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Company Update

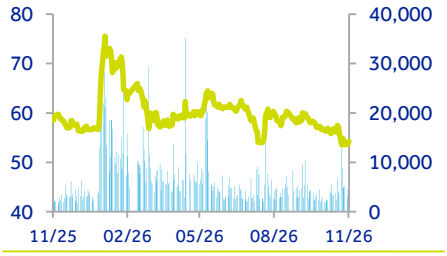
Recommendation	**OUTPERFORM**
	HOSE: VCB
	Banking
Target price (VND)	**62,800**
Market price (VND)	**54,200**
Expected share price return	+15.9%
Expected dividend yield	0.8%
Expected total return	**+16.7%**

Stock performance (%)

	YTD	1M	3M	12M
Absolute	-5.0	-4.4	-9.4	-7.3
Relative	-2.9	-5.1	-7.9	-16.9

Source: FiinPro-X

VND'000 **Price & volume** *'000 shares*



Ownership

State Bank of Vietnam	74.8%
Mizuho	15.0%
Others	10.2%

Stock Statistics

12-Nov-26	
Bloomberg code	**VCB VN**
52-week range (VND)	52,600-78,350
Shares O/S (m)	8,356
Mkt cap (VND bn)	452,878
Mkt cap (USD m)	17,526
Est. foreign room left (%)	10.2
Est. free float (%)	11.0
3m avg daily vol (shrs)	4,302,943
VND/USD	25,840
Index: VNIndex / HNX	1,746.90/255.73

BANK FOR FOREIGN TRADE OF VIETNAM (VCB)

We cut our 1-year target price by 21% to VND62,800/share, as we lower our target P/E to 11.7x (-1 standard deviation) on slower 2027F earnings growth and elevated interest rates and trim our 2026F PBT forecast by 5.3%, partly offset by rolling our valuation forward to 2027F. Our forecasts incorporate a 6.5% private placement in 4Q26. We downgrade to OUTPERFORM.

9M26 PBT reached VND40,440bn (+22.1% y/y), fulfilling 87.5% of the full-year plan (+5% y/y) and 74.7% of our forecast (VND54,117bn, +22.9% y/y).

3Q26 PBT was flat at VND11,218bn (-0.2% y/y) as VCB booked about VND5,000bn of additional provisions for corporate bonds. Excluding this one-off item, PBT rose about 44% y/y and 13% q/q (2Q26 adjusted for VND3,000bn of one-off income), driven by 39.1% y/y growth in net interest income.

Credit growth lagged the sector (+3.3% q/q and +8.4% YTD vs. +11.6% of the sector), of 13% credit growth quota. We lower 2026F credit growth forecast from 16% to 13%.

NIM rose 12 bps q/q to 3.11%, the highest since 1Q24, as the asset yield rose 40 bps to 6.1%, outpacing the 32 bps increase in COF to 3.31%. We forecast NIM of 3.06%/2.96% for 2026F/27F, down 10 bps in 2027F as lending rates decline in line with SBV guidance.

NFI rose 48.6% y/y as FX gains doubled to VND2,576bn, while fee income fell 3.6% y/y. Opex rose 33.0% y/y, but CIR fell to 31.6%, the lowest since 2Q24.

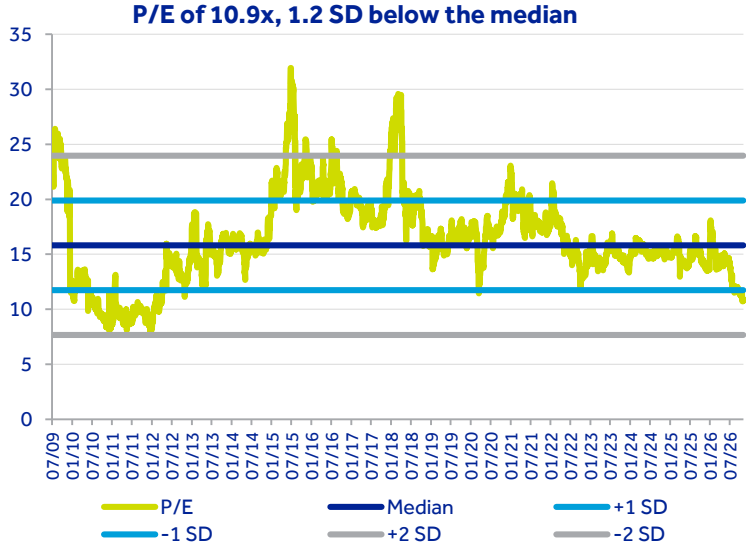
Asset quality remains best-in-class despite a slight uptick. The overdue loan formation rate was 0.15%, close to the historical average of 0.13%. The NPL ratio rose 10 bps q/q to 0.71% and Group-2 loans stood at 0.28%, while **NPL coverage ratio fell from 279% to 243%**, still the highest in the sector. We forecast credit costs of 0.71% in 2026F (including bond provisions), falling to 0.45% in 2027F.

The SBV has approved VCB's private placement of up to 543.1 million shares (6.5%). Strategic shareholder Mizuho is expected to participate, and the remaining foreign room of 10.2% is sufficient for the issuance. Assuming the placement is completed in 4Q26 at VND55,000/share, BVPS would rise 4.6%, at the cost of roughly 5% dilution to 2027F EPS. **We forecast 2027F PBT at VND60,722bn (+12.2% y/y)**, driven by 15% credit growth and credit costs normalizing to 0.45%, partly offset by a 10 bps decline in NIM.

With 2027F earnings growth slowing as the NIM expansion effect fades and credit growth remains average, amid elevated interest rates, we apply a **target P/E of 11.7x**, 1 standard deviation below the historical median, implying a 1-year target price of **VND62,800/share**. We downgrade to **OUTPERFORM**.

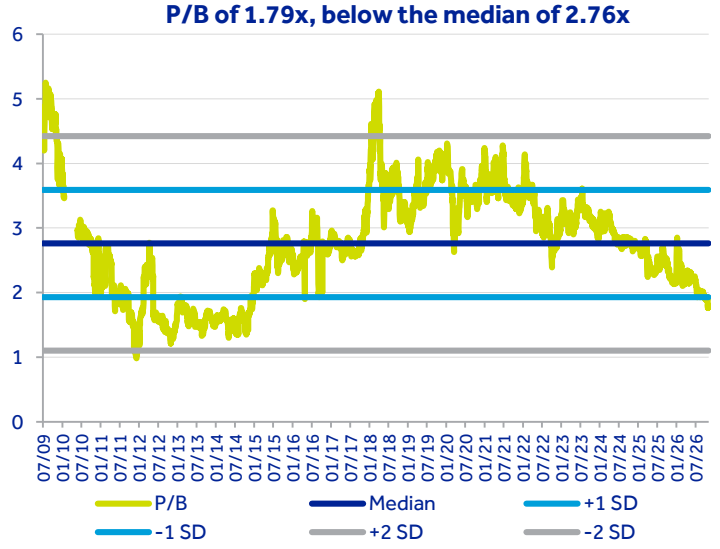
(VNDbn)	2023	2024	2025	2026F	2027F
Credit growth	10.7%	13.9%	15.3%	12.9%	14.9%
NIM	3.02%	2.89%	2.65%	3.06%	2.96%
Non-interest income/TOI	20.9%	19.2%	18.9%	20.1%	17.6%
TOI growth	-0.5%	1.2%	5.7%	35.8%	6.4%
CIR	32.3%	33.6%	34.8%	32.2%	33.3%
Credit cost (%)	0.38%	0.24%	0.20%	0.71%	0.45%
PBT	41,328	42,236	44,020	54,117	60,722
Growth	10.6%	2.2%	4.2%	22.9%	12.2%
NPAT-MI	33,101	33,831	35,178	43,247	48,525
Adjusted EPS (VND)	3,568	3,738	3,884	4,820	5,042
BVPS (VND)	19,745	23,471	26,866	32,687	37,279
ROA	1.6%	1.6%	1.4%	1.5%	1.5%
ROE	19.8%	17.3%	15.4%	15.6%	14.4%
CAR (Basel 2)	11.4%	12.2%	12.0%	13.6%	13.7%
P/E (x)	15.1	16.3	15.7	11.2	10.7
P/B (x)	2.7	2.6	2.3	1.7	1.5
DPS (VND)	-	-	450	450	450

P/E of 10.9x, 1.2 SD below the median



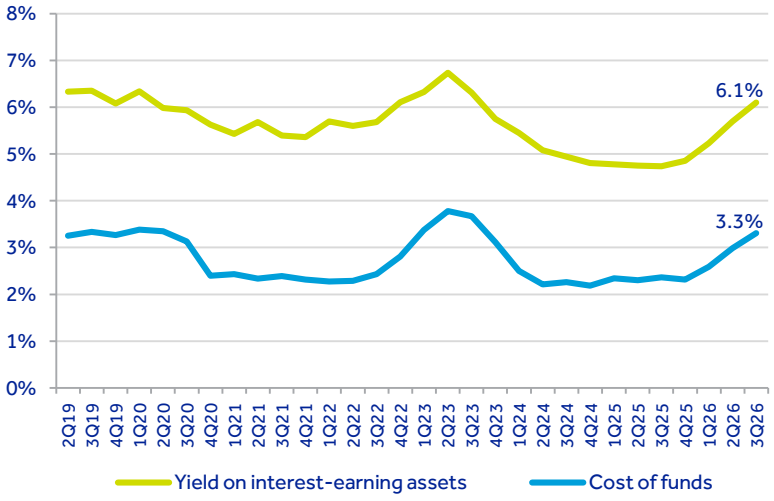
Source: FiinPro-X, ACBS

P/B of 1.79x, below the median of 2.76x



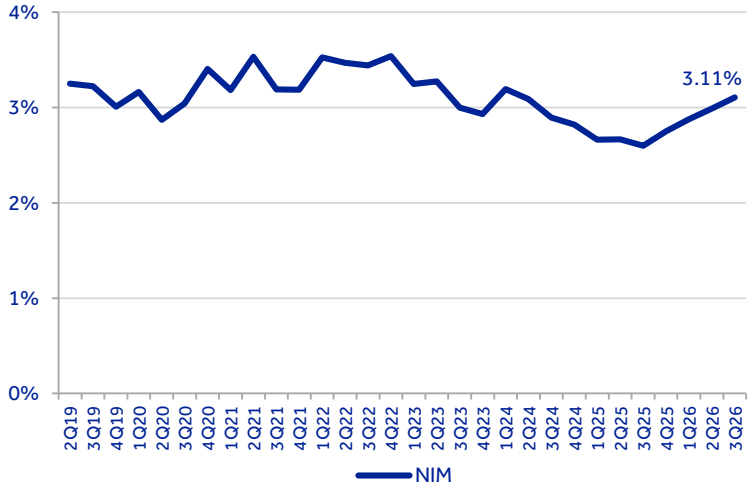
Source: FiinPro-X, ACBS

Asset yields rose faster than cost of funds...



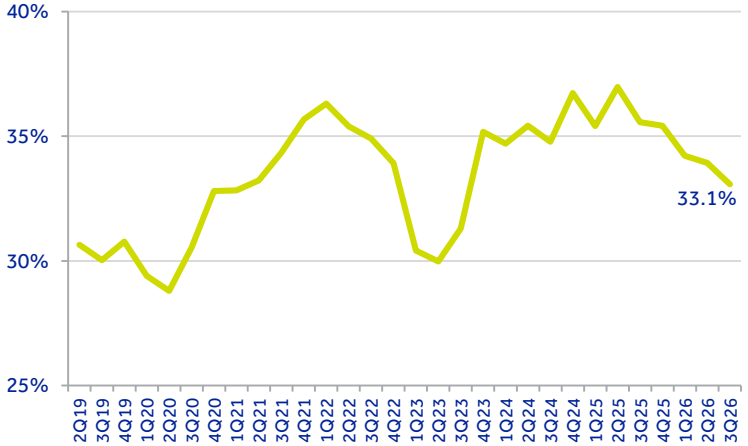
Source: VCB, ACBS

... lifting NIM to 3.11%, the highest since 1Q24



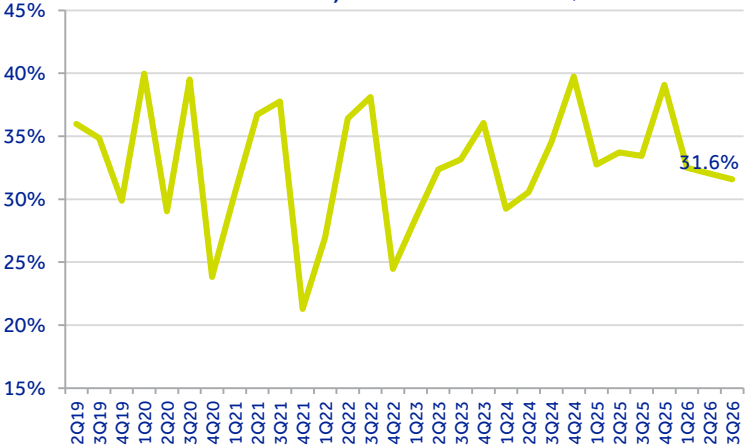
Source: VCB, ACBS

CASA fell to 33.1%, the lowest since 3Q23



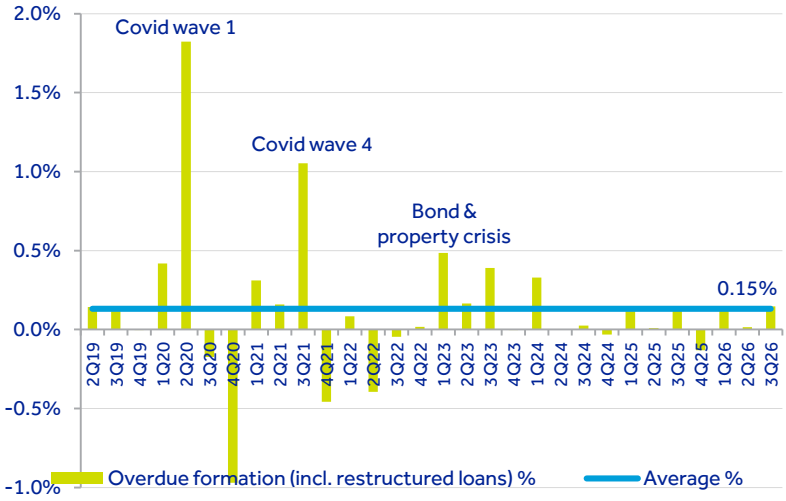
Source: VCB, ACBS

CIR fell to 31.6%, the lowest since 2Q24



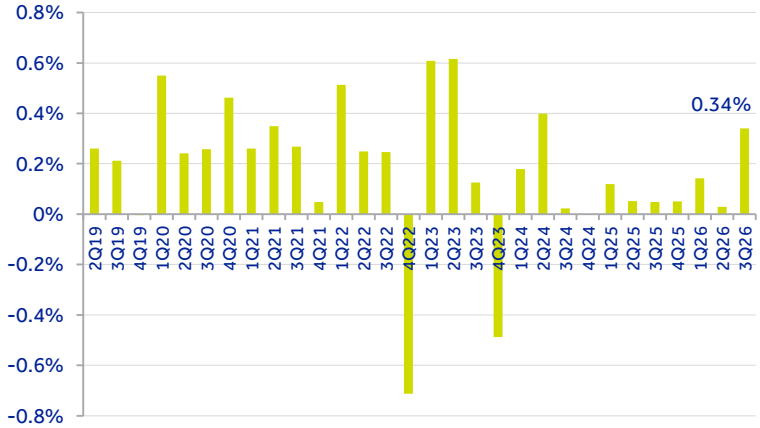
Source: VCB, ACBS

Overdue formation 0.15% vs. 0.13% avg.



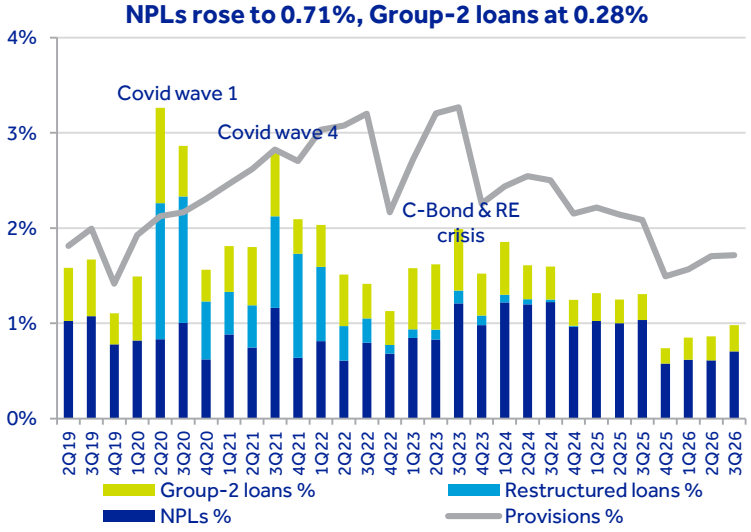
Source: VCB, ACBS

Credit cost up to 0.34% on bond provisions



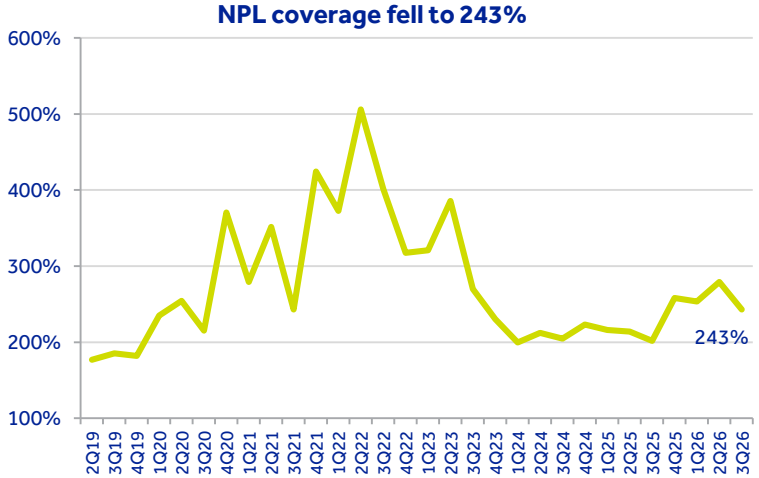
Source: VCB, ACBS

NPLs rose to 0.71%, Group-2 loans at 0.28%



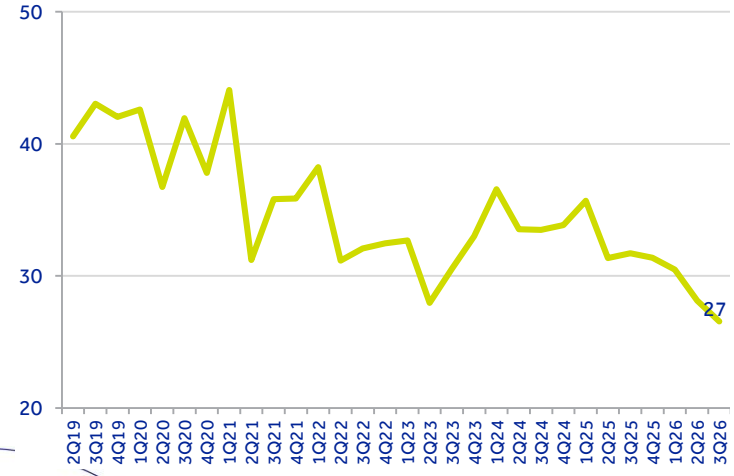
Source: VCB, ACBS

NPL coverage fell to 243%



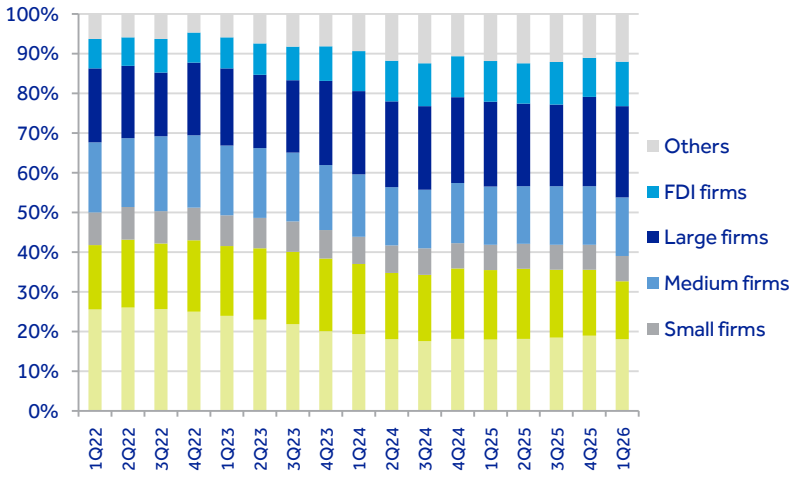
Source: VCB, ACBS

Accrued interest at a healthy 27 days



Source: VCB, ACBS

Loan mix shifts to large corporates & FDI



Source: VCB, ACBS

(VNDbn, unless otherwise stated)	Market price (VND):	54,200	Target price (VND):	62,800	Mkt cap (VNDbn):	452,878
INCOME STATEMENT	**2022**	**2023**	**2024**	**2025**	**2026F**	**2027F**
Net interest income	53,246	53,614	55,406	58,771	78,602	86,280
Net fee income	6,839	5,825	5,137	3,470	3,643	4,190
Other income	7,997	8,324	8,036	10,213	16,178	14,220
Total operating income	**68,083**	**67,764**	**68,578**	**72,455**	**98,423**	**104,690**
Growth (%)	20.2%	-0.5%	1.2%	5.7%	35.8%	6.4%
Operating expenses	(21,251)	(21,906)	(23,027)	(25,243)	(31,654)	(34,820)
Pre-provision profit	**46,832**	**45,858**	**45,551**	**47,212**	**66,769**	**69,870**
Provision expenses	(9,464)	(4,530)	(3,315)	(3,192)	(12,652)	(9,148)
PBT	**37,368**	**41,328**	**42,236**	**44,020**	**54,117**	**60,722**
Growth (%)	36.0%	10.6%	2.2%	4.2%	22.9%	12.2%
NPAT-MI	**29,899**	**33,101**	**33,831**	**35,178**	**43,247**	**48,525**
Adjusted EPS (VND)	**3,312**	**3,568**	**3,738**	**3,884**	**4,820**	**5,042**

BALANCE SHEET	**2022**	**2023**	**2024**	**2025**	**2026F**	**2027F**
Loans (incl. corporate bonds)	1,156,494	1,280,733	1,458,356	1,681,424	1,898,982	2,182,645
Growth (%)	18.8%	10.7%	13.9%	15.3%	12.9%	14.9%
Customer deposits	1,243,468	1,395,698	1,514,665	1,672,535	1,889,964	2,135,660
Growth (%)	9.5%	12.2%	8.5%	10.4%	13.0%	13.0%
Total assets	**1,813,815**	**1,839,725**	**2,085,874**	**2,442,279**	**2,796,992**	**3,163,668**
Shareholders' equity	**135,558**	**164,986**	**196,113**	**224,487**	**290,871**	**331,736**
BVPS (VND)	16,223	19,745	23,471	26,866	32,687	37,279

KEY RATIOS	**2022**	**2023**	**2024**	**2025**	**2026F**	**2027F**
NPL ratio (%)	0.7%	1.0%	1.0%	0.6%	0.6%	0.6%
NPL coverage ratio (%)	316.9%	230.3%	223.3%	258.3%	273.5%	253.2%
NIM (%)	3.4%	3.0%	2.9%	2.7%	3.1%	3.0%
CIR (%)	31%	32%	34%	35%	32%	33%
ROA (%)	1.7%	1.6%	1.6%	1.4%	1.5%	1.5%
ROE (%)	22.6%	19.8%	17.3%	15.4%	15.6%	14.4%
CAR Basel 2 (%)	10.0%	11.4%	12.2%	12.0%	13.6%	13.7%
P/E (x)	13.7	15.1	16.3	15.7	11.2	10.7
P/B (x)	2.8	2.7	2.6	2.3	1.7	1.5
Dividend yield (%)	2.2%	-	-	0.8%	0.8%	0.8%

FINANCIAL RATIOS OF BANKS

(VNDbn)

Ticker	Exchange	Mkt cap 11-Nov-26	Total assets 3Q26	Equity 3Q26	NPL ratio 3Q26	G2 loan ratio 3Q26	NPL coverage 3Q26	ROA (TTM)	ROE (TTM)	CAR (Basel 2) 2025	P/E	P/B
BID	HOSE	252,404	3,493,271	203,020	1.9%	1.5%	73.4%	1.0%	18.6%	9.2%	7.2	1.3
CTG	HOSE	246,989	2,951,845	207,466	1.2%	1.1%	160.4%	1.5%	22.5%	9.9%	5.8	1.2
VCB	**HOSE**	**452,878**	**2,682,409**	**253,761**	**0.7%**	**0.3%**	**243.2%**	**1.6%**	**17.6%**	**11.6%**	**10.9**	**1.8**
MBB	HOSE	195,334	1,837,857	164,142	1.7%	1.3%	84.7%	2.0%	21.8%	11.0%	5.5	1.2
VPB	HOSE	223,000	1,610,787	200,078	3.1%	3.6%	54.0%	2.2%	17.0%	14.4%	7.2	1.2
TCB	HOSE	232,252	1,318,165	197,325	1.3%	0.9%	107.1%	2.4%	15.4%	14.6%	8.1	1.2
HDB	HOSE	146,404	1,142,906	94,304	3.4%	3.9%	46.0%	2.0%	23.3%	16.7%	7.6	1.6
ACB	HOSE	119,571	1,104,380	104,013	1.2%	0.9%	90.9%	1.6%	16.5%	12.5%	7.4	1.2
STB	HOSE	129,137	1,057,398	64,137	7.3%	2.5%	34.8%	0.2%	2.5%	9.2%	-	2.0
SHB	HOSE	59,582	993,512	79,200	2.2%	1.4%	81.7%	1.5%	19.0%	12.6%	3.8	0.7
LPB	HOSE	108,140	694,183	46,592	1.9%	1.4%	62.8%	2.0%	26.3%	11.9%	9.0	2.3
VIB	HOSE	52,482	599,584	49,766	3.2%	2.8%	41.8%	1.4%	16.2%	11.4%	6.8	1.1
TPB	HOSE	41,791	596,512	52,133	2.1%	2.6%	57.0%	1.6%	17.9%	18.9%	5.0	0.9
NAB	HOSE	27,633	462,765	28,161	1.6%	0.7%	66.9%	1.2%	19.8%	11.2%	5.4	1.0
MSB	HOSE	61,214	439,960	46,857	2.7%	1.7%	47.2%	1.5%	14.3%	12.5%	9.8	1.3
SSB	HOSE	52,379	429,376	43,249	2.3%	1.0%	71.0%	0.8%	7.8%	13.4%	15.9	1.2
OCB	HOSE	33,075	363,726	37,120	4.0%	1.7%	58.1%	1.3%	13.0%	12.3%	7.3	0.9
PCB	UPCoM	8,273	280,464	14,087	2.9%	0.8%	50.1%	0.7%	13.9%	-	4.5	0.6
ABB	UPCoM	26,833	276,575	23,625	1.4%	1.7%	86.8%	1.8%	22.8%	11.4%	5.4	1.1
EIB	HOSE	30,549	241,495	26,632	2.6%	3.0%	41.4%	0.1%	0.7%	12.4%	-	1.1
NVB	HNX	45,039	238,221	25,166	4.9%	0.6%	25.5%	0.5%	6.3%	-	-	1.8
BAB	HNX	11,987	220,904	13,865	1.2%	0.7%	127.4%	0.6%	8.9%	10.1%	10.0	0.9
VBB	HOSE	17,621	212,947	13,451	2.3%	1.8%	62.4%	0.8%	12.9%	13.4%	8.6	1.0
VAB	HOSE	8,119	156,490	11,110	1.4%	0.1%	54.8%	1.0%	13.5%	9.4%	5.7	0.7
BVB	HOSE	9,993	145,222	8,142	2.9%	1.4%	46.3%	0.5%	9.4%	13.3%	9.6	0.9
KLB	HOSE	7,715	115,968	9,733	2.0%	1.1%	80.9%	1.9%	22.7%	14.4%	3.9	0.8
PGB	UPCoM	8,386	92,637	8,364	3.9%	2.2%	30.6%	0.8%	9.2%	10.6%	9.7	0.8
SGB	UPCoM	4,655	35,373	4,247	3.1%	8.2%	34.7%	-0.1%	-0.8%	15.6%	-	1.1
	Average	**93,337**	**849,819**	**72,491**	**2.5%**	**1.8%**	**72.2%**	**1.2%**	**14.6%**	**12.5%**	**8.6**	**1.2**
	Median	**48,709**	**451,363**	**44,921**	**2.3%**	**1.4%**	**60.3%**	**1.4%**	**15.8%**	**12.4%**	**7.3**	**1.1**

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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