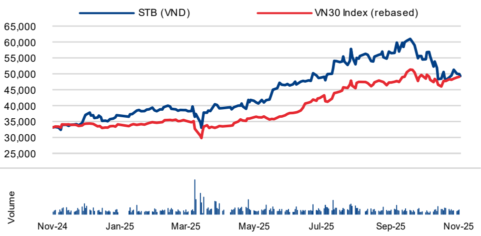
Add *(unchanged)*
Target price: VND58,400 *(from VND58,200)*
Up/downside: 18.5%

Share price (VND) (as of 27 Nov 2025)	49,300
Bloomberg code	STB VN
52-week range (VND)	32,400-61,000
Trading value (5D) (VNDmn)	483,467
Market cap. (VNDbn)	92,941
Market cap. (USDmn)	3,524
Shares outstanding (mn)	1,885
Total FOL share room (mn)	566
Current FOL share room (mn)	128
Foreign ownership limit	30.0%
Foreign owned ratio	23.2%
Free float	41.9%
Major shareholder	PYN Elite fund (5.38%)

Source: Company, HSC Research estimates

Share price performance



Share price (%)	-1 mth	-3 mth	-12 mth
Ordinary shares	(9.71)	(11.3)	48.5
Relative to index	(10.7)	(14.7)	0.56
Relative to sector	-	-	-

Source: Company, FactSet

HSC vs. consensus

EPS adj. (VND)	HSC	Cons	% diff
2025F	5,540	6,108	(9.3)
2026F	7,076	8,341	(15.2)
2027F	9,030	11,186	(19.3)

Source: Bloomberg, HSC Research estimates

Company description

STB is one of the largest private banks in Vietnam in terms of total assets, focusing on retail lending including mortgages, auto loans, household business, etc, and on SME lending

Analysts

Le Khanh Tung
Manager, Financials Research
tung.lkhanh@hsc.com.vn
+84 24 3933 4693 Ext. 4844

Pham Lien Ha, CFA
Senior Director, Head of Financials
ha.plien@hsc.com.vn
+84 24 3933 4693 Ext. 4852

No catalysts in the short-term; maintain Add

- We maintain Add and lift our to TP VND58,400 (upside 18.5%) as rolling fwd. our valuation basis offsets the downward earnings revisions.
- We reduce our FY25-27 PBT forecasts by an average of 10% per year, mainly reflecting higher provision expense. Our new forecasts imply a 3-year PBT CAGR of 22% and an avg. ROE of 18%.
- Down 9% in the last 3M, STB now trades on a 1.19x 1Y forward P/B. Our TP suggests an FY26 P/B of 1.37x, equal to private peers' (1.37x) and well below best-comp ACB's (1.48x).

Event: Reviewing 9M25 results

STB's 3Q25 PBT was VND3.6tn (up 33% y/y and flat q/q), driven by solid NII (up 24% y/y) and light provision (down 13% y/y). The PBT was below our estimate (VND4.2tn) as provision expenses were higher than expected, while the expected reversal was allocated to additional provisioning for core banking.

In STB's 3Q25 earnings call (14 Nov), the management shared a conservative view about 4Q25 outlook given modest NIM and Bamboo Airways resolution.

As a result, 9M25 PBT (VND11tn) fulfilled 68% of our forecast, a slight miss.

Impact: Reducing FY25-27 forecasts by 10% per year

We reduce our FY25-27 PBT forecasts by an average of 10% per year, mainly reflecting higher provision expense.

Our revised projections imply a 3-year PBT CAGR of 22% and an avg. ROE of 18%. Our forecasts are below the consensus as we keep a more conservative view than the street re. STB's one-off gains size.

Valuation and recommendation

STB's share price has decreased 9% in the last 3M, slightly outperforming its private banking peers (down 11% on average). The pullback of stock price was attributed to slower-than-expected 3Q25 results. For STB in particular, the sentiment was impacted by the absence of Phong Phu one-off gains, which had been anticipated for some time.

As a result, STB's 1-year forward P/B fell to 1.19x – well below the private bank average of 1.29x while still slightly higher than its closest peer, ACB (1.13x).

Looking forward, STB's core profitability outlook appears unremarkable within the banking sector. Notably, STB's fundamental metrics now are trailing behind those of ACB, which has a lower P/B ratio. Moreover, with the postponement of Tram Be's stake auction and no clear timeline for its implementation, the stock lacks short-term catalysts.

Our new TP suggests 18.5% upside and values STB at targeted FY26 P/B of 1.37x, equal to private peers' averages (1.37x) and well below ACB's 1.48x.

Year end: December	12-23A	12-24A	12-25F	12-26F	12-27F
Net interest income (VNDtn)	22.1	24.5	27.9	31.8	37.1
Total operating income (VNDtn)	26.2	28.7	32.5	37.5 ▼	44.1 ▼
Reported net profit (VNDtn)	7.72	10.1	11.6 ▼	14.5 ▼	18.3 ▼
EPS (VND)	4,094	5,351	6,156 ▼	7,691 ▼	9,710 ▼
DPS (VND)	-	-	-	-	-
BVPS (VND)	24,259	29,160	34,786	41,247	49,500
P/E (x)	12.0	9.21	8.01	6.41	5.08
Dividend yield (%)	-	-	-	-	-
P/B (x)	2.03	1.69	1.42	1.20	1.00
EPS growth (%)	53.1	30.7	15.0	24.9	26.2
Ret. on avg. equity (%)	18.3	20.0	19.3	20.2	21.4

Note: Use of ▲ ▼ indicates that the item has changed by at least 5%.
Source: Bloomberg, HSC Research estimates

More uncertain asset quality & earnings outlook

STB's 3Q25 results missed our forecasts on higher-than-expected provisioning. Additionally, STB's management at their 3Q25 earnings conference offered a conservative view on STB's 4Q25 outlook. Consequently, we reduce our FY25-27 PBT forecasts by an average of 10% p.a., mainly reflecting higher provisions assumptions, while downward NII/non-NII revisions are mild. Our revised projections imply a robust 3-year PBT CAGR of 22% and an average ROE of 18%. In addition, STB now seems to lack catalysts in the short-term, while the auction of Trầm Bê's 32% stake is postponed to mid-FY26 at best, according to the bank's management.

9M25 results recap: An earning miss on high provisioning

STB posted a solid 3Q25 result, with PBT of VND3.6tn (up 33% y/y and flat q/q), driven by solid net interest income (up 24% y/y) and lighter provision (down 13% y/y) while non-NII grew only 6% y/y and OPEX was up 25% y/y.

This said, PBT came in below our estimate of VND4.2tn, as provision expenses were higher than expected: the reversal from Phong Phu IP was largely allocated to additional provisioning to strengthen the coverage buffer, rather than recognized as income as we had anticipated.

9M25 PBT reached VND11tn, fulfilling 68% of our full-year forecast, a slight miss.

Below are key financial figures:

- Credit growth reached 12.7% YTD (up 3.7% q/q) to VND606tn, driven by all segments, including retail, SME, and large corporate. The 9M25 growth was close to STB's credit quota this year (16%) and expected to achieve this growth level.
- Net interest margin (NIM) went up 39bps q/q and 20bps y/y to 3.91% in 3Q25, driven by a 53bps q/q increase in lending rates (to 7.93%) and a 21bps uptick in funding costs (to 4.34%). 9M25 NIM reached 3.67%, up 4bps q/q.
- Non-net interest income (non-NII) rose 6% y/y in 3Q25 to VND922bn, driven by other income (VND52bn from loss of VND111bn in 3Q24), while net fee income (NFI) and FX gains decreased 11% y/y to VND673bn and VND194bn, respectively.
- NPL ratio continued to go up to 2.75% from 2.46% at end-2Q25, while Group-2 loans increased to 1.64% of total loans from 0.73% at end-2Q25.

  The bank recorded VND4,491bn of specific provision in 3Q, thus the loan loss reserve (LLR) ratio rose to 93% at the end of 3Q25 from 74%. The source of provision was channeled from Phong Phu reversal, as shared by STB's management in earnings conference on 14-Nov (discussed below).

  Provision expenses were down 13% y/y to VND1,044bn, though still at a high base. 9M25 provisioning completed 116% of our full-year forecasts, higher than our old forecasts.
- For STB's "bad bank", VAMC's net balance was flat YTD at VND1.6tn (~0.19% of total assets). Meanwhile, its gross balance fell by VND5.2tn YTD to VND9.7tn and provision balance reduced to VND8.1tn from VND13.2tn. The downsizing of both items at the same level implied the clearing of principal of Phong Phu IP.

  Indeed, the very last component of VAMC balance is debts colateralized with Tram Be's 32.5% stake.

Figure 1: 3Q25 earnings snapshot, STB

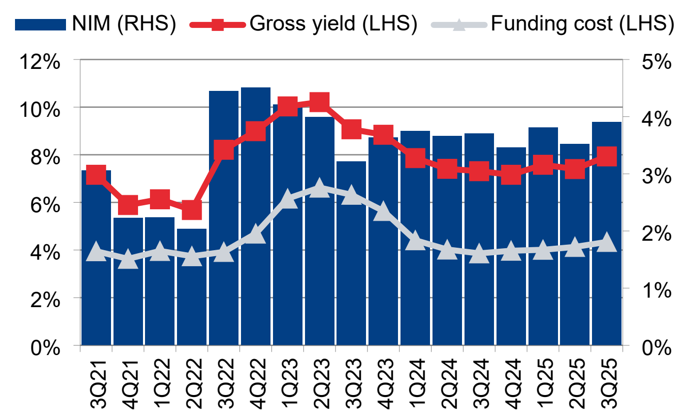
STB fulfilled 68% of our full-year forecast, slightly missed

VNDbn	3Q24	3Q25	Growth y/y	9M24	9M25	Growth y/y	% of HSC FY25F
Net interest income	**6,365**	**7,874**	**24%**	**18,433**	**21,323**	**16%**	**76%**
Non-NII	**873**	**922**	**6%**	**2,835**	**3,040**	**7%**	**58%**
Net fee income	756	673	-11%	2,015	2,320	15%	66%
FX gains	218	194	-11%	831	728	-12%	66%
Bond trading gains	6	(0)		45	3	-94%	5%
Other incomes	(111)	52		(60)	(25)	-59%	-5%
Dividends	4	4	2%	4	13	253%	66%
Total operating incomes	**7,238**	**8,797**	**22%**	**21,267**	**24,362**	**15%**	**73%**
OPEX	(3,287)	(4,096)	25%	(10,831)	(11,223)	4%	74%
Pre-provision profit	**3,950**	**4,701**	**19%**	**10,436**	**13,140**	**26%**	**73%**
Provision expenses	(1,199)	(1,044)	-13%	(2,342)	(2,152)	-8%	116%
PBT	**2,752**	**3,657**	**33%**	**8,094**	**10,988**	**36%**	**68%**
Net profit	**2,201**	**2,901**	**32%**	**6,489**	**8,692**	**34%**	**67%**

Source: Company data, HSC Research

Figure 2: quarterly NIM, STB

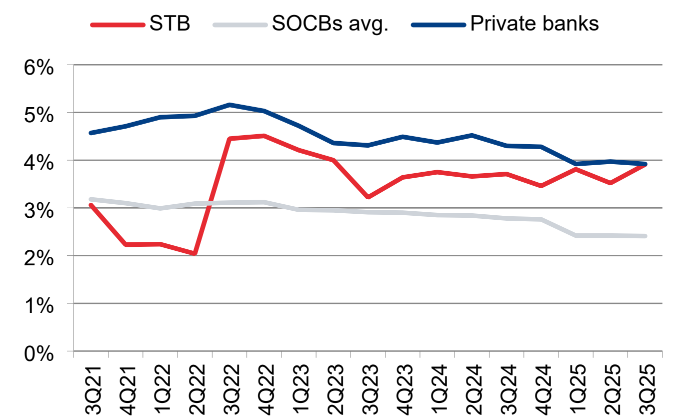
NIM picked up 39bps q/q to 3.91% in 3Q25 on an one-off NII ...



Source: Company data, HSC

Figure 3: NIM comparison, STB vs. peers

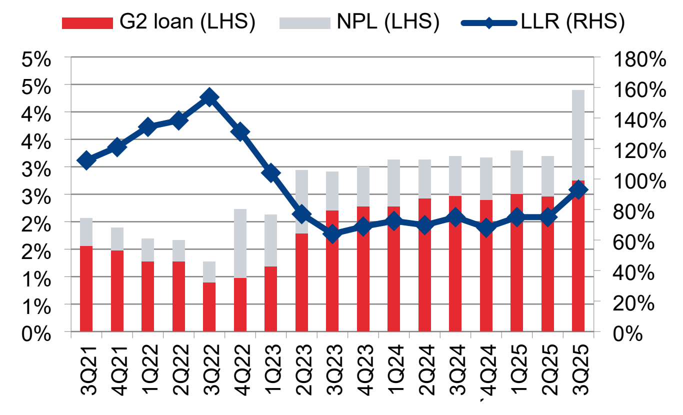
... the only increase while the sector saw a flat NIM movement



Source: Company data, HSC

Figure 4: NPL & G2 ratios movement, STB

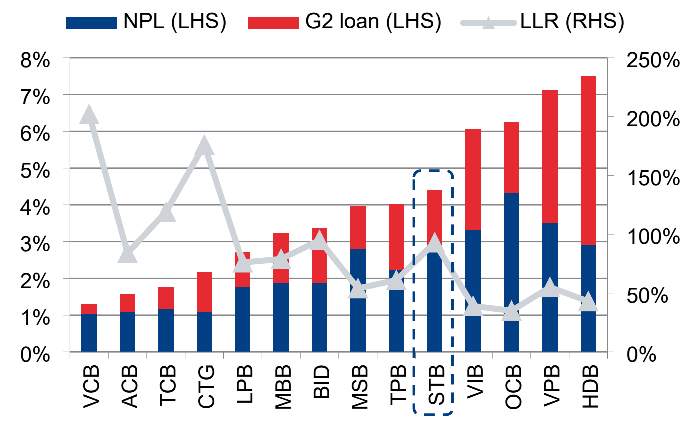
STB's NPL & G2 ratios increased from time to time ...



Source: Company data, HSC

Figure 5: NPL & G2 ratios comparison, STB vs. peers

... its overdue ratio was among the higest level across banks



Source: Company data, HSC

Figure 6: Legacy assets clearing progress, STB

Legacy assets remained minor, 0.19% of total assets, for several quarters

Auction price (VND per share)	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	3Q25
Net VAMC bonds	41,317	37,663	29,710	23,073	17,784	6,875	1,830	1,690	1,614
+ Gross VAMC bonds	*43,266*	*40,233*	*33,647*	*27,322*	*23,727*	*21,514*	*16,432*	*14,948*	*9,742*
+ Provisions	*(1,949)*	*(2,569)*	*(3,936)*	*(4,369)*	*(5,943)*	*(14,595)*	*(14,603)*	*(13,257)*	*(8,128)*
Accrued interest	21,398	19,305	15,098	12,395	4,132	0	0	0	0
Legacy receivables	20,548	18,470	15,348	11,153	9,517	5,287	1,846	0	0
Legacy assets size	**83,529**	**75,405**	**60,398**	**46,622**	**31,434**	**12,163**	**3,676**	**1,690**	**1,614**
% of total assets	**22.67%**	**18.57%**	**13.32%**	**9.46%**	**6.89%**	**2.05%**	**0.55%**	**0.23%**	**0.19%**

Source: Company data, HSC forecasts

3Q25 earnings conference (14 Nov) takeaways

In STB's 3Q25 earnings call held on 14 Nov, the management expounded the nature of the bank's results in the quarter; we compiled the key takeaways as follows:

- **Credit growth target for FY25** will be 16.0% y/y (vs. 16.3% of credit quota), the same will go for deposit growth. The bank will continue to follow retail & SME focused strategy in the mid-term future, seeking a stable growth and mitigating the concentration risk.
- **Income from Phong Phu IP disposal recorded fully in the quarter**: management shared that STB in 3Q25 fully collected the remaining proceeds from Phong Phu IP disposal, of which:

  Interest reversal value of the loan was recorded within total NII in 3Q25. While the bank didn't provide the detailed interest income, we estimate it ranges between VND1.2tn-1.6tn, which is equal to the gap between 3Q25 NII and 1Q25 or 2Q25. Excluding this abnormal income, STB's 9M25 NIM would have been around 3.45% (vs. 3.67%).

  Principal reversal value was used to record provision of VND4.5tn in 3Q25, to fortify provision buffer of the bank, seen in higher LLR (93% up from 74% in 2Q25).
- Management confirmed Phong Phu IP deal was completed as of 3Q25 and won't generate any income from now on.
- **Higher NPL ratio:** was attributed to two client groups: (1) micro-SME clients in exports and exports-related sectors have been impacted by the US tariffs, and (2) a clients group has still suffered the impact from the real estate crunch in 2022, which has brought up NPL from 0.98% at end-4Q22 to over 2% recently.
- **BAV exposure update:** according to the management, STB reclassified its loan to Bamboo Airways (BAV), totaling approximately VND3–4tn, as NPL in Nov-25 and booked provisions in-line with the current loan classification. This will drive higher provisioning expenses in 4Q25.

  On the upside, STB expects other banks to participate in BAV's restructuring. However, if no additional lenders step in to refinance BAV, STB plans to foreclose on BAV's collateral – mainly real estate assets – and liquidate them in 2026.
- **Delayed 32.5% stake auction**: management noted that the auction proposal was submitted to the SBV in Aug-25. However, the bank wasn't yet approved or replied, possibly due to an administrative reform within the central bank – which aligned with the government's decision in streamlining the organizational apparatus – that could have postponed the paperwork regarding the stake auction.

  They expected the approval will be released in mid-FY26.

  Regarding the potential proceeds from the auction, management was confident that the bank can recover the principal value of Tram Be's debt (VND6.6tn) (Figure 6) while didn't confirm about any additional income.

With above factors, management was not confident the bank could fulfill its FY25 PBT guidance (VND14.6tn). Thus, the translated 4Q25 PBT should be below VND3.5tn (and below our old forecasts of VND4.6tn).

Figure 7: Legacy assets balance relating to Tram Be, STB

Debts relating to Phong Phu IP & other debts were settled, leaving debts relating Tram Be's stake

VNDbn	Principal	Interest	Total	Comments/Updates
As of end-2016	35,400	12,919	48,319	Cut-off time to determine legacy assets amount to resolve in the masterplan
Accrued interest in 2017-24		44,686		Additional obligation if the collateral value increases to offset original amount in the masterplan
As of end-2024	35,400	57,605	93,005	
Including:				
Loans backed by 32.5% STB stake	**6,611**	13,450	20,061	Potential value that STB can collect back after auctioning 32% stake, which expected to proceed in 4Q25
Loans backed by Phong Phu IP	5,134	11,062	16,196	Sold (via public auction) at VND7.9tn, received VND1.6tn in FY24 and the remainder of VND6.3tn in Aug-FY25 **VND1.2-1.5tn was recorded in NII in 3Q25** **VND4.5tn was used to book specific provision in 3Q25**
Other loans	23,655	33,093	56,748	Principal was mainly collected in 2017-24 period by liquidating collateral, while interest was recorded in off-balance-sheet
Base case recovery income	**6,000**			We now factor in only this profit for FY26-27 in our new forecasts

Source: Company data, HSC Research

Trimming FY25-27 earnings forecast by 10% per year on avg.

Considering 9M25 results & management discussion in recent earnings call, we trim our forecasts for FY25-27 by 10% per year, with detailed following revisions:

- **Credit growth**: maintained at 16%/16%/15% p.a. in FY25-27 period, below our banking coverage average (expected at 19% p.a. for FY26-27) since STB remains a restructuring bank that will be assigned a lower credit quota.
- **NIM**: is maintained nearly unchanged at 3.60% (from 3.61%) for FY25, but reduced to 3.56% (from 3.63%) for FY26, and to 3.63% (from 3.71%) for FY27.

  For FY25 NIM, we note the core NIM (without NII from Phong Phu IP disposal) would be roughly 3.44%. Thus, overall, we reduce NIM forecasts for STB, following the sector-wide trend.
- **Non-NII:** is revised downward by 12% per year, translating a new 3Y CAGR of 19% (from 24% previously).
- As a result, total operating income forecasts were cut by 4% per year.
- **NPL ratio:** raised to 2.40% (from 1.90%) for FY25, to 2.10% (from 1.70%) for FY26, to 1.90% (from 1.50%) for FY27, given the high base at end-9M25.

  As the 32% stake auction is delayed, legacy assets appear to linger on STB's balance sheet in 2025, accounting for 0.19% of its total assets.
- **Credit cost**: raised to 0.51% (from 0.32%) for FY25, to 0.42% (from 0.27%) for FY26, and to 0.41% (from 0.27%) for FY27, because we raise provision expense by VND1.0tn for each year in the period.

  The upward provisioning adjustments mainly reflect the higher NPL formation, from tariffs-impacted customer base and from BAV. STB used reversal income from Phong Phu IP to allocate to specific provisioning for these new bad debts.

  For the last legacy asset – 32% stake, we retain the provision reversal estimation at VND2.4tn in FY26 and VND3.6tn in FY27, that will help to ease overall credit cost of the bank in these two years.

Under our new forecasts, we estimate 4Q25 PBT of VND3.5tn (down 4% q/q and down 24% y/y from high base last year). The earnings will be underpinned by good credit growth, solid NIM but the provision, recorded from the potentially new NPL without being offset by Phong Phu reversal, will weigh on the top line.

Overall, our revised projections imply a FY24A-27F net earnings CAGR of 22% (previously: 26%) and a 3Y average ROE of 18.6% (previously: 20.2%). STB's profitability remains comparable to its private peer averages (of 18.1% and 18.3%, respectively).

Figure 8: Key assumptions, STB

NIMs assumptions are revised down slightly. Meanwhile, NPL & credit costs assumptions are raised

		Old forecasts			New forecasts		
VNDbn	FY24A	FY25F	FY26F	FY27F	FY25F	FY26F	FY27F
Loan growth	11.7%	16.0%	16.0%	15.0%	16.0%	16.0%	15.0%
Deposits growth	11.0%	14.5%	15.0%	15.0%	14.5%	15.0%	15.0%
NIM	3.65%	3.61%	3.63%	3.71%	3.60%	3.56%	3.63%
NPL ratio	2.40%	1.90%	1.70%	1.50%	2.40%	2.10%	1.90%
Credit cost	0.39%	0.32%	0.27%	0.27%	0.51%	0.42%	0.39%
NPL formation	0.51%	0.53%	0.74%	0.80%	1.11%	0.66%	0.77%
Legacy asset	0.23%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: Company data, HSC forecasts

Figure 9: Earnings forecast revisions, STB

FY25-27 net profit forecast is revised downward by 10% per year, mainly driven by lower topline & higher provisioning expenses

VNDbn	FY24A	Old forecasts			New forecasts		
		FY25F	FY26F	FY27F	FY25F	FY26F	FY27F
NII	**24,532**	**27,985**	**32,377**	**37,913**	**27,932**	**31,803**	**37,138**
Growth y/y	*11.1%*	*14.1%*	*15.7%*	*17.1%*	13.9%	13.9%	16.8%
Revision					*-0.2%*	*-1.8%*	*-2.0%*
Net fee income	**2,978**	**3,516**	**4,255**	**5,284**	**3,285**	**3,992**	**4,968**
Growth y/y	*13.8%*	*18.0%*	*21.0%*	*24.2%*	10.3%	21.5%	24.5%
Revision					*-6.6%*	*-6.2%*	*-6.0%*
Non-NII	**4,145**	**5,204**	**6,540**	**7,894**	**4,593**	**5,696**	**6,986**
Growth y/y	*1.1%*	*25.5%*	*25.7%*	*20.7%*	10.8%	24.0%	22.7%
Revision					*-11.7%*	*-12.9%*	*-11.5%*
TOI	**28,677**	**33,190**	**38,917**	**45,807**	**32,525**	**37,499**	**44,125**
Growth y/y	*9.6%*	*15.7%*	*17.3%*	*17.7%*	13.4%	15.3%	17.7%
Revision					*-2.0%*	*-3.6%*	*-3.7%*
OPEX	**(13,982)**	**(15,237)**	**(16,735)**	**(18,381)**	**(15,070)**	**(16,549)**	**(18,175)**
Growth y/y	*8.5%*	*9.0%*	*9.8%*	*9.8%*	7.8%	9.8%	9.8%
Revision					*-1.1%*	*-1.1%*	*-1.1%*
Provision expenses	**(1,974)**	**(1,856)**	**(1,852)**	**(2,091)**	**(2,943)**	**(2,845)**	**(3,160)**
Growth y/y	*-46.5%*	*-6.0%*	*-0.2%*	*12.9%*	49.0%	-3.3%	11.1%
Revision					*58.5%*	*53.7%*	*51.1%*
PBT	**12,720**	**16,096**	**20,330**	**25,335**	**14,513**	**18,104**	**22,790**
Growth y/y	*32.6%*	*26.5%*	*26.3%*	*24.6%*	14.1%	24.7%	25.9%
Revision					*-9.8%*	*-10.9%*	*-10.0%*
Net profit	**10,087**	**12,877**	**16,264**	**20,268**	**11,610**	**14,483**	**18,232**
Growth y/y	*30.7%*	*27.7%*	*26.3%*	*24.6%*	15.1%	24.7%	25.9%
Revision					*-9.8%*	*-10.9%*	*-10.0%*

Source: Company data, HSC forecasts

Valuation and recommendation

We keep our TP for STB nearly unchanged at VND58,400, as downward earnings revisions offset rolling forward valuation basis, and maintain our Add rating. STB is now trading at 1.19x 1Y forward P/B, well below the private bank average of 1.29x. Our revised TP suggests an 18.5% upside and implies an FY25 P/B of 1.37x – equal to the private peer average (1.37x) and well below best-comp ACB's 1.48x. STB stock now lacks re-rating drivers from core banking results while key catalyst – 32.5% stake auction – remains postponed.

Target price unchanged

We maintain our TP for STB nearly unchanged at VND58,400 and maintain our Add rating, as two key following TP adjustments offset with each other:

- We cut our FY25-27 earnings forecast by 10% per year on average.
- We roll forward our valuation basis to end-FY26 (from mid-FY26).

Figure 10: Residual income valuation model, STB

VNDbn	FY25F	FY26F	FY27F	FY28F	FY29F	FY30F	FY31F	FY32F	Terminal year
Net income	11,605	14,499	18,305	21,252	23,869	26,899	30,445	34,232	35,259
- Equity cost (see below)	7,538	8,993	13,862	16,372	19,176	22,400	26,114	30,406	31,318
Excess equity return	4,067	5,506	4,443	4,880	4,693	4,499	4,331	3,826	3,941
Terminal value of excess equity return									32,567
Cumulated cost of equity	1.16	1.33	1.53	1.75	2.01	2.31	2.66	3.06	3.06
Present value	3,510	4,179	2,965	2,864	2,415	2,024	1,698	1,303	11,090
Target price		**58,410**							

Source: Company data, HSC forecasts

Figure 11: Valuation sensitivity to risk-free rate and adjusted ERP, STB

VND		Adjusted equity risk premium				
		8.25%	**8.75%**	**9.25%**	**9.75%**	**10.25%**
Risk-free rate	**3.0%**	78,177	72,022	**66,552**	61,661	57,262
	3.5%	72,835	67,270	**62,298**	57,832	53,798
	4.0%	**68,001**	**62,947**	**58,410**	**54,317**	**50,606**
	4.5%	63,607	58,999	**54,844**	51,080	47,655
	5.0%	59,598	55,380	**51,563**	48,091	44,921

Source: Company data, HSC forecasts

Valuation context

STB's share price has decreased 9% in the last 3M, slightly outperforming its private banking peers (down 11% on average). The pullback of stock price was attributed to slower-than-expected 3Q25 results (mentioned in our sector brief: 3Q25 PBT up 23% y/y; slightly below expectations). For STB in particular, the sentiment was impacted by the absence of Phong Phu one-off gains, which had been anticipated for some time.

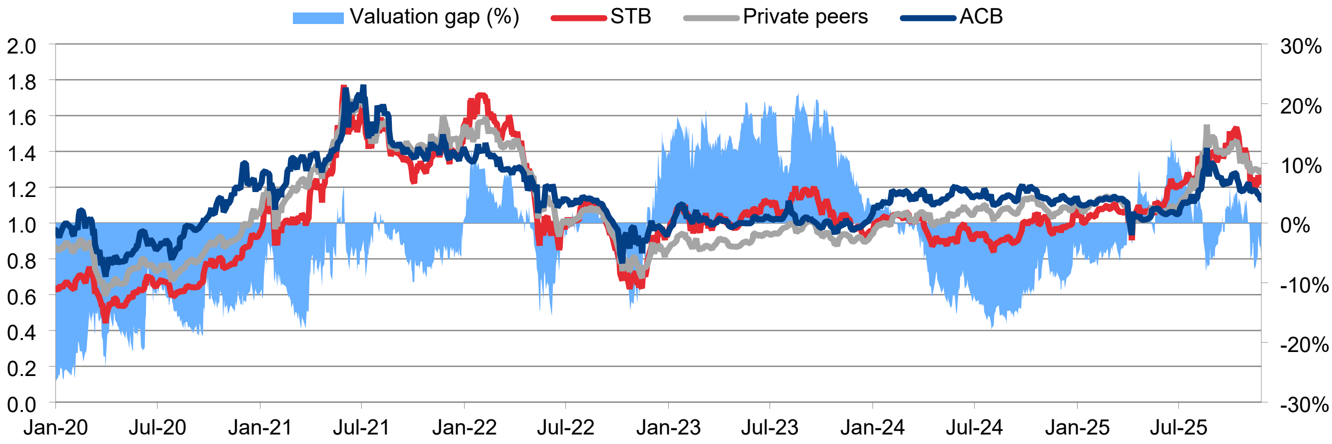
As a result, STB's 1-year forward P/B fell to 1.19x – well below the private bank average of 1.29x while still slightly higher than its closest peer, ACB (1.13x).

Looking forward, STB's core profitability outlook appears unremarkable within the banking sector. Notably, STB's fundamental metrics now are trailing behind those of ACB, which has a lower P/B ratio. Moreover, with the postponement of Tram Be's stake auction and no clear timeline for its implementation, the stock lacks short-term catalysts.

Our new TP suggests 18.5% upside and values STB at a targeted FY26 P/B of 1.37x, equal to private peers' averages (1.37x) and well below ACB's 1.48x.

Figure 12: Rolling 1-yr forward P/B, STB vs comps

STB's valuation discount vs. private peers was 5-6% in Nov-25



Source: Company data, HSC forecasts

Financial statements and key data

Income statements (VNDtn)	12-23A	12-24A	12-25F	12-26F	12-27F
Interest income	55.9	50.0	59.0	69.9	81.4
Interest expense	(33.9)	(25.5)	(31.1)	(38.1)	(44.3)
Net interest income	**22.1**	**24.5**	**27.9**	**31.8**	**37.1**
Fees & commissions - net	2.62	2.98	3.29	3.99	4.97
Forex exchange gains - net	1.10	1.11	1.11	1.22	1.34
Income from securities	0.03	0.06	0.06	0.07	0.07
Equity income	0.02	0.00	0.02	0.02	0.02
Other income	0.33	0.00	0.12	0.40	0.59
Total operating income	**26.2**	**28.7**	**32.5**	**37.5**	**44.1**
Operating expenses	(12.9)	(14.0)	(15.1)	(16.5)	(18.2)
Pre-provision profit	**13.3**	**14.7**	**17.5**	**20.9**	**26.0**
Provision expenses	(3.69)	(1.97)	(2.95)	(2.83)	(3.07)
Associates	-	-	-	-	-
Pre-tax profit	**9.60**	**12.7**	**14.5**	**18.1**	**22.9**
Taxation	(1.88)	(2.63)	(2.90)	(3.62)	(4.58)
Minority interests	0	0	0	0	0
Net profit	**7.72**	**10.1**	**11.6**	**14.5**	**18.3**
EPS (VND)	4,094	5,351	6,156	7,691	9,710
DPS (VND)	-	-	-	-	-
Basic shares, average (mn)	1,885	1,885	1,885	1,885	1,885
Basic shares, period end (mn)	1,885	1,885	1,885	1,885	1,885
Fully diluted shares, period end (mn)	1,885	1,885	1,885	1,885	1,885

Growth, efficiency and valuation	12-23A	12-24A	12-25F	12-26F	12-27F
Growth					
Total asset growth (%)	13.9	10.9	13.4	14.2	13.7
Gross customer loan growth (%)	10.1	11.7	16.0	16.0	15.0
Customer deposits growth (%)	12.3	11.0	14.5	15.0	15.0
Growth in total deposits & CDS (%)	12.3	11.8	13.9	14.4	14.2
Equity growth (%)	18.4	20.2	19.3	18.6	20.0
Net interest income growth (%)	28.7	11.1	13.9	13.9	16.8
Operating expenses growth (%)	17.6	8.48	7.78	9.82	9.82
Pre-provision profit growth (%)	(12.5)	10.6	18.8	20.0	23.9
Pre-tax profit growth (%)	51.4	32.6	14.0	24.9	26.2
Net profit growth (%)	53.1	30.7	15.0	24.9	26.2
Efficiency					
Revenue/avg. assets (%)	4.13	4.03	4.08	4.13	4.26
Expenses/avg. assets (%)	(2.04)	(1.97)	(1.89)	(1.82)	(1.76)
Avg. earning assets/avg. total assets (%)	92.4	94.4	97.1	98.3	98.8
Revenue/employee (VNDbn)	1.35	1.41	1.52	1.67	1.88
Net profit per branch/sub-branch (VNDbn)	14.0	18.2	21.0	26.2	33.1
Valuation					
P/E (x)	12.0	9.21	8.01	6.41	5.08
P/book (x)	2.03	1.69	1.42	1.20	1.00
Dividend yield (%)	-	-	-	-	-

Balance sheets (VNDtn)	12-23A	12-24A	12-25F	12-26F	12-27F
Assets					
Cash & cash equivalents	7.55	8.21	10.4	8.96	6.87
Balance with SBV	12.8	17.6	15.1	10.7	11.6
Deposits with other banks	50.3	88.2	95.3	103	111
Net trading securities	0	0	0	0	0
Derivatives	0	0	0	0	0
Net customer loans	**475**	**530**	**615**	**714**	**822**
Gross customer loans	483	539	626	726	835
Provision loss	(7.56)	(8.87)	(11.1)	(12.0)	(12.8)
Investment securities	**74.6**	**85.6**	**93.6**	**112**	**129**
Available for sales	22.6	23.6	28.3	33.9	39.0
Held to maturity	66.7	75.4	80.4	93.5	105
Provision loss	(14.6)	(13.3)	(15.1)	(15.1)	(15.1)
Long-term investments	0.08	0.08	0.08	0.08	0.08
Fixed assets	7.27	7.36	7.58	7.80	8.04
Other assets	46.5	10.5	11.4	12.2	13.0
Total assets	**674**	**748**	**848**	**969**	**1,102**
Liabilities	**629**	**693**	**782**	**891**	**1,008**
Deposits from SBV	0.02	0.05	0.06	0.06	0.06
Deposits from other banks	38.0	70.7	77.7	88.6	94.8
Customer deposits	511	567	649	746	858
Bonds and certificates of deposit	29.0	36.8	38.6	40.5	40.5
Other liabilities	50.5	18.3	16.4	14.8	14.1
Owners' equity	**45.7**	**55.0**	**65.6**	**77.8**	**93.3**
Chartered capital	18.9	18.9	18.9	18.9	18.9
Share premium	1.75	1.75	1.75	1.75	1.75
Retained earnings	20.4	28.4	37.0	47.0	59.8
Funds and other capital	4.75	5.94	7.95	10.1	12.9
Minority interest	-	-	-	-	-
Total liabilities and equity	**674**	**748**	**848**	**969**	**1,102**
BVPS (VND)	24,259	29,160	34,786	41,247	49,500

Profitability and others	12-23A	12-24A	12-25F	12-26F	12-27F
Profitability					
Net income/revenue (%)	29.5	35.2	35.7	38.7	41.5
Return on avg. assets (%)	1.22	1.42	1.45	1.60	1.77
Return on avg. equity (%)	18.3	20.0	19.3	20.2	21.4
Average funding cost (%)	6.17	4.07	4.32	4.64	4.74
Average gross yield (%)	9.56	7.44	7.62	7.83	7.96
Net yield (%)	3.39	3.38	3.30	3.19	3.22
NIM (%)	3.77	3.65	3.60	3.56	3.63
NII/total operating income (%)	84.3	85.5	85.9	84.8	84.2
Fee-based income/total operating income (%)	10.0	10.4	10.1	10.6	11.3
Other non-NII/total operating income (%)	5.67	4.07	4.02	4.54	4.57
Cost to income ratio (%)	49.2	48.8	46.3	44.1	41.2
Dividend payout ratio (%)	-	-	-	-	-
Capital adequacy					
CAR (%)	9.11	10.1	10.2	10.4	10.8
Equity/assets (%)	6.78	7.35	7.73	8.03	8.47
Equity multiplier (x)	14.7	13.6	12.9	12.5	11.8
Asset quality					
NPL ratio (%)	2.28	2.40	2.40	2.10	1.90
LLR coverage (%)	68.8	68.4	73.8	78.4	80.6
Liquidity					
LDR (%)	94.5	95.1	96.4	97.2	97.2
Interbank borrowing/total deposits (%)	6.57	10.5	10.2	10.1	9.54
Loans/assets (%)	71.6	72.1	73.8	74.9	75.8
Size					
No. of branches and sub-branches	553	553	553	553	553
No. of employees	19,358	20,326	21,342	22,409	23,530

*Note: *Excluding short-term investments.*
Source: Company, HSC Research estimates

Global Disclaimer

This report has been prepared and issued by HSC or one of its affiliates for distribution in Vietnam and overseas only to professional institutional investors who are our clients and who have agreed to receive our institutional research product. If you are not such an investor this report is not intended for you, and you should not read or rely upon it.

This research report is prepared for general circulation to institutional investors for informational purposes only. It does not have regard to the specific investment objectives, financial situation, or particular needs of any investor who may receive or read it, and investors are cautioned to make independent decisions with regard to their individual financial situations and investment objectives. Nothing in this report constitutes an offer, nor an invitation to make an offer, to buy or to sell any securities or any option, futures contract, or other derivative instrument in any jurisdiction. Nor should it be construed as an advertisement for any financial instruments.

Opinions, estimates, and projections expressed in this report represent the views of the author at the date of publication only and are subject to change without notice. They do not necessarily reflect the opinions of HSC. HSC may make other recommendations or comments to other classes of investors which do not agree with the contents of this report. HSC has no obligation to update, amend, or in any way modify this report or otherwise notify a reader thereof in the event that any of the subject matter or any opinion, projection, or estimate contained within it changes or becomes inaccurate. The information herein was obtained from various sources and we do not guarantee its accuracy or completeness.

While HSC ensure the separation and independence between analysts and officers of proprietary team, HSC may or may not have proprietary positions in any of the securities mentioned in this report. Research may be referenced by HSC proprietary officers when buying or selling proprietary positions or positions held by funds under its management. HSC may trade for its own account as a result of short[1]term trading suggestions from analysts and may also engage in securities transactions in a manner inconsistent with this report and the opinions expressed therein. Subject to its personal trading policy, officers of HSC may also have a financial interest in securities mentioned in this report or in related instruments. HSC may have investment banking relationships with or seek to do business with companies named in this report.

Investors should note that the prices and availability of financial instruments fluctuate and may rise and fall. Past performance, if any, is no guide to the future.

This report remains the property of HSC and is not public information. It may not be copied, reproduced, published, or redistributed in whole or in part by any person for any purpose without the express written permission of HSC. Any party shall be liable to HSC for any cost, loss, or damage incurred by HSC or HSC clients as a result of any breach under this Disclaimer in accordance with law. Furthermore, in the event of any copyright infringement, we reserve the right to pursue legal action against any violation or breach in accordance with Intellectual Property law in Vietnam and other relevant jurisdictions.

Explanation of Institutional Equity Research Ratings

Buy: Expected to rise by more than 20% on an absolute basis in the next 12 months
Add: Expected to rise by between 5% and 20% on an absolute basis in the next 12 months
Hold: Expected to rise or decline by less than 5% on an absolute basis in the next 12 months
Reduce: Expected to decline by between 5% and 20% on an absolute basis in the next 12 months
Sell: Expected to decline by more than 20% on an absolute basis in the next 12 months

HEAD OFFICE
Level 2, 3, 5, 6, 7, 11, & 12, AB Tower
76 Le Lai, Ben Thanh Ward, HCMC
T: (+84 28) 3823 3299
F: (+84 28) 3823 3301

HANOI OFFICE
Level 2, Cornerstone building
16 Phan Chu Trinh, Hoan Kiem District
T: (+84 24) 3933 4693
F: (+84 24) 3933 4822

E: info@hsc.com.vn **W**: www.hsc.com.vn