Banks

Brighter prospects for 2H24

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Positive change

Recommendations	
VCB	**Buy**
Price target	VND109,100
Upside	+24%
BID	**Neutral**
Price target	VND51,700
Upside	+8%
CTG	**Buy**
Price target	VND46,200
Upside	+38%
ACB	**Buy**
Price target	VND33,400
Upside	+37%
TCB	**Neutral**
Price target	VND54,500
Upside	+11%
MBB	**Buy**
Price target	VND28,100
Upside	+24%
STB	**Buy**
Price target	VND40,000
Upside	+29%
VPB	**Buy**
Price target	VND26,000
Upside	+44%
TPB	**Buy**
Price target	VND22,400
Upside	+22%
MSB	**Buy**
Price target	VND17,900
Upside	+20%

Credit growth for the whole year should reach 15%

The disbursement speed was quite slow in the first months of the year, but we still believe that the credit growth for the whole year will achieve the 15% target with the assumptions: (1) The current low lending interest rates are maintained to support the economy; (2) the private customer group should contribute more to 2H24 credit growth; and (3) the real estate market continues to recover after the Government's efforts to resolve legal issues.

2024 NIMs of monitored banks are forecast to increase 10-20bps YoY

The lending interest rates in the near future are unlikely to be reduced further to limit the decrease in yield on earning assets (IEA) and even post a slight gain because (1) current lending interest rates are relatively low compared to peak in 2023; (2) banks needs reasonable lending interest rates to balance customer risks; (3) system credit had better signals in April and May; and (4) retail lending should improve in 2H24.

Meanwhile, the scenario predicting that deposit interest rates may increase by 30-50bps could impact the cost of funds (CoF), but the CoF in 2024 will still stay low. We lowered our forecast for NIM recovery in 2024 for banks under our coverage, expecting NIMs would improve 10-20bps from 2023's comparative lows.

Asset quality needs further monitoring

We maintain a cautious view about the asset quality of banks as the economy still needs more time to recover, and policies also need time to show their efficiency. However, the bad debt situation should be improved compared to 2023 given (1) Circular 02 is extended until the end of 2024 (with the impacts mentioned in the previous report); (2) banks have supporting policies via interest rates; (3) legal issues are resolved so that businesses can continue to expand business and production activities.

Banks have attractive valuation

For a long-term outlook, we still think that the banking industry deserves a better valuation. However, in the short term, stocks may encounter corrections if business results in 2Q and 3Q do not really improve, which will be the right time to buy potential stocks for long-term investment. Our top picks include: Vietcombank (VCB), Asia Commercial Bank (ACB), Sacombank (STB), Techcombank (TCB), and Vietnam International Commercial Bank (VIB).

I. Credit growth

1Q credit growth was low in a difficult economic context, consistent with KBSV's expectations

Credit growth should have a better recovery in 2H24. Systemwide credit in 1Q24 alone grew 0.26% YTD, reaching 10-year lows. Although banks actively implemented many support policies, and the current interest rate level is at the bottom, the disbursement rate in the early months of the year was relatively slow. The reasons are to (1) high comparative bases last year, (2) slow recovery of the overall economy, (3) the influence of seasonal factors (disbursement is often slow in the early part of the year).

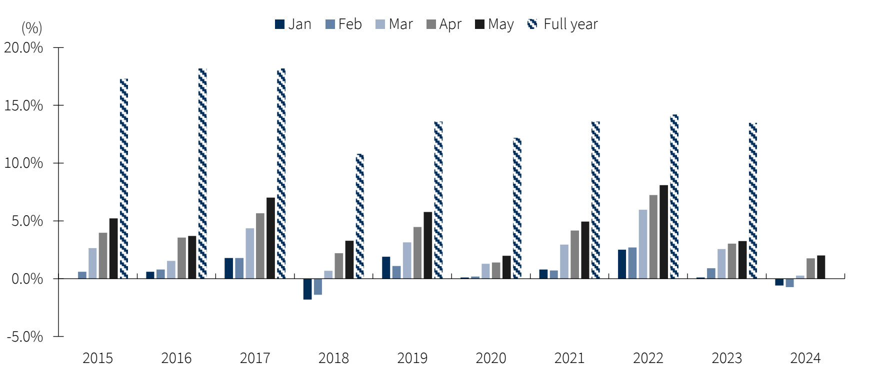
Uneven credit growth among sectors of the economy created a divergence in growth rates among banks. According to the latest updates from the State Bank of Vietnam (SBV), loans to real estate gained VND20 trillion in the first two months of the year alone (+1.9% YTD). Therefore, lending to the real estate sector (including loans for real estate construction projects and home loans) led the credit growth for many outperformers such as TCB, Ho Chi Minh Development Bank (HDB), and Vietnam Prosperity Bank (VPB). Meanwhile, the group of banks lending to the retail and business-manufacturing segments (ACB, VIB, and STB) posted slower credit growth as consumer demand in this segment has not considerably recovered.

KBSV maintains the forecast for 2024 credit growth at 15% YoY

The disbursement speed was quite slow in the first months of the year, but we still believe that the credit growth for the whole year will achieve the 15% target with the assumptions: (1) The current low lending interest rates are maintained to support the economy; (2) the private customer group should contribute more to 2H24 credit growth; and (3) the real estate market continues to recover after the Government's efforts to resolve legal issues.

The disbursement rate was relatively slow in 1Q but became more positive in 2Q. By the end of May, system-wide credit growth was 2.41% YTD, increasing 2.15% compared to the end of March.

Fig 1. Vietnam – Credit growth in 2015-2024 (%)

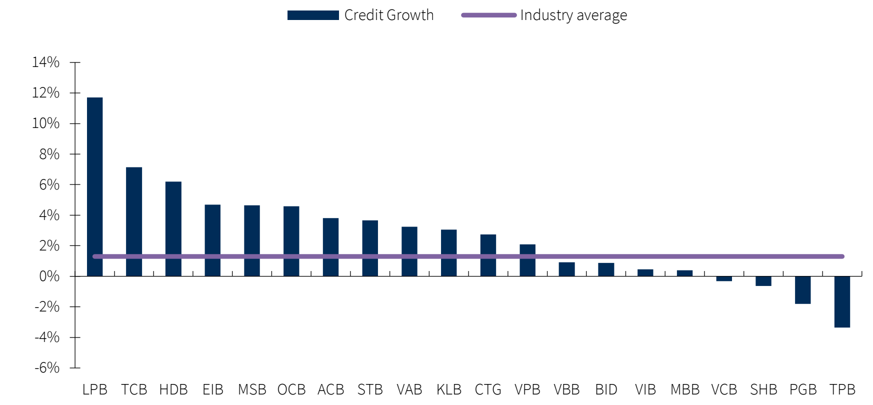


Source: State Bank of Vietnam, KB Securities Vietnam

Credit growth is mixed between banking groups:

- The group of commercial banks with a large proportion of real estate loans (TCB, HDB, Maritime Bank - MSB, and VPB) had higher credit growth, of which home loans recorded positive growth in many banks when the real estate market is warming up, projects launched in 1Q helped increase supply on the primary market.
- The state-owned banks (SoBs) group witnessed modest credit growth. VCB even had negative growth due to the cautious disbursement strategy.

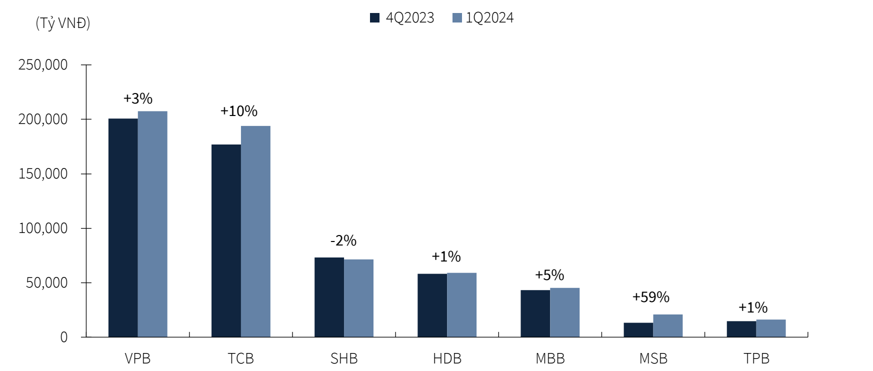
Fig 2. Vietnam – Credit growth of banks by the end of 1Q24 (%)



Source: Vietnam banks, KB Securities Vietnam

The real estate market is starting to show signs of recovery. Disbursement to real estate businesses becomes a growth driver for some banks in 1Q like TCB, MSB and Military Bank - MBB.

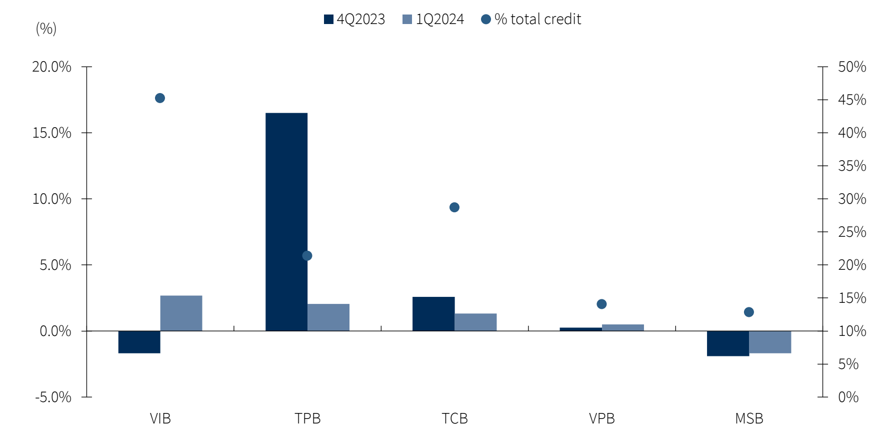
Fig 3. Vietnam – Total loan to real estate at some banks – home loans excluded (VNDbn



Nguồn: Báo cáo các ngân hàng, KBSV

Home loans at banks had a slight recovery in the last two quarters thanks to (1) preferential policies from banks and investors; (2) low interest rates; and (3) more property supply from projects reopening in 4Q23 and 1Q24. The recovery in 1Q was lower than the previous quarter as it coincided with Tet holiday. We expect home lending activities to contribute more to credit growth in the coming quarters when lending interest rates are expected to maintain the current level, new projects opening for sale will help support real estate market is more vibrant. Banks that have the advantage of providing home loans to reputable investors and good loan quality may record stronger growth.

Fig 4. Vietnam – Home loan growth at some banks (% QoQ)



Source: Vietnam banks, KB Securities Vietnam

Fig 5. Vietnam – Real estate projects in 1Q (building, kickoff, and launched projects)

Source: DXS Feri, KB Securities Vietnam

II. NIM growth

The decline of NIM slowed down thanks to the improvement in CoF

Investors should be cautious about the speed of NIM recovery. In general, 1Q NIM of the whole banking industry improved as the decrease slowed down compared to the previous quarter. Some banks even recorded an increase in NIM. Six out of 11 banks under our coverage (mentioned in page 1 of this report) have NIMs improving by 5-30bps QoQ, while the average NIM of the whole industry went down 6bps compared to the end of 2023 (the decline was slower than in 3Q and 4Q23). Banks with credit led by corporate customer groups such as TCB, HDB, and Lien Viet Post Bank (LPB) saw a positive improvement in NIM, while SoBs, taking the leading role in lowering interest rates to support the economy, and banks focusing on retail lending would be affected in 1Q and have NIM improve at a slower pace.

Demand deposits of 27 banks in 1Q showed a contrary to the trend of significant improvement in 4Q23 and fell 4% compared to the end of 2023. Of that, 18 banks saw a QoQ contraction in CASA, but the ratios remain high compared to 3Q23. The decline in this quarter can be explained with two reasons (1) high demand for cash during the holidays and (2) the degree of correlation between credit growth and CASA ratio.

CoF of Vietnam banks significantly improved by 20-90 bps QoQ thanks to low interest rates and high CASA ratio in the last two quarters (Figure 8 & 9). However, IEA witnessed a steeper fall by 70-200bps when (1) banks introduced more preferential policies on interest rates to increase competitiveness and promote credit; and (2) the credit structure shifting to the corporate customer segment has caused NIM of the entire industry to not increase again as expected.

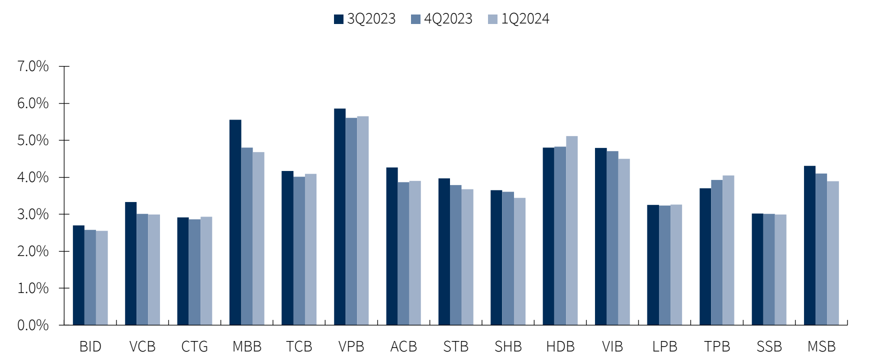
NIM developments are mixed between banks. Banks with more positive credit growth also recorded better NIM improvements, while retail lending banks posted a decline in NIM due to limited demand from private customers.

Fig 6. Vietnam – Credit & deposit growth in 2022-2023 (%)

	IEA			COF			NIM (LTM)		
	4Q2023	1Q2024	+/- bps (QoQ)	4Q2023	1Q2024	+/- bps (QoQ)	4Q2023	1Q2024	+/- bps (QoQ)
BID	7.00%	5.89%	-111	4.74%	4.37%	-37	2.57%	2.55%	-2.48
VCB	6.07%	5.39%	-69	3.41%	3.20%	-21	3.01%	2.99%	-2.20
CTG	7.14%	6.18%	-96	4.52%	3.99%	-53	2.86%	2.93%	6.53
MBB	8.57%	7.26%	-131	4.35%	3.96%	-40	4.80%	4.68%	-12.04
TCB	8.23%	7.43%	-79	4.63%	3.92%	-70	4.02%	4.09%	7.66
VPB	11.24%	9.93%	-131	6.62%	5.80%	-82	5.60%	5.65%	4.47
ACB	8.11%	6.79%	-132	4.76%	4.08%	-68	3.86%	3.90%	3.98
STB	9.60%	7.87%	-173	6.17%	5.46%	-71	3.79%	3.67%	-11.38
SHB	10.61%	8.84%	-177	7.30%	6.62%	-68	3.61%	3.45%	-16.21
HDB	11.46%	10.59%	-86	6.79%	5.91%	-88	4.83%	5.11%	28.23
VIB	9.64%	7.55%	-209	5.50%	4.72%	-78	4.71%	4.50%	-20.70
LPB	9.33%	8.35%	-98	6.72%	6.01%	-71	3.23%	3.26%	2.74
TPB	9.03%	7.88%	-114	5.32%	4.83%	-50	3.93%	4.05%	12.46
MSB	8.46%	6.66%	-181	4.78%	3.98%	-80	4.10%	3.90%	-20.64
EIB	7.89%	6.50%	-138	6.02%	5.38%	-64	2.47%	2.54%	6.87
OCB	9.11%	7.58%	-152	6.33%	5.55%	-78	3.59%	3.60%	1.14
VBB	8.11%	6.65%	-146	6.72%	6.01%	-71	1.66%	1.65%	-1.16
VAB	9.09%	7.58%	-151	7.16%	6.82%	-34	1.86%	2.12%	26.19
KLB	9.90%	8.49%	-141	7.32%	6.86%	-46	2.59%	2.60%	0.89
PGB	7.04%	6.10%	-94	4.66%	4.03%	-63	2.66%	2.67%	0.99

Source: State Bank of Vietnam, KB Securities Vietnam

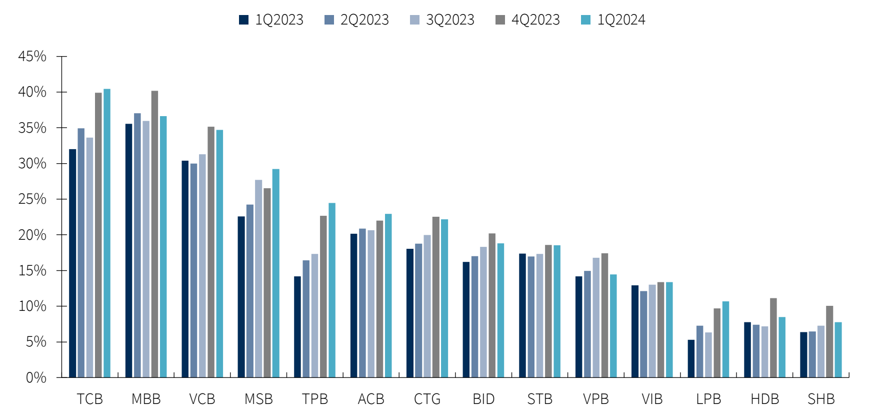
Fig 7. Vietnam – NIMs of banks under KBSV's coverage (%)



Source: State Bank of Vietnam, KB Securities Vietnam

We see a correlation between credit growth for corporate customers and CASA ratio, especially in the transition period between years. This explains the strong increase in CASA at the end of the year, partly contributing to the acceleration of disbursement for corporate customers (new unused disbursements will appear on payment accounts). Banks focusing on lending to corporate customers with low disbursement have the CASA ratio affected. Credit growth in 1Q was relatively gloomy, leading to a decline in the CASA ratio of some banks such as MBB (credit growth was only 0.4% YTD, CASA ratio decreased by 4% QoQ), while other banks promoting disbursement like MSB and TCB had a clear improvement in CASA ratio.

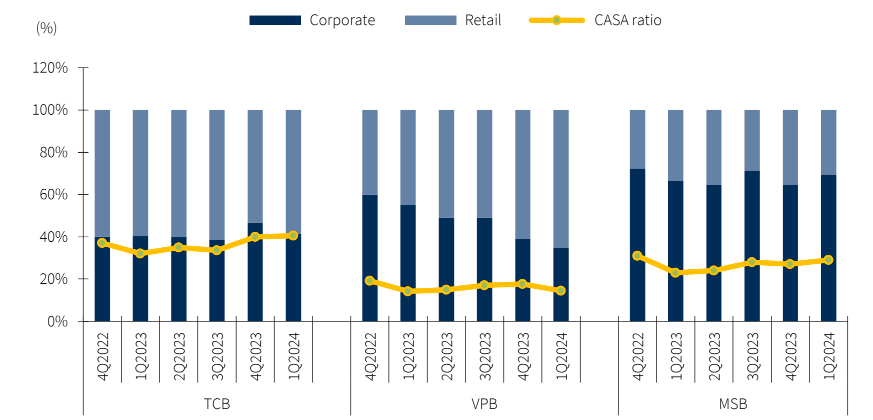
Fig 8. Vietnam – CASA ratio of banks (%)



Source: Vietnam banks, KB Securities Vietnam

CASA's quality and sustainability are demonstrated in the demand deposit of the private customer group. Accordingly, we noticed an improvement in CASA quality at some banks (TCB and VPB) in 1Q when the proportion of CASA of individual customer group increased compared to the previous quarter. KBSV believes that the CASA ratio will maintain at the current level in the coming quarters, but there will be an improvement in quality thanks to the improvement of demand deposits of the private customer group. Accordingly, CASA will strengthen its role as a low-cost capital source to help banks improve NIM.

Fig 9. Vietnam – CASA breakdown of banks (%)



Source: Vietnam banks, KB Securities Vietnam

Deposit interest rates may increase by 30-50bps from now until the end of the year

According to our observations, deposit interest rates at some banks have gained 10-30bps from the bottom area for short terms of 1-12 months. This may result from the temporary lack of cash on the interbank market, which has partly affected customer deposit interest rates. We believe that the SBV will focus on stabilizing exchange rates via OMOs, bill issuance, and FX sales while maintaining low lending interest rates to support the economy. We are inclined to the scenario that deposit interest rates may rise 30-50 bps from now until the end of the year in the context of economic recovery, thereby increasing deposit demand. With the above expected increase, we think this is an adjustment to a more reasonable base level (currently deposit interest rates are still lower than the Covid bottom area - Figure 10), but the interest rates may not record a strong uptrend as in 2022-2023, unless the exchange rate situation becomes tense again, and DXY surpasses its peak.

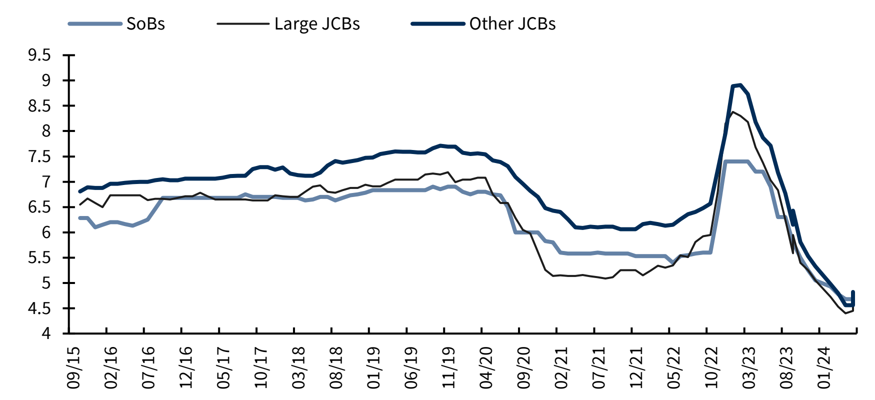
We lowered expectations for NIM recovery, expected improvement of 10-20bps for banks in the monitoring list (old forecast 20-30bps)

It is not likely that lending interest rates will reduce further in the coming time, limiting the IEA's reduction. The rates may even improve slightly because (1) current lending interest rates are relatively low compared to the peak in 2023; (2) banks need reasonable lending interest rates to balance customer risks; (3) system-wide credit had better signals in April and May; and (4) retail lending should improve in 2H24.

Meanwhile, the scenario predicting that deposit interest rates may increase by 30-50bps could impact the cost of funds (CoF), but the CoF in 2024 will still stay low. We lowered our forecast for NIM recovery in 2024 for banks under our coverage, expecting NIMs would improve 10-20bps from 2023's comparative lows.

Deposit interest rates of banks have begun to increase again. Large banks recorded a 10-20bps increase, while other commercial banks had a stronger increase due to their bigger demand for cash.

Fig 20. Vietnam – 12M term deposit interest rates at banks



Source: Vietnam banks, KB Securities Vietnam

III. Asset quality

Asset quality of banks decreased slightly in the first quarter of 2024

Vietnam banks showed a slight decrease in 1Q asset quality. The NPL ratio at the end of last year improved compared to 3Q23. Credit promotion in late 2023 helped to alleviate pressure on the bad debt/total outstanding debt ratio. However, with the slow disbursement rate in 1Q24, the asset quality of banks has slightly declined. The NPL ratio of the entire industry climbed 24bps to 2.2% QoQ. Adjusted NPL (including special mention) gained 44bps QoQ as special mention loans rose 12% QoQ. Asset quality declined the most at MBB due to bad debt emerging from an energy company. Some other banks such as VIB and HDB also recorded an increase in NPLs emerged from home loans. Meanwhile, TCB and VPB announced an improvement in NPLs thanks to promoting bad debt handling in 1Q.

The loan loss coverage ratio (LLCR) continued the downward trend in most banks. The SoBs had the sharpest decline due to a plunge in provisioning compared to 1Q and 4Q23, but the LLCR of this group is still high and safe (150-200%). Large commercial banks, except for TCB maintaining its LLCR above 100%, all recorded a decline in LLCR. MBB's rate decreased significantly compared to the previous quarter due to worse asset quality.

To reduce bad debt pressure in the first quarter, banks still promoted the use of previously provisioned resources to handle bad debts from the balance sheet. At the banks under our coverage, the portion used to handle bad debts in 1Q is lower than that in 4Q23 but still at the same high level as in 3Q23 (Figure 12). We think that banks are still using large provision sources in the previous period to improve asset quality, but thinner provision buffers are also a challenge for them, meaning they will have to make more provisions in the future.

The asset quality needs more time to improve

We maintain a cautious view about the asset quality of banks as the economy still needs more time to recover, and policies also need time to show their efficiency. However, the bad debt situation should be improved compared to 2023 given (1) Circular 02 is extended until the end of 2024 (with the impacts mentioned in the previous report); (2) banks have supporting policies via interest rates; (3) legal issues are resolved so that businesses can continue to expand business and production activities.

The NPL ratio increased compared to the end of 2023 in most banks due to gloomy economic context and CIC classification. TCB and VPB are the only two banks that recorded a decrease in NPL as TCB used nearly VND1,000 billion to handle bad debt in 1Q, and VPB's NPL was supported by the improvement in loan quality at FE Credit (-98bps) and promoting bad debt handling. However, its special mention sharply emerged from real estate lending.

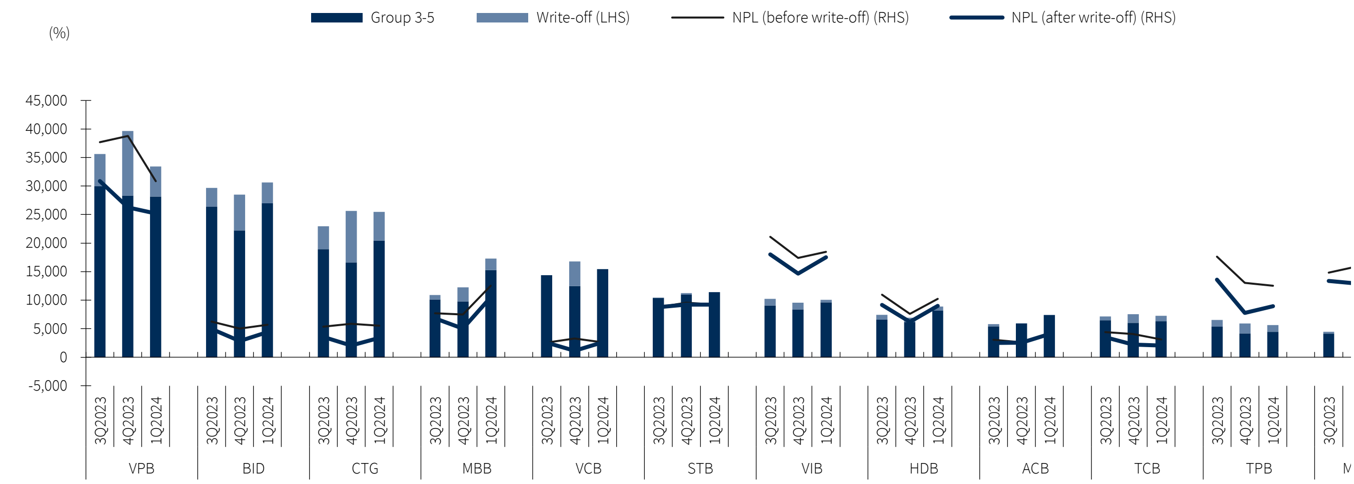
Fig 32. Vietnam – Asset quality of banks

1Q2024	NPL		+/-bps (QoQ)	NPL điều chỉnh G2		+/-bps (QoQ)	LLCR		QoQ
	4Q2023	1Q2024		4Q2023	1Q2024		4Q2023	1Q2024	
BID	1.3%	1.5%	25	2.8%	3.6%	73	182%	153%	-29%
VCB	1.0%	1.2%	24	1.4%	1.8%	36	230%	200%	-30%
CTG	1.1%	1.3%	22	2.7%	2.9%	26	167%	151%	-16%
MBB	1.6%	2.5%	88	3.9%	4.8%	90	117%	80%	-37%
TCB	1.2%	1.1%	-3	2.0%	2.2%	21	102%	106%	4%
VPB	5.0%	4.8%	-17	11.9%	13.1%	124	52%	53%	2%
ACB	1.2%	1.5%	24	1.9%	2.2%	37	91%	79%	-13%
STB	2.3%	2.3%	0	3.0%	3.1%	13	69%	73%	4%
SHB	2.8%	3.0%	17	4.1%	4.5%	41	78%	69%	-8%
HDB	1.8%	2.2%	45	7.0%	7.0%	-7	66%	57%	-9%
VIB	3.1%	3.6%	45	8.7%	9.2%	53	51%	50%	-1%
LPB	1.3%	1.4%	5	2.5%	2.2%	-28	94%	89%	-5%
TPB	2.0%	2.2%	19	4.9%	4.9%	6	64%	60%	-3%
MSB	2.9%	3.2%	31	4.6%	4.9%	29	55%	54%	-2%
EIB	2.7%	2.9%	21	4.0%	4.1%	10	41%	37%	-4%
OCB	2.8%	2.9%	12	4.8%	5.5%	67	50%	55%	5%
VBB	2.6%	3.1%	53	4.5%	5.4%	85	38%	34%	-3%
VAB	1.6%	2.4%	76	2.1%	2.4%	32	67%	52%	-15%
KLB	1.9%	2.5%	52	3.1%	3.7%	58	62%	50%	-13%
PGB	2.6%	2.9%	37	4.0%	4.3%	29	39%	32%	-7%

Source: Vietnam banks, KB Securities Vietnam

Note: Adjusted NPL is equal to total special mention, substandard, doubtful, and bad debts/total outstanding debts

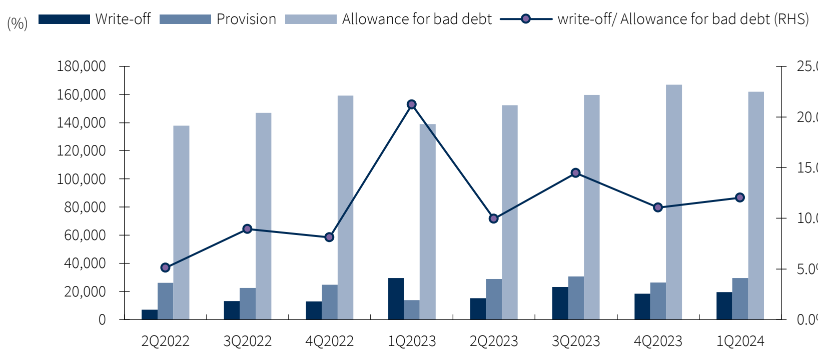
Fig 13. Vietnam – NPL and bad debt handling of banks



Source: Vietnam banks, KB Securities Vietnam

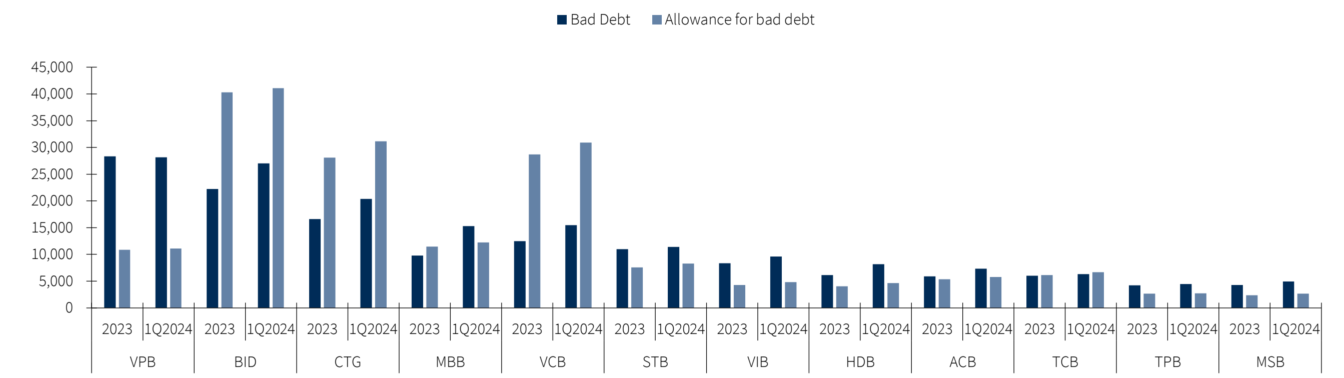
The portion of bad debt handled in the first quarter of banks in our watch list was 51% lower than the previous quarter but still on par with 3Q23. To maintain a safety buffer, the banks have also increased provisioning (+15% YoY, +3% YoY). However, provisioning pressure will still be large because we expect banks will continue to handle bad debts in the near future.

Fig 44. Vietnam – Handled NPLs/provision of banks in 1Q (%)



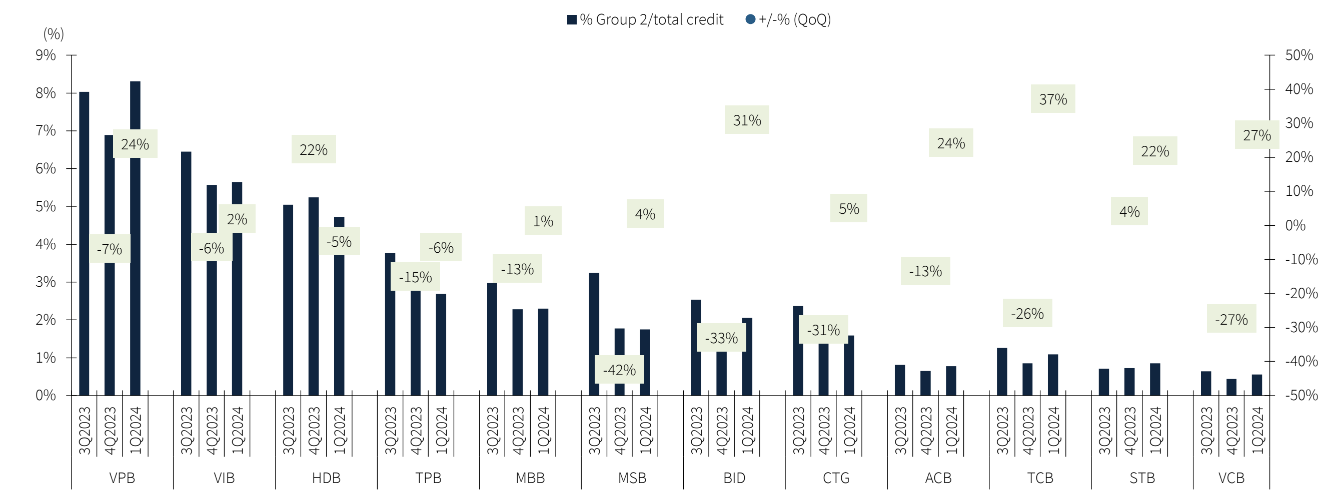
Source: Vietnam banks, KB Securities Vietnam

Fig 15. Vietnam – NPLs and credit risk provision of banks (VNDbn)



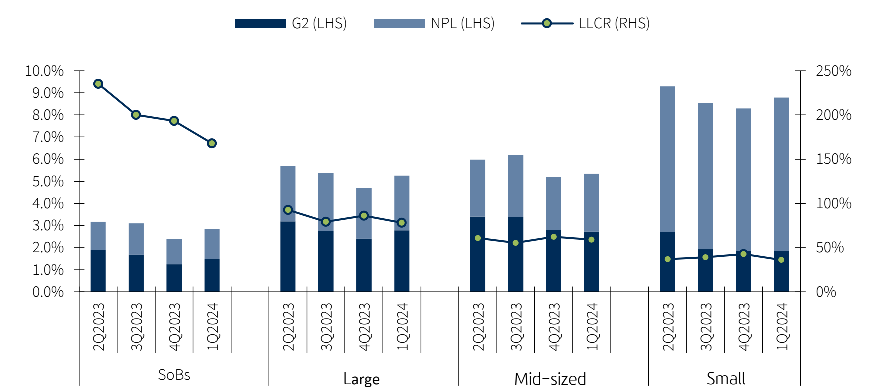
Source: Vietnam banks, KB Securities Vietnam

Fig 16. Vietnam – Special mention of banks (%)



Source: Vietnam banks, KB Securities Vietnam

Fig 57. Vietnam – Proportion of special mention-bad debts and LLCR of banks (%)



Source: Vietnam banks, KB Securities Vietnam

IV. NII growth

The industry's income growth slowed down in 1Q amid general difficulties

The income of banks should be improved in 2H24. Banks with positive credit growth and better NIM also recorded high NII growth in 1Q (HDB +48% YoY, TCB +30% YoY, and CTG +20% YoY). VPB posted positive growth again (+19% YoY) after five quarters of negative YoY growth thanks to credit growth YoY. The other banks in our covered list all had a slight improvement in NII, consistent with credit developments in the first three months of the year.

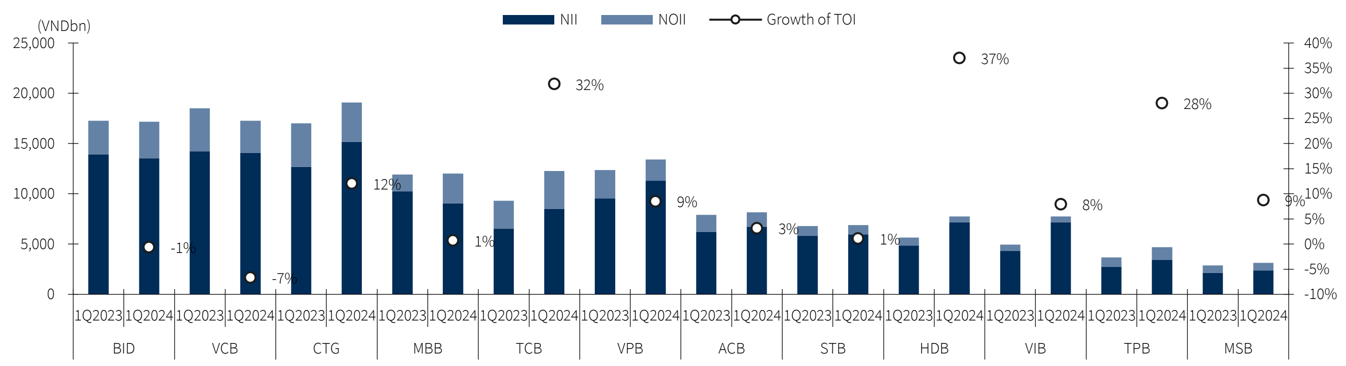
NFI posted a modest gain of 2% YoY but decreased by 20% QoQ due to increased payment demand at the end of the year. In addition, we see that bancassurance activities at banks have not yet had a significant recovery, especially after the amended law on credit institutions, controlling this activity more strictly. Revenue from securities trading and investment also helps some banks improve non-interest income (NOII). MBB made a six-time increase, TCB announced VND1,000 billion in interest vs a loss in 1Q23, and TPB posted a 14-time increase.

Operating expenses were well controlled in 1Q, thereby lowering the CIR in most banks, except for STB and VIB. Credit costs also improved compared to the previous quarter but were still higher than tHSX in the same period last year when pressure on the industry's asset quality was temporarily controlled. Therefore, 1Q PBT of banks inched up 8% YoY. Banks with better results than expected included VPB -64% YoY, HDB +47% YoY, and TCB +39% YoY.

We expect a more positive scenario for 2H24

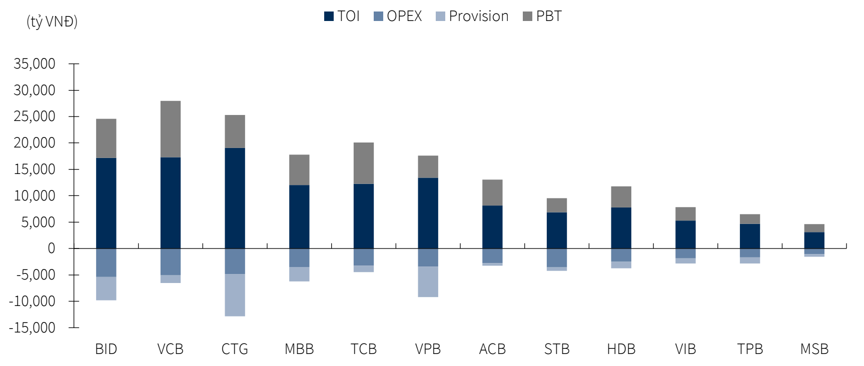
In 1Q24, the main issues include slow credit growth, which directly impacted NII, lack of recovery signs from NOII, and weaker asset quality. However, we have seen signs of improvement in the last months of 2Q when credit growth was better and macro indicators went in a positive direction. We expect that in 2H24, the quality of income at banks will be better as (1) full year growth is expected to reach 15%; (2) NIM continues to be higher; and (3) NPLs improve.

Fig 18. Vietnam – BII, NFI and TOI growth of banks (VNDbn, %)



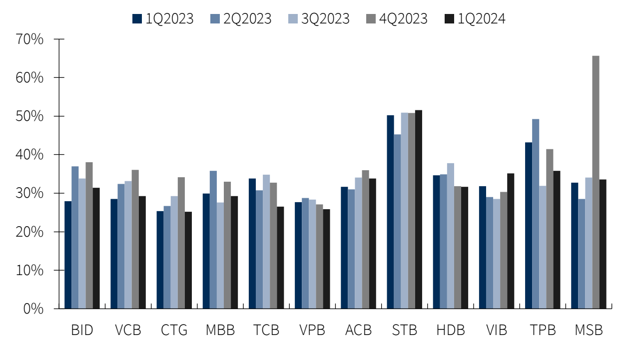
Source: Vietnam banks, KB Securities Vietnam

Fig 69. Vietnam – Incomes and expenses of banks (VNDbn)



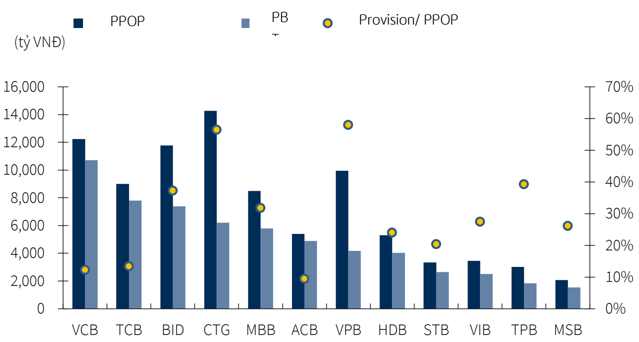
Source: Vietnam banks, KB Securities Vietnam

Fig 20. Vietnam – CIR of banks under KBSV's coverage (%)



Source: Vietnam banks, KB Securities Vietnam

Fig 21. Vietnam – Credit costs/pre-provision operating profit of banks (%)



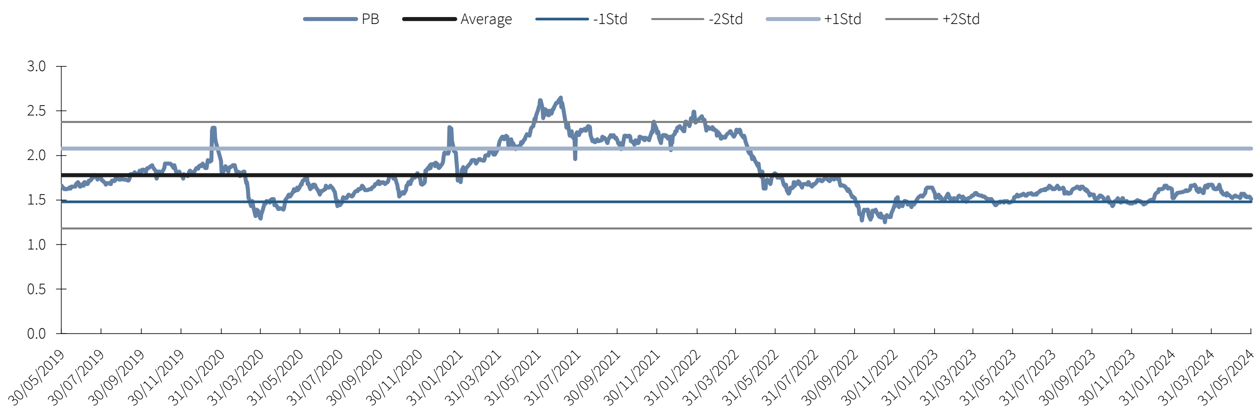
Source: Vietnam banks, KB Securities Vietnam

V. Valuation

Long-term valuation of banks is still attractive

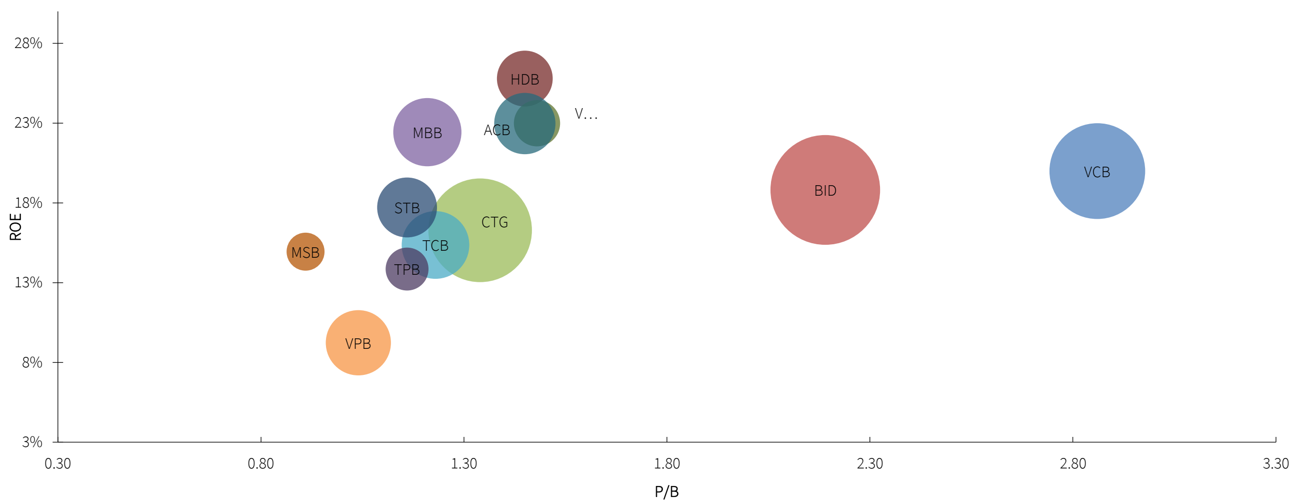
After a strong increase in the first quarter brought the industry P/B to 1.7x, most bank stocks saw corrections, bringing the average P/B back to the current level of 1.47x - 1.7x, lower than the five-year average. For a long-term outlook, we still think that the banking industry deserves a better valuation. However, in the short term, stocks may encounter corrections if business results in 2Q and 3Q do not really improve, which will be the right time to buy potential stocks for long-term investment. Our top picks include VCB, ACB, STB, TCB, and VIB.

Fig 22. Vietnam – P/B of banks (x)



Source: FiinPro, KB Securities Vietnam

Fig 23. Vietnam – ROE & P/B of covered banks (%, x)



Source: FiinPro, KB Securities Vietnam

Note: The size of bubbles demonstrates the scale of asset quality.

VI. Updates about Circular 02/2023

The application time of the Circular 02 is extended until the end of 2024

The SBV recently announced a draft amendment to Circular 02/2023/TT-NHNN dated April 23, 2023 regulating credit institutions and foreign bank branches to restructure debt repayment periods and keep debt group unchanged to support customers in difficulty. The application period is extended by six months until December 31, 2024 instead of June 30, 2024 as before. Key contents in the revised draft include:

(1) The circular is applied to debts incurred before April 24, 2023. The obligation to repay principal or interest arises from the effective date of the Circular to December 31, 2024.
(2) Restructuring the debt repayment period for customers according to the provisions of this circular will be implemented from the effective date of this circular to December 31, 2024.

In general, the old provisions on debt restructuring regulations remain the same in addition to extending the application period by six months. There is no change to the regulations: (1) provisioning for structured debt (minimum 50% until December 31, 2023 and 100% until December 32, 2024); (2) not recording the interest receivable as (accrued) income but monitoring off-balance sheet; (3) debt restructuring term not exceeding 12 months; (4) debt being restructured when the bank evaluates that the customer has the ability to repay the debt; and (5) keeping the group of restructured debts unchanged during the application period.

KBSV believes the extension of the application time for Circular 02 will solve two immediate problems (1) supporting customers and the economy in general and (2) exerting positive impacts on banks in terms of recording NPLs. Debt restructuring allows customers to have more time to arrange their finances, limiting the impact on credit ratings, thereby having an overall impact on the economy. On the other hand, keeping the debt groups unchanged will help banks reduce the pressure of increasing bad debts (on the balance sheet) while still making full provisions for these debts.

Appendix

No.	Ticker	Listing exchange	Trade name	Classification
1	ABB	UPCOM	An Binh Commercial Joint Stock Bank	Small commercial joint stock bank
2	ACB	HSX	Asia Commercial Joint Stock Bank	Large commercial joint stock bank
3	BID	HSX	BIDV	State-owned bank
4	CTG	HSX	VietinBank	State-owned bank
5	EIB	HSX	Eximbank	Medium commercial joint stock bank
6	BVB	UPCOM	Viet Capital Commercial Joint Stock Bank	Small commercial joint stock bank
7	HDB	HSX	HDBank	Medium commercial joint stock bank
8	KLB	UPCOM	KienlongBank	Small commercial joint stock bank
9	LPB	HSX	LienVietPostBank	Medium commercial joint stock bank
10	MBB	HSX	MBBank	Large commercial joint stock bank
11	MSB	HSX	MSB Bank	Medium commercial joint stock bank
12	NAB	UPCOM	Nam A Commercial Joint Stock Bank	Small commercial joint stock bank
13	BAB	HNX	Bac A Commercial Joint Stock Bank	Small commercial joint stock bank
14	NVB	HNX	National Citizen Commercial Joint Stock Bank	Small commercial joint stock bank
15	OCB	HSX	Orient Commercial Joint Stock Bank	Medium commercial joint stock bank
16	PGB	UPCOM	PG Bank	Small commercial joint stock bank
17	SSB	HSX	SeABank	Small commercial joint stock bank
18	SGB	UPCOM	Saigon Bank for Industry And Trade	Small commercial joint stock bank
19	SHB	HSX	Saigon Hanoi Commercial Joint Stock Bank	Medium commercial joint stock bank
20	STB	HSX	Sacombank	Large commercial joint stock bank
21	TCB	HSX	Techcombank	Large commercial joint stock bank
22	TPB	HSX	TPBank	Medium commercial joint stock bank
23	VAB	UPCOM	Vietnam - Asia Commercial Joint Stock Bank	Small commercial joint stock bank
24	VCB	HSX	Vietcombank	State-owned bank
25	VIB	HSX	VIBBank	Medium commercial joint stock bank
26	VPB	HSX	VPBank	Large commercial joint stock bank
27	VBB	UPCOM	VietBank	Small commercial joint stock bank

Source: KB Securities Vietnam

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Investment ratings & definitions

Investment Ratings for Stocks
(based on expectations for absolute price gains over the next 6 months)

Buy:	Neutral:	Sell:
+15% or more	+15% to -15%	-15% or more

Investment Ratings for Sectors
(based on expectations for absolute price gains over the next 6 months)

Positive:	Neutral:	Negative:
Outperform the market	Perform in line with the market	Underperform the market