

# Techcombank (TCB)

## A strategic move towards bancassurance

November 27, 2024

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### The outlook for credit growth looks promising in the 2025–2027 period

By the end of 3Q2024, TCB's credit growth had reached 17.4% YTD, while its credit limit was raised from 16% at the start of the year to 18.4%. We expect TCB to receive additional credit quota to accommodate peak borrowing demand in the final months of the year. According to our estimates, the bank is projected to sustain YoY growth of 21% in 2024 and 16–18% over the 2025–2027 period.

### TCB is seeking a new strategic partner for its bancassurance business after concluding its partnership with Manulife

TCB and Manulife concluded their exclusive bancassurance partnership in October 2024. The impact of this event includes: (i) a potential decline in bancassurance commissions in the near term and (ii) an increase in operating expenses (OPEX) as TCB is required to compensate Manulife ~VND1,800 billion. The bank has stated that it is actively seeking a new strategic partner in this sector.

### Becoming the diamond sponsor for the concert "Anh Trai Vuot Ngan Chong Gai" helps TCB enhance its brand visibility

The entertainment show Anh Trai Vuot Ngan Chong Gai (roughly translated as Brother Overcoming a Thousand Difficulties) has gained significant popularity. To capitalize on this, TCB launched a concert ticket giveaway program for existing customers and new account holders, contingent upon using the Auto Earning feature. This initiative is expected to yield: (i) a large influx of low-cost demand deposits with interest rates ranging from 0.2–0.5% and (ii) a broader client base, including prospective customers for the bank.

### We recommend BUY on TCB with a target price of VND33,400/share

We recommend BUY on TCB with a target price of VND33,400 per share, implying a 42% upside potential compared to the closing price on November 27, 2024.

**Buy** maintain

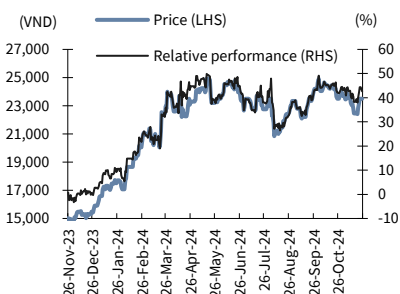
<b>Target price</b>	<b>VND33,400</b>
Upside	42%
Current price (Nov 27, 2024)	VND23,500
Consensus target price	VND28,100
Market cap (VNDtn/USDbn)	166.6/6.6

<b>Trading data</b>	
Free float	68.2%
3M avg trading value (VNDbn/USDmn)	338.0/13.6
Foreign ownership	22.2%
Major shareholder	Masan Group (MSN, 14.9%)

<b>Share price performance</b>				
(%)	1M	3M	6M	12M
<b>Absolute</b>	0.0	4.4	1.3	56.4
<b>Relative</b>	1.4	8.0	3.5	43.7

#### Forecast earnings & valuation

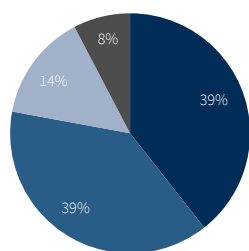
FY-end	2022A	2023A	2024F	2025F
Net interest income (VNDbn)	30,290	27,691	35,616	40,809
PPOP (VNDbn)	27,504	26,809	33,918	38,051
NPAT-MI (VNDbn)	20,436	18,191	23,052	27,709
EPS (VND)	5,729	5,111	3,238	3,888
EPS growth	11%	-11%	-37%	20%
PER (x)	4.1	4.6	7.3	6.0
BVPS (VND)	32,248	37,364	25,158	27,232
PBR (x)	0.73	0.63	1.18	1.09
ROE	19.8%	14.8%	14.9%	15.0%
Dividend yield	0.0%	0.0%	3.1%	3.1%



Source: Bloomberg, KB Securities Vietnam

## Revenue composition (2023)

■ Retail ■ LLMC ■ SME ■ Corp bond



Source: Techcombank, KB Securities Vietnam

## Business operation

Established in 1993, Techcombank (TCB) is currently ranked as the second-largest joint-stock commercial bank by total assets, in our estimate, with approximately VND850 trillion in assets. TCB's loan portfolio primarily targets large enterprises and features a high proportion of mortgages in the retail banking segment. Notably, the bank has the highest exposure to the real estate sector in the industry, with real estate loans comprising about 70% of its credit portfolio.

## Investment Catalysts

**Credit growth outpaces the industry average**, with projections to sustain 16–18% growth during the 2025–2027 period, driven primarily by real estate lending.

**2025F NIM is anticipated to remain above 4%**, supported by effective funding cost management and leveraging CASA advantages.

**TCB continues to rank among the banks with strong asset quality**, maintaining a low NPL ratio relative to industry benchmarks.

## Notes

Please find more details below

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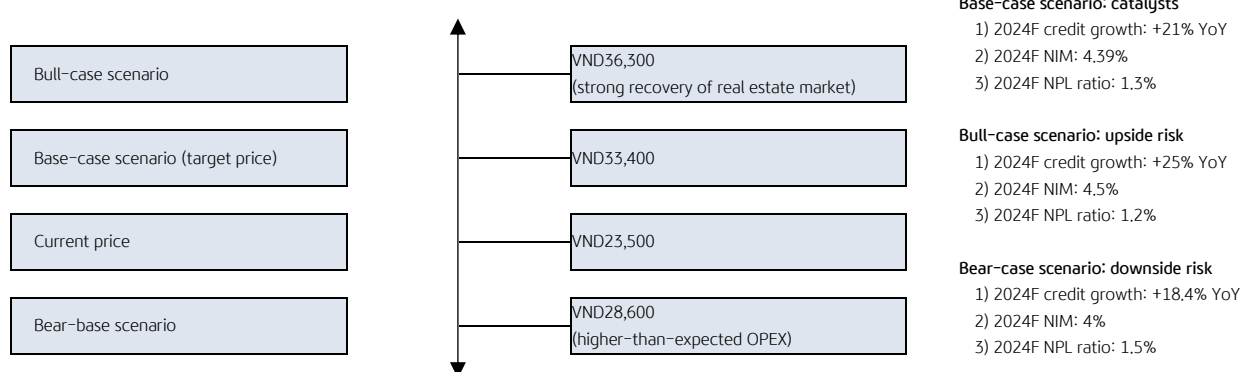
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## Revised earnings estimates

(VNDbn)	KBSV estimates		Change vs previous estimates		Consensus*		Difference	
	2024E	2025E	2024E	2025E	2024E	2025E	2024E	2025E
Revenue	35,616	40,809	1%	–5%	35,325	41,410	+0.8%	–1.5%
EBIT	33,918	38,051	0%	–4%	33,536	39,372	+1.1%	–3.4%
NP after MI	22,809	27,393	0%	–6%	22,333	27,313	+2.1%	+0.3%

Source: Bloomberg, KB Securities Vietnam

## Investment opinion &amp; risks



## Business performance

**9M2024 PBT delivered encouraging results, accomplishing 85% of the full-year target**

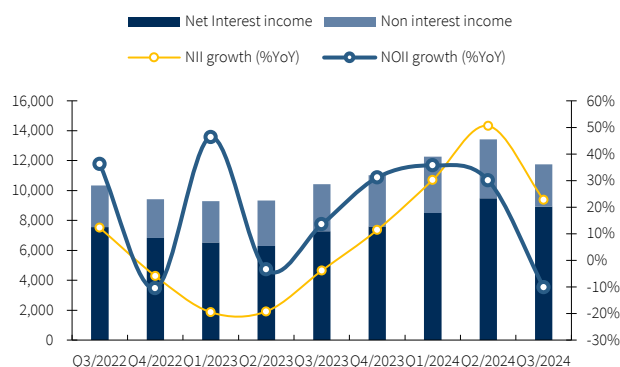
In 9M2024, TCB achieved credit growth of 17.4% YTD, the highest in the industry, and recorded PBT of VND18,340 billion (+34% YoY), fulfilling 85% of its full-year target. NIM saw a slight decline in 3Q due to increased funding costs and lower lending yields. Asset quality remained robust, with expectations that non-performing loans (NPLs) peaked in 3Q.

**Table 1. TCB – 3Q2024 business performance**

(VNDbn)	3Q2023	2Q2024	3Q2024	+/-%YoY	+/-QoQ	Notes
Net interest income (NII)	7,272	9,478	8,929	22.8%	-5.8%	In 3Q2024, while TCB's credit witnessed the most impressive growth in the industry, NII contracted by 6% due to a QoQ decline in NIM.
Non-interest income (NOII)	3,146	3,942	2,826	-10.2%	-28.3%	NOII fell sharply, of which: - Service income was down 21% QoQ and 14% YoY due to a decrease in Letter of Credit (L/C) fee (-28% QoQ following changes in accounting standards) and investment banking fees (-28% QoQ, given no extraordinary income, unlike in 2Q). - Foreign exchange gains plunged by 85% QoQ and 50% YoY due to fluctuations in exchange rates. This was a common trend observed across most of the banks under our coverage. - Securities trading and investment fees went down 48% QoQ and 38% YoY; meanwhile, recovery income from previously written-off bad debts amounted to VND391 billion (+88% YoY) in 3Q.
Total operating income (TOI)	10,418	13,420	11,754	12.8%	-12.4%	
Operating expenses	(3,631)	(3,949)	(3,431)	-5.5%	-13.1%	Operating expenses (OPEX) were well-managed in 3Q, along with TOI still showing growth, keeping the cost-to-income ratio (CIR) below 30%. TCB expects to maintain CIR in the range of 33-34%, as OPEX may rise sharply in 4Q due to increased investments in certain areas.
CIR	34.8%	29.4%	29.2%	-566bps	-23bps	
Provision for credit losses	(945)	(1,644)	(1,109)	17.4%	-32.5%	Provision expenses increased YoY but decreased 33% QoQ, keeping the credit cost under control at below 1%.
Profit before taxes (PBT)	5,843	7,827	7,214	23.5%	-7.8%	
Profit after taxes (NPAT)	4,669	6,270	5,793	24.1%	-7.6%	
Credit growth (YTD)	13.5%	12.9%	17.5%			In 3Q2024, credit growth reached 4% QoQ and 17% YTD, nearing the newly granted limit of 18.4%, of which: - Customer loans pick up 20.8% YTD, while corporate bonds decreased sharply by 21.9% YTD. - Corporate loans gained 3% QoQ, with notable growth in the construction, construction materials, and resort tourism sectors while real estate development loans remained stable. Retail loans showed signs of recovery, up 6% QoQ, primarily driven by mortgages. Retail loan growth outpaced that of corporate loans.
Deposit growth (YTD)	12.5%	8.1%	9.7%			
NIM	4.17%	4.43%	4.41%	24bps	-1bps	NIM decreased by 43bps QoQ, given lower lending rates to support customers, causing the IEA yield to decline faster than the cost of funds. However, the trailing 12-month (TTM) NIM, in our estimate, only saw a marginal decrease of 2bps QoQ. Overall, the cost of funds is still being effectively managed, despite the increase in deposit interest rates.
NPL ratio	1.36%	1.23%	1.29%	+6bps	+6bps	The NPL ratio increased from 1.23% in 2Q to 1.3% in 3Q. However, positive signs suggest an improvement in asset quality: the NPL formation rate and write-offs tend to decrease while credit costs are slowing. Accordingly, TCB's loan loss coverage ratio (LLCR) has risen to 103%, signaling a stronger buffer against potential defaults.

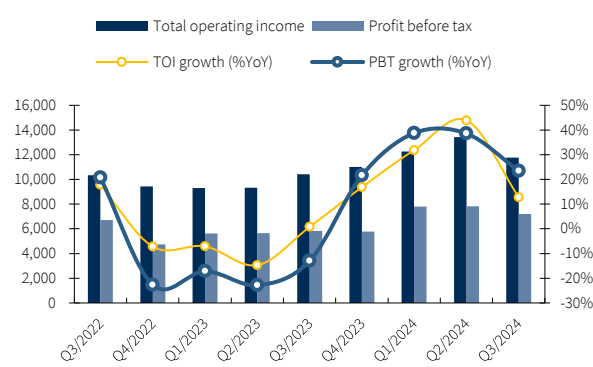
Source: Techcombank, KB Securities Vietnam

Fig 2. TCB – NII, NOII growth (VNDbn, %)



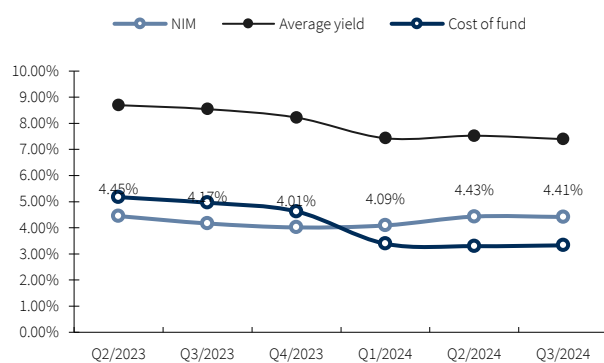
Source: Techcombank, KB Securities Vietnam

Fig 3. TCB – TOI, PBT growth (VNDbn, %)



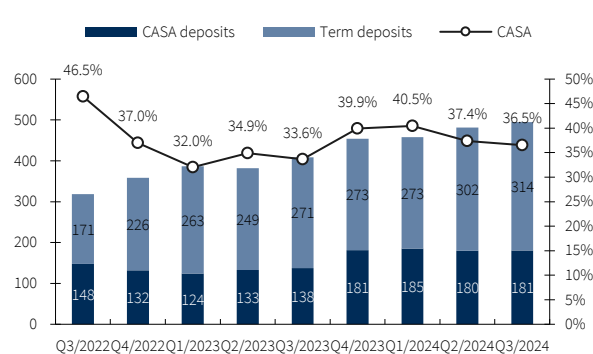
Source: Techcombank, KB Securities Vietnam

Fig 4. TCB – NIM, IEA yield, cost of funds (%)



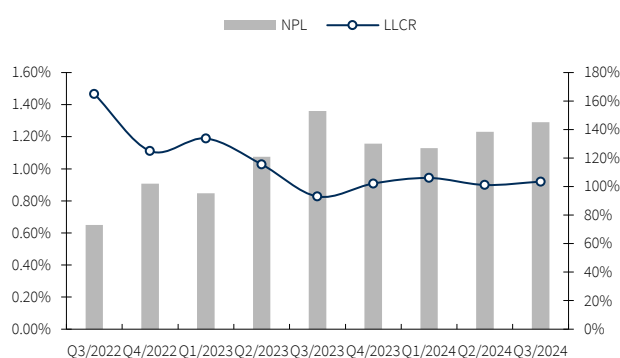
Source: Techcombank, KB Securities Vietnam

Fig 5. TCB – CASA, term deposits, CASA ratio (VNDtn, %)



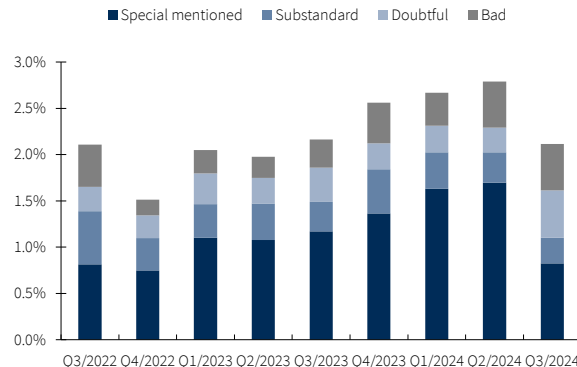
Source: Techcombank, KB Securities Vietnam

Fig 6. TCB – NPL ratio, LLCR (%)



Source: Techcombank, KB Securities Vietnam

Fig 7. TCB – Credit portfolio (%)



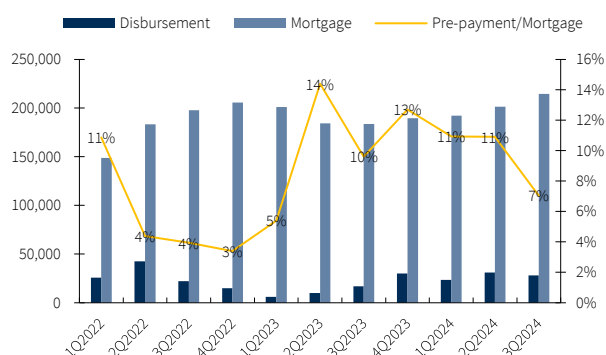
Source: Techcombank, KB Securities Vietnam

## The outlook for credit growth looks promising in the 2025–2027 period

By the end of 3Q2024, TCB's credit growth had reached 17.4% YTD, while its credit limit was raised from 16% at the start of the year to 18.4%. We expect TCB to receive additional credit quota to accommodate peak borrowing demand in the final months of the year. According to our estimates, the bank is projected to sustain YoY growth of 21% in 2024 and 16–18% over the 2025–2027 period, backed by:

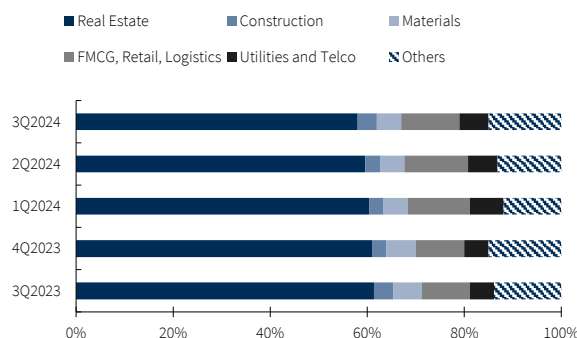
- 1) **Recovery in the real estate market:** A stronger recovery in the real estate sector is expected to drive home loans. The market showed positive signs in 3Q and 4Q, fueled by an increase in supply, the Southern market catching up with the Northern market, and new legislation bolstering overall market sentiment. At TCB, mortgage disbursements remained the key driver of credit growth in the retail banking segment (+6.6% QoQ, +14% YTD), raising the proportion of home loans from 29% to 31% of total outstanding loans in 3Q. The prepayment rate sharply dropped to 7% after five consecutive quarters above 10%, while new disbursements reached VND28 trillion, a high figure indicating minimal impact from seasonal factors or external factors such as the seventh lunar month or Typhoon Yagi.
- 2) **Loan portfolio diversification:** As highlighted in previous quarterly reports, TCB has been executing a strategy to diversify its loan portfolio into other sectors such as fast-moving consumer goods (FMCG), retail, and logistics. Loan disbursements in these sectors have improved, supported by a more stable macroeconomic environment. Combined with the current surge in seasonal credit demand, KBSV remains upbeat about TCB's credit growth prospects for 2024 and the years ahead.

Fig 8. TCB – Mortgage disbursement (VNDbn, %)



Source: Techcombank, KB Securities Vietnam

Fig 9. TCB – Credit portfolio composition by sector (%)



Source: Techcombank, KB Securities Vietnam

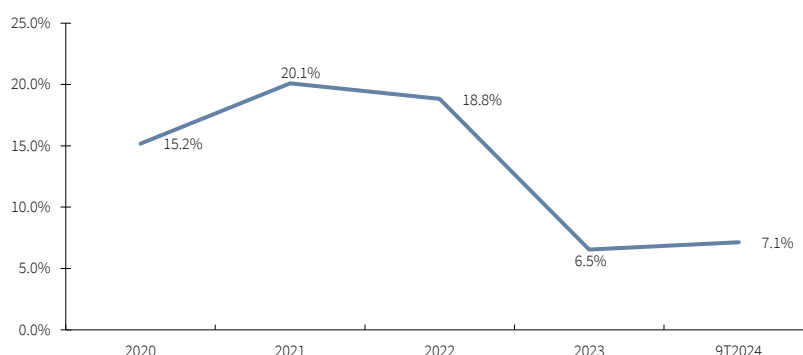
### TCB is seeking a new strategic partner for its bancassurance business after concluding its partnership with Manulife

The insurance scandals in late 2022 created significant challenges for bancassurance operations, leading to stricter legal frameworks, including Circular 67, which restricts banks from advising or selling investment-linked insurance products within 60 days before and after loan disbursement. Since 2023, bancassurance revenue has sharply declined, with TCB's bancassurance contribution falling from 20% during 2020–2021 to 6–8% in 2023–2024.

Regarding **life insurance**, TCB ended its exclusive bancassurance partnership with Manulife in October 2024, which may result in: (i) a potential short-term decline in bancassurance commissions, though this will not be substantial, as income from this segment currently makes up ~7–8% of net fee income (NFI) (Figure 10) and contributes ~2–3% to TCB's PBT and (ii) an increase in OPEX as TCB is required to compensate Manulife ~VND1,800 billion (to be recorded in 4Q2024). The bank has stated that it is actively seeking a new strategic partner for its bancassurance operations.

Concerning **non-life insurance**, TCB is shifting focus towards proactive product development rather than merely serving as a distributor. This follows the addition of a new insurance company to its ecosystem. TCB currently holds an 11% stake in the newly established Techcom Non-life Insurance JSC and plans to leverage its brand advantage to strengthen this partnership.

Fig 10. TCB – Bancassurance income/net fee income (%)



Source: Techcombank, KB Securities Vietnam

### NIM may face downward pressure in the near term

We assess that NIM will be less favorable for the end of 2024 and early 2025 compared to the first half of 2024:

- 1) The IEA yield plummeted in 3Q as TCB implemented Flexible Pricing to support customers. Moreover, the ongoing rate war among banks has made it difficult for lending rates to rise as initially anticipated. The growing proportion of short-term loans, whose average interest rates shrank by 60bps QoQ, also contributed to lower IEA. However, with rising credit demand expected in 4Q and interest rates remaining elevated in 2025, we project a potential improvement in IEA, possibly showing a smaller decline or even a rebound.
- 2) The cost of funds is expected to rise slightly due to increased pressure on funding towards the end of the year. Nonetheless, the impact on NIM will be limited due to TCB's strong CASA position and the positive effects from the Auto-Earning feature. The Auto-Earning balance hit ~VND 19 trillion in 3Q and is expected to surge in 4Q after TCB becomes a co-sponsor for Anh Trai Vuot Ngan Chong Gai.

Overall, we forecast NIM to remain above 4% in both 2024 and 2025. Lending rates appear to have bottomed out and are expected to rise, offsetting the upward pressure on funding costs anticipated in the coming year.

### Becoming the diamond sponsor for the concert "Anh Trai Vuot Ngan Chong Gai" helps TCB enhance its brand visibility

The entertainment show Anh Trai Vuot Ngan Chong Gai has gained significant popularity. TCB's role as a diamond sponsor and co-organizer of the concert is expected to bolster its brand visibility. To capitalize on this, TCB launched a concert ticket giveaway program for existing customers and new account holders, tied to the Auto Earning feature. This initiative is expected to yield: (i) a large influx of low-cost demand deposits with interest rates ranging from 0.2–0.5% and (ii) a broader client base, including prospective customers. We also note that the sponsorship will lead to increased OPEX during the period.

Fig 11. Vietnam – NIM across banks (%)

	IEA			COF			NIM (LTM)		
	2Q2024	3Q2024	+/- bps (QoQ)	2Q2024	3Q2024	+/- bps (QoQ)	2Q2024	3Q2024	+/- bps (QoQ)
BID	5.70%	5.66%	-4	3.88%	3.66%	-22	2.50%	2.47%	-3
VCB	5.06%	5.03%	-3	2.72%	2.44%	-28	2.99%	3.00%	1
CTC	5.97%	5.88%	-9	3.57%	3.28%	-29	2.97%	3.01%	4
MSB	7.08%	7.04%	-4	3.57%	3.42%	-15	4.44%	4.38%	-6
<b>TCB</b>	<b>7.53%</b>	<b>7.40%</b>	<b>-13</b>	<b>3.61%</b>	<b>3.44%</b>	<b>-17</b>	<b>4.43%</b>	<b>4.42%</b>	<b>-1</b>
ACB	6.72%	6.81%	9	3.65%	3.52%	-13	3.84%	3.87%	3
STB	7.59%	7.64%	5	4.87%	4.46%	-41	3.54%	3.73%	19
SHB	7.87%	7.32%	-55	5.88%	5.36%	-52	3.27%	2.96%	-31
HDB	10.35%	10.19%	-16	5.59%	5.19%	-40	5.44%	5.86%	42
VIB	7.38%	7.36%	-2	4.26%	4.09%	-17	4.16%	3.99%	-17
TPB	7.62%	7.29%	-33	4.33%	3.94%	-39	4.16%	4.05%	-11
MSB	6.50%	6.51%	1	3.57%	3.42%	-15	3.79%	3.62%	-17
OCB	6.44%	6.34%	-9	4.71%	4.13%	-58	2.65%	2.90%	25
VAB	7.51%	7.15%	-36	5.14%	4.58%	-56	3.58%	3.43%	-15
VAB	6.75%	6.77%	2	5.62%	5.22%	-40	1.85%	2.10%	25
VAB	7.05%	6.59%	-46	5.09%	5.11%	2	2.08%	2.33%	25
KLB	8.56%	8.62%	6	5.77%	5.15%	-62	3.12%	3.62%	50
PCB	6.09%	5.99%	-10	3.75%	3.51%	-24	2.80%	2.95%	15

Source: Vietnamese banks, KB Securities Vietnam

Fig 12. TCB – Average lending interest rates (%)

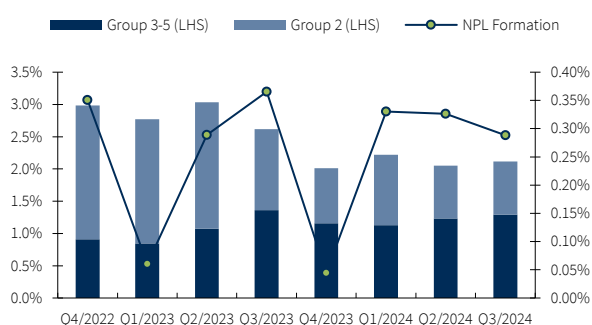
Weight	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24
Rate >10%	43%	44%	31%	28%	23%	21%
Rate 8% ->10%	21%	20%	31%	25%	22%	19%
Rate <8%	36%	36%	38%	47%	55%	59%
<b>Average interest rate</b>						
Rate >10%	12.9%	12.5%	12.6%	12.9%	13.5%	13.60%
Rate 8% ->10%	9.0%	9.0%	9.2%	9.2%	9.1%	9.10%
Rate <8%	5.9%	5.6%	5.9%	6.0%	6.1%	5.50%
<b>Average</b>	<b>9.6%</b>	<b>9.3%</b>	<b>9.0%</b>	<b>8.7%</b>	<b>8.5%</b>	<b>7.8%</b>

Source: Techcombank, KB Securities Vietnam

### Asset quality remained resilient in 3Q2024

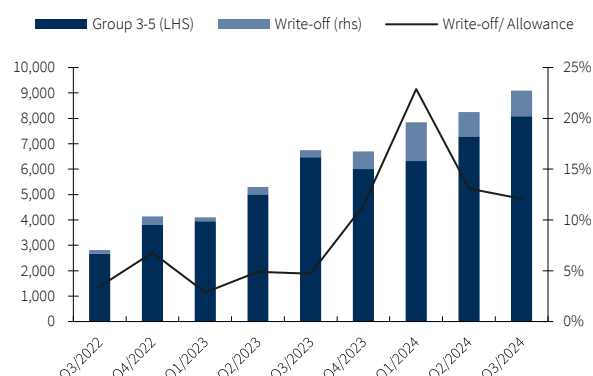
Asset quality remained resilient in 3Q. The NPL ratio rose by 11% QoQ due to an increase in doubtful (Group 4) and bad debts (Group 5), while substandard debt (Group 3) declined by 17% QoQ. However, the pace of NPL formation slowed compared to 1Q and 2Q, with the NPL ratio up 6bps QoQ to 1.29%, one of the lowest levels across the industry. Provision expenses in 3Q were lower than in prior quarters, and written-off bad debts were limited to VND200 billion, down sharply from VND2,000 billion in 1H2024. As a result, LLCR remained stable at 103%. The credit cost for 9M2024 stood at 0.9%, aligning with the bank's target of <1%. Additionally, restructured loans under Circular 02 dropped to just over VND400 billion or 0.1% of total outstanding loans and are expected to have minimal impact on NPLs when the Circular expires at the end of the year. The improvement in asset quality in 3Q suggests that TCB's NPL ratio likely peaked in 3Q2024.

Fig 13. TCB – NPL ratio, NPL formation rate, special-mention loan ratio (%)



Source: Techcombank, KB Securities Vietnam

Fig 14. TCB – NPLs, write-offs, write-offs/allowance (VNDbn, %)



Source: Techcombank, KB Securities Vietnam

## Forecast

Table 15. TCB – 2023A–2025F business performance

(VNDbn)	2023A	2024F	+/-%YoY	2025F	+/-%YoY	Notes
<b>Net interest income (NII)</b>	<b>27,691</b>	<b>35,523</b>	<b>28.3%</b>	<b>40,722</b>	<b>14.6%</b>	In the base case scenario, we maintain our credit growth and NIM assumptions at 21% YoY and 4.38%, respectively.
Non-interest income (NOII)	12,370	15,007	21.3%	15,814	5.4%	We slightly revise down bancassurance revenue projection and expect NOII in 2025 to reach the same high level as in 2024.
<b>Total operating income (TOI)</b>	<b>40,061</b>	<b>50,531</b>	<b>26.1%</b>	<b>56,536</b>	<b>11.9%</b>	
Pre-provision operating profit (PPOP)	26,809	33,856	26.3%	37,992	12.2%	
Provision for credit losses	(3,921)	(5,103)	30.1%	(3,415)	-33.1%	Relatively stable asset quality throughout 2024 somewhat reduces provisioning pressure for the coming period.
<b>Profit before taxes (PBT)</b>	<b>22,888</b>	<b>28,753</b>	<b>25.6%</b>	<b>34,578</b>	<b>20.3%</b>	
NIM	4.01%	4.38%	37bps	4.39%	1bps	NIM may decline slightly in the short term but is expected to remain above 4%.
Average IEA yield (%)	8.22%	7.43%	-79bps	7.45%	3bps	
Average cost of fund (%)	4.63%	3.38%	-124bps	3.45%	7bps	
CIR (%)	33.1%	33.0%	-8bps	32.8%	-20bps	We adjust our forecast for operating expenses upward, reflecting TCB's compensation payment to Manulife and the sponsorship for the concert "Anh Trai Vuot Ngan Trong Gai", both of which would contribute to higher expenses during the period.
NPL ratio (%)	1.16%	1.30%	14bps	1.25%	-5bps	The NPL ratio is anticipated to be controlled at 1.2–1.3%.
<b>Total assets</b>	<b>849,482</b>	<b>964,368</b>	<b>13.5%</b>	<b>1,109,447</b>	<b>15.0%</b>	
Owner's equity	131,616	177,193	34.6%	202,328	14.2%	

Source: Techcombank, KB Securities Vietnam



## Valuation

**We recommend BUY for TCB with a target price of VND33,400/share**

We use a combination of two valuation methods, P/B and residual income, to determine a fair price for TCB stock.

1) P/B ratio

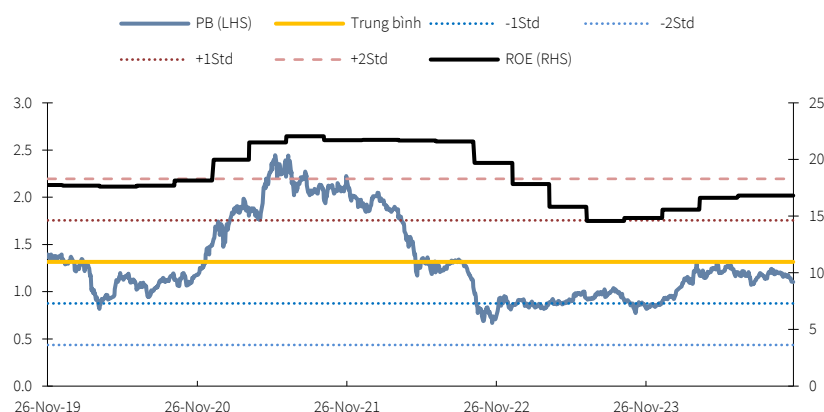
We maintain the expected P/B ratio for 2025 at 1.3x, which aligns with the 5-year average P/B ratio.

2) Residual income method

In addition, we incorporate the residual income discounting method to account for systemic risks and long-term expectations.

We adjust the target price's time horizon to the end of 2025 and maintain our BUY recommendation for TCB with a target price of VND33,400 per share, implying a 42% upside from the closing price on November 27, 2024.

**Fig 16. TCB – ROE, P/B in 2019–2024**



Source: Bloomberg, KB Securities Vietnam

**Table 17. TCB – Residual income valuation**

(VNDbn)	2025F	2026F	2027F
NPAT	27,709	31,174	33,932
Excessed return	1,868	3,202	3,379
Required rate of return (re)	13.82%		
Growth (g)	3.0%		
Terminal value	39,069		
Total present value (PV)	239,955		
<b>Value per share</b>	<b>34,060</b>		

Source: KB Securities Vietnam

**Table 18. TCB – Valuation results**

Valuation method	Forecast price	Weighting	Weighted price
Residual income	34,060	50%	17,030
P/B	32,678	50%	16,339
<b>Target price</b>			<b>33,400</b>

Source: KB Securities Vietnam

## TCB – 2022A–2025F financials

Income Statement						Balance Sheet					
(VNDbn)	2021	2022	2023	2024F	2025F	(VNDbn)	2021	2022	2023	2024F	2025F
Net interest income	26,699	30,290	27,691	35,616	40,809	Loans	343,606	415,752	512,514	618,667	724,553
Interest income	35,503	44,753	56,708	60,239	69,081	Marketable securities	5,071	961	4,433	4,819	5,735
Interest expense	(8,805)	(14,463)	(29,017)	(24,624)	(28,272)	Cash (ex. Reserves)	3,579	4,216	3,621	5,201	6,190
Fees & commissions	6,382	8,153	8,715	9,585	10,251	Interest-earning assets	526,132	619,967	759,745	862,638	990,910
Other non-interest income	1,803	2,167	2,434	961	2,767	Fixed assets & other assets	43,037	79,995	92,482	105,638	122,302
Total operating income	37,076	40,527	40,061	50,623	56,623	Total assets	568,729	699,033	849,482	964,368	1,109,447
SG&A expenses	(11,173)	(13,023)	(13,252)	(16,706)	(18,572)	Customer deposits	314,753	358,404	454,661	527,358	627,556
Pre-provision operating income (PPOP)	25,903	27,504	26,809	33,918	38,051	Borrowings & call money/repos	33,680	35,858	84,703	129,983	84,433
Provision for credit losses	(2,665)	(1,936)	(3,921)	(5,103)	(3,415)	Interest bearing liabilities	460,892	561,832	692,537	762,813	875,154
Other income	4,344	4,500	6,460	6,404	8,231	Other liabilities	14,796	23,775	25,329	24,317	42,443
Other expense	(2,540)	(2,333)	(4,026)	(5,444)	(5,464)	Total liabilities	475,687	585,608	717,866	787,130	917,598
Pre-tax income	23,238	25,568	22,888	28,815	34,636	Charter capital	35,109	35,172	35,225	70,450	70,450
Income tax expense	(4,823)	(5,131)	(4,697)	(5,763)	(6,927)	Capital surplus	476	476	476	476	476
NP	18,415	20,436	18,191	23,052	27,709	Retained earnings	47,453	64,483	49,013	59,410	74,021
Minority interest profit	(363)	(286)	(187)	(243)	(316)	Capital adjustments	-	-	-	-	-
Parent NP	18,052	20,150	18,004	22,809	27,393	Total shareholders' equity	93,041	113,425	131,616	177,238	191,849

Financial Indicators						Valuation					
(%)	2021	2022	2023	2024F	2025F	(VND, X, %)	2021	2022	2023	2024F	2025F
Profitability						Share Price Indicators					
ROE	22.0%	19.8%	14.8%	14.9%	15.0%	EPS	5,142	5,729	5,111	3,238	3,888
ROA	3.7%	3.2%	2.3%	2.5%	2.7%	BVPS	26,501	32,248	37,364	25,158	27,232
Pre-provision ROE	24.5%	21.3%	17.4%	17.6%	16.5%	Tangible BVPS	25,476	30,908	35,841	24,244	26,136
Pre-provision ROA	4.1%	3.5%	2.8%	3.0%	2.9%	Valuations					
Net interest margin (NIM)	5.7%	5.3%	4.0%	4.4%	4.4%	PER	4.6	4.1	4.6	7.3	6.0
Efficiency						PBR	0.9	0.7	0.6	1.2	1.1
Pure Loan to deposit ratio	110.4%	117.3%	114.1%	119.0%	117.0%	ROE	22.0%	19.8%	14.8%	14.9%	15.0%
Cost-income ratio	30.1%	32.1%	33.1%	33.0%	32.8%	Capital Adequacy					
Growth						CAR	15.6%	15.0%	15.2%	15.0%	>15%
Asset growth	29.4%	22.9%	21.5%	13.5%	15.0%	Asset Quality					
Loan growth	24.8%	21.0%	23.3%	20.7%	17.1%	NPL ratio (substandard)	0.7%	0.7%	1.2%	1.3%	1.3%
PPOP growth	40.7%	6.2%	-2.5%	26.5%	12.2%	Coverage ratio (substandard)	162.8%	157.3%	107.0%	109.0%	105.6%
Parent NP growth	46.5%	11.6%	-10.7%	26.7%	20.1%	NPL ratio (precautionary)	1.3%	2.8%	2.0%	2.1%	2.0%
EPS growth	46.2%	11.4%	-10.8%	-36.7%	20.1%	Coverage ratio (precautionary)	84.1%	40.5%	61.5%	67.5%	67.7%
BVPS growth	24.5%	21.7%	15.9%	-32.7%	8.2%						

Source: Techcombank, KB Securities Vietnam

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**Investment ratings & definitions**

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**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

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