true friend KIS Viet Nam Securities Corporation

Earnings Review

22 Jul 2026

Techcombank (TCB)

Higher-than-expected earnings growth

- High credit growth in 2Q26
- Improving net interest margin in 2Q26
- Sustained growth momentum in 3Q26F

Facts: Higher-than-expected earnings growth in 2Q26

- 2Q26 PBT rose +22.4% YoY to VND 9,670bn, driven by robust credit expansion, strong net fee income, and lower provision expenses. 1H26 PBT reached VND 18,540bn (+22.5% YoY), completing 49% of the full-year 2026 target. Net profit grew +17.7% YoY to VND 7,350bn in 2Q26, fulfilling 112% of KIS's estimate.
- Credit growth accelerated sharply to +15.3% YTD in 2Q26 (compared to +11.1% YTD in 2Q25). Corporate loans, retail & SME loans, and corporate bonds grew by +11.1% YTD, +9.4% YTD, and +80.7% YTD, respectively. Corporate credit balance was driven by construction and real estate. Meanwhile, retail & SME growth was primarily driven by unsecured lending, SMEs, and margin lending.
- NIM expanded to 3.75% in 2Q26 (from 3.85% in 2Q25 and 3.46% in 1Q26). Amid rising lending rates, asset yield expansion outpaced the higher cost of funds (COF). Total customer deposits and valuable papers rebounded from -2.0% YTD in 1Q26 to +4.8% YTD in 2Q26, driving LDR to 80.1% (vs. 76.5% in 4Q25 and 80.5% in 1Q26).
- Net fee income (NFI) in 2Q26 surged +38% YoY to VND4,194bn, driven by a recovery in insurance, letters of credit (LC), cash management & settlement, FX, and cards, which comfortably offset weaker investment banking (IB) fees. 1H26 NFI remained a robust growth by +38%yoy to VND7,613bn.
- Operating expenses in 2Q26 rose +20.6% YoY, slightly outpacing total operating income growth (+17.3% YoY). Consequently, CIR ticked up from 30.1% in 2Q25 to 30.9% in 2Q26. 1H26 CIR remained at 29.7%
- Group 3–5 and Group 2–5 NPL ratios remained stable at 1.08% and 1.75% in 2Q26 (compared to 1.09% and 1.77% in 1Q26), primarily reflecting trends in retail lending. Provision expenses dropped -35.7% YoY in 2Q26, bringing the Loan Loss Coverage Ratio (LLCR) to 126% (down from 129% in 1Q26).
- TCBS reported 2Q26 PBT of VND VND2,097bn (+21% YoY), supported by investment banking and margin lending, which helped absorb higher financial expenses (+81% YoY). 1H26 PBT grew +17%yoy, completing 47% of the 2026 target.

Pros and Cons: Double growth in 3Q26F

- Credit growth in 3Q26F is expected to maintain momentum comparable to or slightly higher than 3Q25 levels. TCB continues to rebalance its portfolio toward construction and retail & SME segments.

12M rating	**BUY**	
12M TP	**43,300**	*From 29,000*
Up/Downside	*+49.0%*	

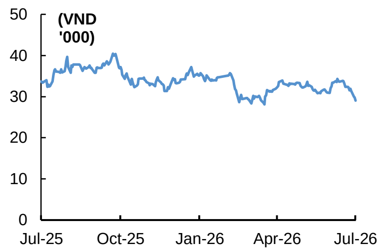
Stock Data

VNIndex (22 Jul , pt)	1,669
Stock price (22 Jul , VND)	29,000
Market cap (USD mn)	7,755
Shares outstanding (mn)	7,086
52-Week high/low (VND)	40,449/28,109
6M avg. daily turnover (USD mn)	19.40
Free float / Foreign ownership (%)	55.0/21.4
Major shareholders (%)	
Masan	14.9
Ho Hung Anh and his family	19.9

Performance

	1M	6M	12M
Absolute (%)	(13.4)	(17.3)	(14.0)
Relative to VNIndex (%p)	(3.1)	(5.8)	(24.6)

Stock price trend



Source: Bloomberg

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- For full-year 2026, credit expansion should remain strong, further supported by the absence of credit caps on infrastructure and social housing projects.
- NIM in 3Q26F is projected to maintain its recovery trajectory, buoyed by higher asset yields.
- Non-interest income is poised for solid growth in 3Q26F, underpinned by ongoing insurance recovery alongside strong momentum in LC, cash & settlement, and FX services.
- Tightly managed NPLs and lower provisioning pressure should continue to support earnings growth in 3Q26F.

Recommendation

We reiterate our target price of VND 43,300 for mid-2027, implying a +49% upside from the current price of VND 29,000 (as of Jul 22, 2026). We project full-year 2026 earnings to grow +17% YoY to VND 29,603bn, driven by sustained credit activity, expanding non-interest income, and well-controlled operating expenses—an upgrade from our previous estimates. Construction, SME, and retail lending are set to lead credit expansion in the upcoming period. Despite rising interest rates, NIM is expected to hold firm due to disciplined funding costs and improving asset yields, while NPLs remain well within target guidance.

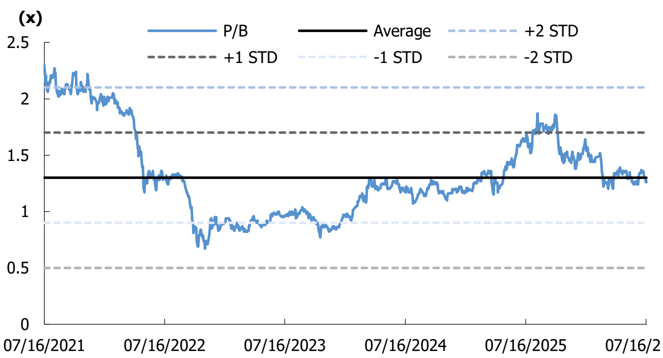
Table 1. Cost of equity

Items	%
Beta (x)	1.2
Risk free rate (%)	4.3
Equity risk premium (%)	8.1
Cost of equity (%)	14.1

Table 2. Bended valuation

Metrics	Implied price	Weight	Weight
PB	40,768	50%	20,384
Residual approach	45,814	50%	22,907
TCB's target share price			**43,291**

Figure 1. P/B valuation in the historical trading



Source: FiinproX, KIS research

Table 3. Valuation approach

1. Residual approach	2025	2026F	2027F	2028F	2029F	2030F
Net attrib profit	25,290	29,603	34,214	40,713	48,049	57,872
Equity	170,045	191,784	220,917	261,460	309,316	366,930
ROE	15.9	16.4	16.6	16.9	16.8	17.1
Cost of equity		14.1	14.1	14.1	14.1	14.1
Residual income		5,663	7,213	9,610	11,238	14,324
Discount factor		1.00	0.88	0.77	0.67	0.59
PV of FCF 2026-2030		35,397	33,921			
Inter – growth		7%	7%			
Perpeptual growth		3%	3%			
Terminal value		101,905	116,252			
Total value		307,346	341,957			
Outstanding shares		7,086	7,086			
Price (VND/shr) (A)		43,372	48,256			
Mid-FY 27 TP		**45,814**				
2. P/B multiple approach						
BVPS (mid 2027F, VND)		29,120				
Fair PB (x)		1.4				
Price (VND/shr) (B)		**40,768**				

Table 4. Earnings trend and outlook (VNDbn, %)

	2025				2026				2025	2026F	2Q26	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			QoQ	YoY
Loans to customers and corporate bonds	**711,110**	**758,798**	**804,889**	**824,104**	**853,512**	**949,414**			**824,104**	**993,377**	**11.2**	**25.1**
% growth (ytd)	4.1	11.1	13.2	20.7	3.6	15.2			20.7	20.5	-	-
Loans to customers	663,693	710,313	766,710	767,617	796,864	847,336			767,617	931,087	6.3	19.3
NPL (3-5 group)	7,784	8,930	8,916	8,198	8,696	9,171			8,198	9,944	5.5	2.7
NPL ratio (%, %p)	1.2	1.26	1.16	1.07	1.1	1.1			1.07	1.1	-	-
NPL (2-5 group)	12,976	13,158	13,458	12,051	14,137	14,811			12,051	14,617	4.8	12.6
NPL ratio (%, %p)	2.0	1.9	1.8	1.6	1.8	1.7			1.6	1.6	-	-
Loan loss coverage (%, %p)	112	107	119	128	129	126			128	123	-	-
VAMC	0	-	-	-	0	-			-	-	-	-
Deposit from customers and bond	**679,516**	**717,416**	**776,829**	**834,242**	**817,705**	**874,528**			**834,242**	**869,598**	**6.9**	**21.9**
Deposit from customers	531,583	545,079	595,087	618,912	599,808	662,448			618,912	756,172	10.4	21.5
% growth (ytd)	(0.3)	2.2	11.6	16.0	(3.1)	7.0			12.0	16.4	-	-
CASA (%)	35.1	36.4	38.4	35.9	32.6	35.0			35.9	36.0	-	-
Total assets	**989,216**	**1,037,645**	**1,129,570**	**1,192,344**	**1,190,454**	**1,273,077**			**1,192,344**	**1,257,571**	**6.9**	**22.7**
Total equity	**156,539**	**166,040**	**194,828**	**179,501**	**186,683**	**188,997**			**179,501**	**202,018**	**1.2**	**13.8**
Total operating income	**11,611**	**12,743**	**14,242**	**14,795**	**13,674**	**14,942**			**53,391**	**60,528**	**9.3**	**17.3**
Net interest income	8,305	9,137	9,925	10,788	9,522	10,763			38,155	43,255	13.0	17.8
NIM (%, %p)	3.62	3.85	3.89	3.98	3.46	3.75			3.78	3.8	-	-
Non-interest income	3,306	3,606	4,317	4,007	4,152	4,179			15,236	17,273	0.6	15.9
Net commission income	2,283	2,522	2,825	2,784	3,732	3,594			10,414	14,132	(3.7)	42.5
Gains on investment securities	629	663	916	729	281	115			2,937	1,376	(59.1)	(82.6)
Other non-interest income	394	420	576	494	138	470			1,884	1,765	239.3	11.8
Provision for credit losses	1,090	1,014	1,499	818	935	652			4,421	3,923	(30.3)	(35.7)
Net operating revenue	10,521	11,729	12,743	13,977	12,739	14,290			48,971	56,605	12.2	21.8
SG&A	3,285	3,831	4,493	4,824	3,869	4,620			16,432	18,629	19.4	20.6
CIR (%)	28.3	30.1	31.5	32.6	28.3	30.9			30.8	31	-	-
Pre-provision earnings	8,326	8,912	9,749	9,971	9,805	10,322			36,959	41,899	5.3	15.8
EBT	**7,236**	**7,899**	**8,250**	**9,153**	**8,870**	**9,670**			**32,538**	**37,976**	**9.0**	**22.4**
Net profit	**6,014**	**6,348**	**6,613**	**6,980**	**6,950**	**7,727**			**25,954**	**30,381**	**11.2**	**21.7**
Controlling-int. NP	5,948	6,247	6,419	6,676	6,671	7,350			25,290	29,603	10.2	17.7

Source: FiinproX, TCB, KIS Research

Balance sheet

(VND bn)

	2023A	2024A	2025A	2026F	2027F
Total assets	850,799	981,319	1,192,344	1,257,571	1,518,607
Gross IEAs	758,611	927,805	1,113,400	1,182,129	1,430,804
Loans and corp bonds	561,150	682,948	824,104	993,377	1,201,015
Household					
Corporate					
Dep't and loans to FIs	141,194	142,040	165,510	52,618	66,317
Dep't to SBV and G-bond	56,267	102,817	123,786	136,134	163,471
VAMC bond	-	-	-	-	-
NIEAs	99,473	62,332	90,050	88,219	104,589
Others	7,285	8,817	11,106	12,777	16,786
Total liabilities	717,854	830,859	1,012,843	1,055,553	1,287,334
Deposits	454,661	533,392	618,912	756,172	948,636
Debentures	84,703	140,422	215,330	113,426	142,295
Dep't and loans from FIs	153,173	132,239	144,983	152,232	159,844
Loans from Gov't and SBV	0	12	4,324	-	-
Other liabilities	25,317	24,794	29,294	33,722	36,559
Total equities	132,945	150,460	179,501	202,018	231,272
Controlling interests	131,628	147,940	170,045	191,784	220,917
Capital stock	35,225	70,649	70,862	70,862	70,862
Capital surplus	476	(0)	(0)	(0)	(0)
Other reserves	45,726	24,785	28,645	33,703	39,623
Retained earnings	50,201	52,507	70,538	87,219	110,431
	-	-	-	-	-
Minority interest	1,317	2,520	9,457	10,234	10,356

Income statement

(VND bn)

	2023A	2024A	2025A	2026F	2027F
Total operating income	40,061	46,990	53,391	60,528	72,160
Net interest income	27,691	35,508	38,155	43,255	52,566
Interest income	56,708	60,089	68,017	87,120	102,713
Interest cost	29,017	24,581	29,862	43,865	50,147
Non-interest income	12,370	11,482	15,236	17,273	19,593
Net commission income	8,911	8,635	10,414	14,132	16,040
Gains on investment securities	1,025	2,505	2,937	1,376	2,192
Other non-interest income	2,434	343	1,884	1,765	1,361
Provision for credit losses	3,921	4,082	4,421	3,923	6,059
Net operating revenue	36,140	42,908	48,971	56,605	66,100
SG&A	13,252	15,370	16,432	18,629	22,209
Employee benefits	n.a	n.a	n.a	n.a	n.a
Pre-provision earnings	26,809	31,621	36,959	41,899	49,951
Earnings before tax	22,888	27,538	32,538	37,976	43,891
Tax	4,697	5,778	6,584	7,595	8,778
Tax rate (%)	20.5	21.0	20.2	20.0	20.0
Continuing operations profit	17,359	20,622	24,600	29,253	34,420
Reversals of written-off loans	832	1,138	1,354	1,128	693
Net profit	18,191	21,760	25,954	30,381	35,113
Net profit of controlling interest	18,004	21,523	25,290	29,603	34,214

Key financial data

	2023A	2024A	2025A	2026F	2027F
Profitability and efficiency (%)					
ROE	14.7	15.4	15.9	16.4	16.6
ROA	2.3	2.4	2.4	2.5	2.5
NIM	4.1	4.3	3.8	3.8	4.1
Asset yield	8.4	7.2	6.7	7.7	8.0
Cost of fund	4.6	3.3	3.3	4.4	4.4
Cost-income ratio	33.1	32.7	30.8	30.8	30.8
Credit cost	0.8	0.7	0.6	0.4	0.6
Growth (%)					
Net profit of controlling interest	(10.7)	19.5	17.5	17.1	15.6
Pre-provision earnings	(2.5)	17.9	16.9	13.4	19.2
Credit growth	21.6	21.7	20.7	20.5	20.9
Total assets	21.5	15.3	21.5	5.5	20.8
Asset quality (%)					
NPL ratio	1.2	1.1	1.1	1.1	1.1
NPL coverage ratio	102.1	113.9	128.1	122.6	133.8
Loan to deposit	89.2	85.5	84.5	98.3	96.6
Capital adequacy (%)					
CAR ratio	14.4	15.4	15.0	15.0	15.0
CET1 ratio					
Tier 1 ratio					

Valuation

	2023A	2024A	2025A	2026F	2027F
Per share (VND, adj.)					
BPS	18,684	20,940	23,996	27,064	31,175
EPS	2,556	3,046	3,569	4,178	4,828
DPS	-	1,500	1,500	700	-
Valuation (x)					
PB	1.6	1.4	1.2	1.1	1.0
PE	11.7	9.8	8.3	7.1	6.2
P/PPE	7.8	6.7	5.7	5.0	4.2
Dividend yield (%)	-	5.0	5.0	2.3	-
Dividend payout ratio (%)	-	24.6	42.0	16.8	-
ROE analysis (%)					
ROE	14.7	15.4	15.9	16.4	16.6
Leverage(x)	6.4	6.5	6.6	6.2	6.6
IEAs to total assets	88.4	93.7	92.5	93.1	93.2
Net income to IEAs	2.4	2.3	2.3	2.5	2.4
Net interest income to IEAs	3.7	3.8	3.4	3.7	3.7
Non-interest income to IEAs	1.6	1.2	1.4	1.5	1.4
Credit cost to IEAs	0.5	0.4	0.4	0.3	0.4
SG&A to IEAs	1.7	1.7	1.5	1.6	1.6

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