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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%**

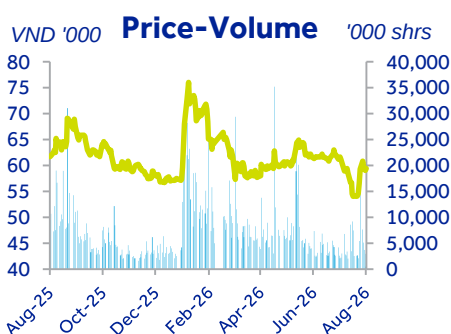
Expected dividend yield **0.8%**

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



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: VNIIndex / HNX 1759.00/296.42

VIETNAM PROSPERITY JSC BANK (VPB)

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.

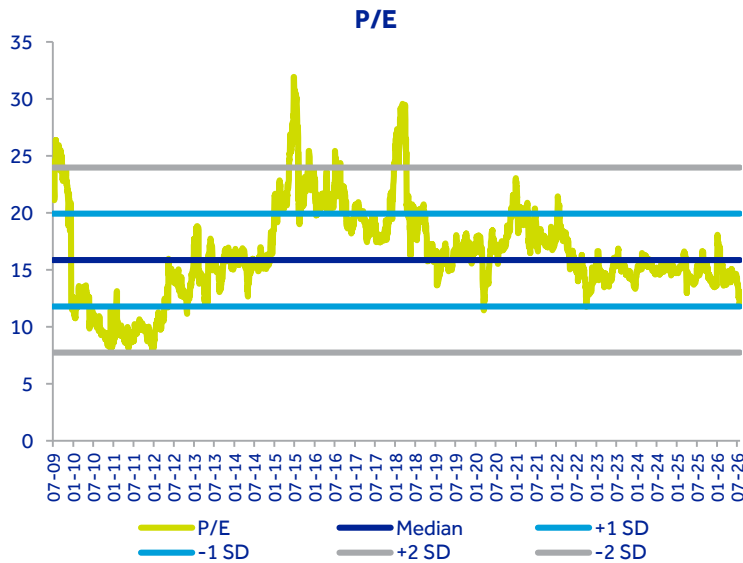
Credit growth remained modest (+12.8% y/y and +5% YTD), below the industry average (+17% y/y and +8% YTD), mainly due to weaker demand for residential mortgages and household business loans. Meanwhile, **NIM expanded** to 3.0% (+32bps y/y and +11bps q/q) as loan yields increased sharply (from below ~6% 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.

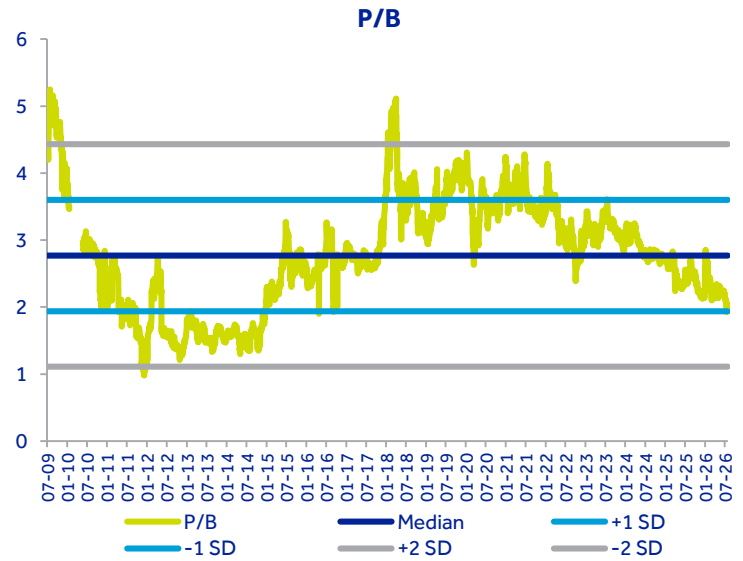
Asset quality remained the best in the banking system. NPL ratio and Group 2 loan ratio stayed low at 0.61% and 0.25%, respectively, thanks to overdue loan formation remained ~0% in Q2/26. As a result, **credit costs fell to only VND500 bn**, -37.9% y/y and -79.8% q/q. NPL coverage ratio improved to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

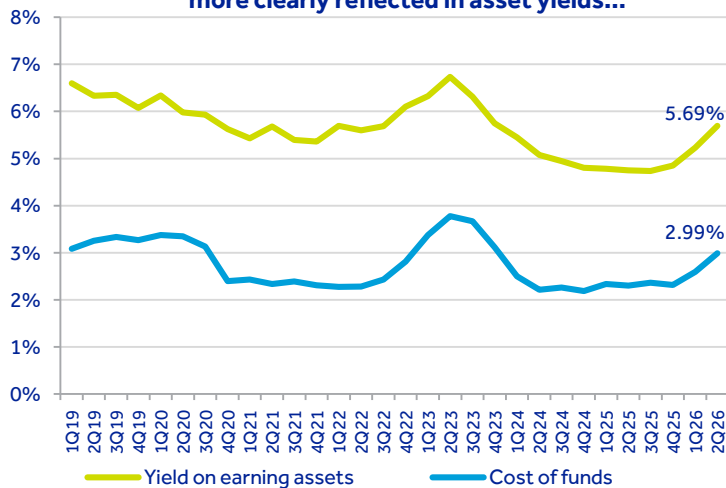


Source: FiinPro-X, ACBS



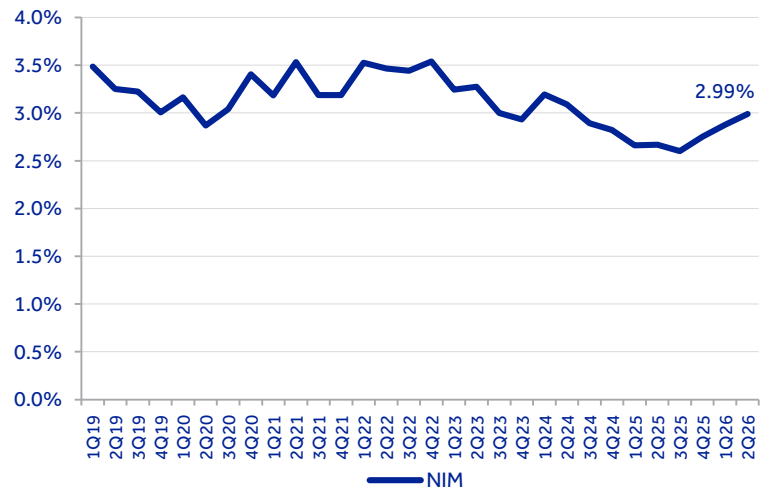
Source: FiinPro-X, ACBS

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



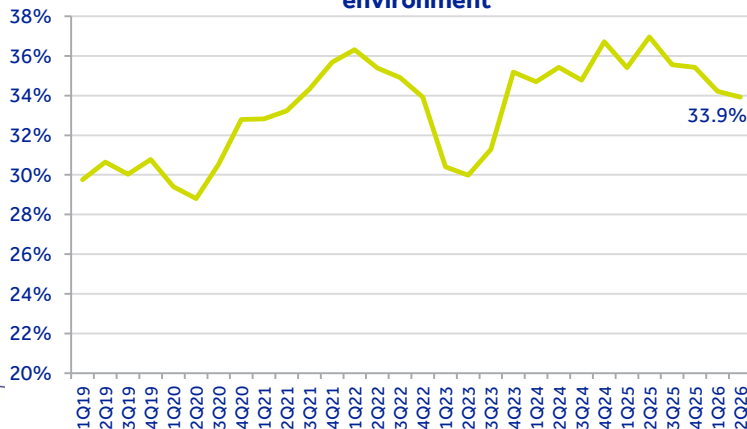
Source: VCB, ACBS

... helping NIM recover



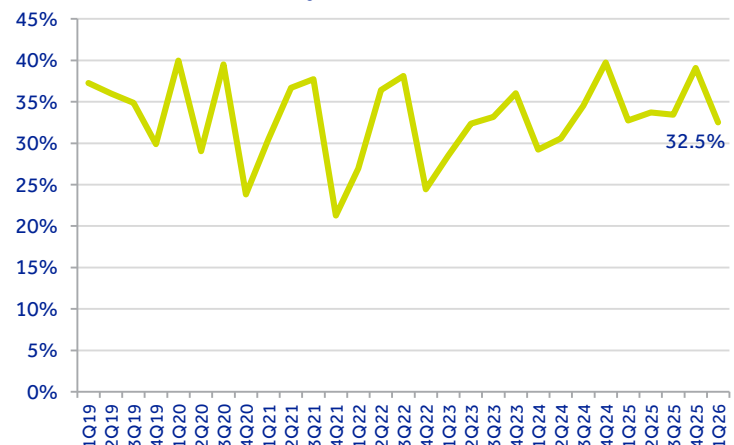
Source: VCB, ACBS

CASA ratio dropped due to high interest rate environment



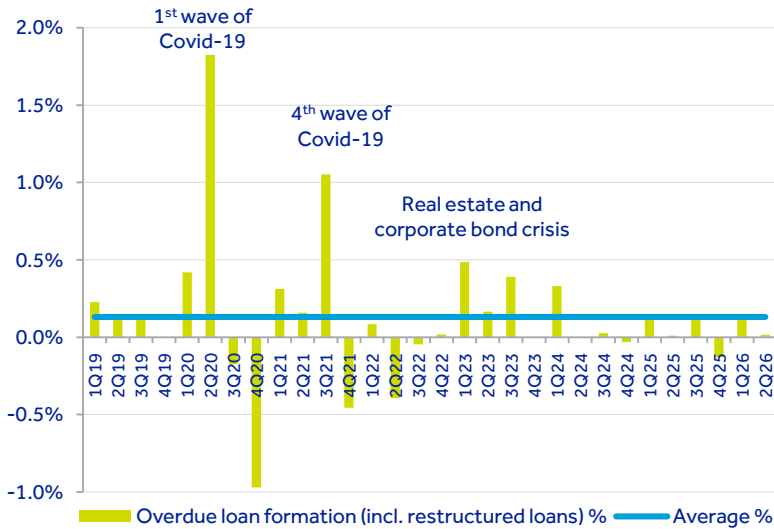
Source: VCB, ACBS

CIR ratio stayed at medium level in the sector



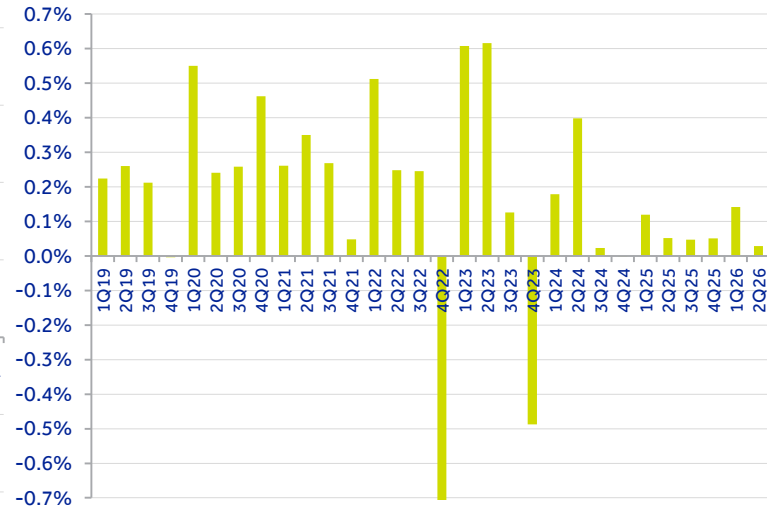
Source: VCB, ACBS

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



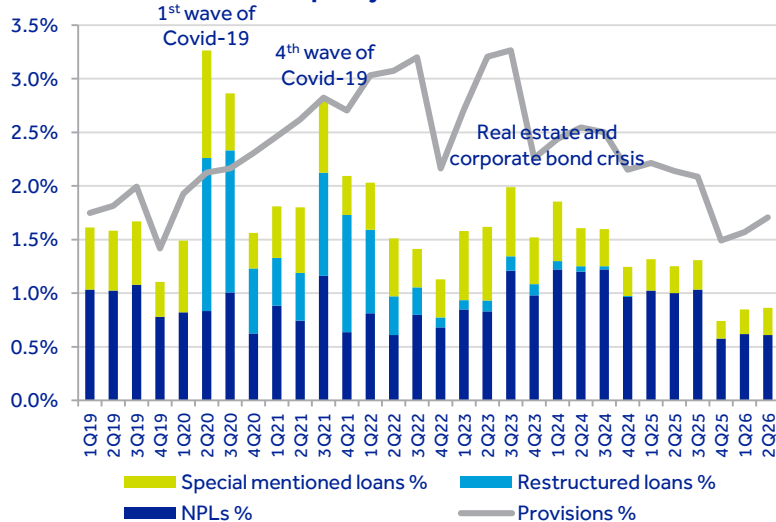
Source: VCB, ACBS

... helping credit costs stayed low



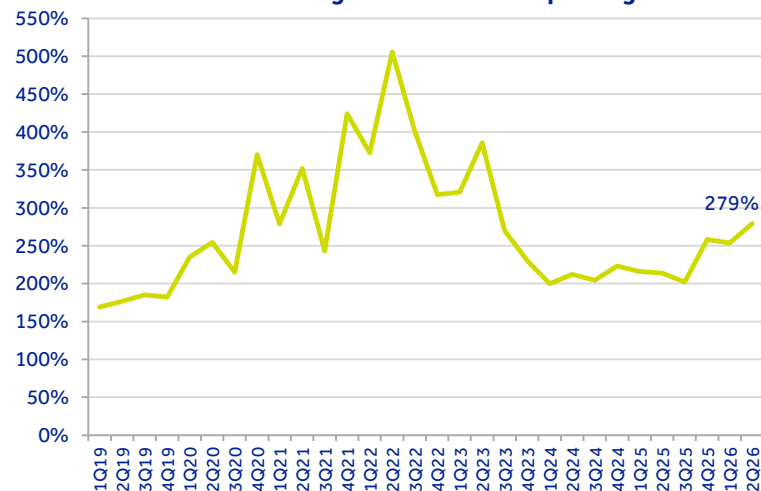
Source: VCB, ACBS

Asset quality remained best in class



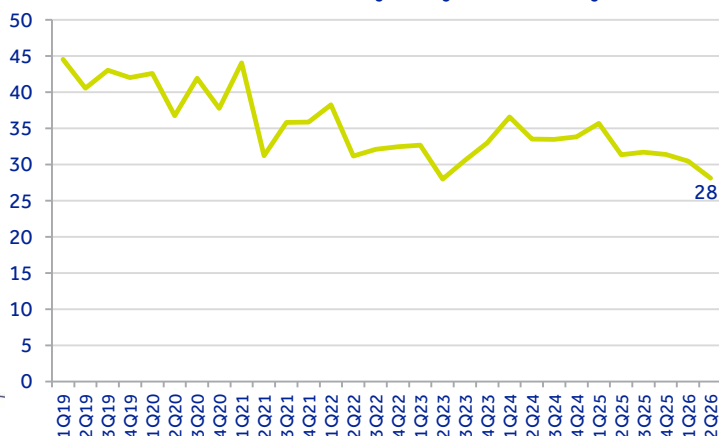
Source: VCB, ACBS

NPL coverage was solid and improving



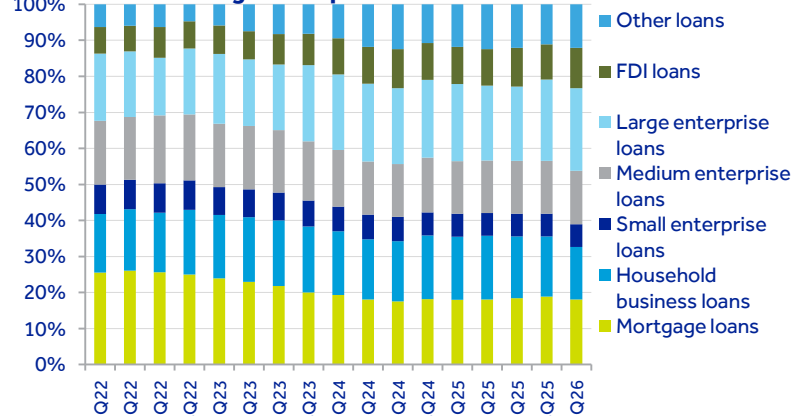
Source: VCB, ACBS

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: FinPro-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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