truefriend KIS Viet Nam Securities Corporation

Sector

Note

Financials

16 Nov 2026

Banking

Earnings on trajectory

Neutral

Solid 3Q26 earnings growth

- Broad-based profitability: 20 of 27 banks achieved YoY earnings growth in 3Q26, while QoQ trends were weighed down by VCB's base effect. Aggregated 3Q26 PBT jumped +21.0% YoY (-4.6% QoQ, or +1.2% QoQ ex-VCB). Driven by this momentum, 9M26 earnings rose +20.0% YoY, completing nearly 75.0% of the full-year target.
- Key 3Q26 Highlights: (1) Headline earnings growth cooled, though ex-VCB momentum remained intact, led in absolute terms by CTG, VCB, VPB, BID, MBB, and TCB; (2) net fee income emerged as the primary growth driver; and (3) funding costs are gradually catching up with asset yields.
- Top Performers & Decliners (YoY): Top performers included NVB (+3.4x), ABB (+99.0%), SHB (+57.0%), TPB (+57.0%), MBB (+42.0%), BID (+39.0%), and SSB (+38.0%). Conversely, major decliners included SGB (-79.0%), EIB (-67.0%), STB (-52.0%), BVB (-19.0%), KLB (-13.0%), and PGB (-10.0%), while VCB remained flat (-0.2% YoY).

Solid core business performance

- System-wide credit grew +11.6% YTD by end-Sep (+16.7% YoY, reaching VND20.7 quadrillion vs. +13.9% YTD in 9M25) and accelerated to +12.3% YTD by end-October against the full-year 15.0% target.
- Across the 27 listed banks, loans grew +12.5% YTD (+3.3% QoQ), with 8 banks outperforming the system average (NVB, HDB, VPB, LPB, MBB, TCB, MSB, and ACB). Meanwhile, customer deposits expanded +10.7% YTD (+5.0% QoQ), trailing overall credit expansion.
- Sector-wide NIM held flat YoY as asset yield expansion matched rising funding costs. Aggregated sector NIM (27 banks) stood at 3.11% (-4 bps QoQ, flat YoY). On a QoQ basis, the majority of banks (14 out of 27) recorded NIM expansion in 3Q26.
- The sector's CASA ratio remained broadly stable in 3Q26, improving QoQ across 12 banks and YoY across 11 banks. Sector leaders saw slight contractions from 2Q26 to 3Q26: TCB (from 35.0% to 32.5%), MBB (from 34.4% to 34.0%), VCB (from 32.8% to 32.2%), and CTG (from 23.2% to 23.1%).
- Non-interest income surged +38.0% YoY (+2.2% QoQ) in 3Q26 and +24% YoY in 9M26, underpinned by strong recoveries in net fee & service income (+77.0% YoY / +7.5% QoQ) and FX trading (+38.0% YoY / +56.0% QoQ). Top YoY performers in 3Q26 service income included STB (+5.3x), LPB (+3.0x), TCB (+60.0%), CTG (+57.0%), and VPB (+29.1%), whereas VCB's fee income slipped -3.6% YoY.

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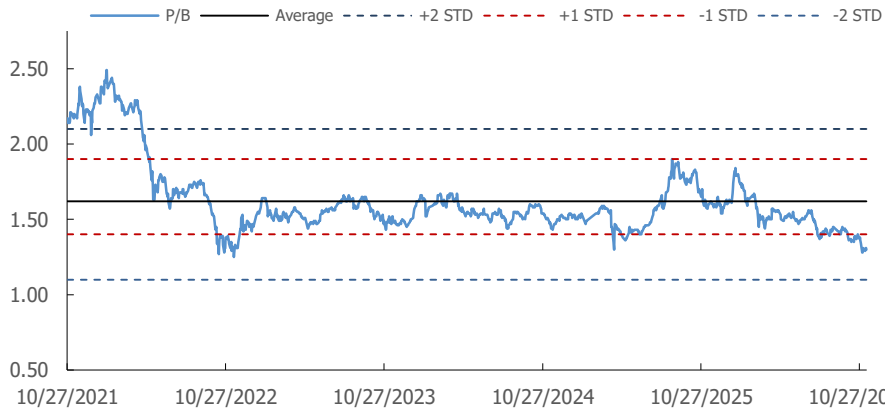
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- Deteriorating asset quality: The sector Group 3–5 NPL ratio edged up from 2.00% in 2Q26 to 2.10% in 3Q26, while the Group 2–5 NPL ratio ticked up from 3.40% to 3.70% QoQ. Only 5 out of 27 banks (BVB, EIB, NVB, STB, and VPB) reported lower Group 3–5 NPL ratios in 3Q26. Banks with the lowest Group 3–5 NPL ratios shifted from 2Q26 to 3Q26 as follows: VCB (0.6% to 0.7%), ACB (1.03% to 1.19%), BAB (1.13% to 1.19%), CTG (flat at 1.20%), and TCB (1.08% to 1.27%).
- The sector Loan Loss Coverage Ratio (LLCR) declined from 79% in 2Q26 to 75% in 3Q26. Top banks maintaining the highest LLCR buffers shifted from 2Q26 to 3Q26 as follows: VCB (279% to 243%), CTG (134% to 160%), BAB (135% to 127%), TCB (126% to 107%), and ACB (105% to 91.0%).

4Q26F: Growth momentum tempered by rising risks

- Supports: Sector performance in 4Q26F could be supported by accelerating seasonal credit demand (November–December), sustained fee income momentum, and disciplined operating cost control. Risks: (1) NIM pressure from policy-driven lending-rate cuts versus stickier funding costs according to SBV Official Letter 9608: lending rates down 1.5–2.0%/yr vs. deposit rates down ≥0.5%/yr; (2) increasingly provisioning with NPL rise; (3) base effects at banks with one-off 4Q25 gains.

Figure 1. Attractive Valuation: P/B at 1.3x vs. 5-Yr Avg 1.6x



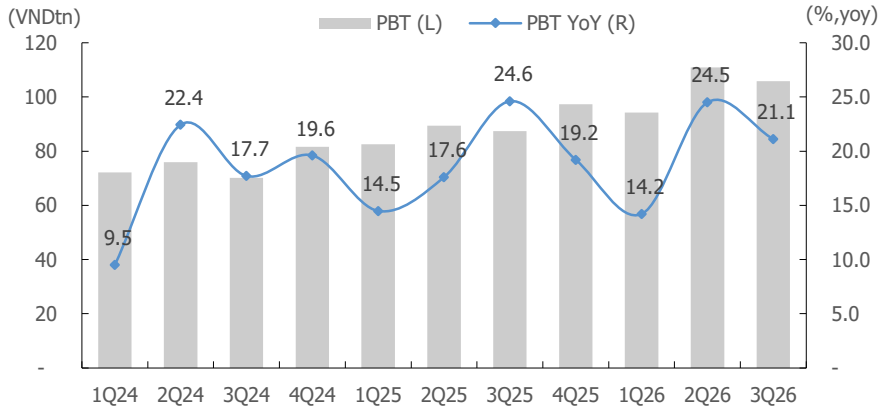
Source: FiinproX, KIS Research
Note: As of 12 Nov 2026

Circular 50/2026/TT-NHNN: Upgrading Governance Toward Basel III

- To enhance sustainable stability in banking operations and align with Basel III standards, SBV has issued Circular 50/2026/TT-NHNN, specifying operational safety limits and prudential ratios for commercial banks, effective December 1, 2026.
- Three new indicators—LCR, NSFR, and LEV (Table 1)—have been introduced with a phased roadmap to allow banks adequate preparation time based on their operational readiness. Prior to the full transition to the new framework, banks will continue to comply with existing metrics, including LDR, Liquidity Reserve Ratio, 30-day Solvency Ratio, and Short-term Funds to Medium-and-Long-term Loans Ratio.
- Banks equipped with a solid retail deposit franchise, strong capital buffers, and a higher proportion of long-term funding will find it significantly easier to achieve compliance compared to their peers.

The banking sector maintained its double-digit growth momentum in 3Q26

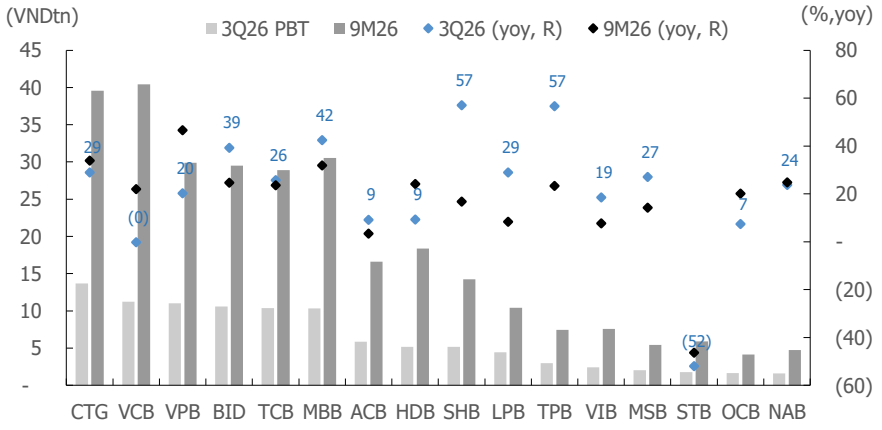
Figure 2. the industry's growth: Double-digit growth year-over-year in PBT



Source: FiinproX, KIS Research

In 3Q26, 20 of 27 banks grew YoY. *Top YoY performers: NVB, ABB, SHB , TPB, MBB, BID, SSB. Decliners: STB, EIB, SGB, BVB, KLB, PGB; VCB was flat.*

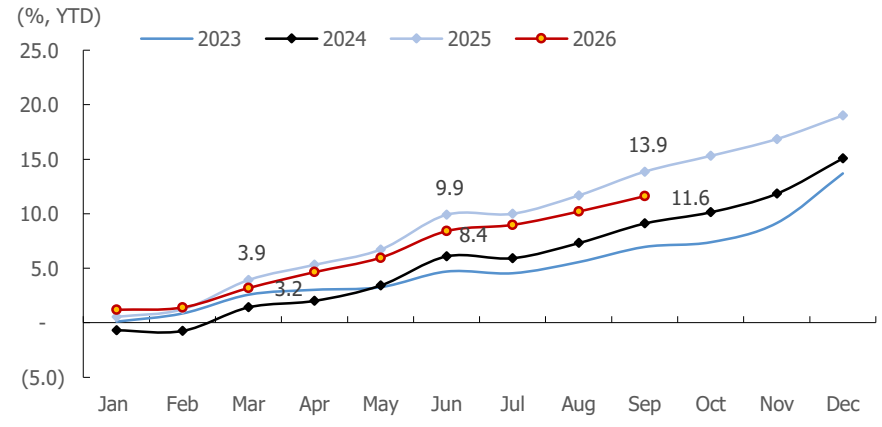
Figure 3. 3Q26 earnings: 20/27 banks with positive growth



Source: FiinproX, KIS Research. Note: BVB with growht rate of 24.1x in 2Q26

Credit growth remains on track, albeit trailing last year's pace, and is becoming increasingly concentrated

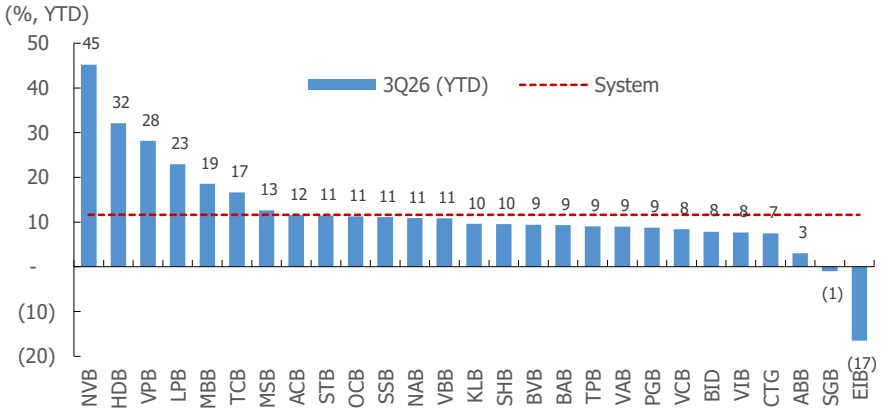
Figure 4. Credit growth in 3Q26



Source: SBV, KIS Research

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

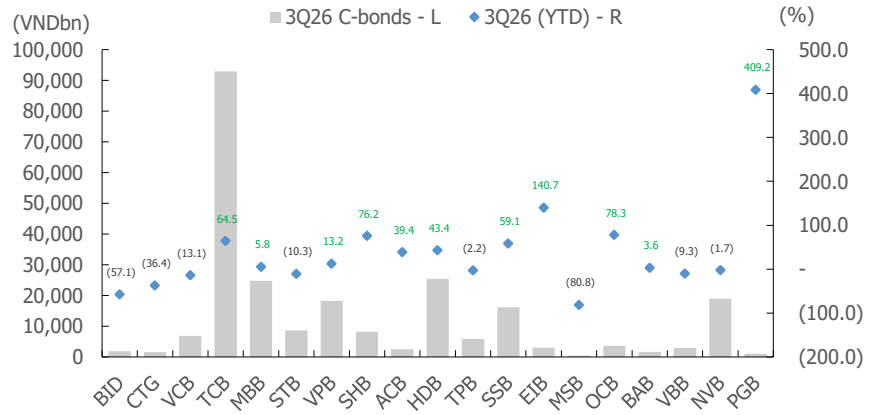
6 banks beat the system: NVB, HDB, VPB, LPB, MBB, TCB;
EIB, SGB, ABB, CTG, VIB and BID lagged.



Source: FiinproX, KIS Research

Figure 6. Corporate bonds

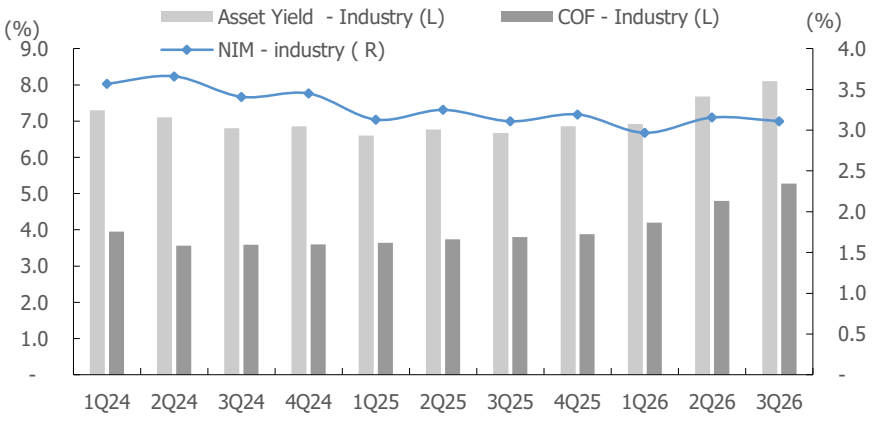
Additionally, 11 out of 19 reporting banks expanded their corporate bond holdings.



Source: FiinproX, KIS Research

Figure 7. Industry's 3Q26 NIM

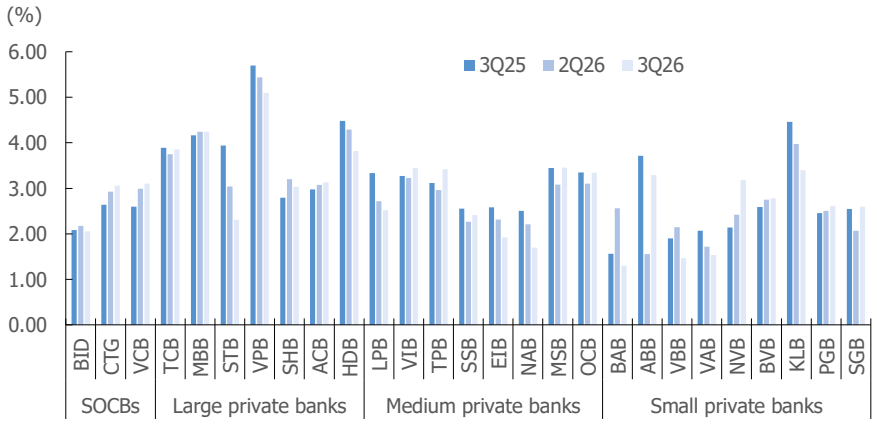
NIM held flat YoY because yield rose as fast as funding costs.



Source: FiinproX, KIS Research

14 out of 27 banks expanding their quarterly NIM.

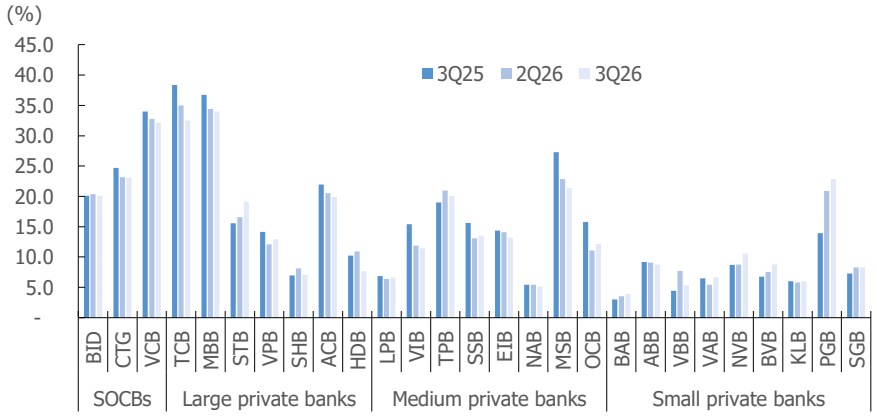
Figure 8. 3Q26 NIM by bank



Source: FiinproX, KIS Research

Sector CASA Ratios Hold Steady in 3Q26 Amid Mixed QoQ Performance (12 of 27 Banks Up)

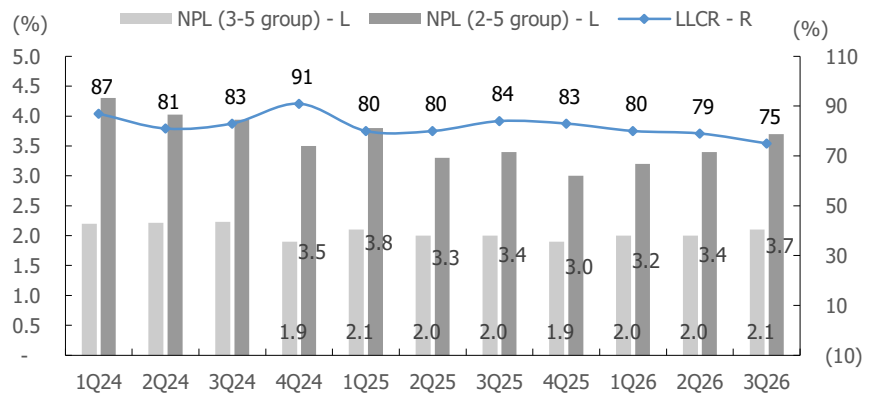
Figure 9. CASA ratios



Source: FiinproX, KIS Research

The combination of rising NPLs and thin loan-loss buffers

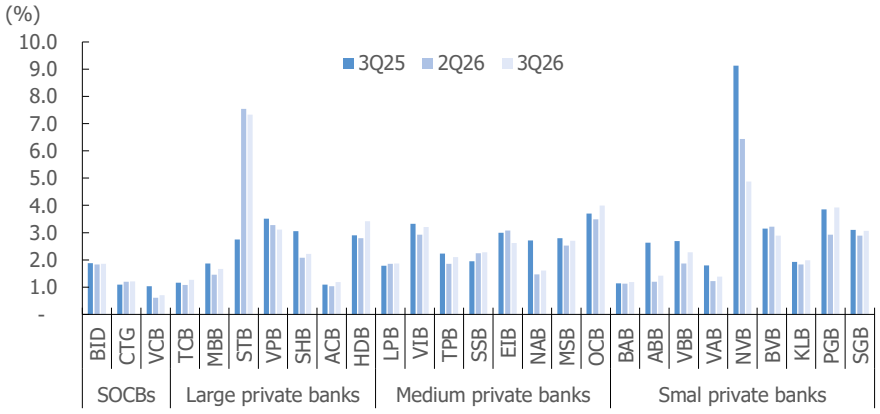
Figure 10. Non-performing loans



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

Broad-based asset quality pressure as 22 of 27 Banks post YoY NPL increases.

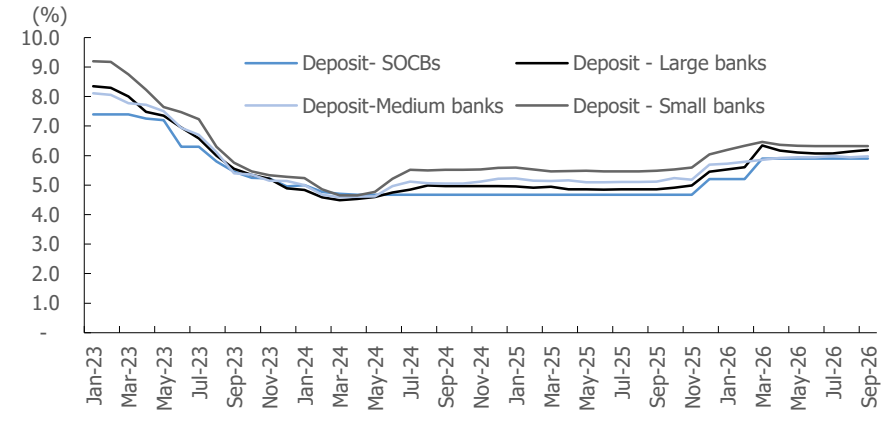
Figure 11. NPL (3-5 group)/ total loans



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.

Deposit rates trended upward across the banking sector

Figure 12. Deposit rates (12 months)



Source: Banks, SBV, KIS Research

Table 1. Key indicator in circular 50/2026/TT-NHNN

Indicators	Key content	01 Sep 2026 to Sep 2028	Oct 2028	Oct 2029	Oct 2030	Oct 2031	Oct 2032	Oct 2033
LCR	Measures HQLA adequacy against 30-day net cash outflows under stress; requires phased adoption & system building.	Preparation or early registration	50%	60%	70%	80%	90%	100%
NSFR	Assesses long-term available stable funding; minimum ratio gradually scaled up to 100%.	Preparation or early registration	95%	95%	100%	100%	100%	100%
LDR	Includes Loan-to-Deposit Ratio (LDR), credit extension limits, capital contribution and share acquisition limits, as well as holding/investment caps for Government bonds and Government-guaranteed bonds.	Under transition regime	95% cap under the new law	Continue under the applied mechanism				
LEV	Suppliments risk-weighted capital ratios with a non-risk-based leverage cap.	No mandatory general threshold from the effective date	Per SBV decision					

Source: SBV, KIS Research

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  - Hold: Expected total return will be between -5% and 15%
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  - 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.
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