Mar 26, 2026

Shinhan Securities

Bank for Foreign Trade of Vietnam

[Vietnam / Banking]

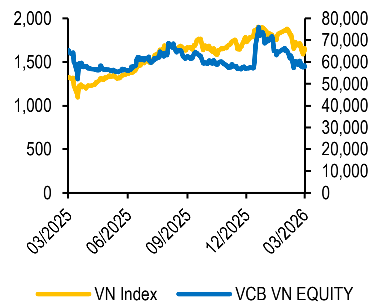
Bloomberg Code (VCB VN) | Reuters Code (VCB.HM)

BUY

Update report

Target price (2026)	**VND 79,800**
Current price (03/26/26)	VND 57,900
Upside/downside	37.8%

VNINDEX			1,644
P/E thị trường (1F, x)			12.2
Market Cap (bn VND)			482,958
Outstanding shares (mn)			8,356
Free-Floating (mn)			2,105
Free floating (%)			25.2
52-Wk High/Low (VND)			78,800/52,000
90-day avg. trading volume (mn)			8.54
90-day avg. turnover (bn VND)			762
Foreign ownership (%)			20.45
Major		SBV	74.80
shareholders (%)		Mizuho	15.0
Performance	3T	6T	12T
Absolute (%)	1.2	-8.3	-12.2
Relative to VN-Index (%)	6.7	-6.7	-35.5



Source: Bloomberg

Phuong Nguyen, CFA

☎ (84-28) 6299-9004

✉ phuong.nd@shinhan.com

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Best-in-Class Franchise

Updated with BUY recommendation, target price 79,800 VND

Vietnam Joint Stock Commercial Bank for Foreign Trade (HoSE: VCB) is one of Vietnam's "Big 4" state-owned commercial banks and currently holds the largest market capitalization in the banking sector. The bank has long been recognized for its superior asset quality and strong corporate and retail customer franchise. VCB aims to maintain its leading position in terms of profit scale, while gradually increasing its exposure to the retail lending segment over the medium term. Based on our Residual Income (RI) valuation approach and peer comparison using the P/B multiple, we update our 2026 target price for VCB to VND79,800 per share

Business results 2025

Vietnam Joint Stock Commercial Bank for Foreign Trade recorded credit growth of 15.3% YTD in 2025, while total deposits (including valuable papers) increased 10.5% YTD. Loan growth was mainly driven by the retail and corporate segments, with individual lending expanding 18.5% and corporate lending rising 20%. Retail products finished the year strongly, with mortgage loans growing 20% and consumer lending increasing 30% YTD, reflecting improving retail demand and the bank's continued focus on expanding its retail portfolio.

VCB maintained best-in-class asset quality within the banking system. The NPL ratio (Group 3–5 loans) declined to 0.6% by end-2025. Including the corporate bond portfolio, the bad debt ratio stood at 0.97%, largely unchanged from 0.96% at end-2024. Meanwhile, the loan loss coverage ratio (LLR) decreased from 223% to 174%, mainly due to bad debts linked to the corporate bond portfolio, though it remains among the highest in the sector.

NIM remained under pressure, narrowing 31bps to 2.63% end of Q4/2025, although lending yields improved slightly thanks to recovery in retail and medium-to-long-term lending. Net interest income (NII) reached VND58,674bn (+5.9% YoY), while non-interest income fell 32% YoY due to the absence of upfront bancassurance fees recorded in previous periods.

Credit costs decreased slightly by 4% YoY, supported by improving asset quality and the reversal of provisions related to loans that were provisioned during the Covid-19 period.

Profit before tax (PBT) reached VND44,020bn, broadly in line with both management guidance and our expectations. Meanwhile, VCB Neo reported profit of VND1,900bn in 2025. Management indicated that no additional loan transfers to VCB Neo are planned for 2026.

Outlook for 2026

For 2026, we assume Vietnam Joint Stock Commercial Bank for Foreign Trade will achieve credit growth of 15%, in line with the system-wide credit growth target for the banking sector. We forecast NIM to remain broadly stable at 2.64%, which is slightly more conservative than management guidance, leaving room for potential upside should lending yields improve further. Asset quality is expected to remain solid, with the NPL ratio maintained below 1%, while credit costs are projected at around 0.5%. Under these assumptions, profit before tax (PBT) is projected to grow by 14.9% in 2026. We also expect the bank to maintain a cash dividend payout of approximately 10%. The private placement of the 6.5% stake is still in progress; if successfully completed, it would further strengthen VCB's CAR.

Risk: (1) Exchange rates continue to face pressure, bank capital costs increase faster than forecast, causing NIM to continue to decrease (2) Rapid increase in bad debt puts pressure on risk provisioning costs

Year	2021	2022	2023	2024	2025	2026F
Interest income (VNDbn)	42,273	53,246	53,621	55,406	58,674	68,842
Non-interest income (VNDbn)	14,357	14,836	14,103	13,173	13,683	18,944
Total operating income (VNDbn)	**56,630**	**68,083**	**67,723**	**68,578**	**72,358**	**87,786**
Provision and other expenses (VNDbn)	(29,144)	(30,724)	(26,480)	(26,342)	(28,337)	(37,209)
Profit before tax (VNDbn)	**27,486**	**37,359**	**41,244**	**42,236**	**44,020**	**50,577**
Loan growth (%)	14.4	19.18	10.94	14.08	15.48	15.00
NIM (%)	3.43	3.05	2.94	2.64	2.64	2.64
ROE (%)	**21.6**	**24.2**	**21.6**	**18.3**	**16.5**	**16.3**

Source: Fiinpro, Company data, Shinhan Securities Vietnam

Valuation and recommendation

Valuation

We use the residual income (RI) method and the P/B method with the weights at 40%-60% respectively.

The target price for the stock for 2026 is VND79,800.

Resolution 79-NQ/TW, issued in early 2026, has brought renewed investor attention to state-owned banks (SOBs). Following the announcement, VCB experienced a strong rally, gaining more than 33% in the first two months of 2026 before retracing to levels seen prior to the issuance of the resolution. Despite the short-term volatility, our analysis continues to indicate stable medium-term growth prospects for VCB, supported by its consistently superior asset quality. The bank has maintained its NPL ratio at around 1% during 2019–2025, demonstrating resilience despite multiple periods of stress across the banking system. **Looking ahead, we expect foreign capital inflows to gradually improve in 2H2026, particularly as Vietnam progresses toward emerging market status. This could serve as a catalyst for VCB's valuation to normalize toward its historical average P/B multiple.**

1) In the short term, we use a target P/B of 2.7x (averagely in 2022-2025). With the forecast BVPS for 2026 at VND32,184, the target price of VCB in 2026 is expected to be around VND86,896.

2) For the residual income method, the estimated stock price in 2026 is VND69,251.

Cost of Equity (%)	
Cost of Equity (%)	**9.6**
Risk-free rate (%)	4.3
Equity risk premium (%)	8.1
Beta	0.7

RI Method (Unit: VNDbn)	2026F	2027F	2028F	2029F	2030F
Cost of equity	**9.6**	**9.6**	**9.6**	**9.6**	**9.6**
Cost of equity after 2030					**9.6**
Net income	40,462	46,238	54,983	62,316	74,935
Residual income (RI)	40,462	19,400	23,494	25,437	31,749
PV of RI	**16,326**	**15,034**	**16,644**	**16,339**	**18,689**

Terminal value of RI (VNDbn)	**424,790**
Terminal growth (%)	2.00%

PV of terminal value (VNDbn)	268,070
PV of RI (VNDbn)	83,033
Beginning equity (bn VND)	227,536
Total value (bn VND)	**578,639**
Total outstanding shares (bn)	8.36
Target price (VND)	**69,251**

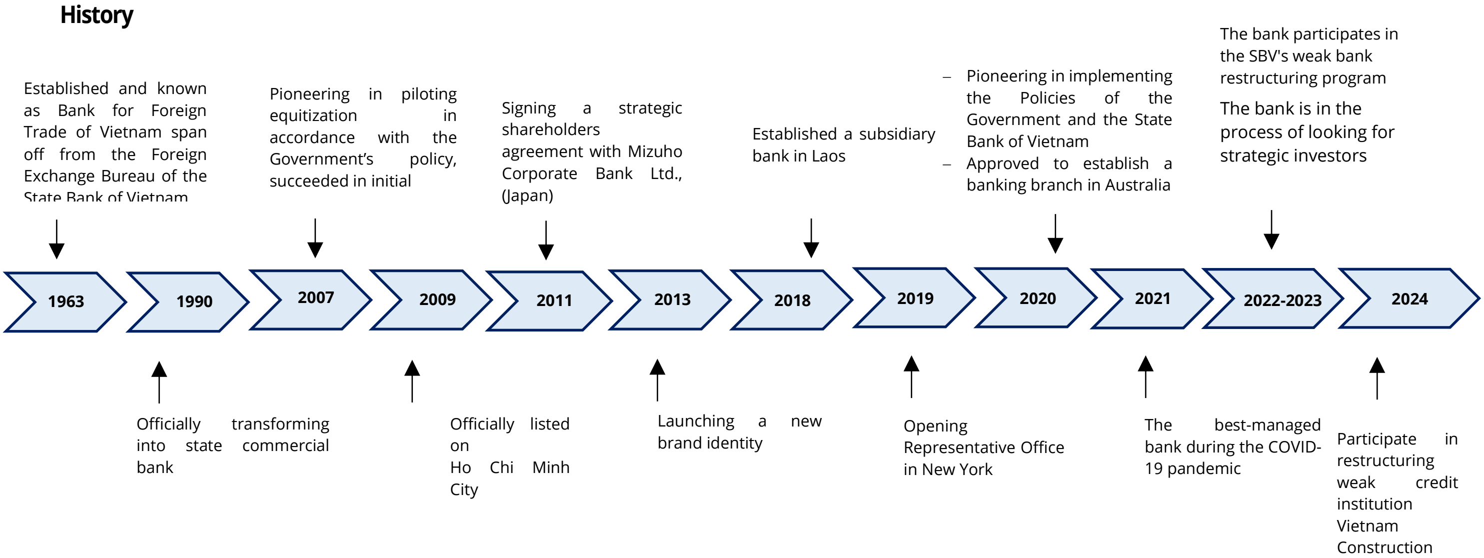
Valuation Summary

Method	Weight	Target price (VND)
Residual income	40%	**69,251**
P/B target (2.7x)	60%	**86,896**
Target price (VND)	**79,838**	

Source: Shinhan Securities Vietnam

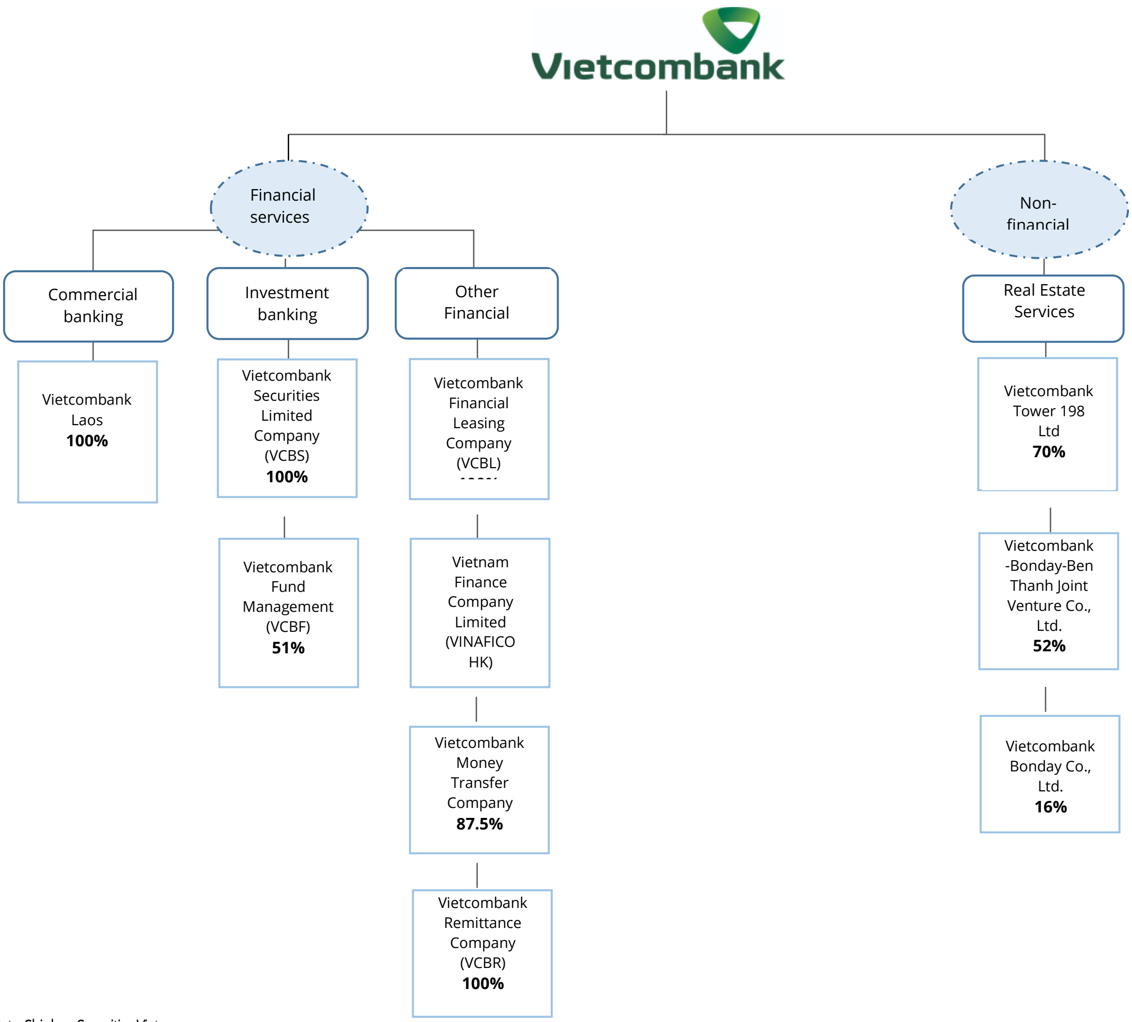
Business overview

History



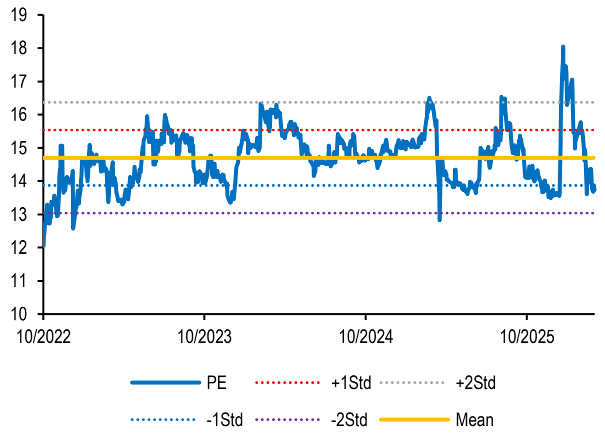
Subsidiaries

Vietcombank owns many subsidiaries operaitng in financial and non-financial services, including:



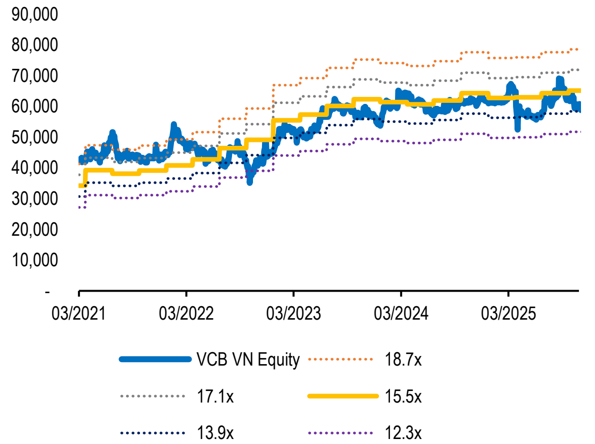
Source: Company data, Shinhan Securities Vietnam

PER of VCB



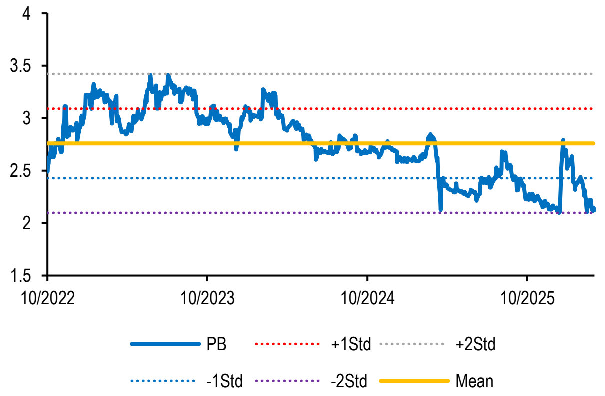
Source: Bloomberg, Company data, Shinhan Securities Vietnam

PER band of VCB



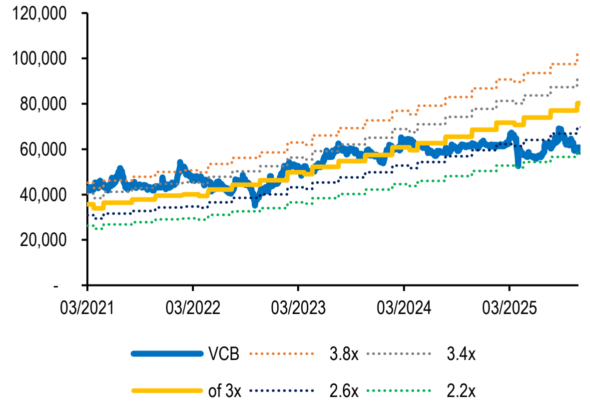
Source: Bloomberg, Company data, Shinhan Securities Vietnam

PBR of VCB



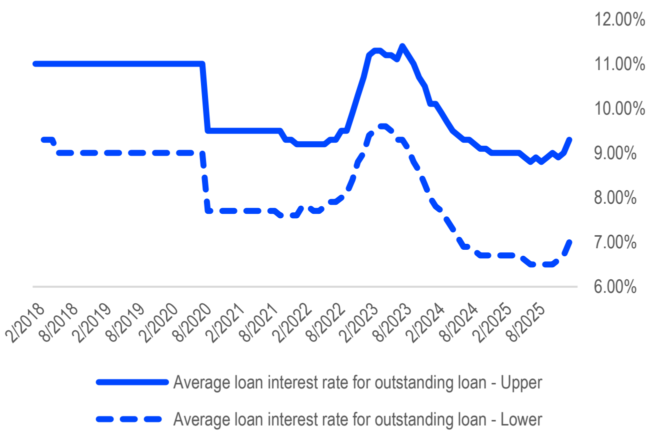
Source: Bloomberg, Company data, Shinhan Securities Vietnam

PBR band of VCB



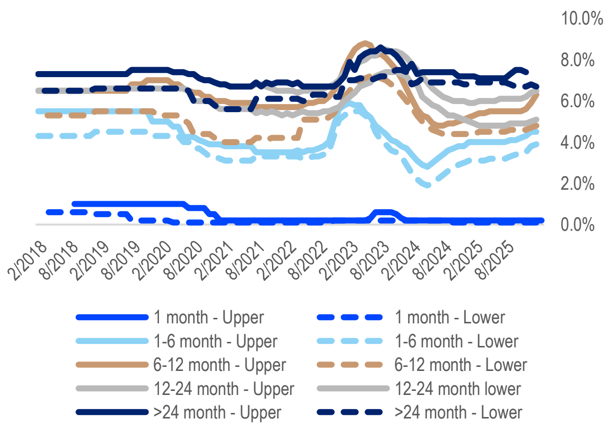
Source: Bloomberg, Company data, Shinhan Securities Vietnam

Average loan rate in Vietnam



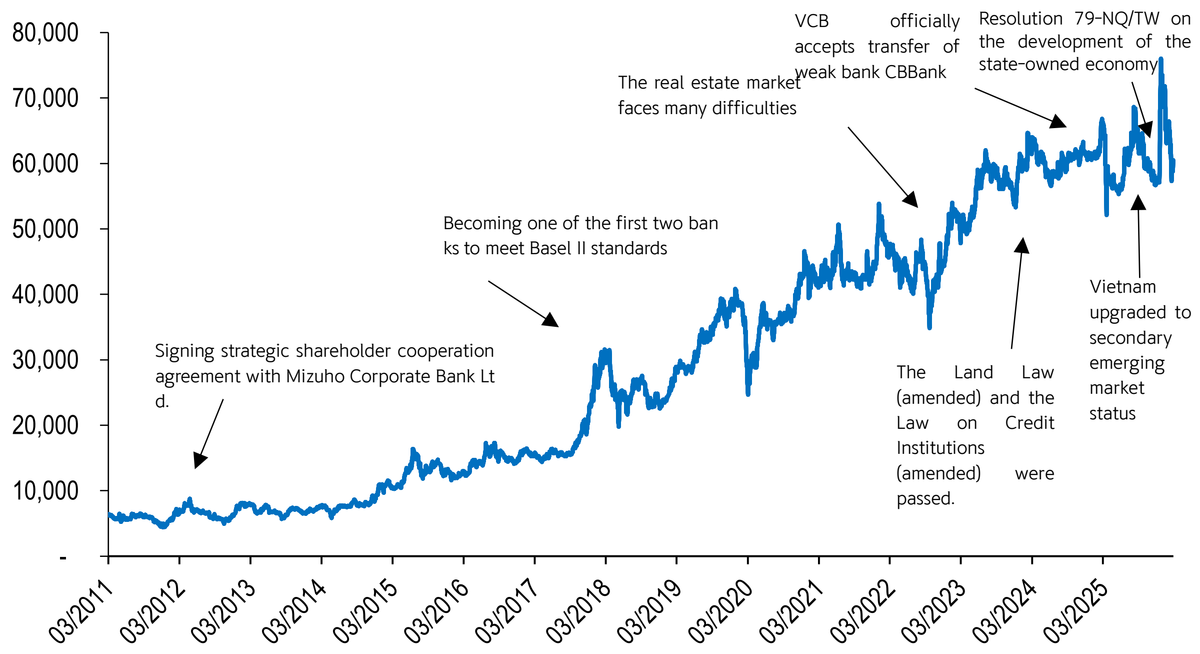
Source: SBV, Shinhan Securities Vietnam

Average deposit rate in Vietnam



Source: SBV, Shinhan Securities Vietnam

VCB important events



Source: Bloomberg, Company Data, Shinhan Securities Vietnam

Appendix: Financial statements

Balance sheet

Year (bn VND)	2022	2023	2024	2025	2026F
Total assets	**1,814,188**	**1,839,223**	**2,085,397**	**2,441,929**	**2,847,091**
Cash and precious metals	18,349	14,505	14,268	15,543	18,732
Balances with the SBV	92,558	58,105	49,340	37,446	56,197
Placements with and loans to other credit institutions	313,592	335,616	389,296	521,939	645,663
Trading securities	1,500	2,495	4,576	11,479	11,479
Derivatives and other financial assets	157	-	1,314	375	375
Loans and advances to customers	1,120,287	1,241,675	1,418,037	1,648,557	1,891,053
Debts purchase	-	-	-	-	-
Investment securities	196,171	145,780	167,383	162,104	175,143
Long-term investments	2,194	2,225	2,228	2,261	2,239
Fixed assets	7,985	7,708	8,093	8,233	8,137
Investment properties	-	-	-	-	-
Other assets	61,397	31,114	30,862	33,993	38,072
Total liabilities	**1,676,200**	**1,670,680**	**1,886,441**	**2,214,393**	**2,578,174**
Due to Gov and Loans from SBV	67,315	1,671	78,237	160,128	168,135
Deposits and Loans from other credit institutions	232,511	213,842	234,653	321,159	468,817
Deposits from customers	1,243,468	1,395,695	1,514,665	1,672,534	1,873,238
Derivatives, Funds received from Gov, international and other institutions	3	118	1	-	-
Convertible bonds/CDs and other	25,338	19,913	24,125	27,101	31,166
Other liabilities	107,564	39,442	34,760	33,471	36,818
Shareholder's equity	**137,988**	**168,543**	**198,956**	**227,536**	**268,916**
Capital	53,130	61,696	61,696	89,362	98,298
Reserves	18,133	22,562	27,453	36,993	43,059
Retained earnings	67,500	85,174	110,679	102,028	127,464
Minority interest	88	94	96	72	95
Total liabilities and equity	**1,814,188**	**1,839,223**	**2,085,397**	**2,441,929**	**2,847,091**

Income statement

Year (bn)	2022	2023	2024	2025	2026F
Interest and Similar Income	88,113	108,122	93,655	105,119	128,802
Interest and Similar Expenses	(34,866)	(54,501)	(38,249)	(46,445)	(59,960)
Net Interest Income	**53,246**	**53,621**	**55,406**	**58,674**	**68,842**
Net Fee and Commission Income	6,839	5,780	5,137	3,470	5,397
From foreign currency and gold	5,768	5,660	5,292	6,165	8,096
From trading of trading securities	(115)	124	62	171	-
From disposal of investment securities	82	-	3	4	-
Net Fee and Commission Income	2,054	2,272	2,372	3,592	5,113
Dividends income	208	266	307	282	337
Total non-interest income	**14,836**	**14,103**	**13,173**	**13,683**	**18,944**
Total operating income	**68,083**	**67,723**	**68,578**	**72,358**	**87,786**
General and Admin expenses	(21,251)	(21,915)	(23,027)	(25,152)	(27,668)
Operating Profit Before Provision (PPOP)	46,832	45,809	45,551	47,205	60,118
Provision for credit losses	(9,464)	(4,565)	(3,315)	(3,185)	(9,541)
Profit before tax	**37,368**	**41,244**	**42,236**	**44,020**	**50,577**
Corporate income tax	(7,449)	(8,169)	(8,383)	(8,822)	(10,115)
Net profit after tax	**29,919**	**33,054**	**33,853**	**35,198**	**40,462**
Attributable to parent company	29,899	33,033	33,831	35,178	40,438

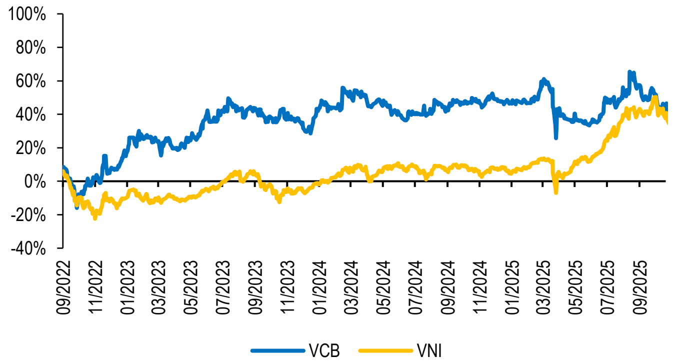
Financial indicators

Year	2022	2023	2024	2025	2026F
Growth (% YoY)					
Loans to customers	19.18	10.94	14.08	15.48	15.00
Deposits from customers	9.53	12.24	8.52	10.42	12.00
Shareholders' equity	26.46	22.14	18.04	14.36	18.19
Total assets	28.24	1.38	13.38	17.10	16.59
Net interest income	25.58	0.70	3.33	5.90	17.33
Net non-interest income	3.58	(4.95)	(6.59)	3.88	38.45
PPOP	19.62	(2.19)	(0.56)	3.63	27.36
Net profit before tax	36.44	10.37	2.41	4.22	14.90
Net profit after tax	36.37	10.48	2.42	3.97	14.95
Profitability (%)					
NIM	3.43	3.05	2.94	2.64	2.64
ROA	1.9	1.8	1.7	1.6	1.5
ROE	24.2	21.6	18.4	16.5	16.3
Liquidity (%)					
Pure LDR	92.09	91.02	95.68	100.06	102.74
Asset quality					
Leverage (x)	13.15	10.91	10.48	10.73	10.59
NPL ratio (%)	0.68	0.98	0.96	0.58	0.80
LLR ratio (%)	316.86	230.30	223.31	258.84	217.59
Reverse/total credit (%)	214.33	224.00	213.82	148.53	173.40
Credit costs/total loans (%)	0.90	0.38	0.24	0.20	0.53
Credit costs/total credit (%)	0.89	0.37	0.24	0.20	0.49
Per share items (VND)					
EPS	6,322	5,914	6,057	4,213	4,842
BPS	29,158	30,156	35,597	27,231	32,184
PPOP/Share	9,896	8,196	8,150	5,649	7,195

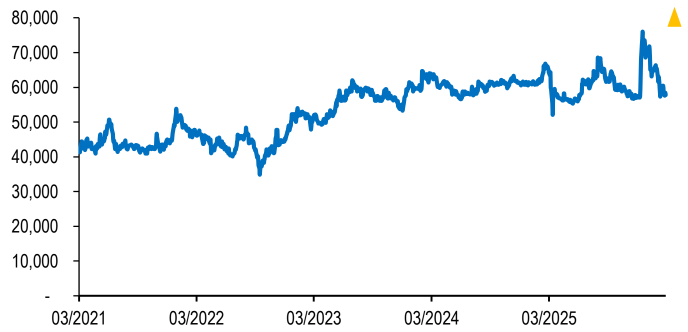
Source: Company data, Shinhan Securities Vietnam

Vietnam Technological and Commercial Joint Stock Bank (VCB VN)

Price performance



Target price (VND)



Date (dd/mm/yyyy)	Recommendation	Target price (VND)	Range of price (%) Average	Max/Min
03/11/2022 (Initial)	BUY	49,394	9.7	-9.9/28.8
07/03/2023 (Update)	HOLD	53,586	25.02	3.0/58.9
07/11/2023 (Update)	BUY	71,926	40.02	15/80.6
07/11/2024 (Update)	BUY	73,199	21.19	8.9/36.6
03/11/2025 (Update)	BUY	72,000	11.94	-2.8/31.9
03/26/2026 (Update)	BUY	79,800	11.94	-2.8/31.9

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

Shinhan Securities Vietnam

Stock	Industry
◆ **BUY:** Upside potential in 12 months more than 15% ◆ **HOLD:** Upside potential in 12 months from -15% to 15% ◆ **SELL:** Upside potential in 12 months more than -15%	◆ **POSITIVE:** Based on market cap, largest share of sector stocks under coverage is rated BUY ◆ **NEUTRAL:** Based on market cap, largest share of sector stocks under coverage is rated HOLD ◆ **NEGATIVE:** Based on market cap, largest share of sector stocks under coverage is rated SELL

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Shinhan Investment Network

SEOUL

Shinhan Securities Co., Ltd
Shinhan Investment Tower
23-2, Youido-dong, Yongdungpo-gu,
Seoul, Korea 150-712
Tel : (82-2) 3772-2700, 2702
Fax : (82-2) 6671-7573

NEW YORK

Shinhan Investment America Inc.
1325 Avenue of the Americas Suite 702,
New York, NY 10019
Tel : (1-212) 397-4000
Fax : (1-212) 397-0032

Hong Kong

Shinhan Investment Asia Ltd.
Unit 7705 A, Level 77
International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong
Tel : (852) 3713-5333
Fax : (852) 3713-5300

Indonesia

PT Shinhan Sekuritas Indonesia
30th Floor, IFC 2, Jl. Jend. Sudirman Kav.
22-23, Jakarta, Indonesia
Tel : (62-21) 5140-1133
Fax : (62-21) 5140-1599

Shanghai

Shinhan Investment Corp.
Shanghai Representative Office
Room 104, Huaneng Union Mansion No.958,
Luijiazui Ring Road, PuDong, Shanghai, China
Tel : (86-21) 6888-9135/6
Fax : (86-21) 6888-9139

Ho Chi Minh

Shinhan Securities Vietnam Co., Ltd.
18th Floor, The Mett Tower, 15 Tran Bach Dang, An Khanh Ward,
Ho Chi Minh City, Vietnam
Tel : (84-8) 6299-8000
Fax : (84-8) 6299-4232

Ha Noi

Shinhan Securities Vietnam Co., Ltd.
Hanoi Branch
2nd Floor, Leadvisors Building, No. 41A Ly Thai To,
Ly Thai To Ward, Hoan Kiem District, Hanoi, Vietnam.
Tel : (84-8) 6299-8000