

Vietcombank (VCB)

Anchored by industry-leading asset quality

November 13, 2025

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3Q2025 PBT touched VND11,239 billion (+5% YoY)

In 3Q2025, despite a solid 12.4% YTD credit expansion, NII grew only 8.0% YoY due to continued NIM compression. Provision for credit losses jumped by 138.2% YoY to VND776 billion, resulting in PBT of VND11,239 billion (+5.0% YoY). For 9M2025, PBT reached VND33,133 billion (+5.1% YoY).

Loan growth is forecast at 15.5% in 2026

KBSV forecasts VCB's credit growth at 15.5% in 2026, driven by: (1) strong credit demand under the Government's 10% GDP growth target; (2) momentum from the private sector, boosted public investment, and a recovering property market; and (3) VCB's structural low-cost funding advantage.

NIM is expected to remain broadly flat in 2026

KBSV expects NIM to remain broadly flat in 2026, as VCB is likely to maintain low lending rates to support economic growth and foster loan growth. Meanwhile, sustaining low deposit rates may prove challenging amid tightening liquidity and exchange rate pressures. Several factors that may lend support to NIM in 2026 include: (1) liquidity assistance from the SBV; (2) lower reserve requirement ratio; and (3) VCB's net lending position in the interbank market.

VCB's industry-leading asset quality keeps provisioning pressure minimal

Provisioning pressure is considered negligible, backed by VCB's superior asset quality. The bank's 3Q2025 NPL ratio stood at 1.03%—the lowest in the system—while its LLCR remained robust at 202%, providing strong provisioning flexibility.

We reiterate BUY for VCB with a target price of VND76,500/share

Based on valuation results, business prospects, and potential risks, we reiterate BUY for VCB with a 2026F target price of VND76,500 per share, implying a 28.6% upside from the closing price on November 12, 2025.

Buy maintain

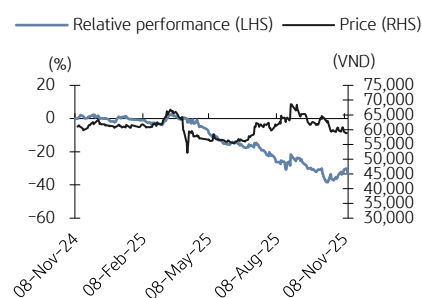
Target price	VND76,500
Upside	28.6%
Current price (Nov 12, 2025)	VND 59,500
Consensus target price	VND 75,900
Market cap (VNDtn/USDbn)	497.2/18.8

Trading data	
Free float	10.2%
3M avg trading value (VNDbn/USDmn)	467.9/17.7
Foreign ownership	21.5%
Major shareholder	State Bank of Vietnam (SBV, 74.80%)

Share price performance				
(%)	1M	3M	6M	12M
Absolute	-5	-7	6	-3
Relative	2	-3	-19	-33

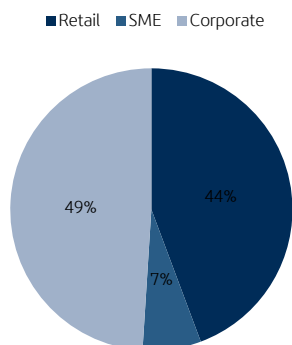
Forecast earnings & valuation

FY-end	2023	2024	2025F	2026F
Net interest income (VNDbn)	53,621	55,406	57,717	67,695
PPOP (VNDbn)	45,809	45,551	47,910	55,509
NPAT-MI (VNDbn)	33,033	33,831	35,438	37,502
EPS (VND)	5,910	6,053	4,241	4,488
EPS growth (%)	(6.4)	2.4	(29.9)	5.8
P/E (x)	15.1	14.7	14.0	13.3
Book value per share (VND)	29,524	35,106	27,723	32,211
P/B (x)	3.01	2.53	2.15	1.85
ROE (%)	22.0	18.7	16.6	15.0
Dividend yield (%)	0.0	0.0	0.0	0.0



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 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 (44%).

Investment Catalysts

Credit growth is forecast at 15.5% for 2026, driven by robust borrowing demand and VCB's structural low-cost funding advantage.

NIM is projected to remain broadly flat in 2026, given tightening liquidity, exchange rate pressures, coupled with the bank's commitment to supportive, low lending rates.

VCB's industry-leading asset quality—reflected in the lowest NPL ratio and a high loan loss coverage ratio—keeps provisioning pressure minimal.

Notes

Please find more details below

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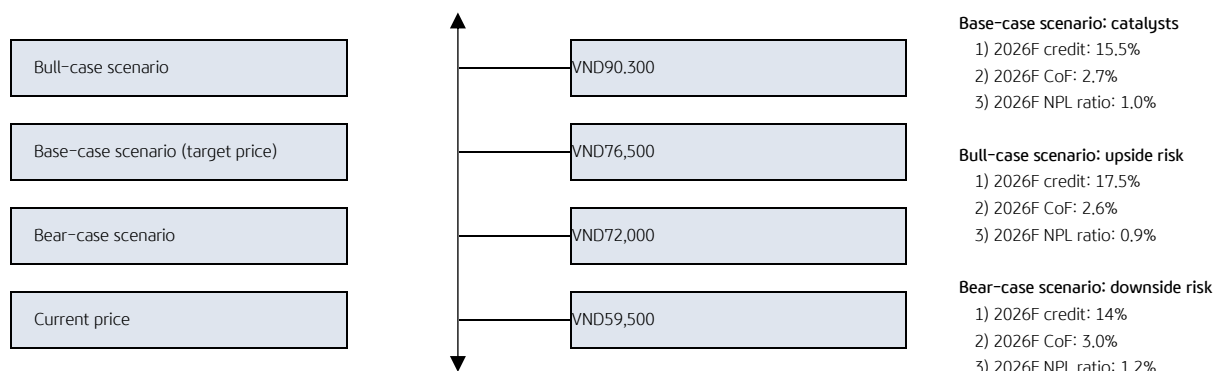
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Revised earnings estimates

(VNDbn)	KBSV estimates		Change vs previous estimates		Consensus*		Difference	
	2025E	2026E	2025E	2026E	2025E	2026E	2025E	2026E
Net interest income (NII)	57,717	67,695	-8%	-9%	60,157	71,201	-4%	-5%
Pre-provision operating profit (PPOP)	47,910	55,509	-5%	-5%	48,962	58,509	-2%	-5%
NPAT-MI	35,438	37,502	3%	-3%	34,970	40,241	1%	-7%

Source: Bloomberg, KB Securities Vietnam

Investment opinion & risks



Business performance

3Q2025 PBT touched VND11,239 billion (+5% YoY)

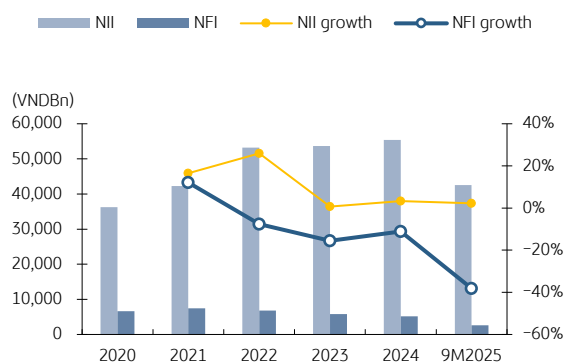
In 3Q2025, despite a solid 12.4% YTD credit expansion, NII grew only 8.0% YoY due to continued NIM compression. Provision for credit losses jumped by 138.2% YoY to VND776 billion, resulting in PBT of VND11,239 billion (+5.0% YoY). For 9M2025, PBT reached VND33,133 billion (+5.1% YoY).

Table 1. VCB – 3Q2025 financial results

(VNDbn)	3Q2024	2Q2025	3Q2025	+/-%QoQ	+/-%YoY	Notes
Net interest income (NII)	13,578	14,160	14,657	3.5%	8.0%	Limited NII growth, attributable to NIM compression, as VCB maintained low lending rates to support economic growth.
Net fee income (NFI)	1,272	861	938	9.0%	-26.2%	NFI continued to decline sharply YoY, further impacted by the implementation of fee waiver initiatives to attract customers.
Other non-interest income (NOII)	1,986	2,847	2,457	-13.7%	23.7%	Net other income surged 68% YoY, offsetting a 5% YoY decline in income from foreign exchange activities and complementing the strong performance of securities investment, which recorded a profit of VND106 billion (+194% YoY).
Total operating income (TOI)	16,836	17,868	18,052	1.0%	7.2%	
Operating expenses	(5,811)	(6,025)	(6,037)	0.2%	3.9%	
PPOP	11,025	11,844	12,015	1.4%	9.0%	
Provision for credit losses	(326)	(810)	(776)	-4.2%	138.2%	A loan loss coverage ratio (LLCR) of 202% provides VCB with significant flexibility in its provisioning strategy.
Profit before tax (PBT)	10,699	11,034	11,239	1.9%	5.0%	
NPAT-MI	8,567	8,832	9,020	2.1%	5.3%	
Credit growth	10.2%	7.3%	12.4%	5 ppts	2.1 ppts	The retail segment spearheaded growth, with loan balances climbing 14.5% year-to-date (YTD) as of end-September 2025. This significantly outpaced the large corporate segment (11.3% YTD) and the SME segment (5.4% YTD).
Deposit growth	4.9%	6.4%	14.2%	7.8 ppts	9.3 ppts	
NIM	3.00%	2.70%	2.64%	-5 bps	-35 bps	VCB continues to proactively maintain low lending rates to stimulate credit growth, while deposit rates will unlikely decline further.
Average interest-earning asset yield (IEA yield)	5.24%	4.72%	4.70%	-2 bps	-54 bps	
Average cost of funds (CoF)	2.52%	2.26%	2.29%	2 bps	-23 bps	
CIR	34.5%	33.7%	33.4%	-0.2 ppts	-1 ppts	
NPL ratio	1.22%	1.00%	1.03%	3 bps	-18 bps	The bank's risk management framework remains robust, as evidenced by a consistently low NPL ratio with minimal movement versus the prior quarter.

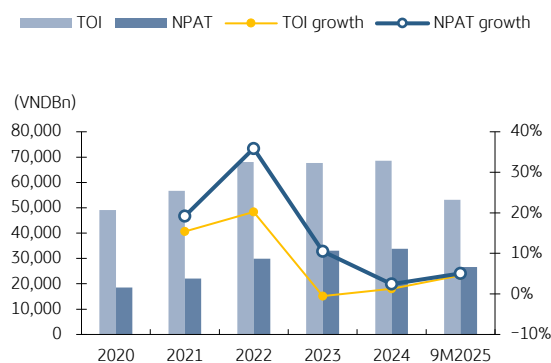
Source: Vietcombank, KB Securities Vietnam

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



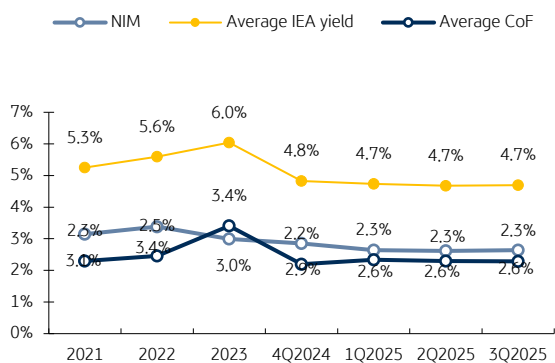
Source: Vietcombank, KB Securities Vietnam

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



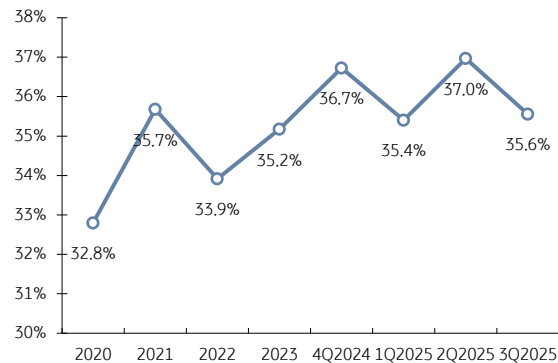
Source: Vietcombank, KB Securities Vietnam

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



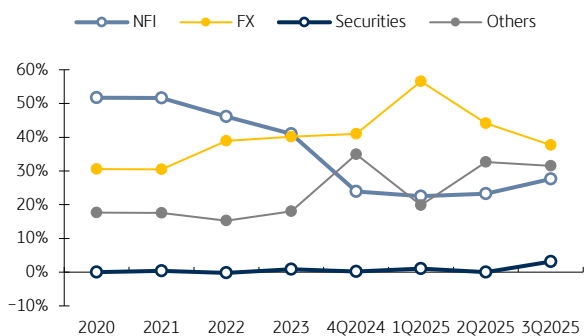
Source: Vietcombank, KB Securities Vietnam

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



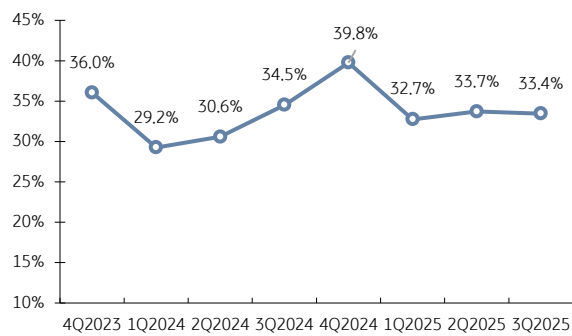
Source: Vietcombank, KB Securities Vietnam

Fig 6. VCB – NOI breakdown (%)



Source: Vietcombank, KB Securities Vietnam

Fig 7. VCB – CIR in 2023–2025 (%)



Source: Vietcombank, KB Securities Vietnam

Loan growth is forecast at 15.5% in 2026

VCB demonstrated robust credit growth in 9M2025, reaching 12.4% YTD. This figure adjusts to a more impressive 15.8% YTD when factoring in VND51,000 billion in loans transferred to VCBNeo. We maintain our 2025F credit growth for VCB at 15.5%, with an expectation for a similar growth rate in 2026, underpinned by the following catalysts:

- 1) Strong macroeconomic tailwinds: High credit demand is anticipated, driven by the government's ambitious 10% GDP growth target.
- 2) Key sectoral momentum: A recovery in the real estate market is expected to stimulate borrowing demand from the retail segment. Concurrently, corporate clients are poised to benefit from the implementation of Resolution 68-NQ/TW, which aims to foster the development of the private economic sector.
- 3) Structural competitive edge: VCB's sector-leading low-cost funding advantage allows it to offer competitive, low-interest loan products, effectively capturing and absorbing market credit demand.

NIM is expected to remain broadly flat in 2026

KBSV has revised NIM forecast for VCB to 2.58% for 2025, a 19 basis point (bps) reduction from the previous projection. For 2026, NIM is expected to see a modest increase of only 4 bps YoY, reaching 2.62%. This outlook is based on the following dynamics:

1) Limited IEA yield improvement, driven by strategic choices

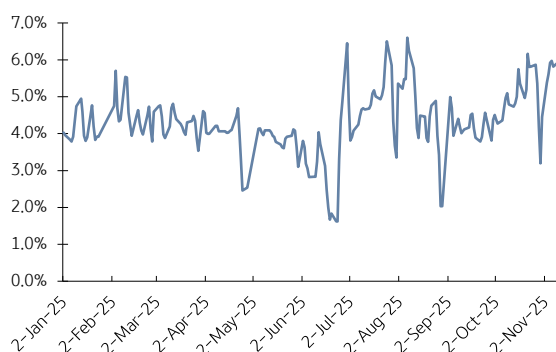
We project the average IEA yield will see a limited increase of approximately 30 bps, remaining low in 2026 as (1) Credit demand remains segmented across customer groups, making low lending rates a key competitive tool to ensure VCB meets its credit growth targets and (2) VCB pursues a high-standard risk management strategy, willingly trading off margin to secure high-quality borrowers.

2) Manageable funding cost pressures, supported by structural advantages

We anticipate the broader banking system will adjust deposit rates upwards by 50–100 bps in late 2025 and 2026, driven by liquidity needs and exchange rate control pressures. However, VCB's pressure to raise input rates is partially mitigated by its structural strengths:

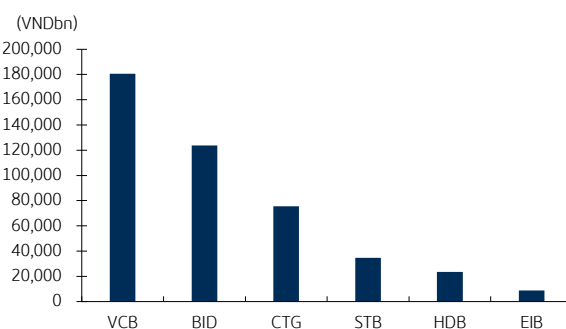
- **Stable low-cost funding:** A persistently high CASA ratio and access to low-cost funding from the SBV for banks involved in the poor-performing bank restructuring scheme.
- **Net interbank lender status:** As a consistent net interbank lender, VCB benefits from rising rates, which boost its IEA yield without pressuring funding costs.

Fig 8. Vietnam – Interbank overnight interest rate



Source: Company reports, KB Securities Vietnam

Fig 9. Vietnam – Top net lenders in the interbank market

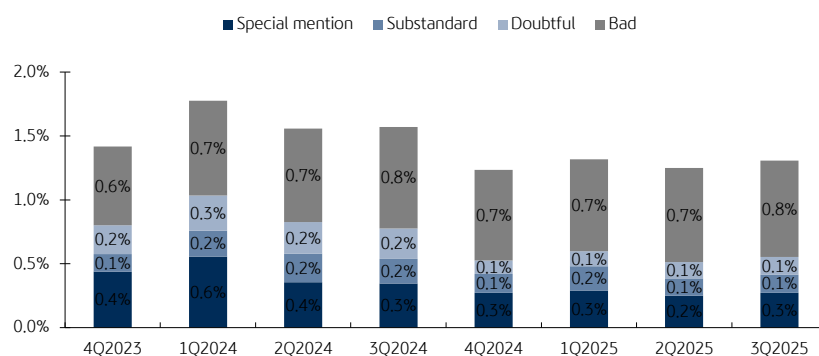


Source: Company reports, KB Securities Vietnam

VCB's industry-leading asset quality keeps provisioning pressure minimal

Provisioning pressure for VCB is considered negligible, backed by its superior asset quality. The bank's 3Q2025 NPL ratio stood at 1.03%—the lowest in the system—while its LLCR remained robust at 202%, providing strong provisioning flexibility.

Fig 10. VCB – Loan book structure by risk grade in 2023–2025 (%)



Source: Vietcombank, KB Securities Vietnam

VCB maintains its industry-leading asset quality, as evidenced by its lowest NPL ratio and highest LLCR in the system. This provides a solid foundation to ease provisioning pressure for the remainder of the year.

Fig 11. Vietnam – Special-mention loan and NPL ratios across banks (%)

	% NPL	QoQ	% Group 2	QoQ	Provision (Billion VND)	LLCR
OCB	3.70%	0.23%	1.92%	-0.02%	-2,940	40.6%
VPB	3.51%	0.46%	3.61%	0.58%	-17,340	55.1%
VIB	3.32%	0.24%	2.74%	-0.17%	-4,873	39.4%
EIB	2.99%	0.33%	1.24%	0.25%	-1,877	34.7%
HDB	2.90%	0.36%	4.60%	0.66%	-6,148	43.4%
MSB	2.79%	0.09%	1.18%	0.01%	-3,072	53.7%
STB	2.75%	0.29%	1.64%	0.91%	-15,542	93.3%
BID	1.87%	0.10%	1.50%	-0.04%	-39,649	94.5%
MBB	1.87%	0.27%	1.36%	0.06%	-13,800	79.2%
LPB	1.78%	0.04%	0.93%	-0.01%	-5,256	76.1%
TCB	1.16%	0.09%	0.59%	0.00%	-10,632	119.2%
ACB	1.09%	0.38%	0.47%	-0.24%	-6,156	84.0%
CTG	1.09%	0.22%	1.08%	0.11%	-38,336	176.5%
VCB	1.03%	0.03%	0.27%	0.02%	-34,009	201.9%
Total / Average	1.86%	0.02%	1.45%	0.14%	-203,663	92.3%

Source: Company reports, KB Securities Vietnam

Forecast & Valuation

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

(VNDbn)	2024	2025F	+/-%YoY	2026F	+/-%YoY	Notes
NII	55,406	57,717	4.2%	67,695	17.3%	We maintain our 15.5% credit growth forecast. However, we have lowered our NII projection by 4%, reflecting more conservative NIM assumptions.
NFI	5,137	4,022	-21.7%	4,303	7.0%	
TOI	68,578	72,154	5.2%	83,472	15.7%	
Provision for credit losses	(3,315)	(3,638)	9.8%	(8,658)	138.0%	The forecast for provision for credit losses has been reduced by 33.9% compared to the previous projection. This adjustment reflects the bank's sustained high asset quality throughout 9M2025 and its strong provision buffer.
NPAT	33,831	35,438	4.7%	37,502	5.8%	
NIM	2.86%	2.58%	-28bps	2.62%	4bps	
Average IEA yield	4.83%	4.68%	-15bps	5.04%	37bps	The NIM forecast has been lowered by 19 bps. This revision is based on the weaker-than-expected NIM performance in 9M2025 and recent system-wide increases in funding costs as banks have raised deposit rates to bolster liquidity and manage exchange rate pressures.
Average CoF	2.20%	2.34%	15bps	2.71%	37bps	
CIR	33.6%	33.6%	2bps	33.5%	-10bps	
NPL ratio	0.96%	1.00%	4bps	1.00%	0bps	
Total assets	2,085,874	2,440,975	17.0%	2,777,223	13.8%	
Owner's equity	196,209	231,647	18.1%	269,149	16.2%	

Source: Vietcombank, KB Securities Vietnam

We reiterate BUY for VCB with a target price of VND76,500/share

We combine P/B and Residual Income (RI) models to derive a fair value for VCB. Our target price is now projected to year-end 2026 to better reflect the bank's 12-month forward outlook.

1) P/B valuation

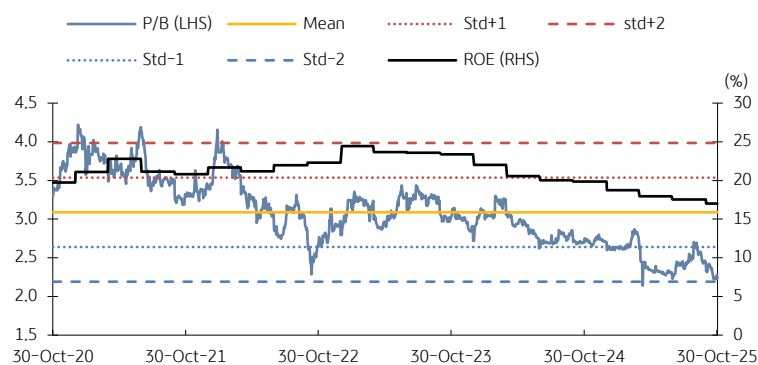
We have prudently lowered our target 2026 P/B multiple to 2.6x, which approximates -1 standard deviation from VCB's 5-year historical average. This derating reflects a moderated earnings growth outlook, primarily due to NIM compression, despite the bank's sustained solid credit growth and superior asset quality.

2) Residual Income (RI) valuation (Table 14)

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

By combining these two methodologies 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 VND76,500 per share for 2026, implying a 28.6% upside from the closing price on November 12, 2025.

Fig 13. VCB – P/B in 2020–2025



Source: Bloomberg, KB Securities Vietnam

Table 14. VCB – Residual income valuation

(VNDbn)	2026F	2027F	2028F
NPAT	37,528	44,316	49,721
Residual income	12,134	14,810	15,361
Cost of equity (r_e)	10.96%		
Terminal growth (g)	3.0%		
Terminal value	151,117		
End-2026 fair value	497,645		
Value per share	59,558		

Source: KB Securities Vietnam

Table 15. VCB – Valuation results

Valuation method	Derived price	Weight	Weighted price
P/B	83,750	70%	58,625
Residual income	59,558	30%	17,867
Target price			76,500

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	57,717	67,695	Loans	1,120,287	1,241,675	1,418,016	1,641,393	1,897,217
Interest income	88,113	108,122	93,655	104,775	130,433	Marketable securities	1,500	2,495	4,876	3,260	6,224
Interest expense	(34,866)	(54,501)	(38,249)	(47,058)	(62,738)	Cash (ex. Reserves)	18,349	14,505	14,268	15,458	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	2,418,899	2,751,969
Other non-interest income	2,054	2,272	2,372	3,568	3,945	Fixed assets & other assets	71,157	40,584	40,723	39,193	43,398
Total operating income	68,083	67,723	68,578	72,154	83,472	Total assets	1,831,815	1,839,613	2,085,874	2,440,975	2,777,223
SG&A expenses	(21,251)	(21,915)	(23,027)	(24,244)	(27,963)	Customer deposits	1,243,468	1,395,698	1,514,665	1,641,005	1,933,268
Pre-provisioning OP	46,832	45,809	45,551	47,910	55,509	Borrowings & call money/repos	25,341	20,031	24,126	31,532	35,851
Provision for credit losses	(9,464)	(4,565)	(3,315)	(3,638)	(8,658)	Interest bearing liabilities	1,568,635	1,631,238	1,851,562	2,165,055	2,456,953
Other income	2,928	4,050	4,469	5,097	6,574	Other liabilities	109,534	43,362	38,103	44,273	51,121
Other expense	(874)	(1,778)	(2,097)	(1,529)	(2,630)	Total liabilities	1,678,169	1,674,601	1,889,664	2,209,328	2,508,075
Pre-tax income	37,368	41,244	42,236	44,272	46,851	Charter capital	47,325	55,891	55,891	83,557	83,557
Income tax expense	(7,449)	(8,189)	(8,383)	(8,810)	(9,323)	Capital surplus	4,995	4,995	4,995	4,995	4,995
NP	29,919	33,054	33,853	35,462	37,528	Retained earnings	60,733	76,759	98,332	106,104	113,606
Minority interest profit	(20)	(21)	(22)	(24)	(26)	Capital adjustments	-	-	-	-	-
Parent NP	29,899	33,033	33,831	35,438	37,502	Total shareholders' equity	135,646	165,013	196,209	231,647	269,149

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%	16.6%	15.0%	EPS	6,318	5,910	6,053	4,241	4,488
ROA	19%	18%	17%	16%	14%	BVPS	28,663	29,524	35,106	27,723	32,211
Pre-provision ROE	30.6%	24.4%	20.2%	17.9%	17.8%	Tangible BVPS	28,068	29,060	34,647	27,423	31,918
Pre-provision ROA	2.3%	2.0%	1.9%	1.7%	1.7%	Valuations					
Net interest margin (NIM)	3.4%	3.0%	2.9%	2.6%	2.6%	PER	16.6	15.1	14.7	14.0	13.3
Efficiency						PBR	3.7	3.0	2.5	2.1	1.8
Pure Loan to deposit ratio	92.1%	91.0%	95.7%	102.0%	100.0%	Dividend yield	0.3%	0.0%	0.0%	0.0%	0.0%
Cost-income ratio	312%	32.4%	33.6%	33.6%	33.5%	ROE	24.4%	22.0%	18.7%	16.6%	15.0%
Growth						Capital Adequacy					
Asset growth	28.2%	14%	13.4%	17.0%	13.8%	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%	5.2%	15.9%	NPL ratio (substandard)	0.7%	10%	10%	10%	10%
Parent NP growth	35.9%	10.5%	2.4%	4.7%	5.8%	Coverage ratio (substandard)	316.9%	230.3%	223.3%	193.8%	186.5%
EPS growth	6.5%	-6.4%	2.4%	-29.9%	5.8%	NPL ratio (precautionary)	10%	14%	12%	13%	14%
BVPS growth	-2.6%	3.0%	18.9%	-21.0%	16.2%	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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