truefriend KIS Viet Nam Securities Corporation

Company Brief

20 Nov 2026

HCM Development (HDB)

Higher provisions weigh on earnings growth

3Q26 earnings review: Moderate growth

- In 3Q26, TOI, PBT, and NPATMI reached VND 11,378bn (+19.6% YoY), VND 5,176bn (+9.3% YoY), and VND 3,852bn (+5.6% YoY), respectively. 3Q26 NPAT fell short of expectations, reaching 84.0% of our forecast. 9M26 PBT rose +24.1% YoY to VND 18,364bn, completing 61.0% of the full-year 2026 target.
- Robust credit disbursement provided substantial support, driving net interest income up +19.6% YoY in 3Q26. Consolidated credit growth surged +32.12% YTD in 3Q26 (significantly outpacing the +11.28% YTD recorded in 3Q25), led by parent bank credit growth (+30.0% YTD) and HD Saison (+20.0% YTD). Across customer segments, expansion was fueled by a strong recovery in retail loans (+36.0% YTD), corporate lending (+28.0% YTD), and corporate bond (+43.0% YTD).
- Amid rising cost of funds (COF), Net Interest Margin (NIM) compressed from 4.5% in 3Q25 to 3.8% in 3Q26. Meanwhile, the CASA ratio declined from 11.0% in 2Q26 to 8.0% in 3Q26.
- Customer deposits and valuable papers accelerated from +20.6% YTD in 2Q26 to +29.1% YTD in 3Q26. Consequently, LDR remained well-managed at 68.0% in 3Q26, indicating a strong liquidity buffer well below the regulatory ceiling of 85.0%.
- Strong net fee & service revenues (+41.3% YoY in 3Q26 and +23.9% YoY in 9M26) underpinned non-interest income expansion, which grew +19.2% YoY in 3Q26 and +22.0% YoY in 9M26.
- Operating expenses in 3Q26 and 9M26 rose +13.4% YoY and +8.7% YoY, respectively. CIR improved from 26.1% in 3Q25 to 24.8% in 3Q26, and tightened from 25.7% in 9M25 to 24.9% in 9M26.

	2021A	2022A	2023A	2024A	2025A
TOI (VND bn)	16,758	21,967	26,414	34,032	42,696
chg. (YoY)	21.6	31.1	20.2	28.8	25.5
PPE (VND bn)	10,375	13,336	17,284	22,051	31,095
Net profit (VND bn)	6,054	7,750	10,071	12,763	16,524
EPS (VND)	3,016	3,063	3,464	3,636	3,302
chg. (YoY)	2.9	1.6	13.1	5.0	(9.2)
PB (x)	1.5	1.5	1.5	1.4	1.5
PE (x)	7.4	7.2	6.4	6.1	6.7
P/PPE (x)	4.3	4.2	3.7	3.5	3.6
NIM ()	4.5	5.3	5.0	5.5	4.8
ROE ()	23.3	23.5	24.7	25.8	25.4
ROA ()	1.9	2.1	2.0	2.0	2.1
Dividend yield ()	-	-	4.5	4.5	-
CAR ()	14.40	13.40	12.60	14.03	16.70

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

12M rating **NON-RATED**

12M TP

Up/Downside

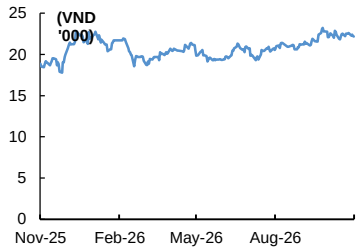
Stock Data

VNIndex (20 Nov , pt)	1,690
Stock price (20 Nov , VND)	22,150
Market cap (USD mn)	5,552
Shares outstanding (mn)	6,507
52-Week high/low (VND)	23,200/17,794
6M avg. daily turnover (USD mn)	18.66
Free float / Foreign ownership (%)	80.0/19.3
Major shareholders (%)	
Sovico	9.99

Performance

	1M	6M	12M
Absolute	(3.1)	11.4	17.4
Relative	1.3	20.7	15.4

Stock price trend



Source: Bloomberg

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- Non-performing loans (NPLs) maintained an upward trajectory across both retail and corporate segments. Consolidated Group 3–5 and Group 2–5 NPL ratios shifted from 2.80% and 7.50% in 2Q26 to 3.40% and 7.30% in 3Q26, respectively. Similarly, parent bank Group 3–5 and Group 2–5 NPL ratios changed from 2.60% and 7.20% in 2Q26 to 3.30% and 7.00% in 3Q26.
- Subsidiary Performance: HD Saison's 9M26 disbursements hit a record VND 28.8tn (+29% YoY), bringing its total loan balance to VND 26.5tn (+20.0% YTD). 9M26 PBT reached VND1,184bn (+8.7% YoY), delivering an ROE of 21.4%, ROA of 4.8%, NIM of 26.9%, and improvement in CIR from 36.9% in 9M25 to 33.1% in 9M26.

4Q26F: Growth momentum is weighed down by a high base effect and rising NPLs

- 4Q26F credit growth could maintain its strong trajectory from 32.1% YTD toward the full-year 2026 target of 37.0%, driven by corporate lending and a steady retail recovery. Disbursements will prioritize key sectors including manufacturing, agriculture, and household businesses. 4Q26F NIM is projected to remain stable QoQ, supported by a mix shift toward higher-yielding loans and diversified funding via international Finance Institutions (DFIs).
- Fee income in 4Q26F could sustain double-digit YoY growth off a low base, underpinned by a resurgence in bancassurance, expanding payment services, and broader banking fee recoveries. However, provision expenses are expected to remain elevated amid rising NPL formation.

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

	3Q25	2Q26	3Q26	q/q	n/n	9M25	9M26	n/n	2026 Plan	% Plan
Net interest income	7,763	9,737	9,288	(4.6)	19.6	24,991	27,508	10.1		
Total operating income	9,516	12,715	11,378	(10.5)	19.6	30,357	34,047	12.2		
Profit before provision expense	7,029	9,650	8,558	(11.3)	21.8	22,562	25,574	13.3		
PBT	4,735	7,080	5,176	(26.9)	9.3	14,803	18,364	24.1	30,100	61
PAT	3,799	5,796	4,066	(29.8)	7.0	11,833	14,763	24.8		
Controlling-int. NP	3,647	5,555	3,852	(30.7)	5.6	11,396	14,174	24.4		

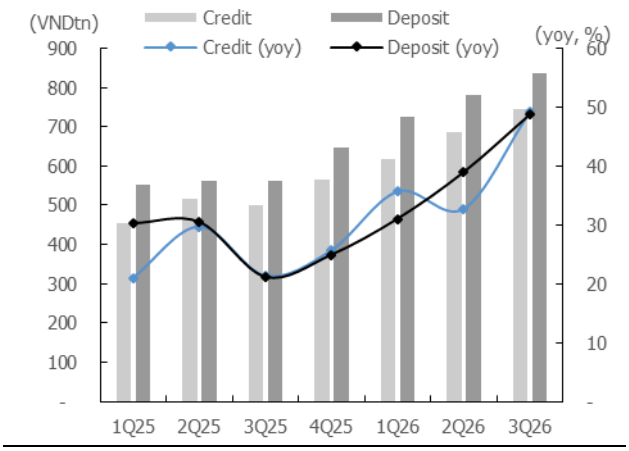
Source: FiinproX, company data

Table 2: 2026 Planning Units: VNDtn, %

	2025	2026F	YoY
Total assets	931	1,194	28
Deposit	648	822	27
Credit	588	805	37
PBT	21.3	30.1	41

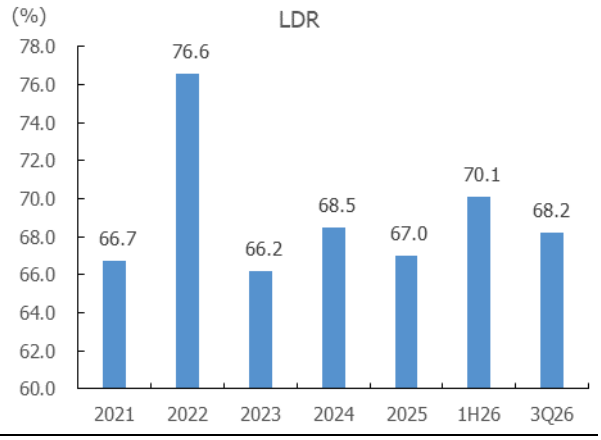
Source: FiinproX, company data

Figure 1. Credit growth and deposit growth



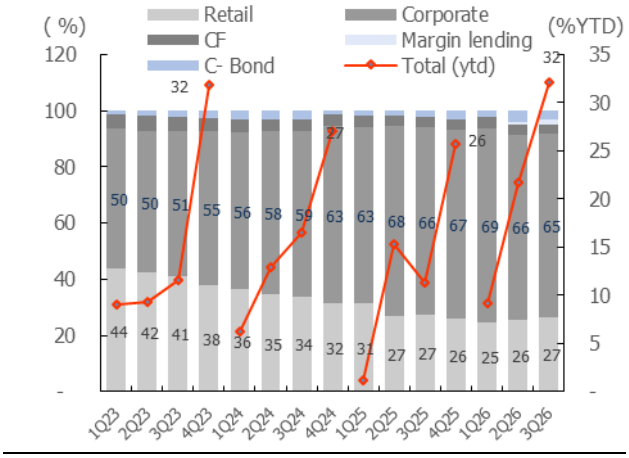
Sources: Company data, KIS Research

Figure 2. LDR ratio



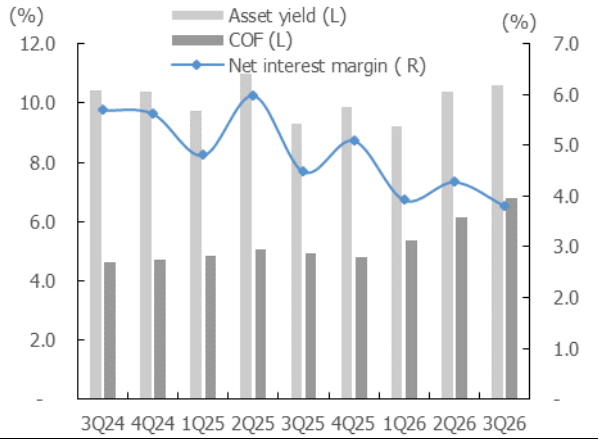
Sources: Company data, KIS Research

Figure 3. Credit by segement



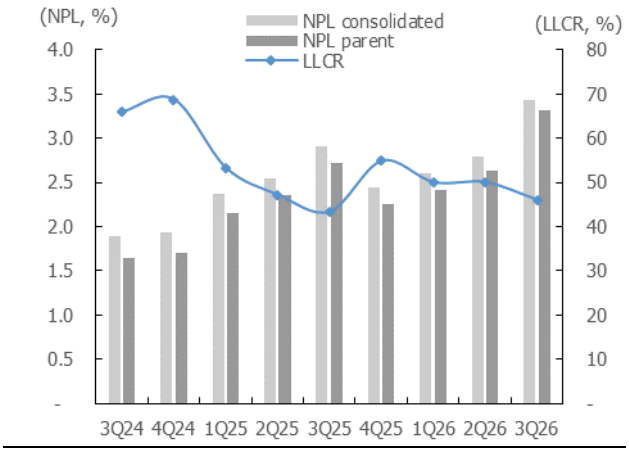
Sources: Company data, KIS Research

Figure 4. Net interest margin



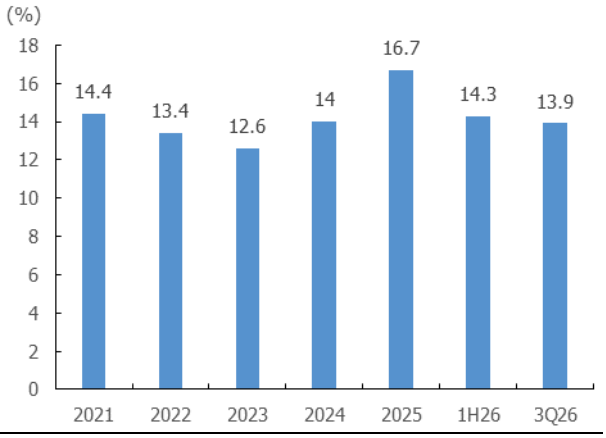
Sources: Company data, KIS Research

Figure 5. NPL, LLCR



Sources: Company data, KIS Research

Figure 6. CAR ratio



Sources: Company data, KIS Research

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