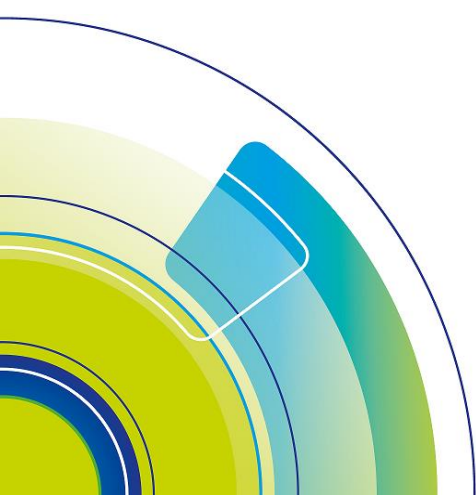




Update VCB – OUTPERFORM

August 22, 2025



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Recommendation **OUTPERFORM**

HOSE: VCB

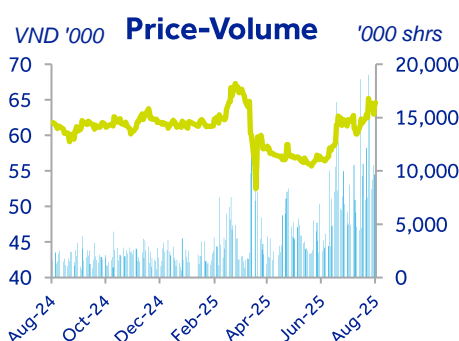
Banking

| | |
|-----------------------------|--------|
| Current price (VND) | 64,600 |
| Target price (VND) | 75,100 |
| Expected share price return | +16.3% |
| Expected dividend yield | 0.0% |
| Expected total return | +16.3% |

Stock performance (%)

| | YTD | 1M | 3M | 12M |
|----------|-------|------|-------|-------|
| Absolute | 5.9 | 4.7 | 12.4 | 3.4 |
| Relative | -25.3 | -9.0 | -15.8 | -30.4 |

Source: Bloomberg



Ownership

| | |
|-----------------------|-------|
| State Bank of Vietnam | 74.8% |
| Mizuho Bank Ltd | 15.0% |
| Others | 10.2% |

Stock Statistics

22-Aug-25

| | |
|------------------------|----------------|
| Bloomberg code | VCB VN |
| 52-week range (VND) | 52,000-68,600 |
| No. of shares (m) | 8,356 |
| Mkt cap (VND bn) | 539,777 |
| Mkt cap (USD m) | 20,321 |
| Foreign room left (%) | 8.1 |
| Est. free float (%) | 25.2 |
| 3m avg daily vol (shs) | 6,581,051 |
| VND/USD | 26,562 |
| Index: VNIndex / HNX | 1645.47/272.48 |

BANK FOR FOREIGN TRADE OF VIETNAM (VCB)

We raise our 12-month target price by 12.8% to VND 75,100/share, mainly driven by an upward revision of our target P/E from 16.5x to 18.0x to reflect a more favorable macro environment and the expectation that VCB will attract strong foreign inflows once Vietnam's stock market is upgraded. Accordingly, we upgrade our recommendation from NEUTRAL to OUTPERFORM.

Q2/25 results were resilient with PBT reaching VND 11,034bn (+9.1% y/y and +1.6% q/q).

Credit growth remained relatively modest compared to sector average (+13.4% y/y and +7.3% YTD), while NIM stood at 2.67% (-42 bps y/y and flat q/q) due to lending yields falling to a historical low of 5.5%, resulting in only a mild increase in NII (+1.8% y/y and +3.5% q/q).

NFI delivered strong growth (+30.4% y/y and +3.6% q/q), with highlights from FX trading (+40.9% y/y) and off-balance-sheet debt recovery (+81.1% y/y).

Asset quality remained robust thanks to selective credit growth and prudent lending practice. NPL ratio was stable at 1.0%, while special mentioned loans declined further (-4 bps q/q) to a very low level of 0.25%.

Provision expenses stayed low (-46.5% y/y and +7.6% q/q) thanks to healthy asset quality, with the NPL coverage ratio maintained at 214%.

For 2025, we forecast VCB's PBT to reach VND 44,677bn, up 5.8% y/y (AGM plan: 3.5%), driven by:

- (1) NII to rise mildly by 5.5% y/y as NIM contracts 21bps y/y to 2.68%, while credit growth improves to 16.2% supported by stronger real estate supply and rising public investment.
- (2) NFI to grow 12.8% y/y, mainly from FX trading (+16.3% y/y) and off-balance sheet debt recovery (+16.1% y/y), which are expected to remain favorable.
- (3) OPEX to increase 15% y/y, pushing CIR higher to 36.1% from 33.6% last year.
- (4) Provision expenses to fall sharply by 35.6% y/y thanks to a low overdue loan formation, with NPL coverage ratio at 211%.

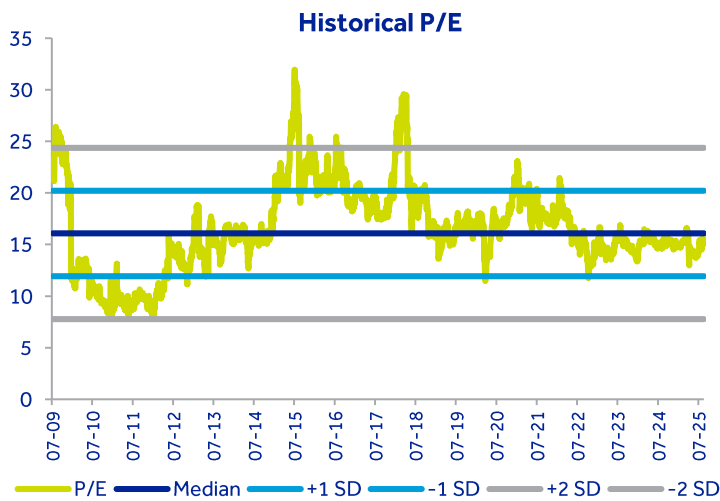
| (VND bn) | 2021 | 2022 | 2023 | 2024 | 2025F | 2026F |
|---------------------|--------|--------|--------|--------|--------|--------|
| Credit growth | 15.1% | 18.8% | 10.7% | 13.9% | 16.2% | 15.9% |
| NIM | 3.18% | 3.41% | 3.02% | 2.88% | 2.68% | 2.76% |
| NFI proportion | 25.3% | 21.8% | 20.8% | 19.2% | 20.3% | 17.5% |
| TOI growth | 15.6% | 20.0% | -0.5% | 1.3% | 6.9% | 13.5% |
| CIR | 31.0% | 31.2% | 32.4% | 33.6% | 36.1% | 35.0% |
| Net credit costs | 1.31% | 0.90% | 0.38% | 0.24% | 0.14% | 0.32% |
| Profit before tax | 27,389 | 37,368 | 41,244 | 42,236 | 44,677 | 48,254 |
| PBT growth | 18.8% | 36.4% | 10.4% | 2.4% | 5.8% | 8.0% |
| Profit attributable | 19,537 | 27,673 | 29,742 | 31,233 | 33,065 | 35,773 |
| Adjusted EPS (VND) | 2,338 | 3,312 | 3,559 | 3,738 | 3,957 | 4,281 |
| Adjusted BVPS (VND) | 13,049 | 16,223 | 19,737 | 23,799 | 27,757 | 32,038 |
| Adjusted ROA | 1.4% | 1.7% | 1.6% | 1.6% | 1.5% | 1.4% |
| Adjusted ROE | 19.2% | 22.6% | 19.8% | 17.2% | 15.4% | 14.3% |
| CAR (Basel 2) | 9.5% | 10.0% | 11.4% | 12.3% | 12.6% | 12.7% |
| P/E | 19.1 | 13.7 | 15.1 | 16.3 | 16.2 | 15.0 |
| P/B | 3.4 | 2.8 | 2.7 | 2.6 | 2.3 | 2.0 |
| DPS (VND) | 1,200 | 1,200 | - | - | - | - |
| Dividend yield | 1.9% | 1.9% | 0.0% | 0.0% | 0.0% | 0.0% |

The 6.5% private placement remains delayed

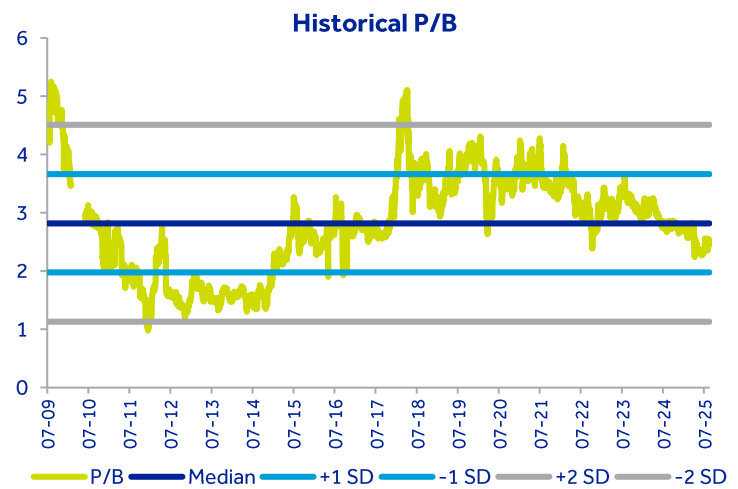
Our above projections do not factor in VCB's proposed 6.5% charter capital private placement, as the outlook remains uncertain given the deal has been postponed since 2019.

We also believe the impact of this issuance will be limited, as the offering price will most likely be set close to market levels.

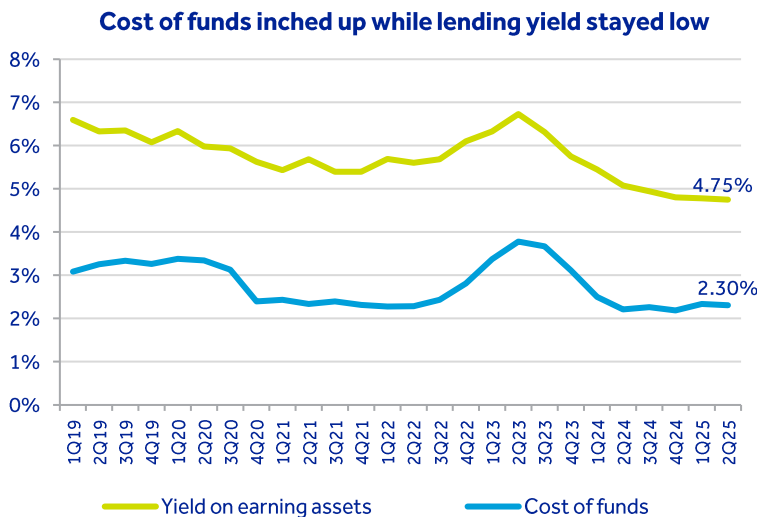
In addition, VCB's CAR is relatively comfortable at 12%, and with approval to retain all earnings since 2022, the bank faces no pressure to raise additional equity capital urgently.



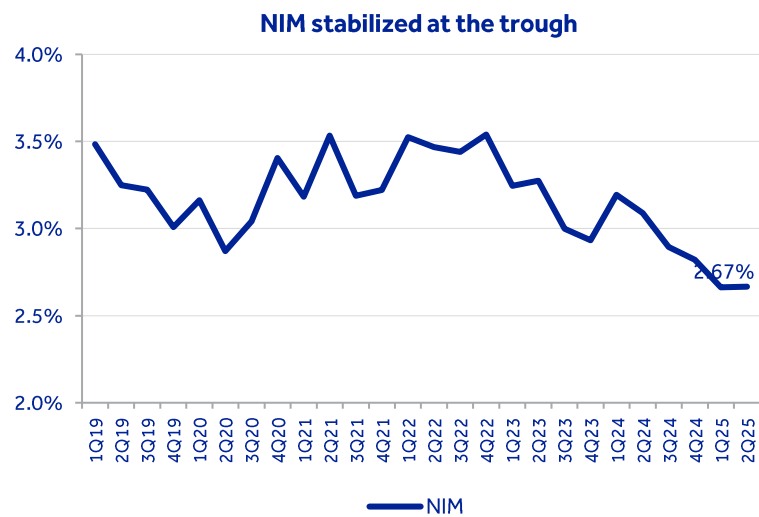
Source: FiinPro-X, ACBS



Source: FiinPro-X, ACBS

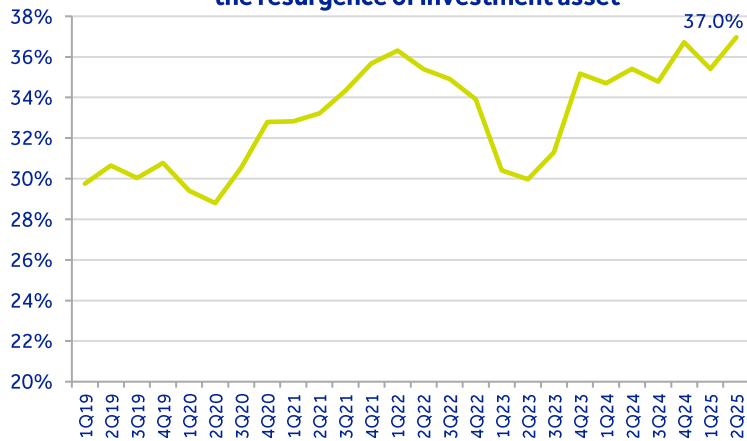


Source: VCB, ACBS



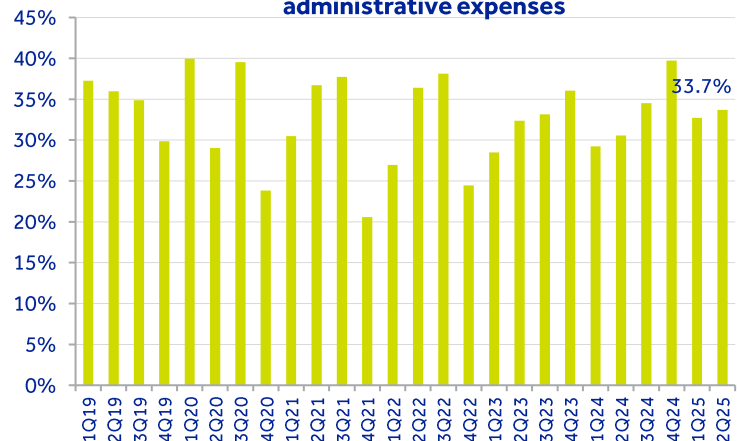
Source: VCB, ACBS

CASA improved thanks to digitalization trends and the resurgence of investment asset



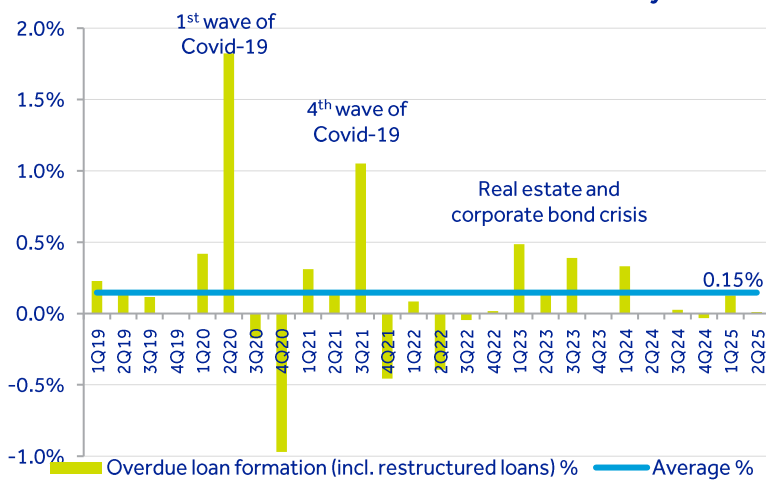
Source: VCB, ACBS

CIR ratio inched up y/y due to a sharp increase in administrative expenses



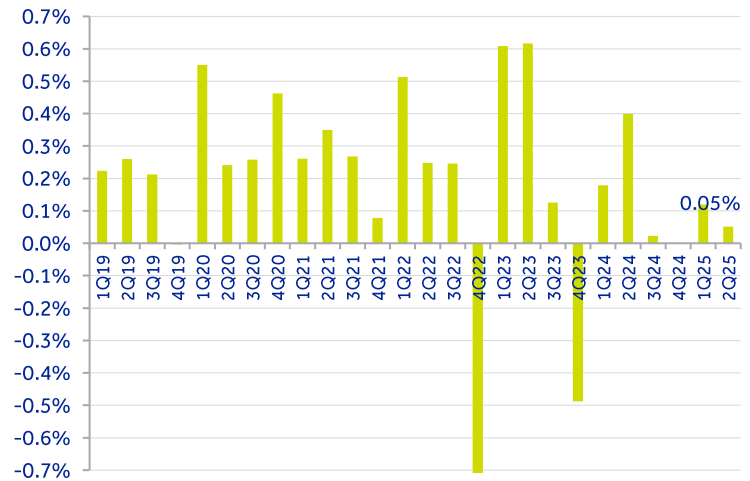
Source: VCB, ACBS

Overdue loan formation ratio declined to nearly 0%



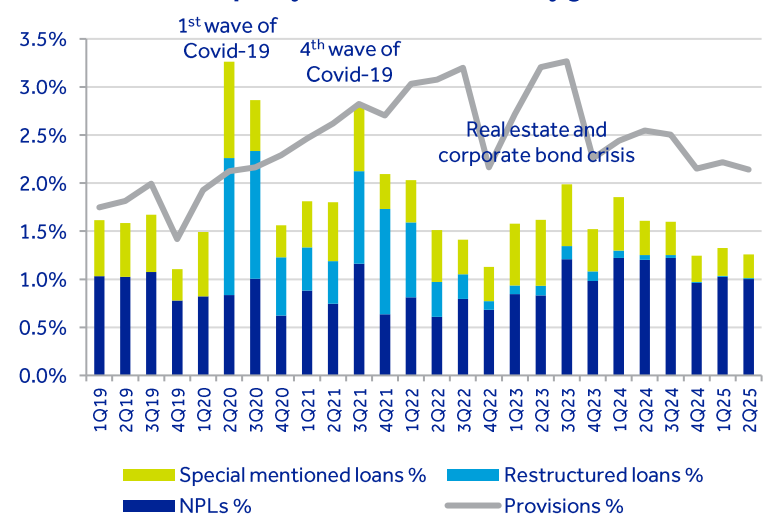
Source: VCB, ACBS

Credit costs maintained at low level



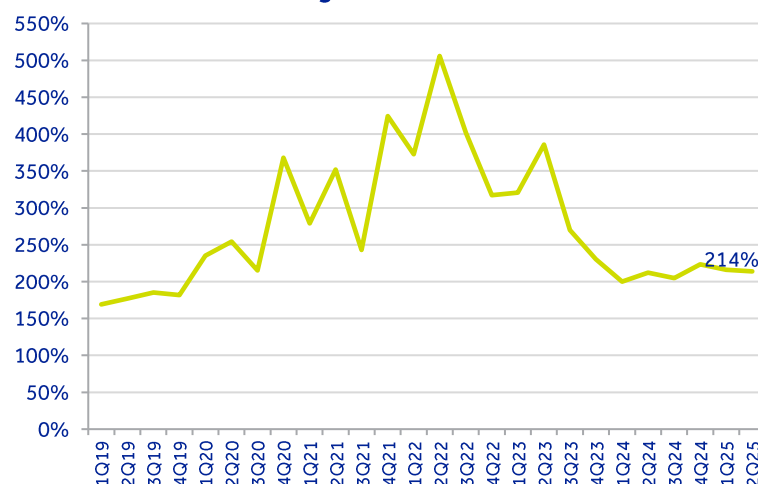
Source: VCB, ACBS

Asset quality was controlled at very good level



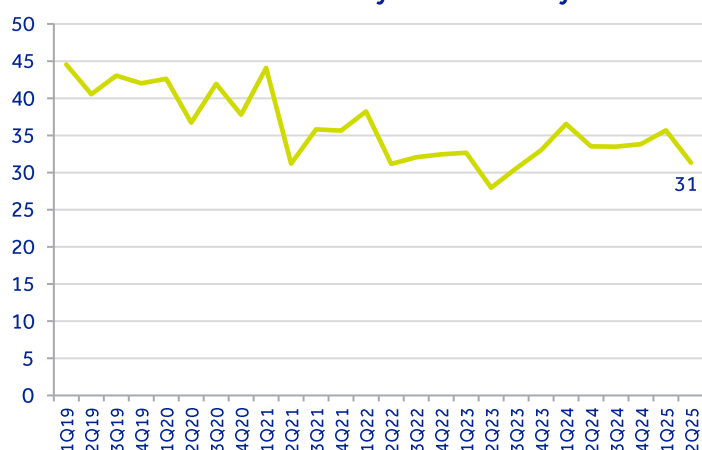
Source: VCB, ACBS

NPL coverage maintained at above 200%



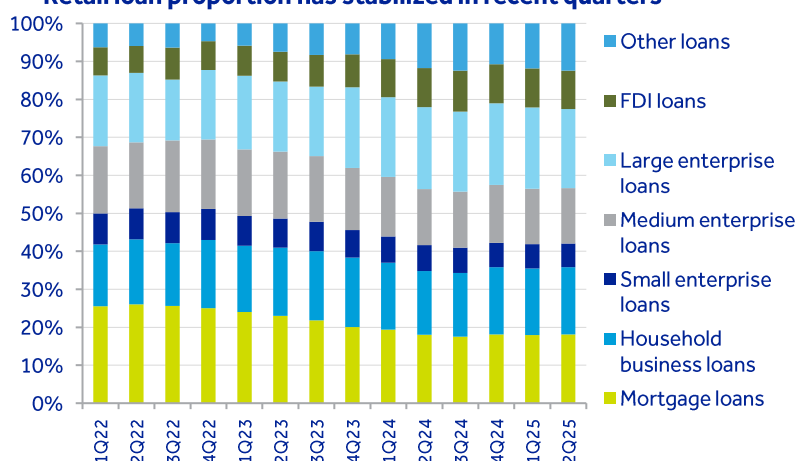
Source: VCB, ACBS

Interest collection days was at healthy level



Source: VCB, ACBS

Retail loan proportion has stabilized in recent quarters



Source: VCB, ACBS

| | | | | | | |
|--|----------------------------|------------------|----------------------------|------------------|-----------------------------|------------------|
| (Unit: VND billion, unless otherwise stated) | Market price (VND): | 64,600 | Target price (VND): | 75,100 | Market cap (VND bn): | 536,435 |
| | | | | | | |
| INCOME ITEMS | 2021 | 2022 | 2023 | 2024 | 2025F | 2026F |
| Net interest income | 42,400 | 53,246 | 53,621 | 55,406 | 58,432 | 68,688 |
| Net fee & commission income | 7,407 | 6,839 | 5,780 | 5,137 | 3,997 | 2,664 |
| Other non-interest income | 6,917 | 7,997 | 8,323 | 8,036 | 10,865 | 11,857 |
| Total operating income | 56,724 | 68,083 | 67,723 | 68,578 | 73,293 | 83,209 |
| Growth (%) | 15.6% | 20.0% | -0.5% | 1.3% | 6.9% | 13.5% |
| Operating expenses | (17,574) | (21,251) | (21,915) | (23,027) | (26,481) | (29,130) |
| Profit before provision & tax | 39,149 | 46,832 | 45,809 | 45,551 | 46,812 | 54,079 |
| Provision for credit losses | (11,761) | (9,464) | (4,565) | (3,315) | (2,135) | (5,825) |
| Profit before tax | 27,389 | 37,368 | 41,244 | 42,236 | 44,677 | 48,254 |
| Growth (%) | 18.8% | 36.4% | 10.4% | 2.4% | 5.8% | 8.0% |
| Profit after tax after MI | 21,919 | 29,899 | 33,033 | 33,831 | 35,787 | 38,652 |
| Profit attributable to shareholders | 19,537 | 27,673 | 29,742 | 31,233 | 33,065 | 35,773 |
| Adjusted EPS (VND) | 2,338 | 3,312 | 3,559 | 3,738 | 3,957 | 4,281 |
| | | | | | | |
| BALANCE SHEET ITEMS | 2021 | 2022 | 2023 | 2024 | 2025F | 2026F |
| Outstanding loans & corporate bonds | 973,179 | 1,156,494 | 1,280,733 | 1,458,377 | 1,694,142 | 1,963,813 |
| Growth (%) | 15.1% | 18.8% | 10.7% | 13.9% | 16.2% | 15.9% |
| Customer deposit | 1,135,324 | 1,243,468 | 1,395,698 | 1,514,665 | 1,696,425 | 1,933,924 |
| Growth (%) | 10.0% | 9.5% | 12.2% | 8.5% | 12.0% | 14.0% |
| Total assets | 1,414,673 | 1,813,815 | 1,839,613 | 2,085,397 | 2,377,713 | 2,713,905 |
| Shareholder's equity | 109,030 | 135,558 | 164,919 | 198,860 | 231,925 | 267,698 |
| BVPS (VND) | 13,049 | 16,223 | 19,737 | 23,799 | 27,757 | 32,038 |
| | | | | | | |
| KEY RATIOS | 2021 | 2022 | 2023 | 2024 | 2025F | 2026F |
| NPL (%) | 0.6% | 0.7% | 1.0% | 1.0% | 0.8% | 0.7% |
| NPL coverage (%) | 424% | 317% | 230% | 223% | 211% | 203% |
| NIM (%) | 3.2% | 3.4% | 3.0% | 2.9% | 2.7% | 2.8% |
| CIR (%) | 31.0% | 31.2% | 32.4% | 33.6% | 36.1% | 35.0% |
| ROA (%) | 1.4% | 1.7% | 1.6% | 1.6% | 1.5% | 1.4% |
| ROE (%) | 19.2% | 22.6% | 19.8% | 17.2% | 15.4% | 14.3% |
| CAR Basel 2 (%) | 9.5% | 10.0% | 11.4% | 12.3% | 12.6% | 12.7% |
| P/E (x) | 19.1 | 13.7 | 15.1 | 16.3 | 16.2 | 15.0 |
| P/B (x) | 3.4 | 2.8 | 2.7 | 2.6 | 2.3 | 2.0 |
| Dividend yield (%) | 1.9% | 1.9% | 0.0% | 0.0% | 0.0% | 0.0% |

BANK'S FINANCIAL RATIOS

(Unit: VND billion)

| Ticker | Exchange | Mkt cap 21/08/25 | Equity 2Q25 | Total Assets 2Q25 | NPL ratio 2Q25 | Special mentioned loan 2Q25 | NPL coverage 2Q25 | CAR (Basel 2) 4Q24 | ROA (TTM) | ROE (TTM) | P/E | P/B |
|----------------|-------------|---------------------|------------------|-------------------------|-------------------|-----------------------------------|-------------------------|--------------------------|--------------|--------------|-------------|------------|
| BID | HOSE | 297,004 | 2,991,644 | 162,737 | 2.0% | 1.6% | 89.1% | 9.0% | 0.9% | 17.6% | 11.5 | 1.9 |
| CTG | HOSE | 278,166 | 2,609,788 | 163,826 | 1.3% | 1.0% | 134.8% | 9.5% | 1.2% | 20.0% | 9.2 | 1.7 |
| VCB | HOSE | 536,434 | 2,217,637 | 213,749 | 1.0% | 0.3% | 213.8% | 12.2% | 1.7% | 17.2% | 15.5 | 2.5 |
| MBB | HOSE | 227,151 | 1,289,644 | 127,804 | 1.6% | 1.3% | 88.9% | 11.8% | 2.1% | 21.4% | 9.3 | 1.9 |
| VPB | HOSE | 306,646 | 1,104,719 | 152,183 | 4.0% | 3.2% | 52.2% | 15.5% | 1.8% | 12.2% | 17.6 | 2.1 |
| TCB | HOSE | 294,433 | 1,037,645 | 161,827 | 1.3% | 0.6% | 106.5% | 15.3% | 2.2% | 14.3% | 13.8 | 1.9 |
| ACB | HOSE | 151,275 | 933,541 | 87,211 | 1.3% | 0.5% | 76.3% | 11.8% | 2.0% | 20.2% | 8.9 | 1.7 |
| SHB | HOSE | 84,984 | 825,493 | 63,114 | 2.6% | 0.3% | 65.4% | 11.9% | 1.4% | 18.3% | 7.8 | 1.4 |
| STB | HOSE | 108,965 | 807,339 | 59,821 | 2.5% | 0.8% | 75.4% | 10.1% | 1.5% | 20.7% | 9.4 | 1.8 |
| HDB | HOSE | 116,211 | 784,096 | 64,626 | 2.5% | 4.0% | 47.2% | 14.0% | 2.0% | 25.2% | 8.1 | 1.9 |
| VIB | HOSE | 79,654 | 530,909 | 43,628 | 3.6% | 3.0% | 37.2% | 11.9% | 1.5% | 17.8% | 10.6 | 1.8 |
| LPB | HOSE | 144,584 | 513,613 | 40,700 | 1.7% | 1.0% | 75.3% | 13.3% | 2.0% | 23.3% | 14.6 | 3.6 |
| TPB | HOSE | 58,255 | 428,590 | 38,230 | 2.1% | 1.9% | 62.7% | 13.2% | 1.6% | 16.9% | 9.1 | 1.5 |
| SSB | HOSE | 65,720 | 379,087 | 39,561 | 2.0% | 0.9% | 73.6% | 12.8% | 2.1% | 18.9% | 9.5 | 1.7 |
| MSB | HOSE | 45,370 | 341,331 | 39,312 | 2.7% | 1.2% | 55.6% | 12.4% | 1.6% | 13.7% | 8.9 | 1.2 |
| NAB | HOSE | 27,880 | 314,798 | 21,240 | 2.9% | 0.8% | 39.0% | 12.7% | 1.5% | 19.6% | 7.2 | 1.3 |
| OCB | HOSE | 38,881 | 308,899 | 33,114 | 3.5% | 2.0% | 40.5% | 12.5% | 1.1% | 9.4% | 12.9 | 1.2 |
| EIB | HOSE | 57,931 | 256,442 | 26,067 | 2.7% | 1.0% | 41.2% | 12.4% | 1.4% | 13.1% | 17.4 | 2.2 |
| ABB | UPCoM | 14,476 | 204,917 | 15,327 | 2.8% | 0.8% | 56.9% | 10.1% | 0.8% | 10.2% | 10.0 | 0.9 |
| BAB | HNX | 16,756 | 184,958 | 12,204 | 1.3% | 0.5% | 101.1% | 11.2% | 0.7% | 9.4% | 13.8 | 1.4 |
| VBB | UPCoM | 10,301 | 178,671 | 9,073 | 2.5% | 1.1% | 52.4% | 11.7% | 0.6% | 11.2% | 11.7 | 1.1 |
| NVB | HNX | 21,378 | 144,054 | 6,555 | 11.4% | 0.9% | 13.0% | - | - | - | - | 3.3 |
| VAB | HOSE | 11,225 | 133,952 | 9,421 | 1.1% | 0.8% | 88.3% | - | 0.8% | 11.0% | 11.4 | 1.2 |
| BVB | UPCoM | 10,818 | 115,509 | 6,919 | 3.8% | 1.0% | 40.5% | 11.9% | 0.3% | 4.2% | - | 1.6 |
| KLB | UPCoM | 8,881 | 97,630 | 7,246 | 2.0% | 1.6% | 82.8% | 12.3% | 1.3% | 17.5% | 7.5 | 1.2 |
| PGB | UPCoM | 9,039 | 78,553 | 6,193 | 3.3% | 1.8% | 35.6% | 10.0% | 0.5% | 6.5% | - | 1.5 |
| SGB | UPCoM | 5,013 | 35,141 | 4,234 | 3.2% | 6.1% | 32.4% | 14.8% | 0.3% | 2.1% | - | 1.2 |
| Average | | 112,127 | 698,096 | 59,849 | 2.7% | 1.5% | 69.5% | 12.2% | 1.3% | 15.1% | 11.1 | 1.7 |
| Median | | 58,255 | 379,087 | 39,312 | 2.5% | 1.0% | 62.7% | 12.2% | 1.4% | 17.1% | 10.0 | 1.7 |

Source: FiinPro-X, ACBS

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DISCLAIMER

Our Recommendation System

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

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