



Vietnam Technological and Commercial Joint Stock Bank

[Vietnam / Banking]

Bloomberg Code (TCB VN) | Reuters Code (TCB.HM)

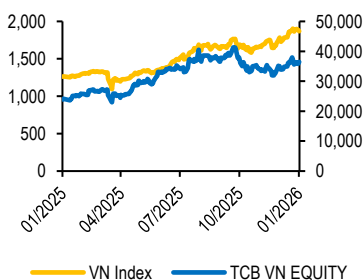
BUY

Update report

Target price (2026) **VND 43,700**
Current price **VND 35,650**
 (26/01/26)

Inside/Outside		77.50%
VNINDEX		1835
P/E thị trường (25F, x)		15.6
Market Cap (bn VND)		252,624
Outstanding shares (mn)		7,086
Free-Floating (mn)		5,483
Free floating (%)		77.4
52-Wk High/Low (VND)		42,500/22,300
90-day avg. trading volume (mn)		14.11
90-day avg. turnover (bn VND)		445
Foreign ownership (%)		22.54
Major shareholders (%)	Masan	14.84

Performance	3T	6T	12T
Absolute (%)	1.7	1.3	44.0
Relative to VN-Index (%)	-9.3	-18.6	-1.0



Source: Bloomberg

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Results slightly beat forecasts

Updated with BUY recommendation, target price VND 43,700

Techcombank (TCB) has reaffirmed its position as a leading digital bank, driven by a strategic focus on the high-potential real estate and mortgage sectors. However, TCB is now signaling a shift toward a more diversified loan portfolio, aiming to reduce its real estate exposure to 20-25% while increasing its retail lending presence. Furthermore, the bank's ecosystem has been significantly strengthened by TCBS (following its 2025 IPO), which now contributes over 20% of the group's profit and leads the market in Investment Banking (IB), margin lending, and brokerage services. Based on these positive business prospects and a valuation rollout to 2026, TCB is valued at VND 43,700 per share.

2025 business result

In 2025, TCB achieved a Profit Before Tax (PBT) of VND 32,538 billion (+18.2% YoY), surpassing the plan approved by the General Meeting of Shareholders by 103%. The Q4/2025 earnings were driven by:

1. Positive credit growth
2. Non-interest income: Gains from FX, investment portfolios, bad debt recovery, and partly due to the absence of one-off expenses following the termination of a partnership with an insurance provider;
3. Operational cost control: The consolidated Cost-to-Income Ratio (CIR) dropped from 32.71% in 2024 to 28.5% in 2025.
4. Controlled provisioning expenses: Provisioning costs saw only a slight increase of 8.3%, maintaining a non-performing loan (NPL) ratio below 1.1%.

TCB's (parent bank) full-year 2025 credit growth reached 18.4%, fully utilizing the credit quota granted by the SBV. On a consolidated basis, we estimate TCB's credit growth at over 20%. The retail loan portfolio emerged as the main growth driver in 2025 (+31% YoY): home loans grew 25%; margin lending surged 69% YoY; and unsecured loans increased their share within the retail portfolio (from 1% in 2024 to 3% by end-2025). Corporate lending grew at a more modest 13%, with a notable decline in the share of real estate developer lending from 33% at end-2024 to 31% at end-2025. However, net interest income in 2025 grew by only 7.5% YoY, as NIM faced pressure and declined to around 3.7% by the end of Q4/2025.

Outlook for 2026

For our 2026 forecasts, we have revised TCB's pre-tax profit upward to VND 38,021 billion, implying 17% YoY growth (from VND 36,809 billion in our previous report). This upward revision is driven by non-interest income, along with improvements in asset quality (lower projected credit costs) and better operating efficiency (lower CIR). We remain conservative in forecasting 2026 credit growth at 16%, with NIM at 3.7% for the full year. The NPL ratio is projected at 1.1%, while credit costs are estimated at 0.7%.

Risks: (1) A sharp increase in funding costs puts pressure on NIM; (2) A significant rise in interest rates deteriorates asset quality across the banking sector.

Year	2022	2023	2024	2025	2026F
Interest income (VNDbn)	30,290	27,691	35,508	38,155	45,331
Non-interest income (VNDbn)	10,612	12,370	11,482	15,236	18,910
Total operating income (VNDbn)	40,902	40,061	46,990	53,391	64,242
Provision and other expenses (VNDbn)	(15,334)	(17,173)	(19,452)	(20,853)	(26,221)
Profit before tax (VNDbn)	25,568	22,888	27,538	32,538	38,021
Credit growth (%)	21.07%	23.33%	21.80%	21.51%	16.0%
NIM (%)	5.2%	3.9%	4.2%	3.7%	3.7%
ROE	19.52%	14.85%	15.57%	15.9%	15.9%

Source: Finpro, Company data, Shinhan Securities Vietnam

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2026 Business Outlook

Key highlights

Credit growth: TCB (parent bank) recorded 18.4% credit growth in 2025, fully utilizing the credit quota granted by the State Bank of Vietnam. Retail lending was the main growth driver in 2025, increasing 31% YoY, while corporate lending grew 13% YoY. On a consolidated basis, TCB's credit growth reached 20.7% YoY in 2025.

Margin lending and unsecured lending recorded strong growth of 69% and 248% YoY, respectively. Home loans also posted solid growth in 2025 (+25%). The share of real estate-related lending declined to 31%, with management guiding to reduce this further to 20–25% by 2030.

TCB stated that it will reallocate capital toward sectors such as infrastructure, healthcare, fast-moving consumer goods, and utilities, in line with the government's development priorities.

For 2026, TCB indicated that it has been granted an initial credit quota of 12%. Management believes the full-year quota may be loosened by mid to late 2026, although the final decision remains subject to approval by the SBV. **Against the backdrop of a higher LDR and signs of liquidity pressure toward end-2025 (as interbank rates surged and remained elevated for several weeks), we take a cautious stance and forecast TCB's 2026 credit growth at around the industry average of 16% (down from 20% in our previous report), while revising 2026 NIM down to 3.7%.**

Interest rate outlook: Management noted that deposit rates could rise by 50–60 bps in 2026. Given the sharp increase in funding costs in Q4/2025 and the lag in repricing loan yields, NIM is expected to face downward pressure in 1H2026 before stabilizing at current levels.

Fee income: Fee income increased 8% YoY, partly affected by changes in accounting recognition rules for the card and LC businesses during the year.

Investment banking: IB income grew 21% YoY. TCBS continued to maintain its leading position in corporate bond advisory and distribution.

Bancassurance: Bancassurance income showed a strong recovery (+92% YoY). Management noted that pilot products directly implemented by TechcomLife have received positive customer feedback.

Cards and LC: Card and LC income declined 15% and 14% YoY, respectively, compared with 2024.

FX: FX income grew 37% YoY, supported by solutions targeting retail customers

Gold and digital assets

TCB stated that it has submitted applications related to digital assets and expects a response within three months.

Under current regulations, eligible banks may be permitted to trade physical gold. TCB and TCBS are coordinating on this initiative and are awaiting licensing approval. In addition, management plans to roll out digital gold products and related derivatives. However, management expects this segment to make no material profit contribution in the first 1–2 years.

Dividend policy:

Management indicated its intention to maintain the current cash dividend policy, with priority given to keeping the CAR above 15% under Basel III.

Our view:

Regarding 2025 results, TCB exceeded our forecasts in non-interest income and performed better in operating cost control (lower marketing expenses), alongside improvements in asset quality. Meanwhile, net interest income came in below our expectations due to NIM compression. Overall, pre-tax income reached VND 32,538 billion, exceeding our forecast of VND 30,593 billion by 6.4%.

For 2026, we have revised TCB's pre-tax profit forecast upward to VND 38,021 billion, implying 17% YoY growth (from VND 36,809 billion in our previous report). This upward revision is driven by non-interest income, improvements in asset quality (lower projected credit costs), and better operating efficiency (lower CIR).

Valuation and recommendation

Valuation

We apply a Residual Income (RI) approach and a P/B-based valuation, with respective weightings of 60% and 40%.

Our 12-month target price for the stock is VND 43,700 per share.

1) We assume a P/B multiple of 1.5x for TCB (parent bank) and roll the valuation base forward to 2026 in this report. For TCBS, we assume a P/B multiple of 2.5x, based on 2026F shareholders' equity of VND 52,062 billion and 2026F pre-tax profit of VND 9,963 billion (+39% YoY). On this basis, TCB's equity value is estimated at **VND 50,494 per share**.

2) Under the Residual Income method, we derive a TCB fair value of **VND 39,141 per share**. In this report, we have raised the risk-free rate assumption from 4.0% to 4.3%, in line with movements in Vietnam's 10-year government bond yield.

Cost of Equity (%)	
Cost of Equity (%)	13.3
Risk-free rate (%)	4.3
Equity risk premium (%)	8.15
Beta	1.1

RI Method (Unit: VNDbn)	2026F	2027F	2028F	2029F	2030F
Cost of equity	13.3%	13.3%	13.3%	13.3%	13.3%
Cost of equity after 2030					13.3%
Net profit attributable to bank shareholders	29,638	37,540	43,269	50,106	57,361
Residual income (RI)	4,057	8,279	9,580	11,302	12,668
PV of RI	3,579	6,444	6,579	6,847	6,771

Terminal value of RI (VNDbn)	126,550
Terminal growth (%)	2.00%

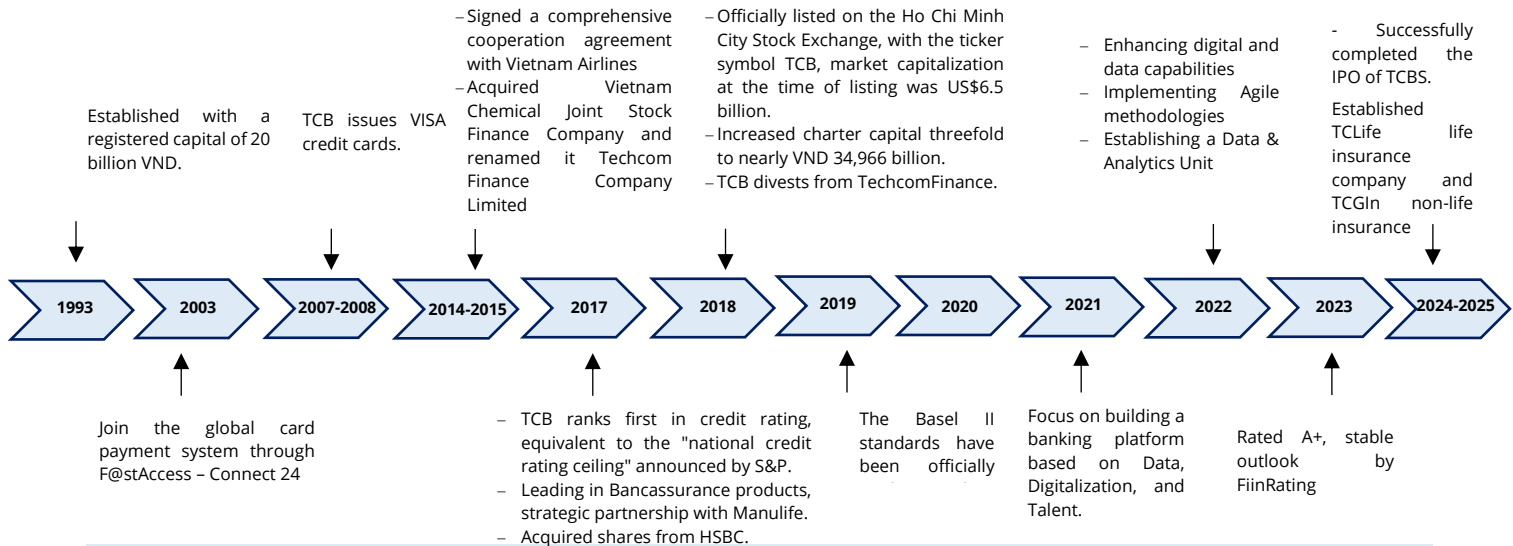
PV of terminal value (VNDbn)	67,643
PV of RI (bn VND)	30,221
Beginning equity (bn VND)	179,501
Total value (bn VND)	277,365
Total outstanding shares (bn)	7.09
Target price (VND)	39,141

Valuation Summary		
Method	Weight	Price target (VND)
Residual income	60%	39,141
P/B target (1.5x for TCB bank and 2.5x for TCBS)	40%	50,494
Target price (VND)		43,682

Source: Shinhan Securities Vietnam

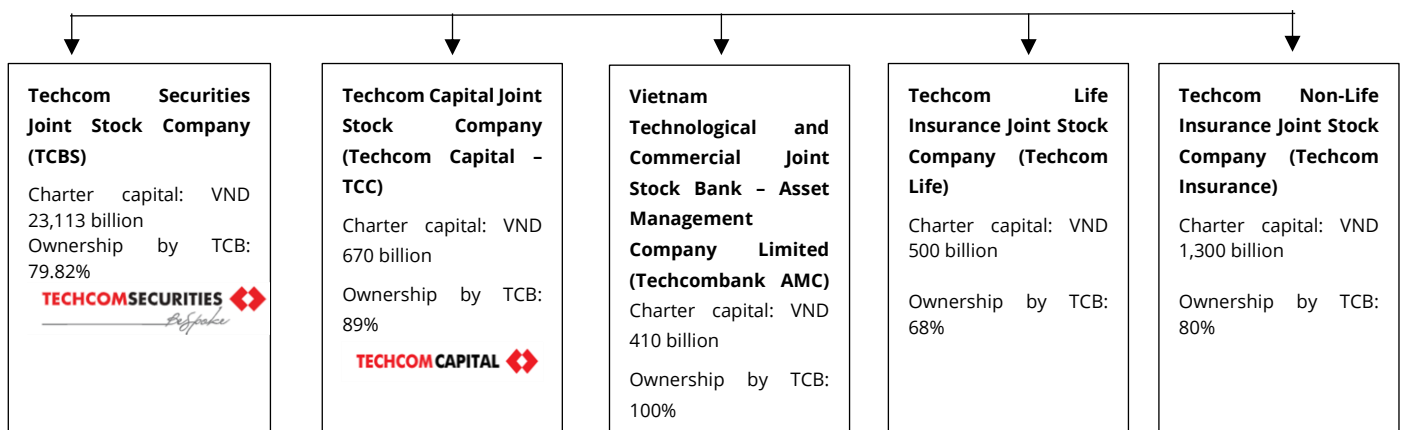
Business overview

Business history

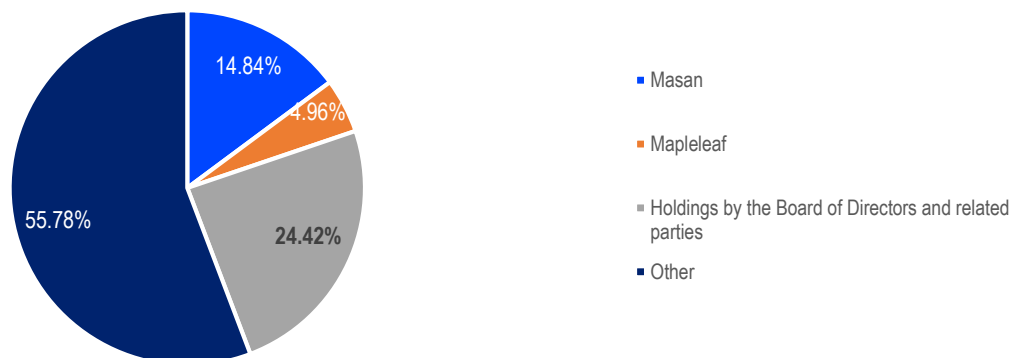


Organizational structure

TECHCOMBANK



Ownership structure (end of Q4/2025)



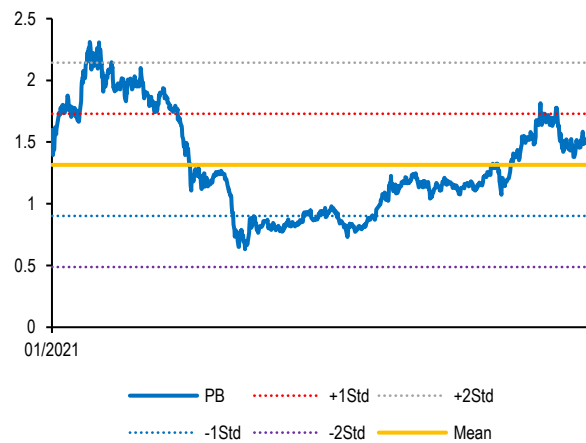
Source: Fiiinpro, Company data, Shinhan Securities Vietnam

PER of TCB



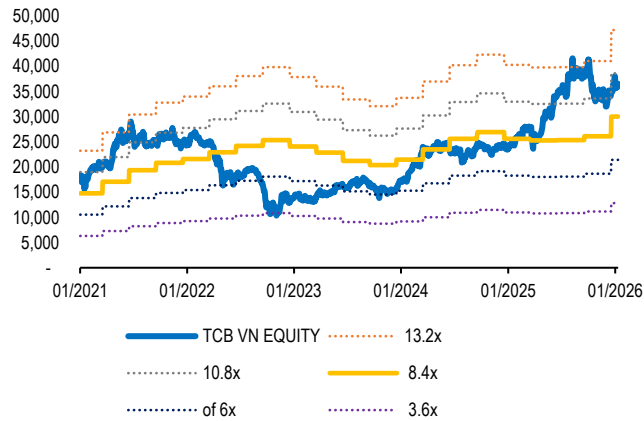
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PER band of TCB



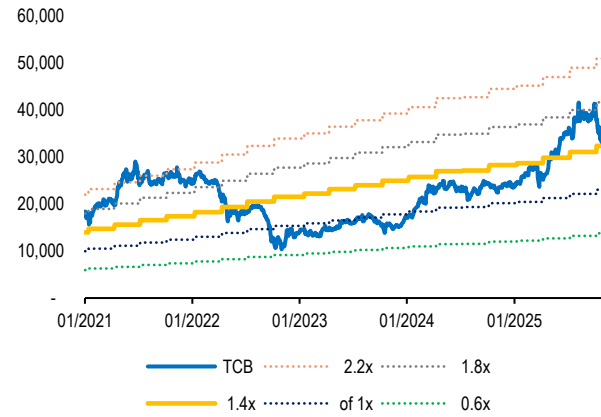
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PBR of TCB



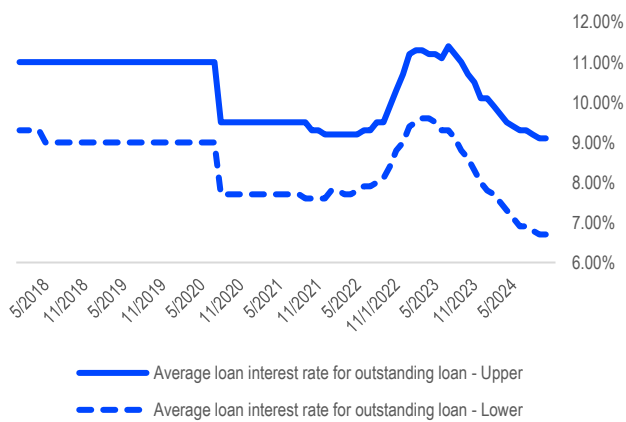
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PBR band of TCB



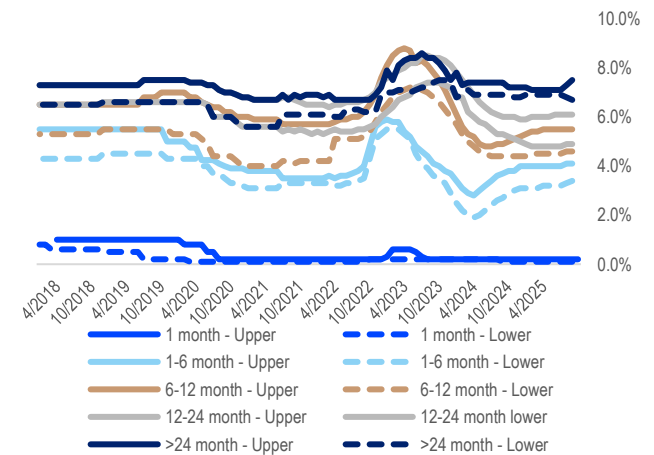
Source: Bloomberg, Company data, Shinhan Securities Vietnam

Average loan interest rate in Vietnam



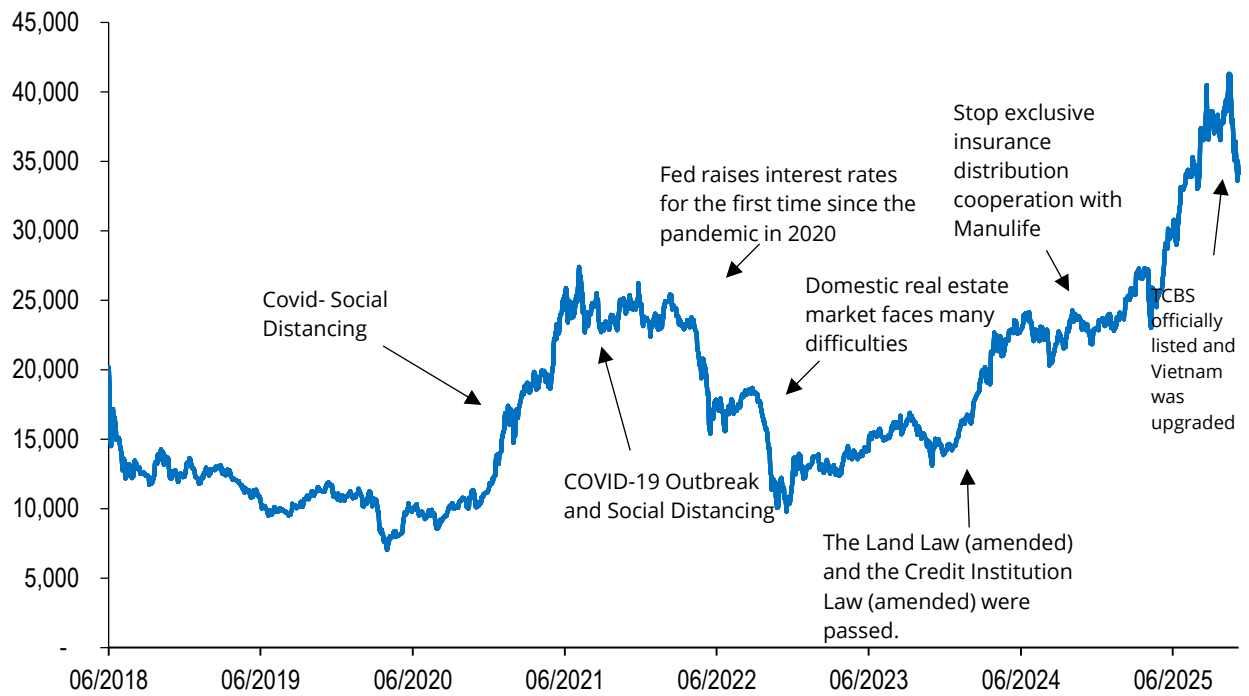
Source: SBV, Company Data, Shinhan Securities Vietnam

Average deposit interest rate in Vietnam



Source: SBV, Company Data, Shinhan Securities Vietnam

TCB important events



Source: Bloomberg, Company Data, Shinhan Securities Vietnam

Appendix: Financial statements

Balance sheet

Year (bn VND)	2022	2023	2024	2025	2026F
Total assets	699,033	849,482	978,799	1,192,344	1,418,242
Cash and precious metals	4,216	3,621	3,385	4,361	5,694
Balances with the SBV	11,476	27,141	54,353	82,163	28,470
Placements with and loans to	82,874	104,072	84,590	114,958	245,003
Trading securities	961	4,433	9,001	4,816	4,816
Derivatives and other financial assets	-	144	-	-	-
Loans and advances to	415,752	512,514	623,634	757,119	878,841
Debits purchase	108	82	142	31	31
Investment securities	103,652	104,994	148,624	145,526	156,742
Long-term investments	13	3,046	3,103	3,247	3,247
Fixed assets	8,411	8,893	12,467	12,123	13,798
Investment properties	1,053	-	-	-	-
Other assets	70,517	80,543	39,501	68,001	81,601
Total liabilities	585,608	717,866	830,859	1,012,843	1,214,408
Due to Gov and Loans from	8	0	12	4,324	4,324
Deposits and Loans from other	167,563	153,173	132,239	144,983	184,543
Deposits from customers	358,404	454,661	533,392	618,912	711,748
Derivatives, Funds received from Gov, international and	1,851	-	931	2,417	2,417
Convertible bonds/CDs and	34,007	84,703	140,422	215,330	279,929
Other liabilities	23,775	25,329	23,862	26,877	31,446
Shareholder's equity	113,425	131,616	147,940	179,501	203,835
Capital	36,205	36,257	78,413	78,626	78,626
Reserves	11,609	45,029	24,787	28,645	33,090
Retained earnings	64,483	49,013	42,219	62,774	81,883
Minority interest	1,129	1,317	2,520	9,457	10,235
Total liabilities and equity	699,033	849,482	978,799	1,192,344	1,418,242

Income statement

Year (bn)	2022	2023	2024	2025	2026F
Interest and Similar Income	44,753	56,708	60,089	68,017	85,458
Interest and Similar Expenses	(14,463)	(29,017)	(24,581)	(29,862)	(40,127)
Net Interest Income	30,290	27,691	35,508	38,155	45,331
Net Fee and Commission Income	8,527	8,715	8,042	8,772	12,435
From foreign currency and gold	(275)	196	593	1,642	1,658
From trading of trading securities	(242)	65	81	52	-
From disposal of investment	426	926	2,359	2,846	756
Net Fee and Commission Income	2,167	2,434	343	1,884	3,964
Dividends income	9	35	65	39	97
Total non-interest income	10,612	12,370	11,482	15,236	18,910
Total operating income	40,902	40,061	46,990	53,391	64,242
General and Admin expenses	(13,398)	(13,252)	(15,370)	(16,432)	(19,719)
Operating Profit Before Provision (PPOP)	27,504	26,809	31,621	36,959	44,523
Provision for credit losses	(1,936)	(3,921)	(4,082)	(4,421)	(6,502)
Profit before tax	25,568	22,888	27,538	32,538	38,021
Corporate income tax	(5,131)	(4,697)	(5,778)	(6,584)	(7,604)
Net profit after tax	20,436	18,191	21,760	25,954	30,417
Attributable to parent company	20,150	18,004	21,523	25,290	29,638

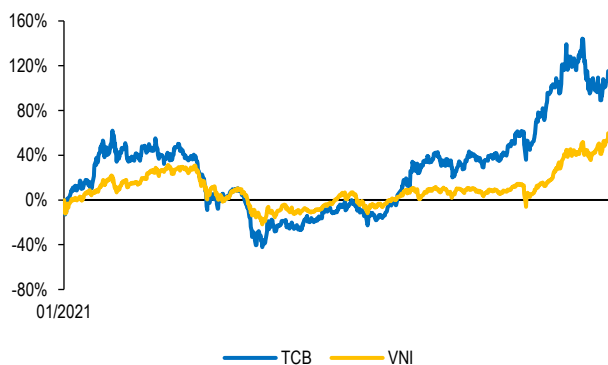
Financial indicators

Year	2022	2023	2024	2025	2026F
Growth (% YoY)					
Loans to customers	21.07	23.33	21.80	21.51	16.00
Deposits from customers	13.87	26.86	17.32	16.03	15.00
Shareholders' equity	21.91	16.04	12.40	21.33	13.56
Total assets	22.91	21.52	15.22	21.82	18.95
Net interest income	13.45	(8.58)	28.23	7.46	18.81
Net non-interest income	2.26	16.56	(7.17)	32.69	24.12
PPOP	6.18	(2.53)	17.95	16.88	20.47
Net profit before tax	10.02	(10.48)	20.32	18.16	16.85
Net profit after tax	10.97	(10.99)	19.62	19.28	17.19
Profitability (%)					
NIM	5.29	4.02	4.21	3.73	3.71
ROA	3.2	2.3	2.4	2.4	2.3
ROE	19.8	14.8	15.6	15.9	15.9
Liquidity (%)					
Pure LDR	117.33	114.07	118.44	124.03	125.11
Asset quality					
Leverage (x)	6.16	6.45	6.62	6.64	6.96
NPL ratio (%)	0.72	1.16	1.12	1.07	1.10
LLR ratio (%)	157.34	102.15	113.94	128.05	142.41
Reverse/total credit (%)	103	1.09	1.18	1.27	1.22
Credit costs/total loans (%)	0.50	0.84	0.71	0.63	0.78
Credit costs/total credit (%)	0.44	0.77	0.66	0.59	0.73
Per share items (VND)					
EPS	5,810	5,164	3,080	3,663	4,292
BPS	32,248	37,364	20,940	25,331	28,765
PPOP/Share	7,820	7,611	4,476	5,216	6,283

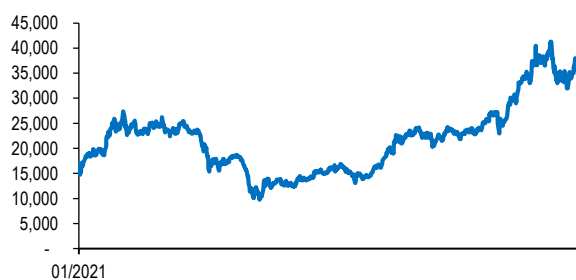
Source: Company data, Shinhan Securities Vietnam

Vietnam Technological and Commercial Joint Stock Bank (TCB VN)

Price performance



Target price (VND)



Date (dd/mm/yyyy)	Recommendation	Target price (VND)	Range of price (%)	
			Average	Max/Min
09/09/2022 (Initial)	BUY	29,350	127.5	47/208
07/03/2023 (Update)	BUY	21,850	67.9	9/164
04/08/2023 (Update)	BUY	22,000	53.6	0.1/107.3
23/10/2023 (Update)	BUY	25,025	82.0	38/159
24/01/2024 (Update)	BUY	25,170	62.0	39/95
24/04/2024 (Update)	HOLD	25,050	33.24	4.4/84.2
23/10/2024 (Update)	BUY	29,500	51.9	16.8/116.9
23/02/2025 (Update)	HOLD	29,600	31.6	12.8/58.1
15/05/2025 (Update)	HOLD	31,000	15.5	-0.1/42.7
06/08/2025 (Update)	HOLD	41,000	40.8	9/98
06/11/2025 (Update)	BUY	42,600	31.2	0.3/89
26/01/2026 (Update)	BUY	43,700	34.9	0.3/96

Note: Calculation of target price gap based on the past 12 months

Shinhan Securities Vietnam

Stock	Industry
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