

## VIETNAM TECHNOLOGICAL AND COMMERCIAL JOINT STOCK BANK (HSX: TCB)

**ADD**

**Target price 25,400 VND/share**

Upside +19.8%

### Key changes in the report

Increase the target price by 4.1%

Increase the 2024 PAT forecast by 3.4% compared to the previous report

- PAT in Q2/2024 and 6M2024 showed positive growth (+38.6% and 38.5% yoy), thanks to strong growth in operating income and a significant decrease in CIR.
- NPL ratio and Group 2 loan ratio at the end of Q2/2024 were 1.23% and 0.82%, respectively (Q1/2024: 1.13% and 1.09%). LLR ratio slightly decreased to 101.1% at the end of Q2/2024 (Q1/2024: 106.1%).
- We have changed to **ADD** recommendation for TCB, with a new target price of VND **25,400 VND/share**, due to more favorable 6M2024 results than the most recent forecast.

### Strong growth of business performance in Q2/2024

#### PAT in Q2/2024 and 6M2024 increased by 38.6% and 38.5% yoy, respectively

In Q2/2024, TCB's operating income reached VND 13,420 bn (+43.9% yoy), with net interest income and non-interest income rising by 50.6% and 30.1% yoy, respectively. Credit growth in Q2/2024 was 12.9% YTD, along with a 30 bps increase QoQ in NIM, significantly raise the NII. Non-interest income was boosted by IB (+230.8% yoy) and banca (+127.1% yoy). Provision expenses in 2Q2024 increased by 103.7% yoy, while the CIR rose to 29.4%. PAT in Q2/2024 was VND 6,240 bn (+38.6% yoy). For 1H2024, PAT reached VND 12,516 bn (+38.5% yoy), achieving 57.6% of the full-year plan and 52.5% of our recent forecast. Therefore, we have raised TCB's 2024 PAT forecast to VND 24,428 billion, increasing by 3.4% compared to the recent forecast and 12.6% higher than the plan.

#### NPL rose to 1.2%, leading provision expense for 1H24 to rise 112.8% yoy

NPL and Group 2 loans at Q2/2024 reached 1.2% (+10 bps QoQ) and 0.8% (-27 bps QoQ) respectively. Most of the newly arisen NPLs were transferred from Group 2 loans. Provision expense in Q2/2024 reached VND 1,644 bn (+103.7% yoy) thanks to maintaining the provision rate similar to Q1/2024. In 1H2024, provision expense reached 2,855 bn (+112.8% yoy). In 6M2024, TCB also used VND 1,974 billion of provisions for bad debt write-offs, leading to a slight decrease in the LLR to 101.1% (Q1/2024: 106.1%).

#### ADD recommendation with the target price of VND 25,400/share

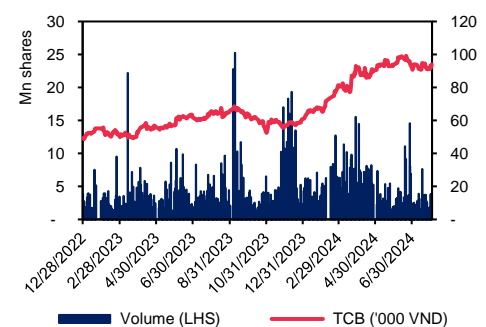
Our recommendation is based on (i) the favorable results of TCB in 6M2024, which have led us to increase our 2024 net profit forecast by 3.4% compared to our most recent estimate, and (ii) the kind developments in the overall sector, which make TCB's upside potential more attractive. Additionally, we believe that P/B of 1.2x is appealing given TCB's expected annual growth of 20%.

Figure 1: Financial metrics (Unit: VND bn)

Financial metrics	31/12/23	31/12/24	31/12/25	31/12/26
Operating income	40,061	53,814	67,106	79,087
Net interest income	27,691	37,800	47,922	56,589
NIM	4.0%	4.5%	4.7%	4.7%
Provision expense	3,921	6,935	8,350	7,117
PAT	18,191	24,428	30,164	37,715
PAT growth	-11.0%	34.3%	23.5%	25.0%
Credit growth	21.6%	23.5%	20.1%	18.3%
Funding growth	23.7%	22.9%	18.2%	18.2%
Book value	18,497	21,214	25,496	30,849
P/B	1.2x	1.1x	0.9x	0.7x

Source: TCB, MBS Research

### Information



Source: FiinPro, MBS Research

Market price (VND)	21,200
Highest in 52w (VND)	24,800
Lowest in 52w (VND)	13,100
Market cap (VND bn)	165,558
P/E (TTM)	8.6x
P/B (TTM)	1.2x
Dividend yield (%)	3.2%
Foreign ownership ratio (%)	22.49%

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

### Ownership Structure (20/04/2024)

Masan Group Corporation	14.88%
Nguyen Thi Thanh Thuy	4.94%
Ho Anh Minh	4.89%
Ho Thuy Anh	4.89%
Nguyen Phuong Hoa	2.16%

Source: FiinPro, MBS Research

### Analyst



**Dinh Cong Luyen**

Luyen.dinhcong@mbs.com.vn

## Net profit for Q2/2024 continued the positive growth trend from Q1/2024 while increased provisions.

### Q2/2024 and 6M2024 performance update

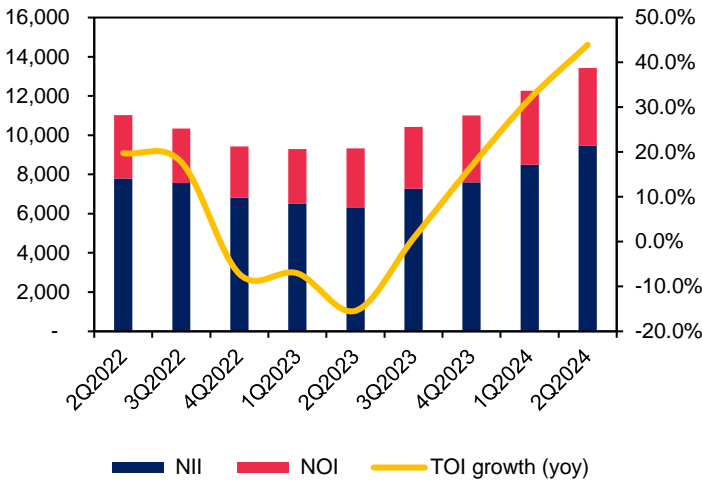
Netprofit in Q2/2024 and 6M2024 surged by 38.6% and 38.5% yoy, respectively.

Figure 2: Q2/2024 and 6M2024 performance update (Unit: VND bn)

Business metrics	2Q2024	Growth (yoy)	6M2024	Growth (yoy)	Compared to MBS's latest forecast	Assessment
Net interest income	9,478	50.6%	17,977	40.2%	48.4%	In Q2/2024, NIM increased by 30 bps compared to Q1/2023 and 79 bps yoy thanks to a significant reduction in funding cost. Credit growth in Q2/2024 increased by 5.4% QoQ và 25.1% yoy, leading NII increase considerably.
Net non-interest income	3,942	30.1%	7,704	32.7%	50.5%	Non-interest income in Q2/2024 and 6M2024 experienced positive growth driven by IB fee from bond distribution of TCBS and the recovery of banca when reaching top 2 APE revenue which achieved the second highest APE revenue in the market after ACB in Q2/2024 and ranked third in 1H2024
Operating income	13,420	43.9%	25,681	37.9%	49.0%	
Operating expense	3,949	37.6%	7,198	19.7%	45.8%	
Profit before provision	9,471	46.7%	18,483	46.5%	50.4%	
Provision expense	1,644	103.7%	2,855	112.8%	41.4%	TCB maintains the provision-to-loan ratio of 0.27%, which is equivalent to Q1/2024 and nearly 200% yoy
PAT	6,240	38.6%	12,517	38.5%	52.9%	PAT in 6M2024 completed 57.7% of 2024 overall plan and 5.2% higher than the latest forecast.
Credit growth (YTD)	12.9%	318 bps				Credit growth continues to be supported by outstanding loans to corporate clients in the real estate and consumer goods sectors, with growth rates of 8% and 35%, respectively, compared to Q1/2024
Funding growth (YTD)	8.1%	297 bps				
NIM	4.7%	79 bps	4.5%			
CIR	29.4%	-134 bps	28.0%			CIR in Q2/2024 slightly increased compared to Q1/2024, yet slightly decreased yoy. CIR in 6M2024 of TCB is among the lowest in the industry thanks to favorable business results
LDR	84.6%	-111 bps				
CASA	37.4%	245 bps				The CASA ratio slightly declined 3.1% compared to the end of Q1/2024, but remained higher than others in the industry. This also contributed to the significant decline of COF in 6M2024
NPL	1.2%	16 bps				NPL slightly rose in Q2/2024, primarily from the personal loan segment, while showing a slight decrease in the corporate loan segment..
LLR	101.1%	-1467 bps				The proactive use of provisions to write off bad debts in order to achieve an NPL target below 1.2% has also led to a slight decrease in the LLR compared to the previous quarter..
ROE	16.6%	76 bps				
ROA	2.6%	-1 bps				

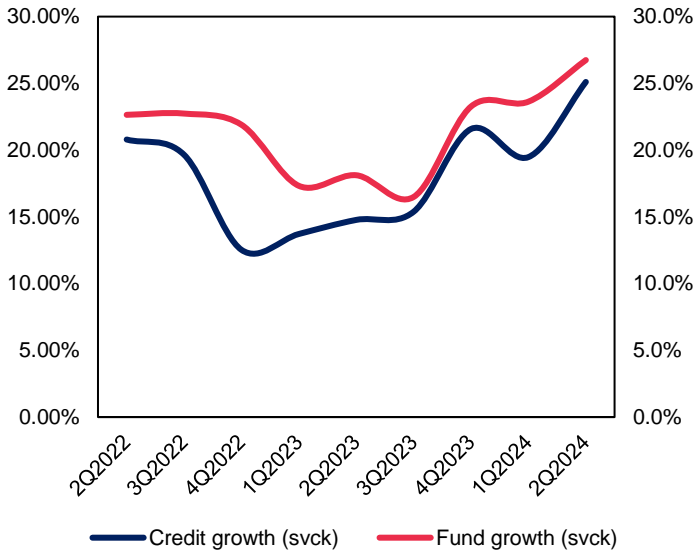
Source: TCB, MBS Research.

Figure 3: Quarterly business performance of TCB (Unit: VND bn)



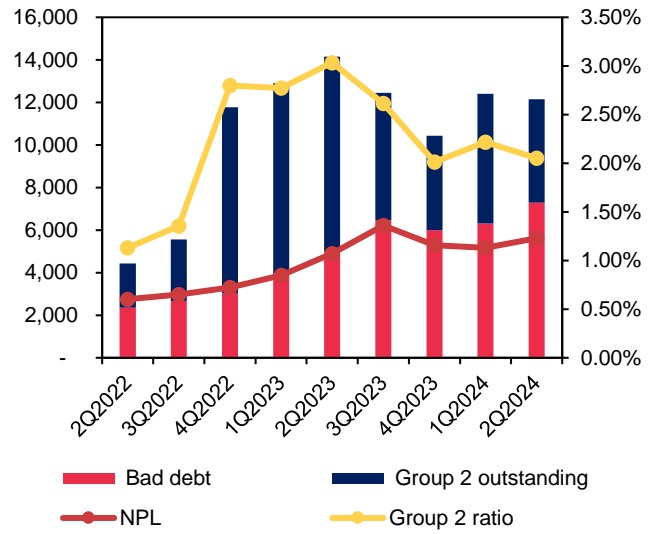
Source: TCB, MBS Research

Figure 5: Quarterly credit growth and funding growth (Unit: %)



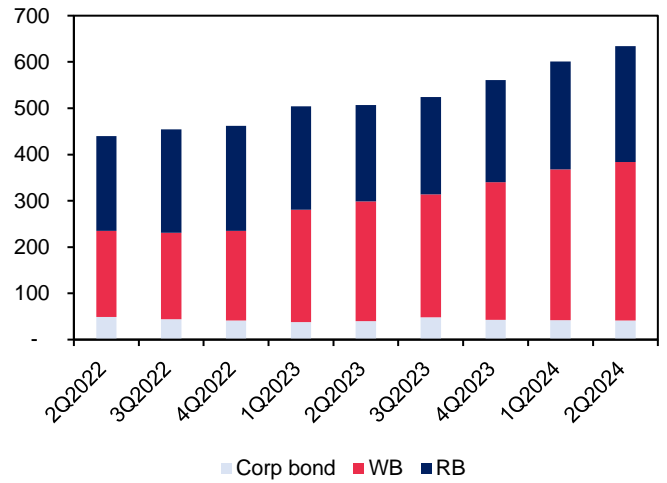
Source: TCB, MBS Research

Figure 4: Quarterly asset quality of TCB (% , VND bn)



Source: TCB, MBS Research

Figure 6: Quarterly Loan Structure of TCB (%)



Notes: WB and SME have been grouped together as corporate clients since Q1/2024

Source: TCB, MBS Research

**We have raised the 2024 PAT forecast by 3.4% compared to the previous one due to the better-than-expected performance of TCB in 6M2024.**

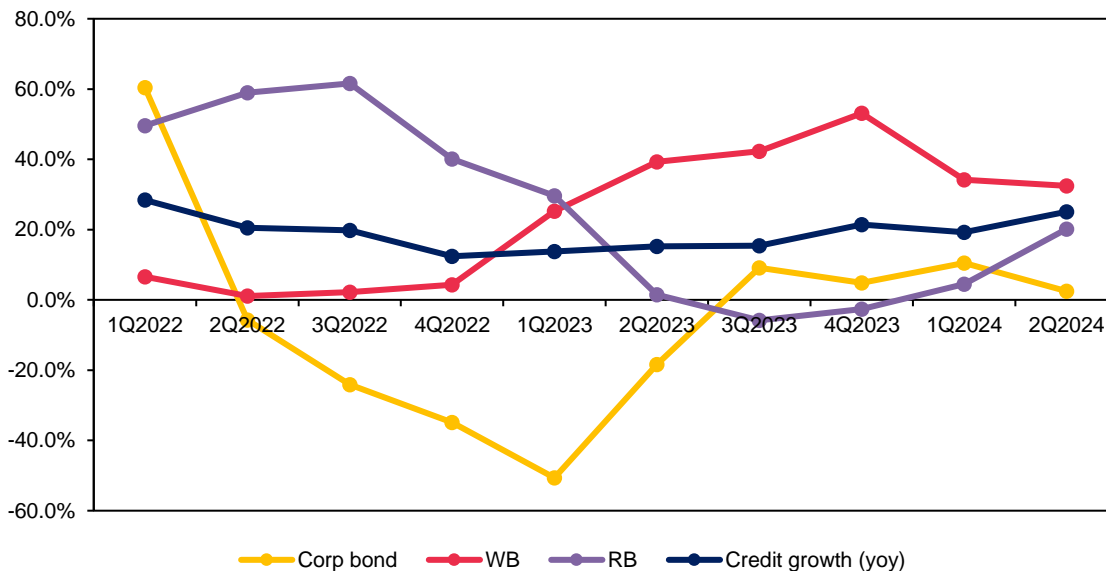
**We have raised the 2024 credit growth forecast from 22.4% in the latest report to 23.5%.**

In Q2/2024, credit growth impressively increased by 12.9% YTD and 25.7% yoy, indicating that TCB still maintains strong growth thanks to the credit expansion for the real estate sector. This increase is significantly higher compared to the same period last year (Q2/2023, which rose by 14.8% yoy and 9.7% YTD).

Corporate loans at the end of Q2/2024 jumped impressively by 12.9% YTD and 32.4% yoy, while retail loans increased by 13.1% YTD and 20.2% yoy. Within the corporate loan portfolio, loans to the real estate sector dropped dramatically to 19.6% yoy, while loans to the consumer goods sector accelerated to 45.5% yoy. In the retail segment, the amount of debt rollover for homebuyers remained consistent with Q1/2024, reaching VND 21,980 billion, while new disbursements saw a strong increase of 32.7% compared to Q1/2024, totaling VND 31,157 billion..

We assess TCB's credit growth in 1H2024 as very positive, achieving more than double the rate of the entire banking system and driven by the sustained recovery in the retail lending segment. Therefore, we have revised our 2024 credit growth forecast for TCB upward to 23.5% (higher than the previous forecast of 22.4%), with the expectation that corporate and retail loans will grow by 30% and 22%, respectively, compared to the end of 2023.

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



Source: TCB, MBS Research

**NIM in 2024 was forecasted to rise to 4.5%**

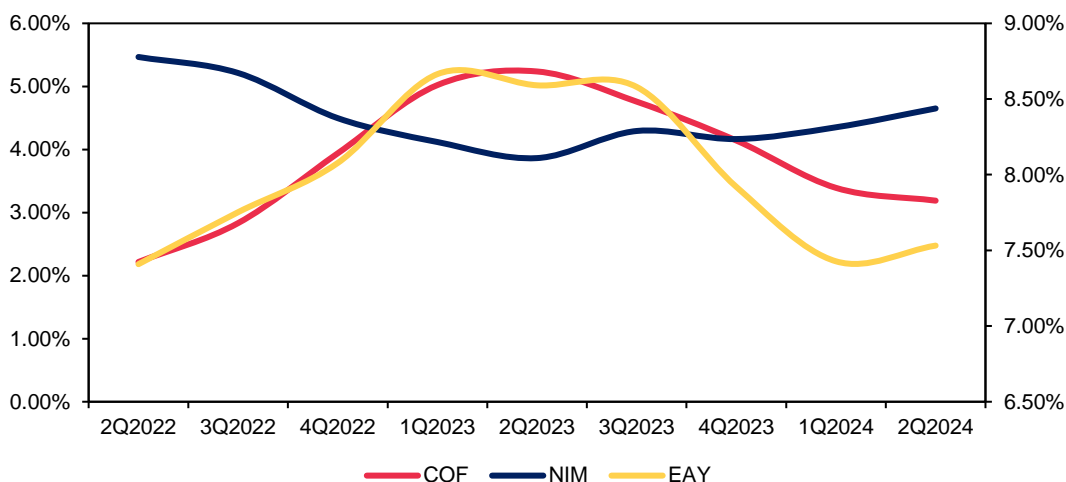
TCB recorded Nim of 4.6% in Q2/2024, increasing 30 bps QoQ and 79 bps yoy. In 1H2024, NIM reached 4.5%, up 41 bps yoy. The significant reduction in COF, coupled with flexible pricing policies, contributed to the notable improvement in

TCB's NIM during 6M2024 as credit demand recovered, particularly in the retail segment.

We anticipate that deposit interest rates will trend slightly upward in 2H2024 as liquidity within the banking system shows signs of tightening, prompting commercial banks to increase their deposits. Meanwhile, lending rates are expected to remain low with limited upward momentum as credit demand has not yet fully rebounded, especially in the real estate sector. As a result, we believe NIM for most banks will be lower in 2H2024 compared to 1H2024.

However, TCB's CASA ratio has shown significant improvement compared to the same period last year. The CASA ratio at the end of Q2/2024 reached 37.4%, although slightly down from 40.5% in Q1/2024, it is still significantly higher than the 34.9% recorded in the same period last year and considerably above the industry average. Additionally, we believe that TCB's flexible pricing policy has had a relatively clear positive impact in 6M2024, driving strong credit growth and mitigating the decline in asset yield due to lower lending rates. Therefore, we expect TCB's NIM to remain stable at 4.5% for the full year 2024, equivalent to the rate in 6M2024..

Figure 8: Quarterly NIM, COF and Asset yield of TCB (%)



Source: TCB, MBS Research

**Fee income showed impressive growth in 6M2024, driven by the IB segment.**

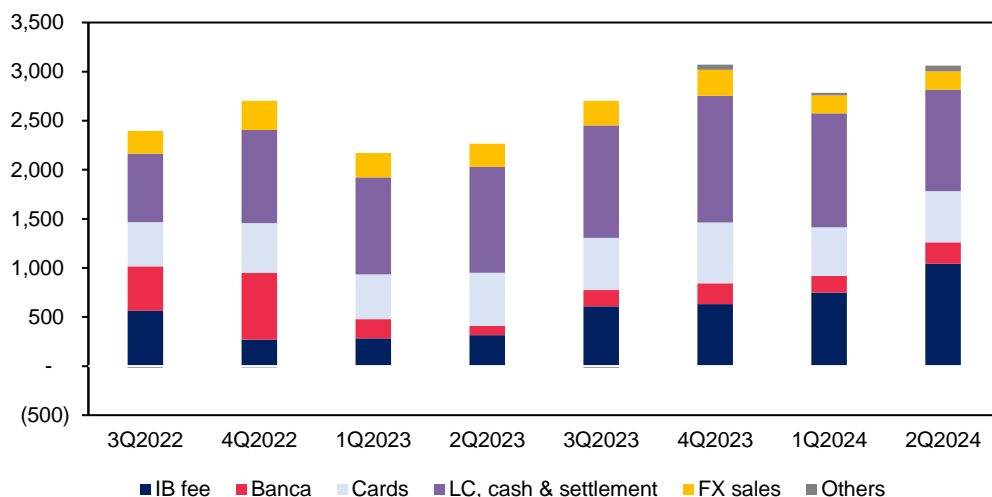
TCB's fee income in Q2/2024 reached VND3,060 bn, up 35.5% yoy and 9.9% QoQ. In 1H2024, TCB's fee income reached VND5,846bn, marking a 32.0% yoy increase. The IB segment contributed significantly to fee income, reaching VND1,042 bn, up 230.8% yoy and 38.9% QoQ. By the end of Q2/2024, TCBS's bond trading portfolio exceeded VND 25 trillion, up 14% yoy. Distributed corporate bonds reached over VND 40 trillion, more than double the amount yoy, capturing a market share of over 47%.

In addition to the IB segment, banca was another highlight in TCB's fee income structure in Q2/2024. Fee income from banca in Q2/2024 reached VND 218 billion, up 127.1% yoy and 30.5% compared to Q1/2024. For 1H2024, banca income amounted to VND 385 billion, an increase of 32.8% yoy. TCB's APE

revenue ranked in the top 2 and top 3 in the market for Q2/2024 and 6M2024, respectively.

Looking ahead to 2H2024, we expect that corporate bond issuance activities will continue at the same pace as in 1H2024. However, in the banca segment, we believe that trust issues will remain the biggest challenge for commercial banks in reaching customers, which may prevent significant improvement. Overall, we anticipate that fee income in 2024 will grow by 29.5% yoy.

Figure 9: TCB’s fee income structure (tỷ đồng)



Source: TCB, MBS Research

**Provision expense in 2H2024 is expected to remains the same as in the 1H2024 when bad debts slightly increase**

NPL and Group 2 loan of TCB at the end of W2/2024 mounted to 1.2% and 0.8%, increasing 10 bps and declining 27 bps QoQ, respectively. NPL will vary slightly YTD although credit growth has seen a positive sign, indicating sustained NPL pressure in the upcoming quarters.

The majority of new NPLs originated from the retail customer segment, with the NPL ratio reaching 2.75%, an increase of 38 bps QoQ and 49 bps YTD. Within this segment, the mortgage lending sector, which holds the largest share, saw its NPL ratio rise significantly from 1.5% at the end of 2023 to 2.2% at the end of Q2/2024. In contrast, the corporate customer segment experienced a significant improvement, with its NPL ratio decreasing to 0.3% at the end of Q2/2024 from 0.4% at the end of Q1/2024.

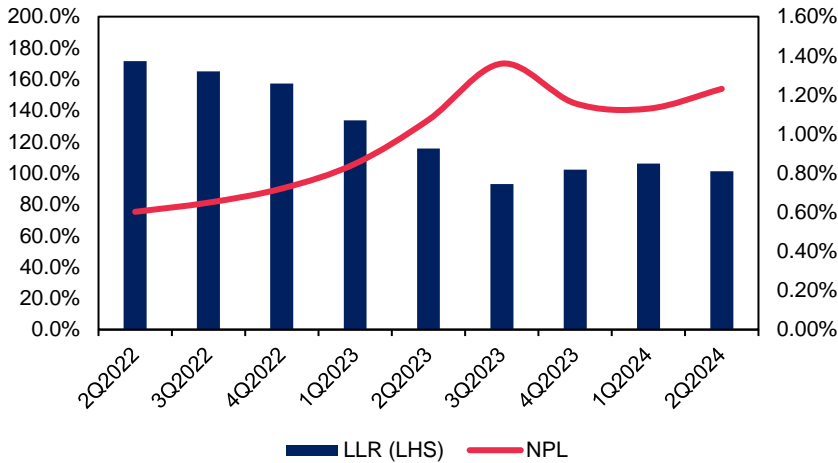
Most of the new NPLs in Q2/2024 were due to the downgrade of Group 2 loans, which exceeded VND 2 trillion, with approximately 10% attributed to the impact of CIC. Additionally, during the period, TCB managed and wrote off more than VND 1,483 billion in substandard loans, supported by a strong provisioning buffer.

In Q2/2024, TCB recorded provisioning expenses of VND 1,644 billion, up 103.7% year-on-year and 35.8% QoQ. The provisioning expense-to-loan ratio reached 0.27%, slightly higher than the 0.26% in Q1/2024 and nearly double the 0.16% recorded in the same period last year. Cumulatively, for 6M2024, provisioning expenses amounted to VND 2,855 billion, up 112.8% year-on-year.

Despite using VND 1,974 billion to manage bad debts, TCB was able to maintain a loan loss reserve (LLR) ratio above 100%, reaching 101.1% at the end of Q2/2024.

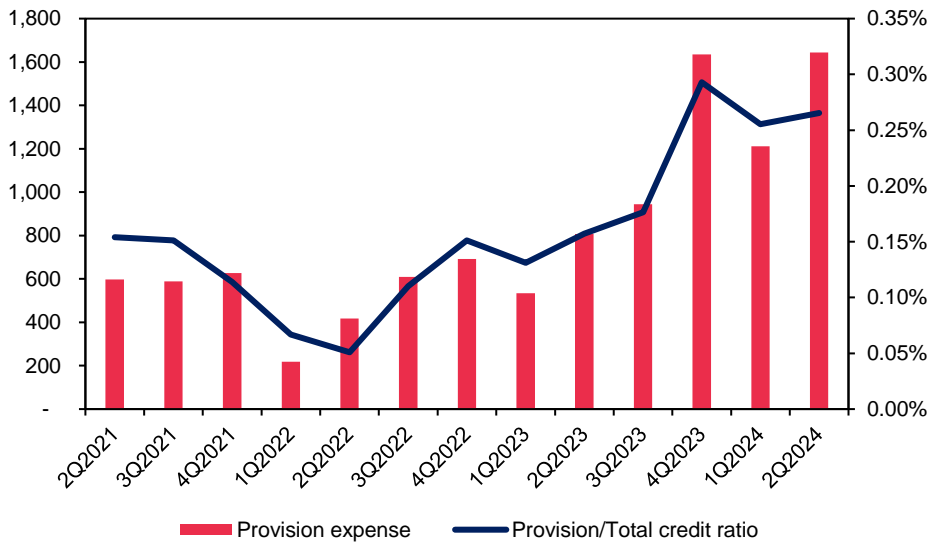
NPLs are trending slightly upwards as the restructuring of mortgage loans has begun to decline compared to new disbursements, indicating that the pressure to manage bad debts in this segment remains a challenge in the second half of 2024. Therefore, we expect TCB's NPL ratio to remain at 1.2% by the end of 2024, consistent with the 6M2024 level.

Figure 10: TCB's quarterly NPL and LLR (%)



Source: TCB, MBS Research

Figure 11: Quarterly provision expense and provision/credit exposure of TCB (VND bn, %)



Source: Commercial banks, MBS Research

## Business Performance Forecast: PAT 2024 was adjusted to increase by 3.4% compared to the previous report.

Figure 12: Business results forecast of 2024-2025

Business metrics	2023	2024F	% yoy	2025F	% yoy	Assessment
Net interest income	27,691	37,800	36.5%	47,922	26.8%	
Non-interest income	12,370	16,015	29.5%	19,184	19.8%	IB activities is expected to remain the positive growth, however, banca income is forecasted to perform less efficiently than that in 1H2024
Operating income	40,061	53,814	34.3%	67,106	24.7%	
Operating expense	13,252	16,144	21.8%	20,803	28.9%	
Profit before provision	26,809	37,670	40.5%	46,303	22.9%	
Provision expense	3,921	6,935	76.9%	8,350	20.4%	
PAT	18,191	24,428	34.3%	30,164	23.5%	The forecasted PAT is 12.7% higher than the full-year 2024 plan, with the expectation that the strong growth momentum observed in 1H2024 will continue into 2h2024.
Credit growth (YTD)	21.6%	23.5%	194 bps	20.1%	-345 bps	Credit growth is forecasted to continue on the upward trend as in 1H2024, however, NPL pressure of mortgage loans will challenge new lending activities, while debt rollover activities may continue to increase due to the uncertain recovery of the real estate market.
Funding growth (YTD)	23.7%	22.9%	-76 bps	18.2%	-475 bps	
NIM	4.0%	4.5%	44 bps	4.7%	23 bps	
CIR	33.1%	30.0%	-308 bps	31.0%	100 bps	
LDR	81.0%	81.4%	41 bps	82.8%	132 bps	
CASA	39.9%	39.9%	-1 bps	39.9%	2 bps	One of key factors which helps TCB maintain this NIM rate, equivalent to this in 6M2024, is the CASA enhancement. We expect that with the competitive advantage in technology, large customer base and diversified ecosystem, CASA will bounce back to 40% in 2024.
NPL	1.2%	1.2%	4 bps	0.9%	-28 bps	
LLR	102.1%	101.3%	-82 bps	138.1%	3677 bps	
ROE	15.0%	17.5%	247 bps	18.3%	87 bps	
ROA	2.3%	2.6%	25 bps	2.7%	8 bps	

Source: TCB, MBS Research



## Investment Thesis

We raise the 12-month target price **VND 25,400/share** (adjusted target price following the latest report is VND 24,400/share) and recommend **ADD** for TCB, based on stronger performance of TCB in 6M2024 than forecasted and full-year plan. Additionally, the quite negative market conditions have brought TCB's valuation to an attractive level relative to its long-term prospects.

- CAGR of PAT in 2024-2028 is projected to average 23.4% per year, higher than the recent 5-year average of 16.5%. Credit growth is expected to be sustained at 20% per year over the next 5 years, with NIM maintaining around 4.5-4.8%.
- Although asset quality and business results declined due to the impact of the real estate market, there has been a notable recovery thanks to the leading market position and strong foundation (CAR at the end of Q2/2024 reached 14.5%).

## Summary of Assumptions in the Valuation Method

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

- P/B: We use a targeted P/B ratio of 1.2x to apply for TCB's book value at the end of 2024. This P/B is consistent with TCB's current P/B and that of other comparable commercial banks such as ACB, MBB, VPB.
- Regarding residual income method, the proportion of book value in the valuation component has been reduced to 75% in this valuation, reflecting more optimistic profit prospects for TCB in the coming years, particularly after the real estate market recovers.
- We do not anticipate TCB will pay regular annual cash dividends due to the bank's strategy of prioritizing 20% annual growth and maintaining a leading CAR position in the industry to achieve Basel III standards sooner.

## Investment risk

- Exchange rate pressure in the upcoming quarters will lead to higher deposit interest rate than forecasted. We also do not rule out the possibility that the SBV might slightly increase policy rates to stabilize the exchange rate, which could prevent the bank's NIM from rising as projected. Additionally, higher interest rates could impact TCB's valuation, potentially not achieving the P/B ratio we anticipate.
- The recovery of the real estate market remains uncertain as property supply is still constrained by legal issues. Land law, effective from 1/8/2024, requires developers to provide completed projects, including land and land-attached assets, which may further limit supply due to the need for greater resources and stricter conditions for selling primary real estate products. Although this is expected to benefit the real estate market in the long term, it could pose greater challenges to TCB's credit growth than anticipated.

## Valuation

Figure 13: Valuation summary of residual income valuation method

	2024	2025	2026	2027	2028
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	1.37	1.37	1.37	1.37	1.37
Cost of equity	15.6%	15.6%	15.6%	15.6%	15.6%
Long-term growth rate	3.0%				
<i>(UNIT: VND bn)</i>					
RI	2,116	3,901	6,021	6,002	6,203
Current RI	2,116	3,374	4,505	3,884	3,473
Beginning shareholders' equity	130,311				
Total current RI (5 năm)	17,352				
Current terminal value	24,534				
Ending shareholders' equity	172,197				
Outstanding shares (Million shares)	7,045				
<b>Stock value (VND/share)</b>	<b>24,400</b>				

Source: MBS Research

Figure 14: Peer comparison (closing price at 14/08/2024)

	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	47,050	268,206	2,521,053	11.7x	10.7x	2.1x	1.8x	18.8%	16.9%	1.0%	0.9%
VCB	88,000	491,840	1,905,639	14.8x	21.0x	2.7x	3.2x	19.5%	16.5%	1.8%	1.1%
CTG	31,800	170,766	2,161,429	8.4x	5.0x	1.3x	0.9x	15.9%	17.3%	1.0%	1.8%
MBB	23,400	124,168	988,605	5.8x	5.2x	1.2x	1.1x	22.6%	22.2%	2.3%	2.4%
VPB	18,000	142,811	864,392	11.8x	9.8x	1.1x	1.0x	9.1%	11.7%	1.4%	1.8%
TCB	21,200	149,354	908,307	7.0x	6.2x	1.1x	1.0x	16.2%	16.6%	2.5%	2.5%
ACB	23,550	105,190	769,679	6.4x	5.0x	1.4x	1.1x	22.9%	21.6%	2.3%	2.3%
STB	29,200	55,048	717,313	6.7x	6.9x	1.1x	1.0x	17.6%	16.2%	1.2%	1.2%
HDB	25,900	75,435	624,443	6.2x	5.7x	1.5x	1.3x	26.2%	23.3%	2.1%	1.9%
VIB	20,600	52,258	430,962	6.8x	6.8x	1.4x	1.2x	20.5%	23.4%	1.9%	2.2%
OCB	14,550	29,898	238,884	7.9x	6.1x	1.0x	0.9x	13.0%	15.9%	1.6%	1.9%
TPB	17,200	37,868	361,555	8.0x	7.0x	1.1x	1.0x	14.1%	14.5%	1.3%	1.5%
<b>Trung bình loại trừ SOEs</b>		<b>85,781</b>	<b>656,015</b>	<b>7.4x</b>	<b>6.5x</b>	<b>1.2x</b>	<b>1.1x</b>	<b>18.0%</b>	<b>18.4%</b>	<b>1.9%</b>	<b>2.0%</b>
<i>Trung bình</i>		<i>141,903</i>	<i>1,041,022</i>	<i>8.4x</i>	<i>7.9x</i>	<i>1.4x</i>	<i>1.3x</i>	<i>18.0%</i>	<i>18.0%</i>	<i>1.7%</i>	<i>1.8%</i>

Source: Fiiipro, MBS Research

Figure 15: Valuation summary

Valuation method	Forecasted price	Weight	Contribution price (VND)
Residual Income	24,400	50%	12,200
P/B (targeted P/B = 1.2x)	26,400	50%	13,200
<b>Target price</b>			<b>25,400</b>

Source: MBS Research

## FINANCIAL STATEMENTS

Income Statement (VND bn)	31/12/23	31/12/24	31/12/25	31/12/26	Financial ratios	31/12/23	31/12/24	31/12/25	31/12/26
Net interest income	27,691	37,800	47,922	56,589	<b>Growth</b>				
Net fee and commission income	8,715	10,615	12,981	15,558	Assets growth	21.5%	21.1%	18.4%	18.5%
Net gain from dealing in foreign currencies and gold	196	772	879	1,273	Loan & Investments growth	19.5%	25.7%	17.9%	17.0%
Net gain from trading of trading securities	65	100	194	272	Deposit & Commercial papers growth	23.3%	22.9%	18.2%	18.2%
Net gain from disposal of investment securities	926	1,511	1,787	1,873	EBT growth	-11.0%	34.3%	23.5%	25.0%
Net other income	2,434	3,017	3,343	3,522					
<b>Total operating income</b>	<b>40,061</b>	<b>53,814</b>	<b>67,106</b>	<b>79,087</b>	<b>Capital Adequacy</b>				
Operating expense	13,252	16,144	20,803	24,517	CAR	14.4%	14.5%	N/A	N/A
Provision expenses for credit losses	3,921	6,935	8,350	7,117	Total Equity/Total Assets	15.8%	15.0%	14.8%	15.1%
<b>Profit before tax</b>	<b>22,888</b>	<b>30,735</b>	<b>37,954</b>	<b>47,453</b>	Financial leverage	6.32	6.65	6.76	6.63
Business income tax	4,697	6,308	7,789	9,739					
<b>PAT</b>	<b>18,191</b>	<b>24,428</b>	<b>30,164</b>	<b>37,715</b>	<b>Asset Quality</b>				
Benefits of minority shareholder	(187)	(251)	(310)	(388)	Loan group 3-5	1.2%	1.2%	0.9%	1.0%
<b>NPAT-MI</b>	<b>18,004</b>	<b>24,176</b>	<b>29,854</b>	<b>37,327</b>	Loan group 2	0.9%	0.7%	1.2%	0.9%
					LLR	102.1%	101.3%	138.1%	134.3%
<b>Balance sheet (VND bn)</b>	<b>31/12/23</b>	<b>31/12/24</b>	<b>31/12/25</b>	<b>31/12/26</b>					
Cash and cash equivalents	3,621	3,666	3,635	4,974	<b>Liquidity</b>				
Balances with the State Bank of Vietnam	27,141	20,795	29,131	37,415	LDR	81.0%	81.4%	82.8%	82.8%
Placements with and loans to other credit institutions	104,072	128,230	146,082	184,641	Liquid asset/Total Assets	28.8%	28.6%	27.3%	27.5%
Trading securities	4,433	5,830	14,002	13,803	Liquid asset/Customer deposit	40.2%	39.3%	36.8%	37.2%
Derivatives and other financial assets	144	144	144	144					
Debt purchasing	82	-	-	-	<b>Profitability</b>				
Loans and advances to customers	518,642	647,825	777,867	920,188	ROA	2.3%	2.6%	2.7%	2.8%
Allowance for credit losses	(6,128)	(7,877)	(9,882)	(12,062)	ROE	15.0%	17.5%	18.3%	19.0%
Investment securities	104,994	136,072	140,031	156,391	NIM	4.0%	4.5%	4.7%	4.7%
Other long-term investments	3,046	2,901	2,915	2,930	Interest Income/Operating Income	69.1%	70.2%	71.4%	71.6%
Fixed assets	8,893	9,688	10,604	11,659	CIR	33.1%	30.0%	31.0%	31.0%
Investment properties	-	-	-	-					
Other assets	80,543	81,621	103,660	122,890	<b>Valuation</b>				
<b>TOTAL ASSETS</b>	<b>849,482</b>	<b>1,028,896</b>	<b>1,218,188</b>	<b>1,442,972</b>	Basic EPS (VND)	5,115	4,576	4,238	5,298
					BVPS (VND)	18,497	21,214	25,496	30,849
Due to Government and borrowings from the State Bank of Vietnam	0	-	-	-	P/E	4.5x	5.0x	5.4x	4.3x
Placements and borrowings from other credit institutions	153,173	180,225	199,756	221,535	P/B	1.2x	1.1x	0.9x	0.7x
Deposits from customers	454,661	570,548	704,863	847,958					
Derivatives and other financial liabilities	-	-	-	-					
Funds received from Government, international and other institutions	-	-	-	-					
Valuable papers	84,703	100,413	101,123	119,624					
Other liabilities	25,317	26,687	30,950	34,255					
<b>LIABILITIES</b>	<b>717,854</b>	<b>877,873</b>	<b>1,036,691</b>	<b>1,223,373</b>					
<b>SHAREHOLDERS' EQUITY</b>	<b>131,628</b>	<b>151,023</b>	<b>181,497</b>	<b>219,599</b>					
Charter capital	35,225	70,450	70,450	70,450					
Share premium	476	476	476	476					
Treasury shares	-	-	-	-					
Other capital	556	556	556	556					
Funds	45,726	47,680	50,092	53,109					
Retained earnings	48,328	30,293	58,044	92,741					
Minority interest	1,317	1,568	1,878	2,266					
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>849,482</b>	<b>1,028,896</b>	<b>1,218,188</b>	<b>1,442,972</b>					

Source: TCB Financial Statements, MBS Research

## DISCLAIMER

This report has been written and distributed by MBS Research Center, MBS Securities JSC (MBS). It is based on information obtained from sources believed to be reliable, but MBS does not make any representation or warranty, express or implied, as to its accuracy, completeness, timeliness or correctness for any particular purpose. Opinions expressed are subject to change without notice. This research is prepared for general circulation. Any recommendation contained herein does not have regard to the specific investment objectives, financial situation and the particular needs of any specific addresses. This report and all of its content belongs to MBS. No part of this report may be copied or reproduced in any form or redistributed in whole or in part, for any purpose without the prior written consent of MBS.

## 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
NEUTRAL	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 leads the brokerage house in terms of market share on both Hanoi Stock Exchange (HNX) and HCMC Stock Exchange (HOSE) and continuously ranked among the Top 5 of market share at both stock exchanges

Address:

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

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

Website: [www.mbs.com.vn](http://www.mbs.com.vn)

## MBS RESEARCH TEAM

**Director, Head of Research**  
*Hien Tran Thi Khanh*

**Deputy Head of Equity Research**  
*Dzung Nguyen Tien*

**Macro & Market Strategy**  
*Cuong Nghiem Phu*  
*Hung Ngo Quoc*

**Banking – Financial Services**  
*Luyen Dinh Cong*  
*Hao Nguyen Duc*

**Real Estate**  
*Duc Nguyen Minh*  
*Tri Nguyen Minh*  
*Thanh Le Hai*

**Consumer - Retail**  
*Ly Nguyen Quynh*

**Energy - Industrials**  
*Tung Nguyen Ha Duc*  
*Huyen Pham Thi Thanh*