VIB Update – BUY

31-Jul-26

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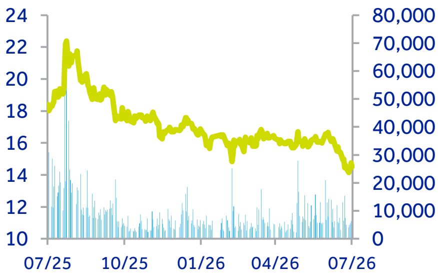
Recommendation	BUY
	HOSE: VIB
	Banking
Target price (VND)	**18,400**
Market price (VND)	**14,500**
Expected share price return	+26.9%
Expected dividend yield	4.8%
Expected total return	**+31.7%**

Stock performance (%)

	YTD	1M	3M	12M
Absolute	-13.8	-10.6	-9.5	-19.6
Relative	-12.4	-4.8	-4.7	-37.7

Source: Bloomberg

Price-Volume



Ownership

Chairman & related parties	33,5%
BOD member & related parties	8,5%
Vice chairman & related parties	5,7%
Vũ Huy Hoàng	4,6%
Hoàng Vân Anh	2,1%
PYN Elite Fund	2,1%
REE	2,0%
Vũ Hương Giang	1,7%

Stock Statistics	31-07-26
Bloomberg code	**VIB VN**
52-week range (VND)	14,050-24,800
Shares O/S (m)	3,404
Mkt cap (VND bn)	49,358
Mkt cap (USD m)	1,870
Est. Foreign room left (%)	1.5
Est. free float (%)	77.3
3m avg daily vol (shrs)	7,909,978
VND/USD	26,394
Index: VNIndex / HNX	1735.78/271.25

VIETNAM INTERNATIONAL COMMERCIAL BANK

We lower our 12-month target price by 4.7% to VND18,400/share, mainly due to (1) lowering our target P/E from 8.0x to 7.0x to reflect a higher interest rate environment, and (2) rolling our target price forward to mid-2027. However, we upgrade our recommendation from OUTPERFORM to BUY as VIB's share price has declined 15.5% since our previous report. In 1H2026, the bank completed 45% of its full-year PBT target and 50% of our full-year forecast. For FY2026F, we slightly reduce our PBT forecast by 4% to VND10,453bn, representing 14.8% y/y growth (vs. the AGM target of 27% y/y growth).

Q2/2026 PBT reached VND2,383bn, -8.2% y/y and -15% q/q, mainly due to a doubling of provisioning expenses y/y and the absence of the one-off fee income from card partnership with Visa.

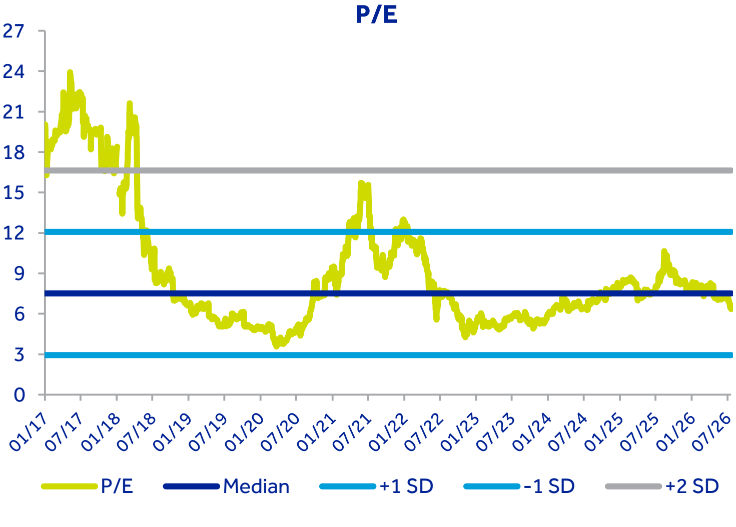
Credit growth remained sluggish, reaching 4% YTD and 11.4% y/y as of 2Q26, lower than industry of 8% YTD and 17% y/y), mainly due to weaker mortgage demand from retail customers and a credit growth quota of only 11–12%. Retail loan proportion continued to decline to 65.8% of total loans, from nearly 90% in 2022. **NIM recovered modestly to 3.23%** (+18bps q/q, although -4bps y/y), as higher lending rates were increasingly reflected in asset yields.

NFI declined (down 12.9% y/y and 45.1% q/q), mainly due to a VND423bn loss from FX trading. However, fee income from cards, payments and bancassurance has shown positive signs and should support VIB's NFI growth going forward.

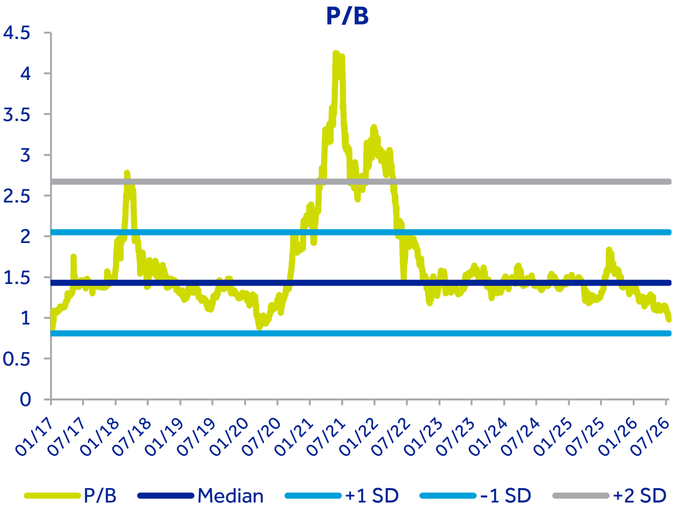
Asset quality was under pressure, although it has improved significantly compared with the 2023–2024 period. Overdue loan formation ratio increased to 0.5% per quarter – equal to historical average. NPL ratio and Group 2 loan ratio remained stable at 2.93% and 2.56%, respectively. **Provisioning expenses remained above VND1,200bn per quarter**, doubling from the low base a year earlier, in order to maintain NPL coverage ratio at around 43% while creating room for NPL write-offs.

Given VIB's modest earnings recovery outlook amid a persistently high interest rate environment, we apply a **target P/E of 7.0x**, in line with its historical median. Accordingly, our 12-month target price is **VND18,400/share**.

(VND bn)	2022	2023	2024	2025	2026F	2027F
Credit growth	14.5%	14.2%	21.5%	17.7%	12.0%	15.0%
NIM	4.93%	5.29%	3.95%	3.24%	3.22%	3.27%
NFI proportion	17.1%	16.6%	18.6%	19.6%	23.6%	23.6%
TOI growth	21.3%	22.7%	-7.2%	-2.7%	17.6%	15.6%
CIR	34.3%	29.8%	35.1%	37.2%	33.2%	33.0%
Credit costs	0.58%	1.93%	1.47%	0.98%	1.30%	1.30%
Profit before tax	10,581	10,704	9,004	9,105	10,453	12,243
growth	32.1%	1.2%	-15.9%	1.1%	14.8%	17.1%
Profit after tax after MI	8,469	8,563	7,204	7,285	8,364	9,797
Profit attributable	8,358	8,453	7,112	7,192	8,257	9,672
Adjusted EPS (VND)	2,455	2,483	2,089	2,113	2,426	2,841
BVPS (VND)	9,592	11,146	12,298	13,779	15,305	17,446
Adjusted ROA	2.6%	2.3%	1.6%	1.4%	1.4%	1.5%
Adjusted ROE	29.7%	24.3%	18.1%	16.4%	16.9%	17.6%
CAR (Basel 2)	12.8%	11.7%	11.9%	11.4%	11.3%	11.2%
P/E	7.7	7.9	9.4	9.3	6.1	5.2
P/B	2.0	1.8	1.6	1.4	1.0	0.8
DPS (VND)	-	1,500	1,250	700	900	700
Dividend yield	0.0%	7.9%	6.4%	3.6%	4.6%	4.7%



Source: FiinPro-X, ACBS



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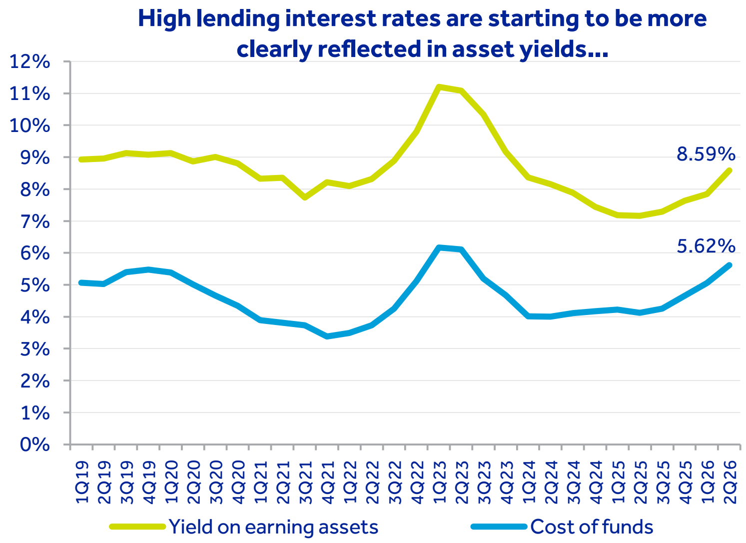
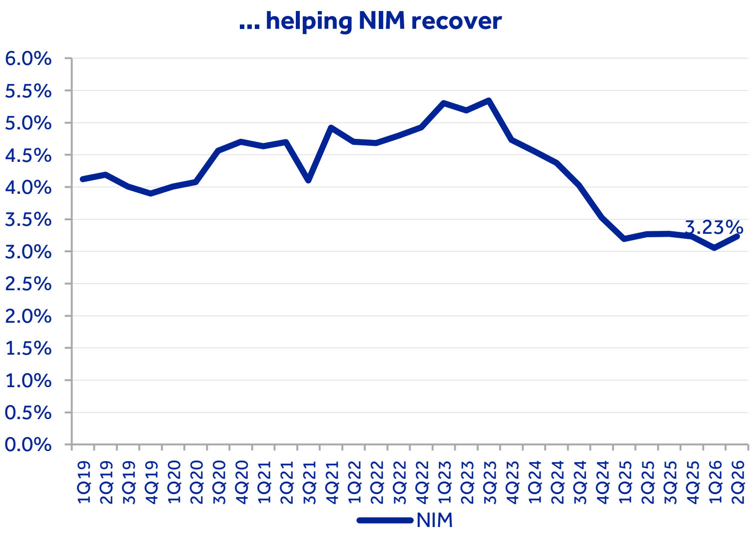


Source: VIB, ACBS



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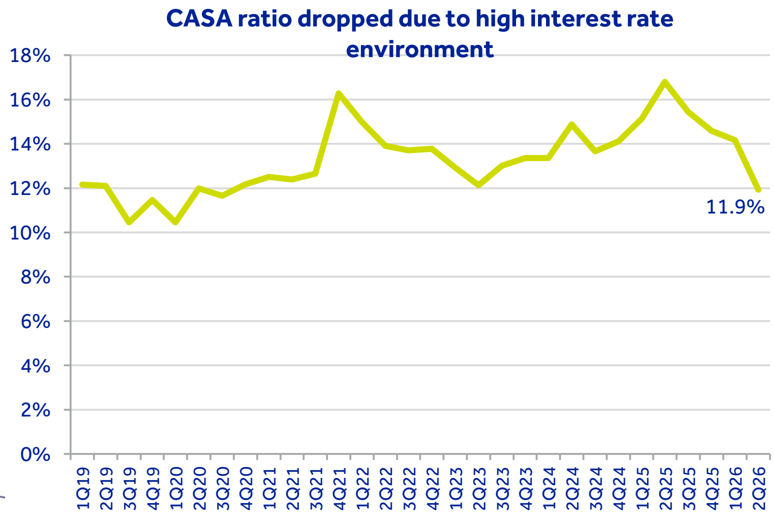
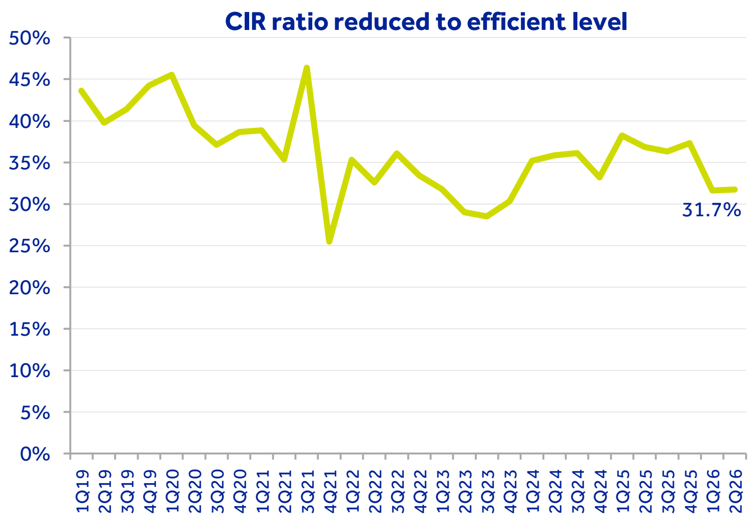
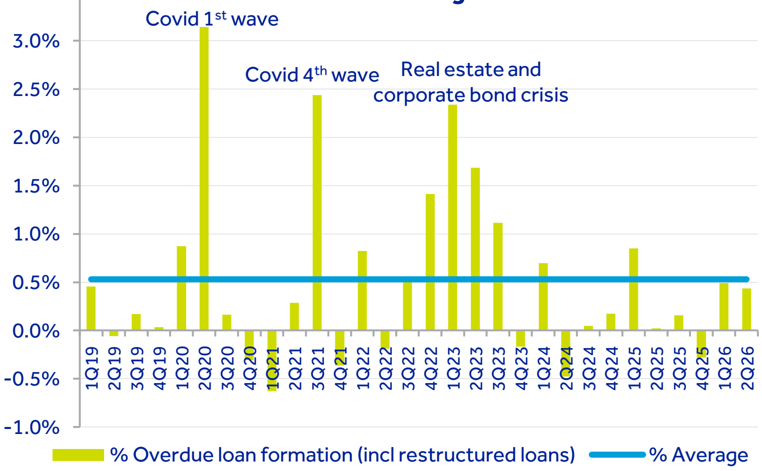


Source: VIB, ACBS



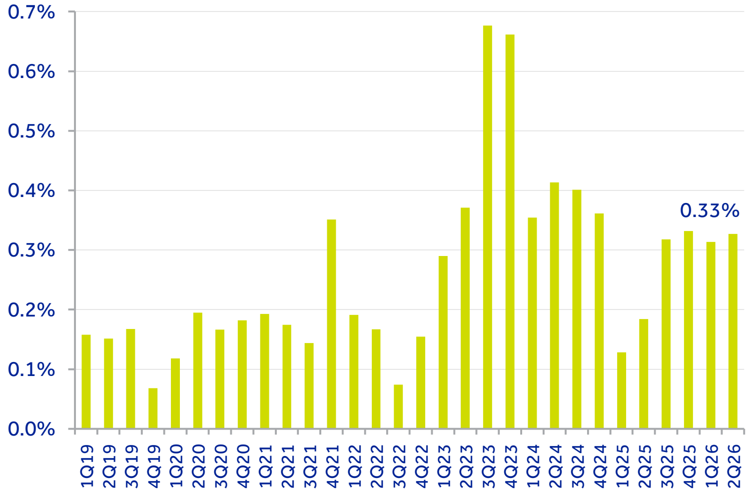
Source: VIB, ACBS

Overdue loan formation rised again to historical average level ...



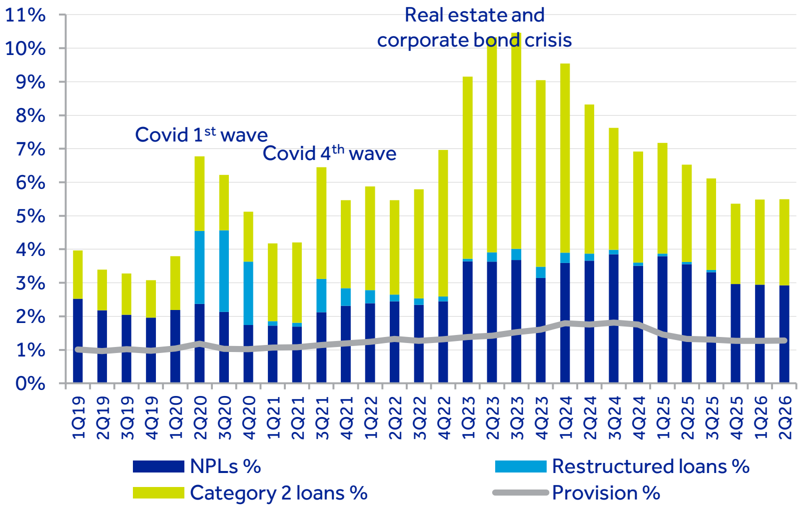
Source: VIB, ACBS

... causing credit costs maintain high



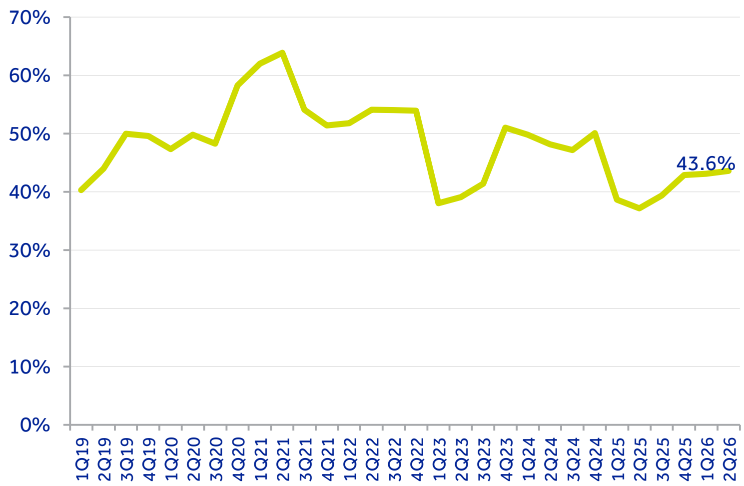
Source: VIB, ACBS

Asset quality remained stable but faced some pressure



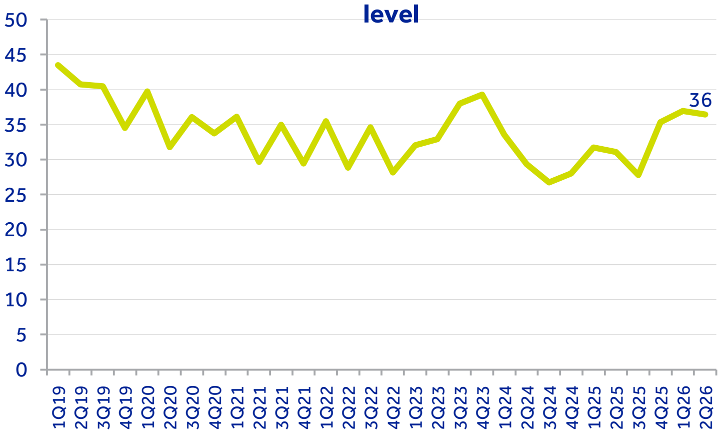
Source: VIB, ACBS

NPL coverage ratio was still quite thin



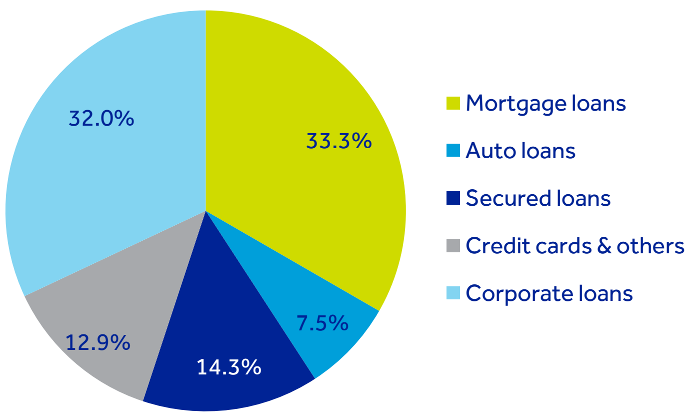
Source: VIB, ACBS

Interest collection days were still at healthy level



Source: VIB, ACBS

Credit structure



Source: VIB, ACBS

(Unit: VND billion, unless otherwise stated)	Market price (VND):	14,500	Target price (VND):	18,400	Market cap (VND bn):	50,209
INCOME ITEMS	**2022**	**2023**	**2024**	**2025**	**2026F**	**2027F**
Net interest income	14,963	18,484	16,750	16,092	17,974	20,794
Net fee & commission income	3,188	2,203	1,765	2,105	5,053	4,548
Other non-interest income	(93)	1,473	2,053	1,809	496	1,858
Total operating income	**18,058**	**22,160**	**20,569**	**20,007**	**23,523**	**27,200**
Growth (%)	21.3%	22.7%	-7.2%	-2.7%	17.6%	15.6%
Operating expenses	(6,197)	(6,611)	(7,211)	(7,435)	(7,807)	(8,978)
Profit before provision & tax	**11,861**	**15,550**	**13,358**	**12,572**	**15,716**	**18,222**
Provision for credit losses	(1,280)	(4,846)	(4,353)	(3,467)	(5,264)	(5,979)
Profit before tax	**10,581**	**10,704**	**9,004**	**9,105**	**10,453**	**12,243**
Profit after tax after minority interests	32.1%	1.2%	-15.9%	1.1%	14.8%	17.1%
Profit attributable to shareholders	**8,469**	**8,563**	**7,204**	**7,285**	**8,364**	**9,797**
Growth (%)	**8,358**	**8,453**	**7,112**	**7,192**	**8,257**	**9,672**
Adjusted EPS (VND)	**2,455**	**2,483**	**2,089**	**2,113**	**2,426**	**2,841**

BALANCE SHEET ITEMS	**2022**	**2023**	**2024**	**2025**	**2026F**	**2027F**
Outstanding loans & corporate bonds	233,816	267,113	324,602	381,972	427,809	491,980
Growth (%)	14.5%	14.2%	21.5%	17.7%	12.0%	15.0%
Customer deposit	200,124	236,577	276,308	294,578	329,927	379,416
Growth (%)	15.3%	18.2%	16.8%	6.6%	12.0%	15.0%
Total assets	**342,799**	**409,881**	**493,158**	**556,098**	**622,395**	**715,229**
Shareholder's equity	**32,651**	**37,940**	**41,862**	**46,905**	**52,098**	**59,387**
BVPS (VND)	9,592	11,146	12,298	13,779	15,305	17,446

KEY RATIOS	**2022**	**2023**	**2024**	**2025**	**2026F**	**2027F**
NPL (%)	2.5%	3.1%	3.5%	3.0%	3.2%	3.1%
NPL coverage (%)	53.9%	51.0%	50.1%	42.9%	42.6%	43.8%
NIM (%)	4.9%	5.3%	3.9%	3.2%	3.2%	3.3%
CIR (%)	34.3%	29.8%	35.1%	37.2%	33.2%	33.0%
ROA (%)	2.6%	2.3%	1.6%	1.4%	1.4%	1.5%
ROE (%)	29.7%	24.3%	18.1%	16.4%	16.9%	17.6%
CAR Basel 2 (%)	12.8%	11.7%	11.9%	11.4%	11.3%	11.2%
P/E (x)	7.7	7.9	9.4	9.3	6.1	5.2
P/B (x)	2.0	1.8	1.6	1.4	1.0	0.8
Dividend yield (%)	0.0%	7.9%	6.4%	3.6%	4.6%	4.7%

BANK'S FINANCIAL RATIOS

(Unit: VND billion)

Ticker	Exchange	Mkt cap 30-07-26	Total Assets 1Q26	Equity 1Q26	NPL ratio 1Q26	Special mentioned loan 1Q26	NPL coverage 1Q26	ROA (TTM)	ROE (TTM)	CAR (Basel 2) 2025	P/E	P/B
BID	HOSE	262,082	3,388,222	190,623	1.8%	1.4%	86.9%	1.0%	18.4%	9.2%	8.2	1.4
CTG	HOSE	225,630	2,924,177	188,692	1.0%	1.1%	167.2%	1.4%	21.9%	9.9%	5.9	1.2
VCB	HOSE	451,206	2,550,963	234,031	0.6%	0.2%	253.4%	1.5%	16.1%	11.6%	12.6	1.9
MBB	HOSE	177,613	1,611,223	149,745	1.4%	1.1%	92.2%	1.9%	20.9%	11.0%	6.4	1.2
VPB	HOSE	206,282	1,372,010	186,605	3.6%	3.2%	52.8%	2.1%	16.4%	14.4%	7.9	1.2
TCB	HOSE	211,170	1,190,454	186,683	1.1%	0.7%	129.4%	2.3%	15.6%	14.6%	8.1	1.2
ACB	HOSE	130,019	1,030,901	98,751	1.0%	0.7%	114.0%	1.7%	17.5%	12.5%	8.0	1.3
HDB	HOSE	129,887	984,216	83,186	2.6%	2.7%	50.0%	2.0%	24.0%	16.7%	7.3	1.6
SHB	HOSE	64,124	930,983	71,723	2.6%	0.6%	71.2%	1.4%	18.1%	12.6%	4.7	0.9
STB	HOSE	135,736	859,572	61,477	6.6%	1.2%	53.2%	0.5%	7.6%	9.2%	-	2.2
LPB	HOSE	159,820	580,860	49,472	1.8%	1.1%	69.7%	2.0%	24.7%	11.9%	14.3	3.2
VIB	HOSE	49,698	564,146	49,144	2.9%	2.6%	43.1%	1.4%	16.4%	11.4%	6.5	1.0
TPB	HOSE	38,837	527,169	48,034	2.2%	2.5%	58.4%	1.5%	17.9%	18.9%	5.3	0.9
MSB	HOSE	50,076	412,911	43,978	2.7%	1.3%	51.6%	1.6%	14.1%	12.5%	8.5	1.1
NAB	HOSE	26,985	409,207	24,680	1.8%	0.6%	56.5%	1.2%	19.7%	11.2%	5.7	1.1
SSB	HOSE	53,661	403,198	41,482	2.2%	0.8%	68.0%	0.8%	7.7%	13.4%	17.2	1.3
OCB	HOSE	31,850	344,098	34,901	3.5%	2.0%	55.6%	1.3%	12.7%	12.3%	7.5	0.9
EIB	HOSE	32,877	269,958	26,434	3.1%	1.6%	37.8%	0.3%	2.9%	12.4%	-	1.2
ABB	UPCoM	27,373	250,098	17,903	0.8%	1.2%	122.6%	1.6%	21.2%	11.4%	6.6	1.5
BAB	HNX	12,448	193,570	13,609	1.9%	0.5%	68.0%	0.6%	9.2%	10.1%	10.2	0.9
VBB	HOSE	16,525	190,211	12,562	3.4%	1.2%	45.1%	0.6%	10.5%	13.4%	12.2	1.3
NVB	HNX	33,633	173,504	13,809	7.3%	0.7%	18.1%	0.0%	0.6%	-	-	2.4
VAB	HOSE	8,204	142,390	10,570	1.3%	0.0%	91.6%	1.0%	14.4%	9.4%	5.7	0.8
BVB	HOSE	8,363	136,884	7,657	3.1%	1.4%	45.7%	0.4%	7.1%	13.3%	15.7	1.1
KLB	HOSE	8,464	108,968	8,796	1.9%	1.2%	85.5%	2.0%	24.7%	14.4%	4.3	1.0
PGB	UPCoM	7,337	86,711	8,081	4.0%	2.8%	31.2%	0.9%	10.4%	10.6%	8.8	0.9
SGB	UPCoM	4,582	35,505	4,267	3.5%	9.3%	29.3%	0.3%	2.7%	15.6%	-	1.1
	Average	**94,981**	**802,671**	**69,144**	**2.6%**	**1.6%**	**75.8%**	**1.2%**	**14.6%**	**12.5%**	**8.6**	**1.3**
	Median	**49,698**	**412,911**	**43,978**	**2.2%**	**1.2%**	**58.4%**	**1.4%**	**16.1%**	**12.4%**	**7.9**	**1.2**

Source: FiinPro-X, ACBS

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OUR RECOMMENDATION SYSTEM

BUY: Expected prospective total return (including dividends) in VND will be 20% or more within 12 months
OUTPERFORM: Expected prospective total return (including dividends) in VND will be from 10% to 20% within 12 months
NEUTRAL: Expected prospective total return (including dividends) in VND will be from -10% to 10% within 12 months
UNDERPERFORM: Expected prospective total return (including dividends) in VND will be from -20% to -10% within 12 months
SELL: Expected prospective total return (including dividends) in VND will be less than -20% within 12 months

DISCLAIMER