

VPBank (HSX: VPB)

Better-than-sector business results in 1Q2025

- Though NIM slightly decreased by 7 bps YoY, faster credit growth by 5.4% YTD and maintained positive Non-IL growth by 5.9% YoY lead net profit to grow by 25.2% YoY.
- By the end of 1Q2025, Group 2 debt improved significantly compared to by the end of FY2024, but NPL ratio showed upward trend.
- We keep the target price of **25,250 VND/share** for VPB with recommend **ADD**.

Outperformed business results in 1Q2025 mainly thanks to unchanged NIM and faster credit growth

VPB recorded TOI of 15,562 VNDbn in 1Q2025 (+16.1% YoY) primarily driven by faster credit growth reaching 5.4% YTD (1Q2024: 1.9% YTD) meanwhile NIM slightly decreased by 7 bps to 5.8%. Non-IL climbed by 5.6% YoY in 1Q2025 mainly supported by sharp increase by 83.8% YoY of income from bad debt written off. Although provision expenses reached 6,677 VNDbn, +15.9% YoY, superior CIR ratio at 24.9% (the whole sector: 31.3%) decisively drove net profit to reach 3,934 VNDbn, +25.2% YoY. It was equivalent to the MBS's full-year last forecast in terms of profit.

Ambitious plan in FY2025 amid challenges persist

VPB set the FY2025's full year plan with PBT to reach 25,270 VNDbn based on credit growth by 25% YoY and deposit growth by 34% YoY in which FECredit (FEC), VPBank Securities (VPBS), and OPES insurance company (OPES) is targeted to reach PBT 1.1 VNDtn, 2 VNDtn, and 636 VNDbn respectively. That means net profit in 1Q2025 occupied 19% of the FY2025's profit plan.

Slightly decreased credit cost plays important role in achieving the FY2025's full-year profit target

In general, the under-standard debt ratio (group 2-5) dramatical decreased by 142 bps YTD. Low retail credit growth has majorly contributed to this trend. We estimate credit cost to reach 3.8%/3.5% in FY2025/FY2026 that lead to provision expenses to grow by 16.9%/11.5% YoY. As a result, net profit is expected to increase by 26.0%/34.0% YoY, fulfilling 100% FY2025's plan.

Maintain ADD with the same target price vs last forecast

We maintain our earning forecasts the same as last time but raise target P/B to 1.2x thanks to significant improved asset quality. We believe that P/B at 1.2x is still attractive for VPB in long term. Accomplished ecosystem with abundant CAR level are expected to support main streams of income.

Figure 1: Financial metrics (Unit: VND bn)

	31/12/23	31/12/24	31/12/25	31/12/26
Total operating income	49,739	62,255	75,236	91,335
Net interest income	38,175	49,080	59,422	71,493
NIM	5.7%	5.9%	6.1%	6.1%
Provision expense	24,994	27,903	32,630	36,393
% YoY	11.3%	11.6%	16.9%	11.5%
Net profit	8,494	15,987	20,147	26,998
% YoY	-49.8%	88.2%	26.0%	34.0%
Credit growth	25.6%	18.2%	24.1%	23.5%
Deposit growth	45.9%	9.8%	34.2%	20.7%
BVPS	16,969	17,886	20,301	23,537
P/B	1.1x	1.1x	0.9x	0.8x

Source: VPB, MBS Research

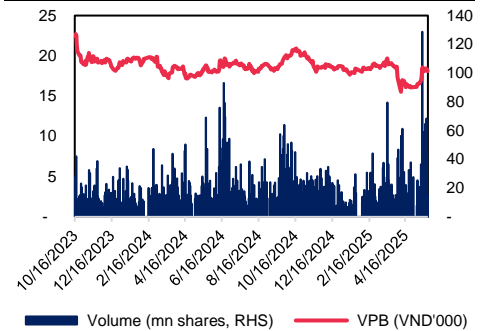
ADD

Target price **25,250 VND/share**
Upside **+33.3%**

Key changes in the report

N/A

Information



Source: FiinProX, MBS Research

Market price (VND)	18,100
Highest in 52w (VND)	20,346
Lowest in 52w (VND)	15,527
Market cap (VND bn)	145,190
P/E (TTM)	8.9x
P/B (TTM)	1.0x
Dividend yield (%)	2.76%
Foreign ownership ratio (%)	24.53%

Source: FiinproX, VSD

Ownership Structure (31/12/2024)

SMBC	15.00%
Diera Corp.	4.40%
Mr. Ngo Chi Dung	4.14%
Mr. Bui Hai Quan	1.97%
Mr. Nguyen Duc Vinh	1.32%

Source: FiinProX, MBS Research

Senior Analyst



Dinh Cong Luyen

Luyen.dinhcong@mbs.com.vn

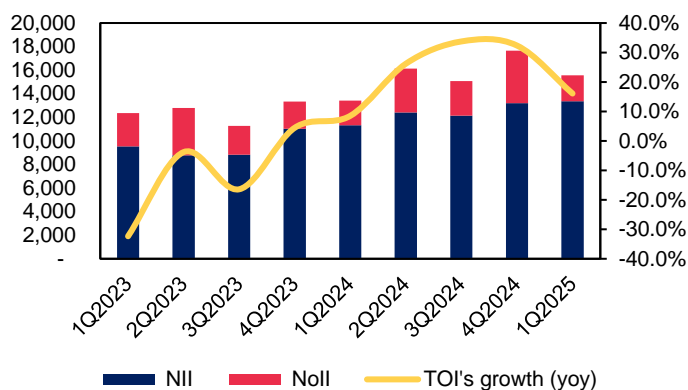
Unchanged NIM coupled with faster credit growth kept up positive earnings growth in 1Q2025 given high base last year

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

	1Q2024	1Q2025	% yoy	% vs full-year last forecast	Comments
Total operating income	13,411	15,566	16.1%	20.5%	
Net interest income	11,323	13,356	17.9%	22.4%	Faster credit growth by 5.4% YTD (1Q2024: 1.9% YTD) coupled with NIM's slight decrease by only 6 bps YoY supplied superior NII's growth compared to the banking sector (6.5% YoY in 1Q2025).
Non-interest income	2,087	2,210	5.9%	13.6%	Non-interest income (Non-II) unchanged YoY thanks to sharp increase by 83.8% YoY of income from bad debt collection offsetting to decrease by 24.8% and 60.7% YoY of NFI and FX trading respectively.
Operating expense	3,467	3,874	11.8%	22.2%	
Provision expense	5,762	6,677	15.9%	20.5%	Thanks to sharp decrease of group 2 debt, credit cost in 1Q2025 declined by 9 bps YoY reaching 2.9%. However, it was still much higher than peers.
Net profit	3,142	3,935	25.2%	19.2%	Though net profit positively surged compared to the sector and peers, it only accomplished around 19% of the ambitious full- year plan.
Credit growth (YTD)	1.9%	5.4%	350 bps		Corp lending increased by 8.1% YTD which was main driver of credit growth. Meanwhile retail lending slightly grew by 2.2% YTD primarily driven by mortgages to grow by 5.7% YTD. Low interest rates are main force of mortgages in 1Q2025.
Deposit growth (YTD)	3.0%	13.7%	1069 bps		Deposit growth dramatically pumped by 13.7% YTD majorly forced by deposit of retail customers which recorded growing by 15.7% YTD. It outpaced the whole sector (2.4% YTD) as well as the large cap banks group (1.7% YTD).
NIM	5.9%	5.8%	-6 bps		Insignificant NIM's decline considerably contributed to NII's growth in 1Q2025, given dramtical reduction of NIM across over the banks.
CIR	25.8%	24.9%	-96 bps		Better CIR ratio compared to the whole sector (31.3% in 1Q2025) mainly thanks to positive TOI's growth.
CASA	14.0%	13.5%	-54 bps		
NPL	4.8%	4.7%	-9 bps		Asset quality at the end of 1Q2025 improved significantly regarding to sharp decline of group 2 debt by 35.1% YoY although NPL ratio was up by 54 bps to 4.7% compared to the end of FY2024.
LLR	53.4%	47.4%	-601 bps		
ROE	8.9%	11.0%	208 bps		
ROA	1.5%	1.8%	31 bps		

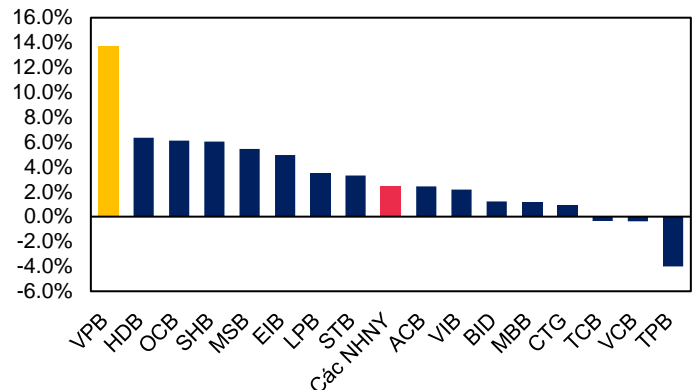
Source: VPB, MBS Research.

Figure 3: Quarterly business performance of VPB (VND bn, %)



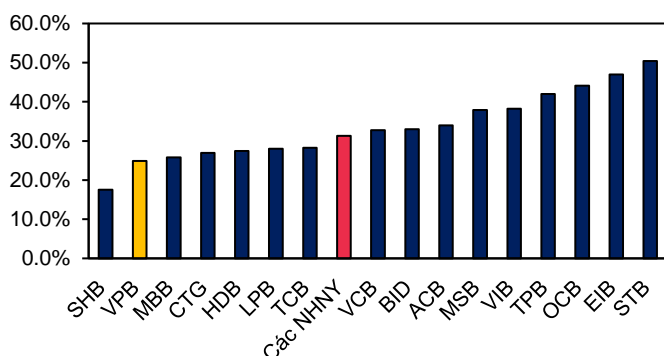
Source: VPB, MBS Research

Figure 4: Deposit growth of listed banks in 1Q2025 (% , VND bn)



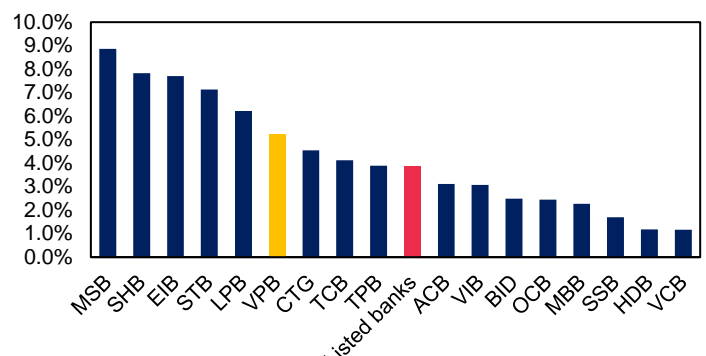
Source: VPB, MBS Research

Figure 5: CIR of listed banks in 1Q2025 (%)



Source: VPB, MBS Research

Figure 6: Credit growth of listed bank end of 1Q2025 (YTD, %)



Source: VPB, MBS Research

We maintain our forecasts vs last time thanks to business results in 1Q2025 in line with our full year's expectation.

Credit growth reaches 24.1%/23.5% in 2025F/2026F

By the end of 1Q2025, VPB's credit growth was 5.4% YTD, slightly above the average of listed banks (3.8% YTD) and the whole system (3.5% YTD). This occupied ~25% of FY2025 full year's target.

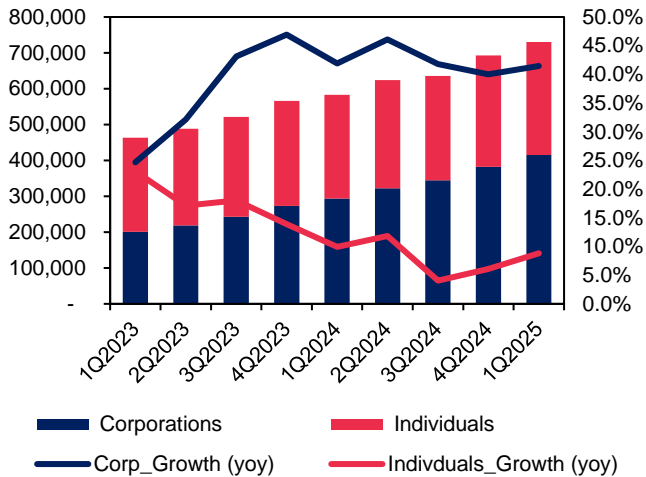
In terms of customer types, corp lending showed outpacing growth compared to retail lending mainly due to low credit demand from individual customers. Loans outstanding of corp customers grew by 8.1% YTD and 41.4% YoY meanwhile retail customers recorded growth of 2.2% YTD and 9.8% YoY. The main drivers of retail lending in 1Q2025 was from mortgages that recorded increasing by 15.7% YTD whereas other segments decreased YoY. Consumer finance outstanding grew by 1.7% YTD with disbursement amount increasing by 17% YoY. This considerably fueled to NIM's insignificant decline of VPB in 1Q2025.

Given uncertain results after 90-day negotiation period, we expect that corp lending of the whole banking sector will keep the pace of growing in 2Q2025 fueled by accelerating export/import lending along with remained momentum of this customers group in 1Q2025. For 2H2025, we anticipate credit growth to accelerate in terms of both corp and retail banking. Assuming trade deals are finished before the negotiation period, enterprises tend to enhance lending to fulfil orders for the remaining time of 2025. Therefore, employees are more likely

to increase borrowing based on improved incomes to afford consumptions demand which usually pumps up in the second half of the year.

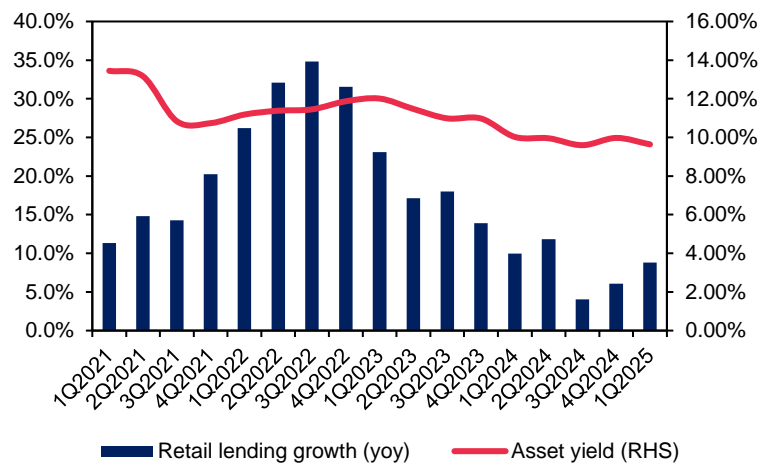
Overall, we forecast credit growth to reach 24.1% in 2025 and will be maintained around 23.5% in 2026F due to high base of the previous year. We believe that VPB might get expanded credit quota in 2H2025 thanks to exceeding target credit growing in 1H2025. For 2026F, we project that credit of the whole system is planned to reach over 16% based on 8% of GDP growing target. Hence, credit growth of large banks is expected to unchange compared to 2025F.

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



Source: VPB, MBS Research

Figure 8: Asset yield and retail lending growth (%)



Source: VPB, MBS Research

Expanded NIM since 2H2025 thanks to improved lending rates fueled by strengthening retail lending.

Due to stressful competition among banks, lending rates dropped significantly in 1Q2025 across all banks creating average NIM's decline by 60 bps of the whole sector. VPB recorded minor reduction of NIM by 7 bps YoY reaching 5.8% although retail banking has not fully rebounded.

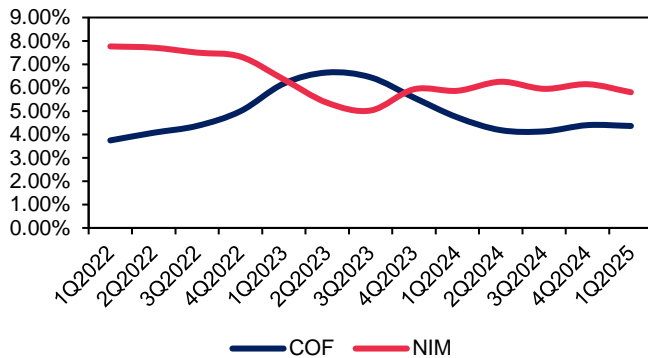
We observe that average lending rate of VPB varied closely to credit growth of retail banking. Because retail lending has slowed down since 2023 from 31.6% YoY in 4Q2022 to only 6.7% YoY in 4Q2024, avg lending rate has been pulled down from 14% to 11.3% in the same period. Well-controlled COF has remarkably compensated NIM's decline caused by lending rate's reduction. It reduced from 6.2% in 1Q2023 to 4.4% in 1Q2025.

We anticipate average lending rates of banks to continue downward in the remaining of FY2025 due to continuous fierce competition among banks although COF will still be controlled unchanged compared to 1Q2025. As a result, we believe NIM of banks in 2Q2025 will not exceed it was in 1Q2025. However, given superior deposit growth in 1Q2025, VPB's liquidity stress reduced significantly leaving potential for COF's decline in case deposit rates of banks continue downward. Besides, expected faster growth of retail lending is likely to offset impact from stressful competition resulting lending rates to recover. Therefore, NIM is forecasted get higher in 2H2025 compared to 1H2025 and 2H2024. We estimate that NIM of VPB will reach 6.1% in 2025, +23 bps YoY. Though CASA is not an advantage of VPB, COF was still well-controlled

regardless of jumping deposit growth in 1Q2025. COF recorded at 4.36% in 1Q2025, -37 bps YoY and -4 bps QoQ whereas CASA was stabilized at 13.5%.

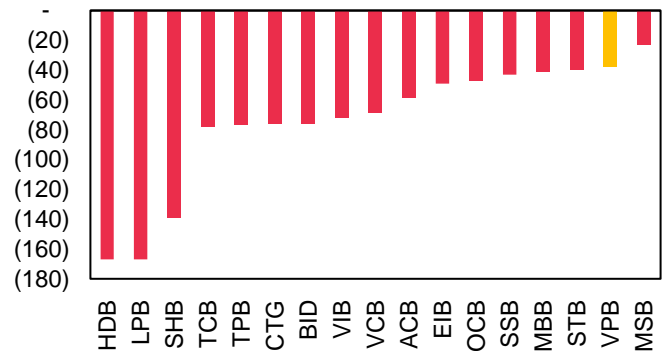
We assess that contribution of consumer finance into NIM's rising is not as large as it was before the Covid-19 period. Particularly, FEC will focus on higher quality customers that scarify superior yield to less provision burden. This will solid earnings growth of FEC in long term.

Figure 9: NIM and COF of VPB by quarter (%)



Source: VPB, MBS Research

Figure 10: NIM change of listed banks in 1Q2025 (bps)



Source: Listed banks, MBS Research

FE Credit and VPBank Securities (VPBS): improved business results support VPB's NFI to rebound and less NIM decline

VPB has set the PBT target of 1 VND tn in 2025 for FEC thanks to better-than-expect business results in 2024. In the last quarter of FY2024, FEC recorded PBT of 949 VNDbn, suprisely surging by 357.4% YoY and 251.2% QoQ. As a result, it fueled PBT of FY2024 to reach 512 VND bn, compared to the loss of 3,529 VND bn in FY2023.

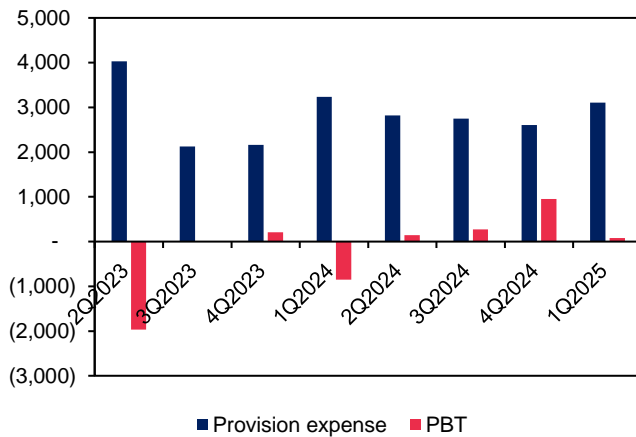
In 1Q2025, although PBT of FEC recorded modestly 79 VND bn, compared to the loss of 853 VND bn in 1Q2024, it was 4 consecutive quarters that FEC got profit since 2022. However, asset quality remarkably deteriorated in which NPL ratio surged significantly to 20.1% though group 2 debt ratio dragged down to 8.4% by the end of 1Q2025, compared to 13.4% and 10.2% at the end of FY2024. Generally, debt under standard (group 2-5) ratio rose to 28.5% compared to just 23.6% at the end of 2024. Given asset quality showed downward trend again after 2-quarter short recovery period, provision expense also surged 19.2% QoQ, reaching 3,105 VND bn in 1Q2025 although it declined slightly 4.1% YoY due to high base last year.

Though PBT in 1Q2025 only occupied 8% of the full year's plan, we confidently believe that FEC can fulfill its target. The business results of FEC has strongly rebounded since 3Q2023 mainly driven by recovery of credit growth and less provision burden. Besides, FEC's business improvement is expected to contribute more into VPB's NFI thanks to massive fees. In 1Q2025, fee income from FEC increased by 59% YoY.

VPBank Securities (VPBS) recorded PBT 351 VNDbn, +95.2% YoY mainly thanks to low base last year. This accomplished 17.6% its full-year's plan. TOI in 1Q2025 grew by 20.6% YoY primarily driven by income from trading and margin lending activities growing by 37.0% YoY and 13.8% YoY. Significant reduction of loss caused by trading activities lead operating expense to go down

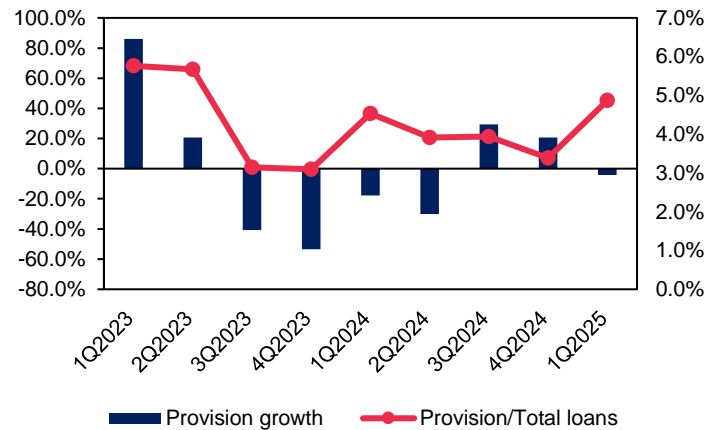
by 45.3% YoY mainly driving very positive PBT as mentioned above. Margin loans outstanding by the end of 1Q2025 reached 12,877 VND bn, +35.4% YTD, equivalent to 2% of parent bank's total loans. Though income from trading activity is uncertain due to unpredictable stock market after tariffs announcement, margin lending of VPBS has solidly grown since 2023 (outstanding by the end of 1Q2025 was 3.9 times higher compared to the end of 2022) fueled by massive capital raising. We expect this not only to supply abundant fee income to VPB, but also less NIM's decline thanks to higher yield than corp banking.

Figure 11: FECredit business results quarterly (VND bn)



Source: VPB, MBS Research

Figure 12: FECredit business results quarterly (VND bn)



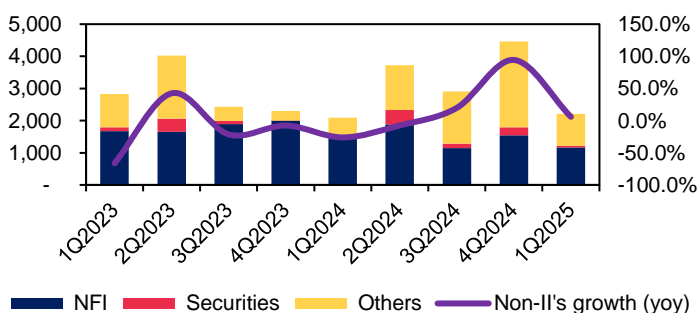
Source: VPB, MBS Research

Non-II's growth in FY2025 is driven by slight recovery of fee income and accelerated bad debt collection.

Non interest income (Non-II) recorded 2,210 VND bn, +5.9% YoY mainly thanks to low base last year. It reduced 50.4% QoQ majorly driven by significant drop of NFI by 24.8% YoY and 24.3% QoQ. The sharp increase by 83.8% of bad debt collected income compensated the reduction of other segments of Non-II. In terms of NFI structure, net income of banca surprisingly increased by 34.9% YoY regardless of reduction recorded among most of listed banks in 1Q2025. Net payment fee showed deceleration since 1Q2024 and reduced by 39% YoY in 1Q2025.

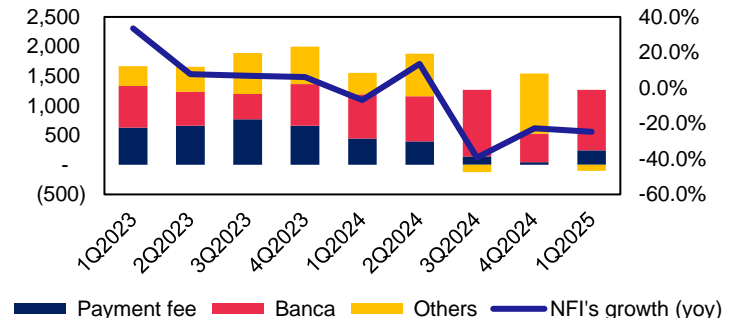
We anticipate that Non-II of VPB will grow by 20.0% YoY mainly fueled by continuously strengthen bad debt collection (+47.3% YoY) reaching around 8 VND tn combined with 16.1% YoY of NFI mainly driven by better income from payment activities. Expected faster growing of retail banking in 2H2025 is likely to supply higher payment fee compared to 1H2025.

Figure 13: Non-II's structure by quarter (VND bn)



Source: VPB, MBS Research

Figure 14: NFI's structure by quarter (VND bn, %)



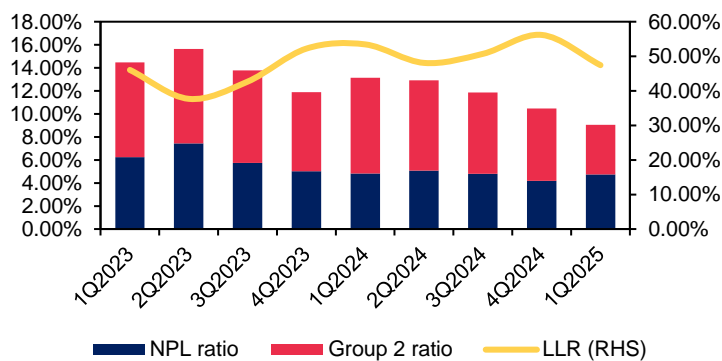
Source: VPB, MBS Research

Slightly decreased forecast of credit cost in 2025F due to insignificantly improved asset quality

Asset quality showed substantial improvement since 1Q2023 proven by constant reduce of group 2-5 debt ratio. While NPL ratio fluctuated around 4.8%, group 2 debt went down from peaked level of 8.3% at the end of 1Q2024 to current low level of 4.3% at the end of 1Q2025. Thanks to that, credit cost also remarkably reduced from 4.2% in 2Q2024 to 2.8% in 1Q2025. As a result, VPB recorded 6,677 VND bn provisio expense in 1Q2025, +15.9% YoY and -13.3% QoQ.

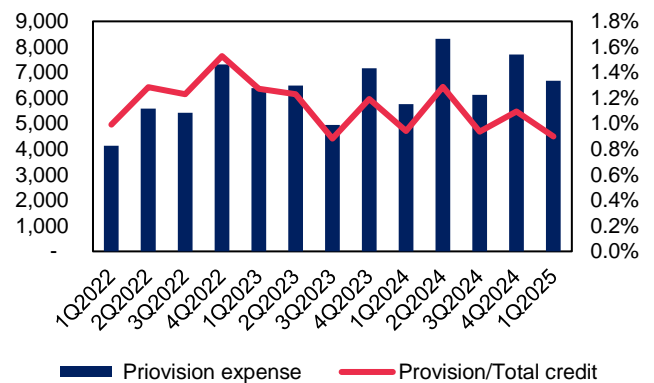
Dominated growing of corp banking compared to retail banking in the last 2 years has importantly supported an solid improvement of VPB's asset quality. With anticipation of faster growth of retail banking since 2H2025 lasting to 2026, we believe that NPL surging pressure still challenges for VPB's asset quality enhancement. Furthermore, strong competition in terms of retail lending among banks might encourage banks to lower lending standard to achieve credit growth target which is the prioritized condition for expanded credit quota. Therefore, we estimate that NPL and group 2 debt of VPB will reach 4.0% and 6.0% by the end of 2025F, -18 bps and -26 bps YoY respectively.

Figure 15: Asset quality of VPB by quarter (%)



Source: VPB, MBS Research

Figure 16: Credit provisioning of VPB by quarter (%)



Source: VPB, MBS Research

Business performance forecast: NIM's strengthening and less provision budget are main drivers of net profit growth.

Figure 17: Business results forecast of 2025-2026

	2024F	2025F	% yoy	2026F	% yoy	Comments
Total operating income	62,255	75,236	20.9%	91,335	21.4%	
Net interest income	49,080	59,422	21.1%	71,493	20.3%	
Non-interest income	13,175	15,813	20.0%	19,842	25.5%	
Provision expense	27,903	32,630	16.9%	36,393	11.5%	
Net profit	15,987	20,147	26.0%	26,998	34.0%	
Credit growth	18.2%	24.1%	585 bps	23.5%	-63 bps	Better mortgages demand combined with high consumptions season in 2H2025 are expected to be main drivers for retail banking. Corp banking is anticipated to concentrate to SMEs group primarily thanks to clear outlook after negotiation period.
Deposit growth	9.8%	34.2%	2442 bps	20.7%	-1352 bps	Thanks to very positive move of deposit growth in 1Q2025, we believe that VPB can easily achieve its target of 34% by the end of 2025.
NIM	5.9%	6.1%	23 bps	6.1%	-7 bps	Faster growing of retail banking since 2H2025 fuels NIM's rise while COF will still be well-controlled thanks to low interest rate environment.
CIR	23.0%	23.0%	-3 bps	23.0%	0 bps	Superior CIR level will be maintained.
CASA	12.1%	11.8%	-25 bps	10.8%	-95 bps	
NPL	4.2%	4.0%	-17 bps	3.5%	-48 bps	
LLR	56.2%	54.3%	-185 bps	57.8%	350 bps	
ROE	11.6%	13.3%	174 bps	15.5%	223 bps	
ROA	1.8%	2.0%	16 bps	2.2%	19 bps	

Source: VPB, MBS Research

Investment Thesis

We keep our 12-month target price at **25,250 VND/share** for **VPB** versus last forecast mainly due to business results in 1Q2025 still in line with our full year's expectation. We still recommend **ADD** for **VPB** in long term based on:

- We estimate the CAGR of net profit for the next 5 years to reach 21.2%/year, higher than 12.0% for the last 5 years. Business results signalized strong recovery since 2024 that ensures our forecasts.
- Highly advanced CAR level has extensively supported VPB to complete its eco system by spilling over to securities and insurance, so that the Noll income sources will be firmed for long-term.
- FEC is still the top 1 in terms of market share in consumer finance sector. The current exposure to consumer finance in Vietnam is relatively low compared to other countries in Southeast Asia and Asia; therefore, get high potential growth for long-term.

Summary of Assumptions in the Valuation Method

We value VPB'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 1.2x to apply for VPB's BVPS by the end of 2025. This P/B is considerably higher than VPB's current P/B and fair to similar commercial banks such as ACB, MBB, TCB.
- Regarding residual income method, the proportion of book value in the valuation component is 63.4% showing challenges in terms of earnings growth for the near term.

Investment risk

- Mortgage lending is challenged by low recovery of real estate market, especially the primary market. This may slower retail lending of VPB than our expected in 2025.
- We concern that slow recovery of banca will have serious impact to Noll's growth of the whole sector in next 12-18 months.

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	1.15	1.15	1.15	1.15	1.15
Cost of equity	13.6%	13.6%	13.6%	13.6%	13.6%
Long-term growth rate					
(in VND bn, otherwise noted)					
RI	(2,287)	1,016	4,940	7,904	9,200
PV of Residual income	(2,012)	787	3,367	4,741	4,856
Opening shareholder's equity	141,905				
PV of RI (5 years)	11,739				
PV of terminal value	47,056				
Implied EV	200,700				
No. of outstanding shares (mn shares)	7,934				
Implied value per share (VND/share)	25,300				

Source: MBS Research

Figure 19: Peer comparison (closing price at 23/05/2025)

	Mkt price (VND/share)	Total asset (tỷ đồng)	Recommend	P/E		P/B		ROE		ROA	
				TTM	2025F	TTM	2025F	TTM	2025F	TTM	2025F
ACB	21,600	777,393	ADD	6.5x	4.8x	1.2x	1.0x	20.4%	18.3%	2.0%	1.0%
BID	36,000	2,575,981	ADD	9.6x	8.1x	1.6x	1.4x	18.2%	15.9%	0.9%	1.0%
CTG	38,800	2,229,791	ADD	7.8x	6.3x	1.3x	1.2x	17.9%	20.8%	1.1%	1.8%
HDB	22,100	629,569	ADD	5.3x	9.6x	1.3x	1.5x	25.8%	22.0%	2.1%	2.4%
LPB	31,950	455,805	N/A	10.4x	6.6x	2.3x	1.6x	23.7%	6.2%	2.1%	10.9%
MBB	24,650	1,028,819	N/A	5.8x	5.9x	1.2x	1.2x	22.6%	14.9%	2.3%	2.4%
STB	41,800	702,986	HOLD	6.9x	7.2x	1.3x	1.2x	20.4%	22.6%	1.5%	2.4%
TCB	30,150	927,053	HOLD	9.2x	7.5x	1.3x	1.2x	14.7%	22.6%	2.2%	2.4%
TPB	13,250	385,352	ADD	5.9x	4.4x	0.9x	0.7x	16.9%	18.5%	1.6%	1.3%
VCB	56,800	1,932,362	ADD	13.9x	12.7x	2.3x	2.0x	17.6%	27.8%	1.7%	2.7%
OCB	10,700	265,502	ADD	8.9x	6.6x	0.8x	0.7x	9.4%	27.8%	1.1%	2.7%
VIB	18,200	445,378	HOLD	7.3x	5.8x	1.2x	1.1x	17.4%	27.8%	1.5%	2.7%
VPB	18,100	858,885	ADD	8.4x	7.4x	0.9x	0.9x	11.5%	27.8%	1.8%	2.7%
Avg (excluding SOCBs)		763,171		8.2x	7.4x	1.3x	1.2x	18.0%	21.8%	1.8%	3.2%
Avg		1,016,529		8.1x	7.1x	1.4x	1.2x	18.2%	21.0%	1.7%	2.8%

Source: Fiinpro, MBS Research

Figure 20: Valuation summary

Valuation methods	Forecast price	%	Contribution
Residual income	25,300	50%	12,650
P/B (target 1.2x)	25,200	50%	12,600
Target price			25,250

Source: MBS Research

FINANCIAL STATEMENTS

Income Statement (VND billion)	2023A	2024A	2025F	2026F	Key ratio	2023A	2024A	2025F	2026F
Net interest income	38,175	49,080	59,422	71,493	Growth				
Net income from services	7,212	6,126	7,117	10,529	Asset growth	29.6%	13.0%	18.3%	26.1%
Net income from gold and forex	(806)	827	451	257	Loan & Investments growth	27.7%	12.8%	24.6%	21.9%
Gain/(loss) from trading securities	380	361	153	224	Deposit & Commercial papers growth	27.8%	16.0%	19.0%	27.7%
Gain/(loss) from investment securities	250	470	155	120	EAT growth	-49.8%	88.2%	26.0%	34.0%
Other net income	4,526	5,378	7,938	8,711					
TOTAL OPERATING INCOME	49,739	62,255	75,236	91,335	Capital Adequacy				
Operating expenses	13,941	14,340	17,304	21,007	CAR	15.5%	15.8%	N/A	N/A
Profit before provision & tax	35,798	47,915	57,931	70,328	Total Equity/Total Assets	16.8%	16.5%	15.6%	14.6%
Credit provision expenses	24,994	27,903	32,630	36,393	Total Assets/Total Equity	5.95	6.07	6.41	6.83
Profit Before Tax	10,804	20,013	25,301	33,935					
Total income tax expenses	2,310	4,026	5,154	6,937	Asset Quality				
Profit After Tax	8,494	15,987	20,147	26,998	NPL ratio	5.0%	4.2%	4.0%	3.5%
Minority interest	(1,480)	208	987	1,323	Loan group 2	6.9%	6.3%	6.0%	5.5%
Net profit for bank's shareholders	9,974	15,779	19,160	25,676	LLR ratio	52.2%	56.2%	54.3%	57.8%
Balance Sheet	2023A	2024A	2025F	2026F	Liquidity				
Cash & cash equivalents	2,285	2,148	2,270	2,289	Loan-to-Deposit ratio (LDR)	93.0%	94.2%	98.6%	95.3%
Balances with the SBV	8,423	14,327	19,077	23,579	Liquid asset/Total Assets	26.0%	23.6%	19.3%	21.3%
Balances with and loans to other Cis	94,094	134,644	98,320	166,393	Liquid asset/Customer deposit	35.3%	31.7%	24.6%	28.2%
Net Trading securities	12,326	13,111	8,481	10,410					
Loans purchase	822	800	-	-	Profitability				
Loans and advances to customers	566,271	692,876	852,207	1,047,050	ROE	7.3%	11.6%	13.3%	15.5%
Loan provision	(14,799)	(16,330)	(18,619)	(21,434)	ROA	1.2%	1.8%	2.0%	2.2%
Net Investment securities	94,587	52,783	82,683	91,117	NIM	5.7%	5.9%	6.1%	6.1%
Long-term investments	189	189	188	207	NII/TOI	76.7%	78.8%	79.0%	78.3%
Fixed assets	1,924	2,024	2,073	2,135	CIR	28.0%	23.0%	23.0%	23.0%
Investment properties	-	-	-	-					
Other assets	51,446	27,276	46,329	56,176	Valuation				
TOTAL ASSET	817,567	923,848	1,093,009	1,377,921	Basic EPS (VND)	1,257	1,989	2,415	3,236
LIABILITIES	677,771	776,572	925,586	1,183,500	BVPS (VND)	16,969	17,886	20,301	23,537
Deposits of Government and the SBV	4,118	6	3,259	3,933	P/E	15.0x	9.5x	7.8x	5.8x
Deposits and borrowings from other Cis	156,357	201,756	200,269	251,292	P/B	1.1x	1.1x	0.9x	0.8x
Customer deposits	442,368	485,667	651,788	786,595					
Derivatives and other financial liabilities	0	28	28	28					
Agent capital of Cis	22	11	200	251					
Valuable certificates issued	47,787	66,976	42,610	104,705					
Other liabilities	27,118	22,129	27,431	36,697					
EQUITY	139,796	147,275	167,423	194,421					
Common shares	79,339	79,339	79,339	79,339					
Common shares surplus	23,993	23,993	23,993	23,993					
Treasury shares	-	-	-	-					
Other capital	-	-	-	-					
Funds of bank	12,233	14,566	19,051	23,795					
Retained earnings	19,066	24,008	38,683	59,614					
Minorities interest	5,164	5,370	6,358	7,680					
TOTAL LIABILITIES AND EQUITY	817,567	923,848	1,093,009	1,377,921					

Source: VPB Financial Statements, MBS Research

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MBS RECOMMENDATION FRAMEWORK

Stock Ratings

The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.

Add	The stock's total return is expected to reach 15% or higher over the next 12 months
Hold	The stock's total return is expected to be between negative 10% and positive 15% over the next 12 months.
Reduce	The stock's total return is expected to fall below negative 10% over the next 12 months.

Segment Ratings

Positive	Stocks in the segment have, on a market cap-weighted basis, a positive absolute recommendation
Neutral	Stocks in the segment have, on a market cap-weighted basis, a neutral absolute recommendation.
Negative	Stocks in the segment have, on a market cap-weighted basis, a negative absolute recommendation.

ABOUT MBS

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.

Address:

MB Building, 21 Cat Linh, Dong Da Dist., Hanoi

Tel: + 8424 7304 5688 - Fax: +8424 3726 2601

Website: www.mbs.com.vn

MBS RESEARCH DEPARTMENT

Director, Head of Research

Hien Tran Thi Khanh

Deputy Head of Equity Research

Dzung Nguyen Tien

Macro & Market Strategy

Hung Ngo Quoc
Cuong Nghiem Phu
Anh Ha Dinh
Anh Duc Vo

Banking – Financial Services

Luyen Dinh Cong
Hao Nguyen Duc

Real Estate

Duc Nguyen Minh
Thanh Le Hai

Industrials – Energy

Tung Nguyen Ha Duc
Huyen Pham Thi Thanh

Consumer - Retail

Ly Nguyen Quynh