasonal series (sig <\*\*\*\*)

### II. Internal Assumptions

1. Brokerage market share on 3 stock exchanges: HNX, HOSE, UpCom  
Brokerage revenue: Using transaction value - representing the total market size multiplied by SSI's market share growth.

We analyze historical data on the stock exchange transaction value to find trends and seasonal patterns and forecast based on the Seasonal Naïve Model. In the last 2-year cycle, we estimate growth of 21.18% and 13.41% respectively.

Based on SSI's brokerage market share on the 3 exchanges, we calculate the market share for 2024 to be 8.93%. We assumed the security market share of SSI remain at that level for the following years.

Volume (Value)	2024-2025F	2026F	20227F	2028F	2029F
<b>Base Case</b>	66.23%	17.15%	11.54%	8.84%	-1.90%
<b>Bull Case</b>	102.65%	37.28%	31.20%	26.46%	21.88%
<b>Bear Case</b>	-25.30%	33.31%	27.88%	23.63%	20.38%

#### Brokerage Shares

of SSI	2024-2025F	2026F	20227F	2028F	2029F
<b>Base</b>	8.93%	8.93%	8.93%	8.93%	8.93%
<b>Bull</b>	10.05%	10.05%	10.05%	10.05%	10.05%
<b>Bear</b>	8.32%	8.32%	8.32%	8.32%	8.32%

GDP Growth Rate	2024-2025F	2026F	20227F	2028F	2029F
<b>Base Case</b>	5.70%	5.70%	5.70%	5.70%	5.70%
<b>Bull Case</b>	8.74%	8.74%	8.74%	8.74%	8.74%
<b>Bear Case</b>	4.10%	4.10%	4.10%	4.10%	4.10%