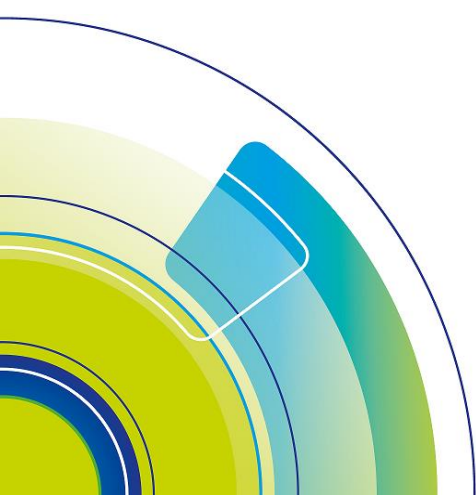




# Update CTG – BUY

May 29, 2025

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### Recommendation

**BUY**

HOSE: CTG

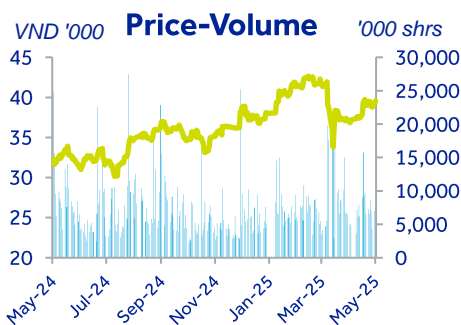
Banking

Current price (VND)	39,550
Target price (VND)	50,400
Expected share price return	+27.4%
Expected dividend yield	0.0%
Expected total return	+27.4%

### Stock performance (%)

	YTD	1M	3M	12M
Absolute	4.2	6.6	-4.6	22.2
Relative	-2.4	-2.9	-7.6	14.5

Source: Bloomberg



### Ownership

State Bank of Vietnam	64.5%
Tokyo-Mitsubishi UFJ	19.7%
Others	15.8%

### Stock Statistics

28-May-25

Bloomberg code	CTG VN
52-week range (VND)	29,950-43,300
No. of shares (m)	5,370
Mkt cap (VND bn)	211,578
Mkt cap (USD m)	8,100
Foreign room left (%)	2.9
Est. free float (%)	35.5
3m avg daily vol (shs)	8,195,425
VND/USD	26,120
Index: VNIndex / HNX	1342.88/223.40

## VIETNAM BANK FOR INDUSTRY AND TRADE (CTG)

We recommend a **BUY** for CTG stock with a 1-year target price of VND50,400 per share, based on target P/E and P/B multiples of 9.6x and 1.4x, respectively. The solid outlooks for business performance and asset quality are expected to support earnings growth in the upcoming quarters.

1Q25 results did not show a strong breakthrough, with **PBT reaching VND6,823 billion (+9.9% y/y and -44.3% q/q)**. Credit growth remained solid (+18.8% y/y and +4.5% q/q). However, NIM declined sharply (-46 bps y/y and -29 bps q/q) to 2.63%, due to competitive pressure in the sector and government policies. Fee income (-9.5% y/y) and forex income (-32.1% y/y) faced challenges, but off-balance-sheet debt recovery was robust (+178.3% y/y). Provision expenses stayed high at VND8,111 billion (+0.8% y/y), equivalent to a credit cost of 0.46% in 1Q25, due to a rise in newly classified non-performing loans.

**Asset quality deteriorated in 1Q25 but is likely to recover in 2Q25.** In 1Q25, one large corporate loan was reclassified as an NPL, raising the NPL ratio by 21 bps y/y and 33 bps q/q to 1.55%. However, this loan was reclassified back to Group 1 in 2Q25, and since full provisioning was made in 2024, CTG is expected to reverse provisions in 2Q25, which would significantly boost earnings.

**For 2025, we forecast PBT to reach VND37,168 billion, +17.0% y/y.** Specifically:

- (1) Credit growth is forecasted at 16.9%. NIM is expected to decline by 31 bps to 2.63% due to lower lending rates, while deposit rates remain flat.
- (2) NFI is forecasted to grow by 10.6% y/y, driven by continued strong off-balance-sheet debt recovery, thanks to a large off-balance debt outstanding and a recovering real estate market.
- (3) Operating expenses are forecasted to increase by 10% y/y, pushing CIR (excluding bonus and welfare fund provisioning) up by 1 percentage point to 28.5%, still among the lowest in the sector.
- (4) Provision expenses are forecasted to decline by 9.3% y/y as CTG had proactively made up provisions in advance in 2024, easing the provisioning pressure in 2025. NPL coverage ratio is forecast to remain healthy at 168% by the end of 2025, despite a 4 percentage points decline compared to end-2024.

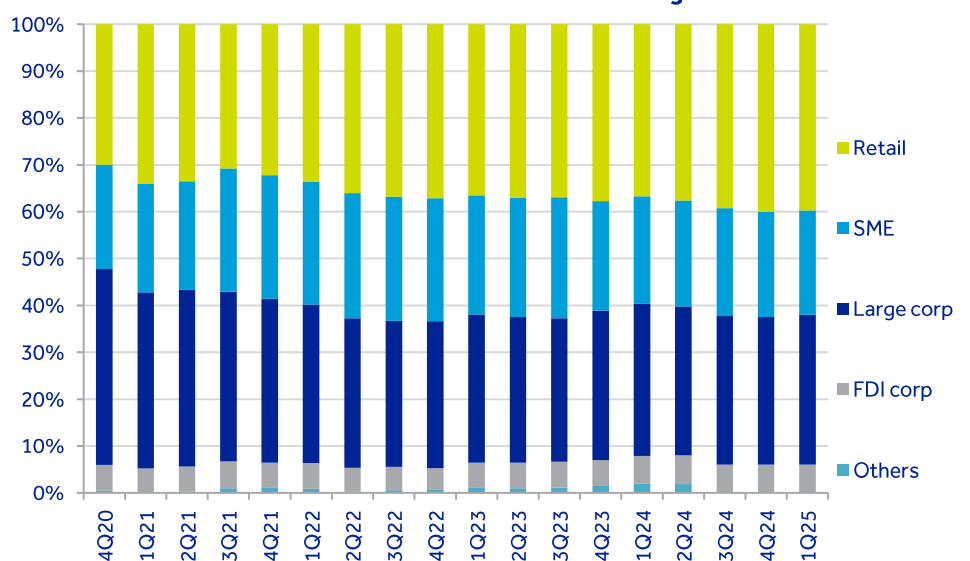
(VND bn)	2021	2022	2023	2024	2025F	2026F
Credit growth	11.1%	12.1%	15.5%	16.8%	16.9%	17.0%
NIM	3.08%	3.06%	2.94%	2.95%	2.63%	2.73%
NFI proportion	21.4%	25.5%	24.9%	23.8%	24.8%	23.2%
TOI growth	17.2%	20.6%	10.0%	16.1%	6.2%	17.0%
CIR	32.3%	29.9%	29.0%	27.5%	28.5%	26.8%
Credit costs	1.71%	1.98%	1.83%	1.73%	1.34%	1.45%
Profit before tax	17,589	21,132	24,990	31,764	37,168	42,828
PBT growth	2.7%	20.1%	18.3%	27.1%	17.0%	15.2%
Profit after tax after MI	14,089	16,924	19,904	25,348	29,671	34,196
Profit attributable	11,302	14,969	17,589	22,739	26,547	30,539
Adjusted EPS (VND)	2,105	2,788	3,275	4,235	4,944	5,687
BVPS (VND)	17,310	20,033	23,279	27,474	32,417	38,104
Adjusted ROA	0.8%	0.9%	0.9%	1.0%	1.0%	1.0%
Adjusted ROE	12.7%	14.9%	15.1%	16.7%	16.5%	16.1%
CAR (Basel 2)	9.1%	9.0%	9.3%	9.5%	9.8%	10.0%
P/E	14.2	8.7	8.3	8.9	8.0	7.0
P/B	1.7	1.2	1.2	1.4	1.2	1.0
DPS (VND)	800	800	-	-	-	-
Dividend yield	2.0%	2.0%	0.0%	0.0%	0.0%	0.0%

### Risks related to tariff are relatively low

In response to tariff risks, CTG has proactively reviewed its loan portfolio to identify appropriate mitigation strategies. Loans to businesses exporting to the US account for **10%** of total loans, while loans to FDI enterprises make up **6%**. However, we believe the actual proportion of loans heavily exposed to US export risk is significantly lower.

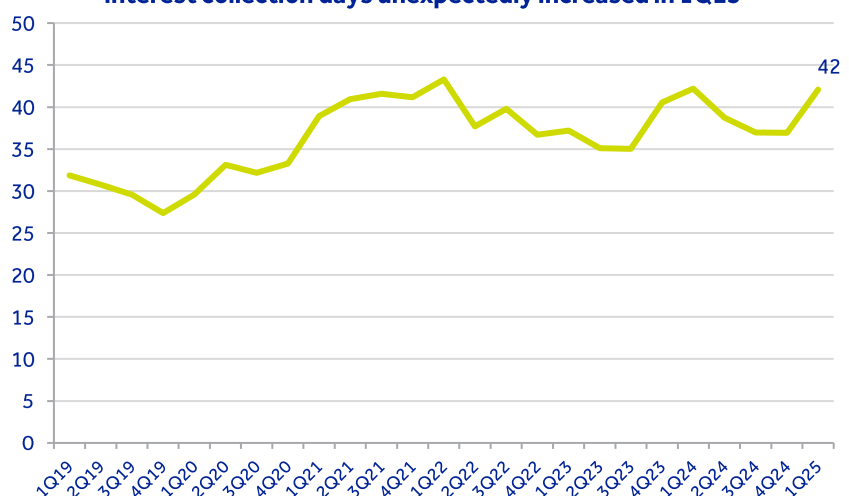
Regarding potential NPLs, as of end-1Q25, restructured loans under Circulars 02/2023 and 53/2024 accounted for less than **0.1%** of total loans, indicating minimal risk of restructured loans turning bad. However, the interest collection days slightly increased to 42 days in 1Q25, from around 37 days in previous quarters – a potential early sign of deteriorating loan quality that needs monitoring in upcoming quarters.

**FDI loans accounted for 6% of total outstanding loans**



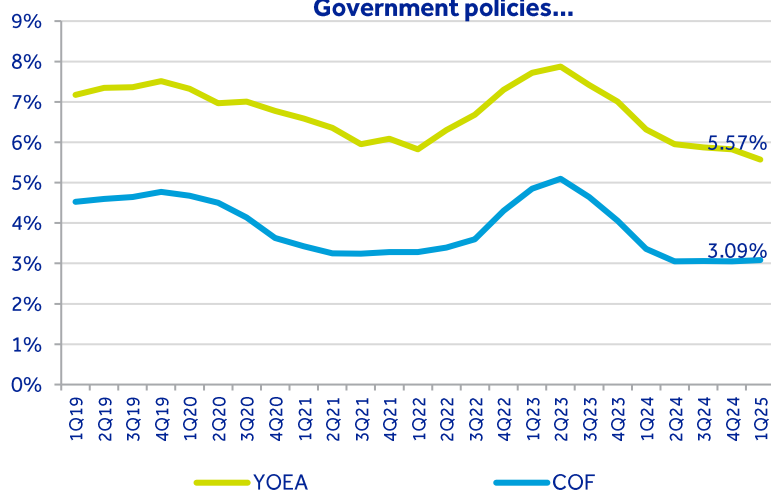
Source: CTG, ACBS

**Interest collection days unexpectedly increased in 1Q25**



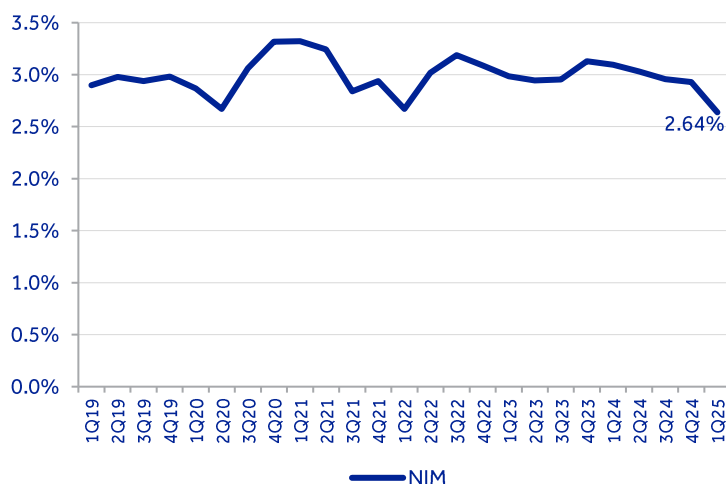
Source: CTG, ACBS

### Lending yields fall due to competitiveness and Government policies...



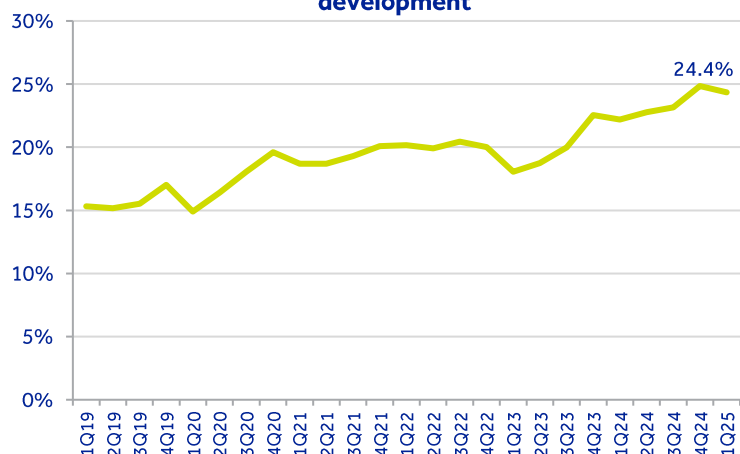
Source: CTG, ACBS

### ... put pressure on NIM



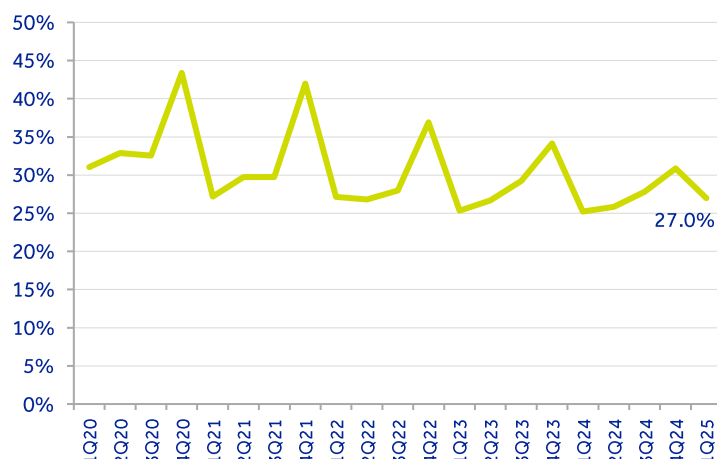
Source: CTG, ACBS

### CASA ratio improved thanks to digital banking development



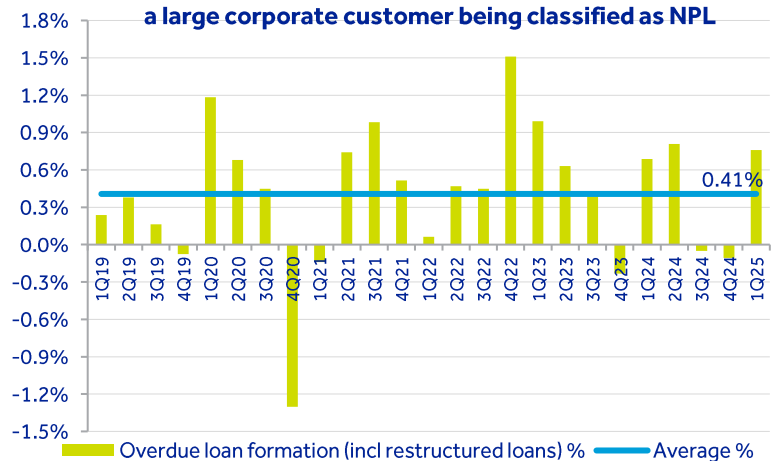
Source: CTG, ACBS

### CIR ratio maintained at efficient level



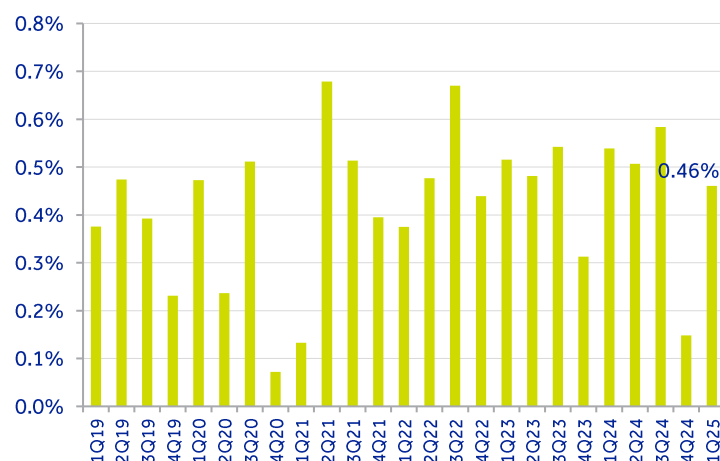
Source: CTG, ACBS

### Overdue loan formation increased in 1Q25 due to a large corporate customer being classified as NPL



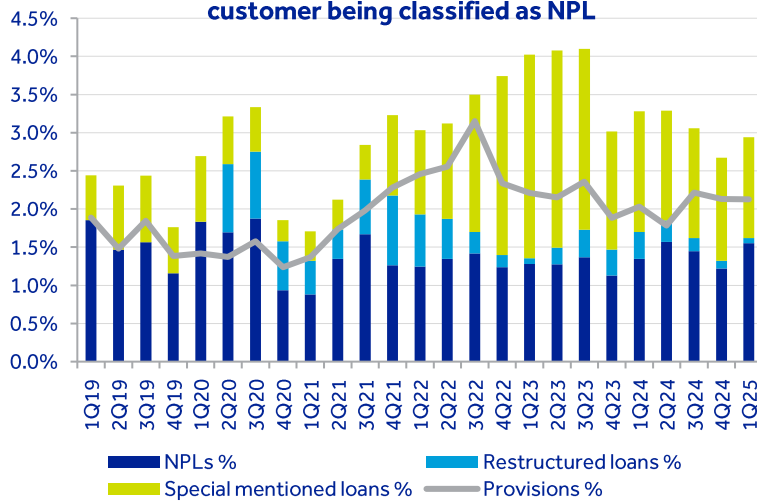
Source: CTG, ACBS

### Credit costs



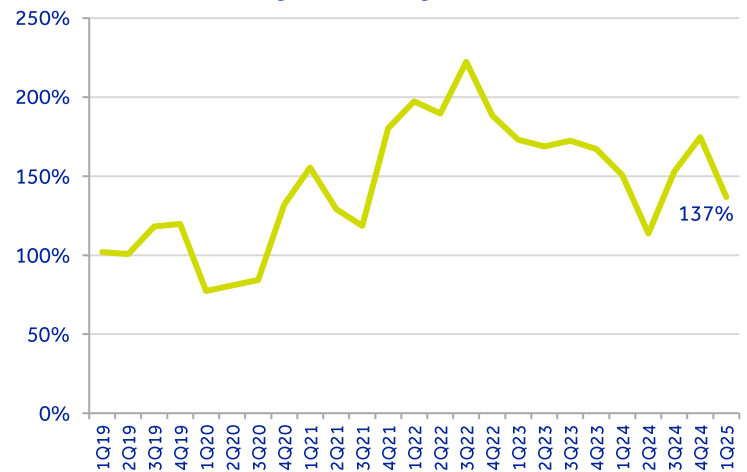
Source: CTG, ACBS

**NPL ratio increased due to a large corporate customer being classified as NPL**



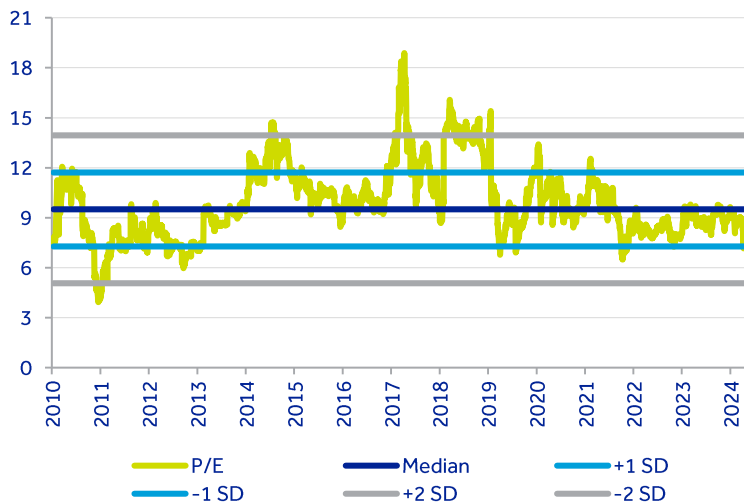
Source: CTG, ACBS

**... causing NPL coverage ratio to decline**



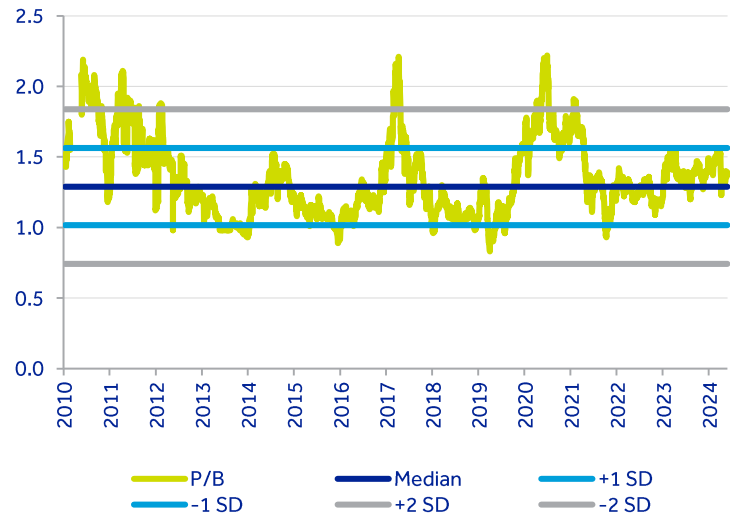
Source: CTG, ACBS

**P/E**



Source: FiinPro-X, ACBS

**P/B**



Source: FiinPro-X, ACBS

## BANK'S FINANCIAL RATIOS

(Unit: VND billion)

Ticker	Exchange	Mkt cap 28-05-25	Total Assets 1Q25	Total Equity 1Q25	NPL ratio 1Q25	Special mentioned loan 1Q25	NPL coverage 1Q25	CAR (Basel 2) 31-12-24	ROA (TTM)	ROE (TTM)	P/E	P/B
BID	HOSE	254,875	2,856,111	155,906	1.9%	1.9%	96.9%	9.0%	0.9%	18.2%	10.0	1.7
<b>CTG</b>	<b>HOSE</b>	<b>212,652</b>	<b>2,469,863</b>	<b>153,982</b>	<b>1.6%</b>	<b>1.4%</b>	<b>136.8%</b>	<b>9.5%</b>	<b>1.1%</b>	<b>17.9%</b>	<b>8.2</b>	<b>1.4</b>
VCB	HOSE	474,602	2,109,261	204,942	1.0%	0.3%	216.1%	12.2%	1.7%	17.6%	14.0	2.3
MBB	HOSE	151,031	1,156,917	123,677	1.8%	2.0%	75.3%	11.8%	2.3%	22.6%	6.1	1.3
TCB	HOSE	216,184	989,216	153,953	1.2%	0.8%	111.6%	15.3%	2.2%	14.7%	10.2	1.4
VPB	HOSE	143,604	994,037	151,213	4.7%	4.5%	47.4%	15.5%	1.8%	11.5%	8.9	1.0
ACB	HOSE	110,181	891,675	87,075	1.5%	0.7%	72.1%	11.8%	2.0%	20.4%	6.7	1.3
STB	HOSE	78,236	757,093	57,862	2.5%	0.9%	74.7%	10.1%	1.5%	20.4%	7.2	1.4
SHB	HOSE	56,100	790,742	61,473	2.9%	0.7%	59.2%	11.9%	1.3%	16.6%	5.8	0.9
HDB	HOSE	78,988	711,311	61,033	2.4%	5.5%	53.3%	14.0%	2.1%	25.8%	5.7	1.3
LPB	HOSE	96,190	499,895	45,872	1.7%	1.4%	74.3%	13.3%	2.1%	23.7%	9.7	2.1
VIB	HOSE	55,561	495,727	43,643	3.8%	3.4%	38.6%	11.9%	1.5%	17.4%	7.8	1.3
TPB	HOSE	35,270	388,891	39,492	2.3%	2.3%	57.1%	13.2%	1.6%	16.9%	5.6	0.9
MSB	HOSE	30,420	314,727	38,021	2.6%	1.3%	59.6%	12.4%	1.8%	15.5%	5.4	0.8
SSB	HOSE	52,490	333,746	38,600	1.8%	0.9%	81.8%	12.8%	2.3%	20.3%	7.4	1.4
OCB	HOSE	26,877	289,067	32,388	3.9%	2.4%	35.0%	12.5%	1.1%	9.4%	9.2	0.8
NAB	HOSE	23,882	262,251	20,214	2.5%	1.0%	52.2%	12.7%	1.6%	20.4%	6.2	1.2
EIB	HOSE	41,073	251,133	25,757	2.6%	0.9%	38.7%	12.4%	1.5%	14.0%	11.9	1.6
ABB	UPCoM	8,150	183,753	14,357	3.8%	1.3%	45.9%	10.1%	0.4%	5.2%	11.4	0.6
BAB	HNX	11,017	175,366	12,076	1.3%	0.5%	98.1%	11.2%	0.6%	8.9%	10.7	0.9
VBB	UPCoM	7,803	174,378	8,898	2.6%	1.2%	49.2%	11.7%	0.7%	12.2%	7.5	0.9
VAB	UPCoM	7,550	129,046	9,152	0.6%	1.7%	150.2%	9.3%	0.8%	10.9%	7.9	0.8
NVB	HNX	13,273	130,883	6,244	14.0%	1.3%	11.2%	-	-	-	-	2.1
BVB	UPCoM	8,196	110,118	6,219	3.4%	1.9%	44.8%	11.9%	0.3%	5.2%	-	1.3
KLB	UPCoM	6,004	97,164	6,834	2.2%	1.7%	69.2%	12.3%	1.1%	15.5%	6.0	0.9
PGB	UPCoM	7,181	73,552	5,243	2.7%	1.9%	39.0%	10.0%	0.4%	5.4%	-	1.4
SGB	UPCoM	4,294	33,506	4,172	3.3%	5.8%	31.6%	14.8%	0.3%	2.3%	-	1.0
<b>Average</b>		<b>81,914</b>	<b>654,423</b>	<b>58,085</b>	<b>2.8%</b>	<b>1.8%</b>	<b>71.1%</b>	<b>12.1%</b>	<b>1.3%</b>	<b>15.0%</b>	<b>8.2</b>	<b>1.3</b>
<b>Median</b>		<b>41,073</b>	<b>333,746</b>	<b>38,600</b>	<b>2.5%</b>	<b>1.4%</b>	<b>59.2%</b>	<b>12.0%</b>	<b>1.5%</b>	<b>16.1%</b>	<b>7.8</b>	<b>1.3</b>

Source: FiinPro-X, ACBS

(Unit: VND billion, unless otherwise stated)	<b>Market price (VND):</b>	<b>39,550</b>	<b>Target price (VND):</b>	<b>50,400</b>	<b>Market cap (VND bn):</b>	<b>212,383</b>
<b>INCOME ITEMS</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025F</b>	<b>2026F</b>
Net interest income	41,788	47,792	52,957	62,403	65,423	78,217
Net fee & commission income	4,961	5,862	7,114	6,696	7,031	7,382
Other non-interest income	6,408	10,463	10,477	12,810	14,550	16,180
<b>Total operating income</b>	<b>53,157</b>	<b>64,117</b>	<b>70,548</b>	<b>81,909</b>	<b>87,005</b>	<b>101,780</b>
Growth (%)	17.2%	20.6%	10.0%	16.1%	6.2%	17.0%
Operating expenses	(17,186)	(19,195)	(20,443)	(22,546)	(24,801)	(27,281)
<b>Profit before provision &amp; tax</b>	<b>35,971</b>	<b>44,922</b>	<b>50,105</b>	<b>59,363</b>	<b>62,204</b>	<b>74,499</b>
Provision for credit losses	(18,382)	(23,791)	(25,115)	(27,599)	(25,035)	(31,672)
<b>Profit before tax</b>	<b>17,589</b>	<b>21,132</b>	<b>24,990</b>	<b>31,764</b>	<b>37,168</b>	<b>42,828</b>
<b>Profit after tax after minority interests</b>	<b>2.7%</b>	<b>20.1%</b>	<b>18.3%</b>	<b>27.1%</b>	<b>17.0%</b>	<b>15.2%</b>
<b>Profit attributable to shareholders</b>	<b>14,089</b>	<b>16,924</b>	<b>19,904</b>	<b>25,348</b>	<b>29,671</b>	<b>34,196</b>
Growth (%)	<b>11,302</b>	<b>14,969</b>	<b>17,589</b>	<b>22,739</b>	<b>26,547</b>	<b>30,539</b>
<b>Adjusted EPS (VND)</b>	<b>2,105</b>	<b>2,788</b>	<b>3,275</b>	<b>4,235</b>	<b>4,944</b>	<b>5,687</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	1,141,454	1,279,845	1,478,228	1,725,877	2,018,217	2,360,361
Growth (%)	11.1%	12.1%	15.5%	16.8%	16.9%	17.0%
Customer deposit	1,161,848	1,249,176	1,410,899	1,606,317	1,847,264	2,124,354
Growth (%)	17.3%	7.5%	12.9%	13.9%	15.0%	15.0%
<b>Total assets</b>	<b>1,531,587</b>	<b>1,808,811</b>	<b>2,032,614</b>	<b>2,385,388</b>	<b>2,747,615</b>	<b>3,164,179</b>
<b>Shareholder's equity</b>	<b>92,955</b>	<b>107,577</b>	<b>125,011</b>	<b>147,534</b>	<b>174,081</b>	<b>204,620</b>
BVPS (VND)	17,310	20,033	23,279	27,474	32,417	38,104
<b>KEY RATIOS</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025F</b>	<b>2026F</b>
NPL (%)	1.3%	1.2%	1.1%	1.2%	1.1%	1.1%
NPL coverage (%)	180%	186%	167%	172%	168%	174%
NIM (%)	3.1%	3.1%	2.9%	2.9%	2.6%	2.7%
CIR (%)	32%	30%	29%	28%	29%	27%
ROA (%)	0.8%	0.9%	0.9%	1.0%	1.0%	1.0%
ROE (%)	12.7%	14.9%	15.1%	16.7%	16.5%	16.1%
CAR Basel 2 (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
P/E (x)	14.2	8.7	8.3	8.9	7.9	6.9
P/B (x)	1.7	1.2	1.2	1.4	1.2	1.0
Dividend yield (%)	2.0%	2.0%	0.0%	0.0%	0.0%	0.0%

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## DISCLAIMER

### Our Recommendation System

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

### Analyst Certification(s)

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