# VCB Update – BUY

7-Aug-26


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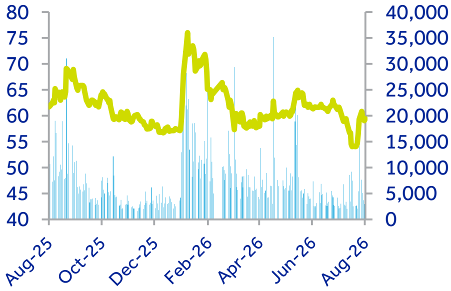
| | |
|---|---|
| **Recommendation** | **BUY** |
| | **HOSE: VCB** |
| | **Banking** |
| **Target price (VND)** | **80,700** |
| **Market price (VND)** | **59,000** |
| Expected share price return | +36.8% |
| Expected dividend yield | 0.8% |
| **Expected total return** | **+37.5%** |

### Stock performance (%)

| | YTD | 1M | 3M | 12M |
|---|---|---|---|---|
| Absolute | 4.2 | -2.8 | -1.7 | -3.8 |
| Relative | 4.2 | 1.1 | 3.9 | -18.3 |

*Source: Bloomberg*

*VND '000* **Price-Volume** *'000 shrs*




### Ownership

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

| **Stock Statistics** | **07-Aug-26** |
|---|---|
| **Bloomberg code** | **VCB VN** |
| 52-week range (VND) | 52,600-78,800 |
| Shares O/S (m) | 8,356 |
| Mkt cap (VND bn) | 496,327 |
| Mkt cap (USD m) | 18,765 |
| Est. Foreign room left ( %) | 9.9 |
| Est. free float (%) | 25.2 |
| 3m avg daily vol (shrs) | 5,685,090 |
| VND/USD | 26,450 |
| Index: VNIndex / HNX | 1759.00/296.42 |

## BANK FOR FOREIGN TRADE OF VIETNAM (VCB)

**We raise our 12-month target price by 16.5% to VND80,700/share, mainly driven by upward revisions to our 2026F-2027F EPS forecasts of 21% and 17%, respectively, reflecting our expectations of a higher NIM and lower credit costs. We upgrade our recommendation from OUTPERFORM to BUY. In 1H2026, VCB completed 60-63% of its PBT target and 51% of our full-year forecast. For 2026F, we forecast PBT of VND57,135 bn, +29.8% y/y. Excluding the VND3,000 bn one-off gain, 2026F PBT is projected to grow 23% y/y, well above management guidance of 5-10% y/y.**

**Q2/26 PBT surged**, +57.9% y/y and +47.6% q/q. Excluding the more than VND3,000 bn gain from consolidating the subsidiary that owns the Vietcombank Ben Thanh tower, PBT still increased 30.7% y/y and 22.2% q/q. The strong performance was primarily driven by NIM expansion and well-controlled credit costs.

**Credit growth remained modest** (+12.8% y/y and +5% YTD), below the industry average (+17% y/y and +8% YTD), mainly due to weaker demand for residential mortgages and household business loans. Meanwhile, **NIM expanded** to 3.0% (+32bps y/y and +11bps q/q) as loan yields increased sharply (from below ~6% to ~7%), while funding costs remained under control thanks to VCB's strong CASA (~34%) and State Treasury deposits.

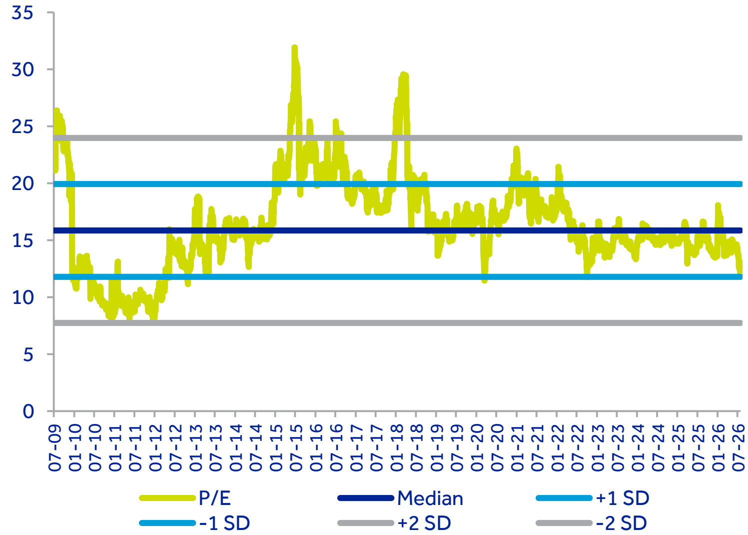
**NFI returned to growth.** Excluding the one-off gain from the consolidation of the Vietcombank Ben Thanh tower, NFI increased 12.6% y/y and 18.3% q/q. However, the improvement was mainly driven by FX trading income, while core income from fee and recoveries from written-off loans remained broadly flat.

**Asset quality remained the best in the banking system.** NPL ratio and Group 2 loan ratio stayed low at 0.61% and 0.25%, respectively, thanks to overdue loan formation remained ~0% in Q2/26. As a result, **credit costs fell to only VND500 bn**, -37.9% y/y and -79.8% q/q. NPL coverage ratio improved to 279%, the highest in the sector.

VCB's earnings growth outlook has improved but given the persistently high interest rate environment, we apply a **target P/E of 16x**, equal to its historical median. Accordingly, our 12-month target price is **VND80,700/share.**

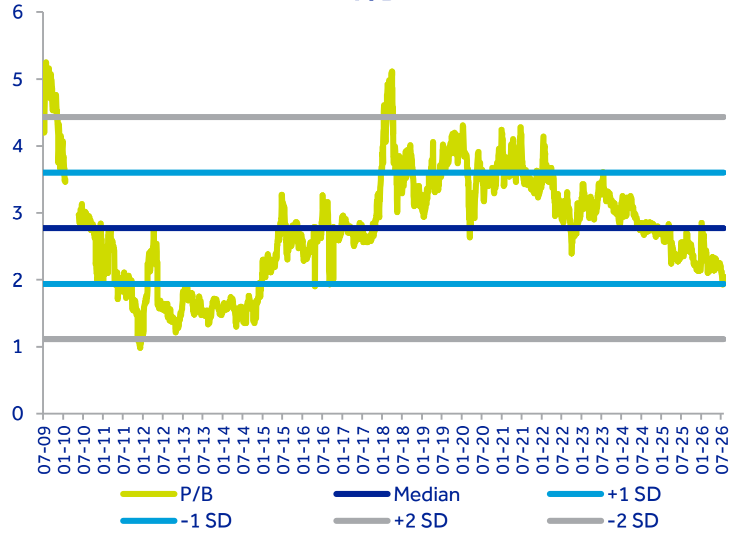
| (VND bn) | 2022 | 2023 | 2024 | 2025 | 2026F | 2027F |
|---|---|---|---|---|---|---|
| Credit growth | 18.8% | 10.7% | 13.9% | 15.3% | 15.9% | 14.9% |
| NIM | 3.41% | 3.02% | 2.89% | 2.65% | 2.90% | 2.86% |
| NFI proportion | 21.8% | 20.9% | 19.2% | 18.9% | 19.5% | 16.4% |
| TOI growth | 20.2% | -0.5% | 1.2% | 5.7% | 27.4% | 8.3% |
| CIR | 31.2% | 32.3% | 33.6% | 34.8% | 31.4% | 31.9% |
| Credit costs | 0.90% | 0.38% | 0.24% | 0.20% | 0.34% | 0.34% |
| Profit before tax | 37,368 | 41,328 | 42,236 | 44,020 | 57,135 | 60,934 |
| growth | 36.0% | 10.6% | 2.2% | 4.2% | 29.8% | 6.6% |
| Profit after tax after MI | 27,673 | 29,810 | 31,233 | 32,456 | 42,828 | 45,021 |
| EPS (VND) | 3,312 | 3,568 | 3,738 | 3,884 | 5,126 | 5,388 |
| BVPS (VND) | 16,223 | 19,745 | 23,471 | 26,866 | 31,542 | 36,480 |
| Adjusted ROA | 1.7% | 1.6% | 1.6% | 1.4% | 1.6% | 1.5% |
| Adjusted ROE | 22.6% | 19.8% | 17.3% | 15.4% | 17.6% | 15.8% |
| CAR (Basel 2) | 10.0% | 11.4% | 12.2% | 12.0% | 12.3% | 12.5% |
| P/E | 13.7 | 15.1 | 16.3 | 15.7 | 11.5 | 11.0 |
| P/B | 2.8 | 2.7 | 2.6 | 2.3 | 1.9 | 1.6 |
| DPS (VND) | 1,200 | - | - | 450 | 450 | 450 |
| Dividend yield | 2.0% | 0.0% | 0.0% | 0.8% | 0.8% | 0.8% |

P/E



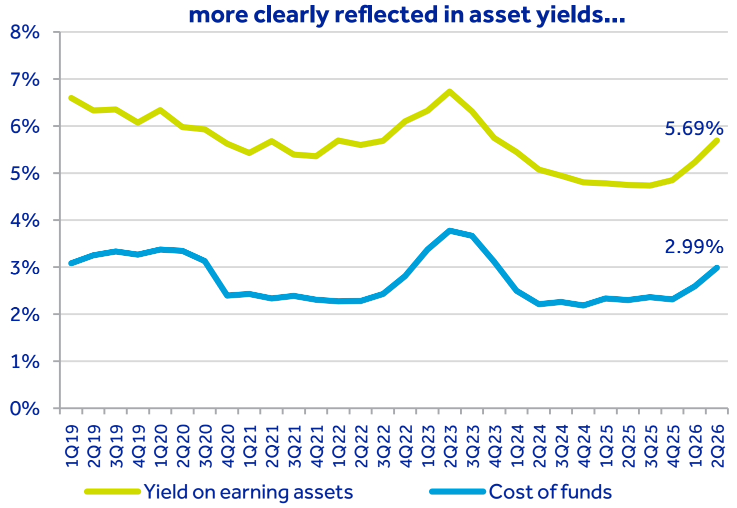

*Source: FiinPro-X, ACBS*

P/B



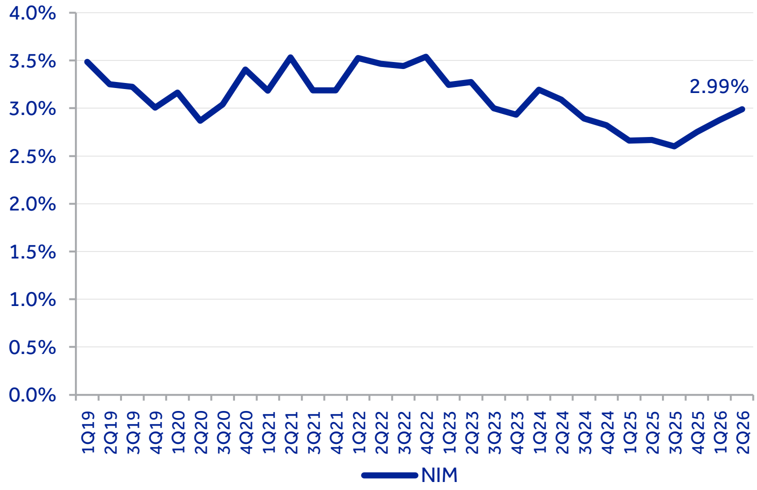

*Source: FiinPro-X, ACBS*

**High lending interest rates are starting to be more clearly reflected in asset yields...**



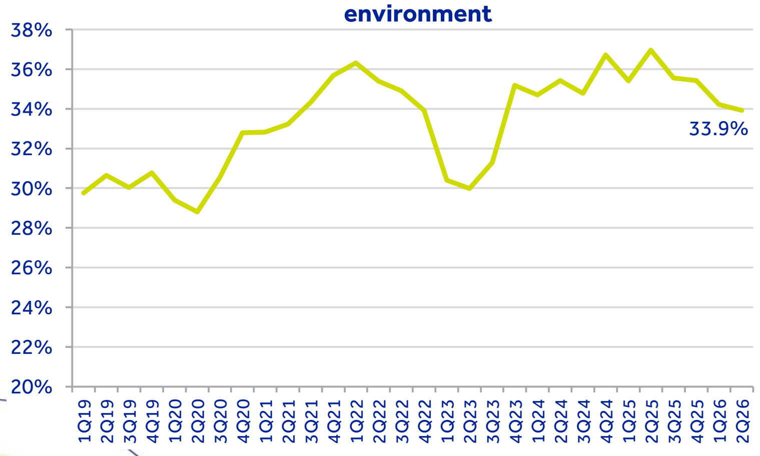

*Source: VCB, ACBS*

**... helping NIM recover**



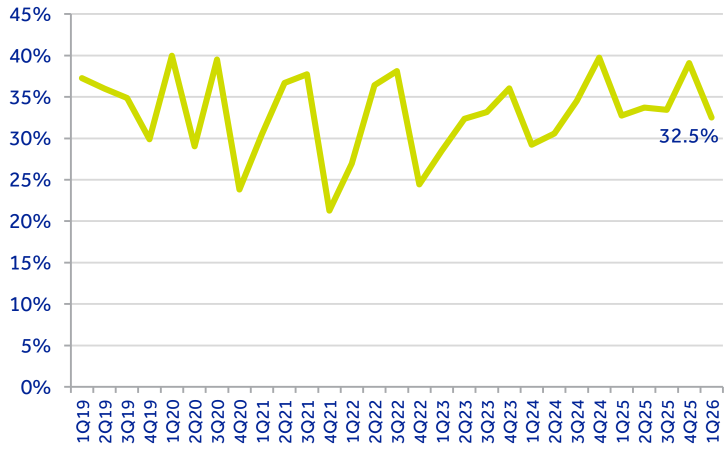

*Source: VCB, ACBS*

**CASA ratio dropped due to high interest rate environment**



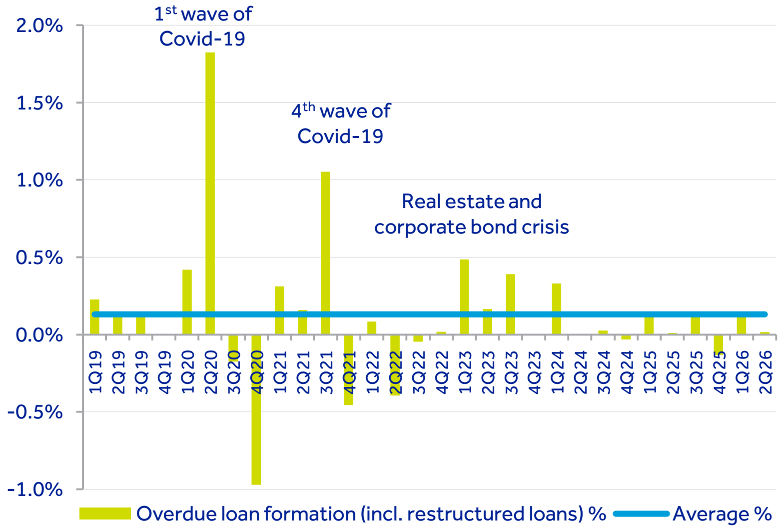

*Source: VCB, ACBS*

**CIR ratio stayed at medium level in the sector**



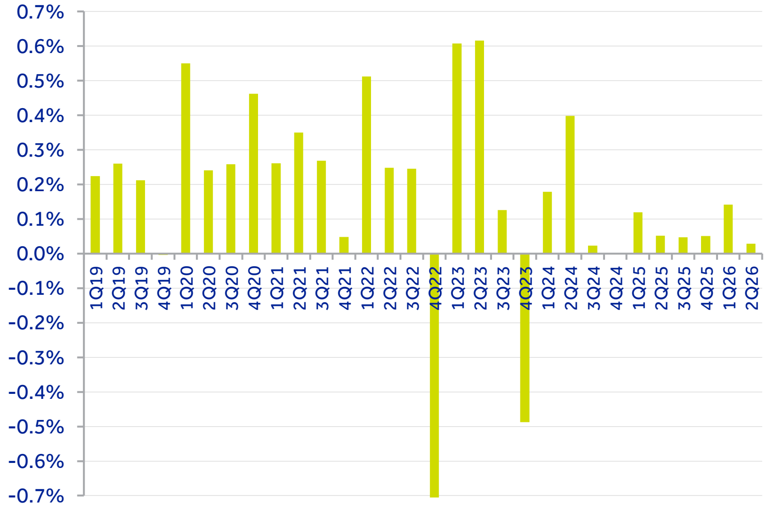

*Source: VCB, ACBS*

**Overdue loan formation remained ~0% in 2Q26...**



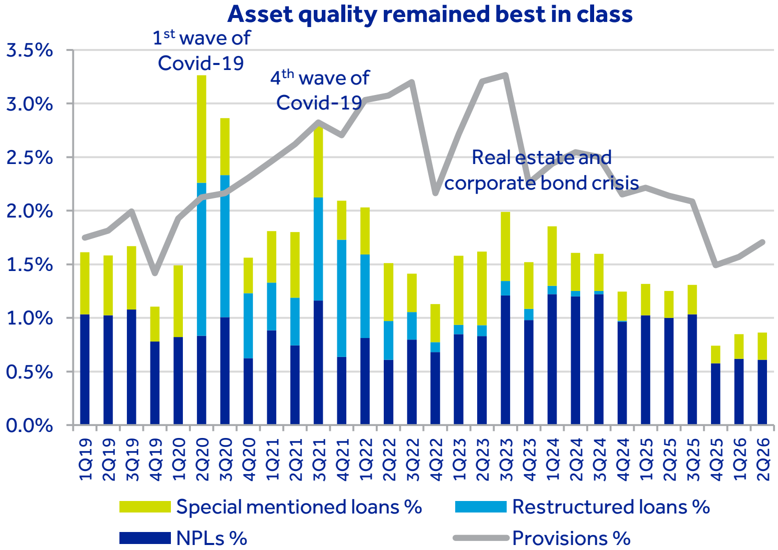

*Source: VCB, ACBS*

**... helping credit costs stayed low**



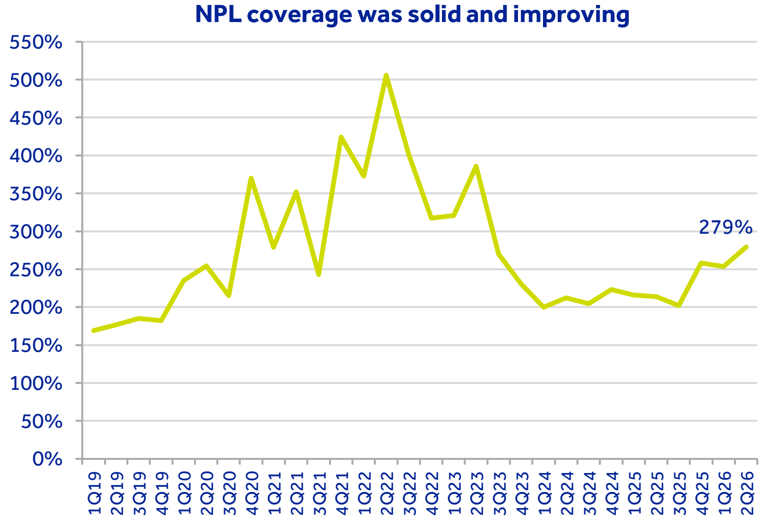

*Source: VCB, ACBS*

**Asset quality remained best in class**



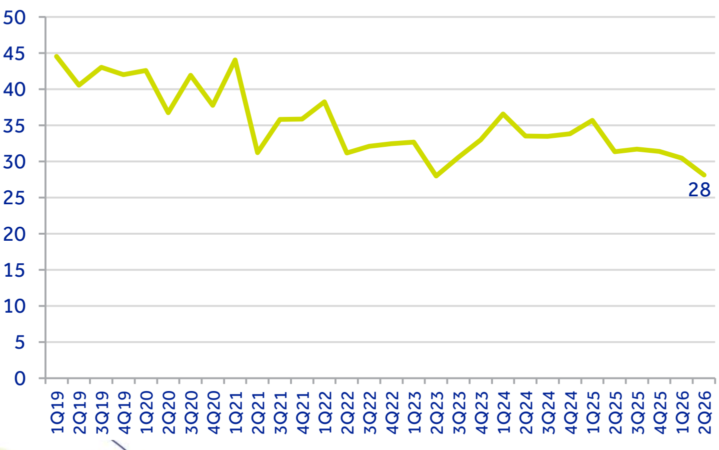

*Source: VCB, ACBS*

**NPL coverage was solid and improving**



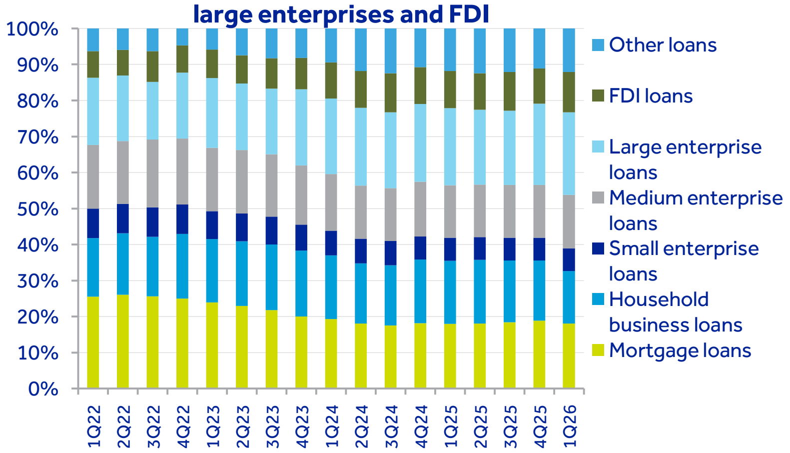

*Source: VCB, ACBS*

**Interest collection days stayed at healthy level**




*Source: VCB, ACBS*

**Lending structure has shifted slightly toward large enterprises and FDI**




*Source: VCB, ACBS*

| (Unit: VND billion, unless otherwise stated) | Market price (VND): | 59,000 | Target price (VND): | 80,700 | Market cap (VND bn): | 492,985 |
|---|---|---|---|---|---|---|
| **INCOME ITEMS** | **2022** | **2023** | **2024** | **2025** | **2026F** | **2027F** |
| Net interest income | 53,246 | 53,614 | 55,406 | 58,771 | 74,329 | 83,576 |
| Net fee & commission income | 6,839 | 5,825 | 5,137 | 3,470 | 3,643 | 4,190 |
| Other non-interest income | 7,997 | 8,324 | 8,036 | 10,213 | 14,337 | 12,195 |
| **Total operating income** | **68,083** | **67,764** | **68,578** | **72,455** | **92,309** | **99,962** |
| Growth (%) | 20.2% | -0.5% | 1.2% | 5.7% | 27.4% | 8.3% |
| Operating expenses | (21,251) | (21,906) | (23,027) | (25,243) | (29,029) | (31,932) |
| **Profit before provision & tax** | **46,832** | **45,858** | **45,551** | **47,212** | **63,280** | **68,029** |
| Provision for credit losses | (9,464) | (4,530) | (3,315) | (3,192) | (6,145) | (7,095) |
| **Profit before tax** | **37,368** | **41,328** | **42,236** | **44,020** | **57,135** | **60,934** |
| Growth (%) | 36.0% | 10.6% | 2.2% | 4.2% | 29.8% | 6.6% |
| **Profit after tax after MI** | **29,899** | **33,101** | **33,831** | **35,178** | **45,659** | **48,695** |
| **Profit attributable to shareholders** | **27,673** | **29,810** | **31,233** | **32,456** | **42,828** | **45,021** |
| **Adjusted EPS (VND)** | **3,312** | **3,568** | **3,738** | **3,884** | **5,126** | **5,388** |

| **BALANCE SHEET ITEMS** | **2022** | **2023** | **2024** | **2025** | **2026F** | **2027F** |
|---|---|---|---|---|---|---|
| Outstanding loans & corporate bonds | 1,156,494 | 1,280,733 | 1,458,356 | 1,681,424 | 1,949,188 | 2,240,381 |
| Growth (%) | 18.8% | 10.7% | 13.9% | 15.3% | 15.9% | 14.9% |
| Customer deposits | 1,243,468 | 1,395,698 | 1,514,665 | 1,672,535 | 1,906,690 | 2,173,626 |
| Growth (%) | 9.5% | 12.2% | 8.5% | 10.4% | 14.0% | 14.0% |
| **Total assets** | **1,813,815** | **1,839,725** | **2,085,874** | **2,442,279** | **2,791,855** | **3,187,092** |
| **Shareholder's equity** | **135,558** | **164,987** | **196,113** | **224,487** | **263,556** | **304,817** |
| BVPS (VND) | 16,223 | 19,745 | 23,471 | 26,866 | 31,542 | 36,480 |

| **KEY RATIOS** | **2022** | **2023** | **2024** | **2025** | **2026F** | **2027F** |
|---|---|---|---|---|---|---|
| NPL (%) | 0.7% | 1.0% | 1.0% | 0.6% | 0.6% | 0.6% |
| NPL coverage (%) | 317% | 230% | 223% | 258% | 217% | 188% |
| NIM (%) | 3.4% | 3.0% | 2.9% | 2.7% | 2.9% | 2.9% |
| CIR (%) | 31.2% | 32.3% | 33.6% | 34.8% | 31.4% | 31.9% |
| ROA (%) | 1.7% | 1.6% | 1.6% | 1.4% | 1.6% | 1.5% |
| ROE (%) | 22.6% | 19.8% | 17.3% | 15.4% | 17.6% | 15.8% |
| CAR Basel 2 (%) | 10.0% | 11.4% | 12.2% | 12.0% | 12.3% | 12.5% |
| P/E (x) | 13.7 | 15.1 | 16.3 | 15.7 | 11.5 | 11.0 |
| P/B (x) | 2.8 | 2.7 | 2.6 | 2.3 | 1.9 | 1.6 |
| Dividend yield (%) | 2.0% | 0.0% | 0.0% | 0.8% | 0.8% | 0.8% |

## BANK'S FINANCIAL RATIOS

(Unit: VND billion)

| Ticker | Exchange | Mkt cap 03-08-26 | Total Assets 2Q26 | Equity 2Q26 | NPL ratio 2Q26 | Special mentioned loan 2Q26 | NPL coverage 2Q26 | ROA (TTM) | ROE (TTM) | CAR (Basel 2) 2025 | P/E | P/B |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| BID | HOSE | 278,462 | 3,440,844 | 198,778 | 1.8% | 1.3% | 75.9% | 1.0% | 18.2% | 9.2% | 8.4 | 1.4 |
| CTG | HOSE | 246,989 | 2,962,004 | 200,214 | 1.2% | 1.0% | 134.0% | 1.4% | 21.9% | 9.9% | 6.2 | 1.2 |
| VCB | HOSE | 508,025 | 2,657,441 | 248,491 | 0.6% | 0.3% | 279.3% | 1.7% | 17.9% | 11.6% | 12.2 | 2.1 |
| MBB | HOSE | 193,320 | 1,733,013 | 156,763 | 1.5% | 1.0% | 93.6% | 1.9% | 21.6% | 11.0% | 6.4 | 1.3 |
| VPB | HOSE | 202,315 | 1,502,526 | 191,215 | 3.3% | 3.3% | 56.2% | 2.2% | 17.7% | 14.4% | 6.8 | 1.1 |
| TCB | HOSE | 212,233 | 1,273,077 | 188,997 | 1.1% | 0.7% | 125.6% | 2.3% | 15.7% | 14.6% | 7.8 | 1.2 |
| ACB | HOSE | 130,890 | 1,067,845 | 99,315 | 1.0% | 0.7% | 105.3% | 1.5% | 16.3% | 12.5% | 8.4 | 1.3 |
| HDB | HOSE | 130,137 | 1,045,435 | 90,226 | 2.8% | 4.8% | 50.0% | 2.0% | 24.8% | 16.7% | 6.7 | 1.5 |
| SHB | HOSE | 63,590 | 962,667 | 75,154 | 2.1% | 0.7% | 82.5% | 1.3% | 17.2% | 12.6% | 4.6 | 0.9 |
| STB | HOSE | 134,793 | 892,049 | 62,807 | 7.5% | 3.1% | 56.7% | 0.4% | 5.0% | 9.2% | - | 2.2 |
| LPB | HOSE | 158,326 | 615,502 | 43,030 | 1.9% | 1.3% | 66.8% | 1.9% | 24.7% | 11.9% | 14.0 | 3.7 |
| VIB | HOSE | 50,549 | 580,998 | 47,838 | 2.9% | 2.6% | 43.6% | 1.3% | 15.7% | 11.4% | 6.8 | 1.1 |
| TPB | HOSE | 39,946 | 547,664 | 49,566 | 1.9% | 1.9% | 66.5% | 1.5% | 17.9% | 18.9% | 5.2 | 0.9 |
| MSB | HOSE | 50,232 | 440,999 | 45,247 | 2.5% | 1.3% | 51.6% | 1.5% | 13.7% | 12.5% | 8.5 | 1.1 |
| NAB | HOSE | 26,338 | 451,517 | 25,892 | 1.5% | 0.6% | 68.3% | 1.1% | 19.5% | 11.2% | 5.4 | 1.0 |
| SSB | HOSE | 53,318 | 427,108 | 42,195 | 2.3% | 0.8% | 66.6% | 0.7% | 7.3% | 13.4% | 17.9 | 1.3 |
| OCB | HOSE | 31,544 | 351,741 | 35,822 | 3.5% | 2.5% | 59.4% | 1.3% | 13.0% | 12.3% | 7.1 | 0.9 |
| EIB | HOSE | 33,995 | 266,068 | 26,488 | 3.1% | 1.7% | 31.7% | 0.2% | 1.9% | 12.4% | - | 1.3 |
| ABB | UPCoM | 27,805 | 260,563 | 22,597 | 1.2% | 0.7% | 87.2% | 1.7% | 21.3% | 11.4% | 5.9 | 1.2 |
| BAB | HNX | 12,332 | 214,351 | 13,739 | 1.1% | 0.4% | 134.9% | 0.6% | 9.0% | 10.1% | 10.2 | 0.9 |
| VBB | HOSE | 15,459 | 204,825 | 13,154 | 1.9% | 2.0% | 69.1% | 0.8% | 13.1% | 13.4% | 9.0 | 1.2 |
| NVB | HNX | 33,926 | 198,896 | 14,320 | 6.4% | 0.6% | 18.9% | 0.2% | 2.2% | - | - | 2.4 |
| VAB | HOSE | 8,245 | 149,131 | 10,816 | 1.2% | 0.1% | 100.4% | 1.0% | 13.7% | 9.4% | 5.8 | 0.8 |
| BVB | HOSE | 8,042 | 141,974 | 7,922 | 3.2% | 1.3% | 43.6% | 0.6% | 10.3% | 13.3% | 10.3 | 1.0 |
| KLB | HOSE | 8,613 | 114,911 | 9,289 | 1.8% | 1.5% | 91.3% | 1.9% | 24.1% | 14.4% | 4.2 | 0.9 |
| PGB | UPCoM | 7,026 | 89,312 | 8,212 | 2.9% | 2.9% | 43.0% | 0.8% | 9.7% | 10.6% | 8.9 | 0.9 |
| SGB | UPCoM | 4,328 | 35,670 | 4,233 | 2.9% | 9.8% | 35.7% | 0.1% | 0.5% | 15.6% | - | 1.0 |
| | **Average** | **98,918** | **838,079** | **71,567** | **2.4%** | **1.8%** | **79.2%** | **1.2%** | **14.6%** | **12.4%** | **8.1** | **1.3** |
| | **Median** | **50,232** | **451,517** | **43,030** | **1.9%** | **1.3%** | **66.8%** | **1.3%** | **15.7%** | **12.4%** | **7.1** | **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

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