BANKING: 3Q25 profit clearly outpaced 1H25

- Net profit of listed banks under coverage in 3Q25 is forecast to rise 22% YoY, stronger than 1H25 (+16.3% YoY), supported by sustained positive credit growth. NIM in 3Q25 is expected to remain broadly unchanged compared to 6M25.
- As asset quality has yet to show a clear improvement, with NPLs and special-mention loans rising across the sector at end-1Q25, provisioning expenses in 3Q25 are expected to increase by around 10% YoY.
- We maintain our forecast for banks' net profit to grow about 15% YoY in 2025 and keep a **NEUTRAL** sector rating, given the sector's P/B is above the 3-year average level.

Credit accelerated in 3Q25 thanks to sustained low-interest rate environment

As of 29 Aug 2025, the banking system credit outstanding rose 11.82% YTD and 20% YoY. Building on the strong credit growth momentum in 1H25, total credit of listed banks under MBS Research coverage is expected to reach around +14.8% YTD by end-3Q25, equivalent to +4.6% QoQ. The low-interest rate environment remains the key driver of credit growth in 3Q25. We expect retail lending to catch up with corporate credit growth in 2H25, supported by the recovery of mortgage and consumer loans. In addition, credit growth at private joint-stock banks is projected to outpace that of state-owned banks, at 18% YTD and 12% YTD by end-3Q25, respectively. Banks with strong growth in 1H25 are expected to continue outperforming in 3Q25, including VPB, HDB, LPB, and TCB.

NIM in 2H25 is expected to hold steady compared to 1H25

NIM is projected to remain flat or improve slightly versus 1H25, as lending rates are expected to stay low while funding pressure is unlikely to rise despite deposit growth still lagging behind credit growth. Deposit growth in 1H25 reached 9.6% YTD, significantly higher than 4.7% in the same period last year. Banks are also implementing measures to improve NIM by expanding medium- to long-term lending, while continuing to develop and optimize CASA mobilization solutions to lower funding costs.

Overall net profit of listed banks is expected to be stronger in 3Q25

We forecast net profit of listed banks under coverage to increase by around 21.5% YoY in 3Q25, better than the 18.7% growth recorded in 2Q25. Banks with strong net profit growth include HDB, TCB, BID, VPB, LPB, and CTG, mostly those with high credit growth. For 9M25, net profit of covered banks is projected to grow 15.6% YoY. Sector-wide asset quality by end-3Q25 is expected to improve slightly compared to end-2Q25, with NPL ratio projected to fall below 2% and LLR maintained around 80%.

Maintain a NEUTRAL rating on the sector

We maintain a **NEUTRAL** rating on the banking sector as current P/B is slightly above the 3-year average, which is not particularly attractive given the 2025 full-year profit growth expectation of 15%. We recommend CTG, VCB, and HDB for 2H25 based on (i) state-owned banks are likely to benefit more than private joint-stock banks from the strong public investment push in the remainder of the year; (ii) superior asset quality compared to the sector average; and (iii) attractive current valuations relative to earnings growth potential.

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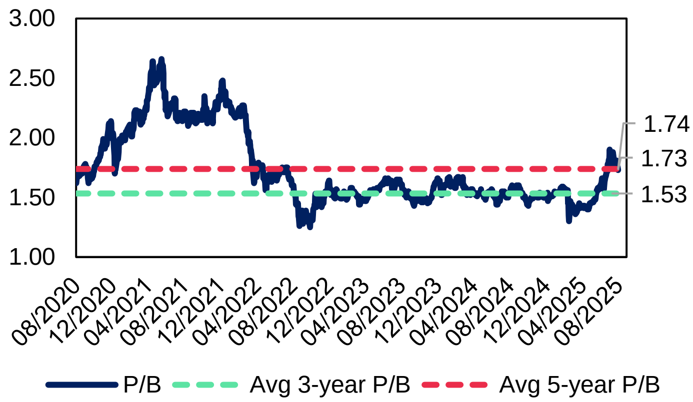
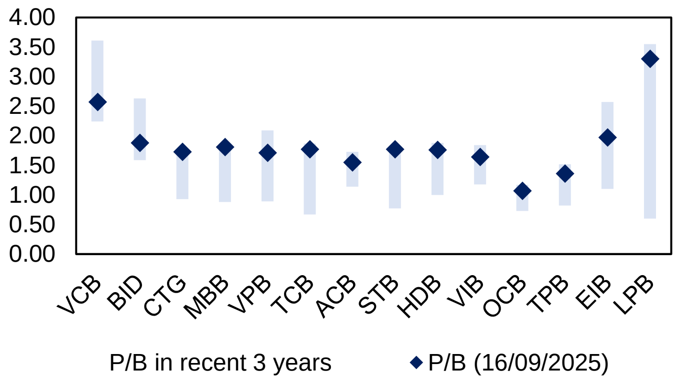
Figure 1: Banking sector P/B is currently trading at around the 3-year average.



Source: FiinProX, MBS Research

Figure 2: Most banks are trading at their 3-year peak P/B levels except for VCB and BID



Source: FiinProX, MBS Research

3Q25 net profit forecast for banks under MBS coverage

No.	Tickers	MBS Research's earnings forecasts					Assessment
		3Q25	%YoY	%QoQ	2025F	%YoY	
1	ACB	4,411	14%	-10%	17,042	2%	Credit growth in 3Q25 is expected to reach 6.0% QoQ, bringing YTD growth by end-Sep 2025 to around 16%. NIM in 3Q25 is projected to ease slightly to 2.9% due to heightened competition in lending as banks push to achieve full-year credit targets. Provisioning expenses are estimated to increase 64.2% YoY and 27.0% QoQ, driving 9M25 provisioning costs up 15.0% YoY. 3Q25 PBT is forecast at around VND 5.5 tn (+14.0% YoY, -9.6% QoQ), taking 9M25 PBT to VND 16.2 tn, fulfilling 70% of the full-year plan.
2	BID	6,589	26%	-4%	28,036	12%	We expect credit growth to reach 10.2% YTD by end-3Q25, 87 bps higher than the same period last year. NIM is projected to remain flat or improve slightly versus 2Q25, reaching 2.1%. However, as NIM dropped sharply in 3Q24, the YoY gap for 3Q25 NIM will narrow significantly. The NPL ratio is expected to gradually decline toward year-end through provisioning and bad debt resolution. Total operating income is forecast to grow 15.7% YoY, supported by both net interest income and non-interest income. Provisioning expenses are projected to rise 7.8% YoY, leading to 3Q25 PBT of VND 8,268 bn, up 27.2% YoY. The strong PBT growth mainly stems from a low base in the same period last year, as well as higher income from accelerated bad debt recovery. Accordingly, 9M25 PBT is expected to fulfill around 70% of the full-year target.

3	CTG	7,471	44%	-23%	30,629	20%	Credit growth in 3Q25 is expected to reach around 5% QoQ, bringing YTD growth by end-Sep 2025 to over 15%. We expect CTG to receive an additional 3% credit quota for 4Q25, with full-year credit growth forecast at around 18%. NIM is projected to remain flat at 2.5%. Provisioning expenses in 3Q25 are estimated at around VND 6.5 tn, down 29.8% YoY but doubling QoQ due to the low base in 2Q when heavy provisioning was already made in 1Q. Provisioning in 3Q is expected to remain high, in line with the bank's full-year plan of VND 20–25 tn. Consequently, 3Q25 PBT is forecast to reach approximately VND 9.5 tn (+44.8% YoY), lifting 9M25 PBT to VND 28.4 tn (+45.6% YoY), equivalent to about 75% of the full-year target.
4	EIB	920	28%	82%	3,497	5%	3Q25 PBT is expected to reach around VND 1,156 bn (+27.9% YoY), mainly driven by the low profit base in the same period last year. Credit growth in 3Q25 is projected at around 6% QoQ, accompanied by an improvement in NIM to 2.5%. Provisioning expenses are expected to remain at VND 200 bn in 3Q25. As a result, 9M25 PBT is estimated to complete 47% of the full-year target.
5	HDB	4,520	27%	23%	16,975	28%	Credit growth in 3Q25 is projected to reach 8% QoQ, bringing 9M25 credit growth to around 25%, equivalent to 78% of the full-year target. NIM in 2H25 is expected to remain stable at around 5.1%. Provisioning expenses in 3Q25 are forecast to increase 70.3% YoY but decline 55.0% QoQ due to the high base in the previous quarter, resulting in cumulative 9M25 provisioning expenses doubling YoY. 9M25 PBT is estimated at about VND 15.7 tn (+24.0% YoY), fulfilling 75% of the annual plan.
6	LPB	2,819	21%	18%	10,843	12%	Credit growth in 3Q25 reached 6% compared to end-2Q25, with NIM expected to remain around 3.0%. Provisioning expenses are projected at about VND 500 bn, broadly unchanged from 2Q25. 9M25 PBT is estimated at VND 10 tn (+9.9% YoY), fulfilling 65% of the full-year target.
7	OCB	470	35%	-41%	3,100	-2%	Credit growth in 3Q25 is expected to reach 5% QoQ, bringing 9M25 credit growth to around 13% YTD. NIM is projected to decline further to 2.9%. Provisioning expenses are estimated at about VND 800 bn, down 11% YoY. PBT in the quarter is forecast to grow 35% YoY, mainly due to the low base last year. Cumulatively, 9M25 PBT is expected to reach VND 2.5 tn, fulfilling 48% of the full-year target.
8	STB	2,745	25%	-5%	11,370	13%	Credit growth in 3Q25 is expected at 4.5%, bringing 9M25 credit growth to 13.5%. NIM is projected to remain around 3.5%. Provisioning expenses are estimated at about VND 800 bn, down 25% YoY. 9M25 PBT is forecast to reach VND 10.7 tn (+33.8% YoY), fulfilling 73% of the full-year target.
9	TCB	6,622	14%	4%	26,157	16%	Credit growth by end-3Q25 is expected to reach about 16.3% YTD, equivalent to a 5% QoQ increase in 3Q25 alone. NIM is projected to remain at 3.7%, in line with 1H25. Provisioning expenses in 3Q25 are estimated to edge down 3.7% YoY but rise 5.3% QoQ. 9M25 earnings are expected to fulfill 71% of the full-year target.

10	TPB	1,679	21%	3%	7,181	18%	We expect TPB's credit growth by end-3Q25 to reach 16% YoY. NIM in 3Q25 is projected to improve compared to 2Q25. The NPL ratio is expected to decline to 1.9%. 3Q25 net profit is forecast at VND 1.68 tn, up 21% YoY.
11	VCB	9,477	11%	7%	35,786	6%	We expect VCB's credit growth by end-3Q25 to reach 11% YoY, up 82 bps YoY, driven by strong disbursement in public investment in 2H25 and economic growth momentum with a GDP target above 8%. NIM in 3Q25 is projected at 2.6%, broadly unchanged from 2Q25. The NPL ratio is expected to decline to 0.97%. Total operating income in 3Q25 is forecast at VND 18.89 tn (+12.2% YoY). Credit risk provisioning expenses are projected to rise sharply as the bank will no longer record reversals from interbank loans. 3Q25 PBT is estimated at VND 11.88 tn (+11% YoY), and 9M25 PBT is expected to fulfill 77% of the full-year target.
12	VIB	2,077	30%	0%	8,227	14%	Credit growth by end-3Q25 is expected to exceed 16% YTD, equivalent to a 6% QoQ increase. NIM is projected to remain stable at 3.0–3.1%, in line with 1H25. Provisioning expenses are estimated to fall 37.7% YoY due to the high base last year but rise 13.0% QoQ. As a result, 3Q25 PBT is forecast at about VND 2.6 tn, up 30.0% YoY thanks to the low base effect. Cumulatively, 9M25 PBT is expected to reach VND 7.6 tn (+15.3% YoY), fulfilling 68% of the full-year target.
13	VPB	5,889	41%	19%	20,006	25%	Credit growth in 3Q25 is expected to decelerate versus 2Q25, reaching 6.0% QoQ, as competition intensifies from banks with slower credit growth in 2Q25, while VPB's remaining credit room allows for only about 12–13% growth from end-2Q25. NIM is projected to remain at 5.3%. Provisioning expenses in 3Q25 are expected to stay flat YoY, bringing 9M25 provisioning down 8.0% YoY, in line with the full-year provisioning plan of about VND 25 tn. Accordingly, 3Q25 PBT is forecast at around VND 7.9 tn, bringing 9M25 PBT to VND 19.1 tn, fulfilling 75% of the full-year target.

Source: MBS Research

DISCLAIMER

MBS RECOMMENDATION FRAMEWORK

Stock Ratings

The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.

Add	The stock's total return is expected to reach 15% or higher
Hold	The stock's total return is expected to be between negative 15% and positive 15%
Reduce	The stock's total return is expected to fall below negative 15%

Segment Ratings

Positive	Stocks in the segment have, on a market cap-weighted basis, a positive absolute recommendation
Neutral	Stocks in the segment have, on a market cap-weighted basis, a neutral absolute recommendation
Negative	Stocks in the segment have, on a market cap-weighted basis, a negative absolute recommendation

ABOUT MBS

Founded in May 2000 by the Military Commercial Joint Stock Bank (MB), MB Securities Joint Stock Company (MBS) is one of the first six securities companies in Vietnam. After years of development, MBS has grown into one of the premier brokerage houses in the country. In two consecutive years between 2009 and 2010, MBS leads the brokerage house in terms of market share on both Hanoi Stock Exchange (HNX) and HCMC Stock Exchange (HOSE) and continuously ranked among the Top 5 of market share at both stock exchanges).

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