truefriend KIS Viet Nam Securities Corporation

Company Brief

29 Jul 2026

Asia Commercial Bank (ACB)

Rising provisions and non-core slump

2Q26 Earnings decline

- 2Q26 PBT fell -11.9% YoY to VND5,367bn, dragged down by underperforming investment & FX activities, sluggish bad-debt recovery, and rising provision expenses. This performance fell short of our expectation. 1H26 PBT reached VND 10,735bn (+0.4% YoY), fulfilling 48% of the full-year 2026 target.
- 2Q26 credit growth reached +8.6% YTD to VND 747tn (compared to +9.2% YTD in 2Q25), primarily driven by large corporate loans (+28.1% YTD). Meanwhile, SME and retail loan growth lagged at +6.6% YTD and +4.6% YTD, respectively. Total customer deposits and valuable papers rebounded from +0.9% YTD in 1Q26 to +8.0% YTD in 2Q26, pushing LDR to 81.4% (vs. 81.0% in 1Q26).
- Net Interest Margin (NIM) expanded to 3.05% in 2Q26 (up from 3.0% in 2Q25 and 2.8% in 1Q26), supported by (1) improved asset yields and (2) disciplined funding cost management. However, the CASA ratio softened to 20.5% in 2Q26 (down from 21.8% in 1Q26 and 2Q25). The ratio of short-term funds used for medium - and long-term loans rose sharply from 24.9% in 1Q26 to 29.1% in 2Q26.
- Non-interest income dropped -48% YoY in 2Q26 due to weaker investment & FX activity and lower debt collection, bringing 1H26 non-interest income down -21% YoY. Conversely, net fee income in 2Q26 surged +41% YoY off a low base, driven by cards, international settlement services, and bancassurance recovery.
- Operating expenses remained virtually flat (-0.7% YoY) in 2Q26. Consequently, CIR for 2Q26 and 1H26 stood at 29.7% and 30.8%, respectively, remaining comparable to 29.4% in 2Q25 and 31.5% in 1H25.

	12M rating	NON-RATED
12M TP		
Up/Downside		

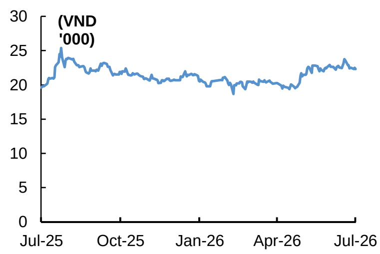
Stock Data

VNIndex (29 Jul , pt)	1,705
Stock price (29 Jul , VND)	22,300
Market cap (USD mn)	4,882
Shares outstanding (mn)	5,804
52-Week high/low (VND)	25,374/18,697
6M avg. daily turnover (USD mn)	16.77
Free float / Foreign ownership (%)	85.0/24.4
Major shareholders (%)	
Tran Hung Huy and related parties	8.6
Small cap world fund incoporation	2.5

Performance

	1M	6M	12M
Absolute (%)	(1.3)	8.3	13.8
Relative to VNIndex (%p)	6.4	13.7	(0.4)

Stock price trend



Source: Bloomberg

	2021A	2022A	2023A	2024A	2025A
TOI (VND bn)	23,459	29,759	30,963	33,688	33,798
chg. (% YoY)	32.5	26.9	4.0	8.8	0.3
PPE (VND bn)	15,230	18,154	20,088	22,785	22,874
Net profit (VND bn)	9,498	14,657	14,261	16,963	15,625
EPS (VND, adj.)	1,636	2,525	2,457	2,922	2,692
PB (x)	2.9	2.2	1.8	1.6	1.4
PE (x)	13.6	8.8	9.1	7.6	8.3
P/PPE (x)	8.5	7.1	6.4	5.7	5.7
NIM (%)	4.0	4.3	3.9	3.6	2.9
ROE (%)	23.6	28.4	22.0	22.0	17.6
ROA (%)	2.0	2.6	2.1	2.1	1.7
Dividend yield (%)	-	-	4.5	4.5	4.5
CAR (%)	11.23	12.8	12.5	11.8	12.6

Note: Net profit, EPS and ROE are based on figures attributed to controlling interest

- The Group 3–5 NPL ratio ticked up slightly from 0.97% in 1Q26 to 1.03% in 2Q26 (or 0.92% excluding Credit Information Center / CIC data). Special mention loans (Group 2) improved, falling from 0.71% in 1Q26 to 0.65% in 2Q26. LLCR dropped from 114% in 1Q26 to 105% in 2Q26. Notably, provision expenses surged +129% YoY in 2Q26, driven by Decree 86 requirements for increased provisioning.

3Q26F: Moderate growth

- 2026 credit growth is targeted at 16%, driven primarily by the large corporate and FDI segments. Furthermore, 2H26 Net Interest Margin (NIM) could expand YoY, buoyed by expanding asset yields and well-managed cost of funds (COF).
- Non-interest income in 3Q26 is projected to maintain moderate growth, as solid service fee income continues to compensate for sluggish investment activity. Payment and bancassurance services will remain the primary drivers of non-interest revenue growth.
- The full-year 2026 non-performing loan (NPL) ratio is projected to hover around 1.0%. Following the heavy front-loading of provisions in 1H26, provision expenses in 2H26 should remain range-bound without significant surges.

Recommendation and Ratings

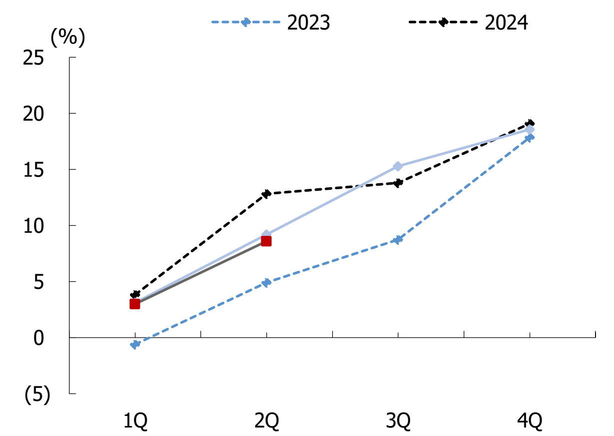
ACB is trading at PB of 1.34x, lower than the five-year average of 1.5x (12% premium).

Table 1: Snapshot of income statement **Units: VNDbn, %**

	2Q25	1Q26	2Q26	qoq	yoy	1H25	1H26	yoy	2026 Planning	% planning
Net interest income	6,684	6,989	7,785	11.4	16.5	13,043	14,774	13.3		
Net fee incomes	2,609	1,916	1,358	(29.1)	(47.9)	4,164	3,274	(21.4)		
Total operating income	**9,293**	**8,905**	**9,143**	**2.7**	**(1.6)**	**17,207**	**18,048**	**4.9**		
Opex	2,736	2,851	2,716	(4.7)	(0.7)	5,428	5,566	2.5		
Risk provision expenses	463	686	1,060	54.5	129.0	1,089	1,746	60.3		
PBT	**6,093**	**5,368**	**5,367**	**(0.0)**	**(11.9)**	**10,690**	**10,735**	**0.4**	**22,338**	**48**
PAT	4,881	4,320	4,292	(0.6)	(12.1)	8,559	8,613	0.6		

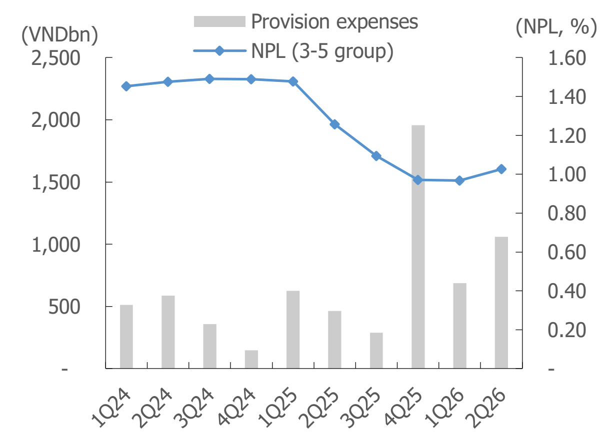
Source: Company data, KIS

Credit growth



Source: Company data, KIS Research

Provision expenses and non-performing loans



Source: Company data, KIS Research

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