

TECHCOMBANK (HSX: TCB)

Modest 1Q2025 earnings growth

- Decelerated profit growth in 1Q2025 signed challenges in the upcoming quarters.
- We maintain **ADD** recommendation for TCB, with a new target price of VND **31,800 VND/share**. Though we reduce our forecasts of net profit in 2025F/2026F, higher P/B target coupled with abundant BVPS accumulated by the end of 2025F compensate it.

We reduce FY25-26F earnings growth following lower NIM's expectation and Non-II growth due to worse than expected business results in 1Q2025

TOI in 1Q2025 decreased by 5.3% YoY due to lowering both NII and Non-II by 2.3% and 12.1% YoY. NIM's contraction by 79 bps YoY combined with slower credit growth at 4.1% YTD (1Q2024: 7.1% YTD) decelerated NII's growing. NFI and securities investment operations declined by 15.8% and 40.0% YoY that are main causes of Non-II's decrease. Provision expenses in the quarter was 1,090 VND bn, -10.0% YoY and CIR was at 28.3% resulting net profit to reach 6,014 VND bn, -4.2% YoY. This accomplished 23.0% the 2025's full year plan.

NIM is expected to contract to 4.0% in FY2025F and rebound to 4.2% in FY2026F. Credit growth is anticipated to reach around 20%/year in the next 2 years that lead to NII to grow by 12.5%/24.7% in 2025F/2026F. Non-II in 2025F is anticipated to grow by 16.1%/13.5% YoY in 2025F/2026F mainly thanks to IB fees growing by 20%/year combined with recovery of banca fee with new subsidiary.

Credit cost is maintained around 0.65% in the next 2 years

NPL and Group 2 loan of TCB by the end of 1Q2025 mounted to 1.17% and 0.78%, +5 bps and +8 bps YTD, respectively. NPL's raising pressure is expected to maintain in near term due to higher contribution of retail banking. That cause TCB to maintain credit cost at around 0.6%/year, the same level as in the last 2 years to control NPL below 1.5% as planned. As a results, we estimate provision expenses to increase 35.3%/13.0% YoY respectively that lead net profit to grow by 15.2%/19.0% YoY. This is equivalent to TCB's FY2025 business guidance.

Maintain ADD recommend with new target price of 31,800 VND/share

Although we revise down net profit forecasts of FY2025F/2026F by 16.9%/20.9% compared to last forecasts, upper P/B target at 1.3x applied to BVPS at the end of 2025F instead of 2024 compensate the reduction in target price. Additionally, we believe that P/B of 1.3x is worthy given TCB's expected annual net profit growth of over 20%/year in the next 5 years.

Figure 1: Financial metrics (Unit: VND bn)

Financial metrics	2023A	2024A	2025F	2026F
Total operating income	40,061	46,990	53,264	64,930
Net interest income	27,691	35,508	39,930	49,794
NIM	4.2%	4.0%	4.2%	4.2%
Provision expenses	3,921	4,082	5,524	6,637
% yoy	102.5%	4.1%	35.3%	20.2%
Net profit	18,191	21,760	25,064	29,826
% yoy	-11.0%	19.6%	15.2%	19.0%
Credit growth (YTD)	21.6%	21.7%	19.6%	20.6%
Deposit growth (YTD)	26.9%	17.3%	19.7%	22.1%
BVPS	18,445	20,583	24,092	28,268
P/B	1.4x	1.3x	1.1x	0.9x

Source: TCB, MBS Research

ADD

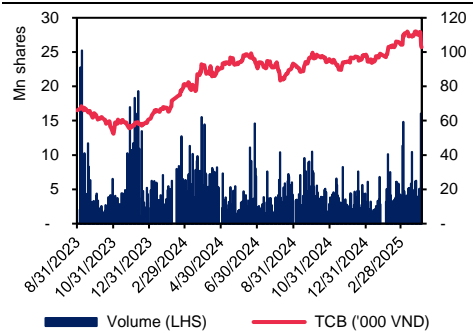
Target price 31,800 VND/share

Upside +15.2%

Key changes in the report

Revise down net profit forecasts of FY2025F/2026F by 16.9%/20.9% compared to last forecasts.

Information



Source: FiinPro, MBS Research

Market price (VND)	27,600
Highest in 52w (VND)	28,000
Lowest in 52w (VND)	20,850
Market cap (VND bn)	183,332
P/E (TTM)	8.4x
P/B (TTM)	1.2x
Dividend yield (%)	6.0%
Foreign ownership ratio (%)	22.51%

Source: FiinPro, MBS Research

Ownership Structure (31/12/2024)

Masan Group Corporation	14.84%
Nguyen Thi Thanh Thuy	4.93%
Ho Anh Minh	4.88%
Ho Thuy Anh	4.88%
Nguyen Thi Phuong Hoa	2.15%

Source: FiinPro, MBS Research

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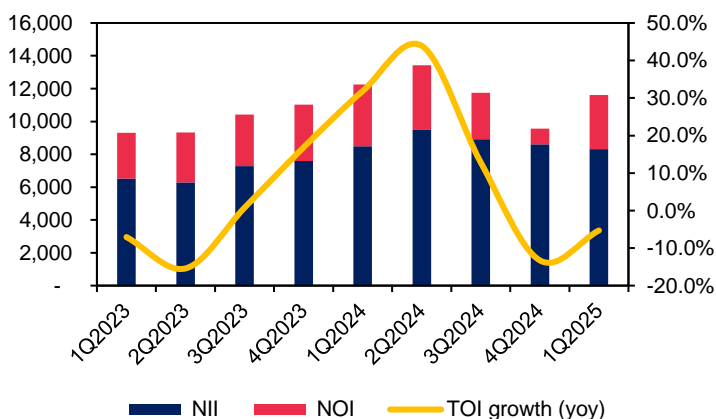
1Q2025 results: decelerated profit growth due to slower credit expansion and NIM contraction

Figure 2: 1Q2025 business performance update (Unit: VND bn)

	1Q2024	1Q2025	% yoy	% last forecast	Comment
Total operating income	12,262	11,611	-5.3%	21.6%	
Net interest income	8,500	8,305	-2.3%	22.0%	Slower credit growth compared to previous year combined with NIM's decline lead to decelerated NII growth in 1Q2025.
Non-interest income	3,762	3,306	-12.1%	20.6%	
Provision expenses	1,211	1,090	-10.0%	15.7%	
Net profit	6,277	6,014	-4.2%	24.6%	
Credit growth (YTD)	7.1%	4.1%	-301 bps		Retail banking (RB) showed outpacing compared to corp banking in recent 2 quarters . For corp banking, outstanding of ReCoM (including real estate, construction and materials) sectors recored growing by 19.7% YoY while group of FMCG, retail and logistics decreased by 13.0% YoY. For RB, mortgages and credit card lendings increased by 23.2% and 26.6% YoY that are main drivers of this segment.
Deposit growth (YTD)	0.7%	-0.3%	-108 bps		
NIM	4.4%	3.6%	-79 bps		NIM sharply decrease by 79 bps YoY, though COF stabilized at 3.3%. Lending rates declined by 100 bps YoY because of intensed competition among banks.
CIR	26.5%	28.3%	179 bps		CIR was slightly up due to distributing bonus expenses accruals and booking reversals of staff benefit expense in the quarter.
CASA	40.5%	35.1%	-541 bps		Balances of Auto earning reached 38 VNDtn, +22.7% YTD and 280% YoY with approximate 3 mn customers registered.
NPL	1.1%	1.2%	4 bps		Group 2 debt was on downtrend since 1Q2024 but not significant that put high pressure on NPL surging. RB acceleration intensed this trend in near term.
LLR	106.1%	111.6%	552 bps		Credit cost in 1Q2025 was 0.6%, -20 bps YoY and equivalent to FY2024.
ROE	15.6%	14.8%	-81 bps		
ROA	2.5%	2.3%	-19 bps		

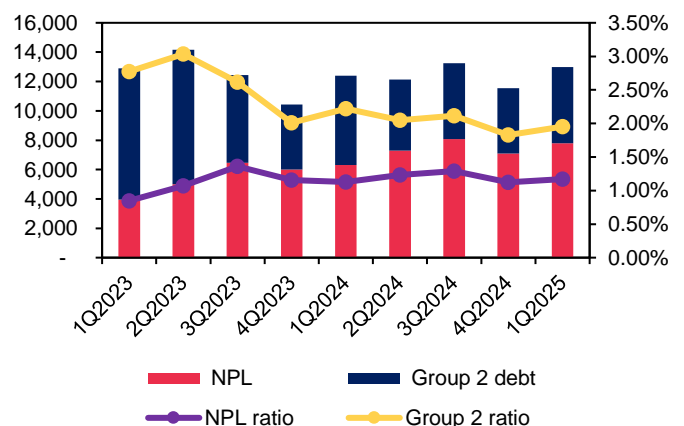
Source: TCB, MBS Research.

Figure 3: Quarterly business performance of TCB (Unit: VND bn)



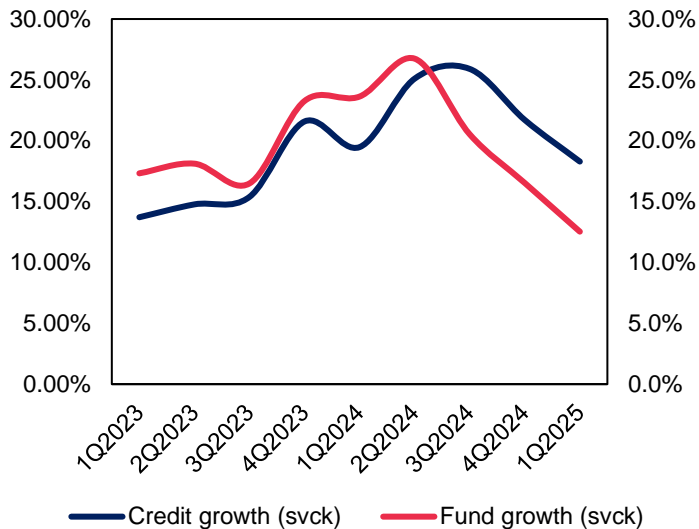
Source: TCB, MBS Research

Figure 4: Quarterly asset quality of TCB (% , VND bn)



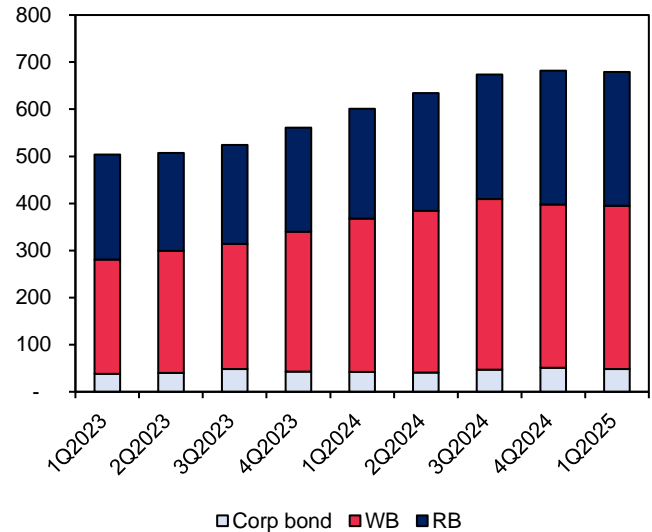
Source: TCB, MBS Research

Figure 5: Quarterly credit growth and funding growth (Unit: %)



Source: TCB, MBS Research

Figure 6: Quarterly Loan Structure of TCB (%)



Source: TCB, MBS Research

Challenges of NIM's increase and Non-Il's main drivers set a conservative outlook for earnings growth in the next 2 years

20% of credit growth annually in base case

After impressively increased in 1H2024, credit growth of TCB has slowed down since 3Q2024. In 1Q2025, credit growth reached 4.1% YTD, much lower than it was in previous year at 7.1% YTD. Both corp banking and retail banking showed slower growth in 1Q2025 recording at 4.5% and 3.9% YTD, compared to 8.2% and 5.4% YTD in 1Q2024 respectively.

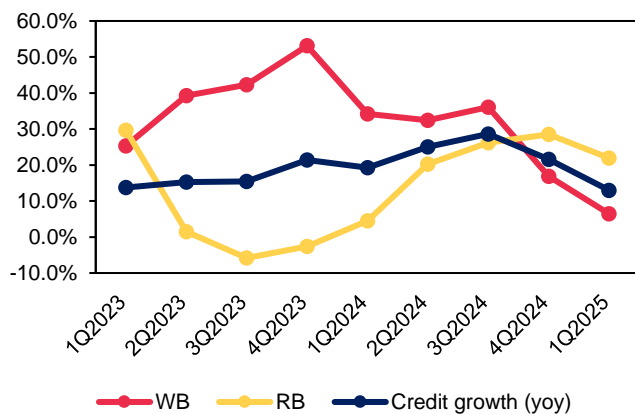
In terms of corp banking, we saw the gradual deceleration of ReCoM sector (real estate and related sector such as constructions, materials,...) though it still occupied dominated portion in WB's structure with 72%. ReCoM sector loans grew by 19.7% YoY by the end of 1Q2025, lower than 24.8% YoY in 1Q2024. Though group sectors of FMCG, retail and logistics has accelerated since 2Q2024 regarding to diversify policy of TCB that gradually less dependence on real estates sector, it slew down little bit in 1Q2025 reducing by 13.0% YoY due to high base last years (+41.9% YoY in 1Q2024).

For retail banking (RB), mortgages outstanding has steadily grown since 2Q2024 coupled with accelerating margin lending leading to faster growth of this segment. Mortgages grew by 23.2% YoY in 1Q2025, and it was 4 consecutive quarters of growing YoY thanks to strong recovery of real estate buying power in HCMC market. Credit cards impressively grew by 26.6% YoY after 5 continuous quarters of negative growth. Besides, prepayment amount has steadily declined along with gradually increased disbursement amount since 1Q2023 signed a stronger recovery in the upcoming quarters.

Though credit growth in 1Q2025 was lower our expectation due to fierce competitiveness of banks, we remain our forecast of 20% growing in 2025 and 2026, given the assumptions of GDP to grow by 7-8%/year. Stronger recovery of real estates and consumptions rebound are expected to enhance credit growth of TCB since 3Q2025. In 2Q2025, we believe that logistics and exports

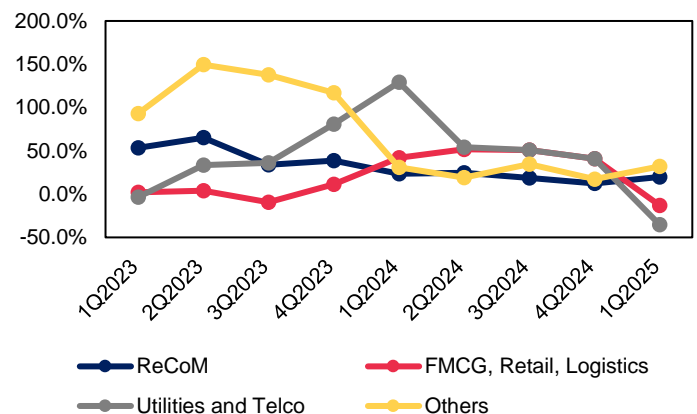
loans outstanding will be gathered before new tariffs officially announce after 90-day re-negotiation period.

Figure 7: Quarterly credit growth of TCB, by customer segment



Source: TCB, MBS Research

Figure 8: Quarterly credit growth of TCB, by sector



Source: TCB, MBS Research

NIM slide down to 4.0% in 2025F and slightly recover to 4.2% in 2026F

TCB is among few banks that got increased NIM in FY2024 thanks to less applying flexible pricing policy since 3Q2024. Superior CASA also contributed majorly into NIM's improvement. However, NIM has showed decelerating trend since 2Q2024 due to fierce competition from other banks dragging down lending rates in 2H2024 to accomplish credit growth target. In 1Q2025, NIM was down by 79 bps YoY and 28 bps QoQ.

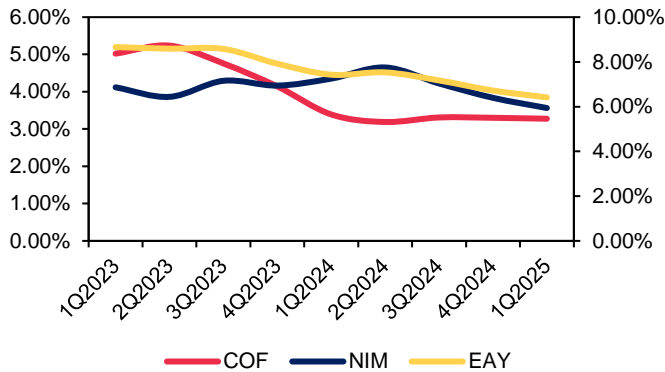
TCB's CASA ratio (including balances of Auto earning accounts) has shown significant improvement compared to last year. The CASA ratio at the end of 1Q2025 reached 39.4%, slightly decreased compared to 41.7% by the end of 1Q2024 and 40.8% by the end of 4Q2024. TCB has launched Auto-earning 2.0 since 1Q2024, which allows customers to earn superior yield than normal current account, incorporating many compelling features such as no max and min limit. This has encouraged numerous customers to sweep their accounts into Auto-earning, contributing to higher CASA. Auto earning balances by the end of 1Q2025 reached over 38 VND tn, almost 4 times higher than at the beginning. Besides, CASA per customers by the end of 1Q2025 also improved significantly to 31.0 VND mn, +25.0% YoY (1Q2024: 24.8 VND mn/customer).

We anticipate that deposit interest rates will trend slightly upward in the next 6-9 months as liquidity within the banking system shows signs of tightening, prompting commercial banks to increase their deposits. Meanwhile, lending rates are expected to reduce to attract credit demand, especially in the real estate sector and retail consumptions. As a result, we believe COF for most banks will be little higher in 2025 compared to 2024.

Given that TCB is strengthening credit diversify policy for WB to change focus on other sectors such as FMCG, retail and logistics, lending rates are likely to keep lowering regarding to SBV's guidance. Mortgages growth also face challenges due to limited real estate supply in 2025F leading banks to accelerate competition in terms of lending rates to attract customers.

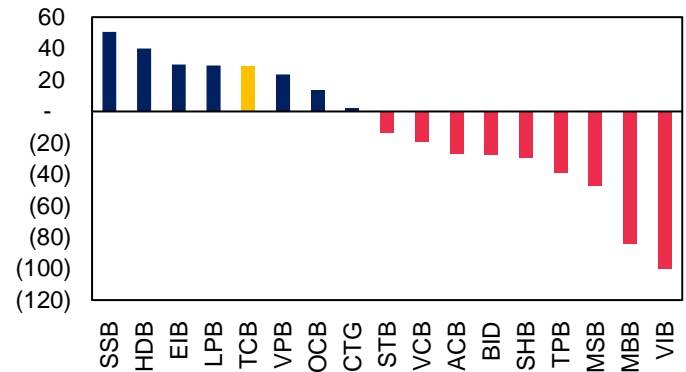
Overall, we assess that NIM of TCB is less likely to increase and estimate that it will go down by around 20 bps in 2025F. For 2026F, NIM is expected to recover to the same level as in 2024 thanks to lending rates gradually rebound following the upward of credit demand.

Figure 9: Quarterly NIM, COF and Asset yield of TCB (%)



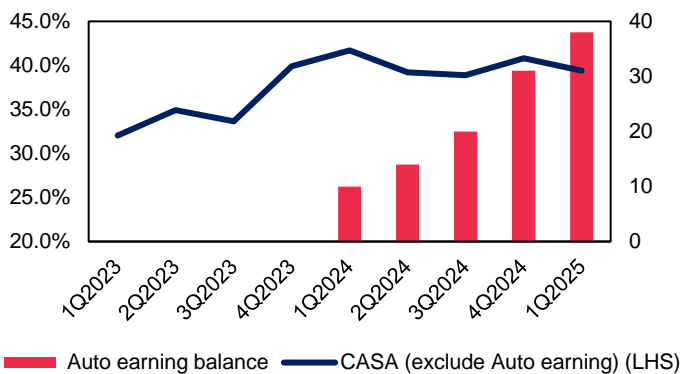
Source: TCB, MBS Research

Figure 10: NIM changes of listed banks in FY2024 (%)



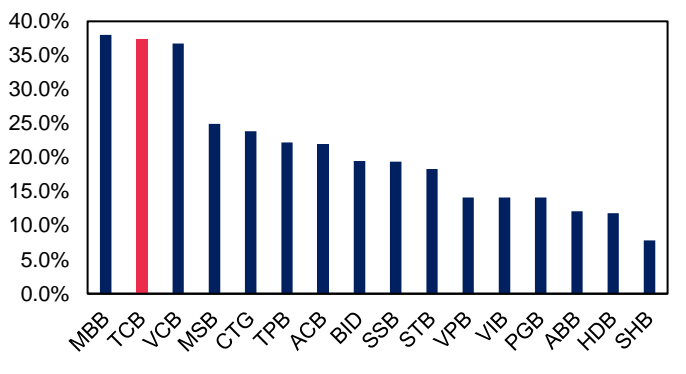
Source: TCB, MBS Research

Figure 11: CASA of TCB by quarter (%)



Source: TCB, MBS Research

Figure 12: CASA of listed banks by the end of 2024 (%)



Source: TCB, MBS Research

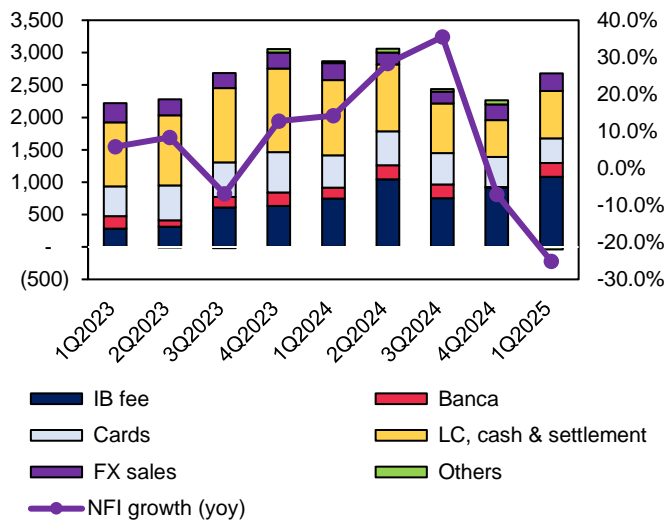
Main drivers of NFI face challenges in terms of growing 20-25%/year.

Non interest income (Non-II) in 1Q2025 reached 3,306 VND bn, -12.1% YoY and +247.0% QoQ mainly driven by decrease of NFI and securities investment. NFI decreased by 15.8% YoY and increased 25.0% QoQ (mainly due to low base last quarter recording one-off expenses regarding to termination of Manulife exclusive distribution agreement). IB fees, the largest portion of NFI, reached new record of approximate 1.1 VND tn, +44.5% YoY. By the end of 1Q2025, TCBS's brokerage market share in terms of listed equity and corp bond reached 7.5% and 57% respectively. TCBS maintained its 1st position in terms of corp bond brokerage market share.

In 2M2025, corp bond was sluggish with no new issuance. Looking ahead to the whole year 2025, we expect that corporate bond issuance activities slow down compared to last year due to (i) the real estate sector, the main drivers of corp bond issuance in FY2024 (amounting over 78 VND tn, occupied over 50% of total issued value), still faces challenges in terms of launching new supplies; (ii) other sectors such as constructions, materials have not fully recovered due to global uncertainty and questionable government spending activities.

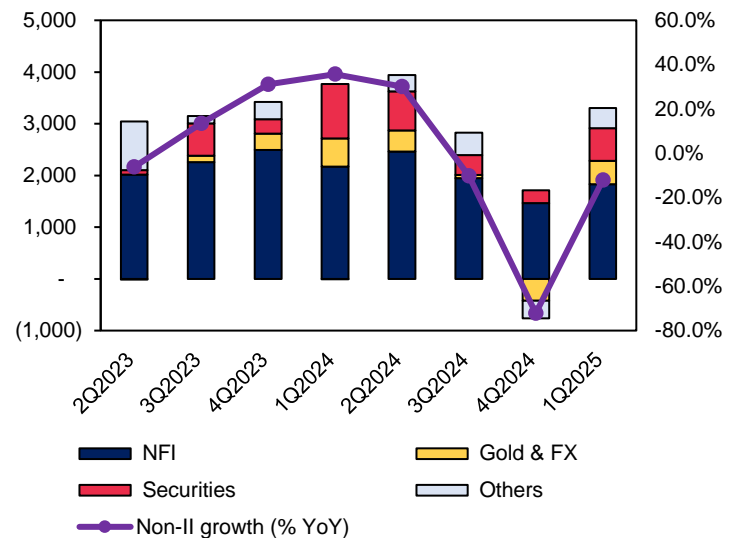
For banca, TCB will establish a subsidiary in 2025 in charge of both life and non-life insurances taking advantages of giant customer network and superior digitalization. Long term, they plan to seek an professional global partner for this subsidiary to repute its products globally and get financial support if necessary. Given the outperform of TCBS business results and its dominated brokerage position, we believe that TCB can do the same things in banca business for long term. However, we estimate that banca is less likely to expand over 20%/year in the next 2 years due to establishment period. Overall, we anticipate that NFI in 2025 will grow by 16.1% YoY.

Figure 13: TCB's NFI structure (VND bn)



Source: TCB, MBS Research

Figure 14: Non-II's structure by quarter (VND bn)



Source: TCB, MBS Research

Maintained credit costs due to higher RB growth in the next 2 years

NPL and Group 2 loan of TCB at the end of 1Q2025 mounted to 1.17% and 0.78%, +5 bps and +8 bps YTD, respectively. NPL in 1Q2025 upgraded to group 2 mounted 366 VND bn (+38.1% YoY and -54.4% QoQ) couple with collecting bad debt mounted 1,133 VND bn (-5.9% YoY and -28.4% QoQ), NPL amount increased 9.6% QoQ, +23.2% YoY. Lower credit growth also contributed into NPL's surge.

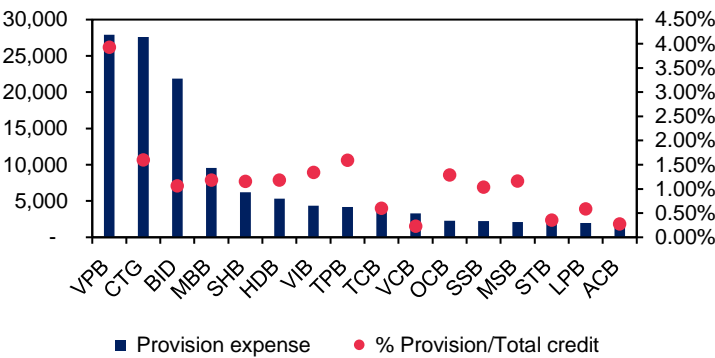
The majority of new NPLs originated from the retail customer segment, with the NPL ratio reaching 2.59%, +29 bps QoQ and +22 bps YoY. Within this segment, the mortgage lending sector, which holds the largest share, saw its NPL ratio rise significantly from 1.89% at the end of 2024 to 2.29% at the end of 1Q2025. In contrast, the corporate customer segment experienced a significant improvement, with its NPL ratio decreasing to 0.25% at the end of 1Q2025 from 0.33% at the end of 2024.

In 1Q2025, TCB recorded provisioning expenses of 1,090 VND bn, -10.0% YoY and +825.0% QoQ due to low base last quarter. Credit cost in the quarter reached 0.63%, equivalent to FY2024. The using specific provisions amount in year reached 525 VND bn, flat YoY, leading to using specific provision ratio achieve 46.9% (2024: 69%).

In 2025F/2026F, we expect that credit growth of TCB will be contributed by higher growth of RB with main driver still from mortgages. Hence, NPL's raising

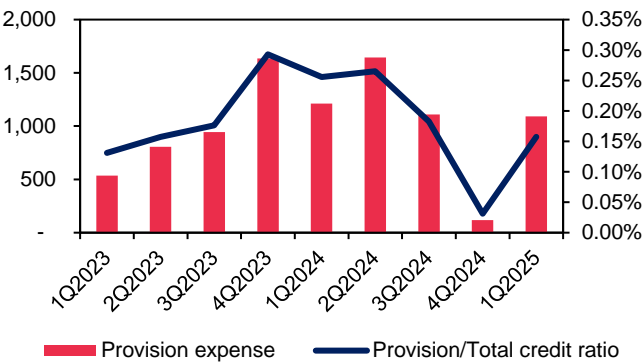
pressure is expected to maintain in near term that cause TCB to maintain the same provisioning level as in the last 2 years to control NPL below 1.5% as planned. As a results, we estimate credit cost of FY2025F/FY2026F to reach 0.65%/0.66% leading to provision expenses to increase 35.3%/20.2% YoY respectively.

Figure 15: Provision/total credit of listed banks by the end of 2024 (%)



Source: TCB, MBS Research

Figure 16: Quarterly provision expense and provision/credit exposure (VND bn, %)



Source: TCB, MBS Research

Business results forecasts: Decelerated net profit growth due to significant increase of provision expenses in 2025F

Figure 17: Business results forecast of 2025F-2026F

Unit: VND bn, %	2024	2025F	% yoy	2026F	% yoy	Comment
Total operating income	46,990	53,264	13.3%	64,930	21.9%	
Net interest income	35,508	39,930	12.5%	49,794	24.7%	
Non-interest income	11,482	13,334	16.1%	15,136	13.5%	
Provision expenses	4,082	5,524	35.3%	6,637	20.2%	
Net profit	21,760	25,064	15.2%	29,826	19.0%	
Credit growth	21.7%	19.6%	-213 bps	20.6%	100 bps	Credit quota is expected to expand in 2H2025 thanks to recovery of real estate credit demand encouraged by speed up government spending.
Deposit growth	17.3%	19.7%	239 bps	22.1%	238 bps	COF surging will be pressured more in 2Q2025.
NIM	4.2%	4.0%	-24 bps	4.2%	20 bps	Lending rates catches up deposit rates from 2H2025 thanks to higher credit demand, especially retail banking.
CIR	32.7%	30.5%	-221 bps	32.0%	150 bps	
ROE	15.8%	15.9%	10 bps	16.1%	24 bps	
CASA	37.4%	38.0%	63 bps	38.5%	55 bps	Excluding Auto earning balances. If included, we anticipate CASA to maintain around 40%, top 2 of the banking sector.
NPL ratio	1.1%	1.2%	5 bps	1.2%	2 bps	Thanks to remained high provisioning policy during recent few years, we believe that TCB will prioritize growing target in the next few years. Hence, NPL will be controlled to not surge much, rather than to lower.
LLR	113.9%	111.1%	-287 bps	110.1%	-96 bps	

Source: TCB, MBS Research

Investment Thesis

We raise the 12-month target price **31,800 VND/share** and remain **ADD** recommendation for TCB. Although we revise down net profit forecasts of FY2025F/2026F by 16.9%/20.9% compared to last forecasts, upper P/B target at 1.3x applied to BVPS at the end of 2025F instead of 2024 compensate the reduction in target price. We believe TCB can:

- Maintain higher CAGR of net profit in the next 5 years at over 20%/year compared to 16.3%/year in the last 5 years.
- NPL will be controlled well and down to below 1.3% since 2025.
- CAR will be maintained in top 2 for near term ensuring superior competitiveness in terms of high credit growth and diversifying operations.

Summary of Assumptions in the Valuation Method

We value TCB's stock using a combination of 2 valuation methods: Residual income (RI) and P/B

- P/B: We use a targeted P/B ratio of 1.3x to apply for TCB's book value at the end of 2025. This is little higher than its current P/B due to shocks of stock market caused by tariffs announcement from US Presidents recently.
- Regarding residual income method, the proportion of book value in the valuation component has been reduced to 62.1% in this valuation, reflecting more optimistic profit prospects for TCB in the coming years, particularly after the real estate market recovers.
- Cash dividend is not included in our forecasts.

Investment risk

- Higher than expected deposit rates due to accelerating more term deposits than CASA leading to higher COF and lower NIM.
- Global uncertainty might cause credit growth to slower than expected for the whole sector.

Valuation

Figure 18: Valuation summary of residual income valuation method

Assumptions	2025	2026	2027	2028	2029
Risk free rate	3.3%	3.3%	3.3%	3.3%	3.3%
Equity risk premium	9.0%	9.0%	9.0%	9.0%	9.0%
Beta	1.18	1.18	1.18	1.18	1.18
Cost of equity	13.9%	13.9%	13.9%	13.9%	13.9%
Long-term growth rate	3.0%	0.03	0.03	0.03	0.03
(in VND bn, otherwise noted)					
RI	2,485	3,381	5,870	8,547	10,541
PV of Residual income	2,485	2,968	4,524	5,784	6,263
Opening shareholder's equity	145,419				
PV of RI (5 years)	22,025				
PV of terminal value	51,962				
Implied EV	219,406				
No. of outstanding shares (mn shares)	7,065				
Implied value per share (VND/share)	31,100				

Source: MBS Research

Figure 19: Peer comparison (closing price at 09/05/2025)

	Mkt price (VND/share)	Total asset (tỷ đồng)	Recommend	P/E		P/B		ROE		ROA	
				TTM	2025F	TTM	2025F	TTM	2025F	TTM	2025F
ACB	24,150	864,006	ADD	6.5x	5.3x	1.2x	1.1x	20.4%	18.3%	2.0%	1.0%
BID	35,100	2,760,693	ADD	9.6x	7.9x	1.6x	1.4x	18.2%	15.9%	0.9%	1.0%
CTG	37,450	2,385,388	ADD	7.8x	6.1x	1.3x	1.1x	17.9%	20.8%	1.1%	1.8%
HDB	21,200	697,281	ADD	5.3x	9.2x	1.3x	1.4x	25.8%	22.0%	2.1%	2.4%
LPB	34,500	508,330	N/A	10.4x	7.1x	2.3x	1.7x	23.7%	6.2%	2.1%	10.9%
MBB	23,500	1,128,801	N/A	5.8x	5.6x	1.2x	1.1x	22.6%	14.9%	2.3%	2.4%
STB	39,750	748,095	HOLD	6.9x	6.9x	1.3x	1.1x	20.4%	22.6%	1.5%	2.4%
TCB	27,600	978,799	ADD	9.2x	6.9x	1.3x	1.1x	14.7%	22.6%	2.2%	2.4%
TPB	14,050	418,028	ADD	5.9x	4.7x	0.9x	0.7x	16.9%	18.5%	1.6%	1.3%
VCB	56,600	2,085,397	ADD	13.9x	12.6x	2.3x	2.0x	17.6%	18.5%	1.7%	1.3%
OCB	10,550	280,712	HOLD	8.9x	6.5x	0.8x	0.7x	9.4%	18.5%	1.1%	1.3%
VIB	17,550	493,158	HOLD	7.3x	5.6x	1.2x	1.0x	17.4%	27.8%	1.5%	2.7%
VPB	17,000	923,848	ADD	8.4x	6.9x	0.9x	0.8x	11.5%	22.7%	1.8%	1.7%
Avg. excluding SOCBs		704,106		7.4x	6.5x	1.2x	1.1x	18.3%	19.4%	1.8%	2.8%
Avg.		1,097,887		8.1x	7.0x	1.4x	1.2x	18.2%	19.2%	1.7%	2.5%

Source: Fiinpro, MBS Research

Figure 20: Valuation summary

Valuation methods	Forecast price	%	Contribution
Residual income	31,100	50%	15,550
P/B compare (P/B target= 1.3x)	32,500	50%	16,250
Target price			31,800

Source: MBS Research

FINANCIAL STATEMENTS

Income Statement (VND billion)	2023A	2024A	2025F	2026F	Key ratio	2023A	2024A	2025F	2026F
Net interest income	27,691	35,508	39,930	49,794	Growth				
Net income from services	8,715	8,042	8,320	10,699	Asset growth	21.5%	15.2%	20.6%	20.6%
Net income from gold and forex	196	593	717	1,192	Loan & Investments growth	19.5%	25.6%	16.1%	18.6%
Gain/(loss) from trading securities	65	81	140	136	Deposit & Commercial papers growth	23.3%	16.5%	21.8%	21.4%
Gain/(loss) from investment securities	926	2,359	1,940	1,801	Profit before provision and tax growth	-2.5%	17.9%	17.1%	19.3%
Other net income	2,434	343	2,217	1,308	PBT growth	-10.5%	20.3%	14.4%	19.1%
TOTAL OPERATING INCOME	40,061	46,990	53,264	64,930					
OPERATING EXPENSES	13,252	15,370	16,245	20,778	Capital Adequacy				
Profit before provision & tax	26,809	31,621	37,018	44,152	CAR	14.4%	15.2%	N/A	N/A
Credit provision expenses	3,921	4,082	5,524	6,637	Total Equity/Total Assets	15.8%	15.3%	14.9%	14.4%
Profit Before Tax	22,888	27,538	31,495	37,515	Total Assets/Total Equity	6.32	6.54	6.73	6.93
Total income tax expenses	4,697	5,778	6,431	7,689					
Profit After Tax	18,191	21,760	25,064	29,826	Asset Quality				
Minority interest	(187)	(237)	(273)	(325)	Loan group 3-5	1.2%	1.1%	1.2%	1.2%
Net profit for bank's shareholders	18,004	21,523	24,791	29,501	Loan group 2	0.9%	0.7%	0.8%	0.8%
					Provision reserve/Loan group 3-5 (LLR)	102.1%	113.9%	111.1%	110.1%
Balance Sheet	2023A	2024A	2025F	2026F					
Cash & cash equivalents	3,621	3,385	3,174	3,573	Liquidity				
Balances with the SBV	27,141	54,353	28,581	37,415	Loan-to-Deposit ratio (LDR)	81.0%	84.7%	83.1%	82.6%
Balances with and loans to other Cis	104,072	84,590	140,513	182,033	Liquid asset/Total Assets	28.8%	30.7%	26.4%	26.2%
Net Trading securities	4,433	9,001	13,999	8,440	Liquid asset/Customer deposit	40.2%	45.1%	37.3%	37.1%
Derivatives and other financial liabilities	144	-	-	-					
Loans purchase	82	142	-	-	Profitability				
Loans and advances to customers	518,642	631,725	777,720	937,727	ROA	15.0%	15.8%	15.9%	16.1%
Loan provision	(6,128)	(8,091)	(10,113)	(12,338)	ROE	2.3%	2.4%	2.3%	2.3%
Net Investment securities	104,994	148,624	125,174	141,348	NIM	4.0%	4.2%	4.0%	4.2%
Long-term investments	3,046	3,103	2,954	2,969	Interest Income/ Operating Income	69.1%	75.6%	75.0%	76.7%
Fixed assets	8,893	12,467	13,398	14,471	Operating Expense/ Operating Income	33.1%	32.7%	30.5%	32.0%
Investment properties	-	-	-	-					
Other assets	80,543	39,501	85,379	108,847	Valuation				
TOTAL ASSET	849,482	978,799	1,180,779	1,424,485	Basic EPS (VND)	2,548	3,046	3,509	4,176
LIABILITIES	717,854	830,859	1,007,777	1,221,659	BVPS (VND)	18,445	20,583	24,092	28,268
Deposits of Government and the SBV	0	12	12	12	P/E	10.2x	8.6x	7.4x	6.3x
Deposits and borrowings from other Cis	153,173	132,239	195,985	225,476	P/B	1.4x	1.3x	1.1x	0.9x
Customer deposits	454,661	533,392	638,517	779,571					
Derivatives and other financial liabilities	-	931	931	931					
Agent capital of Cis	-	-	-	-					
Valuable certificates issued	84,703	140,422	147,767	187,545					
Other liabilities	25,317	23,862	24,565	28,123					
EQUITY	131,628	147,940	173,002	202,827					
Common shares	35,225	70,649	70,649	70,649					
Common shares surplus	476	(0)	(0)	(0)					
Treasury shares	-	-	-	-					
Other capital	556	7,764	7,764	7,764					
Funds of bank	45,726	24,785	26,767	29,125					
Retained earnings	48,328	42,222	65,029	92,170					
Minorities interest	1,317	2,520	2,794	3,119					
TOTAL LIABILITIES AND EQUITY	849,482	978,799	1,180,779	1,424,485					

Source: TCB Financial Statements, MBS Research

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ADD	The stock can generate a profitability of 15% or more
HOLD	The stock can generate a profitability of between -15% and 15%
REDUCE	The stock can generate a loss of 15% or more

Sector rating

POSITIVE	Industry stocks have Add recommendations on a weighted market capitalization basis
NEUTRAL	Industry stocks have Hold recommendations on a weighted market capitalization basis
NEGATIVE	Industry stocks have Reduce recommendations on a weighted market capitalization basis

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Founded in May 2000 by the Military Commercial Joint Stock Bank (MB), MB Securities Joint Stock Company (MBS) is one of the first six securities companies in Vietnam. After years of development, MBS has grown into one of the premier brokerage houses in the country. In two consecutive years between 2009 and 2010, MBS leads the brokerage house in terms of market share on both Hanoi Stock Exchange (HNX) and HCMC Stock Exchange (HOSE) and continuously ranked among the Top 5 of market share at both stock exchanges

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