Hung Cao, CFA
(+84 28) 7300 7000 (ext: 1049)
hungcv@acbs.com.vn

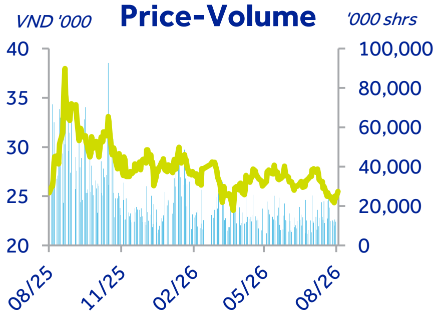
Recommendation	**BUY**
	HOSE: VPB
	Banking
Target price (VND)	**35.000**
Market price (VND)	**25.500**
Expected share price return	+37.3%
Expected dividend yield	2.0%
Expected total return	**+39.2%**

Stock performance (%)

	YTD	1M	3M	12M
Absolute	-9.4	-8.2	-4.7	-2.1
Relative	-9.5	-1.8	0.6	-20.0

Source: Bloomberg

Price-Volume



Ownership

Chaiman & related	33.6%
SMBC	15.0%
Vice chairman 1 & related	7.7%
Vice chairman 2 & related	5.6%
Dragon Capital	3.5%
Others	65.4%

Stock Statistics

Stock Statistics	**04-Aug-26**
Bloomberg code	**VPB VN**
52-week range (VND)	23,900-38,900
Shares O/S (m)	7,934
Mkt cap (VND bn)	202,315
Mkt cap (USD m)	7,665
Est. Foreign room left (%)	6.7
Est. free float (%)	91.3
3m avg daily vol (shrs)	14,039,472
VND/USD	26,394
Index: VNIndex / HNX	1762.84/279.28

VIETNAM PROSPERITY JSC BANK (VPB)

We raise our 12-month target price by 16.7% to VND35,000/share, driven by (1) a 4% and 14% increase in our 2026F–27F EPS forecasts, respectively, due to lower expected credit costs, and (2) rolling our valuation forward to mid-2027. Accordingly, we upgrade our recommendation from OUTPERFORM to BUY. In 1H2026, VPB completed 45.7% of full-year PBT target and 45.0% of our forecast. For 2026F, we project PBT of VND41,912 bn, +36.9% y/y (AGM target: +35% y/y).

2Q26 PBT surged 76.3% y/y and 38.4% q/q, supported by robust credit growth, while operating expenses and provisioning costs remained well under control.

Credit growth remained exceptionally high at 40.6% y/y, 23.2% YTD and 11.8% q/q, significantly outperforming the industry (+17% y/y and +8% YTD), driven primarily by lending to real estate and construction corporates as well as corporate bonds. However, **NIM continued to contract** by 19 bps y/y and 15 bps q/q to 5.44%, as lending yields at separated VPB (~13%) and FE Credit (~21%) are already elevated, leaving limited room for further repricing, while funding costs need to rise further to support deposit growth.

NFI rebounded strongly, increasing 80.3% y/y and 86.9% q/q, supported by broad-based improvements across fee income, securities activities and recoveries from written-off loans, despite an FX trading loss of VND847bn.

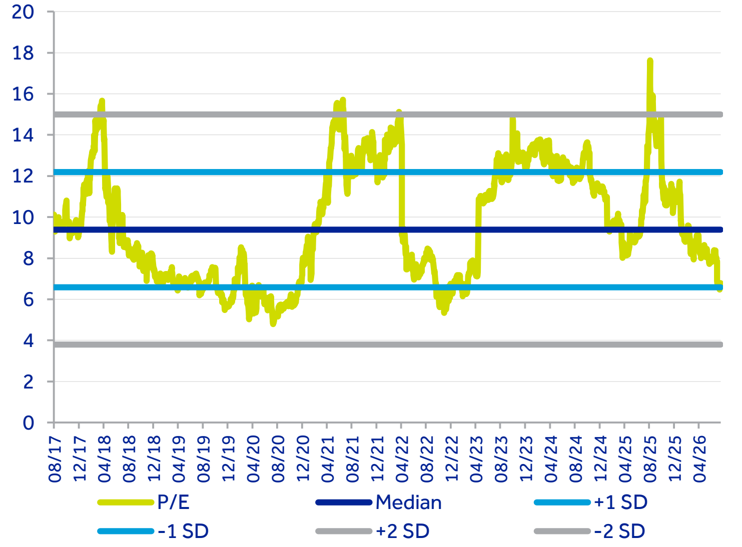
As a result, **TOI posted impressive growth** of 42.0% y/y and 18.0% q/q. Meanwhile, operating expenses increased by only 4.8% y/y and 6.8% q/q, bringing the **CIR down to just 19.6%** – the lowest level in the banking sector.

Asset quality remained broadly stable. The overdue loan formation ratio edged up to 1.0% per quarter but remained below its historical average. The NPL ratio and Group 2 loan ratio were broadly unchanged at 3.3% and 3.2%, respectively. **Credit costs reached ~VND8,000 bn per quarter, up 33.7% y/y**, mainly reflecting a larger loan book, keeping NPL coverage ratio remained at ~56%.

Despite a higher interest rate environment, we expect VPB to deliver robust earnings growth of around ~35% per year, and therefore apply a **target P/E of 7.0x**, in line with the historical median of comparable banks. This results in a 12-month target price of **VND35,000/share.**

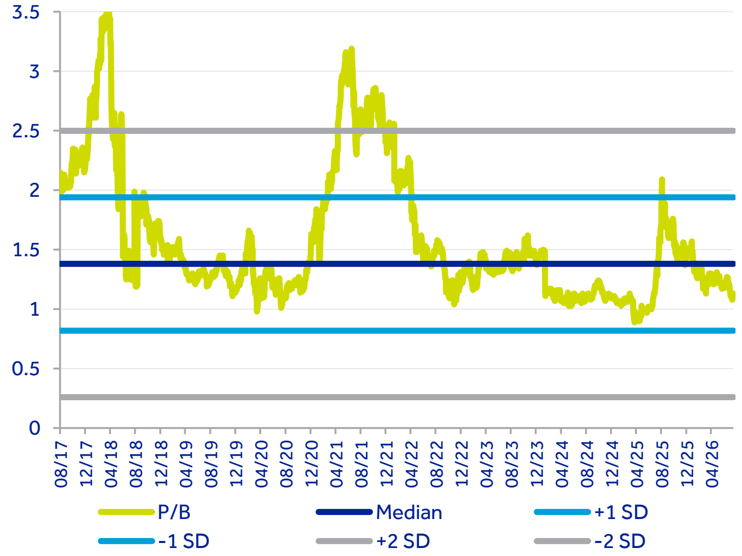
(VND bn)	2022	2023	2024	2025	2026F	2027F
Credit growth	25.0%	25.6%	18.8%	34.4%	34.4%	34.6%
NIM	8.11%	6.14%	6.49%	5.86%	5.40%	5.36%
NFI proportion	29.0%	23.3%	19.7%	21.4%	20.2%	17.5%
TOI growth	30.5%	-13.9%	25.2%	19.9%	23.0%	27.7%
CIR	24.4%	28.0%	23.0%	25.0%	21.7%	19.6%
Credit costs	5.21%	4.63%	4.24%	3.03%	2.70%	2.50%
Profit before tax	21,220	10,804	20,013	30,625	41,912	56,904
growth	47.7%	-49.1%	85.2%	53.0%	36.9%	35.8%
Profit after tax after MI	18,168	9,974	15,779	23,990	32,832	44,575
EPS (VND)	2,694	1,257	1,989	3,024	4,138	5,618
BVPS (VND)	14,360	16,969	17,886	21,163	24,801	29,919
Adjusted ROA	3.1%	1.4%	1.8%	2.2%	2.2%	2.3%
Adjusted ROE	20.7%	8.6%	11.4%	15.5%	18.0%	20.5%
CAR (Basel 2)	14.9%	17.1%	15.5%	14.4%	12.6%	11.3%
P/E	6.2	13.9	9.2	9.3	6.2	4.5
P/B	1.2	1.0	1.0	1.3	1.0	0.9
DPS (VND)	-	1,200	1,000	500	500	500
Dividend yield	0.0%	4.7%	3.9%	2.0%	2.0%	2.0%

P/E



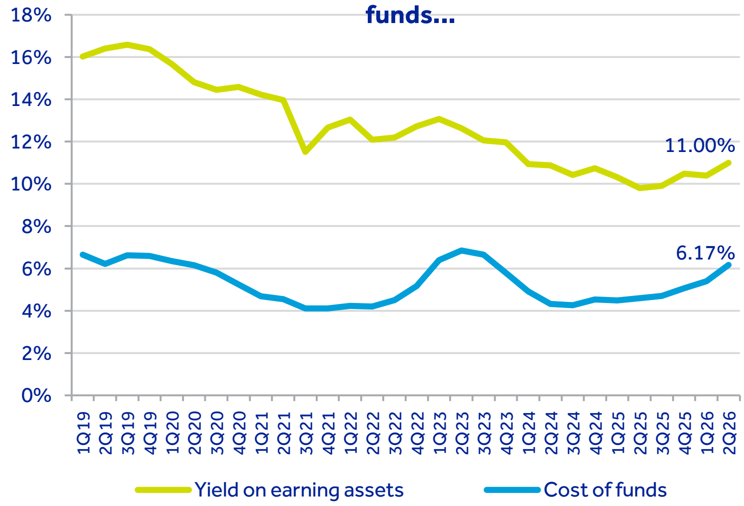
Source: FiinPro-X, ACBS

P/B



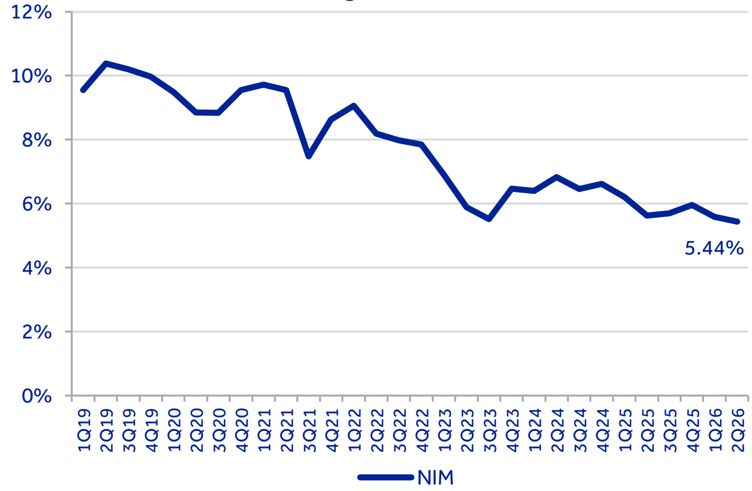
Source: FiinPro-X, ACBS

Lending yield increased slower than cost of funds...



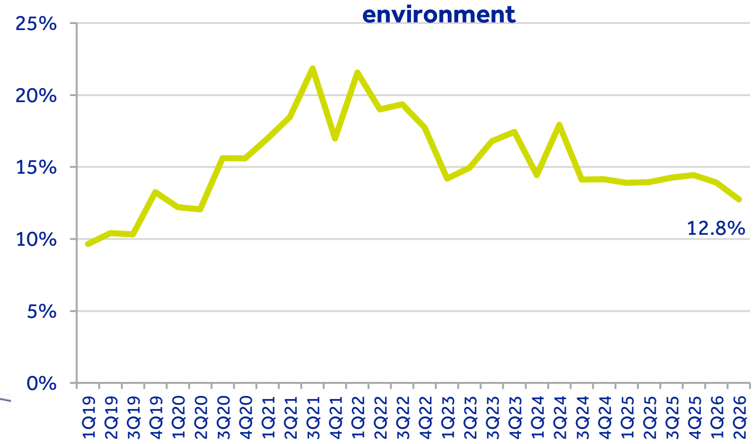
Source: VPB, ACBS

... causing NIM contraction



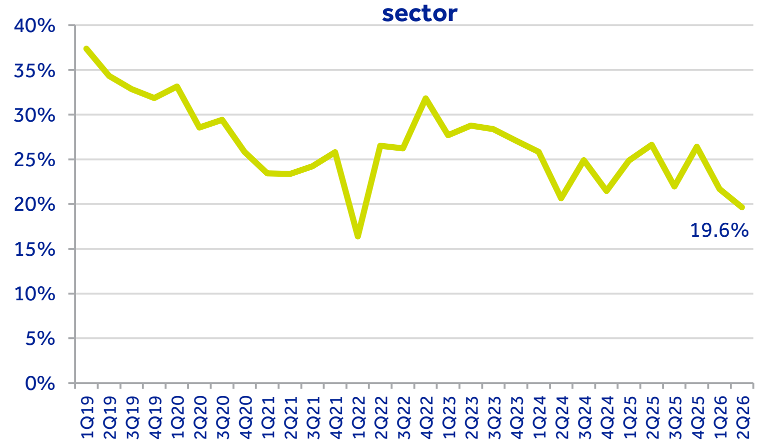
Source: VPB, ACBS

CASA ratio dropped due to high interest rate environment



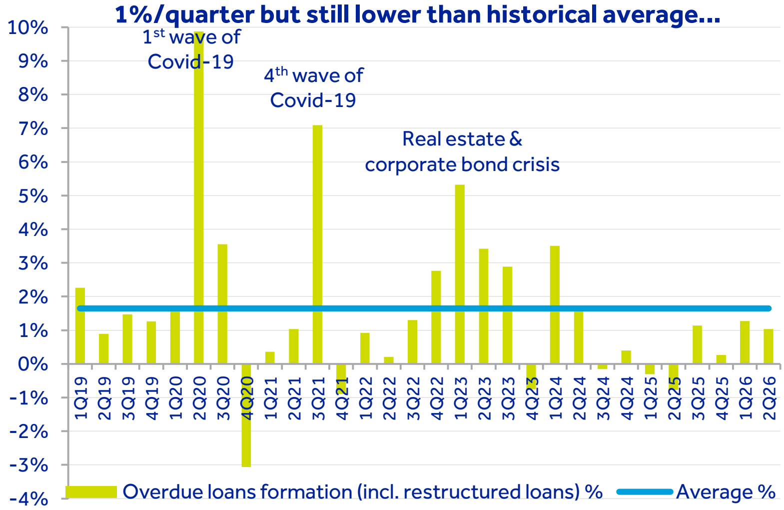
Source: VPB, ACBS

CIR decreased to most efficient level in banking sector



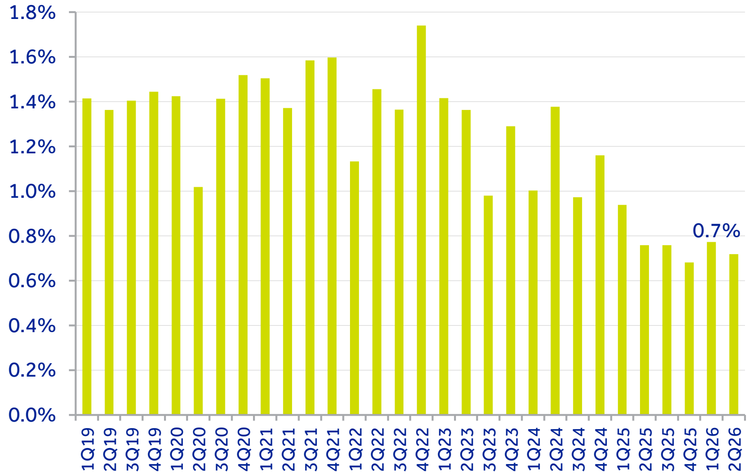
Source: VPB, ACBS

Overdue loan formation rate increased to 1%/quarter but still lower than historical average...



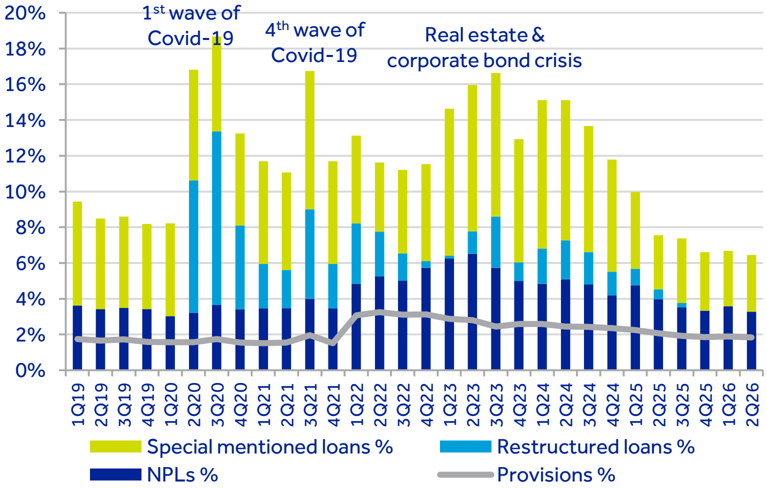
Source: VPB, ACBS

... helping credit costs being controlled



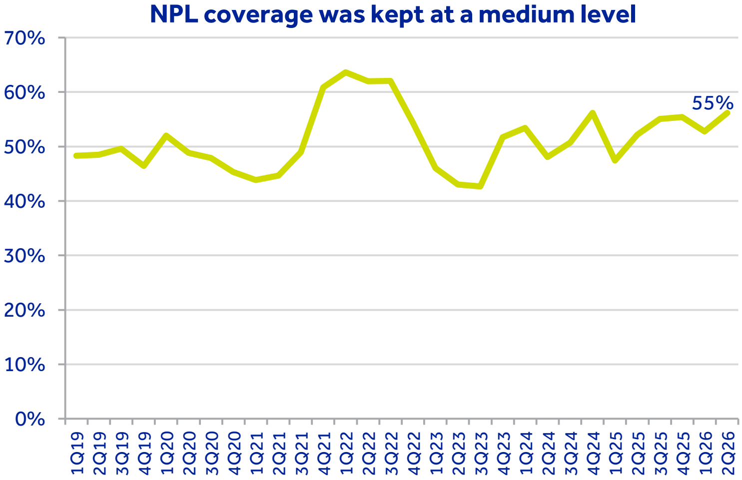
Source: VPB, ACBS

Asset quality remained stable



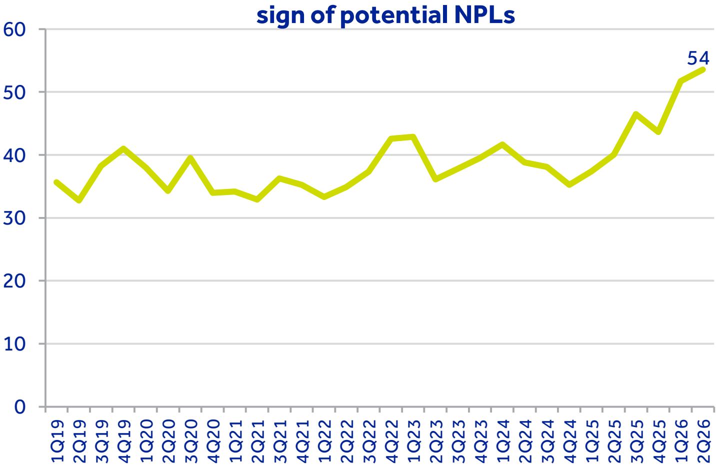
Source: VPB, ACBS

NPL coverage was kept at a medium level



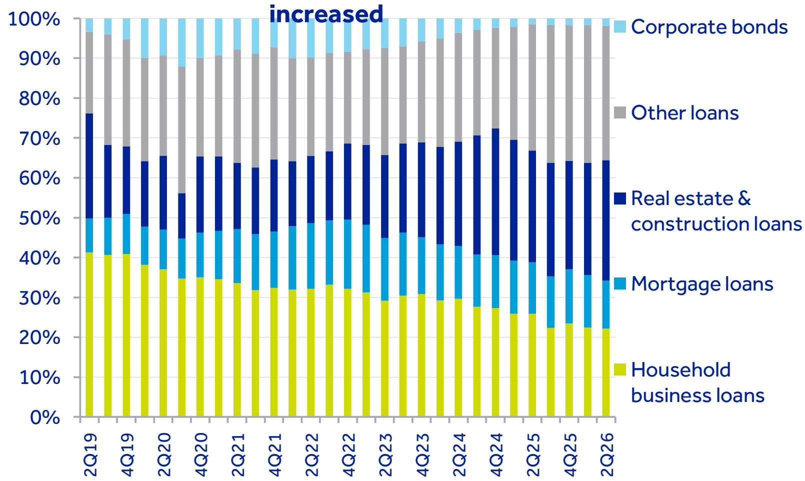
Source: VPB, ACBS

Increase in interest collection days showed sign of potential NPLs



Source: VPB, ACBS

Real estate and construction loan proportion increased



Source: VPB, ACBS

(Unit: VND billion, unless otherwise stated)	Market price (VND):	25,500	Target price (VND):	35,000	Market cap (VND bn):	202,315
INCOME ITEMS	**2022**	**2023**	**2024**	**2025**	**2026F**	**2027F**
Net interest income	41,021	38,175	50,002	58,663	73,254	96,791
Net fee & commission income	6,438	7,212	5,204	7,382	11,072	11,183
Other non-interest income	10,338	4,353	7,048	8,609	7,466	9,286
Total operating income	**57,797**	**49,739**	**62,255**	**74,654**	**91,792**	**117,260**
Growth (%)	30.5%	-13.9%	25.2%	19.9%	23.0%	27.7%
Operating expenses	(14,116)	(13,941)	(14,340)	(18,630)	(19,934)	(22,925)
Profit before provision & tax	**43,681**	**35,798**	**47,915**	**56,023**	**71,857**	**94,335**
Provision for credit losses	(22,461)	(24,994)	(27,903)	(25,399)	(29,945)	(37,432)
Profit before tax	**21,220**	**10,804**	**20,013**	**30,625**	**41,912**	**56,904**
Growth (%)	47.7%	-49.1%	85.2%	53.0%	36.9%	35.8%
Profit attributable to shareholders	**18,168**	**9,974**	**15,779**	**23,990**	**32,832**	**44,575**
Adjusted EPS (VND)	**2,694**	**1,257**	**1,989**	**3,024**	**4,138**	**5,618**

BALANCE SHEET ITEMS	**2022**	**2023**	**2024**	**2025**	**2026F**	**2027F**
Outstanding loans & corporate bonds	478,856	601,206	714,075	960,053	1,290,418	1,736,412
Growth (%)	25.0%	25.6%	18.8%	34.4%	34.4%	34.6%
Customer deposit	303,151	442,368	485,667	628,045	835,299	1,127,654
Growth (%)	25.4%	45.9%	9.8%	29.3%	33.0%	35.0%
Total assets	**631,013**	**817,567**	**923,848**	**1,260,150**	**1,674,784**	**2,228,859**
Shareholder's equity	**96,838**	**134,631**	**141,905**	**167,903**	**196,768**	**237,376**
BVPS (VND)	14,360	16,969	17,886	21,163	24,801	29,919

KEY RATIOS	**2022**	**2023**	**2024**	**2025**	**2026F**	**2027F**
NPL (%)	5.7%	5.0%	4.2%	3.3%	3.1%	2.8%
NPL coverage (%)	54.4%	51.9%	56.0%	54.9%	55.6%	55.3%
NIM (%)	8.1%	6.1%	6.5%	5.9%	5.4%	5.4%
CIR (%)	24%	28%	23%	25%	22%	20%
ROA (%)	3.1%	1.4%	1.8%	2.2%	2.2%	2.3%
ROE (%)	20.7%	8.6%	11.4%	15.5%	18.0%	20.5%
CAR Basel 2 (%)	14.9%	17.1%	15.5%	14.4%	12.6%	11.3%
P/E (x)	6.2	13.9	9.2	9.3	6.2	4.5
P/B (x)	1.2	1.0	1.0	1.3	1.0	0.9
Dividend yield (%)	0.0%	4.7%	3.9%	2.0%	2.0%	2.0%

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

CONTACTS

Ho Chi Minh City Head Office
3rd Floor, 117 Nguyen Dinh Chieu, Xuan Hoa Ward, Ho Chi Minh City
Tel: (+84 28) 7300 7000
Fax: (+84 28) 7300 3751

Hanoi Office
10 Phan Chu Trinh, Cua Nam Ward, Ha Noi
Tel: (+84 24) 3942 9396

RESEARCH & MARKET STRATEGY DEPARTMENT

Email: research.gr@acbs.com.vn
trangdm@acbs.com.vn

INSTITUTIONAL CLIENT DIVISION

Director
Huong Chu
(+84 28) 7300 7000 (x1083)
huongctk@acbs.com.vn
groupis@acbs.com.vn

Manager
Huynh Nguyen
(+84 28) 7300 6879 (x1088)
huynhntn@acbs.com.vn

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