

2H25 BANKING OUTLOOK

PRAGMATIC PROGRESSIVE ENHANCEMENT



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2H25F Banking Outlook

Pragmatic progressive enhancement

1H25 review	<ul style="list-style-type: none">• The total income and pre-tax profit of 27 banks in 1Q25 rose by 9.3% yoy and 14.5% yoy, respectively. However, excluding income from the sale of SSB's subsidiary, income and profit growth only rallied 7.6% and 10.9% yoy. This result was driven by 1) high credit growth, 2) increased income from bad debt collection, and 3) controlled administrative and credit risk provisioning costs. Meanwhile, income from service fees, foreign exchange trading, and investments did not show significant positive results in Q1 2025.• Private banks had more positive results than SOCBs. Private banks with impressive performance in 1Q25: MBB (+44.7%yoy), STB (+38.4%yoy), VPB (+19.9%yoy) in large private banks; HDB (+33.0%yoy), SSB (+188.8%yoy), EIB (+25.8%yoy), and NAB (+22.5%yoy) in medium private banks; and some small private banks.• 2Q25E: 2Q25 earnings could maintain moderate growth, driven by higher credit growth and controlled operating expenses and risk provision expenses. However, net interest margin (NIM) in 2Q25 could still face pressure in 2Q25. Net fee incomes 2Q25 could improve quarterly despite being lower year-over-year.
2H25F Outlook	<ul style="list-style-type: none">• In 2H25, the banking industry could grow robust, driven by 1) accelerated credit expansion (16% in 2025 vs 15% in 2024), 2) brighter non-interest incomes 3) disciplined operating expense management, and 4) controlled non-performing loans. The banking industry's NIM could improve quarterly despite being lower year-over-year, but the thinner loan loss reserve could raise concerns about strengthening buffer reserves. The banking industry could maintain solid PBT growth in 2025 (equal to or slightly below the 2025 guidance), compared to the aggregated 2025 PBT target of 16%yoy (22 banks), supported by<ul style="list-style-type: none">– 2025F credit growth: We anticipate credit growth will reach the 16% target, an increase from 15% in 2024. This projection is underpinned by a gradual economic recovery and more favourable business conditions, further bolstered by sustained momentum in corporate loans and a rebound in retail lending.– Net interest margin: 1H25 NIM declined, and 2H25 could slightly improve thanks to improving asset yield and stable COF. Improving asset yields could result from 1) a recovery in retail and mid & long-term capital demand, and 2) controlled bad debts. 2025F NIM could remain stable or slightly decline.– Moderate growth in non-interest incomes: 2H25F non-interest incomes could be brighter, driven by (1) recovering integrated banking services. (2) Double-digit growth for FX activities (3) Investments related to government bonds could remain stable 4) recovery in banca.– Maintain its efficiency in operating expenses (1) Digital transformation could help to control operations more effectively (2) Maintain CIR.– Asset quality: it could be controlled 2025 1) improving business conditions amid the stimulus policies from governments for business recovery and low interest rates 2) improving consumer demand and real estate market 3) The legalization of Decree 42 contributes to speeding up bad debt collection and settlement. However, the thinner loan loss reserve could raise concerns.• Valuation: The banking sector valuation remains attractive for investment accumulation, with the current valuation at 1.56x, below the 5-year historical average of 1.7x, retaining its attractiveness for investment accumulation.• Risks: Slower-than-expected business recovery and consumption, uncontrolled increasing bad debts, and changes in monetary policy could result in the industry's growth in unexpected ways.
Stock Recommendation	Regarding favorable stock recommendations, we respectively rate MBB, VPB, and VCB (Buy and Hold); CTG and TCB (Trading).



2H25F – Marginally progressive enhancement

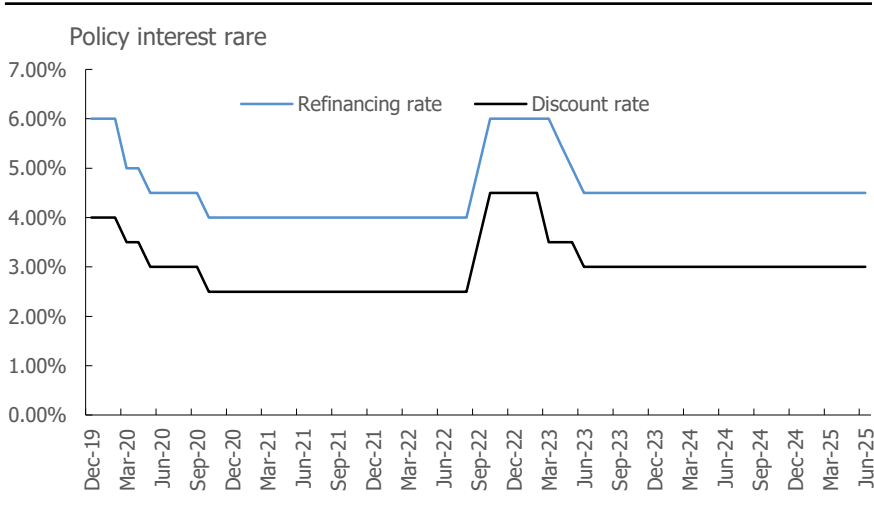
I. Industry analysis

1. Stimulating but high-stress environment
2. Credit growth aligns with the 2025 target
3. Net interest margin
4. Non-interest incomes and operating expenses
5. Contained non-performing loans
6. Earnings Forecast and Valuation

01. Stimulating but high-stress environment

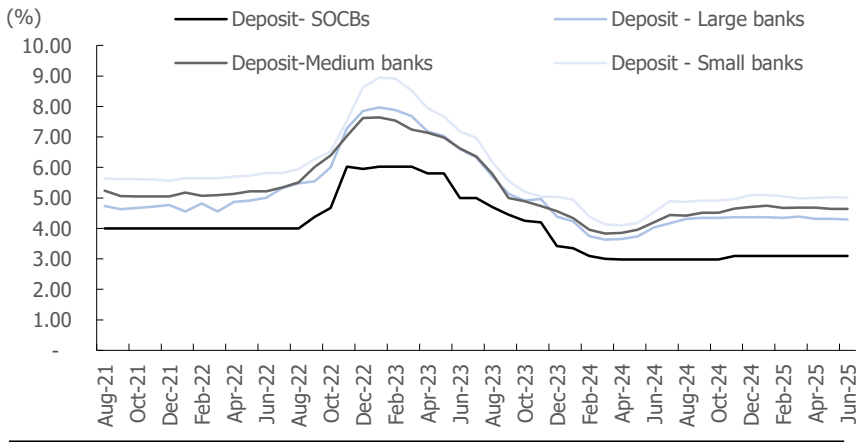
Ensured liquidity systems and requested control over deposit interest rates

Figure 1: Policy rates remained low



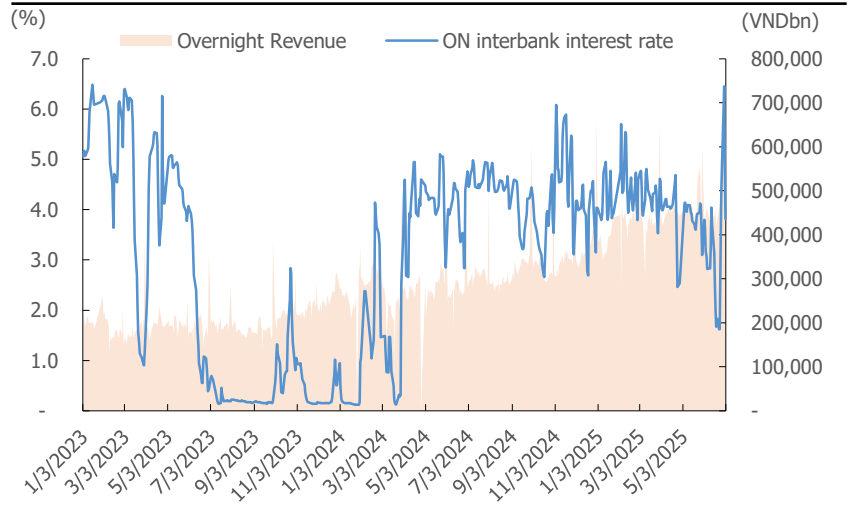
Sources: SBV, KIS Research

Figure 3: Deposit rates (6M month) – GOV requests to control in increase rates



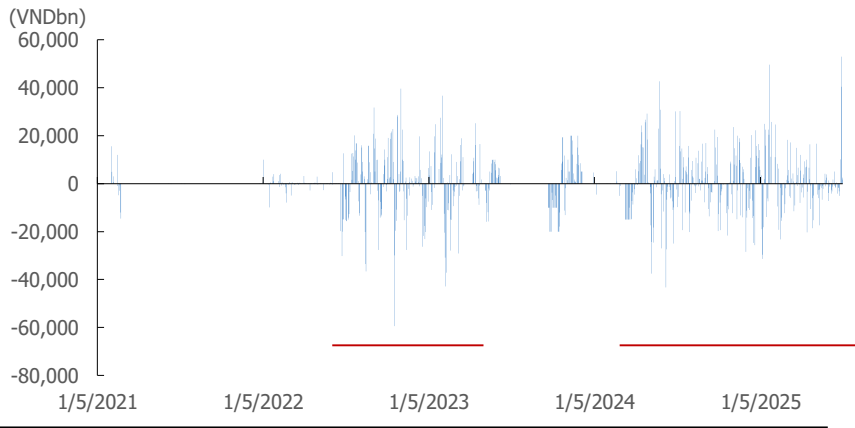
Sources: Banks, KIS Research

Figure 2: Overnight interbank interest rates



Sources: SBV, KIS Research

Figure 4: SBV intervention to maintain the liquidity system via pump/such net on open market



Sources: SBV, KIS Research

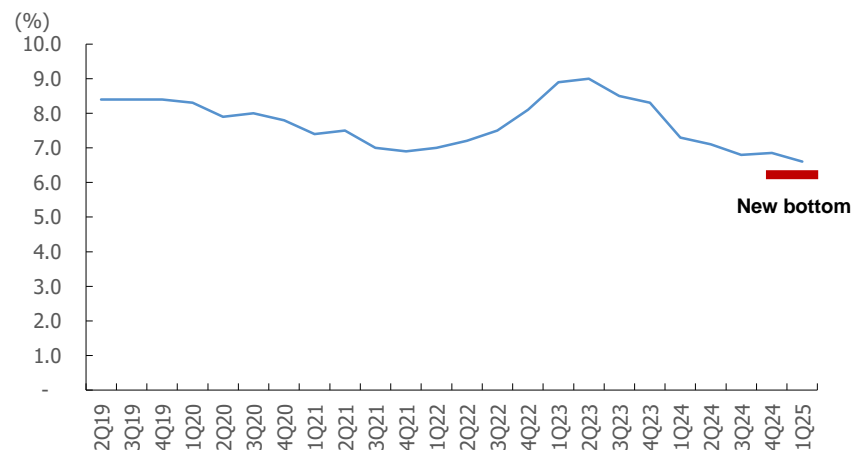
01. Stimulating but high-stress environment

Competition among banks and the implementation of preferential government policies

- **Implement economic stimulus policies:** Credit growth target set at 16% to support economic growth goals, with an ambitious target growth of 8%. Some policies conducted: 1) Accelerate disbursement for key infrastructure and digital technology projects (VND500bn), 2) stimulate domestic consumption by reducing VAT, and 3) introduce other packages: preferential credit packages for young people under 35 years, VND100 billion for the agriculture, forestry, and fisheries sectors, etc.
- **Pressures:** Promote credit with competitive interest rates among banks and implement preferential government policies.

	highlight Programs	Customer Segment	Purpose	Preferential Lending rate (%)	Quota (VND bn)	Starting	Ending
VCB	"Competitive interest rates" and "Worry-free Interest Rate"	Individual, SME	Home, car purchase, consumer loans, business production	4	270,000	01-Apr-2025	31-Mar-2026
	Preferential Loan Program	SME		4.2	100,000	01-Apr-2024	31-Mar-2025
	Preferential Loan Program	Household business		4.6	250,000	01-Jan-2025	
CTG	HomeJoy	20-35 years old	Home purchase loans	5.6		01-Apr-2025	
	Preferential Loan Program	Individuals, FDI enterprises, SMEs	Homes	6.1-6.6	30,000	01-Jan-2025	30-Jun-2025
	Supporting import-export businesses	FDI enterprises, SMEs		3.8	60,000	24-Mar-2025	31-Jul-2025
TCB	"Accelerated disbursement - Welcoming a prosperous spring"	Existing and new customers	Consumer loans	5.5	2,000	08-Jan-2025	31-Mar-2025
	"Solid finances - Ready to breakthrough"	Existing and new customers		5.5	2,000	25-Apr-2025	31-Dec-2025
BIDV	Loan package for young homebuyers	Under 35 years old	Home purchase loans	5.5	40,000	26-Mar-2025	31-Dec-2025
	Short-term loan package	Individual customers	Business production	4.5		06-Jan-2025	31-May-2025
	Long-term loan package for daily life needs	Individual customers	Owner-occupied housing needs, car purchase, serving daily life needs	5.5		06-Jan-2025	31-May-2025
STB	Preferential Loan Program	Individual & Corporate customers		4	20,000	14-Mar-2025	30-Jun-2025
	Preferential Loan Program	Individual		650.00%	5,000	24-Jun-2025	30-Sep-2025
ACB	"The first Home"	Under 35 years old	Home purchase loan	5		01-Feb-2025	
VIB	Preferential Loan Program	Individual customers	Real estate purchase loan	5.9	45,000	24-Mar-2025	31-Dec-2025
	Preferential Loan Program		Home	5.8	25,000	14-Feb-2025	30-Sep-2025
	Preferential Loan Program		Home purchase loans	5.9	30,000	17-Oct-2024	
VPB	Preferential Loan Program	Under 35 years old	Home purchase loans	5.2			
SHB	Preferential Loan Program	Under 35 years old	Home purchase loans	3.99	16,000	22-Feb-2025	31-Dec-2025
HDB	Lending for social housing purchases	Individual customers		5.9-6.1			31-Dec-2025
	Refinancing loan	Individuals, owners of private enterprises, micro-enterprises	Loan for early repayment of existing loans at other credit institutions.	3-7.3		31-Mar-2025	31-Dec-2025
LPB	Preferential Loan Program	Corporate customers	Sản xuất, kinh doanh	6.3-7	8,000	14-Mar-2025	30-Jun-2025
	"Easy Settlement - Secure Future"	Corporate customers (18-45 years old)	Home purchase loan	3.88	5,000	28-Feb-2025	31-Dec-2025
	"Prosperous home - Desired Interest Rate"	Individual customers	Medium to long-term capital loan.	6		10-Jan-2025	30-Jun-2025
TPB	Home purchase loans for young customers	Corporate customers (under 35 years old)	Home purchase/construction/repair loan	3.6		03-May-2025	31-Aug-2025
	Preferential Loan Program	First-time borrowers at TPBank		4.7	1,000	01-Jan-2025	31-Jan-2025
	Preferential Loan Program		Home purchase/construction/repair loan	6			31-Jul-2025
EIB	A Firm Home - A Certain Future"	Corporate customers (22-35 years old)	Home purchase loan	3.68		28-Feb-2025	
MSB	Handing Over Your Dream Home	Individual customers	Home purchase loan	4.5		06-Mar-2025	

Figure 5: Banking's asset yields (for 27 listed banks)



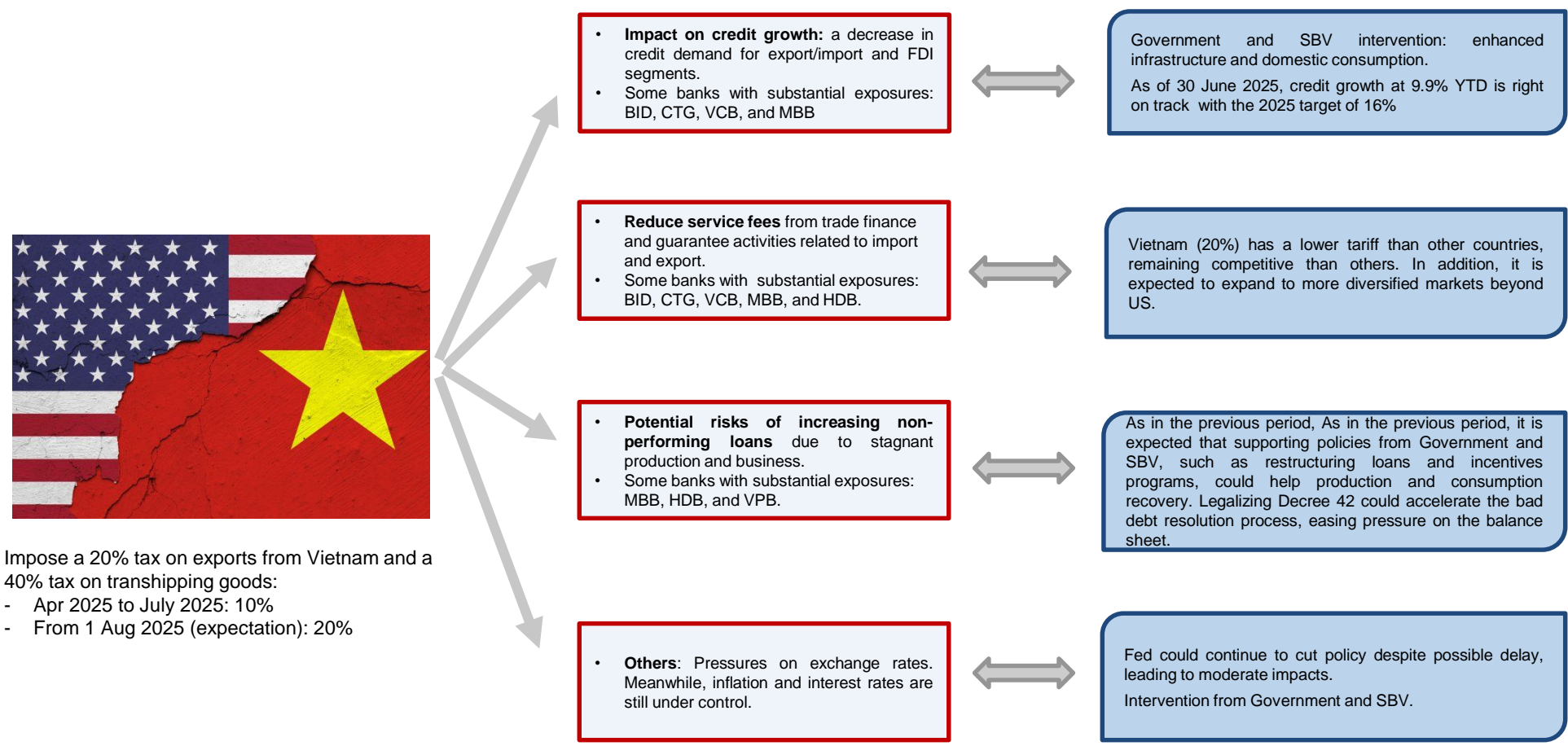
Source: SBV, KIS research

Note:

01. Stimulating but high-stress environment

Subdued tariff impact

- Global political instability, such as Donald Trump's tariff risks, will impact the operational performance of banks. However, we assess that the tariff could not have a significant impact on the banking industry thanks to 1) Support policies from the government and SBV, and 2) a better business environment.

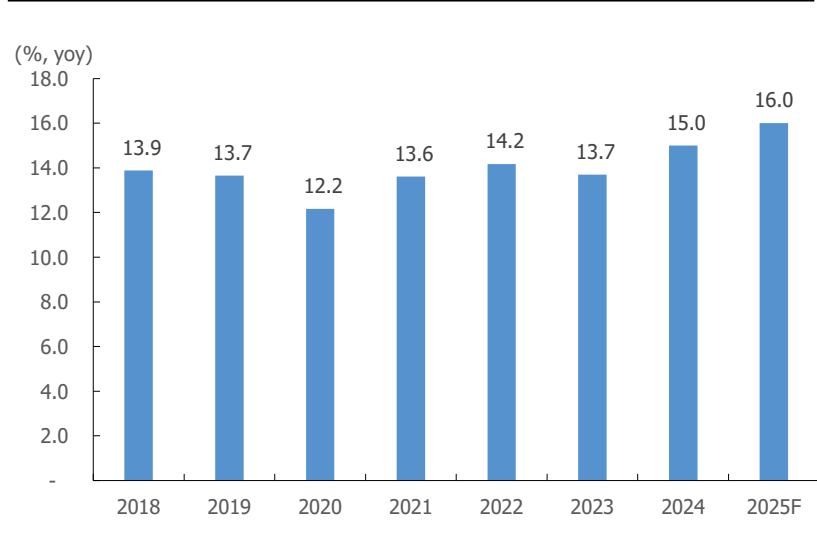


2. Credit growth aligns with the 2025 target

Credit growth across segments

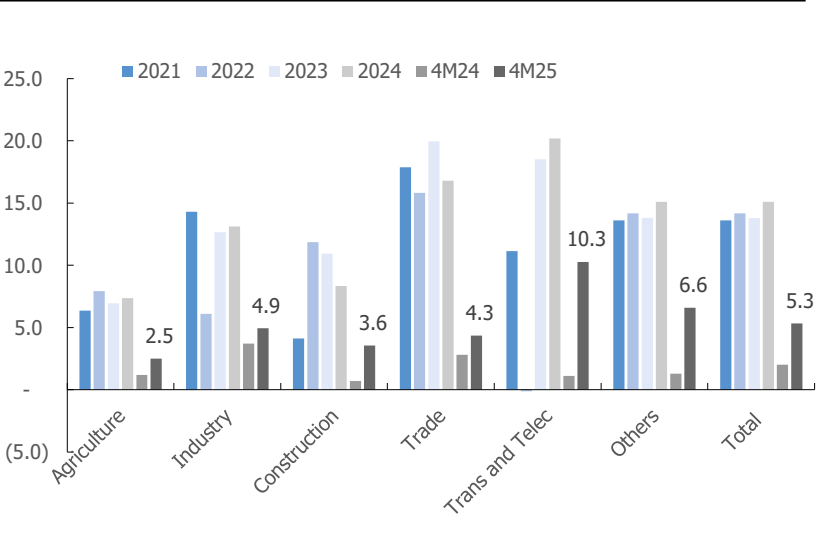
- As of June 30, 2025, credit growth rose by 9.9% YTD, the highest rate in recent years. Some sectors have higher credit growth than average: real estate, transportation, and telecommunication (Apr 2025).
- 2025F: Credit growth could grow a 16% for the banking system. Higher target for 2025F credit growth (16%) and GDP growth (8%), coupled with higher credit demand for both retail and corporates.
 - The retail segment, especially mortgage loans, could recover and allocate higher credit. Household business and consumer loans keep their growth momentum.
 - Wholesale segment: Loans could allocate more to constructions for public investment, real estate, transportation & telecommunication in the next period.

Figure 6: Credit growth



Source: SBV, KIS research
Note:

Figure 7: Credit growth by sector



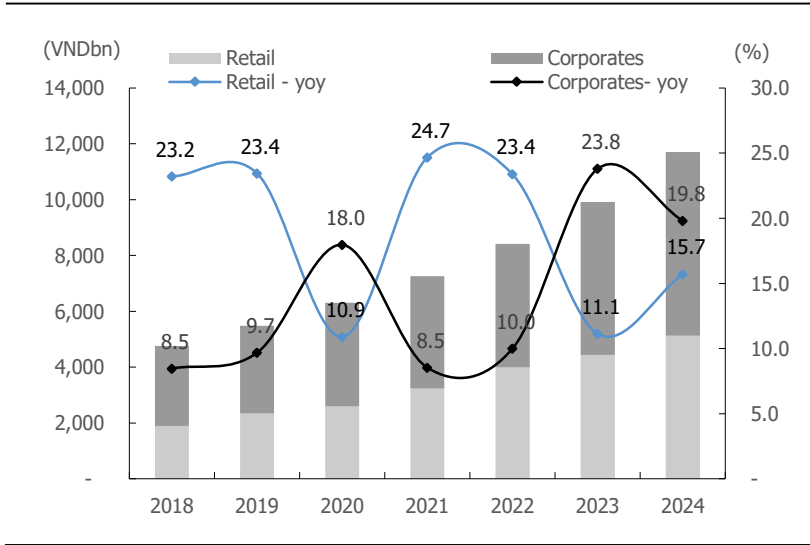
Source: SBV, KIS research
Note:

2. Credit growth aligns with the 2025 target

Credit growth across segments

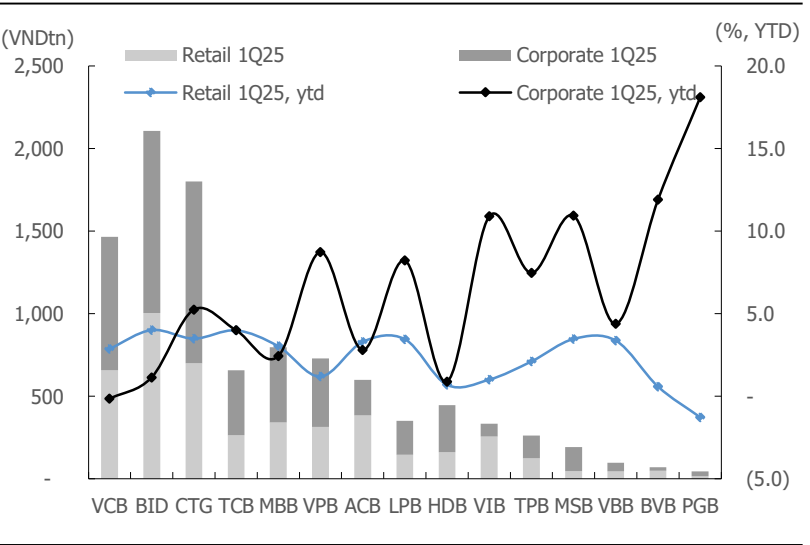
- 1Q25: Retail credit demand has gradually recovered since 2024. SOBCs and large banks (TCB, MBB, ACB) showed a better balance between corporate and retail. Whereas, VPB and other groups are still more corporate.
- From 2025F: retail segments could keep recovering thanks to 1) preference lending rate, 2) demand rebound for increasing disposable income, and support from the government, and 3) easier access to credits via reduced process and digital transformation.

Figure 08: Credit growth across segments 2018-2024



Source: Banks (26 listed banks), KIS research
Note:

Figure 09: Credit growth in 1Q25



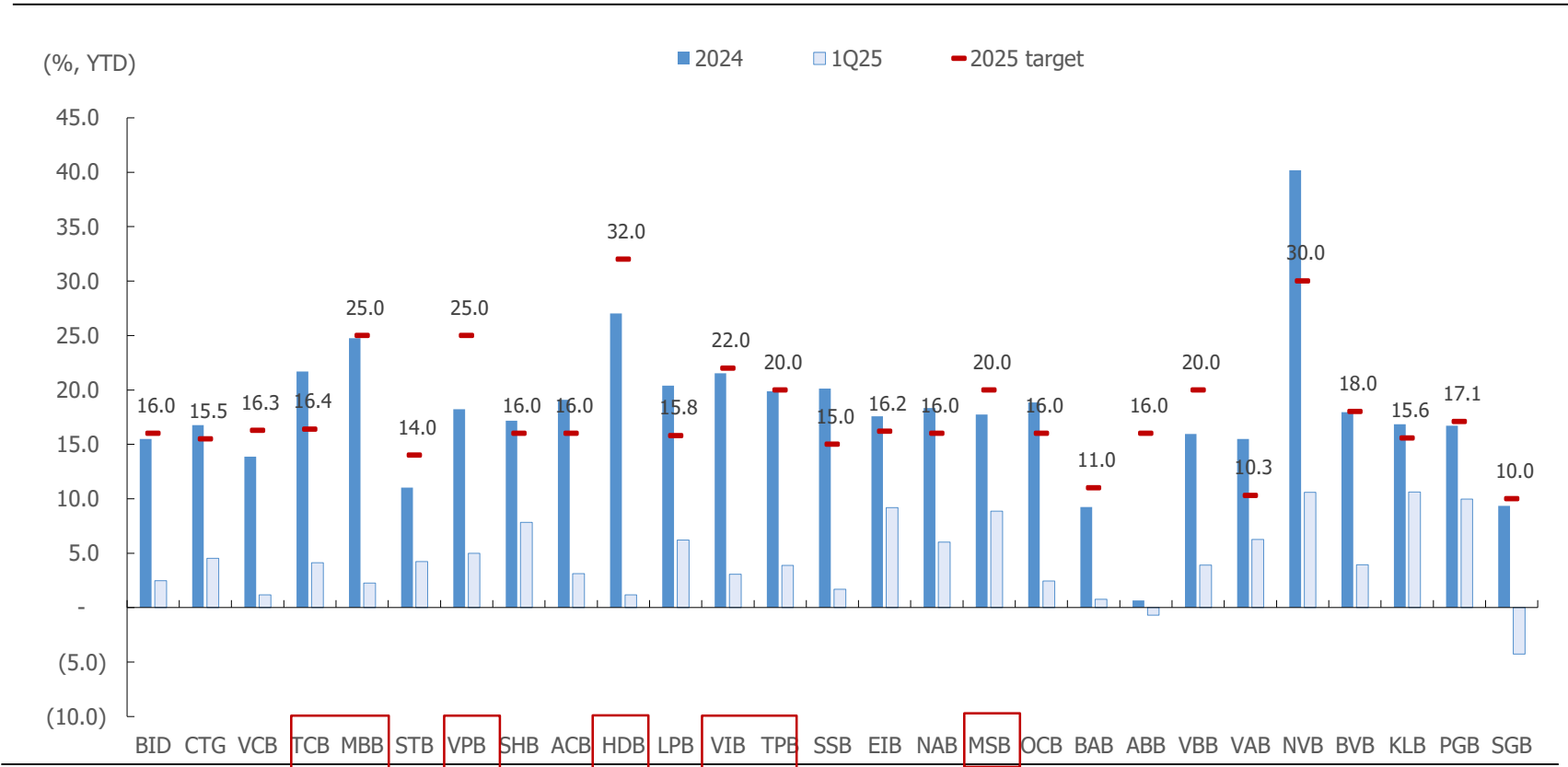
Source: Banks, KIS research
Note:

2. Credit growth aligns with the 2025 target

Credit growth across banks

- In 1Q25, some led in the banking group in 1Q25: CTG in SOCBs; SHB and VPB in large private banks; EIB, MSB, LPB, and NAB in medium private banks; NVB, KLB, and PGB in the small group. Higher credit growth in the industry for 21/27 banks.
- TCB, MBB, VPB, HDB, VIB, TPB, and MSB could have higher credit growth than their peers.

Figure 10: Credit growth by banks



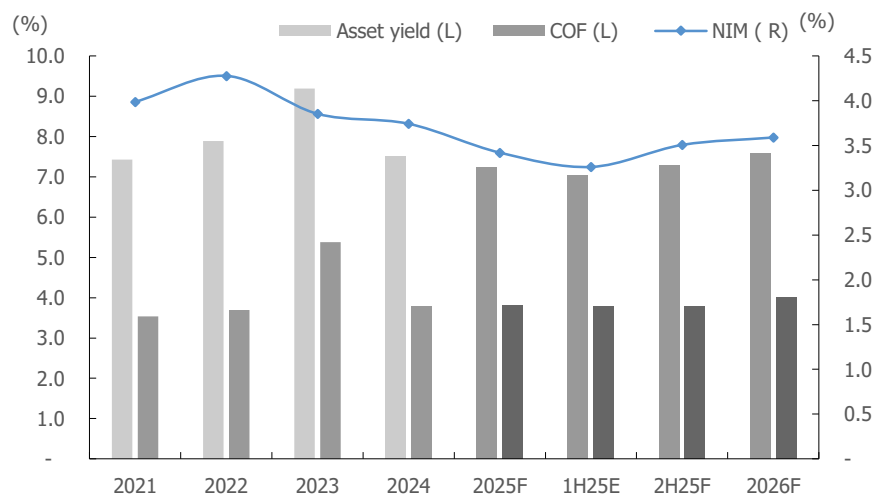
Source: Fiinpro X, KIS Research

3. Net interest margin

Hit bottom and gradual improvement

- In 1Q25: 1Q25 NIM (Aggregated 27 banks) dropped 45bps yoy and 32bps qoq to 3.1%, mainly resulting from lower asset yield and 2Q25 NIM could have the same trend in 1Q25. 21/27 banks experienced a contraction in 1Q25 NIM due to 1) lowering lending rates for competition and supporting economic growth, 2) awaiting an increasing proportion of mid and long-term capital, and 3) increasing non-performing loans.
- 2025F NIM could remain stable or slightly decline due to improving asset yields and stability in cost of funds. 1H25 NIM declined, and 2H25 could slightly improve thanks to improving asset yield and stable COF. Improving asset yields could result from 1) a recovery in retail and mid & long-term capital demand, and 2) controlled bad debts.

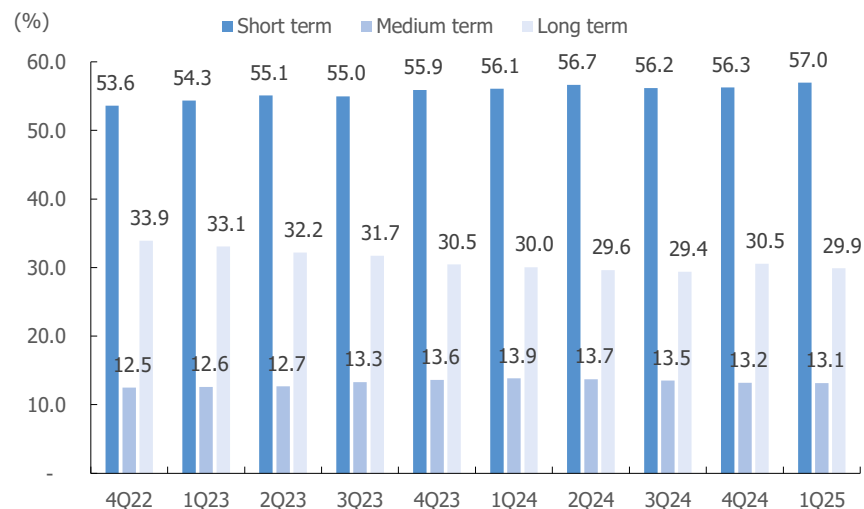
Figure 11: Average net interest margin



Source: Banks, KIS research

Note: 13 banks with large and medium scale include BID, CTG, VCB, TCB, MBB, VPB, ACB, HDB, LPB, VIB, TPB, MSB, and OCB

Figure 12: Loan structure by terms



Source: FiinproX, KIS research

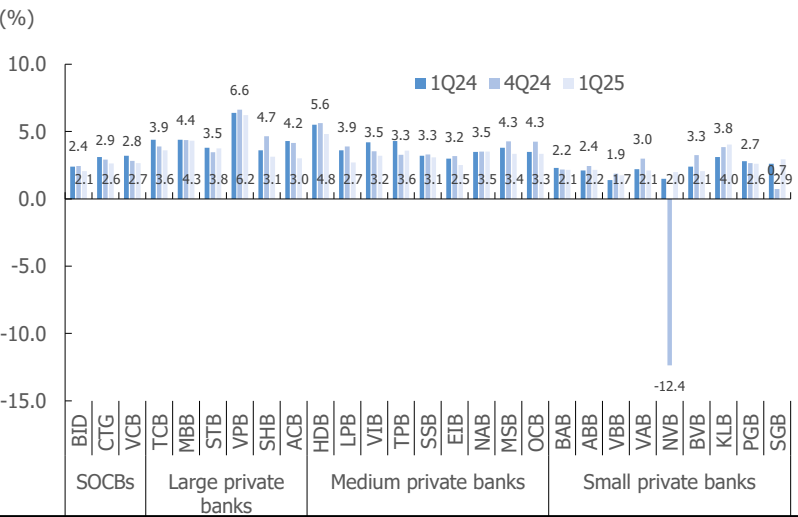
Note: total 27 listed banks.

3. Net interest margin

Hit bottom and gradual improvement

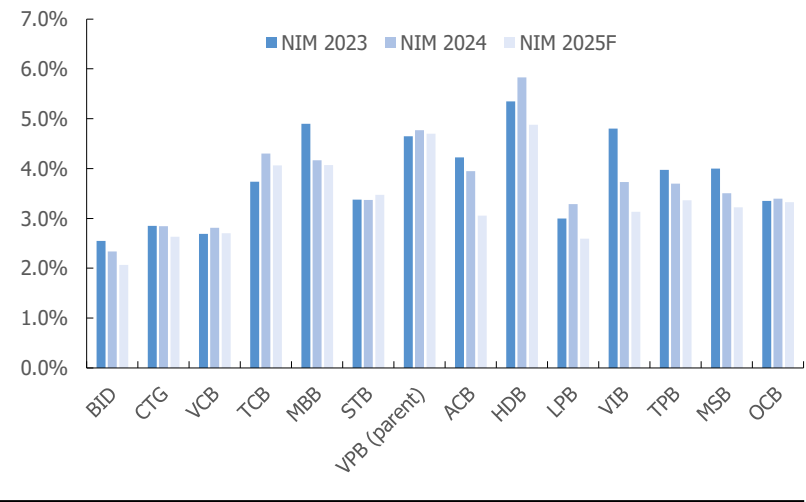
- 1Q25 Most banks' NIMs (21/27) fell due to a decline in asset yields amid stable funding costs. Some banks were more stable than others: VCB, MBB, STB, TPB, SSB, NAB.
- Maintained 2025F NIM: Large private banking group with better recovery for medium & long-term loans and competitive advantages in mobilization scale.

Figure 13: Average net interest margin with decreasing ratio for 21/27 banks



Source: FiinproX, KIS research
Note:

Figure 14: Loan structure by terms



Source: Banks, KIS research
Note:

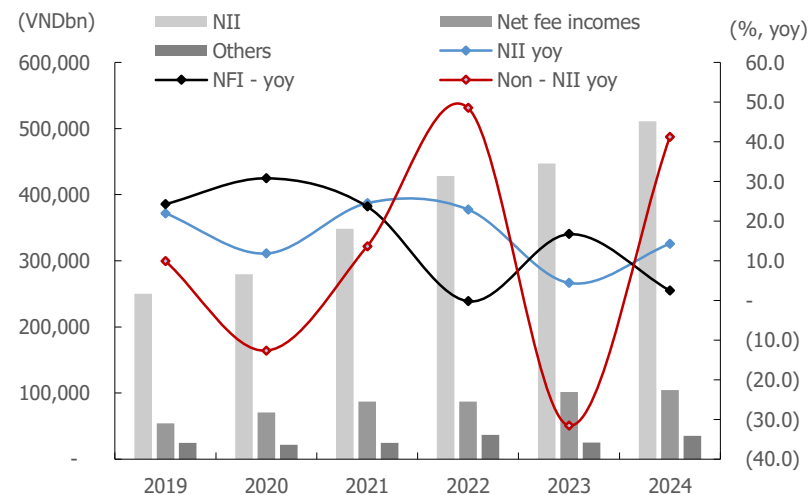
4. Non interest incomes

Income supports from other activities

- 1Q25 non-interest incomes soared by +22%yoy (including one-off incomes from SSB) or +13%yoy (excluding one-off incomes from SSB), primarily fuelled by a significant rise in income from other activities, such as bad debt collection. Some have higher non-interest income growth in 1Q25: CTG in SOCBs; MBB in large private banks; HDB, LPB, SSB, and EIB in medium banks; some small private banks.
- 2H25F: Non-interest incomes could be brighter and recover at a moderate growth, driven by (1) payment services, not suffering lower growth due to regulatory changes for LC business from 3Q24, (2) double digit growth for FX activities from high exchange rate fluctuation, (3) Investments related to government bonds could remain stable with the stable bond interest rates, and 4) Banca could recovery gradually.

		Non interest incomes in 1Q25 (VNDbn)					1Q25 yoy				
		Total	Services	FX	Investment	Others	Total	Services	FX	Investment	Others
SOCBs	BID	3,953	1,539	864	209	1,341	9	-9	-41	-268	125
	CTG	4,978	1,611	913	329	2,126	28	-9	-32	-585	154
	VCB	3,578	806	2,024	36	711	12	-44	69	60	32
Large private banks	TCB	3,306	1,828	455	629	394	-12	-16	-16	-40	13,290
	MBB	3,631	1,235	538	678	1,179	23	31	17	-43	222
	STB	933	728	308	1	-104	1	26	0	-94	-736
	VPB	2,210	1,169	119	49	873	6	-25	-61	954	289
	SHB	507	329	48	56	74	-24	122	-8	1,013	-84
	ACB	1,556	872	476	22	186	8	17	104	-94	173
Medium private banks	HDB	1,796	733	188	373	502	204	106	8	-2,898	585
	LPB	1,406	828	113	5	461	39	1	-24	-15,110	907
	VIB	864	378	114	29	343	-10	-13	-61	127	52
	TPB	1,099	910	-17	102	105	-13	27	-121	-79	737
	SSB	3,369	175	50	501	2,643	378	25	-51	11	25,924
	EIB	453	146	202	-5	110	107	32	141	-81	123
	NAB	168	127	15	20	6	-34	-39	-180	-67	35
	MSB	754	417	255	-11	93	0	39	-57	-170	-160
Small private banks	OCB	110	131	7	-100	72	-72	9	-94	-747	-46
	BAB	83	22	-4	64	1	219	-6	-67	452	-62
	ABB	475	162	145	-5	172	118	55	24	-89	358
	VBB	62	31	21	13	-2	-2	-10	-2	49	675
	VAB	53	40	4	-3	12	-49	172	-59	-115	-81
	NVB	93	29	33	18	13	2	377	39	-74	-267
	BVB	52	18	33	0	1	-15	-13	75	-101	-76
	KLB	284	160	21	0	104	81	41	0	-98	273
	PGB	47	14	13	3	18		-252	51,535	-338	107
	SGB	123	9	4	0	109	207	21	12		284
Total		35,944	16,092	5,875	9,630	11,542	22	(13.3)	14.7	67.2	216.6

Figure 15: Net fee incomes and other incomes in 2019-2024



Source: FiinproX, Banks (27 listed banks), KIS research

Note:

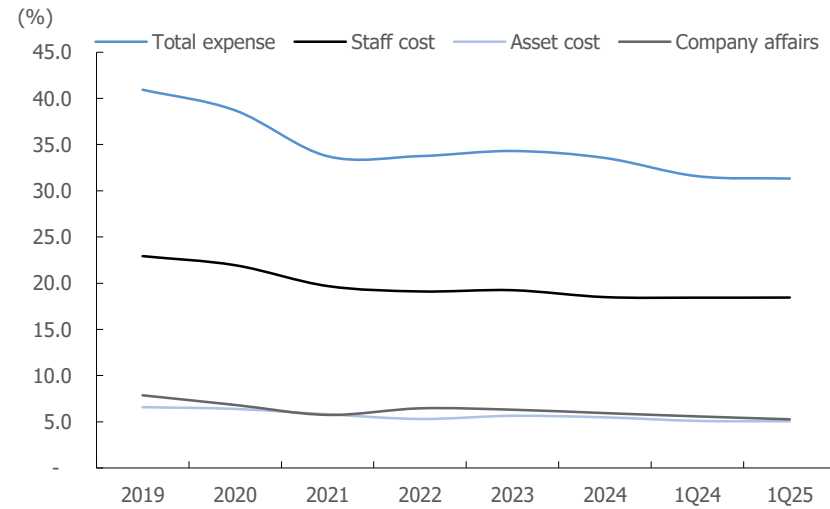
4. Operating expenses

Optimized operating expenses

- 1Q25: Private banks had greater control over their operating expenses in 1Q25. Medium and small Banks had more control of staff costs than others. The total number of employees in commercial banks declined from 279,170 at the end of 2024 to 277,023 in 1Q25. The most significant staff reduction: LPB (1,619), STB (970), VIB (522), SSB (278), and VPB (155). Conversely, banks like Techcombank, MB, and BIDV significantly increased their hiring, prioritizing roles related to technology, data, and AI.
- 2025F: the operating costs could continue to be optimized thanks to 1) Digital transformation for operating procedures and 2) Layoff wave for more effectiveness and efficiency without corporate downsizing.

Cost to income ratio (CIR)		1Q20	1Q21	1Q22	1Q23	1Q24	1Q25
SOCBs	BID	31	28	27	28	31	33
	CTG	31	27	27	25	25	27
	VCB	40	30	27	28	29	33
Large private banks	TCB	35	29	30	34	26	28
	MBB	32	31	31	30	29	26
	STB	64	64	55	50	52	50
	VPB	33	23	16	28	26	25
	SHB	58	35	21	20	19	18
	ACB	54	35	40	32	34	34
	HDB	51	39	38	35	32	27
Medium private banks	LPB	62	44	35	43	31	28
	VIB	46	39	35	32	35	38
	TPB	45	35	34	43	36	42
	SSB	53	41	28	37	34	18
	EIB	60	52	42	42	40	47
	NAB	74	56	43	42	44	36
	MSB	71	35	31	33	34	38
Small private banks	OCB	26	28	37	37	38	44
	BAB	52	54	54	52	60	56
	ABB	48	40	41	43	58	42
	VBB	50	71	62	60	68	52
	VAB	64	55	35	45	36	34
	NVB	75	51	57	85		
	BVB	52	60	64	82	67	60
	KLB	67	26	60	61	58	51
	PGB	65	50	44	48	58	52
	SGB	76	69	38	49	67	52

Figure 16: Operating cost to incomes



Source: FiinproX, Banks (27 listed banks), KIS research

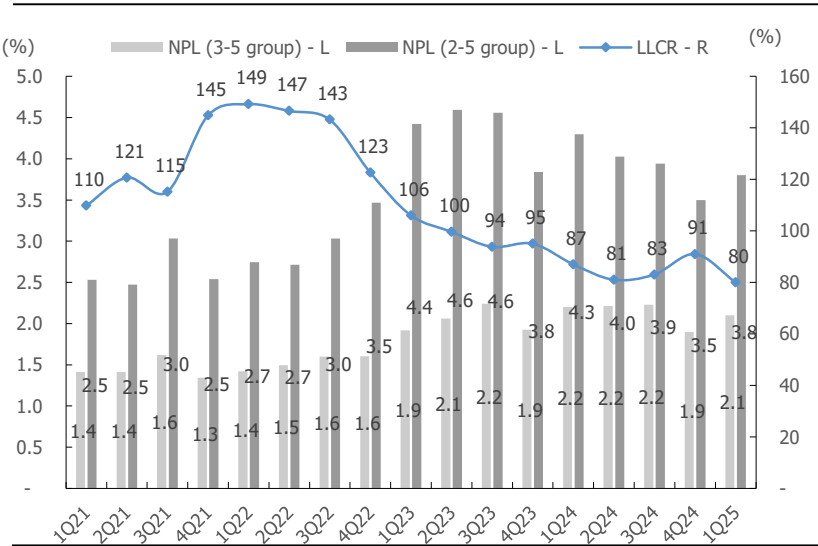
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5. Non performance loans

Contained non-performing loans

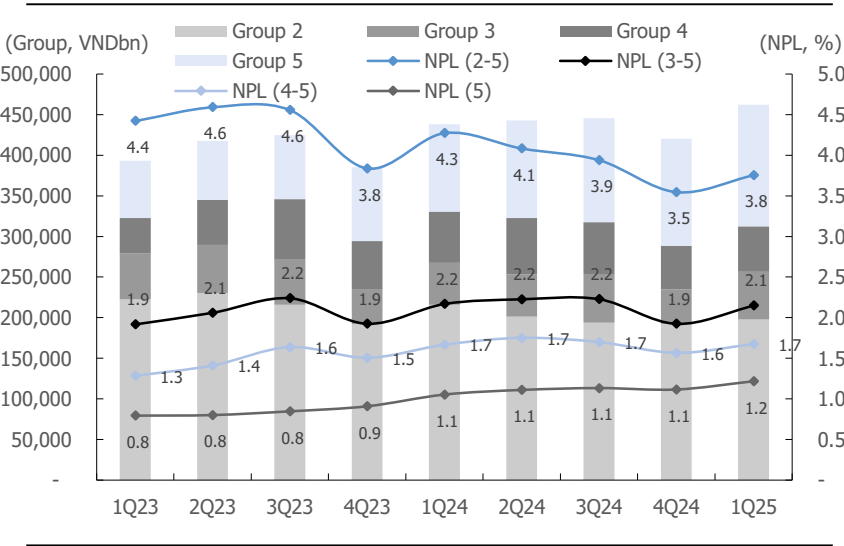
- **1Q25 non-performing loans:** It went up along with deteriorating loan loss coverage ratios due to 1) expired circular 02 for restructuring loans at the end of 2024, 2) seasonal phenomenon, and 3) slower manufacturing activities. Non-performing loans rose across group loans, particularly group 3 (Substandard loans) and group 5 (estimated loss loans).
- **Non-performing ratios remained high in 2024 and could control in 2H25:** 1) improving business conditions amid the stimulus policies from governments for business recovery and low interest rates, 2) improving consumer demand and real estate market, and 3) The legalization of Decree 42 contributes to speeding up debt collection and settlement, contributing to increasing non-interest incomes and increasing banking efficiency. However, the thinner loan loss reserve could raise concerns

Figure 17: Non-performance loans



Source: FiinproX, Banks, KIS research
Note:

Figure 18: Loan structure by terms



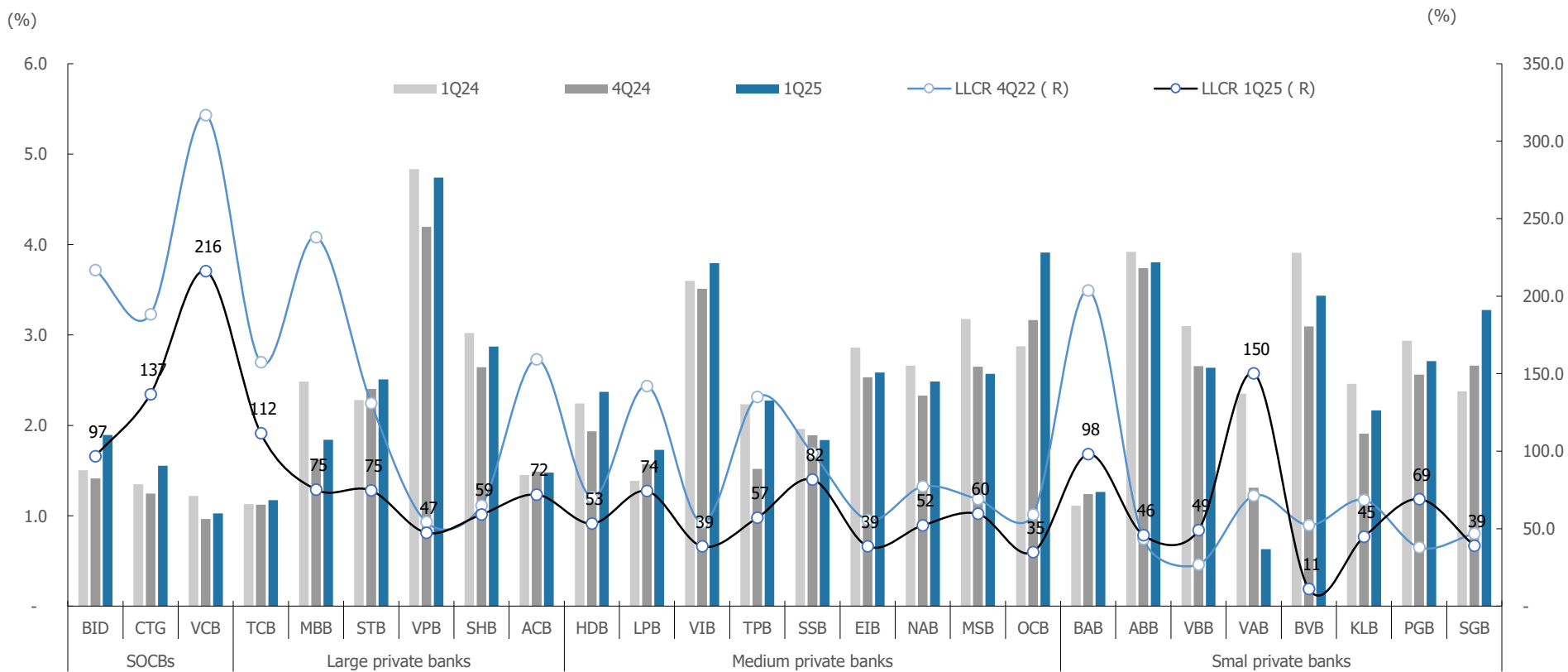
Source: FiinproX, Banks (27 banks), KIS research
Note:

5. Non performance loans

Contained non-performing loans

- 1Q25: 21/27 banks with increasing non-performing loan ratios, excluding ACB, SSB, MSB, VBB, VAB, NVB.
- SOCBs and large private banking with a focus on maintaining high asset quality. Bank with high LLCRs (exceeding 100%), including CTG, VCB, and TCB in 1Q25.

Figure 19: non performance loan by banks



Source: FiinproX, banks (27 Banks), KIS research

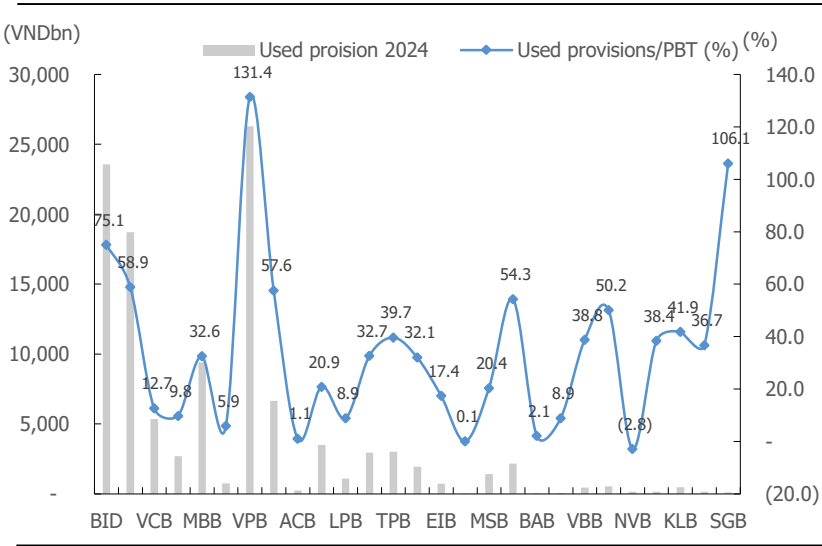
5. Non performance loans

Contained non-performing loans

The legalization of Decree 42:

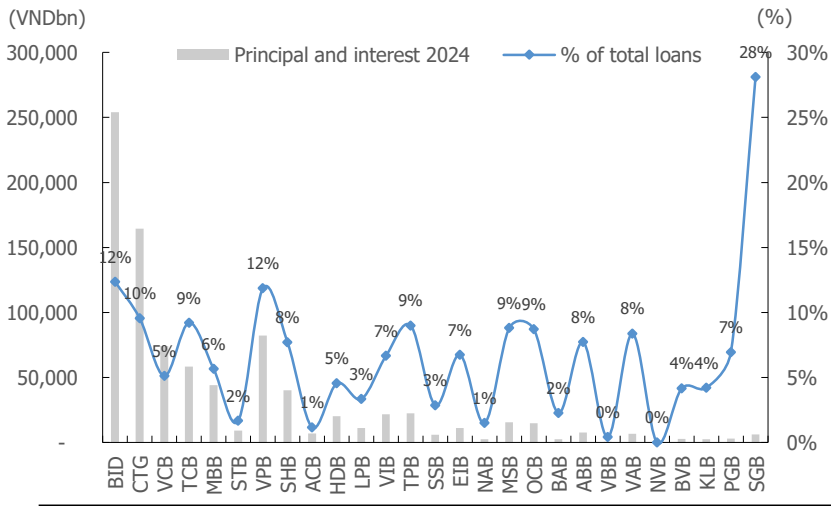
- Creates a legal corridor for banks to enhance their bad-debt collection and settlement efforts
 - First, credit institutions are granted the right to seize collateral assets in cases where there is a mutual agreement between the borrower and the credit institution.
 - Second, assets of judgment debtors that are being used as collateral for bad debts shall only be subject to distraint in cases involving judgments or decisions on alimony, compensation for loss of life or health, or with the consent of credit institutions.
 - Third, for collateral assets that serve as physical evidence in a criminal case, after completing the procedure for verifying the evidence and confirming that it does not affect the case settlement or enforcement, the competent procedural authority shall return the physical evidence to the credit institutions
- Shorten the time to process collateral
- Promoting the bad debt trading markets.

Figure 20: : Used provision to bad debt settlement



Source: Banks, KIS research
Note:

Figure 21: Proceeded outstanding non-performing loans monitored off balance sheet



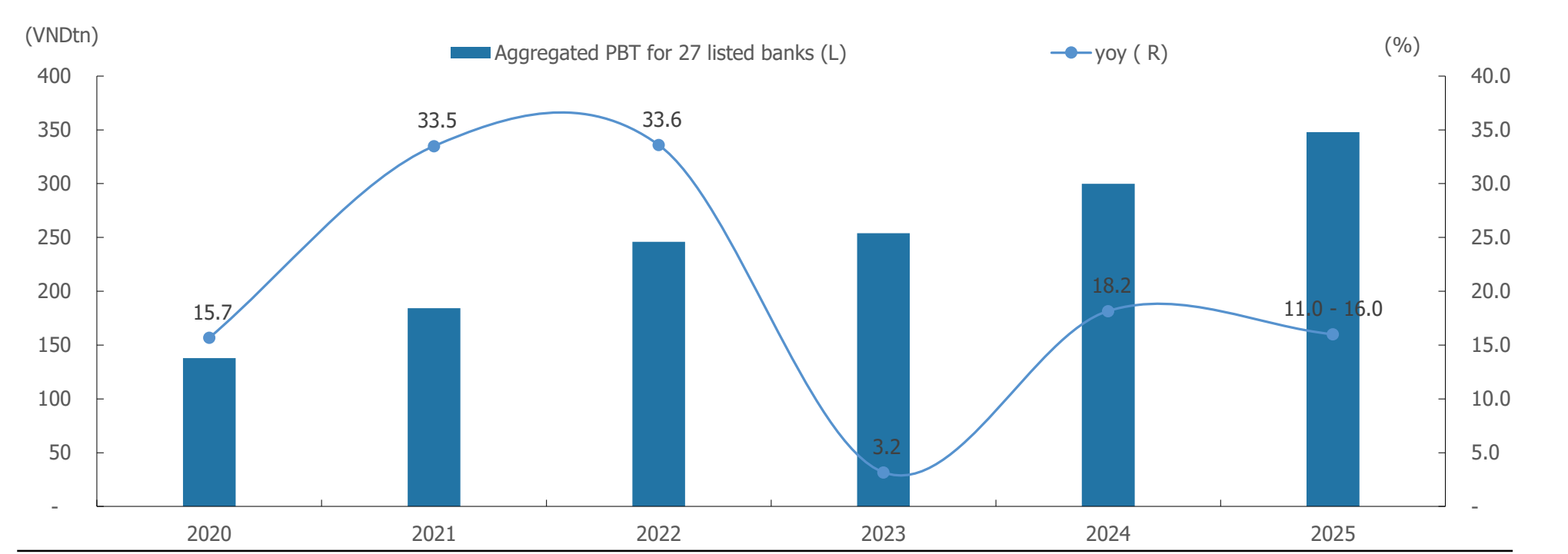
Source: Banks, KIS research
Note:

06. Earnings forecast

Striving for the 2025 target

- 1Q25: If excluding income from the sale of SSB's subsidiary, income and profit growth (aggregated 27 banks) only rallied 7.6% and 10.9% yoy. This result was driven by 1) high credit growth, 2) increased income from bad debt collection, and 3) controlled administrative and credit risk provisioning costs. Private banks had more positive results than SOCBs.
- Private banks with impressive in 1Q25: MBB (+44.7%yoy), STB (+38.4%yoy), VPB (+19.9%yoy) in large private banks; HDB (+33.0%yoy), SSB (+188.8%yoy), EIB (+25.8%yoy), and NAB (+22.5%yoy) in medium private banks; and some small private banks.
- 2Q25E: 2Q25 earnings could maintain moderate growth, driven by higher credit growth, controlled operating expenses, and risk provision expenses. However, the net interest margin (NIM) in 2Q25 could still face pressure 2Q25. Net fee incomes in 2Q25 could improve quarterly despite being lower year-over-year.
- 2025: The sector could maintain solid NPAT growth in 2025 (11%-16%), supported by further credit expansion, a gradual recovery in banking service activities amid vibrant economic conditions, continued cost efficiency, and a cooling trend in NPL ratios. However, the sector may still face slight pressure on NIM volatility and rising provision expenses to strengthen buffer reserves. 2H25F could grow at double-digit growth rates thanks to NIM improvement and cost managements.

Figure 22: Earnings forecast



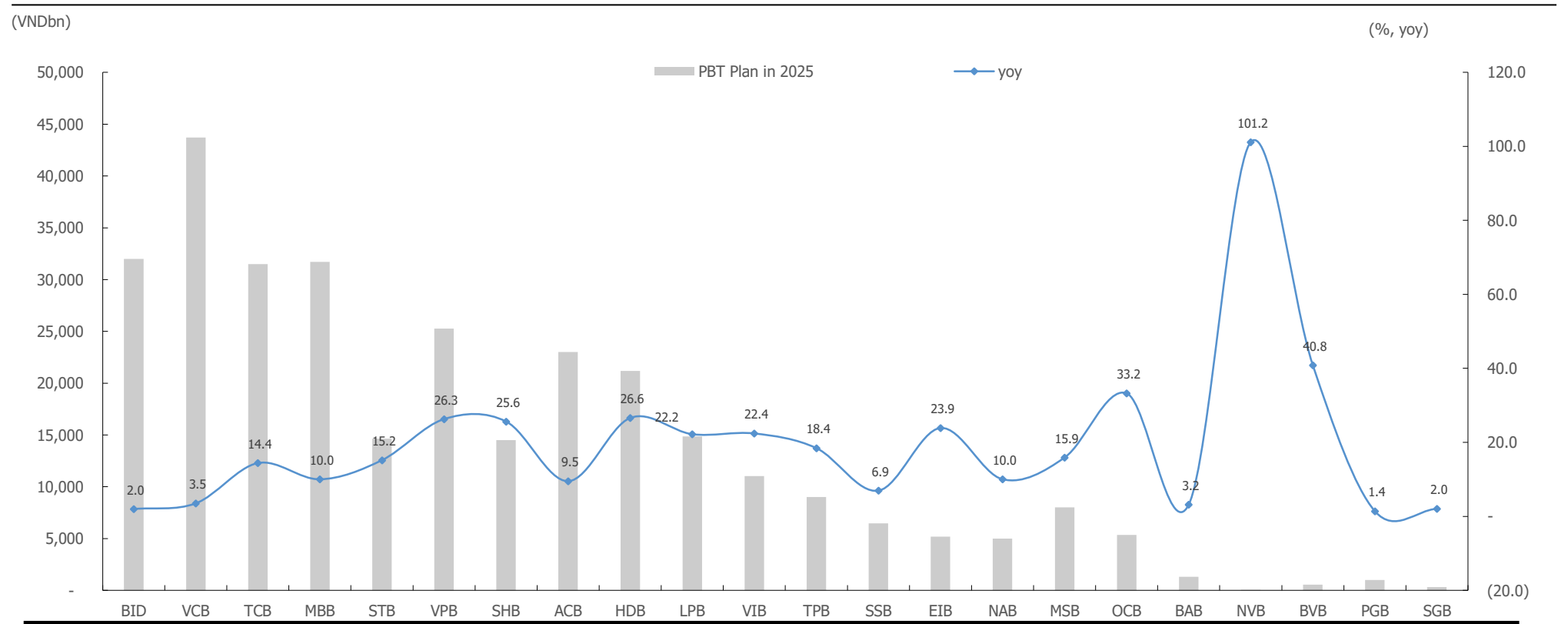
Source: KIS research

06. Earnings forecast

Striving for the 2025 target

- Aggregated profit before tax in 2025 for 22 banks is planned to grow at 16%yoy.

Figure 23: business planning



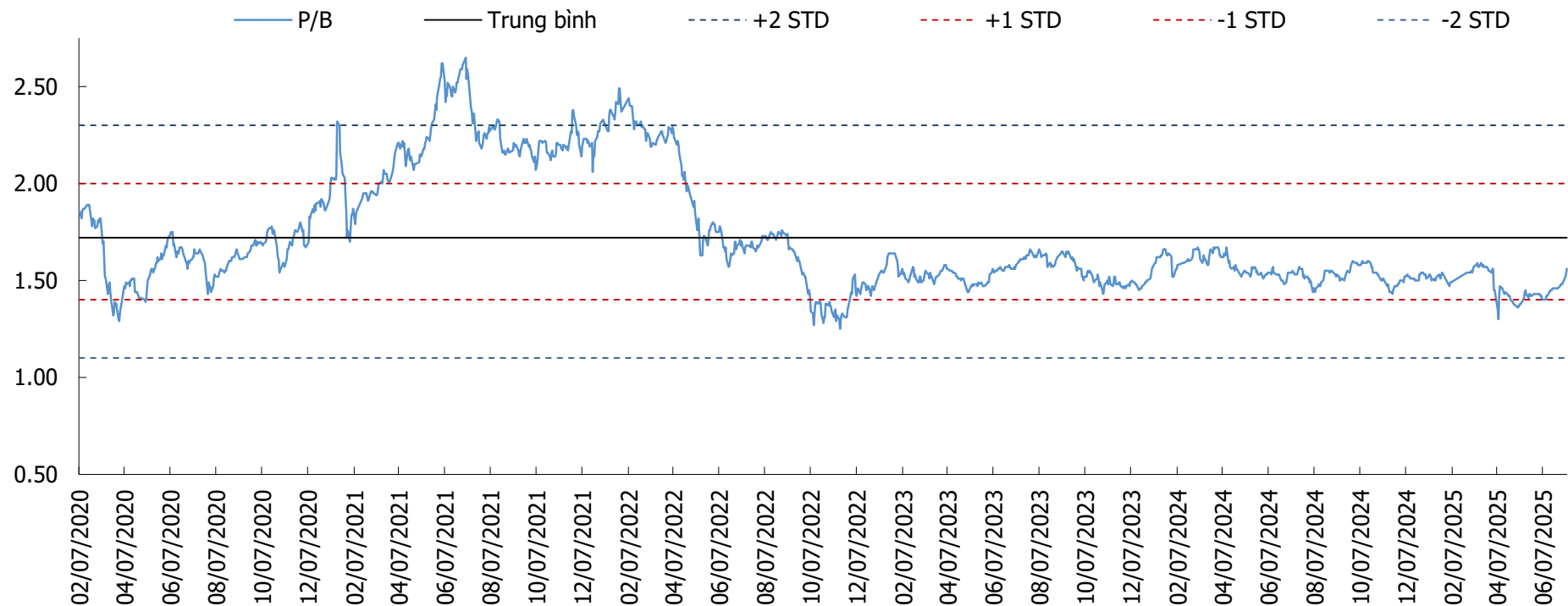
Source: Banks, KIS research

07. Valuation

Implying attractive valuation

- Current P/B at 1.56x is lower than the 5-year historical P/B at 1.7x, still retaining its attractiveness for investment accumulation.

Figure 24: Valuation



Source: FiinproX, Banks, KIS research (Date 9 Jul 2025)



2H25F – Marginally progressive enhancement

II. Company analysis

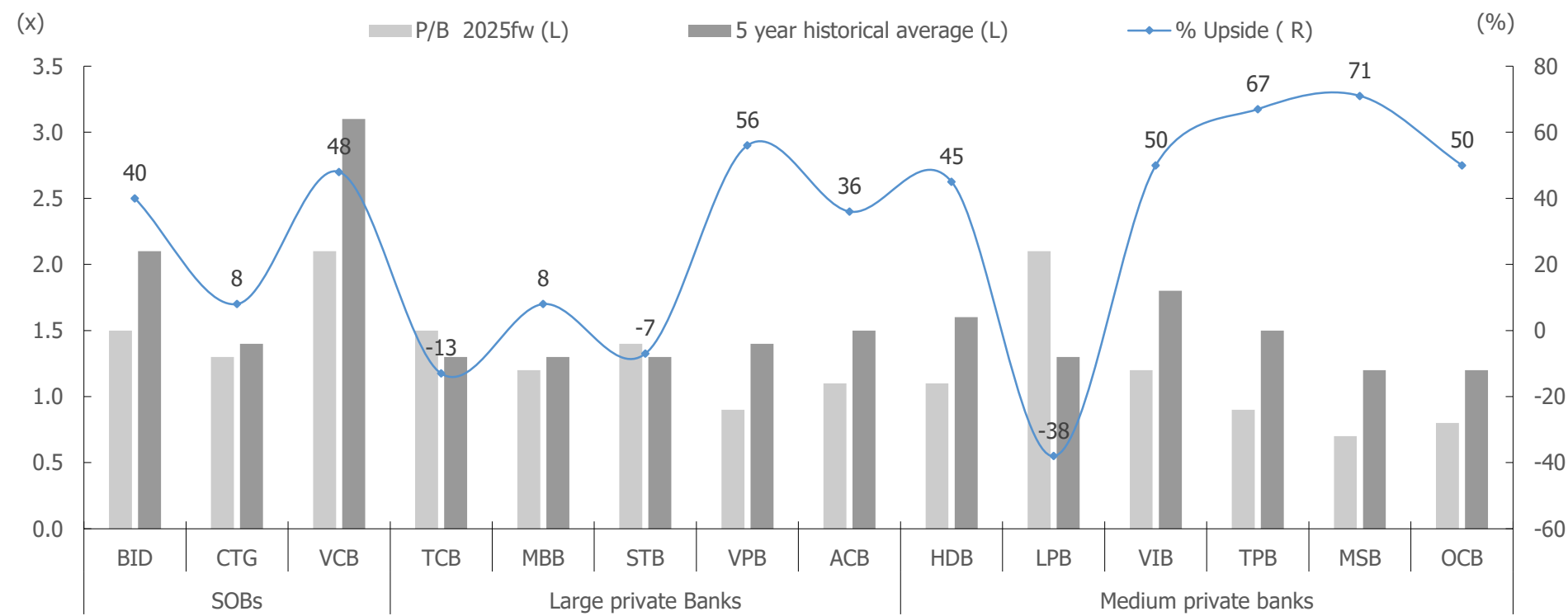
1. VPB
2. MBB
3. VCB
4. CTG
5. TCB

Valuation by banks

More selective

- We favour stocks with high growth potential in 2025 and attractive valuations for buying and holding, such as MBB and VPB. For stocks with unique stories, like VCB, we recommend buying and holding due to its low valuation as an industry leader and its top-of-mind status in the market upgrade wave. As for TCB and CTG, we recommend them for trading activities as their appreciation story is suitable for short-term opportunities.

Figure 25: Valuation by banks



Source: Bloomberg, KIS research (Dated 1 Jul 2025)

“SECTOR” STOCK LIST

Sector Stock list

Ticker	Recommendation	TP (VND/ share)	Upside	2025F Rev	2025F PBT	Rev - yoy	PBT – yoy	2025F ROE	Trailing PE	Trailing PB	Current DY
VPB	BUY	23,300	25%	70,280	24,422	12.9%	22.0%	12.2%	9.1	1.0	2.7%
MBB	BUY	31,800	22%	67,464	34,693	21.7%	20.3%	21.9%	6.4	1.3	0%
VCB	BUY	70,000	20%	74,396	42,534	8.5%	0.7%	16.0%	11.3	2.4	0%
CTG	BUY	49,900	19%	90,732	37,602	10.8%	18.4%	16.7%	8.7	1.5	0%
TCB	BUY	43,000	25%	50,136	30,636	11.0%	11.0%	15.0%	11.4	1.6	0%

Source: KIS research (01 July 2025)

1. VPB – BUY| TP: VND23,300 | +25% @ 01/07/2025

Vigorous resurgence

Investment Theme

- 2025F-2026F profit could continue to grow at a double-digit rate thanks to 1) the FE credit recovery (moderate credit growth and healthier asset quality with lower provision costs after restructuring period) and 2) maintained high credit growth for the parent bank (22%-25%) 3) management in credit costs thanks to recovery in real estate market and customer demand. 2Q25 and 2H25 earnings could keep double digit growth.
- 2025F PBT guidance: Conso +26% yoy with strong growth across subsidiaries.
- FOL could increase from 30% to 49% for receiving “zero bank”, and credit growth could have a higher rate than others.

Risks to be considered

- Slower-than-expected prospects of consumer demand and the real estate market could lead to lower credit growth and increasing non-performing loans.

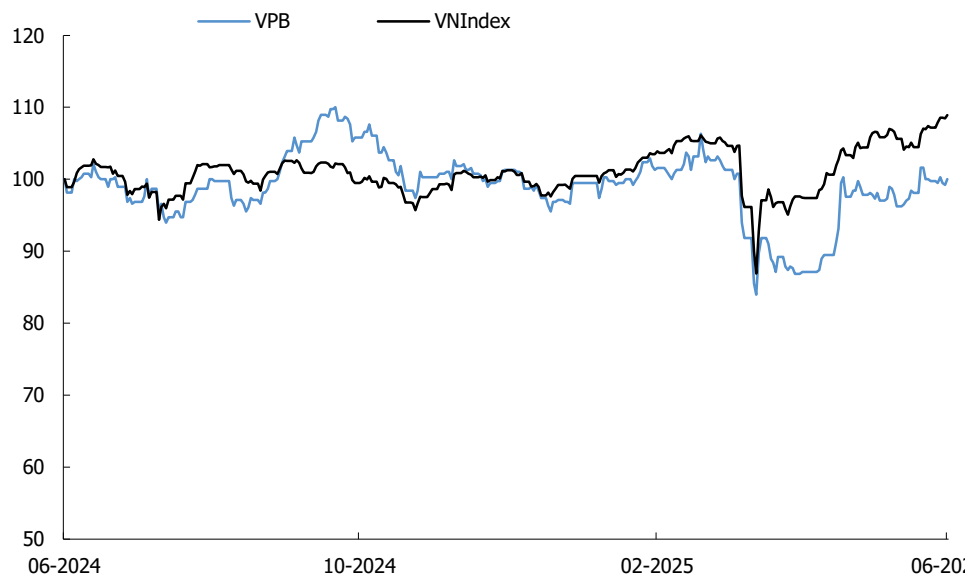
Table: KIS forecast on VPB

	2022	2023	2024	2025F	2026F	1H25	2H25
Net interest income	41,021	38,175	49,080	59,112	72,941	27,341	31,771
<i>NIM (%)</i>	5.07%	4.26%	4.73%	4.82%	5.07%	4.7%	4.9%
<i>Credit growth</i>	25.0%	25.6%	18.2%	27.4%	24.7%	15%	25%
<i>Growth (YoY)</i>	19.42%	-6.94%	28.57%	20.44%	23.40%	15%	25%
NFI	6,179	7,036	7,784	6,996	7,346	3,242	3,755
<i>Growth (YoY)</i>	-13.5%	13.9%	10.6%	-10.1%	5.0%	-26%	10%
Other income	10,597	4,529	5,390	4,172	4,395	1,973	2,199
Total net revenue	57,797	49,739	62,255	70,280	84,683	32,556	37,724
<i>Growth (%)</i>	30.5%	-13.9%	25.2%	12.9%	20.5%	10.2%	15.3%
Operating expenses	14,116	13,941	14,340	16,188	19,506	7,819	8,369
<i>Cost-income ratio (%)</i>	24.4%	28.0%	23.0%	23.0%	23.0%	24%	22%
Pre-provision operating profit	43,681	35,798	47,915	54,092	65,177	24,737	29,355
<i>Growth (%)</i>	30.1%	-18.0%	33.8%	12.9%	20.5%	8.7%	16.6%
Credit provision	22,461	24,994	27,903	29,670	33,830	14,351	15,348
EBT	21,220	10,804	20,013	24,422	31,347	10,385	14,007
<i>Growth (%)</i>		-49%	85%	22%	28%	20%	24%
Controlling-int. NP	18,168	9,974	15,779	18,922	25,041		
<i>Growth (yoy)</i>	55.00%	-45.10%	58.20%	19.92%	32.33%		
ROE	19.15%	8.20%	10.99%	12.20%	14.52%		
ROA	3.08%	1.38%	1.81%	1.85%	2.03%		
EPS	3,306	1,174	1,527	1,831	2,423		
BPVS	18,831	16,458	14,253	15,780	17,611		

1. VPB – BUY | TP: VND23,300 | +25% @ 01/07/2025

Vigorous resurgence

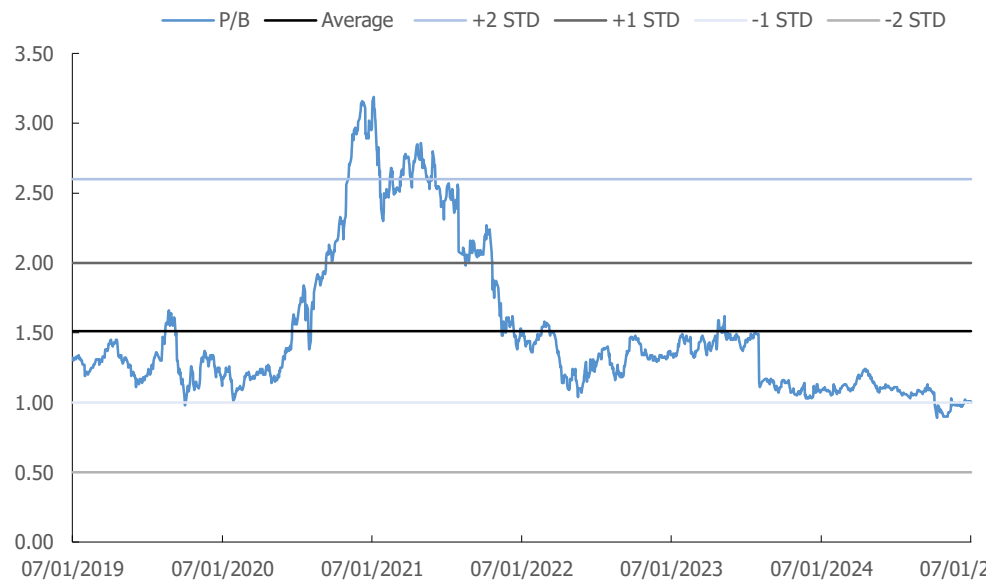
Figure 26: Stock price and VNINDEX performance



Source: FiinproX, KIS research

Note:

Figure 27: PBR



Source: FiinproX, KIS research

Note:

02. MBB – BUY| TP: VND31,800 |+22% @ 01/07/2025

Military Synergy, Rebound

Investment Theme

- 2025-2026 could return double-digit profit growth: Amid the strong economic growth, key drivers resulted from (1) remained high credit growth (25-30%) for both retail and corporates, (2) maintaining net interest margins with high CASA ratio, a strong growth momentum in non-net interest incomes, and (2) control of bad debts amid better business environments both retail and corporates.
- 1Q25: profit grew strongly + 18% thanks to 1) higher credit growth with maintained NIM, 2) improving service incomes and FX activities 3) controlled operating expenses. 2Q25 and 2H25 earnings could keep double digit growth.
- MBB is one of banks receiving “zero bank” restructuring, benefiting for higher credit growth and FOL increasing up to 49%.

Risks to be considered

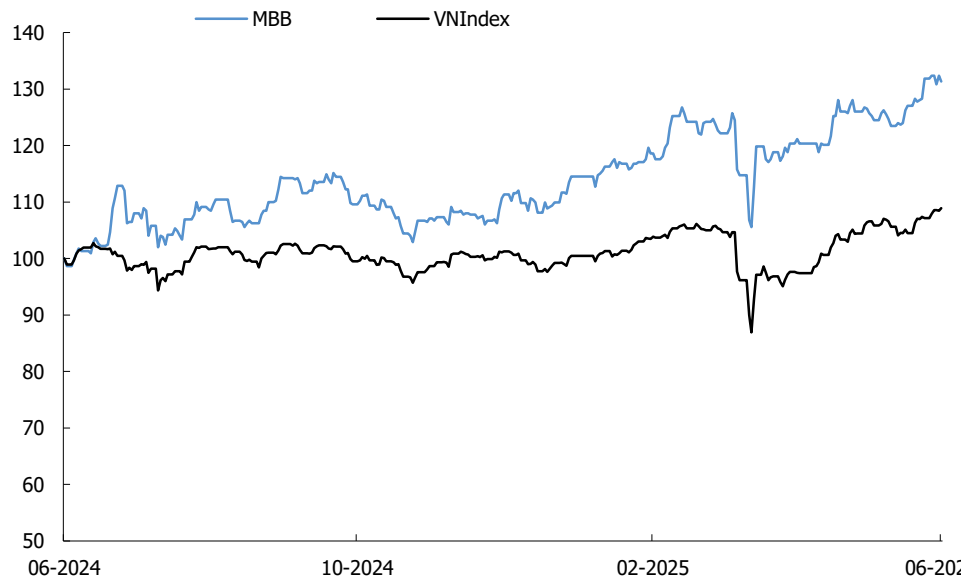
- Decreasing net interest margin due to increasing COF and decreasing asset yields.
- Increasing non performance loans due to slow recovery from customers.

Table: KIS forecast on MBB, 2025F-2026

	2021	2022	2023	2024	2025F	2026F	1H25	2H25
Net interest income	26,200	36,023	38,684	41,152	51,373	64,609	23,811	27,562
<i>NIM (%)</i>	5.1%	5.8%	4.9%	4.2%	4.2%	4.2%	4.3%	4.4%
<i>Credit growth (ytd)</i>	26.1%	24.9%	28.0%	24.7%	26.1%	26.5%	11.0%	26.1%
<i>NII growth</i>	29.2%	37.5%	7.4%	6.4%	24.8%	25.8%	21.5%	27.8%
Non interest incomes	10,735	9,570	8,622	14,261	16,090	18,161	7,261	8,829
<i>Non - NII growth</i>	51.5%	-10.9%	-9.9%	65.4%	12.8%	12.9%	10.8%	14.5%
Total net revenue	36,934	45,593	47,306	55,413	67,464	82,770	31,072	36,391
<i>Growth (%)</i>	35.0%	23.4%	3.8%	17.1%	21.7%	22.7%	18.8%	24.3%
Operating expenses	12,377	14,816	14,913	17,007	20,914	25,659	8,675	12,239
Pre-provision operating profit	24,557	30,777	32,393	38,406	46,550	57,111	22,397	24,153
<i>Growth (%)</i>	46.12%	25.33%	5.25%	18.56%	21.20%	22.69%	23.46%	19.18%
Credit provision	8,030	8,048	6,087	9,577	11,857	15,999	5,553	4,024
<i>NPL</i>	0.9%	1.1%	1.6%	1.6%	1.5%	1.4%	1.7%	1.5%
EBT	16,527	22,729	26,306	28,829	34,693	41,113	16,844	20,129
<i>Growth (%)</i>	55%	38%	16%	10%	20%	19%	25%	31%
Net profit	13,221	18,155	21,054	22,951	27,619	32,730		
<i>Growth (yoy)</i>	53.6%	37.3%	16.0%	9.0%	20.3%	18.5%		
<i>ROE</i>	21.60%	24.50%	21.70%	21.70%	21.96%	21.04%		
<i>ROA</i>	2.4%	2.7%	2.5%	2.2%	2.2%	2.2%		
<i>EPS</i>	4,020	4,368	4,320	4,363	4,842	5,364		
<i>BPVS</i>	38,812	32,875	27,278	26,213	28,097	30,100		

Military Synergy, Rebound

Figure 28: Stock price and VNINDEX performance



Source: FiinproX, KIS research

Note:

Figure 29: PBR



Source: FiinproX, KIS research

Note:

03. VCB – BUY | TP VND70,000 | +20% @ 01/07/2025

Solid fundamentals with low valuation

Investment Theme

- Keep maintained earnings in 2025 and double-digit growth in 2026F-2027F: 1) higher credit growth with NIM improvement for the economic revivals, 2) higher non-interest incomes for higher banking services, and 3) remaining high asset quality and high provision buffers.
- Private placement (6.5% charter capital): VCB restarted the process and hopes to complete it this year. VCB could slip the deal for raising capital, depending on the demand.
- Top in mind for stock market upgrade in 2025. Worth of trading at premium: Low-risk exposures in terms of operational, market risks.

Risks to be considered

- Slower-than-expected revival of economic growth and competitive pressure related to non-interest incomes could hinder our profit projections.

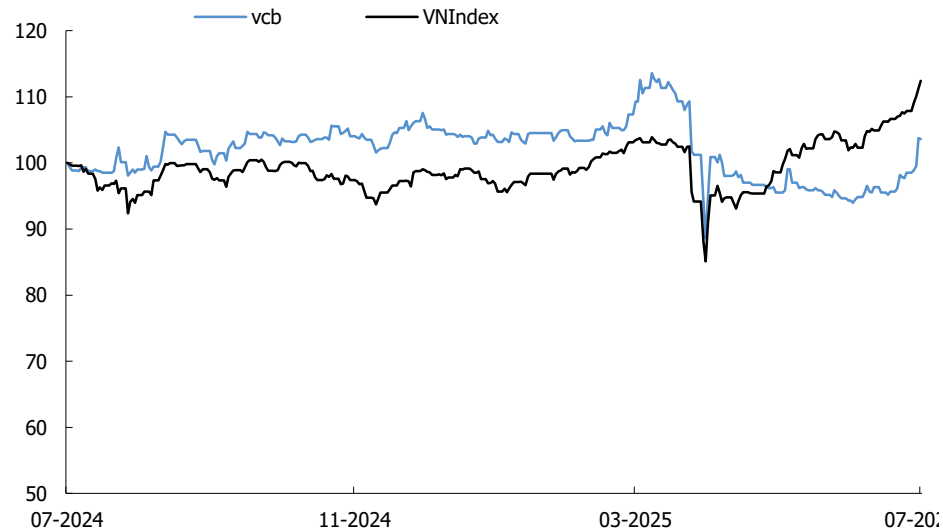
Table: KIS forecast on VCB

	2021	2022	2023	2024	2025F	2026F	1H2025	2H2025
Net interest income	42,400	53,246	53,621	55,406	60,598	75,160	28,001	32,597
NIM (%)	3.2%	3.4%	3.0%	2.9%	2.8%	3.1%	2.7%	2.8%
Credit growth	15.1%	18.8%	10.7%	13.9%	16.2%	15.4%	6.5%	16.2%
Growth (YoY)	16.9%	25.6%	0.7%	3.3%	9.4%	24.0%	0.1%	18.9%
Net fee and commission income	11,782	12,608	11,440	10,428	11,076	11,630	5,830	5,246
Growth (YoY)	12.1%	7.0%	-9.3%	-8.8%	6.2%	5.0%	10.0%	2.3%
Net profit from securities	149	175	391	373	456	547	185	271
Other income	2,393	2,054	2,272	2,372	2,266	2,190	1,263	1,003
Total net revenue	56,724	68,083	67,723	68,578	74,396	89,527	35,279	39,118
Growth (%)	15.6%	20.0%	-0.5%	1.3%	8.5%	20.3%	3.7%	13.2%
Operating expenses	17,574	21,251	21,915	23,027	22,319	26,858	11,160	11,159
Cost-income ratio (%)	31.0%	31.2%	32.4%	33.6%	30.0%	30.0%	31.6%	28.5%
Pre-provision operating profit	39,149	46,832	45,809	45,551	52,077	62,669	24,119	27,959
Growth (%)	18.5%	19.6%	-2.2%	-0.6%	14.3%	20.3%	15.8%	30.6%
Credit provision	11,761	9,464	4,565	3,315	9,543	12,763	2,352	7,191
LLCR	424%	317%	230%	223%	280%	277%		
As % of loans to customer & bond	1.29%	0.89%	0.37%	0.24%	0.61%	0.70%		
NPL	0.64%	0.68%	0.98%	0.96%	0.78%	0.78%		
EBT	27,389	37,368	41,244	42,236	42,534	49,906	21,766	20,768
Growth (YoY)	18.8%	36.4%	10.4%	2.4%	0.7%	17.3%	4.5%	-3.0%
Net profit	21,939	29,919	33,054	33,853	34,027	39,925		
Growth (yoy)	18.8%	36.4%	10.5%	2.4%	0.5%	17.3%		
ROE	21.6%	24.5%	21.7%	18.4%	15.9%	16.1%		
ROA	1.6%	1.9%	1.8%	1.7%	1.5%	1.6%		
EPS	2,335	3,275	2,991	3,628	3,649	6,506		
BPVS	13,049	16,223	17,070	23,811	27,553	47,697 nd		

03. VCB – BUY | TP VND70,000 | +20% @ 01/07/2025

Solid fundamentals with low valuation

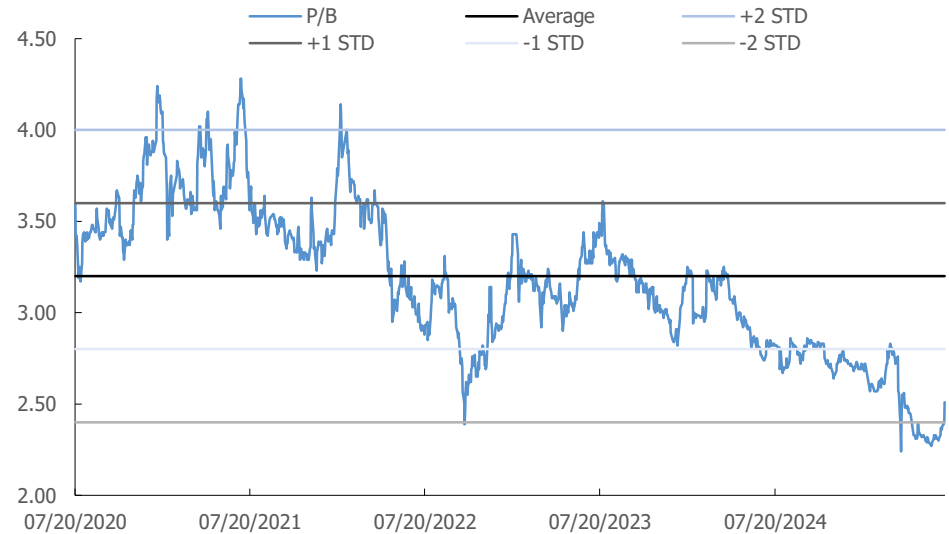
Figure 30: Stock price and VNINDEX performance



Source: FiinproX, KIS research

Note:

Figure 31: PBR



Source: FiinproX, KIS research

Note:

04. CTG – BUY | TP: VND49,900 | +19% @ 01/07/2025

Controlling costs propels growth

Investment Theme

- Keep profit double-digit growth in 2025: 1) maintained high credit growth at 16.5%yoy (the same as 2024), 2) controlled operating expenses, and 3) high asset quality, high provision buffers, and lower credit cost. Positive case: PBT +34%-43%yoy and base case: PBT +18%yoy.
- Positive case based on CTG's planning : CTG plans to set VND20,000-25,000bn for provision risk expenses in 2025, lower than VND27,600bn in 2024. CTG projects other incomes from bad-debt recovery in 2025 to be around VND8,000-10,000bn, equivalent to or higher than 2024. NPL in 2025 plans at a rate of 1.3%-1.5%, below 1.8%.

Risks to be considered

- A significant decrease in net interest margin, slower than expected bad debt settlement, and higher bad debt ratios and provision risk expenses

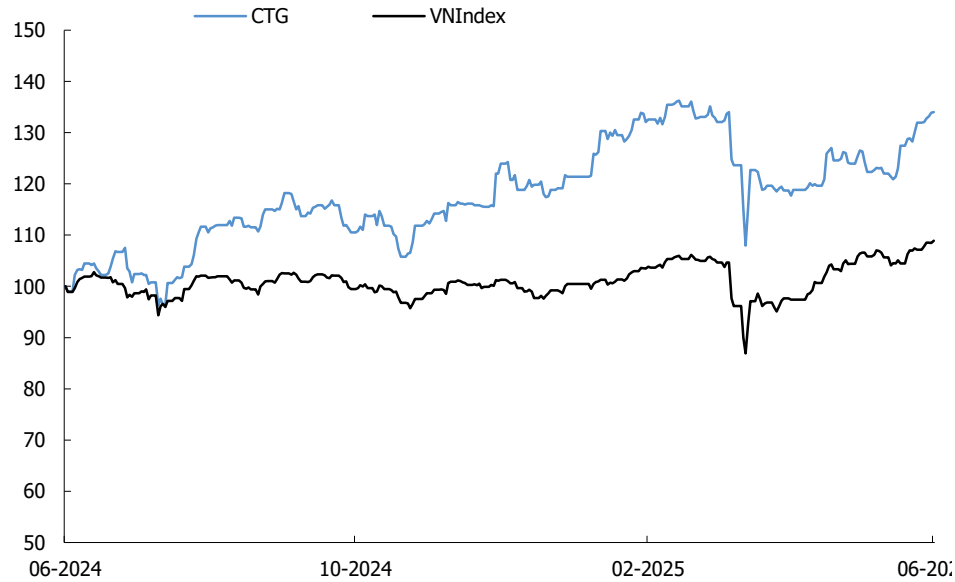
Table: KIS forecast on CTG, 2025F-2026F

	2021	2022	2023	2024	2025F	2026F	1H25E	2H25F
Net interest income	41,788	47,792	52,957	62,403	69,528	83,127	31,231	38,297
NIM (%)	3.1%	3.0%	2.9%	2.9%	2.8%	2.9%	2.6%	2.9%
Credit growth	11.1%	12.1%	15.5%	16.8%	16.5%	15.0%	11.0%	17%
Growth (YoY)	17.5%	14.4%	10.8%	17.8%	11.4%	19.6%	2.4%	20.1%
NFI	7,970	9,787	11,788	11,047	12,704	14,610	6,176	6,528
Growth (YoY)	1.6%	22.8%	20.4%	-6.3%	15.0%	15.0%	-2.4%	38.4%
Other income	3,398	6,538	5,803	8,459	8,500	8,500	4,002	4,498
Total net revenue	53,157	64,117	70,548	81,909	90,732	106,237	41,409	49,323
Growth (%)	17.2%	20.6%	10.0%	16.1%	10.8%	17.1%	7.0%	14.2%
Operating expenses	17,186	19,195	20,443	22,552	24,981	29,250	10,933	14,048
Cost-income ratio (%)	32.3%	29.9%	29.0%	27.5%	27.5%	27.5%	26.4%	28.5%
Pre-provision operating profit	35,971	44,922	50,105	59,357	65,751	76,987	30,476	35,275
Growth (%)	22.8%	24.9%	11.5%	18.5%	10.8%	17.1%	5.7%	15.5%
Credit provision	18,382	23,791	25,115	27,599	28,149	30,260	16,011	12,138
As % of loans to customer & bond	1.7%	2.0%	1.8%	1.7%	1.4%	1.4%	1.7%	1.2%
NPL	1.26%	1.24%	1.13%	1.25%	1.30%	1.10%	1.5%	1.3%
EBT	17,589	21,132	24,990	31,758	37,602	46,727	14,465	23,137
Net profit	14,089	16,924	19,904	25,342	30,022	37,321	11,572	18,509
Growth (yoy)	2.7%	20.1%	17.6%	27.3%	18.5%	24.3%	11.1%	22.9%
ROE	15.7%	16.8%	17.0%	18.4%	16.7%	17.2%		
ROA	1.1%	1.2%	1.2%	1.3%	1.2%	1.3%		
EPS	5,457	4,918	4,628	5,241	5,591	6,950		
BPVS	36,274	31,476	29,267	31,010	33,513	40,463		

04. CTG – BUY | TP: VND49,900 | +19% @ 01/07/2025

Controlling costs propels growth

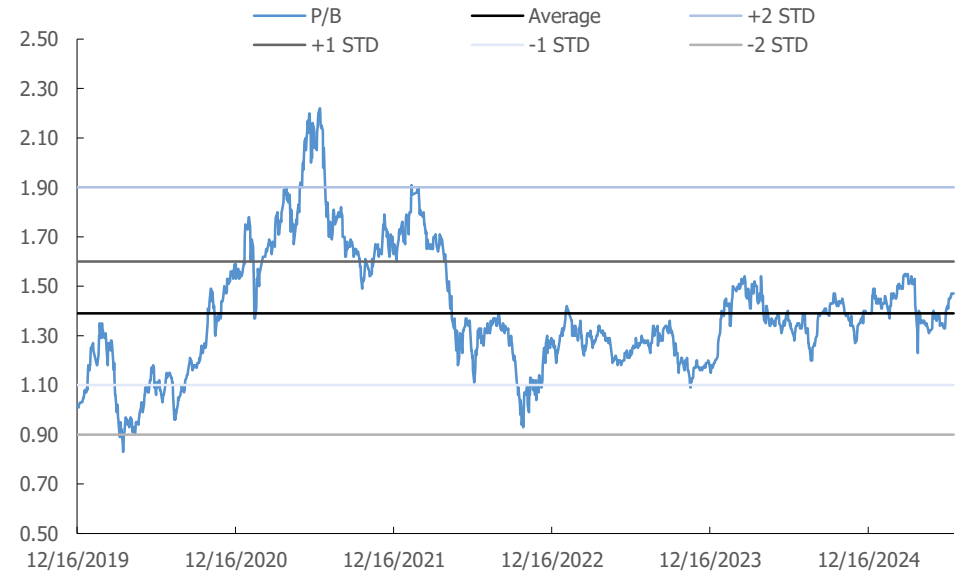
Figure 32: Stock price and VNINDEX performance



Source: FiinproX, KIS research

Note:

Figure 33: PBR



Source: FiinproX, KIS research

Note:

05. TCB – BUY | GMT: VND43,000 | +25% @ 01/07/2025

Fuelled by its subsidiary

Investment Theme

- Double-digit growth driven by (1) high credit growth from both corporate and retail segments thanks to improving real estate market, (2) maintaining non-interest income from IB and payment services, and (3) expected manageable NPLs in better market conditions
- 2Q25F: earnings could stay flat in 2Q25F, supported by 1) higher credit growth and 2) controlled operating expenses and provision expenses. Earnings could see more improvement in 2H25, especially from a low base in 4Q24.
- Strategic partner expected to take 15% stake and IPO TCBS from 3Q25 to 1Q26.

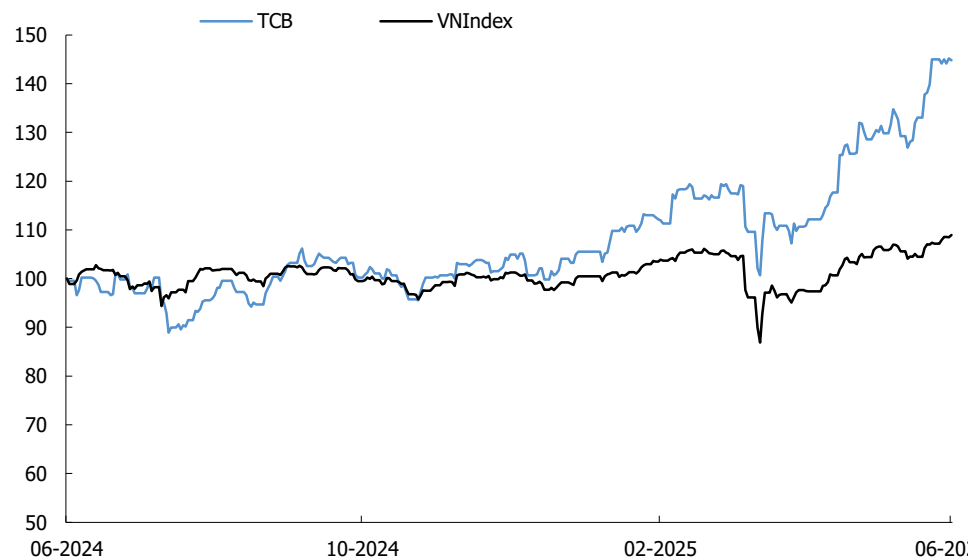
Risks to be considered

- Slower-than-expected economic growth and real estate recovery could affect bank profits.
- Increasing corporate bond defaults.

Table: KIS forecast on TCB, 2025F-2026F

	2021	2022	2023	2024	2025F	2026F	1H25	2H25
Net interest income	26,699	30,290	27,691	35,508	38,387	50,666	16,636	21,751
<i>NIM (%)</i>	5.8%	5.4%	4.1%	4.3%	4.0%	4.5%	3.6%	4.2%
<i>Credit growth</i>	26%	13%	22%	22%	21%	21%	11%	21%
<i>Growth (YoY)</i>	45.0%	13.5%	-8.6%	28.2%	8.1%	32.0%	-7.5%	24.1%
Net fee and commission income	6,614	8,252	8,911	8,635	8,425	10,504	4,840	3,585
<i>Growth (YoY)</i>	46%	25%	8%	-3%	-2%	25%	-13%	18%
Total net revenue	37,076	40,902	40,061	46,990	50,136	64,570	23,499	26,637
<i>Growth (%)</i>	35.4%	10.3%	-2.1%	17.3%	6.7%	28.8%	-8.5%	25.0%
Operating expenses	11,173	13,398	13,252	15,370	15,041	20,017	6,376	8,665
<i>Cost-income ratio (%)</i>	30.1%	32.8%	33.1%	32.7%	30.0%	31.0%	27.1%	32.5%
Pre-provision operating profit	25,903	27,504	26,809	31,621	35,095	44,553	17,123	17,972
<i>Growth (%)</i>	40.7%	6.2%	-2.5%	17.9%	11.0%	27.0%	-7.4%	36.8%
Credit provision	2,665	1,936	3,921	4,082	4,459	5,331	2,090	2,369
<i>LLCR</i>	163%	157%	102%	114%	115%	119%		
<i>As % of loans to customer & bond</i>	0.7%	0.4%	0.8%	0.7%	0.6%	0.6%		
<i>NPL</i>	0.7%	0.7%	1.2%	1.1%	1.1%	1.1%		
EBT	23,238	25,568	22,888	27,538	30,636	39,222	15,033	15,603
<i>Growth (YoY)</i>	47%	10%	-10%	20%	11%	28%	-4%	31%
Net profit	18,415	20,436	18,191	21,760	24,208	30,992		
<i>Growth (yoy)</i>	46.4%	11.0%	-11.0%	19.6%	11.2%	28.0%		
<i>ROE</i>	22%	20%	15%	15%	15%	17%		
<i>ROA</i>	3.6%	3.2%	2.3%	2.4%	2.3%	2.6%		
<i>EPS</i>	2,557	2,850	2,541	3,032	3,375	4,323		
<i>BPVS</i>	13,250	16,124	18,684	20,940	22,860	27,183		

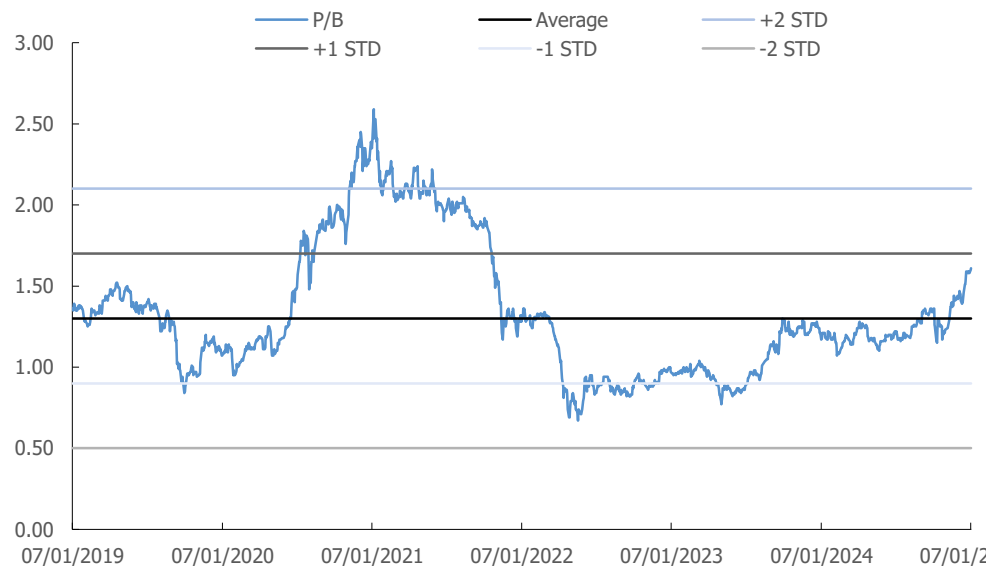
Figure 34: Stock price and VNINDEX performance



Source: FiinproX, KIS research

Note:

Figure 35 : PBR



Source: FiinproX, KIS research

Note:

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