

HDBANK (HDB)
ADD (Maintained)
FINANCIALS

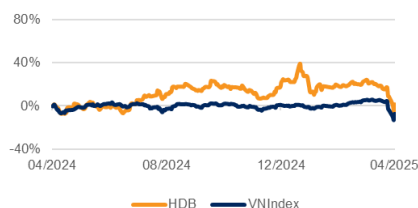
Current Price	VND20,700
52Wk High/Low	VND26,650/17,769
Target Price	VND31,800
Previous TP	VND34,900
TP vs Consensus	16.8%
Upside	53.6%
Dividend Yield	4.3%
Total stock return	57.9%

Growth rating	Positive
Value rating	Positive
ST Technical Analysis	Positive

Market Cap	USD2.6bn
3m Avg daily value	USD9.7mn
Avail Foreign Room	USD11.2mn
Outstanding Shares	3,495.1mn
Fully diluted O/S	3,495.1mn

	<u>HDB</u>	<u>Coverage</u>	<u>VNI</u>
P/E TTM	5.6x	8.3x	11.6x
P/B Current	1.3x	1.4x	1.5x
ROA	2.0%	1.7%	2.1%
ROE	25.8%	18.8%	13.0%

*as of 4/11/2025

Share Price performance


Share price (%)	1M	3M	12M
HDB	-17.9%	-10.0%	1.5%
VNIIndex	-12.2%	-5.1%	-7.2%

Ownership

Sovico	14.4%
Pham Van Dau	4.3%
Others	81.3%

Business Description

HDBANK (HDB) is a leading commercial bank in Vietnam, with a focus on retail customers, mortgages, and consumption loans. The bank has a network of over 362 branches and serves over 14 million customers.

Analyst(s):

Hung Vu

hung.vumanh3@vndirect.com.vn

NIM expansion, robust credit growth brighten FY25

- We maintain our ADD rating with 53.6% upside.
- The current P/B ratio of 1.33x is below our coverage average of 1.4x, which undervalues ROAE of 25.8% for FY24, the highest among our coverage.

Financial Highlights

- 4Q24 PBT edged down 7.1% YoY to VND4.0tn (USD158mn) due to a rise in operating and provision cost.
- FY24 PBT surged 28.5% YoY to VND16.7tn (USD661mn), fulfilling 103% of our full-year forecast.
- 4Q24 ROE decelerated to 25.8% (-2.3% pts QoQ), but still surpassed the coverage average of 18.9%.

Investment Thesis
Consumption and housing to support credit growth

We expect HDB's loan book to expand by 20.1% YoY in FY25, driven by resilient consumption activity and a continued rebound in the property market. The extension of the VAT cut and ongoing fiscal support will sustain credit demand across household businesses, agriculture, consumer lending, and personal loans—representing 31% of total loans. Meanwhile, 33% of the loan book exposed to real estate and construction is poised to benefit from improved absorption rates, elevated housing prices, and a stronger legal framework for project approvals.

NIM uplift from spread and securities yield

HDB's NIM is forecast to improve by 27bps YoY, reflecting a widening in net interest spread and rising returns on investment securities. The bank is well-positioned to mitigate funding cost pressure via cheaper USD borrowings, which account for 65% of its interbank liabilities. At the same time, low LDR (71.9%) and SLFR (20.6%) ratios allow room to enhance asset deployment. A 24-bp gain in average loan yield and a 20-bp increase in securities yield will reinforce NIM expansion throughout the year.

Asset quality to strengthen with lower NPL formation and higher reserves

The recovery in domestic income and property market liquidity will enhance repayment capacity and reduce credit stress. As a result, HDB's NPL ratio is projected to decline to 1.53% in FY25 from 1.93% in FY24. Simultaneously, LLR coverage will rise to 86.5%, improving the bank's risk buffer. We expect NPL formation to fall by 34.5% YoY, led by easing pressure in the consumer finance portfolio and improving credit behavior in the SME and personal loan segments.

Consumer finance turnaround to sustain earnings growth

The consumer finance business has delivered a meaningful turnaround, with loan book growth rebounding to 13.1% YoY in 4Q24, a strong improvement from 7.0% at end-2023. This reflects rising demand for consumption credit amid improving personal income and a broader economic recovery. With asset quality trending upward for five consecutive quarters and NIM expansion continuing, the segment is well-positioned to contribute meaningfully to group-level profit growth in FY25 and beyond.

Financial summary (VND)	12-23A	12-24A	12-25E	12-26F
Net profit (YoY)	30.0%	26.7%	32.4%	15.8%
Credit growth	31.8%	27.0%	20.1%	18.6%
NIM	4.9%	5.4%	5.7%	5.7%
CASA ratio	11.1%	11.9%	12.9%	13.9%
NPLs / Gross loans	1.8%	1.9%	1.5%	1.2%
LLR	65.8%	68.7%	86.5%	111.0%
ROAE	24.2%	25.7%	27.9%	25.8%
P/B	1.5x	1.3x	0.9x	0.7x

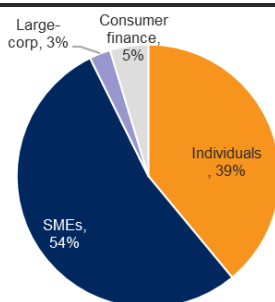
Source: VNDIRECT RESEARCH

Company Profile

Established in 1989, HDBank (HDB VN) is one of the leading commercial banks in Vietnam, ranking tenth in terms of total assets within the Vietnamese banking system. HDB currently owns 362 branches and transaction offices spread across 61 out of 63 provinces and cities in Vietnam, catering to over 17 million customers.

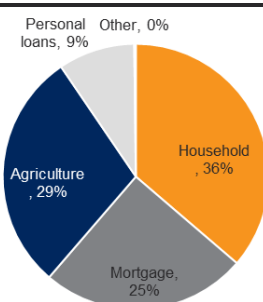
HDB is a retail-oriented bank, boasting a specialized business structure focused on retail and SME banking, as well as consumer finance. HDB's strategic focus is tapping into the value chain of the agricultural sector and providing capital to enterprises within value chains of large FDI companies such as Coca-Cola and Unilever in Vietnam. Additionally, HDB is actively involved in the development of rural and second-tier urban areas in Vietnam.

Figure 1: Loan book mix by customer type



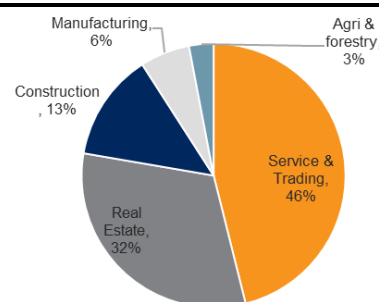
Sources: HDB, VNDIRECT RESEARCH

Figure 2: Retail loan book mix by sector



Sources: HDB, VNDIRECT RESEARCH

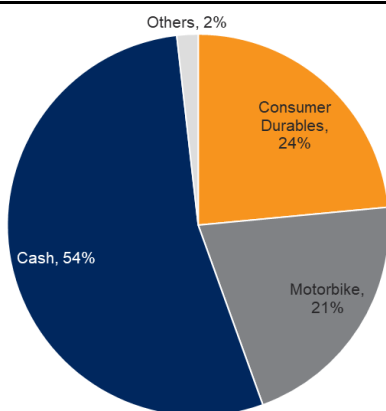
Figure 3: SME loan book mix by sector



Sources: HDB, VNDIRECT RESEARCH

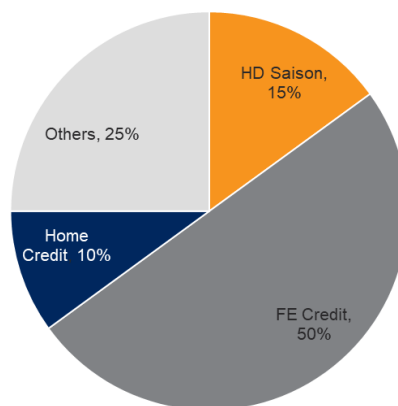
In 2013, HDB acquired a 100% equity stake in Societe Generale Viet Finance Company Limited (SGVF), a member of the Société Générale Group from France, which is one of the three largest consumer finance companies in Vietnam. In 2015, HD Finance underwent a name change to HD Saison after selling 49% of its stake to Credit Saison from Japan and 1% to Ho Chi Minh Securities Corp. (HCM VN, Non-rated). Currently, HD Saison is a major player in the consumer finance sector in Vietnam, holding the second-largest market share (15%). Its development strategy is focused on key areas such as motorbike financing and consumer durables, and aims for effective risk management practices.

Figure 4: Loan book mix of HD Saison



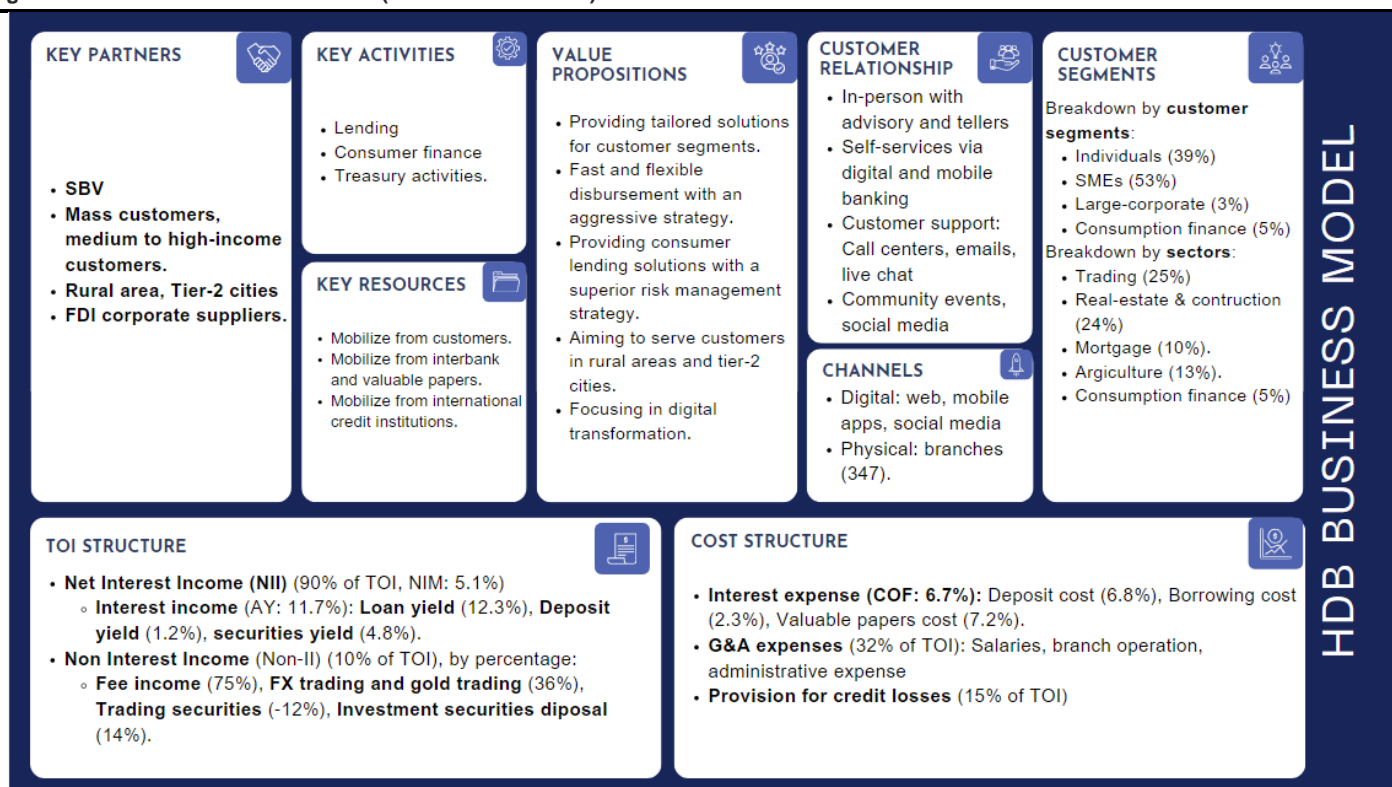
Source: VNDIRECT RESEARCH

Figure 5: HD Saison market share



Sources: HDB, VNDIRECT RESEARCH

Figure 6: HDB business model canvas (data as of end-FY23)



Source: VNDIRECT RESEARCH

Results Recap 4Q24: Rising provisioning costs weigh on profit

Figure 7: HDB's key ratios by quarter

Key ratios	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	
NII/TOI	83.1%	84.0%	85.6%	77.3%	80.8%	90.5%	92.4%	93.1%	91.1%	86.8%	
Non-II/TOI	16.9%	16.0%	14.4%	22.7%	19.2%	9.5%	7.6%	6.9%	8.9%	13.2%	
Credit growth YoY	18.9%	25.6%	24.7%	19.7%	18.7%	31.8%	28.4%	36.2%	37.7%	27.0%	
NIM (quarterly)	5.0%	5.4%	4.9%	4.7%	4.5%	6.3%	5.4%	5.7%	5.6%	5.6%	
AY (quarterly)	9.3%	10.6%	11.2%	12.0%	12.4%	13.0%	10.9%	10.5%	10.2%	10.3%	
COF (quarterly)	4.4%	5.4%	6.4%	7.4%	7.7%	6.6%	5.4%	4.8%	4.6%	4.7%	
CIR	37.1%	45.5%	34.6%	34.9%	37.8%	31.9%	31.7%	36.5%	34.6%	37.5%	
LDR	71.4%	76.6%	73.1%	67.8%	67.4%	66.2%	70.9%	72.6%	71.9%	68.5%	
NPL ratio	1.5%	1.7%	1.8%	2.2%	2.3%	1.8%	2.2%	2.1%	1.9%	1.9%	
LLR	81.0%	70.4%	61.8%	61.3%	54.2%	65.8%	56.6%	58.8%	65.9%	68.7%	
Credit-cost rate (quarterly)	1.1%	1.5%	1.4%	2.0%	0.9%	1.6%	1.4%	1.2%	1.1%	1.7%	
Provisions/PPOP	20.1%	29.6%	25.8%	34.3%	16.8%	22.1%	24.0%	21.4%	19.6%	31.0%	
ROAA (trailing 12 months)	2.0%	2.0%	1.9%	1.9%	1.9%	2.0%	2.1%	2.1%	2.2%	2.0%	
ROAE (trailing 12 months)	24.0%	23.5%	22.6%	22.3%	22.2%	24.7%	25.6%	27.0%	28.1%	25.8%	

Sources: HDB, VNDIRECT RESEARCH

Figure 8: Results comparison

	4Q23	4Q24	% QoQ (4Q24 vs 3Q24)	% YoY (4Q24 vs 4Q23)	FY23	FY24	FY24F (VND's forecast)	% of VND forecasts
NII YoY	51.5%	9.8%	5.5%		23.2%	39.1%	35.8%	102%
Non-interest income YoY	-16.2%	58.6%	63.5%		6.9%	-25.0%	-43.2%	132%
OPEX YoY	-1.5%	34.6%	20.0%		5.8%	31.2%	24.7%	105%
PPOP YoY	76.0%	5.0%	5.8%		29.6%	27.6%	22.3%	104%
Provision expenses YoY	31%	47.4%	67.5%		39.1%	25%	14.6%	109%
Pre-tax profit YoY	94.7%	-7.1%	-9.2%		26.8%	28.5%	24.9%	103%
Loan growth YoY	30.1%	28.9%	11.0%		30.1%	28.9%	24.2%	
Deposit growth YoY	71.8%	18.0%	10.2%		71.8%	18.0%	59.6%	
NIM	6.3%	5.6%	0.0% pts	-0.7% pts	5.1%	5.3%	5.4%	
Interest-earning asset yield	13.0%	10.3%	0.1% pts	-2.8% pts	11.7%	10.1%	10.8%	
Cost of funds	6.6%	4.7%	0.1% pts	-1.9% pts	6.7%	4.7%	5.4%	
CASA ratio	11.1%	11.9%	3.0% pts	0.9% pts	11.1%	11.9%	9.0%	
CIR	31.9%	37.5%	2.9% pts	5.6% pts	34.6%	35.2%	35.0%	
ROAE	24.7%	25.8%	-2.3% pts	1.1% pts	24.7%	25.8%	25.2%	
NPLs / Gross loans	1.8%	1.9%	0.0% pts	0.1% pts	1.8%	1.9%	1.8%	
Group 2 loans / Gross loans	5.2%	4.7%	1.0% pts	-0.5% pts	5.2%	4.7%	3.4%	
Loan loss reserves	65.8%	68.7%	2.8% pts	2.9% pts	65.8%	68.7%	68.8%	

Sources: HDB, VNDIRECT RESEARCH

TOI growth moderated as Non-II surged

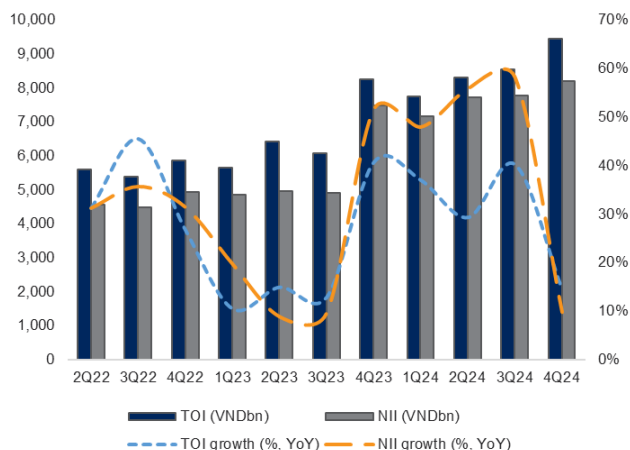
In 4Q24, TOI grew 14.4% YoY to VND9.4tn (USD372mn), marking a slowdown from the explosive growth seen since 4Q23, primarily due to a high base last year and a deceleration in NII growth. The 14.4% YoY TOI increase was supported by a surge in Non-II, which jumped 58.6% YoY, driven by: 1) net gains from the disposal of trading securities (+27.5% YoY); and 2) other income. Other income recorded a profit of VND393bn (USD15bn) in 4Q24, compared to a loss of VND109bn (USD4mn) in 4Q23.

NIM declined amid slowing NII growth

In 4Q24, NII grew 9.8% YoY, a significant slowdown from the explosive growth of the previous four quarters. This was supported by robust loan book growth of 28.9% YoY (+11.0% QoQ), far exceeding the system-wide credit growth of 15%

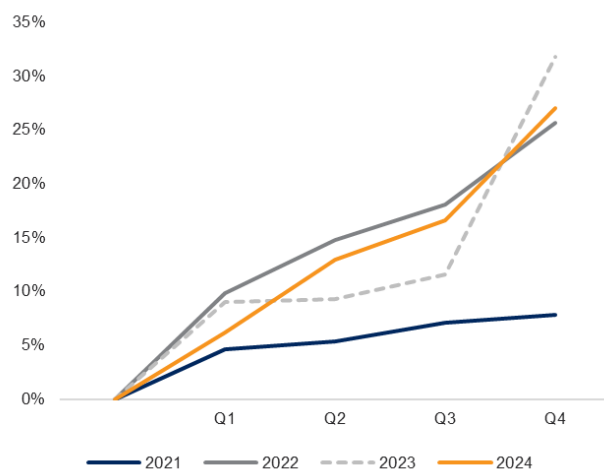
YoY by year-end 2024. However, NIM contracted sharply by 70 bps YoY, primarily driven by a 2.15% YoY decline in lending yield, which fell more steeply than the 1.96% YoY decrease in deposit cost. The decline in deposit cost reflected the lower interest rate environment, while the steeper drop in lending yield was partly due to efforts to expand credit volume, demonstrating HDB's strategy to drive growth at the expense of margin compression in 4Q24.

Figure 9: TOI growth weakened in 4Q24 due to last year's high base



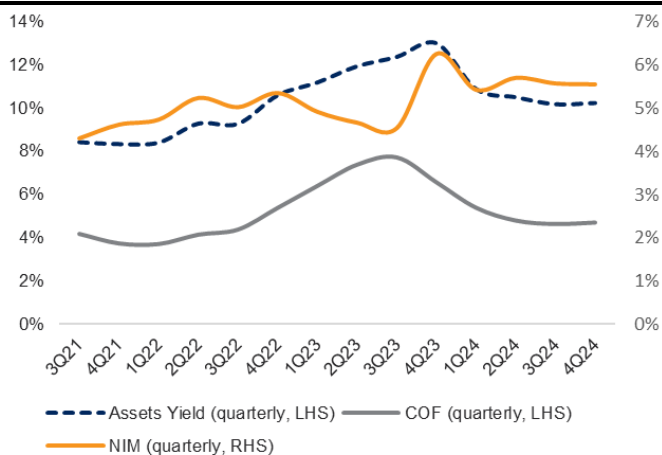
Sources: HDB, VNDIRECT RESEARCH

Figure 10: Credit growth remained robust (YTD, %)



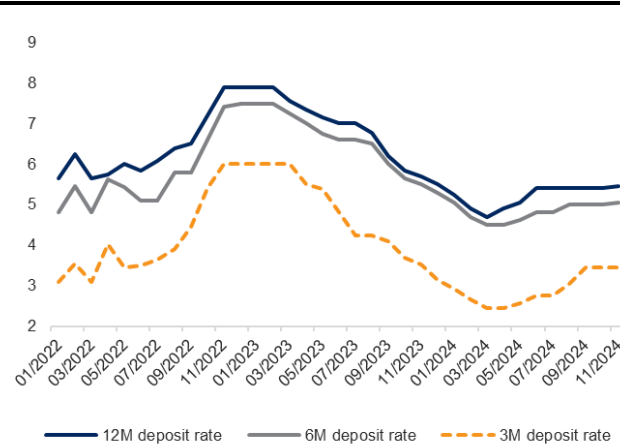
Sources: HDB, VNDIRECT RESEARCH

Figure 11: NIM remained at a high level in 4Q24



Sources: HDB, VNDIRECT RESEARCH

Figure 12: Deposit rates at the counter (%)



Sources: HDB, VNDIRECT RESEARCH

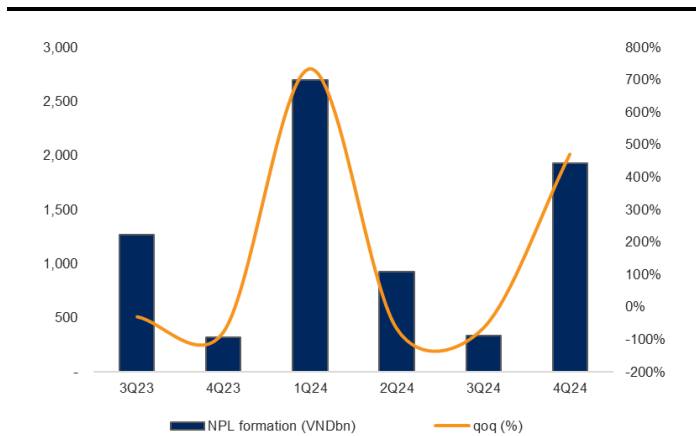
CIR rose amid a sharp increase in operating costs

In 4Q24, HDB's operating expenses surged 34.6% YoY, driven by a 53.4% YoY rise in staff costs and a 21.1% YoY increase in asset expenses. As a result, the cost-to-income ratio (CIR) climbed to 37.5% (3Q24: 34.6%; 4Q23: 31.9%), aligning with the three-year average. The sharp increase in operating costs slowed operating profit before provision (PPOP) growth to 5.0% YoY, a significant deceleration compared to the strong growth momentum seen over the previous four quarters.

Asset quality pressures resurface

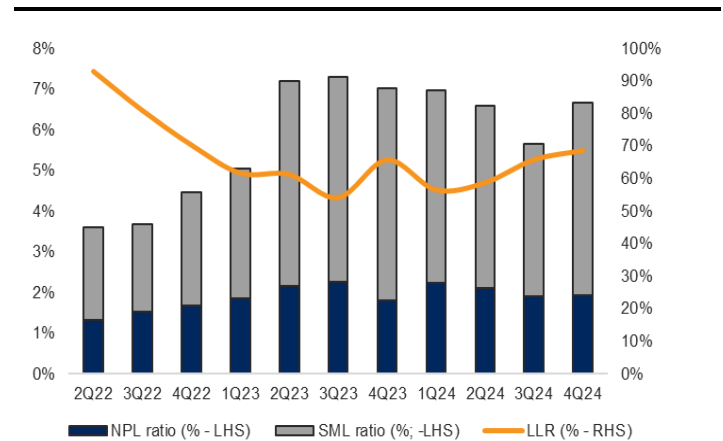
HDB's asset quality showed renewed pressure in 4Q24 as NPL formation surged 496% QoQ, though the NPL ratio remained flat at 1.9%. The Group 2 loan ratio increased to 4.7% (3Q24: 3.7%), while credit cost rose to 1.7%, the highest since 2Q23. On a positive note, HDB maintained a high write-off ratio of 0.9% and improved its LLR to 68.7% (3Q24: 65.9%). However, the rise in provisioning expenses (+47.4% YoY) drove PBT down 7.1% YoY to VND4.0tn (USD158mn), with ROAE falling to 25.8% (-2.3% pts QoQ).

Figure 13: NPL formation rose ...



Sources: HDB, VNDIRECT RESEARCH

Figure 14: ... and group-2 loan ratio surge for a second quarter



Sources: HDB, VNDIRECT RESEARCH

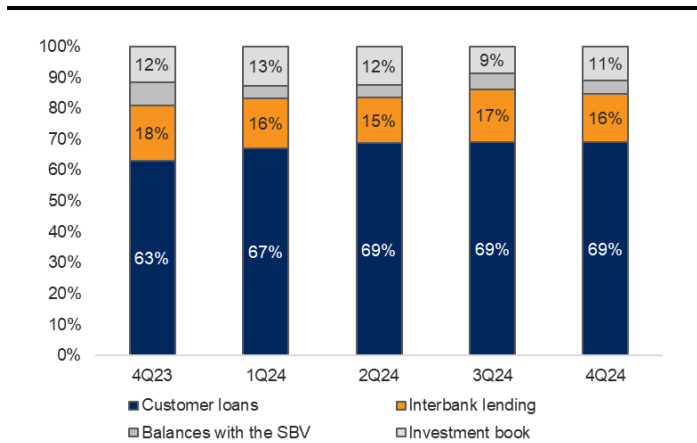
Balance sheet KPI:

Figure 15: Balance sheet key KPIs (QoQ growth, %)

Balance sheet key KPIs	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24
Interest-earning assets (excl. provisions) "IEAs"						
Customer loans	-0.9%	22.2%	0.7%	4.6%	1.4%	10.3%
Interbank lending	1.5%	17.7%	5.8%	6.3%	3.2%	11.0%
Investment book	-36.4%	74.1%	-9.2%	-4.3%	17.6%	3.0%
	40.9%	-13.6%	8.9%	1.8%	-28.1%	41.9%
Interest-bearing liabilities "IBLs"						
Customer deposits	4.2%	19.7%	-0.3%	3.3%	1.2%	11.0%
Interbank deposits	10.4%	8.5%	2.2%	2.1%	2.7%	10.2%
CDs and valuable papers	-17.9%	117.5%	-4.5%	10.9%	-22.2%	7.8%
	-5.0%	-2.3%	-9.1%	-3.7%	51.1%	20.8%
CASA ratio	7.2%	11.1%	8.4%	9.8%	8.9%	11.9%
LDR	67.4%	66.2%	70.9%	72.6%	71.9%	68.5%
SLFR	16.4%	22.5%	24.1%	24.2%	20.6%	18.2%

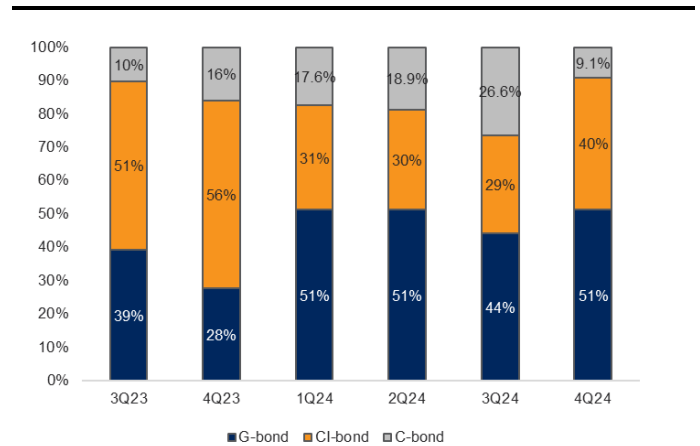
Sources: HDB, VNDIRECT RESEARCH

Figure 16: IEA structure by quarter



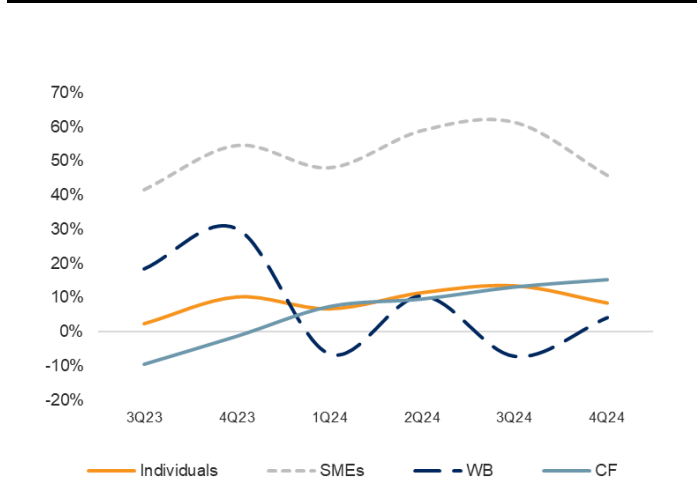
Sources: HDB, VNDIRECT RESEARCH

Figure 17: Investment book structure



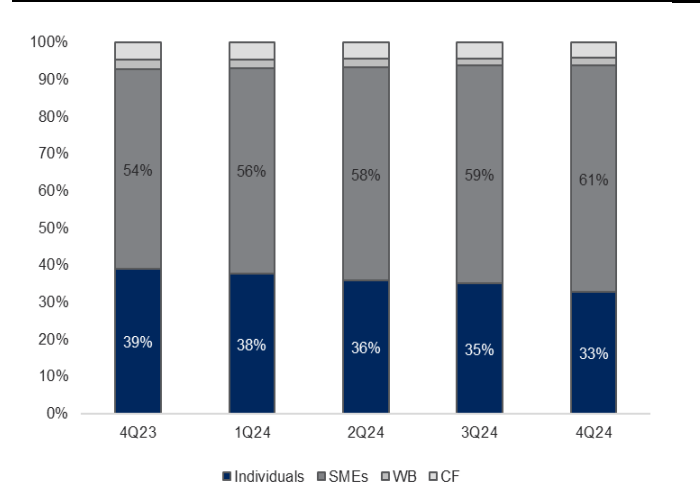
Sources: HDB, VNDIRECT RESEARCH

Figure 18: Consumer finance witnessed solid upward momentum (% YoY)



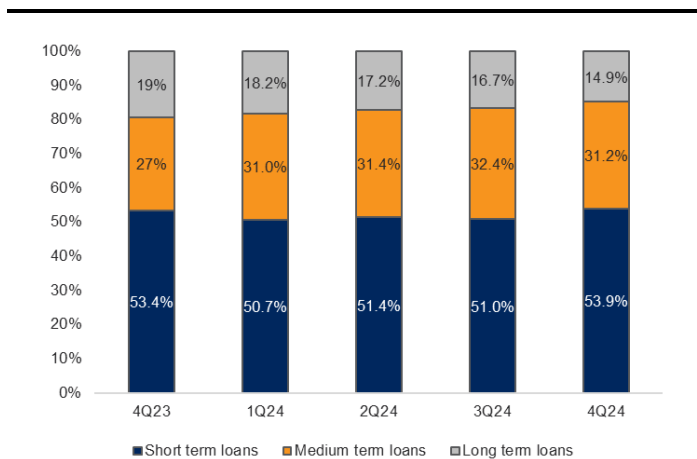
Sources: HDB, VNDIRECT RESEARCH

Figure 19: Loan book structure by type of customer



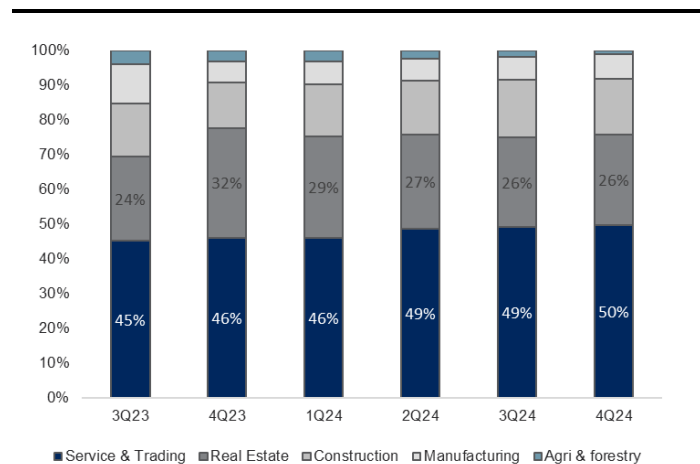
Sources: HDB, VNDIRECT RESEARCH

Figure 20: Loan book structure by term



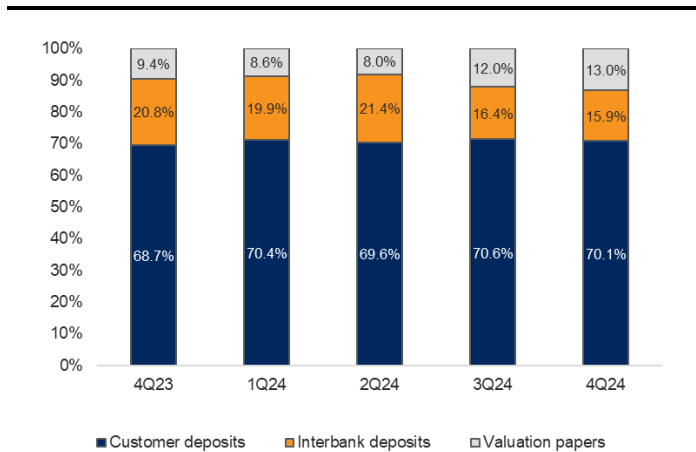
Sources: HDB, VNDIRECT RESEARCH

Figure 21: SME loan book structure



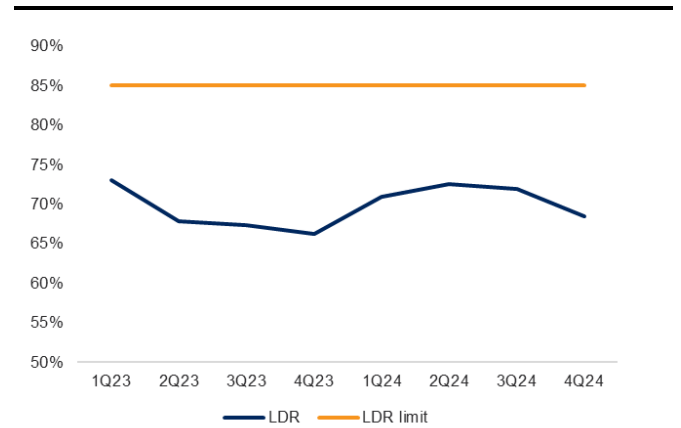
Sources: HDB, VNDIRECT RESEARCH

Figure 22: IBL structure by quarter



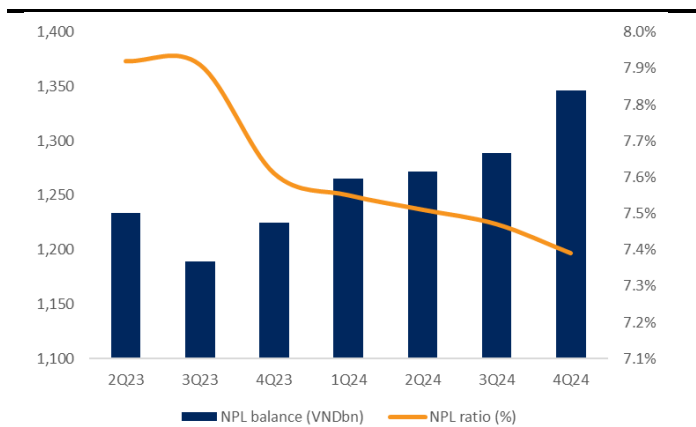
Sources: HDB, VNDIRECT RESEARCH

Figure 23: LDR remained at a low level



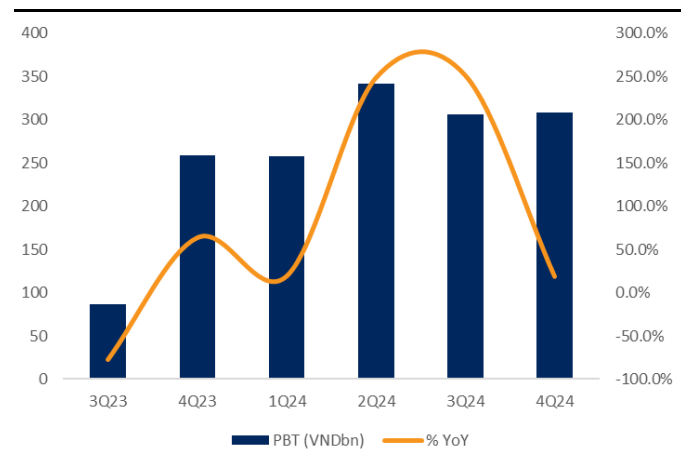
Sources: HDB, VNDIRECT RESEARCH

Figure 24: HD Saison NPLs extended downward momentum



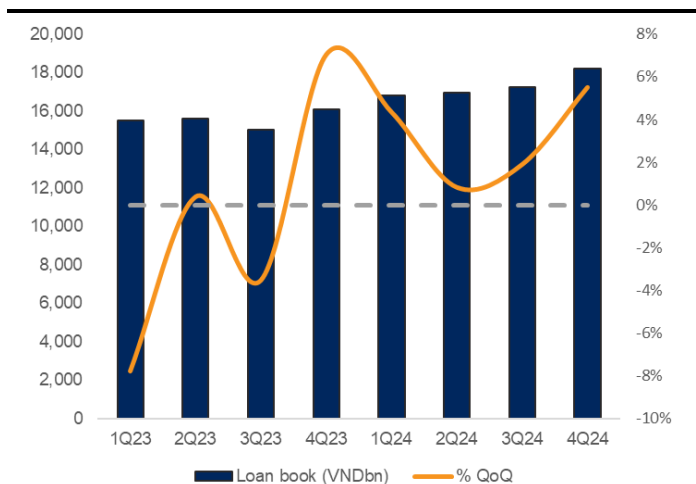
Sources: HDB, VNDIRECT RESEARCH

Figure 25: HD Saison's PBT



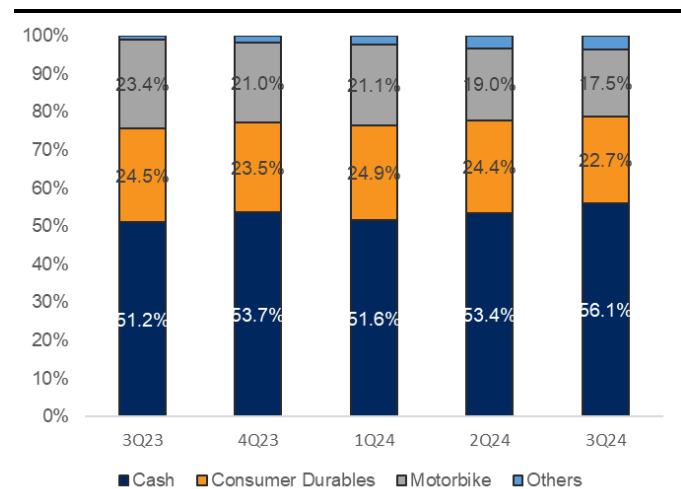
Sources: HDB, VNDIRECT RESEARCH

Figure 26: Loan book extended upward momentum (HDSaison)



Sources: HDB, VNDIRECT RESEARCH

Figure 27: Consumer finance structure (HDSaison)



Sources: HDB, VNDIRECT RESEARCH

FY25 outlook:

Figure 28: Changes in our forecasts (VND bn, otherwise noted)

	Old forecasts		New forecasts				Change		Comments
	FY25F	FY26F	FY25F	% yoy	FY26F	% yoy	FY25F	FY26F	
Net Interest Income	36,048	43,501	37,677	22.1%	43,501	15.5%	4.5%	0.0%	
NIM	5.6%	5.7%	5.7%	0.2% pts	5.7%	0.0% pts	0.0% pts	0.0% pts	
Credit growth	19.9%	18.6%	20.1%		18.6%				
Non-Interest Income	3,229	5,186	4,125	30.1%	5,186	25.7%	27.8%	0.0%	
Operating revenue	39,277	48,688	41,802	22.8%	48,688	16.5%	6.4%	0.0%	
Operating expenses	13,354	16,554	14,213	18.7%	16,554	16.5%	6.4%	0.0%	
CIR	34.0%	34.0%	34.0%	-1.2% pts	34.0%	0.0% pts	0.0% pts	0.0% pts	
Pre-provision profit	25,923	32,134	27,590	25.1%	32,134	16.5%	6.4%	0.0%	
Provision expenses	5,598	6,486	5,440	2.2%	6,486	19.2%	-2.8%	0.0%	
Credit cost	1.19%	1.11%	1.12%	-0.2% pts	1.11%	0.0% pts	-0.1% pts	0.0% pts	
Pre-tax profit	20,325	25,648	22,150	32.4%	25,648	15.8%	9.0%	0.0%	
Net profit	15,505	19,566	16,897	32.4%	19,566	15.8%	9.0%	0.0%	

Source: VNDIRECT RESEARCH

FY25 outlook: NIM expansion, robust credit growth brighten FY25

We forecast HDB's net profit to grow 32.4% YoY in FY25, slightly above the 28.2% YoY growth in FY24, supported by wider NIM, sustained credit growth, and easing credit cost. The upbeat outlook is underpinned by strong loan demand, improving asset quality, and disciplined cost control. Full-year earnings growth will be driven by:

- **Credit growth is projected at 20.1% YoY in FY25**, moderating from a strong 27.1% expansion recorded in FY24. Loan growth will be fueled by a recovery in domestic consumption and real estate activity. Demand **is expected** to remain solid across key segments such as household businesses, agriculture, personal lending, and consumer finance—together accounting for 31% of the loan book. Real estate-related loans (33% of the book) will also benefit from elevated prices, stronger absorption rates, and increased supply amid improved legal clarity.
- **NIM is forecast to widen by 27bps YoY to 5.7% in FY25**, driven by a stronger net interest spread (6.7% vs 6.3% in FY24), higher securities yields, and a more leveraged asset structure. While deposit costs may rise, partly due to a 32-bp YoY increase in funding rates, lower borrowing costs—especially from foreign interbank sources (65% of total)—will ease pressure. A 24-bp rise in average yield and a 20-bp increase in securities yield will help preserve margin resilience throughout the year.
- **Credit cost is expected to decline to 1.12% in FY25, slightly lower than the 1.19% recorded in FY24**, reflecting improving asset quality. NPL formation **is projected** to fall by 34.5% YoY, supported by stronger borrower solvency, real estate market recovery, and easing pressure in consumer finance. As a result, the NPL ratio is forecast to decrease to 1.53% in FY25 from 1.93% in FY24, while LLR coverage is expected to rise to 86.5% from 68.7%, enhancing the bank's buffer against potential downside risks.

Valuation: Reiterate ADD with a higher TP of VND31,800

We combine P/B valuation and the residual income approach with an equal weight of 50% to deliver a target price of VND31,800 for HDB. For the next year, we revise the cost of equity with a lower risk-free rate of 2.70% (previous report: 2.78%), the same [equity risk premium](#) of 7.78%, and a five-year average adjusted beta of 1.5. In addition, we roll our target P/B multiple to the end of FY25.

Figure 29: Target price calculation

Approach	Weight	Fair value (VND/share)	Contribution (VND/share)
Residual income	50%	33,049	16,524
P/BV multiple (at 1.5x FY25 BVPS)	50%	30,574	15,287
Target price (VND/share)			31,811
Target price (VND/share, rounded)			31,800

Source: VNDIRECT RESEARCH

Figure 30: Residual income valuation (VNDbn)

GENERAL ASSUMPTIONS	2025F	2026F	2027F	2028F	2029F	Terminal
Risk free rate (10-year bond)	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%
Equity risk premium	7.78%	7.78%	7.78%	7.78%	7.78%	7.78%
Beta	1.5	1.5	1.5	1.5	1.5	1.5
Cost of equity	14.7%	14.7%	14.7%	14.7%	14.7%	14.7%
% ROE	29.8%	27.5%	24.4%	22.6%	21.8%	18.5%
Long-term growth rate						
Ending shareholder's equity - MI	71,238	90,804	112,961	138,520	168,780	
RI	8,579	9,107	8,826	8,975	9,924	56,336
Discount factor	0.87	0.76	0.66	0.58	0.50	
PV of RI	7,481	6,925	5,852	5,189	5,003	28,400
Opening shareholder's equity	56,658					
PV of RI (5 years)	30,449					
PV of Terminal value	28,400					
Implied EV	115,507					
No. of o/s shares (m shares)	3,495					
Implied value per share (VND/share)	33,049					

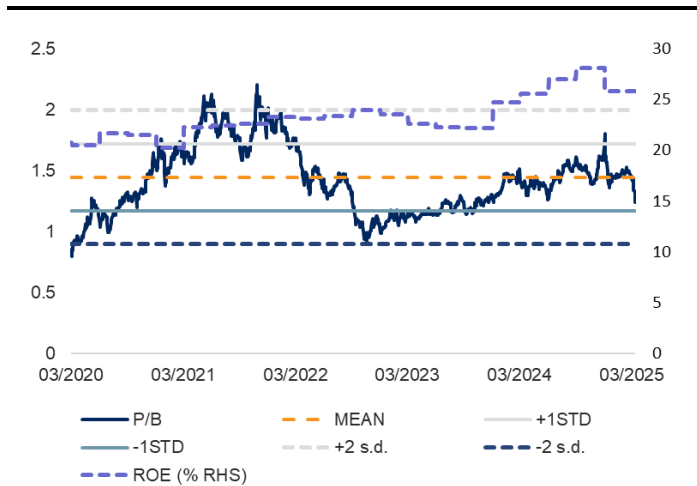
Source: VNDIRECT RESEARCH

Figure 31: Sensitivity analysis for residual income method

Cost of equity	Long term growth rate				
	1.0%	2.0%	3.0%	4.0%	5.0%
12.7%	36,346	37,956	39,907	42,319	45,369
13.7%	33,506	34,714	36,157	37,907	40,069
14.7%	31,082	31,984	33,049	34,321	35,864
15.7%	28,987	29,653	30,430	31,349	32,447
16.7%	27,160	27,639	28,195	28,845	29,614

Source: VNDIRECT RESEARCH

Figure 32: HDB price to book ratio compared to ROE



Sources: HDB, VNDIRECT RESEARCH

Figure 33: HDB price to book ratio compared to sector average



Sources: HDB, VNDIRECT RESEARCH

Figure 34: Vietnam bank comparison (prices as of 4/11/2025)

Bloomberg Code	Upside (%)	Market cap (USDmn)	NIM (%)		NPL (%)		P/B (x)		P/E (x)		3-yr Forward EPS CAGR	ROAA (%)		ROAE (%)	
			TTM	FY24F	TTM	FY24F	TTM	FY24F	TTM	FY24F	%	TTM	FY24F	TTM	FY24F
VCB VN	83.3%	19,432.6	2.9%	3.0%	1.2%	1.1%	2.5	1.7	14.8	9.9	13.0%	1.7%	1.8%	18.7%	18.9%
CTG VN	7.6%	8,019.6	2.9%	2.9%	1.3%	1.4%	1.4	1.4	8.1	10.3	30.4%	1.1%	1.1%	18.6%	16.8%
BID VN	39.0%	10,035.2	2.4%	2.4%	1.5%	1.4%	1.8	1.7	10.1	12.8	16.1%	1.0%	0.9%	19.5%	16.7%
VPB VN	34.7%	5,384.3	5.9%	5.8%	4.8%	4.8%	1.0	1.0	8.8	8.8	26.3%	1.8%	1.7%	11.4%	10.7%
TCB VN	12.0%	7,308.6	4.1%	4.2%	1.1%	1.1%	1.3	1.3	8.7	8.7	19.8%	2.4%	2.4%	15.6%	15.6%
MBB VN	27.9%	5,565.2	4.3%	4.7%	2.5%	2.0%	1.3	1.1	6.3	6.1	15.3%	2.2%	2.2%	22.1%	21.3%
ACB VN	37.2%	4,316.7	3.7%	3.6%	1.5%	1.5%	1.3	1.3	6.6	6.7	17.6%	2.1%	2.1%	21.7%	20.9%
VIB VN	36.7%	2,160.8	3.8%	3.8%	3.6%	3.6%	1.3	1.2	7.8	7.5	22.5%	1.6%	1.6%	18.1%	17.5%
TPB VN	59.1%	1,356.3	3.7%	3.8%	2.2%	2.1%	0.9	0.9	5.7	5.7	17.1%	1.6%	1.5%	17.3%	16.6%
LPB VN	-12.9%	3,973.3	3.3%	3.5%	1.4%	1.6%	2.0	1.9	10.5	9.0	1.9%	2.2%	2.2%	25.1%	25.1%
STB VN	20.7%	2,775.1	3.7%	3.7%	2.3%	2.4%	1.3	1.3	7.1	7.1	18.1%	1.4%	1.4%	20.0%	20.0%
OCB VN	24.7%	1,030.9	3.0%	3.3%	2.9%	2.5%	0.8	0.8	8.4	8.4	25.6%	1.2%	1.4%	10.5%	12.0%
Average			3.8%	3.8%	2.2%	2.1%	1.4	1.3	8.3	8.2	18.8%	1.7%	1.7%	18.8%	18.3%
HDB VN	53.6%	2,813.7	5.5%	5.4%	2.2%	1.9%	1.3	1.3	5.6	5.7	20.0%	2.0%	2.0%	25.8%	25.7%

Source: BLOOMBERG, VNDIRECT RESEARCH

Income statement

Income Statement

(VNDbn)	12-19A	12-20A	12-21A	12-22A	12-23A	12-24E	12-25F
Net Interest Income	9,747	11,898	13,891	18,012	22,184	30,856	37,677
Non-Interest Income	1,641	1,882	2,867	3,955	4,230	3,172	4,125
Net Operating Income	11,388	13,779	16,758	21,967	26,414	34,028	41,802
Operating Expenses	5,080	6,173	6,383	8,631	9,129	11,976	14,213
Pre-Provision Profit	6,307	7,607	10,375	13,336	17,284	22,052	27,590
Provision expense	1,289	1,788	2,306	3,068	4,268	5,321	5,440
Profit Before Tax	5,018	5,818	8,070	10,268	13,017	16,731	22,150
Net Profit After Tax	3,605	4,249	6,054	7,750	10,071	12,763	16,897

Balance sheet

Balance Sheet

(VNDbn)	12-19A	12-20A	12-21A	12-22A	12-23A	12-24E	12-25F
Cash & Deposits with SBV	6,508	10,045	14,294	14,211	44,292	29,786	32,764
Interbank Loans	24,665	44,811	55,943	49,132	96,515	101,600	91,440
Securities	41,089	70,802	76,810	50,617	62,757	70,800	79,450
Loans to Customers	144,700	176,388	200,759	260,755	339,350	436,606	524,880
Gross Loans	146,324	178,323	203,211	263,856	343,404	442,485	531,911
Provision	(1,625)	(1,935)	(2,452)	(3,102)	(4,054)	(5,879)	(7,031)
Net Fixed Assets	904	1,059	1,366	1,315	1,423	1,766	1,943
Other Assets	11,612	16,022	25,440	40,242	57,978	56,723	60,716
Total Assets	229,477	319,127	374,612	416,273	602,315	697,281	791,194
Payables to the Government and SBV	209	143	93	10,821	27	15	15
Interbank Deposits	49,794	75,176	107,243	92,653	112,087	99,461	119,353
Customer Deposits	126,019	174,620	183,283	215,797	370,778	437,505	483,555
Valuable Papers	25,013	34,332	42,756	44,162	50,938	81,350	89,485
Other Liabilities	8,062	10,153	10,447	13,845	22,085	22,292	27,548
Total Liabilities	209,096	294,423	343,821	377,278	555,915	640,623	719,956
Equity	9,810	16,088	20,073	25,303	29,076	35,101	34,951
Reserves	1,248	1,847	2,547	3,528	4,708	6,313	6,313
Retained Earnings	6,131	4,939	6,290	8,000	10,562	12,954	29,851
Non-Controlling Interests	1,309	1,707	1,757	2,041	1,931	2,166	2,808
Total Owners' Equity	20,381	24,704	30,790	38,995	46,400	56,658	71,238
Total Liabilities and Owners' Equity	229,477	319,127	374,612	416,273	602,315	697,281	791,194

Key ratios

Key Ratios

	12-19A	12-20A	12-21A	12-22A	12-23A	12-24E	12-25F
Valuation ratios							
Price to book	1.28	1.50	1.93	0.99	1.27	1.55	1.19
Dividend yield	0%	0%	0%	0%	0%	0%	0%
Dividend Payout Ratio	0%	0%	0%	0%	0%	0%	0%
EPS (VND)	1,038	1,230	1,752	2,232	2,886	3,645	4,808
Growth Rates							
Credit YoY	19.8%	28.2%	7.8%	25.6%	31.8%	27.0%	20.1%
Deposits YoY	-1.6%	38.6%	5.0%	17.7%	71.8%	18.0%	15.0%
Net Interest Income YoY	27.5%	22.1%	16.8%	29.7%	23.2%	39.1%	22.1%
Non Interest Income YoY	-8.5%	14.6%	52.4%	37.9%	6.9%	-25.0%	30.1%
TOI YoY	20.6%	21.0%	21.6%	31.1%	20.2%	28.8%	22.8%
Net Profit YoY	26.8%	17.9%	42.5%	28.0%	30.0%	26.7%	32.4%
Profitability Ratios							
NIM	4.68%	4.75%	4.44%	5.08%	4.94%	5.39%	5.68%
Cost to Income ratio (CIR) (%)	44.6%	44.8%	38.1%	39.3%	34.6%	35.2%	34.0%
Operating Profit Margin (PPOP Margin)	55.4%	55.2%	61.9%	60.7%	65.4%	64.8%	66.0%
Net Profit Margin	35.3%	33.7%	38.5%	37.4%	39.1%	38.9%	42.0%
ROAA	1.8%	1.7%	1.9%	2.1%	2.0%	2.0%	2.4%
ROAE	21.6%	20.6%	23.3%	23.5%	24.2%	25.7%	27.4%
Asset Quality							
Group 2 Ratio	3.89%	5.12%	10.10%	5.16%	5.83%	5.03%	3.50%
Group 2 Formation YoY							
NPL Ratio	1.36%	1.32%	1.65%	1.67%	1.79%	1.93%	1.53%
NPL Formation YoY	-6.2%	81.9%	56.3%	24.1%	49.0%	16.2%	-34.5%
Write-off Ratio (Including Loans Sold to VAMC)	0.63%	0.86%	0.91%	1.01%	1.09%	0.89%	0.88%
Loan Loss Reserves (LLR) (%)	81%	82%	73%	70%	66%	69%	86%
Liquidity and Solvency Ratios							
LDR (Loans to Deposits Ratio)	71.5%	61.8%	60.3%	74.1%	63.9%	71.2%	77.5%
Leverage Ratios							
Equity/Assets	8.9%	7.7%	8.2%	9.4%	7.7%	8.1%	9.0%

DISCLAIMER

This report has been written and distributed by Research Department, VNDIRECT Securities Corporation. The information contained in this report is prepared from data believed to be correct and reliable at the time of issuance of this report. Unless otherwise stated, this report is based upon sources that VNDIRECT considers to be reliable. These sources may include but are not limited to data from the stock exchange or market where the subject security is listed, or, where appropriate, any other market. Information on the company(ies) are based on published statements, information disclosure and announcements of the company(ies), and information resulting from our research. VNDIRECT has no responsibility for the accuracy, adequacy or completeness of such information.

All estimates, projections, forecasts and expression of opinions contained in this report reflect the personal views and opinions of the analyst(s) responsible for the production of this report. These opinions may not represent the views and position of VNDIRECT and may change without notice.

This report has been prepared for information purposes only. The information and opinions in this report should not be considered as an offer, recommendation or solicitation to buy or sell the subject securities, related investments or other financial instruments. VNDIRECT takes no responsibility for any consequences arising from using the content of this report in any form.

This report and all of its content belongs to VNDIRECT. 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 VNDIRECT.

RECOMMENDATION FRAMEWORK

Stock Ratings

Definition:

- 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.

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.

Sector Ratings

Definition:

- Overweight An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
- Neutral A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
- Underweight An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.

Chien Vo Minh – Manager

Email: chien.vominh@vndirect.com.vn

Hung Vu Manh – Analyst

Email: hung.vumanh3@vndirect.com.vn

VNDIRECT Securities Corporation

1 Nguyen Thuong Hien Str – Hai Ba Trung Dist – Ha Noi

Tel: +84 2439724568

Email: research@vndirect.com.vn

Website: <https://vndirect.com.vn>