

VPBank (HSX: VPB)

Strong recovery in 9M24 suggest positive outlook

- Despite of high earnings growth in 9M2024, we anticipate that VPB is likely to achieve approximate 83% the full year's plan.
- NPL and group 2 ratios are expected to reach 4.8% and 6.5% at the end of 2024, slightly down compared to last year.
- We maintained **ADD** recommendation for VPB but reduced target price down to **22,150 VND/share** due to lowering estimate of PAT in 2025.

Outperformed earnings growth in 9M2024 resulted by improved CIR.

VPB recorded TOI of VND 44,602 bn in 9M2024 (+22.5% YoY) thanks to strong recovery of NII by 32.3% while Noll slightly decreased by 6.0% YoY. NIM in 9M2024 was 6.0%, much higher than previous year recording 5.6%. Credit growth by the end of 3Q2024 was 8.7% YTD, much lower than 17.1% YTD in 9M2023. Provision expense was VND 20,200 bn (+13.3% YoY) CIR was a spotlight recording at 23.7%, lowest among banks in 9M2024, helping PAT reaching VND10,939 bn, growing by 67.5% YoY.

In the last quarter of 2024, we expect that provision expenses will be kept similar to 3Q2024 along with NIM at 6.0% that will get PAT to reach VND 5.4 tn, +3.8% QoQ and +114.3% YoY thanks to low base last year. For FY2025/2026, we expect that PAT to grow by 26.0% and 33.4% thanks to NIM's significant increase.

Improved asset quality by the end of 2024 versus 2023

NPL and group 2 debt ratios were 4.8% and 7.0% by the end of 3Q2024, slightly down versus last quarter that were 5.1% and 7.8% respectively. In general, the under-standard debt ratio (group 2-5) was unchanged versus end of 2023. Low retail credit growth has majorly contributed to this trend. VPB has plenty of credit quota to grow in 4Q2024 which is driven by recovery of retail banking reducing NPL surging. Hence, we expect that NPL at the end of 2024 will be remained at 4.8% while group 2 debt is down to 6.5%.

Maintain ADD with lower target price of 22,150 VND/share

We revise down our 12-month target price to 22,150 VND/share for VPB (-10.0% versus previous report) due to reducing PAT's forecast in 2025 by 14.8%. P/B target is kept at 1.1x for weighted average BVPS 2024/25 by 25%/75% instead of BVPS 2024 only. We believe that P/B of 1.1x is attractive for VPB in long-term with earning growth over 25%/year. So, we maintain ADD recommendation.

Figure 1: Financial metrics (Unit: VND bn)

	31/12/23	31/12/24	31/12/25	31/12/26
Total operating income	49,739	60,204	75,288	101,324
Net interest income	38,175	49,714	61,983	86,977
NIM	5.7%	6.0%	6.3%	7.0%
Provision expense	24,994	26,221	32,202	43,603
Net profit	8,494	15,320	19,311	25,752
Net profit's growth	-49.8%	80.4%	26.0%	33.4%
Credit growth	25.6%	15.6%	23.1%	23.2%
Funds growth	27.5%	16.1%	26.1%	29.4%
BVPS	16,969	17,786	20,101	23,188
P/B	1.1x	1.1x	1.0x	0.8x

Source: VPB, MBS Research

ADD

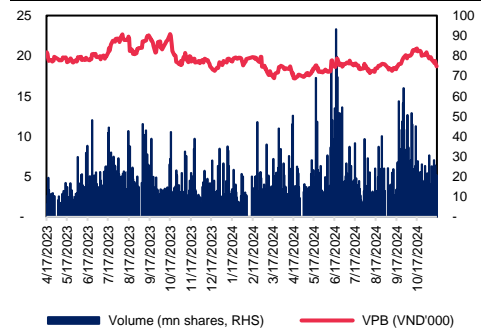
Target price 22,150 VND/share

Upside +18.7%

Key changes in the report

Revise down target price by 10% due to reducing PAT 2025 by 14.8% vs last forecast.

Information



Source: FiinProX, MBS Research

Market price (VND)	18,700
Highest in 52w (VND)	20,900
Lowest in 52w (VND)	17,185
Market cap (VND bn)	7,933.92
P/E (TTM)	
P/B (TTM)	
Dividend yield (%)	0.00%
Foreign ownership ratio (%)	25.32%

Source: FiinproX, VSD

Ownership Structure (19/07/2024)

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

Analyst



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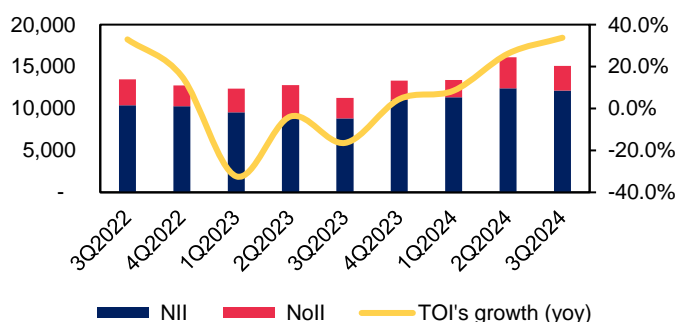
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Figure 2: 3Q2024 and 9M2024 business performance update (Unit: VND bn, %)

	3Q2024	% yoy	9M2024	% yoy	% vs last forecast	Comments
Total operating income	15,063	33.8%	44,602	22.5%	62.8%	
Net interest income	12,156	37.6%	35,887	32.3%	63.9%	NII grew positively in 3Q2024 thanks to NIM's significant increase to 6.0% and low base last year. Despite of low credit growth, NIM was up to 6.0% (+44 bps YoY) that has mainly contributed to NII's growth in in 9M2024.
Non-interest income	2,907	19.9%	8,714	-6.0%	58.8%	Even Noll recorded positive growth in 3Q2024 majorly resulted by higher income from bad debt collection, Noll in 9M2024 was slightly down by 6.0% YoY mainly caused by decrease of NFI by 12.1%.
Provision expense	6,125	23.7%	20,201	13.3%	66.2%	Accelerated provisioning in 9M2024 was the main cause of stabilizing NPL ratio.
Net profit	4,164	71.5%	10,939	67.5%	66.6%	PAT in 9M2024 only occupied 59% the full year's plan.
NIM	5.9%	93 bps	6.0%	44 bps		
CIR	24.9%	-347 bps	23.7%	-463 bps		Lowest CIR in 9M2024 among listed banks.
ROE	10.4%	70 bps				
Credit growth (YTD)	8.7%	-834 bps				Much lower than the whole banking system (+11.2% YTD)
Funds growth (YTD)	5.7%	-2131 bps				
CASA	13.6%	-277 bps				
NPL ratio	4.8%	-93 bps				Sharp decline of FE Credit's NPL has remarkably contributed to NPL's reduction of VPB by the end of 3Q2024.
LLR	50.7%	804 bps				

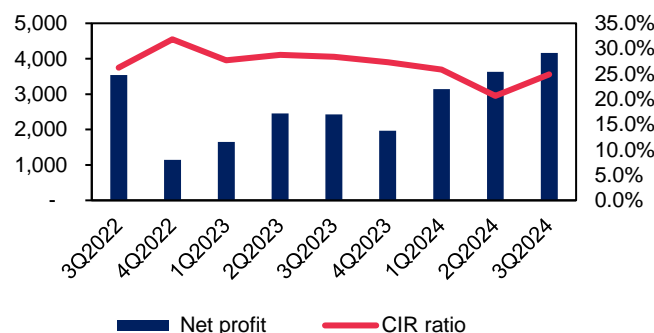
Source: VPB, MBS Research.

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



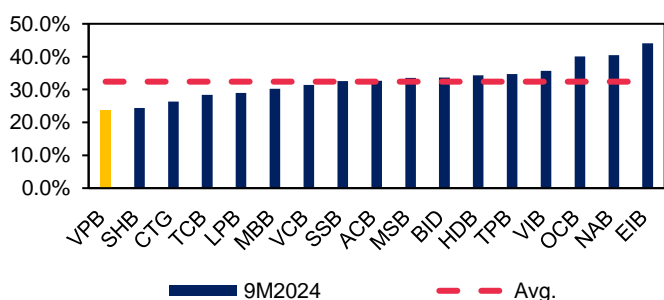
Source: VPB, MBS Research

Figure 4: Net profit and CIR ratios by quarter (% , VND bn)



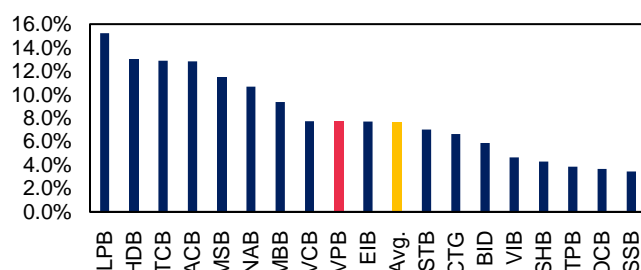
Source: VPB, MBS Research

Figure 5: CIR of listed banks in 9M2024 (%)



Source: VPB, MBS Research

Figure 6: Credit growth of listed bank end of 3Q2024 (YTD, %)



Source: VPB, MBS Research

We change our estimates of PAT in FY2024/2025 by 4.3% and -14.8% versus last forecast.

Credit growth is slow down in 2024 and strongly recovered in 2025.

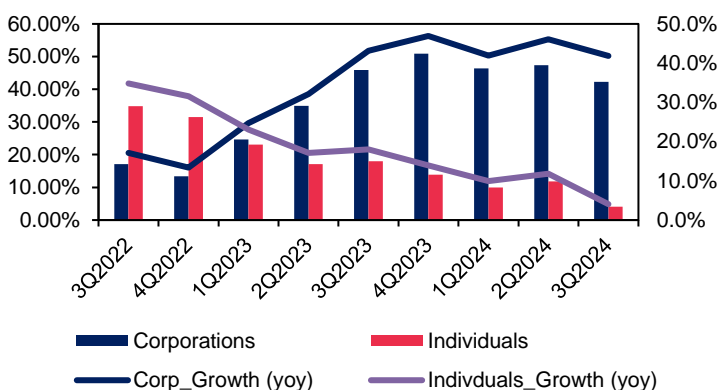
By the end of 3Q2024, VPB’s credit growth was 8.7% YTD, slightly higher than the whole system (7.78% YTD) but lower than the listed banks (11.2% YTD). We assess that this credit growth was much lower than our last expectation only costed around 55% of credit quota.

Similar to the movement of the whole banking sector, credit growth of VPB in 9M2024 mainly focused on corporation clients with growth of 7.7% YTD while retail banking has just declined by 4.2% YTD caused by low credit demand. The retail banking’s growth was mainly driven by cards (+9.6% YTD) and auto loans (+8.6% YTD, 60% market share) whereas mortgages lending was down by 1.2% YTD. In addition, slow growing retail banking was also caused by high pressure of NPL surging hesitating banks to lend.

We expect that VPB will use fully credit quota mainly driven by recovery of retail banking demand. Mortgages is anticipated to not grow faster than in 9M2024 due to limited supply of real estate products, so the main drivers of retail segment will come from auto loans, cards and consumer lendings. In 9M2024, FECredit (FEC) recorded credit growth of -1.3% YTD, being the highest level since 4Q2022. We keep our expectation that credit growth of FEC will not be negative in 2024.

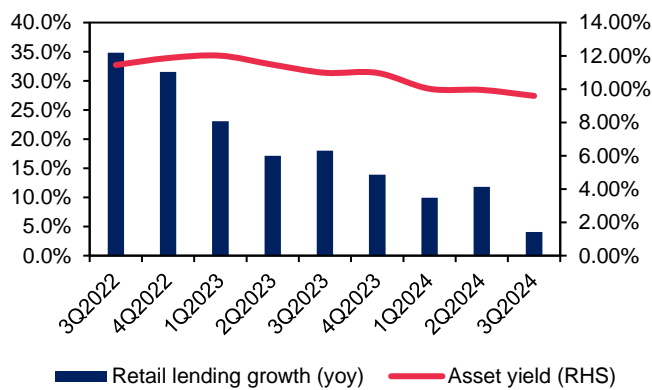
In 2025, we anticipate that credit growth of VPB will exceed 20% lead by retail banking which might be contributed by higher percentage of mortgage combined with sustained cards and consumer lendings.

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

NIM will be recovered to 6.0% in 2024 and up to 6.3% in 2025

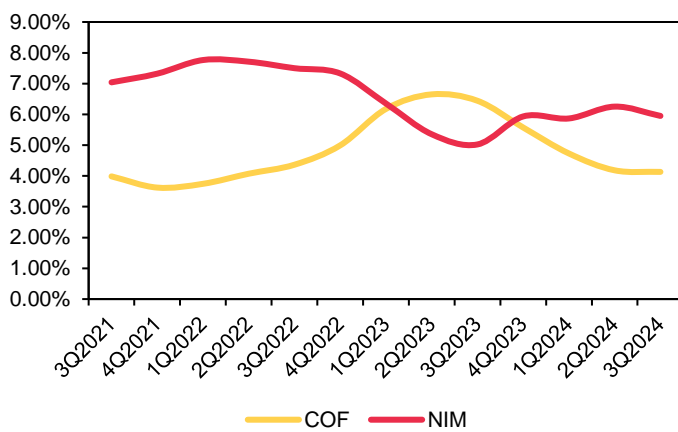
VPB recorded NIM of 6.0% in 3Q2024, -30 bps QoQ and +93 bps YoY. In 9M2024, NIM was up to 6.0%, +44 bps YoY. Our statistics shows that sharp decline of COF majorly contributes the upward of NIM in 9M2024. COF in 9M2024 was 4.4%, -209 bps YoY meanwhile asset yield decreased by 168 bps YoY. Our numbers also shows that average lending rates of VPB was down by 230 bps YoY in 3Q2024 and was in downtrend since 1Q2023. The slow down of FEC’s credit growth was the main cause of this trend.

We assess that NIM is less likely to reach the same level as before 2023 due to strategic change of VPB on consumer finance. Particularly, VPB will focus on higher quality customers who will most likely get lower lending yield but also less provision expense. This will solid earnings growth of FECredit in long term.

We anticipate that deposit interest rates will trend slightly upward in 4Q2024. Meanwhile, lending rates are expected to remain low to attract credit. As a result, we believe NIM of VPB in the last quarter this year will be higher than the previous quarter. It implies that NIM in 2024 will be at 6.0%, +34 bps YoY. Additionally, CASA ratio is not an advantage of VPB in terms of improving COF. The CASA ratio at the end of Q2/2024 was 13.6%, slightly down YTD, but still lower than the sector average of 20.1%.

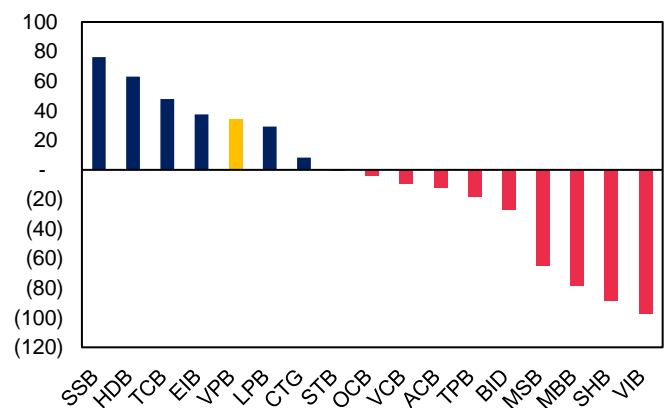
In 2025, we assume that retail lending and consumer finance will grow faster than 2024 partly offsetting the rising of COF resulted by higher deposit rates. Hence, we expect that NIM will only get up to 6.3% for the whole year.

Figure 9: NIM and COF of VPB (%)



Source: VPB, MBS Research

Figure 10: NIM change of listed banks in 9M2024 (bps)



Source: Listed banks, MBS Research

FECredit is less likely to complete the target of no loss in 2024.

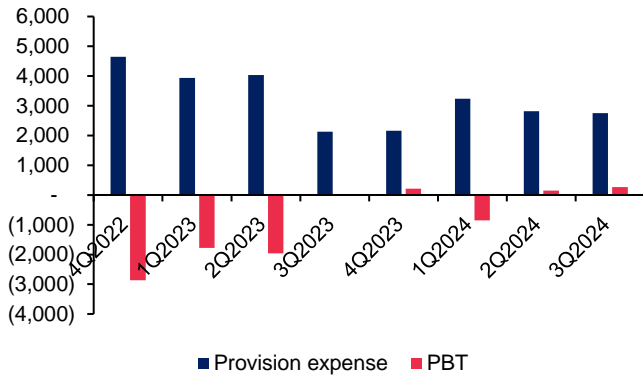
TOI of FECredit (FEC) reached VND 4,759 bn in 3Q2024, +13.1% YoY and +1.3% QoQ, which was 2 consecutive quarters being grown. Credit growth by the end of 3Q2024 was -1.3% YoY and -0.9% YTD, the lowest down level since 2022. Operating expenses was down by 16.2% YoY, +0.5% QoQ but provision expenses was up by 29.5% YoY, -2.5% QoQ. PBT in 3Q2024 of FEC recorded VND 270 bn, the highest quarterly level since 2Q2022.

Accumulatedly in 9M2024, TOI of FEC was VND 13,578 bn, +0.4% YoY that was much improved compared to growth of 6M2024 and 9M2023 by -5.3% and -15.8% YoY. Thanks to decline of operating expense and provision expense by 27.3% and 12.8% YoY respectively, the loss of 6M2024 was sharply down by 88.3% YoY to VND 437 bn.

Asset quality was remarkably improved despite of low credit growth. NPL and group 2 debt ratios of FEC were 14.4% and 12.8% at the end of 3Q2024, -340 bps and +90 bps YTD, -420 bps and +610 bps YoY. In general, group 2-5 debt ratio was slightly down YTD but still much higher than previous quarter.

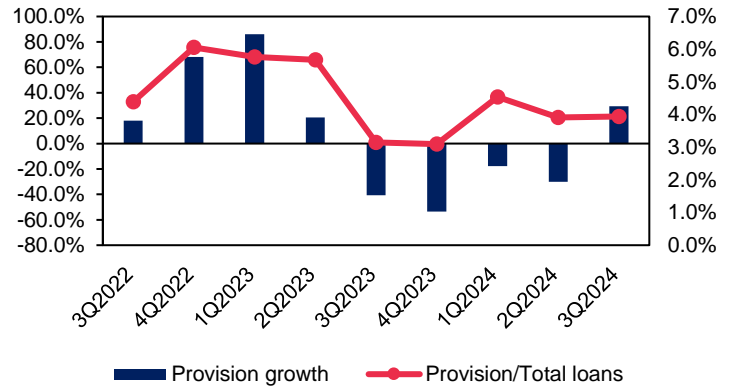
The business performance of FEC has shown the robust recovery since 2022 and is still in line with our expectation. However, we anticipate that FEC is less likely to fulfill the target of recording no loss in 2024 because of low demand of consumer finance and still high pressure of provision expense. We expect that FEC may reduce loss down to below VND 200 bn in 2024.

Figure 11: FECredit business results quarterly (VND bn)



Source: VPB, MBS Research

Figure 12: FECredit business results quarterly (VND bn)



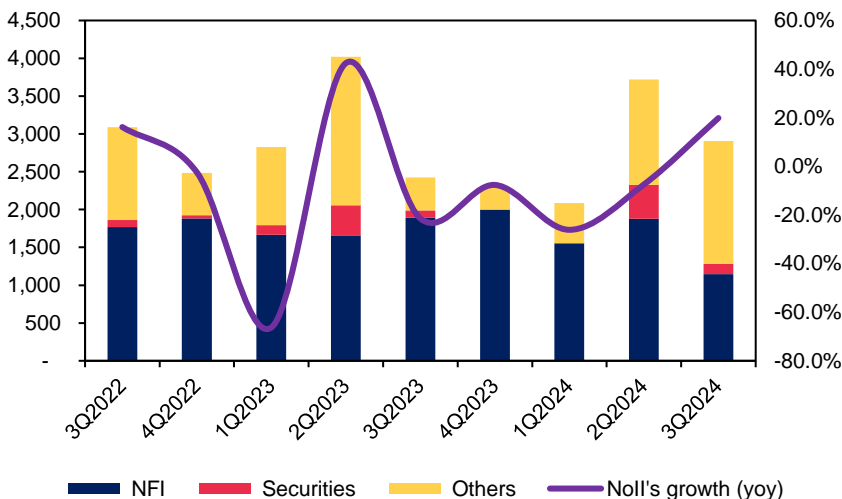
Source: VPB, MBS Research

Noll' growth is still challenged by weak recovery of fee income.

Noll of VPB in 3Q2024 was VND 2,907 bn, +19.9% YoY and -21.8% QoQ mainly driven by debt collection income. In 9M2024, Noll decreased by 6.0% YoY reaching VND 8,714 bn majorly caused by serious reduction of debt collection income and fee income. NFI in 9M2024 reduced by 12.1% YoY due to payment fee income serious deduction.

We assess that the crisis of bancassurance business caused by low demand and law restrictions for the whole banking sector will negatively impact the NFI of VPB in upcoming quarters. Besides, payment fee income has still slowly recovered due to weak retail banking demand that will be another headwind of Noll of VPB in 2025.

Figure 13: Noll's structure by quarter (VND bn)



Source: VPB, MBS Research

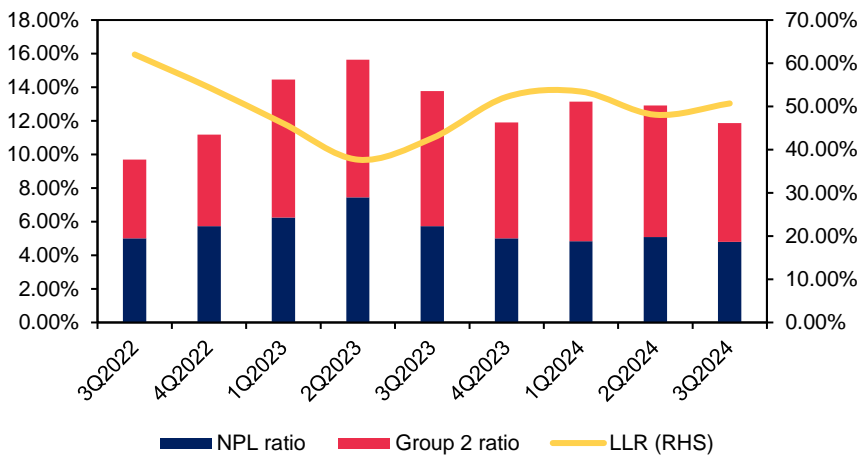
Downward NPL is expected to last for the next 2 years

NPL and group 2 debt ratios were 5.8% and 7.1% by the end of Q2024, slightly up compared to by the end of 2023 that were 5.0% and 6.8% respectively. In general, the under-standard debt ratio (group 2-5) was down versus last quarter and unchanged YTD.

In 3Q2024, VPB recorded provisioning expenses of VND 6,125 bn, +23.7% YoY and -26.3% QoQ due to high base last quarter. Cumulatively, for 9M2024, provisioning expenses amounted to VND 20,200 bn, +13.3% YoY. The provision/total credit ratio was 3.07%, lower than 3.18% in 9M2023. Thanks to lower using provision ratio was 96.6% in 9M2024 (9M2023: 105.1%) combined with lower NPL ratio, LLR at the end of 3Q2024 was recovered to 50.7%.

We estimate that NPL by the end of 2024 will be flat versus end of 3Q2024 due to maintained provisioning and using provision activities in the last quarter. In 2025, we estimate that NPL ratio will little decrease to 4.7% assuming that VPB will remain provision policy similar to 2024 offsetting with surging NPL caused by higher retail banking credit growth.

Figure 14: Asset quality of VPB by quarter (%)



Source: VPB, MBS Research

Business performance forecast

Figure 15: Business results forecast of 2024-2025

	2023F	2024F	% yoy	2025F	% yoy	Comments
Total operating income	49,739	60,204	21.0%	75,288	25.1%	
Net interest income	38,175	49,714	30.2%	61,983	24.7%	
Non-interest income	11,565	10,490	-9.3%	13,305	26.8%	
Provision expense	24,994	26,221	4.9%	32,193	22.8%	Provision /total credit ratio will be kept at 4.0% in 2025, equivalent to 2024 as the NPL has shown the expected improvement.
Net profit	8,494	15,320	80.4%	19,318	26.1%	Net profit is expected to accomplish 82.3% 2024's plan. We lower our expectation of PAT in 2025 by 14.8% versus last forecast.
NIM	5.7%	6.0%	34 bps	6.3%	24 bps	
CIR	28.0%	24.5%	-353 bps	25.0%	50 bps	
ROE	7.3%	11.1%	377 bps	12.9%	174 bps	
Credit growth	25.6%	15.6%	-995 bps	23.1%	750 bps	Credit growth is accelerated in 2025 when retail lending is boosted up and corp. lending is maintained the same pace as in 2024. The main driver of retail lending might be from mortgages which is expected to recover faster than the other sectors. Besides, consumer finance is also expected to recover faster in 2025 thanks to higher demand caused by better consumption.
Funds growth	27.5%	16.1%	-1141 bps	26.1%	1003 bps	
CASA	15.4%	15.7%	30 bps	14.6%	-108 bps	
NPL	5.0%	4.8%	-19 bps	4.7%	-13 bps	NPL is down to below 5.0% by the end of 2025 thanks to higher credit growth combined with positive earnings growth helping VPB accelerate collecting bad debt.
LLR	52.2%	51.3%	-96 bps	48.7%	-259 bps	

Source: VPB, MBS Research

Investment Thesis

We reduce our 12-month target price to **22,150 VND/share** for VPB versus previous report due to reducing net profit forecast in 2025 by 14.8%. We still remain ADD for VPB in long term based on:

- The business performance has hit the bottom and signaled for the recovery, although the difficulties are still remained. We estimate the CAGR of net profit for the next 5 years to reach 22.0%/year, higher than 8.0% for the last 5 years.
- Top 1 of the sector in terms of CAR has majorly assisted VPB to gain higher credit quota than peers in recent years, thereby boost growing in upcoming years when credit demand is recovered. Besides, abundant equity 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 1.1x to apply for VPB's avg BVPS by 25%/75% in 2024-2025. This P/B is consistent with VPB's current P/B but little lower than comparable commercial banks such as ACB, MBB, TCB.
- Regarding residual income method, the proportion of book value in the valuation component is 98.8% 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 16: Valuation summary of residual income valuation method

Assumptions	2024	2025	2026	2027	2028
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	1.07	1.07	1.07	1.07	1.07
Cost of equity	12.9%	12.9%	12.9%	12.9%	12.9%
Long-term growth rate	0.02				
<i>(in VND bn, otherwise noted)</i>					
RI	(4,105)	(1,877)	1,356	4,043	7,744
PV of Residual income	(3,636)	(1,472)	942	2,488	4,220
Opening shareholder's equity	134,631				
PV of RI (5 years)	2,542				
PV of terminal value	39,454				
Implied EV	176,626				
No. of outstanding shares (mn shares)	7,934				
Implied value per share (VND/share)	22,300				

Source: MBS Research

Figure 17: Peer comparison (closing price at 15/11/2024)

	Mkt price	Mkt cap	Total asset	P/E		P/B		ROE		ROA	
	(VND/share)	(VND bn)	(VND bn)	TTM	2024	TTM	2024	TTM	2024	TTM	2024
BID	44,700	270,201	2,575,981	11.5x	10.2x	2.0x	1.7x	18.5%	18.3%	1.0%	1.0%
VCB	91,700	517,550	1,932,362	15.0x	14.8x	2.7x	2.5x	19.4%	15.9%	1.9%	1.0%
CTG	33,100	188,218	2,229,791	8.7x	7.9x	1.3x	1.2x	16.3%	20.8%	1.0%	1.8%
MBB	23,500	129,740	1,028,819	6.0x	6.0x	1.2x	1.1x	21.6%	22.0%	2.2%	2.4%
VPB	18,700	156,298	858,885	11.8x	5.4x	1.1x	0.9x	9.7%	6.2%	1.6%	10.9%
TCB	22,450	165,206	927,053	7.3x	12.2x	1.2x	1.3x	16.5%	14.9%	2.5%	2.4%
ACB	24,400	110,550	777,393	6.8x	5.9x	1.4x	1.3x	21.7%	22.6%	2.2%	2.4%
STB	32,400	65,700	702,986	7.5x	7.2x	1.3x	1.1x	18.0%	22.6%	1.3%	2.4%
HDB	24,700	75,872	629,569	5.8x	5.4x	1.5x	1.3x	26.8%	18.5%	2.1%	1.3%
LPB	31,450	82,867	455,805	8.4x	9.7x	2.0x	1.9x	25.9%	27.8%	2.3%	2.7%
MSB	11,300	30,680	300,701	7.0x	5.2x	0.9x	0.8x	13.2%	27.8%	1.5%	2.7%
VIB	18,150	55,114	445,378	7.6x	6.0x	1.4x	1.1x	18.6%	27.8%	1.7%	2.7%
OCB	10,350	26,384	265,502	8.6x	4.2x	0.9x	0.6x	10.3%	27.8%	1.3%	2.7%
TPB	15,600	43,724	385,352	9.0x	6.5x	1.2x	1.0x	14.0%	22.7%	1.3%	1.7%
Avg. (excluding SOEs)		85,649	616,131	7.8x	6.7x	1.3x	1.1x	17.8%	21.9%	1.8%	3.1%
Avg.		137,007	965,398	8.6x	7.6x	1.4x	1.3x	17.9%	21.1%	1.7%	2.7%

Source: Fiinpro, MBS Research

Figure 18: Valuation summary

Valuation methods	Forecast price	%	Contribution
Residual income	22,300	50%	11,150
P/B (target 1.1x)	22,000	50%	11,000
Target price			22,150

Source: MBS Research

FINANCIAL STATEMENTS

Income Statement (VND billion)	2023A	2024F	2025F	2026F	Key ratio	2023A	2024F	2025F	2026F
Net interest income	38,175	49,714	61,983	86,977	Growth				
Net income from services	7,212	5,885	7,418	8,502	Asset growth	29.6%	12.8%	23.9%	27.8%
Net income from gold and forex	(806)	858	497	1,263	Loan & Investments growth	27.7%	20.4%	22.7%	23.3%
Gain/(loss) from trading securities	380	123	85	131	Deposit & Commercial papers growth	27.8%	15.7%	26.1%	29.4%
Gain/(loss) from investment securities	250	149	173	233	EAT growth	-49.8%	80.4%	26.1%	33.4%
Other net income	4,526	3,475	5,133	4,218					
TOTAL OPERATING INCOME	49,739	60,204	75,288	101,324	Capital Adequacy				
Operating expenses	13,941	14,750	18,822	25,331	CAR	17.1%	15.8%	N/A	N/A
Profit before provision & tax	35,798	45,454	56,466	75,993	Total Equity/Total Assets	16.8%	16.5%	15.2%	13.8%
Credit provision expenses	24,994	26,221	32,193	43,570	Total Assets/Total Equity	5.95	6.06	6.58	7.26
Profit Before Tax	10,804	19,233	24,274	32,423					
Total income tax expenses	2,310	3,913	4,956	6,646	Asset Quality				
Profit After Tax	8,494	15,320	19,318	25,778	NPL ratio	5.0%	4.8%	4.7%	4.5%
Minority interest	(1,480)	901	947	1,263	Loan group 2	6.9%	6.5%	6.0%	5.5%
Net profit for bank's shareholders	9,974	14,419	18,371	24,515	LLR ratio	52.2%	51.3%	48.7%	48.5%
Balance Sheet	2023A	2024F	2025F	2026F	Liquidity				
Cash & cash equivalents	2,285	2,776	2,709	3,040	Loan-to-Deposit ratio (LDR)	93.0%	92.6%	90.4%	86.1%
Balances with the SBV	8,423	13,241	18,048	22,619	Liquid asset/Total Assets	26.0%	24.5%	25.5%	28.4%
Balances with and loans to other Cis	94,094	75,484	105,841	181,235	Liquid asset/Customer deposit	35.3%	32.7%	35.4%	40.4%
Net Trading securities	12,326	13,437	8,228	10,083					
Loans purchase	822	-	-	-	Profitability				
Loans and advances to customers	566,271	674,757	826,641	1,013,926	ROE	7.3%	11.1%	12.9%	15.0%
Loan provision	(14,799)	(16,659)	(18,873)	(21,900)	ROA	1.2%	1.8%	1.9%	2.0%
Net Investment securities	94,587	121,475	157,084	197,743	NIM	5.7%	6.0%	6.3%	7.0%
Long-term investments	189	183	195	214	NII/TOI	76.7%	82.6%	82.3%	85.8%
Fixed assets	1,924	1,931	1,950	1,972	CIR	28.0%	24.5%	25.0%	25.0%
Investment properties	-	-	-	-					
Other assets	51,446	35,970	41,088	51,630	Valuation				
TOTAL ASSET	817,567	922,593	1,142,911	1,460,562	Basic EPS (VND)	1,257	1,817	2,316	3,090
LIABILITIES	677,771	775,411	976,412	1,268,285	BVPS (VND)	16,969	17,786	20,102	23,192
Deposits of Government and the SBV	4,118	2,604	3,127	3,847	P/E	15.2x	10.5x	8.2x	6.2x
Deposits and borrowings from other Cis	156,357	168,689	196,741	252,468	P/B	1.1x	1.1x	1.0x	0.8x
Customer deposits	442,368	520,879	625,414	769,380					
Derivatives and other financial liabilities	0	0	0	0					
Agent capital of Cis	22	169	197	252					
Valuable certificates issued	47,787	60,728	123,996	202,785					
Other liabilities	27,118	22,342	26,937	39,553					
EQUITY	139,796	147,182	166,500	192,277					
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	16,608	21,457	26,902					
Retained earnings	19,066	21,176	34,699	53,769					
Minorities interest	5,164	6,065	7,012	8,275					
TOTAL LIABILITIES AND EQUITY	817,567	922,593	1,142,911	1,460,562					

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.

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