HDBank (HSX: HDB)

Raising target price in line with banking sector valuation

- 2025 NPAT is estimated at VND 17,420 bn, achieving 103.6% of the full-year business plan, driven by solid 1H25 NPAT growth of 24.3% yoy, completing 47.5% of the annual target.
- Provision expenses in 2025 are expected to increase 64.3% yoy, aimed at bringing the NPL ratio below 2% by year-end and raising the LLR to 63.5%.
- We maintain our **ADD** recommendation for **HDB** and revise our target price upward to **VND 39,450/share**. In addition to strong earnings results and a positive profit growth outlook, the recent rally of the stock market, which has lifted the banking sector's P/B multiple above 1.5x, also contributes to this adjustment.

Earnings momentum in 1H25 supports full-year guidance

Total operating income (TOI) in 1H25 reached VND 20,840bn (+29.9% yoy), of which net interest income and non-interest income rose 15.8% and 210.2% yoy, respectively. Credit growth reached 15.3% by end-2Q25, with Q2 alone rising 14.0% qoq. This strong growth supported NII, despite NIM staying flat yoy at 5.8%. Notably, NIM recovered well in 2Q25 from a low of 4.7% in 1Q25. Non-interest income increased sharply thanks to an over 3.5x increase in fee income yoy, along with 42% yoy growth in NPL recovery's income. Provision expenses in 1H25 were VND 5,466bn (+128.1% yoy). Net profit after tax (NPAT) reached VND 8,034bn (+24.3% yoy), fulfilling 47.5% of the full-year plan and MBS's forecast.

We expect NPAT in 2025-26F to reach VND 17,420bn and VND 23,401bn, up by 31.5% and 34.3% yoy. Forecasted 2025/26F credit growth of 32.1% and 27.6% respectively together with NIM above 5% will be the main drivers of profit growth.

Asset quality on track with plan

By end-2Q25, the NPL ratio and Group 2 debts stood at 2.54% and 3.94%, up by 61bps and down by 79bps YTD respectively. LLR dropped to 47.2% as provision utilization ratio in 1H25 reached 105.7%, much higher than 81% in the same period last year. We expect year-end NPL ratio at 1.9% and LLR at 63.5%, assuming provisioning in 2H25 increased by 12.0% yoy and full-year utilization reaches 98%.

Recommendation: ADD - target P/B raised to 1.7x

We revise up our 12-month target price for HDB to **VND 39,450/share**, mainly by increasing the target P/B to 1.7x, applied to the average 2025-26 book value. The positive equity market performance has lifted the banking sector's valuation to ~1.5x. We believe HDB deserves a premium P/B compared to the sector average with its strong profit growth potential and sustainable ROE above 20%.

Figure 1: Financial indicators (Unit: VND billion)

Financial indicators	31/12/23	31/12/24	31/12/25	31/12/26
Total operating income	26,414	34,032	43,217	55,859
Net profit	22,184	30,857	37,228	48,684
NIM	5.1%	5.5%	5.1%	5.2%
Provision expense	4,268	5,321	8,746	8,514
NPAT	10,336	13,248	17,420	23,402
NPAT growth	*25.9%*	*28.2%*	*31.5%*	*34.3%*
Credit growth	31.8%	27.0%	32.1%	27.6%
Deposit growth	51.0%	15.7%	29.0%	27.6%
BVPS	12,723	15,591	20,452	26,983
P/B	2.5x	2.0x	1.6x	1.2x

Source: HDB, MBS Research

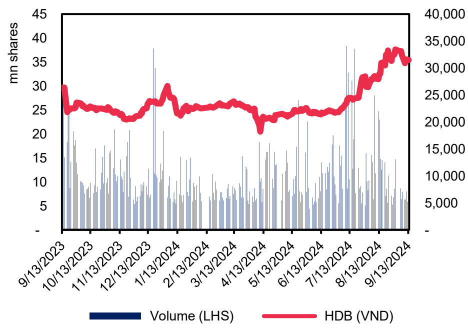
ADD

Target price	VND 39,450
Upside	*+26.2%*

Key changes in the report

Raise target P/B to 1.7x in line with improvements in sector-wide valuation.

Information



Source: FiinProX, MBS Research

Market price (VND)	31,250
High 52w (VND)	33,450
Low 52w (VND)	18,200
Market cap (VND bn)	110,094
P/E (TTM)	1.8x
P/B (TTM)	7.2x
Dividend yield (%)	0.00%
Foreign ownership (%)	17.22%

Source: FiinproX, VSD

Ownership structure (11/09/2025)

Sovico Group JSC	12.86%
Phạm Văn Đẩu	4.28%
Nguyễn Thị Phương Thảo	3.73%
Đào Duy Tường	2.73%
HCMC Finance and Investment State-Owned Company	2.67%

Analyst

Dinh Cong Luyen
Luyen.dinhcong@mbs.com.vn

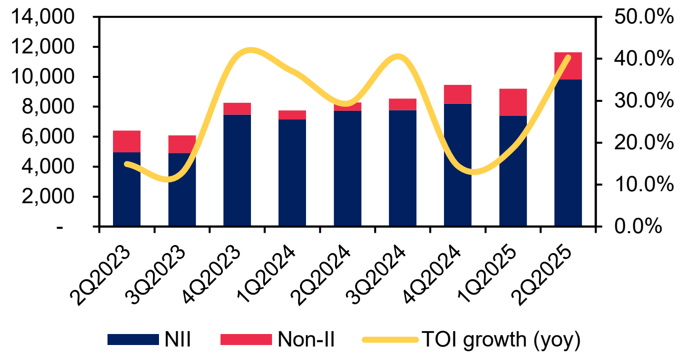
Robust credit growth and NIM recovery in 2Q25 supported profit growth in 1H25

Figure 2: Update of 2Q25 and 1H25 business performance (Unit: VND bn)

Indicators	2Q2025	% yoy	1H2025	% yoy	% MBS' forecast	Assessment
Operating income	11,636	40.3%	20,840	29.9%	51.9%	
Net interest income	9,819	27.2%	17,227	15.8%	47.8%	The recovery of NIM and robust credit growth in 2Q25 drove solid yoy growth in net interest income for 1H25
Non-interest income	1,817	217.0%	3,613	210.2%	87.8%	Non-interest income in 2Q25 and 1H25 rebounded across all business segments, with fee income surging nearly 3.5 times yoy in 1H25, gold & FX trading up more than 26.5% yoy, and income from debt resolution rising 87.2% yoy
Provision expenses	4,141	267.7%	5,466	128.1%	88.4%	Provision expenses were stepped up in 2Q25 with the target of bringing LLR to around 70% by end-2025 according to plan.
Profit before tax	4,713	13.9%	10,068	23.3%	48.1%	NPAT in 1H25 completed 47% of the full-year target.
Credit growth (YTD)	15.3%	235 bps				Credit growth in 2Q25 was exceptionally strong, rising 14% qoq, which lifted 1H25 credit growth to over 15%, fulfilling 50% of the full-year guidance. Outstanding balances in the value chain financing segment in rural areas, HDB's key business driver, also posted solid growth of 17.4% YTD."
Deposit growth (YTD)	7.0%	398 bps				Deposit growth was in line with the industry, with CASA showing improvement. CASA from rural customer segments contributed 75% of HDB's total CASA.
NIM	5.8%	-2 bps	5.2%	-53 bps		NIM in 2Q2025 recovered strongly compared to the previous quarter. Medium- to long-term loans with higher lending rates increased during the quarter, contributing significantly to HDB's NIM recovery.
CIR	23.9%	-1263 bps	25.5%	-1008 bps		The decline in CIR was mainly supported by strong TOI growth, leaving CIR at a highly favorable level compared to the sector average.
CASA	12.4%	255 bps				
NPL	2.5%	44 bps				NPL continued to edge up slightly compared to the previous quarter and the beginning of the year, mainly driven by retail lending. Loan balances in Class-2 urbans and rural areas showed better NPL ratios than the overall portfolio, at just 1.3%
LLR	47.2%	-1163 bps				Despite a sharp increase in provisioning expenses, stronger NPL resolution meant that HDB's LLR still remained well below its target. The provisioning utilization ratio in 2Q25 reached 105.9%
ROE	25.3%	-165 bps				HDB continued to maintain an ROE that outperformed the industry average as well as other top-tier banks.
ROA	2.0%	-15 bps				

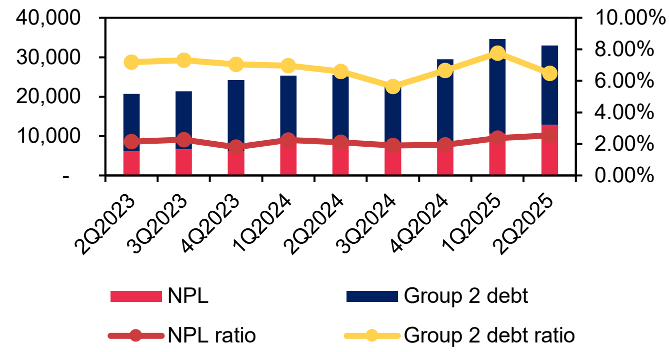
Source: HDB, MBS Research

Figure 3: Quarterly HDB's business results (Unit: VND bn, %)



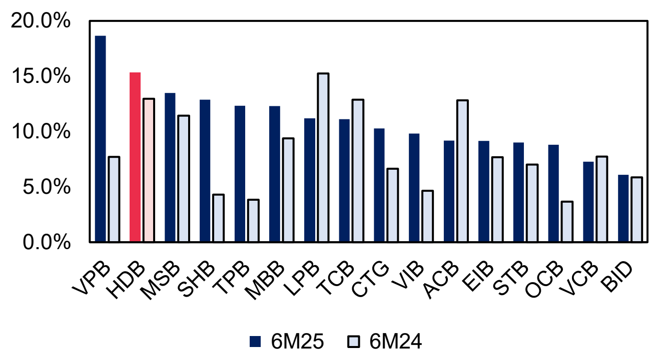
Source: HDB, MBS Research

Figure 4: Quarterly HDB's asset quality (%, VND bn)



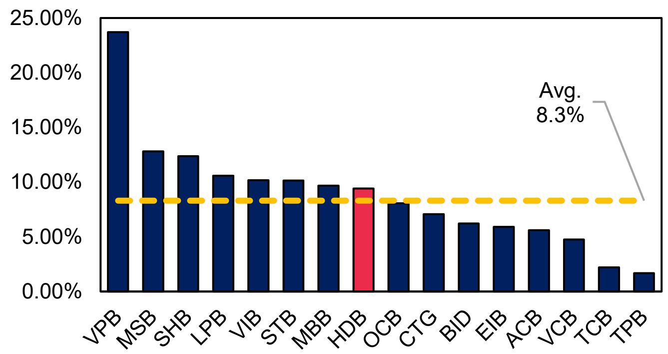
Source: HDB, MBS Research

Figure 5: Quarterly credit growth of listed banks (% YTD)



Source: HDB, MBS Research

Figure 6: Quarterly deposit growth of listed banks (%YTD)



Source: HDB, MBS Research

Profit growth on track, driven by strong 2Q25 recovery

HDB's credit growth will meet its full-year target of 32%.

As of June 30, 2025, credit growth reached 15.0% YTD, well above the sector average of 10% and the 13.0% recorded in the same period last year. Lending to SMEs in Class-1 cities and rural areas rose by 16.4% YTD, now accounting for 40% of total loans.

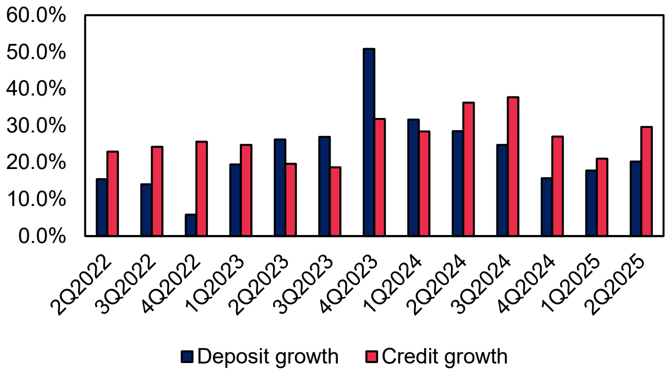
By focusing on household businesses and SMEs, while rolling out value-chain solutions for retail clients in Class-2 cities and rural regions, HDB has built a large market footprint and developed tailored products for each customer segment. At end-2Q25, outstanding loans in these areas exceeded VND 219 trillion, with exposure concentrated in payment-linked products for hospitals, schools, and fuel stations, etc. For retail clients, lending centered on mortgages and salary-linked loans.

HDSaison reported 2.2% YTD credit growth at end-2Q25. Though much lower than the 5.3% in the same period last year, the rebound remains solid and adds depth to HDB's consumer lending platform.

Looking ahead, the SBV's accommodative policy stance in support of an 8% GDP growth target should lift sector-wide credit growth to over 17% in 2025, with joint-stock banks expected to outperform state-owned peers. HDB, together with

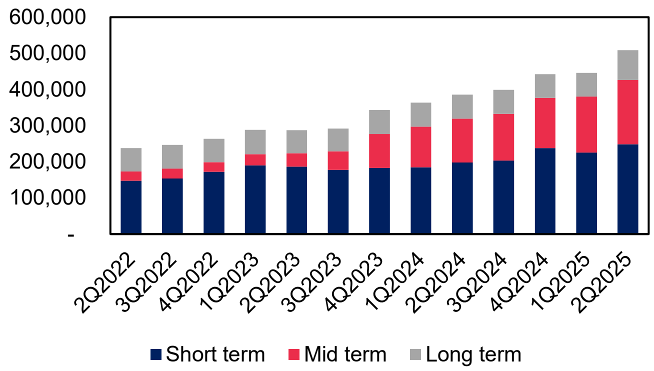
VPB and MBB, has been granted a higher quota due to its involvement in restructuring "zero-price" banks. HDB's current credit quota stands at 35% (43% of the permitted level) achieving 46% of its full-year target. Stronger credit demand in the second half of the year, particularly following tariff adjustments, is expected to drive lending among households and supply chains. Meanwhile, persistently low lending rates will continue to underpin mortgage demand in 2H25. We believe HDB is fully on track to achieve its 32% credit growth target for 2025.

Figure 7: HDB's credit and deposit growth by quarter (%, yoy)



Source: HDB, MBS Research

Figure 8: HDB's quarterly loan portfolio by term (%, VND bn)



Source: Listed banks, MBS Research

NIM showed signs of bottoming out in 1Q25, laying the foundation for the full-year level of over 5%.

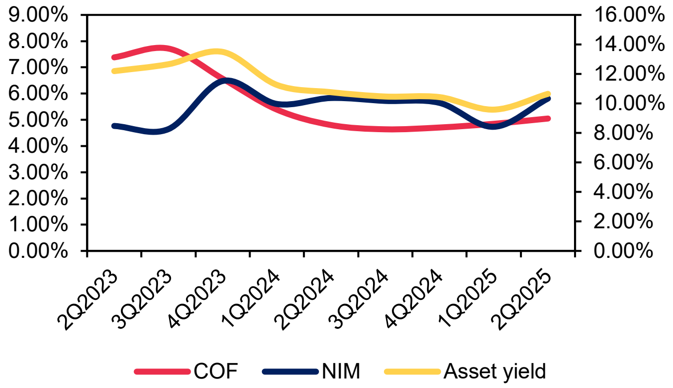
HDB's NIM in 2Q25 reached 5.8%, flat yoy but up 98bps compared to 1Q25. The increase in medium- to long-term lending during the quarter, which carried higher lending rates, was the key driver behind the recovery. Meanwhile, CoF continued to edge up, rising to 5.05% in 2Q25, an increase of 20bps from the previous quarter and 25bps yoy.

According to our observation, HDB's average lending rate remained around 10% through 1Q25 before easing to 9.5% in 2Q25, in line with the industry trend and the SBV's policy direction to support the 8% GDP growth target.

We believe lending rates will likely remain at current levels to support the economy. Meanwhile, the gap between credit growth and deposit growth is expected to persist, which could put mild upward pressure on deposit rates in 2H25, particularly for banks with weaker funding bases. Uncertainties in the macro environment, such as the Fed's policy decisions or interbank market liquidity, may continue to weigh on banks' funding costs. Accordingly, we forecast that NIMs across the sector will remain flat in 2H25 versus 1H25, implying a slight year-on-year contraction for full-year 2025 compared to 2024.

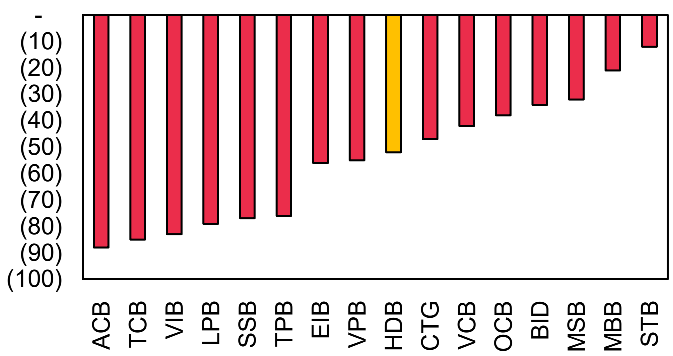
For HDB, the improvement in NIM seen in 2Q25 could provide the foundation for maintaining NIM above 5% for the full year. Stronger credit demand from SMEs following clarity on tariff issues may act as a catalyst for loan growth, thereby supporting NIM recovery. We estimate HDB's NIM to reach 5.1% in 2025 (down 42bps yoy), before recovering modestly to 5.2% in 2026 on the back of stronger credit demand.

Figure 9: HDB's NIM, COF and Asset yield by quarter (%)



Source: HDB, MBS Research

Figure 10: Listed banks' NIM changes in 1H2025 (bps)



Source: HDB, MBS Research

Strengthening provisions and NPL resolution to meet asset quality targets by end-2025

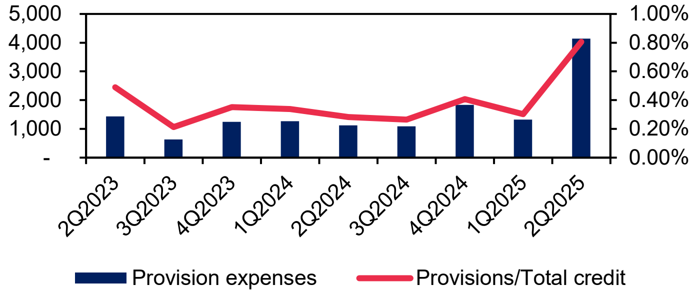
Asset quality at end-2Q25 showed little change compared to end-2024. The NPL ratio inched up to 2.54% as of June 2025 (+61bps YTD), while Group 2 debts declined by 79bps YTD to 3.94%. HDSaison's asset quality remained stable versus both the previous quarter and the beginning of the year, with NPL at 7.4% at end-2Q25.

Provisioning expenses in 2Q25 surged to VND 4,141bn (+267.7% yoy and +212.6% qoq), equivalent to a quarterly credit cost of 3.41%, nearly triple the FY2024 level. Despite solid credit growth, asset quality has yet to show clear signs of improvement, prompting HDB to strengthen both provisioning and provision utilization in 2Q25 to stay on track with full-year asset quality targets. The loan loss coverage ratio (LLR) fell sharply to 47.2% at end-2Q25, compared with 68.7% at end-2024. Cumulatively, provisions reached VND 5,466bn in 1H25 (+128.1% YoY), with provision utilization at 105.7%.

In 2H25, we expect pressure from rising NPLs to ease, supported by stronger credit growth skewed toward SMEs, which typically have higher credit demand and better asset quality than retail customers. The increasing share of medium- to long-term loans, particularly those tied to supply-chain financing, should also help stabilize NPLs in a more favorable macro environment, especially once the tariff landscape becomes more transparent. Although HDSaison's cash loan portfolio remains large and is expanding rapidly, these loans are restricted to loyal customers with solid credit histories and are not extended to new borrowers. As such, we believe HDSaison's NPL ratio will stay around 7.5% by end-2025, thereby having a negligible impact on HDB's NPL.

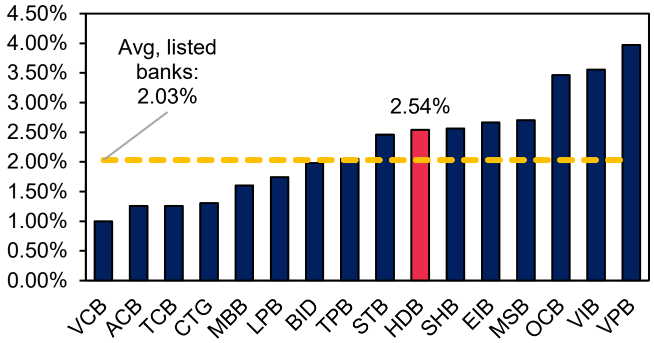
Overall, we project HDB's consolidated NPL ratio to decline modestly to 1.9%, while Group 2 debts stabilize around 3.8% by end-2025. Full-year 2025 provisions are estimated at VND 8,745bn (+64.3% yoy), implying a 12.0% increase versus 2H24. We also forecast the provision utilization ratio to reach 63.5% by end-2025, assuming a full-year utilization rate of 98.0%. We believe HDB will moderate its provision drawdowns in 2H25 as upward pressure on NPLs gradually eases.

Figure 11: Provision expenses & provision/total credit by quarter (%, VND)



Source: HDB, MBS Research

Figure 12: Asset quality of listed banks at end-2Q25 (bps)



Source: HDB, MBS Research

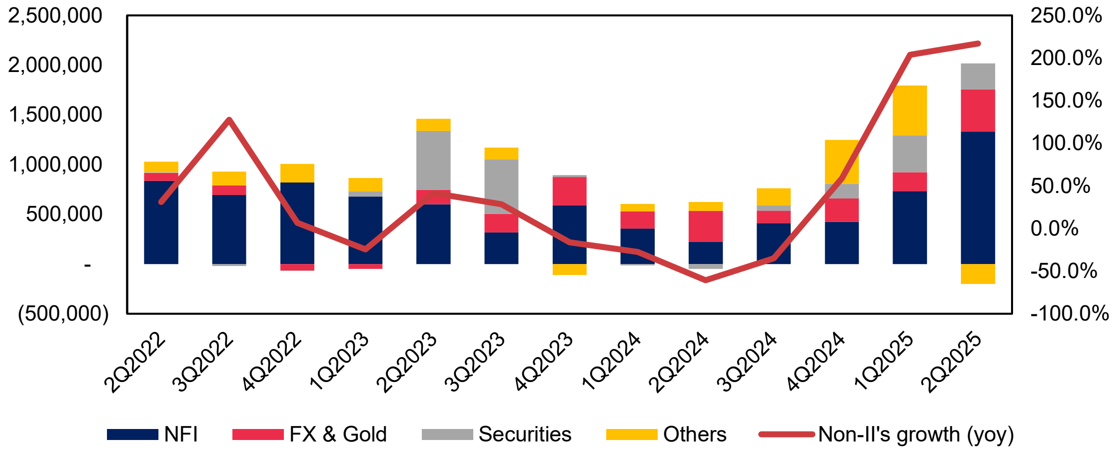
Non-interest income was a bright spot in 1H25.

Net non-interest income in 1H25 reached VND 3,613 billion, more than tripling yoy, mainly driven by a surge in NFI and partly due to the low base effect in the previous year. NFI in 1H25 amounted to VND 2,065 billion (+255.2% yoy), supported by nearly double growth in payment-related fees. Securities investment also recorded a profit of VND 633 billion compared to an over VND 63 billion loss in 1H24. Income from debt recovery rose > 42% yoy, supported by an increase in resolved NPLs to VND 26 trillion, up nearly 30% yoy.

With lending rates maintained at low levels, interest-related competition is expected to remain the main tool for banks to attract credit, which could somewhat limit the appeal of cross-selling activities. Accordingly, we believe non-interest income will continue to be driven primarily by payment services and NPL recovery.

HDB enjoys a strong advantage in expanding cross-selling products alongside lending, thanks to its access to middle-income customers in rural areas and Class-2 urbans. We see significant potential for growth in payment-related income from supply chain financing, cards, and consumer lending in these markets, where financial product penetration remains low relative to the pace of urbanization. In addition, we also expect NPL recovery activities to be further accelerated through the end of 2025.

Figure 13: HDB non-II's structure by quarter (VND bn, %)



Source: Commercial banks, MBS Research

Business performance forecast 2025-2026: 2025 NPAT is expected to meet target despite slowing momentum compared to 2024

Figure 14: Forecast of business results for 2025-2026

Metrics	2024F	2025F	% svck	2026F	% svck	Comments
Total operating income	34,032	43,217	27.0%	55,859	29.3%	
Net interest income	30,857	37,228	20.6%	48,684	30.8%	
Non-interest income	3,175	5,989	88.6%	7,176	19.8%	
Provision expense	5,321	8,746	64.3%	8,514	-2.7%	
Profit before tax (PBT)	16,730	21,938	31.1%	29,471	34.3%	2025 PBT expected to meet 100% of full-year target
Credit growth (YTD)	27.0%	32.1%	509 bps	27.6%	-447 bps	
Deposit growth (YTD)	15.7%	29.0%	1324 bps	20.9%	-813 bps	Deposit growth in 2H2025 will likely remain challenging, as customer deposits in 1H2025 increased by only 9.2% YTD.
NIM	5.5%	5.1%	-43 bps	5.2%	11 bps	
CIR	35.2%	29.0%	-620 bps	32.0%	300 bps	
CASA	12.0%	11.4%	-68 bps	10.5%	-84 bps	CASA ratio remains below the industry average, given the bank's lending structure is concentrated on SMEs, thereby limiting its ability to improve CASA compared to larger banks.
NPL	1.9%	1.9%	-3 bps	2.3%	44 bps	NPL is expected to fall below 2% by end-2025.
LLR	68.7%	63.5%	-524 bps	70.1%	667 bps	
ROE	26.8%	27.7%	88 bps	28.2%	57 bps	ROE continues to rank among the highest in the industry.
ROA	2.0%	2.2%	15 bps	2.3%	11 bps	

Source: HDB, MBS Research

Investment Thesis

We raise our 12-month target price for HDB to VND 39,450/share with a target P/B of 1.7x, based on the following drivers:

- Net profit is expected to maintain a CAGR of over 20% for the next five years, consistent with the past five-year track record. The key growth drivers remain a stable NIM above 5% and credit growth of over 25%.
- HDB's ROE is among the highest in the sector, supported by strong capital efficiency and operating optimization, which justifies its consistently higher P/B multiple compared to peers.
- The positive momentum of the stock market has lifted sector-wide valuations to 1.5x P/B. We believe HDB deserves a 20% premium over the sector average.

Valuation Assumptions

We apply a blended valuation approach combining Residual Income (RI) and P/B comparison:

- **P/B**: We use a target P/B of 1.7x applied to the average year-end book value of HDB in 2025-2026.
- **Residual Income model**: RI contributes 41.7% of the overall valuation weight, balanced with the P/B method, highlighting that earnings growth potential is adequately reflected in the target multiple.

Investment Risks

- A further decline in lending rates may challenge the pace of NIM recovery.
- Contributions from bancassurance and cross-selling may take longer to recover in the medium term given weak demand.

Valuation

Figure 15: Residual income valuation

	2025	2026	2027	2028	2029
Risk-free rate	3.3%	3.3%	3.3%	3.3%	3.3%
Risk premium	9.0%	9.0%	9.0%	9.0%	9.0%
Beta	1.55	1.55	1.55	1.55	1.55
Cost of equity	17.2%	17.2%	17.2%	17.2%	17.2%
Long-term growth rate					
(Unit: VND bn)					
Residual Income (RI)	5,721	8,035	10,042	11,613	12,913
Present Value (PV) of RI	5,721	6,854	7,307	7,208	6,837
Opening shareholder's equity	54,491				
Total PV of RI (5 years)	33,928				
Terminal value (PV)	42,216				
Ending equity value	130,635				
Shares outstanding (mil share)	3,495				
Implied value per share (VND/share)	**37,400**				

Source: MBS Research

Figure 16: Peer comparison (closing price on 15/09/2025)

Bank	Market cap	Recommendation	Target P/B	P/E		P/B		Net profit growth		ROE		ROA	
	VND bn			2025F	2026F	2025F	2026F	2025F	2026F	2025F	2026F	2025F	2026F
ACB	135,608	ADD	1.6x	8.0x	6.5x	1.4x	1.2x	1.5%	22.0%	19.0%	19.6%	1.8%	1.9%
BID	296,301	HOLD	1.8x	10.6x	8.9x	1.7x	1.5x	9.5%	18.4%	17.6%	17.7%	1.0%	1.0%
CTG	277,092	ADD	1.9x	9.2x	7.3x	1.6x	1.3x	19.1%	25.9%	18.8%	20.1%	1.2%	1.3%
EIB	51,225	REDUCE	1.5x	14.6x	12.9x	1.8x	1.6x	5.1%	13.7%	13.0%	12.7%	1.4%	1.4%
HDB	109,221	ADD	1.7x	6.5x	4.9x	1.5x	1.2x	30.3%	32.0%	27.4%	27.6%	2.2%	2.2%
LPB	133,083	N/A	N/A	11.4x	9.7x	2.5x	2.0x	19.9%	17.8%	23.9%	22.6%	2.1%	2.2%
MBB	216,277	N/A	N/A	6.4x	4.8x	1.2x	1.0x	14.0%	31.5%	20.1%	21.5%	2.0%	2.2%
OCB	32,302	N/A	N/A	9.3x	7.5x	0.9x	0.8x	9.4%	24.7%	10.4%	11.6%	1.2%	1.3%
STB	105,572	HOLD	1.5x	9.8x	8.8x	1.6x	1.4x	12.7%	5.1%	18.8%	16.7%	1.5%	1.4%
TCB	275,529	ADD	1.7x	10.3x	9.4x	1.6x	1.4x	25.9%	8.5%	17.1%	15.7%	2.5%	2.3%
TPB	52,311	ADD	1.3x	7.3x	6.4x	1.2x	1.0x	18.3%	14.1%	18.0%	17.7%	1.7%	1.7%
VCB	549,803	ADD	2.8x	15.4x	13.9x	2.4x	2.1x	5.7%	10.8%	16.8%	16.0%	1.6%	1.6%
VIB	73,016	HOLD	1.5x	8.9x	7.6x	1.5x	1.3x	14.2%	17.4%	18.4%	18.5%	1.5%	1.5%
VPB	250,315	ADD	1.7x	13.2x	9.8x	1.6x	1.3x	25.1%	34.6%	13.3%	15.5%	1.9%	2.1%
Average (ex-SOCBs)				9.6x	8.0x	1.5x	1.3x	17.6%	21.7%	18.1%	18.2%	1.8%	1.8%
Average				10.0x	8.5x	1.6x	1.4x	15.0%	20.2%	18.0%	18.1%	1.7%	1.7%

Source: Fiinpro, MBS Research

Figure 17: Valuation summary

Valuation method	Target price	Weight	Weight price
Residual Income	37,400	50%	18,700
P/B (target P/B = 1.7x)	41,500	50%	20,750
Target price			**39,450**

Source: MBS Research

Financial Statement

Income Statement (VND bn)	31/12/24	31/12/25	31/12/26	31/12/27
Net interest income	30,857	37,228	48,684	61,550
Net income from services	1,417	3,952	4,564	5,373
Net income from gold and forex	844	1,038	1,307	1,645
Gain (loss) from trading securities	69	245	274	280
Gain (loss) from investment securities	68	414	580	901
Other net income	706	339	450	550
Total operating income	**34,032**	**43,217**	**55,859**	**70,299**
Operating expenses	11,981	12,533	17,875	22,496
Credit provision expenses	5,321	8,746	8,514	9,775
Profit Before Tax	**16,730**	**21,938**	**29,471**	**38,028**
Total income tax expenses	3,482	4,518	6,069	7,832
Profit After Tax	**13,248**	**17,420**	**23,402**	**30,197**
Minority interest	(485)	(436)	(585)	(755)
Net profit for bank's shareholders	**12,763**	**16,985**	**22,816**	**29,442**

Balance sheet (VND bn)	31/12/24	31/12/25	31/12/26	31/12/27
Cash & cash equivalents	3,105	2,080	1,179	852
Balances with the SBV	26,680	28,421	35,998	44,286
Balances with and loans to other Cis	101,600	124,772	146,615	161,608
Net Trading securities	21,956	29,069	36,386	45,359
Derivatives & other instruments	-	-	-	-
Loans purchase	-	-	-	-
Loans and advances to customers	442,485	581,374	727,730	907,182
Loan provision	(5,879)	(7,015)	(11,929)	(15,053)
Net Investment securities	48,751	56,030	104,657	130,550
Long-term investments	858	139	140	141
Fixed assets	1,766	1,906	2,068	2,170
Investment properties	-	-	-	-
Other assets	56,044	77,981	101,906	130,795
TOTAL ASSET	**697,366**	**894,758**	**1,144,751**	**1,407,892**
Deposits of Government and the SBV	15	15	15	15
Deposits and borrowings from other Cis	99,461	142,320	227,052	281,680
Customer deposits	437,505	555,707	671,619	814,325
Derivatives and other liabilities	18	18	18	18
Agent capital of Cis	2,788	4,270	6,812	9,859
Valuable certificates issued	81,350	98,834	116,437	142,428
Other liabilities	19,571	19,510	25,304	31,870
LIABILITIES	**640,709**	**820,674**	**1,047,257**	**1,280,196**
EQUITY	**56,657**	**74,084**	**97,494**	**127,696**
Common shares	35,101	35,101	35,101	35,101
Common shares surplus	536	536	536	536
Treasury shares	(413)	(413)	(413)	(413)
Other capital	0	0	0	0
Funds of bank	6,313	7,657	9,462	11,791
Retained earnings	12,954	28,602	49,621	76,740
Minorities interest	2,166	2,602	3,187	3,942
TOTAL LIABILITIES AND EQUITY	**697,366**	**894,758**	**1,144,751**	**1,407,892**

Financial ratios	31/12/23	31/12/24	31/12/25	31/12/26
Growth				
Asset growth	44.7%	15.8%	28.3%	27.9%
Loan & Investments growth	29.1%	26.2%	30.0%	29.9%
Deposit & Commercial papers	46.4%	15.7%	29.0%	27.6%
EBT growth	25.9%	28.2%	31.5%	34.3%
Capital Adequacy				
CAR	14.4%	14.5%	N/A	N/A
Total Equity/Total Assets	8.4%	7.9%	8.2%	8.4%
Total Assets/Total Equity	11.93	12.61	12.18	11.89
Asset Quality				
NPL ratio	1.8%	1.9%	1.9%	2.3%
Group 2 debts	5.2%	4.7%	3.8%	4.0%
LLR ratio	65.8%	68.7%	63.5%	70.1%
Liquidity				
Loan-to-Deposit ratio (LDR)	65.9%	72.3%	74.0%	74.1%
Liquid asset/Total Assets	33.8%	29.0%	26.9%	28.4%
Liquid asset/Customer deposit	42.2%	37.6%	34.4%	36.1%
Profitability				
ROA	2.0%	2.0%	2.2%	2.3%
ROE	25.4%	26.8%	27.7%	28.2%
NIM	5.1%	5.5%	5.1%	5.2%
NII/TOI	84.0%	90.7%	86.1%	87.2%
CIR	34.6%	35.2%	29.0%	32.0%
Valuation				
Basic EPS (VND)	3,652	4,860	6,528	8,424
BVPS (VND)	15,591	20,452	26,983	35,408
P/E	8.7x	6.6x	4.9x	3.8x
P/B	2.0x	1.6x	1.2x	0.9x

Source: HDB Financial Statements, MBS Research

DISCLAIMER

MBS INVESTMENT RECOMMENDATION

Stock rating

Our investment recommendations are based on the expected profitability of the stock, calculated as the sum of (i) the percentage difference between target price and market price at the time of publication, and (ii) expected dividend yield. Unless otherwise stated in the report, investment recommendations have an investment horizon of 12 months.

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
HOLD	Industry stocks have Hold recommendations on a weighted market capitalization basis
NEGATIVE	Industry stocks have Reduce recommendations on a weighted market capitalization basis

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 led 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 TEAM

Director, Head of Research
Tran Thi Khanh Hien

Deputy Head of Equity Research
Nguyen Tien Dung

Macro & Market Strategy
Nghiem Phu Cuong
Ngo Quoc Hung
Đinh Ha Anh
Vo Duc Anh

Banking – Financial Services
Dinh Cong Luyen
Pham Thi Thanh Huong

Energy - Industrials
Nguyen Ha Duc Tung
Mai Duy Anh

Real Estate
Nguyen Minh Duc
Le Hai Thanh
Pham Thi Thanh Huyen

Consumer - Retail
Nguyen Quynh Ly