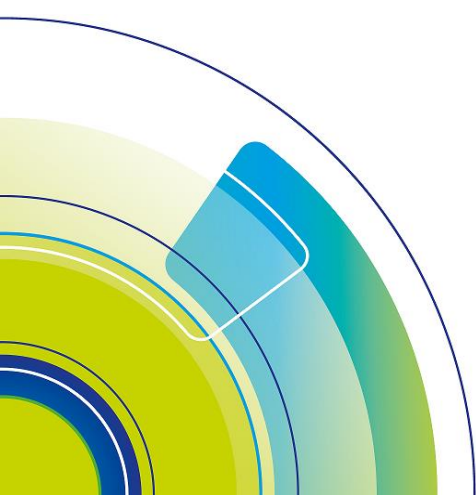


Update VIB – NEUTRAL

August 1, 2025



Hung Cao, CFA

(+84 28) 7300 7000 (ext: 1049)

hungcv@acbs.com.vn

Recommendation

NEUTRAL

HOSE: VIB

Banking

Current price (VND) **19,400**

Target price (VND) **20,200**

Expected share price return +4.1%

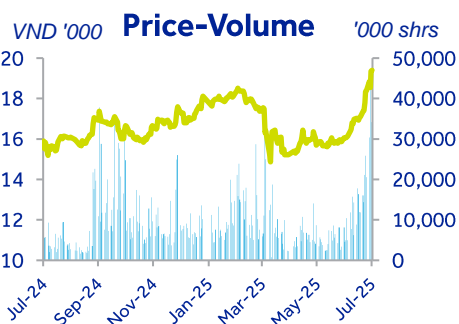
Expected dividend yield 3.6%

Expected total return **+7.7%**

Stock performance (%)

	YTD	1M	3M	12M
Absolute	16.8	20.5	27.1	30.3
Relative	-3.0	10.9	3.2	7.0

Source: Bloomberg



Ownership

Đặng Khắc Vỹ (Board Chairman) & relatives	20.3%
Đỗ Xuân Hoàng (Board Member) & relatives	9.3%
PYN Elite Fund	1.9%
ACBS	1.0%

Stock Statistics

01-Aug-25

Bloomberg code

VIB VN

52-week range (VND)	14,298-19,700
No. of shares (m)	3,404
Mkt cap (VND bn)	66,038
Mkt cap (USD m)	2,502
Foreign room left (%)	0.0
Est. free float (%)	63.6
3m avg daily vol (shs)	9,305,647
VND/USD	26,390
Index: VNIndex / HNX	1502.52/266.34

VIETNAM INTERNATIONAL COMMERCIAL BANK

We raise our target price by 21% to VND 20,200/share after revising up our target P/E multiple from 6.5x to 8.0x, reflecting the improvement in VIB's asset quality on the back of a favorable macroeconomic environment. However, as VIB share price has already risen 26.8% since our previous report, we downgrade our rating from OUTPERFORM to NEUTRAL.

VIB's positive 2Q24 results benefited from the recovery in retail segment, with **PBT reaching VND 2,596 bn (+23.4% y/y, +7.2% q/q)**. Key highlights:

- (1) NII grew 0.6% y/y and 6.2% q/q, supported by **strong credit growth** (+27.5% y/y, +9.8% YTD), although **NIM remained subdued** (-73 bps y/y, +7 bps q/q) at 3.27%.
- (2) NFI rose 5.0% y/y and 32.9% q/q, driven by **strong off-balance-sheet debt recovery** (+73.3% y/y, +46.5% q/q). A more favorable real estate market has facilitated bad-debt resolution.
- (3) **Operating expenses was kept stable**, +4.4% y/y and +7.2% q/q. CIR remained elevated at 37%, above the sector average of 31%, reflecting VIB's retail focus.
- (4) **Provision expenses stayed low** (-43.7% y/y, +50.9% q/q).
- (5) **Asset quality continued to improve** but remains below peers. NPL ratio stood at 3.56% and special mentioned loans at 2.9%, -24 bps q/q and -40 bps q/q, respectively. However, modest provisioning left **NPL coverage at just 37.2%**, well below the 50%+ levels in prior years and among the lowest in the sector.

We forecast **2025 PBT to reach VND 10,063 bn (+11.8% y/y)**, achieving 91% of the AGM profit target. Key drivers include:

- (1) Credit growth projected at 20% y/y, while NIM declines 71 bps to 3.24%, resulting in flat NII growth y/y. NFI is expected to rise 7.4% y/y on the back of robust off-balance-sheet debt recovery (+28.8% y/y). **TOI is projected to grow 1.4% y/y**.
- (2) **Operating expenses are projected to rise modestly 5% y/y** amid weak top-line growth, pushing the CIR slightly higher to 36.3% from 35.1% last year.
- (3) **Provision expenses are forecast to drop sharply by 26.2% y/y** as bad debts come under control. However, NPL coverage is expected to decline to 43%, from 50% last year.

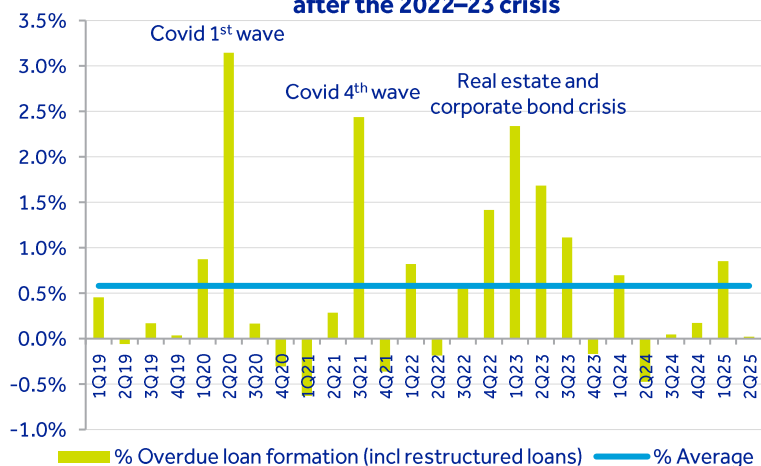
(VND bn)	2021	2022	2023	2024F	2025F	2026F
Credit growth	19.2%	14.5%	14.3%	21.5%	20.0%	20.0%
NIM	4.51%	4.93%	5.29%	3.95%	3.24%	3.26%
NFI proportion	20.6%	17.1%	16.6%	18.6%	19.7%	18.4%
TOI growth	32.8%	21.3%	22.7%	-7.2%	1.4%	19.3%
CIR	35.5%	34.3%	29.8%	35.1%	36.3%	33.5%
Credit costs	0.85%	0.58%	1.93%	1.47%	0.90%	1.20%
Profit before tax	8,011	10,581	10,704	9,004	10,063	11,400
growth	38.0%	32.1%	1.2%	-15.9%	11.8%	13.3%
Profit after tax after MI	6,410	8,469	8,563	7,204	8,051	9,121
Profit attributable	6,317	8,358	8,453	7,112	7,948	9,004
Adjusted EPS (VND)	1,860	2,461	2,489	2,094	2,340	2,651
BVPS (VND)	7,152	9,614	11,171	12,326	14,052	16,004
Adjusted ROA	2.3%	2.6%	2.3%	1.6%	1.5%	1.4%
Adjusted ROE	30.3%	29.7%	24.3%	18.1%	18.0%	17.9%
CAR (Basel 2)	11.7%	12.8%	11.7%	11.9%	11.3%	10.7%
P/E	25.4	7.7	7.9	9.4	8.3	7.3
P/B	6.6	2.0	1.8	1.6	1.4	1.2
DPS (VND)	-	-	1,500	1,250	700	700
Dividend yield	0.0%	0.0%	7.9%	6.4%	3.6%	3.6%

VIB's bad debt is under control

Following the real estate and corporate bond market crisis in 2022–2023, which spilled over into the retail segment and significantly pressured VIB's asset quality, we note that conditions have improved markedly since early 2024.

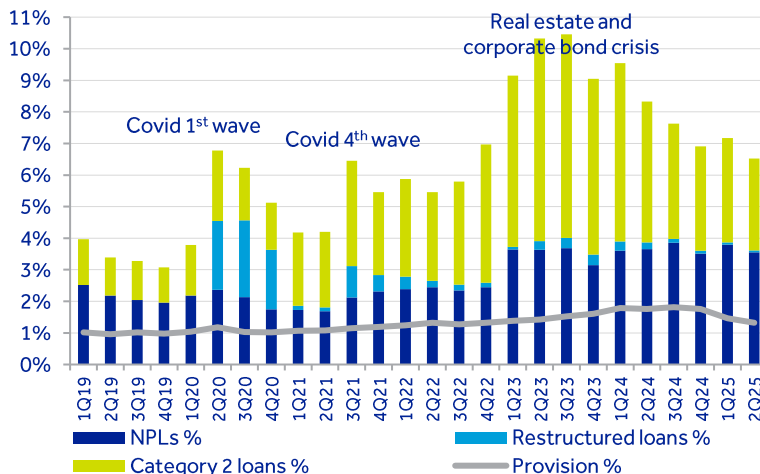
Previously, VIB's overdue loan ratio (including NPLs, Group 2 loans, and restructured loans) peaked at over 10%, but had declined to below 6.5% by end-2Q25.

Overdue loan formation has remained low after the 2022–23 crisis



Source: VIB, ACBS

Asset quality improved



Source: VIB, ACBS

We believe the most challenging period for VIB and other retail banks has passed, and asset quality is likely to continue improving, driven by:

- (1) A clear improvement in the real estate market;
- (2) Lossening monetary and fiscal policies maintained by the Government to support high economic growth target.

Although provision buffers remain thin (37.2%) and retail NIM pressure limits VIB's ability to accelerate provisioning, the improving asset quality momentum across the sector and at VIB specifically supports our decision to raise **VIB's target P/E multiple to 8.0x** from 6.5x in the previous report.

Historical P/E



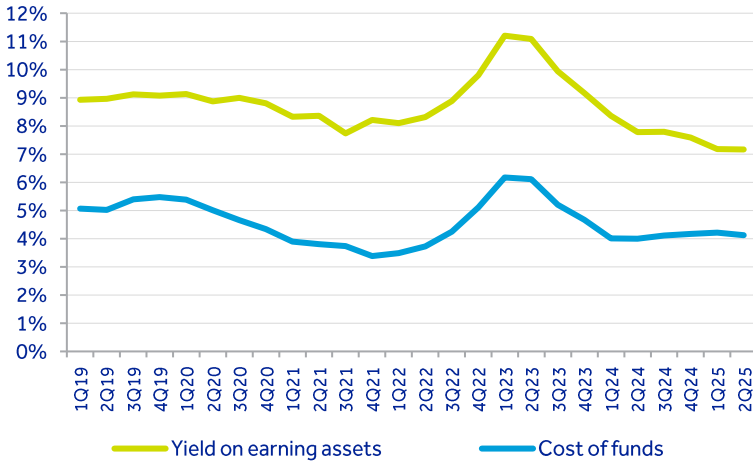
Source: FiinPro-X, ACBS

Historical P/B



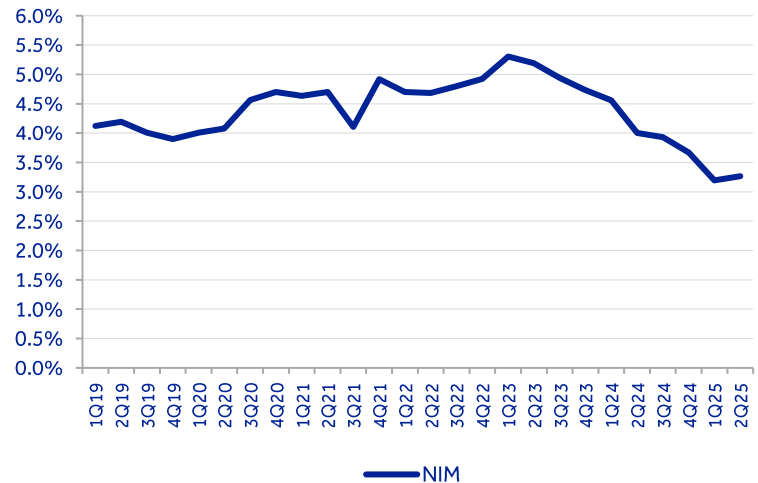
Source: FiinPro-X, ACBS

Lending yields fell to low levels and remained stable in 2Q25...



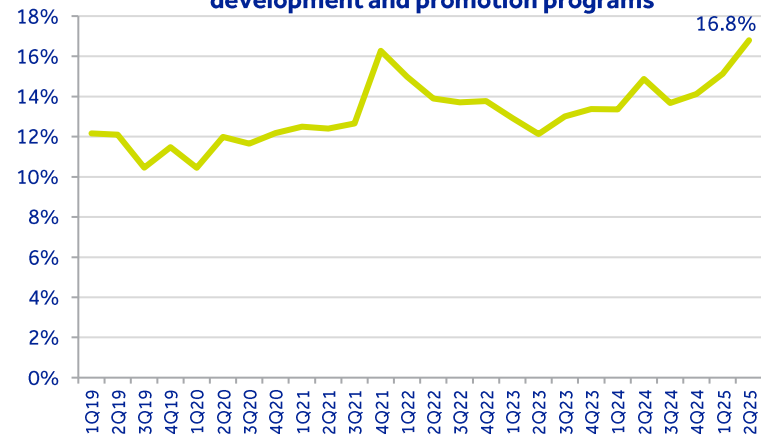
Source: VIB, ACBS

... helping NIM bottom out



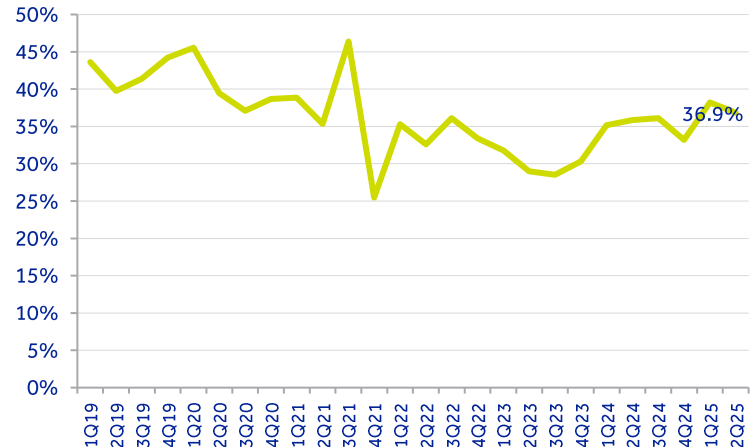
Source: VIB, ACBS

CASA ratio improved thanks to digital product development and promotion programs



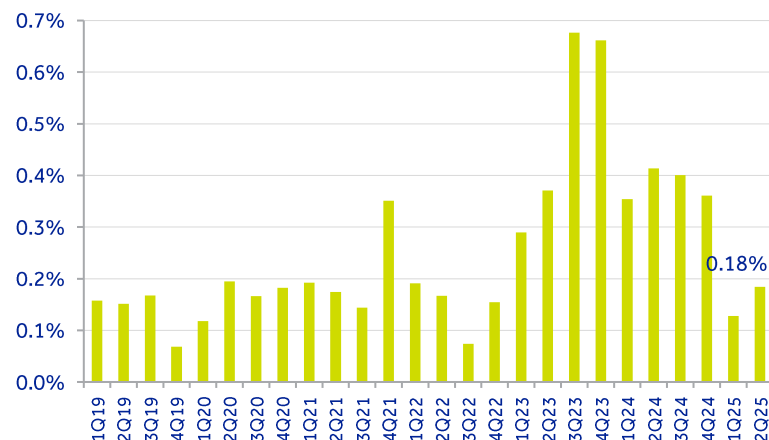
Source: VIB, ACBS

CIR ratio at good efficiency level for a retail bank



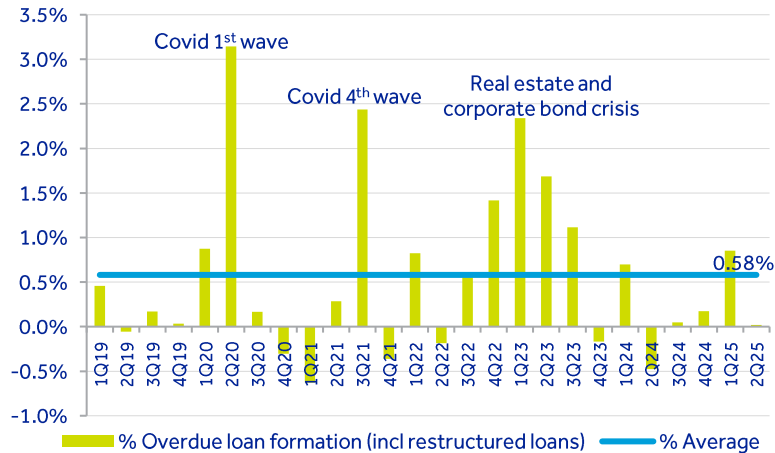
Source: VIB, ACBS

Credit costs were controlled...



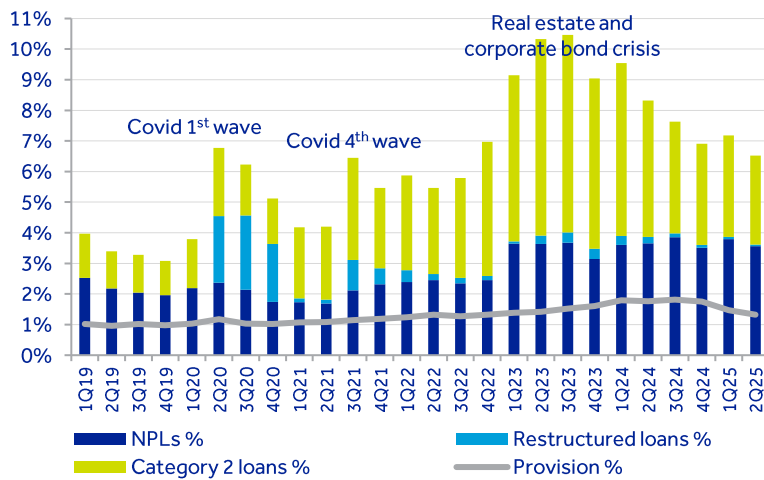
Source: VIB, ACBS

...partially thanks to low overdue loan formation



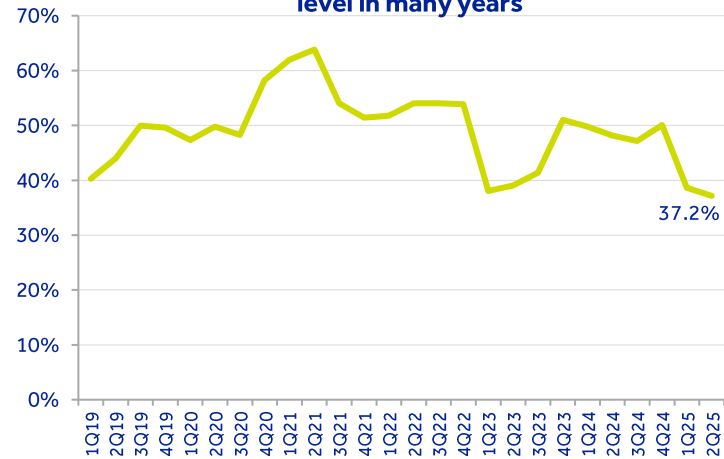
Source: VIB, ACBS

Asset quality improved...



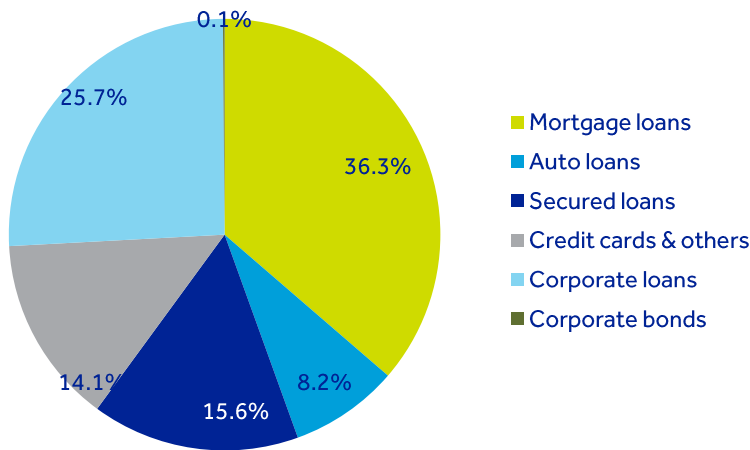
Source: VIB, ACBS

... but NPL coverage dropped to the lowest level in many years



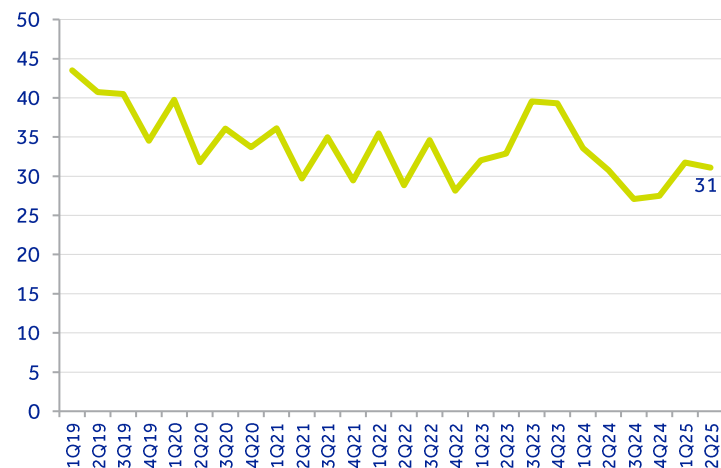
Source: VIB, ACBS

Credit structure focused on retail (74%)



Source: VIB, ACBS

Interest collection days stayed at healthy level



Source: VIB, ACBS

BANKS' FINANCIAL RATIOS

(Unit: VND billion)

Ticker	Exchange	Mkt cap 31-07-25	Total Equity 2Q25	Total Assets 2Q25	NPL ratio 2Q25	Category 2 loan 2Q25	NPL coverage 2Q25	CAR (Basel 2) 4Q24	ROA (TTM)	ROE (TTM)	P/E	P/B
BID	HOSE	267,514	2,991,671	162,738	2.0%	1.6%	89.1%	0.9%	17.6%	9.0%	10.5	1.8
CTG	HOSE	248,094	2,609,788	163,826	1.3%	1.0%	134.8%	1.2%	20.0%	9.5%	9.6	1.6
VCB	HOSE	508,861	2,217,941	213,749	1.0%	0.3%	213.8%	1.7%	17.2%	12.2%	15.0	2.5
MBB	HOSE	167,202	1,289,644	127,804	1.6%	1.3%	88.9%	2.1%	21.4%	11.8%	6.8	1.4
TCB	HOSE	243,737	1,037,645	161,827	1.3%	0.6%	106.5%	2.2%	14.3%	15.3%	11.4	1.6
VPB	HOSE	200,332	1,104,719	152,183	4.0%	3.2%	52.2%	1.8%	12.2%	15.5%	11.5	1.4
ACB	HOSE	118,143	933,541	87,211	1.3%	0.5%	76.3%	2.0%	20.2%	11.8%	7.0	1.4
STB	HOSE	92,941	807,339	59,821	2.5%	0.8%	75.4%	1.5%	20.7%	10.1%	8.0	1.6
SHB	HOSE	65,451	825,493	63,114	2.6%	0.3%	65.4%	1.4%	18.3%	11.9%	6.0	1.0
HDB	HOSE	93,143	784,096	64,626	2.5%	4.0%	47.2%	2.0%	25.2%	14.0%	6.7	1.6
LPB	HOSE	102,165	513,613	40,700	1.7%	1.0%	75.3%	2.0%	23.3%	13.3%	10.3	2.5
VIB	HOSE	65,868	530,909	43,628	3.6%	3.0%	37.2%	1.5%	17.8%	11.9%	8.7	1.5
TPB	HOSE	42,007	428,590	38,230	2.1%	1.9%	62.7%	1.6%	16.9%	13.2%	6.7	1.1
MSB	HOSE	36,400	341,331	39,312	2.7%	1.2%	55.6%	1.6%	13.7%	12.4%	6.5	1.0
SSB	HOSE	54,766	379,087	39,561	2.0%	0.9%	73.6%	2.1%	18.9%	12.8%	7.7	1.4
OCB	HOSE	32,795	308,899	33,114	3.5%	2.0%	40.5%	1.1%	9.4%	12.5%	11.2	1.0
NAB	HOSE	25,821	314,798	21,240	2.9%	0.8%	39.0%	1.5%	19.6%	12.7%	6.7	1.3
EIB	HOSE	49,548	256,442	26,067	2.7%	1.0%	41.2%	1.4%	13.1%	12.4%	14.9	1.9
ABB	UPCoM	11,766	204,917	15,327	2.8%	0.8%	56.9%	0.8%	10.2%	10.1%	16.4	0.8
BAB	HNX	14,543	184,958	12,204	1.3%	0.5%	101.1%	0.7%	9.4%	11.2%	12.9	1.2
VBB	UPCoM	9,155	178,671	9,073	-	-	-	0.6%	11.2%	11.7%	8.5	1.0
VAB	HOSE	9,071	133,952	9,425	1.1%	0.8%	88.3%	0.8%	11.0%	-	9.1	1.0
NVB	HNX	17,267	144,054	6,555	11.4%	0.9%	13.0%	-	-	-	-	2.8
BVB	UPCoM	9,068	115,509	6,920	3.8%	1.0%	40.5%	0.3%	4.2%	11.9%	-	1.3
KLB	UPCoM	7,763	97,630	7,246	2.0%	1.6%	82.8%	1.3%	17.5%	12.3%	6.6	1.1
PGB	UPCoM	7,539	78,553	6,193	3.3%	1.8%	35.6%	0.5%	6.5%	10.0%	-	1.2
SGB	UPCoM	4,518	35,141	4,234	3.2%	6.1%	32.4%	0.3%	2.1%	14.8%	-	1.1
Average		92,795	698,109	59,849	2.7%	1.5%	70.2%	1.3%	15.1%	12.2%	9.5	1.4
Median		49,548	379,087	39,312	2.5%	1.0%	64.1%	1.4%	17.1%	12.2%	8.7	1.4

Source: FiinPro-X, ACBS

(Unit: VND billion, unless otherwise stated)	Market price (VND):	19,400	Target price (VND):	20,200	Market cap (VND bn):	65,886	
INCOME ITEMS	2020	2021	2022	2023	2024	2025F	2026F
Net interest income	8,496	11,816	14,963	18,484	16,750	16,748	20,306
Net fee & commission income	2,389	2,742	3,188	2,203	1,765	1,589	1,827
Other non-interest income	331	333	(93)	1,473	2,053	2,511	2,737
Total operating income	11,216	14,891	18,058	22,160	20,569	20,848	24,870
Growth (%)	37.6%	32.8%	21.3%	22.7%	-7.2%	1.4%	19.3%
Operating expenses	(4,465)	(5,282)	(6,197)	(6,611)	(7,211)	(7,572)	(8,329)
Profit before provision & tax	6,751	9,609	11,861	15,550	13,358	13,276	16,541
Provision for credit losses	(948)	(1,598)	(1,280)	(4,846)	(4,353)	(3,214)	(5,142)
Profit before tax	5,803	8,011	10,581	10,704	9,004	10,063	11,400
Growth (%)	42.2%	38.0%	32.1%	1.2%	-15.9%	11.8%	13.3%
Profit after tax after minority interests	4,642	6,410	8,469	8,563	7,204	8,051	9,121
Profit attributable to shareholders	4,544	6,317	8,358	8,453	7,112	7,948	9,004
Adjusted EPS (VND)	1,338	1,860	2,461	2,489	2,094	2,340	2,651
BALANCE SHEET ITEMS	2020	2021	2022	2023	2024	2025F	2026F
Outstanding loans & corporate bonds	171,252	204,103	233,774	267,113	324,602	389,523	467,427
Growth (%)	29.5%	19.2%	14.5%	14.3%	21.5%	20.0%	20.0%
Customer deposits	150,349	173,565	200,124	236,577	276,308	331,570	397,884
Growth (%)	22.9%	15.4%	15.3%	18.2%	16.8%	20.0%	20.0%
Total assets	244,676	309,517	342,799	409,881	493,158	593,933	709,801
Shareholder's equity	17,974	24,291	32,651	37,940	41,862	47,725	54,351
BVPS (VND)	5,292	7,152	9,614	11,171	12,326	14,052	16,004
KEY RATIOS	2020	2021	2022	2023	2024	2025F	2026F
NPL	1.7%	2.3%	2.5%	3.1%	3.5%	3.3%	3.0%
NPL coverage	59.1%	51.4%	53.9%	51.0%	50.1%	42.6%	47.9%
NIM	4.1%	4.5%	4.9%	5.3%	3.9%	3.2%	3.3%
CIR	39.8%	35.5%	34.3%	29.8%	35.1%	36.3%	33.5%
Adjusted ROA	2.2%	2.3%	2.6%	2.3%	1.6%	1.5%	1.4%
Adjusted ROE	29.6%	30.3%	29.7%	24.3%	18.1%	18.0%	17.9%
CAR (Basel 2)	10.1%	11.7%	12.8%	11.7%	11.9%	11.3%	10.7%
P/E (x)	24.2	25.4	7.7	7.9	9.4	8.3	7.3
P/B (x)	6.1	6.6	2.0	1.8	1.6	1.4	1.2
Dividend yield	0.0%	0.0%	0.0%	7.9%	6.4%	3.6%	3.6%

CONTACTS

Ho Chi Minh City Head Office

Leman Tower, 117 Nguyen Dinh Chieu, District 3,
Ho Chi Minh City, Vietnam
Tel: (+84 28) 7300 1000

Hanoi Office

10 Phan Chu Trinh, Hoan Kiem Dist., Ha Noi
Tel: (+84 24) 3942 9395
Fax: (+84 24) 3942 9407

RESEARCH DEPARTMENT

Acting Head of Research

Trang Do

(+84 28) 7300 7000 (x1041)

trangdm@acbs.com.vn

Manager – Properties

Truc Pham

(+84 28) 7300 7000 (x1043)

trucptt@acbs.com.vn

Manager – Financials

Hung Cao, CFA

(+84 28) 7300 7000 (x1049)

hungcv@acbs.com.vn

Manager – Consumer- related, Technology

Chi Luong

(+84 28) 7300 7000 (x1042)

chiltk@acbs.com.vn

Associate – Oil & Gas

Hung Phan

(+84 28) 7300 7000 (x1044)

hungpv@acbs.com.vn

Associate – Industrials

Trung Tran

(+84 28) 7300 7000 (x1045)

trungtn@acbs.com.vn

Analyst – Utilities

Toan Pham

(+84 28) 7300 7000 (x1051)

toanpd@acbs.com.vn

Associate – Macro & Money Market

Minh Trinh Viet

(+84 28) 7300 7000 (x1046)

minhtvh@acbs.com.vn

Associate – Logistic

Hung Nguyen

(+84 28) 7300 7000 (x1047)

hungnt@acbs.com.vn

Analyst – Technical

Huu Vo

(+84 28) 7300 7000 (x1052)

huvvp@acbs.com.vn

Associate – Construction

Dat Do

(+84 28) 7300 7000 (x1110)

anhmd@acbs.com.vn

INSTITUTIONAL CLIENT DIVISION

Director

Huong Chu

(+84 28) 7300 7000 (x1083)

huongctk@acbs.com.vn

groupis@acbs.com.vn

Manager – Trading

Huynh Nguyen

(+84 28) 7300 6879 (x1088)

huynhntn@acbs.com.vn

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.

Analyst Certification(s)

We, the author(s) of this report, hereby certify (1) that the views expressed in this research report accurately reflect our personal views about any or all of the subject securities or issuers referred to in this research report and (2) no part of our compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed in this research report.

Important Disclosures

ACBS and/or an affiliate thereof (hereby collectively called ACBS) did or may seek to do business with companies covered in this report as its routine business. ACBS's proprietary trading accounts may have a position in such companies' securities. As a result, the investor should be aware that ACBS may have a conflict of interest from time to time.

ACBS produces a variety of research products including, but not limited to, fundamental analysis, equity-linked analysis, quantitative analysis, and trade ideas. Recommendations contained in one type of research product may differ from recommendations contained in other types of research products, whether as a result of differing time horizons, methodologies, or otherwise.

Disclaimer

This report is provided for information purposes only. ACBS makes no express or implied warranties, and expressly disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to any data included in this report. ACBS will not treat unauthorized recipients of this report as its clients. Prices shown (if any) are indicative and ACBS is not offering to OUTPERFORM or sell or soliciting offers to OUTPERFORM or sell any financial instrument. **Without limiting any of the foregoing and to the extent permitted by law, in no event shall ACBS, nor any affiliate, nor any of their respective officers, directors, partners, or employees have any liability for (a) any special, punitive, indirect, or consequential damages; or (b) any lost profits, lost revenue, loss of anticipated savings or loss of opportunity or other financial loss, even if notified of the possibility of such damages, arising from any use of this report or its contents.** Other than disclosures relating to ACBS, the information contained in this report has been obtained from sources that ACBS believes to be reliable, but ACBS does not represent or warrant that it is accurate or complete. The views in this report are subject to change, and ACBS has no obligation to update its opinions or the information in this report.

Some parts of this report reflect the assumptions, views and analytical methods of the analysts who prepared them, and ACBS is not responsible for any error of their works and assumptions. ACBS may have issued, and may in the future issue, other reports that are inconsistent with, and reach different conclusions from, the information presented in this report.

The analyst recommendations in this report reflect solely and exclusively those of the author(s), and such opinions were prepared independently of any other interests, including those of ACBS. This report does not constitute personal investment advice or take into account the individual financial circumstances or objectives of the investors who receive it. The securities discussed herein may not be suitable for all investors. ACBS recommends that investors independently evaluate each issuer, securities or instrument discussed herein and consult any independent advisors they believe necessary. The value of and income from any investment may fluctuate from day to day as a result of changes in relevant economic markets (including changes in market liquidity). The information herein is not intended to predict actual results, which may differ substantially from those reflected. Past performance is not necessarily indicative of future results.

This report may not be distributed to the public media or used by the public media without prior written consent of ACBS. Otherwise it will be considered as illegal. The breacher shall compensate fully to ACBS any loss or damage which arises from such breach (if any).

In the event that the distribution and/or receipt of this report is prohibited by the investor's jurisdiction, the investor shall dismiss this report immediately otherwise it will be at his/her own risks.

ACBS does not provide tax advice and nothing contained herein should be construed to be tax advice. Accordingly, the investors should seek advice based on their particular circumstances from an independent tax advisor. This report may contain links to third-party websites. ACBS is not responsible for the content of any third-party website or any linked content contained in a third-party website. Content contained on such third-party websites is not part of this report and is not incorporated by reference into this report. The inclusion of a link in this report does not imply any endorsement by ACBS. Access to any third-party website is at the investor's own risks, and the investor should always review the terms and privacy policies at third-party websites before submitting any personal information to them. ACBS is not responsible for such terms and privacy policies and expressly disclaims any liability for them.

© Copyright ACBS (2025). All rights reserved. No part of this report may be reproduced in any manner without the prior written permission of ACBS.