

VPBank (VPB)

Expecting high credit growth in 2026

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4Q PBT spiked 66.3% YoY to VND10,299 billion

Vietnam Prosperity Bank (VPB) achieved impressive credit growth of 35.1% YTD in 4Q25, resulting in NII of VND 16,767 billion (+11.3% QoQ, +27.1% YoY). Provisions dropped 18.7% YoY, helping PBT reach VND10,229 billion in 4Q (+66.3% YoY) and VND30,625 billion for the whole year (+53.0% YoY).

Credit growth is projected at 30% in 2026

KBSV expects VPB will reach credit growth of 30% YTD in 2026, lower than the total credit limit of 35%, based on (1) the orientation to curb real estate credit and 2) tax policies adversely impacting the business household group in the short term. In contrast, the main growth drivers will come from the retail-consumer lending and the corporate customer groups.

NIM should grow 12bps YoY thanks to higher lending interest rates

We expect the yield on earning assets (IEA) to improve thanks to the rebound in retail lending, a segment with higher lending rates, and better asset quality, thereby raising NII and NIM.

Asset quality will further improve

VPB should maintain stable asset quality in 2026 as the economy has entered a strong growth phase, driven by public investment and the private sector. Furthermore, interest rates, despite increasing, will remain at a reasonable level, ensuring stable debt repayment capacity for customers.

BUY rating – Target price VND38,000

Based on the valuation results, business prospects, and potential risks, we recommend BUY on VPB shares. The target price for 2026 is VND38,000, 31.1% higher than the price on February 24, 2026.

Buy maintain

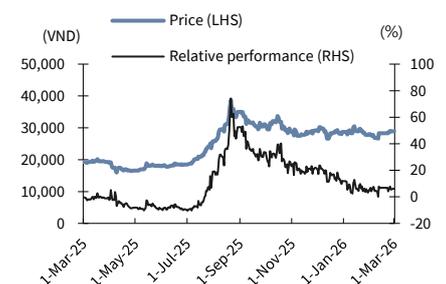
Target price	VND38,000
Upside	31.1%
Current price (Feb 24, 2026)	VND29,000
Consensus target price	VND36,000
Market cap (VNDtn/USDbn)	228.9/8.8

Trading data	
Free float	55.6%
3M avg trading value (VNDbn/USDmn)	583.8/22.2
Foreign ownership	24.9%
Major shareholder	SMBC (15.01%)

Share price performance				
(%)	1M	3M	6M	12M
Absolute	1.8	2.8	-13.4	49.9
Relative	1.9	-9.6	-29.1	6.6

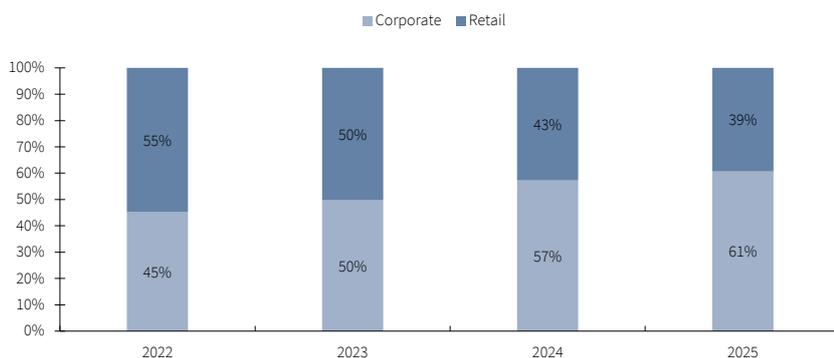
Forecast earnings & valuation

FY-end	2024	2025	2026F	2027F
Net interest income (VNDbn)	49,080	58,663	77,149	94,147
PPOP (VNDbn)	47,915	56,023	70,519	84,343
NPAT-MI (VNDbn)	15,779	23,990	31,198	36,047
EPS (VND)	1,989	3,024	3,932	4,543
EPS growth (%)	58%	52%	30%	16%
PER (x)	14.6	9.6	7.4	6.4
Book value per share (VND)	18,563	22,722	26,654	31,198
PBR (x)	1.56	1.28	1.09	0.93
ROE (%)	11.1	14.9	16.5	16.5
Dividend yield (%)	3.4	1.7	0.0	0.0



Source: Bloomberg, KB Securities Vietnam

Revenue composition (2025)



Source: Vietnam Prosperity Bank, KB Securities Vietnam

Business operation

Vietnam Prosperity Joint Stock Commercial Bank (VPB) ranks among the largest privately owned commercial banks in Vietnam, with total assets reaching VND1,260 trillion by the end of 2025, placing it 5th in the banking industry by asset size.

Business loans account for a large proportion in VPB, reaching over 60% in 2025, while home loans account for approximately 40% of VPB's total retail lending.

Investment Catalysts

VPB expects high credit growth in 2026, driven by ample credit limits, recovering retail/consumer market, and increased demand from the private sector.

NIM should post modest improvement in 2026 alongside better retail/consumer lending and asset quality.

Asset quality will improve amidst strong economic growth and reasonable interest rates.

Notes

Please see more details below

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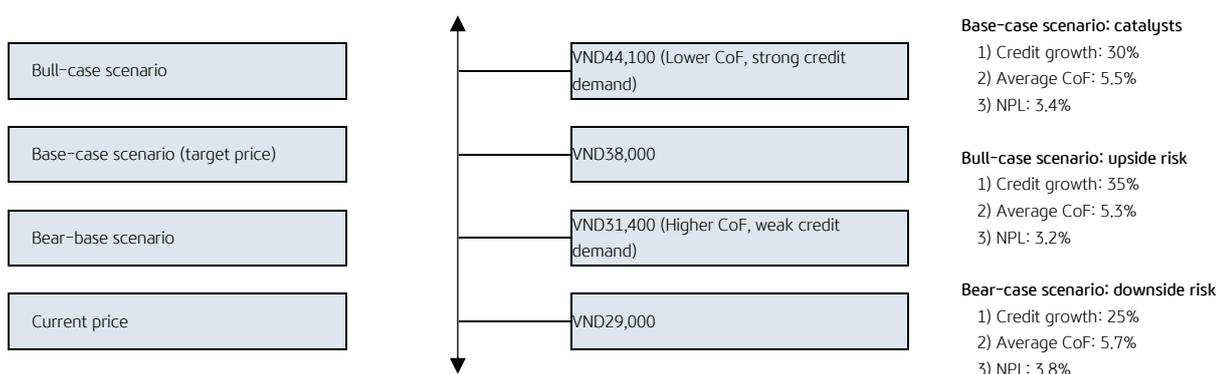
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Revised earnings estimates

(VNDbn)	KBSV estimates		Change vs previous estimates		Consensus*		Difference	
	2026E	2027E	2026E	2027E	2026E	2027E	2026E	2027E
NII	77,149	94,147	6%	2%	70,658	87,354	9%	8%
PPOP	70,519	84,343	2%	-2%	66,576	79,702	6%	6%
NP after MI	31,198	36,047	22%	14%	26,369	32,475	18%	11%

Source: Bloomberg, KB Securities Vietnam

Investment opinion & risks



Business performance

4Q PBT spiked 66.3% YoY to VND10,299 billion

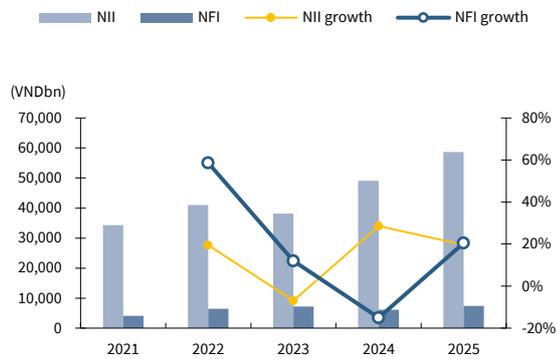
VPB achieved impressive credit growth of 35.1% YTD in 4Q25, resulting in NII of VND 16,767 billion (+11.3% QoQ, +27.1% YoY). Provisions dropped 18.7% YoY, helping PBT reach VND10,229 billion in 4Q (+66.3% YoY) and VND30,625 billion for the whole year (+53.0% YoY).

Table 1. VPB – 4Q25 results

(VNDbn, %)	4Q24	3Q25	4Q25	+/-%QoQ	+/-%YoY	Notes
Net interest income (NII)	13,193	15,061	16,767	11.3%	27.1%	NII improved, reflecting the exceptionally high credit growth in 2026. Revenue from the payment and bancassurance decreased 36.1% YoY and 11.5% YoY, respectively. The card segment recovered slightly by 4.5% YoY. Net income from services increased sharply thanks to a 14.9% YoY decrease in parent bank expenses and the impressive business results of VPBanks.
Net fee income (NFI)	1,542	2,392	2,478	3.6%	60.7%	The FX segment contributed insignificantly with VND81 billion in profit (-65.4% YoY). Securities investment & trading recorded a loss of VND43 billion after a surge in the first three quarters.
Other non-interest income (NOII)	2,910	2,684	3,171	18.1%	9.0%	Debt recovery was positive, collecting VND2,831 billion (+21.8% YoY).
Total operating income (TOI)	17,644	20,138	22,416	11.3%	27.0%	
Operating expenses	(3,791)	(4,428)	(5,924)	33.8%	56.3%	The CIR hit 26.4% in 4Q (+4.9 ppts YoY) and 24.8% for the whole year (+1.8 ppts YoY).
Pre-provision operating profit (PPOP)	13,853	15,710	16,491	5.0%	19.0%	
Provisions	(7,702)	(6,544)	(6,262)	-4.3%	-18.7%	The parent bank's provisions came in at VND2,807 billion (-44.9% YoY), while FE Credit estimated its provisions at VND3,454 billion (+32.4% YoY).
Profit before taxes (PBT)	6,151	9,166	10,229	11.6%	66.3%	
NPAT-MI	4,617	7,275	7,957	9.4%	72.3%	
Credit growth	18.2%	28.2%	35.1%	6.8 ppts	16.8 ppts	The parent bank's customer loan growth in 2025 reached 36.1% YTD. The growth was driven by the corporate customer group (+45.4% YTD), while the individual customer group rose 26.4%, particularly home loans (+38.9% YTD).
Deposit growth	16.0%	29.4%	36.7%	7.2 ppts	20.7 ppts	Deposit growth was the highest in the system (the industry average is 14.0% YTD), with CASA growing 32.0% YTD.
NIM	5.83%	5.53%	5.48%	-5 bps	-34 bps	NIM showed signs of bottoming out around 5.5%, with interest income beginning to reflect the strong credit growth during the year.
Average interest-earning asset (IEA)	9.52%	9.36%	9.46%	10 bps	-5 bps	
Average cost of funds (CoF)	4.42%	4.56%	4.77%	21 bps	35 bps	
CIR	21.5%	22.0%	26.4%	4.4 ppts	4.9 ppts	
NPL	4.20%	3.51%	3.33%	-17 bps	-86 bps	Asset quality improved with doubtful debt dropping 33bps QoQ and special mention decreasing 33bps QoQ, significantly easing provisioning pressure in the coming period.

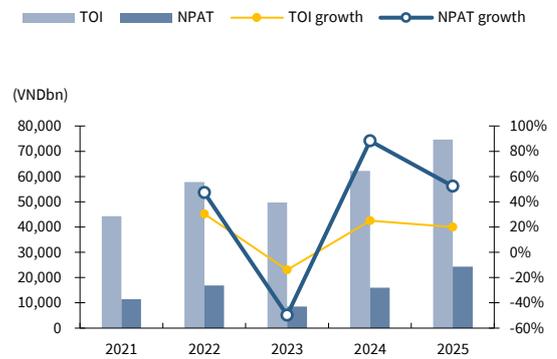
Source: Vietnam Prosperity Bank, KB Securities Vietnam

Fig 2. VPB – NII, NFI & growth in 2020–2025 (VNDbn, %YoY)



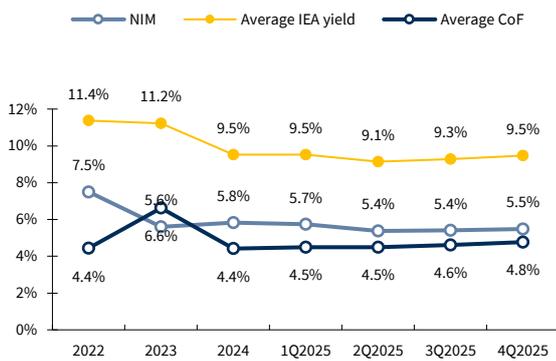
Source: Vietnam Prosperity Bank, KB Securities Vietnam

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



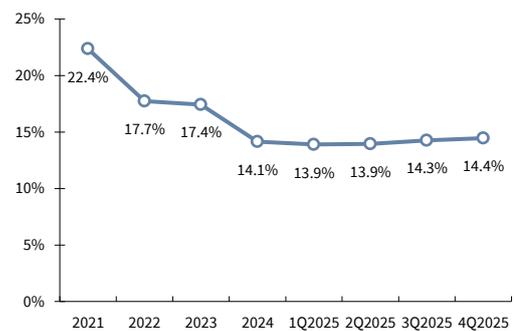
Source: Vietnam Prosperity Bank, KB Securities Vietnam

Fig 4. VPB – NIM, IEA, CoF in 2022–2025 (%)



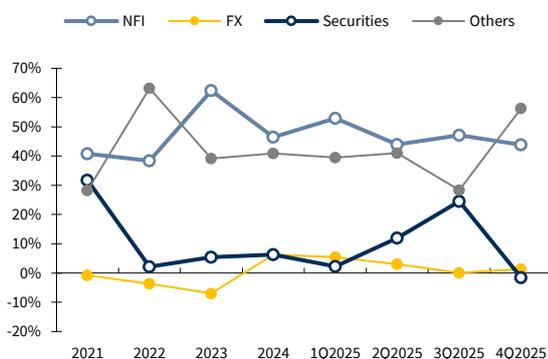
Source: Vietnam Prosperity Bank, KB Securities Vietnam

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



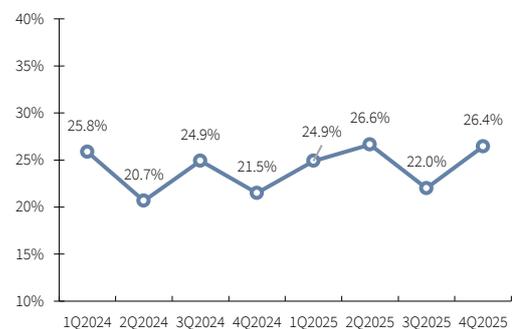
Source: Vietnam Prosperity Bank, KB Securities Vietnam

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



Source: Vietnam Prosperity Bank, KB Securities Vietnam

Fig 7. VPB – CIR in 2024–2025 (%)



Source: Vietnam Prosperity Bank, KB Securities Vietnam

VPB was granted a credit growth limit of ~35% for 2026

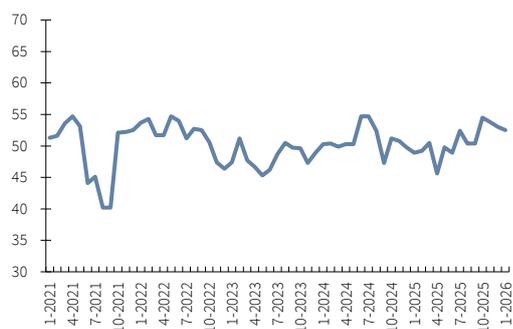
For 2026, VPB has a credit growth limit of approximately 35%, much higher than the average of banks in the system (~12–15%) thanks to its participation in the restructuring of weak credit institutions. In the context of high GDP growth targets and large capital needs of the economy, VPB can take advantage of this to attract customers and increase market share.

KBSV gives a prudent projection for VPB's credit growth in 2026, estimated at ~30%, lower than in 2025 due to headwinds from:

- (1) The State Bank of Vietnam's direction to control real estate credit, ensuring growth does not exceed the overall credit growth of banks, forcing VPB to strengthen other areas if it wants to maintain high growth.
- (2) New tax policies may create a time lag on the operations of household businesses, VPB's core customer group. Rising tax costs and more complex declaration procedures are hindering the cash flow into these businesses, thereby reducing the demand for new loans.

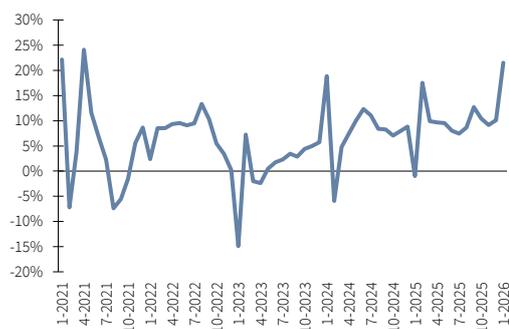
Meanwhile, the main growth driver will come from the retail and consumer lending sector. The PMI remaining above 50 and the IIP increasing by over 10% in the last five months indicate a clear improvement in the health of the manufacturing sector, promising to lead the demand for retail/consumer loans in the coming period. In addition, the corporate customer group continues to be supported by Resolution 68–NQ/TW on the development of the private economy.

Fig 8. Vietnam – PMI in 2021 – 2026



Source: General Statistics Office of Vietnam, KB Securities Vietnam

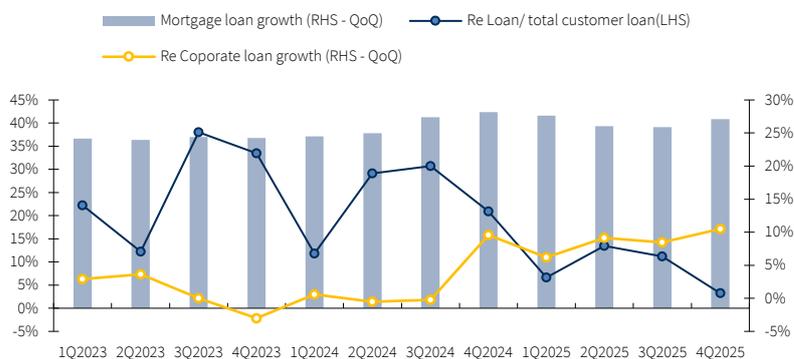
Fig 9. Vietnam – IIP in 2021 – 2026



Source: General Statistics Office of Vietnam, KB Securities Vietnam

Real estate lending, especially mortgage loans, is VPB's main growth driver in 2025. The slowdown in growth, at a level comparable to overall growth, will force VPB to boost other lending segments to achieve its targets for 2026.

Fig 10. VPB – Real estate credit growth (%)



Source: Vietnam Prosperity Bank, KB Securities Vietnam

NIM is expected to improve by 12bps YoY thanks to higher lending interest rates

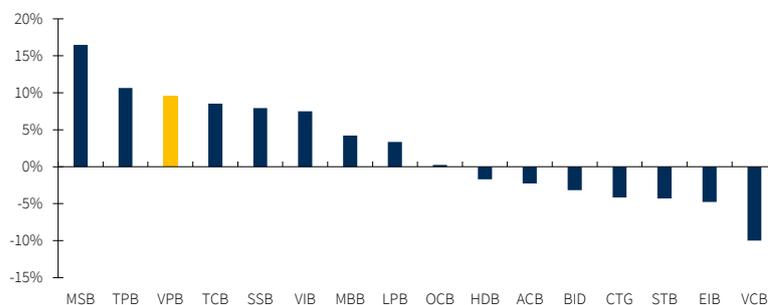
KBSV adjusts its 2026 NIM forecast to 5.59%, increasing 12bps YoY based on:

Regarding the CoF, KBSV expects banks should raise deposit interest rates by about 50–100bps in 2026 due to pressure to raise capital to ensure liquidity and control exchange rates. The increased proportion of interbank loans and securities will impact VPB's CoF in 1Q26 before cooling down in the next quarters as liquidity issues gradually improve.

We expect the IEA to increase faster than CoF because (1) retail lending, the segment with higher lending interest rates, will recover along with asset quality, thereby boosting NII; and (2) rising interest rates will have a faster impact on floating-rate loans while deposits need to wait for maturity to reflect the new interest rate.

Fig 21. VPB – Average interbank deposit/customer loan ratio over the last eight quarters (%)

Banks that tend to rely on interbank market funding sources such as MSB, TPB, VPB, and TCB will be hit harder by cash shortages, pushing interbank interest rates higher.



Source: FiinPro, KB Securities Vietnam

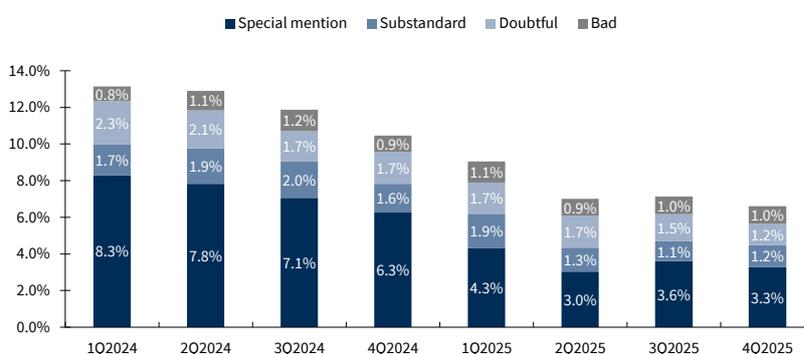
Asset quality should further improve

VPB's asset quality improved comprehensively in 2025 with an NPL ratio of 3.33% (-86bps YoY), special mentioned debt plunging 298bps YoY and credit costs dropping 133bps YoY to 3.1%. KBSV expects the bank to maintain good asset quality in 2026 based on:

- (1) The economy has entered a strong growth phase, driven by public investment and private economic sector.
- (2) Interest rates are increasing but remain at a reasonable level, equivalent to the 2015–2019 period, which is expected to be favorable to debt repayment ability of customers.

Asset quality continued to improve with NPLs decreasing by 18bps QoQ. The special mention ratio also reduced 33bps QoQ, thereby alleviating the pressure for future provisioning.

Fig 12. VPB – Loan book structure in 2023–2025 (%)



Source: Vietnam Prosperity Bank, KB Securities Vietnam

Fig 13. Vietnam – Special-mention loan & NPL ratios across banks (%)

	% NPL	QoQ	% Group 2	QoQ	Provision (Billion 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: Bank reports, KB Securities Vietnam

Forecast & valuation

Table 14. VPB – 2024A–2026F financial results

(VNDbn, %)	2025	2026F	+/-%YoY	2027F	+/-%YoY	Assumptions
NII	58,663	77,149	31.5%	94,147	22.0%	Growth drivers in 2026 will come from a projected high credit growth rate (30%), strong capital demand from the economy, and a slight improvement in NIM.
NFI	7,382	7,499	1.6%	8,177	9.0%	
TOI	74,654	94,025	25.9%	112,308	19.4%	
Provisions	(25,399)	(30,195)	18.9%	(36,995)	22.5%	
NPAT	24,355	32,260	32.5%	37,880	17.4%	
NIM	5.48%	5.60%	12bps	5.67%	6bps	The NIM projection for 2026 is based on expectations of higher lending interest rates and a recovery in the retail sector, which typically has higher lending interest rates.
IEA	9.46%	10.21%	75bps	10.27%	6bps	
CoF	4.77%	5.49%	72bps	5.47%	-1bps	
CIR	25.0%	25.0%	4bps	24.9%	-10bps	
NPL	3.33%	3.40%	7bps	3.40%	0bps	
Total assets	1,260,150	1,554,309	23.3%	1,840,071	18.4%	
Equity	180,276	211,474	17.3%	247,520	17.0%	

Source: Company report, KB Securities Vietnam

We reiterate BUY on VPB with a target price of VND38,000/share

We combine two valuation approaches, P/B and residual income, to determine a fair value for VPB shares.

(1) P/B valuation:

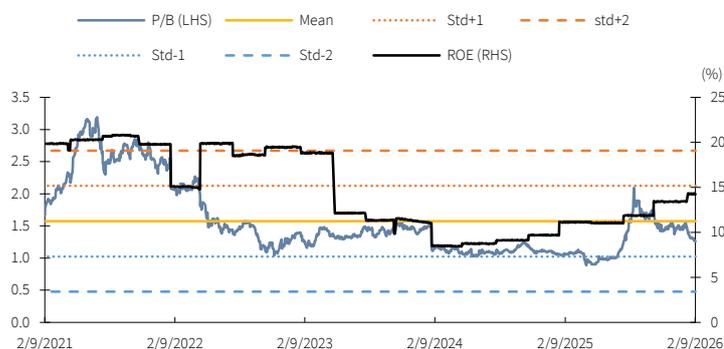
We maintain the 2026 forecast P/B at 1.5x, equivalent to VPB's five-year average P/B, reflecting expectations of high credit growth and a slight improvement in NIM and asset quality in 2026.

(2) Residual income (Table 16):

In addition, we combine the use of residual income method to reflect systemic risks and long-term expectations.

By weighing the two methods equally (50–50 ratio), we found the final fair price for VPB shares for 2026 at VND38,000/share, 31.1% higher than the closing price on February 24, 2026.

Fig 15. VPB – P/B, ROE in 2020–2025 (x, %)



Source: Bloomberg, KB Securities Vietnam

Table 16. VPB – Residual income valuation

(VNDbn)	2026F	2027F	2028F
NPAT	32,260	37,880	42,281
Residual income	6,763	7,971	7,274
Cost of equity (r)	14.14%		
Terminal growth (g)	3.0%		
Terminal value	42,564		
End-2025 fair value	286,299		
Value per share	36,085		

Source: KB Securities Vietnam

Table 17. VPB – Valuation results

Valuation method	Derived price	Weight	Weighted price
P/B		2026F	2027F
Residual income		32,260	37,880
Target price		6,763	7,971

Source: KB Securities Vietnam

VPB – 2023A–2027F summarized financials & forecasts

Income Statement (VNDbn)						Balance Sheet (VNDbn)					
	2023	2024	2025	2026F	2027F		2023	2024	2025	2026F	2027F
Net interest income	38,175	49,080	58,663	77,149	94,147	Loans	551,472	676,546	926,473	1,201,600	1,440,518
Interest income	76,557	80,112	101,259	140,525	170,592	Marketable securities	12,326	13,111	23,960	30,595	37,449
Interest expense	(38,383)	(31,031)	(42,596)	(63,377)	(76,445)	Cash (ex. Reserves)	2,285	2,148	2,774	3,543	4,336
Fees & commissions	7,212	6,126	7,382	7,499	8,177	Interest earning assets	776,000	907,878	1,232,296	1,520,894	1,801,996
Other non-interest income	4,526	5,378	6,706	8,656	8,993	Fixed assets & other assets	53,559	29,489	41,358	54,405	64,826
Total operating income	49,739	62,255	74,654	94,025	112,308	Total assets	817,567	923,848	1,260,150	1,554,309	1,840,071
SG&A expenses	(13,941)	(14,340)	(18,630)	(23,506)	(27,965)	Customer deposits	442,368	485,667	628,045	802,008	981,658
Pre-provisioning OP	35,798	47,915	56,023	70,519	84,343	Borrowings & call money/repos	47,810	67,015	107,980	143,789	137,060
Provision for credit losses	(24,994)	(27,903)	(25,399)	(30,195)	(36,993)	Interest bearing liabilities	650,653	754,443	1,031,240	1,277,913	1,514,703
Other income	7,774	9,560	10,875	12,729	13,225	Other liabilities	27,118	22,129	48,634	64,923	77,847
Other expense	(3,248)	(4,182)	(4,169)	(4,073)	(4,232)	Total liabilities	677,771	776,572	1,079,874	1,342,836	1,592,550
Pre-tax income	10,804	20,013	30,625	40,325	47,350	Charter capital	79,339	79,339	79,339	79,339	79,339
Income tax expense	(2,310)	(4,026)	(6,270)	(8,065)	(9,470)	Capital surplus	23,993	23,993	23,993	23,993	23,993
NP	8,494	15,987	24,355	32,260	37,880	Retained earnings	19,066	24,008	45,970	77,168	113,214
Minority interest profit	1,480	(208)	(365)	(1,062)	(1,834)	Capital adjustments	-	-	-	-	-
Parent NP	9,974	16,779	23,990	31,198	36,047	Total shareholders' equity	139,796	147,275	180,276	211,474	247,520

Financial Indicators (%)						Valuation (VND, X, %)					
	2023	2024	2025	2026F	2027F		2023	2024	2025	2026F	2027F
Profitability						Share Price Indicators					
ROE	7.0%	11.1%	14.9%	16.5%	16.5%	EPS	1257	1989	3,024	3,932	4,543
ROA	12%	18%	2.2%	2.3%	2.2%	BVPS	17,620	18,563	22,722	26,654	31,188
Pre-provision ROE	23.4%	26.7%	27.3%	28.8%	29.4%	Tangible BVPS	17,526	18,484	22,653	26,584	31,127
Pre-provision ROA	3.9%	4.4%	4.1%	4.0%	4.0%	Valuations					
Net interest margin (NIM)	5.6%	5.8%	5.5%	5.6%	5.7%	PER	23.1	14.6	9.6	7.4	6.4
Efficiency						PBR	16	16	13	11	0.9
Pure Loan to deposit ratio	128.0%	142.7%	150.3%	153.0%	150.0%	Dividend yield	3.4%	3.4%	1.7%	0.0%	0.0%
Cost-income ratio	28.0%	23.0%	25.0%	25.0%	24.9%	ROE	7.0%	11.1%	14.9%	16.5%	16.5%
Growth						Capital Adequacy					
Asset growth	29.6%	13.0%	36.4%	23.3%	18.4%	CAR	14.3%	14.9%	17.1%	>14%	>14%
Loan growth	29.9%	22.7%	36.9%	29.7%	19.9%	Asset Quality					
PPOP growth	-18.0%	33.8%	16.9%	25.9%	19.6%	NPL ratio (substandard)	5.0%	4.2%	3.3%	3.4%	3.4%
Parent NP growth	-45.1%	58.2%	52.0%	30.0%	15.5%	Coverage ratio (substandard)	48.6%	56.2%	55.4%	61.1%	63.9%
EPS growth	-53.3%	58.2%	52.0%	30.0%	15.5%	NPL ratio (precautionary)	11.9%	10.5%	6.6%	6.6%	6.6%
BVPS growth	14.8%	5.4%	22.4%	17.3%	17.0%	Coverage ratio (precautionary)	20.5%	22.5%	27.9%	31.5%	32.9%

Source: Vietnam Prosperity Bank, 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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