

# EARNINGS RELEASE

## VIETCAP ACHIEVES PROFIT BEFORE TAX OF VND210BN IN Q3 2023

**Vietcap Securities** (HOSE: VCI, "Vietcap" or "the company") announces its business results for the third quarter of 2023 (Q3 2023) and the first nine months of 2023 (9M 2023).

### Q3 2023 and 9M 2023 financial summary

**Profit before tax (PBT):** For Q3 2023, PBT was VND210bn (USD8.8mn), improving by 61% from Q2 2023. For 9M 2023, PBT was VND422bn (USD17.6mn), down 59% compared to 9M 2022 and fulfilling 42% of Vietcap's 2023 guidance of VND1tn (USD41.7mn).

**Return on equity (ROE):** Trailing-twelve-month (TTM) ROE was 5.8% for Q3 2023 (7.2% net of differences in equity due to asset revaluation).

**Total equity:** VND7.291tn (USD307.1mn) as of end-September 2023 – 12% higher than at end-December 2022.

### Q3 2023 and 9M 2023 business segment highlights

#### Brokerage

- Brokerage recorded Q3 2023 revenue of VND164bn (USD6.8mn; 41% higher compared to Q2 2023) and PBT of VND57bn (USD2.4mn) compared to VND35bn (USD1.5mn) in Q2 2023. For 9M 2023, brokerage recorded PBT of VND90bn (USD3.8mn). Vietcap ranked eighth on HOSE with a brokerage market share of 4.00% in Q3 2023.

#### Investment Banking

- Vietcap's Investment Banking Department was in the process of conducting notable advisory deals. Revenue from these unfinished deals was not recognized in 9M 2023.

#### Investment

- Investment revenue was VND314bn in Q3 2023 (USD13.1mn; 65% higher than in Q2 2023) with PBT of VND121bn (USD5.1mn; 52% higher compared to Q2 2023). In Q3 2023, Vietcap made several trades in BSR, MBB, PVS, VPB, VNM, FPT among other stocks. Investment activity continued to be the key earnings driver for Vietcap in 9M 2023, achieving PBT of VND246bn (USD10.2mn).

#### Margin lending

- Margin lending achieved revenue of VND203bn in Q3 2023 (USD8.4mn; 4% higher compared to Q2 2023) and PBT of VND46bn (USD1.9mn; 75% higher than in Q2 2023).
- Vietcap's margin lending balance as of end-September 2023 was VND5.783tn (USD240.9mn; 10% higher compared to end-December 2022).

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## 9M 2023 financial position highlights

- Vietcap's debts were VND8.723tn (USD363.4mn) as of end-September 2023, increasing 38% compared to end-December 2022. These debts were all short-term and mainly used to fund margin lending activities.
- Vietcap's total debt to equity ratio increased to 119.6% at end-September 2023 compared to 105.8% at end-December 2022.
- Vietcap's total assets were VND16.917tn (USD704.9mn) at end-September 2023 – 19% higher compared to end-December 2022.

## Notable corporate actions in 9M 2023

- Viet Capital Securities Joint Stock Company officially changed its name to Vietcap Securities Joint Stock Company ("Vietcap"), with a new brand identity across all platforms. The updated name and logo went into effect on April 12, 2023. Vietcap's rebrand is designed to symbolize the company's innovative spirit and aspiration to maintain its position as Vietnam's leading and most reputable financial services institution. Although the name has changed, Vietcap's dedication to serving its clients remains the same. The company will continue to strive for excellence, expanding its existing ecosystem, investing in new technological solutions, and following global standards. We are excited to welcome its next chapter of growth.



- In June 2023, Vietcap issued 2,000,000 ESOP shares (equivalent to 0.5% of total outstanding shares prior to the ESOP issuance). Vietcap's total outstanding shares as of end-September 2023 were 437.5 million shares.
- In July 2023, Vietcap signed syndicated loan financing for USD45mn (equivalent to VND1,080bn). The loan was arranged by Shanghai Commercial and Savings Bank, Ltd., through its offshore banking branch, and carries short-term interest rates based on the international money market.
- In August 2023, Vietcap signed syndicated loan financing for USD100mn (equivalent to VND2.4tn). The loan was arranged by Mega International Commercial Bank through its offshore banking branch and carries short-term interest rates based on the international money market.

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## Income Statement Highlights

VND bn	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	QoQ	YoY	9M 2022	9M 2023	YoY	2021	2022
<b>Total revenue</b>														
Brokerage	199	165	116	129	90	116	164	41%	41%	480	371	-23%	838	609
Margin Lending	210	216	190	192	193	195	203	4%	7%	616	591	-4%	600	808
Investment Banking	159	175	25	73	15	0	1	349%	-95%	358	17	-95%	337	431
Investment	238	511	192	405	205	191	314	65%	64%	940	710	-24%	1958	1344
<b>Operating expenses</b>	<b>139</b>	<b>530</b>	<b>210</b>	<b>518</b>	<b>235</b>	<b>141</b>	<b>268</b>	<b>90%</b>	<b>28%</b>	<b>880</b>	<b>644</b>	<b>-27%</b>	<b>1326</b>	<b>1399</b>
Loss on FVTPL (1)	88	330	82	400	96	36	127	253%	55%	500	258	-48%	650	900
Provisions (2)	0	0	0	0	0	0	0	N.M.	N.M.	0	0	N.M.	0	0
Other operating expenses (Net of (1) and (2))	52	200	128	118	139	105	141	35%	10%	380	386	1%	676	498
<b>Financial expenses</b>	<b>117</b>	<b>216</b>	<b>138</b>	<b>230</b>	<b>161</b>	<b>211</b>	<b>178</b>	<b>-16%</b>	<b>29%</b>	<b>471</b>	<b>549</b>	<b>17%</b>	<b>368</b>	<b>700</b>
<b>Profit before tax</b>	<b>521</b>	<b>354</b>	<b>153</b>	<b>32</b>	<b>81</b>	<b>131</b>	<b>210</b>	<b>61%</b>	<b>37%</b>	<b>1027</b>	<b>422</b>	<b>-59%</b>	<b>1851</b>	<b>1060</b>
Brokerage	102	65	31	-6	-2	35	57	65%	84%	198	90	-54%	344	192
Margin lending	95	40	59	34	37	26	46	75%	-23%	195	109	-44%	242	229
Investment banking	134	149	5	53	1	-10	-14	N.M.	N.M.	289	-23	N.M.	231	342
Investment	189	99	57	-48	44	80	121	52%	112%	346	246	-29%	N.M.	298
<b>Net profit after tax</b>	<b>417</b>	<b>301</b>	<b>123</b>	<b>28</b>	<b>73</b>	<b>117</b>	<b>180</b>	<b>54%</b>	<b>47%</b>	<b>841</b>	<b>370</b>	<b>-56%</b>	<b>1499</b>	<b>869</b>

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## Balance Sheet Highlights

VND bn	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	9M2023
<b>Balance sheet highlights</b>						
Cash and cash equivalents	1,144	795	643	1,132	3,424	1,775
FVTPL	425	795	615	1,222	665	1,123
Held-to-maturity (HTM)	0	262	106	754	886	634
Margin lending	2,792	3,032	3,882	7,701	5,279	5,783
Available-for-sale (AFS)	2,039	1,731	2,713	5,324	3,734	6,657
<b>Debt</b>	<b>2,320</b>	<b>2,563</b>	<b>3,364</b>	<b>8,327</b>	<b>6,873</b>	<b>8,723</b>
Short-term debts	2,320	2,563	3,364	8,327	6,873	8,723
Long-term debts	0	0	0	0	0	0
<b>Total Assets</b>	<b>6,510</b>	<b>7,243</b>	<b>8,382</b>	<b>16,636</b>	<b>14,243</b>	<b>16,917</b>
<b>Total Liabilities</b>	<b>2,867</b>	<b>3,191</b>	<b>3,861</b>	<b>10,094</b>	<b>7,747</b>	<b>9,626</b>
<b>Total Equity</b>	<b>3,643</b>	<b>4,052</b>	<b>4,522</b>	<b>6,542</b>	<b>6,495</b>	<b>7,291</b>
<b>Key financial ratios</b>						
Total Debts / Equity	63.7%	63.2%	74.4%	127.3%	105.8%	119.6%
Net Debts (*) / Equity	32.3%	43.6%	60.2%	110.0%	53.1%	95.3%
Total Liabilities / Total Assets	44.0%	44.1%	46.1%	60.7%	54.4%	56.9%
ROA	12.7%	10.1%	9.8%	12.0%	5.6%	2.6%
<b>ROE</b>	<b>24.7%</b>	<b>18.0%</b>	<b>17.9%</b>	<b>27.1%</b>	<b>13.3%</b>	<b>5.8%</b>
<b>ROE (**)</b>	<b>28.5%</b>	<b>19.9%</b>	<b>19.7%</b>	<b>33.4%</b>	<b>16.8%</b>	<b>7.2%</b>
BVPS (VND)	8,596	9,446	10,502	15,112	14,915	16,666

(\*) Net debt = Total debts - CCE (cash & cash equivalents)

(\*\*) This ROE ratio is calculated based on total equity net of differences due to asset revaluation.

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