



## Company Report:

## Orient Commercial Bank (OCB)

Research Department

19/08/2025

## 1H 2025 BUSINESS RESULTS UPDATE

## BUSINESS PERFORMANCE UPDATE

In the first half of 2025, OCB recorded a credit growth rate below the industry average, at +8.1% YTD. Meanwhile, deposits posted positive momentum with a growth of +12.7% YTD.

In 1H, OCB reported net interest income (NII) up +11.7% YoY and non-interest income (NII) up strongly +58.5% YoY. However, rising OPEX and provisions led to a pre-tax profit decline of 10.4% YoY.

The bank's NPL ratio currently stands at 2.6%, while credit growth potential remains significant with an LDR of only 71.4%.

## COMMENT

OCB is in the group of small-to-mid-sized banks with a strength in operational efficiency (ROE consistently around 20%). In its 2025–2027 business orientation, the bank shared its strategy to accelerate digital transformation and maintain its goal of being in the top 5 in ROE profitability across the system.

In recent time, OCB has shown efforts to expand its network through new branches as well as strengthen digital banking. Its strategy of broadening the ecosystem via subsidiary OCBS will also enhance cross-selling efficiency.

For 2025, OCB targets credit growth of 16% and profit growth above 33%. Despite challenges related to maintaining NIM and increasing competition across the banking sector, a stable macro environment along with the legalization of Resolution 42 on bad debt settlement is expected to support the bank in achieving these goals.

## Recommendation:

6-18m TP:

Current price:

VND 12,800

## 1-Year Share Return Performance



Price Change	1 M	3 M	1Y
Change %	6.7%	33.2%	20.6%
Vs VnIndex	17.6%	57.6%	51.2%
Average (VND)	12,345	11,307	10,594

Source: Bloomberg, Guotai Junan (VN)

Outstanding shares (million)	2,663.05	Major shareholder (%)	Aozora Bank 15%
Market capital (VND b)	34,087.07	Free float (%)	75%
3-month average trading volume ('000)	7,402.58	LDR (%)	71.4%
52w highest/lowest price(VND)	13450 / 8222	CAR (%)	>8%

Source: the Company, Guotai Junan (VN).

## 1H 2025 BUSINESS RESULTS UPDATE

### Credit grew +8.1% YTD, deposits rose +12.7% YTD

The bank's Tier-1 credit reached VND 195 trillion, up VND 15 trillion from the beginning of the year, with key contributions from: construction rising from VND 6.5 trillion to VND 15.6 trillion (+140%), real estate increasing from VND 28.8 trillion to VND 33.9 trillion (+17.5%); the accommodation & food services sector and the manufacturing sector also posted strong gains of +8.5% YTD and +18.4% YTD, respectively. In addition, in 1H OCB also recorded positive credit growth in the FDI client segment and green credit.

On the funding side, deposits from customers and issuance of valuable papers reached VND 217 trillion, up +12.7% YTD. Within this, the CASA ratio increased from 14.9% to 15.7% (CASA balance up +14.1% YTD).

### Income growth but profit decline

On the income side, despite NIM pressure falling to 3.5%, credit expansion and effective COF management helped the bank record +11.7% YoY growth in net interest income in 1H, reaching VND 4,313 billion.

Non-interest income surged strongly thanks to broad-based contributions from insurance (+97.8% YoY), advisory services (+611% YoY), and account management (+67% YoY).

Notably, bad debt recovery activities delivered positive results, with recovered loans reaching VND 3,580 billion, up +188.4% YoY, improving other income.

Although income increased, OPEX rose +10.3% (due to 17 new branches opened and digital transformation investment), accounting for nearly half of TOI, along with higher provisioning, causing the bank's PBT to decline by more than 10% in 1H2025.

During the period, the bank's NPL ratio stood at 2.6%, indicating certain pressures in loan portfolio management.

### OUTLOOK 2025

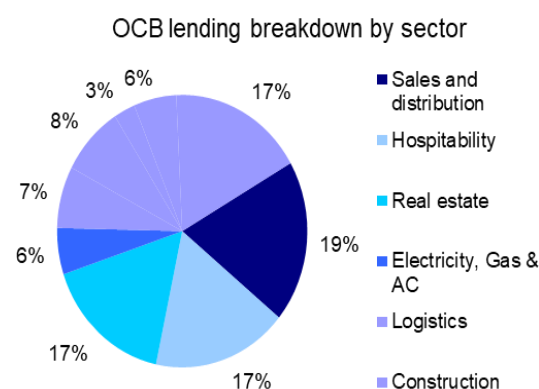
OCB's 1H2025 earnings are not entirely negative, as this mainly reflects the bank's short-term push to expand business scale (higher OPEX). Meanwhile, the core income items still showed positive growth momentum.

For the second half of the year, OCB noted plans to accelerate mortgage lending and loans to the manufacturing sector, while also enhancing cross-selling with tailored products for each customer segment. The expansion of the ecosystem with brokerage arm **OCBS** is also part of the bank's long-term strategy to strengthen system-wide operational efficiency.

In addition, the legalization of Resolution 42 on bad debt resolution is expected to accelerate recovery progress and contribute positively to income improvement.

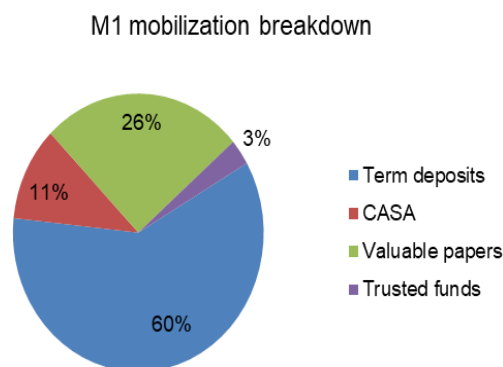
With these drivers, OCB is targeting **16% credit growth** and **33% PBT growth** in 2025.

Figure-1: Lending breakdown by sector



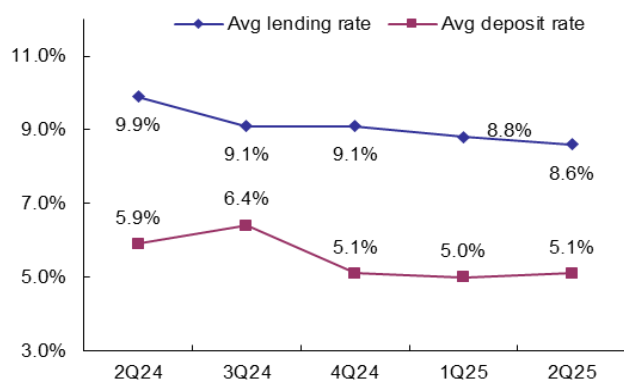
Source: OCB, Guotai Junan (VN).

Figure-2: M1 mobilization breakdown



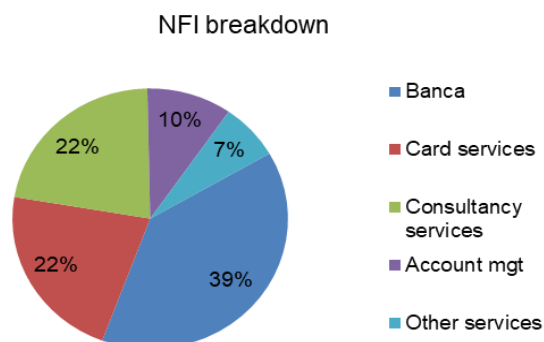
Source: OCB, Guotai Junan (VN).

Figure-3: Avg lending rate & Avg deposit rate



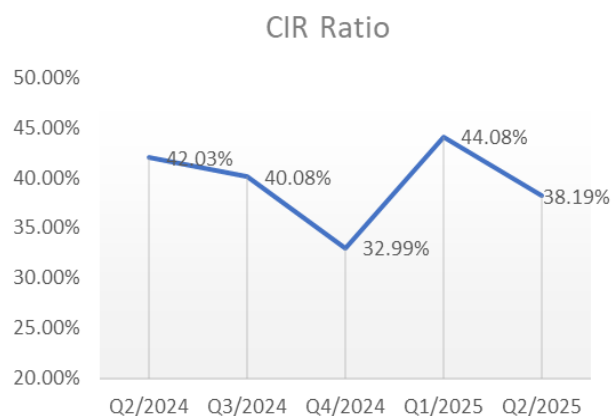
Source: OCB, Guotai Junan (VN).

Figure-4: NFI breakdown



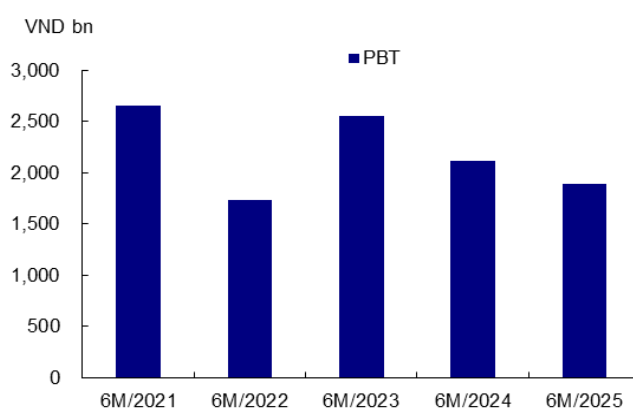
Source: OCB, Guotai Junan (VN).

Figure-5: CIR Ratio



Source: OCB, Guotai Junan (VN).

Figure-6: PBT



Source: OCB, Guotai Junan (VN)

### COMPANY RATING DEFINITION

Benchmark: VN – Index.

Time Horizon: 6 to 18 months

Rating	Definition
<b>Buy</b>	Relative Performance is greater than 15% Or the Fundamental outlook of the company or sector is favorable
<b>Accumulate</b>	Relative Performance is 5% to 15% Or the Fundamental outlook of the company or sector is favorable
<b>Neutral</b>	Relative Performance is -5% to 5% Or the Fundamental outlook of the company or sector is neutral
<b>Reduce</b>	Relative Performance is -15% to -5% Or the Fundamental outlook of the company or sector is unfavorable
<b>Sell</b>	Relative Performance is lower than - 15% Or the Fundamental outlook of the company or sector is unfavorable

### SECTOR RATING DEFINITION

Benchmark: VN – Index

Time Horizon: 6 to 18 months

Rating	Definition
<b>Outperform</b>	Relative Performance is greater than 5% Or the Fundamental outlook of the sector is favorable
<b>Neutral</b>	Relative Performance is -5% to 5% Or the Fundamental outlook of the sector is neutral
<b>Underperform</b>	Relative Performance is lower than -5% Or The Fundamental outlook of the sector is unfavorable

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