

Banking

On target

Neutral

Strong earnings growth in 4Q25

- Aggregated 4Q25 PBT (27 listed banks) surged +19.2% yoy and +11.3% qoq. This strong performance was driven by 1) robust credit growth, 2) recovery of service activities, 3) strong growth from other incomes, and 4) controllable operating expenses. As a result, 2025 PBT rose by +18.9% yoy, completing approximately 104% of the 2025 guidance.
- Banks with the highest year-on-year PBT growth in 4Q25 include BID (+43.2%) among state-owned commercial banks (SOCBs); TCB (+94.9%), MBB (+37.5%), and VPB (+66.3%) among large private banks; HDB (+60.0%), LPB (+39.0%), and TPB (+47.6%) among medium private banks; as well as various small private banks.

Skewed credit growth in 4Q25

- Total credit disbursement grew +19.01%YTD in 4Q25, higher than +15.09%YTD in 4Q24, driven by growth momentum from corporate loans and a gradual recovery in retail loans.
- Higher credit growth occurred in only a few banks with 6 out of 27 banks, including VCB (15.3% in 4Q25 vs 13.9% in 4Q24), MBB (36.7% in 4Q25 vs 24.8% in 4Q24), STB (14.8% in 4Q25 vs 11.0% in 4Q24), VPB (35.1% in 4Q25 vs 18.2% in 4Q24), BAB (14.1% in 4Q25 to 9.2% in 4Q24), and ABB (21.2% in 4Q25 vs 0.7% in 4Q24).
- 4Q25 NIM (27 banks) declined by +8.42bps for quarter-over-quarter and -25.7bps for year-over-year to 3.19%. An increase in asset yields was compensated by a higher cost of funds. Compared to the same period, the majority of banks (18/27) experienced a decrease in 4Q25 NIM.
- CASA ratio remained 22% in 2024 and 2025. Banks (14/27 year over year and 19/27 quarter over quarter) reported a higher CASA ratio. Leaders: MBB (from 36.8% in 3Q25 to 37.6% in 4Q25), TCB (from 38.4% in 3Q25 to 35.9% in 4Q25), VCB (from 34.0% in 3Q25 to 34.2% in 4Q25), and MSB (from 27.3% in 3Q25 to 28.9% in 4Q25).

Strong growth in non-interest incomes

- 4Q25 non-interest incomes recorded double-digit growth by +17.2%yoy/42.7%qoq, driven by segments: service fees and other incomes. Regarding service incomes, large private banks such as TCB, MBB, VPB, SHB, and HDB and other smaller private bank experienced more impressive results than others.
- Some banks have strong non-interest income growth in 4Q25: TCB (+321%yoy), STB (+78%yoy), VPB (+27%yoy), SHB (+77%yoy), HDB (+106%yoy), LPB (+108%yoy), NAB (+221%yoy), OCB (+128%yoy), and other small banks.

Research Dep

Researchdept@kisvn.vn

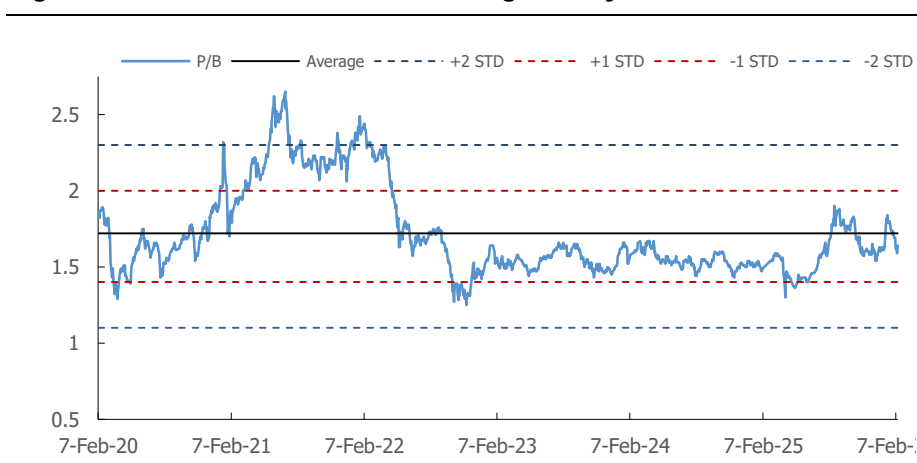
Decreasing non-performing loans

- NPLs were controlled. NPL (3-5 group)/ (2-5 group) (Aggregated 27 banks) declined from 1.9%/3.5% in 4Q24 and 2.0%/3.4% in 3Q25 to 1.9%/3.0% in 4Q25. Leaders with low NPL ratios (3-5 group) differed from 3Q25 to 4Q25: VCB (1.03% to 0.6%), ABB (2.6% to 0.9%), ACB (1.09% to 0.97%), TCB (1.16% to 1.07%), CTG (1.09% to 1.1%).
- The loan loss coverage ratio (LLCR) slightly declined from 84% in 3Q25 to 83% in 4Q25. Top banks with high LLCR changed from 3Q25 to 4Q25: VCB (202% to 259%), CTG (176% to 159%), and TCB (119% to 128%).

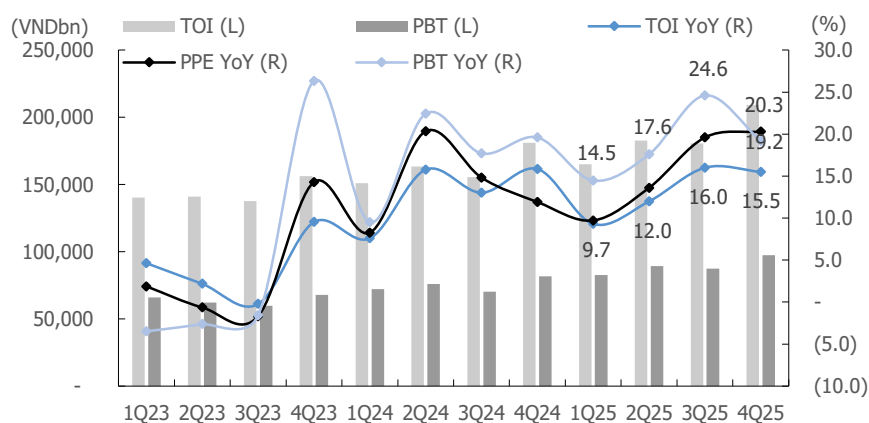
1Q26F: Persistent earnings growth

- We estimate that 1Q26 earnings could reach moderate growth. SBV sets a credit growth target of 15% for the banking system in 2026. However, SBV set a limit on room for commercial banks in 1Q25. 1Q25 NIM and non-performing loans could maintain stability. The SBV continues to support the banking system's liquidity during the high peak season preceding the Tet Holiday. SBV implemented a 50% reduction in the reserve requirement ratio for four banks: VCB, MBB, VPB, and HDB.
- As of Feb 11, 2025, the banking industry's P/B valuation is trading at 1.64x, which is lower than its five-year historical average of 1.72x.

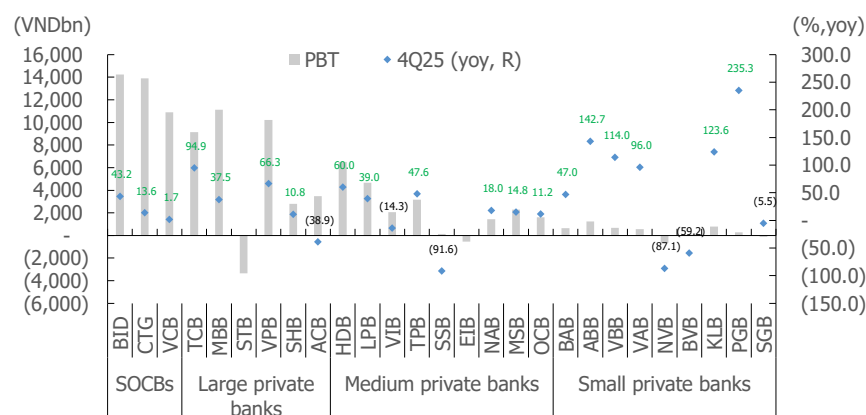
Figure 1. Historical PB data for the banking industry



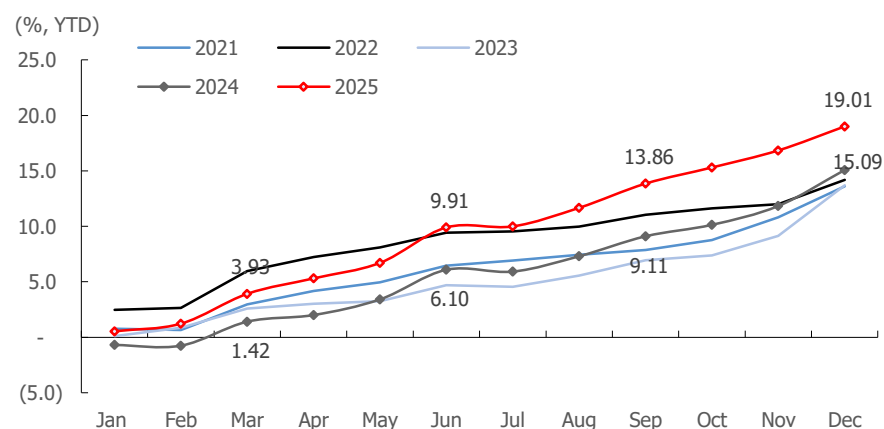
Source: FiinproX, KIS Research

Figure 2. Double-digit growth in aggregated 3Q25 TOI and PBT

Source: FiinproX, KIS Research

Figure 3. 4Q25 earnings divergence: 19/27 banks with positive growth

Source: FiinproX, KIS Research. Note:

Figure 4. Higher credit growth

Source: SBV, KIS Research

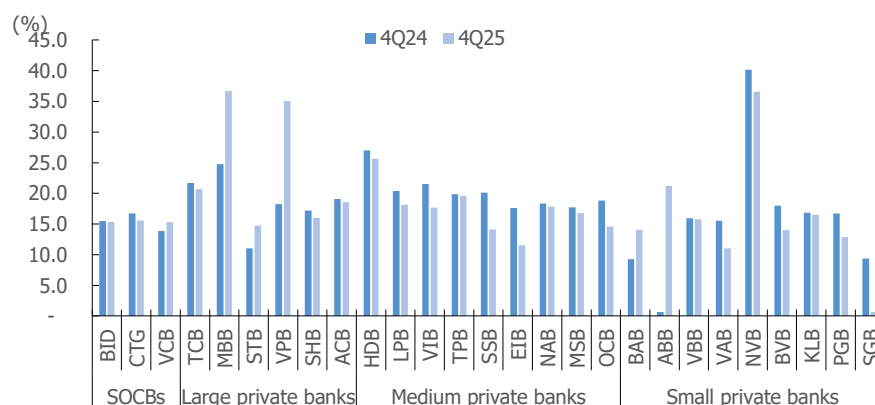
A surge in 4Q25 earnings growth.

Some banks with impressive performance: BID, TCB, MBB, VPB, HDB, LPB, TPB, and several smaller banks.

Credit disbursement in 4Q25 reached the highest level in recent years.

Figure 5. Higher credit growth is concentrated in a few banks

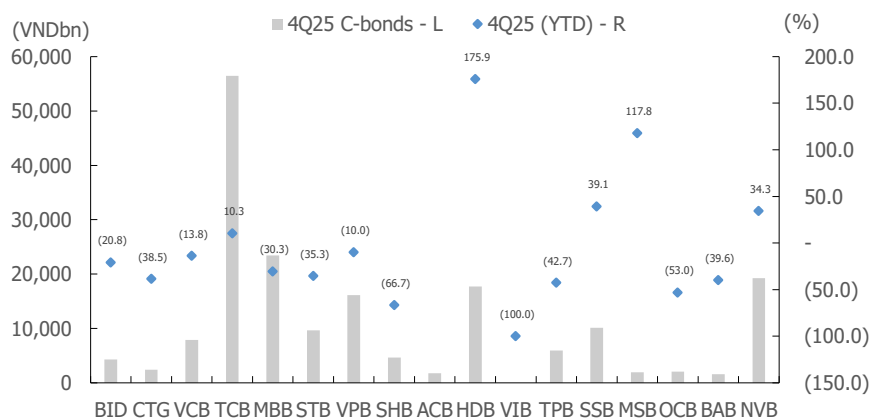
6/27 banks with higher credit growth.



Source: FiinproX, KIS Research

Figure 6. Banks continues to reduce outstanding balance

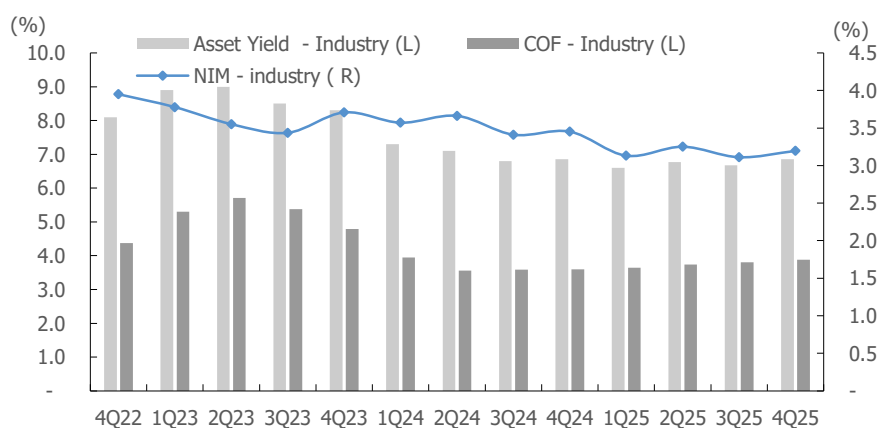
Almost all banks reduced their corporate bond holdings. Exceptions included TCB, HDB, SSB, MSB, and NVB.



Source: FiinproX, KIS Research

Figure 7. Industry's 4Q25 NIM

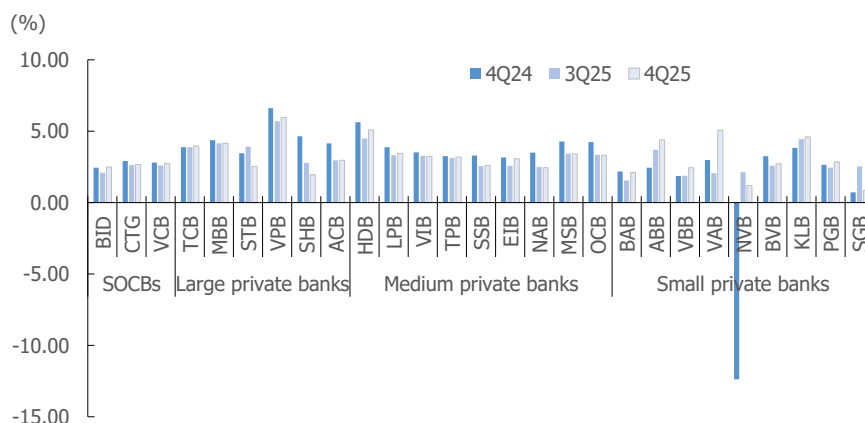
The industry's 4Q25 net interest margin improved quarter-over-quarter.



Source: FiinproX, KIS Research

Figure 8. the industry's 4Q25 NIM

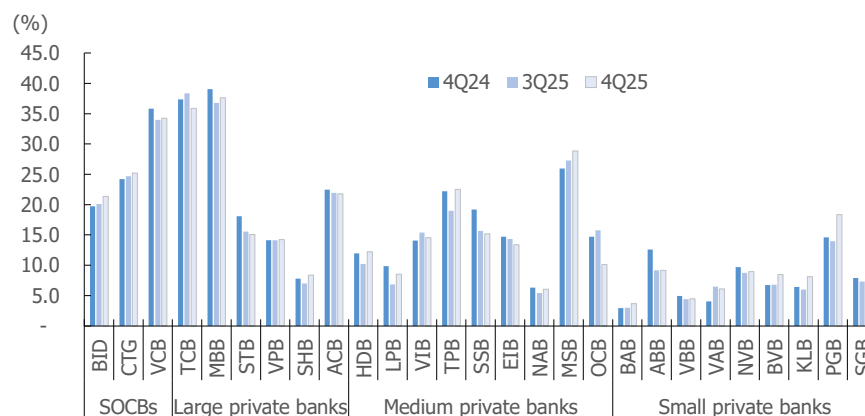
17/27 Banks improve quarterly NIM in 4Q25.



Source: FiinproX, KIS Research

Figure 9. CASA ratios

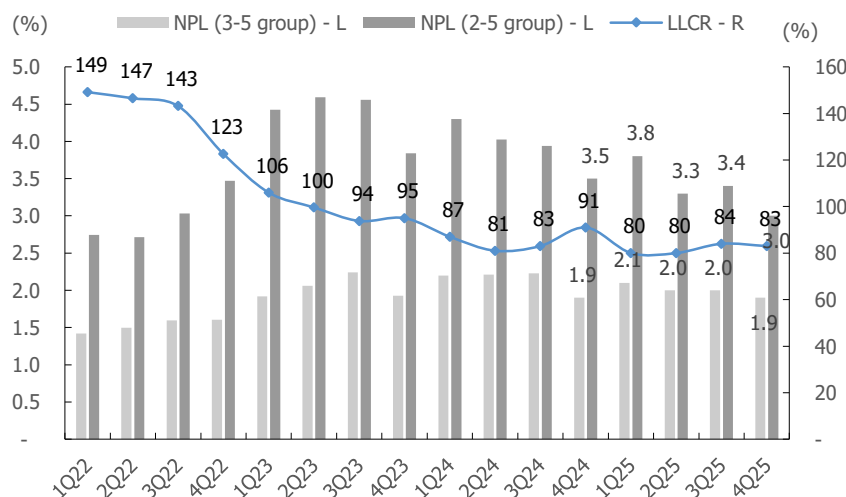
19/27 banks experienced a quarterly improvement in the CASA ratio.



Source: FiinproX, KIS Research

Figure 10. Controlled non-performing loans (27 banks)

In 4Q25, decreasing non-performing loans and maintaining LLCR at 83%.

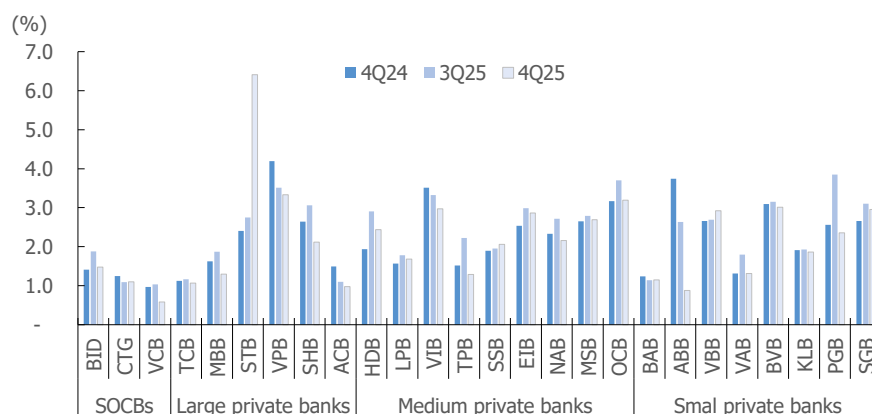


Source: FiinproX, KIS Research. Note: current loan: group 1, Special mentioned loan: group 2, Substandard loan: group 3, doubtful loan: group 4, estimated loss loan: group 5.

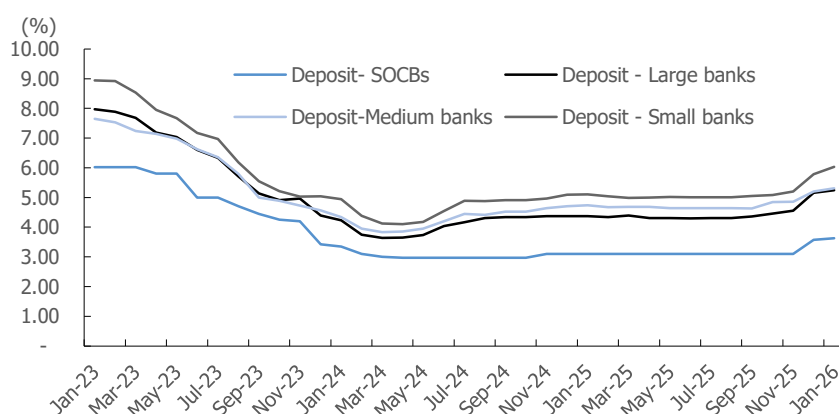
Figure 11. NPL (3-5 group)/ total loans

Leaders with low ratios included VCB, ABB, ACB, TCB, and CTG.

15/27 banks with decreasing NPL ratios year-over-year.



Source: FiinproX, KIS Research, Note: current loan: group 1, Special mentioned loan: group 2, Substandard loan: group 3, doubtful loan: group 4, estimated loss loan: group 5.

Figure 12. Deposit rates (6 months) remain stable

Source: Banks, SBV, KIS Research

A slight increase in deposit rates.

■ **Guide to KIS Vietnam Securities Corp. stock ratings based on 12-month forward performance**

- BUY: Expected total return will be 15% or more
- Hold: Expected total return will be between -5% and 15%
- Sell: Expected total return will be -5% or less
- KIS Vietnam Securities Corp. does not offer target prices for stocks with Hold or Sell ratings.

■ **Guide to KIS Vietnam Securities Corp. sector ratings for the next 12 months**

- Overweight: Recommend increasing the sector's weighting in the portfolio compared to its respective weighting in the VNIndex based on market capitalization.
- Neutral: Recommend maintaining the sector's weighting in the portfolio in line with its respective weighting in the VNIndex based on market capitalization.
- Underweight: Recommend reducing the sector's weighting in the portfolio compared to its respective weighting in the VNIndex based on market capitalization.

■ **Analyst Certification**

I/We, as the research analyst/analysts who prepared this report, do hereby certify that the views expressed in this research report accurately reflect my/our personal views about the subject securities and issuers discussed in this report. I/We do hereby also certify that no part of my/our compensation was, is, or will be directly or indirectly related to the specific recommendations or views contained in this research report.

■ **Important compliance notice**

As of the end of the month immediately preceding the date of publication of the research report or the public appearance (or the end of the second most recent month if the publication date is less than 10 calendar days after the end of the most recent month), KIS Vietnam Securities Corp. or its affiliates does not own 1% or more of any class of common equity securities of the companies mentioned in this report.

There is no actual, material conflict of interest of the research analyst or KIS Vietnam Securities Corp. or its affiliates known at the time of publication of the research report or at the time of the public appearance.

KIS Vietnam Securities Corp. or its affiliates has not managed or co-managed a public offering of securities for the companies mentioned in this report in the past 12 months;

KIS Vietnam Securities Corp. or its affiliates has not received compensation for investment banking services from the companies mentioned in this report in the past 12 months; KIS Vietnam Securities Corp. or its affiliates does not expect to receive or intend to seek compensation for investment banking services from the companies mentioned in this report in the next 3 months.

KIS Vietnam Securities Corp. or its affiliates was not making a market in securities of the companies mentioned in this report at the time that the research report was published.

KIS Vietnam Securities Corp. does not own over 1% of shares of the companies mentioned in this report as of 20 Jul 2020.

KIS Vietnam Securities Corp. has not provided this report to various third parties.

Neither the analyst/analysts who prepared this report nor their associates own any shares of the company/companies mentioned in this report as of 19 May 2023.

KIS Vietnam Securities Corp. has not issued CW with underlying stocks and is not the liquidity provider.

Prepared by: KIS RESEARCH research

Global Disclaimer

■ General

This research report and marketing materials for Vietnamese securities are originally prepared and issued by the Research Center of KIS Vietnam Securities Corp., an organization licensed with the State Securities Commission of Vietnam. The analyst(s) who participated in preparing and issuing this research report and marketing materials is/are licensed and regulated by the State Securities Commission of Vietnam in Vietnam only. This report and marketing materials are copyrighted and may not be copied, redistributed, forwarded or altered in any way without the consent of KIS Vietnam Securities Corp..

This research report and marketing materials are for information purposes only. They are not and should not be construed as an offer or solicitation of an offer to purchase or sell any securities or other financial instruments or to participate in any trading strategy. This research report and marketing materials do not provide individually tailored investment advice. This research report and marketing materials do not take into account individual investor circumstances, objectives or needs, and are not intended as recommendations of particular securities, financial instruments or strategies to any particular investor. The securities and other financial instruments discussed in this research report and marketing materials may not be suitable for all investors. The recipient of this research report and marketing materials must make their own independent decisions regarding any securities or financial instruments mentioned herein and investors should seek the advice of a financial adviser. KIS Vietnam Securities Corp. does not undertake that investors will obtain any profits, nor will it share with investors any investment profits. KIS Vietnam Securities Corp., its affiliates, or their affiliates and directors, officers, employees or agents of each of them disclaim any and all responsibility or liability whatsoever for any loss (director consequential) or damage arising out of the use of all or any part of this report or its contents or otherwise arising in connection therewith. Information and opinions contained herein are subject to change without notice and may differ or be contrary to opinions expressed by other business areas or KIS Vietnam Securities Corp. The final investment decision is based on the client's judgment, and this research report and marketing materials cannot be used as evidence in any legal dispute related to investment decisions.

■ Country-specific disclaimer

United States: This report is distributed in the U.S. by Korea Investment & Securities America, Inc., a member of FINRA/SIPC, and is only intended for major U.S. institutional investors as defined in Rule 15a-6(a)(2) under the U.S. Securities Exchange Act of 1934. All U.S. persons that receive this document by their acceptance thereof represent and warrant that they are a major U.S. institutional investor and have not received this report under any express or implied understanding that they will direct commission income to Korea Investment & Securities, Co., Ltd. or its affiliates. Pursuant to Rule 15a-6(a)(3), any U.S. recipient of this document wishing to effect a transaction in any securities discussed herein should contact and place orders with Korea Investment & Securities America, Inc., which accepts responsibility for the contents of this report in the U.S. The securities described in this report may not have been registered under the U.S. Securities Act of 1933, as amended, and, in such case, may not be offered or sold in the U.S. or to U.S. person absent registration or an applicable exemption from the registration requirement.

United Kingdom: This report is not an invitation nor is it intended to be an inducement to engage in investment activity for the purpose of section 21 of the Financial Services and Markets Act 2000 of the United Kingdom ("FSMA"). To the extent that this report does constitute such an invitation or inducement, it is directed only at (i) persons who are investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) of the United Kingdom (the "Financial Promotion Order"); (ii) persons who fall within Articles 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Financial Promotion Order; and (iii) any other persons to whom this report can, for the purposes of section 21 of FSMA, otherwise lawfully be made (all such persons together being referred to as "relevant persons"). Any investment or investment activity to which this report relates is available only to relevant persons and will be engaged in only with relevant persons. Persons who are not relevant persons must not act or rely on this report.

Hong Kong: This research report and marketing materials may be distributed in Hong Kong to institutional clients by Korea Investment & Securities Asia Limited (KISA), a Hong Kong representative subsidiary of Korea Investment & Securities Co., Ltd., and may not otherwise be distributed to any other party. KISA provides equity sales service to institutional clients in Hong Kong for Korean securities under its sole discretion, and is thus solely responsible for provision of the aforementioned equity selling activities in Hong Kong. All requests by and correspondence with Hong Kong investors involving securities discussed in this report and marketing materials must be effected through KISA, which is registered with The Securities & Futures Commission (SFC) of Hong Kong. Korea Investment & Securities Co., Ltd. is not a registered financial institution under Hong Kong's SFC.

Singapore: This report is provided pursuant to the financial advisory licensing exemption under Regulation 27(1)(e) of the Financial Advisers Regulation of Singapore and accordingly may only be provided to persons in Singapore who are "institutional investors" as defined in Section 4A of the Securities and Futures Act, Chapter 289 of Singapore. This report is intended only for the person to whom Korea Investment & Securities Co., Ltd. has provided this report and such person may not send, forward or transmit in any way this report or any copy of this report to any other person. Please contact Korea Investment & Securities Singapore Pte Ltd in respect of any matters arising from, or in connection with, the analysis or report (Contact Number: 65 6501 5600).

Copyright © 2020 KIS Vietnam Securities Corp. All rights reserved. No part of this report may be reproduced or distributed in any manner without permission of KIS Vietnam Securities Corp.