

## Vietcombank (HSX: VCB)

### Solid foundation, attractive valuation

- We expect VCB's net profit in 2025F/2026F to increase by 5.3%/11.6% YoY driven by robust credit growth of 16%/15% YoY, alongside a slight decline in NIM and the recovery in non-interest income.
- Asset quality may deteriorate slightly due to external risks, particularly the imposition of tariffs by the US.
- We recommend ADD on VCB with target price of VND 67,300/share.

#### Stable performance of VCB in 1Q25

In 1Q25, VCB recorded profit before tax (PBT) of VND 10,860 bn (+1% YoY), fulfilling 24.8% of its FY25F target, mainly contributed by 12% increase in Non-Il and 50% decline in provisioning expenses. Credit growth reached 1.2% YTD by the end of 1Q25, improving from -0.3% in 1Q24; while annualized NIM declined by 49 bps YoY to 2.65% due to the expansion of short-term loans with lower asset yield. By the end of 1Q25, asset quality slightly worsened, with the NPL ratio up to 1.03% (+7 bps YTD) and the LLR ratio declining by 7.2 pts % to 216.11%, in line with the industry trend.

#### We project earnings to outperform VCB's FY25F target, but 12% lower than previous forecast, and a slight deterioration in asset quality

We expect net profit to grow by 5.3%/11.6% YoY in 2025/26F, higher than VCB's FY25F target of 3.5% YoY (equivalent to VND 43,714 bn). We lower PBT forecast to picture the actual performance as reflected in 1Q25 and following VCB's plan. VCB's 2025F TOI is projected to improve, supported by strong 16% YoY credit growth – in line with VCB's target, a modest contraction in NIM, and a rebound in non-Il after two consecutive years of decline. Provisioning expenses may be increased YoY based on the absence of significant reversal of credit institution loans. Asset quality in 2025F may slightly deteriorate amid uncertain risks, as reflected in 1Q25 performance, with NPL ratio in 2025F expected to rise by 3bps YoY and the LLR maintaining over 200% to support earnings growth.

#### Maintain ADD for VCB with target price of VND 67,300/share, revised down 7% from the previous report.

Following great sell-off after the initial U.S. tariff announcement, VCB's current P/B is currently traded at 2.28, 22% lower than average 3-year P/B, marking an attractive valuation. As revising down earnings forecast and target P/B by 28% given considerable changes since early-April, we recommend ADD on VCB with target price of VND 67,300/share, 9% lower than previous one, based on a combination of residual income and P/B methods. Investment risk includes 1) lower-than-expected credit growth, 2) more compressed NIM, and 3) more severe impact of US tariffs on Vietnam.

Financial indicators	31/12/2024	31/12/2025	31/12/2026	31/12/2027
Net interest income	55,406	59,309	68,118	80,020
<b>Total operating income</b>	<b>68,578</b>	<b>72,925</b>	<b>82,665</b>	<b>95,785</b>
Total provision charges	(3,315)	(3,978)	(5,855)	(6,990)
<b>Net profit</b>	<b>33,831</b>	<b>35,558</b>	<b>39,688</b>	<b>46,039</b>
Net Interest Margin (NIM)	2.85%	2.70%	2.75%	2.85%
Deposit growth	8.52%	8.00%	10.00%	11.00%
Customer loan growth	13.87%	16.03%	14.97%	13.98%
Net profit growth	2.42%	5.10%	11.61%	16.00%
BVPS	35,106	27,386	31,750	36,843
P/B	2.38	2.04	2.11	1.82

Source: VCB, MBS Research

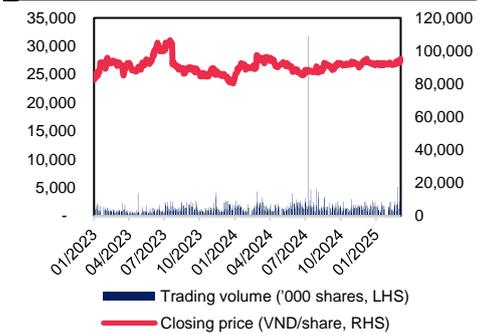
ADD

**Target price** **67,300 VND**  
*Upside* 20.4%

#### Key changes in the report

- Revise down FY25F PBT growth forecast by 12%
- Lower target P/B by 28%

#### Information



Source: MBS Research

Market price (VND)	55,900
High 52w (VND)	67,300
Low 52w (VND)	52,500
Market cap (VND bn)	467,082
P/E (TTM)	13.76
P/B	2.28
Dividend yield (%)	0.00
Foreign ownership (%)	22.10

Source: <https://s24.mbs.com.vn/>

#### Ownership structure

State Bank	74.80%
Mizuho Bank Ltd	15.00%
GIC Private Ltd	1.67%

Source: <https://s24.mbs.com.vn/>

#### Analyst

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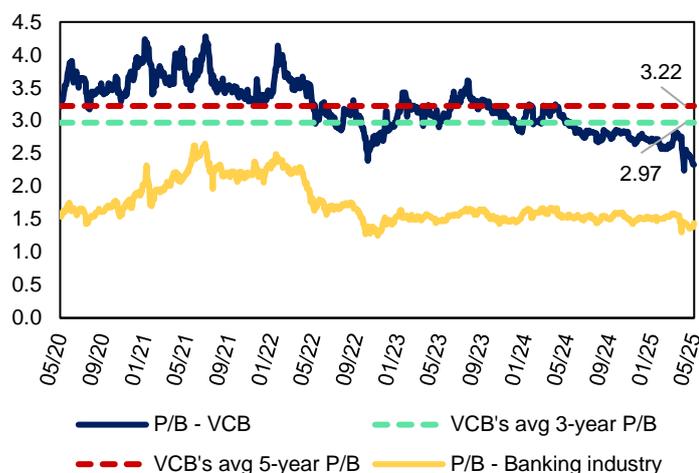
# Investment thesis & Valuation

## Investment thesis

We favor VCB for (1) its leading position in earnings scale within the banking sector; (2) robust asset quality, backed by a strong provision buffer through proactive provisioning and write-offs, and the lowest credit cost among large and mid-sized banks; (3) strong credit growth of 16%/15% YoY in 2025F/2026F, along with the rebound of Non-II; and (4) attractive valuation.

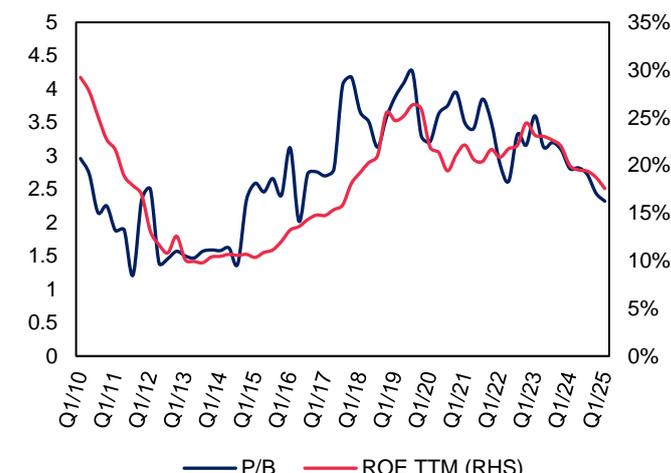
## Valuation

Figure 1: P/B is currently traded 22% lower than average 3-year P/B



Source: MBS Research

Figure 2: Quarterly ROE TTM and P/B



Source: MBS Research

VCB is currently traded at P/B of 2.1x of BVPS 2025F, 30% lower than average 3-year P/B of 3.0x. With a valuation of VND 67,300/share based on a combination of residual income and P/B methods, revised down 7% from the previous report as lowering earnings forecast and target P/B by 28%, we recommend ADD on VCB with a 20.4% upside potential:

- Residual Income Method:** We use the residual income method, as the majority of the bank's value depends on the book value at the time of valuation. Therefore, the bank's valuation will closely reflect the actual book value and be less volatile with changes in forecasting conditions.
- P/B Valuation Method:** We revise down the target P/B by 28% compared to previous report, down to 2.5 given (1) considerable changes in market price since early-April, (2) the lower FY25F earnings growth than expected. Over the past three years, VCB has traded at a 92% premium to the sector average, supported by its leading earnings scale and strong asset quality, however, the premium has been narrowing recently. Our target P/B reflects a 15% discount to the bank's 3-year average given 1) VCB's 2025F PBT growth target (+3.5% YoY) is lower than the sector average (~18% YoY), and 2) its 2025F ROE is 23% below its 3-year average.

Figure 3: RI valuation

Assumptions	2025F	2026F	2027F	2028F	2029F	2030F
Risk free rate	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Equity risk premium	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%
Beta	0.68	0.68	0.68	0.68	0.68	0.68

Cost of equity	9.4%	9.4%	9.4%	9.4%	9.4%	9.4%
Long-term growth rate						3.0%
<i>(in VND bn, otherwise noted)</i>						
RI	17,142	18,211	21,139	25,029	28,237	27,454
PV of Residual income	15,672	15,220	16,152	17,482	18,031	16,027
Opening shareholder's equity	196,209					
PV of Residual income	98,583					
PV of terminal value	258,513					
Implied EV	553,304					
No. of outstanding shares (mn shares)	8,356					
Implied value per share (VND/share)	66,200					

Source: VCB, MBS Research

Figure 4: Blended target price

Valuation Summary	Target price	Weight	Weight price (VND)
Residual Value Method	66,200	50%	33,100
P/B method (P/B target = 2.5x)	68,464	50%	34,232
<b>Target price</b>			<b>67,300</b>
Current Price			55,900
<b>Upside</b>			<b>20.4%</b>

Source: VCB, MBS Research

Figure 5: Peer comparison

Banks	Market cap VNDbn	P/E		P/B		Net profit growth		ROE		ROA	
		2025F	2026F	2025F	2026F	2025F	2026F	2025F	2026F	2025F	2026F
ACB	107,613	5.9x	4.6x	1.1x	0.9x	9.0%	28.4%	19.8%	21.2%	1.9%	2.1%
BID	247,503	9.0x	7.5x	1.4x	1.2x	9.4%	20.0%	17.3%	17.6%	0.9%	1.0%
CTG	204,060	7.1x	7.4x	1.2x	1.0x	12.8%	-3.2%	17.9%	15.1%	1.1%	1.0%
EIB	43,029	12.4x	11.1x	1.5x	1.3x	4.6%	11.8%	13.0%	12.7%	1.4%	1.4%
HDB	74,969	4.6x	3.6x	1.1x	0.8x	26.6%	25.9%	26.8%	26.0%	2.1%	2.1%
LPB	93,353	8.0x	6.8x	1.7x	1.4x	19.9%	17.8%	23.9%	22.6%	2.1%	2.2%
MBB	147,980	5.7x	4.4x	1.1x	0.9x	14.0%	31.5%	20.1%	21.5%	2.0%	2.2%
OCB	26,507	7.6x	6.1x	0.8x	0.7x	9.4%	24.7%	10.4%	11.6%	1.2%	1.3%
STB	79,085	7.3x	6.6x	1.2x	1.0x	6.9%	10.9%	17.9%	16.9%	1.4%	1.5%
TCB	210,179	8.5x	7.0x	1.2x	1.0x	15.2%	21.1%	15.9%	16.4%	2.3%	2.3%
TPB	34,478	4.8x	4.2x	0.8x	0.9x	18.2%	14.1%	18.0%	17.7%	1.6%	1.7%
VCB	467,082	13.1x	11.8x	2.0x	1.8x	5.1%	11.6%	16.7%	16.1%	1.6%	1.6%
VIB	53,177	6.5x	5.0x	1.1x	0.9x	13.1%	30.7%	18.2%	19.5%	1.5%	1.6%
VPB	141,621	7.4x	5.5x	0.9x	0.8x	26.3%	33.6%	13.3%	15.5%	2.0%	2.2%
Avg (excluding SOCBs)		7.2x	5.9x	1.1x	1.0x	14.8%	22.8%	17.9%	18.3%	1.8%	1.9%
<b>Avg.</b>		<b>7.7x</b>	<b>6.5x</b>	<b>1.2x</b>	<b>1.0x</b>	<b>17.7%</b>	<b>19.7%</b>	<b>17.8%</b>	<b>17.9%</b>	<b>1.7%</b>	<b>1.7%</b>

Source: Fiinpro, MBS Research

### Investment risk

- 1) The targeted credit growth may not be met due to slower-than-expected economic growth.
- 2) The low lending interest rate may persist for longer period of time, which may compress on the NIM of VCB.
- 3) Higher tariff imposed by the US aims at Vietnam exporters.

## Vietcombank

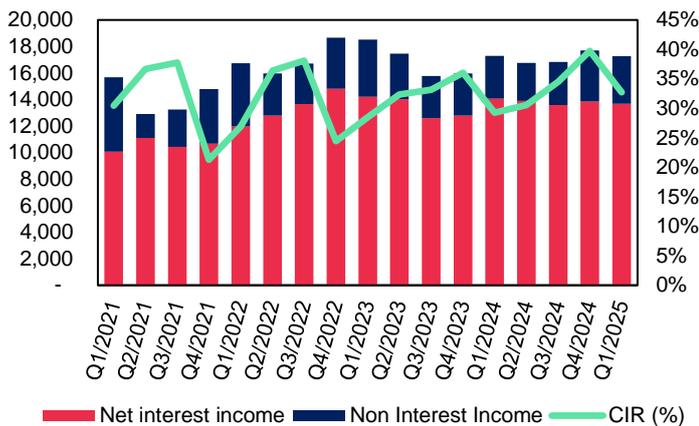
### 1Q25 Business Performance: Strong non-II growth and lower provisioning supported earnings

Figure 6: 1Q25 business performance

(Unit: VND bn)	1Q25	1Q24	% YoY	% MBS's forecast	Assessment
Net interest income	13,687	14,078	-2.8%	23%	Despite a higher credit growth of 1.2%, NIM declined by 49 bps YoY in 1Q25, leading to a 2.9% YoY decrease in NII.
Non-interest income	3,578	3,202	11.7%	26.5%	Non-II recovered by 11.7% YoY, primarily driven by a 69% YoY surge in income from FX trading, which offset the continued decline in NFI
<b>Operating income</b>	<b>17,265</b>	<b>17,280</b>	<b>-0.1%</b>	<b>23.7%</b>	
Operating expense	(5,652)	(5,054)	11.8%	23.3%	OPEX rose by 11.8% YoY, primarily driven by higher staff expenses.
<b>POPP</b>	<b>11,612</b>	<b>12,226</b>	<b>-5.0%</b>	<b>23.8%</b>	
Provisioning expenses	(752)	(1,508)	-50.1%	17.1%	Provisioning expense dropped sharply by 50.1% YoY, mainly due to the reversal of provisions previously made for other credit institutions
<b>Profit before tax</b>	<b>10,860</b>	<b>10,718</b>	<b>1.3%</b>	<b>24.5%</b>	Fulfilling 24.8% of its FY25F target
<b>Net profit</b>	<b>8,696</b>	<b>8,580</b>	<b>1.4%</b>	<b>24.6%</b>	
Credit growth (YTD)	1.2%	-0.3%	1.5 % pts		Credit growth in 1Q25 outpaced that of 1Q24, supported by a lower interest rate environment and VCB's proactive participation in government-backed credit programs aimed at stimulating economic activity.
Deposit growth (YTD)	-0.4%	-3.5%	3.1 % pts		
NIM	2.7%	3.1%	-0.5 % pts		Asset yield in 1Q25 declined by 61 bps YoY, while the cost of funds fell by only 15 bps YoY, resulting in a NIM contraction to 2.7%, down 14 bps compared to that in 4Q24.
CIR	32.7%	29.2%	3.5 % pts		Despite declining YoY, CIR fell sharply by 7 pts% compared to that in 4Q24 (39.8%)
CASA	34.3%	33.8%	0.5 % pts		Although CIR declined on a YoY basis, it dropped significantly by 7 % pts from 4Q24, reaching 39.8%.
NPL	1.0%	1.2%	-0.2 % pts		The NPL ratio declined on a YoY basis but increased by 7 bps YTD
LLR	216.1%	199.8%	16.3 % pts		
ROAE	17.9%	20.5%	-2.6 % pts		
ROAA	1.7%	1.8%	-0.1 % pts		

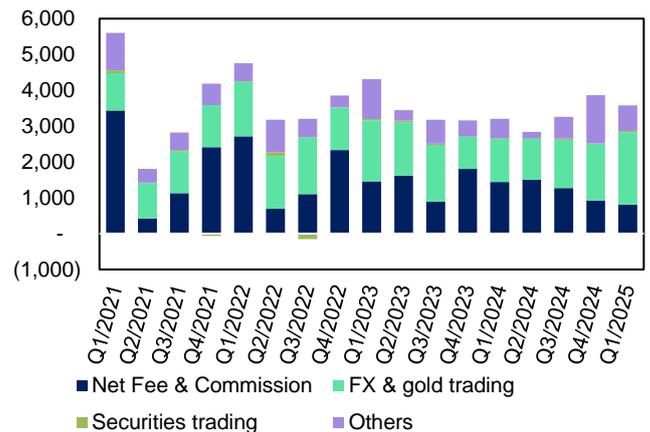
Source: VCB, MBS Research

**Figure 7: CIR in 1Q25 dropped sharply by 7 ppts from the 4Q24 peak but remained elevated YoY.**



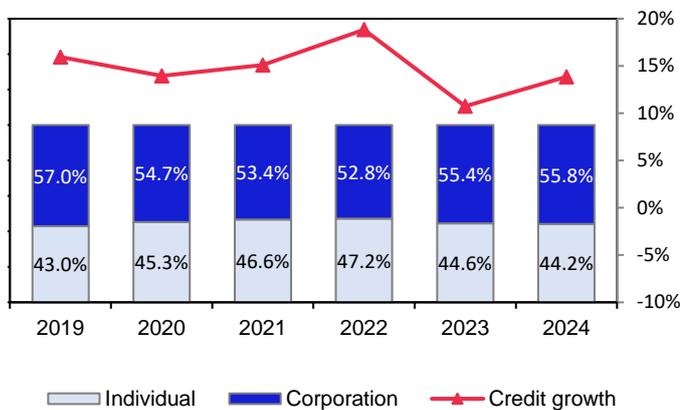
Source: VCB, MBS Research

**Figure 8: FX trading increased by 69% YoY, while net fee income declined by 44% YoY**



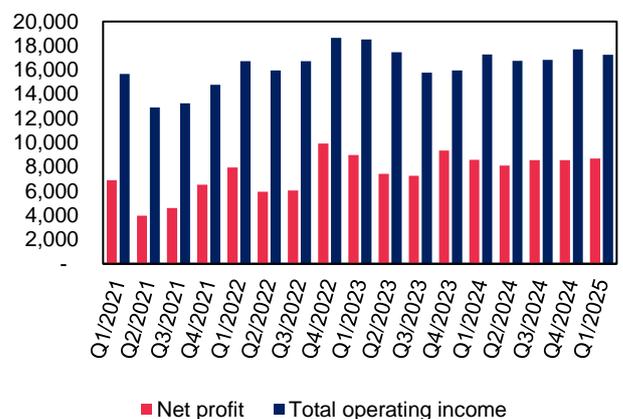
Source: VCB, MBS Research

**Figure 9: VCB's credit growth was mainly contributed by corporate lending**



Source: VCB, MBS Research

**Figure 10: VCB's net profit and total operating income in 4Q24 increased slightly QoQ**



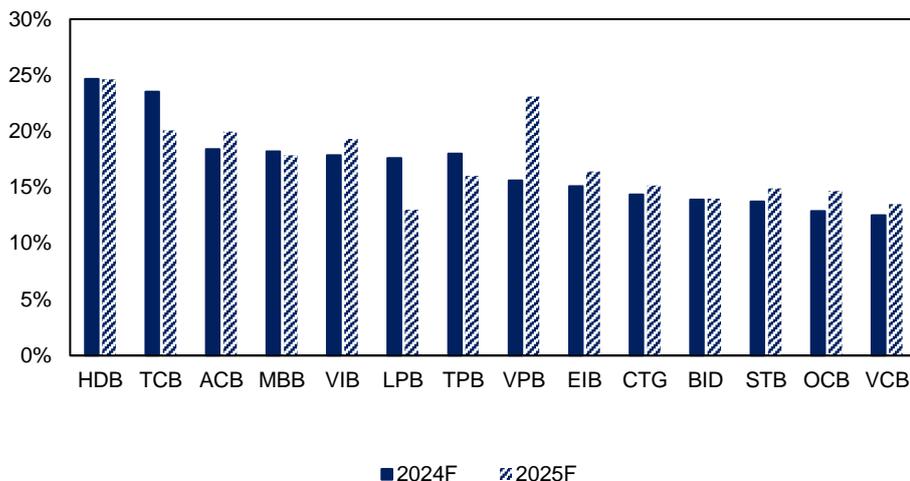
Source: VCB, MBS Research

## Business outlook in 2025-2026F

**We expect VCB's credit growth of 16%/15% during 2025/2026F**

VCB's credit growth in 2024 reached 13.9% (+313 bps YoY) while the overall credit growth reached 15.08%, primarily driven by a 16% YoY increase in corporate loans, while retail lending gained momentum from 2Q24. FDI corporate loans saw a remarkable 35% YTD growth, followed by large corporate loans (+18% YTD), with both short- and long-term financing directed toward key projects in electricity, steel production, and automobiles. Regarding individual loans, mortgage reversed the declining trend and increased by 3% in 4Q24, while business loans and consumption loans experienced a positive growth of 10%/60%, respectively. In 1Q25, VCB recorded credit growth of 1.2%, remarkably higher than in 1Q24 (-0.3% YTD), and over sector credit growth when including loans transfer to VCB Neo.

Figure 11: VCB’s credit growth reached 13.9% in 2024, lower than the average (17.7%) and is expected to reach 16% YoY in 2025F.



Source: Banks, MBS Research

We expect credit growth of VCB in 2025 to be 16% YoY, thanks to:

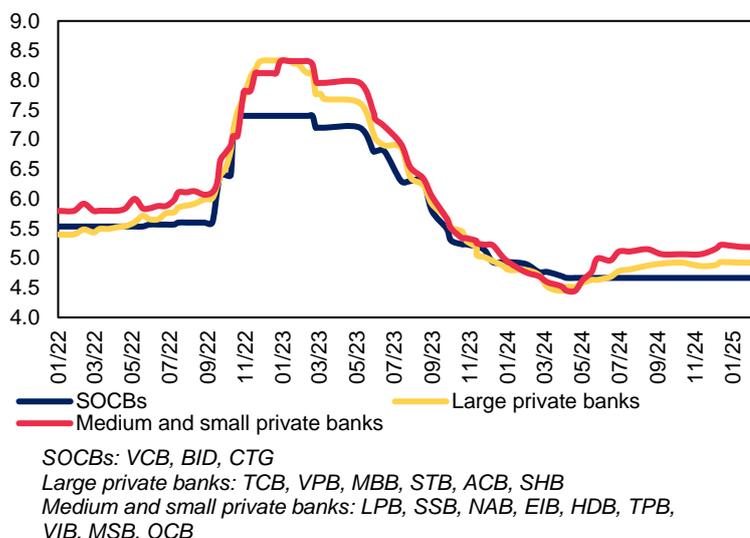
- VCB has maintained a strong position in the corporate banking segment for many years. The growth will be driven pretty equally by corporate and retail loans. For corporate loans, large and mid corporations are 2 key drivers, coming from sectors such as production and business, and key national projects such as transportation, infrastructure, seaports, energy. The outlook for individual loans remains promising through the end of 2025, with an anticipated 15.1% YoY growth, mainly driven by mortgage and business loans. The residential market is expected to gain momentum under favorable conditions, including low lending rates and regulatory changes in three key real estate laws in 2024, which could further accelerate mortgage lending. Additionally, the National Assembly's GDP growth target of 8% may create a conducive environment for increased lending in manufacturing and consumption.
- As one of the four SOCBs, VCB often pioneers in participating in government-backed credit programs designed to stimulate economic activity. Since April 2025, VCB has launched multiple credit packages with preferential interest rates, targeting individual and SME customers, and also aiming at encouraging mortgage lending. The recovery of the residential real estate market, supported by three amended laws effective from 2024, is expected to boost mortgage lending at VCB, especially under the low interest rate environment.
- Furthermore, the acceleration of public investment in 2025, driven by key infrastructure projects such as the North-South Expressway, Long Thanh Airport, and Ring Roads 3 and 4, is expected to be another significant catalyst for credit growth, particularly benefiting state-owned banks like VCB.

Overall, we expect VCB’s credit growth to reach 16% YoY in 2025F, with corporate lending as the primary driver while maintaining steady expansion in individual lending.

**We expect VCB may experience a NIM compression during the low interest rate environment to support economic activities.**

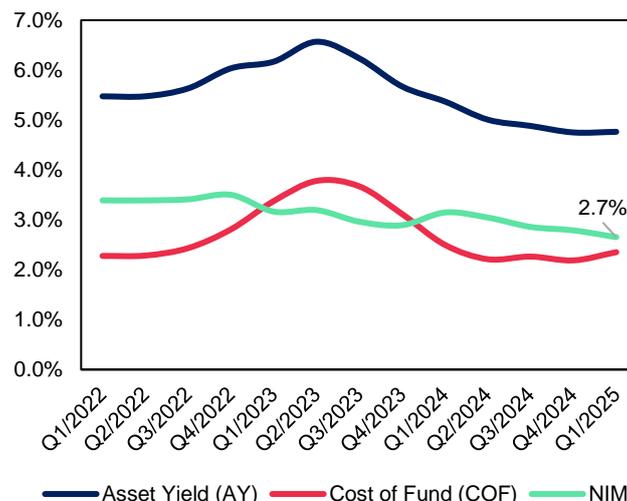
- In 2024, VCB’s NIM fell to 2.86% (-10 bps YoY), marking its lowest level in the past six years, given the greater decline in asset yield (AY) compared to that of cost of funds (CoF). NIM was continuously compressed to 2.7%, down 14 bps QoQ and 61 bps YoY driven by the expansion in short-term loans proportion, and a shift of funding mix towards term deposit with higher COF.
- NIM may improve in the remainder of 2025 compared to annualized NIM in 1Q25, supported by the strategy of improving medium- and long-term lending to mitigate margin pressure, and balancing controlling the safety ratio and utilizing lending activities. Looking ahead, with the banking sector playing a crucial role in supporting economic growth targets, interest rates are expected to remain low, especially to SOCBs. In 2025, commercial banks may be required to keep deposit rates stable at low levels while making further efforts to reduce lending rates. Accordingly, we anticipate slight NIM decline in FY25F, reaching 2.70% (-15 bps YoY), as VCB maintains the low lending interest rate for a long time aiming at supporting the economy.

**Figure 12: SOCBs remain the 12-month deposit interest rate, while other banks have lower deposit interest rates slightly since Feb-2025**



Source: Banks, MBS Research

**Figure 13: VCB’s NIM in 1Q25 decreased 14 bps QoQ and 49 bps YoY, achieving 2.65%**



Source: VCB, MBS Research

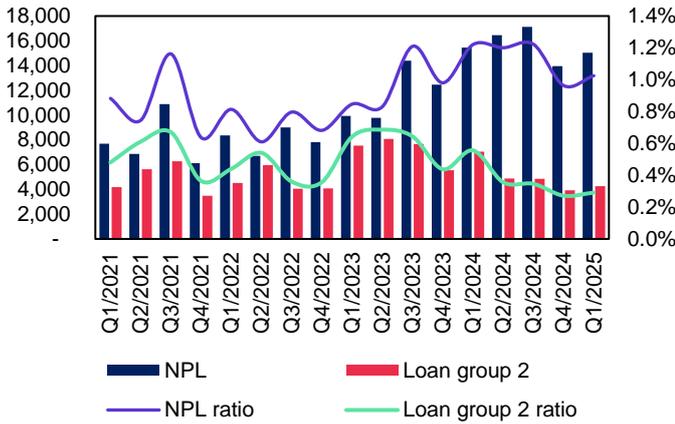
**Asset quality will slightly deteriorate in 2025F amidst uncertain risks, following the situation reflected in 1Q25 performance**

- By the end of 2024, VCB’s NPL ratio continued its downward trend since 2022, reaching 0.92% (-4 bps YoY). However, by the end of 1Q25, asset quality slightly deteriorated YTD, in line with the industry trend. The NPL ratio rose to 1.03% (+7 bps YTD) and the loans group 2 ratio increased by 2 bps to 0.29%. The LLR ratio declined by 7.2 pts % YTD to 216.11%.
- Following the asset quality fluctuation in 1Q25, we anticipate NPL ratio will mount to 0.99% (+3 bps YoY). Regarding to risk for VCB’s portfolio due to tariff, we expect a slight impact because we expect lower official tariff on Vietnam’s product exports than initially announced due to Vietnam’s endeavor to negotiate with the US, and most of VCB’s

customers have strong financial health and have their plans for different scenarios of tariffs.

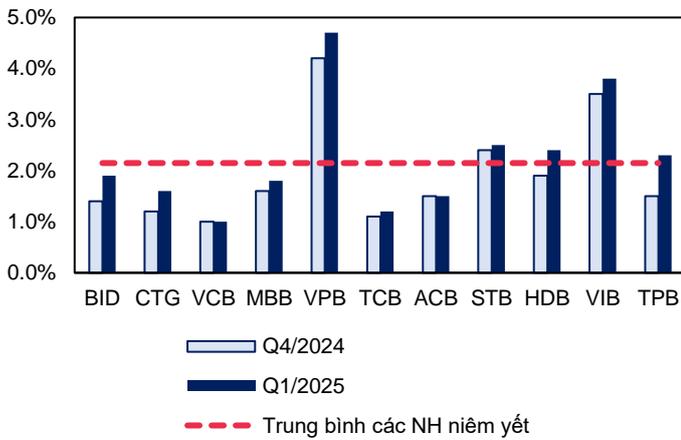
- VCB remains the leader in credit cost efficiency among large and mid-sized banks. The bank aims to sustain this advantage by reinforcing its balance sheet, proactively writing off VND 2–3 trillion in bad debt, and maintaining an LLR ratio above 200%.

Figure 14: NPL ratio and Group 2 loan ratio increased YTD



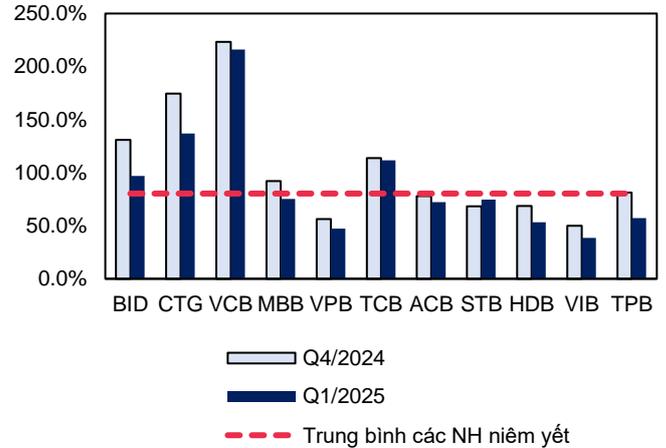
Source: VCB, MBS Research

Figure 15: Almost all banks recorded NPL ratio in 1Q25 to rise YTD



Source: Banks, MBS Research

Figure 16: Almost all banks recorded LLR ratio in 1Q25 to decline YTD



Source: Banks, MBS Research

## Earnings forecast 2025-26F: We forecast VCB's net profit to increase by 5.3%/11.6% YoY in 2025/26F

Figure 17: 2025-26F earnings forecast

	2024	2025F	% YoY	2026F	% YoY	Comments
Net interest income	55,406	59,309	7.0%	68,118	14.9%	We expect VCB's strong credit growth in 2025 will reach 16%, offsetting a decline in NIM
Non-interest income	13,173	13,616	3.4%	14,547	6.8%	Non-II is expected to slightly rebound in 2025, as the improvement in other income, except for NFI.
Operating income	68,578	72,925	6.3%	82,665	13.4%	
Operating expense	(23,027)	(24,472)	6.3%	(27,172)	11.0%	We expect VCB to optimize its operations while prioritizing efforts to achieve strong credit growth.
POPP	45,551	48,453	6.4%	55,493	14.5%	
Provisioning expenses	(3,315)	(3,978)	20.0%	(5,855)	47.2%	We expect provisioning expense may increase in 2025 as the increase in NPL and absence of a significant amount of loans reversal like in 2023 and 2024.
Profit before tax	42,236	44,475	5.3%	49,638	11.6%	MBS' forecast is in line with VCB's plan
Net profit	33,831	35,558	5.1%	39,688	11.6%	
Credit growth (YTD)	13.9%	16%	2.2%	15.0%	-1.1%	We expect the credit growth in 2025 will be mainly supported by the low interest rate environment, robust public investment disbursement and the recovery of real estate market
Deposit growth (YTD)	8.5%	8.0%	-0.5%	10.0%	2.0%	
NIM	2.9%	2.70%	-0.2%	2.75%	0.0%	NIM may slightly decline as VCB still maintains the lowest lending rate to support economic activities
CIR	33.7%	33.6%	-0.2%	32.9%	-0.7%	
CASA	35.8%	36.4%	0.5%	35.7%	-0.7%	
NPL	0.96%	0.99%	0.0%	0.94%	0.0%	The NPL ratio may be affected by lending to export-related and FDI corporations
LLR	223.3%	203.3%	-20.0%	198.2%	-5.1%	
ROAE	18.7%	16.7%	-2.0%	16.1%	-0.7%	
ROAA	1.7%	1.6%	-0.1%	1.6%	0.0%	

Source: VCB, MBS Research

## Financial statement

Income statement	31/12/2024	31/12/2025	31/12/2026	31/12/2027	Financial ratios	31/12/2024	31/12/2025	31/12/2026	31/12/2027
Interest and Similar Income	93,655	106,004	124,466	149,064	Deposit growth	8.5%	8.0%	10.0%	11.0%
Interest and Similar Expenses	(38,249)	(46,695)	(56,348)	(69,044)	Credit growth	13.9%	16.0%	15.0%	14.0%
<b>Net interest income</b>	<b>55,406</b>	<b>59,309</b>	<b>68,118</b>	<b>80,020</b>	Total Asset Growth	13.4%	12.5%	13.1%	13.0%
<b>Total Non-Interest Income</b>	<b>13,173</b>	<b>13,616</b>	<b>14,547</b>	<b>15,765</b>	Net interest income growth	3.3%	7.0%	14.9%	17.5%
Total operating income	68,578	72,925	82,665	95,785	Non-interest income growth	-6.6%	3.4%	6.8%	8.4%
Total operating costs	(23,027)	(24,472)	(27,172)	(31,217)	Net profit growth	2.4%	5.1%	11.6%	16.0%
<b>Pre-provision operating profit (PPOP)</b>	<b>45,551</b>	<b>48,453</b>	<b>55,493</b>	<b>64,568</b>	Loans-to-Deposits (LDR)	83.0%	87.7%	90.9%	91.3%
<b>Provision for credit losses</b>	<b>(3,315)</b>	<b>(3,978)</b>	<b>(5,855)</b>	<b>(6,990)</b>	Net Interest Margin (NIM)	2.9%	2.7%	2.7%	2.9%
Profit before tax	42,236	44,475	49,638	57,578	Cost of Operation/Income (CIR)	33.7%	33.6%	32.9%	32.6%
Net profit for the year	33,853	35,580	39,710	46,062	Credit costs	0.2%	0.2%	0.2%	0.2%
<b>Minority interest</b>	<b>96</b>	<b>97</b>	<b>97</b>	<b>97</b>	Non-performing loan ratio (NPL)	1.0%	1.0%	0.9%	0.9%
<b>Net profit for parent company</b>	<b>33,831</b>	<b>35,558</b>	<b>39,688</b>	<b>46,039</b>	Loan Loss Reserve Ratio (LLR)	223.3%	203.3%	198.2%	198.5%
<b>Balance sheet</b>	<b>31/12/2024</b>	<b>31/12/2025</b>	<b>31/12/2026</b>	<b>31/12/2027</b>	ROAE	18.7%	16.7%	16.1%	16.1%
<b>Total gross loans</b>	<b>1,840,151</b>	<b>2,091,189</b>	<b>2,383,332</b>	<b>2,711,948</b>	ROAA	1.7%	1.6%	1.6%	1.6%
Total securities items	223,193	235,692	250,611	266,166	EPS	4,855	4,258	4,752	5,513
Total reserves	(32,462)	(34,099)	(36,382)	(39,258)	Book value/share	35,106	27,386	31,750	36,843
<b>Total net earning assets</b>	<b>2,030,882</b>	<b>2,292,783</b>	<b>2,597,560</b>	<b>2,938,856</b>	P/B	2.38	2.04	2.11	1.82
Total non-earning assets	54,991	62,015	70,199	79,371					
<b>Total assets</b>	<b>2,085,874</b>	<b>2,346,110</b>	<b>2,653,492</b>	<b>2,999,198</b>					
Customer deposits	1,514,665	1,635,838	1,799,422	1,997,358					
Deposits from other credit institutions	234,534	273,814	317,908	403,570					
<b>Total liabilities</b>	<b>1,889,664</b>	<b>2,067,360</b>	<b>2,289,739</b>	<b>2,600,315</b>					
Charter capital	55,891	83,557	83,557	83,557					
Retained earnings	98,332	97,949	128,465	164,110					
<b>Total equity</b>	<b>196,209</b>	<b>228,827</b>	<b>265,296</b>	<b>307,847</b>					
Minority interests	96	97	97	97					
<b>Total liabilities and equity</b>	<b>2,085,874</b>	<b>2,346,110</b>	<b>2,653,492</b>	<b>2,999,198</b>					

Source: VCB, 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.

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*Anh Nguyen Phuong*

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*Tung Nguyen Ha Duc*