# HDB Update – OUTPERFORM

06-Nov-2026


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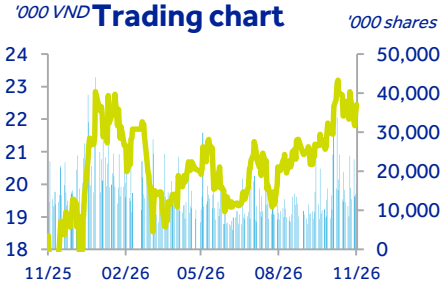

| Recommendation | OUTPERFORM |
|---|---|
| | HOSE: HDB |
| | Banking |
| **Target price (VND)** | **25,200** |
| **Market price (VND)** | **22,500** |
| Expected share price return | +12.0% |
| Expected dividend yield | 0.0% |
| **Expected total return** | **+12.0%** |

## Stock performance (%)

| | YTD | 1M | 3M | 12M |
|---|---|---|---|---|
| Absolute | -1.7 | 4.0 | 9.9 | 21.9 |
| Relative | 0.7 | 4.8 | 11.9 | 16.7 |

*Source: FiinQuant*

## Trading chart




## Ownership

| | |
|---|---|
| Sovico & related parties | 17.8% |
| CFO | 4.3% |
| Head of Supervisory Board | 2.9% |
| HFIC | 2.7% |
| CEO | 1.7% |
| Tianhong Vietnam | 1.7% |
| Baillie Gifford Pacific | 1.9% |

## Stock Statistics

| | 06-Nov-26 |
|---|---|
| **Bloomberg code** | **HDB VN** |
| 52-week range (VND) | 17,230-23,450 |
| Shares O/S (m) | 6,507 |
| Mkt cap (VND bn) | 146,404 |
| Mkt cap (USD m) | 5,603 |
| Est. foreign room left (%) | 7.8 |
| Est. free float (%) | 80.0 |
| 3m avg daily vol (shrs) | 13,127,008 |
| VND/USD | 26,130 |
| VNIndex / HNX | 1,740.73/256.61 |

# HO CHI MINH CITY DEVELOPMENT BANK (HDB)

**We raise our 1-year target price by 10.0% to VND25,200/share as we roll our valuation forward to end-2027F. However, we cut our 2026F/27F PBT forecasts by 15.5%/14.6% (narrower NIM, higher provisions on rising NPLs). Maintain OUTPERFORM. 9M26 PBT reached VND18,379 bn (+24.2% y/y), completing 61.1% AGM target (VND30,100 bn) and 76.5% of our 2026F forecast (VND24,030 bn, +12.6% y/y).**

**3Q26 PBT fell 26.9% q/q to VND5,176 bn (+9.3% y/y)** as provision expenses rose 31.6% to VND3,381 bn and NIM contracted, while 2Q26 had included a non-recurring gain from the consolidation of securities firm HDBS.

**Credit grew 9.2% q/q and 31.8% YTD** – 2.7x the system, supported by HDB's role in restructuring Vikki Bank. Retail lending accounted for 53% of incremental loans in the quarter, while the share of real estate & construction rose to 25.6%. We forecast credit growth of 34% in 2026-27F.

**NIM fell 47 bps q/q to 3.82%** as cost of funds rose 64 bps to 6.80%, outpacing the yield on earning assets (+22 bps), as HDB had to raise funding at high rates to keep pace with credit growth. Funding (deposits + bonds) rose 7.1% q/q and CASA ratio dropped sharply to 7.8% (2Q26: 11.0%), but HDB still held net interbank deposits of VND49,000 bn. Deposit rate cuts in line with the SBV's direction since late October will lower funding costs, but lending rates will also fall accordingly. **We forecast NIM at 3.85% (-95 bps y/y) and 3.88% (+3 bps y/y) in 2026F/27F.**

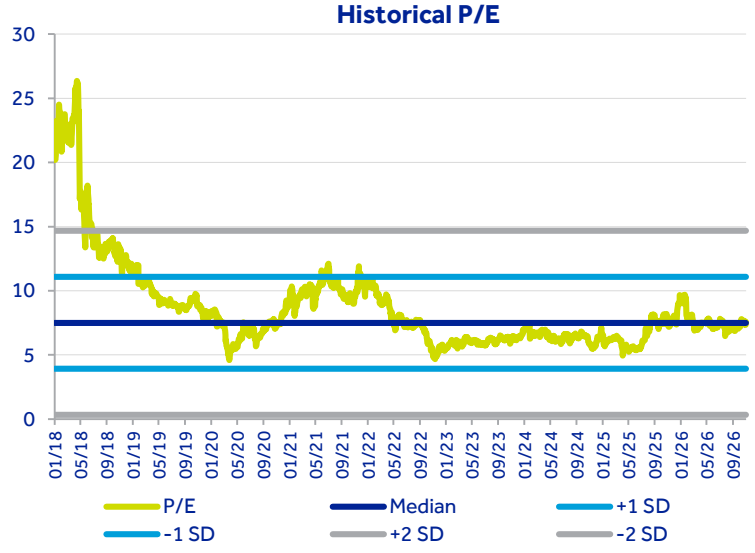
**NFI rose 19.2% y/y to VND2,090 bn** on net fee income (+41.3% y/y) and VND969 bn from the consolidation of HDBS since late May.

**Asset quality deteriorated markedly.** NPL ratio rose 63 bps q/q to 3.42% (end-2025: 2.44%) as the large volume of Group 2 loans formed in 2Q26 migrated to Group 3, while write-offs were only VND1,310 bn. Group 2-5 loans accounted for 7.3% of total loans, days of accrued interest rose to 42 days, and NPL coverage fell to 46% (industry median: 62.4%). **We forecast credit costs at 1.55%/1.50% in 2026F/27F, with NPL coverage at around 48-49%.**

**We keep our target P/E at 7.0x** – in line with peer banks in the same tier. Accordingly, our 1-year target price is **VND25,200/share**. Our forecasts do not yet factor in dilution from bond conversion, the planned private placement to foreign strategic investors, or the potential catalyst from the HDBS IPO.

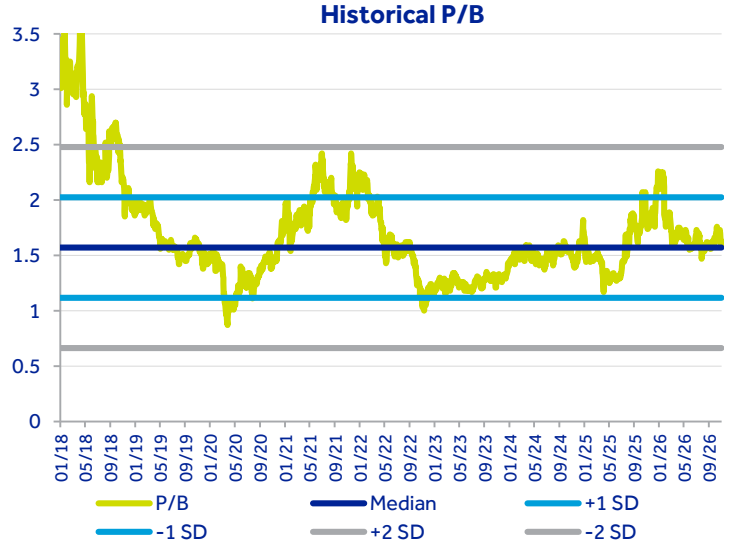
| (VND bn) | 2022 | 2023 | 2024 | 2025 | 2026F | 2027F |
|---|---|---|---|---|---|---|
| Credit growth | 25.6% | 31.8% | 27.0% | 25.7% | 34.2% | 34.4% |
| NIM | 5.15% | 5.03% | 5.45% | 4.80% | 3.85% | 3.88% |
| NFI proportion | 18.0% | 16.0% | 9.3% | 18.6% | 18.8% | 14.2% |
| TOI growth | 31.1% | 20.2% | 28.8% | 25.5% | 8.0% | 26.0% |
| CIR | 39.3% | 34.6% | 35.2% | 27.2% | 25.7% | 22.8% |
| Credit costs | 1.27% | 1.37% | 1.33% | 1.92% | 1.55% | 1.50% |
| Profit before tax | 10,268 | 13,017 | 16,730 | 21,346 | 24,030 | 31,543 |
| growth | 27.2% | 26.8% | 28.5% | 27.6% | 12.6% | 31.3% |
| Profit after tax after MI | 7,750 | 10,071 | 12,763 | 16,524 | 18,606 | 24,423 |
| Adjusted EPS (VND) | 1,177 | 1,542 | 1,960 | 2,538 | 2,857 | 3,751 |
| BVPS (VND) | 5,679 | 6,834 | 8,374 | 11,614 | 14,471 | 18,221 |
| ROA | 2.0% | 2.0% | 2.0% | 2.0% | 1.7% | 1.7% |
| ROE | 23.5% | 24.7% | 25.8% | 25.4% | 21.9% | 23.0% |
| CAR (Basel 2) | 13.4% | 12.6% | 14.0% | 16.7% | 15.6% | 15.0% |
| P/E (x) | 19.1 | 14.6 | 11.5 | 8.9 | 7.9 | 6.0 |
| P/B (x) | 4.0 | 3.3 | 2.7 | 1.9 | 1.6 | 1.2 |
| DPS (VND) | - | 1,000 | 1,000 | - | - | - |

**Historical P/E**



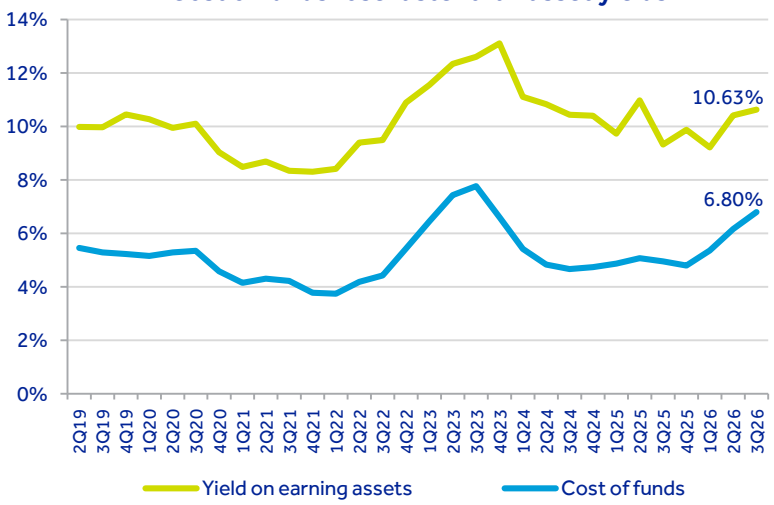

*Source: FiinPro-X, ACBS*

**Historical P/B**



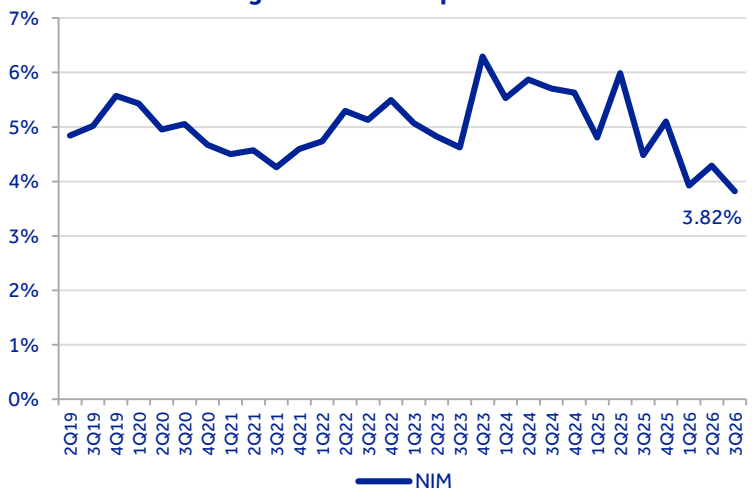

*Source: FiinPro-X, ACBS*

**Cost of funds rose faster than asset yields...**



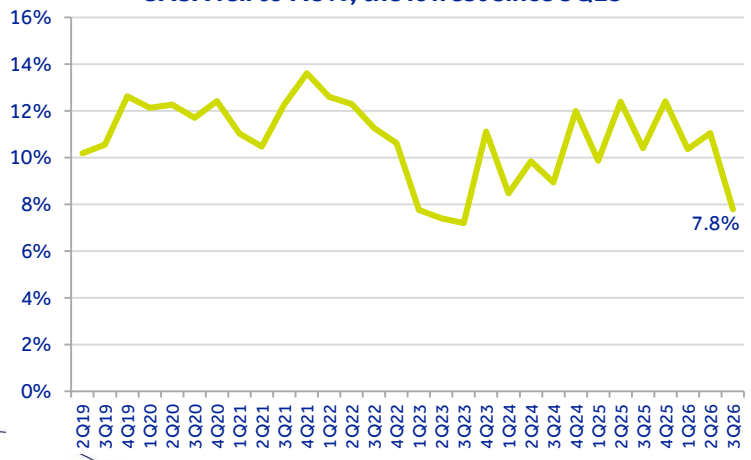

*Source: HDB, ACBS*

**... driving NIM down 47 bps to 3.82%**



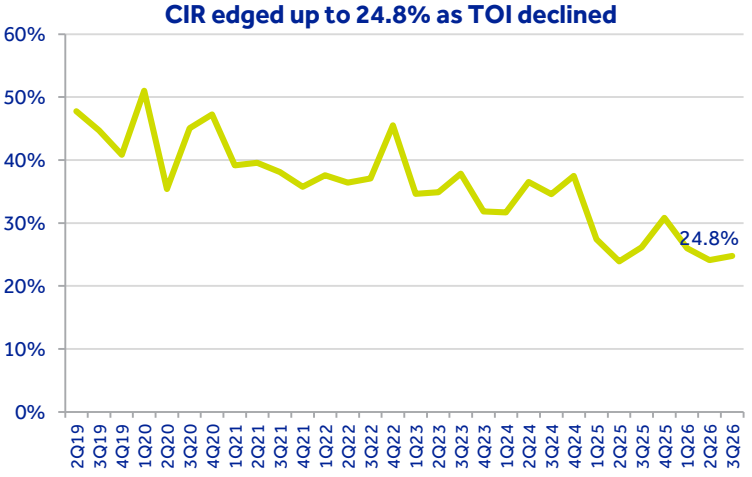

*Source: HDB, ACBS*

**CASA fell to 7.8%, the lowest since 3Q23**



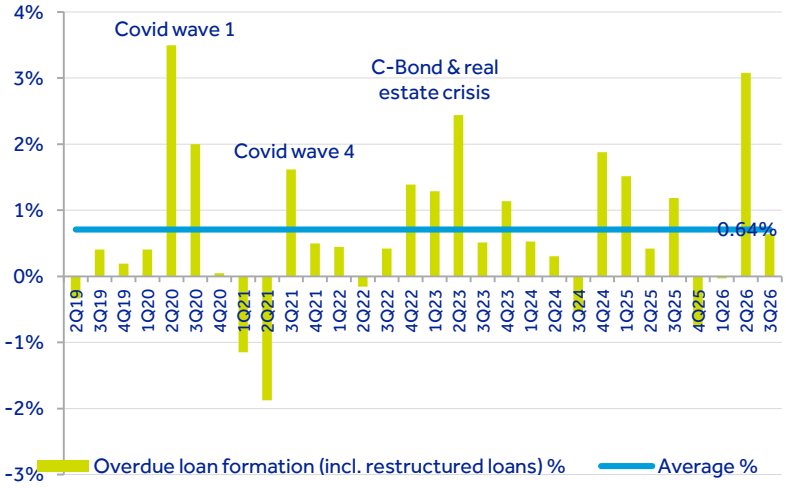

*Source: HDB, ACBS*

**CIR edged up to 24.8% as TOI declined**



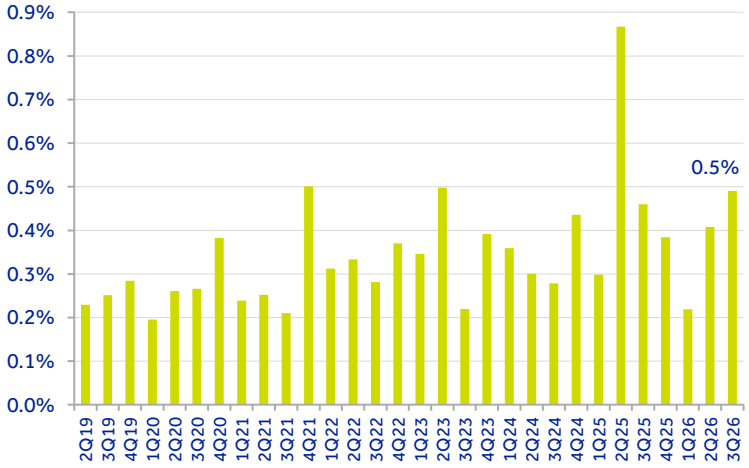

*Source: HDB, ACBS*

### Overdue loan formation eased after the 2Q spike...



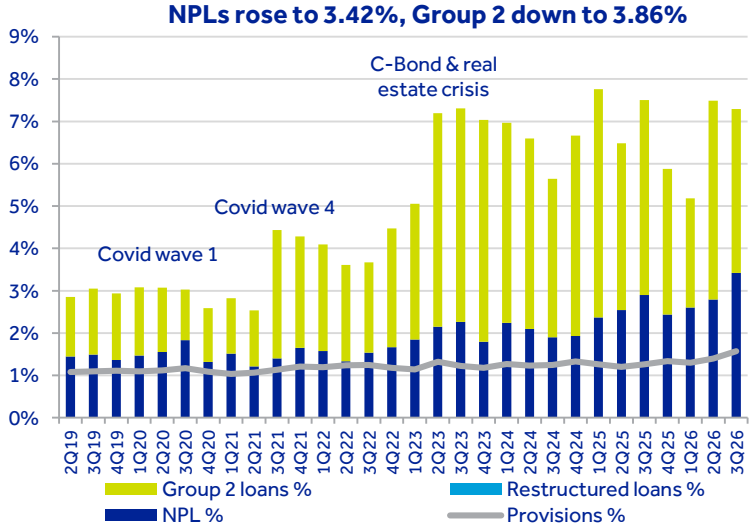

*Source: HDB, ACBS*

### ... but credit costs rose to 0.5%



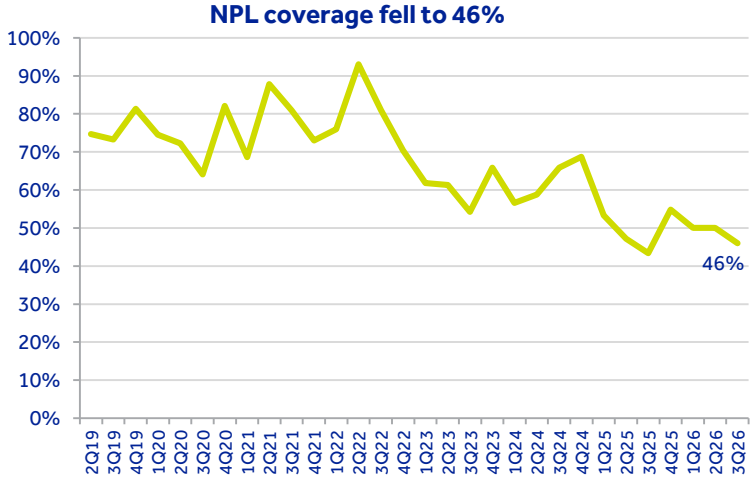

*Source: HDB, ACBS*

### NPLs rose to 3.42%, Group 2 down to 3.86%



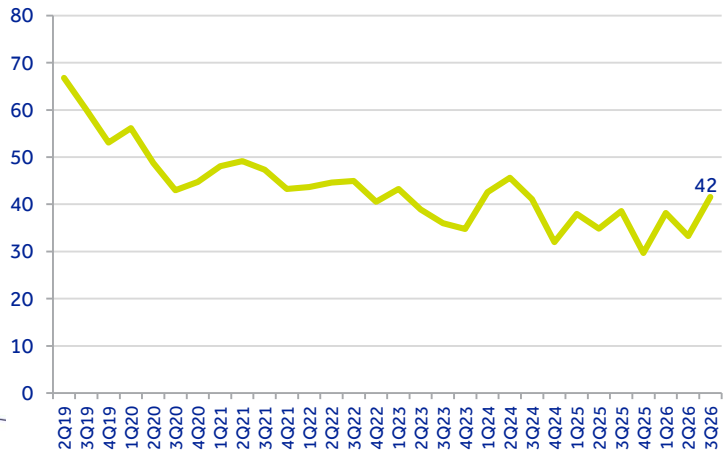

*Source: HDB, ACBS*

### NPL coverage fell to 46%



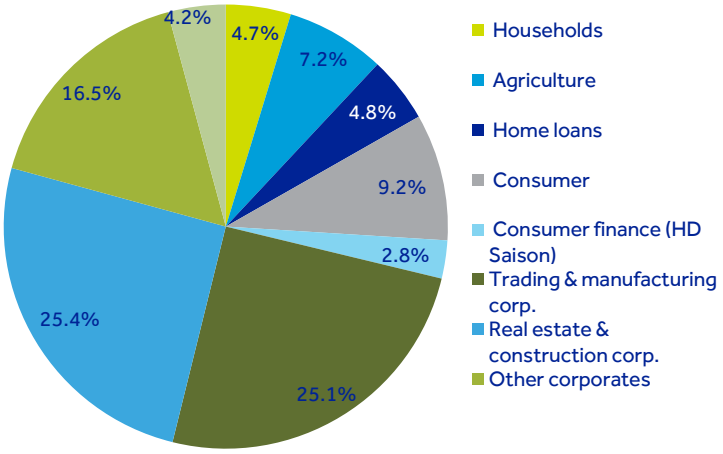

*Source: HDB, ACBS*

### Days of accrued interest rose to 42




*Source: HDB, ACBS*

### Loan mix at end-2Q26




*Source: HDB, ACBS*

| (Unit: VND billion, unless otherwise stated) | Market price (VND): | 22,500 | Target price (VND): | 25,200 | Market cap (VND bn): | 146,404 |
|---|---|---|---|---|---|---|
| INCOME ITEMS | 2022 | 2023 | 2024 | 2025 | 2026F | 2027F |
| Net interest income | 18,012 | 22,184 | 30,857 | 34,746 | 37,457 | 49,844 |
| Net fee & commission income | 2,957 | 2,188 | 1,417 | 4,126 | 5,628 | 5,909 |
| Other non-interest income | 999 | 2,042 | 1,759 | 3,824 | 3,018 | 2,350 |
| **Total operating income** | **21,967** | **26,414** | **34,032** | **42,696** | **46,102** | **58,103** |
| Growth (%) | 31.1% | 20.2% | 28.8% | 25.5% | 8.0% | 26.0% |
| Operating expenses | (8,631) | (9,129) | (11,981) | (11,601) | (11,833) | (13,253) |
| **Profit before provision & tax** | **13,336** | **17,284** | **22,051** | **31,095** | **34,269** | **44,850** |
| Provision for credit losses | (3,068) | (4,268) | (5,321) | (9,748) | (10,239) | (13,307) |
| **Profit before tax** | **10,268** | **13,017** | **16,730** | **21,346** | **24,030** | **31,543** |
| Growth (%) | 27.2% | 26.8% | 28.5% | 27.6% | 12.6% | 31.3% |
| **Profit attributable to shareholders** | **7,750** | **10,071** | **12,763** | **16,524** | **18,606** | **24,423** |
| **Adjusted EPS (VND)** | **1,177** | **1,542** | **1,960** | **2,538** | **2,857** | **3,751** |

| BALANCE SHEET ITEMS | 2022 | 2023 | 2024 | 2025 | 2026F | 2027F |
|---|---|---|---|---|---|---|
| Outstanding loans & corporate bonds | 268,157 | 353,441 | 448,910 | 564,097 | 757,099 | 1,017,209 |
| Growth (%) | 25.6% | 31.8% | 27.0% | 25.7% | 34.2% | 34.4% |
| Customer deposit | 215,797 | 370,778 | 437,505 | 560,714 | 745,750 | 984,390 |
| Growth (%) | 17.7% | 71.8% | 18.0% | 28.2% | 33.0% | 32.0% |
| **Total assets** | **416,273** | **602,315** | **697,366** | **931,104** | **1,241,937** | **1,628,847** |
| **Shareholder's equity** | **36,954** | **44,469** | **54,491** | **75,570** | **94,160** | **118,564** |
| BVPS (VND) | 5,679 | 6,834 | 8,374 | 11,614 | 14,471 | 18,221 |

| KEY RATIOS | 2022 | 2023 | 2024 | 2025 | 2026F | 2027F |
|---|---|---|---|---|---|---|
| NPL (%) | 1.7% | 1.8% | 1.9% | 2.4% | 3.1% | 3.0% |
| NPL coverage (%) | 70.4% | 65.8% | 68.7% | 54.8% | 48.4% | 48.9% |
| NIM (%) | 5.1% | 5.0% | 5.5% | 4.8% | 3.8% | 3.9% |
| CIR (%) | 39% | 35% | 35% | 27% | 26% | 23% |
| ROA (%) | 2.0% | 2.0% | 2.0% | 2.0% | 1.7% | 1.7% |
| ROE (%) | 23.5% | 24.7% | 25.8% | 25.4% | 21.9% | 23.0% |
| CAR Basel 2 (%) | 13.4% | 12.6% | 14.0% | 16.7% | 15.6% | 15.0% |
| P/E (x) | 19.1 | 14.6 | 11.5 | 8.9 | 7.9 | 6.0 |
| P/B (x) | 4.0 | 3.3 | 2.7 | 1.9 | 1.6 | 1.2 |
| Dividend yield (%) | - | 4.4% | 4.5% | - | - | - |

## BANK'S FINANCIAL RATIOS

(Unit: VND billion)

| Ticker | Exchange | Mkt cap 05-11-26 | Total Assets 3Q26 | Equity 3Q26 | NPL ratio 3Q26 | Special mentioned loan 3Q26 | NPL coverage 3Q26 | ROA (TTM) | ROE (TTM) | CAR (Basel 2) 2025 | P/E | P/B |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| BID | HOSE | 250,848 | 3,493,271 | 203,020 | 1.9% | 1.5% | 73.4% | 1.0% | 18.1% | 9.2% | 7.1 | 1.3 |
| CTG | HOSE | 245,435 | 2,951,845 | 207,466 | 1.2% | 1.1% | 160.4% | 1.5% | 21.9% | 9.9% | 5.8 | 1.2 |
| VCB | HOSE | 452,878 | 2,682,409 | 253,761 | 0.7% | 0.3% | 243.2% | 1.6% | 17.3% | 11.6% | 10.9 | 1.8 |
| MBB | HOSE | 196,341 | 1,837,857 | 164,142 | 1.7% | 1.3% | 84.7% | 1.9% | 21.2% | 11.0% | 5.6 | 1.2 |
| VPB | HOSE | 219,000 | 1,610,787 | 200,078 | 3.1% | 3.6% | 54.0% | 2.2% | 16.5% | 14.3% | 7.0 | 1.2 |
| TCB | HOSE | 233,314 | 1,318,165 | 197,325 | 1.3% | 0.9% | 107.1% | 2.3% | 15.2% | 14.6% | 8.1 | 1.2 |
| **HDB** | **HOSE** | **146,079** | **1,142,906** | **94,304** | **3.4%** | **3.9%** | **46.0%** | **1.9%** | **22.3%** | **16.7%** | **7.6** | **1.6** |
| ACB | HOSE | 119,281 | 1,104,380 | 104,013 | 1.2% | 0.9% | 90.9% | 1.5% | 16.2% | 12.4% | 7.4 | 1.1 |
| STB | HOSE | 130,457 | 1,057,398 | 64,137 | 7.3% | 2.5% | 34.8% | 0.2% | 2.5% | 9.2% | - | 2.0 |
| SHB | HOSE | 57,178 | 993,512 | 79,200 | 2.2% | 1.4% | 81.7% | 1.4% | 18.6% | 12.6% | 3.7 | 0.6 |
| LPB | HOSE | 108,886 | 694,183 | 46,592 | 1.9% | 1.4% | 62.8% | 1.9% | 26.0% | 11.9% | 9.0 | 2.3 |
| VIB | HOSE | 52,669 | 599,584 | 49,766 | 3.2% | 2.8% | 41.8% | 1.3% | 15.9% | - | 6.8 | 1.1 |
| TPB | HOSE | 40,834 | 596,512 | 52,133 | 2.1% | 2.6% | 57.0% | 1.6% | 17.3% | 18.9% | 4.8 | 0.8 |
| NAB | HOSE | 27,309 | 462,765 | 28,161 | 1.6% | 0.7% | 66.9% | 1.1% | 19.3% | 11.2% | 5.3 | 1.0 |
| MSB | HOSE | 61,589 | 439,960 | 46,857 | 2.7% | 1.7% | 47.2% | 1.5% | 14.0% | 12.5% | 9.8 | 1.3 |
| SSB | HOSE | 52,552 | 429,376 | 43,249 | 2.3% | 1.0% | 71.0% | 0.8% | 7.8% | 13.4% | 16.0 | 1.2 |
| OCB | HOSE | 33,534 | 363,726 | 37,120 | 4.0% | 1.7% | 58.1% | 1.3% | 12.8% | 12.3% | 7.4 | 0.9 |
| ABB | UPCoM | 28,069 | 276,575 | 23,625 | 1.4% | 1.7% | 86.8% | 1.8% | 21.8% | 11.4% | 5.7 | 1.2 |
| EIB | HOSE | 30,549 | 241,495 | 26,632 | 2.6% | 3.0% | 41.4% | 0.1% | 0.7% | 12.4% | - | 1.1 |
| NVB | HNX | 45,624 | 238,221 | 25,166 | 4.9% | 0.6% | 25.5% | 0.5% | 5.5% | - | 36.3 | 1.8 |
| BAB | HNX | 11,987 | 220,904 | 13,865 | 1.2% | 0.7% | 127.3% | 0.6% | 8.8% | 10.1% | 10.0 | 0.9 |
| VBB | HOSE | 14,452 | 212,947 | 13,451 | 2.3% | 1.8% | 62.4% | 0.8% | 12.2% | 13.4% | 8.8 | 1.1 |
| VAB | HOSE | 8,155 | 156,490 | 11,110 | 1.4% | 0.1% | 54.8% | 1.0% | 13.5% | 9.4% | 5.7 | 0.7 |
| BVB | HOSE | 10,045 | 145,222 | 8,142 | 2.9% | 1.4% | 46.3% | 0.5% | 9.3% | 13.3% | 9.7 | 0.9 |
| KLB | HOSE | 7,827 | 115,968 | 9,733 | 2.0% | 1.1% | 80.9% | 1.8% | 22.0% | 14.4% | 3.9 | 0.8 |
| PGB | UPCoM | 8,442 | 92,637 | 8,364 | 3.9% | 2.2% | 30.6% | 0.8% | 8.8% | 10.6% | 9.8 | 0.9 |
| SGB | UPCoM | 4,646 | 35,373 | 4,247 | 3.1% | 8.2% | 34.7% | -0.1% | -0.8% | 15.6% | - | 1.1 |
| | **Average** | **96,221** | **870,906** | **74,654** | **2.5%** | **1.8%** | **73.0%** | **1.2%** | **14.2%** | **12.5%** | **8.8** | **1.2** |
| | **Median** | **52,552** | **462,765** | **46,592** | **2.2%** | **1.4%** | **62.4%** | **1.3%** | **15.9%** | **12.4%** | **7.4** | **1.1** |

*Source: FiinPro-X, ACBS*

## CONTACTS

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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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