



# Update **STB – BUY**

**February 24, 2025**

---



## Hung Cao, CFA

(+84) (28) 7300 7000 (ext: 1049)

[hungcv@acbs.com.vn](mailto:hungcv@acbs.com.vn)

### Recommendation

## BUY

HOSE: STB

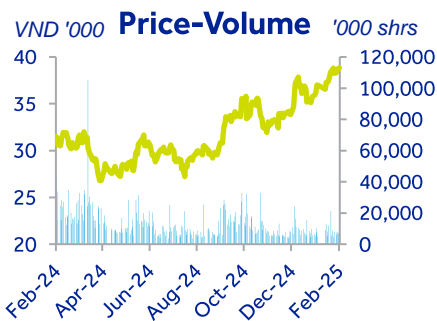
Banking

Current price (VND)	38,850
Target price (VND)	50,700
Expected share price return	+30.5%
Expected dividend yield	0.0%
Expected total return	+30.5%

### Stock performance (%)

	YTD	1M	3M	12M
Absolute	5.3	7.8	19.6	26.2
Relative	2.9	4.3	13.1	19.2

Source: Bloomberg



### Ownership

VAMC (is authorized)	32.5%
PYN Elite Fund	6.1%
Board Chairman & relatives	3.9%
Tianhong Vietnam	1.6%
SCB Vietnam Alpha Fund	1.6%
Norges Bank	1.1%

### Stock Statistics

21-Feb-25

#### Bloomberg code

STB VN

52-week range (VND)	26,150-39,300
No. of shares (m)	1,885
Mkt cap (VND bn)	73,241
Mkt cap (USD m)	2,852
Foreign room left (%)	7.2
Est. free float (%)	94.5
3m avg daily vol (shs)	8,055,784
VND/USD	25,680
VN-Index/HNX-Index	1296.75/237.57

## SAIGON THUONG TIN COMMERCIAL JS BANK (STB)

We recommend a **BUY** with a one-year target price of VND 50,700 per share. Our target price includes potential gains from liquidation of the 32.5% STB shares, along with 80% of the Phong Phu Industrial Park debt sale collection in pending.

2024's business results were quite positive, particularly in 2H2024, leading to a **32.6% y/y increase in PBT, exceeding the plan by 20%**. Profit growth was driven by improvements in core business (NII, fee income) and a reduction in provision expenses.

As STB has fully provisioned for legacy bad assets (NPLs, VAMC bonds, accrued interests,...), it no longer faces provisioning pressure and may recognize reversal gains upon receiving these payments in the future. However, we see that **STB has not yet received 40% of the Phong Phu Industrial Park debt in Q4/24 as planned**, amounting to VND 3,174 billion, along with late payment interests. According to the schedule, the buyer of this debt must pay 40% by the end of 2024 and the remaining 40% by the end of 2025.

With STB's financial indicators continuing to improve and the CAR ratio rising to 10.14%, we expect **credit growth of STB in the coming years to outpace previous years, reaching 14% per year**.

NIM may slightly decline in 2025 due to downward pressure on lending rates following government and SBV policy directions. We forecast **2025 NIM to be 3.61%, down 12 bps y/y**.

**Provisioning expenses in 2025 are expected to increase by 16.9% y/y**, raising the NPL coverage ratio slightly to 70% from 68%. Asset quality is expected to remain stable in 2025, with the NPL ratio decreasing slightly from 2.4% to 2.33%.

We forecast **2025 pre-tax profit to reach VND 15,034 billion, up 18.2% y/y**.

We note that while our profit projections exclude extraordinary gains from the recoveries of the Phong Phu Industrial Park debt sale and the auction of the 32.5% STB shares, we believe their recovery prospects are quite clear, with execution potentially occurring in 2025. Therefore, **we include the value of these pending recoveries in our valuation, resulting in a one-year target price of VND 50,700 per share**.

(VND bn)	2021	2022	2023	2024	2025F	2026F
Credit growth	14.0%	13.1%	10.1%	11.7%	14.0%	14.0%
NIM	2.8%	3.5%	3.9%	3.7%	3.6%	3.6%
NFI proportion	32.4%	34.4%	15.7%	14.5%	15.0%	14.9%
TOI growth	2.5%	47.7%	0.1%	9.6%	12.7%	13.4%
CIR	55.1%	41.8%	49.2%	48.8%	46.3%	43.6%
Credit costs	1.0%	2.1%	0.8%	0.4%	0.4%	0.4%
Profit before tax	4,400	6,339	9,595	12,720	15,034	17,785
growth	31.8%	44.1%	51.4%	32.6%	18.2%	18.3%
PAT after minority	3,411	5,041	7,719	10,087	12,027	14,228
Profit attributable	3,007	4,487	7,082	9,197	10,584	12,521
Adjusted EPS (VND)	1,595	2,380	3,756	4,879	5,614	6,642
BVPS (VND)	18,174	20,489	24,259	29,160	34,774	41,415
ROA	0.6%	0.8%	1.1%	1.3%	1.3%	1.4%
ROE	9.5%	12.3%	16.8%	18.3%	17.6%	17.4%
CAR (Basel 2)	9.9%	9.5%	9.1%	10.1%	10.7%	11.2%
P/E (x)	24.4	16.3	10.3	8.0	6.9	5.8
P/B (x)	2.1	1.9	1.6	1.3	1.1	0.9

### Upside potential from resolving remaining bad debts and collateral assets

Following its merger with Southern Bank at the end of 2015, STB “inherited” approximately VND 98,000 billion in bad assets from the acquired bank. We estimate that in total, STB has recovered VND 63,000 billion and **made provisioned VND 35,500 billion in its operating expenses** from 2016 to 2024 to clean up its balance sheet. This had a negative impact on STB’s financial results and equity size during that period. However, these bad debts also represent significant potential profits when recovered in the future.

The most notable asset is the bad debt (in the form of VAMC bonds) secured by 32.5% STB shares. Management has submitted a proposal to the SBV for approval to auction 32.5% of STB shares in December 2023. We expect STB to execute the auction in 2025 – the final year of its restructuring roadmap.

At the AGM in April 2021, VAMC’s Chairman stated that the outstanding VAMC bond balance associated with this bad debt was approximately **VND 10,000 billion**. Additionally, STB’s management indicated that the liquidation price required to fully recover the principal, interest, and penalty interest at that time was around VND 33,000–34,000 per STB share. Based on this, we estimate the accrued interest receivable at that time to be approximately **VND 10,200 – 10,800 billion**.

We see that recent bank M&A deals in Vietnam have been valued at around **1.6–3.1** times BVPS post-money. Given this, we believe the acceptable purchase price would also be at least **1.6** times BVPS post-money, translating to a valuation of VND 60,600 per share—significantly above the price previously mentioned by management for full debt recovery.

We conservatively assume that STB will recover a minimum of **VND 20,000 billion** in principal and interest from this bad debt after successfully auctioning the 32.5% STB share, although we note that nearly 4 years have passed since then and additional interests and penalties may have accrued.

Ticker	Deal form	Time	Stake	P/E (*)	P/B (**)	Total Assets 4Q24	Equity 4Q24	ROA 4Q24	ROE 4Q24
VCB	Private issuance	Q1/19	2.5%	17.3	2.8	2,085,397	198,956	1.7%	18.6%
BID	Private issuance	Q4/24	1.8%	12.9	2.0	2,760,693	144,512	1.0%	19.2%
		Q4/19	15.0%	21.3	1.7				
VPB	Private issuance	Q1/23	15.0%	24.4	1.8	923,848	147,275	1.8%	11.4%
TCB	IPO	Q2/18	14.8%	20.1	3.1	978,799	147,940	2.4%	15.6%
OCB	Secondary transaction	Q2/20	10.0%	28.2	1.6	280,712	31,672	1.2%	10.5%
EIB	Secondary transaction	Q4/22	n/a	12.0-22.0	1.7-2.5	239,768	25,099	1.5%	14.0%
NVB	Secondary transaction	Q2/21	n/a	n/a	1.6-1.9	118,499	6,093	-4.9%	-97.2%
PGB	Secondary transaction	Q2/23	40.0%	15.9	1.6	73,211	5,163	0.5%	6.7%
<b>STB</b>	<b>Secondary transaction</b>	<b>2024-25F</b>	<b>32.5%</b>	<b>?</b>	<b>?</b>	<b>693,535</b>	<b>47,909</b>	<b>1.2%</b>	<b>17.7%</b>

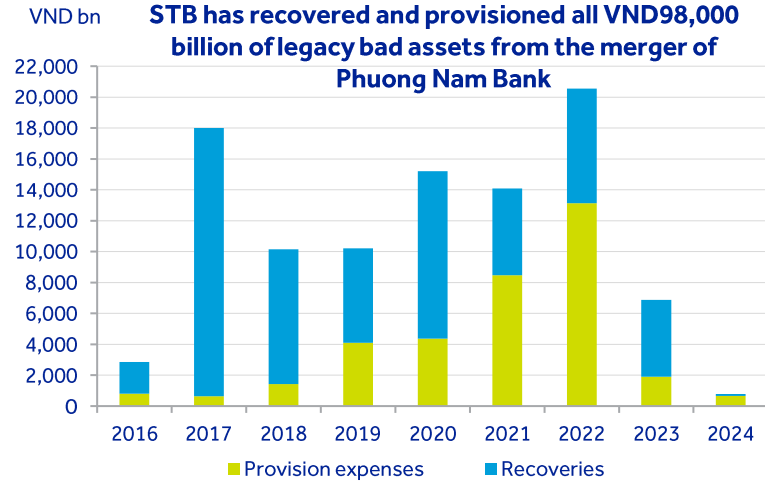
(\*): Pre-money P/E calculated from deal value.

(\*\*): Post-money P/B calculated from deal value.

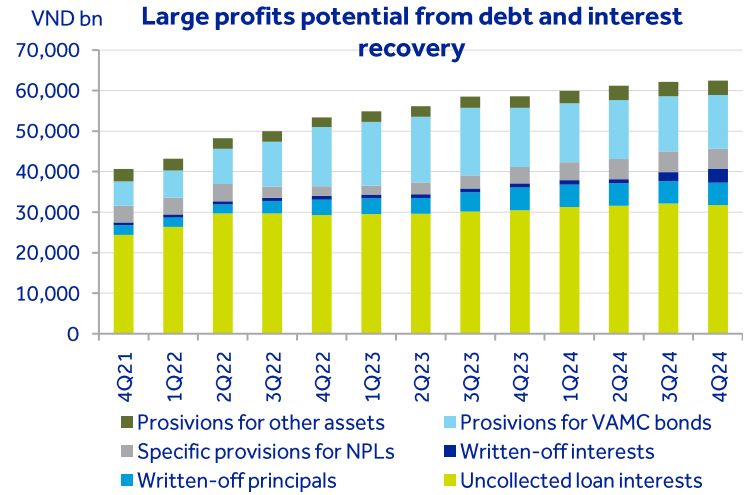
Source: ACBS estimated

We estimate the 1-year target price without the above recoveries to be **VND 39,300 per share**, corresponding to target P/E and P/B of 7.0x and 1.1x, respectively. We estimate that the recovery of the above debts will increase the target price to **VND 50,700 per share**, specifically:

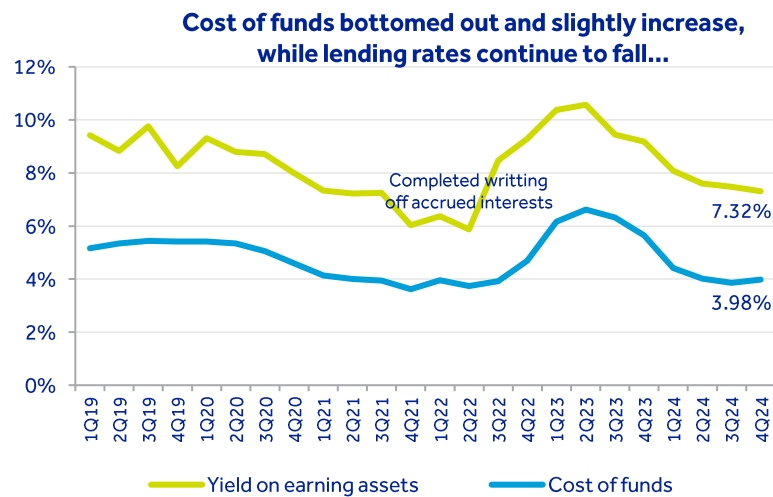
- Recovery of the remaining 80% of Phong Phu IP debt sale would contribute over VND 6,300 billion in PBT and increase BVPS by **VND 2,700 per share**.
- Recovery of the debt secured by 32.5% of STB shares would contribute over VND 20,000 billion in PBT and increase BVPS by **VND 8,700 per share**.



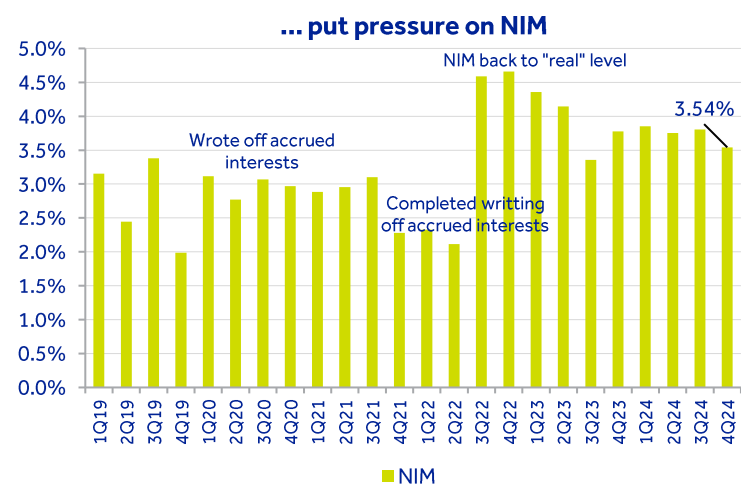
Source: STB, ACBS estimated



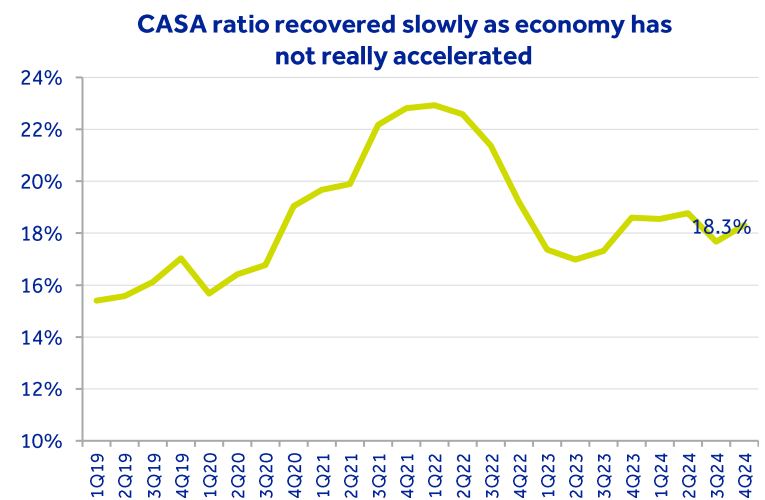
Source: STB, ACBS estimated



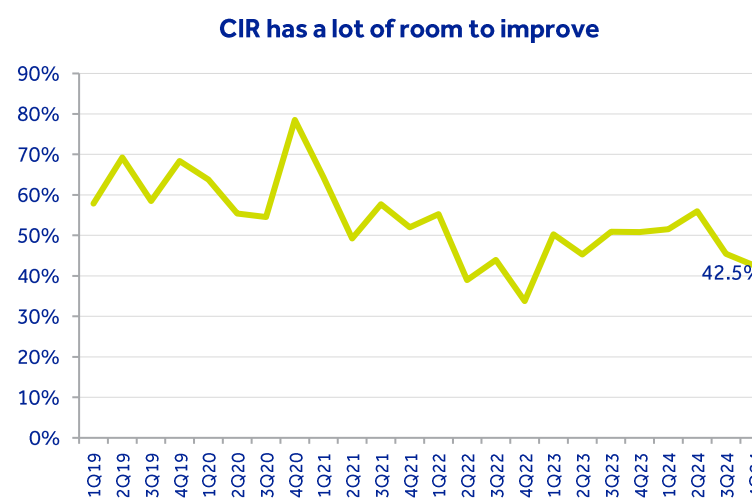
Source: STB, ACBS estimated



Source: STB, ACBS estimated



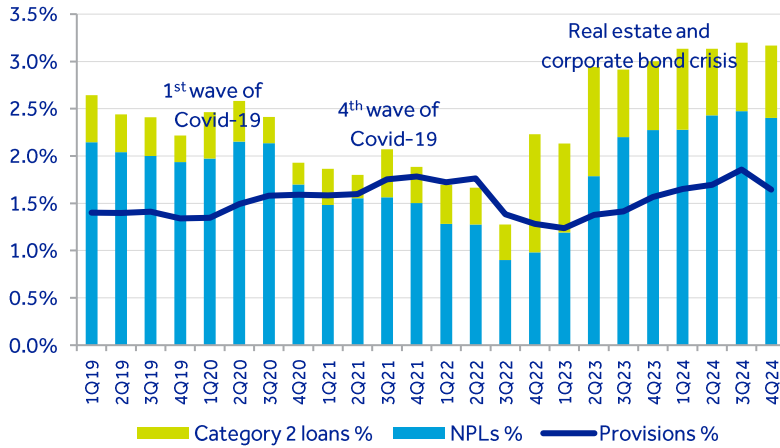
Source: STB, ACBS estimated



Source: STB, ACBS estimated

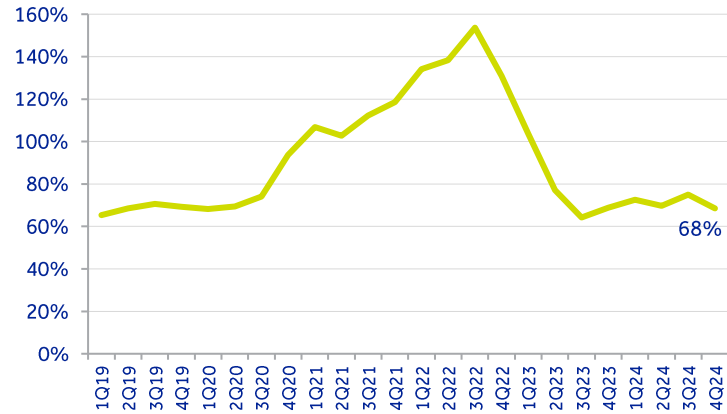


### NPLs and category 2 loans remained at high levels



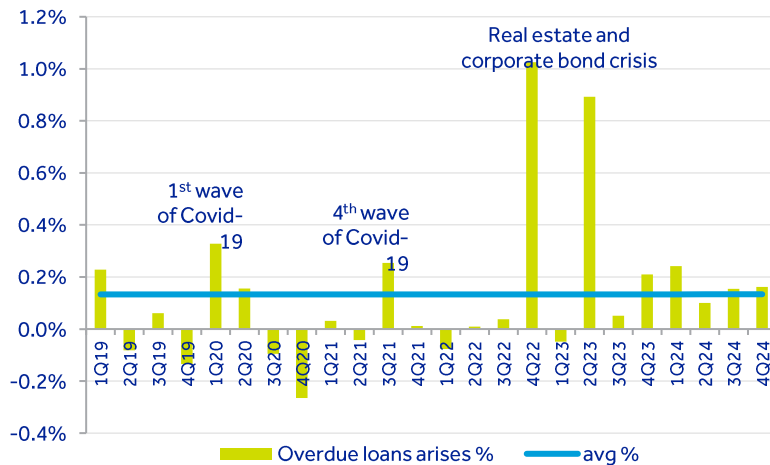
Source: STB, ACBS estimated

### NPL coverage ratio remained stable at moderate level



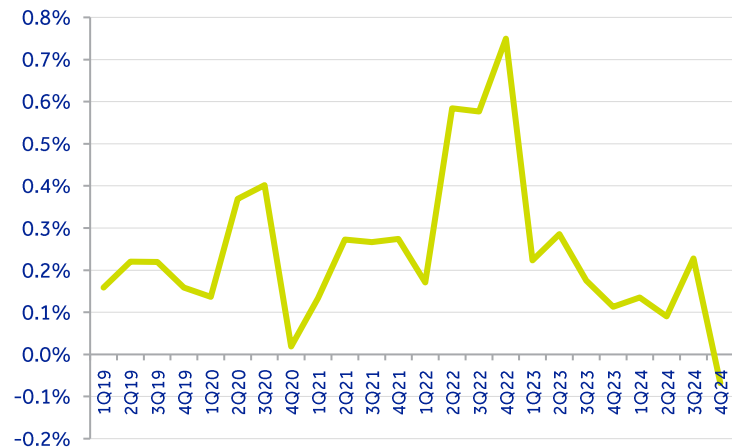
Source: STB, ACBS estimated

### Overdue loan formation remained at 0.2%/quarter



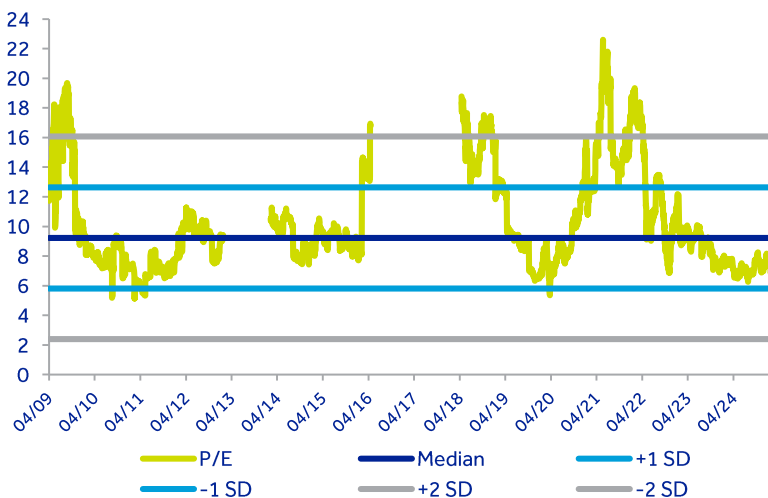
Source: STB, ACBS estimated

### Credit cost (quarterly) decreased sharply thanks to general provision reversal in Q4/24



Source: STB, ACBS estimated

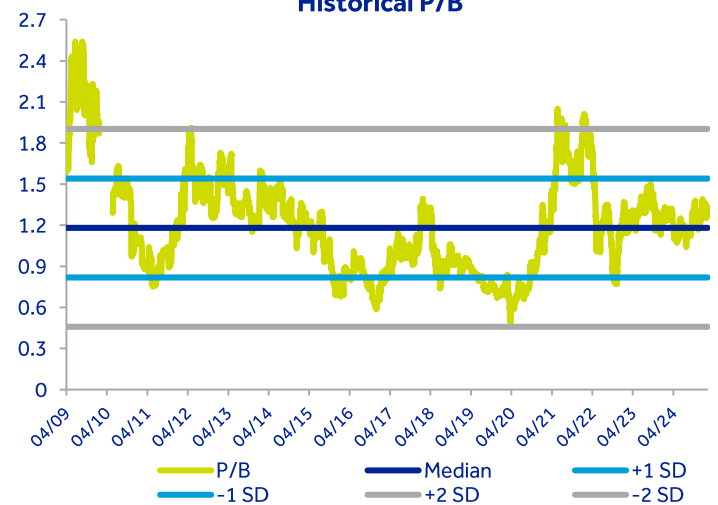
### Historical P/E (\*)



Source: FiinPro-X, ACBS

(\*) P/E for 2016-17 period is removed due to unusually low profit that making P/E unreliable.

### Historical P/B



Source: FiinPro-X, ACBS

(Unit: VND billion, unless otherwise stated)	Market price (VND):	38,850	Target price (VND):	50,700	Market cap (VND bn):	73,241
<b>INCOME ITEMS</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024F</b>	<b>2025F</b>	<b>2026F</b>
Net interest income	11,964	17,147	22,072	24,532	27,466	31,192
Net fee & commission income	4,343	5,194	2,618	2,978	3,395	3,871
Other non-interest income	1,397	3,800	1,483	1,167	1,445	1,588
<b>Total operating income</b>	<b>17,704</b>	<b>26,141</b>	<b>26,173</b>	<b>28,677</b>	<b>32,307</b>	<b>36,651</b>
Growth (%)	2.5%	47.7%	0.1%	9.6%	12.7%	13.4%
Operating expenses	(9,750)	(10,921)	(12,890)	(13,982)	(14,964)	(15,971)
<b>Profit before provision &amp; tax</b>	<b>7,954</b>	<b>15,221</b>	<b>13,283</b>	<b>14,695</b>	<b>17,343</b>	<b>20,680</b>
Provision expenses	(3,554)	(8,882)	(3,688)	(1,974)	(2,308)	(2,895)
<b>Profit before tax</b>	<b>4,400</b>	<b>6,339</b>	<b>9,595</b>	<b>12,720</b>	<b>15,034</b>	<b>17,785</b>
Growth (%)	31.8%	44.1%	51.4%	32.6%	18.2%	18.3%
<b>PAT after minority interests</b>	<b>3,411</b>	<b>5,041</b>	<b>7,719</b>	<b>10,087</b>	<b>12,027</b>	<b>14,228</b>
<b>Profit attributable to shareholders</b>	<b>3,007</b>	<b>4,487</b>	<b>7,082</b>	<b>9,197</b>	<b>10,584</b>	<b>12,521</b>
<b>Adjusted EPS (VND)</b>	<b>1,595</b>	<b>2,380</b>	<b>3,756</b>	<b>4,879</b>	<b>5,614</b>	<b>6,642</b>
<b>BALANCE SHEET ITEMS</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025F</b>	<b>2026F</b>
Outstanding loans & corporate bonds	387,930	438,628	482,731	539,315	614,819	700,893
Growth (%)	14.0%	13.1%	10.1%	11.7%	14.0%	14.0%
Customer deposit	427,387	454,740	510,744	566,882	640,576	723,851
Growth (%)	-0.1%	6.4%	12.3%	11.0%	13.0%	13.0%
<b>Total assets</b>	<b>521,117</b>	<b>591,908</b>	<b>674,390</b>	<b>748,095</b>	<b>848,785</b>	<b>963,125</b>
<b>Shareholder's equity</b>	<b>34,261</b>	<b>38,627</b>	<b>45,734</b>	<b>54,972</b>	<b>65,556</b>	<b>78,077</b>
BVPS (VND)	18,174	20,489	24,259	29,160	34,774	41,415
<b>KEY RATIOS</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025F</b>	<b>2026F</b>
NPL	1.5%	1.0%	2.3%	2.4%	2.3%	2.3%
NPL coverage	118.6%	131.0%	68.8%	68.4%	69.8%	72.7%
NIM	2.8%	3.5%	3.9%	3.7%	3.6%	3.6%
CIR	55.1%	41.8%	49.2%	48.8%	46.3%	43.6%
ROA	0.6%	0.8%	1.1%	1.3%	1.3%	1.4%
ROE	9.5%	12.3%	16.8%	18.3%	17.6%	17.4%
CAR (Basel 2)	9.9%	9.5%	9.1%	10.1%	10.7%	11.2%
P/E (x)	24.4	16.3	10.3	8.0	6.9	5.8
P/B (x)	2.1	1.9	1.6	1.3	1.1	0.9
Dividend yield	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

## CONTACTS

### Ho Chi Minh City Head Office

Leman Tower, 117 Nguyen Dinh Chieu, District 3,  
Ho Chi Minh City, Vietnam  
Tel: (+84 28) 7300 1000

### Hanoi Office

10 Phan Chu Trinh, Hoan Kiem Dist., Ha Noi  
Tel: (+84 24) 3942 9395  
Fax: (+84 24)3942 9407

## RESEARCH DEPARTMENT

### Head of Research

#### Trang Do

(+84 28) 7300 7000 (x1041)  
[trangdm@acbs.com.vn](mailto:trangdm@acbs.com.vn)

#### Manager – Properties Truc Pham

(+84 28) 7300 7000 (x1043)  
[trucptt@acbs.com.vn](mailto:trucptt@acbs.com.vn)

#### Manager – Financials Hung Cao, CFA

(+84 28) 7300 7000 (x1049)  
[hungcv@acbs.com.vn](mailto:hungcv@acbs.com.vn)

#### Manager – Consumer- related, Technology Chi Luong

(+84 28) 7300 7000 (x1042)  
[chiltk@acbs.com.vn](mailto:chiltk@acbs.com.vn)

#### Associate – Oil & Gas Hung Phan

(+84 28) 7300 7000 (x1044)  
[hungpv@acbs.com.vn](mailto:hungpv@acbs.com.vn)

#### Associate – Industrials Trung Tran

(+84 28) 7300 7000 (x1045)  
[trungtn@acbs.com.vn](mailto:trungtn@acbs.com.vn)

#### Analyst – Utilities Toan Pham

(+84 28) 7300 7000 (x1051)  
[toanpd@acbs.com.vn](mailto:toanpd@acbs.com.vn)

#### Associate – Macro & Money Market Minh Trinh Viet

(+84 28) 7300 7000 (x1046)  
[minhtvh@acbs.com.vn](mailto:minhtvh@acbs.com.vn)

#### Associate – Logistic Hung Nguyen

(+84 28) 7300 7000 (x1047)  
[hungnt@acbs.com.vn](mailto:hungnt@acbs.com.vn)

#### Analyst – Technical Huu Vo

(+84 28) 7300 7000 (x1052)  
[huuvs@acbs.com.vn](mailto:huuvs@acbs.com.vn)

#### Analyst – Market data Anh Mai

(+84 28) 7300 7000 (x1110)  
[anhmd@acbs.com.vn](mailto:anhmd@acbs.com.vn)

## INSTITUTIONAL CLIENT DIVISION

### Director

#### Huong Chu

(+84 28) 7300 7000 (x1083)  
[huongctk@acbs.com.vn](mailto:huongctk@acbs.com.vn)  
[groupis@acbs.com.vn](mailto:groupis@acbs.com.vn)

### Associate

#### Huynh Nguyen

(+84 28) 7300 6879 (x1088)  
[huynhntn@acbs.com.vn](mailto:huynhntn@acbs.com.vn)

### Associate

#### Thanh Tran

(+84 28) 7300 6879 (x1120)  
[thanhtt@acbs.com.vn](mailto:thanhtt@acbs.com.vn)

## DISCLAIMER

### Our Recommendation System

- 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.

### Analyst Certification(s)

We, the author(s) of this report, hereby certify (1) that the views expressed in this research report accurately reflect our personal views about any or all of the subject securities or issuers referred to in this research report and (2) no part of our compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed in this research report.

### Important Disclosures

ACBS and/or an affiliate thereof (hereby collectively called ACBS) did or may seek to do business with companies covered in this report as its routine business. ACBS's proprietary trading accounts may have a position in such companies' securities. As a result, the investor should be aware that ACBS may have a conflict of interest from time to time.

ACBS produces a variety of research products including, but not limited to, fundamental analysis, equity-linked analysis, quantitative analysis, and trade ideas. Recommendations contained in one type of research product may differ from recommendations contained in other types of research products, whether as a result of differing time horizons, methodologies, or otherwise.

### Disclaimer

This report is provided for information purposes only. ACBS makes no express or implied warranties, and expressly disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to any data included in this report. ACBS will not treat unauthorized recipients of this report as its clients. Prices shown (if any) are indicative and ACBS is not offering to buy or sell or soliciting offers to buy or sell any financial instrument. **Without limiting any of the foregoing and to the extent permitted by law, in no event shall ACBS, nor any affiliate, nor any of their respective officers, directors, partners, or employees have any liability for (a) any special, punitive, indirect, or consequential damages; or (b) any lost profits, lost revenue, loss of anticipated savings or loss of opportunity or other financial loss, even if notified of the possibility of such damages, arising from any use of this report or its contents.** Other than disclosures relating to ACBS, the information contained in this report has been obtained from sources that ACBS believes to be reliable, but ACBS does not represent or warrant that it is accurate or complete. The views in this report are subject to change, and ACBS has no obligation to update its opinions or the information in this report.

**Some parts of this report reflect the assumptions, views and analytical methods of the analysts who prepared them, and ACBS is not responsible for any error of their works and assumptions. ACBS may have issued, and may in the future issue, other reports that are inconsistent with, and reach different conclusions from, the information presented in this report.**

The analyst recommendations in this report reflect solely and exclusively those of the author(s), and such opinions were prepared independently of any other interests, including those of ACBS. This report does not constitute personal investment advice or take into account the individual financial circumstances or objectives of the investors who receive it. The securities discussed herein may not be suitable for all investors. ACBS recommends that investors independently evaluate each issuer, securities or instrument discussed herein and consult any independent advisors they believe necessary. The value of and income from any investment may fluctuate from day to day as a result of changes in relevant economic markets (including changes in market liquidity). The information herein is not intended to predict actual results, which may differ substantially from those reflected. Past performance is not necessarily indicative of future results.

**This report may not be distributed to the public media or used by the public media without prior written consent of ACBS. Otherwise it will be considered as illegal. The breacher shall compensate fully to ACBS any loss or damage which arises from such breach (if any).**

In the event that the distribution and/or receipt of this report is prohibited by the investor's jurisdiction, the investor shall dismiss this report immediately otherwise it will be at his/her own risks.

ACBS does not provide tax advice and nothing contained herein should be construed to be tax advice. Accordingly, the investors should seek advice based on their particular circumstances from an independent tax advisor. This report may contain links to third-party websites. ACBS is not responsible for the content of any third-party website or any linked content contained in a third-party website. Content contained on such third-party websites is not part of this report and is not incorporated by reference into this report. The inclusion of a link in this report does not imply any endorsement by ACBS. Access to any third-party website is at the investor's own risks, and the investor should always review the terms and privacy policies at third-party websites before submitting any personal information to them. ACBS is not responsible for such terms and privacy policies and expressly disclaims any liability for them.

**© Copyright ACBS (2025). All rights reserved. No part of this report may be reproduced in any manner without the prior written permission of ACBS.**

