

Banking: 3Q26 earnings growth to remain strong, driven by state-owned banks

- We forecast 3Q26 NPAT of listed banks under MBS Research coverage to increase by 19.1% YoY, mainly supported by NII growth and lower provisioning expenses at SOCBs;
- Credit growth of banks under our coverage is expected to continue accelerating in 3Q26, reaching around 12% YTD, lower than the same-period growth last year.
- We expect banks' asset quality not to deteriorate further QoQ and to mostly improve YoY, as NPL pressure has not increased YoY while banks significantly stepped up provisioning in 1H26.

NPAT of listed banks under coverage forecast to grow 19% YoY in 3Q26

We forecast 3Q26 NPAT of listed banks under MBS Research coverage to grow 19.1% YoY, mainly driven by state-owned commercial banks (SOCBs). NII of SOCBs is expected to increase by 22.1% YoY, significantly higher than the 14.1% YoY growth forecast for private banks. This is supported by sustained positive credit growth in corporate and FDI customer segments, while SOCB NIM is expected to improve more visibly YoY thanks to lower funding costs, CASA advantages and a rising proportion of medium- and long-term loans repricing to floating rates. In addition, SOCBs provisioning expenses in 3Q26 are expected to decline significantly YoY, further supporting earnings growth. For private banks, NII growth is forecast to lag SOCBs due to greater NIM compression pressure, as these banks need to step up funding to secure liquidity while high-yield lending segments such as retail and SME have yet to recover meaningfully. Banks participating in the mandatory transfer scheme should continue to benefit from high credit growth quotas and no restrictions on real estate lending, and are expected to face less NIM compression. Overall, we expect sector NIM in 3Q26 to remain under pressure from elevated funding costs, especially among private banks with rapid credit growth or higher reliance on term deposits. Non-interest income is expected to remain mainly driven by service fees and bad debt recoveries.

Asset quality expected not to deteriorate further versus 1H26

We believe system-wide credit growth remains positive, supported by stronger lending to large corporates and FDI customers. We expect NPL pressure in 3Q26 to mainly come from SME and retail loans under high interest-rate pressure, particularly among private Banks. In 6M26, NPL formation/average loan balance for banks under MBS Research coverage edged down by 5 bps YoY, suggesting that NPL pressure has not increased significantly. At the same time, banks stepped up provisioning significantly in 6M26 YoY, strengthening provision buffers and creating room for bad debt resolution in the coming quarters. Banks with prudent lending practices, well-controlled asset quality and solid buffers, such as VCB, CTG, ACB and TCB, are expected to see their end-3Q26 NPL ratios stay broadly flat YTD, while asset quality is still forecast to deteriorate at some banks, such as HDB, LPB, STB and TPB. Total provisioning expenses of covered banks in 3Q26 are expected to increase by 6.7% YoY, with SOCBs down 18.5% YoY and private banks up 28.8% YoY. This indicates that SOCBs still have stronger provision buffers and better credit cost control, while private banks need to maintain higher provisioning to address pressure from retail, SME and real estate loans. This level of provisioning represents a sharp slowdown compared with the 29% increase in 1H26.

Analyst

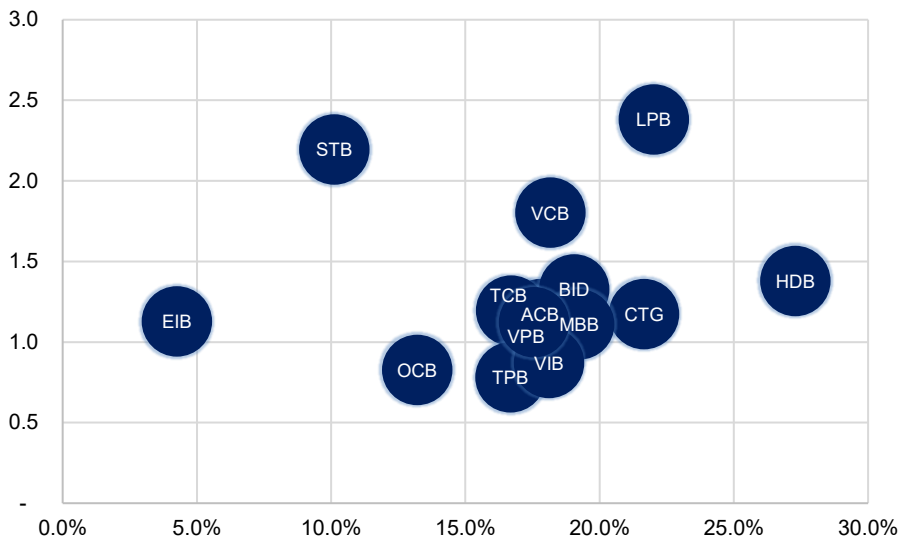
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Maintain POSITIVE rating on the banking sector, prefer CTG, TCB and VPB

We maintain our ADD rating on the banking sector, supported by valuations that have corrected to below 3-year and 5-year averages, while 2026 earnings growth for banks under coverage is still expected to reach around 22% YoY. We prefer banks with one of the following characteristics: i) beneficiaries of accelerated public investment, import-export activity or higher credit quotas than the sector average; ii) stronger asset quality than the sector average, helping reduce credit cost pressure; iii) CASA advantages, low funding costs or bank-specific stories related to restructuring, stake sales and legacy asset resolution. On this basis, we select CTG, TCB and VPB as our preferred banking stocks.

Figure 1: 2026F P/B and 2026F ROE correlation of banks under MBS Research coverage¹



Source: MBS Research forecast

Figure 2: Peer comparison of banks under MBS Research coverage

Bank	Market cap	Target price	Upside	Rating	Target P/B	P/E		P/B		NPAT growth		ROE		ROA	
	VND bn	VND/share				2026F	2027F	2026F	2027F	2026F	2027F	2026F	2027F	2026F	2027F
ACB	124,120	28,350	32.5%	ADD	1.5x	6.9x	5.5x	1.1x	0.9x	15.8%	24.2%	17.8%	18.7%	1.7%	1.8%
BID	279,302	52,800	47.1%	ADD	1.8x	7.3x	6.5x	1.3x	1.1x	18.3%	13.3%	19.1%	18.4%	1.0%	1.0%
CTG	234,266	48,900	62.2%	ADD	1.8x	5.5x	4.9x	1.1x	1.0x	22.0%	13.3%	21.7%	20.8%	1.5%	1.5%
EIB	30,690	15,500	-6.1%	HOLD	1.0x	27.2x	20.3x	1.1x	1.1x	-0.5%	34.1%	4.3%	5.4%	0.4%	0.5%
HDB	138,527	38,350	38.7%	ADD	1.6x	6.0x	4.4x	1.4x	1.0x	40.3%	25.7%	27.3%	27.9%	2.3%	2.4%
LPB	138,736	N/A	N/A	N/A	N/A	12.0x	10.3x	2.4x	2.0x	1.5%	16.3%	22.0%	20.9%	1.8%	1.8%
MBB	199,890	N/A	N/A	N/A	N/A	6.4x	4.7x	1.1x	0.9x	16.2%	36.6%	19.2%	20.7%	1.7%	1.8%
OCB	31,518	N/A	N/A	N/A	N/A	6.6x	5.8x	0.8x	0.7x	19.6%	14.4%	13.2%	13.2%	1.4%	1.4%
STB	145,341	53,600	-30.3%	REDUCE	1.4x	22.8x	14.4x	2.2x	1.9x	7.1%	58.3%	10.1%	14.3%	0.7%	0.9%
TCB	233,616	44,300	34.4%	ADD	1.6x	7.9x	6.7x	1.2x	1.0x	16.4%	17.6%	16.7%	17.0%	2.3%	2.2%
TPB	40,719	21,000	42.9%	ADD	1.1x	4.9x	4.3x	0.8x	0.7x	12.4%	14.4%	16.7%	16.2%	1.5%	1.6%
VCB	485,716	74,200	27.7%	ADD	2.1x	10.7x	9.3x	1.8x	1.5x	29.2%	14.7%	18.2%	17.4%	1.7%	1.7%
VIB	50,303	22,000	63.6%	ADD	1.3x	5.1x	4.3x	0.9x	0.7x	23.5%	17.4%	18.1%	18.4%	1.6%	1.7%
VPB	221,000	39,400	78.3%	ADD	1.4x	5.2x	4.2x	0.9x	0.7x	40.6%	22.0%	17.6%	18.1%	2.3%	2.2%
Avg. SOCBs					1.9x	7.8x	6.9x	1.4x	1.2x	23.4%	13.8%	19.6%	18.9%	1.4%	1.4%
Avg. private banks					1.3x	10.1x	7.7x	1.3x	1.1x	21.6%	24.8%	16.6%	17.4%	1.6%	1.7%
Average					1.5x	9.6x	7.5x	1.3x	1.1x	22.3%	20.3%	17.3%	17.7%	1.6%	1.6%

Source: MBS Research forecast

3Q26 NPAT forecast for banks under MBS Research coverage

STT	Ticker	NPAT growth forecast					Comments
		3Q26	% YoY	% QoQ	2026	% YoY	
1	ACB	4,795	12.0%	11.7%	18,091	15.8%	Credit growth by end-3Q26 is forecast at around 12.9% YTD, equivalent to about 4.0% growth versus end-Q2/26. Funding is expected to remain significantly slower, staying broadly flat YTD by end-3Q26, with funding from valuable papers still accounting for the major share. NIM is forecast to remain at 3.0% in 3Q26, equivalent to Q2/26, bringing 9M26 NIM to around 2.9%, down slightly by 6 bps YoY. Provisioning expenses are still expected to increase 2.5x YoY due to last year's low base and the lingering impact of Decree 86/2024. However, this would be down 30% QoQ. CIR remaining at 30% should help PBT grow around 12% YoY in 3Q26. 9M26 PBT is estimated at around VND 16.7tn, +4.1% YoY, completing 75% of the full-year plan.
2	BID	7,365	21.0%	-11.2%	36,008	18.1%	BID's credit growth at end-3Q26 is expected to reach around 6% YTD, lower than the same-period growth last year and mainly driven by SME and corporate lending. Retail lending is expected to grow more slowly, largely because mortgages and household business loans have yet to recover clearly. We expect end-3Q26 funding growth to reach 7% YTD, higher than credit growth, supported by attractive deposit rates. BID's 3Q26 NIM is forecast to improve slightly YoY and stay flat QoQ, mainly as a rising proportion of loans gradually reprices to floating rates. Accordingly, 3Q26 NII is expected to grow 18% YoY. We expect BID to continue stepping up income from written-off bad debt recoveries and net service fees in 3Q26. Provisioning expenses are expected to increase by around 6% YoY. As a result, BID's 3Q26 PBT is forecast at VND 9,206bn, up 21% YoY. 9M26 PBT is forecast to grow 19% YoY.
3	CTG	10,843	27.4%	-8.0%	42,527	22.0%	Credit growth at end-3Q26 is forecast at around 10% YTD, slightly higher than the 9% growth in customer deposits. Disbursement for major projects serving the APEC 2027 conference is expected to accelerate in 2H26. Funding is expected to continue being driven by large corporate and FDI customers. 3Q26 NIM is forecast to continue recovering positively to 2.7%, up 14 bps YoY, despite declining slightly by 5 bps QoQ. Provisioning expenses are forecast to decline 45.8% YoY and 40.0% QoQ as asset quality remains well controlled. 3Q26 PBT is forecast at VND 13.8tn, +30.0% YoY, bringing 9M26 PBT to VND 39.6tn, +34.3% YoY, completing 75% of the full-year plan.
4	EIB	324	-27.2%	29.2%	1,131	-0.5%	3Q26 credit growth is forecast to improve versus the first two quarters, reaching 5% QoQ and bringing credit growth at end-September 2026 to around 7% YTD. Support from the Gelex shareholder group is expected to be the key driver. Funding is forecast to increase sharply by 10% versus end-Q2/26, pushing funding costs up by 270 bps YoY. As a result, NIM is expected to narrow to 2.0%, down 32 bps YoY. Provisioning expenses are expected to continue rising by 53.4% YoY, while CIR is projected to stay above 55%, causing PBT to decline by 27.8% YoY in 3Q26. 9M26 PBT is forecast at VND 1,082bn, -47.1% YoY, completing 71% of the full-year plan.
5	HDB	6,004	58.0%	3.6%	23,959	40.5%	Credit growth in 3Q26 is forecast to remain positive, at around 10% versus end-Q2/26, bringing end-Q3 credit growth to around 33% YTD. Along with credit, funding is also forecast to grow strongly to around 35% YTD to support large disbursement needs and keep LDR within regulatory limits. NIM is forecast to recover to 4.7% in 3Q26, up 19 bps YoY. However, 9M26 NIM is still expected to decline by 76 bps YoY. Provisioning expenses are forecast to increase 23.2% YoY and 10.0% QoQ. 3Q26 PBT is still expected to grow strongly by 58.7% YoY to VND 7.5tn. 9M26 PBT is estimated at VND 20.7tn, up 40.0% YoY and completing 69% of the full-year plan.
6	LPB	2,476	-10.4%	-1.8%	11,591	1.5%	LPB's credit growth at end-3Q26 is expected to reach around 10.5% YTD, lower than the 17% growth in the same period last year, and continue to be driven by corporate lending. 3Q26 NIM is expected to decline YoY due to funding cost pressure. Accordingly, 3Q26 NII is forecast to decline slightly YoY. Non-interest income is expected to grow YoY, mainly supported by net service fee income. Provisioning expenses are expected to increase by around 40% YoY as asset quality is forecast to continue deteriorating in 3Q26. 3Q26 PBT is expected to reach around VND 3,094bn, corresponding to a 10% YoY decline. 9M26 PBT

							is expected at VND 5,631bn, down 5% YoY and completing 61% of the full-year plan.
7	OCB	1,303	6.1%	33.9%	4,797	19.1%	Credit growth in 3Q26 is forecast to slow to only 2.9% QoQ, as credit growth by end-Q2/26 had nearly used up the granted credit quota of 12%. Instead, deposit mobilization is expected to receive greater focus, increasing 5% QoQ and bringing end-3Q26 funding growth to 12% YTD. Nevertheless, NIM is expected to stay at 2.9%, equivalent to Q2/26, thanks to still-high lending rates. This NIM level is still down 10 bps YoY. Provisioning expenses are forecast to increase 2.5x YoY in 3Q26 due to last year's low base, while declining 10% QoQ. 3Q26 PBT is forecast at around VND 1.6tn, +5.7% YoY, bringing 9M26 PBT to VND 4.1tn, +19.5% YoY, completing 60% of the ambitious full-year plan.
8	STB	1,440	-50.4%	6.9%	6,361	7.1%	After two consecutive quarters of credit growth far below the sector and the same period last year, we expect STB's credit in 3Q26 to increase 6% versus end-Q2/26 and potentially complete the full-year target of 12%. Customer deposits are also forecast to increase by around 8% QoQ, bringing end-3Q26 funding growth to around 13% YTD. As a result, NIM is expected to decline to 2.7%, down 123 bps YoY. 9M26 NIM is also expected to decline by 102 bps YoY. Provisioning expenses are forecast to continue doubling YoY in 3Q26, despite declining 55% QoQ. 3Q26 PBT is forecast at VND 1.8tn, -50.8% YoY and -11.3% QoQ, bringing 9M26 PBT to VND 5.9tn, -46.0% YoY. This PBT level completes 73% of the full-year plan.
9	TCB	7,771	17.5%	0.6%	30,198	16.4%	Credit growth by end-3Q26 could reach 20% YTD, with outstanding loans to large projects potentially reaching around VND 30tn. Funding in 3Q26 is expected to increase by around 6% versus end-Q2/26, bringing end-September 2026 funding growth to more than 13% YTD. 3Q26 NIM is forecast to remain at 3.7%, flat QoQ and down 17 bps YoY. Provisioning expenses are forecast to decline 13.1% YoY but double QoQ due to a low base. Accordingly, 3Q26 PBT is forecast at VND 9.7tn, flat QoQ and up 17.5% YoY. 9M26 PBT is estimated at VND 28.2tn, +20.8% YoY, completing 75% of the full-year plan.
10	TPB	1,714	12.7%	-9.4%	8,318	12.7%	TPB's credit growth at end-3Q26 is forecast at around 12% YTD, with the key driver expected to remain the SME segment, while retail credit is expected to grow more slowly as mortgages have yet to recover clearly. The gap between credit and funding growth, together with high input rates, continues to pressure funding costs. Accordingly, 3Q26 NIM is forecast at around 2.9%, down 31 bps YoY. 3Q26 NII is expected to grow 12% YoY. Non-interest income is forecast to increase 8% YoY, mainly thanks to growth in net service fee income and other income. Operating expense pressure is not expected to ease clearly in 3Q26. 3Q26 provisioning expenses are expected to increase 5% YoY, while asset quality is forecast to improve YoY in terms of the NPL ratio but remain higher than at the beginning of the year. As a result, TPB's 3Q26 PBT is expected at VND 2,142bn, up 13% YoY. 9M26 PBT is forecast at VND 6,625bn, up 10% YoY and completing around 64% of the full-year plan.
11	VCB	11,653	29.1%	-19.9%	45,465	29.2%	VCB's credit growth at end-3Q26 is forecast at around 9% YTD, mainly driven by corporate lending, especially large corporate and FDI customers, while retail credit is expected to grow more slowly. Funding growth, including valuable papers, is expected at around 8% YTD, broadly in line with credit growth. 3Q26 NIM is forecast at nearly 3.0%, up 38 bps YoY and almost flat QoQ, supported by improved lending yields as a larger share of medium- and long-term loans reprices to floating rates, while CASA advantages and low funding costs continue to support margin. Accordingly, 3Q26 NII is expected at VND 19,571bn, up 34% YoY. Non-interest income is forecast at VND 3,506bn, up 3% YoY, mainly as net service fee income and FX income both grow by around 5%, while securities trading income declines 15% YoY. 3Q26 provisioning expenses are expected at VND 687bn, down 11% YoY, supported by the expectation of continued provision reversals from the NPL related to investment securities. As a result, VCB's 3Q26 PBT is forecast at VND 14,567bn, up 30% YoY. 9M26 PBT is expected at VND 43,789bn, up 32% YoY.
12	VIB	1,905	17.3%	-15.0%	8,996	23.5%	Credit growth by end-3Q26 is expected at around 8% YTD, equivalent to 4% growth in 3Q26 versus end-Q2/26. Funding at end-3Q26 is forecast at around 11% YTD, slightly higher than credit growth. This is expected to reduce NIM to 3.0%, down 13 bps YoY and 11 bps QoQ. Provisioning expenses are forecast to decline 10.0% YoY and 18.6% QoQ as NPL pressure has not temporarily increased, while retail credit has yet to show a strong recovery as expected. 3Q26 PBT is forecast at around VND 3tn, +47.8% YoY mainly due to last year's

						low base, and up 25.9% QoQ. 9M26 PBT could reach VND 8.2tn, +16.2% YoY, completing 72% of the full-year plan.
						VPB's credit growth at end-3Q26 is forecast at around 26% YTD, driven by corporate and SME lending. Against a generally elevated deposit rate environment and VPB's own competitive deposit rate programs, we expect VPB's funding growth to continue outperforming the sector and exceed credit growth, reaching around 29% YTD. As funding cost pressure persists, we expect VPB's 3Q26 NIM to continue declining, down 29 bps YoY. Accordingly, 3Q26 NII is expected to grow by around 26% YoY. In addition, non-interest income is expected to grow by more than 10% YoY, slower than the pace in 1H26 due to the high base in the same period last year. This income is mainly supported by net service fee income and other income, while FX trading and securities activities are expected to decline YoY. 3Q26 credit risk provisioning expenses are forecast at VND 7.8tn, up 19% YoY. VPB's 3Q26 PBT is expected at VND 11,649bn, up 27% YoY; accordingly, 9M26 PBT is expected to increase by 50% YoY and complete around 74% of the full-year plan.
13	VPB	9,319	26.6%	6.2%	34,245	40.6%
Total		66,912	19.1%	-5.0%	271,687	23.1%

Source: MBS Research forecast

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