



Company Report: Vietnam Joint Stock Commercial Bank for Industry and Trade (CTG)

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Analyst Meeting Updates- Prudent assessment

BUSINESS UPDATES

Q1/2022 preliminary results: Total assets +6%, Credit +7% (per 10% credit room 2022 allowed by SBV), deposits +5%. PBT + 10%-15% yoy.

2022 target: Retail banking: individual and SME segments are key focuses of growth. Intact NIM at around the 3%, equivalent to 2021. CASA is expected to rise to 25%-26% by the end of 2022 or 2023.

Banca revenue is expected to triple in 2021 to VND1,000-1,200 billion and grow by 30%-40% in the following years.

Provision expenses expected to be 12,000-15,000 billion. Loan loss coverage ratio is up, over 180% and NPL ratio is controlled below 1.8%.

RECOMMENDATIONS

CTG is setting out a cautious business plan after a tumultuous year. In spite of pressure on bad debts, there are still bright spots in CTG's business: retail focus will enhance CASA, by that NIM improves while insurance activities will have a breakthrough from this year, along with plans for collecting trade guarantee fees or divestment of subsidiaries, it will be a catalyst for the bank's non-interest income growth.

We expect CTG to achieve a credit growth rate of 15% in 2022, with profit growth of 50% thanks to a sharp reduction in provision expenses.

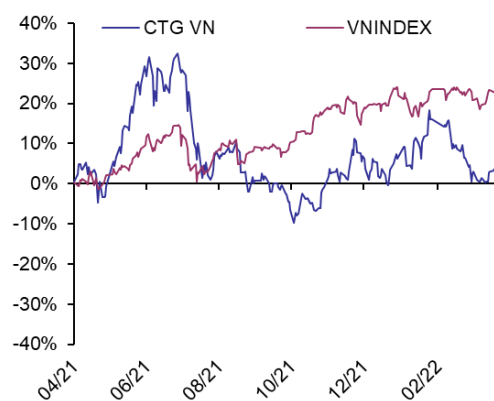
We maintain the previous recommended price with CTG at the target price of **38,400VND/share**, investment term of 6-18 months.

Recommendation:
Buy
 (Maintained)

6-18m TP:
VND38,400
Current price :

VND33,100

Price performance



Price change	1 M	3 M	1Y
Abs. %	-0.8	-2.5	6.6
Relative to VN index	0.4	-1.3	35.0
Avg price (VND)	32,355	33,971	34,045

Source: Bloomberg, Guotai Junan (VN)

12/31	TOI (VND b)	Net Profit (VND b)	EPS (VND)	EPS (Δ%)	BPS (VND)	DPS (VND)	Yield (%)	NIM (%)	CIR (%)	ROE (%)
2020A	45,317	13,757	3,678	79.94	17.65	500.00	5.00	2.93	-35.49	16.83
2021A	53,149	14,219	2,932	-20.27	19.34	500.00	5.00	3.09	-32.32	15.74
2022F	63,065	21,818	4,514	53.93	23.36	500.00	5.00	3.09	-36.00	20.99
2023F	76,458	26,418	5,471	21.20	28.33	500.00	5.00	3.25	-36.00	21.02
2024F	90,689	36,755	7,622	39.32	35.45	500.00	5.00	3.38	-36.00	23.74

Shares in issue (m)	4,805.75	Major shareholder (%)	SBV 64.46%
Market cap (VND b)	158,830.06	Free float (%)	35.5%
3- month average vol. ('000)	10,131.53	LDR (%)	81.9
52w high/low (VND)	42,535 / 28,700	CAR (%)	8.5

Sources: the Company, Guotai Junan (VN).

COMPANY RATING DEFINITION

Benchmark: VN – Index.

Time Horizon: 6 to 18 months

Rating	Definition
Buy	Relative Performance is greater than 15% Or the Fundamental outlook of the company or sector is favorable
Accumulate	Relative Performance is 5% to 15% Or the Fundamental outlook of the company or sector is favorable
Neutral	Relative Performance is -5% to 5% Or the Fundamental outlook of the company or sector is neutral
Reduce	Relative Performance is -15% to -5% Or the Fundamental outlook of the company or sector is unfavorable
Sell	Relative Performance is lower than - 15% Or the Fundamental outlook of the company or sector is unfavorable

SECTOR RATING DEFINITION

Benchmark: VN – Index

Time Horizon: 6 to 18 months

Rating	Definition
Outperform	Relative Performance is greater than 5% Or the Fundamental outlook of the sector is favorable
Neutral	Relative Performance is -5% to 5% Or the Fundamental outlook of the sector is neutral
Underperform	Relative Performance is lower than -5% OrThe Fundamental outlook of the sector is unfavorable

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