

Techcombank (TCB)

Completing the financial ecosystem

September 10, 2025

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2Q EBIT hits all-time high

Credit of Techcombank (TCB) has maintained growth momentum in 2Q, hitting more than 11% YTD with strong retail lending. 2Q NIM showed considerable improvement, creating motivation for the coming quarters. There is a steep fall in provisions compared to 2Q24 thanks to well-controlled asset quality. As a result, 2Q EBIT touched the highest quarterly growth with VND7,899 billion.

NIM should be flat or recover slightly toward the year-end

We assess that NIM of TCB has bottomed out and may rebound towards the end of the year, assuming (1) strong credit growth and real estate lending help TCB expand its profit margin; (2) lending interest rates for the whole industry remain stable at current levels; and (3) TCB continues to optimize mobilized capital by leveraging its advantage in CASA to manage costs of fund (CoF).

Asset quality is well-controlled

It is expected that TCB will continue to keep NPL below 1.3% in 2025 as (1) the overall asset quality of the industry is more positive, limiting the impact of CIC, and (2) NPLs in the retail segment at TCB is relatively stable while bad debt with outstanding loans of the wholesale group is still maintained at a very low level (<0.5%).

Valuation – NEUTRAL rating – Target price VND43,400

We give TCB a NEUTRAL rating with a target price of VND43,400, equal to an expected return of 12.5% compared to the closing price on September 9, 2025. Factors that may trigger short-term stock rallies include (1) the successful listing of TCBS and (2) the market upgrade, which is expected to attract cash flow into the market as well as the banking industry.

Neutral change

Target price VND43,400

Upside	12.7%
Current price (Sep 9, 2024)	VND38,500
Consensus target price	VND42,400
Market cap (VNDtn/USDbn)	277.1/10.5

Trading data

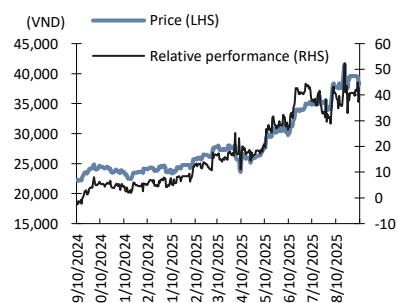
Free float	77.4%
3M avg trading value (VNDbn/USDmn)	933.9/35.6
Foreign ownership	22.5%
Major shareholder	Masan Group (14.9%)

Share price performance

(%)	1M	3M	6M	12M
Absolute	1.7	28.1	38.5	73.0
Relative	-1.6	3.7	15.4	42.6

Forecast earnings & valuation

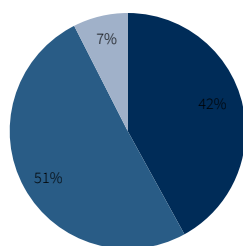
FY-end	2023	2024	2025F	2026F
Net interest income (VNDbn)	27,691	35,508	40,139	47,839
Pre-provision operating income (VNDbn)	26,809	31,621	37,252	44,014
NPAT-MI (VNDbn)	18,191	21,760	26,424	31,436
EPS (VND)	5,111	3,046	3,697	4,393
EPS growth (%)	-11	-40	21	19
PER (x)	5.1	8.6	7.1	5.9
Book value per share (VND)	37,364	20,940	24,302	26,876
PBR (x)	0.70	1.25	1.22	1.10
ROE (%)	14.8	15.6	16.5	17.4
Dividend yield (%)	0.00	0.00	2.87	2.87



Source: Bloomberg, KB Securities Vietnam

Revenue composition (2023)

■ Retails ■ Wholesales ■ Corp bond



Business operation

Established in 1993, Techcombank (TCB) is currently ranked as the second-largest joint-stock commercial bank by total assets, in our estimate, with approximately VND978 trillion in assets. TCB's loan portfolio primarily targets large corporates and features a high proportion of mortgages in the retail banking segment. Notably, the bank has the highest exposure to the real estate sector in the industry, with real estate loans comprising 60–70% of its credit portfolio.

Source: Techcombank, KB Securities Vietnam

Investment Catalysts

Notes

Credit growth could reach 18–20% in the next one to three years as the real estate market enters a recovery cycle.

Please see more details below

NIM in 2025 should be above 4% while strong NFI growth will offset the decline in NIM in the previous period.

Please see more details below

Asset quality is well controlled, making TCB one of the banks with the lowest NPL ratio in the industry.

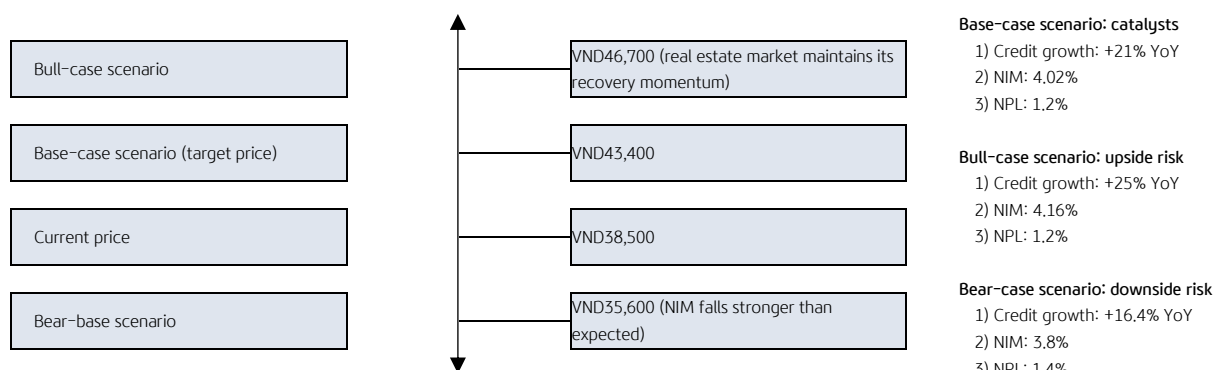
Please find more details [here](#)

Revised earnings estimates

(VNDbn)	KBSV estimates		Change vs previous estimates		Consensus*		Difference	
	2025E	2026E	2025E	2026E	2025E	2026E	2025E	2026E
Net interest income (NII)	40,139	47,839	0%	0%	40,036	48,580	26%	-153%
Total operating profit (TOI)	37,252	44,014	4%	4%	36,370	43,852	243%	37%
NP after MI	26,116	31,035	5%	4%	25,246	30,538	345%	163%

Source: Bloomberg, KB Securities Vietnam

Investment opinion & risks



Business performance

2Q EBIT hits all-time high

Credit of TCB has maintained growth momentum in 2Q to hit more than 11% YTD, mainly driven by retail lending. 2Q NIM showed considerable improvement, creating motivation for the coming quarters. There is a steep fall in provisions compared to 2Q24 thanks to well-controlled asset quality. As a result, 2Q EBIT touched the highest quarterly growth with VND7,899 billion.

Table 1. TCB – 1Q2025 financial results

(VNDbn, %)	2Q24	1Q25	2Q25	+/-%YoY	+/-QoQ	Notes
Net interest income (NII)	9,478	8,305	9,137	-3.6%	10.0%	Stronger credit growth in 2Q helped NII improve compared to 1Q25, but it was slightly lower than that of 4Q24 due to low lending interest rates and a downward trend in NIM.
Non-interest income (NOII)	3,942	3,306	3,606	-8.5%	9.1%	NOII had mixed developments among income sources: - NFI grew 15%QoQ on the positive recovery from bond issuance advisory and bancassurance, the card segment still maintained a growth rate of 10-15%. - Income from debt recovery (+23% YoY in 1H25) surged, contributing to the increase in NOII. - In contrast, profit from securities investment slid from the high base of the previous year.
Total operating income (TOI)	13,420	11,611	12,743	-5.0%	9.7%	
Operating expenses	(3,949)	(3,285)	(3,831)	-3.0%	16.6%	Marketing expenses increased due to the commitment to promote the brand to customers, while personnel costs improved compared to the same period last year.
CIR	29.4%	28.3%	30.1%	63bps	177bps	
Provision for credit losses	(1,644)	(1,090)	(1,014)	-38.3%	-7.0%	Provisions plunged compared to the trend of increasing provisioning in the same period last year but were still equivalent to the provisioning level in recent quarters. The bank's loan loss coverage ratio (LLCR) stayed above 100%.
Profit before taxes (PBT)	7,827	7,236	7,899	0.9%	9.2%	
Profit after taxes (NPAT)	6,270	6,014	6,348	1.2%	5.6%	
Credit growth (YTD)	12.9%	4.1%	11.1%			Credit growth in 1H25 was higher than the industry average (9.9%), of which customer loans grew 12.4% YTD, loans through bond channels -5.3% YTD. Lending to the real estate and construction sectors recorded growth along with the recovery of the real estate industry. Retail lending segment was also led by home loan products (new disbursements increased by 46% QoQ).
Deposit growth (YTD)	8.1%	1.1%	6.0%			Deposits mobilized from customers modestly grew 2.2% in a low interest rate environment. TCB increased mobilization from valuable papers (+25% YTD) to meet high credit growth.
NIM	4.43%	4.06%	3.85%	-58bps	-21bps	NIM continued to decline mainly due to higher CoF as the mobilization structure changed, increasing mobilization from valuable papers with higher cost than mobilizing deposits from customers. The positive recovery in quarterly NIM (+23bps) was attributable to improved lending yields as retail lending growth was positive.
NPL ratio	1.23%	1.17%	1.26%	2bps	8bps	NPL ratio increased by 9bps QoQ but was still relatively low compared to other banks, at only 1.26%. Special mention dropped 19% QoQ, implying that asset quality is still well controlled.

Source: Techcombank, KB Securities Vietnam

Fig 2. TCB – NII, NOII & growth (VNDbn, %)

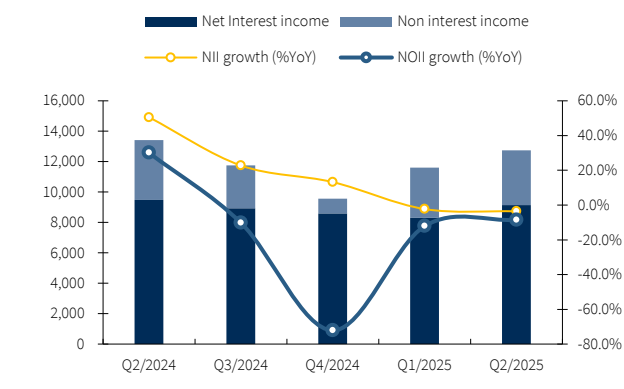


Fig 3. TCB – TOI, PBT & growth (VNDbn, %)

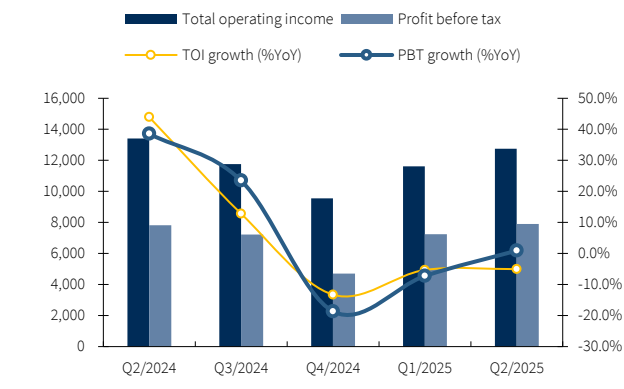
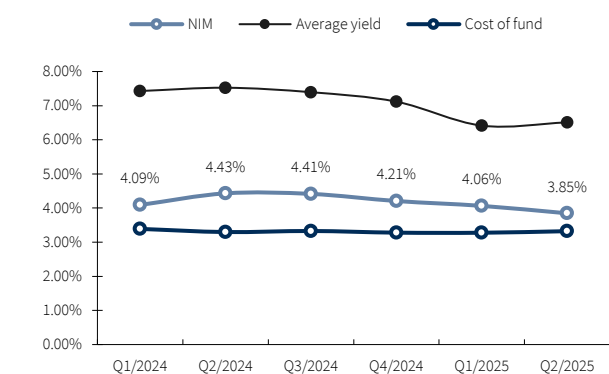
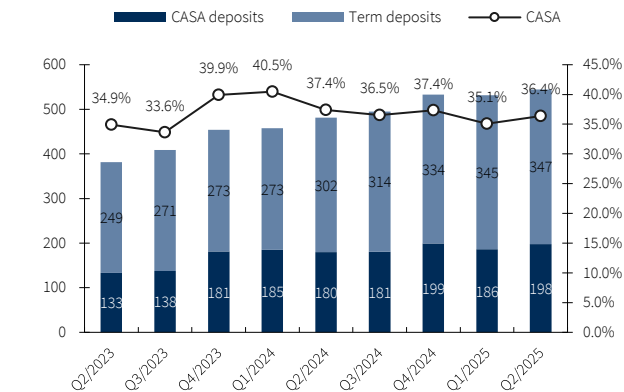


Fig 4. TCB – NIM, IEA yield, cost of funds (%)



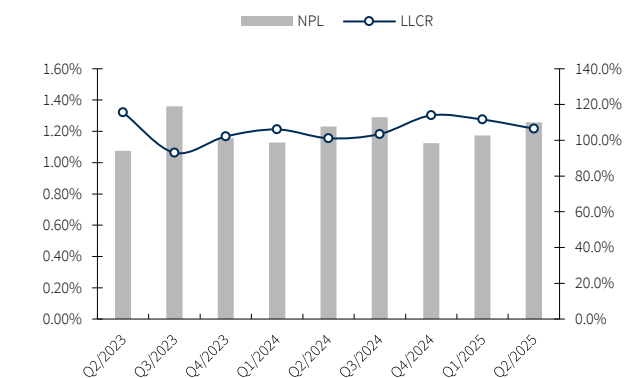
Source: Techcombank, KB Securities Vietnam

Fig 5. TCB – CASA, term deposits, CASA ratio (VNDtn, %)



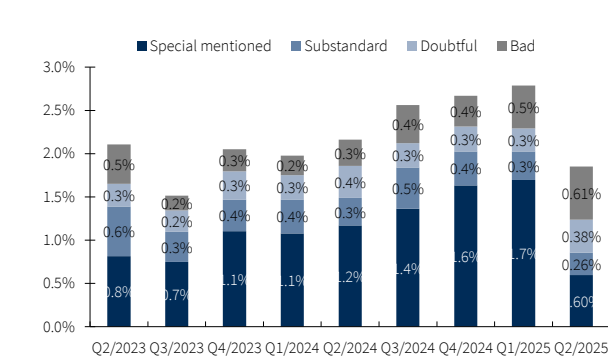
Source: Techcombank, KB Securities Vietnam

Fig 6. TCB – NPL ratio, LLCR (%)



Source: Techcombank, KB Securities Vietnam

Fig 7. TCB – Loan book structure (%)



Source: Techcombank, KB Securities Vietnam

Credit will strongly grow amid strong recovery of real estate market

As we have noted in previous reports, TCB has a relatively large proportion of loans to the real estate sector (accounting for ~60–70% of total outstanding loans), so it will benefit when the real estate market recovers. After posting subdued results in low season of 1Q, the disbursement rate in 2Q has improved significantly. Home loans grew 9.7% YTD (+7% QoQ), raising the proportion to 36% of total credit from 33% at the end of 2024. The real estate market is bustling again as new supply increased in 2Q, especially when the Southern market is gradually catching up with the Northern market thanks to projects of large investors such as Vinhomes and Masteri Homes. KBSV forecasts that outstanding home loans at TCB will continue to grow (20–25% YoY) and lead the retail lending segment when the real estate market is entering the peak season.

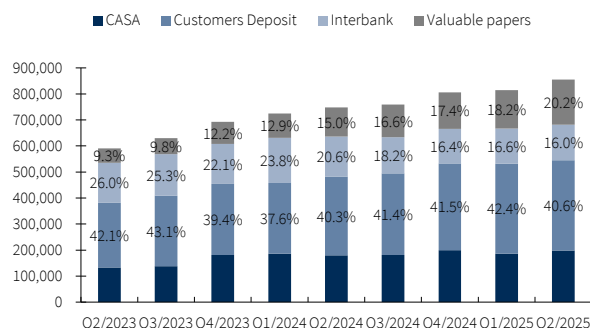
For the corporate customer segment, loans to the real estate and construction sector grew 15% YTD while the consumer and telecommunications sectors showed a contraction. This trend reflects the general development of the economy as credit for real estate business activities in the whole market increased by 18.47% as of the end of June 2025 thanks to the Government's measures to remove legal obstacles and unclog capital flows. Banks lending to real estate businesses with a solid foundation like TCB will benefit from this recovery cycle.

NIM is poised to remain flat or recover slightly in the last period of the year

2Q NIM dropped 17bps QoQ, consistent with our previous assessment of the pressure on NIM in 2025. We assess that NIM of TCB has bottomed out and may rebound towards the end of the year, assuming (1) strong credit growth and real estate lending better help TCB expand its profit margin; (2) lending interest rates for the whole industry remain stable at current levels; and (3) TCB continues to optimize mobilized capital by leveraging its advantage in CASA to manage CoF.

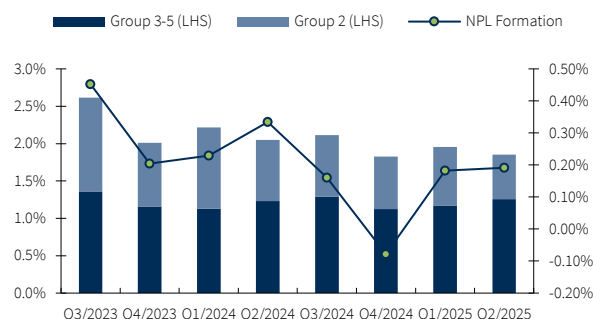
We see a change in the capital mobilization structure as the contribution from valuable paper issuance soared in 2Q, which is similar to some other large private banks. Although CoF will increase because the cost of mobilization from valuable paper issuance is often higher than the cost of deposits, it is in line with the orientation of preparing a solid capital foundation for strong credit demand. In addition, TCB's Auto Earning product is still effective despite the appearance of some similar competitive products in the market. The increase in CoF from valuable paper issuance will be partly offset by the bank's strategy of promoting CASA.

Fig 8. TCB – Mobilization from customers and interbank channels (VNDbn, %)



Source: Techcombank, KB Securities Vietnam

Fig 9. TCB – NPL formation (%)



Source: Techcombank, KB Securities Vietnam

Asset quality is well controlled

Although the NPL ratio inched up to 1.26% in 2Q mainly due to the impact of CIC of some corporate customers, TCB's asset quality is still well controlled. The ratio of newly formed NPLs remained stable compared to the previous quarter, and special mention decreased 18% YoY. Although provisions dropped 38% compared to the high base level in the same period last year and reached about 50% of our forecast, the bank's LLCR is still above 100%. We expect TCB to continue to control NPLs below 1.3% in 2025, assuming (1) the overall asset quality of the industry is more positive, thereby limiting the impact of CIC; and (2) retail NPLs at TCB are relatively stable while NPLs with outstanding loans of the wholesale group has been kept at a very low level (<0.5%).

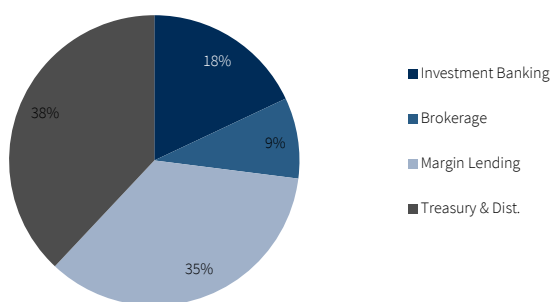
The financial ecosystem is being completed

TCBS IPO: According to the plan, TCBS will have an IPO to offer more than 231 million shares (~10% of equity) in late 3Q – early 4Q25. The offering price is VND46,800/share, equivalent to P/B 3.2x, higher than the average P/B of some leading securities companies. The high valuation for TCBS is based on (1) the No. 1 position in the industry in bond advisory and issuance; (2) the second brokerage market share on the HNX; (3) high profitability thanks to inheriting technology and potential customer base from the parent bank; and (4) the ability to participate in developing digital asset platforms in the future. We believe that with strong growth prospects, TCBS will become a driving force for NOI growth of TCB.

TCLife Insurance Company: TCLife is an insurance company co-owned by TCB and Vingroup (VIC) with ownership ratios of 80% and 20% respectively. In the most recent meeting, the management said that TCLife has just been granted a license from the Ministry of Finance. The presence of VIC and TCLife is expected to help deploy insurance products deeply integrated into the ecosystem (real estate, technology, healthcare, and so on). TCLife is poised to start contributing profits from the third year of operation.

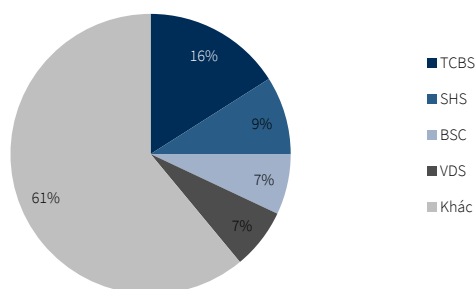
In addition, TCB has recently expanded its payment sector through the establishment of MobiFone Digital Payment JSC, in cooperation with OneMount Group and Mobifone (11% TCB ownership). In terms of strategic benefits, participating in capital contribution with this company helps TCB take advantage of the network of major shareholders, expand the payment ecosystem, and diversify its fee income sources.

Fig 10. TCB – Revenue breakdown in 2024



Source: Techcombank, KB Securities Vietnam

Fig 11. Vietnam – Market share of corporate bond issuance consulting in 2024 (including bank bonds)



Source: Company reports, KB Securities Vietnam

Forecast & valuation

Table 12. TCB – 2024A–2026F financial results

(VNDbn, %)	2024	2025F	+/-%YoY	2026F	+/-%YoY	Assumptions
Net interest income (NII)	35,508	40,139	13.0%	47,839	19.2%	The forecast is unchanged.
Non-interest income (NOII)	11,482	14,644	27.5%	16,698	14.0%	There is a slight increase in income from foreign exchange, securities trading and debt collection after the bank recorded positive results in these segments in 1H25. Other NOII remains unchanged compared to the previous forecast.
Total operating income (TOI)	46,990	54,782	16.6%	64,537	17.8%	
Pre-provision operating profit (PPOP)	31,621	37,252	17.8%	44,014	18.2%	
Provisions for credit losses	(4,082)	(4,222)	3.4%	(4,720)	11.8%	Our forecast is unchanged compared to the 1Q25 update report,
Profit before taxes (PBT)	27,538	33,031	19.9%	39,295	19.0%	
NIM	4.21%	4.02%	-19bps	4.16%	14bps	Our forecast is unchanged compared to the 1Q25 update report,
Average yield on earnings assets (%)	7.12%	7.16%	5bps	7.27%	11bps	
Average cost of funds (%)	3.28%	3.53%	25bps	3.39%	-14bps	
CIR (%)	32.7%	32.0%	-71bps	31.8%	-20bps	
NPL ratio (%)	1.12%	1.20%	8bps	1.25%	5bps	Our forecast is unchanged compared to the 1Q25 update report,
Total assets	978,799	1,181,907	21%	1,366,183	16%	
Owner's equity	147,940	171,687	16%	189,876	11%	

Source: Techcombank, KB Securities Vietnam

We downgrade TCB to NEUTRAL with a target price of VND43,400

We combine two valuation methods, P/B and residual income, to determine a fair price for TCB.

1) P/B valuation method

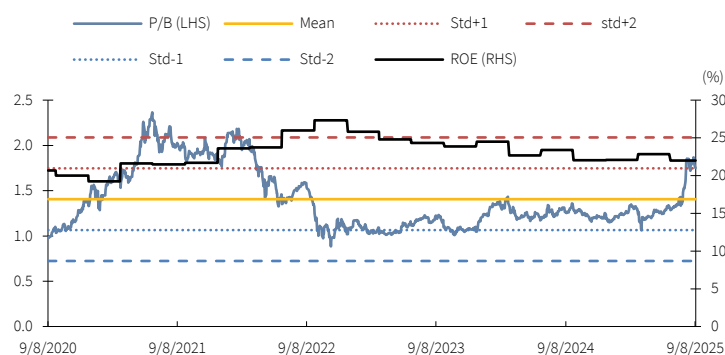
We raise the 2025 forward P/B multiple at 1.8x, expecting TCB to be revalued as the real estate market recovers and the bank is gradually perfecting its ecosystem.

2) Residual income method

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

We downgrade TCB from BUY to NEUTRAL with target price of VND43,400/share, equal to a potential upside of 12.5% compared to closing price on September 9, 2025. Factors that may trigger short-term stock rallies include: (1) the successful listing of TCBS; (2) the market upgrade, which is expected to attract cash flow into the market as well as the banking industry.

Fig 13. TCB – ROE, P/B in 2020–2025 (% , x)



Source: Bloomberg, KB Securities Vietnam

Table 14. TCB – Residual income valuation

(VNDbn)	2025F	2026F	2027F
NPAT	26,424	31,436	36,222
Excessed return	5,683	7,365	9,601
Required rate of return (re)	14.02%		
Growth (g)	3.0%		
Terminal value	100,103		
Total present value (PV)	302,906		
Value per share	42,875		

Source: KB Securities Vietnam

Table 13. TCB – Valuation results

Valuation method	Forecast price	Weighting	Weighted price
Residual income	42,875	50%	21,438
P/B	43,743	50%	21,871
Target price			43,400

Source: KB Securities Vietnam

TCB – 2022A–2025F summarized financials & forecasts

Income Statement						Balance Sheet					
(VNDbn)	2022	2023	2024	2025F	2026F	(VNDbn)	2022	2023	2024	2025F	2026F
Net interest income	30,290	27,691	35,508	40,139	47,839	Loans	415,752	512,514	623,634	749,435	883,573
Interest income	44,753	56,708	60,089	71,613	83,709	Marketable securities	961	4,433	9,001	4,797	6,011
Interest expense	(14,463)	(29,017)	(24,581)	(31,474)	(35,870)	Cash (ex. Reserves)	4,216	3,621	3,385	4,520	5,664
Fees & commissions	8,153	8,715	8,042	9,552	11,215	Interest earning assets	619,967	759,745	928,953	1,070,221	1,232,301
Other non-interest income	2,167	2,434	343	1,633	1,789	Fixed assets & other assets	79,995	92,482	55,070	116,407	139,897
Total operating income	40,527	40,061	46,990	54,782	64,537	Total assets	699,033	849,482	978,799	1,181,907	1,366,183
SG&A expenses	(13,023)	(13,252)	(15,370)	(17,530)	(20,523)	Customer deposits	358,404	454,661	533,392	631,725	791,613
Pre-provisioning OP	27,504	26,809	31,621	37,252	44,014	Borrowings & call money/repos	35,858	84,703	141,354	188,522	102,995
Provision for credit losses	(1,936)	(3,921)	(4,082)	(4,222)	(4,720)	Interest bearing liabilities	561,832	692,537	806,997	978,194	1,140,026
Other income	4,500	6,460	9,325	8,165	8,745	Other liabilities	23,775	25,329	23,862	32,027	36,282
Other expense	(2,333)	(4,026)	(8,982)	(6,532)	(6,957)	Total liabilities	585,608	717,866	830,859	1,010,220	1,176,308
Pre-tax income	25,568	22,888	27,538	33,031	39,295	Charter capital	35,172	35,225	70,649	70,649	70,649
Income tax expense	(5,131)	(4,697)	(5,778)	(6,606)	(7,859)	Capital surplus	476	476	(0)	(0)	(0)
NP	20,436	18,191	21,760	26,424	31,436	Retained earnings	64,483	49,013	42,219	55,846	74,035
Minority interest profit	(286)	(187)	(237)	(308)	(401)	Capital adjustments	-	-	-	-	-
Parent NP	20,150	18,004	21,523	26,116	31,035	Total shareholders' equity	113,425	131,616	147,940	171,687	189,876
Financial Indicators (%)						Valuation (VND, X, %)					
Profitability						Share Price Indicators					
ROE	19.8%	14.8%	15.6%	16.5%	17.4%	EPS	5,729	5,111	3,046	3,697	4,393
ROA	3.2%	2.3%	2.4%	2.4%	2.5%	BVPS	32,248	37,364	20,940	24,302	26,876
Pre-provision ROE	21.3%	17.4%	17.9%	18.6%	19.5%	Tangible BVPS	30,908	35,841	20,106	23,403	25,909
Pre-provision ROA	3.5%	2.8%	2.7%	2.8%	2.8%	Valuations					
Net interest margin (NIM)	5.3%	4.0%	4.2%	4.0%	4.2%	PER	4.6	5.1	8.6	7.1	5.9
Efficiency						PBR	0.8	0.7	1.2	1.2	1.1
Pure Loan to deposit ratio	117.3%	114.1%	118.4%	120.0%	113.0%	ROE	19.8%	14.8%	15.6%	16.5%	17.4%
Cost-income ratio	32.1%	33.1%	32.7%	32.0%	31.8%	Capital Adequacy					
Growth						CAR	15.6%	15.0%	15.2%	15.0%	>15%
Asset growth	22.9%	21.5%	15.2%	20.8%	15.6%	Asset Quality					
Loan growth	21.0%	23.3%	21.7%	20.2%	17.9%	NPL ratio (substandard)	0.7%	1.2%	1.1%	1.2%	1.3%
PPOP growth	6.2%	-2.5%	17.9%	17.8%	18.2%	Coverage ratio (substandard)	123.2%	79.5%	90.4%	94.9%	97.9%
Parent NP growth	11.6%	-10.7%	19.5%	21.3%	18.8%	NPL ratio (precautionary)	2.8%	2.0%	1.8%	1.9%	2.0%
EPS growth	11.4%	-10.8%	-40.4%	21.3%	18.8%	Coverage ratio (precautionary)	31.7%	45.7%	55.6%	60.0%	62.8%
BVPS growth	21.7%	15.9%	-44.0%	16.1%	10.6%						

Source: Techcombank, 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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