



# **THIRD QUARTER 2023**

# **EARNINGS PRESENTATION**



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# A – 3Q2023 Key Highlights



# Recent key events



- ▶ MSB was awarded "Best Bank in Vietnam for small and medium enterprises" by Euro Money organization



- ▶ In the third quarter, MSB introduced a short-term mortgage business loan program with preferential interest rates of only 8.99%



- ▶ MSB has just officially put into operation the M.Digi Bank automatic transaction point, allowing customers to perform many types of transactions such as depositing or withdrawing money from accounts,... while interacting with the device as if they were making physical transactions with bank staff



- ▶ In the third quarter of 2023, MSB successively launched preferential interest rate reduction programs for both individual and corporate customers:
  - ▶ June 2023: Reduce loan interest rate by 1%/year for individual customers.
  - ▶ July 2023: 1% reduction in interest rates for SME customers.
  - ▶ August 2023: Additional 2% reduction in interest rates for individual customers



- ▶ In August 2023, MSB was awarded Best Digital Transformation Bank in Vietnam by Global Brand Award - Global Brand Award

- ▶ Moody's - an international credit organization has just issued a Credit Opinion on October 27, 2023, maintaining MSB's credit ratings with outlook: Stable, specifically:
  - ▶ Counterparty risk rating: Ba3/NP
  - ▶ Bank deposits: B1/NP
  - ▶ Baseline Credit Assessment: b2
  - ▶ Adjusted Baseline Credit Assessment: b2
  - ▶ Counterparty Risk Assessment: Ba3(cr)/NP(cr)
  - ▶ Issuer Rating: B1

MOODY'S

## 3Q2023 Financial Highlights

9M2023 PBT

**5,223** VND bn

▲ 8.26% YoY  
~ 82.90% of 2023 target

Credit growth<sup>1</sup>

**16.34%** YTD

Latest credit quota of 17.87%  
(at 30/6/2023)

CASA ratio

**27.71%**

Vs 24.21% (30/06/2023)

NIM (TTM)

**4.11%**

vs 4.26% (30/06/2023)

NPL<sup>2</sup>

**1.96%**

vs 1.73% (30/06/2023)

CAR

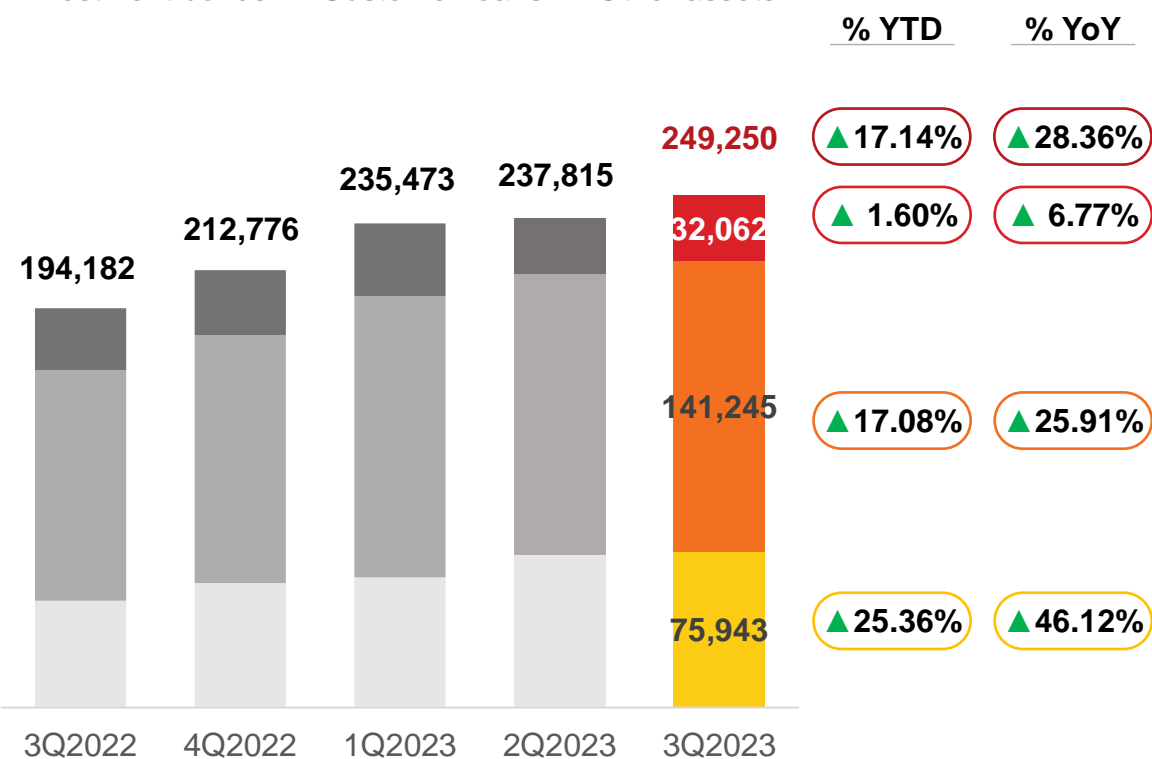
**12.60%** YTD

vs 12.93% (30/06/2023)

# Lending activities grew stronger than the industry average

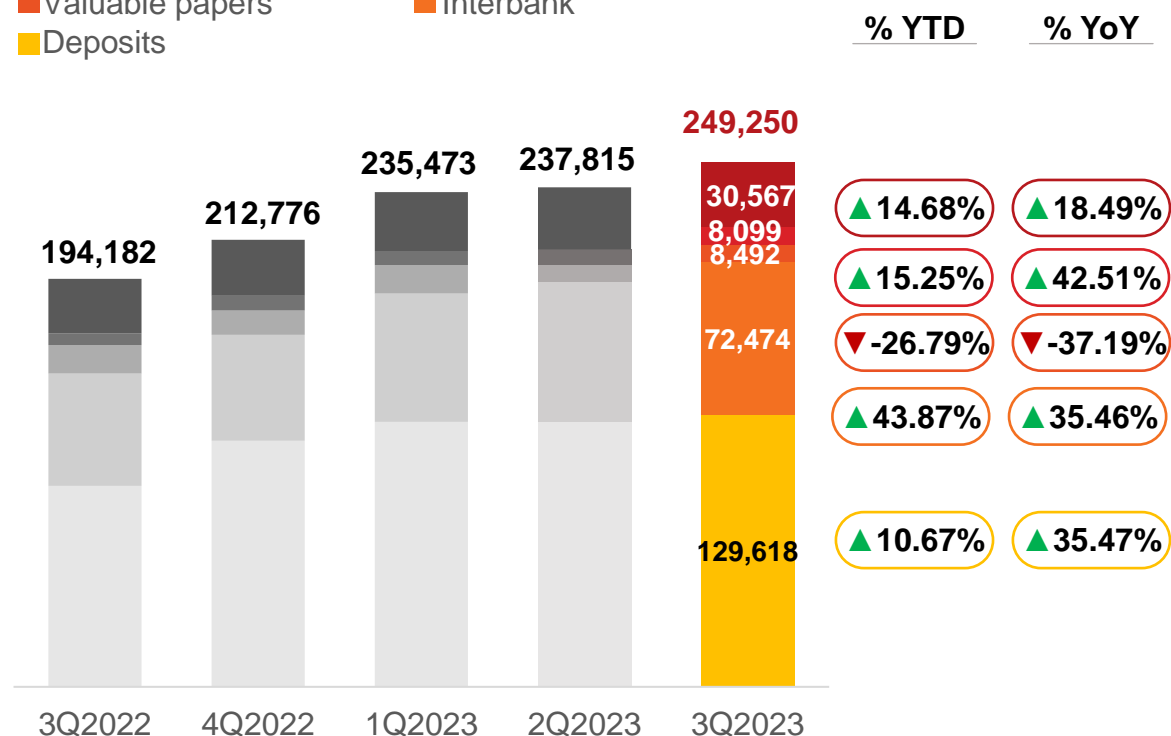
## Total Assets <sup>1)</sup> (VND bn)

Investment bonds Customer loans Other assets



## Total Liabilities and Equity (VND bn)

Shareholders' Equity Other liabilities  
Valuable papers Interbank  
Deposits

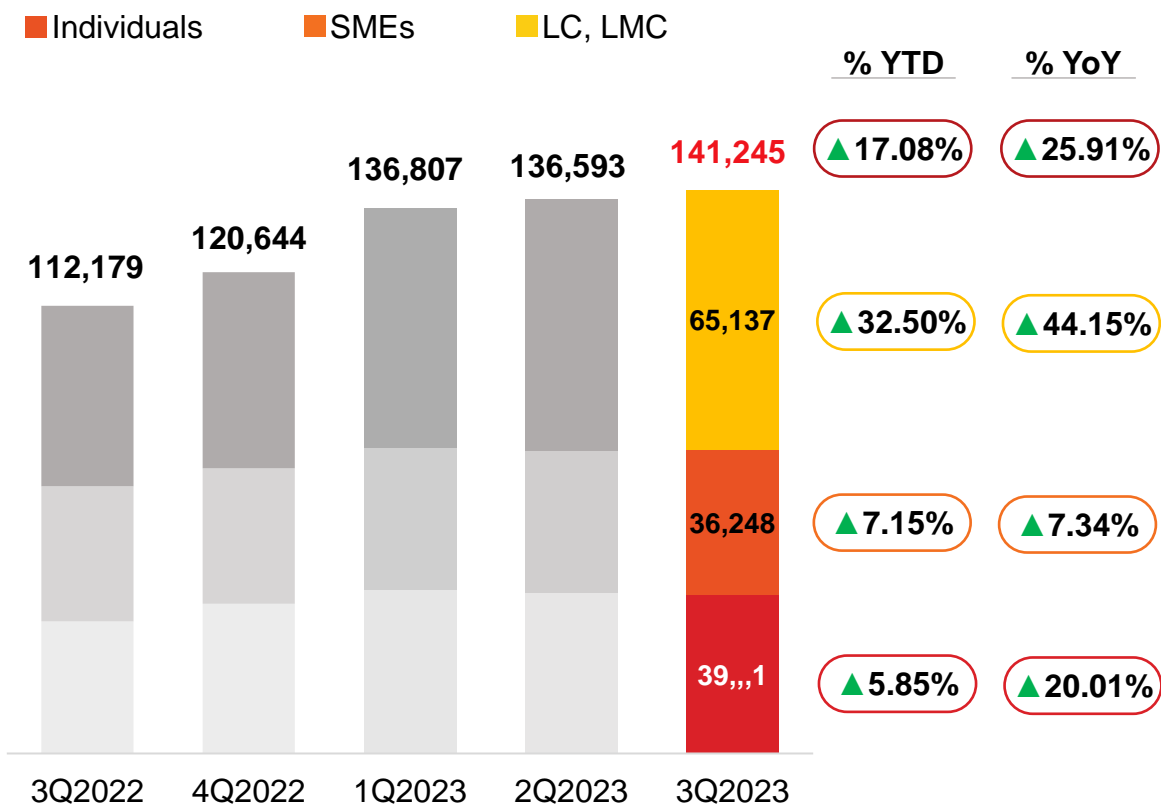


Note: 1) Investment bonds excluded VAMC bonds

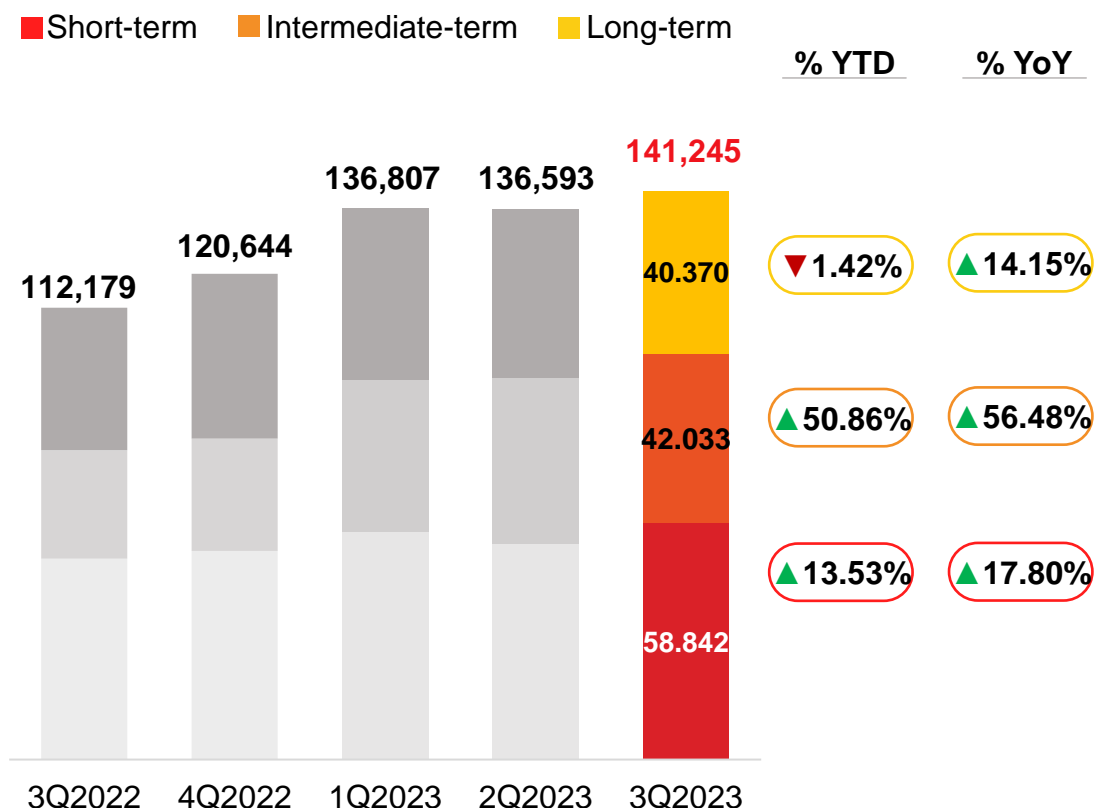
## 3Q2023 Key highlights

**Credit growth is higher than the industry average, lending segments remained stable compared to the previous quarter**

### Customer loans by segment (VND bn)



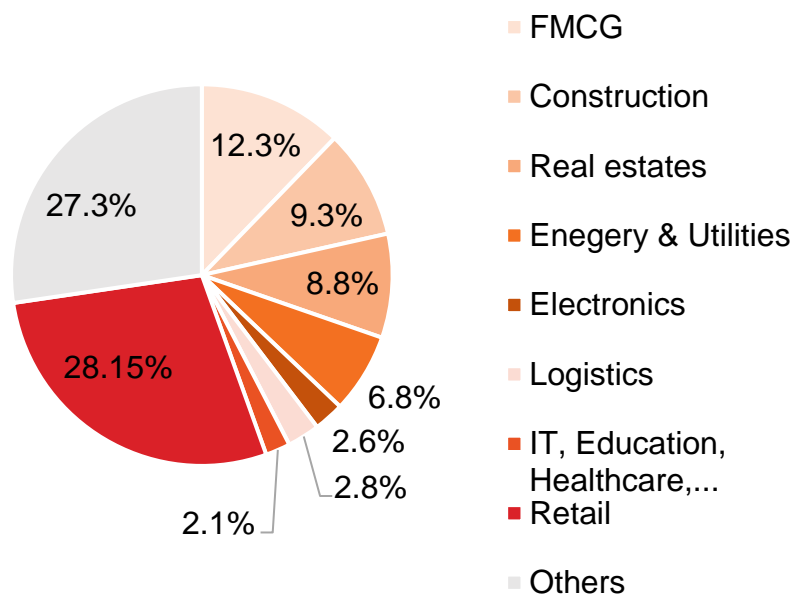
### Customer loans by tenor (VND bn)



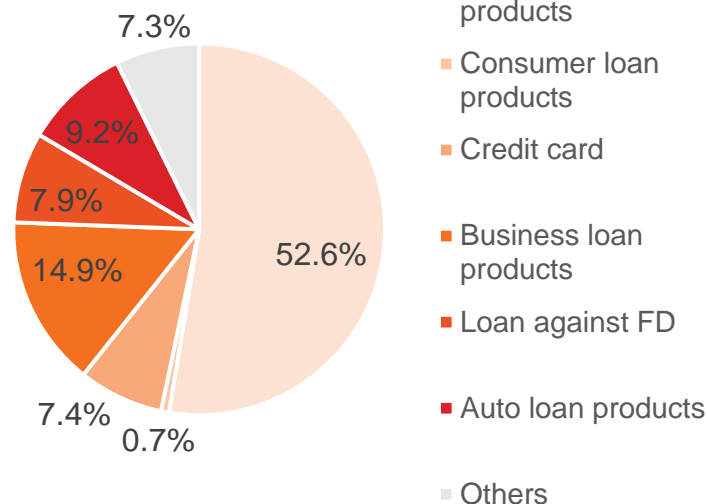


## Credit portfolio has shifted towards less volatile industries

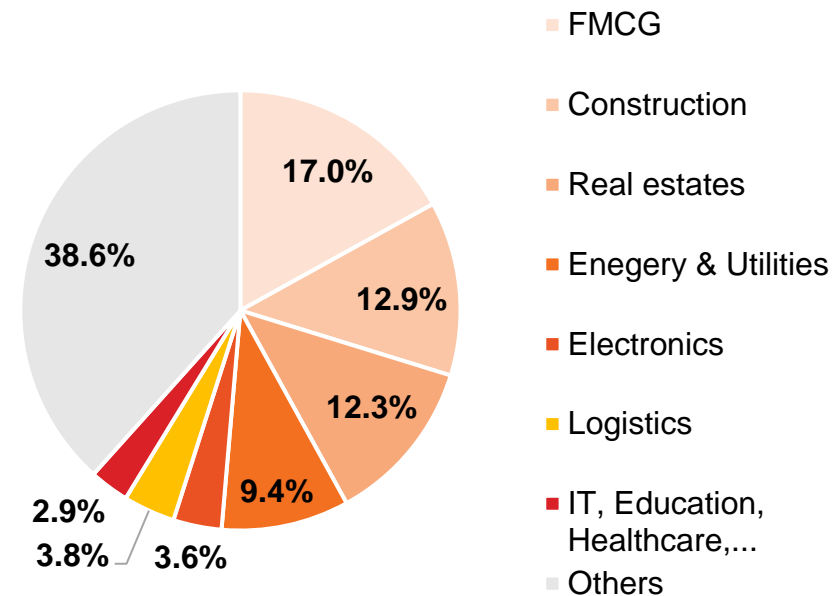
MSB loan book breakdown (30/09/2023)



Retail loan portfolio by product

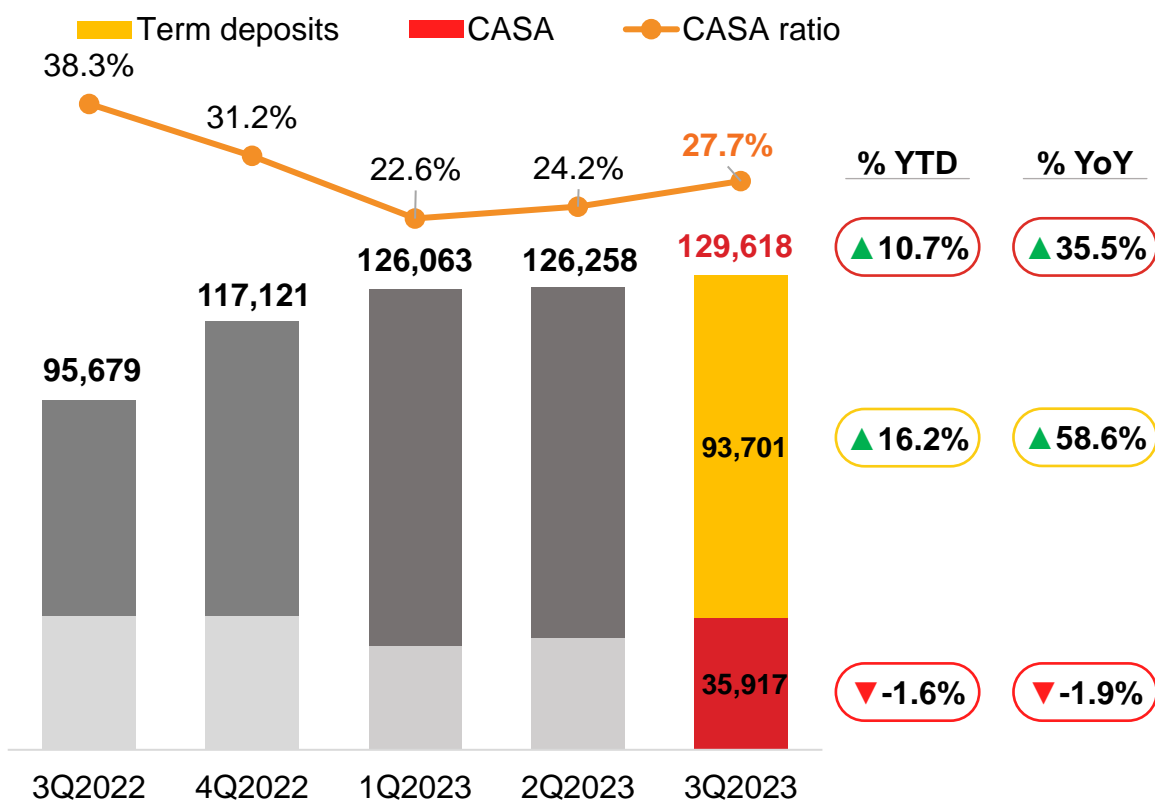


Corporate loan portfolio by sector

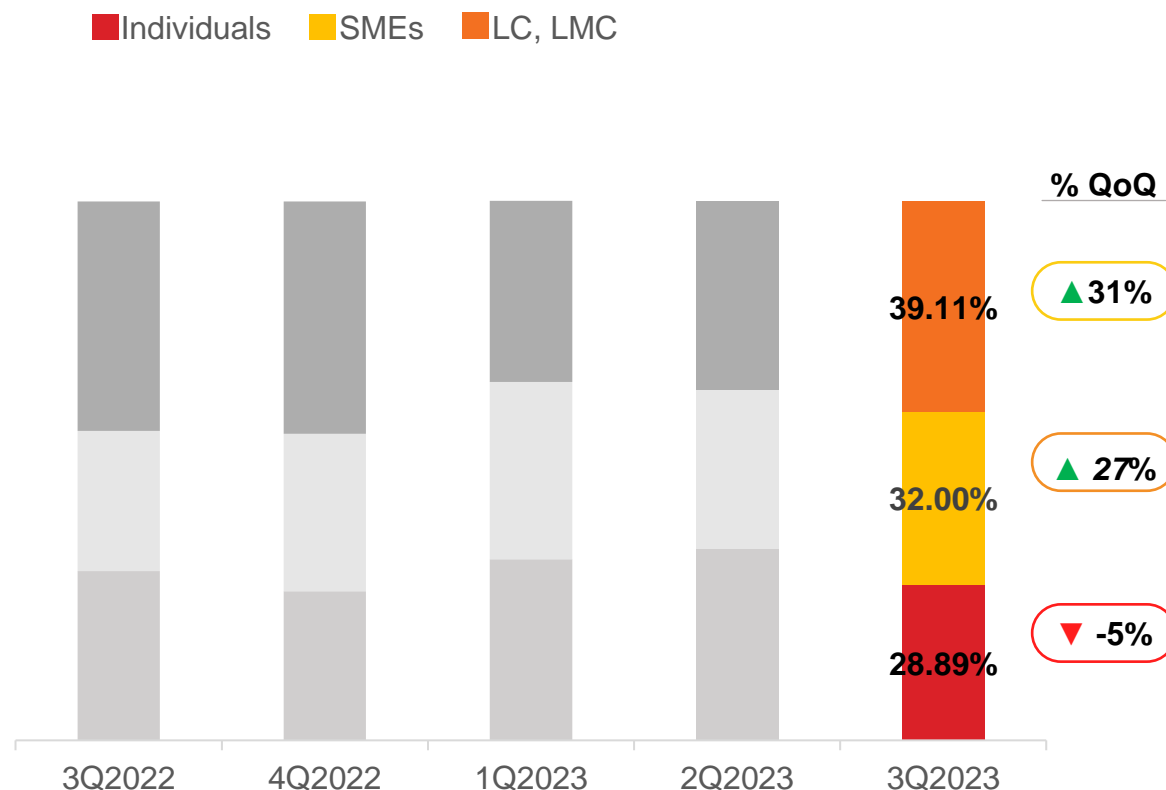


# CASA recovered significantly to the previous two quarters

Customer deposit by segment (VND bn)

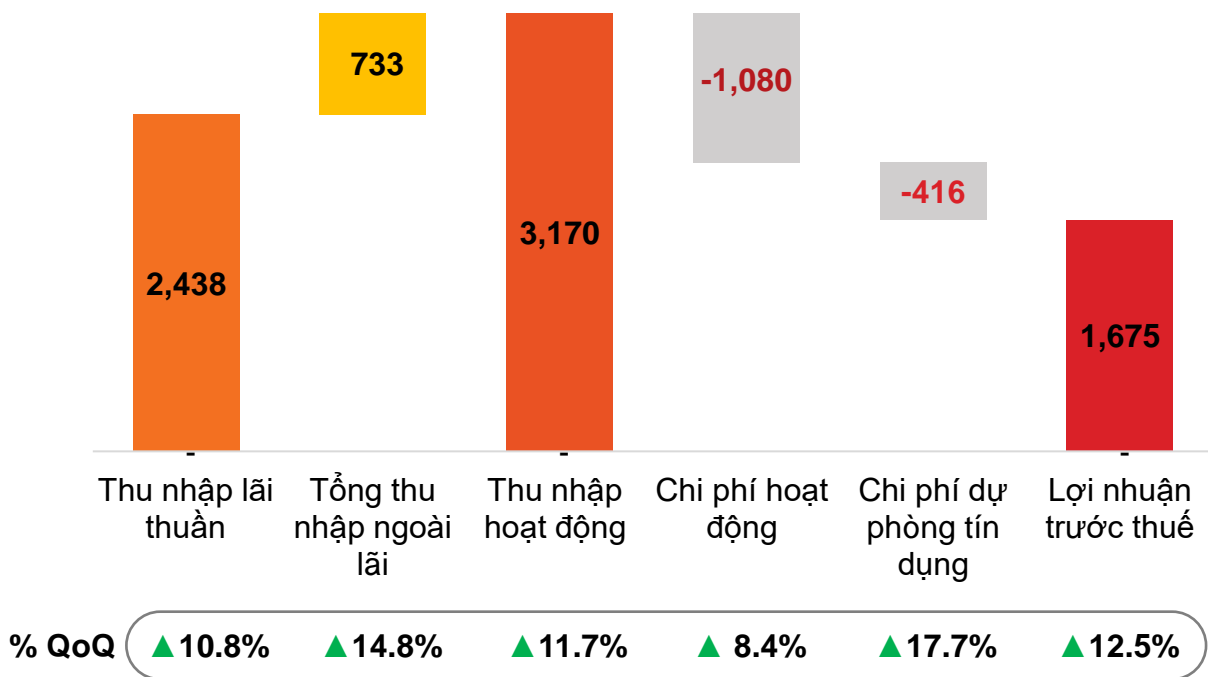


Contribution in CASA

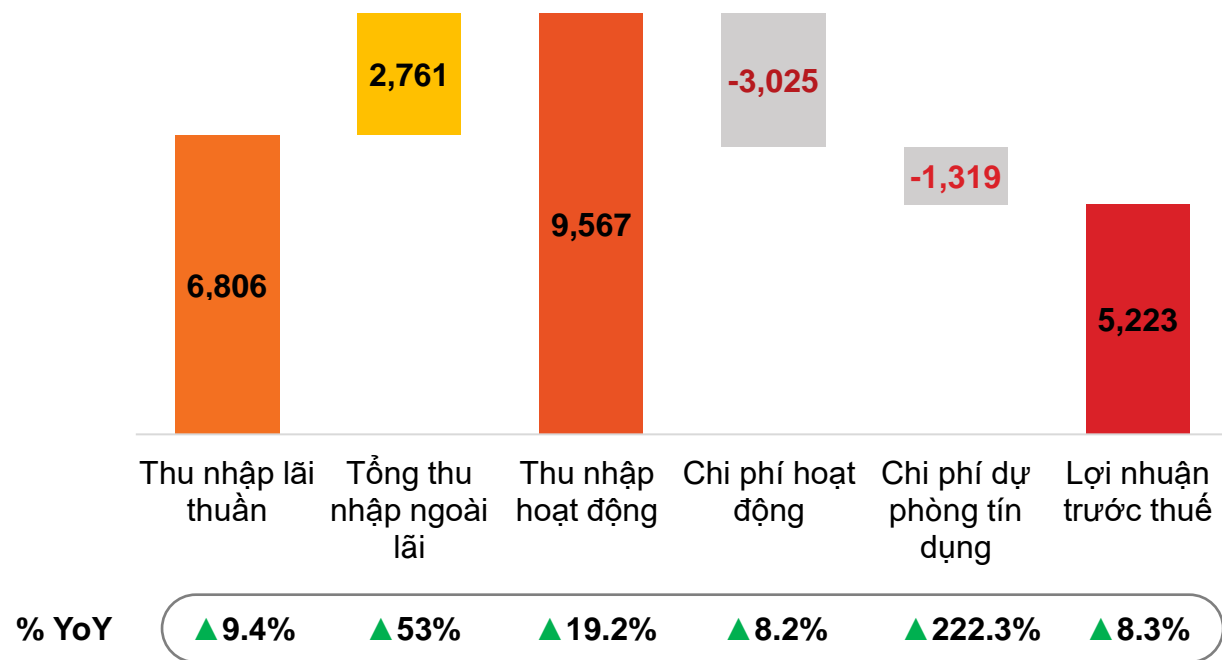


# Non-credit activities are enhanced in the industry-wide negative context of credit activities

3Q2023 Earnings breakdown (VND bn)

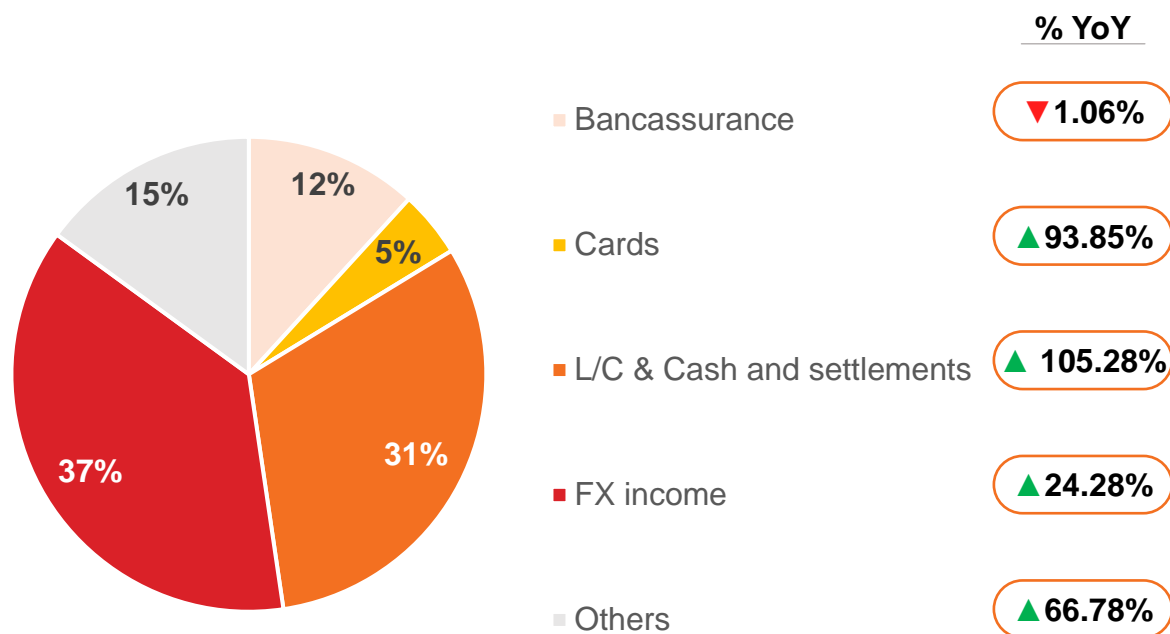


9M2023 Earnings breakdown (VND bn)

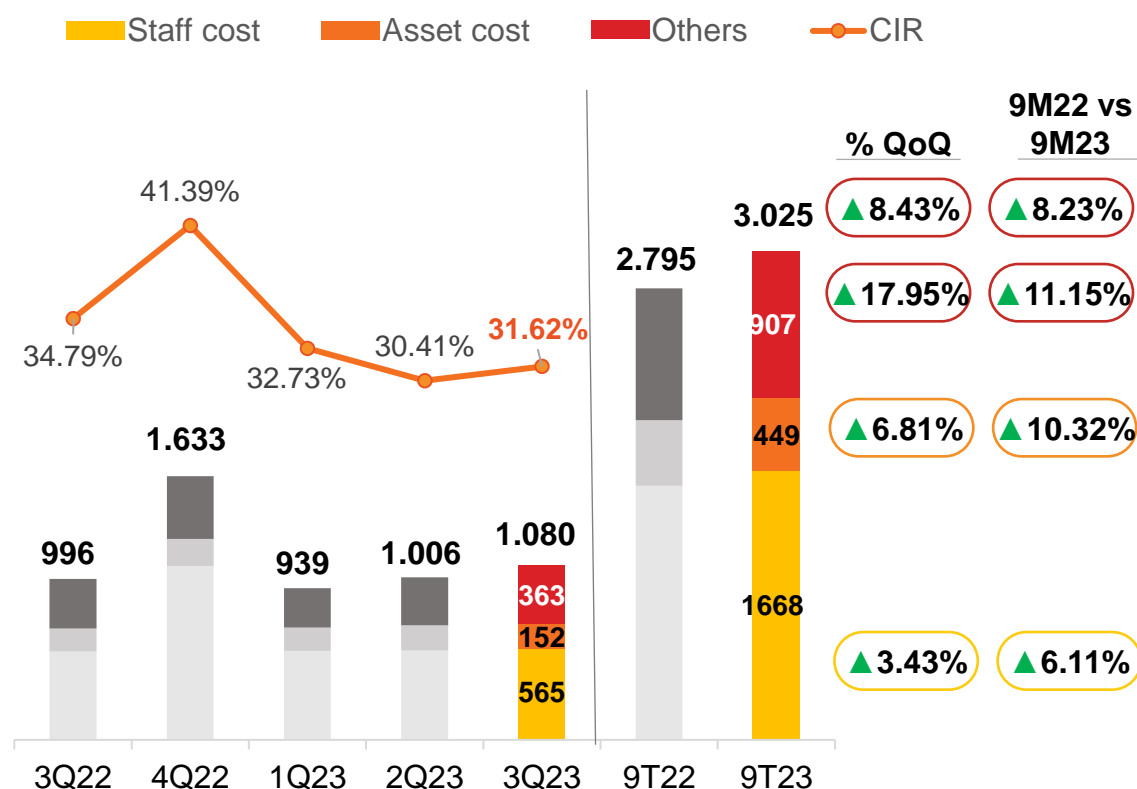


# Non-interest income increased sharply, reaching nearly 31% of total income

## 3Q2023 Fee income breakdown

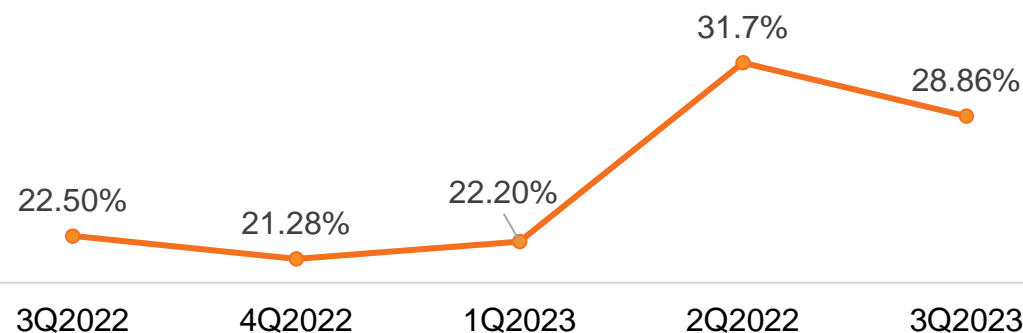


## OPEX & CIR <sup>1)</sup>

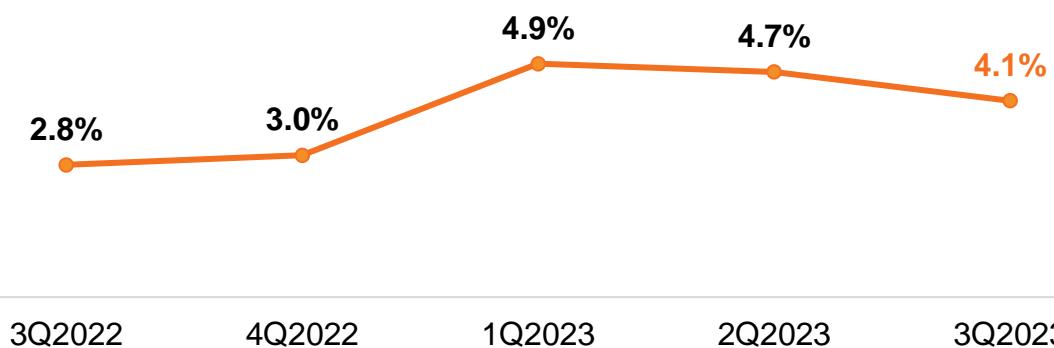


## NIM continues to decrease in the general context of the entire industry

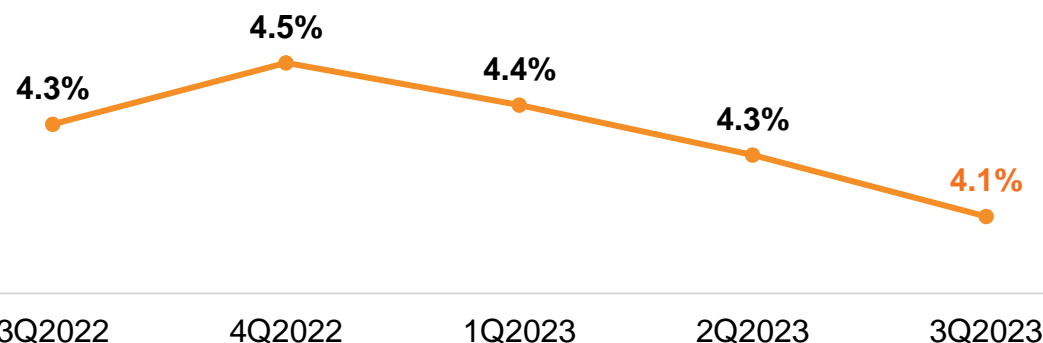
### Non-NII/TOI



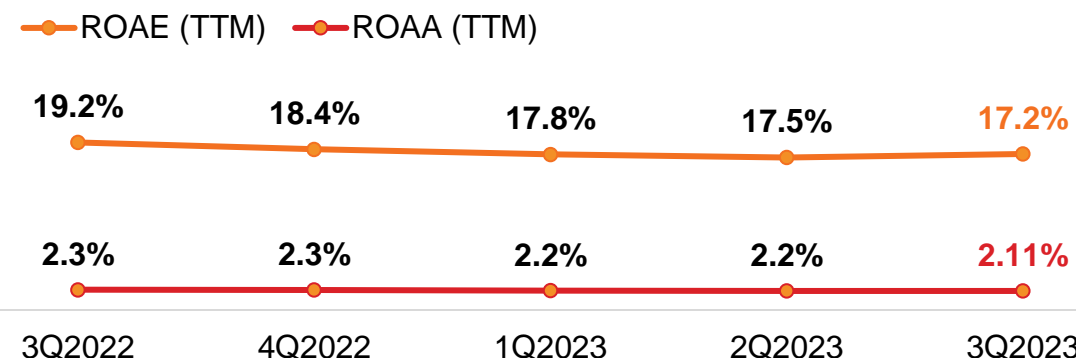
### Funding cost



### Net interest margin (NIM)



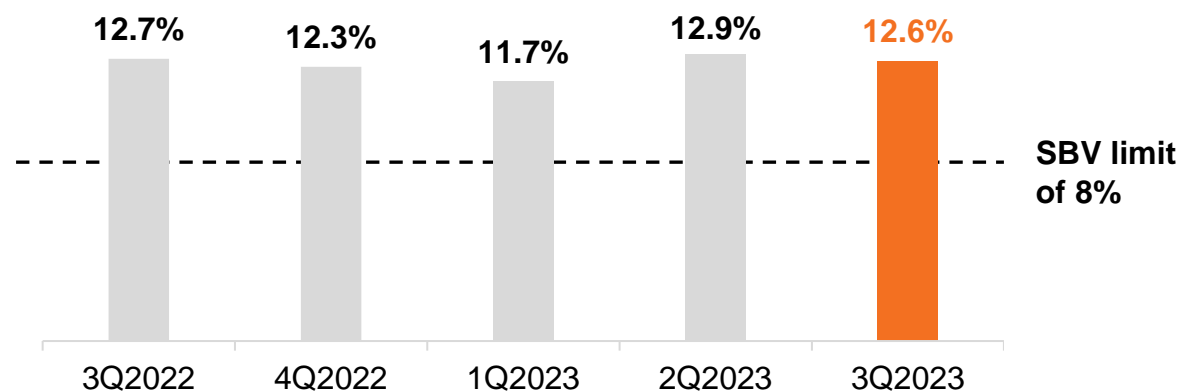
### Profitability



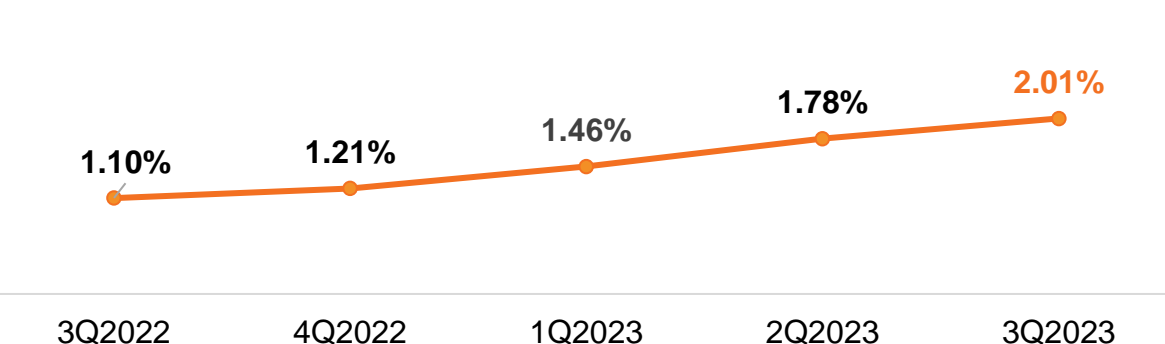


# Risk management control is still well maintained; NPL is within the level prescribed by the State Bank

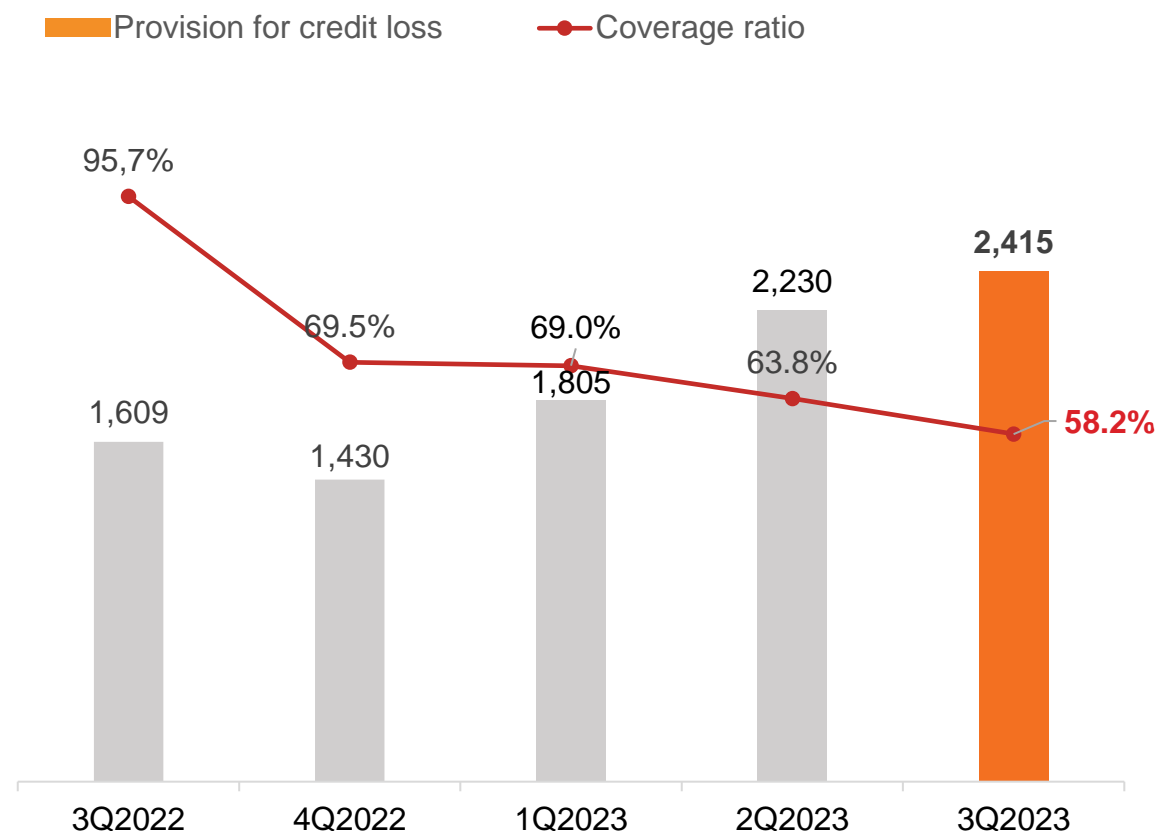
## Capital adequacy ratio (CAR) <sup>1)</sup>



## Non-performing loan (NPL) ratio <sup>2)</sup>

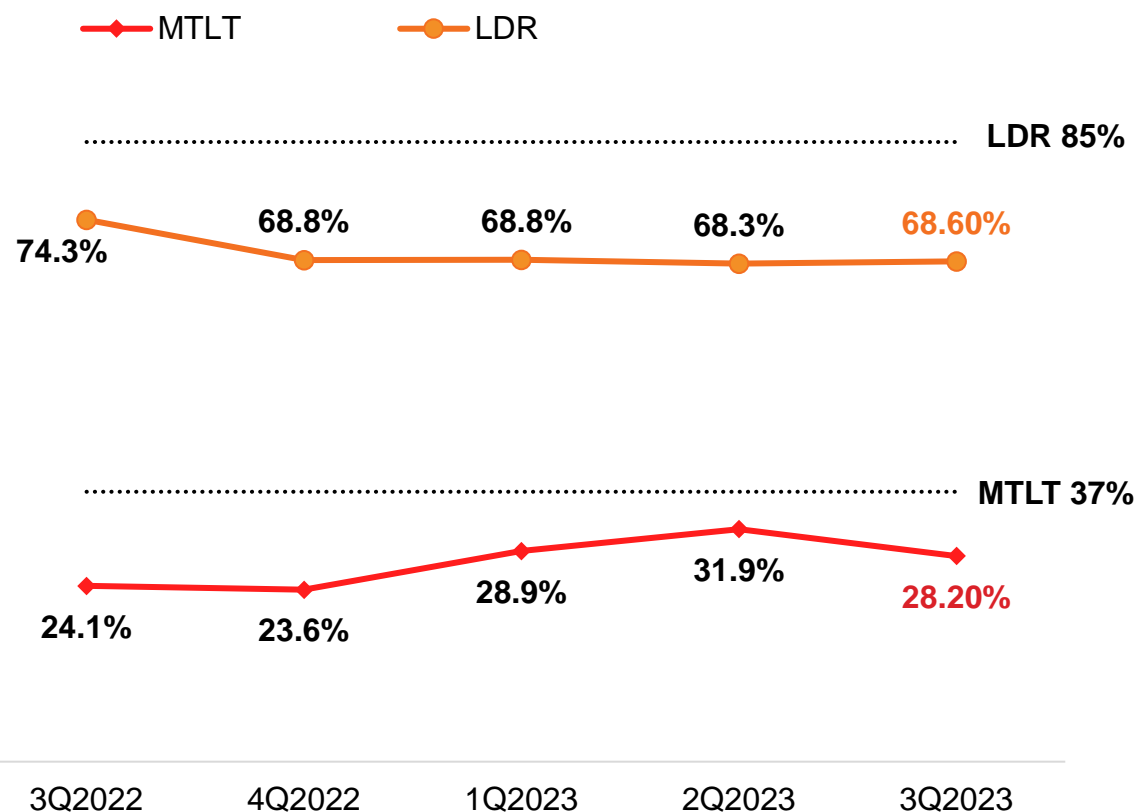


## Loan loss provision



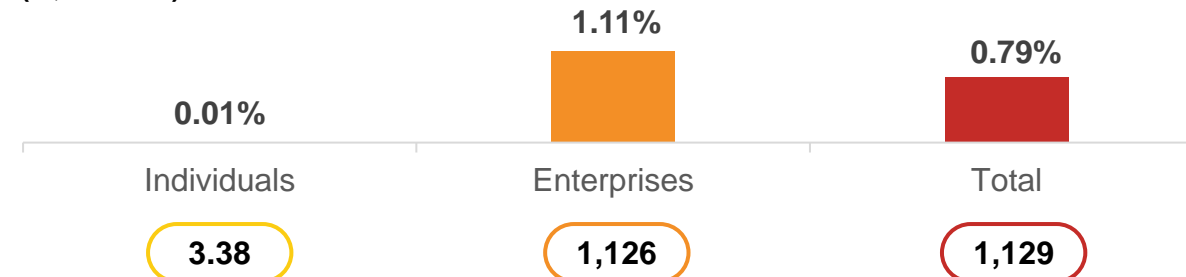
# Ample liquidity position is maintained; Restructured debt is fully provisioned

## LDR<sup>1)</sup> and Statutory medium & long-term loans

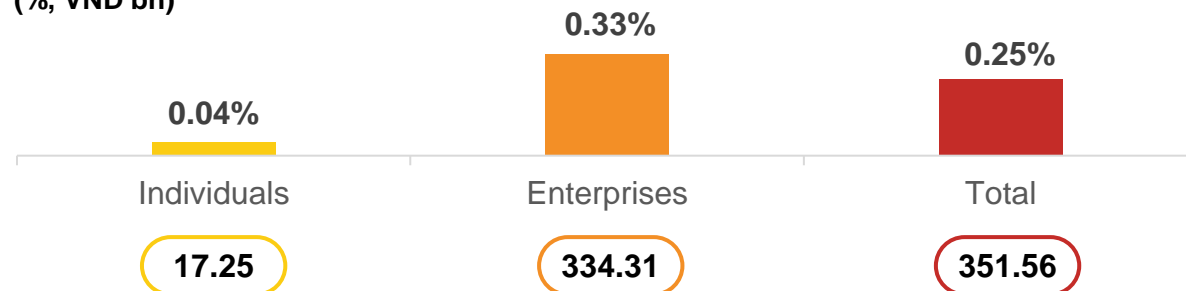


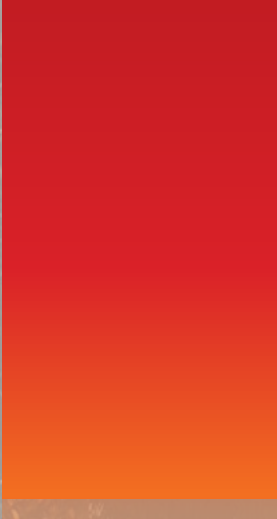

## Restructured loan (VND bn)

### COVID restructured loan over total loan outstanding (%, VND bn)



### Restructured loans according to Cir. 02 over total outstanding loan (%, VND bn)





# **B - FY2023 - 2027 Outlook**

# Financial guideline for period 2023 – 2027

*Vision to be in the top 5 private joint stock commercial banks and achieve PBT of a billion USD and market capitalization of 12 billion USD*

		2023 - 2027F	2023F
SCALE	Total assets (CAGR)	▲ 10 - 17%/year	VND 230 trillion
	Equity (CAGR)	▲ 20 - 30%	
	CASA ratio	35 - 40%	~ 35% - 40%
	Credit growth <sup>1</sup>	15 - 30%	15% - 20%
	%RB+SME Lending/Total loan book	≥ 60%	
GROWTH	TOI (CAGR)	▲ 20 - 30%	
	Fee income	▲ 30%/year	
	Banca sales (CAGR)	▲ 25 - 30%	
	PBT (CAGR)	▲ 20 - 30%	VND 6,300 bn
PROFITABILITY & ASSET QUALITY	ROE	18 - 22%/year	
	ROA	2.5 - 2.8%/year	
	NPL	<3%	<3%
	CAR	>11%	

## 9M2023 business results reach FY2023 targets

No.	Details	FY2022A	2023 Target	2023 Target/FY2022A (%)	Actual 1H/2023	Actual 1H2023/ 2023 Target (%)
1	Total Assets	212,776	230,000	108%	249,250	103.40%
2	Tier 1 Capital & Bond Issuance	128,720	142,000	110%	138,109	97.3%
3	Loan balance (including enterprise and retail loan. corporate bond investment) (*)	123,223	141,700	115%	143,360	101.2%
4	NPL (group 3-5)	1.24%	<3%		2.02%	
5	Profit before tax (including recovery of used debt provision)	5,787	6,300	109%	5,223	82.90%
6	Remuneration and expenses for the Board of Directors and Supervisory Board	21.1	25.5	121%	13.04	
7	Charter capital (**)	19,858	20,000	100%	20,000	100.00%
8	Dividend payout ratio/bonus share distribution	30%	(***)		0	

(\*) Depending on the credit growth limit granted by the State Bank from time to time

(\*\*) Charter capital was increased to VND 20,000 billion when MSB completed the issuance of shares under the Employee Selection Program in 2022. However, in January 2023, the bank received the Decision of The State Bank and the Business Registration Certificate change according to the charter capital of 20 trillion dong

(\*\*\*) The Bank has paid dividends and distributed bonus shares at the rate of 30% in 2021 and 2022 to shareholders, given the volatile market situation, negatively affected by fluctuated interest rates, requiring high attention to risk management from the regulator, MSB has submitted to the General Meeting of Shareholders to retain the current share of equity and charter capital in order to create a solid capital foundation for the bank. When the market situation becomes stable, the Board of Directors will submit to the General Meeting of Shareholders an appropriate dividend/bonus share payment plan for the profit generated in 2022.





# THANK YOU!

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