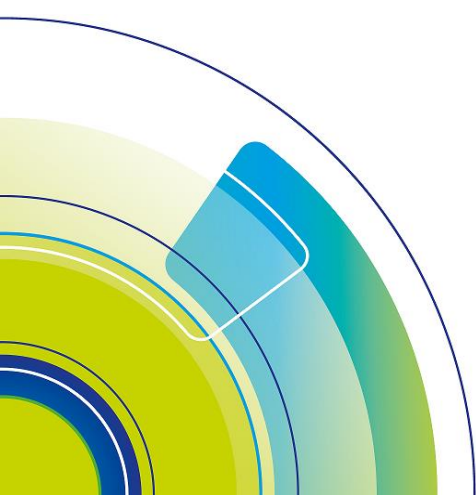




Initiation **VIB – BUY**

December 12, 2023



Hung Cao, CFA

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Recommendation

BUY

HOSE: VIB

Banking

Market price (VND) **19,200**

Target price (VND) **27,800**

Expected share price return +44.8%

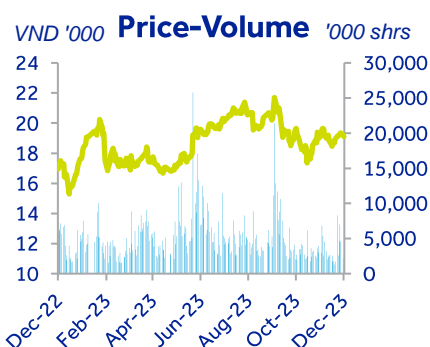
Expected dividend yield 7.3%

Expected total return **+52.1%**

Stock performance (%)

	YTD	1M	3M	12M
Absolute	33.2	4.2	-2.0	21.4
Relative	19.7	1.9	5.7	12.4

Source: Bloomberg



Ownership

Commonwealth Bank of Australia	20.4%
Đặng Khắc Vỹ (Chairman) & relatives	19.7%
Đỗ Xuân Hoàng (Board member) & relatives	9.3%
Others	50.6%

Stock Statistics 12-Dec-23

Bloomberg code	VIB VN
52-week range (VND)	15,250-22,000
No. of shares (m)	2,537
Mkt cap (VND bn)	48,453
Mkt cap (USD m)	1,986
Foreign room left (%)	0.0
Est. free float (%)	63.0
3m avg daily vol (shs)	4,407,887
VND/USD	24,400
Index: VNIndex / HNX	1123.99/231.86

VIETNAM INTERNATIONAL COMMERCIAL JOINT STOCK BANK (VIB)

We issue a **BUY** recommendation for VIB with a 1-year target price of **27,800 VND/share**. Although business results are expected to face many challenges, VIB's current valuation is quite attractive and can be improved thanks to the historical low interest rate environment.

Diversifying funding sources by mobilizing long-term capital from the interbank market and foreign financial institutions with lower interest rates than domestic mobilization helps VIB's **funding cost competitive to its peers**, despite its medium-sized.

This, combined with focusing on **lending to the high-yield retail segment**, helps VIB achieve **outstanding profitability**. However, the decline in retail credit demand due to the sluggish real estate market will negatively affect the credit growth, NIM as well as profitability of VIB.

High risk appetite in the context of a difficult economy caused **VIB's overdue loans to increase sharply**. By the end of Q3/23, VIB's overdue loan ratio (NPL ratio combined with category 2 loan ratio) was at 10.13%, among the highest in listed banks. Asset quality deteriorated for 9M2023 and the provision buffer was quite thin, **causing VIB's provision expenses to remain high in the future**. We estimate VIB's credit cost in 2023-2025 will be around **2.0%**, much higher than 0.6% in 2022.

Profit before tax (PBT) in 2023 and 2024 are expected to reach **VND 11,100 billion (+5.6% y/y)** and **VND 11,719 billion (+10.1% y/y)**, respectively. Although business results are not expected to grow strongly when faced with many challenges, we think that the **current valuation of VIB shares is quite attractive** and can be improved thanks to the historical low interest rate.

We recommend **BUY** for VIB with a 1-year target price of **27,800 VND/share** according to the residual income discount method (cost of equity: 17.6%, long-term growth: 5.0%). The above target price is equivalent to the 1-year forecast P/E and P/B of **6.3x** and **1.6x**, respectively.

(VND bn)	2020	2021	2022	2023F	2024F	2025F
Credit growth	29.5%	19.2%	14.5%	13.8%	14.0%	14.0%
NIM	4.14%	4.51%	4.93%	5.07%	4.85%	4.83%
NFI proportion	24.2%	20.6%	17.1%	20.4%	18.9%	18.5%
TOI growth	37.6%	32.8%	21.3%	23.4%	10.5%	14.6%
CIR	39.8%	35.5%	34.3%	29.2%	29.1%	29.2%
Net credit costs	-0.48%	-0.74%	-0.41%	-1.70%	-1.77%	-1.88%
Profit before tax	5,803	8,011	10,581	11,100	11,719	12,901
Growth	42.2%	38.0%	32.1%	4.9%	5.6%	10.1%
Profit attributable	4,544	6,317	8,358	8,768	9,257	10,190
Adjusted EPS (VND)	2,156	2,997	3,966	4,160	4,392	4,835
BVPS (VND)	16,202	15,640	15,492	15,081	17,330	19,847
Adjusted ROA	2.2%	2.3%	2.6%	2.3%	2.1%	2.0%
Adjusted ROE	29.6%	30.3%	29.7%	25.1%	22.8%	21.9%
CAR (Basel 2)	10.1%	11.7%	12.8%	12.3%	12.4%	12.5%
P/E (x)	10.8	7.8	5.9	5.6	5.3	4.8
P/B (x)	2.7	2.0	1.5	1.3	1.1	1.0
DPS (VND)	-	-	-	1,500	1,400	1,500
Dividend yield	0.0%	0.0%	0.0%	6.4%	7.2%	7.8%

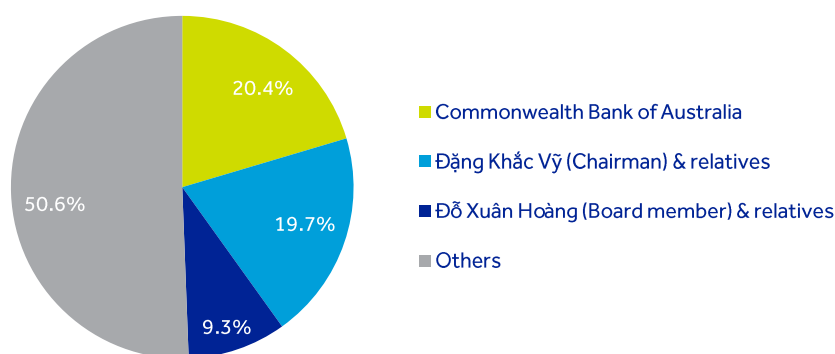
A dynamic private bank

Vietnam International Commercial Joint Stock Bank (HOSE: VIB) was established in 1996. After 27 years of development, VIB has risen to become a medium-sized private bank in Vietnam.

In 2009, VIB signed a strategic cooperation agreement with Commonwealth Bank of Australia (CBA) and in 2010, CBA became its strategic shareholder. In 2017, VIB acquired all CBA branches when the largest Australian bank left the Vietnamese market.

Currently, CBA's ownership ratio at VIB is 20.4%. However, CBA no longer plays a significant role in VIB's operations and CBA no longer has any representatives on VIB's Board of Directors and Supervisory Board. The ownership ratio of BOD members is estimated at over 30%. We think that this shareholder structure is quite prudent, helping the bank maintain stable operations while avoiding the risk of being taken over.

Chart Title



Source: Cafef

VIB is among medium-sized private banks. As of the end of Q3/23, VIB's credit and mobilization market shares account for **1.9%** and **1.7%** of the banking sector, respectively.

As of September 30, 2023, VIB has **179** branches and transaction offices, present in 30/64 provinces and cities nationwide. **75%** of VIB's total income comes from the **Southern region**. Although the number of business units is not large, this is consistent with VIB's strategy of focusing on the retail lending segment in urban areas such as home loans and auto loans.

As of September 30, 2023, VIB has 11,835 employees, an increase of 15.8% year-to-date.

The customer base is growing rapidly. By Q3/2023, VIB had **4.5 million customers**, an increase of 13% year-to-date thanks to developing digital banking channels and promoting marketing campaigns. VIB aims to increase the number of customers to 10 million by 2026.

VIB's recent media campaigns target Millennials and Gen-Z customers. VIB is the sole sponsor of the shows The Masked Singer and Let's Feast Vietnam. These programs are broadcast on HTV2, Vie Channel, Youtube and Netflix channels with a total view count of over 2 billion.

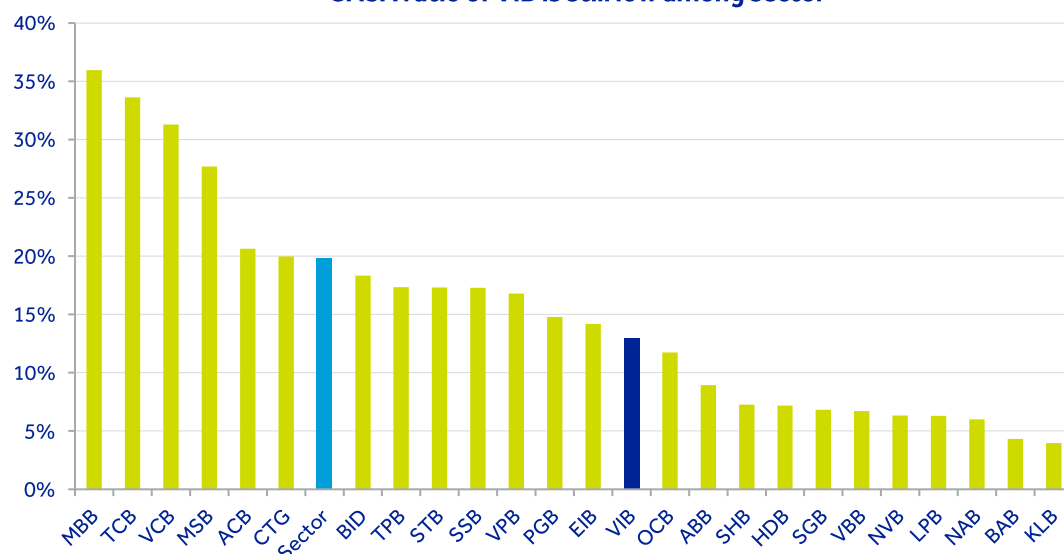
VIB is also quite active in promoting its brandname on physical channels. We can easily see the VIB brand appearing on major streets, airports, shopping centers and VIB's business points.

Take advantage of interbank and foreign loans to reduce funding costs

Having low funding cost allows banks to have more safe and effective investment options. Banks can invest in low-risk assets or lend to highly creditworthy customers at low lending rates while still having feasible margins.

Meanwhile, the low cost CASA funds of VIB in recent years has only been at a relatively low level because VIB has not established a position as a main transaction bank for the majority of customers and because of high competitive pressure from other banks.

CASA ratio of VIB is still low among sector



Source: Bank's FS, as of 30-Sep-23

Although mobilizing low cost funds from the individual depositors is under fierce competitive pressure, VIB can still pursue the reducing funding costs strategy by mobilizing from the interbank market. In particular, VIB combines a part of short-term funds from the interbank market (with very low interest rates in recent years) with a part of long-term capital from foreign financial institutions with lower interest rates than the domestic mobilization.

By the end of Q3/2023, VIB had outstanding loans of nearly USD1 billion out of the total credit line of USD2 billion granted by international financial institutions such as IFC and ADB. The purpose of this funding is to support VIB in promoting retail loans to buy, build and repair houses.

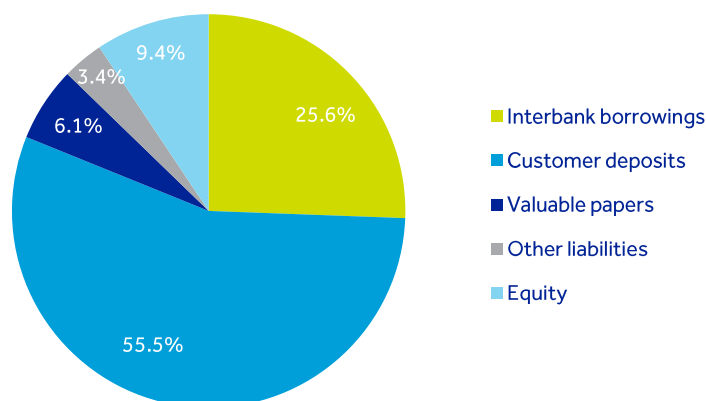
Mobilizing long-term foreign capital is a reasonable strategy to help VIB (1) finance its long-term home and car loans, while customer deposits are mainly short-term deposits (usually only a maximum of 12 months) and (2) help improve the bank's liquidity ratios.

VIB's liquidity position is generally prudent. By the end of Q3/2023, VIB's short-term used funds for mid-and-long-term loans was 27.9%, relatively close to the State Bank's regulation of 30%. Loan-to-deposit ratio (LDR) reached 71.9% and Net stable funding ratio (NFSR) reached 110.8%.

Another indirect benefit from not having to focus heavily on customer deposits is that VIB does not have to mobilize at high interest rates like other small-size banks, thereby helping the VIB's funding cost to be further reduced.

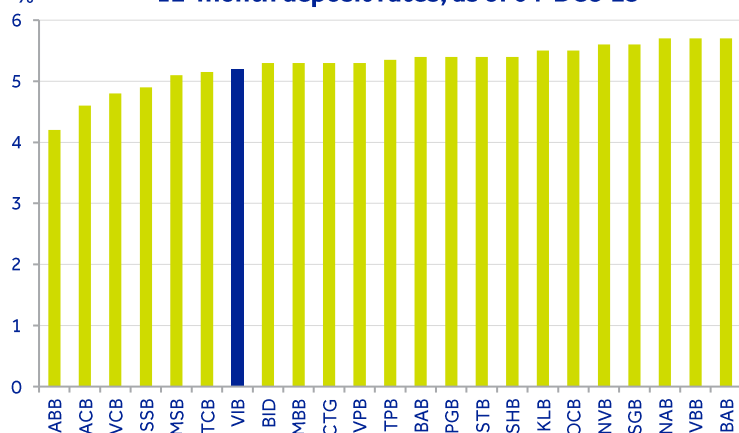
By the end of Q3/23, the proportion of customer deposits accounted for only 55.5% of VIB's total capital (other banks: nearly 70%). As long as the interbank liquidity is still abundant and interbank rates remain low, this capital structure will still help VIB optimize its cost of funds.

VIB's capital structure as of 3Q2023



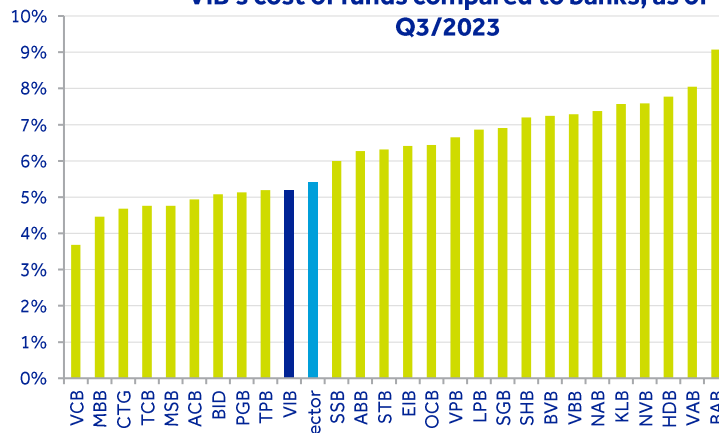
Source: VIB's FS

12-month deposit rates, as of 04-Dec-23



Source: FiinPro-X

VIB's cost of funds compared to banks, as of Q3/2023



Source: Bank's FS

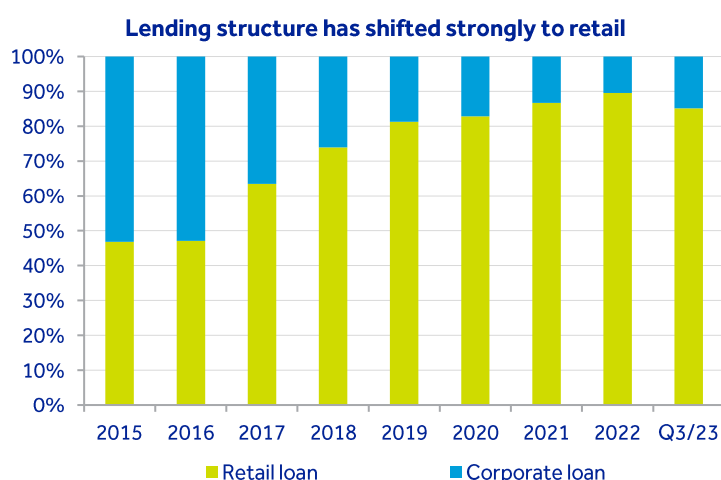
With a deposit customer base mainly coming from individuals (accounting for 72% of VIB's deposit structure) – often with higher deposit rates than corporate customers, diversifying funding sources keeps VIB's cost of funds at a fairly low level compared to its peers.

This, combined with the orientation of high-yield lending segments, is the basis for VIB to achieve profitability (NIM and ROE) superior to other banks.

The strategy of focusing on retail lending helps banks outperform the system in profitability

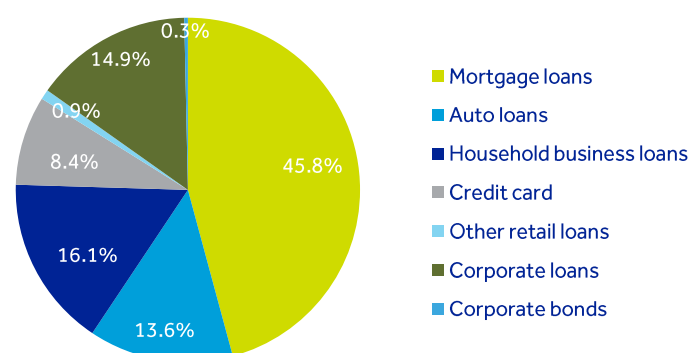
Since 2017, similar to industry trends, VIB has proactively focused on lending to the retail segment. By the end of 2022, the proportion of VIB's retail loans accounted for nearly 90% of total outstanding loans, a sharp increase compared to the 2015-16 period of only about 47%.

The mortgage loan plays an important role, contributing about half of the retail loan portfolio. VIB only focuses on lending to buy established housing and it does not associate with developing projects with the average value of each home loan being about VND1-2 billion. 99.5% of VIB's mortgage loans have a red book (certificate of land use right) or pink book (certificate of house ownership and land use right). This helps VIB easily liquidate and recover collateral assets and reduce its expected credit loss rates.



Source: VIB's FS

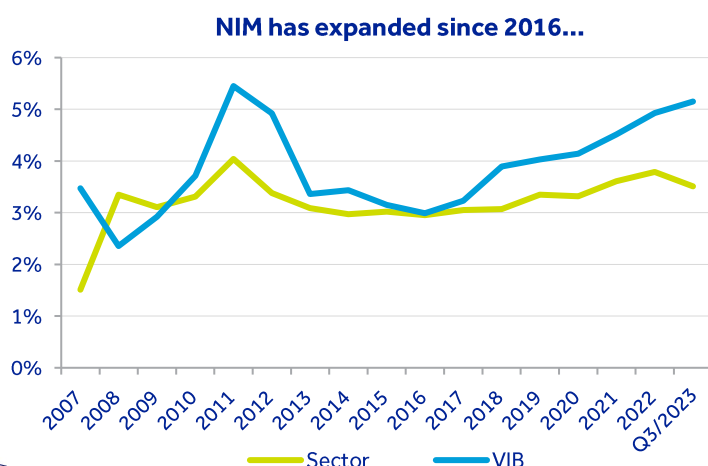
Credit portfolio structure at the end of Q3/2023



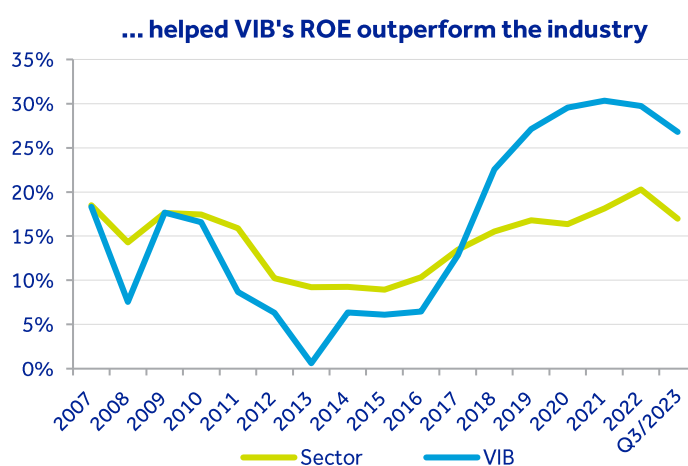
Source: VIB

For the auto loan segment, accounting for 13.6%, VIB has a market share of 15% (after VPB: 16%) in Q3/2023. In addition, the credit card lending segment with the highest risk also accounts for a significant proportion of 8.4%.

The strategy of focusing on the retail lending segment has helped strongly improve VIB's asset yield and profitability – with NIM and ROE among the highest in the system.



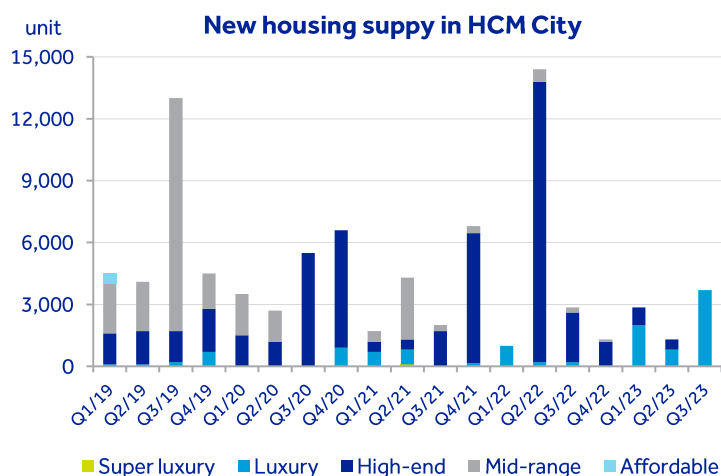
Source: Bank's FS



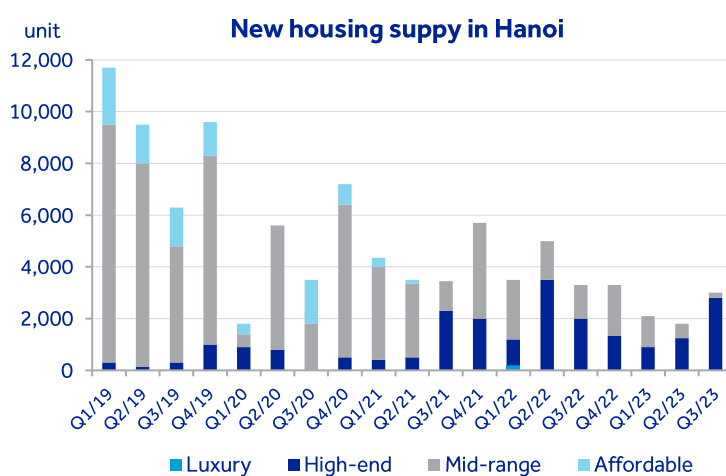
Source: Bank's FS

By the end of Q3/2023, the proportion of VIB's retail loans accounted for 85.1% of the loan portfolio, down slightly year-to-date due to the slowdown in the real estate market and the economy in general, causing demand for home loan decline. Very high lending rates in 1H2023 and the decline in new housing supply also affects the demand for home loans. As of the end of Q3/2023, VIB's outstanding mortgage loans were almost flat year-to-date.

In 9M2023, housing supply decreased sharply due to the impact of the real estate market crisis that has not completely ended. Although VIB only focuses on lending established (secondary) houses, the sharp decrease in new housing supply also negatively impacts the demand for home loans. According to CBRE, the supply of new apartments in two major cities will decrease in the first 3 quarters of 2023, especially in Ho Chi Minh City, which is VIB's key business area.



Source: CBRE



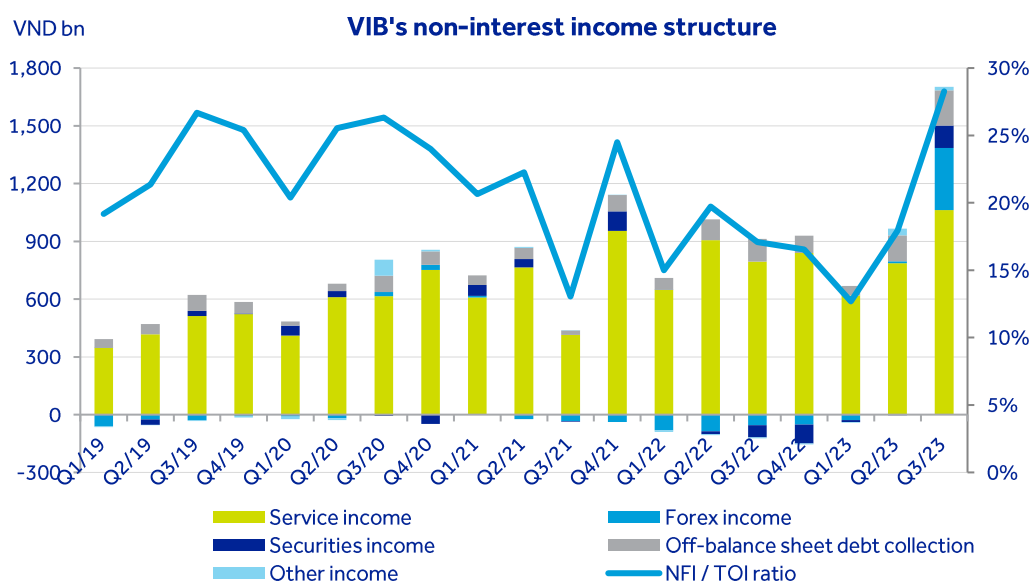
Source: CBRE

The decline in new real estate supply will further increase competitive pressure from other banks in the home loan segment. In the context of weak credit demand, VIB's lending rates will be under pressure to decrease to better suit customers' financial abilities as well as to compete with other banks. This will affect NIM as well as profitability of VIB in the coming time.

Income from bancassurance was one of the bright spots in previous years

Non-interest income accounted for about 20% of VIB's total income on average, equivalent to the industry average. Of which, the main contribution is service activities, which usually account for over 90% of VIB's total non-interest income.

In Q3/23, the USD/VND exchange rate fluctuated strongly, bringing abnormal profits from the forex trading activities for VIB. In addition, the sharp decrease in government bond interest rates also creates conditions for VIB to record profits from securities trading.

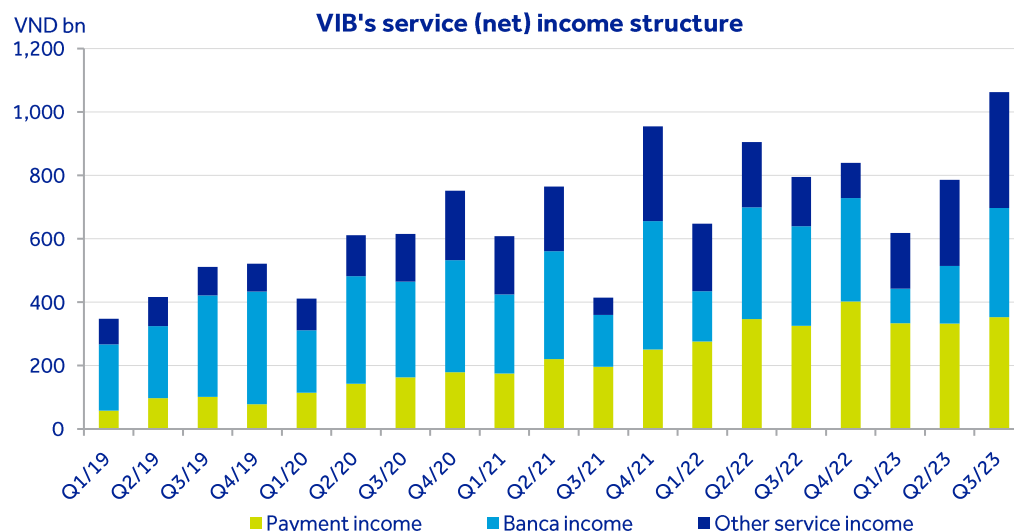


Source: VIB

In VIB's service revenue structure, commission received from insurance distribution (banca) with Prudential accounted for the largest proportion in previous years. However, since the beginning of 2023, this business segment has encountered many difficulties after some negative information related to wrongdoing cross-selling of commission products by some companies in the market. In addition, weak credit demand also makes cross-selling insurance products more difficult for the bank.

In the long term, we expect VIB's banca segment to grow by 15%/year thanks to the problems in the insurance market being resolved and thanks to Vietnam's penetration rate. The government sets a target of 15% of the population having life insurance by 2025, compared to only 11% in 2021. Vietnam's penetration rate is still much lower than regional countries such as the Philippines (~38%), Malaysia (~50%), Singapore (~80%), and the US (~90%).

In June 2023, VIB and Prudential extended their exclusive insurance distribution agreement until 2036. We estimate that VIB has recorded a portion of upfront fees from this agreement, thereby helping VIB's service net income still maintains good growth momentum in 9M2023.



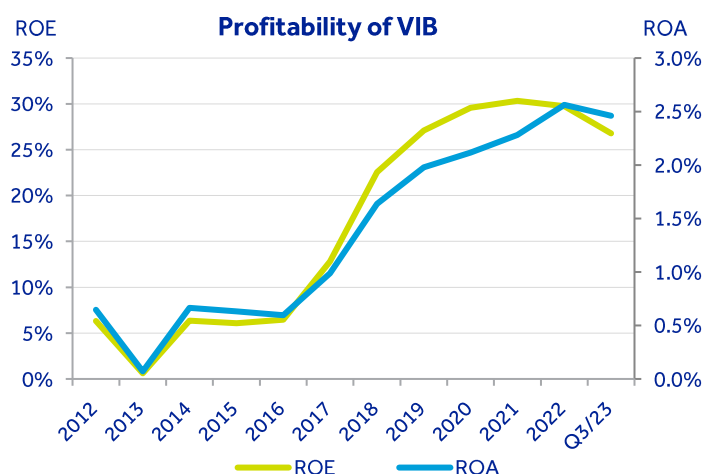
Source: VIB

Overall, we expect the income from payment and banca segments to be the main driving force of VIB's non-interest income growth in the coming years. Meanwhile, it will be difficult for the forex and securities trading to record high profits similar to those in Q3/23 because these are unsustainable income. We expect non-interest income to flatten in 2024 and gain a 12.4% growth in 2025.

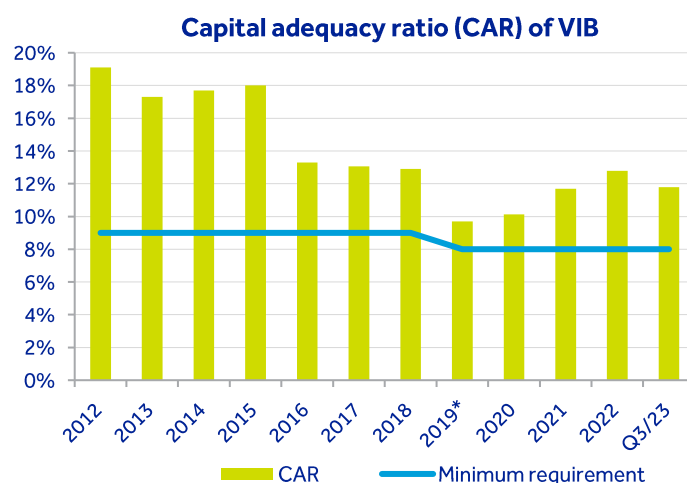
Outstanding profitability on a reasonable capital adequacy ratio

As we mentioned in the previous section, the strategy of focusing on retail lending has helped strongly improve VIB's asset yields and profits from 2016 onwards.

This, combined with a reasonable cash dividend payment policy, helps VIB's profitability always be at an outstanding level. VIB's capital adequacy ratio (CAR) has always been kept at a moderate level, from 10-12% since its announcement according to Basel 2 standards, a level that ensures compliance with regulations as well as optimal VIB's equity usage.



Source: VIB



(*): started comply to Circular 41/2016 (Basel 2)

Source: VIB

We expect that VIB's ROA and ROE will be difficult to maintain at the current high level due to the pressure to reduce lending rates, negatively impacting NIM, as well as provision expenses are expected to rise high in the near future to make provisions for arising NPLs.

NPL surged, putting pressure on provision expenses

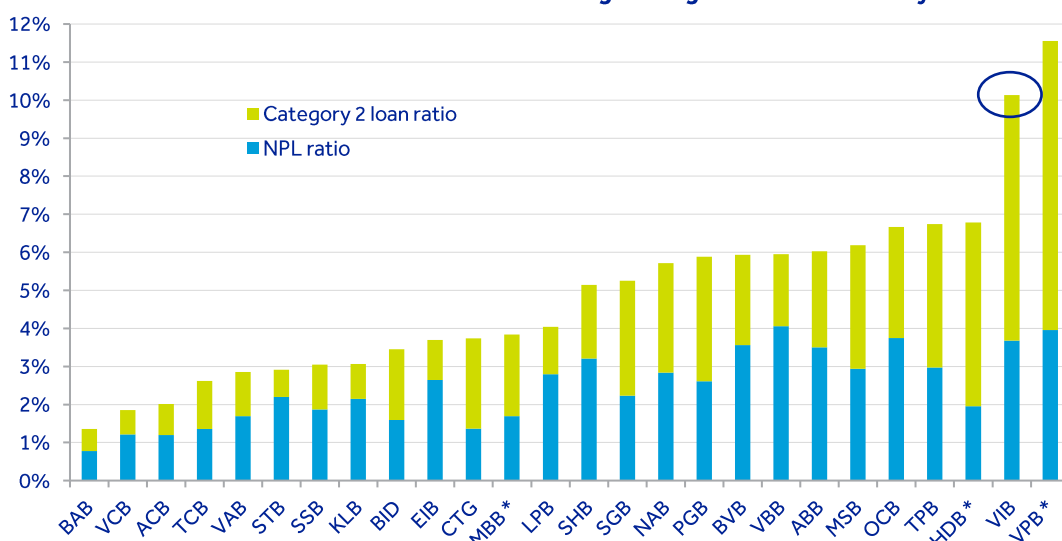
Although focusing on the retail lending – which is a segment with very low concentration risk, VIB's bad debt ratio is currently quite high compared to other banks in the system. Therefore, we assess that VIB has a fairly high credit risk appetite.

Rapid credit expansion in the past helped VIB capture retail lending market share in the context of the strong growth of the real estate market in the period 2015-2022 and in accordance with VIB's small scale at that time. However, on the other hand, this also puts pressure on VIB's asset quality during the period of economic cycle reversal.

As of the end of Q3/23, VIB's overdue loan ratio (NPL ratio combined with category 2 loan ratio) was at 10.13%, among the highest in listed banks. Restructured loan balance according to Circular 14/2021 and Circular 02/2023 of VIB is insignificant, accounting for 0.3% of outstanding loans.

Outstanding loans to real estate developers accounted for only 2% and outstanding corporate bonds accounted for only 0.3% of VIB's total outstanding credit. However, the real estate market has not completely recovered from the crisis and the economy faced difficulties in 2023, causing the income of individual customers to be negatively affected and reducing the ability to repay debt of these customers of VIB.

VIB's overdue loan ratio is among the highest in the industry

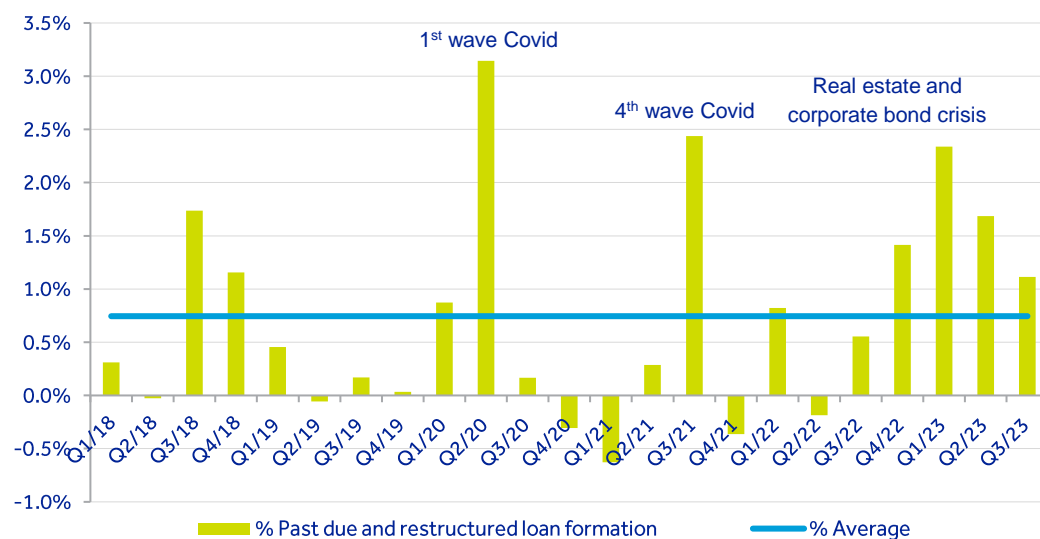


(*): parent bank

Source: Bank's FS, as of 30-Sep-23

Compared to the Covid-19 period, this real estate and corporate bond market crisis shows a more persistent level of impact. However, we also see that the rate of VIB's overdue loan formation is slowing down. In Q3/23, we estimated that the ratio of loans turned delinquent and be restructured was 1.1% of VIB's outstanding loans, the lowest since Q4/22 but this is still higher than the historical average of 0.7% per quarter.

VIB's past due and restructured loan formation

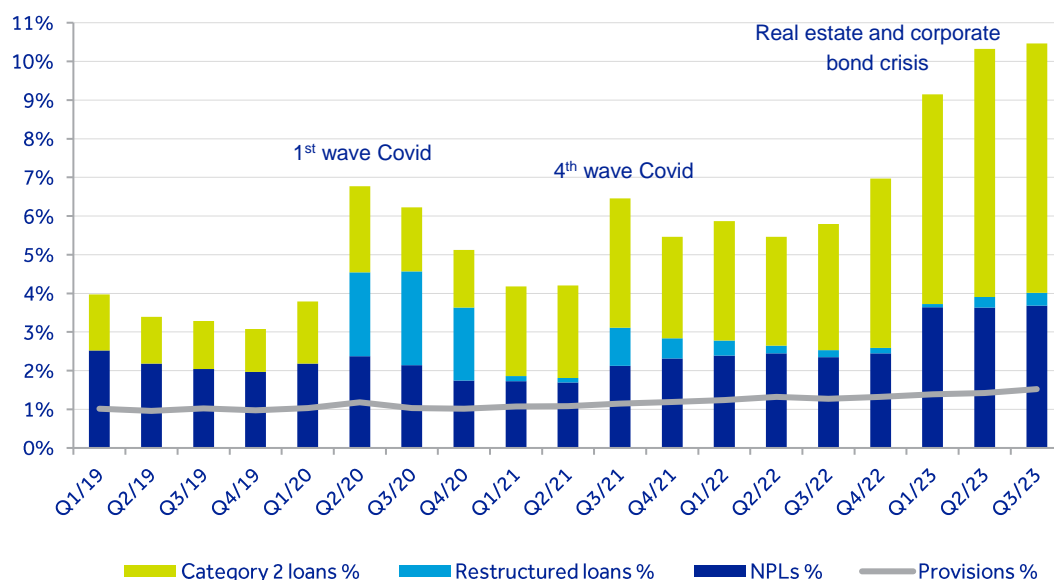


Source: VIB, ACBS

To cope with the rapid increase in NPL, VIB has tightened its lending policy in the direction of reducing credit risk compared to the previous period. The management said the bank will focus more on home loans in inner city areas – where the collateral has higher liquidity, while reducing the loan-to-value ratio (LTV) from 5-10% for sub-urban areas.

We expect the real estate market and the economy to improve in 2024, accordingly, VIB's overdue loan formation ratio will be approximately 0% in 2024 – similar to the previous recovery periods, before increasing to 2.0% from 2025 onwards.

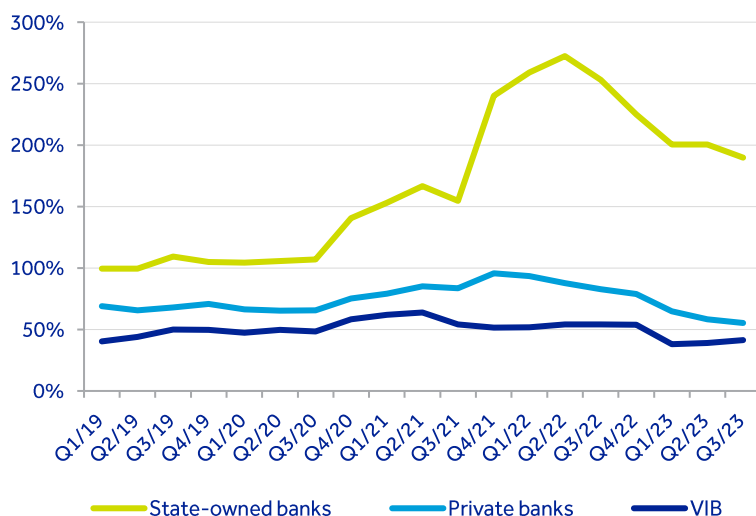
Group 2 loan increased sharply while loan loss reserve was still thin



Source: VIB

Management said the bank will write off NPLs with provision reserves to reduce the NPL ratio. Meanwhile, VIB's provision reserve was quite thin with an NPL coverage ratio of only 41.4%. Therefore, we forecast that VIB's provision expenses will be high in the coming time. We estimate VIB's credit cost in 2023-25 will be around 2.0%, higher than 0.6% in 2022.

NPL coverage ratio of VIB is lower than industry's



Source: Bank's FS

Interest collection days increased signals risk of increasing potential NPLs



Source: VIB' FS

VIB's accrued interest also shows signs of increasing again after a long period of maintaining a downward trend since 2016. Interest collection day has increased from 30 days to 39 days in 9M2023, which is not too much, but also shows signs of risks that potential NPLs are increasing.

Business results in 2023 to be flat, growth prospects remain challenging

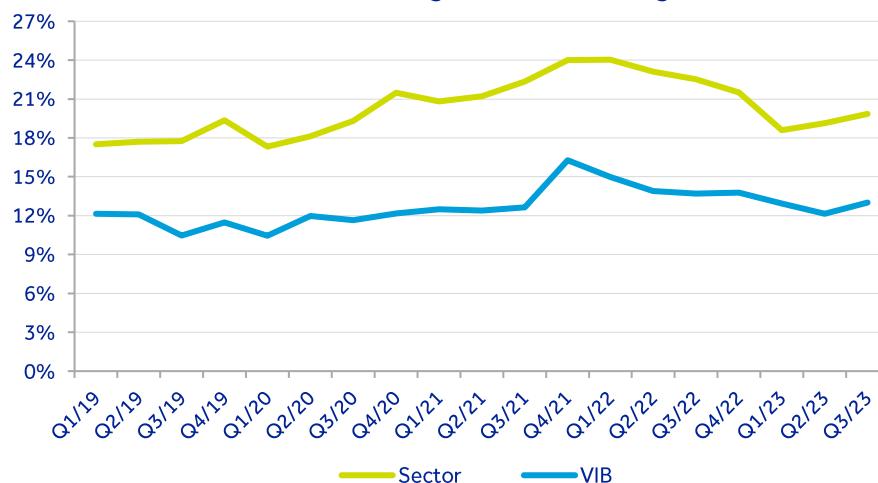
(Unit: VND bn)	9M2022	9M2023	+/- y/y	Explanation
Net interest income	11,052	13,027	17.9%	Credit growth at the end of Q3/23 was low at 5.4% YTD and 7.3% y/y, mainly driven by corporate loans increasing by 51.1% while retail loans only increased 0.6% YTD. NIM increased by 39 basis points thanks to high bond portfolio yields in 9M2023, while lending rates are floated.
Non-interest income	2,320	3,291	41.9%	Income from forex and securities trading was positive and VIB recorded part of the upfront fee from insurance cooperation contracts.
Total income	13,371	16,318	22.0%	
Operating expenses	(4,631)	(4,840)	4.5%	Well-controlled operating costs help the CIR ratio in 9M2023 decrease to 29.7% compared to 34.3% for the whole year 2022.
Profit before provisioning	8,740	11,478	31.3%	
Provision expenses	(926)	(3,153)	240.4%	Provision expenses surged to maintain the reserve buffers in the context of rising NPLs and write off NPLs by the provision reserves.
Profit before tax	7,814	8,325	6.5%	Profit increased slightly over the same period, better than the general trend of a slight decrease in the industry. Cumulatively for 4 quarters, ROA reached 2.5% and ROE reached 26.8%.

Source: VIB, ACBS

Overall, VIB's business results in 9M2023 are still relatively positive compared to other banks in the difficult context of the entire industry. However, asset quality is still a big problem for the bank when the overdue loan ratio has increased to 10.13%.

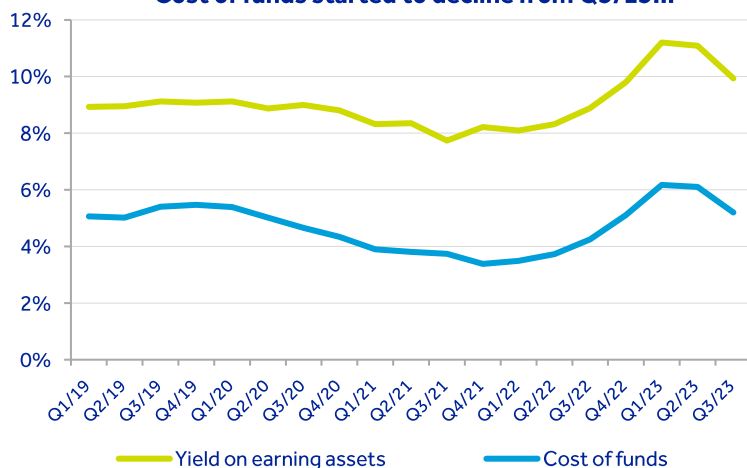
We expect CASA's recovery and rapid decrease in deposit rates (specifically, the 12-month deposit interest rate fell deeply by 4% from 9.0% at the beginning of the year) will help VIB's funding cost continue to decrease in the coming time. Lower cost of funds will help VIB have room to reduce lending rates and achieve higher credit growth in the coming quarters.

CASA ratio of the banking sector and VIB began to recover



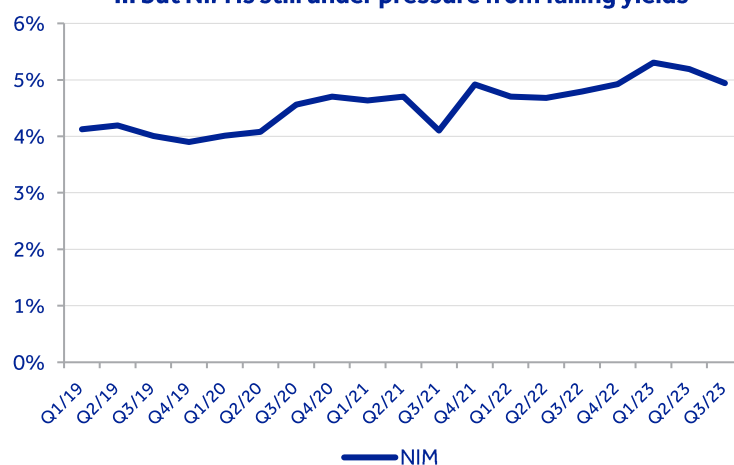
Source: VIB, ACBS

Cost of funds started to decline from Q3/23...



Source: VIB, ACBS

... but NIM is still under pressure from falling yields



Source: VIB, ACBS

Management plans to use up the 14.25% credit growth quota granted by the State Bank and allocate the remaining credit quota to focus on corporate customers in the securities and insurance sector. However, this will put pressure on NIM because lending to businesses with high creditworthiness often comes with low lending yields.

Management also shared that provision expenses in 2023 are expected to be 4 times higher than last year and it is expected that profit before tax in 2023 will be over VND 11,000 billion, a slight increase of 3-5% y/y. We expect VIB to be able to achieve the above figure with a profit before tax of **VND11,100 billion**, an increase of 5.1% y/y. For 2024, we forecast profit before tax to reach **VND11,749 billion**, up 5.6% compared to 2023, mainly due to NIM coming back to the normal level as in 2022.

VIB has just issued 7.6 million shares distributed to employees (ESOP) from the bank's profits, equivalent to a dilution rate of 0.3%. We believe that VIB will continue to maintain this policy in the future to retain employees and the average annual dilution rate will remain at this level.

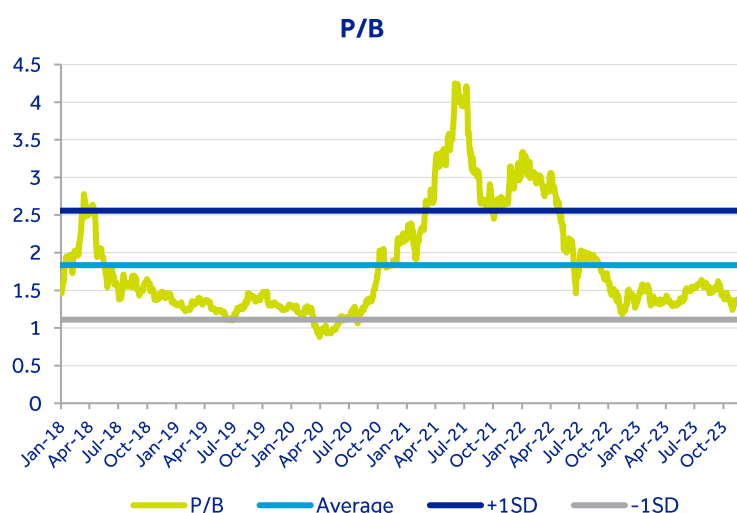
The stock price is at an attractive level

Currently, VIB shares are trading at P/E **5.6** times and P/B **1.3** times, **33.5%** and **28.0%** lower than the historical average P/E and P/B respectively. VIB's valuation multiples are at nearly 1 standard deviation (SD) lower and approaching the lowest historical valuation territory.

Compared to other banks of the same size such as HDB, LPB and TPB, VIB's valuation multiple is lower in term of P/E (7.3 times) and equivalent in term of P/B (1.3 times), although VIB has the highest ROE in the industry.



Source: Fiinpro-X, ACBS



Source: Fiinpro-X, ACBS

Although VIB's business results are not expected to have a strong growth in the coming years when facing many challenges from NIM under pressure to decrease and high overdue loan ratio, we believe that the current valuation of VIB shares is quite attractive and can be improved thanks to interest rates being at the lowest level in history.

We recommend **BUY** for VIB shares with a 1-year target price of **27,800 VND/share** using a discounted residual income method (cost of equity: 17.6%, long-term growth: 5.0%). The above target price is equivalent to the 1-year forecast P/E and P/B of **6.3** times and **1.6** times.

Catalysts supporting stock price

- Policies to support the real estate sector continue to be implemented by the Government and achieve positive results, helping to support housing supply and promote customer demand for home loans;
- Vietnam and the world economy recovered, supporting credit demand as well as reducing NPLs pressure.

Factors that negatively impact stock price

- Legal problems as well as capital congestion in the real estate market last longer than expected, negatively impacting asset quality as well as provision expenses;
- The economy recovered more slowly than expected, reducing credit demand and leading to a decline in credit growth as well as profitability of the bank;
- Risk of policy are tightened in the banking sector as well as other related sectors;
- Geopolitical tensions disturb the world's macro situation.

(Unit: VND billion, unless otherwise stated)	Market price (VND):	19,200	Target price (VND):	27,800	Market cap (VND bn):	48,707	
INCOME ITEMS	2019	2020	2021	2022	2023F	2024F	2025F
Net interest income	6,213	8,496	11,816	14,963	17,734	19,965	22,973
Net fee & commission income	1,797	2,389	2,742	3,188	3,507	3,858	4,244
Other non-interest income	142	331	333	(93)	1,037	793	981
Total operating income	8,152	11,216	14,891	18,058	22,278	24,616	28,198
Growth (%)	34.0%	37.6%	32.8%	21.3%	23.4%	10.5%	14.6%
Operating expenses	(3,437)	(4,465)	(5,282)	(6,197)	(6,507)	(7,158)	(8,231)
Profit before provision & tax	4,715	6,751	9,609	11,861	15,771	17,458	19,967
Provision for credit losses	(633)	(948)	(1,598)	(1,280)	(4,671)	(5,739)	(7,066)
Profit before tax	4,082	5,803	8,011	10,581	11,100	11,719	12,901
Profit attributable to shareholders	3,200	4,544	6,317	8,358	8,768	9,257	10,190
Growth (%)	49.0%	42.0%	39.0%	32.3%	4.9%	5.6%	10.1%
Adjusted EPS (VND)	1,518	2,156	2,997	3,966	4,160	4,392	4,835
BALANCE SHEET ITEMS	2019	2020	2021	2022	2023F	2024F	2025F
Outstanding loans & corporate bonds	132,218	171,252	204,103	233,774	266,076	303,224	345,573
Growth (%)	31.3%	29.5%	19.2%	14.5%	13.8%	14.0%	14.0%
Customer deposit	122,357	150,349	173,565	200,124	230,143	262,362	299,093
Growth (%)	44.2%	22.9%	15.4%	15.3%	15.0%	14.0%	14.0%
Total Assets	184,531	244,676	309,517	342,799	416,268	474,895	541,611
Equity	13,430	17,974	24,291	32,651	38,257	43,963	50,348
BVPS (VND)	14,527	16,202	15,640	15,492	15,081	17,330	19,847
KEY RATIOS	2019	2020	2021	2022	2023F	2024F	2025F
NPL (%)	2.0%	1.7%	2.3%	2.5%	3.5%	3.0%	2.8%
NPL coverage (%)	50.7%	59.1%	51.4%	53.9%	44.2%	41.9%	43.8%
NIM (%)	4.0%	4.1%	4.5%	4.9%	5.1%	4.8%	4.8%
CIR (%)	42.2%	39.8%	35.5%	34.3%	29.2%	29.1%	29.2%
Adjusted ROA (%)	2.0%	2.2%	2.3%	2.6%	2.3%	2.1%	2.0%
Adjusted ROE (%)	27.1%	29.6%	30.3%	29.7%	25.1%	22.8%	21.9%
CAR Basel 2 (%)	9.7%	10.1%	11.7%	12.8%	12.3%	12.4%	12.5%
P/E (x)	15.3	10.8	7.8	5.9	5.6	5.3	4.8
P/B (x)	3.7	2.7	2.0	1.5	1.3	1.1	1.0
Dividend yield (%)	2.8%	0.0%	0.0%	0.0%	6.4%	7.2%	7.8%

BANKS' KEY FINANCIAL RATIOS AS OF Q3/2023

(Unit: VND bn)

Ticker	Listing	Market cap 01-Dec-23	Equity	Total Assets	NPL ratio	Category 2 loan ratio	LLCR	ROA	ROE	P/E	P/B
VCB	HOSE	473,396	159,244	1,731,306	1.2%	0.7%	277.0%	1.9%	22.7%	14.1	3.0
BID	HOSE	221,463	119,088	2,132,855	1.6%	1.9%	158.7%	0.9%	18.4%	11.3	1.9
VPB	HOSE	151,538	109,992	780,213	5.7%	8.4%	42.7%	1.5%	10.2%	12.7	1.5
CTG	HOSE	141,231	122,005	1,888,338	1.4%	2.5%	172.4%	1.0%	15.8%	7.8	1.2
TCB	HOSE	103,914	127,130	781,279	1.4%	1.3%	94.6%	2.3%	14.4%	6.1	0.8
MBB	HOSE	92,811	91,763	815,881	1.9%	3.1%	122.0%	2.5%	23.4%	4.2	1.1
ACB	HOSE	85,255	66,825	648,510	1.2%	0.8%	95.6%	2.4%	23.8%	5.7	1.3
SSB	HOSE	55,454	28,628	248,810	1.9%	1.2%	98.3%	1.4%	12.2%	16.5	1.9
HDB	HOSE	52,066	43,026	508,263	2.3%	5.1%	54.2%	1.8%	21.7%	6.2	1.3
STB	HOSE	51,843	43,710	651,288	2.2%	0.8%	64.2%	1.2%	17.5%	7.2	1.2
VIB	HOSE	47,438	36,040	384,419	3.7%	6.6%	41.4%	2.4%	26.3%	5.3	1.3
LPB	HOSE	39,132	26,490	365,450	2.8%	1.3%	68.3%	1.1%	14.3%	8.9	1.5
SHB	HOSE	39,084	49,524	595,698	3.2%	2.0%	59.2%	1.3%	15.9%	5.3	0.8
TPB	HOSE	37,428	32,384	344,403	3.0%	3.9%	47.0%	1.6%	17.0%	6.8	1.2
EIB	HOSE	31,684	21,646	191,337	2.6%	1.1%	38.7%	0.9%	8.3%	18.0	1.5
OCB	HOSE	27,432	28,348	216,755	3.7%	3.0%	39.1%	2.2%	16.9%	6.1	1.0
MSB	HOSE	25,600	30,568	249,250	2.9%	3.4%	58.2%	2.1%	17.2%	5.2	0.8
NAB	UPCoM	14,732	14,217	206,751	2.8%	2.9%	36.5%	1.0%	14.2%	7.7	1.0
BAB	HNX	10,585	10,458	145,001	0.8%	0.6%	144.2%	0.5%	7.2%	14.3	1.0
ABB	UPCoM	7,965	13,173	141,702	3.5%	2.6%	40.3%	0.4%	4.0%	15.2	0.6
PGB	UPCoM	7,503	4,873	47,833	2.6%	3.3%	36.8%	0.8%	7.8%	20.3	1.5
NVB	HNX	6,013	5,531	91,600	26.3%	3.3%	7.6%	-0.1%	-0.9%	n/a	1.1
BVB	UPCoM	5,225	5,882	84,287	3.6%	2.5%	41.7%	0.1%	1.4%	64.4	0.9
VBB	UPCoM	4,572	6,578	125,079	4.1%	2.0%	26.0%	0.4%	6.6%	10.8	0.7
KLB	UPCoM	4,157	5,696	85,553	2.1%	1.0%	55.3%	0.8%	11.9%	6.4	0.7
SGB	UPCoM	3,945	4,060	29,681	2.2%	3.1%	45.8%	0.7%	5.1%	19.7	1.0
VAB	UPCoM	3,562	7,750	104,024	1.7%	1.2%	66.3%	0.8%	10.2%	4.6	0.5
Average		64,631	44,986	503,539	3.4%	2.6%	75.3%	1.2%	13.4%	7.3	1.2
Median		37,428	28,628	249,250	2.6%	2.5%	55.3%	1.1%	14.3%	7.7	1.1

Source: FiinPro-X, ACBS

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BUY	: total stock returns (including dividend yield) over the next 12 months are forecast to be 20% or higher.
OUTPERFORM	: total stock returns (including dividend yield) over the next 12 months are forecast to be from 10 to 20%.
NEUTRAL	: total stock returns (including dividend yield) over the next 12 months are forecast to be between -10 and 10%.
UNDERPERFORM	: total stock returns (including dividend yield) over the next 12 months are forecast to be from -10 to -20%.
SELL	: total stock returns (including dividend yield) over the next 12 months are forecast to be -20% or lower.

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