

VPB VIETNAM PROSPERITY JOINT STOCK
COMMERCIAL BANK

BUY

Market price

28,900



Overview

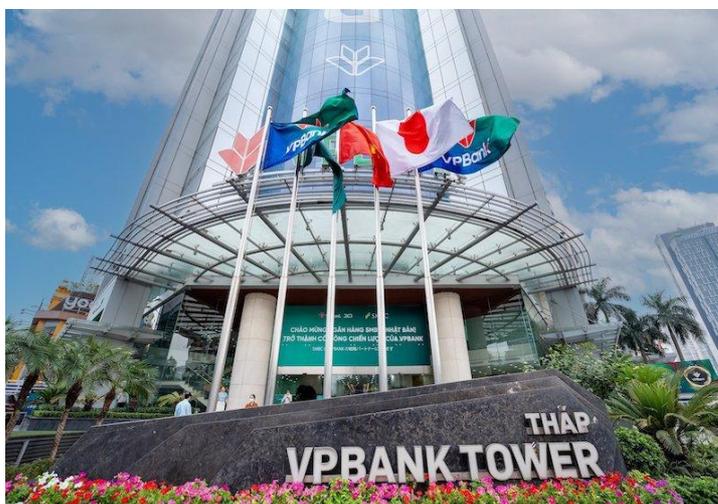
- After more than 30 years of establishment and development, VPBank is known as one of the most financially robust banks in Vietnam, with a high CAR ratio that significantly exceeds capital safety regulations, thereby affirming its strong financial position and creating substantial growth potential for the future.
- VPB stands out in two key areas: strong credit growth and a financial ecosystem including banking, consumer finance (FE Credit), securities (VPBankS), insurance (OPES), transportation services (BE), digital banking (Cake), etc.
- Industry Outlook for 2025: System-wide credit growth is expected to rise sharply, putting pressure on NIM, but asset quality remains generally stable, improving due to macroeconomic conditions and legal support.

Stock info

Code	VPB
Current outstanding shares	7,933mil
Market cap (VNDbn)	228,893.7
High Low 52 weeks	15,500-38,700
Average trading vol (52w)	29,726,353
Beta	1.34
Foreign ownership (%)	24.93

Major shareholders

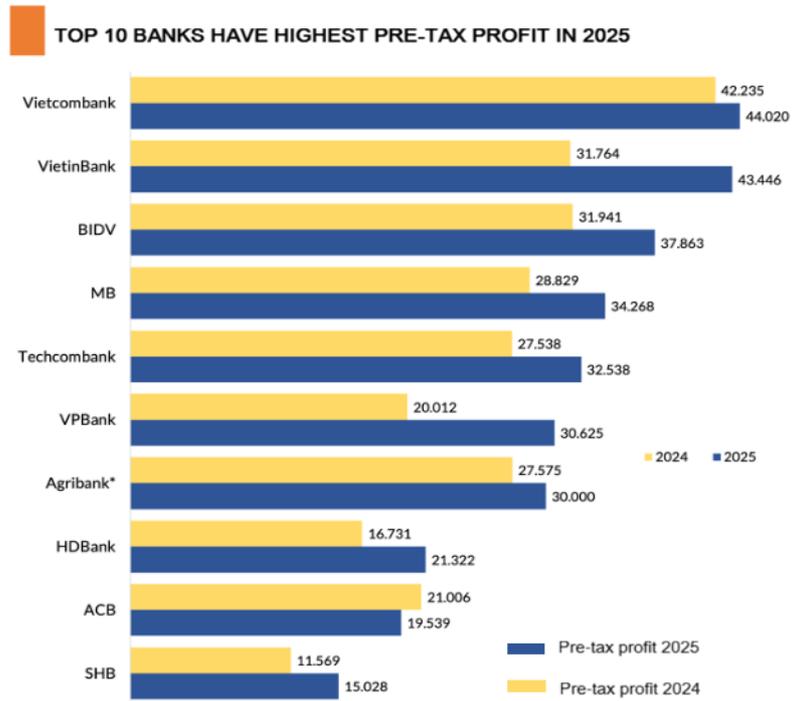
Sumitomo Mitsui Banking Corporation	15.05%
Diera Corp	4.4%
Ngo Chi Dung	4.14%
Hoang Anh Minh	4.12%
Vu Thi Quyen	4.11%



1. Business Results:

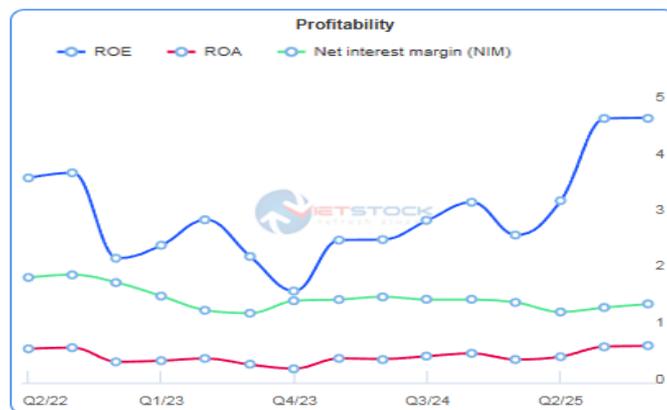
Business Results for Q4/2025 and all 2025:

Q4/2025 Highlights

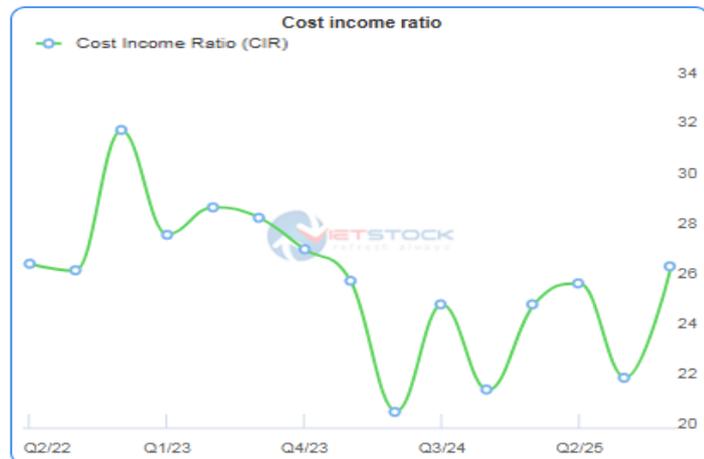


Sources: Financial statements 2025 of banks

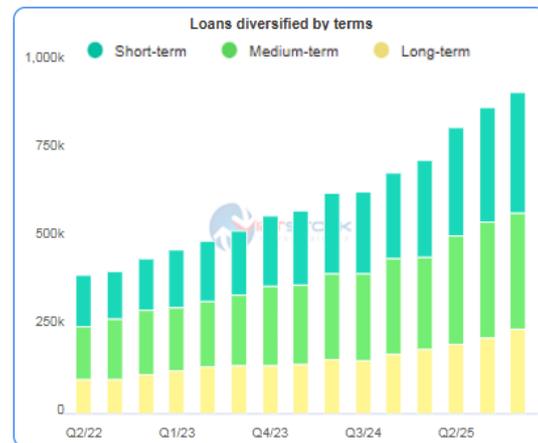
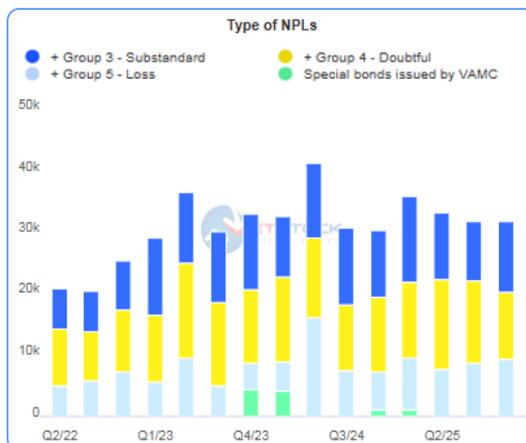
- Pre-tax profit reached 30,625bn (+53% y-o-y), entered the top 10 banks have highest pre-tax profit.
- Net Interest Income (NII): VND 16,767 billion (+11% QoQ, +27% YoY). This marks the highest growth in the past 4 quarters. Total NII for the year reached VND 58,662.8 billion, up 19.5%, continuing to play a central role, accounting for 78.6% of total operating income.
- All profitability ratio improved in keep high level in 4Q2025: Net Interest Margin (NIM) at 1.39% for 4Q2025, ROE at 4.68% and ROA at 0.65%. Especially ROE reached



- Net Fee and Commission Income: VND 2,478 billion (+4% QoQ, +61% YoY). This was the second-highest growth in the past 4 quarters, only behind Q3/2025. For the full year 2025, net fee income reached VND 7,381.7 billion, an increase of 20.5%, showing that the diversification strategy to reduce dependence on credit is yielding results.
- Cost-Income Ratio (CIR): Increased to 26% from 22% in Q3. This marginal increase is still relatively low, reflecting effective cost management.



- Provision: VND 6,262 billion (-4% QoQ, -19% YoY). For the full year, provisioning expenses dropped to VND 25,398.6 billion, 9% lower than 2024. This significant reduction was due to bad debts being recovered, which enhanced the bank's resource base.
- Profit After Tax and Minority Interest (PATMI): VND 7,957 billion (+9% QoQ, +72% YoY), the second-highest growth in the past 4 quarters, following Q3/2025. VPB has maintained high growth (over 70%) for two consecutive quarters. Total PATMI for 2025 reached approximately VND 24,000 billion (+52% YoY).
- Non-Performing Loan (NPL) Ratio: In Q4/2025, the NPL ratio stood at 3.3% (-18bps QoQ, -86bps YoY). By the end of 2025, consolidated NPL under Circular No. 31/2024/TT-NHNN is expected to fall below 3%, with individual NPL around 2%. The Loan Loss Reserve (LLR) coverage ratio is 55.4%, and the Capital Adequacy Ratio (CAR) is 14%. With NPL decreasing, coverage stable, and CAR remaining at the top among banks, these indicators show clear improvements in VPB's capital safety.



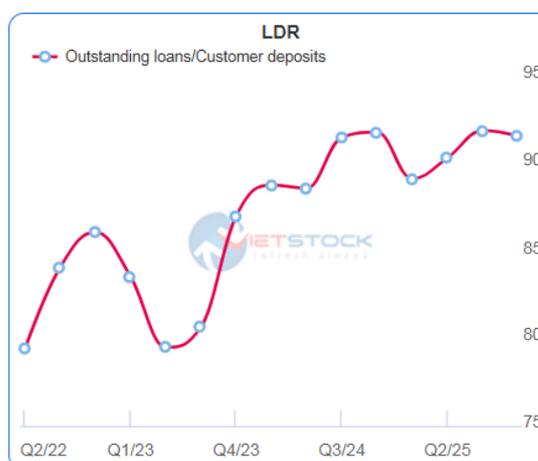
Credit growth & credit structure (Q4/2025):

- Total outstanding loans grew 36% YoY (~1.9 times the industry-wide growth).

Key drivers of credit growth:

- Home loans grew +39% YoY (13.8% of total loans).
- Real estate business loans grew +11% YoY (21.9% of total loans; down as a percentage YoY).
- Strong growth in manufacturing (+43%), hospitality (+169%), and margin loans (+258%).

- Liquidity ratios: Loan-to-Deposit Ratio (LDR) is 81.7% (below the ceiling of 85%), and short-term loans to medium-long term loans are 27.5% (below the ceiling of 30%).



2. Growth Drivers

Credit remains the main driver

- VPB is expected to have significant room for credit growth, as it is part of a group of banks supporting weaker credit institutions, with the industry-wide credit growth forecast at 18-20% in 2026.
- MBB, VPB, HDB can maintain credit growth at 20-30% due to their advantage in credit limits and market expansion.

Non-interest income: The ecosystem is expanding

- Contributions from ecosystem companies to VPB's total profits increased from 11% in 2024 to 18% in 2025, with VPX standing out: pre-tax profits rose +266.9% YoY in 2025, contributing 14.6% to consolidated pre-tax profit.
- Fee growth (especially insurance) and bad debt recovery will provide further support.

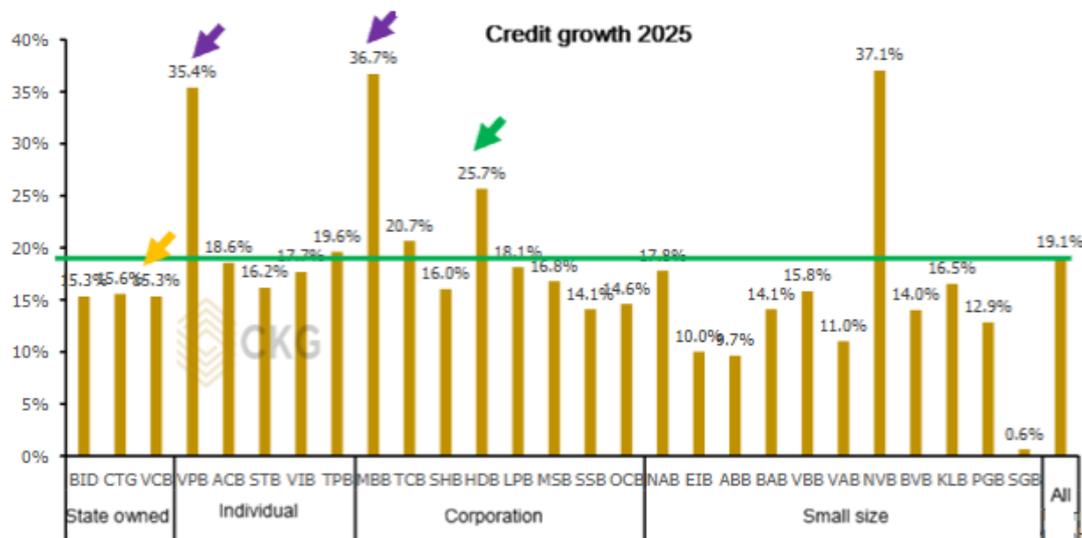
Improved debt recovery due to the legal framework

The significant improvement in bad debt recovery in Q4/2025 is linked to the legalization of Resolution No. 42 (effective from 01/10/2025), which is expected to continue to support debt collection efforts in 2026.

Low required reserves and high foreign room brings opportunities

VCB, VPB, HDB and MBB have special preferences from state bank because they help weak banks to restructure:

- VPB participates in the restructuring of GPBank creates so it has an opportunity to increase the foreign ownership limit to 49% (compared to 30% for other banks), paving the way for strategic partners and funding sources.
- The required reserves is lowered 50% so 50% of current low interest assets (required reserves paid 0.5% for interest rate only) can transfer to high interest rate assets.

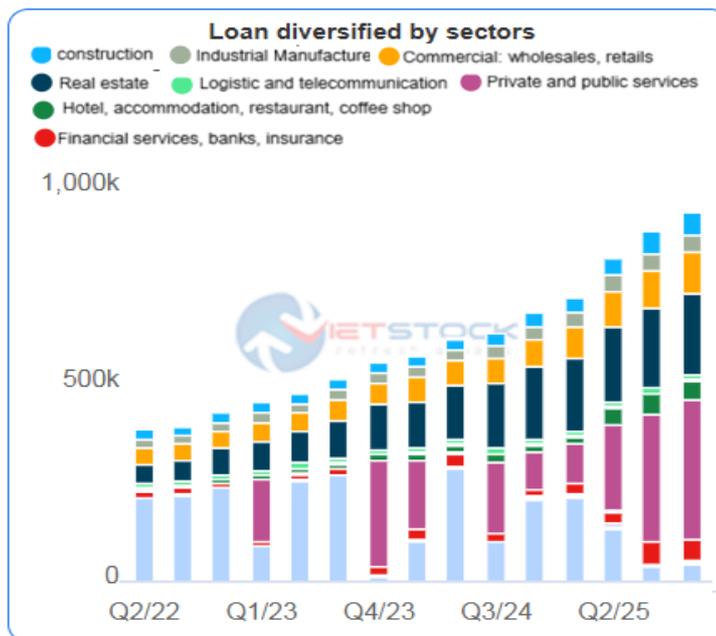


3. Risk of investment

Liquidity/cost of capital risks: The LDR is 127%, implying greater reliance on market funding, which increases the cost of funds (COF) and pressures NIM.

Real estate risks:

- Real estate business loans account for 21.9% of total loans (despite a decrease in proportion YoY).
- According to CBRE, real estate liquidity is showing signs of slowing due to high prices and the concentration of supply in the high-end segment, making it difficult for buyers to access. VPB has a large real estate loan portfolio, which may include construction and related groups. If the real estate market's liquidity worsens, both growth and asset quality could be affected.



Thin provisioning buffer: LLR is around 55.4%, and if NPLs reverse, VPB may need to increase provisioning.

Stock market volatility: VPB benefits from the securities/margin lending segment, but this is a sensitive area when the market turns.

4. Valuation & recommendation

Based on the 2025–2026 outlook, we lean toward a Positive/Selective Buy recommendation:

- Basic case: VND 31,700–34,600.
- Positive case: VND 37,800 if credit growth remains high and debt recovery continues strong.
- Very positive case: VND 42,800 if NIM recovery is clear, the ecosystem accelerates, and real estate is unaffected by negative impacts.

5. Conclusion & outlook

2025 for VPB: Strong profit growth, rapid credit expansion, and reduced NPLs; drivers come from both the core bank and ecosystem, along with debt recovery.

2026 Outlook: Positive outlook if VPB maintains credit growth and continues to manage debt well. However, attention must be paid to cost of funds (COF), liquidity, and the real estate market.

VPB's financial indicators

Indicators	Q1/2025	Q2/2025	Q3/2025	Q4/2025
Profitability ratios (%)				
ROE	2.61	3.21	4.67	4.68
ROA	0.41	0.46	0.64	0.65
Net interest margin (NIM)	1.42	1.25	1.33	1.39
Cost of funding earning assets (COF)	1.12	1.15	1.17	1.26
Cost Income Ratio (CIR)	24.89	25.75	21.99	26.43
Growth rates (%)				
Profit before tax	19.92	38.61	76.72	66.29
Profit after tax for shareholders of the parent company	9.2	36.65	80.63	72.33
Total assets	20.88	27.8	37.19	36.4
Owner's equity	5.79	10.22	12.17	22.41

Source: Vietstock.vn

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