

Vietnam International Bank (HSX: VIB)

Earnings growth signed bottoming in 3Q2024

- Net profit rose significantly by 20.1% QoQ in 4Q2024 signing for stronger recovery of earnings growth in 2025;
- Although asset quality has not fully recovered, there are signs of bottoming out proven by significant decrease of group 2 loans ratio;
- We maintain HOLD recommendation for VIB due to lowering net profit forecast for 2025F/2026F and remained target P/B at 1.3x.

Positive earnings growth QoQ in 4Q2024 bases for recovery in 2025F

In 4Q2024, credit growth accelerated up to 8.9% QoQ, but NIM's decrease by 95 bps YoY that lead NII to go down by 6.0% YoY. Thanks to decreased provisioning expenses by 33.7% YoY, net profit of 4Q2024 got positive growth first time since 3Q2023 reaching 1,921 VNDbn (+1.0% YoY, +20.1% QoQ). For FY2024, NII and Noll decreased by 3.5% and 20.4% YoY respectively. Provision expenses was 4,354 VNDbn, declined by 10.2% YoY that lead net profit to reduce by 15.9% YoY reaching 7,204 VNDbn, the largest decrease since listed.

Maintained provisioning/total credit at 1.5% to control NPL surging resulting earnings growth by 23.9%/25.3% in 2025F/2026F

Provision expenses is expected to increase by 30.6% YoY. Combined with provisioning used ratio of around 85%, NPL is expected to get down to 3.0% and LLR is up to 57.1% by the end of 2025. We forecast that NPL will keep going down to 2.8% by the end of 2026.

Thanks to credit growth staying above 20% and NIM recovery to 3.9% in next 2 years, we anticipate that NII will grow by 24.5%/22.1% YoY in 2025F/2026F. Provision expenses will grow by 30.6%/21.6% YoY in 2025F/2026F due to provisioning/total credit ratio staying at 1.5% in next 2 years that result net profit growing by 23.9%/25.3% YoY respectively.

Maintain HOLD recommendation with target price of 22,650 VND/share

We remain target price at 22,650 VND/share basing on (i) rollover to average FY25 BVPS and raise target P/B to 1.3x, (ii) reduce net profit forecast in 2025F/2026F by 13.0%/22.3%. Downside risks include higher than expected provisioning expenses due to higher pressure NPL surging caused by accelerated retail lending that can significantly impact to our earnings growth forecast in 2025F. In addition, deposit rates might be raised over than expected that may also reduce NIM more than our expectation.

Figure 1: Financial Indicator (Unit: VND bn)

Financial metrics	31/12/23	31/12/24	31/12/25	31/12/26
Total operating income	22,160	20,569	25,513	31,178
Net interest income	17,361	16,750	20,862	25,470
NIM	4.7%	3.7%	3.9%	3.9%
Provision expenses	4,847	4,353	5,685	6,913
Net profit	8,562	7,204	8,924	11,183
% yoy	1.1%	-15.9%	23.9%	25.3%
Credit growth (YTD)	14.2%	21.9%	25.2%	20.4%
Customer deposit growth (YTD)	18.2%	16.8%	28.4%	22.9%
BVPS	12,735	14,052	16,908	20,482
P/B	1.6x	1.5x	1.2x	1.0x

Source: VIB, MBS Research

HOLD

Target price

22,650 VND

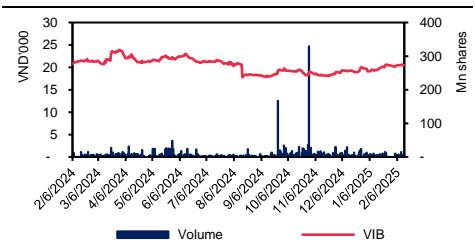
Upside

+9.7%

Changes in the report

Target price is remained vs last report since target price increase caused by rolling over to BVPS 2025F with target P/B 1.3x compensate lower forecast of net profit in 2025F/2026F by 13.0%/22.3% vs last report.

Information



Source: FiinProX, MBS Research

Market price (VND)	20,500
High 52w (VND)	20,650
Low 52w (VND)	17,307
Market cap (VND bn)	60,923
P/E (TTM)	8.5x
P/B (TTM)	1.5x
Dividend yeild (%)	6.1%
Foreign ownership (%)	4.99%

Source: FiinproX, VSD

Ownership structure (28/11/2024)

Mr. Dang Khac Vy	4.93%
Mr. Do Xuan Hoang	4.93%
Commonwealth Bank of Australia (CBA)	4.71%
Beston JSC	4.66%
Funderra JSC	4.66%

Analyst



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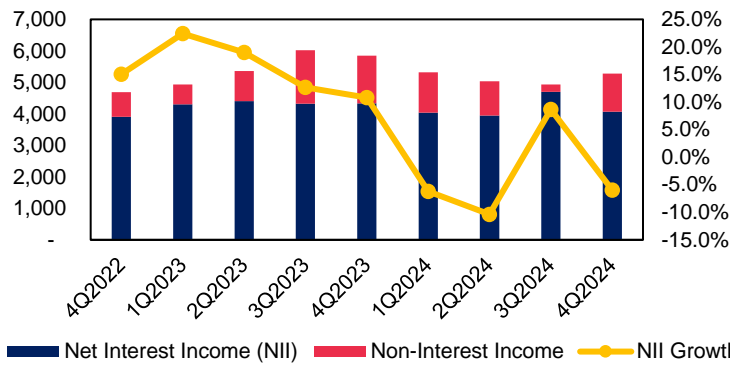
FY2024 business results: TOI dropped significantly due to a substantial NIM contraction and weakening non-interest income

Figure 2: 4Q2024 and FY2024 performance update (Unit: VND bn)

Financial metrics	4Q2024	% yoy	FY2024	% yoy	% last forecast	Comment
Total operating income	5,275	-9.7%	20,569	-7.2%	97.8%	
Net interest income	4,074	-6.0%	16,750	-3.5%	96.8%	Sharp decline of NIM in 2024 was main cause of NII's decrease although credit growth was 21.5% YTD, much higher than the listed banks (17.7% YTD) and the whole system (+15.0% YTD).
Non interest income	1,202	-20.4%	3,819	-20.4%	102.8%	Significant decrease of fee income (NFI) caused by crisis of bancassurance and slow down retail lending has majorly reduced Noll. However, income from bad debt collection has remarkably compensated NFI's decline.
Provision expenses	1,123	-33.7%	4,353	-10.2%	93.7%	Provision expenses in 2H2024 bottomed out thanks to high base last year and improved NPL ratio by the end of 2024.
Net profit	1,921	1.0%	7,204	-15.9%	102.1%	Net profit in FY2024 accomplished 74.3% the full year's plan. The largest reduction since listed on HOSE.
NIM	3.5%	-95 đcb	3.7%	-96 đcb		
CIR	33.2%	290 đcb	35.1%	523 đcb		CIR rose up by ~5% YoY mainly due to reduction of TOI in 9M2024.
ROE	18.1%	-620 đcb				
Credit growth (YTD)	21.5%	728 đcb				Credit growth was mainly accelerated in the last quarter of FY2024 recording 8.9% QoQ while it was only 11.6% YTD in 9M2024. It signed a stronger recovery of credit growth in the upcoming quarters.
Customer deposit growth (YTD)	16.8%	-142 đcb				Remained low interest environment was the main obstacles for banks to raise customer deposits in 9M2024, especially for retail banks. Most banks recorded slower growth of customer deposits than credit.
CASA	13.9%	75 đcb				
NPL	3.5%	61 đcb				NPL ratio by the end of 2024 was down compared to peaked level in 3Q2024 but still higher than the end of 2023. Conversely, group 2 loan ratio sharply declined to 3.3% (end of 2023: 5.5%).
LLR	50.1%	-524 đcb				

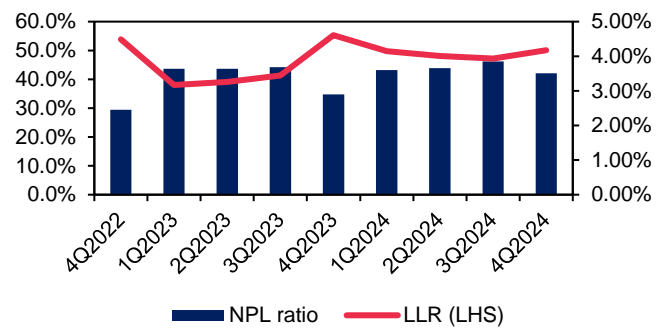
Source: VIB, MBS Research

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



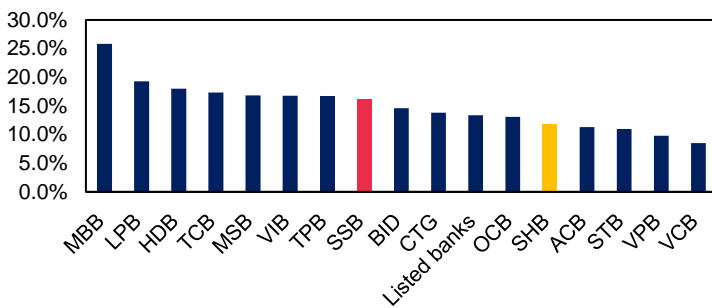
Source: VIB, MBS Research

Figure 4: Quarterly asset quality of VIB



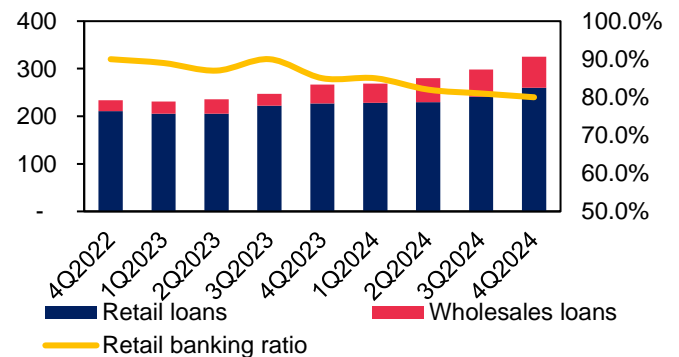
Source: VIB, MBS Research

Figure 5: Customers deposit growth of listed banks by the end of FY2024



Source: Listed banks, MBS Research

Figure 6: VIB's credit structure by types of customers (VNDbn)



Source: VIB, MBS Research

Net profit 2025F/2026F surged 23.9%/25.3% YoY driven by NIM's slight recovery to 3.9% and credit growth of over 20%

Credit growth is expected to accelerate to 25% in 2025 and stay above 20% in 2026F thanks to strong recovery of retail lending

End of 2024, VIB's outstanding loans grew by 21.5% YTD, much higher compared to the entire banking system (15.0% YTD) and the average of listed banks (17.7% YTD). The main driver of credit growth was still from corporation clients that increased significantly by 67.1% YoY meanwhile retail banking only grew by 13.2% YoY. That also reduced retail lending percentage of VIB's credit structure to 80.0%, the lowest since 2020.

By industries, credit structure of VIB was not changed much quarter by quarter in which mortgages accounted for the major part followed by business loans and auto loans. However, the portion of mortgages has declined to 49% by the end of 4Q2024 (4Q2023: 52%) while cards and other lending activities occupied by 18% (4Q2023: 12%). The occupy of auto loans and business loans was maintained by around 35% during quarters.

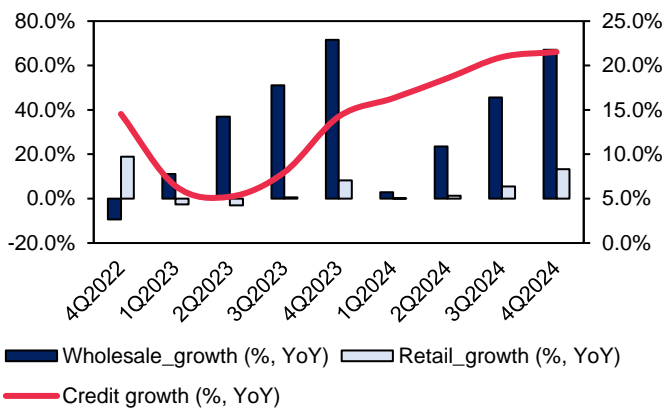
We assess VIB's credit growth in 2H2024 was relatively positive, especially compared to 1H2024 thanks to acceleration of retail lending. In specific, retail loans outstanding grew by only 5.5% YoY by the end of 3Q2024 but it accelerated to 13.2% by the end of FY2024. This signed a strong rebound of

credit growth in 2025 with main driver shifting to retail lending. In addition, high pressure of surging NPL was another challenge hesitating VIB to boost retail lending balance in 1H2024. But provisioning acceleration lasting since 2023 to date is expected to encourage VIB to enhance retail lending in 2025.

For FY2025, we anticipate credit growth to achieve around 25% thanks to stronger recovery of mortgages and business loans, in line with VIB’s guidance. We believe that most of difficulties regarding to legal issues of real estate sector has passed thanks to new laws approvals. Besides, the warming up of secondary apartments price in both Northern and Southern markets lays the foundation for more active transactions in 2025. VIB’s mortgages has focused on secondary real estate products with clear legal documents that is expected to take advantage. In addition, corp banking will still be maintained the same pace as in 2024 followed by faster growth of the economy.

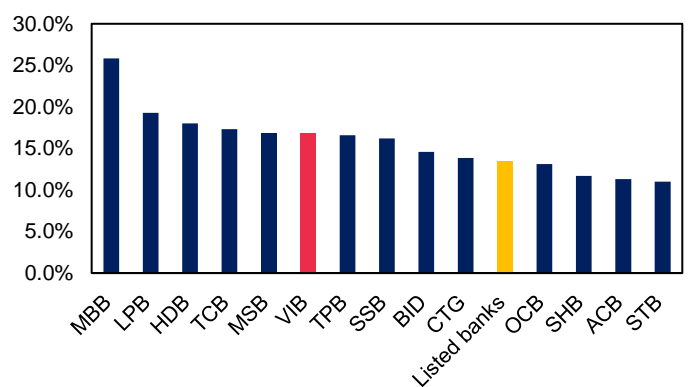
In 2026, we expect that credit growth will be maintained over 20% and still be driven by retail lending. Stronger consumption demand combined with recovery of primary real estates market are the main drivers for cards and mortgage lendings in 2026.

Figure 7: Quarterly credit growth of VIB, by customer segment (%)



Source: VIB, MBS Research

Figure 8: Credit growth of listed banks by the end of 4Q2024



Source: Listed banks, MBS Research

NIM is forecasted to rebound to 3.9% in 2025F and stay flat YoY in 2026F

Although credit growth was improved remarkably in 1H2024, NIM of FY2024 was still down to 3.7%, -96 bps YoY (FY2023: 4.7%). Decelerated credit growth in 1H2024 caused by low credit demand of retail lending has much decreased average lending rates. Our numbers showed that average lending rates reduced to 9.5% in 2024 compared to 12.4% last year. Since Apr 2024, VIB has launched very attractive mortgage campaigns with lending rates ranging from 5.9-7.9%. This packages is valued 30 VNDtn for townhouse loans and for 1 million new apartment loans. We believe that those packages have significantly improved credit growth in 2H2024 but simultaneously reduced VIB’s NIM. Average lending rates in 2024 declined to 9.7% compared to 12.4% last year. However, thanks to sharp decline of cost of funds (COF) by 149 bps YoY down to 4.0%, decreasing pressure of NIM was much slighter.

In the last quarter of 2024, NIM slightly decreased to 3.5% due to keep lowering lending rates to reach the credit growth’s target of over 20%, the prioritized condition for securing high credit room in 2025. For 2025F, we expect that NIM can improve slightly to 3.9% thanks to larger contribution of retail banking into

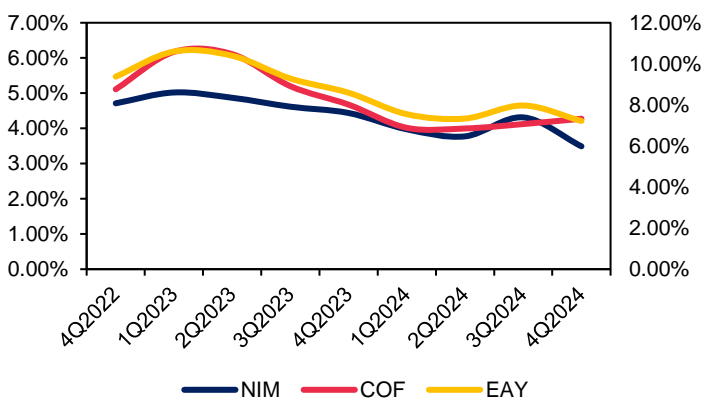
credit growth raising average lending rates although COF is expected to little up at 4.1%. We anticipate that deposit rates will slightly raise up for at least next 6 months since lagged behind deposit growth will force banks to intensify deposit funding for liquidity regulations.

End of 4Q2024, VIB's CASA ratio reached 14.1%, little higher than the end of 2023 but still significantly lower than the industry average of 21.7%. Although VIB's CASA do not provide a significant advantage, there are some programs that expectedly attract significant CASA from customers in upcoming quarters noted by Super Yield Account. In details, customers that have current account balance over an hurdle amount (exp: 10 VNDmn or 100 VNDmn) can register for Super Yield Account applying on the amount across hurdle amount. Depend on the maturity, customes can get interest rates from 2.5-4.3%/year that is much higher than regular rates of current account of below 1%/year. We assess this program can encourage customers, especially priority customers, to keep large balance on account for long time improving notably CASA of VIB.

However, VIB can reduce its COF by diversifying 10-15% of total funds for offshore loans with low interest to compensate raising COF pressure, resulting NIM's improvement in the upcoming quarters.

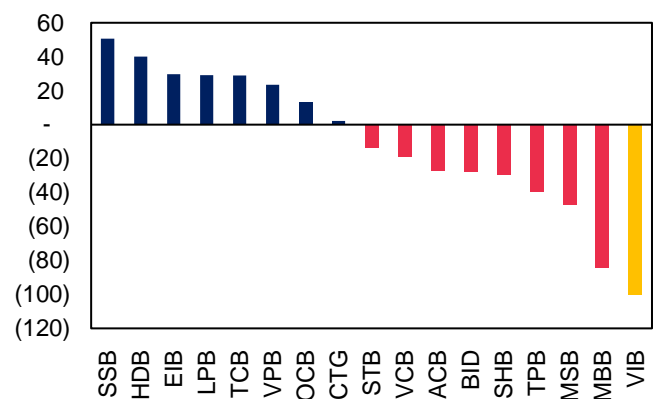
In 2026F, we anticipate that NIM might stay at 3.9-4.0%, the same as in 2025F. Higher retail credit demand is likely to raise up average lending rates of retail banks. Nonetheless, deposit rates are less likely to go down due to limited decline room. As a results, NIM tends to not change much for next 2 years.

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



Source: VIB, MBS Research

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



Source: VIB, MBS Research

Strengthening provision is expected to maintain in the next 2 years

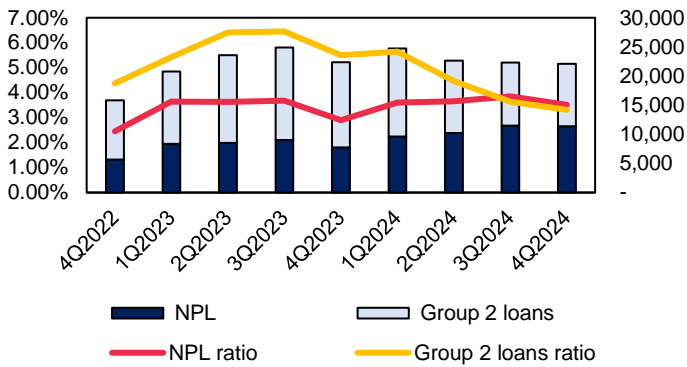
Asset quality was significantly improved by the end of 2024 compared to last year. Although NPL ratio rose up to 3.51% (+61 bps YoY), it was slightly lower than peaked level at the end of 3Q2024 staying at 3.85%. Group 2 loan ratio was down to 3.31% (-219 bps YoY) leading the sub-standard debt ratio (Groups 2-5) down to 7.5% at the end of 3Q2024, significant decrease compared to the same period (end of 2023: 8.4%). Provisioning and bad debt management have been a positive highlight in recent 2 years.

Provision expenses in FY2024 was 4,354 VND bn, -10.2% YoY on high base of FY2023 that reached 4,847 VND bn (+278.8% YoY). The provisioning/total credit was still high at 0.98% (2023: 1.31%), ~2.5 times compared to before 2023.

Loans loss reserves ratio (LLR) by the end of 2024 reached 50.1%, little lower than it was 51.0% by the end of 2023 due to partly decline of using provision rate of total provisions (74.2% in 2024, lower than the 79.2% last year). As a result, income from written off recovery in 2024 reached 1,247 VND bn, ~2.2 times YoY. Restructured debt under Circular 02 at the end of 4Q2024 was 292 billion VND, accounting for 0.1% of total loans and decreased significantly from 819 VNDbn at the end of 2023. VIB has cleared the restructured loans caused by Covid-19.

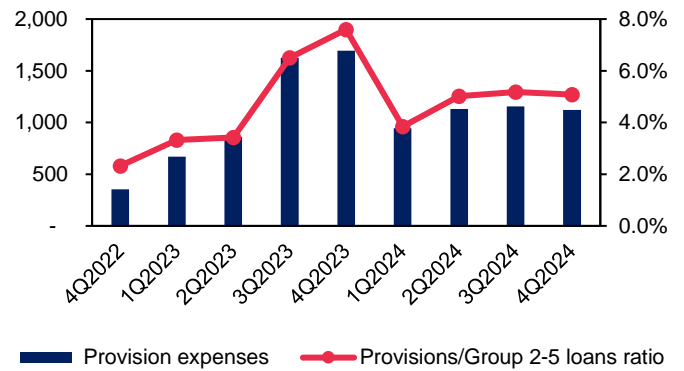
In 2025F, faster growing of retail lendings will potentially surge NPL that inspires VIB to keep high provisioning policy to control NPL rebound again. Provision expenses in 2025F is expected to increase by 30.6% YoY (provisioning/total credit ratio reach 1.5%) combined with provisioning used ratio of around 85% that will get NPL down to 3.0% and raise LLR up to 57.1% by the end of 2025. We forecast provisioning/total credit ratio in 2026F to keep the same as in 2025F that lower NPL to 2.8% by the end of the year driven by stronger write off bad debt thanks to positive earnings growth.

Figure 11: NPL and group 2 loans ratio by quarter (VND bn, %)



Source: VIB, MBS Research

Figure 12: Provision expense and sub-standard provision ratio by quarter (VNDbn, %)



Source: VIB, MBS Research

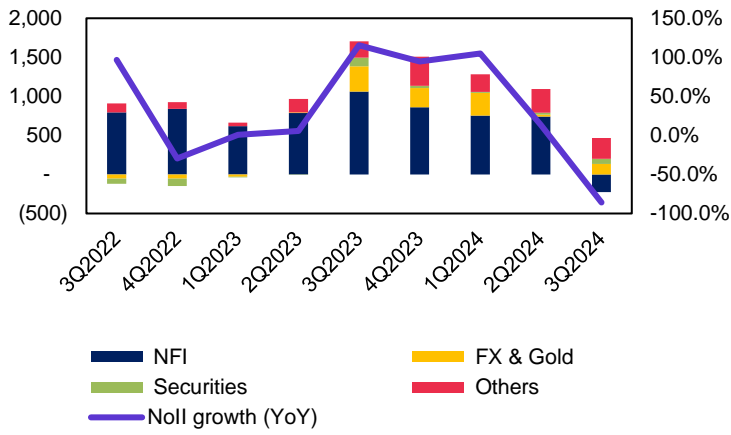
Non interest income (Noll) in 2025F and 2026F is expectedly recover from low base of 2024 caused by low retail credit and banca

Noll in FY2024 was sharply declined by 20.4% YoY due to sudden decline of NFI (net fee income or net income from services) by 46.9% YoY compensated by 64.1% YoY increase of bad debt collection and other incomes.

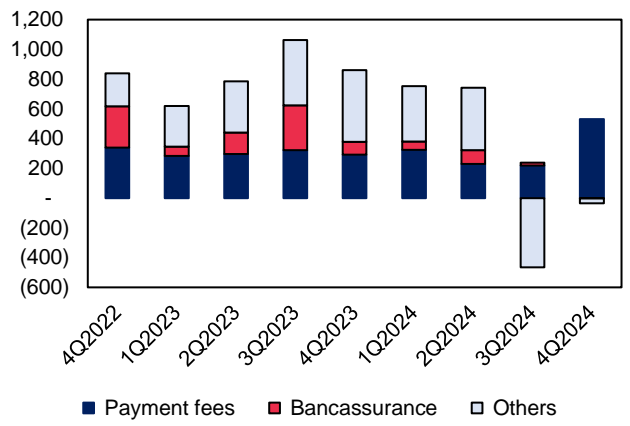
In 2025F, we anticipate that the main driver of NFI will come from strong rebound of payment fee followed by maintained corp banking and accelerated cards lendings. In addition, bad debt collection is still majorly contribute to Noll's growth due to strengthening provisioning and writing off recovery. Meanwhile, the crisis of bancassurance is sustained due to trustworthial problems that will hold back growing pace for the next several years despite massive potential. For 2026F, we believe that there are no change in terms of main drivers of Noll compared to 2025F.

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

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



Source: VIB, MBS Research



Source: VIB, MBS Research

Business Results Forecast

Figure 15: Business results forecast of 2025-2026

Financial metrics	2024	2025F				2026F				Comment
		Old	New	% change	% yoy	Old	New	% change	% yoy	
Total operating income	20,569	28,173	25,513	-9.4%	24.0%	35,288	31,178	-11.6%	22.2%	
Net interest income	16,750	20,681	20,862	0.9%	24.5%	26,209	25,470	-2.8%	22.1%	
Non interest income	3,819	7,492	4,650	-37.9%	21.8%	9,079	5,708	-37.1%	22.7%	Lowering NFI forecast in 2025F/2026F due to worse than expected results in 2024.
Provision expenses	4,353	6,628	5,685	-14.2%	30.6%	6,703	6,913	3.1%	21.6%	Keep high provisioning policy to control NPL under 3% that is key things to confidently accelerate retail credit.
Net profit	7,204	10,254	8,924	-13.0%	23.9%	14,406	11,183	-22.4%	25.3%	
Credit growth (YTD)	21.9%	19.3%	25.2%		329 bps	20.7%	20.4%	-1.65%	-157 bps	
Deposit growth (YTD)	16.8%	21.9%	28.4%		1165 bps	20.9%	22.9%	9.38%	607 bps	
NIM	3.7%	4.2%	3.9%		12 bps	4.5%	3.9%		18 bps	NIM's surging is prevented by upward pressure of deposit rates and remained low lending rates in 2025.
CIR	35.1%	31.0%	34.0%		-106 bps	30.0%	33.0%		-206 bps	
ROE	18.1%	21.8%	19.4%		129 bps	24.5%	20.1%		202 bps	
CASA	14.1%	13.6%	13.1%		-104 bps	14.2%	13.0%		-114 bps	
NPL	3.5%	3.2%	3.0%		-50 bps	2.9%	2.8%		-73 bps	
LLR	50.1%	39.9%	57.3%		728 bps	43.8%	58.6%		851 bps	

Source: VIB, MBS Research

Investment Thesis

We maintain our the 12-month target price at **22,650 VND/share**. Although we keep target P/B at 1.3x and rollover BVPS applied to BVPS 2025F instead of avg BVPS 2024/2025, lower net profit forecast for next 2 years compensate that increase. However, we still recommend HOLD for VIB thanks to:

- Average annual growth of net profit for the next 5 years is over 24%, higher than it was 19.5% for the last 5 years. The loan structure with 80-85% retail loan quickly boosts the rate of return when credit recovers and the interest rate environment is favorable.
- ROE has consistently ranked among the highest in the industry, thanks to its ability to optimize operational efficiency and capital utilization, contributing to VIB's P/B ratio consistently outperforming its peers.

Summary of Assumptions in the Valuation Method

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

- P/B: We use target P/B ratio of 1.3x to apply for VIB's BVPS in 2025. This PB is fair compared to the private listed banks (1.4x) and little lower than its current P/B.
- Regarding residual income method, the proportion of book value in the valuation component occupied to 60.9% in this valuation indicating intrinsic value of VIB during years.

Investment risks

- Higher than expected deposit rates can significantly change our forecasts in terms of NII's growth.
- LLR ratio is still much lower than the average sector that might intense provisioning pressure in the upcoming quarters in case NPL surge when retail lending accelerates.

Valuation

Figure 16: 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	1.50	1.50	1.50	1.50	1.50
Cost of equity	16.8%	16.8%	16.8%	16.8%	16.8%
Long-term growth rate	3.0%	3.0%	3.0%	3.0%	3.0%
<i>(in VND bn, otherwise noted)</i>					
RI	1,185	1,837	3,059	3,561	4,327
PV of Residual income	1,015	1,573	2,619	3,050	3,705
Opening shareholder's equity	41,862				
PV of RI (5 years)	11,962				
PV of terminal value	14,890				
Implied EV	68,714				
No. of outstanding shares (mn shares)	2,979				
Implied value per share (VND/share)	23,100				

Source: MBS Research

Figure 17: Peer comparison (closing price at 12/03/2025)

	Mkt price (VND/share)	Recommend	P/E		P/B		ROE		ROA	
			2024	2025F	2024	2025F	2024	2025F	2024	2025F
ACB	26,300	ADD	6.4x	5.9x	1.4x	1.2x	22.9%	21.6%	2.3%	2.3%
BID	40,900	ADD	11.7x	10.3x	2.1x	1.6x	18.8%	16.9%	1.0%	0.9%
CTG	42,650	ADD	8.4x	6.7x	1.5x	1.3x	15.9%	17.3%	1.0%	1.8%
HDB	23,650	ADD	6.2x	9.9x	1.5x	1.4x	26.2%	23.3%	2.1%	1.9%
LPB	35,300	N/A	8.3x	7.6x	2.4x	2.0x	24.7%	21.6%	2.1%	2.0%
MBB	24,600	N/A	5.8x	5.5x	1.2x	1.1x	22.6%	22.2%	2.3%	2.4%
OCB	11,150	ADD	7.9x	6.6x	1.0x	0.8x	13.0%	15.9%	1.6%	1.9%
STB	39,750	HOLD	6.7x	6.8x	1.1x	1.0x	17.6%	16.2%	1.2%	1.2%
TCB	27,850	ADD	7.0x	6.2x	1.3x	1.1x	16.2%	16.6%	2.5%	2.5%
TPB	16,150	HOLD	8.0x	6.1x	1.1x	1.0x	14.1%	14.5%	1.3%	1.5%
VCB	66,700	ADD	14.8x	14.6x	2.7x	2.5x	19.5%	17.1%	1.8%	1.7%
VIB	20,500	HOLD	8.4x	7.0x	1.4x	1.2x	20.5%	23.4%	1.9%	2.2%
VPB	19,600	ADD	11.8x	7.8x	1.1x	0.9x	9.1%	11.7%	1.4%	1.8%
Trung bình loại trừ SOEs			8.3x	7.7x	1.4x	1.3x	18.3%	18.3%	1.8%	1.9%
<i>Trung bình</i>			8.4x	7.6x	1.4x	1.3x	18.5%	18.3%	1.7%	1.8%

Source: Fiinpro, MBS Research

Figure 18: Valuation summary

Valuation methods	Forecast price	% Weight	Contribution
Residual income discount	23,100	50%	11,550
P/B comparable (P/B target = 1.3x)	22,200	50%	11,100
Target price			22,650

Source: MBS Research

Financial Statements

Income Statement (VND billion)	2023A	2024A	2025F	2026F	Key ratio	2023A	2024A	2025F	2026F
Net interest income	17,361	16,750	20,862	25,470	Growth				
Net income from services	3,327	1,765	2,514	3,271	Asset growth	19.6%	20.3%	20.8%	19.9%
Net income from gold and forex	548	501	383	513	Loan & Investments growth	20.0%	14.1%	28.0%	20.5%
Gain/(loss) from trading securities	-	-	-	-	Deposit & Commercial papers growth	18.5%	22.9%	21.0%	19.9%
Gain/(loss) from investment securities	130	248	128	135	Profit before provision and tax growth	31.1%	-14.1%	26.1%	24.1%
Other net income	792	1,300	1,626	1,788	EBT growth	1.2%	-15.9%	23.9%	25.3%
TOTAL OPERATING INCOME	22,160	20,569	25,513	31,178					
OPERATING EXPENSES	6,611	7,211	8,674	10,289	Capital Adequacy				
Profit before provision & tax	15,550	13,358	16,838	20,889	CAR (Basel II)	11.7%	12.8%	N/A	N/A
Credit provision expenses	4,847	4,353	5,685	6,913	Total Equity/Total Assets	9.4%	8.8%	8.5%	8.5%
Profit Before Tax	10,703	9,004	11,153	13,976	Total Assets/Total Equity	10.66	11.32	11.81	11.76
Total income tax expenses	2,141	1,800	2,229	2,794					
Profit After Tax	8,562	7,204	8,924	11,183	Asset Quality				
Minority interest	-	-	-	-	Loan group 3-5	3.1%	3.5%	3.0%	2.8%
Net profit for bank's shareholders	8,562	7,204	8,924	11,183	Loan group 2	5.6%	3.3%	3.0%	2.5%
					Provision reserve/Loan group 3-5 (LLR)	51.0%	50.1%	57.3%	58.6%
Balance Sheet	2023A	2024A	2025F	2026F					
Cash & cash equivalents	1,681	1,639	1,480	1,644	Liquidity				
Balances with the SBV	8,218	9,909	11,445	13,408	Loan-to-Deposit ratio (LDR)	74.2%	76.6%	76.0%	76.3%
Balances with and loans to other Cis	68,198	105,589	99,796	117,989	Liquid asset/Total Assets	33.9%	34.0%	31.2%	30.9%
Net Trading securities	-	-	-	-	Liquid asset/Customer deposit	41.5%	40.1%	37.7%	37.5%
Loans purchase	16	9	-	-					
Loans and advances to customers	266,346	324,010	405,709	488,307	Profitability				
Loan provision	(4,271)	(5,694)	(7,009)	(7,942)	ROA	2.3%	1.6%	1.6%	1.7%
Net Investment securities	60,988	50,344	73,025	87,893	ROE	24.3%	18.1%	19.4%	20.1%
Long-term investments	69	69	55	56	NIM	4.7%	3.7%	3.9%	3.9%
Fixed assets	756	795	873	967	Interest Income/ Operating Income	78.3%	81.4%	81.8%	81.7%
Investment properties	3	2	1	1	Operating Expense/ Operating Income	29.8%	35.1%	34.0%	33.0%
Other assets	7,720	5,663	10,299	12,048					
TOTAL ASSET	409,724	492,336	595,675	714,370	Valuation				
LIABILITIES	371,942	451,297	545,304	653,350	Basic EPS (VND)	2,874	2,418	2,995	3,754
Deposits of Government and the SBV	-	18,587	-	-	BVPS (VND)	12,735	14,052	16,908	20,482
Deposits and borrowings from other Cis	98,640	123,201	138,409	152,608	P/E	7.2x	8.5x	6.9x	5.5x
Customer deposits	236,577	276,308	354,895	436,023	P/B	1.6x	1.5x	1.2x	1.0x
Derivatives and other financial liabilities	-	-	-	-					
Agent capital of Cis	7	5	138	153					
Valuable certificates issued	23,897	23,263	40,571	51,272					
Other liabilities	12,821	9,933	11,291	13,295					
EQUITY	37,939	41,862	50,370	61,020					
Common shares	25,368	29,791	34,260	39,399					
Common shares surplus	2	2	2	2					
Treasury shares	-	-	-	-					
Other capital	-	-	-	-					
Funds of bank	3,470	4,333	4,690	5,138					
Retained earnings	9,099	7,735	11,418	16,481					
Minorities interest	-	-	-	-					
TOTAL LIABILITIES AND EQUITY	409,881	493,158	595,675	714,370					

Source: BCTC VIB, 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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