



### KEY HIGHLIGHTS

- Q1/2026 earnings performance of the 27 listed banks continued to maintain growth momentum, with sector-wide profit before tax increasing by approximately 14% YoY. However, the quality of growth became more clearly differentiated across banking groups.
- Credit growth outpaced deposit growth: outstanding loans of the 27 listed banks increased by 3.58% YTD in Q1/2026, while funding mobilization rose by only around 0.6%, adding pressure on liquidity, cost of funds (COF), and net interest margin (NIM).
- Deposit rates increased in Q1/2026 and only started to cool down from early April under the State Bank of Vietnam's guidance to stabilize interest rates. Nevertheless, room for a reduction in funding costs in the near term remains limited.
- The draft amendment to Circular 22/2019/TT-NHNN reflects the SBV's efforts to regulate banking activities more flexibly in a new and more challenging environment, while also enhancing the quality of governance across the banking system, including funding quality, liquidity, and capital buffers. CDR, LCR, NSFR, and LEV are key ratios to monitor.

### BANKING SECTOR OUTLOOK ASSESSMENT

- System-wide credit is expected to continue expanding in 2026, with growth guidance of around 15%–16% YoY. However, actual growth may be flexibly managed by the SBV depending on inflation, exchange rate movements, system liquidity, and macroeconomic stability, in line with recent official remarks.
- Banking sector earnings are still expected to grow, but at a slower pace, as NIM remains under pressure from COF and deposit competition. We believe NIM is likely to see a more meaningful improvement only from late 2026, when the funding environment becomes more stable and earning assets are more fully repriced.
- The draft amendment to Circular 22/2019/TT-NHNN and new capital regulations such as Circular 14/2025/TT-NHNN will raise system-wide prudential standards while further widening differentiation among banks. Banks with strong CASA, stable funding, thick Tier 1 capital buffers, and high provisioning buffers should enjoy a relative advantage.

*Note: The data in this report is compiled from 27 listed banks.*



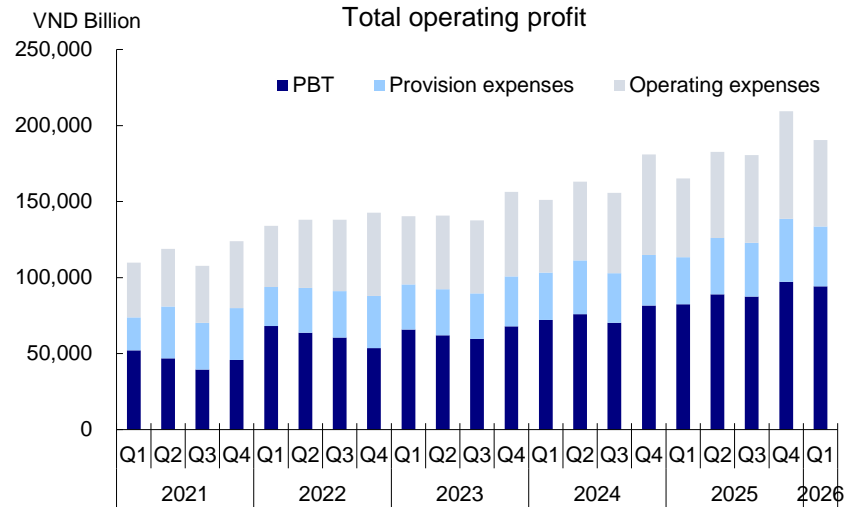
FACTSHEET TABLE BUSINESS RESULTS Q1/2026

Stock	Customer loan growth (%YoY)	Deposit growth (%YoY)	NII income growth (%YoY)	NFI income growth (%YoY)	Pre provision income growth (%YoY)	CIR ratio	NIM TTM	CASA ratio	NPL ratio	Loan provision/NPL	P/E	P/B
VCB	20.47%	11.46%	14.03%	0.64%	11.03%	34.67%	2.64%	32.55%	0.62%	253.36%	13.93	2.14
BID	15.66%	8.30%	11.42%	23.76%	17.93%	33.13%	2.07%	19.49%	1.76%	86.89%	9.51	1.64
CTG	13.16%	12.52%	12.22%	4.80%	7.68%	29.69%	2.59%	24.08%	1.02%	167.19%	7.19	1.46
TCB	19.94%	12.83%	11.49%	45.86%	24.26%	30.69%	3.66%	31.45%	1.09%	129.39%	9.19	1.35
VPB	43.12%	23.60%	19.67%	35.17%	20.65%	24.15%	5.19%	13.09%	3.58%	52.80%	8.40	1.27
MBB	40.61%	25.37%	25.24%	0.22%	20.46%	28.77%	3.85%	32.27%	1.42%	92.24%	7.52	1.45
LPB	14.44%	17.94%	9.33%	15.91%	10.59%	28.77%	3.03%	6.49%	1.84%	69.65%	14.58	3.29
STB	9.23%	2.60%	1.63%	42.94%	26.53%	39.39%	3.02%	15.92%	6.62%	53.21%	31.29	2.36
HDB	34.70%	33.57%	15.16%	74.05%	35.62%	26.85%	4.35%	10.21%	2.60%	50.00%	7.71	1.70
ACB	18.36%	3.40%	0.38%	24.41%	5.68%	31.86%	2.86%	21.23%	0.97%	113.97%	7.17	1.18
SHB	10.43%	13.22%	-6.65%	371.57%	31.61%	21.83%	2.50%	6.63%	2.60%	71.20%	5.35	1.03
VIB	15.82%	12.07%	1.64%	30.90%	7.72%	35.40%	3.03%	13.93%	2.94%	43.10%	7.17	1.11
SSB	12.03%	16.14%	-7.19%	-69.83%	-41.00%	40.67%	2.53%	9.08%	2.24%	68.00%	15.05	1.14
TPB	20.45%	14.55%	4.54%	19.95%	9.93%	35.73%	2.93%	17.45%	2.17%	58.39%	5.94	0.99
EIB	4.83%	3.64%	1.44%	-64.89%	-47.10%	60.97%	2.35%	13.37%	3.07%	37.80%	56.18	1.59
MSB	11.80%	18.93%	12.14%	-29.72%	4.49%	35.28%	3.23%	25.51%	2.66%	51.61%	7.11	0.95
OCB	16.07%	4.98%	6.75%	116.78%	27.96%	34.97%	3.00%	10.67%	3.52%	55.56%	7.11	0.87
NAB	13.41%	0.27%	2.92%	190.17%	41.30%	33.73%	2.34%	5.89%	1.82%	56.45%	5.70	1.04
ABB	20.57%	63.42%	80.59%	147.33%	179.11%	31.38%	2.69%	7.65%	0.82%	122.60%	4.69	1.19
NVB	50.16%	31.59%	277.36%	48.74%	121.70%	67.92%	1.77%	7.46%	7.25%	18.07%	249.45	1.51
VBB	12.49%	-6.31%	10.71%	-60.55%	-11.71%	48.45%	1.85%	3.33%	3.35%	45.06%	10.17	1.12
BAB	16.50%	2.13%	6.22%	14.12%	18.18%	56.36%	1.95%	3.05%	1.88%	67.95%	9.86	0.88
VAB	6.63%	9.00%	44.32%	52.20%	73.65%	25.74%	2.69%	4.73%	1.29%	91.55%	5.80	0.79
BVB	12.00%	4.25%	26.57%	78.90%	34.05%	56.67%	2.41%	6.94%	3.11%	45.68%	15.52	1.08
KLB	7.62%	3.03%	11.98%	47.72%	50.47%	36.85%	4.06%	5.92%	1.90%	85.51%	4.13	0.93
PGB	-2.33%	0.68%	14.20%	194.96%	61.09%	43.03%	2.39%	16.01%	4.03%	31.15%	8.80	0.96
SGB	5.77%	3.30%	-4.24%	-19.19%	-30.99%	73.36%	2.13%	7.51%	3.52%	29.30%	38.56	1.02
<b>Median</b>	<b>14.44%</b>	<b>11.46%</b>	<b>11.42%</b>	<b>30.90%</b>	<b>20.46%</b>	<b>34.97%</b>	<b>2.69%</b>	<b>10.67%</b>	<b>2.24%</b>	<b>58.39%</b>	<b>8.40</b>	<b>1.14</b>
<b>Average</b>	<b>17.18%</b>	<b>12.83%</b>	<b>22.37%</b>	<b>49.52%</b>	<b>26.33%</b>	<b>38.75%</b>	<b>2.86%</b>	<b>13.77%</b>	<b>2.58%</b>	<b>75.84%</b>	<b>21.23</b>	<b>1.33</b>
<b>Industry</b>	<b>19.38%</b>	<b>12.80%</b>	<b>12.31%</b>	<b>22.86%</b>	<b>17.60%</b>	<b>31.73%</b>	<b>2.95%</b>	<b>20.04%</b>	<b>2.00%</b>	<b>79.60%</b>	<b>9.39</b>	<b>1.52</b>

Source: FiinProX, compiled by GTJAS



**BUSINESS RESULTS Q1/2026**



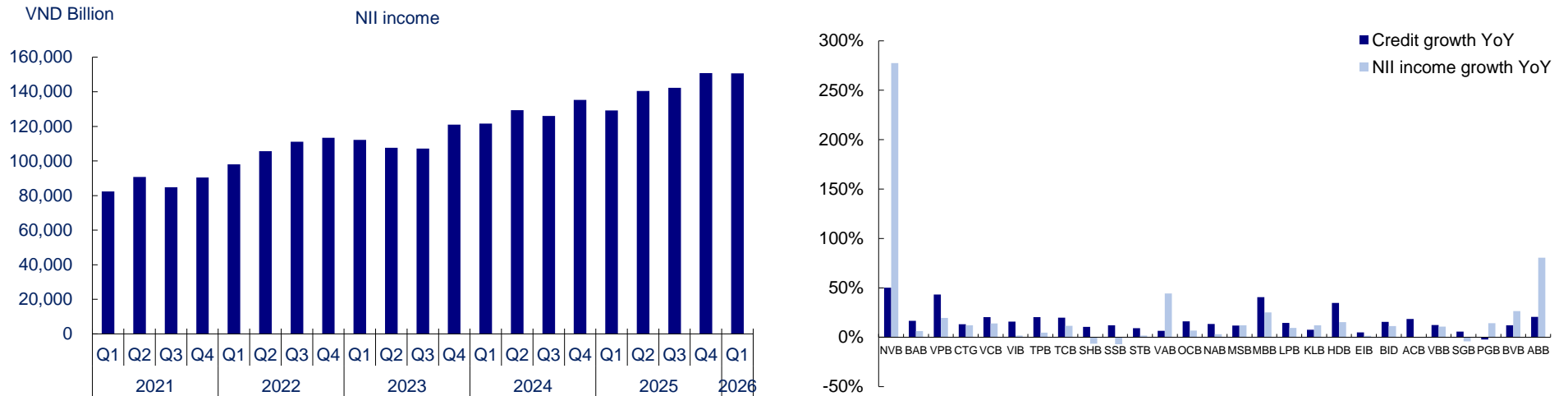
Source: FiinProX, compiled by GTJAS

According to the Q1/2026 consolidated financial statements of 27 listed banks, sector-wide profit before tax increased by approximately 14% YoY. This result indicates that the sector continued to sustain its growth momentum despite the absence of a clear NIM recovery and ongoing pressure on funding costs. Nevertheless, the earnings picture became more clearly differentiated across banking groups. The state-owned banking group recorded stable growth, with CTG standing out with a 63.3% YoY increase, driven by lower provisioning pressure compared with the same period last year, solid growth in operating income, and an improved CIR. This was higher than BID (+15.6%) and VCB (+8.7%). Among large private commercial banks, VPB and TCB were the two bright spots, with profit before tax rising by 58.0% and 22.6% YoY, respectively, while ACB, VIB, MBB, and HDB recorded growth of around 14%–17% YoY, broadly in line with the sector average.

The mid- and small-sized banking group recorded several cases of high growth, including KLB, VAB, NVB, OCB, NAB, ABB, PGB, and BVB. However, these increases should be assessed with caution, as they may have been influenced by a low base effect or non-recurring income factors. Conversely, SSB, EIB, VBB, LPB, SGB, STB, and TPB reported declining or broadly flat earnings, reflecting bank-specific pressures on operating income, funding costs, or provisioning expenses.



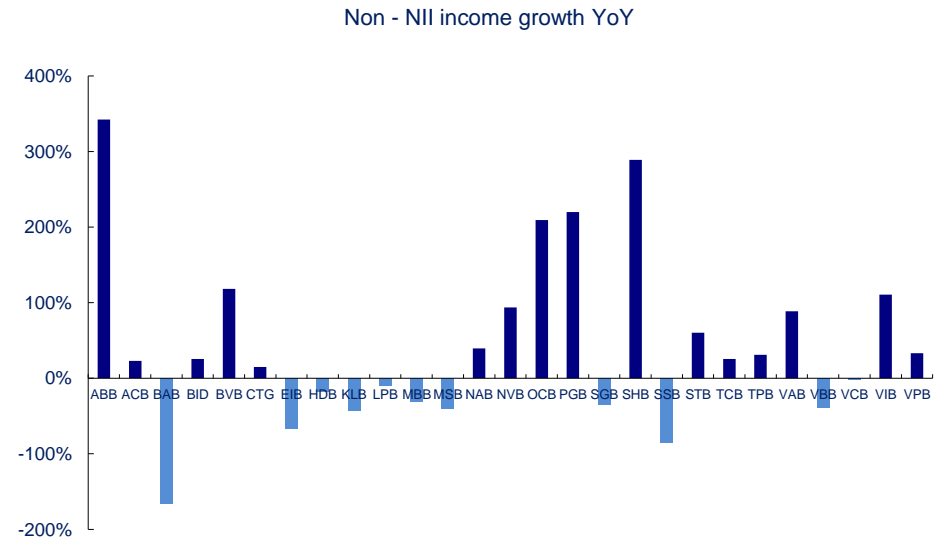
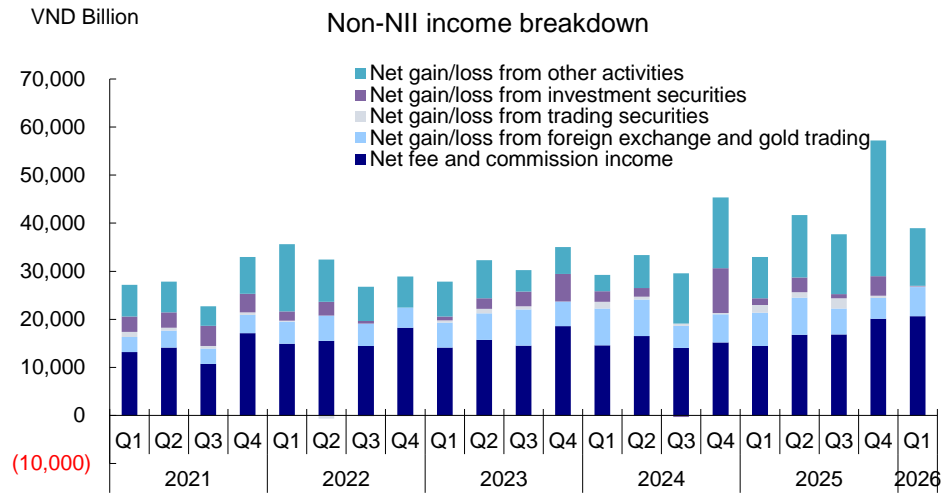
Overall, Q1/2026 showed that sector earnings continued to grow. However, rising NIM pressure meant that income growth, in general, did not keep pace with credit growth compared with the same period last year.



Source: FiinProX, compiled by GTJAS

Sector-wide net interest income (NII) continued to maintain an upward trend in Q1/2026, increasing by 16.6% YoY and remaining the key pillar of total operating income, supported by credit growth and the expansion of earning assets. However, NII growth was lower than the sector-wide growth in customer loans, which reached 18.46% YoY, indicating that the conversion of credit growth into interest income has not been fully commensurate. This development reflects continued NIM pressure, as earning asset yields have yet to recover meaningfully, while funding costs remain affected by deposit competition and the rising share of term deposits.

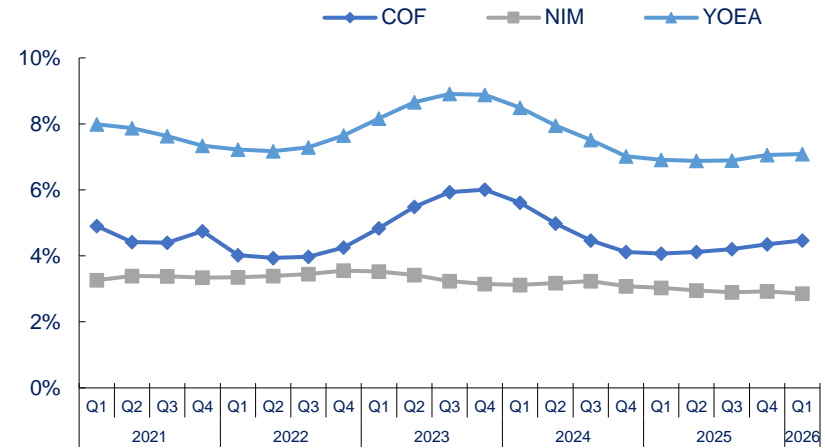
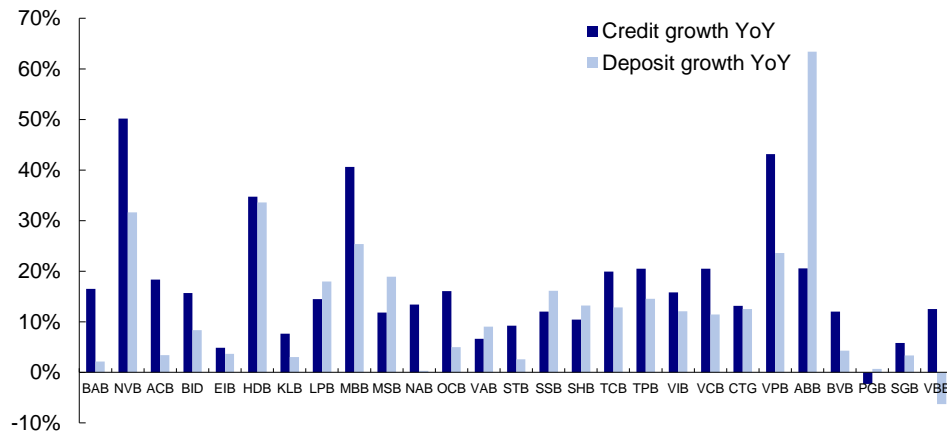
By bank, most banks recorded NII growth below credit growth. Among large private banks, TCB, VPB, MBB, HDB, ACB, VIB, and TPB all posted credit growth significantly higher than net interest income growth. This suggests that loan book expansion remained the key driver supporting NII, but its contribution was constrained by narrowing net interest margins.



Source: FiinProX, compiled by GTJAS

**Sector-wide non-interest income** increased by approximately 18.0% YoY in Q1/2026, slightly outpacing net interest income growth. The increase was mainly driven by net fee income (+43% YoY) and net gains from other activities (+39% YoY). However, growth was highly differentiated across banks and did not reflect a broad-based improvement in non-credit income streams.

- The strongest growth group included ABB (+342% YoY), SHB (+289%), PGB (+220%), OCB (+209%), BVB (+118%), NVB (+94%), and VAB (+89%). However, the high growth rates in this group were mainly attributable to a low base and volatile income components such as foreign exchange, trading securities, investment securities, and other income.
- Among large banks, CTG (+15%), BID (+26%), ACB (+23%), TCB (+26%), TPB (+31%), and VPB (+33%) recorded more positive, albeit not exceptional, growth. TCB, TPB, and VPB stood out thanks to contributions from fee income and their customer ecosystems, while CTG, BID, and ACB grew at a more moderate pace due to an already high NFI base and fewer one-off factors during the quarter.
- Conversely, VCB (-1%) and MBB (-31%) declined. For VCB, fee income and other income continued to provide support but were offset by declines in foreign exchange and securities-related income. For MBB, despite improvement in the fee income segment, NFI was dragged down by several volatile components with negative contributions, including foreign exchange, investment activities, and other income.



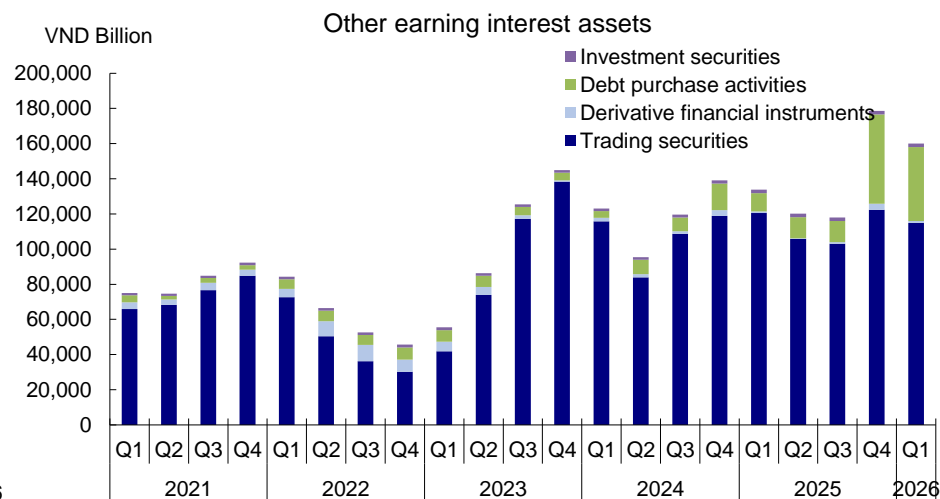
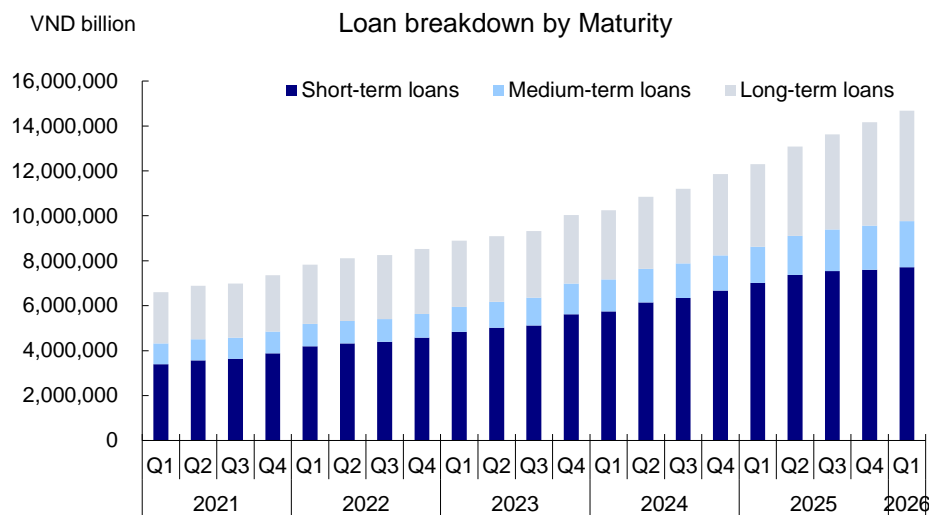
Source: FiiProX, compiled by GTJAS

According to the SBV, by the end of Q1/2026, system-wide outstanding credit reached more than VND 19.18 quadrillion, up 3.18% compared with end-2025. The SBV has guided system-wide credit growth of around 15% for 2026, while retaining flexibility to adjust depending on actual developments in order to balance growth support, inflation control, macroeconomic stability, and the safety of the credit institution system.

On the funding side, according to Mr. Pham Chi Quang, Director General of the SBV’s Monetary Policy Department, system-wide credit increased by around 3.18% in Q1/2026, while funding mobilization rose by only 0.55%. This gap indicates rising liquidity pressure and makes room for interest rate cuts more limited.

For the 27 listed banks, aggregated data from financial statements also reflects a similar trend. Total customer loans reached more than VND 14.4 quadrillion by the end of Q1/2026, up around 3.58% compared with end-2025, while total customer deposits reached approximately VND 12.9 quadrillion, increasing by only around 0.6% compared with end-Q4/2025.

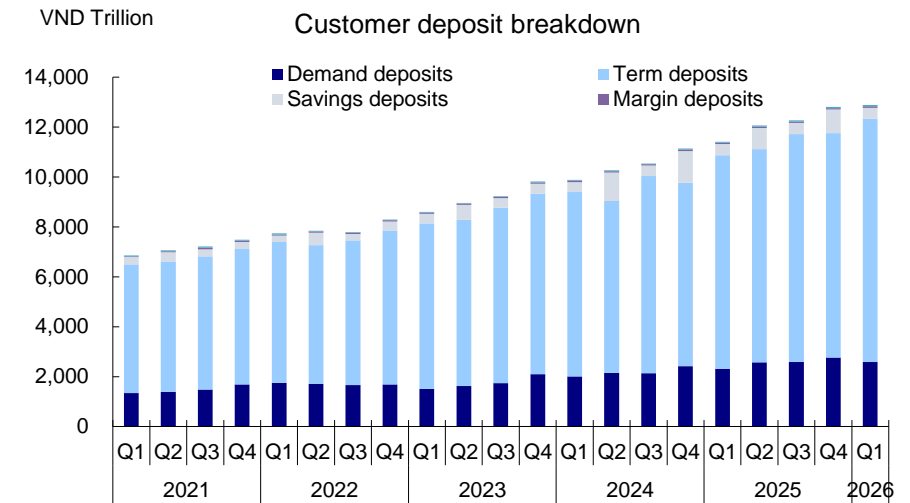
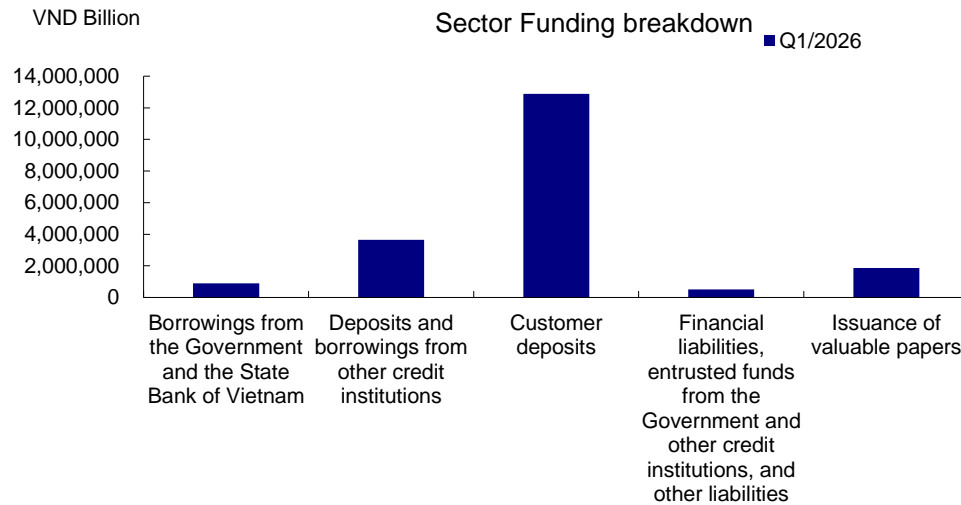
Faster credit growth helped support net interest income and the scale of earning assets. However, on the balance sheet, the gap between credit growth and deposit growth increased pressure on LDR/CDR, forcing banks to compete more aggressively for deposits, increase the issuance of valuable papers, or rely more heavily on interbank funding. This is the key reason why COF is unlikely to decline significantly in the near term, thereby limiting the pace of NIM recovery.



Source: FiinProX, compiled by GTJAS

Customer loans maintained a stable upward trend and continued to represent the most important component of earning assets. The maturity structure shows that short-term lending still accounts for a large proportion, supporting capital turnover and asset repricing capability. However, the increase in medium- and long-term loans places higher requirements on funding maturity management, particularly as liquidity safety limits under Circular 22 and its draft amendment are receiving greater regulatory focus.

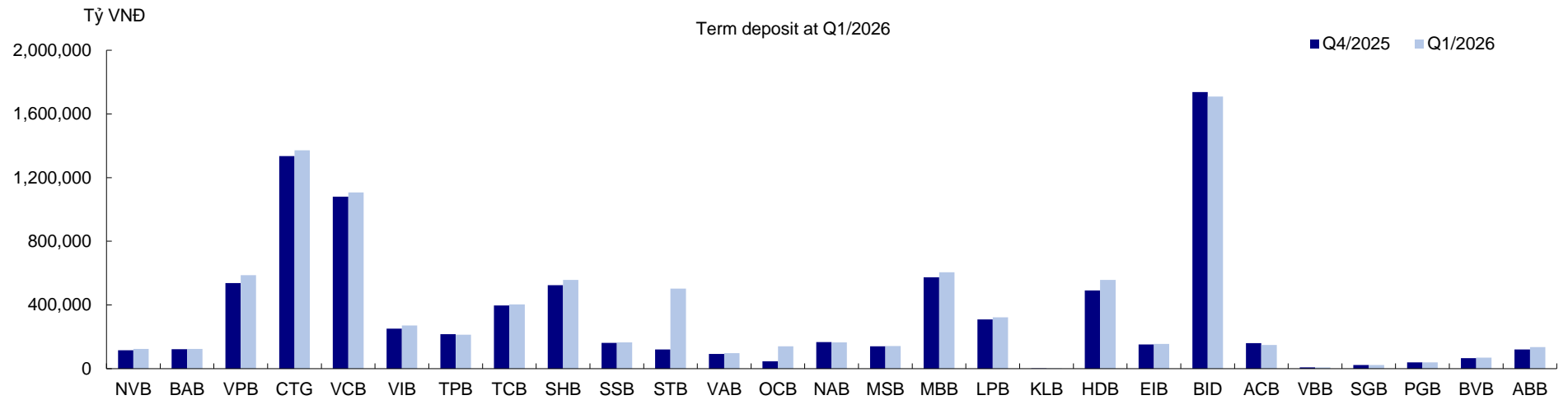
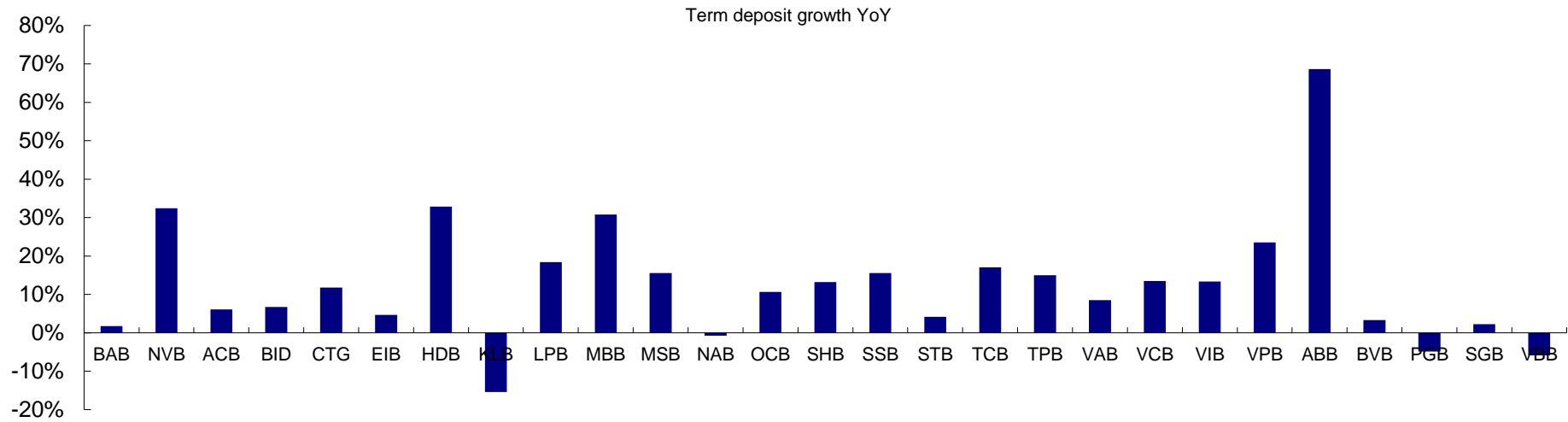
For other earning assets, investment securities remained the largest component outside customer loans, reflecting banks' need to balance yield, liquidity, and asset-side management. Meanwhile, trading securities fluctuated in line with interest rate expectations and short-term yield optimization strategies. Debt purchase activities have increased strongly in recent quarters, indicating that some banks are capitalizing on opportunities in the debt and collateral markets to expand credit-like assets beyond traditional lending. This trend may support income in the near term, but risks related to valuation, the quality of purchased debt, and provisioning requirements should be closely monitored.



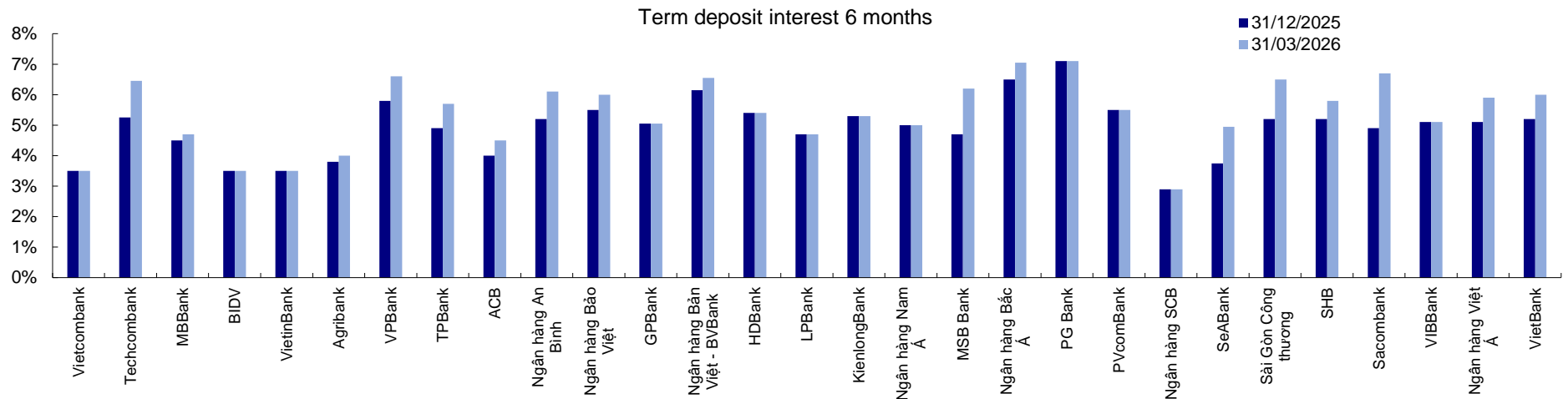
Source: FiinProX, compiled by GTJAS

Customer deposits continued to serve as the primary funding source of the banking system, accounting for approximately 65% of total core funding in Q1/2026. However, the quality of deposit growth was not particularly favorable, as customer deposit growth was mainly driven by term deposits, while demand deposits (CASA) declined by 7% compared with end-2025. According to aggregated data from 27 listed banks, term deposits increased by 8.43% QoQ, reflecting customers' shift toward higher-yielding products amid intensifying deposit competition. This development helps strengthen the stability of funding sources, but at the same time raises the average cost of funds and limits room for NIM recovery. Therefore, in the coming quarters, the advantage will likely tilt toward banks that can maintain a stable CASA base, a large transactional customer base, and lower reliance on interbank funding or the issuance of valuable papers.

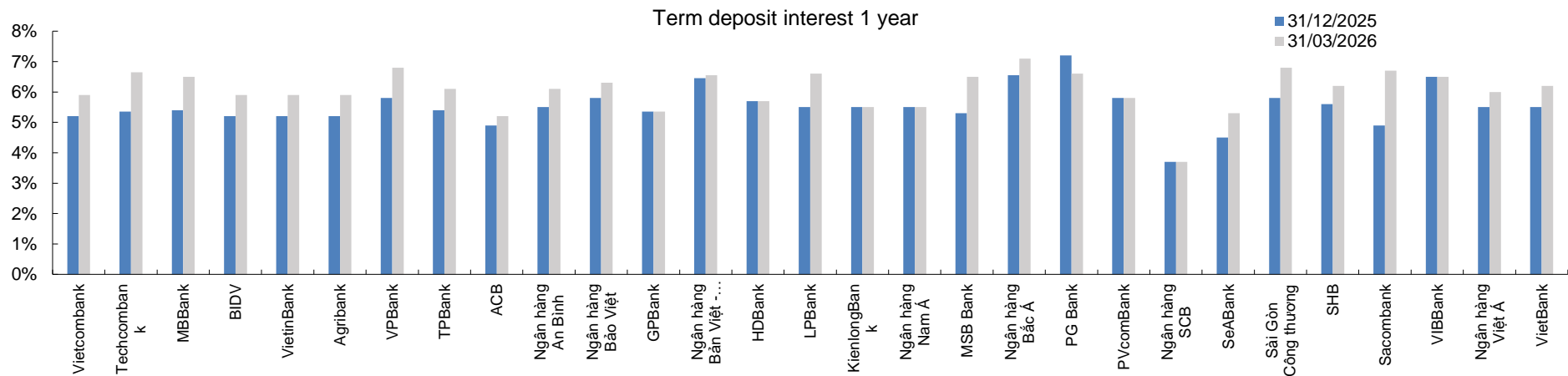
A closer look at the term deposit component shows clear differentiation across banking groups in Q1/2026. The state-owned banking group continued to maintain the largest term deposit base in the system, with BID, CTG, and VCB remaining the banks with superior deposit franchises. However, their QoQ growth was relatively moderate, reflecting their stable funding advantage and lower need to compete aggressively on deposit rates. In contrast, private banks showed a clearer tendency to step up term deposit mobilization, notably HDB (+13.4% QoQ; +32.9% YoY), VPB (+9.4% QoQ; +22.4% YoY), MBB (+5.7% QoQ; +30.8% YoY), TCB (+1.8% QoQ; +17% YoY), VIB (+7.9% QoQ; +13.4% YoY), and SHB (+6.5% QoQ; +13.2% YoY). This group needs to reinforce stable funding to finance credit growth, but may also face higher funding cost pressure in the coming quarters.



Source: FiinProX, compiled by GTJAS



Source: FiinProX, compiled by GTJAS

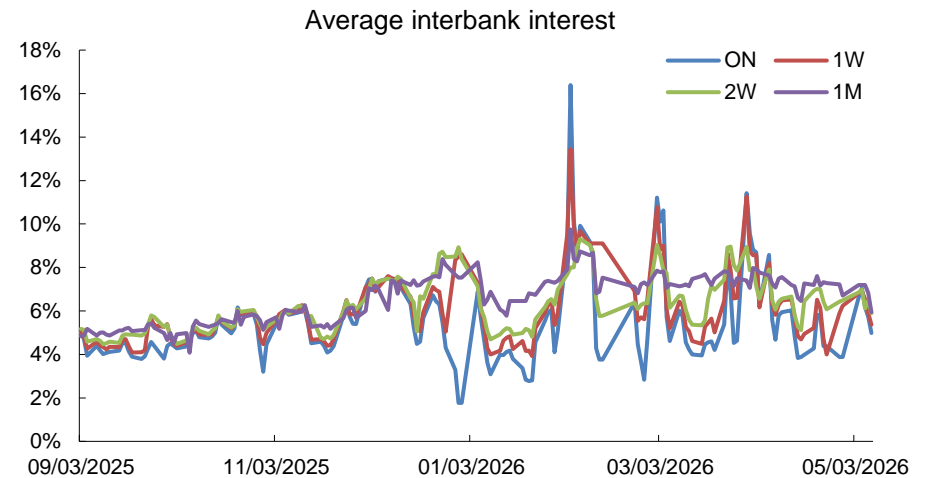
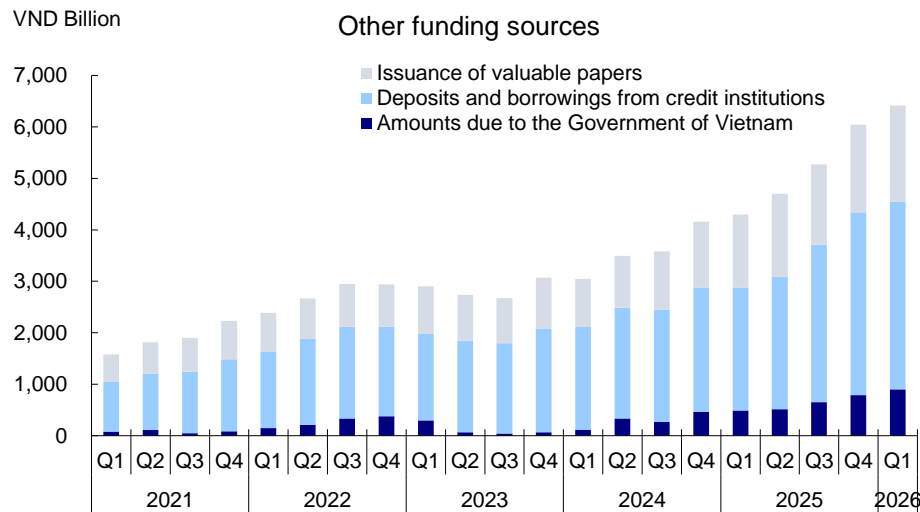




**Looking at term deposit rates, deposit competition pressure in Q1/2026 was more concentrated among private commercial banks.** For the 6-month tenor, banks such as Sacombank, MSB, Saigonbank, Techcombank, SeABank, and TPBank recorded the sharpest increases in deposit rates, reflecting their need to attract short- to medium-term funding to support credit growth. For the 12-month tenor, the rate-hiking trend became more widespread, with the participation of Techcombank, MSB, MBB, LPBank, and VPBank, indicating that banks are proactively extending the maturity profile of their funding sources to strengthen liquidity.

This development reinforces the view that the strong increase in term deposits in Q1/2026 was accompanied by higher COF pressure, which may continue to limit room for NIM recovery in the coming quarters.

In addition to customer deposits, banks have been increasingly utilizing funding through the issuance of valuable papers (+9.79% QoQ, +31.25% YoY). This reflects the need to diversify the funding mix, lengthen the maturity profile of funding sources, and meet liquidity safety requirements.



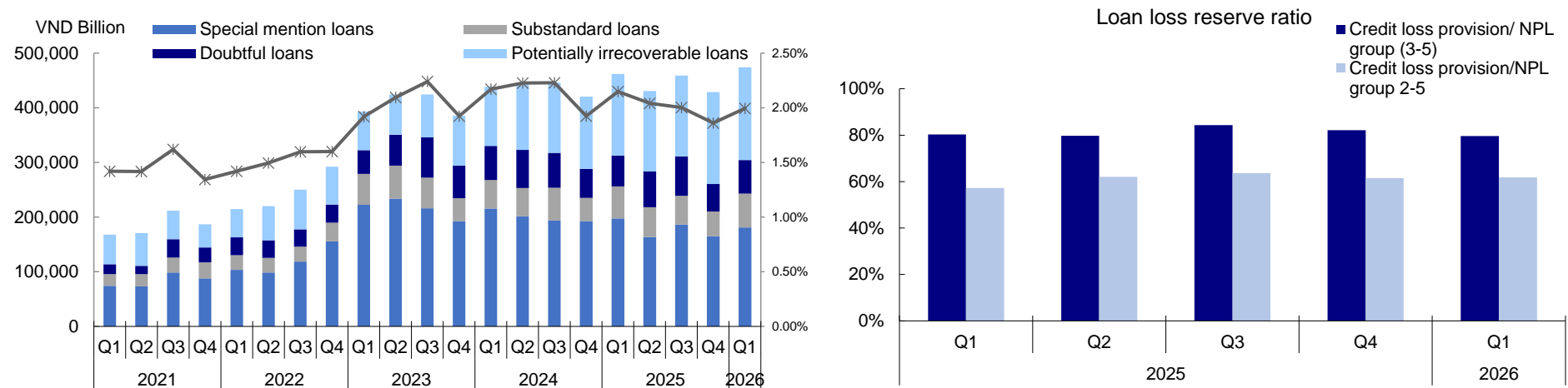
Source: FiinProX, compiled by GTJAS

Funding pressure was also clearly reflected in the interbank market, as average short-term **interbank rates** remained elevated and highly volatile from late 2025 to early Q2/2026. Spikes in overnight, 1-week, and 2-week rates indicate that short-term liquidity demand in the system increased at certain



points, amid credit growth outpacing deposit growth. This forced banks to make more flexible use of market-based funding to balance liquidity. However, interbank funding is more volatile in terms of cost and less stable than customer deposits, and may therefore continue to put pressure on COF and NIM, particularly for banks with greater reliance on market funding.

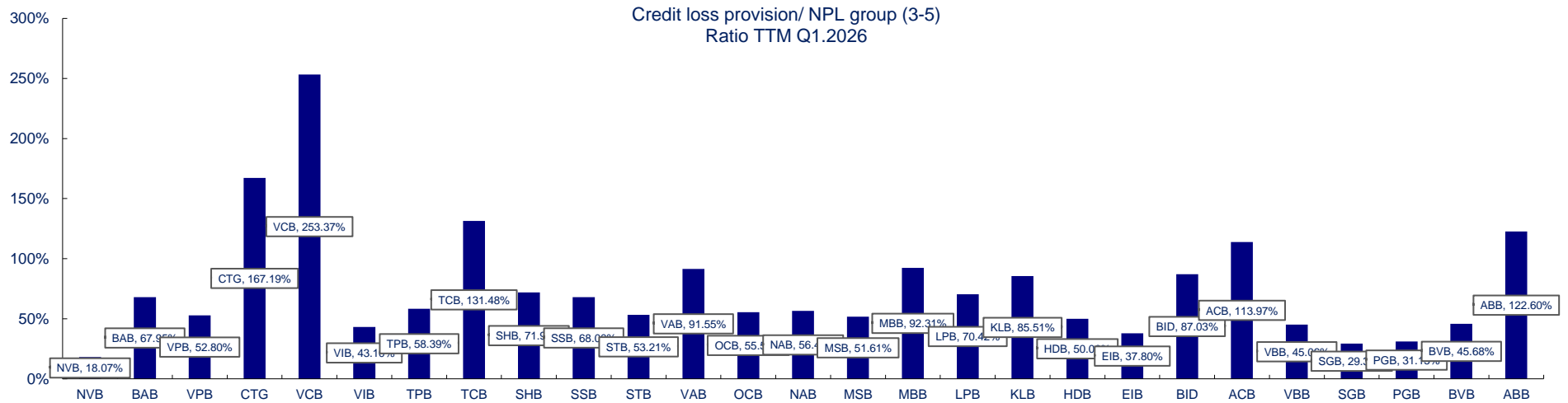
We believe funding will be a strategic variable determining the quality of growth in the banking sector in 2026. Banks with a stable customer deposit base, strong CASA, and lower reliance on interbank funding/valuable papers will have an advantage in protecting net interest margins. Conversely, banks with rapid credit growth but greater dependence on market-based funding may face higher funding cost pressure and greater earnings volatility.



Source: FiinProX, compiled by GTJAS

Sector-wide asset quality has become more stable compared with the 2023–2024 period, as the NPL ratio no longer increased sharply and has hovered around the 2.0% range. However, the absolute amount of non-performing loans has continued to rise, particularly loans with potential loss, indicating that pressure from NPL resolution and provisioning has not fully subsided.

After declining in Q4/2025, NPLs increased again in Q1/2026, implying that the risk of new NPL formation remains present as credit growth recovers. The sector-wide NPL coverage ratio remained around 80% for Group 3–5 loans, but only around 60%–65% when including Group 2 loans, suggesting that buffers against potential risks are still not particularly thick.

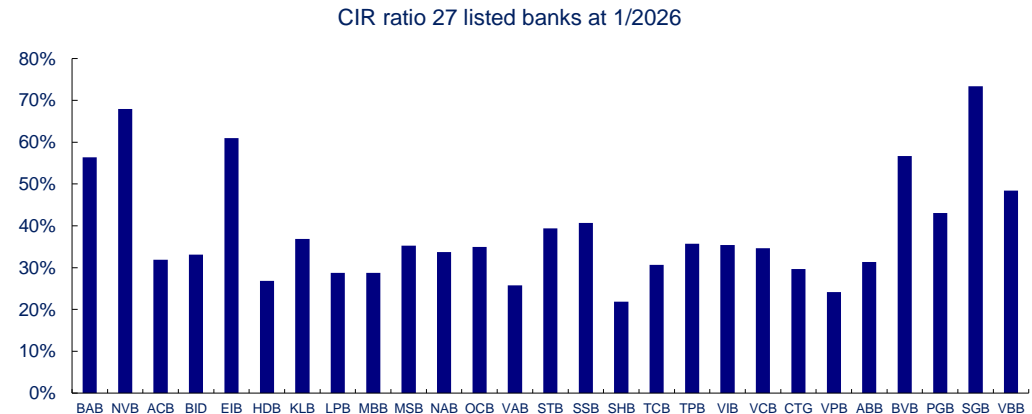
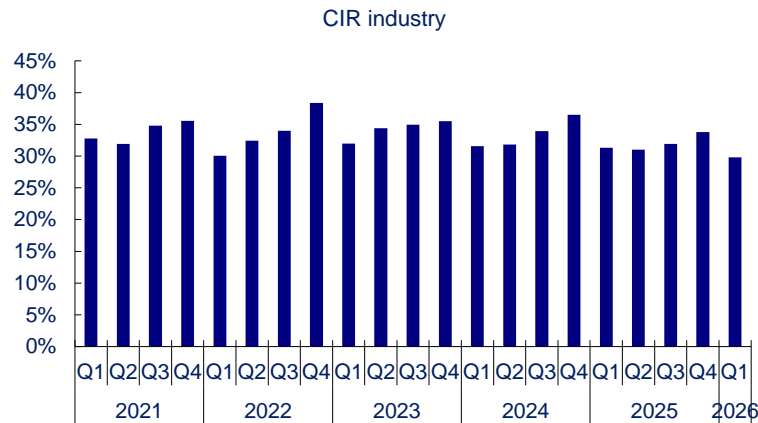


Source: FiinProX, compiled by GTJAS

By banking group, VCB and CTG continued to stand out with high provisioning buffers, at approximately 253% and 167%, respectively, while BID’s coverage ratio stood at around 87%, significantly lower than the other two state-owned banks.

Among large private commercial banks, TCB (133%) and ACB (113%) maintained strong coverage ratios; MBB, HDB, and LPB were at relatively solid levels; while VPB, VIB, and TPB had thinner buffers, making their earnings more sensitive to fluctuations in credit costs. The mid- and small-sized banking group remained highly differentiated, with some banks improving their buffers, while many others continued to maintain low LLR levels.

We believe asset quality will remain a key factor driving earnings and valuation differentiation in 2026, particularly between banks with thick provisioning buffers and those that still need to balance earnings growth with the strengthening of provisions.



Source: FiinProX, compiled by GTJAS

Sector-wide CIR in Q1/2026 remained around 30%, indicating that operating efficiency continued to improve, supported by growth in total operating income and controlled operating expenses following year-end seasonal factors. This trend was underpinned by digital transformation and the migration of transactions from physical channels to digital channels, amid continued strong growth in cashless payments and mobile/Internet banking transactions.

By banking group, TCB, CTG, HDB, MBB, ACB, and VPB maintained low CIRs thanks to scale advantages, digitalized platforms, and strong cost control capabilities. Conversely, SGB, NVB, EIB, BAB, VBB, and PGB recorded significantly higher CIRs, reflecting pressure from income scale and fixed costs. In the context of a still-muted NIM recovery, operating efficiency will remain a key factor differentiating earnings quality among banks in 2026.

**VIFC PARTICIPATION TREND: BANKS PREPARE A “STRATEGIC Foothold” FOR NON-CREDIT GROWTH OPPORTUNITIES**

A notable highlight of the 2026 AGM season is the trend of many commercial banks beginning to incorporate plans to participate in the Vietnam International Financial Center (VIFC) into their strategic action agendas. In terms of progress, VIFC has moved past the stage of establishing the policy framework and is now transitioning into the phase of completing its operating institutional framework, attracting members, and preparing legal entity presence. The National Assembly has issued Resolution 222/2025/QH15 on the international financial center in Vietnam; the Government subsequently issued a guiding decree on the establishment of the center; and VIFC-HCMC was announced/launched in February 2026. However, detailed operating regulations are still being finalized before the center becomes fully operational.



For the banking sector, the current stage can be viewed as a period of strategic preparation and legal entity formation, rather than a phase that generates meaningful contributions to business results. During the 2026 AGM season, many banks included plans to establish subsidiaries/subsidiary banks at VIFC in their resolutions or shareholder proposals. Based on market observations, **Vietcombank, MB, HDBank, SHB, LPBank, TPBank, and Nam A Bank** have mentioned plans to establish legal entities at VIFC, while VietinBank is currently in the research stage. Some banks have disclosed the expected capital scale for their legal entities at VIFC, such as Vietcombank and TPBank, both of which plan to establish wholly owned subsidiary banks with charter capital of around VND 3,000bn.

The fact that many banks are preparing a presence at VIFC indicates that the sector is proactively seeking new growth drivers beyond credit, while also upgrading its financial service capabilities toward international standards. In the initial phase, the impact will mainly be reflected in strategic positioning, expectations for ecosystem expansion, and the potential development of fee income streams. Over the long term, the effectiveness of this strategy will depend on the pace of legal framework completion, the ability to attract international capital flows, and the execution capability of each bank.

#### **ASSESSMENT OF THE DRAFT AMENDMENT TO CIRCULAR 22/2019**

The draft amendment to Circular 22/2019/TT-NHNN indicates that the SBV is guiding the banking sector toward a more prudent governance phase: not only controlling the pace of credit growth, but also exercising deeper oversight over the quality of funding sources used to finance credit. In other words, banks not only need to “have credit room”, but must also demonstrate the capacity to maintain stable funding, high liquidity, and sufficiently large capital buffers to absorb cash-flow stress.

Key changes and preliminary impacts:

✓ **LCR: shifting the focus toward liquidity management under a 30-day stress scenario.**

LCR is calculated as high-quality liquid assets divided by net cash outflows over the next 30 days. The expected implementation roadmap is 70% in 2028, 80% in 2029, 90% in 2030, and 100% from 2031. Banks must report LCR daily before 3:00 p.m. using data as of the preceding day-end.

⇒ Banks will need to hold more assets that can be quickly converted into cash, such as cash, deposits at the SBV, SBV bills, and Government bonds. This enhances liquidity safety but may reduce the yield on earning assets, thereby putting pressure on NIM if the proportion of HQLA increases significantly.

✓ **NSFR: introducing a new constraint on medium- and long-term credit growth.**

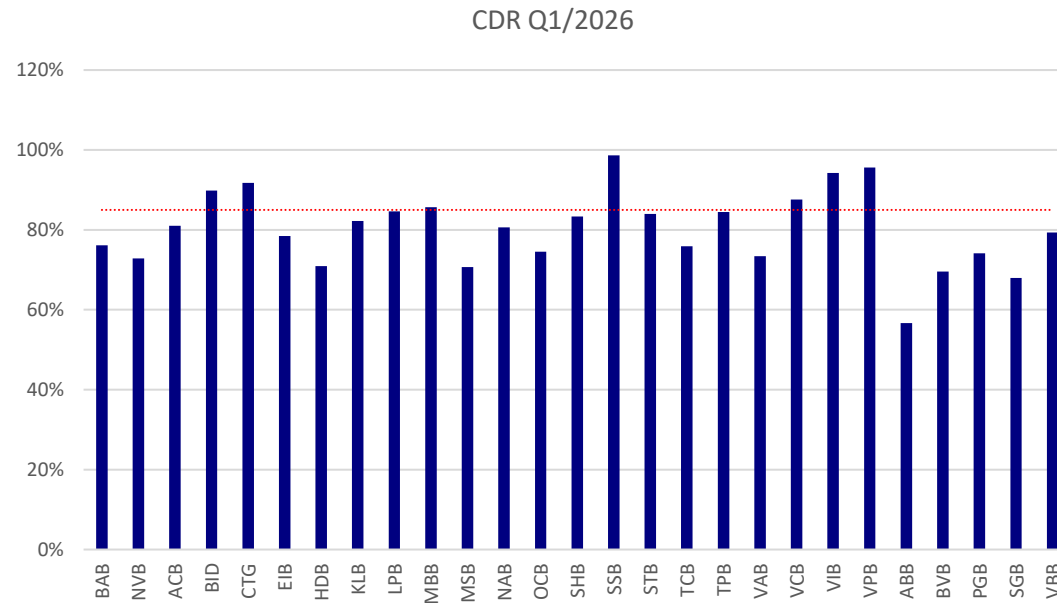
NSFR is calculated as available stable funding divided by required stable funding. The expected implementation roadmap is 90% in 2028, 95% in 2029, and 100% from 2030; this ratio will be reported on a monthly basis.



- ⇒ while LCR measures liquidity resilience over a 30-day horizon, NSFR measures the sustainability of the funding structure. Long-term loans, less liquid assets, or loan portfolios with longer maturities will require a larger amount of stable funding. As a result, banks growing rapidly on the back of short-term funding will face pressure to restructure their funding mix, increase longer-tenor deposits, or issue more valuable papers.
- ✓ **CDR: maintaining the 85% ceiling but changing the measurement approach toward a more substantive framework.**  
The draft stipulates a maximum credit-to-deposit ratio of 85%. The funding denominator includes deposits from organizations and individuals, bond issuance, and entrusted funds for which the bank bears the risk, but excludes certain items such as deposits from other credit institutions, margin deposits, demand deposits from the State Treasury, and 80% of term deposits from the State Treasury. **Notably, banks that have fully adopted LCR and NSFR at 100% are not required to comply with CDR, although they must still report it. Therefore, CDR may serve as a transitional ratio as the SBV moves toward a more internationally aligned liquidity and funding management framework.**
- ✓ **LEV: adding a leverage constraint based on core Tier 1 capital.**  
The draft introduces the LEV ratio, calculated as Tier 1 capital divided by total risk exposure, with a minimum standalone requirement of 3%. The application of this ratio will be decided by the SBV Governor when deemed necessary in each period. For systemically important banks, the conditions for cash dividend distribution are also linked to compliance with the core Tier 1 capital ratio and LEV.
  - ⇒ Banks can no longer optimize CAR solely by shifting assets toward lower risk-weighted categories. The leverage ratio will control balance sheet size relative to Tier 1 capital, thereby creating an additional constraint for banks that expand total assets rapidly without a corresponding increase in core capital.
- ✓ **Tightening credit extended for investment in corporate bonds and equities.**  
Banks may only extend credit with a maximum tenor of one year to customers for investment and trading in corporate bonds or equities; they must have an NPL ratio below 3%; and total outstanding credit for each of these purposes must not exceed 5% of charter capital/allocated capital. For corporate bonds, the draft also prohibits credit extension for investment in unlisted bonds.
  - ⇒ This regulation reduces the risk of “circular capital flows” among banks, bonds, and securities, while limiting the use of bank credit to finance speculative activities in financial assets.
- ❖ **Regarding the CDR ratio, we have conducted a preliminary calculation based on the new formula and note several key observations:**
  - The positive short-term impact is not broad-based. Under the current formula, all banks in the sample are within the 85% limit; however, if the draft CDR formula is applied, six banks would exceed this threshold.
  - The degree of change between LDR and CDR depends significantly on each bank’s funding structure and asset portfolio. Banks with high reliance on interbank funding/valuable papers held by other credit institutions, a large proportion of excluded State Treasury deposits, or sizeable corporate bond portfolios/credit exposures outside traditional lending will be more clearly affected.



- As the draft is still under consultation and subject to ongoing revisions, the calculation needs to be updated once the official circular is issued. In the near term, we believe banks with the ability to proactively adjust their funding mix, increase customer deposits, and lengthen the maturity profile of funding sources will have an advantage in bringing CDR back within the regulatory threshold.



Source: FiinProX, compiled by GTJAS



**Summary of the key impacts of prudential ratios under the draft amendment to Circular 22/2019**

Indicator	Meaning of change / general formula	Key impact on banks
<b>Current LDR</b>	<p><b>Numerator:</b> customer loans + entrusted lending – exclusions such as loans funded by entrusted funds where the bank does not bear risk, foreign borrowings, SBV refinancing, and corporate bonds.</p> <p><b>Denominator:</b> customer deposits + issued valuable papers – State Treasury deposits, margin deposits, and special-purpose deposits.</p>	The impact mainly comes from the pace of loan growth relative to deposit growth. If loans grow faster than deposits, LDR will increase. Items excluded from the denominator, such as State Treasury deposits, margin deposits, or special-purpose funds, may reduce the denominator and push LDR higher.
<b>Draft CDR</b>	A more comprehensive ratio than LDR, measuring total credit extension, including loans, entrusted lending, corporate bonds, and off-balance-sheet credit commitments. At the same time, the denominator is narrowed by excluding deposits from other credit institutions, State Treasury deposits, margin deposits, and bank bonds held by credit institutions.	CDR tends to be higher than LDR, particularly for banks with high reliance on interbank funding/valuable papers, a large corporate bond portfolio, or a significant amount of excluded deposits. This ratio will more clearly reflect each bank’s actual funding pressure.
<b>LCR</b>	High-quality liquid assets / net cash outflows over the next 30 days. This ratio measures liquidity resilience under a short-term stress scenario.	Banks will have to hold more liquid assets such as cash, deposits at the SBV, SBV bills, and Government bonds. The positive impact is improved liquidity safety; the negative impact is that it may reduce yields on earning assets and put pressure on NIM.
<b>NSFR</b>	Stable funding / required stable funding. This ratio measures the sustainability of the funding structure over a longer horizon.	It limits the use of short-term funding to finance long-term assets. Banks with high growth in medium- and long-term credit, corporate bonds, or long-term real estate assets/loans will need to increase stable deposits, issue long-term valuable papers, or raise capital.



<b>LEV</b>	Tier 1 capital / total risk exposure, with an expected minimum of 3% in cases where the SBV requires application.	Adds a constraint on balance sheet size, limiting rapid total asset expansion when Tier 1 capital has not increased correspondingly. Banks with high asset expansion or thin Tier 1 capital will face greater pressure.
<b>Credit for corporate bonds/equities</b>	Limits the tenor of credit extension to a maximum of one year; requires the NPL ratio to be below 3%; total outstanding credit for each purpose must not exceed 5% of charter capital/allocated capital; credit extension for investment in unlisted corporate bonds is prohibited.	Reduces the risk of circular capital flows among banks, bonds, and securities. The impact will be greater for banks with high exposure to corporate bonds/equities or those actively financing financial asset investment activities.

## INVESTMENT VIEW & OUTLOOK

From an earnings perspective, overall, we believe CTG, MBB, and TCB were the banks with the most notable profit growth in Q1/2026, although each represents a different investment story. CTG delivered a surprising performance in Q1. Despite credit growth of only 1.8% YTD and 12.7% YoY, the bank's NII grew faster thanks to a shift in loan maturity structure. In addition, earnings were strongly supported by cost reduction, including lower OPEX from the closure of a large number of transaction offices, as well as lower provisioning expenses. MBB stood out for its strong credit growth momentum, although funding pressure and asset quality require further monitoring. TCB remained a bank with strong operating efficiency and solid asset quality, supported by non-interest income, but its near-term outlook depends heavily on its ability to stabilize NIM and control COF. Meanwhile, ACB and VCB are more suitable from a defensive perspective thanks to their asset quality and strong funding foundations, while HDB and VPB represent higher-growth names but with a higher risk profile.

Looking at the sector's business outlook in the coming quarters, we believe system liquidity remains the most important factor to monitor and will continue to affect banks' operating efficiency. Banks are continuing to expand credit in a period when the economy is targeting an impressive growth milestone, while NIM pressure remains present. In addition, prolonged geopolitical conflicts, inflationary impacts, and overall manufacturing activity are important variables that may affect banks' asset quality over the next few quarters.



**COMPANY RATING DEFINITION**

Benchmark: VN – Index.

Time Horizon: 6 to 18 months

<b>Rating</b>	<b>Definition</b>
<b>Buy</b>	Relative Performance is greater than 15% Or the Fundamental outlook of the company or sector is favorable
<b>Accumulate</b>	Relative Performance is 5% to 15% Or the Fundamental outlook of the company or sector is favorable
<b>Neutral</b>	Relative Performance is -5% to 5% Or the Fundamental outlook of the company or sector is neutral
<b>Reduce</b>	Relative Performance is -15% to -5% Or the Fundamental outlook of the company or sector is unfavorable
<b>Sell</b>	Relative Performance is lower than - 15% Or the Fundamental outlook of the company or sector is unfavorable

**SECTOR RATING DEFINITION**

Benchmark: VN – Index

Time Horizon: 6 to 18 months

<b>Rating</b>	<b>Definition</b>
<b>Outperform</b>	Relative Performance is greater than 5% Or the Fundamental outlook of the sector is favorable
<b>Neutral</b>	Relative Performance is -5% to 5% Or the Fundamental outlook of the sector is neutral
<b>Underperform</b>	Relative Performance is lower than -5% OrThe Fundamental outlook of the sector is unfavorable



### **DISCLAIMER**

The views expressed in this report accurately reflect personal views on securities codes or the issuer of the analyst(s) in charge of the preparation of the report. Investors should consider this report as reference and should not consider this report as securities investment consulting content for making decisions on investments and Investors shall be responsible for the investment decisions. Guotai Junan Securities (Vietnam) Corp. may not be responsible for the whole or any damages, or an event(s) considered as damage(s) incurred from or in relation to the act of using all or part of the information or opinions stated in this report.

The analyst(s) responsible for the preparation of this report receive(s) remuneration based upon various factors, including the quality and accuracy of the research, clients' feedbacks, competitive factors and the revenue of the company. Guotai Junan Securities (Vietnam) Corp. and/or its members and/or its General Director and/or its staffs may have positions in any securities mentioned in this report (or in any related investments).

The analyst(s) responsible for the preparation of this report endeavours to prepare the report based on information believed to be reliable at the time of publication. Guotai Junan Securities (Vietnam) Corp. makes no representations, warranties and covenants on the completeness and accuracy of the information. Opinions and estimates expressed in this report represent views of the analyst responsible for the preparation of the report at the date of publication only and shall not be considered as Guotai Junan Securities (Vietnam) Corp.'s views and may be subject to change without notice.

This report is provided, for information providing purposes only, to Investor including institutional investors and individual clients of Guotai Junan Securities (Vietnam) Corp. in Vietnam and overseas in accordance with laws and regulations explicit and related in the country where this report is distributed, and may not constitute an offer or any specified recommendations to buy, sell or holding securities in any jurisdiction. Opinions and recommendations expressed in this report are made without taking differences regarding goals, needs, strategies and specified situations of each and every Investor(s) into consideration. Investors acknowledge that there may be conflicts of interests affecting the objectiveness of this report.

The content of this report, including but not limited to this recommendation shall not be the basis for Investors or any third party to refer to with the aim to requiring Guotai Junan Securities (Vietnam) Corp. and/or the analyst responsible for the preparation of this report to perform any obligations towards Investors or the third party in relation to the investment decisions of Investors and/or the content of this report.

This report may not be copied, reproduced, published or redistributed by any person(s) for any purposes unless upon a written acceptance by a competent representative of Guotai Junan Securities (Vietnam) Corp. Please cite sources when quoting.



**GUOTAI JUNAN VIETNAM RESEARCH DEPARTMENT**

**Trịnh Khánh Linh**

Research Analyst

[linhtk@gtjas.com.vn](mailto:linhtk@gtjas.com.vn)

(024) 35.730.073- ext:707

**Trần Thị Hồng Nhung**

Director

[nhungth@gtjas.com.vn](mailto:nhungth@gtjas.com.vn)

(024) 35.730.073- ext:703



CONTACT	HANOI HEAD OFFICE	HCMC BRANCH
Consultancy: (024) 35.730.073	R9-10, 1st Floor, Charmvit	3rd Floor, No. 2 BIS, Công
Order placing: (024) 35.779.999	Tower, 117 Trần Duy Hưng, Hà	Trường Quốc Tế, Tp.HCM Tel:
Email: info@gtjas.com.vn	Nội Tel: (024) 35.730.073 Fax:	(028) 38.239.966 Fax: (028)
Website: www.gtjai.com.vn	(024) 35.730.088	38.239.696