

Vietcombank (VCB)

Impressive credit growth

September 8, 2025

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2Q2025 PBT came in at VND11,034 billion, up 9.1% YoY

VCB wrapped up 2Q2025 with credit growth of 7.3% YTD, but NII rose only 1.8% YoY due to margin compression. Meanwhile, NOI jumped 30.4% YoY to VND3,708 on strong other income. Lower provision expenses of VND810 billion (-46.5% YoY) lifted PBT to VND11,034 billion (+9.1% YoY).

Credit growth is forecast to reach 15.5% by year-end

KBSV maintains 2025F credit growth for VCB at 15.5%, supported by: (1) robust borrowing demand amid the government's ambitious GDP growth target of over 8%; (2) momentum from the private sector, boosted public investment, and recovery of the real estate market; (3) low funding costs as a competitive edge.

NIM will likely remain pressured by potential deposit rate hikes in 2H2025

KBSV believes NIM will face continued pressure through year-end due to potential deposit rate hikes driven by liquidity stress and VND depreciation. However, several factors should provide support in 2H2025: (1) liquidity injection from the State Bank of Vietnam (SBV); (2) a lower reserve requirement ratio; (3) high CASA ratio.

Asset quality remained solid, with an ample provisioning buffer

VCB is likely to face negligible provisioning pressure in the second half, given improved asset quality in 1H2025. The bank recorded the lowest NPL ratio in the sector at 1.0% and maintained a strong loan loss coverage ratio of 213.8%, providing ample flexibility in risk provisioning.

We reiterate BUY on VCB with a target price of VND77,800/share

Based on valuation results, business outlook, and potential risks, we maintain our BUY rating for VCB with a 2025 target price of VND77,800/share, implying a 19.1% upside from the closing price on September 08, 2025.

Buy maintain

Target price	VND77,800
Upside	19.1%
Current price (Sep 8, 2025)	VND 65,300
Consensus target price	VND 75,600
Market cap (VNDtn/USDbn)	541.4/20.5

Forecast earnings & valuation

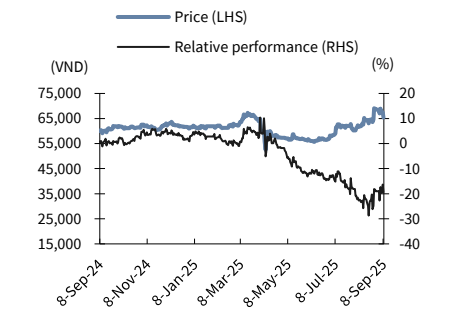
FY-end	2023	2024	2025F	2026F
Net interest income (VNDbn)	53,621	55,406	60,387	71,992
PPOP (VNDbn)	45,809	45,551	49,553	58,660
NPAT-MI (VNDbn)	33,033	33,831	35,261	40,015
EPS (VND)	5,910	6,053	4,220	4,789
EPS growth (%)	(6.4)	2.4	(30.3)	13.5
P/E (x)	16.5	16.1	15.5	13.6
Book value per share (VND)	29,524	35,106	27,702	32,491
P/B (x)	3.31	2.78	2.36	2.01
ROE (%)	22.0	18.7	16.5	15.9
Dividend yield (%)	0.0	0.0	0.0	0.0

Trading data

Free float	25.2%
3M avg trading value (VNDbn/USDmn)	523.0/19.9
Foreign ownership	21.7%
Major shareholder	State Bank of Vietnam (SBV, 74.80%)

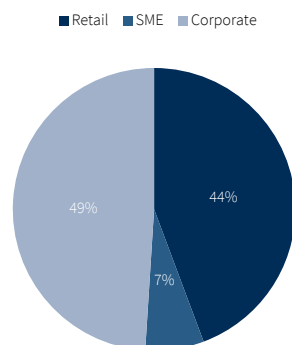
Share price performance

(%)	1M	3M	6M	12M
Absolute	5.5	16.8	2.7	8.2
Relative	3.0	-7.1	-19.9	-19.9



Source: Bloomberg, KB Securities Vietnam

Credit composition (2024)



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 sector by total assets, which reached VND2,085 trillion at end-2024. VCB's loan portfolio prioritizes risk management and is primarily concentrated in two key segments: corporate (49%) and retail (44%).

Investment Catalysts

Credit growth is projected to reach 15.5% by year-end on strong borrowing demand and low funding costs.

NIM will likely remain pressured by potential deposit rate hikes, though liquidity support from the SBV, a reduced reserve requirement ratio, and a stronger CASA base should provide partial relief.

Provisions are expected to be negligible in the second half thanks to solid asset quality and an ample provisioning buffer.

Notes

Please find more details below

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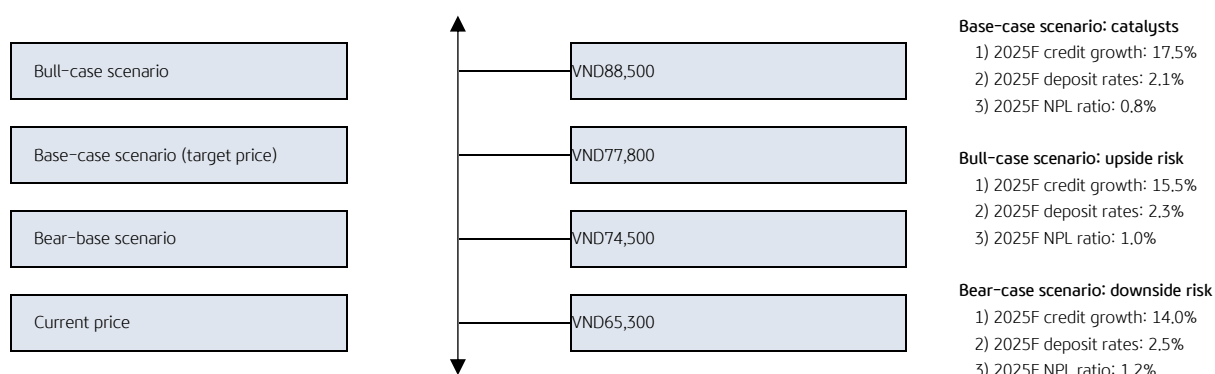
Please find more details below

Revised earnings estimates

(VNDbn)	KBSV estimates		Change vs previous estimates		Consensus*		Difference	
	2025E	2026E	2025E	2026E	2025E	2026E	2025E	2026E
Revenue	62,938	74,135	-2%	1%	64,533	73,243	0%	0%
EBIT	50,615	58,669	-5%	-2%	53,394	59,999	4%	-1%
NP after MI	34,433	38,681	-6%	-1%	36,460	39,005	-3%	-6%

Source: Bloomberg, KB Securities Vietnam

Investment opinion & risks



Business performance

2Q2025 PBT came in at VND11,034 billion, up 9.1% YoY

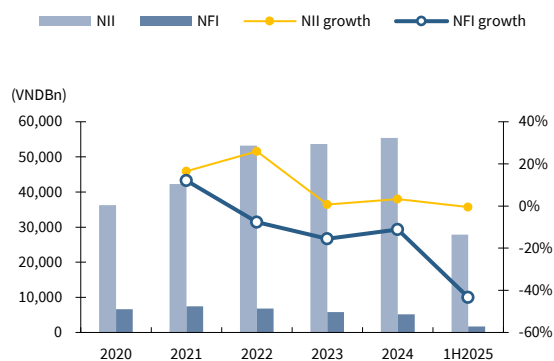
VCB wrapped up 2Q2025 with credit growth of 7.3% YTD, but NII rose only 1.8% YoY due to margin compression. Meanwhile, NOII jumped 30.4% YoY to VND3,708 on strong other income. Lower provision expenses of VND810 billion (-46.5% YoY) lifted PBT to VND11,034 billion (+9.1% YoY).

Table 1. VCB – 2Q2025 financial results

(VNDbn)	2Q2024	1Q2025	2Q2025	+/-%QoQ	+/-%YoY	Notes
Net interest income (NII)	13,908	13,687	14,160	3.5%	1.8%	Net interest income grew only 1.8% due to NIM compression, as VCB actively cut lending rates to boost borrowing demand.
Net fee income (NFI)	1,499	806	861	6.8%	-42.6%	Net fee income declined sharply YoY due to fee waiver programs introduced to attract customers.
Other non-interest income (NOII)	1,345	2,772	2,847	2.7%	111.7%	The FX segment continued to deliver strong results, reaching VND1,635 billion (+40.9% QoQ, +55.1% YoY). Meanwhile, securities trading and investment contributed minimally to NOII, while net other income surged to VND1,153 billion compared to a low base of just VND24 billion in the same period last year.
Total operating income (TOI)	16,752	17,265	17,868	3.5%	6.7%	
Operating expenses	(5,122)	(5,652)	(6,025)	6.6%	17.6%	
Pre-provision operating profit (PPOP)	11,630	11,612	11,844	2.0%	1.8%	
Provision expenses	(1,514)	(752)	(810)	7.6%	-46.5%	A strong provisioning buffer, with the loan loss coverage ratio (LLCR) at 213.8%, provides VCB with ample flexibility in risk provisioning.
Profit before tax (PBT)	10,116	10,860	11,034	1.6%	9.1%	
Net profit after tax (NPAT)	8,119	8,696	8,832	1.6%	8.8%	
Credit growth	7.7%	1.2%	7.3%	6.1 ppts	-0.4 ppts	Growth momentum came from the retail segment, with customer loans estimated to rise 10.0% YTD, while loans to corporates and SMEs increased by 5.0% and 5.7% YTD, respectively.
Deposit growth	3.4%	1.1%	6.4%	5.2 ppts	2.9 ppts	
NIM	2.99%	2.86%	2.70%	-15 bps	-28 bps	VCB proactively maintained low lending rates to foster credit growth, while room for further cuts in funding costs has become increasingly limited.
Average yield on interest-earning assets (IEA)	5.51%	4.89%	4.72%	-17 bps	-79 bps	
Average cost of funds (CoF)	2.83%	2.29%	2.26%	-3 bps	-56 bps	
CIR	30.6%	32.7%	33.7%	0.9 ppts	3.1 ppts	
NPL ratio	1.20%	1.03%	1.00%	-2 bps	-19 bps	NPL ratio remained low and stable QoQ, underscoring effective risk management.

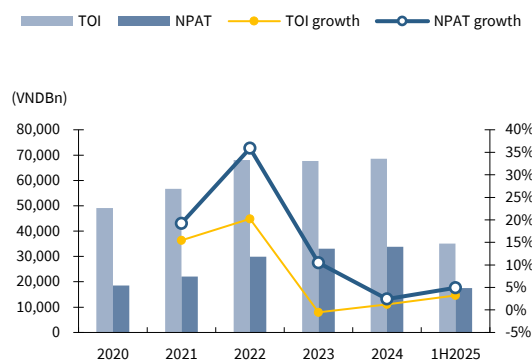
Source: Vietcombank, KB Securities Vietnam

Fig 2. VCB – NII, NFI & growth (VNDbn, %YoY)



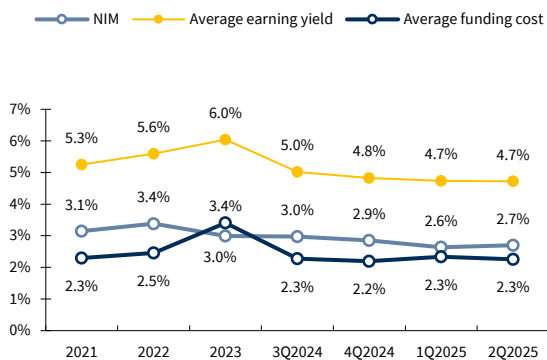
Source: Vietcombank, KB Securities Vietnam

Fig 3. VCB – TOI, NPAT & growth (VNDbn, %YoY)



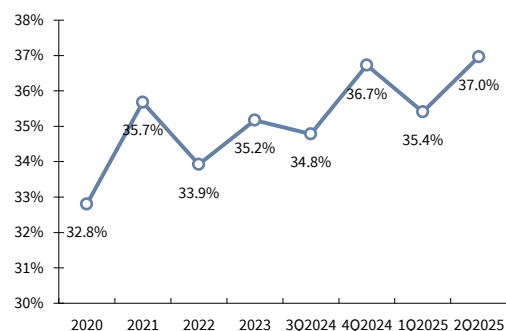
Source: Vietcombank, KB Securities Vietnam

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



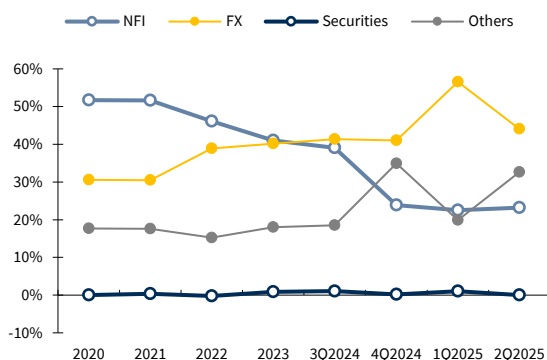
Source: Vietcombank, KB Securities Vietnam

Fig 5. VCB – CASA ratio in 2020–2025 (%)



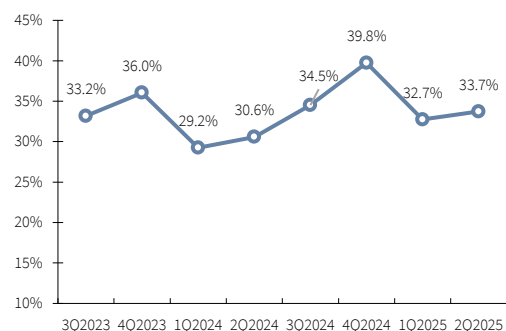
Source: Vietcombank, KB Securities Vietnam

Fig 6. VCB – NOI breakdown (%)



Source: Vietcombank, KB Securities Vietnam

Fig 7. VCB – CIR in 2023–2025 (%)



Source: Vietcombank, KB Securities Vietnam

Credit growth is forecast to reach 15.5% by year-end

In 1H2025, VCB achieved relatively impressive credit growth of 10.8% YTD if including VND51 trillion of loans transferred to VCBNeo (7.3% YTD on a reported basis). KBSV maintains 2025F credit growth for VCB at 15.5% on a reported basis, or 19% on an adjusted basis (including the loan transfer to VCBNeo), underpinned by:

1. **Robust borrowing demand**, supported by the government's ambitious GDP growth target of over 8%.
2. **Favorable real estate market dynamics**, which continue to drive retail borrowing, while corporate lending benefits from Resolution 68-NQ/TW on private sector development.
3. **The lowest funding costs in the sector**, enabling VCB to offer highly competitive lending rates and effectively capture credit demand.

NIM will likely remain pressured by potential deposit rate hikes in 2H2025

KBSV believes NIM will remain under pressure for the rest of 2025, driven by:

1. An expected minimum 50bps increase in deposit rates in 2H2025, aimed at stabilizing the exchange rate and ensuring liquidity to support ambitious credit growth targets.
2. The risk of foreign capital outflows amid tariff-related uncertainties and VND depreciation, which could dampen the attractiveness of the local market.

However, funding cost pressures should be partially mitigated by:

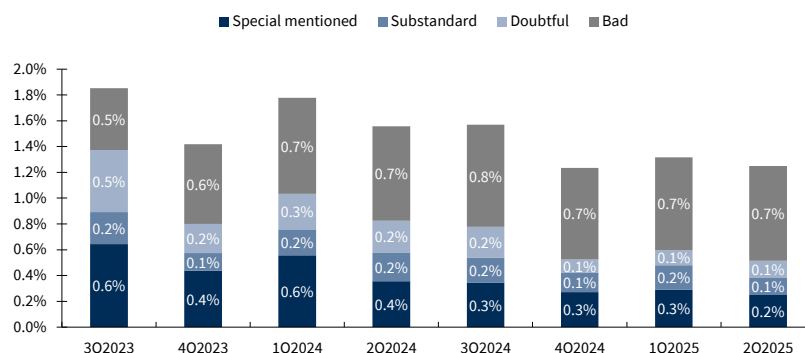
1. A high and improving CASA ratio, reaching 37% (+1.6ppts QoQ).
2. Low-cost funding from the SBV, provided to banks involved in restructuring poor-performing banks, together with Circular No. 23/2025/TT-NHNN, which halves the reserve requirement ratio and significantly enhances liquidity for VCB.

In our estimates, this regulatory change will free up an additional VND29 trillion for VCB, equivalent to around 1.8% of its total outstanding loans.

Asset quality remained solid, with an ample provisioning buffer

VCB is likely to face negligible provisioning pressure in the second half, given improved asset quality in 1H2025. The bank recorded the lowest NPL ratio in the sector at 1.0% and maintained a strong loan loss coverage ratio of 213.8%, providing ample flexibility in risk provisioning.

Fig 8. VCB – Credit portfolio composition by risk grade in 2023–2025 (%)



Source: Vietcombank, KB Securities Vietnam

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

	% NPL	QoQ	% Group 2	QoQ	Provision (Billion VND)	LLCR
VPB	3.97%	-0.77%	3.03%	-1.27%	-17,196	52.2%
VIB	3.56%	-0.22%	2.90%	-0.40%	-4,706	37.2%
OCB	3.47%	-0.43%	1.93%	-0.42%	-2,616	40.5%
MSB	2.70%	0.13%	1.17%	-0.08%	-3,016	55.6%
EIB	2.66%	0.08%	0.99%	0.13%	-2,005	41.2%
HDB	2.54%	0.17%	3.94%	-1.45%	-6,097	47.2%
STB	2.46%	-0.05%	0.73%	-0.06%	-10,918	75.4%
BID	1.98%	0.09%	1.54%	-0.31%	-38,436	89.1%
LPB	1.74%	0.01%	0.95%	-0.44%	-4,836	75.3%
MBB	1.60%	-0.24%	1.30%	-0.61%	-12,548	88.9%
CTG	1.31%	-0.23%	0.96%	-0.36%	-33,437	134.8%
TCB	1.26%	0.08%	0.60%	-0.19%	-9,511	106.5%
ACB	1.26%	-0.23%	0.47%	0.00%	-6,079	76.3%
VCB	1.00%	-0.02%	0.25%	-0.04%	-33,307	213.8%

Source: Company reports, KB Securities Vietnam

VCB maintains its industry-leading asset quality and provision buffer. This provides a solid foundation to mitigate provisioning pressure for the remainder of the year.

Forecast & Valuation

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

(VNDbn)	2024	2025F	+/-%YoY	2026F	+/-%YoY	Notes
NII	55,406	60,387	9.0%	71,992	19.2%	We maintain our 15.5% credit growth assumption, while revising NII down by 4% from the previous estimate on the back of a lower NIM forecast.
NFI	5,137	4,022	-21.7%	4,303	7.0%	
TOI	68,578	73,959	7.8%	87,421	18.2%	Provisioning expenses are revised down 27.6% from the previous assumption due to solid 1H2025 asset quality and a robust provision buffer.
Provision expenses	(3,315)	(5,502)	66.0%	(8,671)	57.6%	
NPAT	33,831	35,261	4.2%	40,015	13.5%	NIM is revised down 11bps from the prior forecast due to weaker-than-expected performance in 1H2025 and anticipated pressure in 2H2025 from VND depreciation and liquidity stress.
NIM	2.86%	2.77%	-8bps	2.92%	15bps	
Average IEA yield	4.83%	4.83%	0bps	5.22%	39bps	
Average CoF	2.20%	2.30%	11bps	2.58%	28bps	
CIR	33.6%	33.0%	-58bps	32.9%	-10bps	
NPL ratio	0.96%	1.00%	4bps	1.00%	0bps	
Total assets	2,085,874	2,319,632	11.2%	2,657,494	14.6%	
Equity	196,209	231,470	18.0%	271,486	17.3%	

Source: Vietcombank, KB Securities Vietnam

We reiterate BUY on VCB with a target price of VND77,800/share

We employ two valuation approaches, P/B and residual income, to derive a fair value for VCB shares.

1. P/B valuation

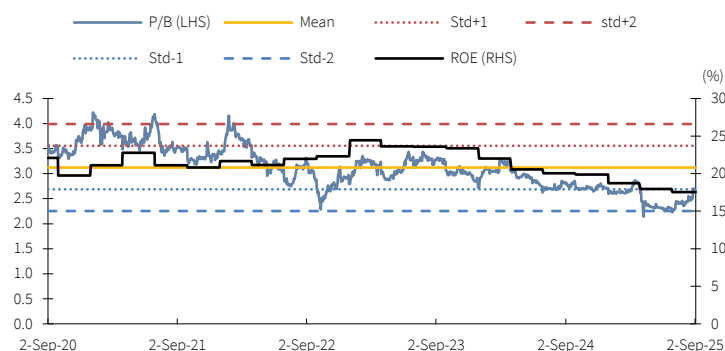
We apply an unchanged 2025F target P/B multiple of 3.2x, in line with VCB's 5-year historical average, reflecting its strong credit growth outlook and stable asset quality, although NIM volatility remains a risk.

2. Residual income valuation (Table 12)

In addition, we apply the residual income method to factor in systemic risks and long-term expectations.

By combining the two methods with a 70:30 weighting to better capture the favorable market outlook for the banking sector, we arrive at a 2025-end fair value of VND77,800/share for VCB, implying a 19.1% upside from the closing price on September 8, 2025.

Fig 11. VCB – P/B, ROE in 2020–2025



Source: Bloomberg, KB Securities Vietnam

Table 12. VCB – Residual income valuation

(VNDbn)	2025F	2026F	2027F
NPAT	35,285	40,041	45,344
Excessed return	13,776	14,666	15,582
Required rate of return (r)	10.96%		
Growth (g)	3.0%		
Terminal value	137,492		
End-2025 fair value	439,698		
Value per share	52,623		

Source: KB Securities Vietnam

Table 13. VCB – Valuation results

Valuation method	Derived price	Weight	Weighted price
P/B	88,647	70%	62,053
Residual income	52,623	30%	15,787
Target price	77,800		

Source: KB Securities Vietnam

VCB – 2022A–2026F summarized financials & forecasts

Income Statement (VNDbn)						Balance Sheet (VNDbn)					
	2022	2023	2024	2025F	2026F		2022	2023	2024	2025F	2026F
Net interest income	53,246	53,621	55,406	60,387	71,992	Loans	1,120,287	1,241,675	1,418,016	1,641,393	1,897,217
Interest income	88,113	108,122	93,655	105,282	128,545	Marketable securities	1,500	2,495	4,876	3,325	6,224
Interest expense	(34,866)	(54,501)	(38,249)	(44,895)	(56,553)	Cash (ex. Reserves)	18,349	14,505	14,268	15,767	18,211
Fees & commissions	6,839	5,780	5,137	4,022	4,303	Interest earning assets	1,759,898	1,819,045	2,062,029	2,297,165	2,632,180
Other non-interest income	2,054	2,272	2,372	3,058	3,982	Fixed assets & other assets	71,157	40,584	40,723	39,133	43,338
Total operating income	68,083	67,723	68,578	73,959	87,421	Total assets	1,831,815	1,839,613	2,085,874	2,336,632	2,657,494
SG&A expenses	(21,251)	(21,915)	(23,027)	(24,406)	(28,762)	Customer deposits	1,243,468	1,395,698	1,514,665	1,673,825	1,933,268
Pre-provisioning OP	46,832	45,809	45,551	49,553	58,660	Borrowings & call money/repos	25,341	20,031	24,126	31,532	35,851
Provision for credit losses	(9,464)	(4,565)	(3,315)	(5,502)	(8,671)	Interest bearing liabilities	1,568,635	1,631,238	1,851,562	2,043,889	2,334,888
Other income	2,928	4,050	4,469	5,097	6,637	Other liabilities	109,534	43,362	38,103	44,273	51,121
Other expense	(874)	(1,778)	(2,097)	(2,039)	(2,655)	Total liabilities	1,678,169	1,674,601	1,889,664	2,088,162	2,386,009
Pre-tax income	37,368	41,244	42,236	44,051	49,989	Charter capital	47,325	55,891	55,891	83,557	83,557
Income tax expense	(7,449)	(8,189)	(8,383)	(8,766)	(9,948)	Capital surplus	4,995	4,995	4,995	4,995	4,995
NP	29,919	33,054	33,853	35,285	40,041	Retained earnings	60,733	76,759	98,332	105,927	145,942
Minority interest profit	(20)	(21)	(22)	(24)	(26)	Capital adjustments	-	-	-	-	-
Parent NP	29,899	33,033	33,831	35,261	40,015	Total shareholders' equity	135,646	165,013	196,209	231,470	271,486

Financial Indicators (%)						Valuation (VND, X, %)					
	2022	2023	2024	2025F	2026F		2022	2023	2024	2025F	2026F
Profitability						Share Price Indicators					
ROE	24.4%	22.0%	18.7%	16.5%	15.9%	EPS	6,318	5,910	6,053	4,220	4,789
ROA	19%	18%	17%	16%	16%	BVPS	28,663	29,524	35,106	27,702	32,491
Pre-provision ROE	30.6%	24.4%	20.2%	18.6%	18.7%	Tangible BVPS	28,068	29,060	34,647	27,402	32,197
Pre-provision ROA	2.3%	2.0%	1.9%	1.8%	1.9%	Valuations					
Net interest margin (NIM)	3.4%	3.0%	2.9%	2.8%	2.9%	PER	18.2	16.5	16.1	15.5	13.6
Efficiency						PBR	4.0	3.3	2.8	2.4	2.0
Pure Loan to deposit ratio	92.1%	91.0%	95.7%	100.0%	100.0%	Dividend yield	0.3%	0.0%	0.0%	0.0%	0.0%
Cost-income ratio	312%	32.4%	33.6%	33.0%	32.9%	ROE	24.4%	22.0%	18.7%	16.5%	15.9%
Growth						Capital Adequacy					
Asset growth	28.2%	14%	13.4%	11.2%	14.6%	CAR	10.0%	114%	12.3%	>10%	>10%
Loan growth	18.8%	10.8%	14.2%	15.8%	15.6%	Asset Quality					
PPOP growth	20.2%	-2.2%	-0.6%	8.8%	18.4%	NPL ratio (substandard)	0.7%	10%	10%	10%	10%
Parent NP growth	35.9%	10.5%	2.4%	4.2%	13.5%	Coverage ratio (substandard)	316.9%	230.3%	223.3%	193.8%	186.5%
EPS growth	6.5%	-6.4%	2.4%	-30.3%	13.5%	NPL ratio (precautionary)	10%	14%	12%	13%	14%
BVPS growth	-2.6%	3.0%	18.9%	-21.1%	17.3%	Coverage ratio (precautionary)	208.2%	159.2%	174.2%	149.0%	133.2%

Source: Company report, 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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