

Techcombank (TCB)

Proactive expansion, Trend capture

- Positive earnings growth in 3Q25
- Diversified non-interest incomes throughout the subsidiaries
- Strong earnings growth in 4Q25F from a low base

Facts: Positive earnings growth in 3Q25

- 3Q25 PBT continued to improve quarterly + 4.4%qoq and +14.4%yoy to VND8,250bn, thanks to strong growth of operating incomes (+21.2%yoy/11.8%qoq). 3Q25 earnings results are relatively in line with KIS's estimate. The cumulative number, 9M25 PBT, rose by +2.4%yoy to VND23,385bn, completing 74% of the 2025 guidance and 76% of KIS's estimate.
- 3Q25 Net interest income rose by +11.2%yoy to VND9,925bn thanks to strong credit growth of 17.9% or 22.1%yoy, higher than the industry of 13.37%YTD. The credit growth was driven by both corporate (+22%YTD) and retail (+20%YTD), while corporate loans declined by -25.5%YTD. Mortgages, margin lending, and unsecured lending drove retail growth. Real estate, FMCG, and utilities constituted the primary drivers of corporate loans.
- 3Q25 NIM quarterly remained 3.89%, despite NIM being 40bps lower than in 3Q24. 3Q25 cost of funds and asset yields relatively remained stable. CASA ratio improved from 36.4% in 2Q25 to 38.4% in 3Q25.
- 3Q25 Net fee incomes (NFI) breakdown by TCB rose by +17.1%yoy to VND2,912bn from a low base in 3Q24. 9M25 NFI rose slightly by +1.3%yoy to VND8,444bn. This stability was primarily driven by strong growth in IB, Bancassurance, and FX, which successfully offset reduced revenue from LC, cash & settlement, and card activities.
- 3Q25 Operating expenses experienced an increase by +31.0%yoy, corresponding with an increase in total operating incomes (+21.2%yoy). Thereby, CIR rose from 29.2% in 3Q24 to 31.5% in 3Q25 and from 28.3% in 9M24 to 30.1% in 9M25.
- A decrease in non-performing loans: NPLs (3-5 group)/ NPLs (2-5 group) were down from 1.26%/1.85% in 2Q25 to 1.16%/1.76% in 3Q25, resulting from the NPL decline of retail loans (from 2.59% in 2Q25 to 2.37% in 3Q25). Provision risk expenses rose by +35.2%yoy, and LLCR rose from 107% in 2Q25 to 119% in 3Q25

Pros and Cons: Strong earnings growth in 4Q25F from a low base

- Credit growth in 4Q25 could remain robust at the same 4Q24 (21.7%), supported by corporate lending and a recovery in retail loans – particularly mortgages, corporate, and margin lending as the expected real estate market recovery and the vibrant stock market.

12M rating **HOLD**

12M TP *from*

Up/Downside

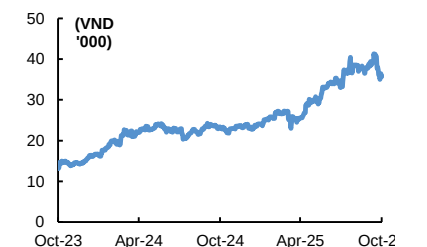
Stock Data

VNIndex (Oct 31, pt)	1,670
Stock price (Oct 31, VND)	35,700
Market cap (USD mn)	9,608
Shares outstanding (mn)	7,086
52-Week high/low (VND)	41,300/21,822
6M avg. daily turnover (USD mn)	30.17
Free float / Foreign ownership (%)	77.4/22.5
Major shareholders (%)	
Masan	14.9
Ho Hung Anh and his family	19.9

Performance

	1M	6M	12M
Absolute (%)	-0.1	0.4	0.5
Relative to VNIndex (%p)	-0.1	0.0	0.2

Stock price trend



Source: Bloomberg

Research Dep

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- Non-interest incomes in 4Q25F could keep double-digit growth from a low base in 4Q24. Operating expenses for 4Q25F could see a significant year-over-year decrease, as the prior year's period (4Q24) included the one-off expenses for the contract termination with Manulife.
- Non-performance loans: TCB's manageable NPL control, demonstrated by a maintained rate in recent years, positions it to maintain NPL in 2025 below 1.5% and credit costs below 1%, per the management.
- Diversified non-interest incomes throughout the subsidiaries: In Oct 2025, the successful TCBS IPO mobilized funding sources for its rapid business expansion. Besides, TCB plans to complete the licensing procedures for gold bar production and considers participation in Vietnam's gold exchange as an attractive opportunity.

Recommendation

We believe that TCB's business could benefit from favourable market conditions, especially the improving real estate and corporate bond markets. TCB's 2H25 earnings could keep the double-digit growth momentum. 2025F NP could grow at 10%yoy to VND24,028bn, per our estimation. We project 2026 earnings to grow 24%yoy, driven by sustained strong credit activities, increasing non interest incomes, and well-controlled operating expenses and NPLs.

We maintain a HOLD rating for TCB with the target price of 36,700 per share, implying a 4% upside.

Table 1. Earnings trend and outlook (VNDbn, %)

	2024				2025				2024	2025F	3Q25	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			QoQ	YoY
Loans to customers and corporate bonds	601,231	633,445	659,503	682,948	711,110	758,798	804,889		682,948	827,050	6.1	22.0
% growth (ytd)	7.1	12.9	17.5	13.6	4.1	11.1	13.2		21.7	21.1		
Loans to customers	559,277	592,083	626,291	631,725	663,693	710,313	766,710		631,725	770,704	7.9	22.4
NPL (3-5 group)	6,317	7,287	8,084	7,101	7,784	8,930	8,916		7,101	8,613	(0.2)	10.3
NPL ratio (% , %p)	1.1	1.2	1.3	1.1	1.2	1.26	1.16		1.12	1.12		
NPL (2-5 group)	12,405	12,142	13,246	11,542	12,976	13,158	13,458		11,542	14,031	2.3	1.6
NPL ratio (% , %p)	2.2	2.1	2.1	1.8	2.0	1.9	1.8		1.8	1.8		
Loan loss coverage (% , %p)	106	101	103	114	112	107	119		114	117		
VAMC	0	-	-	-	0	-	-		-	-	-	-
Deposit from customers and bond	551,817	593,846	621,015	673,815	679,516	717,416	776,829		673,815	749,516	8.3	25.1
Deposit from customers	458,041	481,860	494,954	533,392	531,583	545,079	595,087		533,392	651,753	9.2	20.2
% growth (ytd)	-	5.2	8.9	17.3	(0.3)	2.2	11.6		17.3	16.5		
CASA (%)	40.5	37.4	36.5	37.4	35.1	36.4	38.4		37.4	37.5		
Total assets	885,653	908,307	927,053	978,799	989,216	1,037,645	1,129,570		978,799	1,092,944	8.9	21.8
Total equity	139,246	139,934	145,805	150,460	156,539	166,040	194,828		150,460	177,288	17.3	33.6
Total operating income	12,262	13,420	11,754	9,555	11,611	12,743	14,242		46,990	50,494	11.8	21.2
Net interest income	8,500	9,478	8,929	8,602	8,305	9,137	9,925		35,508	37,577	8.6	11.2
NIM (% , %p)	4.42	4.73	4.29	3.90	3.62	3.85	3.89		4.27	3.85		
Non-interest income	3,762	3,942	2,826	953	3,306	3,606	4,317		11,482	12,917	19.7	52.8
Net commission income	2,716	2,873	2,008	1,039	2,283	2,522	2,825		8,635	9,566	12.0	40.7
Gains on investment securities	1,050	808	395	252	629	663	916		2,505	3,158	38.1	131.8
Other non-interest income	-3	261	423	(338)	394	420	576		343	193	37.1	36.3
Provision for credit losses	1,211	1,644	1,109	118	1,090	1,014	1,499		4,082	4,805	47.9	35.2
Net operating revenue	11,051	11,775	10,645	9,437	10,521	11,729	12,743		42,908	45,689	8.6	19.7
SG&A	3,249	3,949	3,431	4,741	3,285	3,831	4,493		15,370	15,653	17.3	31.0
CIR (%)	26.5	29.4	29.2	49.6	28.3	30.1	31.5		32.7	31.0		
Pre-provision earnings	9,013	9,471	8,323	4,814	8,326	8,912	9,749		31,621	34,841	9.4	17.1
EBT	7,802	7,827	7,214	4,696	7,236	7,899	8,250		27,538	30,035	4.4	14.4
Net profit	6,277	6,270	5,793	3,420	6,014	6,348	6,613		21,760	24,028	4.2	14.2
Controlling-int. NP	6,221	6,193	5,738	3,371	5,948	6,247	6,419		21,523	23,344	2.8	11.9

Source: FiinProX, TCB, KIS Research

■ Company overview

TCB is the leading private bank in Vietnam, operating 300 branches and transaction offices. TCB holds top 1 real estate credit and top 1 bond brokerage market share in the sector. It has three subsidiaries including Techcom securities, Techcom Capital, and Techcombank Asset Management. TCB focuses sectors (Real estate, Construction, Materials, FMCG, Utilities, and financial services). Besides, TCB enhances their scale through the powerful digital experience within the "all-in-one" WINLife ecosystem.

Balance sheet

(VND bn)

	2022A	2023A	2024A	2025F	2026F
Total assets	700,161	850,799	981,319	1,092,944	1,298,253
Gross IEAs	618,882	758,611	927,805	1,052,207	1,251,135
Loans and corp bonds	461,539	561,150	682,948	827,050	1,002,239
Household					
Corporate					
Dep't and loans to Fls	103,156	141,194	142,040	152,295	166,360
Dep't to SBV and G-bond	54,187	56,267	102,817	72,862	82,536
VAMC bond	-	-	-	-	-
NIEAs	87,332	99,473	62,332	51,557	60,720
Others	6,052	7,285	8,817	10,820	13,603
Total liabilities	585,608	717,854	830,859	915,656	1,091,952
Deposits	358,404	454,661	533,392	651,753	796,504
Debentures	34,007	84,703	140,422	97,763	119,476
Dep't and loans from Fls	167,563	153,173	132,239	138,851	145,794
Loans from Gov't and SBV	8	0	12	-	-
Other liabilities	25,626	25,317	24,794	27,289	30,179
Total equities	114,554	132,945	150,460	177,288	206,301
Controlling interests	113,425	131,628	147,940	161,891	190,903
Capital stock	35,172	35,225	70,649	70,862	70,862
Capital surplus	476	476	(0)	(0)	(0)
Other reserves	11,609	45,726	24,785	29,089	33,758
Retained earnings	66,168	50,201	52,507	61,939	86,283
OCI	-	-	-	-	-
Minority interest	1,129	1,317	2,520	15,398	15,398

Key financial data

	2022A	2023A	2024A	2025F	2026F
Profitability and efficiency (%)					
ROE	19.5	14.7	15.4	15.1	16.4
ROA	3.2	2.3	2.4	2.3	2.5
NIM	5.4	4.1	4.3	3.8	4.3
Asset yield	7.9	8.4	7.2	7.0	7.7
Cost of fund	2.8	4.6	3.3	3.7	3.9
Cost-income ratio	32.8	33.1	32.7	31.0	31.0
Credit cost	0.4	0.8	0.7	0.6	0.6
Growth (%)					
Net profit of controlling interest	11.6	(10.7)	19.5	8.5	24.3
Pre-provision earnings	6.2	(2.5)	17.9	10.2	23.6
Credit growth	12.5	21.6	21.7	21.1	21.2
Total assets	22.9	21.5	15.3	11.4	18.8
Asset quality (%)					
NPL ratio	0.7	1.2	1.1	1.1	1.1
NPL coverage ratio	157.3	102.1	113.9	117.5	122.3
Loan to deposit	94.6	89.2	85.5	94.3	95.3
Capital adequacy (%)					
CAR ratio	15.2	14.4	15.3	15.3	14.8
CET1 ratio					
Tier 1 ratio					

Income statement

(VND bn)

	2022A	2023A	2024A	2025F	2026F
Total operating income	40,902	40,061	46,990	50,494	62,424
Net interest income	30,290	27,691	35,508	37,577	48,824
Interest income	44,753	56,708	60,089	68,638	87,066
Interest cost	14,463	29,017	24,581	31,061	38,242
Non-interest income	10,612	12,370	11,482	12,917	13,600
Net commission income	8,252	8,911	8,635	9,566	10,115
Gains on investment securities	192	1,025	2,505	3,158	3,429
Other non-interest income	2,167	2,434	343	193	56
Provision for credit losses	1,936	3,921	4,082	4,805	5,743
Net operating revenue	38,966	36,140	42,908	45,689	56,681
SG&A	13,398	13,252	15,370	15,653	19,351
Employee benefits	n.a	n.a	n.a	n.a	n.a
Pre-provision earnings	27,504	26,809	31,621	34,841	43,073
Earnings before tax	25,568	22,888	27,538	30,035	37,330
Tax	5,131	4,697	5,778	6,007	7,466
Tax rate (%)	20.1	20.5	21.0	20.0	20.0
Continuing operations profit	19,125	17,359	20,622	22,868	28,631
Reversals of written-off loans	1,311	832	1,138	1,160	1,233
Net profit	20,436	18,191	21,760	24,028	29,864
Net profit of controlling interest	20,150	18,004	21,523	23,344	29,013

Valuation

	2022A	2023A	2024A	2025F	2026F
Per share (VND, adj.)					
BPS	16,124	18,684	20,940	22,846	26,940
EPS	2,850	2,541	3,046	3,294	4,094
DPS	-	-	1,500	1,000	-
Valuation (x)					
PB	2.2	1.9	1.7	1.6	1.3
PE	12.5	14.0	11.7	10.8	8.7
P/PPE	9.1	9.4	8.0	7.3	5.9
Dividend yield (%)	-	-	4.2	2.8	-
Dividend payout ratio (%)	-	-	24.6	30.4	-
ROE analysis (%)					
ROE	19.5	14.7	15.4	15.1	16.4
Leverage(x)	6.1	6.4	6.5	6.2	6.3
IEAs to total assets	87.6	88.4	93.7	95.3	95.4
Net income to IEAs	3.3	2.4	2.3	2.2	2.3
Net interest income to IEAs	4.9	3.7	3.8	3.6	3.9
Non-interest income to IEAs	1.7	1.6	1.2	1.2	1.1
Credit cost to IEAs	0.3	0.5	0.4	0.5	0.5
SG&A to IEAs	2.2	1.7	1.7	1.5	1.5

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