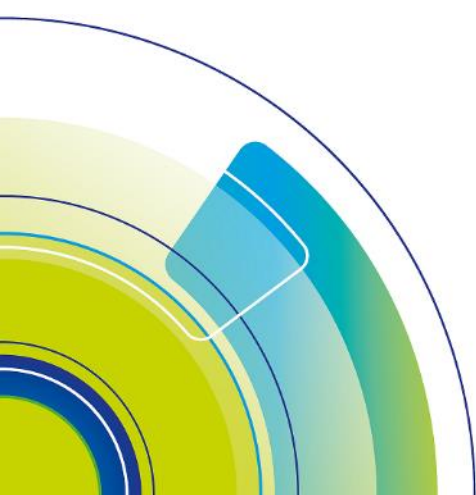




# Update TCB – OUTPERFORM

July 25, 2025

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### Recommendation **OUTPERFORM**

HOSE: TCB

Banking

**Current price (VND)** 35,050

**Target price (VND)** 38,200

Expected share price return +9.0%

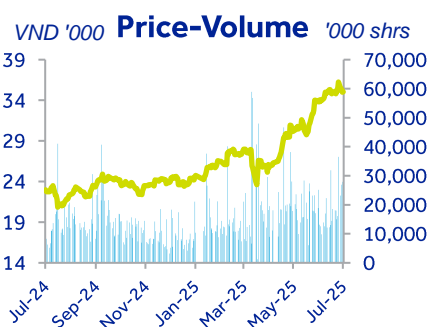
Expected dividend yield 2.9%

**Expected total return** +11.8%

### Stock performance (%)

	YTD	1M	3M	12M
Absolute	42.0	3.1	36.1	52.4
Relative	20.5	-8.4	10.8	27.4

Source: Bloomberg



### Ownership

Chairman's wife & relatives	32.8%
MaSan Group	15.2%
Warburg Pincus	7.9%
Maple Leaf Ltd.	5.0%
Nguyễn Phương Hoa (Vice Chairwoman) & relatives	3.3%
Morgan Stanley	1.5%
GIC	1.0%

### Stock Statistics 25-July-25

<b>Bloomberg code</b>	<b>TCB VN</b>
52-week range (VND)	20,750 - 36,500
No. of shares (m)	7,065
Mkt cap (VND bn)	247,270
Mkt cap (USD m)	9,402
Foreign room left (%)	0.0
Est. free float (%)	77.3
3m avg daily vol (shs)	19,199,360
VND/USD	26,300
Index: VNIndex / HNX	1525.27/253.02

## TECHNOLOGICAL AND COMMERCIAL JS BANK (TCB)

We raise our target price by 15% to VND 38,200/share due to (1) increasing our TCBS IPO valuation multiple from 3.0x to 3.5x BVPS and (2) rolling forward our target price to July 2026. However, we downgrade our rating from BUY to OUTPERFORM, as TCB's share price has already rallied 36% since our previous report. We expect TCBS's IPO in early 2026 and a recovery in the real estate market to serve as key catalysts for TCB's share price in the coming time.

TCB's Q2/25 results were quite positive, with PBT rising 9.2% q/q and 0.9% y/y. Growth was driven by credit expansion and effective control of both OPEX and provisioning expenses.

Credit growth remained robust at +11.1% YTD and +19.8% y/y, driven by real estate development loans (+15% YTD) as major developers such as Vinhomes and Masterise launched large-scale projects. NIM rebounded 24 bps q/q after three consecutive quarters of decline, although still 88 bps lower y/y, thanks to improved lending yields.

NFI fell 8.5% y/y due to continued weakness in payment fees, but IB fees, FX, and bancassurance performed well. In early Q3/25, TCB established TCLife, a life insurance subsidiary (VND1,300 bn charter capital; 80% owned by TCB), to distribute insurance products directly to its customers.

OPEX were well-controlled, -3% y/y, keeping CIR at ~30%, a good level in the sector.

Provisioning expenses dropped 38.3% y/y thanks to stable asset quality. NPL ratio inched up 8 bps to 1.26%, while special mentioned loans fell sharply by 19 bps to 0.6%. NPL coverage remained solid at 107%. Interest collection days improved to 52 days, down from the peak of 80 days in Q3/24, indicating easing pressure from potential problematic loans.

For FY2025, we forecast PBT of VND33,081 billion, up 20.1% y/y (+12.7% y/y excluding last year's Manulife upfront fee refund). Key assumptions include:

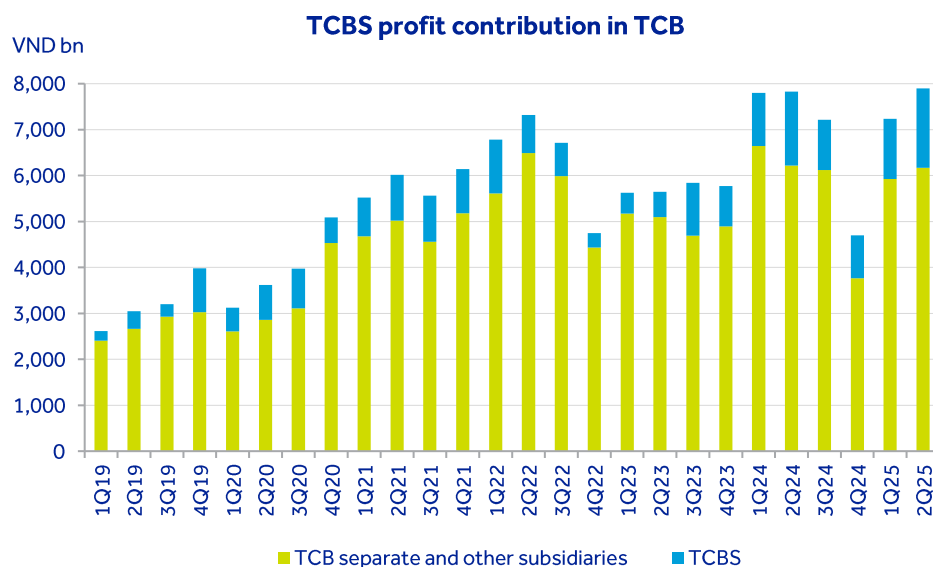
- (1) Credit growth of 21% y/y, with NIM declining 45 bps to 3.82%, resulting in NII growth of 7.4% y/y. NFI is expected to flat, leading to TOI growth of 9.9% y/y.
- (2) OPEX to decline 2% y/y, bringing the CIR down to 29.2% from 32.7% in 2024.
- (3) Provisioning expenses to fall 14.5% y/y thanks to well-contained NPLs. NPL coverage expected at a healthy 116%.

(VND bn)	2021	2022	2023	2024	2025F	2026F
Credit growth	26.5%	12.5%	21.6%	21.7%	21.0%	20.0%
NIM	5.8%	5.4%	4.1%	4.3%	3.8%	3.8%
NFI proportion	28.0%	25.3%	30.9%	24.4%	26.2%	24.9%
TOI growth	35.4%	9.3%	-1.2%	17.3%	9.9%	16.3%
CIR	30.1%	32.1%	33.1%	32.7%	29.2%	28.8%
Net credit costs	0.9%	0.5%	0.8%	0.7%	0.5%	0.5%
Profit before tax	23,238	25,568	22,888	27,538	33,081	38,544
Growth	47.1%	10.0%	-10.5%	20.3%	20.1%	16.5%
Profit attributable	18,052	20,150	18,004	21,523	26,180	30,504
Adjusted EPS (VND)	2,555	2,852	2,548	3,046	3,706	4,318
Adjusted BVPS (VND)	13,050	15,895	18,443	20,583	23,289	26,607
CAR (Basel 2)	15.0%	15.2%	14.4%	15.3%	14.7%	14.0%
ROA	3.6%	3.2%	2.3%	2.4%	2.5%	2.4%
ROE	21.7%	19.7%	14.8%	15.6%	16.9%	17.3%
P/E (x)	9.5	4.4	6.0	8.1	9.5	8.1
P/B (x)	1.9	0.8	0.8	1.2	1.5	1.3
DPS (VND)	-	-	-	1,500	1,000	1,000
Dividend yield	0.0%	0.0%	0.0%	2.1%	2.9%	2.9%

### Valuation of TCBS Securities Company

TCBS is a securities subsidiary of TCB (holding 88.7%), responsible for securities brokerage, margin lending, proprietary trading, and investment banking services. The strategic goal of TCBS is to become Vietnam's leading Wealthtech company, focusing on technology-driven wealth management solutions.

TCBS currently contributes about 15-20% of TCB's consolidated PBT. Target capitalization in 2025 is 5 billion USD (~130,000 billion VND), equivalent to 4.0 times book value.



Source: TCB, TCBS

According to the plan, TCBS will offer a maximum of **231 million shares**, equivalent to **10%** post-issuance. The expected implementation time is Q3/25 – Q1/26.

The offering price has not been announced yet, but the offering price on the OTC market is from VND40,000 – 50,000/share, equivalent to 3-3.5 times BVPS.

We assume that TCBS will successfully IPO at a price of **3.5 times BVPS** by the end of Q1/26, equivalent to **VND57,000/share** and a capitalization of **VND130,000 billion**.

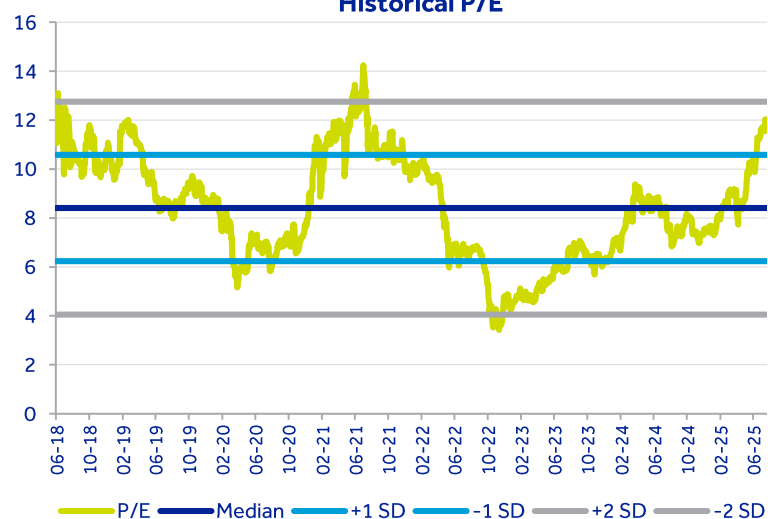
(Unit: VND billion)

Ticker	Exchange	Mkt cap 24-Jul-25	Equity 2Q25	Total assets 2Q25	ROA	ROE	P/E	P/B
SSI	HOSE	63,100	90,978	27,687	4.0%	11.3%	20.7	2.3
VIX	HOSE	34,457	24,385	17,719	9.9%	12.4%	16.2	1.9
VND	HOSE	30,142	47,919	19,632	3.3%	7.6%	19.9	1.5
VCI	HOSE	29,988	21,898	12,439	3.9%	7.8%	30.3	2.4
HCM	HOSE	27,161	34,937	10,184	2.7%	8.5%	21.4	2.7
MBS	HNX	17,183	25,551	7,354	3.7%	12.1%	19.3	2.3
FTS	HOSE	14,033	11,280	4,237	4.5%	10.9%	30.1	3.3
<b>Average</b>		<b>30,866</b>	<b>36,707</b>	<b>14,179</b>	<b>4.6%</b>	<b>10.1%</b>	<b>22.6</b>	<b>2.4</b>
<b>TCBS (*)</b>	<b>OTC</b>	<b>104,008</b>	<b>65,134</b>	<b>30,063</b>	<b>7.2%</b>	<b>14.9%</b>	<b>25.7</b>	<b>3.5</b>

Source: FiinPro-X.

(\*): TCBS stock price based on OTC offering price is 50,000 VND/share.

Historical P/E



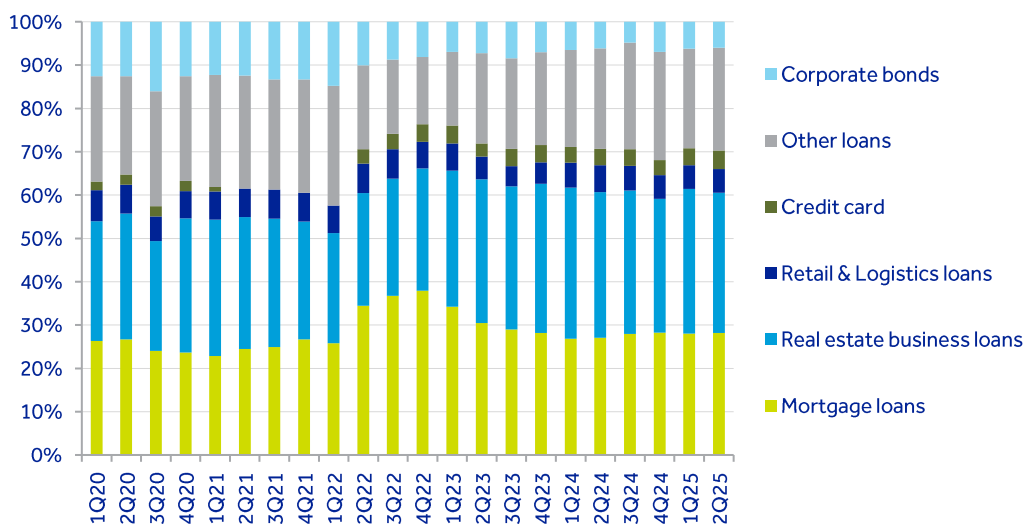
Source: FiinPro-X, ACBS

Historical P/B



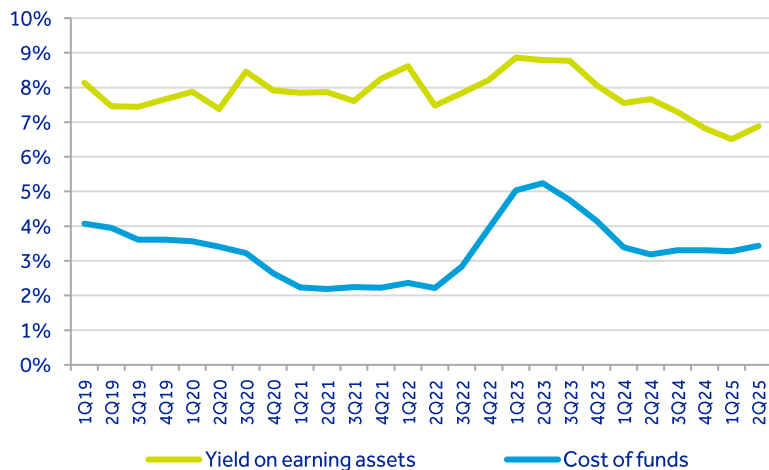
Source: FiinPro-X, ACBS

Credit structure focused on real estate sector



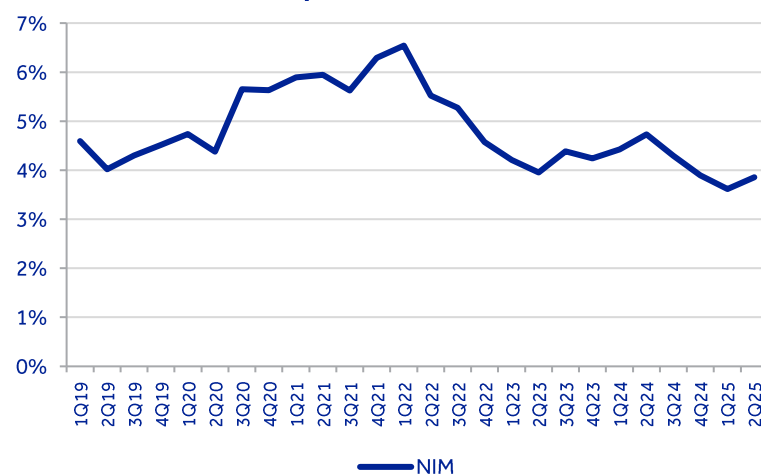
Source: TCB, ACBS estimated

Lending yield improved...



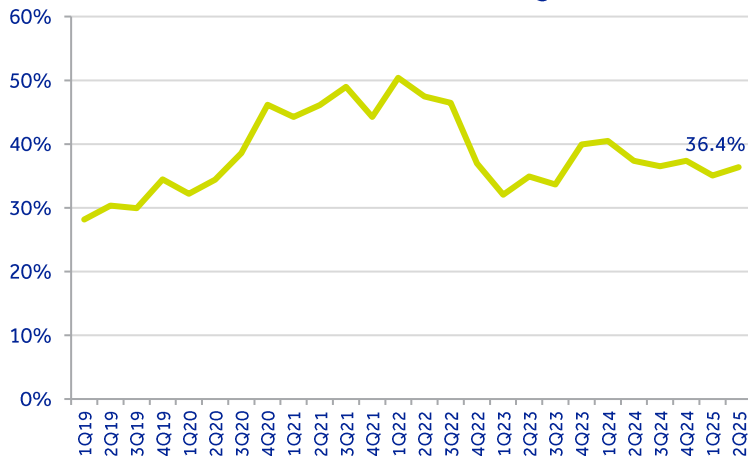
Source: TCB, ACBS estimated

... helped NIM to recover



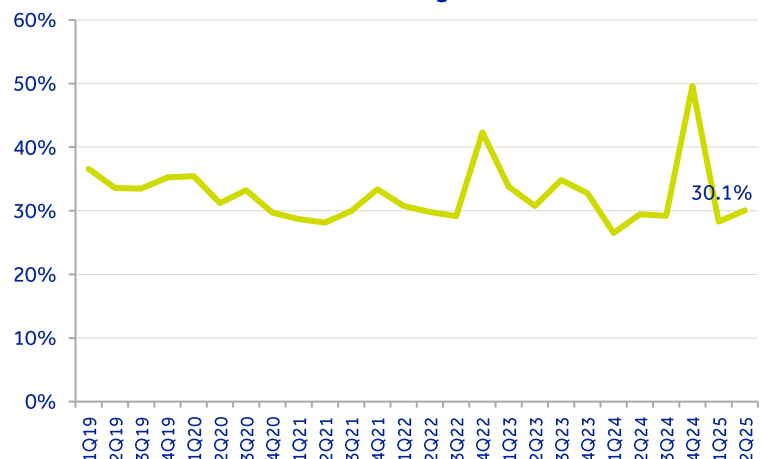
Source: TCB, ACBS estimated

**CASA ratio remains stable at high level**



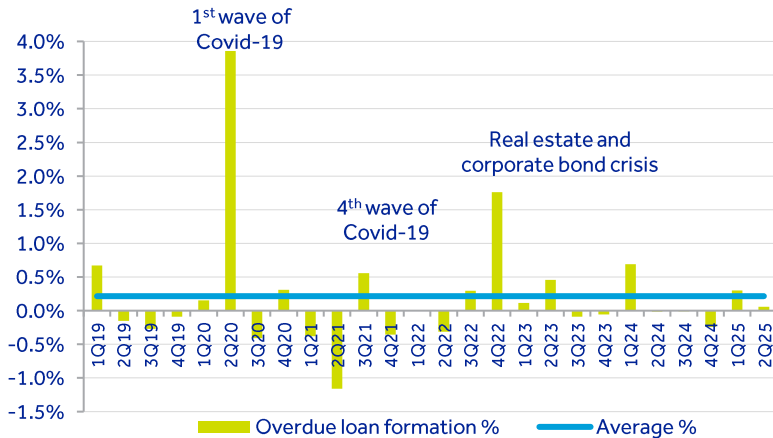
Source: TCB, ACBS estimated

**CIR ratio maintained at good level of ~30%**



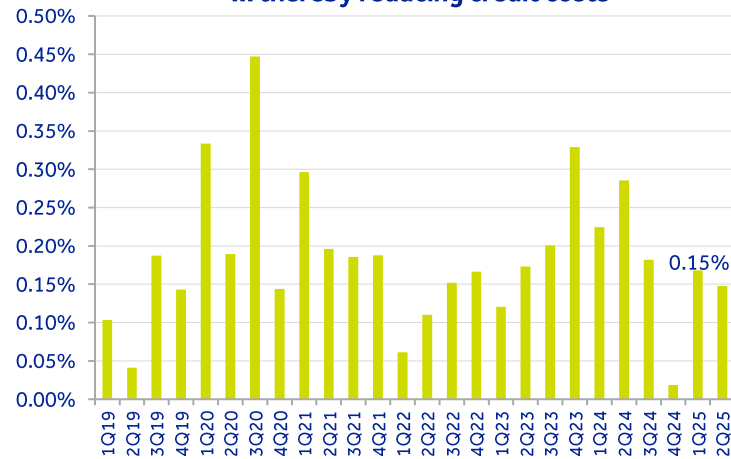
Source: TCB, ACBS estimated

**Overdue loan ratio (incl restructured loan) remained at low level**



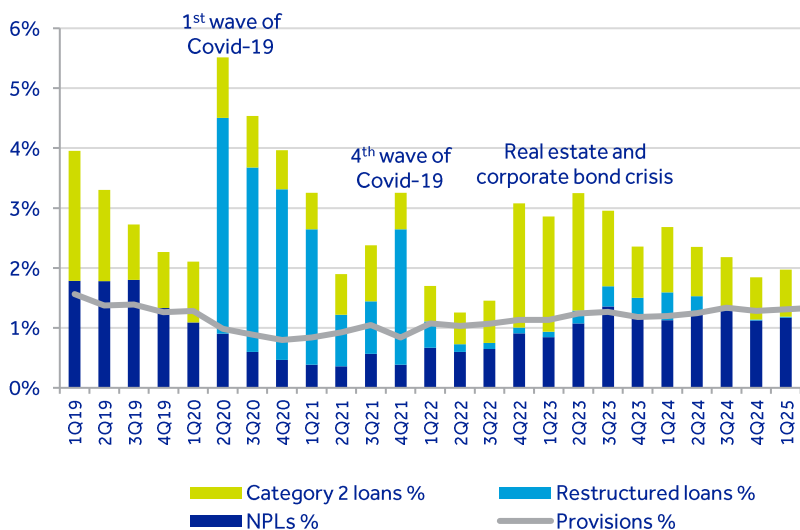
Source: TCB, ACBS estimated

**... thereby reducing credit costs**



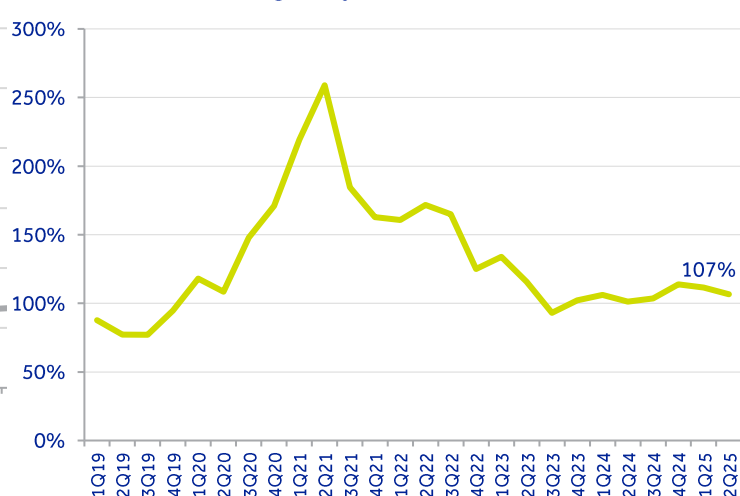
Source: TCB, ACBS estimated

**Asset quality remained stable**



Source: TCB, ACBS estimated

**NPL coverage stayed at safe level of above 100%**



Source: TCB, ACBS estimated

(Unit: VND billion, unless otherwise stated)	<b>Market price (VND):</b>	<b>35,050</b>	<b>Target price (VND):</b>	<b>38,200</b>	<b>Market cap (VND bn):</b>	<b>247,623</b>
<b>INCOME ITEMS</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025F</b>	<b>2026F</b>
Net interest income	26,699	30,290	27,691	35,508	38,119	45,094
Net fee & commission income	6,382	8,153	8,715	8,042	8,042	9,007
Other non-interest income	3,995	2,085	3,655	3,440	5,473	5,969
<b>Total operating income</b>	<b>37,076</b>	<b>40,527</b>	<b>40,061</b>	<b>46,990</b>	<b>51,633</b>	<b>60,070</b>
Growth (%)	35.4%	9.3%	-1.2%	17.3%	9.9%	16.3%
Operating expenses	(11,173)	(13,023)	(13,252)	(15,370)	(15,062)	(17,322)
<b>Profit before provision &amp; tax</b>	<b>25,903</b>	<b>27,504</b>	<b>26,809</b>	<b>31,621</b>	<b>36,571</b>	<b>42,749</b>
Provision for credit losses	(2,665)	(1,936)	(3,921)	(4,082)	(3,490)	(4,204)
<b>Profit before tax</b>	<b>23,238</b>	<b>25,568</b>	<b>22,888</b>	<b>27,538</b>	<b>33,081</b>	<b>38,544</b>
<b>Profit after tax after minority interests</b>	<b>47.1%</b>	<b>10.0%</b>	<b>-10.5%</b>	<b>20.3%</b>	<b>20.1%</b>	<b>16.5%</b>
<b>Profit attributable to shareholders</b>	<b>18,415</b>	<b>20,436</b>	<b>18,191</b>	<b>21,760</b>	<b>26,465</b>	<b>30,836</b>
Growth (%)	<b>18,052</b>	<b>20,150</b>	<b>18,004</b>	<b>21,523</b>	<b>26,180</b>	<b>30,504</b>
<b>Adjusted EPS (VND)</b>	<b>2,555</b>	<b>2,852</b>	<b>2,548</b>	<b>3,046</b>	<b>3,706</b>	<b>4,318</b>
<b>BALANCE SHEET ITEMS</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025F</b>	<b>2026F</b>
Outstanding loans & corporate bonds	410,150	461,539	561,070	682,948	826,367	991,640
Growth (%)	26.5%	12.5%	21.6%	21.7%	21.0%	20.0%
Customer deposit	314,753	358,404	454,661	533,392	634,737	761,684
Growth (%)	13.4%	13.9%	26.9%	17.3%	19.0%	20.0%
<b>Total assets</b>	<b>568,729</b>	<b>699,033</b>	<b>849,482</b>	<b>978,799</b>	<b>1,156,048</b>	<b>1,377,560</b>
<b>Shareholder's equity</b>	<b>92,195</b>	<b>112,296</b>	<b>130,299</b>	<b>145,419</b>	<b>164,534</b>	<b>187,973</b>
BVPS (VND)	13,050	15,895	18,443	20,583	23,289	26,607
<b>KEY RATIOS</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025F</b>	<b>2026F</b>
NPL (%)	0.7%	0.7%	1.2%	1.1%	0.9%	0.8%
NPL coverage (%)	162.9%	157.3%	102.0%	113.9%	116.3%	118.3%
NIM (%)	5.8%	5.4%	4.1%	4.3%	3.8%	3.8%
CIR (%)	30.1%	32.1%	33.1%	32.7%	29.2%	28.8%
ROA (%)	3.6%	3.2%	2.3%	2.4%	2.5%	2.4%
ROE (%)	21.7%	19.7%	14.8%	15.6%	16.9%	17.3%
CAR Basel 2 (%)	15.0%	15.2%	14.4%	15.3%	14.7%	14.0%
P/E (x)	9.5	4.4	6.0	8.1	9.5	8.1
P/B (x)	1.9	0.8	0.8	1.2	1.5	1.3
Dividend yield (%)	0.0%	0.0%	0.0%	2.1%	2.9%	2.9%

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### Our Recommendation System

<b>BUY</b>	: total stock returns (including dividend yield) over the next 12 months are forecast to be 20% or higher.
<b>OUTPERFORM</b>	: total stock returns (including dividend yield) over the next 12 months are forecast to be from 10 to 20%.
<b>NEUTRAL</b>	: total stock returns (including dividend yield) over the next 12 months are forecast to be between -10 and 10%.
<b>UNDERPERFORM</b>	: total stock returns (including dividend yield) over the next 12 months are forecast to be from -10 to -20%.
<b>SELL</b>	: total stock returns (including dividend yield) over the next 12 months are forecast to be -20% or lower.

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