true friend **KIS** Viet Nam Securities Corporation

Earnings Review

4 Aug 2026

Vietcombank (VCB)

Recovery momentum

- Strong operating income in 2Q26
- A decrease in provision expenses in 2Q26
- Sustained growth momentum heading into 2H26F

Facts: Resilient Earnings Expansion in 2Q26

- 2Q26 PBT and PAT surged +57.9% YoY and +64.7% YoY to VND17,420bn and VND14,551bn, respectively, driven by robust top-line operating income and a provision reversal. This outperformance exceeded expectations, reaching 127% of KIS's estimate. 1H26 PBT and PAT reached VND 29,222bn (+33% YoY) and VND24,013bn (+37% YoY), fulfilling 63% of the full-year 2026 guidance.
- Credit growth expanded by +5.0% YTD in 2Q26, remaining flat on a quarter-on-quarter basis. Corporate loan expansion was primarily driven by the FDI segment (up over 16% YTD), while the SME segment grew by +10.4% YTD.
- Net Interest Margin (NIM) expanded to 3.0% in 2Q26 (up from 2.67% in 2Q25 and 2.88% in 1Q26), fueled by higher asset yields from an increasing proportion of medium- and long-term loans. Total deposit growth (customer deposits and valuable papers) rebounded from +0.7% YTD in 1Q26 to +4.0% YTD in 2Q26.
- Non-interest income in 2Q26 surged +95% YoY, supported by solid FX trading gains (+31.7% YoY) and other non-interest income (+252% YoY). 1H26 non-interest income reached VND 10,759bn (+48% YoY).
- Operating expenses in 2Q26 rose +40.2% YoY due to broad-based increases across cost components. However, strong top-line revenue growth helped CIR improve from 34% in 2Q25 to 32% in 2Q26.
- Asset quality metrics remained well-controlled, maintaining VCB's status as the sector's cleanest balance sheet. NPL ratios (Groups 3–5 / Groups 2–5) shifted slightly from 0.62%/0.85% in 1Q26 to 0.61%/0.86% in 2Q26. LLCR (excluding corporate bonds) expanded from 253% in 1Q26 to 279% in 2Q26, remaining among the strongest provision buffers in the sector.
- Provision expenses dropped -38% YoY in 2Q26 to VND 503bn, benefited by provision reversals on corporate bonds. 1H26 provision expenses reached VND 2,996bn (+92% YoY).

12M rating	**BUY**		
12M TP	**81,400**	*From*	*60,800*
Up/Downside	*+34%*		

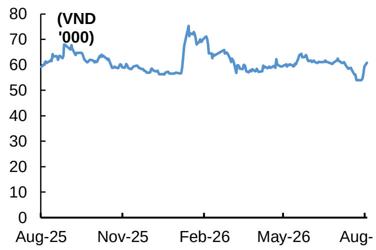
Stock Data

VNIndex (03 Aug , pt)	1,763
Stock price (03 Aug , VND)	60,800
Market cap (USD mn)	19,185
Shares outstanding (mn)	8,356
52-Week high/low (VND)	75,369/54,000
6M avg. daily turnover (USD mn)	17.70
Free float / Foreign ownership (%)	11.0/20.1
Major shareholders (%)	
SBV	74.8
Mizuho	15
GIC	2.2

Performance

	1M	6M	12M
Absolute (%)	1	(14)	3
Relative to VNIndex (%p)	5	(12)	(15)

Stock price trend



Source: Bloomberg

Pros & Cons: Maintaining Growth Momentum in 2H26F

- Management noted that the initial credit growth quota for 2026 is set at 13%, with no sector-specific restrictions on real estate lending. Corporate loans will serve as the primary growth engine. VCB continues to optimize its portfolio by prioritizing core sectors, SMEs, and FDI enterprises while strictly limiting exposure to high-risk areas.
- Supported by rising asset yields, NIM in 2H26 could maintain its upward trajectory.
- Bad-debt recovery remains on track toward the full-year 2026 target of approximately VND3,000bn. After a strong front-loaded performance in 1H26, no abnormal income spikes are expected in 2H26.
- Both NPL and credit costs are expected to remain low for full-year 2026 (targeting an NPL ratio below 1.5%), underpinned by tight risk management and a robust provision buffer. Full-year provision expenses are budgeted at VND 3,000–4,000bn. 2H26 provision expenses are expected to remain modest, with no significant spikes compared to 1H26.

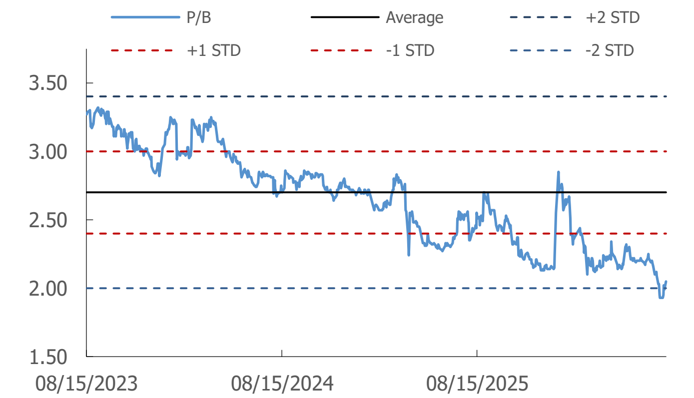
Recommendation

We reiterate our BUY recommendation for VCB with a target price of VND 81,400 per share (implying a 34% upside) based on a mid-2027 valuation horizon. We have revised up VCB's 2026 PAT forecast from VND 39,386bn (+12% YoY) to VND 42,786bn (+21.6% YoY), supported by strong NIM recovery, robust other income expansion, and manageable asset quality. Under favorable market conditions, the bank could proceed its private placement (equivalent to 6.5% of charter capital).

Table 1. Cost of equity

Items	**%**
Beta (x)	0.9
Risk free rate (%)	4.5
Equity risk premium (%)	8.1
Cost of equity (%)	11.8

Figure 1. P/B valuation in the historical trading



Source: FiinproX, KIS research

Table 2. Bended valuation

Metrics	Implied price	Weight	Weight
PB	93,846	50%	46,923
Residual approach	68,899	50%	34,450
Target share price			**81,372**

Table 3. Valuation approach

1. Residual approach	**2025**	**2026F**	**2027F**	**2028F**	**2029F**	**2030F**
Net attrib profit	35,178	42,761	48,059	56,188	65,124	75,721
Equity	227,464	266,394	314,453	370,640	435,764	511,485
ROE (%)	17%	17%	17%	16%	16%	16%
Cost of equity (%)		11.8%	11.8%	11.8%	11.8%	11.8%
Residual income		15,954	16,664	19,130	21,444	24,366
Discount factor		1.00	0.89	0.80	0.72	0.64
PV of FCF 2026-2030		77,126	68,381			
Inter – growth (%)		7.0	7.0			
Perpeptual growth (%)		3	3			
Terminal value		241,769	270,262			
Total value		546,360	605,036			
Outstanding shares		8,356	8,356			
Price (VND/shr) (A)		65,388	72,410			
Mid-FY 26 TP		**68,899**				
2. P/B multiple approach						
BVPS (average of 2026F-2027F, VND)		34,758				
Fair PB (x)		2.7				
Price (VND/shr) (B)		**93,846**				

Table 4: Earnings trend and outlook Unit: VNDbn, %

	2025				2026				2025	2026F	2Q26	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			qoq	yoy
Loans to customers and corporate bonds	**1,475,423**	**1,564,622**	**1,638,630**	**1,681,424**	**1,762,691**	**1,765,527**			**1,683,343**	**1,948,750**	0.2	12.8
% growth (ytd)	1.2	7.3	12.4	15.3	4.8	5.0			15.3	15.8	-	-
Loans to customers	1,466,391	1,555,769	1,629,943	1,673,526	1,754,926	1,758,168			1,673,526	1,941,290	0.2	13.0
NPL (3-5 group)	15,036	15,576	16,848	9,670	10,868	10,737			9,646	11,217	(1.2)	(31.1)
NPL ratio (%, %p)	1.03	1.00	1.03	0.58	0.62	0.61			0.58	0.58	-	-
NPL (2-5 group)	19,306	19,453	21,305	12,374	14,909	15,188			12,351	14,354	1.9	(21.9)
NPL ratio (%, %p)	1.32	1.25	1.31	0.74	0.85	0.86			0.7	0.7	-	-
Loan loss coverage (%, %p)	216	214	202	258	253	279			259	240	-	-
VAMC	-	-	-	-	-	-			-	0	-	-
Deposit from customers and bond	1,523,278	1,610,848	1,635,052	1,699,635	1,711,127	1,768,166			1,699,635	1,931,948	3.3	9.8
Deposit from customers	1,509,113	1,586,683	1,611,967	1,672,534	1,682,032	1,728,821			10	13.7	-	-
% growth (ytd)	(1.0)	4.7	6.3	10.5	0.7	4.0			1,672,534	1,899,654	2.8	9.0
CASA (%)	34.3	35.5	34.0	34.2	32.9	32.8			34.2	34.6	-	-
Total assets	**2,109,261**	**2,217,637**	**2,378,186**	**2,441,929**	**2,550,963**	**2,657,441**			**2,441,929**	**2,832,569**	**4.2**	**19.8**
Total equity	**204,840**	**213,642**	**222,679**	**227,464**	**233,955**	**248,491**			**227,464**	**266,465**	**6.2**	**16.3**
Total operating income	**17,265**	**17,868**	**18,052**	**19,270**	**21,180**	**26,372**			**72,358**	**91,956**	**24.5**	**47.6**
Net interest income	13,687	14,160	14,657	16,267	17,651	19,142			58,674	76,812	8.4	35.2
NIM (%, %p)	2.7	2.7	2.6	2.8	2.9	3.0			3.4	3.43	-	-
Non-interest income	3,578	3,708	3,395	3,003	3,529	7,230			13,683	15,145	104.9	95.0
Net commission income	2,830	2,496	2,218	2,091	2,621	3,014			9,635	10,117	15.0	20.7
Gains on investment securities	85	59	245	68	50	157			457	309	211.7	167.2
Other non-interest income	663	1,153	932	844	857	4,059			3,592	4,719	373.5	252.0
Provision for credit losses	752	810	776	855	2,493	503			3,185	6,509	(79.8)	(37.9)
Net operating revenue	16,512	17,059	17,277	18,415	18,687	25,869			69,173	85,447	38.4	51.6
SG&A	5,652	6,025	6,037	7,528	6,884	8,449			25,152	31,965	22.7	40.2
CIR (%)	32.7	33.7	33.4	39.1	32.5	32.0			34.8	34.8	-	-
Pre-provision earnings	**11,612**	**11,844**	**12,015**	**11,741**	**14,296**	**17,922**			**47,205**	**59,991**	**25.4**	**51.3**
EBT	**10,860**	**11,034**	**11,239**	**10,887**	**11,803**	**17,420**			**44,020**	**53,482**	**47.6**	**57.9**
Net profit	8,702	8,837	9,026	8,633	9,462	14,551			35,198	42,786	53.8	64.7
Controlling-int. NP	8,696	8,832	9,020	8,629	9,457	14,542			35,178	42,761	53.8	64.7

Source: FiinproX, VCB, KIS Research

Balance sheet

(VND tn)

	2023A	2024A	2025A	2026F	2027F
Total assets	1,839	2,085	2,442	2,833	3,206
Gross IEAs	1,818	2,057	2,405	2,793	3,160
Loans and corp bonds	1,281	1,460	1,683	1,949	2,259
Household					
Corporate					
Dep't and loans to FIs	396	464	611	738	797
Dep't to SBV and G-bond	141	134	111	106	104
VAMC bond	-	-	-	-	-
NIEAs	56	61	65	69	78
Others	35	33	28	30	32
Total liabilities	1,671	1,887	2,214	2,566	2,891
Deposits	1,396	1,515	1,673	1,900	2,164
Debentures	20	24	27	32	37
Dep't and loans from FIs	214	235	321	450	495
Loans from Gov't and SBV	2	78	160	141	146
Other liabilities	40	35	34	44	50
Total equities	168	199	227	266	315
Controlling interests	168	199	227	266	314
Capital stock	56	56	84	84	84
Capital surplus	5	5	5	5	5
Other reserves	23	27	37	51	59
Retained earnings	85	111	102	127	167
OCI	(0)	(0)	(0)	(0)	(0)
Minority interest	0	0	0	0	0

Income statement

(VND tn)

	2023A	2024A	2025A	2026F	2027F
Total operating income	68	69	72	92	103
Net interest income	54	55	59	77	88
Interest income	108	94	105	148	170
Interest cost	55	38	46	71	82
Non-interest income	14	13	14	15	15
Net commission income	11	10	10	10	11
Gains on investment securities	0	0	0	0	0
Other non-interest income	2	2	4	5	3
Provision for credit losses	5	3	3	7	8
Net operating revenue	63	65	69	85	95
SG&A	22	23	25	32	35
Employee benefits	12	12	14	-	-
Pre-provision earnings	46	46	47	60	68
Earnings before tax	41	42	44	53	60
Tax	8	8	9	11	12
Tax rate (%)	0	0	0	0	0
Continuing operations profit	31	30	31	38	45
Reversals of written-off loans	2	4	4	5	3
Net profit	33	34	35	43	48
Net profit of controlling interest	33	34	35	43	48

Key financial data

	2023A	2024A	2025A	2026F	2027F
Profitability and efficiency (%)					
ROE	21.7	18.4	16.5	17.3	16.5
ROA	1.8	1.7	1.6	1.62	1.59
NIM	3.0	2.9	2.6	2.97	2.97
Asset yield	6.1	4.9	4.7	5.73	5.73
Cost of fund	3.4	2.2	2.3	3.03	3.05
Cost-income ratio	32.4	33.6	34.8	34.8	34.0
Credit cost	0.4	0.2	0.2	0.36	0.36
Growth (%)					
Net profit of controlling interest	10.5	2.4	4.0	21.6	12.4
Pre-provision earnings	-2.2	-0.6	3.6	27.1	12.8
Credit growth	10.7	14.0	15.3	15.8	15.9
Total assets	1.4	13.4	17.1	16.0	13.2
Asset quality (%)					
NPL ratio	1.0	1.0	0.6	0.6	0.6
NPL coverage ratio	230.3	223.3	258.2	240.3	224.9
Loan to deposit	79.6	82.8	83.9	82.6	84.6
Capital adequacy (%)					
CAR ratio	12.2	12.6	12.3	12.5	13.0
CET1 ratio					
Tier 1 ratio					

Valuation

	2023A	2024A	2025A	2026F	2027F
Per share (VND, adj.)					
BPS	20,160	23,799	27,223	31,882	37,633
EPS	3,953	4,049	4,210	5,118	5,752
DPS	0	0	450	450	0
Valuation (x)					
PB	2.0	1.7	2.2	1.9	1.6
PE	10.3	10.0	14.4	11.9	10.6
P/PPE	11.1	11.2	10.8	8.5	7.5
Dividend yield (%)	0.0	0.0	0.7	0.7	0.0
Dividend payout ratio (%)	0.0	0.0	10.7	8.8	0.0
ROE analysis (%)					
ROE	21.7	18.4	16.5	17.3	16.5
Leverage(x)	10.9	10.5	10.7	10.6	10.2
IEAs to total assets	97.0	97.1	97.4	97.6	97.6
Net income to IEAs	1.8	1.6	1.5	1.5	1.5
Net interest income to IEAs	2.9	2.7	2.4	2.7	2.8
Non-interest income to IEAs	0.8	0.6	0.6	0.5	0.5
Credit cost to IEAs	0.3	0.2	0.1	0.2	0.2
SG&A to IEAs	1.2	1.1	1.0	1.1	1.1

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