

Vietnam Banking Sector

Task on track



Mirae Asset Securities Vietnam

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Key points

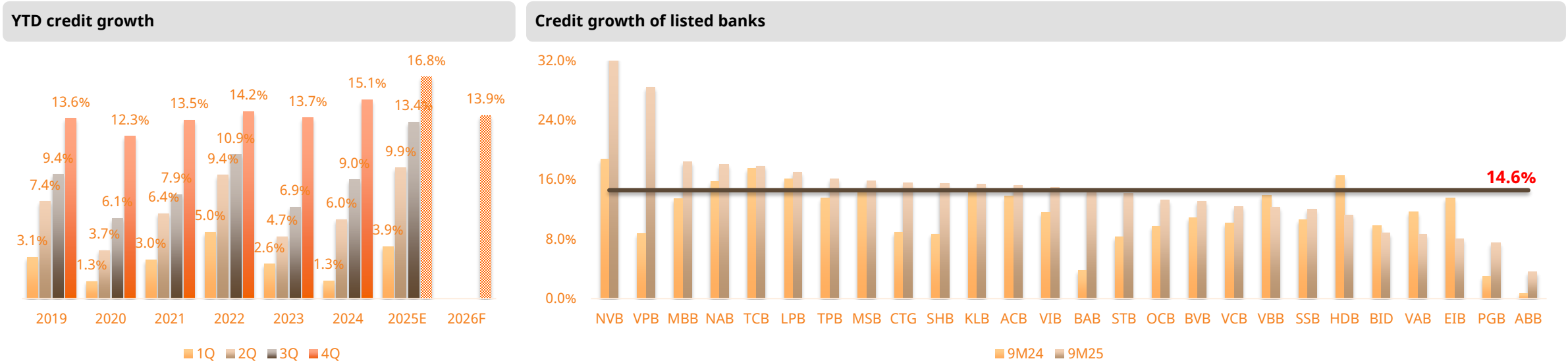


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Credit growth

Within policy bounds

- **Credit expansion showed signs of moderation in 3Q25 as lending approached the annual target.** Total system credit rose 13.4% YTD by end-9M25 (10M25: +15.09%), up 3.5%p QoQ (1Q25: +3.9%p; 2Q25: +6.0%p), nearing the SBV's full-year guidance of 16%. The deceleration was partly seasonal, reflecting subdued corporate and retail loan demand during this period.
- **Listed banks continued to outperform, with aggregate credit growth reaching 14.6% YTD.** Excluding a few outliers, growth dispersion remained limited, indicating a broadly synchronized expansion across the sector. Top-tier lenders have regained growth leadership thanks to stronger balance-sheet resilience and improving macro visibility following tariff-related disruptions. With greater confidence, these banks have expanded exposure to recovering core client segments, notably VPB (+28.5% YTD), MBB (+18.5%), and TCB (+17.9%), while HDB experienced a 4.1%p QoQ contraction to 11.4% YTD, mainly due to loan sales to Vikki. Among state-owned banks, CTG (+15.6%) remained broadly in line with the sector average, whereas VCB (+12.4%) and BID (+8.8%) continued to lag — a pattern consistent with their large balance-sheet sizes and tight liquidity and capital management.
- **The credit growth forecast for FY25 has been revised upward to 16.8% (from 16.0% previously), with a more tempered outlook anticipated for FY26.** Although lending activity typically accelerates toward year-end, momentum is expected to remain moderate, as a significant portion of 9M25 growth came from short-term or non-core segments. Banks are therefore likely to adopt a more selective approach in 4Q25, focusing on meeting SBV's annual targets rather than expanding aggressively. For 2026, credit growth is projected to moderate even as GDP targets point toward double-digit expansion, driven by several factors: 1) Credit growth above 16% is already historically high; 2) While macro indicators remain generally sound — with public debt under 35% of GDP, credit-to-GDP at 134% (elevated but manageable), and CPI around 3.3% in 9M25 — recent SBV communications suggest that the credit quota mechanism will be phased out gradually rather than removed entirely, reflecting a more prudent policy stance. Moreover, the credit room can also be interpreted as an indicative growth mandate, implying that banks are expected to maintain growth at a reasonable pace without excessive deviation from policy targets; and 3) Heightened attention to credit concentration and allocation efficiency continues to shape the policy narrative, as authorities stress the need for credit quality improvements and more sustainable growth drivers beyond monetary easing. Overall, the credit cycle is expected to progress at a measured pace, with emphasis shifting from expansion volume to lending efficiency and structural resilience.

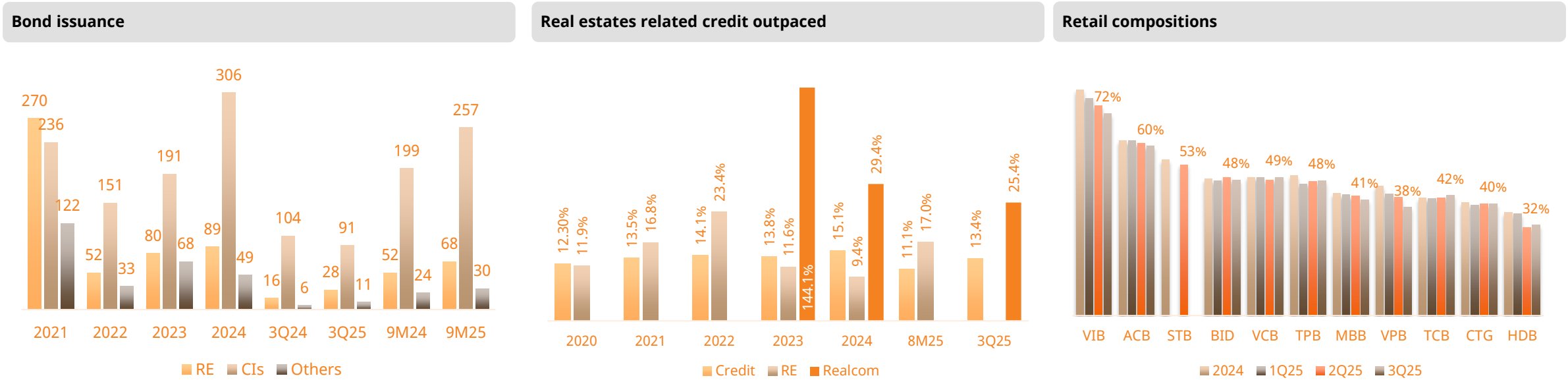


Sources: SBV, GSO, Company data, Mirae Asset Vietnam

Credit growth (cont'd.)

Risk migration

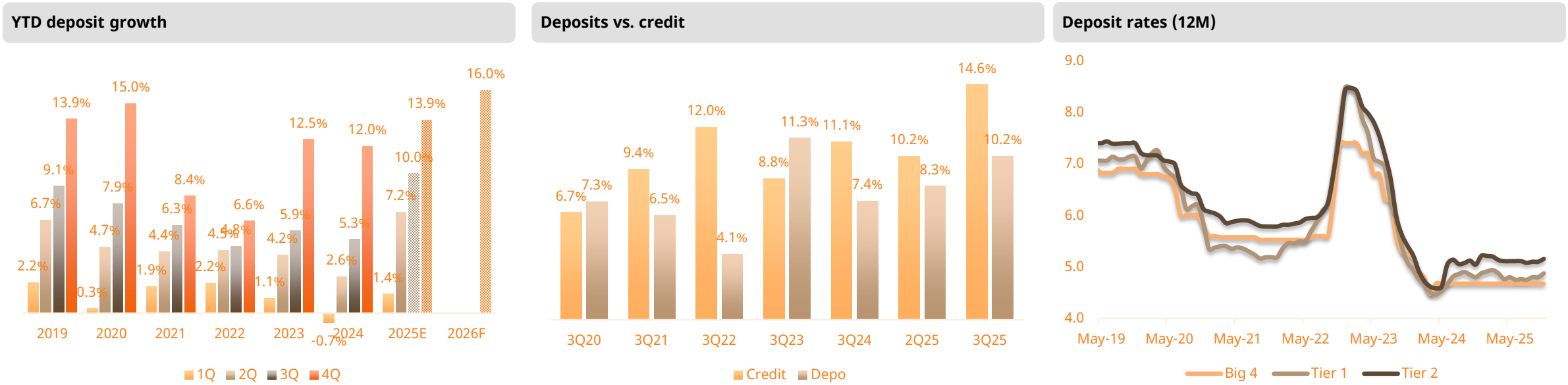
- **While business banking (BB) maintained stronger overall growth, retail banking (RB) showed a broad-based recovery across several lenders in 3Q25.** SOCBs continued to dominate RB portfolio expansion, supported by comparatively attractive lending rates. Conversely, private banks with higher RB exposure saw mild declines, including VIB (-2%p QoQ to 72%) and ACB (-1%p to 60%). Banks with heavier BB bias remained constrained, as business-related real estate loans have yet to transition into end-user mortgages—exemplified by VPB (-4%p QoQ to 38%). TCB stood out with a 24.2% QoQ surge in margin lending—largely classified as retail—which lifted its RB mix by 85bps to 42.5%. HDB also reported a 1%p increase, driven by the offload of selected BB exposures to Vikki Bank.
- **Average lending rates for new disbursements fell further but diverged across banks.** According to the SBV, the average rate for new loans was 6.55%, down 38bps from end-2024, reflecting tighter regulatory oversight and administrative guidance. However, by late 3Q25, rates edged up 5–20bps at several banks versus 2Q25, mainly due to (1) a higher share of medium- to long-term lending (+0.9%p QoQ among listed banks) and (2) rising funding costs. Lending rates are expected to normalize further in 4Q25–early 2026, with top bankers projecting a 50–70bps increase, implying that credit growth could temper somewhat in 2026.
- **Corporate bond issuance fell 19% YoY in 3Q25, driven by a 31% drop among credit institutions, while real estate developers rebounded 36% YoY—still modest versus pre-SCB-crisis levels.** The sharp buildup of real estate-related on-balance-sheet loans has heightened concentration risk within banks. Average corporate bond yields rose 49bps QoQ and 58bps YoY, led by higher bank bond yields, while real estate yields eased slightly, per VBMA. The rise in bank bond yields appeared justified given softer deposit inflows and increased bond supply from CIs. Still, overall real estate issuance since 2022 remains subdued, leaving refinancing and project funding heavily reliant on bank credit. This risk migration to banks has significantly expanded sectoral exposures over the past 2–3 years, amplifying concentration and liquidity risks. Going forward, clearer regulatory frameworks in property and bond markets—together with enhanced transparency, wider credit rating coverage, and more rated issuers (especially developers)—should help restore investor confidence and support a more sustainable rebound from 2026 onward.



Funding growth

Adjusting toward norms

- **Deposits continued to lag credit growth, with the gap widening further, implying that pricing remains misaligned with market dynamics.** As of end-July, total deposits rose 8.75% YTD, down from 9.32% at end-June. The slowdown was primarily driven by business deposits, which decelerated to 4.04% from 5.7%, while retail deposits improved by 77bps MoM to 9.68% YTD. This divergence likely reflects a more conservative stance among corporates amid uncertain business conditions, as firms continue utilizing cash reserves for operations rather than borrowing. In addition, some speculation persists regarding the management of corporate liquidity and potential concerns over bank rate adjustments.
- **Among listed banks, the gap between credit and deposit growth widened from 1.8%p to 4.4%p in 3Q25, suggesting that deposit rates remain insufficiently attractive to capture incremental funding.** Several banks, including VPB (-2.5% QoQ), even recorded negative deposit growth in 3Q25. Rates are expected to experience a sustained upward adjustment rather than a mere seasonal spike, which should enhance deposit mobilization in 4Q25 and 2026. Deposit growth is projected to outpace credit in the coming quarters, by 3.9%p QoQ in 4Q25 (credit growth: +3.4%p QoQ) and 16% in FY26 (credit growth: 13.9% YoY). By early November, many banks had begun raising deposit rates across both short- and long-term tenors—rather than focusing solely on short-term segments as previously—by 10–50bps on record, marking a more deliberate move.
- **Although some of this adjustment reflects seasonal needs to meet year-end credit targets, the persistent lag between deposit and credit growth over the past 2-3 years indicates that deposit pricing remains structurally low.** Compared with pre-COVID conditions, current rates are roughly 200bps lower, and still about 80bps below the levels seen in 2020–early 2022. Average deposit rates are expected to rise by roughly 60–100bps, depending on each bank’s funding profile, to support healthier deposit mobilization and reduce reliance on non-traditional funding sources in the long run. Maintaining an unusually low interest rate environment is no longer necessary, as the most challenging phase of the economic cycle has passed. With policy measures now shifting toward stimulating consumption and pursuing higher growth targets, a gradual uptick in inflation appears inevitable. Accordingly, deposit rates should also edge higher to compensate for the rising risk premium and preserve real returns for savers.

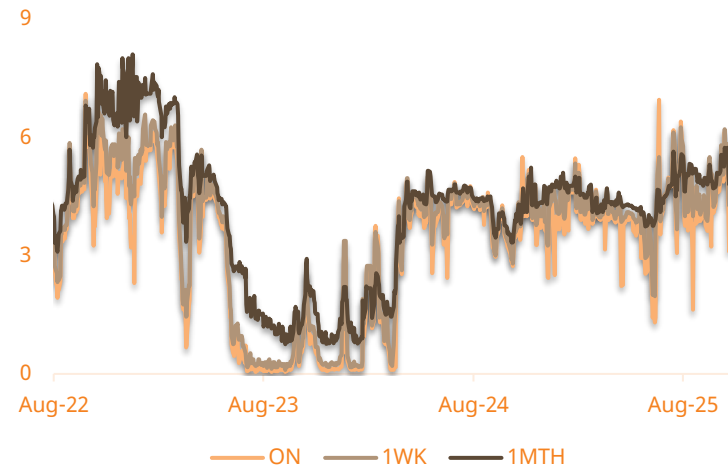


Funding growth (cont'd.)

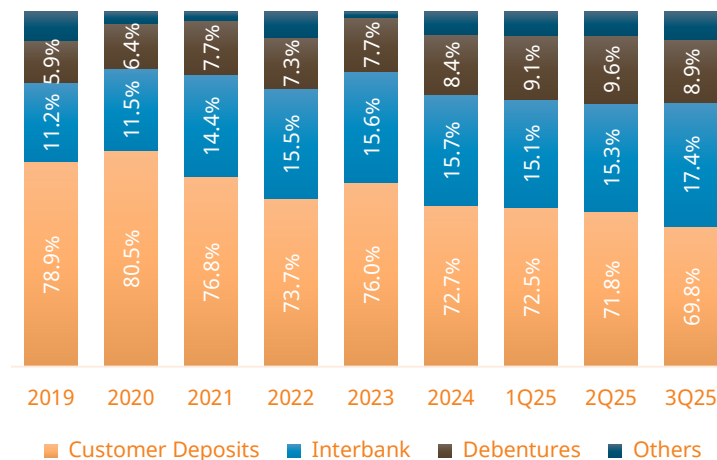
Improvisation

- **Beyond deposit rates—which are directly linked to lending costs—other funding channels have also seen notable rate increases.** As previously discussed, credit institutions' bond yields have risen considerably since the beginning of the year, while interbank rates remained elevated. The share of interbank borrowing surged more than 2%p QoQ to 17.4%, marking its highest level in years. Within this segment, ONs borrowing cost jumped by over 100bps in 9M25, whereas the 1WK and 1MTH tenors rose more moderately by around 67bps and 17bps, respectively. Liquidity conditions appeared increasingly strained in early 4Q25, with the tenors rates up by 257bps YTD, 180bps, and 147bps, respectively. Pressures are expected to ease somewhat as banks raise deposit rates and attract more deposits inflows. Still, it is evident that this short-term and temporary funding channel has become costlier than both deposits and bond issuance for most banks — a clear sign that funding costs rose meaningfully in 3Q25 and are likely to climb further in 4Q25, ultimately passing through, at least in part, to end-borrowers.
- **Exchange rate pressures have moderated significantly, though future stability hinges on whether policymakers allow a more market-based adjustment or continue to uphold a low-rate environment.** Government bond yields have climbed steadily throughout 2025—up roughly 75bps YTD by end-3Q and nearing 90bps by early November—signaling that, despite stable inflation, the market is demanding a higher risk premium for holding VND. On the external front, the Fed's second 25bps cut in late Oct. — with another one likely in Dec. despite sticky inflation — has also helped cool FX pressures in early 4Q25. The dong's depreciation has eased, with the YTD decline narrowing to around 3.2% from nearly 3.7%. Nonetheless, risks remain. Vietnam's foreign-exchange reserves fell below US\$80bn — roughly equivalent to the IMF's recommended 3M of import cover — down sharply from the previous peak above US\$120bn. This limited buffer suggests that, despite rising domestic interest rates, the VND could still face intermittent pressure as reserve accumulation resumes. The free-market USD rate, which has jumped appr. 9% YTD, further highlights persistent FX stress. In response, the SBV has tightened its oversight of unregulated FX trading and moved to dismantle monopolistic structures in the gold market, allowing broader participation by licensed economic and financial entities under joint supervision from the SBV and related parties. These actions are expected to guide investment capital in alternative assets to remain within the formal financial system, thereby supporting liquidity stability and improving overall market discipline. All told, deposits are expected to rebound more strongly in 4Q25 and through 2026. However, this outlook remains contingent upon a more market-driven policy approach. Should authorities persist with a low-rate bias, liquidity relief may depend increasingly on administrative measures — a scenario that could weigh not only on banks' bottom-line trajectory but also on broader credit transmission. Ultimately, policy will have to align more closely with market dynamics to ensure long-term stability and sustainable growth.

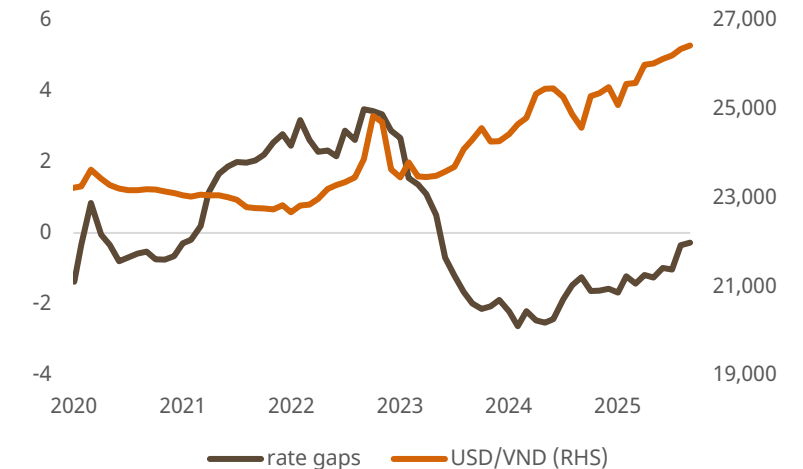
Interbank rates



Funding structure



VND/US\$ exchange rate

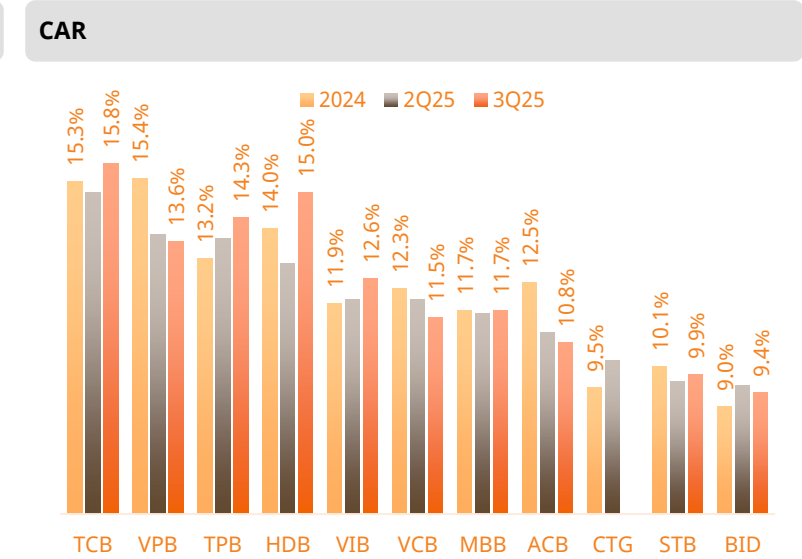
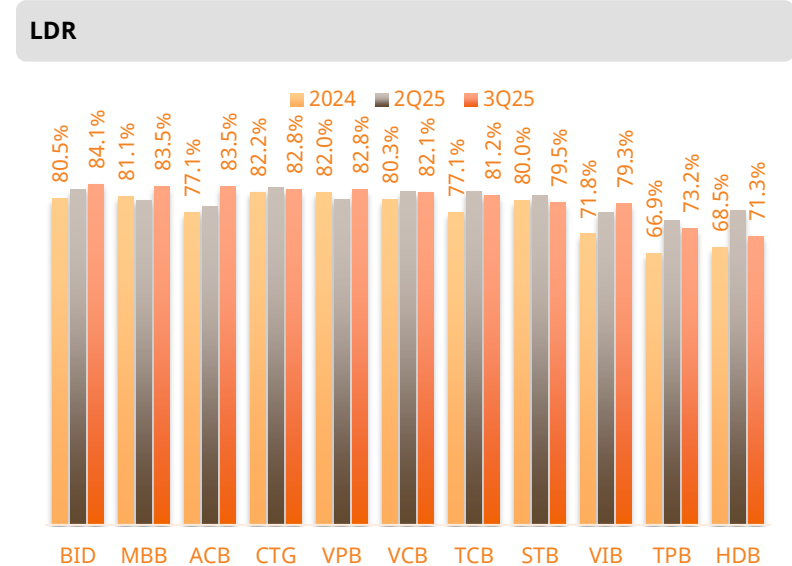
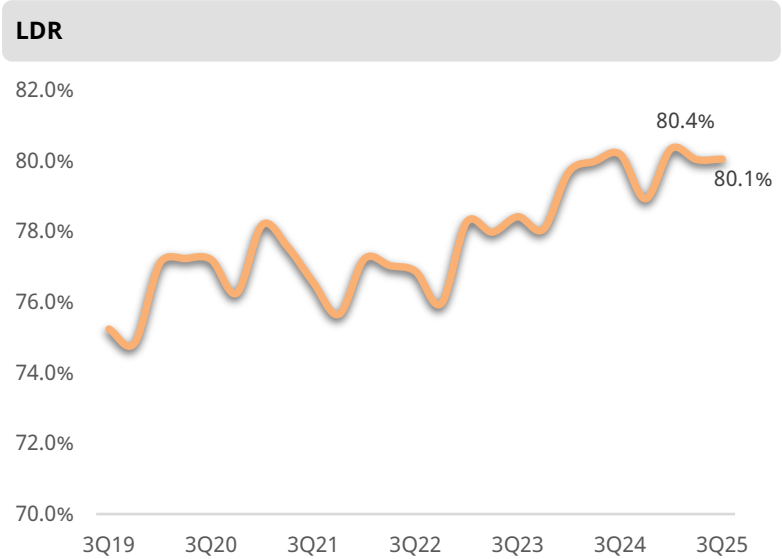


Sources: Bloomberg, FiinPro, Mirae Asset Vietnam

Liquidity

Remains manageable

- **System-wide LDR ratios eased slightly QoQ, although divergence among lenders became less evident as several banks pushed their ratios closer to the regulatory ceiling.** While pure deposit growth lagged behind credit expansion, the increased use of alternative funding sources, particularly certificates of deposit (CDs), helped partially bridge the gap. In addition, some banks benefited from rising government deposits, which, together with SBV’s liquidity support, provided additional relief—especially for SOCBs. The contribution of these sources to total interest-bearing liabilities rose notably at BID (7.6%, +1%p YTD), CTG (6.6%, -0.4%p), and VCB (7.7%, +3.5%p), alongside several second-tier private peers. Despite these offsets, LDRs at major banks have climbed considerably since the start of the year, approaching the ceiling and thereby limiting balance-sheet flexibility. The ratio is expected to improve over the coming quarters as credit growth moderates in 4Q25–2026, while deposit rates are projected to accelerate and strengthen funding momentum.
- **Meanwhile, the sector’s average CAR edged higher in 3Q25, supported by stronger profitability and a gradual slowdown in credit expansion.** Declines were only observed at a few banks such as VPB and ACB, where robust loan growth outpaced the pace at which earnings could be translated into retained equity, temporarily constraining their capital buffers. At the same time, movements in Tier-2 capital also influenced headline CAR levels—TCB, for instance, recorded CAR improvement despite similar QoQ loan growth to ACB, driven by greater issuance of long-term bonds, while its Tier-1 ratio remained broadly stable from 2Q25. For HDB, reduced loan balances and a strategic increase in bond issuance (over five-year tenor) bolstered both liquidity headroom (LDR: 71.3%) and CAR (15%), aligning with the bank’s ambition to sustain credit growth above 20% in the short-to-medium term. At current levels, CAR ratios among private joint-stock banks (PJCBS) are not a major concern, given their ample buffers above the regulatory floor and the absence of any significant hurdles to meeting upcoming capital adequacy adjustments. By contrast, SOCBs are not targeting aggressive growth; instead, their capital position is expected to improve gradually in tandem with capital market development and institutional reforms. Potential solutions include additional capital issuance, adjustments to the state ownership threshold, or channeling recapitalization through a national investment company rather than direct budget injections. Among SOCBs, CARs remain relatively low but still within a safe and compliant range under current requirements. Strengthening capital buffers is not viewed as an immediate priority, as these banks continue to balance positive profitability with the need to anchor lending rates at accommodative levels.



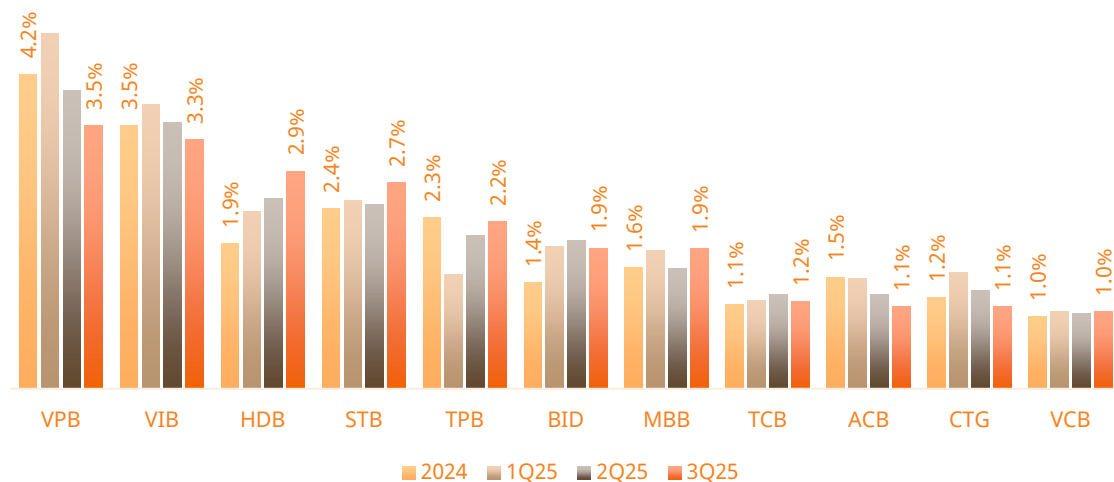
Sources: Company data, FiinPro, Mirae Asset Vietnam
Note: the LDR cap applies only to parent banks, while consolidated figures may reflect higher ratios due to outstanding loans of subsidiaries

Asset quality

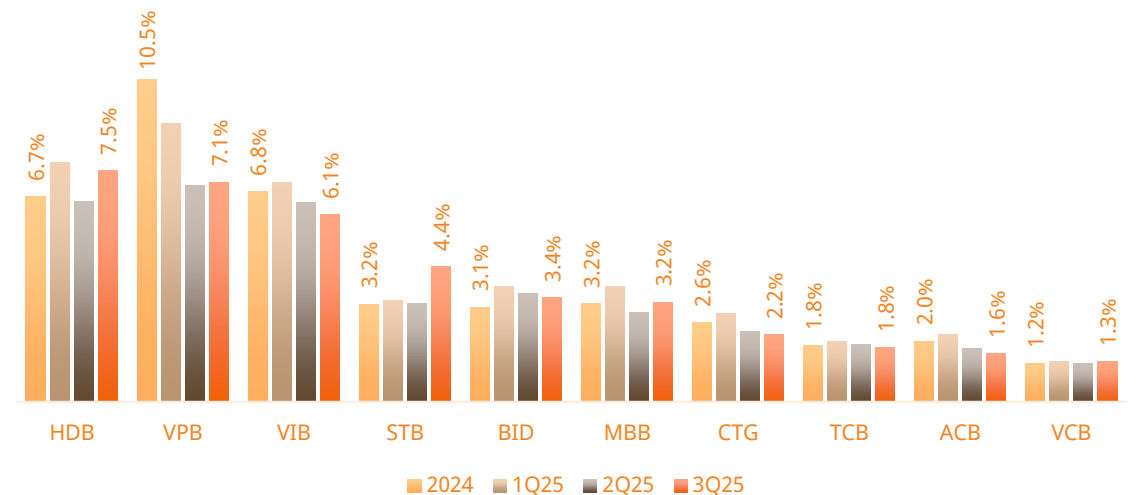
Kept broadly in check

- Substandard loan indicators present a mixed picture, though the underlying movements remain modest, leaving overall asset quality broadly well-contained.** Specifically, the NPL ratio (Groups 3–5) inched down by 4bps QoQ to 2.0% — still slightly above the FY24 average of 1.92%, yet 15bps lower than 1Q25 and 23bps below mid-2024 levels. The gradual improvement continues to be supported by the accommodative interest-rate environment. Within the coverage universe, banks that previously exhibited unusually high NPL readings have accelerated efforts to restore asset-quality metrics toward their respective comfort zones. Although the spread remains wide across institutions, much of it reflects the inherent composition of each loan book rather than any material deterioration in credit risk. Among banks disclosing NPL by customer segment, retail portfolios show further stabilization, while a slight uptick has emerged in the business-loans segment as prior macro turbulence becomes increasingly priced in. This pattern is broadly expected, as household borrowers typically register early stress signals followed by SMEs. In other words, the recent movements appear normal and pose limited concern. The isolated upticks across banks largely reflect bank-specific factors rather than any shift in underlying credit conditions, implying negligible impact on the sector’s overall asset-quality trajectory. Gross NPLs (Groups 2–5) among listed banks rose 8bps QoQ but declined sharply on both a YTD and YoY basis — by 18bps and 57bps, respectively — reaffirming a trend of continued improvement in overall asset quality.
- A stable macro environment is expected to outweigh concerns about upward lending-rate pressures.** Under current policy guidance, banks indicate that any increase in lending rates is likely to remain below deposit-rate adjustments due to ongoing preferential-rate schemes aimed at supporting economic activity. Moreover, banks retain flexibility to calibrate lending rates to levels that balance delinquency risk with margin optimization. Second, with early credit-growth targets already communicated, banks have been accelerating disbursements — primarily into the corporate segment, where NPL ratios remain structurally low and stable. This shift in loan-mix should help anchor short-term asset-quality dynamics. Finally, lending-rate adjustments should be assessed relative to the underlying business outlook rather than purely against recent historical levels. In periods of improving business conditions, moderately higher lending rates typically exert limited pressure on repayment capacity. Taken together, industry-wide NPLs are expected to decline slightly or at least remain broadly in check moving toward 4Q25. Banks within the coverage universe may see marginal increases as they continue to re-weight exposure toward retail banking heading into 2026.

NPL



Gross NPL



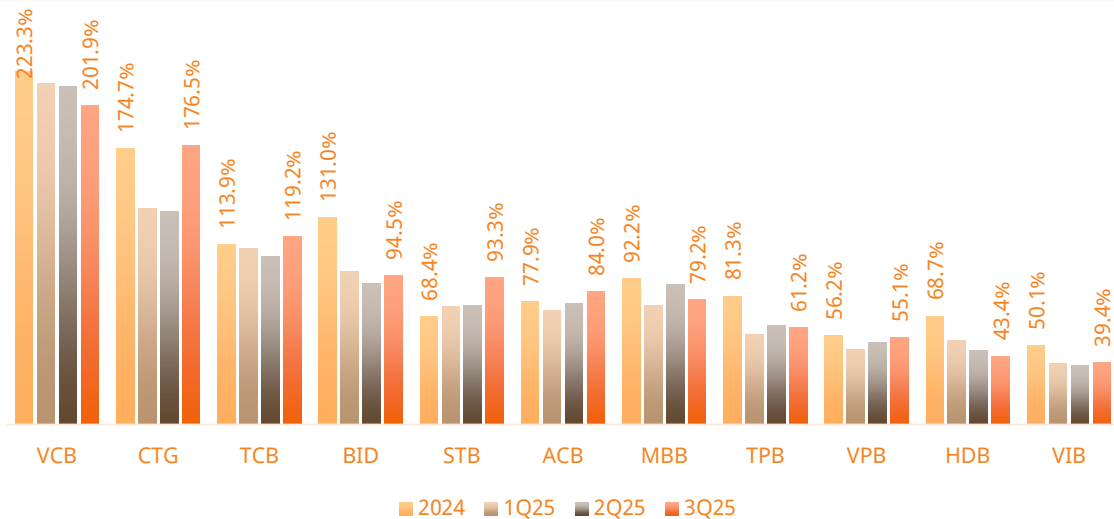
Sources: Company data, Mirae Asset Vietnam

Asset quality (cont'd.)

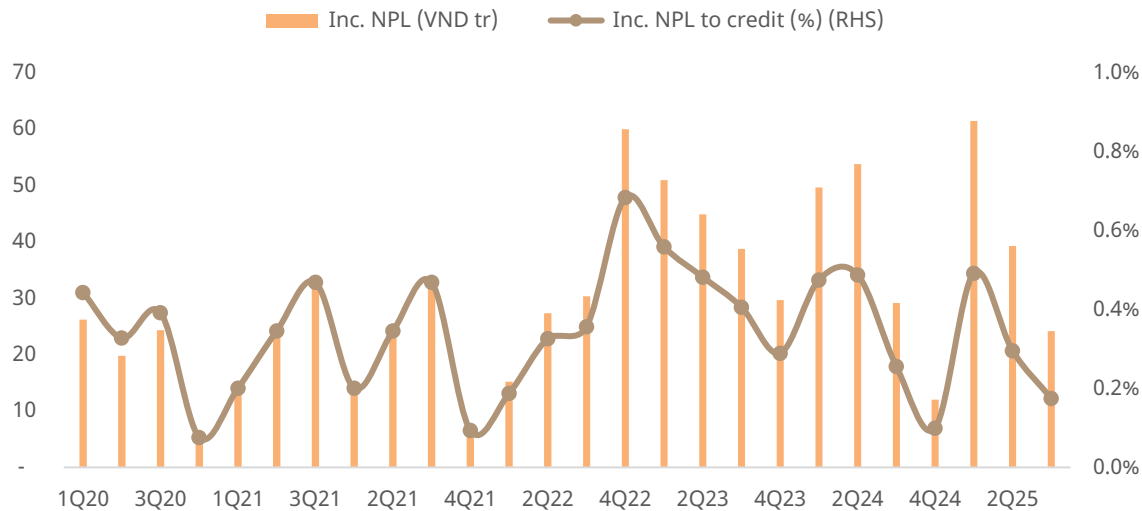
Steady accumulation

- Provision buffers continued to strengthen during the quarter.** Although improvements were not uniform, the broader trend remains clearly positive. The loan loss reserved (LLR) ratio (Groups 3–5) is still down 6.3%p YTD but has already improved by 4.6%p QoQ and 1.3%p YoY. It is uncommon for LLR ratios to rise simultaneously across all banks; however, the data indicate that a larger number of institutions are seeing meaningful recovery, both in breadth and magnitude. Notably, banks that typically maintain high buffers yet under-accumulated during the more challenging period — such as TCB, ACB, and CTG — have rebuilt reserves at a healthier pace, with the trajectory largely dependent on earnings momentum. Buffer reinforcement remains necessary, especially as the rising share of business lending could accelerate the migration of stressed assets more quickly than in a retail-led portfolio.
- New NPL formation also declined further.** Incremental were estimated at appr. VND24tr for 3Q25, down 17.2% QoQ and 60.7% from the peak in 1Q25. Relative to credit, the formation ratio eased to 0.17%, markedly below 0.3% in 2Q25, 0.5% in 1Q25, and the >0.6% levels recorded in late 2022–early 2023 during the monetary-tightening phase. While the ratio is approaching its cyclical low, a sharp rebound also appears unlikely at this stage, as no short-term catalyst suggests an imminent deterioration.
- Despite the lack of clear stress signals, latent risks remain if credit growth becomes increasingly skewed toward specific segments.** The value of newly delayed bond payments in 3Q25 fell to VND 1,668bn (-80% QoQ), with VND 639bn subsequently settled — reaffirming improving repayment behavior. Historical issuance data also show that new supply from real-estate-related issuers has been modest in recent years relative to system-wide credit expansion. At the same time, restructured loans at several banks have fallen to below 0.1% of total credit, posing little systemic concern. However, as noted earlier, exposures tied to real-estate business activities have edged close to 10% of system credit by end-3Q25 (MoC data), while total real-estate lending — including both business and retail — had approached 23% by mid-3Q. This concentration warrants attention, as credit growth remains heavily dependent on real-estate leverage. Should regulators adopt a firmer stance to curb activity in this segment, systemwide credit expansion could face constraints. Elevated exposure to a single sector also increases earnings vulnerability in the event that the sector’s outlook weakens.

Loan loss reserve ratio (LLR)



Quarterly incremental NPL (listed banks)

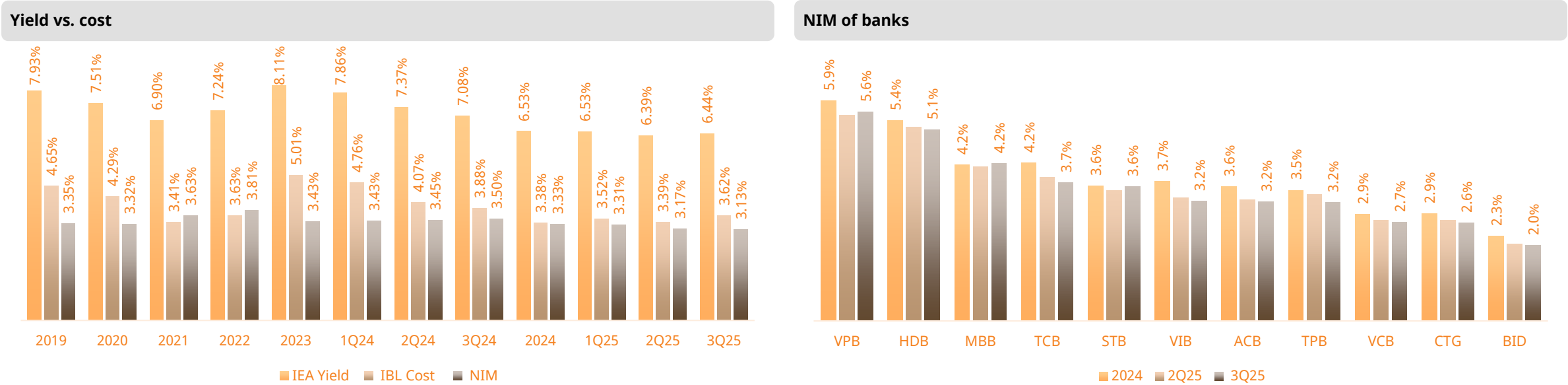


Sources: Company data, Mirae Asset Vietnam

Profitability

Hints of steadiness

- Net interest margins (NIMs) continued to soften across the system, though the rate of contraction has visibly moderated.** In 3Q25, banks' NIM declined only 4bps QoQ to 3.13%, and the cumulative YTD drop of about 20bps. Asset yields have started to edge upward as lending rates gradually reprice, but funding costs rose at a faster clip, largely due to exceptionally high interbank rates and a greater dependence on this costly liquidity channel. This dynamic is regarded as temporary, as the elevated cost of short-term wholesale funding offers limited scope for transmission to standard lending products. Within the coverage universe, several banks began to show initial signs of margin stabilization after an extended period of compression. SOCBs continued to record margin declines given their structural role in anchoring market interest rates. Among PJCBs, banks with meaningful exposure to recovering real-commerce delivered more noticeable improvements—VPB (+9bps QoQ), MBB (similar), and STB (+11bps). For STB, however, part of the expansion likely stems from interest reversals associated with the completed resolution of the Phong Phu IPs NPLs, making it premature to treat the uptick as a sustained trend. The gradual firming of NIM also reflects easing credit competition, particularly as SOCBs have largely reached liquidity and capital thresholds for more aggressive loan growth. This shift has redirected incremental credit demand toward PJCBs, which are currently positioned with stronger repricing leverage. As a result, these banks have greater capacity to defend spreads even as system-wide funding conditions remain tight. Overall, sector NIM is projected to bottom out between 4Q25 and early 1H26, supported by a more balanced loan-deposit dynamic and the normalization of interbank funding costs. Banks within the coverage group are expected to realize NIM gains ranging from 3bps to 20bps through FY26, depending on portfolio mix and funding structure.
- Cost-to-income ratios (CIRs) continued to improve, though the room for additional efficiency gains is narrowing.** Listed banks' aggregate CIR fell to 32.7%, down 0.5p/1%p QoQ/YTD, extending a multiyear decline driven by headcount optimization, automation, and rapid digitalization. This positions Vietnamese banks well ahead of regional peers, where CIRs typically range 40–50%. However, most “easy efficiency gains” have already been realized. Further digital transformation may enhance productivity but requires substantial upfront investment, likely lifting operating expenses in the near term. At the same time, the expected recovery in retail banking—rising loan demand, heavier customer servicing, and increased transaction volumes—will require rebuilding salesforce capacity and strengthening back-office operations. These structural needs suggest that current lean cost levels are not fully sustainable. As a result, CIR is projected to tick up modestly in FY26, reflecting both the lagged cost impact of technology upgrades and the operational requirements of a more active retail banking environment.



Sources: Company data, Mirae Asset Vietnam

Profitability (cont'd.)

Ramping up the run

- Profit momentum strengthened in 3Q25, supported by broad-based improvements across core income drivers.** Pre-tax earnings of LBs rose 24.6% YoY, with all major income streams expanding at double-digit rates: NII (+13%), NSI (+19.4%), and NOI (+37.7%). The recovery in fee income was particularly notable after the transitional impact of revised revenue-recognition policies. On the cost side, operating expenses increased only 9.1% YoY thanks to deeper automation, while benign asset quality kept provisioning growth at 8.7% YoY. Within the coverage universe, profit growth also accelerated to 21.2% YoY in 3Q25, up from +18% in 2Q25. NII rose 11.5% YoY, slightly below the LBs' average due to higher baseline NIMs and the influence of SOCBs, which faced heavier margin pressure. Conversely, NSI grew strongly at 24.9% YoY, supported by revived IB activity and a sharp bancassurance rebound. NOI surged 35.2% YoY, driven mainly by FX trading gains, while fixed-income trading gains softened amid rising yields. Recovery income remained subdued due to a high base and administrative delays linked to provincial consolidation; however, stronger recoveries are expected from 4Q25 as legalizing Res. 42 comes into effect from mid-October. OPEX and provisioning increased at roughly 10.1% YoY. For 9M25, listed banks delivered 18.1% YoY pre-tax profit growth, supported by a 43% YoY surge in non-recurring income, while recurring revenue and costs expanded at more moderate rates. Earnings growth within the coverage group was slightly softer at 16.5% YoY, reflecting weaker NIM performance.
- Banks in the watchlist also recorded stronger profit growth but still lagged initial expectations, prompting a downward revision to FY25 earnings forecasts.** Many bankers remain behind schedule on their annual plans, primarily due to deeper-than-expected NIM compression. Earlier expectations that NIM had bottomed in 2Q25 did not fully play out, as margins continued to edge lower in 3Q25, weighing on NII. Consequently, full-year NII for 11 covered banks has been revised down 6.7%, while improved asset quality allowed a 12.6% cut to provisioning. NSI forecasts were adjusted +9.2%, supported by stronger fee and trading income, while OPEX was revised -3.4%. Overall, the FY25 bottom line was trimmed only ~1%, still implying nearly 13% YoY earnings growth. Looking into 2026, profit growth is expected to improve by 17.9% YoY, led by a 19.2% rebound in NII, underpinned by a stabilization of NIM, which has limited room to compress further as yield-cost spread conditions normalize.

9M25 performance

Tickers	PBT (VNDbn)	PBT (YoY)	PBT vs. Plan	Cre. Gr. (YoY)	Cre. Gr. (YTD)	Cre. Gr. (P)	NII (YoY)	NSI (YoY)	NOI (YoY)	OPEX (YoY)	Prov. (YoY)
ACB	16,072	4.8%	69.9%	20.6%	15.2%	16.0%	-4.4%	-5.0%	88.4%	-0.3%	-5.5%
BID	23,632	7.2%	60.2%	14.5%	8.8%	16.0%	4.1%	1.0%	65.4%	12.2%	18.8%
CTG	29,535	51.4%	N/A	23.8%	15.6%	0.0%	5.2%	-15.3%	18.5%	8.8%	-32.6%
HDB	14,803	17.0%	69.9%	21.3%	11.3%	31.1%	10.3%	227.3%	126.6%	-7.6%	122.4%
MBB	23,139	11.6%	73.0%	30.2%	18.5%	26.0%	23.5%	40.5%	17.3%	14.4%	82.2%
STB	10,988	35.8%	75.5%	13.9%	14.2%	13.9%	15.7%	15.2%	-12.2%	3.6%	-8.1%
TCB	23,385	2.4%	74.2%	22.0%	17.9%	16.4%	1.7%	-5.8%	27.3%	9.2%	-9.1%
TPB	6,048	10.7%	67.2%	22.6%	16.1%	20.0%	-0.7%	19.5%	47.0%	19.3%	-25.1%
VCB	33,133	5.1%	74.7%	16.1%	12.4%	16.3%	2.3%	-38.2%	58.6%	10.8%	-30.2%
VIB	7,046	6.7%	63.9%	25.2%	15.0%	22.2%	-7.4%	14.4%	16.8%	0.1%	-31.4%
VPB	20,396	47.1%	80.7%	39.3%	28.5%	25.0%	16.7%	7.0%	31.4%	20.5%	-5.3%

Sources: Company data, Mirae Asset Vietnam

Key figures

Stock code	Mkt. cap.	EPS LTM	LLR (%)	NPL	NIM	ROE	ROA	Equity multiplier	P/B	P/E
SOCBs										
VCB	503,012	3,726	223.3	1.0	2.7	17.0	1.6	10.9	2.3	14.3
BID	269,620	3,204	130.6	1.4	2.2	17.8	0.9	19.6	1.7	10.2
CTG	259,102	4,720	171.7	1.2	2.7	21.6	1.3	16.2	1.5	7.8
Avg.		3,883.5	175.2	1.2	2.5	18.8	1.3	15.6	1.8	10.8
Our coverage										
ACB	128,160	3,190	77.9	1.5	3.2	20.4	2.0	10.3	1.4	7.4
HDB	115,011	3,671	68.7	1.9	5.3	24.8	2.1	13.1	1.6	7.2
MBB	189,292	2,810	92.2	1.6	4.2	20.8	2.1	10.1	1.5	7.8
STB	90,585	5,351	68.4	2.4	3.7	21.6	1.6	14.1	1.4	7.4
TCB	249,081	3,049	113.9	1.1	3.7	14.3	2.1	6.6	1.5	11.3
TPB	46,882	2,189	81.3	1.5	3.3	17.1	1.6	11.0	1.2	7.2
VIB	63,315	2,092	50.9	3.5	3.5	18.4	1.6	11.3	1.4	8.4
VPB	221,753	1,989	56.3	4.2	5.2	14.2	2.0	6.3	1.4	10.7
Avg.		3,042.6	76.2	2.2	4.0	19.0	1.9	10.4	1.4	8.4
Others										
ABB	14,180	566	46.2	3.7	1.9	4.3	0.3	12.3	1.0	24.2
BAB	12,564	1,038	97.4	1.2	1.9	8.4	0.6	14.0	1.0	12.0
BVB	8,523	474	43.6	3.2	2.6	5.2	0.3	16.0	1.4	28.1
EIB	39,769	1,786	42.3	2.5	2.5	12.0	1.3	9.3	1.5	13.1
KLB	8,849	1,534	79.0	2.0	4.2	14.4	1.0	14.5	1.3	10.0
LPB	148,916	3,254	83.3	1.6	2.9	24.6	2.1	11.5	3.4	14.4
MSB	37,752	1,769	64.1	2.7	2.9	14.2	1.6	8.6	0.9	7.0
NAB	24,534	2,162	52.8	2.3	2.9	20.0	1.3	13.2	1.1	6.1
NVB	26,752	-8,394	8.6	19.5	-0.5	-75.0	-3.4	19.2	2.4	
OCB	32,756	1,182	47.1	3.2	2.9	12.3	1.3	8.6	1.0	8.4
PGB	8,321	467	40.1	2.6	2.7	6.8	0.5	12.8	1.8	27.2
SGB	4,438	234	36.3	2.7	2.5	1.9	0.2	7.9	1.1	56.0
SHB	74,648	2,029	58.4	2.9	4.1	19.5	1.5	12.7	1.1	6.3
SSB	48,507	1,648	82.9	1.9	3.8	17.4	2.0	9.1	1.2	7.5
VAB	8,858	1,062	69.5	1.4	2.0	11.7	0.9	13.8	0.9	8.3
VBB	9,630	1,060	44.4	2.8	2.0	11.6	0.6	19.3	1.1	10.7
Avg.		1,344.7	61.1	3.2	2.9	9.7	1.0	11.9	1.4	13.9

Sources: Bloomberg, Mirae Asset Vietnam

Valuation and investment highlights

Themes now well-discounted

- **Banks vs. the broader market**

- **On the fundamental side, bank earnings have been solid but clearly trailed the broader market.** Overall corporate profits rose 41.8% YoY, driven mostly by non-financial companies (+50.4% YoY), while listed banks delivered a more measured +24.6% YoY in 3Q25. This gap is not entirely surprising: bank earnings tend to move in a steady, almost “cruise-control” fashion, rarely swinging as sharply as cyclical sectors. Meanwhile, several top players in non-financial industries posted outsized gains, which naturally skewed aggregate numbers.
- **Even so, banking stocks continued to draw strong capital flows.** Sector performance has remained broadly in line with the VN-Index thanks to familiar strengths—transparency, system-wide stability, deep liquidity, and dependable earnings. With banks playing an essential role in supporting the next leg of economic growth, both profit trajectories and market performance are expected to improve from here, especially as investors gravitate back toward names with stronger fundamentals.

- **Cooling after a strong run**

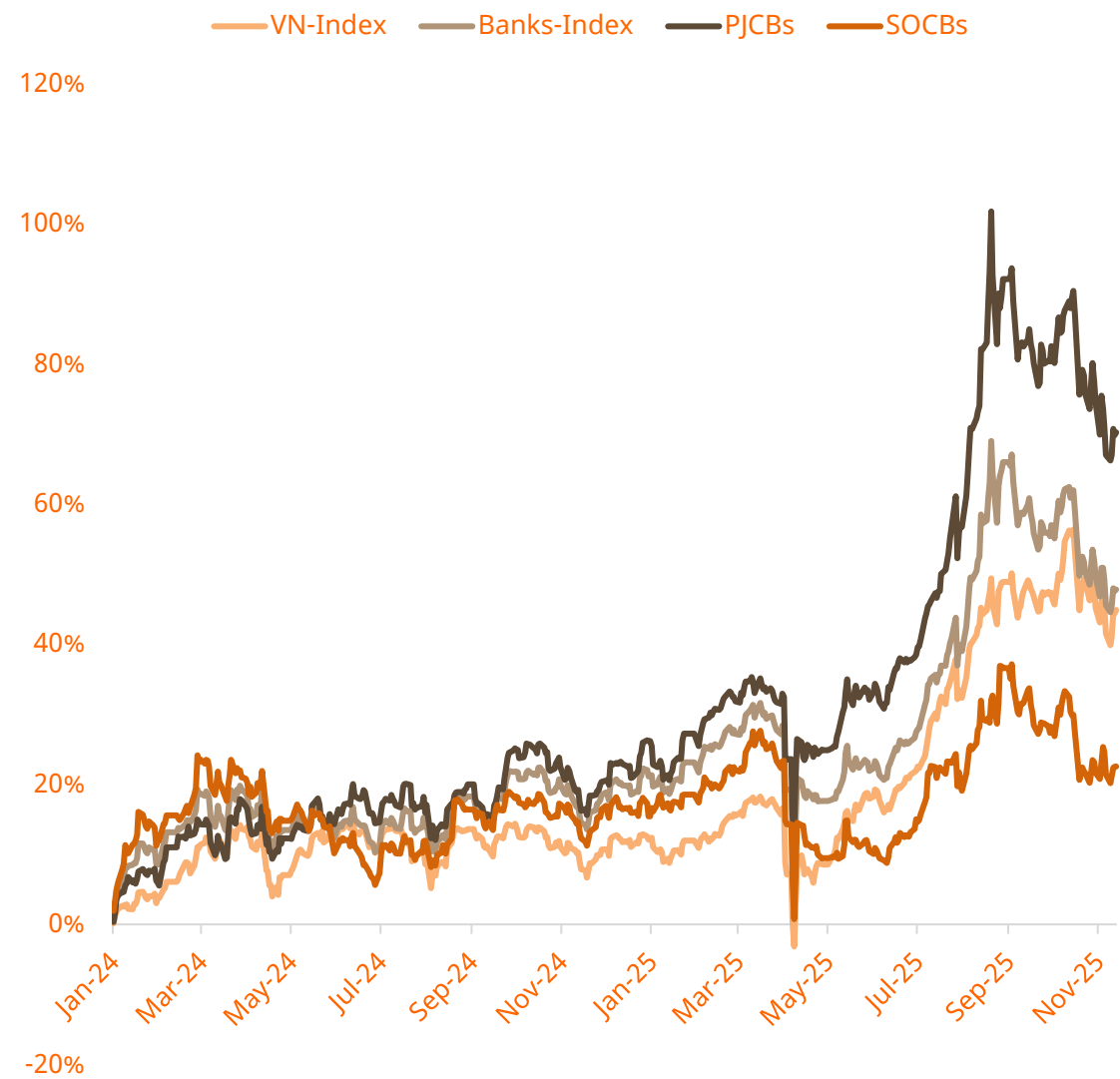
- **Among SOCBs, CTG was the standout, delivering performance close to the VN-Index,** backed by a significant jump in profit and clearly improving asset quality. In contrast, VCB and BID saw relatively muted movements in both valuation and earnings—consistent with their more stable, lower-volatility profiles.
- **Momentum among PJCBs also cooled after a sharp rally through 2Q25 and early 3Q25.** Stocks with big investment themes—like VPB and TCB following their subsidiary IPOs—have moved into a quieter phase as catalysts fade, causing valuations to drift back toward long-term averages after briefly touching +2SD. STB also corrected from above +2SD to below +1SD after the excitement around the full recovery of Phong Phu IPS proceeds settled. On top of that, PJCBs faced notable foreign selling, partly from profit-taking and partly from concerns over VND depreciation—especially as many major currencies strengthened against the USD, while the VND continued to weaken.

- **Recalibrating sector preferences**

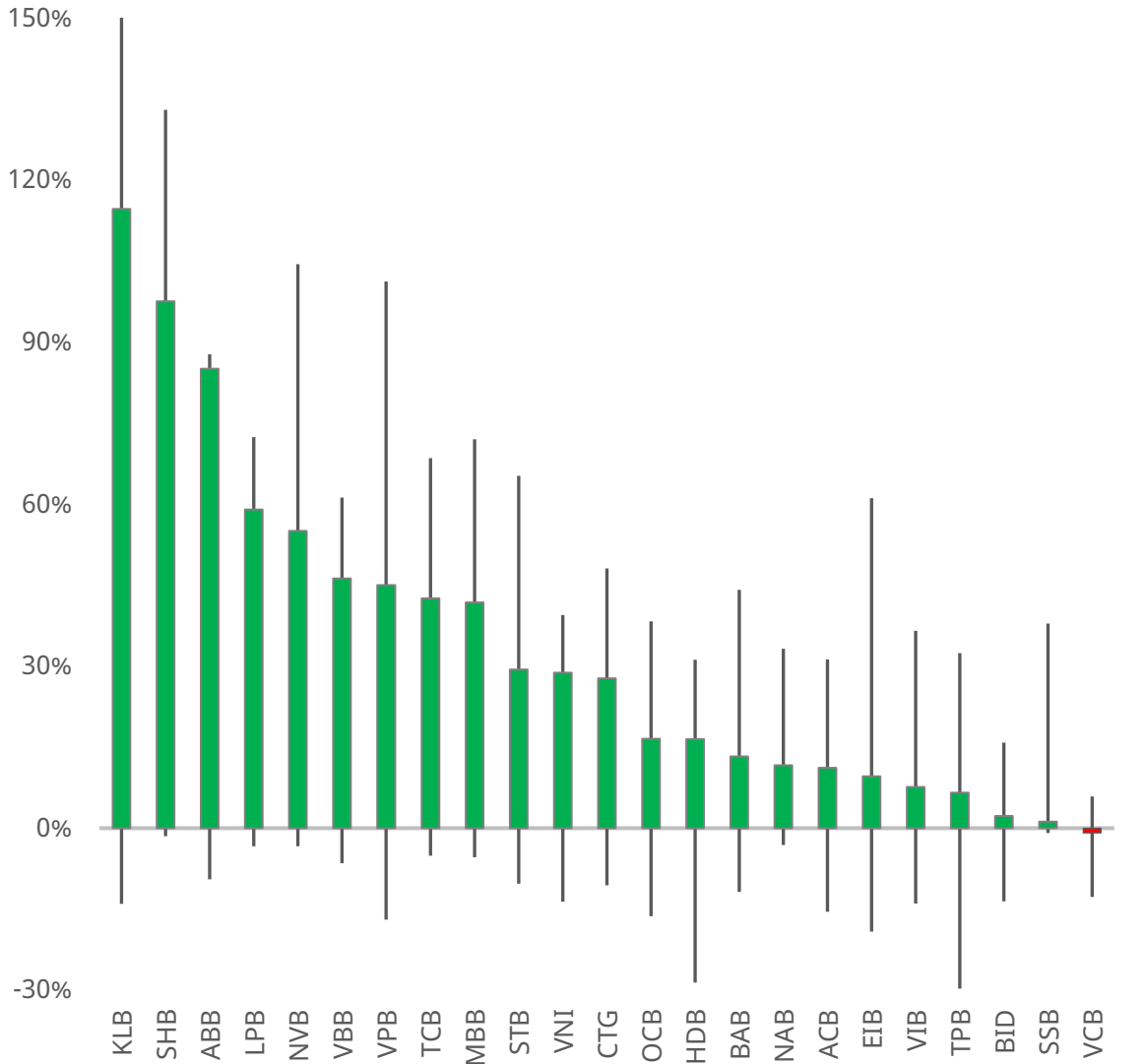
- **Market conditions have turned choppy.** Sentiment cooled following the market-upgrade event, and investors are taking a breather to reassess. The VN-Index has already pulled back nearly one-third from the peak, while liquidity slipped sharply from over VND40tr to around VND20tr per session—classic signs of a “post-catalyst vacuum”. Macro visibility also remains uneven. GDP growth target above 10% has been approved, but domestic demand is still soft, FX pressure persists, and uncertainties around countervailing tariffs and transshipment issues continue to weigh. Corporate earnings are improving, but part of the growth is inflated by financial gains such as project transfers or revaluations, which raises questions about the quality of profits. Excluding financials, the market trades at 19.2x P/E, historically high. However, ex-Vin and ex-GEX groups trade at around 14.2x, a more neutral level. This valuation gap makes the market harder to read, as noise from a few large tickers tends to spill over into the rest of the index.
- **Banking stocks also went through turbulence after retesting their highs in late 2Q25 and early 3Q25.** The correction has erased 20–80% of YTD gains across many names—reminding the market, once again, that valuations eventually need to reconnect with fundamentals. Even the strongest narratives can only pull so far ahead before the core kicks in. Given the current backdrop, short-term trading remains challenging. As such, banks with attractive long-term potential but near-term headwinds—such as VPB, TCB, STB, and others—are temporarily set aside due to elevated valuations or high concentration risks. These names may come back into focus once prices stabilize, since concentrated loan books, while risky, can also produce strong upside under the right conditions. For now, preference is given to banks with clean balance sheets, limited concentration risk, still-reasonable valuations, and meaningful room for earnings acceleration in 2026. This cycle’s preferred list includes: ACB – TP: 29,800; VCB – TP: 70,800; and MBB – TP: 28,600.

Valuation and investment highlights

Banks' stock performances



Banks' stock performances (from start of 2025)

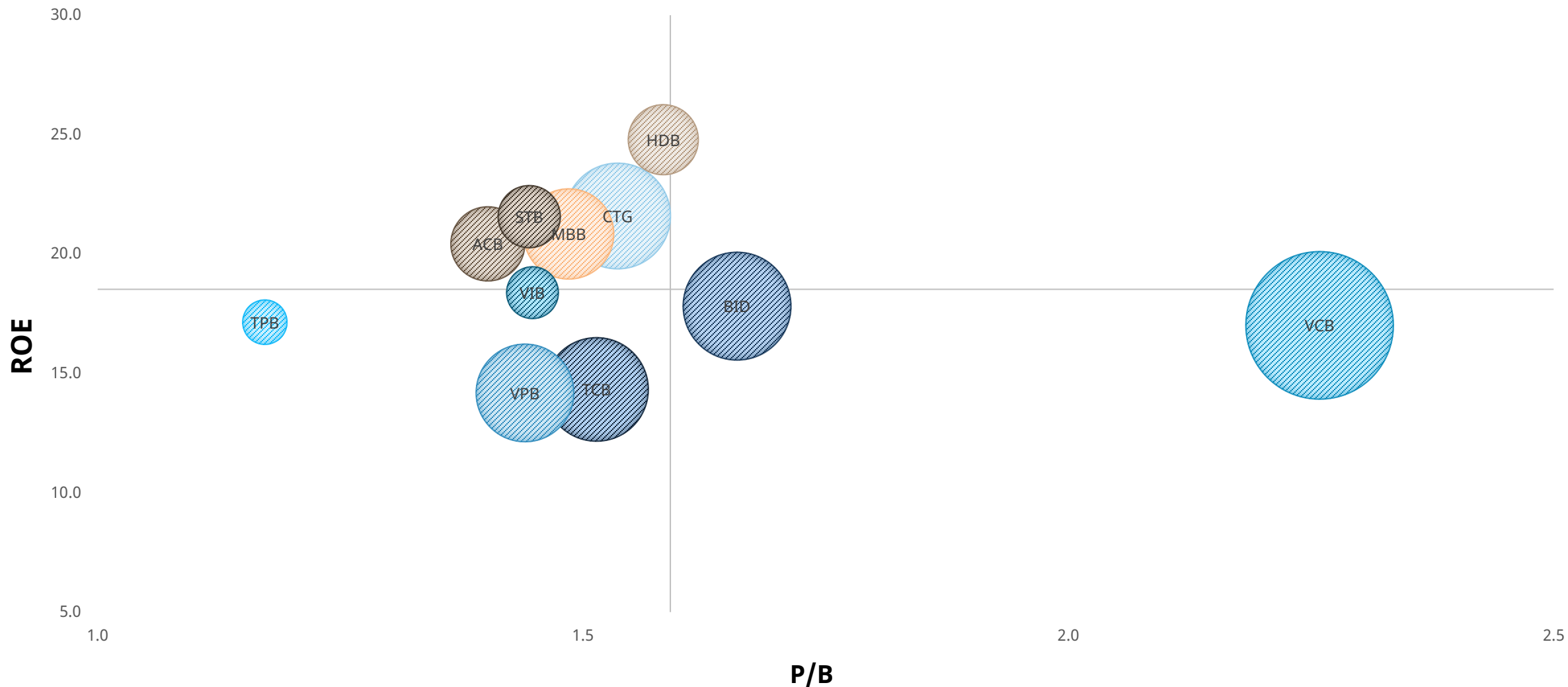


Sources: Bloomberg, Mirae Asset Vietnam

Valuation and investment highlights (cont'd.)

Relative valuation

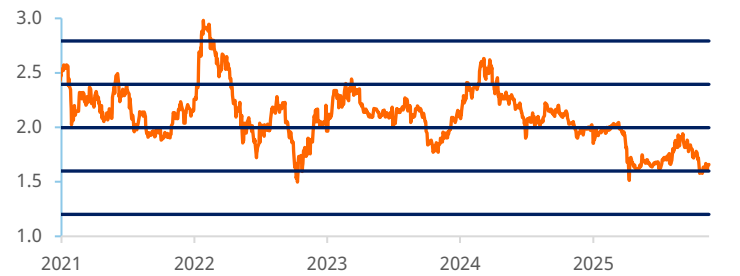
Current market cap, ROE, and trailing P/B (avg. P/B of 12 top banks: 1.59)



Sources: Bloomberg, Mirae Asset Vietnam

P/B band chart

BID



MBB



ACB



CTG



VPB



STB



VCB



TCB



HDB



APPENDIX

Stock Ratings		Industry Ratings	
Buy	: Relative performance of 20% or greater	Overweight	: Fundamentals are favorable or improving
Trading Buy	: Relative performance of 10% or greater, but with volatility	Neutral	: Fundamentals are steady without any material changes
Hold	: Relative performance of -10% and 10%	Underweight	: Fundamentals are unfavorable or worsening
Sell	: Relative performance of -10%		

Ratings and Target Price History (Share price (—), Target price (—), Not covered (■), Buy (▲), Trading Buy (■), Hold (●), Sell (◆))

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