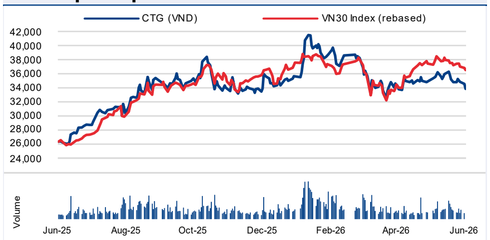
Buy *(unchanged)*
Target price: VND48,300 *(unchanged)*
Up/downside: 42.7%

Share price (VND) (as of 2 Jun 2026)	33,850
Bloomberg code	CTG VN
52-week range (VND)	25,960-41,500
Trading value (5D) (VNDmn)	353,948
Market cap. (VNDbn)	262,911
Market cap. (USDmn)	9,984
Shares outstanding (mn)	7,767
Total FOL share room (mn)	2,330
Current FOL share room (mn)	381
Foreign ownership limit	30.0%
Foreign owned ratio	25.1%
Free float	15.8%
Major shareholder	SBV (64.5%)

Source: Company, HSC Research estimates

Share price performance



Share price (%)	-1 mth	-3 mth	-12 mth
Ordinary shares	(3.15)	(8.14)	28.5
Relative to index	(0.70)	(6.38)	(7.30)
Relative to sector	-	-	-

Source: Company, FactSet

HSC vs. consensus

EPS adj. (VND)	HSC	Cons	% diff
2026F	4,804	4,906	(2.1)
2027F	5,461	5,671	(3.7)
2028F	6,265	6,676	(6.2)

Source: Bloomberg, HSC Research estimates

Company description

Vietinbank is the second largest state-owned bank, with a balance loan book.

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Slow start YTD, still well positioned; retain Buy

- We maintain our Buy rating on CTG and TP of VND48,300, reflecting the modest FY26–28F earnings cut and rolling forward our valuation base.
- We cut our FY26–28 net profit forecasts by 2.9% on average, mainly on a lower FY26 credit growth assumption. Our revised forecasts imply net profit growth of 18.4%/13.5%/14.5% in FY26/27/28, respectively. With its SOCB profile and strong deposit franchise, CTG is better positioned than many peers to navigate ongoing funding challenges.
- CTG trades at 1.16x 1-year rolling forward P/B. With a 3-year net profit CAGR of 15.9% and average ROE of 19.2%, ahead of SOCB peers, CTG offers a solid value-growth profile and remains our top pick among SOCBs.

Event: Review FY26-28 outlook post 1Q26

CTG reported 1Q26 PBT of VND11.1tn (+63.3% y/y from a low base). Top line performance was stronger than expected, supported by NIM expansion rather than the mild compression we had anticipated. However, CTG's front-loaded provisioning resulted in higher-than-expected credit costs and PBT below our forecast. Following management's update on NIM for the remainder of FY26, sector liquidity conditions, and CTG's 4M26 credit growth of 2.6% YTD, we are more cautious on credit growth.

Impact: Cutting FY26-28 net profit forecast by 3% on avg.

We cut our FY26–28 net profit forecasts by 2.9% on average, implying growth of 18.4%/13.5%/14.5%, respectively, mainly driven by a lower FY26 credit growth assumption.

We believe CTG's solid customer base, diversified loan book, strong deposit franchise, and improving asset quality position the bank well for the next growth cycle, alongside its rising focus on infrastructure lending and fee income generation.

Valuation and recommendation

The stock trades at 1.16x 1-year rolling forward P/B, 3% below the private-bank peer average and at a 18% discount to BID, its closest comparable.

We maintain our residual-income-based target price at VND48,300, as the earnings downgrade is largely offset by rolling forward our valuation base to mid-FY27 from end-FY26.

Our target price implies 38% upside and values CTG at 1.78x FY26 P/B and 1.51x FY27 P/B. With FY26 ROE of 19.2% and a 3-year EPS CAGR of 15.9%, ahead of SOCB peers, CTG offers an attractive value-growth profile and remains our top pick among SOCBs.

Year end: December	12-24A	12-25A	12-26F	12-27F	12-28F
Net interest income (VNDtn)	62.4	66.5	77.0	89.2	102
Total operating income (VNDtn)	81.9	87.3	101	114	130
Reported net profit (VNDtn)	25.3	34.6	41.0	46.5	53.2
EPS (VND)	3,264	4,454	5,274	5,987	6,854
DPS (VND)	0	450	500	500	500
BVPS (VND)	18,995	22,974	27,175	31,989	37,818
P/E (x)	10.4	7.60	6.42	5.65	4.94
Dividend yield (%)	0	1.33	1.48	1.48	1.48
P/B (x)	1.78	1.47	1.25	1.06	0.90
EPS growth (%)	27.4	36.5	18.4	13.5	14.5
Ret. on avg. equity (%)	18.6	21.2	21.0	20.2	19.6

Note: Use of ▲ ▼ indicates that the item has changed by at least 5%.
Source: Bloomberg, HSC Research estimates

Better positioned to navigate liquidity challenges

Following our review of the sector's outlook, CTG's 1Q26 results, and management's latest update, we revise our forecasts to reflect slightly lower credit growth and higher provisions. We lower our FY26–28 net profit forecasts by 3% on average, implying growth of 18.4%/13.5%/14.5%. We maintain our residual-income-based TP at VND48,300, as the earnings downgrade is largely offset by rolling forward our valuation base to mid-FY27 from end-FY26. Our TP implies 43% upside and values CTG at 1.78x FY26 P/B and 1.51x FY27 P/B. With FY26 ROE of 19.2% and a 3-year EPS CAGR of 15.9%, ahead of SOCB peers, while still trading at a discount, CTG offers an attractive value-growth profile and remains our top pick among SOCBs.

FY26-28 outlook and forecast

Modest balance sheet expansion

Credit growth: Total credit increased 1.8% YTD in 1Q26, underperforming the sector. Growth was led by FDI (+6.3% YTD) and large corporates (+5.1% YTD), followed by SMEs (+3.4% YTD), while retail loans declined by 2.1% YTD. By end-April, credit growth had reached 2.6% YTD.

Funding: Customer deposits grew at a similar pace of 1.7% YTD in 1Q26. State Treasury deposits rose 37.6% to VND185tn, providing additional funding support. The CASA ratio declined by 0.7ppts to 24.9%. Given rising interest rates and seasonal factors, the decline in CASA was expected, and CTG's contraction was relatively mild versus peers.

Revision: We lower our FY26 credit growth assumption to 12% from 15%, given modest YTD balance-sheet expansion, which we believe reflects sector liquidity constraints and management's conservativeness. Circular 08/2026 allows 20% of State Treasury deposits to be included in the deposit base when calculating LDR. This should modestly ease funding pressure for SOCBs, including CTG, and support further loan-book expansion. Under Circular 22, this 20% portion of State Treasury deposits was excluded from the deposit base in 1Q26. We also lower our FY26 deposit growth assumption to 12%, in line with credit growth.

Resilient NIM in 1Q, better than expected, but COF pressure is rising

NIM recovered by 14bps q/q to 2.81%, ahead of our expectation, driven by a 30bps increase in asset yield versus a 16bps rise in funding cost. Compared with peers, most of which saw mild-to-moderate q/q NIM compression, CTG's NIM performance was a bright spot.

However, management indicated that cost-of-funds pressure would become more visible from 2Q26, likely resulting in slight q/q NIM contraction. For FY26 as a whole, NIM is still expected to improve mildly y/y.

Revision: We broadly maintain our FY26–27 NIM assumptions for CTG and lower our FY28 NIM assumption modestly.

Figure 1: Key assumptions, CTG

Key revisions are lower credit growth in FY26

		Old forecast			New forecast		
	FY25A	FY26	FY27	FY28	FY26	FY27	FY28
Loan growth	15.7%	15.0%	15.0%	15.0%	12.0%	15.0%	15.0%
Deposits growth	11.6%	15.0%	15.0%	15.0%	12.0%	15.0%	15.0%
NIM	2.65%	2.71%	2.80%	2.88%	2.70%	2.79%	2.82%
NPL ratio	1.10%	1.10%	1.10%	1.10%	1.07%	1.08%	1.07%
Credit cost	0.93%	0.84%	0.85%	0.90%	0.87%	0.87%	0.86%
NPL formation	0.99%	0.73%	0.84%	0.84%	0.76%	0.84%	0.84%
LLR	158.8%	155.1%	143.9%	138.0%	157.9%	147.4%	138.0%
CIR	30.4%	30.2%	29.8%	29.1%	30.4%	30.4%	30.1%

Source: HSC Research

Figure 2: Earnings forecast, CTG

Net profit is revised down by 2.9% on average in FY26-28

VNDbn		Old forecast			New forecast		
	FY25A	FY26	FY27	FY28	FY26	FY27	FY28
NII	66,453	78,014	91,557	106,833	77,001	89,244	102,482
Growth y/y	6.5%	17.4%	17.4%	16.7%	15.9%	15.9%	14.8%
Revision					-1.3%	-2.5%	-4.1%
Net fee income	6,329	7,156	8,363	9,788	7,561	8,843	10,359
Growth y/y	-5.5%	13.1%	16.9%	17.0%	19.5%	17.0%	17.1%
Revision					5.7%	5.7%	5.8%
Other Non-NII	14,513	15,936	16,070	17,225	15,971	15,770	16,940
Growth y/y	13.3%	9.8%	0.8%	7.2%	10.0%	-1.3%	7.4%
Revision					0.2%	-1.9%	-1.7%
TOI	87,295	101,106	115,989	133,847	100,532	113,857	129,781
Growth y/y	6.6%	15.8%	14.7%	15.4%	15.2%	13.3%	14.0%
Revision					-0.6%	-1.8%	-3.0%
OPEX	(26,551)	(30,531)	(34,561)	(39,004)	(30,531)	(34,561)	(39,004)
Growth y/y	17.8%	15.0%	13.2%	12.9%	15.0%	13.2%	12.9%
Revision					0.0%	0.0%	0.0%
PPOP	60,744	70,575	81,428	94,842	70,001	79,297	90,777
Growth y/y	2.3%	16.2%	15.4%	16.5%	15.2%	13.3%	14.5%
Revision					-0.8%	-2.6%	-4.3%
Provision expenses	(17,298)	(18,015)	(21,058)	(25,511)	(18,451)	(20,808)	(23,848)
Growth y/y	-37.3%	4.1%	16.9%	21.1%	6.7%	12.8%	14.6%
Revision					2.4%	-1.2%	-6.5%
PBT	43,446	52,560	60,370	69,332	51,550	58,489	66,929
Growth y/y	36.8%	21.0%	14.9%	14.8%	18.7%	13.5%	14.4%
Revision					-1.9%	-3.1%	-3.5%
Net profit	34,591	41,768	48,002	55,157	40,960	46,497	53,234
Growth y/y	36.5%	20.7%	14.9%	14.9%	18.4%	13.5%	14.5%
Revision					-1.9%	-3.1%	-3.5%

Source: HSC Research

Non-NII: Solid across all categories

Non-NII was solid across all categories in 1Q26, with net fee income up 15% y/y, FX trading income up 19% y/y, and other income up 13% y/y, including written-off bad-debt recovery income of VND2.2tn (+14.8% y/y). Within net fee income, guarantee fees and net income from payment services were the key drivers, growing 41% y/y and 38% y/y, respectively.

Management updated that income from written-off bad debts reached approximately VND3tn by end-April, tracking well against FY26 guidance of around VND10tn.

Revision: We raise our net fee income forecasts by around 6%, while maintaining our other non-NII assumptions.

Asset quality improved, driven by proactive provisioning

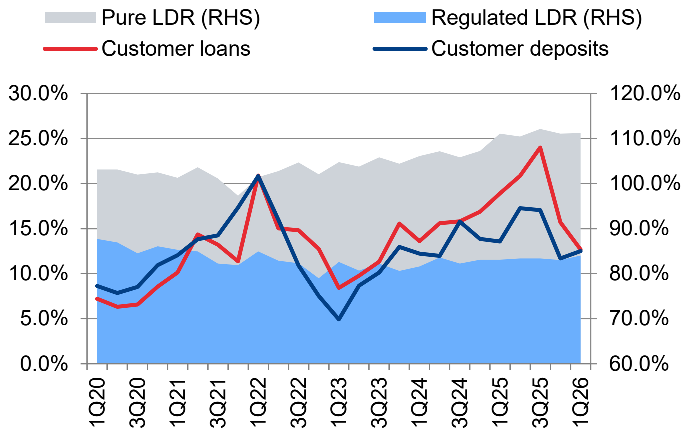
CTG booked VND7.7tn in provisions in 1Q26. Although slightly lower y/y, this was significantly above the average level over the previous three quarters, suggesting that CTG continues to take a conservative provisioning approach, with heavier provisioning booked early in the year.

Supported by proactive provisioning, asset quality improved slightly, with the NPL ratio declining to 1.02% from 1.10% at end-FY25, while LLR increased to 167% from 159%. By segment, the corporate NPL ratio was 1.07%, while the retail NPL ratio was 0.91%.

Notably, Group 5 loans declined by 40% q/q following sizeable write-offs and accounted for 58% of NPLs, down from 91% at end-FY25. This points to lighter provisioning pressure in subsequent quarters. Management guided for FY26 provision expenses of VND17–18tn, broadly in line with our VND18.5tn forecast, which we raised slightly following CTG’s front-loaded 1Q26 provisioning.

Figure 3: Loans & Deposits y/y growth & LDR, CTG

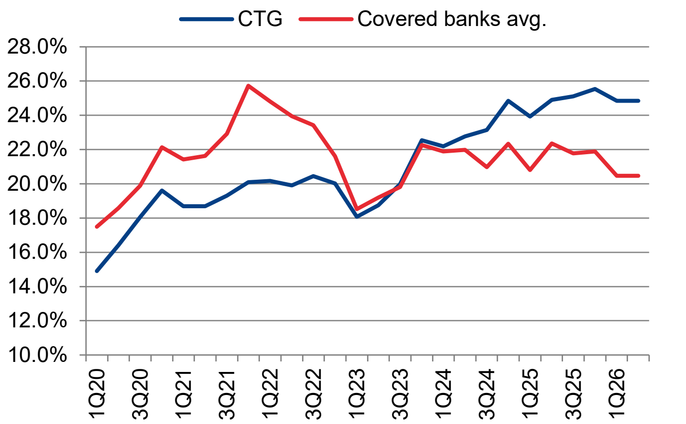
Momentum slow down in the past two quarters due to liquidity stretch



Source: Company data, HSC Research

Figure 4: CASA comparison

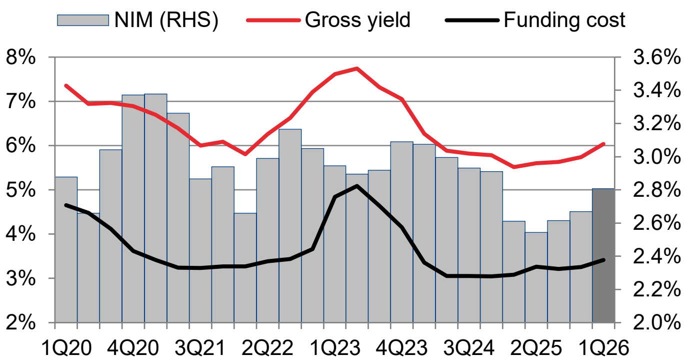
CTG's CASA ratio improved notably in the past five years



Source: Company data, HSC Research

Figure 5: NIM quarterly, CTG

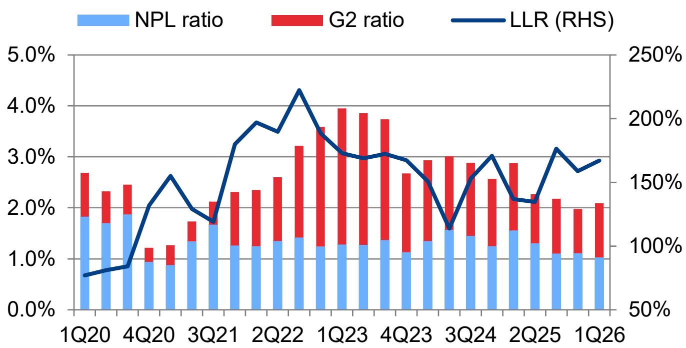
1Q26 NIM improved 15bps q/q



Source: Company data, HSC Research

Figure 6: NPL & LLR, CTG

NPL and group 2 loans trended down since 1Q23's peak



Source: Company data, HSC Research

Valuation and recommendation

We maintain our residual-income-based target price at VND48,300 following our earnings revisions, with FY26–28 net profit lowered by 2.9% on average, and the rolling forward of our valuation base to mid-FY27 from end-FY26.

Our target price implies 43% upside and values CTG at 1.78x FY26 P/B and 1.51x FY27 P/B, supported by FY26 ROE of 19.2%.

With a 3-year EPS CAGR of 15.9%, versus 7.8% for BID and 15.0% for VCB, CTG offers a solid value-growth profile and remains our top pick among SOCBs.

Figure 7: Residual income valuation, CTG

VNDbn	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	Terminal Year
Net income	37,314	42,413	48,660	52,871	60,753	66,922	72,083	80,769	84,000
- Equity cost	24,546	29,035	34,179	40,406	46,093	52,481	59,316	66,439	69,097
Excess equity return	12,768	13,378	14,481	12,465	14,660	14,441	12,767	14,330	14,903
Terminal value of excess equity return									
Cumulated cost of equity	1.00	1.14	1.29	1.47	1.67	1.89	2.14	2.41	
Present value	12,768	11,760	11,191	8,468	8,774	7,632	5,971	76,589	
Equity invested	211,068	248,460							
PV of equity excess return	143,152	148,320							
Value of equity	354,220	396,780							
Number of shares (mn)	7,767	7,767							
Value per share (VND)	45,606	51,086							
Mid-FY27 TP	**48,346**								

Source: HSC Research

Figure 8: TP sensitivity analysis (VND), CTG

	Equity risk premium				
Risk-free rate	7.75%	8.25%	8.75%	9.25%	9.50%
3.0%	68,194	62,107	56,828	52,208	50,108
3.5%	62,242	56,952	52,323	48,239	46,374
4.0%	57,077	52,437	**48,346**	44,712	43,044
4.5%	52,553	48,453	44,811	41,557	40,056
5.0%	48,560	44,911	41,650	38,719	37,362

Source: HSC Research

Figure 9: 1-year rolling forward P/B, CTG

Trading on a 1.16 P/B…

Source: HSC Research

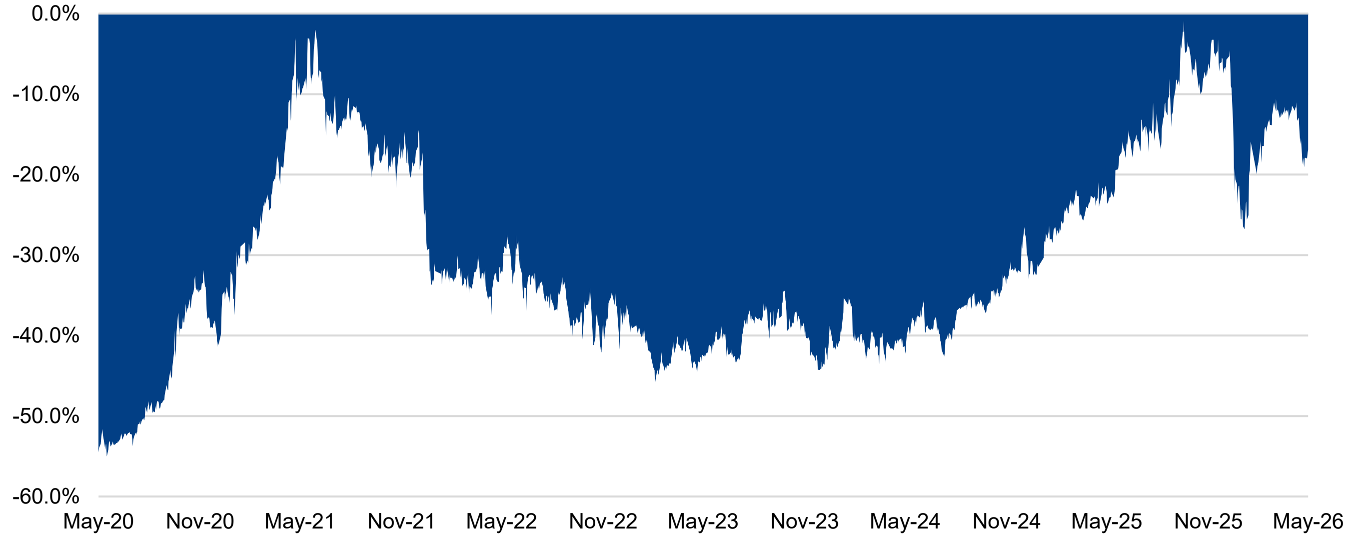
Figure 10: Standard deviation from mean, CTG

…similar to mean of 1.18x

Source: HSC Research

Figure 11: CTG’s valuation discount vs. BID

CTG’s valuation discount to BID has broadly narrowed in the past two years



Source: HSC Research

Financial statements and key data

Income statements (VNDtn)	12-24A	12-25A	12-26F	12-27F	12-28F
Interest income	124	143	178	191	217
Interest expense	(62.1)	(76.7)	(101)	(102)	(114)
Net interest income	**62.4**	**66.5**	**77.0**	**89.2**	**102**
Fees & commissions - net	6.70	6.33	7.56	8.84	10.4
Forex exchange gains - net	4.20	3.12	3.90	4.49	5.16
Income from securities	(0.20)	0.86	0.80	0.40	0.40
Equity income	0.39	0.44	0.46	0.49	0.51
Other income	8.42	10.1	10.8	10.4	10.9
Total operating income	**81.9**	**87.3**	**101**	**114**	**130**
Operating expenses	(22.5)	(26.6)	(30.5)	(34.6)	(39.0)
Pre-provision profit	**59.4**	**60.7**	**70.0**	**79.3**	**90.8**
Provision expenses	(27.6)	(17.3)	(18.5)	(20.8)	(23.8)
Associates	-	-	-	-	-
Pre-tax profit	**31.8**	**43.4**	**51.6**	**58.5**	**66.9**
Taxation	(6.28)	(8.59)	(10.3)	(11.7)	(13.4)
Minority interests	(0.13)	(0.27)	(0.28)	(0.29)	(0.31)
Net profit	**25.3**	**34.6**	**41.0**	**46.5**	**53.2**
EPS (VND)	3,264	4,454	5,274	5,987	6,854
DPS (VND)	0	450	500	500	500
Basic shares, average (mn)	7,767	7,767	7,767	7,767	7,767
Basic shares, period end (mn)	7,767	7,767	7,767	7,767	7,767
Fully diluted shares, period end (mn)	7,767	7,767	7,767	7,767	7,767

Growth, efficiency and valuation	12-24A	12-25A	12-26F	12-27F	12-28F
Growth					
Total asset growth (%)	17.4	16.0	11.5	13.4	13.6
Gross customer loan growth (%)	16.9	15.7	12.0	15.0	15.0
Customer deposits growth (%)	13.9	11.7	12.0	15.0	15.0
Growth in total deposits & CDS (%)	15.2	11.9	11.8	14.6	14.6
Equity growth (%)	18.0	20.9	18.3	17.7	18.2
Net interest income growth (%)	17.8	6.49	15.9	15.9	14.8
Operating expenses growth (%)	10.3	17.8	15.0	13.2	12.9
Pre-provision profit growth (%)	18.5	2.33	15.2	13.3	14.5
Pre-tax profit growth (%)	27.1	36.8	18.7	13.5	14.4
Net profit growth (%)	27.4	36.5	18.4	13.5	14.5
Efficiency					
Revenue/avg. assets (%)	3.71	3.39	3.44	3.46	3.47
Expenses/avg. assets (%)	(1.02)	(1.03)	(1.04)	(1.05)	(1.04)
Avg. earning assets/avg. total assets (%)	96.3	97.4	97.4	97.3	97.4
Revenue/employee (VNDbn)	3.31	3.49	3.98	4.47	5.04
Net profit per branch/sub-branch (VNDbn)	22.7	31.0	36.7	41.7	47.7
Valuation					
P/E (x)	10.4	7.60	6.42	5.65	4.94
P/book (x)	1.78	1.47	1.25	1.06	0.90
Dividend yield (%)	0	1.33	1.48	1.48	1.48

Balance sheets (VNDtn)	12-24A	12-25A	12-26F	12-27F	12-28F
Assets					
Cash & cash equivalents	11.1	12.6	13.5	15.2	18.3
Balance with SBV	34.4	35.2	40.2	46.2	53.1
Deposits with other banks	378	476	524	587	657
Net trading securities	2.80	2.94	3.02	3.15	3.29
Derivatives	0	0.23	0.25	0.28	0.30
Net customer loans	**1,685**	**1,957**	**2,193**	**2,524**	**2,906**
Gross customer loans	1,722	1,992	2,231	2,566	2,951
Provision loss	(36.7)	(34.8)	(38.8)	(41.6)	(44.8)
Investment securities	**215**	**212**	**240**	**250**	**261**
Available for sales	189	204	213	224	235
Held to maturity	26.6	8.81	26.6	26.6	26.6
Provision loss	(0.59)	(0.53)	(0.55)	(0.55)	(0.55)
Long-term investments	3.93	4.43	3.94	3.94	3.94
Fixed assets	10.0	10.8	11.1	11.4	11.7
Other assets	44.7	55.6	56.7	57.9	59.0
Total assets	**2,385**	**2,768**	**3,085**	**3,500**	**3,975**
Liabilities	**2,237**	**2,588**	**2,872**	**3,249**	**3,679**
Deposits from SBV	154	145	149	153	158
Deposits from other banks	276	418	459	505	556
Customer deposits	1,606	1,794	2,009	2,310	2,657
Bonds and certificates of deposit	152	174	191	211	232
Other liabilities	48.1	58.0	63.6	69.7	76.5
Owners' equity	**148**	**178**	**211**	**248**	**294**
Chartered capital	53.7	77.7	77.7	77.7	77.7
Share premium	8.97	8.97	8.97	8.97	8.97
Retained earnings	58.4	58.2	80.2	109	143
Funds and other capital	26.5	33.6	44.2	52.5	63.8
Minority interest	0.97	1.21	1.49	1.78	2.09
Total liabilities and equity	**2,385**	**2,768**	**3,085**	**3,500**	**3,975**
BVPS (VND)	18,995	22,974	27,175	31,989	37,818

Profitability and others	12-24A	12-25A	12-26F	12-27F	12-28F
Profitability					
Net income/revenue (%)	30.9	39.6	40.7	40.8	41.0
Return on avg. assets (%)	1.15	1.34	1.40	1.41	1.42
Return on avg. equity (%)	18.6	21.2	21.0	20.2	19.6
Average funding cost (%)	3.07	3.25	3.77	3.41	3.37
Average gross yield (%)	5.85	5.71	6.23	5.97	5.96
Net yield (%)	2.78	2.45	2.46	2.57	2.59
NIM (%)	2.93	2.65	2.70	2.79	2.82
NII/total operating income (%)	76.2	76.1	76.6	78.4	79.0
Fee-based income/total operating income (%)	8.17	7.25	7.52	7.77	7.98
Other non-NII/total operating income (%)	15.6	16.6	15.9	13.9	13.1
Cost to income ratio (%)	27.5	30.4	30.4	30.4	30.1
Dividend payout ratio (%)	0	10.1	9.48	8.35	7.30
Capital adequacy					
CAR (%)	9.54	10.4	10.9	11.2	12.2
Equity/assets (%)	6.18	6.45	6.84	7.10	7.39
Equity multiplier (x)	16.2	15.5	14.6	14.1	13.5
Asset quality					
NPL ratio (%)	1.25	1.10	1.10	1.10	1.10
LLR coverage (%)	171	159	158	147	138
Liquidity					
LDR (%)	107	111	111	111	111
Interbank borrowing/total deposits (%)	13.6	17.5	17.3	16.7	16.1
Loans/assets (%)	72.2	72.0	72.3	73.3	74.2
Size					
No. of branches and sub-branches	1,116	1,116	1,116	1,116	1,116
No. of employees	24,731	24,978	25,228	25,480	25,735

*Note: *Excluding short-term investments.*
Source: Company, HSC Research estimates