

July 2025

VIETNAM PROSPERITY JSC BANK (HSX: VPB)

Asset Quality Improvement is Crucial for Valuation Rerating

(VND bn)	Q1-FY25	Q4-FY24	+/- (qoq)	Q1-FY24	+/- (yoy)
Total operating income	15,566	17,653	-11.8%	13,411	16.1%
PPOP	11,692	13,862	-15.7%	9,944	17.6%
PBT	5,015	6,160	-18.6%	4,182	19.9%
NPAT	3,895	4,626	-15.8%	3,567	9.2%

Source: VPB, RongViet Securities

1Q2025: Consolidated PBT Grows 22% YoY, Driven by Low Base Effect at FE Credit.

- Parent Bank PBT remained flat YoY. Credit growth reached 5.4% YTD, with corporate loans expanding by 8.5% YoY, primarily in Commerce (+14%) and Real estate (+3%), while individual retail loans grew modestly at 1.1%. NIM declined 20 bps QoQ, mirroring the drop in asset yields as funding costs held steady. Quarterly credit costs were 0.5%, with a net NPL formation rate of 1.1%. The on-balance sheet NPL ratio at quarter-end stood at 3.33% (+30 bps QoQ).
- FE Credit PBT recorded VND79 billion (1Q24: -VND852 billion loss). Credit growth was 1.7% YTD (1Q24: -0.5%), with an estimated NIM of 18.8%, up 80 bps YoY. The overdue loan ratio was 29.5% (+0.2% QoQ).
- VPBank's PBT reached VND363 billion, surging 114% YoY, fueled by a VND242 billion gain from securities trading (vs. a VND90 billion loss in 1Q24). Credit growth (including margin lending and corporate bonds) achieved 22.0% YTD.

2025F-26F Outlook

- We anticipate: (1) progress in resolving legal and regulatory hurdles for real estate firms in Southern Vietnam during the second half of the year, which should reduce NPL formation rates and credit costs for the parent bank, and (2) continued balance sheet stabilization at FE Credit following its robust restructuring efforts. Consolidated credit costs are projected at 3.5% in 2025F and 3.2% in 2026F, down from 4.4% in 2024.
- Consolidated credit growth is forecast at 23.6% in 2025F and 23.7% in 2026F. Consolidated NIM is expected to decline by 20 bps in 2025F and stabilize in 2026F.
- NAPT-MI is projected to grow by 29% in 2025F and 14% in 2026F, reaching VND20.4 trillion and VND23.4 trillion, respectively.

Valuation and recommendation

We maintain a positive outlook on VPB's prospects, forecasting a 22% CAGR in profit growth over 2025F–28F. Key growth drivers include elevated credit growth quotas following the mandatory transfer of GP Bank and disciplined credit cost management. We expect VPB's net NPL formation to peak in 2025, with asset quality improvements anticipated in subsequent years, supported by the real estate market recovery and operational refinements at FE Credit. These factors will be pivotal to VPB's re-rating potential. Key risks include a slower-than-expected resolution of legal issues for Southern real estate projects, potentially driving higher-than-forecast retail NPLs, and lower-than-expected NIM amid high credit growth pressures, particularly if retail credit recovery remains uneven across products.

Using a combination of residual income and P/B valuation methods, we derive a target price for VPB of **VND22,800** per share, implying an expected return of **+24%** (as of July 3rd 2025). We recommend a **BUY** rating for VPB.

BUY +24%

Current market price (VND)	18,650
Target price (VND)	22,800

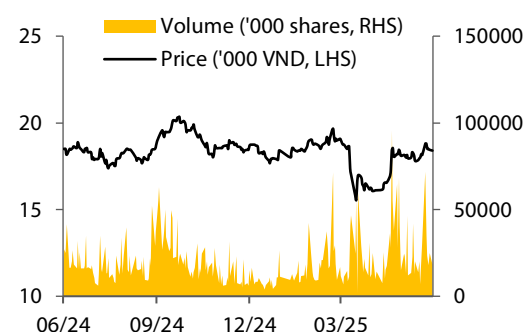
Cash dividend (VND)	500
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Stock Info

Sector	Bank
Market Cap (VND billion)	142,810.6
Current Shares O/S	7,933.9
Beta	1.00
Free float (%)	36
52 weeks High	20,347
52 weeks Low	15,528
Avg. Daily Volume (in 20 sessions)	28,786.9

	FY2025	Current
EPS	2,575	2,030
EPS Growth (%)	29	45
Diluted EPS	19,517	18,377
P/E	6.99	8.87
P/B	0.92	0.98
Cash dividend yield (%)	2.8	2.8
ROE (%)	13.3	11.1

Price performance



Major Shareholders (%)

SMBC	15.0
Ngo Chi Dung	4.14
Hoang Anh Minh	4.11
Foreign ownership room (%)	5.25

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Exhibit 1: Q1-2025 Results

(VND Bn)	Q1-FY25	Q4-FY24	+/-qoq	Q1-FY24	+/-yoy
Interest and Similar Income	22,184	21,401	3.7%	19,346	14.7%
Interest and Similar Expenses	-8,829	-8,208	7.6%	-8,023	10.0%
Net Interest Income	13,356	13,193	1.2%	11,323	17.9%
Non-interest Income	2,210	4,460	-50.4%	2,087	5.9%
<i>Net fee and commission Income</i>	<i>1,169</i>	<i>1,544</i>	<i>-24.3%</i>	<i>1,554</i>	<i>-24.8%</i>
<i>Net gain/(loss) from foreign currency and gold dealings</i>	<i>119</i>	<i>233</i>	<i>-48.7%</i>	<i>304</i>	<i>-60.7%</i>
<i>Net gain/(loss) from trading of securities</i>	<i>184</i>	<i>243</i>	<i>-24.2%</i>	<i>-33</i>	<i>-665.9%</i>
<i>Net gain/(loss) from disposal of investment securities</i>	<i>-135</i>	<i>4</i>	<i>-3799.6%</i>	<i>37</i>	<i>-</i>
<i>Net other income/expenses</i>	<i>873</i>	<i>2,427</i>	<i>-64.0%</i>	<i>225</i>	<i>288.7%</i>
<i>Income from capital contribution</i>	<i>0</i>	<i>10</i>	<i>-100.0%</i>	<i>0</i>	<i>-</i>
Total operating income	15,566	17,653	-11.8%	13,411	16.1%
Operating expenses	-3,874	-3,791	2.2%	-3,467	11.8%
Operating profit before provision	11,692	13,862	-15.7%	9,944	17.6%
Provision expenses	-6,677	-7,702	-13.3%	-5,762	15.9%
Profit before tax	5,015	6,160	-18.6%	4,182	19.9%
Corporate income tax	-1,080	-1,112	-2.9%	-1,040	3.8%
Attributable to parent company	3,895	4,626	-15.8%	3,567	9.2%

Source: VPB, RongViet Securities

Exhibit 2: Q1-2025 Performance Analysis

Particulars	Q1-FY25	Q4-FY24	+/-qoq	Q1-FY24	+/-yoy
Profitability (TTM)					
NIM	5.93	5.94	-1bps	5.52	41 bps
CIR	22.90	23.03	-14bps	27.47	-458 bps
ROAE	11.06	12.27	-120bps	8.99	207 bps
ROAA	1.78	1.85	-7bps	1.53	25 bps
Asset Quality					
NPL ratio (Loans to Customers)	4.7	4.2	55bps	4.8	-9 bps
Bad debt coverage ratio	47.4	56.2	-875bps	53.6	-612 bps
Equity-to-assets ratio	15.2	15.9	-73bps	17.4	-217 bps
Operating Safety Ratio					
Customer loans*-to-total assets ratio	86.2	87.9	-167bps	81.1	511 bps
LDR**	104.0	107.4	-344bps	106.4	-239 bps

Source: VPB, RongViet Securities | *Loans to Customers, Corp bonds and Credit Institutions | ** (Loans to Customers, Corp bonds)/(Customers and Cis Deposits + Mobilization from Valuable papers)

Exhibit 3: Q2-2025 Forecast

Particulars (VND Bn)	Q2-FY25	+/- (qoq)	+/- (yoy)	
Net interest income	13,937	4.3	12.3	- Consolidated Credit Growth: Assumed at 10.4% YTD, with parent bank credit growth at 11.0% YTD (5M2025: 9.5%). - NIM: Consolidated NIM and parent bank NIM are expected to decline slightly by 10 bps to 5.6% and 4.6%, respectively. - Provision Expenses: Projected to increase by 24% compared to 1Q25, reaching VND8.3 trillion, corresponding to an increase in the scale of net NPL formation in 2Q25.
Non-NII	3,423	54.8	-8.0	
Total operating income	17,359	11.5	7.6	
PPOP	13,500	15.5	5.5	
PBT	5,219	4.1	16.4	
NPAT-MI	4,175	7.2	17.3	

Source: VPB, RongViet Securities

Update

Q1 2025 Performance: PBT grew 20% as FE Credit no longer incurred significant losses; NPLs at the parent bank surged sharply again in the retail segment

Table 1: Q1-2025 results

Unit: VND bn	1Q25	QoQ	YoY	Commentaries
NII	13,356	1%	18%	NII was boosted by positive credit growth and effective recovery of suspended interest (from on-balance sheet overdue loans reclassified to Group 1). Credit. Growth reached 5.4% YTD, with the majority of credit disbursed to corporate customers, up 8.5% YTD, while individual lending grew more slowly at 1.1% YTD. The proportion of individual customer loans decreased to 40% (2023/24: 42%/47%). - The real estate loan portfolio grew 5.7% YTD, mainly driven by project-based real estate loans, benefiting from the recovery of the real estate market and supply from key real estate developers supported in the large corporate segment. - Credit card loan balances decreased 4% YTD, reflecting tightened credit policies and a reduction in new card issuance and spending volume. - The SME portfolio grew 8.7% YTD across both premium and micro segments, targeting key customers, particularly in the Southern region, where efforts were previously limited during the focus on bad debt resolution. Deposits. Deposits surged from the start of the year, reaching 14.4% YTD, nearly triple the credit growth rate, partly due to significantly lower deposit growth compared to credit in late 2024 and to ensure liquidity for ambitious credit targets this year (Table 2). CASA recorded significant growth of 12.9% YTD at the parent bank, thanks to the “Super Profit” feature implemented in early March. NIM. Quarterly NIM at the parent bank increased slightly by 10 bps YoY, mainly due to a sharp 40 bps YoY reduction in average cost of funds, likely because new deposits only accelerated in late Q1 2025 due to the “Super Profit” feature, while asset yields decreased by about 20 bps YoY. Credit distributed across the months of Q1 2025 months and suspended interest recovery (approximately VND 600 billion) from over VND 4 trillion in restructured loans under Circular 02 that qualified for Group 1 status.
NFI	1,169	-24%	-25%	NFI at the parent bank decreased by 36% YoY due to: - UPAS L/C fees are no longer recorded as net service fee income but reclassified as interest income, impacting payment fees. - Card-related fees decreased due to tightened credit policies. - Insurance fees recorded 10% YoY growth, with life insurance up 46% YoY due to standardized sales methods and new products. Net Fee Income at FE Credit increased 59% YoY due to better fee collection from disbursements compared to the same period.
Other non-NII	1,042	-64%	95%	Off-balance Sheet Bad Debt Recovery at the parent bank reached over VND 600 billion, nearly double the same period, and at FE Credit, it was estimated at VND 253 billion, five times higher than the same period.
TOI	15,566	-12%	16%	Mainly driven by an 18% increase in net interest income (NII) and a significant increase in the recovery of bad debts that had already been written off.
OPEX	-3,874	2%	12%	
PPOP	11,692	-16%	18%	

Provisioning expenses	-6,677	-13%	16%	Credit cost net recoveries TTM reached approximately 2.3% at the parent bank. As of the end of Q1 2025, restructured loans under Circular 02 amounted to approximately VND 5.6 trillion and under Circular 52 (Typhoon Yagi: VND 200 billion), accounting for 0.9% of total customer loans.
PBT	5,015	-19%	20%	
• Bank only	4,942	-5%	0%	
• VPBS	363	-1%	114%	
• FE Credit (Pre-internal adjustment)	79	-92%	-109%	
				• Credit Growth: 1.7% YTD, with disbursement volume up 17% YoY.

Source: VPB, RongViet Securities

Table 2: Key ratios

Indicator	1Q2 5	4Q2 4	1Q2 4
Consolidated credit growth (%)	5.0	18.2	2.1
• Bank only	5.4	19.4	2.2
• VPBS	35.4	32.7	25.5
• FE Credit (Est)	1.7	10.3	-0.5
Consolidated mobilization growth (%)	14.2	12.7	2.4
• Bank only	14.4	13.1	1.4
Consolidated NIM (TTM-%)	5.7	6.0	5.8
• Bank only	4.7	4.9	4.6
• FE Credit (Est)	18.8	19.5	18.0
CASA (%)	13.9	14.1	14.4
• Bank only	14.5	14.6	14.6
Consolidated YoEA (Q-%)	9.7	10.0	10.1
• Bank only	8.6	8.8	8.8
Consolidated CoF (Q-%)	4.5	4.5	4.9
• Bank only	4.4	4.4	4.7
Consolidated CIR (TTM-%)	22.9	23.0	27.5
• Bank only	21.9	21.7	26.4

Source: VPB, RongViet Securities

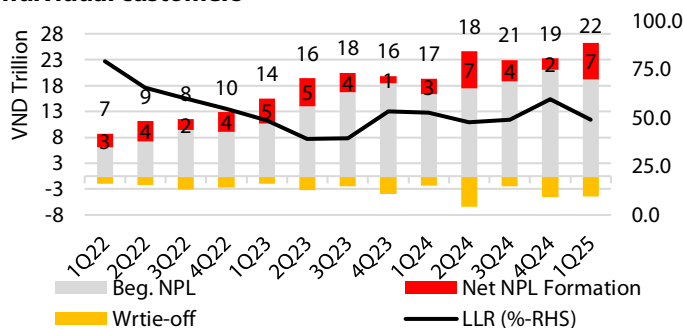
Table 3: Credit Portfolio

Unit: VND bn	1Q2 5	YTD%	YoY%	%
Parent Bank	663	5.4%	23.1%	100%
Retail banking	266	1.1%	8.4%	40%
- Mortgages	108	5.7%	15.3%	16%
- Business loans	60	-1.6%	-2.8%	9%
- Auto loans	34	-0.8%	15.4%	5%
- Credit Card	30	-4.2%	2.2%	5%
- Others	20	-1.2%	9.2%	5%
Corporate lending	390	8.7%	42.8%	59%
Corporate bonds	7	-0.8%	-64.2%	1%
Consolidated basis	747	5.0%	21.5%	100%
Parent bank	663	5.4%	23.1%	89%
FE Credit	62	1.7%	10.1%	8%
VPBS (margin lending and Corp bond investments)	22	18.0%	21.2%	3%

Source: VPB, VPBS, RongViet Securities

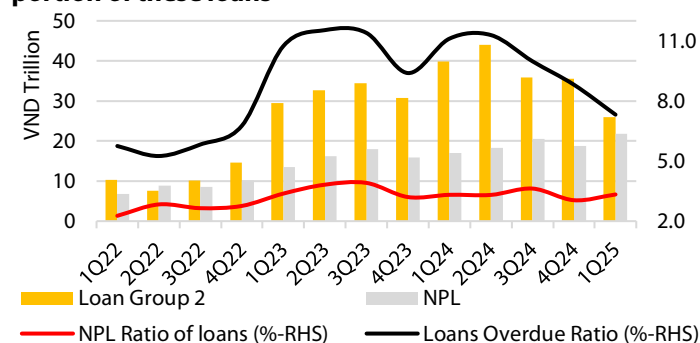
Asset Quality Update. At the parent bank, non-performing loans (NPLs) for customer lending reached a new peak, totaling over VND21.7 trillion, representing 3.3% of customer loans. Net NPL formation before risk mitigation was approximately VND7 trillion. About 70% of this net NPL formation stemmed from individual home purchase loans tied to projects where developers faced challenges in completing construction or resolving legal issues. The remaining portion was influenced by CIC data, loans reaching the end of restructuring periods, and loans that remained classified as such under Circular 02. Group 2 loans shown mixed trends, decreasing by VND9 trillion in 1Q25, exceeding the net NPL formation. This suggests that a portion of Group 2 loans improved in quality and were reclassified to Group 1. The parent bank's NPL coverage ratio declined to 49%.

Figure 1: Net NPL formation at parent bank surges in 1Q25 was primarily driven by certain real estate project loans to individual customers



Source: VPB, RongViet Securities

Figure 2: Significant decline in group 2 loans outpaces net NPL formation, suggesting an improvement in the quality of a portion of these loans



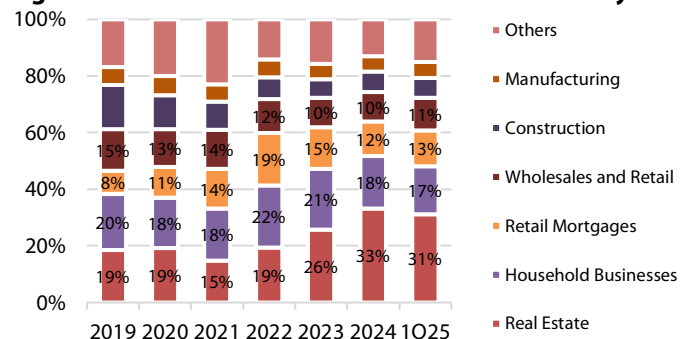
Source: VPB, RongViet Securities

Outlook

Forecasted Consolidated Credit Growth at 23.6% for 2025F and 23.7% for 2026F

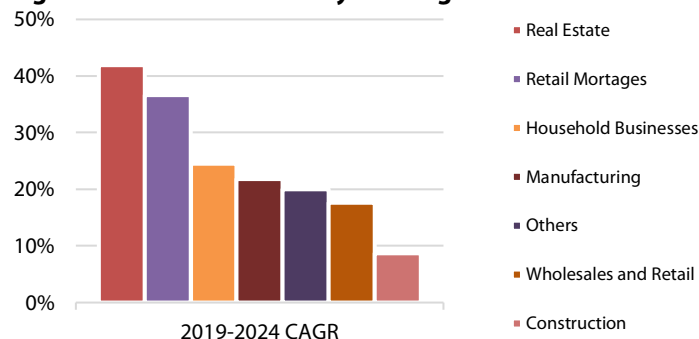
With 1Q25 credit growth was already at 5.4%, the parent bank has achieved approximately 20% of its full-year 2025 target. We do not consider it to be a significant challenge for VPB to achieve the annual target (net loan growth of VND121 trillion), particularly given the government's focus on fostering growth to build momentum for subsequent years. Even if Vietnam were to face adverse impacts from U.S. reciprocal tariff policies, we would still expect VPB's credit growth to remain largely unaffected due to its focus on domestic growth drivers. These include the real estate value chain (construction, real estate business, and individual home purchase loans, accounting for over 50% of customer loan balances), household business lending (17% of customer loans), and wholesale/retail (13% of customer loans). While VPB aims for balanced credit allocation across various economic sectors, we believe the real estate sector will be the primary driver of credit growth in 2025/26, supported by ongoing construction and sales of residential and industrial real estate projects by major corporate clients in Northern Vietnam. For 2025F/26F, we project the parent bank's credit growth to be 24.7% and 24.8%, respectively.

Figure 3: Customer Loan Structure at Parent Bank by Sector



Source: Capital Adequacy Report, RongViet Securities

Figure 4: 5-Year CAGR of Key Lending Sectors at Parent Bank



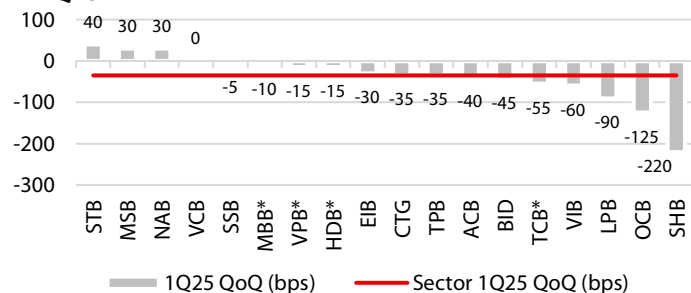
Source: VPB, RongViet Securities

For FE Credit (FEC), the 2025 credit growth target is 15%. However, we are concerned that trade tensions may dampen consumer credit demand among industrial park workers, who make up around 40% of FEC's customer base. We forecast FEC's credit growth at 10% for 2025F and 15% for 2026F.

Parent Bank NIM: Projected to decline by 20 bps in 2025, primarily due to rising funding costs

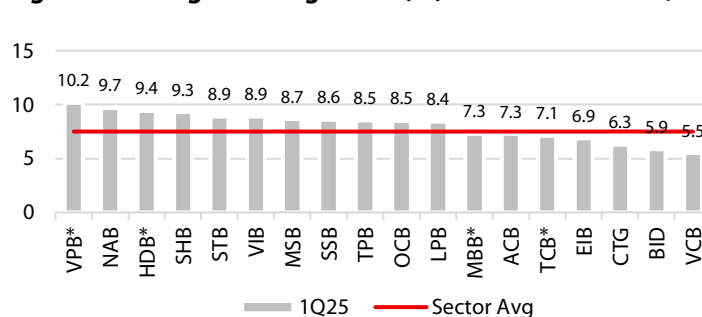
Competitive pressures on lending rates persisted in 1Q25, with the industry's average customer loan yield falling 35 bps QoQ to approximately 7.5%. VPB's parent bank loan yield experienced a smaller decline of 15 bps QoQ to 10.2%, supported by the re-recognition of accrued interest from overdue or restructured loans that qualified for reclassification to Group 1. However, with VPB's average lending rate currently among the highest in the market, we anticipate continued pressure to reduce lending rates throughout 2025 due to ongoing competition, resulting in an average lending rate of 9.8% for 2025F (-30 bps YoY).

Figure 5: Changes in Average Lending Yields Across Banks in 1Q25



Source: Banks' reports, RongViet Securities *Parent bank

Figure 6: Average Lending Yields (%) Across Banks in 1Q25

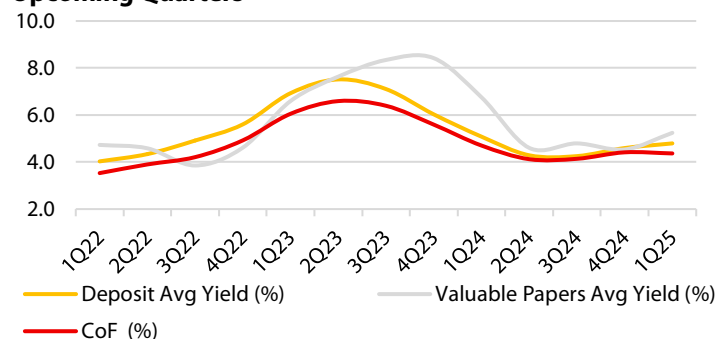


Source: Banks' reports, RongViet Securities *Parent bank

In 1Q25, deposit growth and certificate of deposit (CD) issuance grew by 14% and 18%, respectively. The introduction of the "Super Sinh Loi" product (launched mid-March 2025), designed to attract additional CASA and address short-term capital requirements for medium- and long-term lending, is expected to enable VPB to scale CD issuance faster than deposit mobilization to support the expansion of "Super Sinh

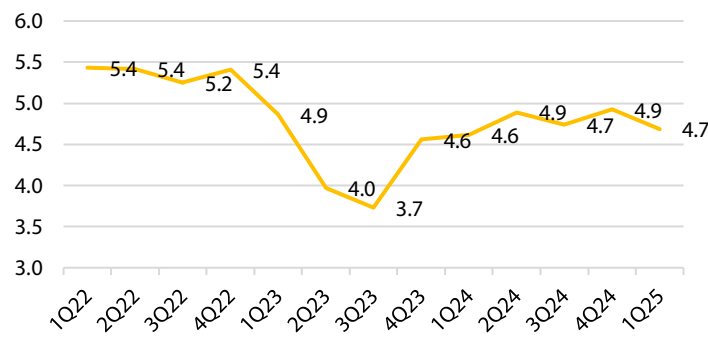
Loi" accounts in 2025. Additionally, deposit and CD interest rates have been on an upward trend since 2Q24, rising by 20 bps and 70 bps, respectively, to 4.8% and 5.2% compared to the previous quarter. We expect system-wide interest rates to continue rising through year-end due to increased credit demand, though the increase will be limited (below 50 bps) due to the State Bank of Vietnam's accommodative monetary policy stance. VPB's average funding cost for 2025F is projected to rise by 20 bps YoY to 4.47%, resulting in a corresponding 20 bps decline in NIM to 4.48%.

Figure 7: Funding Costs Expected to Continue Rising in Upcoming Quarters



Source: VPB, RongViet Securities

Figure 8: NIM Ratio of VPB Parent Bank



Source: VPB, RongViet Securities

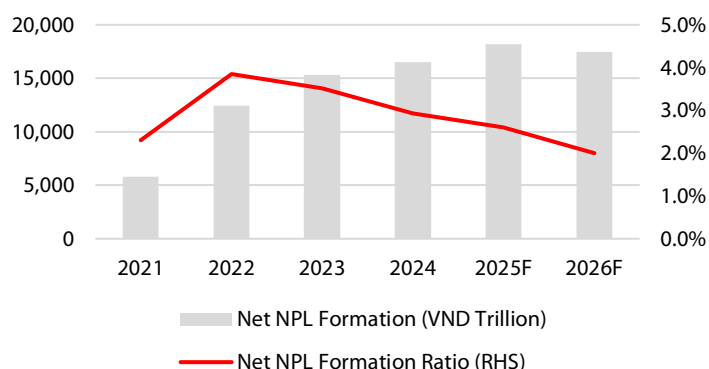
"Super Sinh Loi" Product

This feature, a collaboration between VPB and VPBankS' eKash product, enables customers to optimize returns on CASA balances in their payment accounts. It operates via an automated transfer mechanism, moving excess funds above the designated minimum balance from customer's VPB payment account to their VPBANKS account. The transferred amount, which must fall within the registered minimum and maximum profit-generating thresholds, is automatically transferred daily at 4:00 PM. Principal and interest are returned to the customer's account by 9:00 AM the following day (excluding weekends and holidays, though interest is still accrued). The product is advertised to offer a fixed yield of 3.5% per annum across all balance thresholds.

Projected Consolidated Credit Costs Decline by 80 bps.

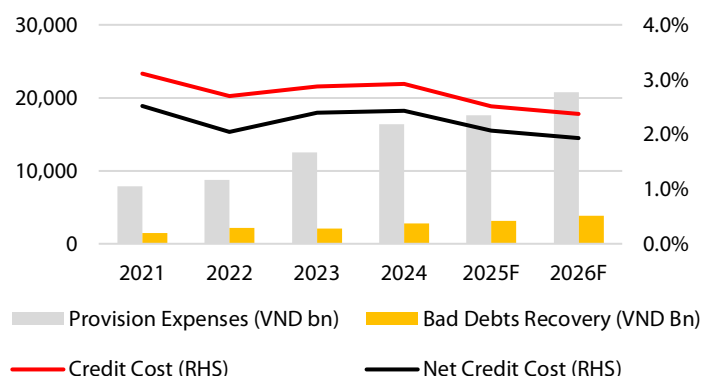
At the parent bank, the net credit cost ratio is forecast to decrease to 2.1% in 2025F and 1.9% in 2026F, down from 2.4% in 2024, driven by two key factors. First, we expect significant progress in resolving legal issues for major projects undertaken by NVL in the second half of 2025, creating favorable conditions for liquidity and transactions, thereby facilitating the recovery and resolution of NPLs in real estate lending. Second, profits from the recovery of written-off bad debts will be supported by the formalization of Resolution 42 on bad debt resolution (expected in June 2025), which enhances commercial banks' authority to seize, process collateral and streamline legal proceedings.

Figure 9: Net NPL Formation Expected to Peak in 2025, Declining from Mid-2025, Linked to Resolution of Legal Issues for Southern Real Estate Projects



Source: VPB, RongViet Securities

Figure 10: Increased Recovery of Written-Off Bad Debts Expected to Further Reduce Net Credit Cost Ratio in 2025F/26F



Source: VPB, RongViet Securities

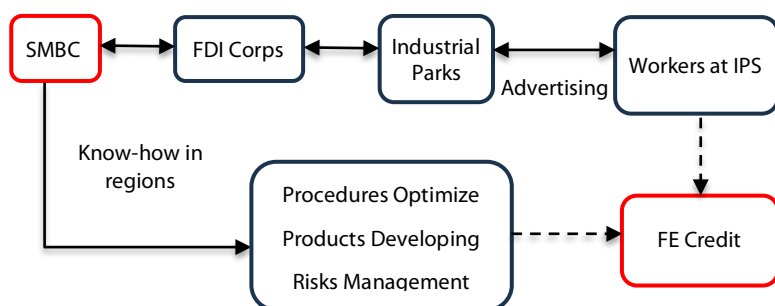
FE Credit – Expectations for Asset Quality Improvement Post-Restructuring

Following two years of restructuring with support from SMBC, FE Credit has optimized its business model and enhanced its risk management framework. The company recorded a recovery in terms of disbursement scale (2024: VND43 trillion, +40% YoY), revenue (VND15,842 billion, +19.3%), and PBT (VND512 billion).

FE Credit has shifted its focus to higher-quality customers (e.g., industrial park workers) and adopted a safer lending approach, prioritizing durable consumer goods loans before offering products like credit cards or cash loans to customers with strong repayment histories. This has led to a restructured loan portfolio by product (see Figure ...). Although this strategy has resulted in a lower NIM compared to pre-2021 levels, it is essential for controlling debt quality and provisioning costs. Despite short-term challenges related to income risks for borrowers amid unpredictable trade tariff developments, we believe that FE Credit's healthier approach to the consumer finance market will support sustainable profit growth in the long term.

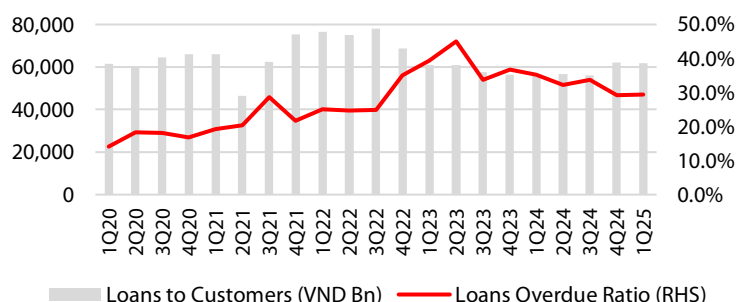
For 2025F/26F, we project the net NPL formation rate to decline to 15%/14% from 17.6% in 2024, aligning closer to the 2016–2019 average of 15.5%. Combined with assumed credit growth of 10%/15% and an NIM of approximately 19% over the next two years, we forecast FE Credit's PBT at VND1.3 trillion in 2025F and VND1.4 trillion in 2026F.

Figure 11: SMBC Supports FE Credit in Expanding Customer Base and Enhancing Risk Management Capabilities



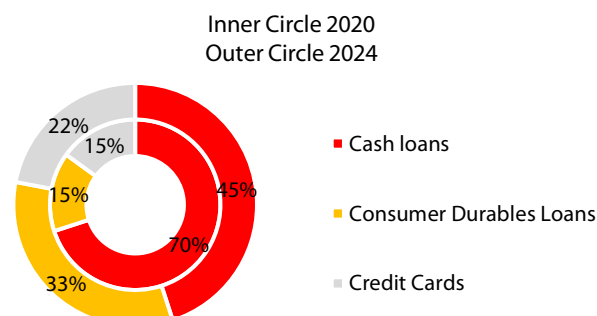
Source: VPB, RongViet Securities

Figure 13: Customer Loan Scale Stabilizes, with Overdue Loan Ratio (Groups 2–5) Gradually Declining



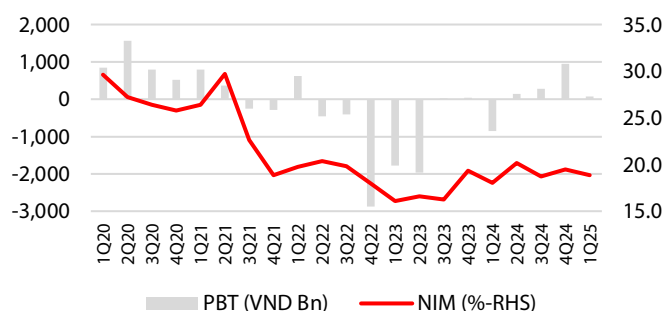
Source: VPB, RongViet Securities

Figure 12: Safer Loan Product Structure, with Strategic Focus on Installment Loans for Durable Consumer Goods Instead of Cash Loans



Source: VPB, RongViet Securities

Figure 14: Lower NIM Due to Less Risky Lending, but PBT Shows Recovery



Source: VPB, RongViet Securities

Forecasts

Table 4: 2025F/26F Forecasts

Unit: VND Bn	2024	2025F	2026F	25F/24 YoY %	26F/25F YoY %
NII	49,080	56,559	67,851	15%	20%
NFI	6,126	6,060	4,569	-1%	-25%
Other Incomes	7,048	6,418	6,778	-9%	6%
TOI	62,255	69,037	79,197	11%	15%
OPEX	-14,340	-15,453	-18,182	8%	18%
PPOP	47,915	53,585	61,015	12%	14%
Provisioning expenses	-27,903	-27,380	-31,091	-2%	14%
PBT	20,013	26,205	29,925	31%	14%
· Bank only	18,260	21,481	26,487	18%	23%
· FE Credit	512	1,263	1,323	147%	5%
· VPBankS	1,220	1,733	2,114	42%	22%
NAPT-MI	15,779	20,429	23,376	29%	14%
Consolidated credit growth (%)	17.9	23.6	23.7		
· Bank only	19.4	24.7	24.8		
· FE Credit	10.3	10.0	15.0		
· VPBANKS	32.7	40.0	20.0		
Consolidated NIM (TTM-%)	5.8	5.7	5.7		
· Bank only	4.7	4.5	4.5		
· FE Credit	17.5	18.9	19.2		
CIR (%)	23.0	22.4	23.0		
· Bank only	21.8	22.2	22.4		
Consolidated NPL (%)	4.2	3.7	3.4		
· Bank only	3.0	2.8	2.5		
· FE Credit	16.6	15.1	15.0		
Conso NPL formation (TTM-%)	4.8	4.0	3.2		
· Bank only	2.93	2.60	2.00		
· FE Credit	17.6	15.0	14.0		
Conso credit cost (TTM-%)	4.43	3.53	3.23		
· Bank only	2.92	2.51	2.37		
· FE Credit	19.2	15.0	14.0		
ROE (%)	11.0	13.3	13.8		
LLR – Parent Bank (%)	60	62	79		

Source: VPB, RongViet Securities

Valuation

We value VPB shares using a combination of the Residual Income (RI) method, to reflect long-term value, and the P/B method, to capture short-term value, with equal weighting. For the P/B approach, we apply a target P/B ratio of 1.1x to the average BVPS (50%/50% for 2025F/26F), higher than the current P/B of 1.0x, to account for the improving ROE and asset quality trends. We derive a target price for VPB shares of VND22,800, equivalent to a projected P/B of 1.2x for 2025F and 1.0x for 2026F. Investors can refer to the sensitivity analysis of book value to make investment decisions aligned with their risk appetite for this stock. Based on the closing price on July 3rd 2025, we recommend a **BUY** rating for **VPB** shares.

Table 5: Residual Income Method Assumptions

Residual Income Assumptions	Value	Valuation Summary	Unit: VND Bn
Cost of Equity	14.5%	Forecasted Period	5-year
Effective CIT Rate	20%	Opening Shareholders' Funds	147,275
5Y Risk-free Rate	2.5%	+ PV 5Y Residual Income	8,374
Equity Risk Premium	12.0%	+ PV Terminal Value	26,093
Long-term ROE	17.1%	Value of Shareholders' Funds	181,742
Beta	1.0	Number of Shares Outstanding (mn)	7,934
Terminal Growth	1.5%	Value Per Share (VND)	22,907

Source: RongViet Securities

Table 6: Sensitivity Analysis for Book Value per Share (VND)

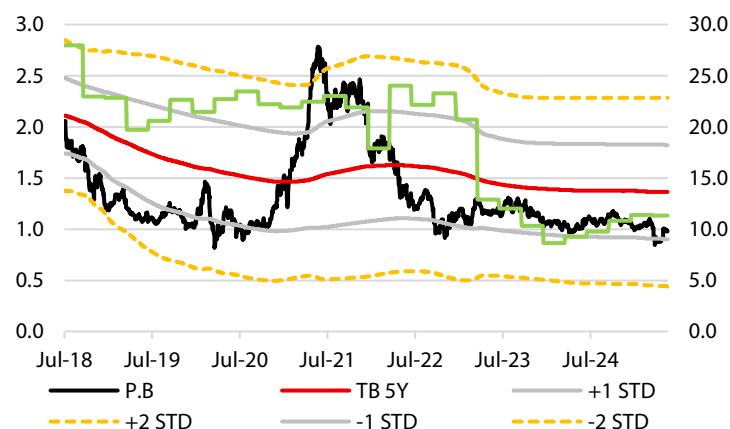
		P/B						
		0.8	0.9	1.0	1.1	1.2	1.3	1.4
BVPS 2025	19,507	15,605	17,556	19,507	21,457	23,408	25,359	27,309
BVPS 2026	21,661	17,328	19,494	21,661	23,827	25,993	28,159	30,325

Source: RongViet Securities

Table 7: Valuation Summary

Methodology	Target Price	Weight	Average
Residual Income	22,907	50%	11,453
P/B (1,1x BVPS 2025F/26F)	22,659	50%	11,329
Total		100%	22,800
Implied P/B 2025F			1,2
Implied P/B 2026F			1,1
Current market price			18,550
Cash dividend in 12M			500
Total Expected Return			24%

Source: RongViet Securities

Figure 15: Historical P/B Valuation of VPB


Source: Bloomberg, RongViet Securities

	VND Bn			
INCOME STATEMENT	FY2023A	FY2024A	FY2025F	FY2026F
Interest and Similar Income	76,557	80,112	96,721	117,687
Interest and Similar Expenses	-38,383	-31,031	-40,162	-49,837
Net Interest Income	38,175	49,080	56,559	67,851
Non-interest Income	11,569	13,175	12,478	11,346
Net fee and commission Income	7,096	6,126	6,060	4,569
Net gain/(loss) from foreign currency and gold dealing	-806	827	265	735
Net gain/(loss) from trading of securities	380	361	334	380
Net gain/(loss) from disposal of investment securities	250	470	198	210
Net other income/expenses	4,646	5,378	5,621	5,453
Income from capital contribution	3	13	0	0
Total operating income	49,743	62,255	69,037	79,197
Operating expenses	-13,912	-14,340	-15,453	-18,182
Operating profit before provision	35,832	47,915	53,585	61,015
Provision expenses	-24,844	-27,903	-27,380	-31,091
Profit before tax	10,987	20,013	26,205	29,925
Corporate income tax	-2,346	-4,026	-5,145	-5,887
NPAT	8,641	15,987	21,060	24,038
Attributable to parent company	10,053	15,779	20,429	23,376

	%			
FINANCIAL RATIO	FY2023A	FY2024A	FY2025F	FY2026F
Growth				
Customer loans	29.8	22.6	24.1	23.8
Customer deposit	45.9	9.8	35.0	24.7
Net interest income	-6.9	28.6	15.2	20.0
Operating income	-13.9	25.2	10.9	14.7
NPAT	-44.7	57.0	29.5	14.4
Total Assets	29.6	13.0	22.0	19.3
Equity	35.2	5.2	9.2	11.1
Profitability				
NIM	5.6	5.8	5.7	5.7
CIR	28.0	23.0	22.4	23.0
ROAE	8.3	11.0	13.3	13.8
ROAA	1.4	1.8	2.0	1.9
Asset Quality				
NPL ratio	5.0	4.2	3.7	3.4
Bad debt coverage ratio	51.7	56.2	58.3	72.3
Equity-to-Asset ratio	17.1	15.9	14.3	13.3
Operating Safety Ratio				
Customer Loans-to-Total Assets ratio	79.1	87.9	87.1	88.3
LDR	89.9	94.5	92.1	94.5

	VND Bn			
BALANCE SHEET	FY2023A	FY2024A	FY2025F	FY2026F
Cash and precious metals	2,285	2,148	2,299	3,216
Balances with the SBV	8,423	14,327	15,577	19,421
Placements with and loans to other credit institutions	94,094	134,644	141,247	146,935
Trading securities, net	12,326	13,111	14,248	15,397
Derivatives and other financial assets	0	0	0	0
Loans and advances to customers, net	552,444	677,345	840,625	1,040,524
Investment securities	94,587	52,783	55,830	60,510
Investment in other entities and long-term investments	189	189	189	189
Fixed assets	1,924	2,024	2,518	2,949
Investment properties	0	0	0	0
Other assets	51,428	27,276	54,565	55,947
TOTAL ASSETS	817,700	923,848	1,127,097	1,345,087
Due to Gov and borrowings from SBV	4,118	6	26	26
Deposits and borrowings from other credit institutions	156,357	201,756	209,952	223,800
Deposits from customers	442,368	485,667	655,851	818,081
Derivatives and other financial liabilities	0	28	32	32
Funds received from Gov, international & other institutions	22	11	11	13
Convertible bonds/CDs and other valuable papers issued	47,787	66,976	87,739	108,502
Other liabilities	6,900	7,495	8,556	9,897
Total liabilities	677,753	776,572	960,250	1,159,748
Shareholder's equity	139,947	147,275	160,845	178,676
Capital	103,332	103,332	103,332	103,332
Reserves	12,233	14,566	16,508	18,878
Foreign currency difference reserve	0	0	0	0
Difference on assets revaluation	0	0	0	0
Retained Earnings	19,149	24,008	41,006	56,467
Minority interest	5,232	5,370	6,002	6,663
LIABILITIES AND SHAREHOLDER'S EQUITY	817,700	923,848	1,127,097	1,345,087

	VND Bn			
FOOTNOTES	FY2023A	FY2024A	FY2025F	FY2026F
Interest Income	76,557	80,112	96,721	117,687
From customers	67,656	72,024	86,173	105,878
From other Cis	845	1,388	4,160	4,460
From fixed-income investment	6,134	4,033	3,569	3,840
From guarantee	0	0	0	0
From other activities	1,922	2,666	3,233	3,997
Interest Expenses	-38,383	-31,031	-40,162	-49,837
To customers	-26,072	-21,301	-27,917	-35,658
To other Cis	-5,513	-5,504	-6,345	-6,763
To fixed-income investment	-5,941	-3,202	-4,730	-5,919
To other activities	-857	-1,026	-1,169	-1,496
Operating expenses	-13,912	-14,340	-15,453	-18,182
Provision expenses	-24,844	-27,903	-27,380	-31,091

RESULT UPDATE

This report is created for the purpose of providing investors with an insight into the discussed company that may assist them in the decision-making process. The report comprises analyses and projections that are based on the most up-to-date information with the objective that is to determine the reasonable value of the stock at the time such analyses are performed. Through this report, we strive to convey the complete assessment and opinions of the analyst relevant to the discussed company. To send us feedbacks and/or receive more information, investors may contact the assigned analyst or our client support department.

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Ratings	BUY	ACCUMULATE	REDUCE	SELL
Total Return including Dividends in 12-month horizon	>20%	5% to 20%	-20% to -5%	<-20%

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