



Joint Stock Commercial Bank for Foreign Trade of Vietnam (VCB: HSX)

No.1 bank of Vietnam

FULL REPORT
20/03/2019

Nguyen Manh Dung – Analyst
dungnm@kbsec.com.vn

INVESTMENT VIEWPOINT

VCB ranks No.1 in terms of asset quality and profitability in Vietnam

The bank has many special advantages to rise and become the leader in retail activities, despite having less years of operation than private commercial joint stock banks

No. 1 position in foreign exchange payment and trading activities, which will continue to contribute positively to Non-NII growth

HOLD recommendation based on sector's cyclic risks and valuation risks, despite VCB ranking No.1

Vietcombank asset quality ranks in the top group of the whole banking system, which is not only reflected in the low indicators of bad debt or troubled asset, but also in high annual quality of guaranteed asset, strict risk management process and safe securities portfolio. Although VCB is not at the top in terms of asset size or net interest margin (NIM), VCB is showing its profitability at the top of the sector and outstripping other banks in EBT.

Although originated as a wholesale bank but with special competitive advantages such as low cost of capital, good asset quality, wide network and convenient payment infrastructure, VCB has many opportunities to soon become the leading bank in retail banking scale, and ousted private commercial banks.

VCB currently holds the leading position in payment services for both individual and corporates. In particular, payment services, trade financing and foreign exchange trading will continue to contribute enormously to the bank's income thanks to the advantage of close relationships with large enterprises in export-import trading as well as a strong potential of foreign currency. However, VCB payment services for individual customers show signs of losing market share to private banks, which will be a long-term risk to VCB.

Despite the current leading position in Vietnam's banking sector, we believe that the valuation of VCB is not safe enough for investment, in the context of increasing sector cyclic risks. Therefore, we recommend to **HOLD** VCB shares. However, in the short term, there will still be certain supportive forces for VCB stock prices such as potential mobilization of Tier 1 capital from strategic investors, thereby improving the capital adequacy rate according to Basel II.

Hold

Target price (1Y)	71,000VND
Up/Down	7.3%
Current price (18/03/2019)	66,000VND
Target price	71,000VND
Market cap	250,720 bn VND (10.83 bn USD)
Exchange rate on 18/03/2019: 1USD=	23,160 VND
Forecast revenue and valuation	

	2018A	2019F	2020F	2021F
NII (bil VND)	28,409	38,095	42,964	48,761
Growth rate (%)	29.5%	34.1%	12.8%	13.5%
Total operating income (VND bn)	39,288	47,959	53,293	59,352
CIR (%)	34.6	37.0	36.0	35.0
Net profit (VND bn)	14,658	17,460	20,477	23,760
Growth speed (%)	60.89	19.12	17.28	16.03
EPS (VND thousand)	4,074.2	4,707.6	5,521.0	6,406.2
BVPS (VND thousand)	17,758	23,605	29,126	35,532
P/B	3.72	2.80	2.27	1.86

Trading data

Outstanding share volume	3,708,877,448
10-session average trading volume	1,880,736
% foreign ownership	20.74%
Cash dividend	800 VND/cp

% price change

(%)	1M	3M	6M	12M
VCB	7.74%	21.9%	6.89%	-8.94%
VN-INDEX	1.79%	7.81%	1.32%	-13.17%



Source: Fiinpro, KBSV

Content

Joint Stock Commercial Bank for Foreign Trade of Vietnam (VCB: HSX)	1
OVERVIEW	3
BUSINESS MODEL	5
Credit structure	5
Mobilization structure	6
BUSINESS STRATEGIES	8
INVESTMENT HIGHLIGHT	11
FINANCIAL ANALYSIS	14
Asset quality	14
CAR	15
Liquidity	15
Profitability	16
2018 updated business performance.....	18
2019 FORECAST BUSINESS RESULT & VALUATION	20
2019 forecast business result.....	20
Valuation	21
RISKS & INVESTMENT VIEWPOINT	22
APPENDIX	24

OVERVIEW

History of development



The size of balance sheet (only considering listed companies)

After successfully raising capital in 2019, VCB surpassed Vietinbank to become the leading bank in banking system with a charter capital of VND 37,089 billion. Meanwhile, although the size of total assets only ranks 3rd with VND1,072,983 billion, VCB has still owned the highest NPAT in the system, reaching VND18,299.8 billion in 2018 (up by 61% yoy). By the end of 2018, VCB's leverage ratio was 16.8x, relatively high compared to the sector's average.

Operating scale

VCB has currently been operating with more than 552 branches and transaction offices in all over the country. VCB set up a large network from 2,105 correspondent banks in 131 countries and regions all over the world. The staff number at the end of 2018 was 17,216 people, increasing 6.1% YoY.

Market shares of credit and mobilization (Figure 3)

If only compared to listed companies at the end of 2018, VCB accounted for 13.4% and 14.5% of mobilization and credit market shares, after Vietinbank and BIDV. However, operating efficiency of VCB is much higher than these two banks.

Credit ratings

BCA by Moody's for VCB is B1 with "positive" prospects, while the ratings for long-term domestic/foreign currency issuer from B1 to Ba3 in 2018. Fitch and S&P's ratings for VCB were B+/b- and BB-/B with "positive" and "stable prospects."

Ownership structure (Figure 1&2)

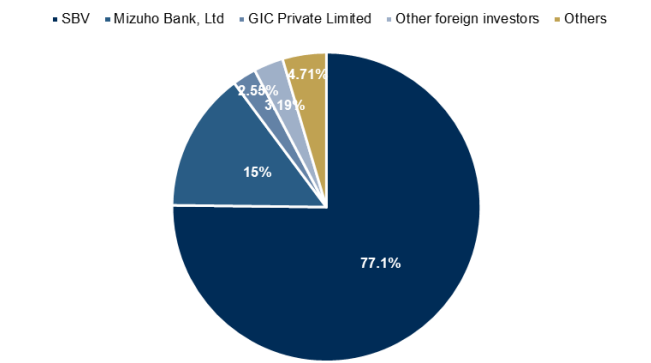
At the end of January 2019, VCB successfully issued 111,108,873 shares (equal to VND6,200 billion and 1/3 shares offered for sale) to two foreign business partners, Mizuho Bank, Ltd and GIC Private Limited. After that, the ownership

of the two partners were maintained at 15% and 2.55% respectively, while the state ownership in VCB fell from 77.1% to 74.8%. With the year’s business plan of issuing 270,000,000 new shares, VCB is likely to submit the plan to raise capital in the next AGM. With the Decision No.986/QĐ - TTg issued on August 8, 2018 by the Government about reducing the ownership in State Joint Stock Commercial Bank to a minimum of 65%, we think that the above target is practical.

Operating model (Table 1)

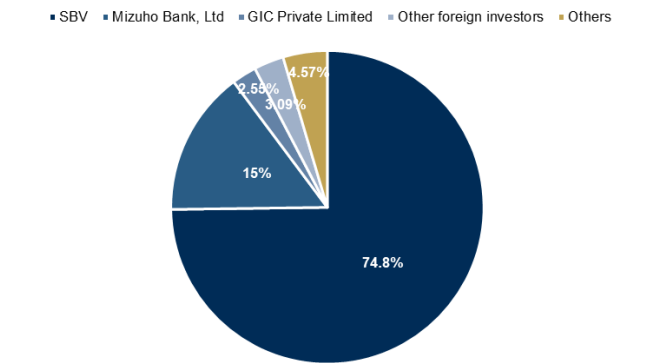
In addition to the core business of a commercial bank, VCB has currently owned many subsidiaries operating in many different areas, including both financial and non-financial fields. In particular, there is Vietcombank Securities (VCBS), a securities company in Top 10 in terms of brokerage market share and Top 5 in terms of bond brokerage. In addition, Vietcombank Fund Management (VCBF) has managed more than VND800 billion of net assets (end of 2018).

Figure 1: VCB ownership structure (End of 2018)



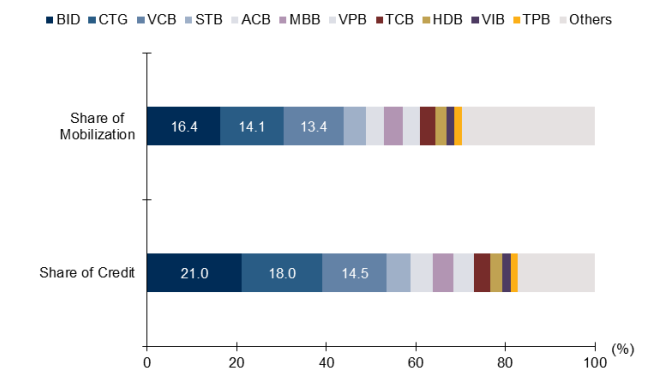
Source: VCB; KBSV Research

Figure 2: VCB ownership structure (Current)



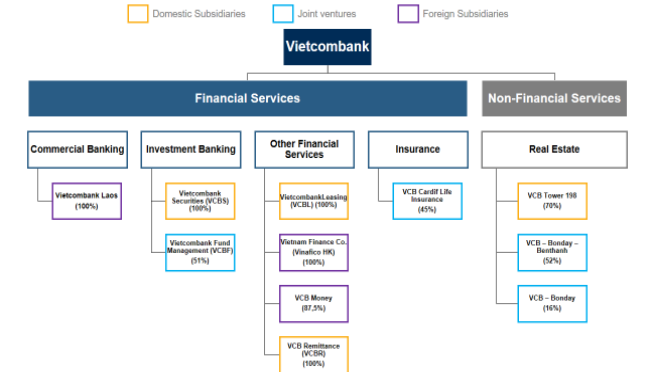
Source: VCB; KBSV Research

Figure 3: Mobilization and credit shares



Source: SBV; Banks’ financial statements; KBSV Research

Table 1: VCB operating model



Source: VCB; KBSV Research

BUSINESS MODEL

Credit structure

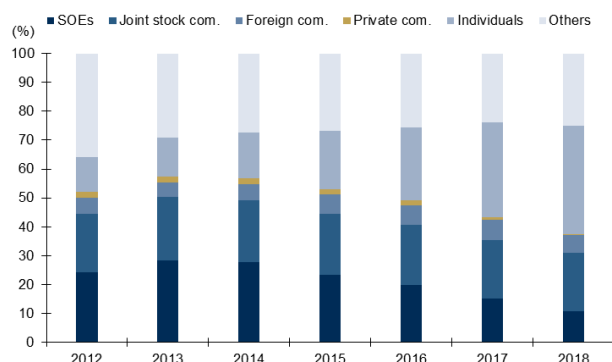
Credit structure has a clear shift from wholesale to retail for many years

As VCB is a state bank since its foundation, so it has much higher proportion and total loan balance for SOEs compared to private banks. However, there is an obvious shift in VCB's customer structure as the proportion of outstanding balance for SOEs kept falling from 28.3% in 2013 to only 10.8% in 2018, and the proportion of retail lending also increased. There are three reasons for this phenomenon: 1) The government's goal of promoting equalization of SOEs reduces the pressure on bank loans; 2) Demand for consumer loans increased rapidly amid increasing average income; 3) Better yields when shifting to retail segment.

Three main customer segments of VCB include:

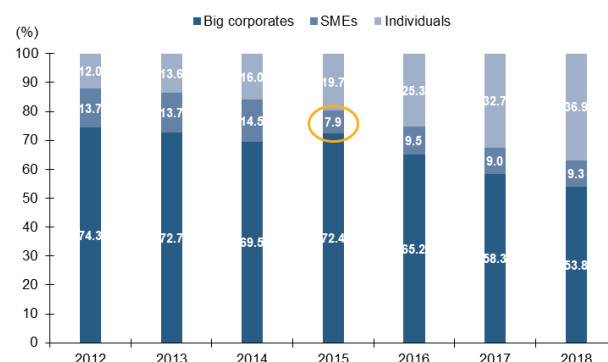
- **Large enterprises:** After the criteria to classify large enterprise customers and SMEs were adjusted in 2015, the proportion of loans for large companies inched up 2 – 3% per year (shifted from SMEs). Despite having the largest proportion in the total loan balance (53.8% in 2018), this customer segment showed signs of declining in terms of loan proportion, instead, individual customer lending increased sharply.
- **SMEs:** SME lending has seen a stable growth in the last three years, but the weight of this segment is still small, and only concentrated in some priority industries such as agriculture and some companies showing good credit scoring. We suppose that the proportion of this segment will continue to gain slightly as in previous years.
- **Individuals:** About over 70% of private customers' loans serve the purposes of buying, fixing houses, the remaining 30% is to buy cars and other payments via credit card. Target customers are ranging from mid-end to high-end, and VCB also focuses on customers who own high-quality loan collateral with strict assessment assets. Credit growth tends to move strongly to this customer group as the proportion has been rising from 12% in 2012 to 36.9% in 2018.

Figure 4: Credit structure by types of business



Source: VCB; KBSV Research

Figure 5: Credit structure by customer segments



Source: VCB; KBSV Research

Mobilization structure

VCB has a great advantage in mobilizing from residential market and low-cost capital from the SBV

Customer mobilization is still the main source that leads the total mobilization of VCB, with a growth as high as the total mobilization increase, except for some years with abnormal transactions. For example in 2017, the deposit volume of the SBV dramatically skyrocketed VND117,000 billion at the end of 4Q, after VCB reciprocal bought USD5 billion from Thaibev in the deal of Government divesting from Sabeco, and the total earnings was transferred into VCB (At the same time, VCB also created a balance for the above transaction by allocating the earned money to the deposit in SBV and on the interbank market to maximize the profit.) In 2018, the total deposit growth just reached 2.7% yoy, partly stemming from slower customer mobilization (only about 13.2%), but the bigger reasons are high YoY growth in 2017 and a part of deposit of SBV withdrew (around VND80,000 billion) for budget purposes.

Large amount of deposit as VCB is the leading payment center in the system

In addition, deposits on the interbank market have stayed flat around 7 – 10% total deposit, which is mainly deposits from other banks since VCB is always the largest payment center in the system. Bank certificates of deposit (CDs) which have gradually risen in the past three years currently stay at VND21,461 billion, as VCB has continuously mobilized via bond channel to ensure CAR as required. We suppose that the pressure of increasing deposits from CDs will decrease in 2019 after VCB have successfully mobilized VND6,200 billion of tier 1 capital in early 2019, and will see positive signs in the next few years.

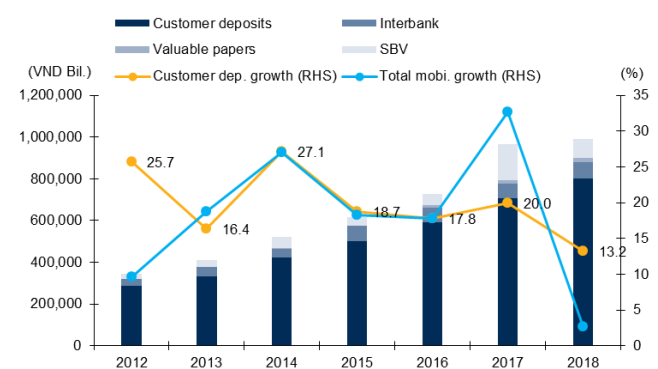
VCB owns a large and sustainable mobilized money source with low cost from large corporate customers

In terms of mobilizing objects, VCB still belongs to a group of banks with a large proportion of deposits from corporate customers, thanks to taking advantage of long-term relationships with many large enterprises with abundant cash. Meanwhile, in the individual group, VCB together with Vietinbank, BIDV and Agribank are still four banks with the highest valued deposits.

The competition in mobilizing deposits is fiercer, VCB is showing signs of being less active than private commercial banks

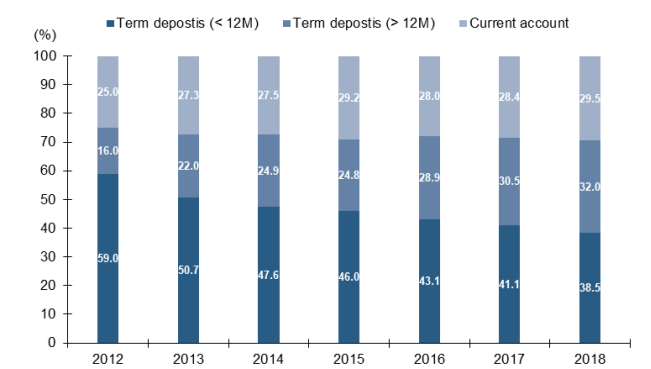
Although the deposit rates of these four banks are considerably lower than in private commercial banks, thanks to the excellent reputation built up for many years, large network, and the guarantee of the State, these banks have mobilized a large volume of deposit from citizens, especially in provinces out of Hanoi and Saigon. We believe that VCB in particular and state-owned banks in general have significant advantages to increase deposits of private customers when deposit rates are low. However, the competition may fiercer due to dynamic thriving retail banks like TCB, VPB and VIB, which was clearly shown by contrasting movements in private deposit growth in 2018. In addition to the shift stemming from convenient transactions in private banks, the uptrend in average interest rate also makes deposits be transferred from VCB to private banks with better interest rates.

Figure 6: Mobilization structure by product



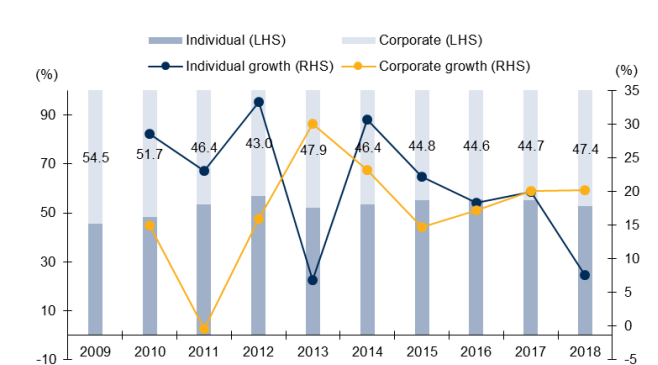
Source: VCB; KBSV Research

Figure 7: Deposit structure by term



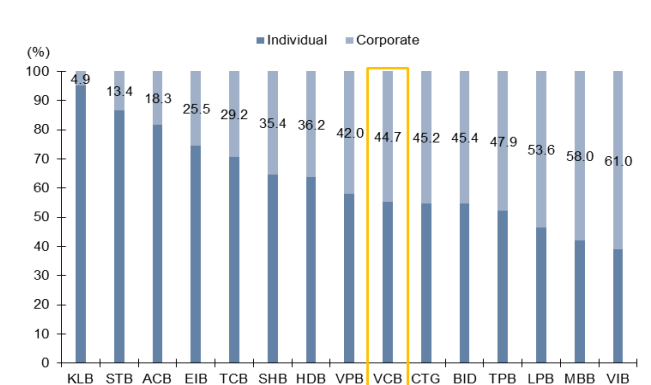
Source: VCB; KBSV Research

Figure 8: Mobilization structure by customer segment



Source: VCB; KBSV Research

Figure 9: Comparison of mobilization structures by customer



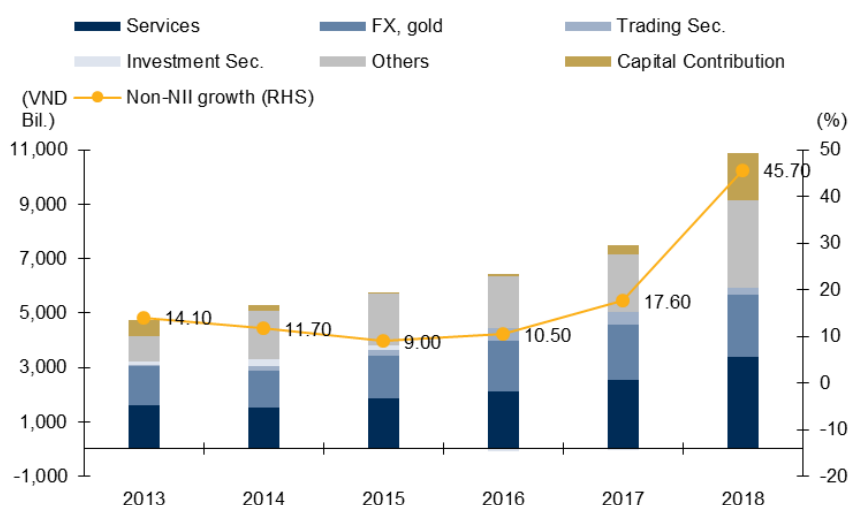
Source: VCB; KBSV Research

Foreign exchange trading and payment services are two of VCB's most important and sustainable Non-NII sources

In 2018, VCB surpassed BIDV to become the No.1 bank in terms of the size of Non-NII (VND10,879 billion), much higher than that of private commercial banks. The most important and stable revenue sources are:

- **Services (30 – 35% Non-NII):** Payment services accounted for nearly 70% revenue, and the rest is collected from card activities and cash management. VCB is also the No.1 bank in terms of payment activities and trade finance in Vietnam thanks to high potential forces of foreign currency, long-year experience and large network connected with international banks.
- **Foreign exchange (20 – 30% Non-NII):** Foreign currency trading activities contributed the biggest proportion of 85% to the total revenue, because VCB is still one of the most important and reputable bank when customers want to trade foreign currencies. The rest are derivative and arbitrage foreign currency trading activities, but these activities usually do not bring profits to the bank.

Figure 10: Non-NII movements

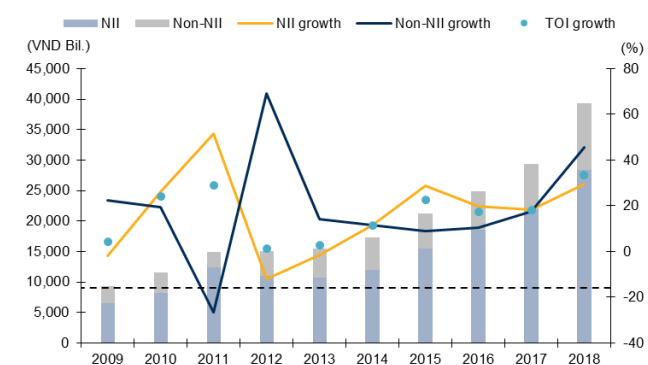


Source: VCB; KBSV Research

BUSINESS STRATEGIES

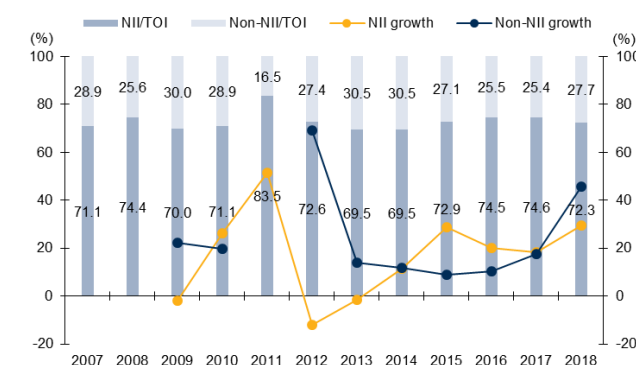
In addition to the core role of supporting international trading and the State activities from the establishment of the bank, VCB is growing stronger towards international business standards, including: 1) Develop retail banking to serve people's spending needs and support SMEs; 2) Promote non-interest activities to diversify income sources and minimize risks.

Figure 11: TOI growth



Source: VCB; KBSV Research

Figure 12: TOI structure changes

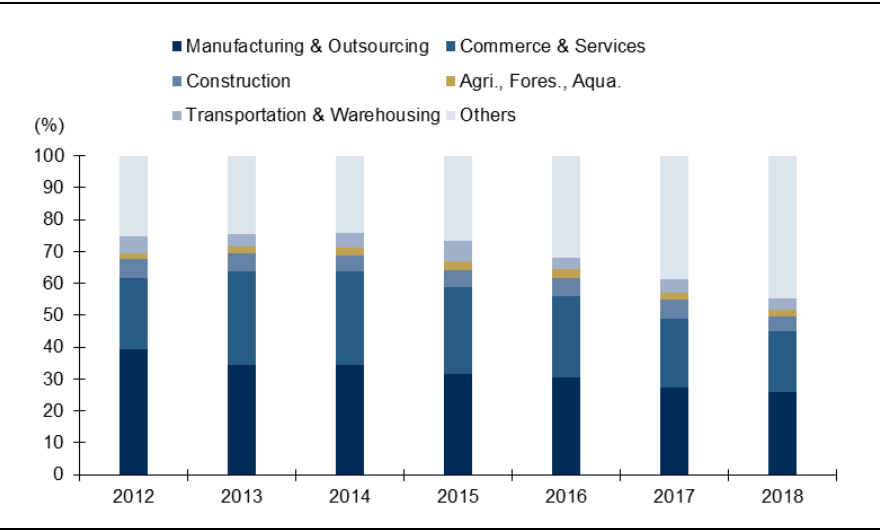


Source: VCB; KBSV Research

The goal is to become the No. 1 in retail banking. Maintain the top 2 position in leading wholesale banks, along with BIDV

Despite originating as a wholesale bank, with credit structure focused on large enterprises and SOEs, VCB has strongly developed in terms of retail activities, which shows impressive results. VCB's goal by 2020 is to raise the proportion of retail total loan balance from the current level of 37.3% to 50%, in which 80% is aimed at customers for mortgage and house fixing, car buying or other consumption activities via credit card. The other goals are to maintain the available advantages in attracting deposits, improve CASA, and expand NIM. The main advantages of VCB are: Leading position in credit card transaction volume, and wide network of branches and ATMs spreading across provinces of Vietnam.

Figure 13: Credit structure by sector



Enhance Non-NII sources, look for bancassurance partners

In addition, VCB will still maintain its position in terms of retail operations. Despite ranking No.2 in terms of the outstanding loan balance for retail customers, but if considering advantages of VCB in international trading, there has been no bank that can surpass VCB.

Promote technological apps, improve management efficiency and banking operations

In line with credit stimulation in wholesale and retail channels, VCB will enhance gaining from Non-NII sources, focused on credit activities such as payment fees, income from foreign exchange trading, interests from divestment and reversal of bad debts. In addition, the bank also plans to divest from a non-effective subsidiary, VCLI insurance company, and to look for partners for bancassurance, a potential market at Vietnam.

The next goal of VCB is to complete the structure of banking organization to maximize operating efficiency. The centralized management model at the head office will be promoted, aiming to completely replace the existing decentralized capital management system.

In addition, more modern standards and management system will be applied in VCB operations, such as: Credit TOM (Target Operating Model); Basel II; Management Information System; RTOM; ALM-FTP-MPA. We believe that this is a practical and necessary step amid increasingly fierce competition and high requirements from customers about the trading system. However, the speed of implementation in VCB tends to be slower and less drastic compared to private commercial banks, which adversely affects the ability to retain and attract new customers.

With the participation of Mr. Truong Gia Binh, Chairman of the BOM of FPT to VCB in 2018, we can expect the technology development cooperation between these two leading enterprises of Vietnam. In the two goals, the development and completion of core banking system will be a practical goal and a top priority in the short term, before heading to further cooperation.

Raise the capital base to meet the standards of CAR and advocate credit growth

By 2020, VCB target is to raise equity capital to over VND103,000 billion (equal to USD4.5 billion) from nearly VND64,000 billion at the end of 2018 to ensure CAR standards set by Basel II (CAR \geq 8%), and support stable credit growth. VCB has set a specific strategy to increase capital base from annual retained earnings with new capital attracting on the stock market via additional issuance.

We suppose that this plan is practical. In addition, we estimate that the potential room for rising capital tier 1 in VCB is about VND31,000 billion, if the Government divests 65% from VCB, and the issuance prices remained unchanged from early 2019 (equivalent to 50% total equity capital at the end of 2018), the pressure from CAR on VCB will significantly reduce if the divestment plan is successful.

Table 1: VCB capital raising plan until 2020

	2018	2019	2020
Retained Earnings	~ VND 20 Tril.		
New primary capital	~ VND 6 Tril.	~ VND 14 Tril.	

Source: VCB; KBSV Research

Continue to maintain the No. 1 bank position in Vietnam in terms of asset quality and profitability

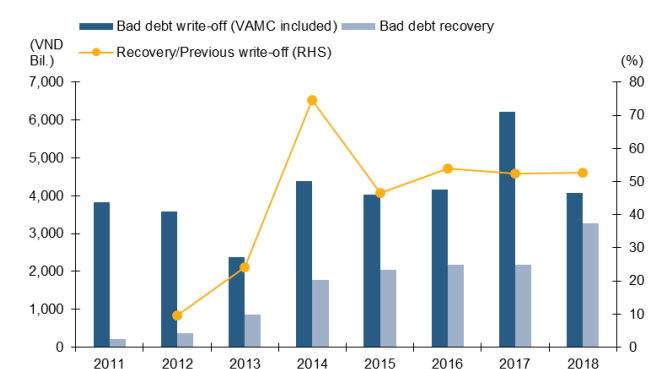
INVESTMENT HIGHLIGHT

It can be easily seen that VCB's asset quality is the best in Vietnam banking system through typical indicators such as non-performing loans (NPL), receivable interests, or LDR; we want to focus more on the question: How can VCB reach and maintain its position? We have three following points:

- 1) Prudent business determination:** This is demonstrated in the movement of ROE, ROA and capital leverage ratio of VCB compared to other banks. This point would be further clarified in the following *Profitability* section.
- 2) Good collateral:** In addition to highest LLR in the system, the debt relief rate of VCB is always equivalent to the volume of provisions each year, which shows the prudent viewpoint of the bank on bad assets. Particularly, we believe that VCB has better collateral quality than other banks, based on the analysis of reversal of bad debts/debt relief in the previous year. This ration surged in 2014 after the bank provisioned strongly in the previous three years, and stays above 50% annually, much higher than MBB ranking No. 2 (only 30%).
- 3) Safe securities holding:** The current volume of corporate bonds held by VCB is not to large compared to the volume in other banks, and the ratio on the total portfolio decreased to only 5% in 2018. 95% remaining bonds is bonds issued by corporations and other credit institutions, which may not contain high risks.

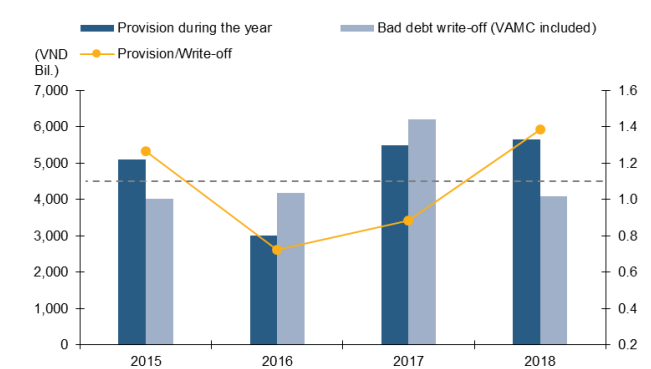
Furthermore, profit of VCB has currently surpassed other domestic banks despite asset scale and NIM not ranking No.1. This proved the excellent operating efficiency and profitability of VCB in the banking system (See *Profitability* section for more details).

Figure 14: Annual NPL reversal and solving



Source: VCB; KBSV Research

Figure 15: Annual debt provision and relief



Source: VCB; KBSV Research

VCB has many special advantages to rise to the top in retail activities, despite starting later than private commercial banks

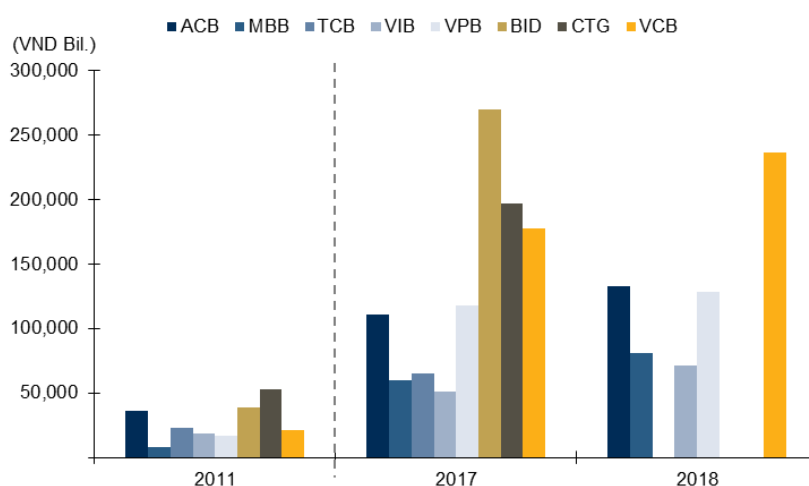
Despite starting as wholesale banks with the lowest retail lending compared to private banks, and the size of outstanding balance not considerably higher than that from 2011 backwards, state-owned banks have increasingly shown their remarkable scales in this lending segment. It is obvious that interest factor is the strongest competitive advantage of these state-owned banks. Based on the determination to simulate retail banking (with 80% of the total number customers is private customers), we believe that VCB will soon rise to

lead the market in terms of retail lending market share. Although VCB started later compared to other competitors, the bank will likely achieve the above target with the support of good asset quality and low-cost capital.

Regarding payment services for private customers, VCB has currently had the largest infrastructure in Vietnam, with 2,487 ATMs and over 47,000 POS (gaining 15% yoy). VCB is the No.1 bank that owned 30% credit card market share, 14% debit card market share, and 44% credit card payment market share (Figure 17). VCB is also the first bank to cooperate with all of 7 international card organizations (Amex, Visa, MasterCard, JCB, Diners Club, Discover, Union Pay). Online payment will thrive thanks to favorable factors such as the quick changing consumption habits of the youth, or high rates of Internet, Smartphone user penetration in Vietnam. Furthermore, VCB has been updated the latest trend as it has applied online payment apps such as VCBPay app and QR payment recently, or cooperated with Momo e-wallet previously.

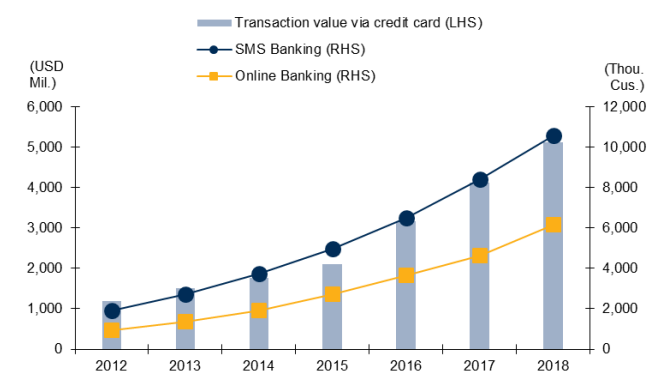
However, there is a noticeable sign in the annual growth of card payment of VCB. Although this growth was stable from 2015 to 2017, it decreased significantly in 2018 in card types (Figure 18). This was partly caused by the reduction of the bank's inactive cards, but the more important reason is VCB's losing its customers to some other retail banks which have more convenient trading system and cheaper fees such as VPB, and TCB. This will be a big risk for VCB if the bank does not have timely measures.

Figure 16: Private lending growth in some banks



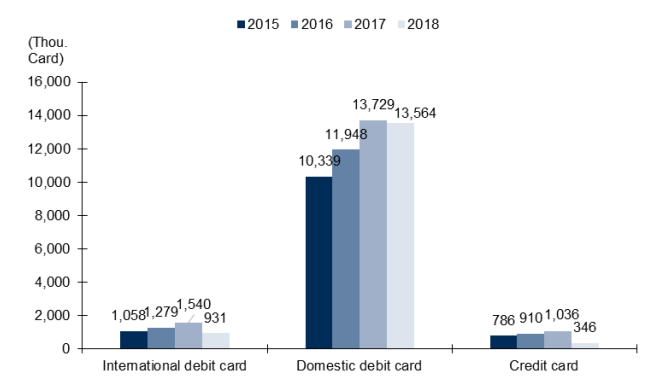
Source: Financial statements of the banks; KBSV Research

Figure 17: Transaction value via credit card in VCB



Source: VCB; KBSV Research

Figure 18: Movements of card number in VCB



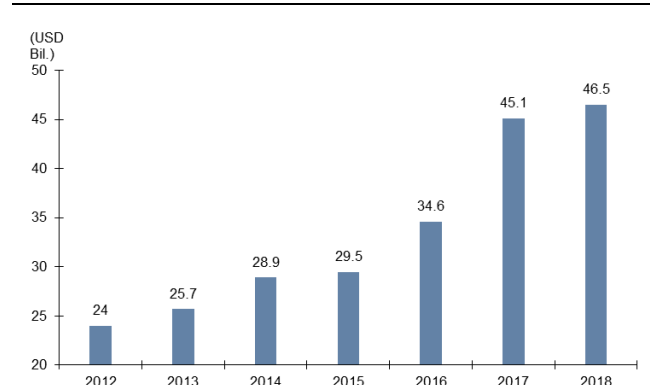
Source: VCB; KBSV Research

The No.1 position in foreign exchange payment and trading activities continues to contribute positively to the growth of Non-NII

Thanks to close relationship with big enterprises with large operating scale, VCB, BIDV, Vietinbank and Agribank hold dominant market share among SOEs and large enterprises. In particular, VCB focuses on enterprises operating in the field of import and export trading. VCB has advantages of significant foreign currency source, large network of relationship and operating scale, combined with qualified staff, so it is quite difficult for other competitors to surpass VCB in the short-term. The deal of VCB handling the demand for foreign currency in the Thaibev acquisition of Sabeco in 2017 has proved the bank's outstanding potentiality and position.

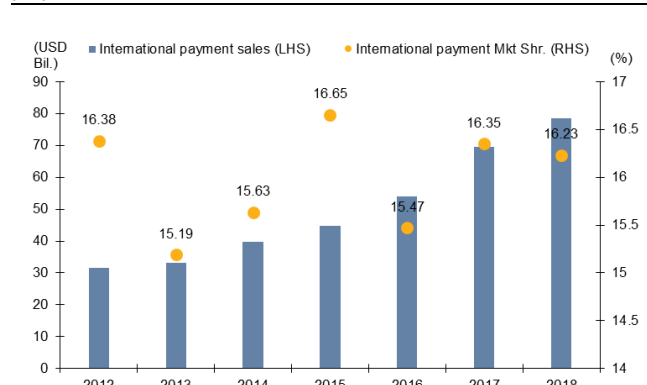
Additionally, VCB has advantages in non-credit activities such as trade financing with 16.3% market share, and a network of 2,000 branches all over the world; Domestic payment with convenient technology and the main clearinghouse for Vietnamese banking system; Trading foreign currencies and derivatives with leading market share (more than 30%) thanks to connecting with all the above activities. Broad infrastructure is a major barrier for competitors in these business activities.

Figure 19: Foreign currency trading value



Source: VCB; KBSV Research

Figure 20: Sales & Market share of international payment



Source: VCB; KBSV Research

FINANCIAL ANALYSIS

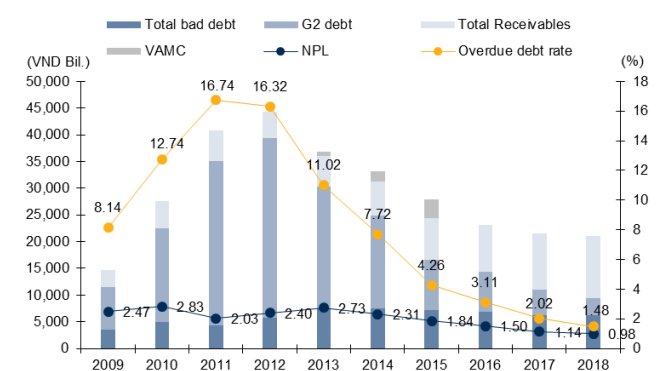
Asset quality

VCB has the best asset quality and shows no signs of risk

VCB and ACB are currently the two banks that have the best asset quality in Vietnam, with NPL ratio continuously decreasing in previous years to under 1%, group 2 debt ratio is also very low. Total bad asset/total loan balance ratio of VCB went down from 21.5% in 2011 to only 4.3% in 2018, in which all VAMC bonds were provisioned in 2016, the earliest among banks.

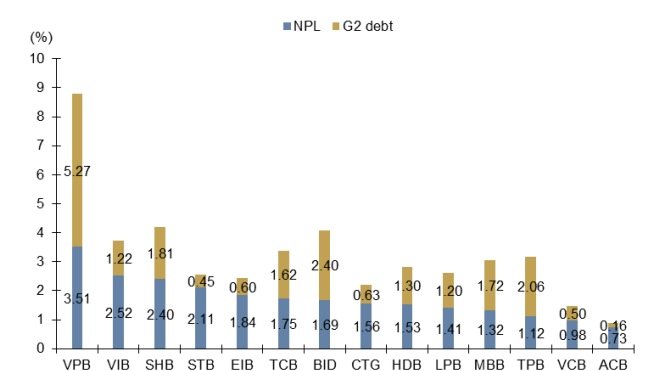
Although ACB asset quality is slightly better than that of VCB, we still appreciate VCB more as larger operating scale compared to ACB. In addition, VCB is a state-owned bank, so it has many factors involved in information transparency.

Figure 21: Bad assets in VCB



Source: VCB; KBSV Research

Figure 22: Comparison of bad debts in banking system

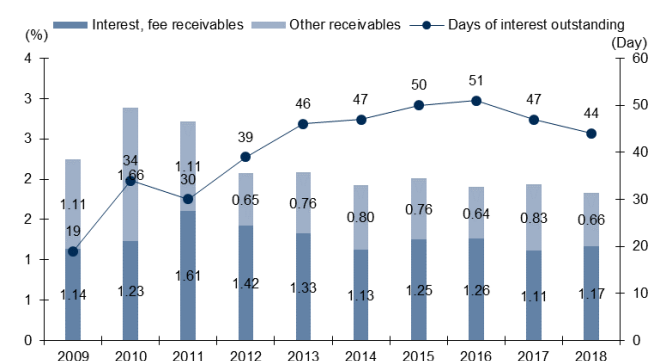


Source: Financial statements of the banks; KBSV Research

The ratio of interest, receivable fee and other receivables of VCB is always at a safe level and is the lowest in the sector (1.83% in 2018). Besides, the number of days of interest outstanding is also being controlled better when falling from 51 to 44 days (equivalent to group 2 debt) and there is no sign of an increase.

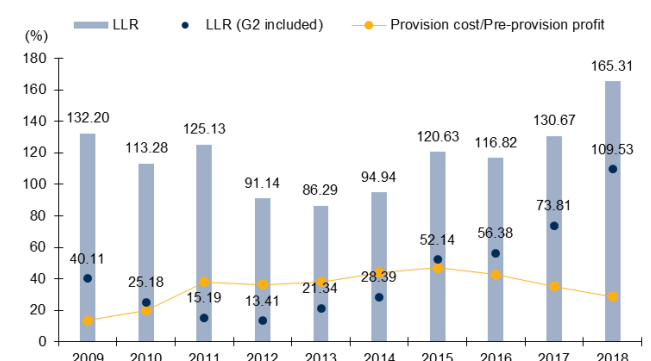
Despite having good asset quality and low NPL ratio, VCB is still prudent in their provisions, while LLR has increased steadily and always stayed above 100%, LLR including G2 debts has surpassed 100%. This helps VCB avoid the risks from surging provision costs in the future, and ensure the profit of the bank.

Figure 23: Movements of receivables



Source: VCB; KBSV Research

Figure 24: Bad debt provision and coverage ratio



Source: VCB; KBSV Research

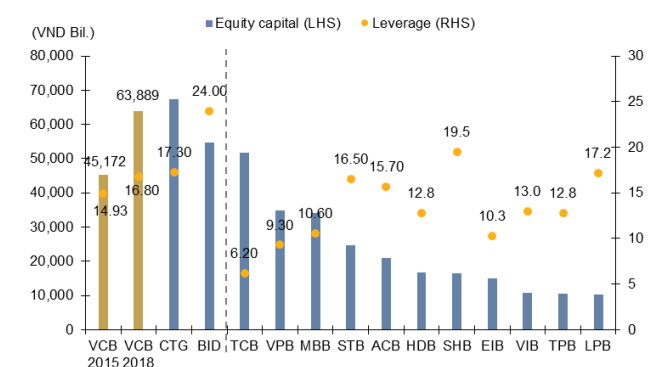
VCB's CAR is quite high, but the bank is showing more prudent signs. CAR was improved significantly after the successful capital raise in early 2019

CAR

Leverage ratio at the end of 2018 of VCB was 16.8x, one of the highest levels in the banking sector. This is a commonplace in state-owned banks as private banks have more difficulties in raising shareholder's equity, which makes the capital base of these banks heavily depend on annual profit. However, the current leverage ratio of VCB is still relatively lower than that of BIDV or Vietinbank, and if VCB can keep the current profitability, VCB will probably maintain stable credit growth.

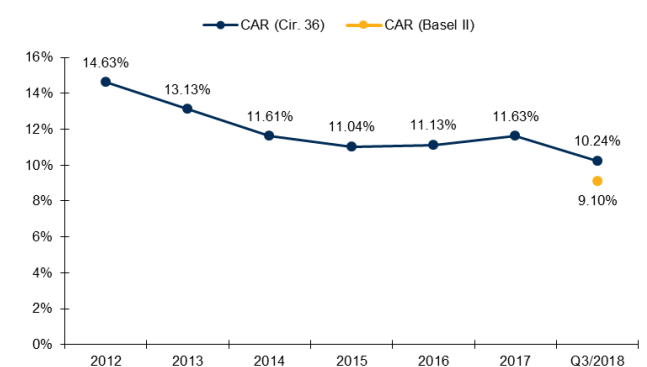
CAR according to Circular No.36 at the end of 3Q/2018 was 10.24%, but after VCB successfully increased capital in early 2019, we estimated that VCB's CAR to be 12.05% and CAR according to Basel II was 10.6%. We suppose that the current CAR is able to ensure a stable credit growth for VCB at least in 2019. With the divestment from the SBV in 2019 and large potential room for mobilization via bond channel and stable business operations of the bank, we suppose that VCB will not have to face strong pressure of capital base in the short-mid term.

Figure 25: Comparison between equity capital and leverage



Source: VCB; KBSV Research

Figure 26: CAR of VCB



Source: VCB; KBSV Research

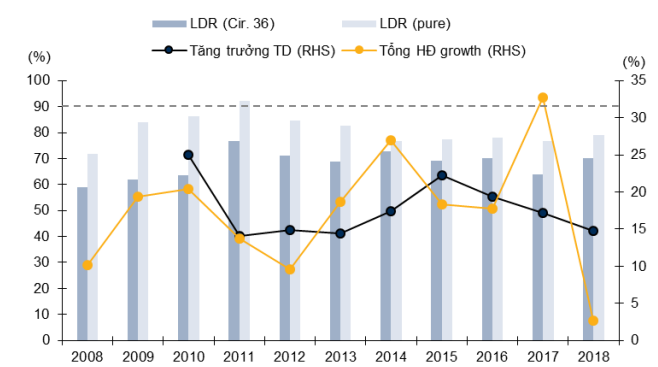
Liquidity of VCB is considered one of the best in the banking system

Liquidity

LDR of VCB is currently the lowest in the sector and much lower than the ceiling allowed by the SBV, which is 90% for state-owned banks. The fluctuation of LDR in the past few years has shown the prudent view of VCB in liquidity management, and there are no signs of a strong increase in this rate in the next few years. Besides, net LDR according to our calculation is just about 78.9% at the end of 2018, the second lowest in the sector, and much lower than that in BIDV and Vietinbank (99.9% and 104.7% respectively).

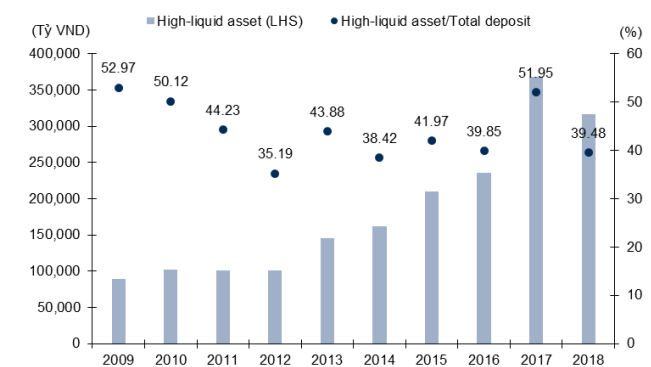
Low LDR means VCB will allocate the rest of capital for other low profitable assets with high liquidity. This is demonstrated by LDR of 39.5%, the highest in the system, in which Government bonds and interbank deposits take for a large proportion. We believe that VCB will still not face any big risk from liquidity in the near future.

Figure 27: LDR fluctuation



Source: VCB; KBSV Research

Figure 28: Assets with good liquidity



Source: VCB; KBSV Research

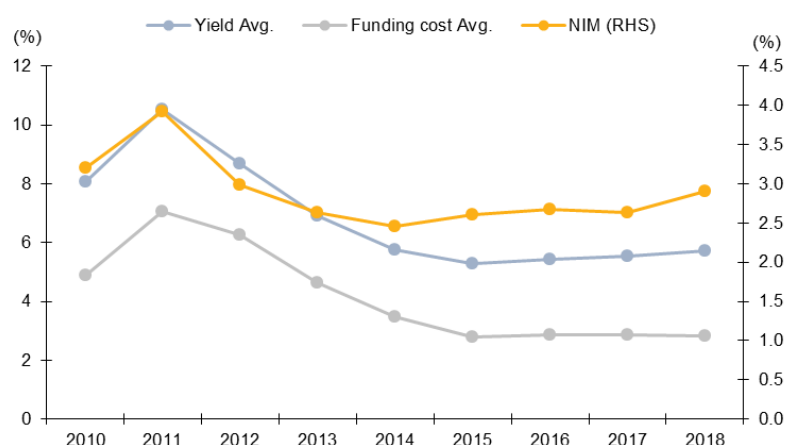
Profitability

NIM is most likely to surpass 3% in 2019

At the moment, NIM of VCB and two other state-owned banks, BID and CTG are still under 3%, while NIM in many private banks are all above 3%, higher than 4% as in MBB, TCB and NIM of VPB is higher than 8%. Although the capital cost of VCB is lower than that in other banks (always under <3%), the output average interest rate is just about 5.44%, far lower than other banks, which causes NIM expansion of VCB to decelerate. **There are three main reasons:** 1) The average interest rate on market 1 is low (6.7%) due to large credit allocation for SOEs and other priority industries according to the Government determination with favorable interest rates; 2) VCB accounts for a considerable proportion of capital on the interbank market thanks to abundant capital compared to other banks; 3) Utilize advantages of foreign exchange for foreign currency lending with much lower interest rates compared to VND lending (Part of the earnings will be moved into interests from foreign exchange trading.)

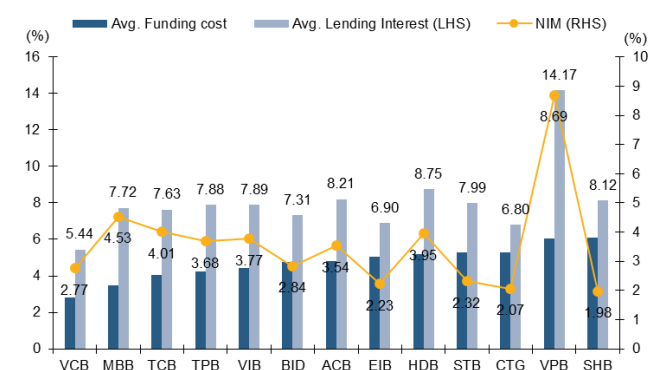
The room for NIM expanding is still large based on the two theses: 1) Successful capital raise in early 2019 helped CAR of VCB to considerably improve, and low LDR will support credit growth on both market 1 and 2, which could help to boost return of capital; 2) The stimulation of retail lending that make use of low-cost capital will increase VCB's average output yields.

Figure 29: NIM fluctuation and average yield and funding cost



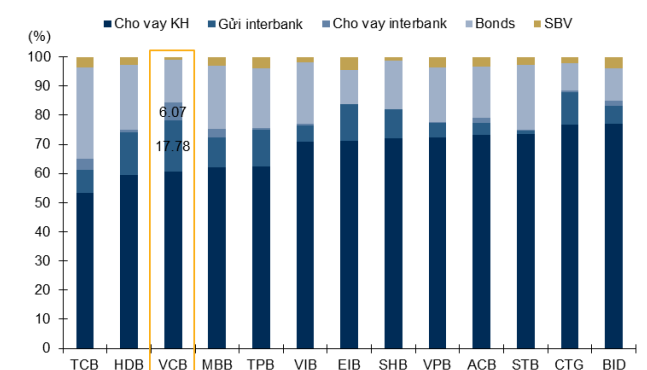
Source: VCB; KBSV Research

Figure 30: Comparison of average lending interest, funding cost and NIM



Source: VCB; KBSV Research

Figure 31: Comparison of profitable assets

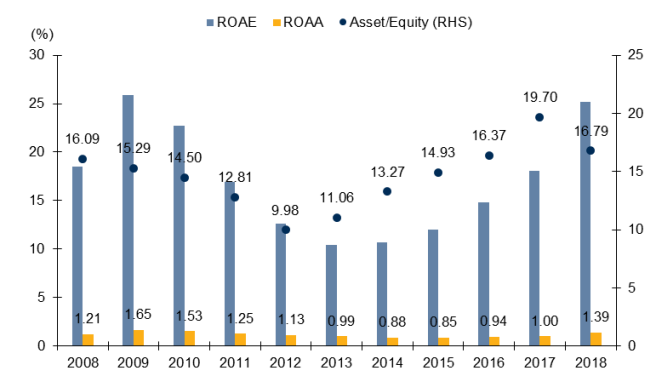


Source: VCB; KBSV Research

ROE continuously gained and rose to No.2 position of the sector

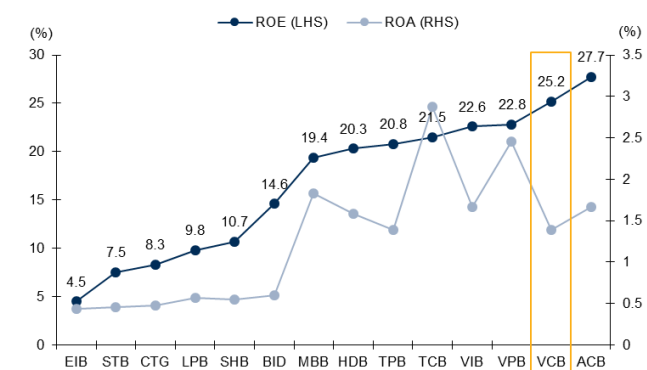
ROE of VCB has continuously gained after hitting the floor in 2013 and reached 25.2% in 2018, ranking no.2 in the sector (after ACB). In the previous years, the expansion of ROE was strongly supported by credit stimulation and continuous leverage raise amid rebounding economic conditions and high growth rates. Meanwhile in 2018, although leverage plunged from 19.7x to 16.8x, ROE still climbed from 18% to 25.2%, thanks to the impressive recovery of ROA from 1% to 1.39%. ROA surged thanks to three main forces: 1) Revenue surged thanks to better yield from retail lending and strongly increasing Non-NII; 2) Operating cost was well-managed as CIR decreased from 40.4% to only 34.6%; 3) The cost of provision for credit losses (PCL) remains stable after boosting provision before 2016.

Figure 32: Profitability and leverage ratio of VCB



Source: VCB; KBSV Research

Figure 33: Comparison of profitability of some banks

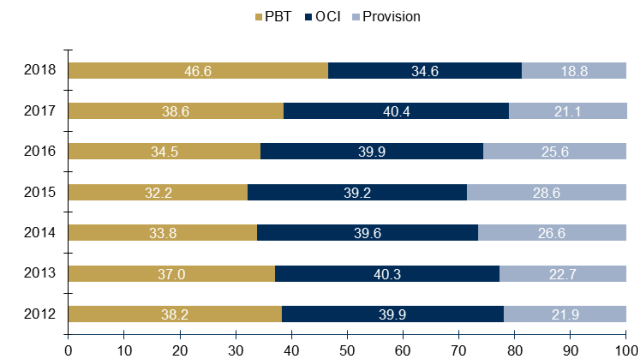


Source: VCB; KBSV Research

Despite positive movements, there are some points that need to be considered while VCB's leverage tumbled in 2018. From the past, VCB is always a prudent bank and has the best risk management in banking system, especially in the "land fever" in 2009 – 2011, leverage and ROE of VCB have kept declining against the market trend, so after that, this bank does not meet many difficulties in solving bad assets and thrives in all fields. Therefore, VCB's lowering credit growth in 2018 to decrease leverage ratio, despite partly affected by the SBV, started to show certain signs of prudent view amid high economic growth in the world and in Vietnam in a long term and emerging

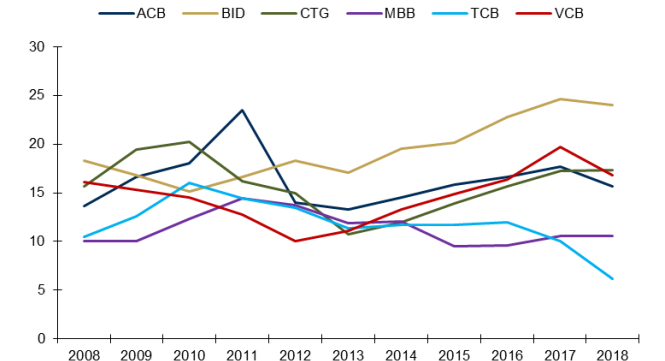
signs of asset risks.

Figure 34: EBT structure



Source: VCB; KBSV Research

Figure 35: Comparison of leverage ratio of banks

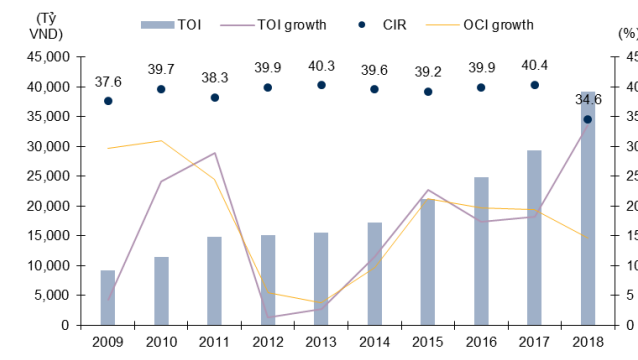


Source: VCB; KBSV Research

2018 updated business performance

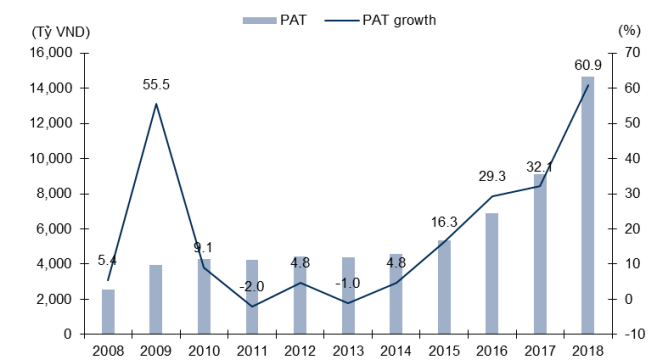
At the end of 2018, NPAT of the bank peaked at VND 14,658 billion, gaining 60.9% yoy, which is still the highest level up to now. As mentioned above, VCB achieved this impressive growth thanks to: 1) TOI sharply lifted 34% yoy thanks to positive growth in NII and Non-NII; 2) Operating cost, mostly human resource cost, is managed better; 3) PCL cost is stable despite scale expansion.

Figure 36: Some operating indicators of VCB



Source: VCB; KBSV Research

Figure 37: NPAT fluctuation



Source: VCB; KBSV Research

To be more specific:

- **NII:** Although the credit growth including corporate bonds relatively decreased compared to previous years to only 14.8%, equivalent to industry average, NIM surged much higher than previous years with an increase of 28 bps, reaching 2.91%, mainly thanks to the expansion of retail lending with the main force of loans to buy residential houses, then NII still increased strongly by 29.5%.
- **Non-NII:** Non-NII skyrocketed 45.7% in 2018, much higher than the increase of 10 – 15% in previous years. To be more specific, service interests climb 34% yoy with the biggest contribution of payment services; interests from foreign exchange trading grow 11% yoy. The main forces of the two sources come from favorable factors in Vietnam

international trade; and a surge of 54% in other interests thanks to positive reversal of NPLs. In particular, interests from contributed capital investment reached VND1,727 billion, which is equal to a 5-fold increase compared to that in 2017. This section appeared because VCB had to follow Circular No.36 regulations on cross ownership at bank. Specifically, the three big divestment deals: 7.6 million of HVN shares were sold, with a profit of VND200 billion compared to the price at the time of IPO; 53.56 million of MBB shares and 45.37 million of EIB shares were sold to reduce ownership in these two banks to 4.5%, earning a profit of VND1,500 billion.

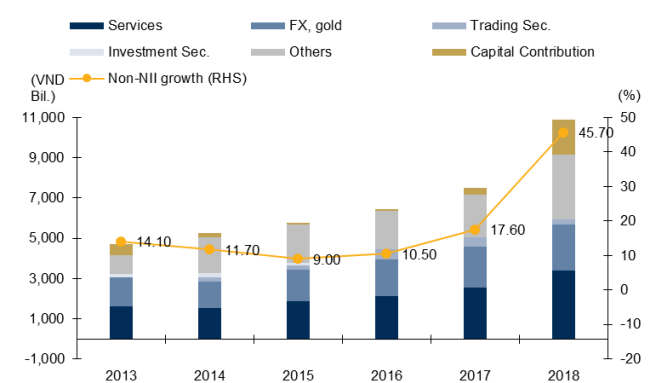
- **CIR:** CIR tumbled from 40% in previous years to 34.6% in 2018. Although there are improvements in management efficiency as the total operating cost just rose 14.7% (compared to the average increase of 20% in the past three years). But the main reason for a plunge in CIR is the high growth of TOI last year (+33.6% yoy compared to the average of 17% three years ago.)

Table 2: Capital contribution of VCB

	2015		2016		2017		2018	
	Amount (VND Bil.)	Ownership (%)	Amount (VND Bil.)	Ownership (%)	Amount (VND Bil.)	Ownership (%)	Amount (VND Bil.)	Ownership (%)
EIB	582.1	8.19%	582.1	8.19%	582.1	8.19%	319.9	4.50%
MBB	1,243.0	7.16%	1,243.0	7.16%	1,243.0	6.97%	802.3	4.50%
Petrolimex Insur. Co.	67.9	10.04%	67.9	10.04%	67.9	8.03%	67.9	8.03%
HVN	499.6	2.00%	499.6	1.83%	499.6	1.83%	353.2	1.21%
Saigonbank	123.5	4.30%	123.5	4.30%	0	0%	0	0%
OCB	144.8	5.07%	144.8	4.72%	0	0%	0	0%

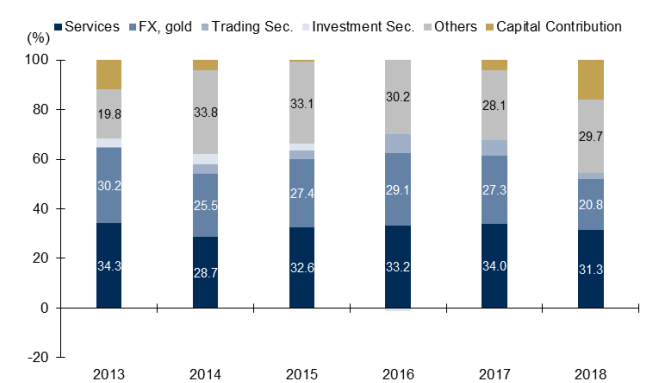
Source: VCB; KBSV Research

Figure 38: Non-NII movements



Source: VCB; KBSV Research

Figure 39: Non-NII structure



Source: VCB; KBSV Research

2019 FORECAST BUSINESS RESULT & VALUATION

2019 forecast business result

About macro situation, we still believe that Vietnam economy will maintain positive gaining momentum in 2019 as mentioned in the [Vietnam Economic Overview April 2019](#). Therefore, despite concerns about more tightening SBV credit growth from 14 – 15% as in 2018, VCB is most likely to witness a stable growth.

Customer lending growth is forecast to be 15.62% in 2019, with the stable growth of the three big segments (large enterprises, SMEs and private customers), but the growth will be slower. This slowdown can be seen clearly in private segment, with a large proportion of loans for buying houses. After many remarkable movements in recent years, especially in 2018, we suppose the volume of transactions involved in real estate in big cities will slow down from 2019. Although VCB is still the leading bank in lending to buy residential houses with a strong advantage of interest rates among domestic banks, it will be difficult for the bank to avoid adverse impacts of this slowdown.

NIM will continue to gain 20bps, reaching 3.11%

The average deposit rate on the market will most likely rise in 2019 under international and domestic pressure. However, with the stable advantage of CASA and large volume of foreign currency deposit (0% interest rate), the cost of mobilization may not witness significant changes. Meanwhile, the average lending rate in VCB is currently the lowest on the market, which will be the force for extending this interest rate while the retail trend has been increasingly boosted.

Non-NII may dip 9.33% from the high YoY growth of 2018. However, we can expect a dramatic growth thanks to bancassurance contracts

In a base scenario, we forecast the income from services and foreign exchange trading will continue to grow, but the growth will slow down significantly compared to that in 2018 since the risks of slowing global trade growth will affect Vietnam. In addition, other interests gained from reversal of bad debts likely hit more than VND2,000 billion, lower than that in 2018, based on the trend of debt relief/provision ratio in the past few years. We estimate the remaining room of VCB for contributed capital investment is about VND3,500 billion, and this year, the bank is expected to record VND1,084 from the divestment from MBB, EIB, and HVN. Non-NII is projected to dip 9.33% yoy.

However, in a positive scenario, if VCB succeeds finding a bancassurance strategic partner, a dramatic profit from up-front fees will be recorded fees will be recorded, benefiting Non-NII growth. We believe that this scenario is quite positive, based on VCB's high position on the market and huge network of trade.

CIR will rebound from the lowest technical level in 2018

CIR stumbled from 40.4% to 34.6% in 2018, but it was strongly supported by TOI's dramatic growth. With all criteria normalized from 2019, we suppose CIR will rebound from the bottom in 2018, but can still be considered a positive growth compared to this in previous years. Our forecast CIR is 37% in 2019.

There is not much pressure on the cost of provision

Although stimulating retail credit may increase NPLs, but with strict credit appraisal in VCB, this risk is not very serious. Therefore, forecast risk of PCL

will not see significant changes this year.

Based on the assumption, we expect VCB's NPAT in 2019 to reach VND17,460 billion, up by 19.12% yoy, ROE is likely to go down slightly to 23.06%. Meanwhile, BVPS forward 2019 (including the mobilized capital in early 2019) is VND23,605 per share.

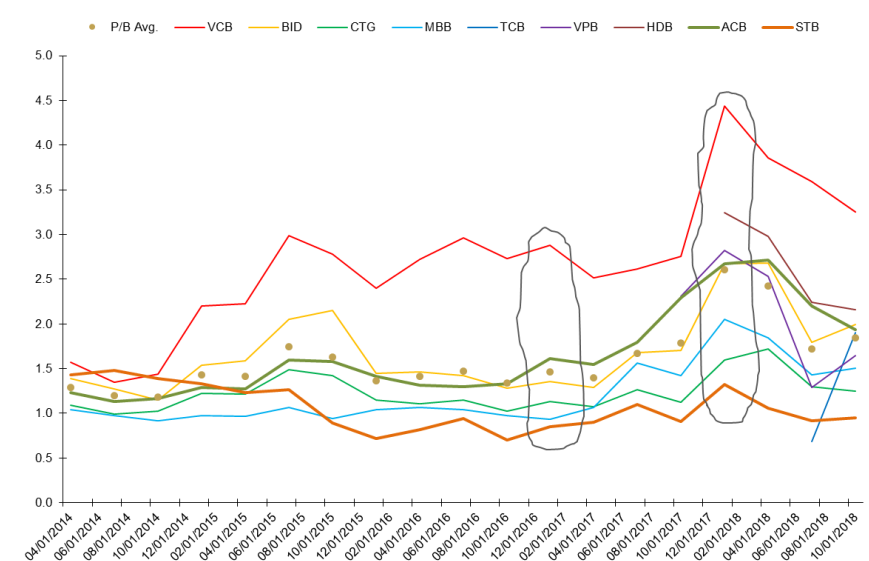
Valuation

We combine 2 valuation methods of P/B and Residual Income (RI) to find out the reasonable price of VCB shares.

With the above assumption, P/B forward = 2.67x; P/B trailing = 3.72. At the current price, both P/B trailing and P/B forward of VCB are higher than the average at banks that we assess (1.89x and 1.54x respectively.) After the bank restructuring in 2012 – 2014, the valuation of VCB has been always higher than the average level of the banking sector, and even when compared to the level in BID or CTG. As mentioned above, VCB has always maintained an outstanding asset quality compared to other banks, even when it has to face difficulties, and rebounds strongly in terms of profit and profitability amid the market's recovery. Besides, VCB is a state-owned bank, so it is also highly evaluated by the market.

Nevertheless, when comparing VCB with some banks with similar features in equivalent markets to Vietnam such as India, China, Malaysia, combined with the forecast about the looming risks of the cycle of the banking sector, we suppose that the reasonable P/B for VCB in the next one year is 3x, equal to the target price of VND71,000 per share, 12% higher than the market price at the time of valuation.

Figure 40: P/B movements in some banks



Source: Bloomberg; KBSV Research

Table 3: Valuation index of some banks in Vietnam

Ticker	Name	Mkt Cap (VND)	ROE (%)	P/B trailing	P/B forward	P/E trailing	P/E leading	Diluted EPS (5Y Avg. growth %)
ACB VN	ASIA COMMERCIAL BANK	39,785	27.73	1.77	1.36	7.25	5.94	35.2
MBB VN	MILITARY COMMERCIAL JCB	48,080	19.41	1.42	1.14	7.84	5.92	7.13
TCB VN	VIETNAM TECHNOLOGICAL & COMM. BANK	94,583	21.53	1.86	1.54	11.37	9.03	26.7
VPB VN	VIETNAM PROSPERITY JSB BANK	55,277	22.8	1.55	1.26	7.44	6.37	10.52
HDB VN	HDBANK	31,196	20.3	2.00	1.78	10.98	10.31	6.48
TPB VN	TIEN PHONG COMMERCIAL JSB	18,075	20.8	1.70	1.13	7.97	6.36	25.12
VIB VN	VIETNAM INTERNATIONAL JSB	14,881	22.6	1.37	1.40	7.16	6.22	8.83
BID VN	BANK FOR INVT. & DEVP OF VIETNAM JSC	127,518	14.6	2.42	1.93	17.33	20.49	8.89
CTG VN	VIETNAM JSCB FOR INDUSTRY & TRADE	87,128	8.3	1.24	1.21	7.16	16.78	-1.34
VCB VN	BANK FOR FOREIGN TRADE OF VIETNAM JSC	250,720	25.18	3.55	2.67	15.46	13.38	16.6
Average			20.33	1.89	1.54	10.00	10.08	14.41

Source: Bloomberg; KBSV Research

In order to have a more comprehensive reflection on the intrinsic value of the bank, we use RI method, with a forecast term of 3 years. The applied capital cost is 13.96%, lower than that of other banks as we think the operating scale and competitive position of VCB are more remarkable, while the risks of assets are much lower. The reasonable price is about VND52,000 per share after we included the added capital from the beginning of the year. This price is 20% lower than the market price at the time of valuation.

Table 4: Valuation results according to RI method

VND Bil.	2019F	2020F	2021F
PAT	17,460.00	20,477.00	23,760.00
Residual income	8,541.08	8,255.15	8,679.56
Cost of Equity Capital - R	13.96%		
g	5.00%		
Terminal value	101,713.59		
Total present value (PV)	191,518.65		
VCB intrinsic value (VND/share)	51,637.6		

Source: KBSV Research

RISKS & INVESTMENT VIEWPOINT

With the above analysis, we suppose that the biggest risk to VCB is involved in macro factors more than the intrinsic operating efficiency of the bank. Many macro indicators have shown that Vietnam economy is now in a late upswing of the recovery cycle, and is likely to enter a downswing in 2020, which will exert a huge impact on the whole banking sector. Nevertheless, as shown in the past, after each of these periods, banks with good asset quality will grab opportunities to make a breakthrough, and so does VCB.

Successful capital raise in early 2019 partly helped to reduce the risk of CAR according to Basel II, and also issued positive signals about the upcoming capital increase to complete the target of increasing 10% of capital tier 1 this year.

From an investment viewpoint, despite in a short-term, VCB still has certain forces such as capital mobilization from strategic investors, or the expectation of finding a bancassurance partner. However, we think the current price with

P/B trailing of 3.72x (Top 10 Asia) and P/B forward 2.67x are not safe enough in the transitional period of this cycle and the dramatic profit growth in the last two years to be maintained in the next 2-3 years. Investors are recommended to **HOLD** VCB share in a short-mid term.

Table 5: Sensitivity analysis to target price

	Catalysts	Target Price (1Y)	Upside/(Downside)
Base case	No bancassurance		
	Discontinued divestment	71,000 VND/share	7.30%
	Modest NIM expansion		
Bull Case	Signed bancassurance		
	Continued divestment	78,000 VND/share	18.20%
	Above-expected NIM		
Bear case	Macro risks	53,600 VND/share	-18.80%
	Slowing land market		

Source: KBSV Research

APPENDIX

Balance Sheet					Income Statement				
(VND Billions)	2015	2016	2017	2018	(VND Billions)	2015	2016	2017	2018
TOTAL ASSETS	674,395	787,935	1,035,293	1,072,983	Interest and Similar Income	31,360.73	37,718.21	46,158.77	55,865.04
Cash and precious metals	8,519.33	9,692.05	10,102.86	12,792.05	Interest and Similar Expenses	-15,907.70	-19,185.46	-24,221.22	-27,455.81
Balances with the SBV	19,715.04	17,382.42	93,615.62	10,845.70	Net Interest Income	15,453.03	18,532.75	21,937.55	28,409.23
Placements with and loans to other credit institutions	131,527.37	151,845.57	232,973.40	248,256.00	Fees and Commission income	3,557.30	4,326.48	5,378.18	7,020.99
Balances with other credit institutions	92,587.54	103,236.05	159,043.35	185,814.06	Fees and Commission expenses	-1,684.66	-2,219.78	-2,839.97	-3,619.67
Loans to other credit institutions	38,939.84	48,609.52	73,930.06	63,441.93	Net Fee and Commission Income	1,872.65	2,106.71	2,538.21	3,401.33
Allow. for balances with other credit institutions	0.00	0.00	0.00	-1,000.00	Net gain/(loss) from FX and Gold	1,572.57	1,850.12	2,042.42	2,266.43
Trading securities, net	9,925.05	4,233.53	9,669.03	2,653.75	Net gain/(loss) from trading of trading securities	197.48	495.77	476.40	249.40
Trading securities	9,941.39	4,271.36	9,750.24	2,725.05	Net gain/(loss) from disposal of inv. securities	152.35	-89.42	-19.74	0.12
Less: Provision for trading securities	-16.34	-37.83	-81.21	-71.31	Other incomes	2,140.55	2,294.73	2,355.83	3,515.90
Derivatives and other financial assets	0.63	230.66	832.35	275.98	Other expenses	-235.27	-376.35	-256.30	-281.53
Loans and advances to customers, net	379,113.06	452,721.69	535,321.40	622,358.43	Net Other income/(expenses)	1,905.28	1,918.38	2,099.53	3,234.37
Loans and advances to customers	387,722.94	460,808.44	543,434.46	632,632.51	Dividends income	48.44	71.56	331.76	1,727.47
Less: Provision for losses	-8,609.88	-8,086.75	-8,113.06	-10,274.08	Total operating income	21,201.80	24,885.86	29,406.12	39,288.34
Debts purchase	0.00	0.00	0.00	0.00	General and Admin expenses	-8,306.25	-9,939.01	-11,866.35	-13,609.83
Debts purchase	0.00	0.00	0.00	0.00	Operating Profit Before Provision for Credit Losses	12,895.55	14,946.85	17,539.78	25,678.51
Allowance for losses on debts purchase	674,394.64	787,935.09	1,035,293	1,072,983	Provision for credit losses	-6,068.09	-6,368.81	-6,198.42	-7,378.68
Investment securities	107,597.50	131,771.11	129,952.27	149,296.31	Profit before tax	6,827.46	8,578.04	11,341.36	18,299.82
Available-for-sales securities	42,468.04	51,931.95	34,688.30	35,321.14	Corporate income tax - current	-1,495.10	-1,683.09	-2,234.38	-3,643.21
Held-to-maturity securities	65,818.28	80,019.28	95,404.02	114,251.03	Corporate income tax - deferred	-0.29	0.00	3.61	1.38
Less: Provision for investment securities	-688.82	-180.13	-140.05	-275.86	Corporate income tax	-1,495.39	-1,683.09	-2,230.77	-3,641.83
Investment in other entities and long term investments	0.00	0.00	23.15	25.80	Net profit for the year	5,332.07	6,894.95	9,110.59	14,657.99
Investment in Joint Ventures	0.00	0.00	0.00	0.00	Minority interest	-18.14	-19.28	-19.52	-16.49
Investment in associate companies	763.12	812.74	872.00	908.72	Attributable to parent company	5,313.93	6,875.67	9,091.07	14,641.51
Investments in joint-venture	0.00	0.00	0.00	0.00	Basic EPS for profit attributable to the equity holders	1,202.00	1,517.00	2,103.00	4,070.00
Investments in associates	763.12	812.74	872.00	908.72					
Other Long-term investments	2,829.42	2,829.42	2,705.97	1,635.42					
Provision for long-term investments	-35.79	-14.35	-25.14	-67.00					
Fixed assets	5,039.47	5,729.64	6,162.36	6,527.92					
Investment properties	0.00	0.00	0.00	0.00					
Other assets	9,400.45	10,700.62	13,111.15	17,500.01					
Receivables	2,953.96	2,958.09	4,505.74	4,195.05					
Accrued interest and fee receivables	4,849.54	5,791.14	6,025.65	7,409.96					
LIABILITIES AND SHAREHOLDER'S EQUITY									
Total liabilities	629,222.3	739,789.5	982,735.3	1,009,094.2					
Due to Gov and Loans from SBV	41,479.55	54,151.41	171,385.07	90,685.32					
Deposits and Loans from other credit institutions	72,135.38	72,238.41	66,942.20	76,523.51					
Deposits from other credit institutions	51,743.68	53,282.23	55,803.88	75,245.11					
Loans from other credit institutions	20,391.70	18,956.18	11,138.33	1,278.40					
Deposits from customers	501,162.55	590,451.34	708,519.72	802,222.94					
Derivatives and other financial liabilities	0.00	0.00	0.00	0.00					
Funds received from Gov, intl. and other institutions	0.00	0.00	23.15	25.80					
Conv. bonds/CDs and other valuable papers issued	2,479.07	10,286.38	18,214.50	21,461.13					
Other liabilities	11,965.74	12,661.99	17,650.68	18,175.48					
Shareholder's equity	45,172.34	48,145.56	52,557.96	63,889.09					
Capital	32,420.68	36,022.85	36,321.93	36,322.34					
Charter capital	26,650.20	35,977.69	35,977.69	35,977.69					
Fund for basic construction	0.00	0.00	0.00	0.00					
Share premium	5,725.32	0.00	0.00	0.00					
Treasury shares	0.00	0.00	0.00	0.00					
Preferred shares	0.00	0.00	0.00	0.00					
Other capitals	45.16	45.16	344.25	344.66					
Reserves	4,941.36	5,936.67	7,253.68	7,264.84					
Foreign currency difference reserve	79.97	84.25	94.49	84.40					
Difference upon assets revaluation	89.22	83.29	83.29	119.03					
Retained Earnings	7,475.81	5,874.99	8,715.25	20,029.48					
OFF BALANCE SHEET									
Contingent liabilities	0.00	0.00	0.00	0.00					
Letters of credit (L/C)	59,183.94	80,807.57	97,457.79	115,883.52					
Credit guarantee	28,283.72	43,915.00	45,239.21	61,731.13					
Credit commitments	30,826.08	36,670.02	51,953.40	53,914.90					

Financial Summary				
	2015	2016	2017	2018
NII	15,453	18,533	21,938	28,409
TOI	21,202	24,886	29,406	39,288
NPAT	5,332	6,895	9,111	14,658
Total Asset	674,395	787,935	1,035,293	1,072,983
Equity	45,172	48,146	52,558	63,889
Customer loans	387,723	460,808	543,434	632,633
Customer deposits	501,163	590,451	708,520	802,223
Profitability				
NIM	2.61%	2.67%	2.63%	2.91%
Average Lending Interest	6.00%	6.20%	6.40%	6.70%
Average Funding Cost	3.00%	3.00%	3.20%	3.10%
ROAA	0.85%	0.94%	1.00%	1.39%
ROAE	12.03%	14.78%	18.09%	25.18%
Leverage ratio	14.9	16.4	19.7	16.8
Asset Quality				
NPL	1.84%	1.50%	1.14%	0.98%
LLR	120.63%	116.82%	130.67%	165.31%
LDR	69.10%	70.10%	64.00%	70.20%
Overdue-debt rate	4.26%	3.11%	2.02%	1.48%
Provision/Pre-provision income	47.06%	42.61%	35.34%	28.73%
Capital Adequacy				
CAR	11.04%	11.13%	11.63%	10.24%
Equity/Total asset	6.70%	6.11%	5.08%	5.96%
Liquidity				
LDR	69.10%	70.10%	64.00%	70.20%
(Customers) Lending/Deposit	77.36%	78.04%	76.70%	78.86%
Operating Efficiency				
CIR	39.2%	39.9%	40.4%	34.6%
Valuation				
BVPS	16,950	13,382	14,609	17,758
EPS	2,001	1,917	2,532	4,074
P/B	3.96	5.01	4.58	3.72
P/E	40.86	43.96	33.39	16.20

Source: Fiinpro, KBSV

Investment portfolio recommendations**Buy:** +15% or more**Hold:** between +15% and -15%**Sell:** -15% or less**DISCLAIMER**

This report has been prepared for informational purposes only, and does not constitute an offer or solicitation of a contract for trading. Opinions in this report reflect professional judgment at this date based on information and data obtained from sources KBSV considers reliable. However, KBSV does not guarantee that the information and data are accurate or complete, and, therefore, this report is subject to change without prior notice. Individual investments should be made based on each client's own judgment and we expressly disclaim all liabilities for any investment decisions and any results thereof. This report is a copyrighted material of KBSV and, thus, it may not be reproduced, distributed, or modified without the prior consent of KB Securities. This report is not prepared for academic purposes and any third party wishing to quote from it for academic publications should receive the prior consent of KBSV.

KB SECURITIES VIETNAM (KBSV)**Head Office:**

Floor G, 2&7, Sky City Tower, 88 Lang Ha Street, Dong Da District, Hanoi, Vietnam.

Tel: (+84) 24 7303 5333 - Fax: (+84) 24 3776 5928

Hanoi Branch

Floor 1, VP Tower, 5 Dien Bien Phu Street, Ba Dinh District, Hanoi, Vietnam

Tel: (+84) 24 3776 5929 - Fax: (+84) 24 3822 3131

Saigon Branch

Floor 1, Saigon Trade Center, 37 Ton Duc Thang Street, Ben Nghe Ward, District 1, HCMC, Vietnam

Tel: (+84) 28 7306 3338 - Fax: (+84) 28 3910 1611

Ho Chi Minh Branch

Floor 2, TNR Tower Nguyen Cong Tru, 180-192 Nguyen Cong Tru Street, District 1, HCMC, Vietnam

Tel: (+84) 28 7303 5333 - Fax: (+84) 28 3914 1969

CONTACT INFORMATION**Institutional Client Center:** (+84) 28 7303 5333 - Ext: 2656**Private Customer Care Center:** (+84) 24 7303 5333 - Ext: 2276**Hotmail:** ccc@kbsec.com.vn**Website:** www.kbsec.com.vn