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Recommendation **OUTPERFORM**

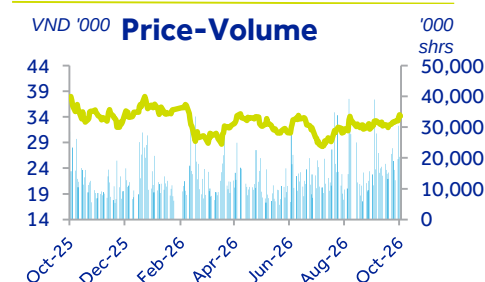
HOSE: TCB

Banking

Target price (VND)	38,300
Market price (VND)	34,150
Expected share price return	+12.2%
Expected dividend yield	2.9%
Expected total return	+15.1%

Stock performance (%)

	YTD	1M	3M	12M
Absolute	-0.1	5.7	17.8	-8.2
Relative	1.2	8.8	12.2	-13.1



Ownership

Chairman's wife & relatives	32.8%
MaSan Group	15.2%
Warburg Pincus	7.9%
Maple Leaf Ltd.	5.0%
Vice Chairwoman & relatives	3.3%
Morgan Stanley	1.5%
GIC	1.0%

Stock Statistics

23-Oct-26

Bloomberg code	TCB VN
52-week range (VND)	28,250-38,000
Shares O/S (m)	7,086
Mkt cap (VND bn)	241,995
Mkt cap (USD m)	9,279
Est. foreign room left (%)	2.0
Est. free float (%)	55.0
3m avg daily vol (shrs)	18,074,157
VND/USD	26,080
Index: VNIndex / HNX	1,760.63/261.08

TECHNOLOGICAL COMMERCIAL JS BANK (TCB)

We raise our 1-year target price by 1.6% to VND38,300/share, driven by (1) rolling forward our target price to October 2027 and (2) a 2.6% upgrade to our 2027F EPS forecast, partly offset by a 14.6% decline in TCX's share price, which lowers the revaluation value of TCB's investment in TCX. We downgrade our recommendation from BUY to OUTPERFORM as TCB's share price has risen 19.4% since our previous report.

In 9M26, PBT reached 77.1% of the AGM target and 77.4% of our previous forecast. We raise our 2026F PBT forecast by 3.4% to VND38,596bn (+18.6% y/y) and our 2027F PBT forecast by 4.4% to VND43,661bn (+13.1% y/y).

3Q26 earnings were positive. PBT reached VND10,375bn (+25.8% y/y, +7.3% q/q), driven by solid NII growth (+17.9% y/y, +8.7% q/q) and low provisioning expenses (-38.8% y/y).

Credit growth slowed (+1.3% q/q, +16.7% YTD) as TCB had nearly exhausted its credit growth quota. The bank scaled back its outstanding corporate bonds (-9.0% q/q) and real estate business lending (-3.7% q/q).

NIM continued to recover (+11 bps q/q) to 3.86%, thanks to repricing lending rates and loan mix shifted to higher-yielding products such as unsecured loans, while a high CASA ratio helped limit the impact of higher deposit rates on COF.

NFI was solid (+13.2% y/y) thanks to gains on investment securities and FX. Fee income remained strong (+59.5% y/y, -1.3% q/q), driven by payments and bancassurance, offsetting slower L/C activity. Recoveries from written-off loans stayed weak (-73.6% y/y) due to illiquid real estate market.

Opex rose sharply (+17.9% y/y, +14.6% q/q) due to headcount and IT expansion, pushing CIR up to 31.9% (average CIR of the previous four quarters: 30.8%).

Asset quality deteriorated. NPL ratio rose 19 bps q/q to 1.27% and Group 2 loan ratio rose 21 bps to 0.88%, mainly from retail and SME customers. **Overdue loan formation rose to 0.52% per quarter, the highest since 1Q24;** NPL coverage ratio fell to 107% (2Q: 126%). We forecast 2027F credit costs at 0.45% (flat vs. 2026F) as new NPL formation slows.

We raise our 2027F PBT forecast by a further 4.4% to VND43,661bn (+13.1% y/y) on an improved NIM of 3.81% and credit costs held at 0.45% (previously 0.6%). We maintain our target P/E of 7.0x on 12-month forward EPS, implying VND31,700/share; adding the revaluation value of TCB's investment in TCX of VND6,580/share, we arrive at a 1-year target price of **VND38,300/share**.

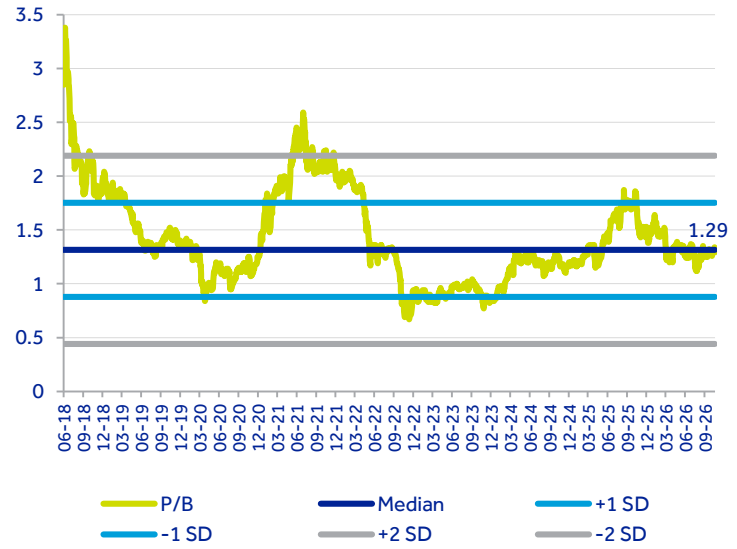
(Đơn vị: tỷ đồng)	2022	2023	2024	2025	2026F	2027F
Credit growth	12.5%	21.6%	21.7%	20.7%	16.7%	15.0%
NIM	5.37%	4.09%	4.27%	3.78%	3.78%	3.81%
NFI proportion	25.3%	30.9%	24.4%	28.5%	29.2%	28.8%
TOI growth	9.3%	-1.2%	17.3%	13.6%	15.3%	12.3%
CIR	32.1%	33.1%	32.7%	30.8%	31.2%	30.6%
Credit costs	0.5%	0.8%	0.7%	0.6%	0.5%	0.5%
Profit before tax	25,568	22,888	27,538	32,538	38,596	43,661
growth	10.0%	-10.5%	20.3%	18.2%	18.6%	13.1%
Profit after tax after MI	20,150	18,004	21,523	25,290	29,237	33,045
Adjusted EPS (VND)	2,844	2,541	3,037	3,569	4,126	4,663
BVPS (VND)	15,847	18,388	20,521	23,996	27,122	30,785
ROA	3.2%	2.3%	2.4%	2.3%	2.3%	2.3%
ROE	19.7%	14.8%	15.6%	16.0%	16.1%	16.1%
CAR (Basel 2)	15.2%	14.4%	15.4%	14.6%	14.9%	14.9%
P/E (x)	4.2	5.8	7.7	9.6	8.3	7.3
P/B (x)	0.8	0.8	1.1	1.4	1.3	1.1
DPS (VND)	-	-	1,500	1,000	1,000	1,000
Dividend yield	-	-	3.2%	2.9%	2.9%	2.9%

P/E at 8.4x, close to the historical median of 8.6x



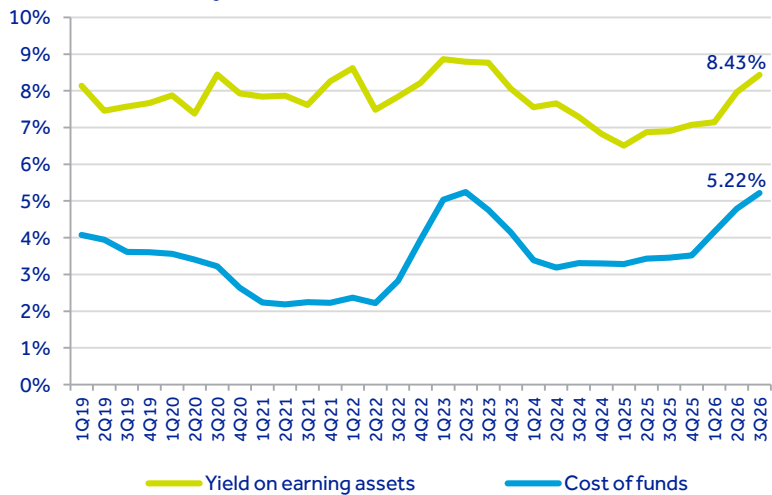
Source: FiinPro-X, ACBS

P/B at 1.29x, around the historical median



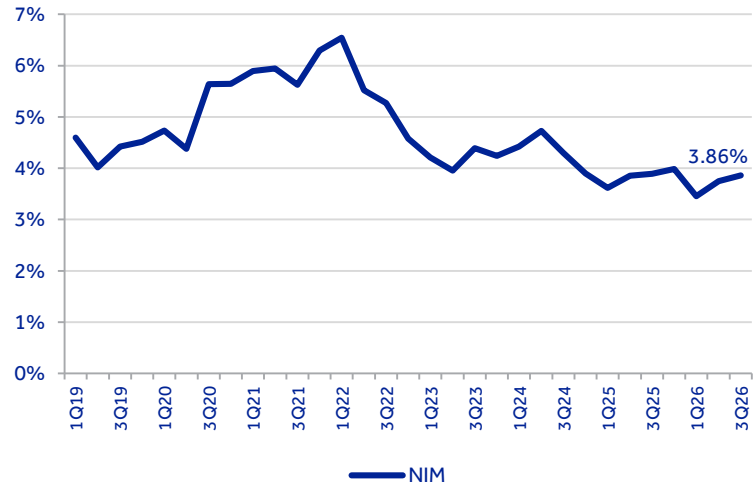
Source: FiinPro-X, ACBS

Asset yield rose faster than cost of funds...



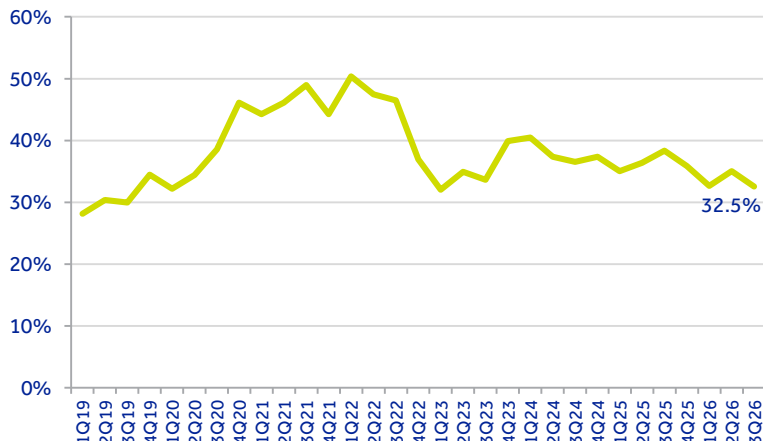
Source: TCB, ACBS

...NIM recovered to 3.86%



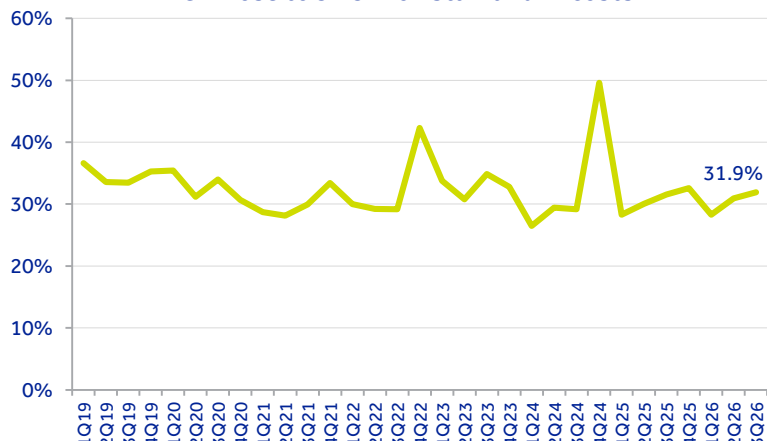
Source: TCB, ACBS

CASA ratio fell to 32.5% as interest rates rose



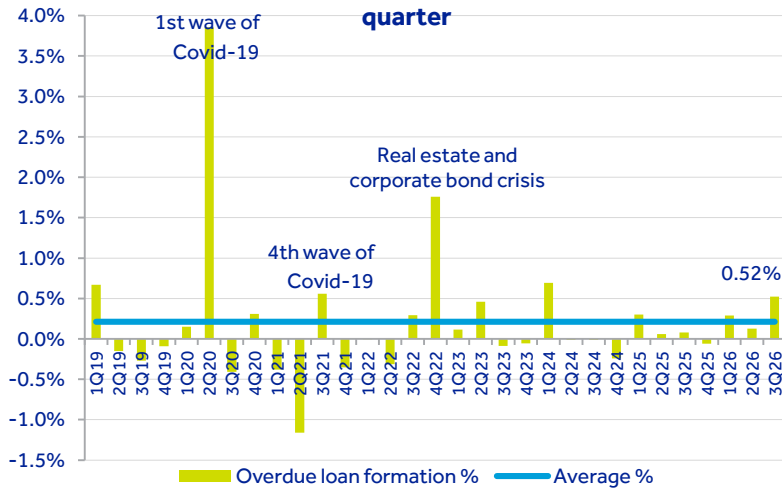
Source: TCB, ACBS

CIR rose to 31.9% on staff and IT costs



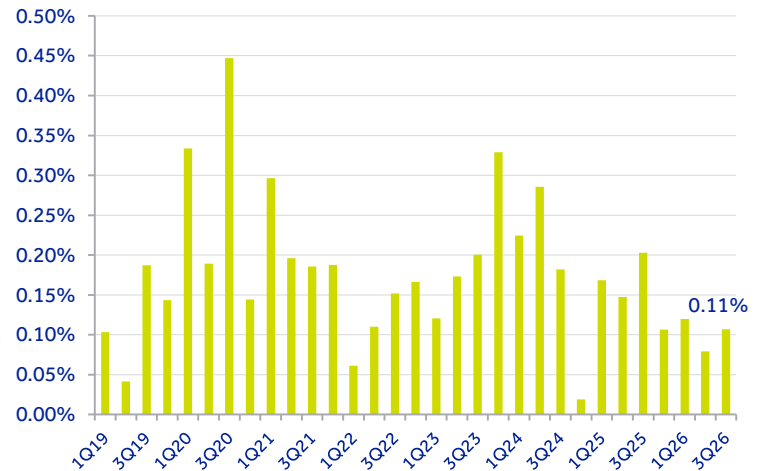
Source: TCB, ACBS

Overdue loan formation jumped to 0.52% per quarter



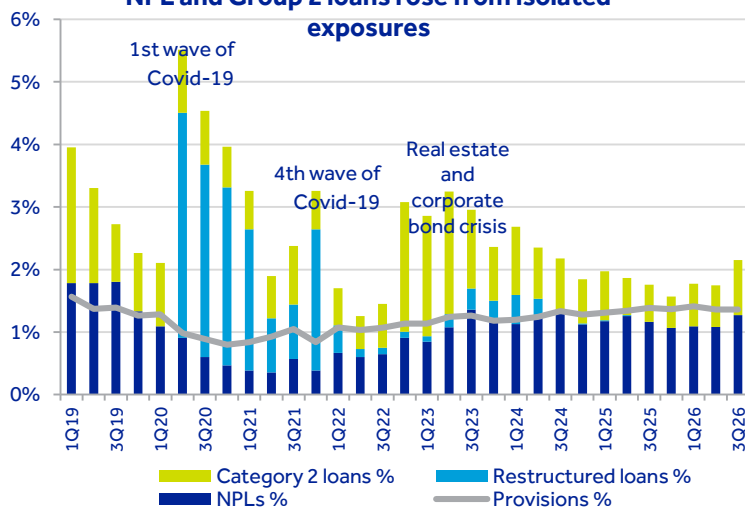
Source: TCB, ACBS

Credit costs remained at a low level



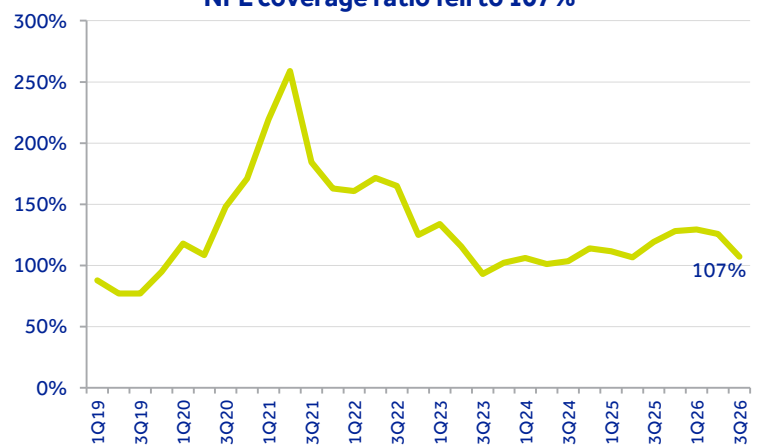
Source: TCB, ACBS

NPL and Group 2 loans rose from isolated exposures



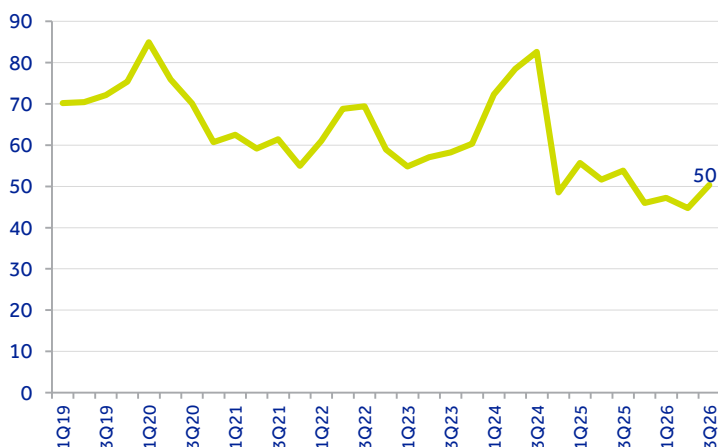
Source: TCB, ACBS

NPL coverage ratio fell to 107%



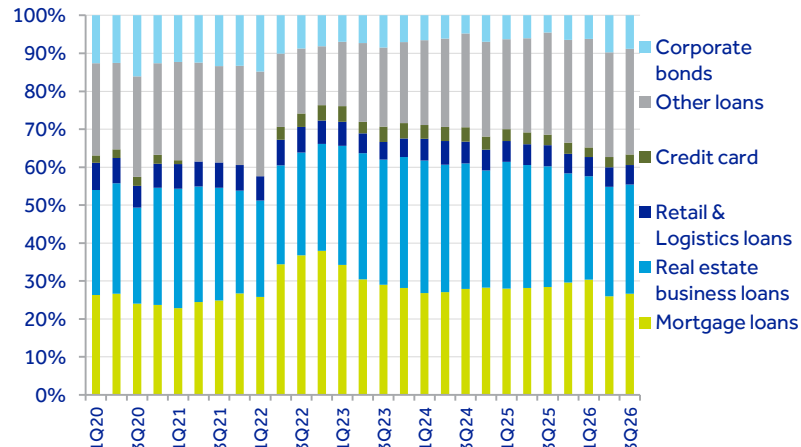
Source: TCB, ACBS

Interest collection days edged up to 50 days



Source: TCB, ACBS

Credit structure remains concentrated in real estate



Source: TCB, ACBS

(Unit: VND billion, unless otherwise stated)	Market price (VND):	34,150	Target price (VND):	38,300	Market cap (VND bn):	241,995
INCOME ITEMS	2022	2023	2024	2025	2026F	2027F
Net interest income	30,290	27,691	35,508	38,155	43,586	49,154
Net fee & commission income	8,153	8,715	8,042	8,772	14,211	14,353
Other non-interest income	2,085	3,655	3,440	6,464	3,739	5,574
Total operating income	40,527	40,061	46,990	53,391	61,535	69,080
Growth (%)	9.3%	-1.2%	17.3%	13.6%	15.3%	12.3%
Operating expenses	(13,023)	(13,252)	(15,370)	(16,432)	(19,226)	(21,149)
Profit before provision & tax	27,504	26,809	31,621	36,959	42,310	47,932
Provision for credit losses	(1,936)	(3,921)	(4,082)	(4,421)	(3,713)	(4,270)
Profit before tax	25,568	22,888	27,538	32,538	38,596	43,661
Growth (%)	10.0%	-10.5%	20.3%	18.2%	18.6%	13.1%
Profit attributable to shareholders	20,150	18,004	21,523	25,290	29,237	33,045
Adjusted EPS (VND)	2,844	2,541	3,037	3,569	4,126	4,663
BALANCE SHEET ITEMS	2022	2023	2024	2025	2026F	2027F
Outstanding loans & corporate bonds	461,539	561,070	682,948	824,104	947,719	1,089,877
Growth (%)	12.5%	21.6%	21.7%	20.7%	16.7%	15.0%
Customer deposit	358,404	454,661	533,392	618,912	668,424	762,004
Growth (%)	13.9%	26.9%	17.3%	16.0%	8.0%	14.0%
Total assets	699,033	849,482	978,799	1,192,344	1,318,413	1,502,284
Shareholder's equity	112,296	130,299	145,419	170,045	192,195	218,153
BVPS (VND)	15,847	18,388	20,521	23,996	27,122	30,785
KEY RATIOS	2022	2023	2024	2025	2026F	2027F
NPL (%)	0.7%	1.2%	1.1%	1.1%	1.2%	1.1%
NPL coverage (%)	157.3%	102.0%	113.8%	127.9%	109.7%	106.9%
NIM (%)	5.37%	4.09%	4.27%	3.78%	3.78%	3.81%
CIR (%)	32.1%	33.1%	32.7%	30.8%	31.2%	30.6%
ROA (%)	3.2%	2.3%	2.4%	2.3%	2.3%	2.3%
ROE (%)	19.7%	14.8%	15.6%	16.0%	16.1%	16.1%
CAR Basel 2 (%)	15.2%	14.4%	15.4%	14.6%	14.9%	14.9%
P/E (x)	4.2	5.8	7.7	9.6	8.3	7.3
P/B (x)	0.8	0.8	1.1	1.4	1.3	1.1
Dividend yield (%)	-	-	3.2%	2.9%	2.9%	2.9%

BANK'S FINANCIAL RATIOS

(Unit: VND billion)

Ticker	Exchange	Mkt cap 22-10-26	Total Assets 2Q26	Equity 2Q26	NPL ratio 2Q26	Special mentioned loan 2Q26	NPL coverage 2Q26	ROA (TTM)	ROE (TTM)	CAR (Basel 2) 2025	P/E	P/B
BID	HOSE	262,904	3,440,841	198,783	1.9%	1.2%	75.9%	1.0%	17.9%	9.2%	7.9	1.4
CTG	HOSE	237,280	2,962,004	200,214	1.2%	1.0%	134.0%	1.4%	21.9%	9.9%	5.9	1.2
VCB	HOSE	470,425	2,657,441	248,491	0.6%	0.3%	279.3%	1.7%	17.9%	11.6%	11.3	1.9
MBB	HOSE	200,368	1,733,013	156,763	1.5%	1.0%	93.6%	2.0%	21.2%	11.0%	6.2	1.3
VPB	HOSE	239,500	1,502,526	191,215	3.3%	3.2%	56.2%	2.3%	17.0%	14.4%	7.7	1.3
TCB	HOSE	241,995	1,273,077	188,997	1.1%	0.7%	125.6%	2.4%	15.4%	14.6%	8.4	1.3
ACB	HOSE	118,991	1,067,845	99,315	1.0%	0.7%	105.3%	1.5%	16.3%	12.5%	7.6	1.2
HDB	HOSE	145,428	1,043,892	90,224	2.8%	4.8%	50.0%	2.1%	24.7%	16.7%	7.5	1.7
SHB	HOSE	57,712	962,887	75,309	2.2%	0.8%	76.9%	1.3%	17.3%	12.6%	4.3	0.8
STB	HOSE	120,842	892,049	62,807	7.9%	2.8%	56.7%	0.4%	5.0%	9.2%	-	1.9
LPB	HOSE	116,504	615,502	43,030	1.9%	1.3%	66.8%	1.9%	24.7%	11.9%	9.6	2.5
VIB	HOSE	52,482	580,998	47,838	3.0%	2.6%	43.6%	1.3%	15.7%	-	7.1	1.1
TPB	HOSE	40,674	547,664	49,566	1.9%	1.9%	66.5%	1.5%	16.7%	18.9%	5.4	0.9
MSB	HOSE	57,658	440,999	45,247	2.6%	1.3%	51.5%	1.5%	13.7%	12.5%	9.8	1.3
NAB	HOSE	26,446	451,517	25,892	1.5%	0.5%	68.3%	1.1%	19.5%	11.2%	5.5	1.0
SSB	HOSE	55,674	427,108	42,195	2.3%	0.8%	66.6%	0.7%	7.3%	13.4%	18.5	1.3
OCB	HOSE	31,697	351,741	35,822	3.6%	2.4%	59.4%	1.3%	13.0%	-	7.1	0.9
EIB	HOSE	31,573	266,068	26,488	3.1%	1.6%	31.7%	0.2%	1.9%	12.4%	-	1.2
ABB	UPCoM	28,276	260,561	22,597	1.2%	0.7%	87.2%	1.7%	21.3%	11.4%	6.0	1.2
BAB	HNX	12,217	214,351	13,739	1.1%	0.3%	134.9%	0.6%	9.0%	10.1%	10.2	0.9
VBB	HOSE	14,630	204,825	13,154	1.9%	2.0%	69.1%	0.8%	13.1%	13.4%	8.5	1.1
NVB	HNX	40,067	198,896	14,320	6.5%	0.5%	18.9%	0.2%	2.2%	-	-	2.8
VAB	HOSE	8,164	149,130	10,810	1.2%	0.1%	100.2%	1.0%	13.7%	9.4%	5.8	0.8
BVB	HOSE	10,093	141,974	7,922	3.3%	1.3%	43.6%	0.6%	10.2%	13.3%	9.0	1.3
KLB	HOSE	8,351	114,911	9,289	1.9%	1.4%	91.3%	1.9%	24.1%	14.4%	4.1	0.9
PGB	UPCoM	8,431	89,312	8,212	3.0%	2.8%	43.0%	0.8%	9.7%	10.6%	9.0	0.9
SGB	UPCoM	4,700	35,670	4,233	2.9%	9.8%	35.7%	0.1%	0.5%	15.6%	-	1.1
Average		97,892	838,030	71,573	2.5%	1.8%	79.0%	1.2%	14.5%	12.5%	7.9	1.3
Median		52,482	451,517	43,030	1.9%	1.3%	66.8%	1.3%	15.7%	12.4%	7.6	1.2

Source: FiinPro-X, ACBS

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OUR RECOMMENDATION SYSTEM

BUY: Expected prospective total return (including dividends) in VND will be 20% or more within 12 months

OUTPERFORM: Expected prospective total return (including dividends) in VND will be from 10% to 20% within 12 months

NEUTRAL: Expected prospective total return (including dividends) in VND will be from -10% to 10% within 12 months

UNDERPERFORM: Expected prospective total return (including dividends) in VND will be from -20% to -10% within 12 months

SELL: Expected prospective total return (including dividends) in VND will be less than -20% within 12 months

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