

Vietcombank (VCB)

Returning to growth

March 5, 2026

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4Q25 PBT gained 1.7% YoY to VND10,887 billion

4Q25 NII of Vietcombank (VCB) came in at VND16,170 billion (+16.8% YoY, the strongest growth quarter of the year), while NIM decreased slightly by 1bp QoQ. Provisions remained low at VND848 billion, and PBT reached VND10,887 billion (+1.7% YoY). For the whole year 2025, PBT hit VND44,020 billion (+4.2% YoY).

Credit growth for 2026 should touch 15.5%

KBSV expects VCB's credit growth in 2026 to reach 15.5% thanks to (1) high credit room granted for its restructuring of weak banks, (2) driving force from the private sector, promoting public investment; and (3) competitive advantage from low CoF.

NIM may improve in 2026

KBSV anticipates NIM of VCB will improve this year, underpinned by strong average yield on earning assets (IEA) amid high borrowing demand, greater flexibility in adjusting lending interest rates compared to 2025, and higher system-wide interest rates. Meanwhile, while the CoF may climb, which may partly be mitigated by a high CASA ratio.

NPL remains low with large provision buffer

VCB's provisioning pressure is negligible given its assured asset quality, with NPL continuing to improve at 0.58%. The high loan loss coverage ratio (LLCR) of 258% ensures flexibility in provisioning.

BUY rating – Target price VND75,500/share

Based on the valuation results, business outlook, and consideration of potential risks, we recommend BUY VCB shares with a target price for 2026 of VND75,500/share, 19.8% higher than the price as of March 4, 2026.

Buy maintain

Target price VND75,500

Upside	19.8%
Current price (March 4, 2026)	VND63,000
Consensus target price	VND76,000
Market cap (VNDtn/USDbn)	528.1/20.1

Trading data

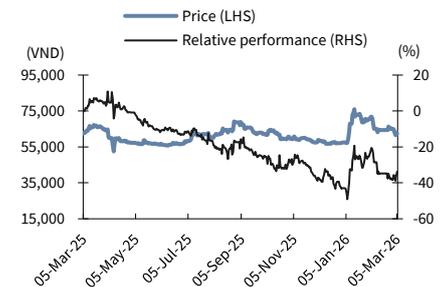
Free float	10.2%
3M avg trading value (VNDbn/USDmn)	677.2/25.9
Foreign ownership	20.6%
Major shareholder	State Bank of Vietnam (SBV, 74.80%)

Share price performance

(%)	1M	3M	6M	12M
Absolute	-7.9	8.1	-6.7	1.3
Relative	-9.9	3.6	-15.7	-38.1

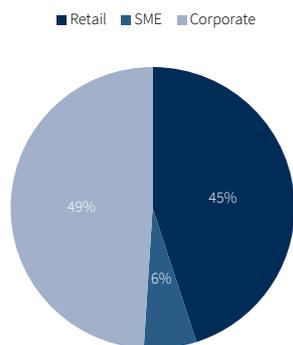
Forecast earnings & valuation

FY-end	2024	2025	2026F	2027F
Net interest income (VNDbn)	55,406	58,674	71,124	85,250
PPOP (VNDbn)	45,551	47,205	57,714	67,240
NPAT-MI (VNDbn)	33,831	35,178	41,834	46,164
EPS (VND)	6,053	4,210	5,007	5,525
EPS growth (%)	2.4	(30.4)	18.9	10.4
P/E (x)	15.6	15.0	12.6	11.4
Book value per share (VND)	35,106	27,231	32,238	37,763
P/B (x)	2.68	2.31	1.95	1.67
ROE (%)	18.7	16.6	16.8	15.8
Dividend yield (%)	0.0	0.0	0.0	0.0



Source: Bloomberg, KB Securities Vietnam

Credit breakdown (2025)



Source: Vietcombank, KB Securities Vietnam

Business operation

Vietnam Joint Stock Commercial Bank for Foreign Trade (VCB) is a state-owned joint stock commercial bank, ranking fourth in the banking industry by total assets, which reached VND2,085 trillion as of the end of 2024. VCB's loan portfolio prioritizes risk management and is primarily concentrated in two key customer segments, large corporates (49%) and retail customers (45%).

Investment Catalysts

Credit growth is expected to reach 15.5% in 2026, driven by high credit demand and a competitive advantage in low lending interest rates.

NIM should improve in 2026 alongside lending interest rates, while high CASA helps mitigate the impact of rising deposit interest rates on CoF.

Low provisioning pressure is ensured with industry-leading asset quality and a high reserve buffer.

Notes

Please see more details below

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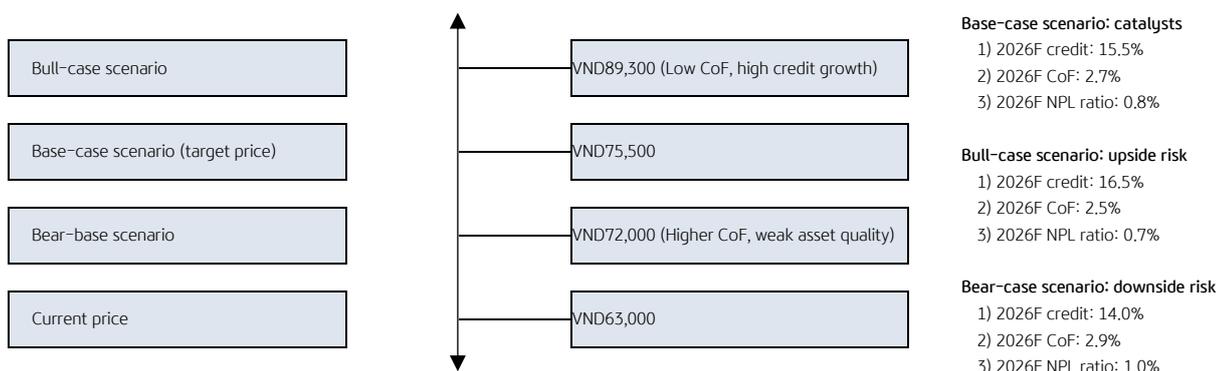
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Revised earnings estimates

(VNDbn)	KBSV estimates		Change vs previous estimates		Consensus*		Difference	
	2026E	2027E	2026E	2027E	2026E	2027E	2026E	2027E
Net interest income (NII)	71,124	85,250	5%	3%	69,078	82,429	3%	3%
Pre-provision operating profit	57,714	67,240	4%	2%	56,760	68,034	2%	-1%
NPAT-MI	41,834	46,164	12%	4%	40,706	48,726	3%	-5%

Source: Bloomberg, KB Securities Vietnam

Investment opinion & risks



Business performance

4Q25 PBT gained 1.7% YoY to VND10,887 billion

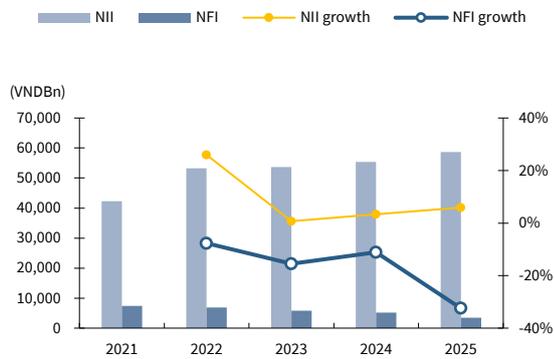
4Q25 NII of VCB came in at VND16,170 billion (+16.8% YoY, the strongest growth quarter of the year), while NIM decreased slightly by 1bp QoQ. Provisions remained low at VND848 billion, and PBT reached VND10,887 billion (+1.7% YoY). For the whole year 2025, PBT hit VND44,020 billion (+4.2% YoY).

Table 1. VCB – 4Q25 performance updates

(VNDbn, %)	4Q24	3Q25	4Q25	+/-%QoQ	+/-%YoY	Notes
Net interest income (NII)	13,842	14,657	16,170	10.3%	16.8%	NII improved thanks to better asset quality and a slight increase in lending rates in the second half of the year.
Net fee income (NFI)	924	938	865	-7.9%	-6.4%	
Other non-interest income (NOII)	2,944	2,457	2,138	-13.0%	-27.4%	Interest from FX trading decreased by 22.7% YoY, while interest from other activities dropped 44.5% YoY.
Total operating income (TOI)	17,711	18,052	19,172	6.2%	8.3%	
Operating expenses	(7,040)	(6,037)	(7,438)	23.2%	5.6%	
PPOP	10,670	12,015	11,735	-2.3%	10.0%	
Provision for credit losses	32	(776)	(848)	9.3%	-2721.4%	The LLCR reached 258%, the highest in the industry.
Profit before taxes (PBT)	10,703	11,239	10,887	-3.1%	1.7%	
NPAT-MI	8,565	9,020	8,630	-4.3%	0.7%	
Credit growth	13.9%	12.4%	15.3%	2.9 ppts	1.4 ppts	The driving force behind year-round credit growth came from the corporate customer group (+14.3% YoY) and the individual customer group (+17.6% YoY). Meanwhile, the credit for SME group grew by a mere of 8.3% YoY.
Deposit growth	13.5%	14.2%	17.8%	3.5 ppts	4.2 ppts	
NIM	2.86%	2.64%	2.62%	-1 bps	-23 bps	NIM slightly decreased by 1bps QoQ, but is beginning to show signs of recovery. In 4Q25 alone, NIM rose 14bps QoQ 2.71%.
IEA	4.83%	4.70%	4.70%	0 bps	-12 bps	
CoF	2.20%	2.29%	2.30%	1 bps	10 bps	
CIR	39.8%	33.4%	38.8%	5.3 ppts	-0.9 ppts	
NPL ratio	0.96%	1.03%	0.58%	-45 bps	-38 bps	NPLs across all groups witnessed a sharp decrease, with bad debts falling 24bps QoQ. Special loan also declined 11bps QoQ to 0.16% (touching many-quarter lows), thereby strongly narrowing the provisioning pressure on VCB in the coming period.

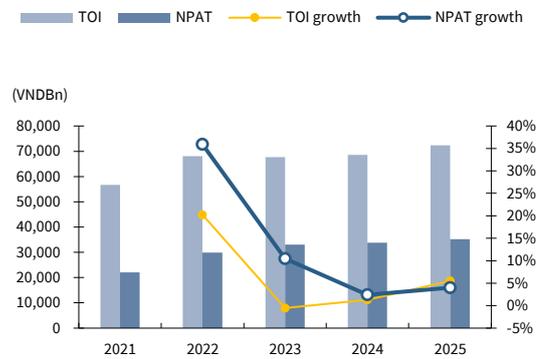
Source: Vietcombank, KB Securities Vietnam

Fig 2. VCB – NII, NFI & growth in 2021–2025 (VNDBn, %YoY)



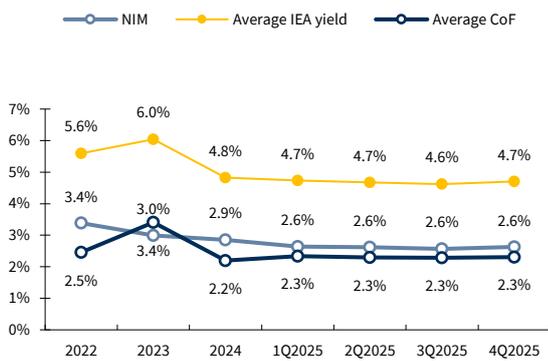
Source: Vietcombank, KB Securities Vietnam

Fig 3. VCB – TOI, NPAT & growth in 2021–2025 (VNDBn, %YoY)



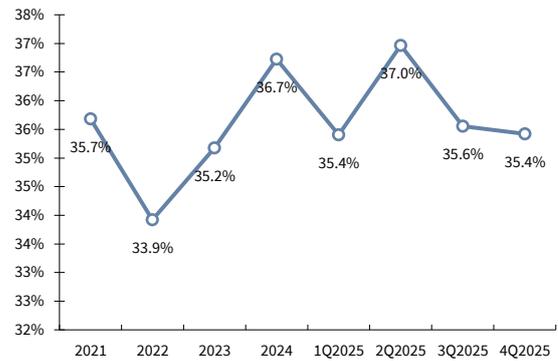
Source: Vietcombank, KB Securities Vietnam

Fig 4. VCB – NIM, CoF, IEA in 2021–2025 (%)



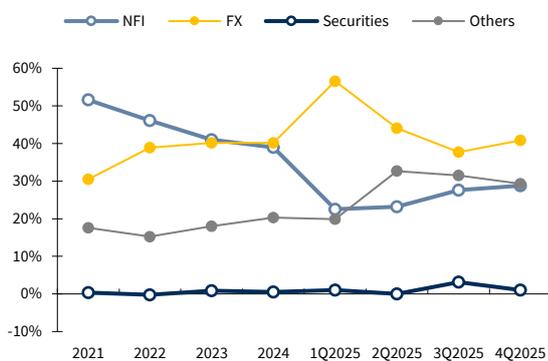
Source: Vietcombank, KB Securities Vietnam

Fig 5. VCB – CASA ratio in 2021–2025 (%)



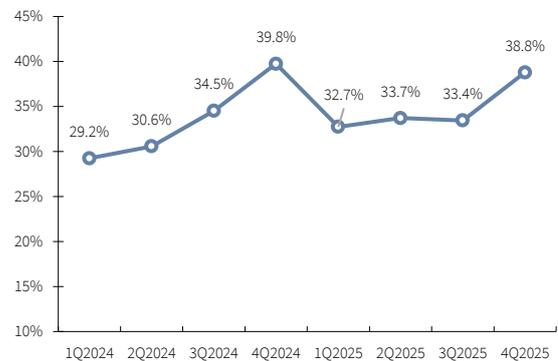
Source: Vietcombank, KB Securities Vietnam

Fig 6. VCB – NOII breakdown in 2021–2025 (%)



Source: Vietcombank, KB Securities Vietnam

Fig 7. VCB – CIR in 2023–2025 (%)



Source: Vietcombank, KB Securities Vietnam

Credit growth in 2026 is expected to reach 15.5%

KBSV expects VCB's credit to remain high in 2026 (15.5% increase), thanks to growth potential and credit demand in key segments:

- (1) Higher credit room than the general average as VCB participates in the restructuring/mandatory transfer of laggard banks;
- (2) Increased public investment will boost capital demand from infrastructure and construction businesses, a segment where VCB has a competitive advantage in terms of scale and lending interest rates;
- (3) Easing tariff tensions will stimulate export activities. VCB has an advantage in the import/export/FDI customer group and the trade finance ecosystem (L/C, guarantees, FX), so the recovery trend in orders usually translates directly into short-term credit demand.

NIM should improve slightly in 2026

In the base scenario, KBSV expects VCB's 2026 NIM to hit 2.73%, gaining 12bps YoY, based on:

We expect the IEA to grow 50bps with:

- (1) The bank will be more flexible in adjusting lending interest rates to optimize NIM as it no longer has to keep interest rates low to support the economy.
- (2) The lag in revaluation supports NIM as lending interest rates are usually reflected more quickly in interest income, while most deposits/mobilizations need a longer maturity period before interest rate adjustments.
- (3) An increase in the proportion of medium- and long-term loans, especially with increased disbursement for infrastructure and construction activities, is usually accompanied by higher IEA and a longer period of stable interest rates, thereby improving the quality of interest income.

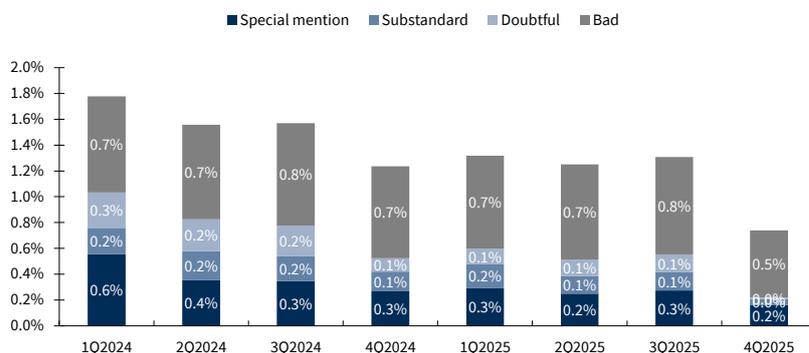
Regarding the CoF, KBSV assumes that system-wide deposit interest rates will increase by 50–100 bps in 2026 due to pressure to ensure liquidity and control exchange rates, leading to higher CoF risk. However, for VCB, the pressure to increase IEA is somewhat mitigated thanks to the high CASA ratio and low CoF from the SBV, granted for the group of banks taking over zero-cost restructuring.

NPL should remain low with a large reserve buffer

VCB's asset quality continues to be a key supportive factor. The NPL ratio at 0.58% and LLCR at 258% are both among the best in the system. KBSV expects asset quality to continue to remain healthy, supported by:

- (1) The economy is in a positive growth phase, driven by public investment and the recovery of the private sector, thereby improving operating cash flow and the ability of businesses to repay debt.
- (2) VCB's loan structure focuses on key areas with good business prospects, while the proportion of real estate loans is at a moderate level, thus limiting sensitivity to fluctuations in the real estate cycle, especially in the context of the real estate market having less positive signals regarding liquidity and prices.

Fig 8. VCB – NPL structure in 2023–2025 (%)



Source: Vietcombank, KB Securities Vietnam

VCB maintains the best asset quality and reserve buffers in the system, thereby lowering the pressure to make provisions for the rest of the year.

Fig 9. Vietnam – Special-mention loan and NPL across banks (%)

	% NPL	QoQ	% Group 2	QoQ	Provision (Bn VND)	LLCR
STB	6.41%	3.66%	0.74%	-0.90%	-20,056	50.0%
VPB	3.33%	-0.18%	3.28%	-0.33%	-17,429	55.4%
OCB	3.19%	-0.51%	1.75%	-0.17%	-3,574	56.3%
VIB	2.97%	-0.35%	2.39%	-0.34%	-4,859	42.9%
EIB	2.86%	-0.13%	1.19%	-0.05%	-2,314	43.9%
MSB	2.69%	-0.10%	1.14%	-0.03%	-2,851	51.6%
HDB	2.44%	-0.46%	3.44%	-1.16%	-7,302	54.8%
LPB	1.68%	-0.10%	0.98%	0.05%	-4,879	74.0%
BID	1.47%	-0.40%	1.29%	-0.21%	-34,944	99.9%
MBB	1.29%	-0.58%	0.94%	-0.42%	-13,151	93.7%
CTG	1.10%	0.01%	0.87%	-0.20%	-34,810	158.8%
TCB	1.07%	-0.09%	0.50%	-0.09%	-10,498	128.1%
ACB	0.97%	-0.29%	0.36%	-0.11%	-7,625	114.3%
VCB	0.58%	-0.46%	0.16%	-0.11%	-24,969	258.8%
Total/ Average	1.77%	-0.06%	1.19%	-0.28%	-192,902	87.9%

Source: Company reports, KB Securities Vietnam

Forecast & valuation

Table 10. VCB – 2024A–2026F financial results

(VNDbn)	2025	2026F	% Yoy	2027F	%YoY	Assumptions
NII	58,674	71,124	21.2%	85,250	19.9%	Growth drivers come from improved NIM and stably high credit growth.
NFI	3,470	4,313	24.3%	4,615	7.0%	
TOI	72,358	88,248	22.0%	102,656	16.3%	
Provisions	(3,185)	(5,460)	71.4%	(9,576)	75.4%	Credit costs are prudently forecast at 0.3% while the bank maintains a high LLCR at 218%.
NPAT	35,178	41,834	18.9%	46,164	10.4%	
NIM	2.62%	2.73%	11bps	2.85%	12bps	NIM is projected to increase slightly by 11bps YoY in 2026 and remain at 2.8% in the following years.
Average IEA	4.70%	5.15%	45bps	5.57%	42bps	
Average CoF	2.30%	2.68%	37bps	3.02%	35bps	
CIR	34.8%	34.6%	-16bps	34.5%	-10bps	
NPL	0.58%	0.70%	12bps	0.80%	10bps	
Total assets	2,441,929	2,829,005	15.9%	3,220,604	13.8%	
Owner's equity	227,536	269,370	18.4%	315,534	17.1%	

Source: Vietcombank, KB Securities Vietnam

We reiterate BUY on VCB with a target price of VND75,500/share

We combine P/B and residual income (RI) models to derive a fair value for VCB:

1) P/B valuation

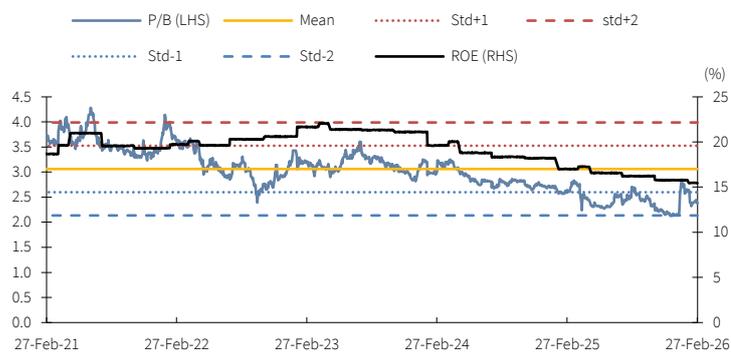
We have prudently lowered our target 2026 P/B multiple to 2.6x, which approximates VCB's five-year historical average -1Std due to global macroeconomic uncertainties triggered by the US-Iran war (which could affect Vietnam's monetary policies).

2) RI valuation (Table 12)

We have supplemented the P/B analysis with an RI model to more fully capture the bank's systemic risk and long-term growth expectations.

By combining these two methods with a 70/30 weighting (P/B/RI), we better reflect VCB's consistent market premium, which is supported by its leading market position and best-in-class asset quality. This yields a final target price of VND75,500 per share for 2026, implying a 19.8% potential upside from the closing price on March 4, 2026.

Fig 11. VCB – P/B in 2020–2025 (x)



Source: Bloomberg, KB Securities Vietnam

Table 12. VCB – Residual income valuation

(VNDbn)		2026F	2027F	2028F
NPAT		41,856	46,189	50,979
Residual income		16,150	15,757	15,332
Cost of equity	11.30%			
Terminal growth (g)	3.0%			
Terminal value	128,596			
2026-end fair value	469,276			
Value per share	56,163			

Source: KB Securities Vietnam

Table 13. VCB – Valuation results

Valuation method	Forecast price	Weight	Weighted price
P/B	83,819	70%	58,673
Residual income	56,163	30%	16,849
Target price			75,500

Source: KB Securities Vietnam

VCB – 2024A–2027F summarized financials & forecasts

Income Statement (VNDbn)						Balance Sheet (VNDbn)					
	2023	2024	2025	2026F	2027F		2023	2024	2025	2026F	2027F
Net interest income	53,621	55,406	58,674	71,124	85,250	Loans	124,167.5	141,016	164,557	190,342.1	219,707
Interest income	108,122	93,655	105,119	134,027	166,565	Marketable securities	2,495	4,876	11,479	3,843	15,322
Interest expense	(54,501)	(38,249)	(46,445)	(62,903)	(81,315)	Cash (ex. Reserves)	4,505	4,268	15,543	17,963	20,747
Fees & commissions	5,780	5,337	3,470	4,313	4,615	Interest earning assets	181,045	2,062,029	2,409,922	2,796,671	3,185,911
Other non-interest income	2,272	2,372	3,592	4,671	3,845	Fixed assets & other assets	40,584	40,723	44,487	45,860	51,009
Total operating income	67,723	68,578	72,358	88,248	102,656	Total assets	183,613	2,085,874	2,441,929	2,829,005	3,220,604
SG&A expenses	(2,195)	(23,027)	(25,152)	(30,534)	(35,416)	Customer deposits	1,395,698	1,514,665	1,672,534	1,932,922	2,232,525
Pre-provisioning OP	45,809	45,551	47,205	57,714	67,240	Borrowings & call money/repos	20,031	24,126	27,101	34,969	39,820
Provision for credit losses	(4,565)	(3,315)	(3,185)	(5,460)	(9,576)	Interest bearing liabilities	1,631,238	1,851,562	2,180,922	2,520,808	2,860,228
Other income	4,050	4,469	5,269	6,673	6,408	Other liabilities	43,362	38,103	33,471	38,827	44,843
Other expense	(1,778)	(2,097)	(1,678)	(2,002)	(2,563)	Total liabilities	1,674,601	1,889,664	2,214,393	2,559,635	2,905,070
Pre-tax income	41,244	42,236	44,020	52,254	57,664	Charter capital	55,891	55,891	83,557	83,557	83,557
Income tax expense	(8,189)	(8,383)	(8,822)	(10,399)	(11,475)	Capital surplus	4,995	4,995	4,995	4,995	4,995
NP	33,054	33,853	35,198	41,856	46,189	Retained earnings	76,759	98,332	102,028	143,861	180,026
Minority interest profit	(21)	(22)	(20)	(22)	(25)	Capital adjustments	-	-	-	-	-
Parent NP	33,033	33,831	35,178	41,834	46,164	Total shareholders' equity	165,013	196,209	227,536	269,370	315,534

Financial Indicators (%)						Valuation (VND, X, %)					
	2023	2024	2025	2026F	2027F		2023	2024	2025	2026F	2027F
Profitability						Share Price Indicators					
ROE	22.0%	18.7%	16.6%	16.8%	15.8%	EPS	5,910	6,053	4,210	5,007	5,525
ROA	18%	17%	16%	16%	15%	BVPS	29,524	35,106	27,231	32,238	37,763
Pre-provision ROE	24.4%	20.2%	17.8%	18.6%	18.4%	Tangible BVPS	29,060	34,647	26,918	31,932	37,464
Pre-provision ROA	2.0%	1.9%	1.7%	1.8%	1.8%	Valuations					
Net interest margin (NIM)	3.0%	2.9%	2.6%	2.7%	2.8%	PER	15.9	15.6	15.0	12.6	11.4
Efficiency						PBR	3.2	2.7	2.3	2.0	1.7
Pure Loan to deposit ratio	91.0%	95.7%	100.1%	100.0%	100.0%	Dividend yield	0.2%	0.0%	0.0%	0.0%	0.0%
Cost-income ratio	32.4%	33.6%	34.8%	34.6%	34.5%	ROE	22.0%	18.7%	16.6%	16.8%	15.8%
Growth						Capital Adequacy					
Asset growth	14%	13.4%	17.1%	15.9%	13.8%	CAR	10.0%	114%	12.3%	>10%	>10%
Loan growth	10.8%	14.2%	16.3%	15.5%	15.5%	Asset Quality					
PPOP growth	-2.2%	-0.6%	3.6%	22.3%	16.5%	NPL ratio (substandard)	10%	10%	0.6%	0.7%	0.8%
Parent NP growth	10.5%	2.4%	4.0%	18.9%	10.4%	Coverage ratio (substandard)	230.3%	223.3%	258.8%	218.0%	194.9%
EPS growth	-6.4%	2.4%	-30.4%	18.9%	10.4%	NPL ratio (precautionary)	14%	12%	0.7%	1.0%	1.2%
BVPS growth	3.0%	18.9%	-22.4%	18.4%	17.1%	Coverage ratio (precautionary)	159.2%	174.2%	202.1%	152.6%	130.0%

Source: Vietcombank, KB Securities Vietnam

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Investment ratings & definitions

Investment Ratings for Stocks

(Based on the expectation of price gains over the next 6 months)

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

Investment Ratings for Sectors

(Based on the assessment of sector prospects over the next 6 months)

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

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