Company Report: Vietnam Joint Stock Commercial Bank for Industry and Trade (CTG)

Research Department
Mail: research@gtht.com.vn
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3Q2026 AND 9M2026 EARNINGS UPDATE

VietinBank reported 3Q2026 pre-tax profit (PBT) of VND13,689bn (+29.0% YoY), bringing 9M2026 PBT to VND39,557bn (+33.9% YoY). Earnings growth was mainly driven by 25.5% YoY TOI growth and a decline in CIR ratio to 24.7%.

Customer loans reached VND2,141tn (+7.5% YTD), while customer deposits were VND1,944tn (+8.4% YTD). Management noted that credit expansion was deliberately moderated to balance liquidity and risk.

The bank's NIM continued to improve as yields on earning assets (YOEA) rose faster than the cost of funds (COF). The NPL ratio remained at 1.20%, although growth in Group 2–4 loans warrants monitoring. NPL coverage rose from 134.0% in 2Q2026 to 160.4% in 3Q2026, with further improvement targeted.

At the 3Q2026 earnings briefing, CTG management confirmed completion of the transfer of VietinBank Tower in Ciputra, Hanoi. The asset disposal and any resulting profit had been recognized in the 3Q2026 financial statements.

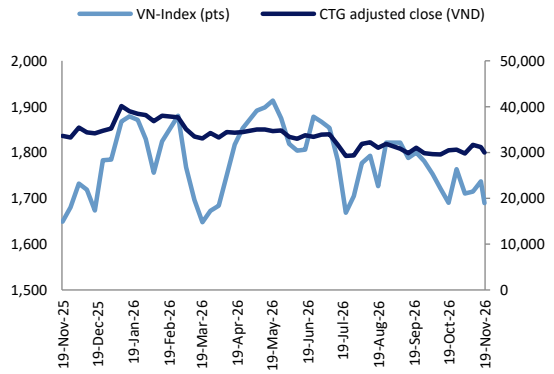
INVESTMENT VIEW

We forecast CTG's 2026F PBT at VND50.8tn, representing 17% YoY growth.

Using a residual income (RI) valuation, we arrive at a target price of **VND32,800/share**, implying 8.9% upside from the 20 November reference price. We maintain a **NEUTRAL** recommendation on CTG.

Recommendation:	**NEUTRAL**
6-18m TP: *(Upside)*	32,800 VND *(+8.9%)*
Current price:	30,100 VND

One-Year Share Price Performance



Stock	1 M	3 M	1Y
Prie change (%)	(1.64)	(3.23)	(10.72)
Vs Vnindex	(1.63)	(1.08)	(13.18)
Average price (VND)	30,889	30,655	33,456

Source: Bloomberg, Guotai Haitong (VN)

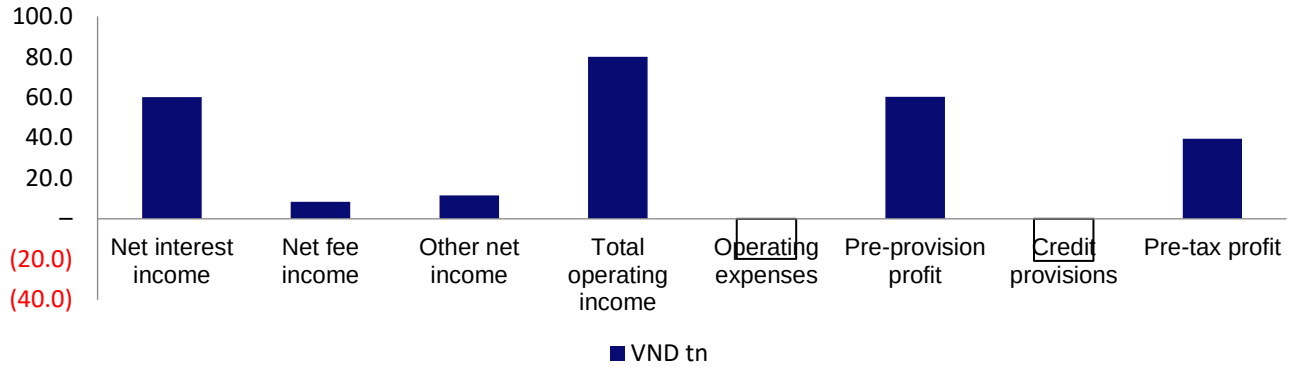
Outstanding shares (million)	7,767	Major shareholders (%)	SBV (64.46%), MUFG (19.73%)
Market capital (VND bn)	240,389	Free float (%)	15%
3-month average trading volume ('000)	7,340	LDR (%)	82.9%
52W Highest/lowest price (VND)	42,839 / 28,400	CAR (%)	10.1%

3Q2026 AND 9M2026 EARNINGS UPDATE

VND bn	9M2025	9M2026	YoY
Net interest income	**48,494**	**61,931**	**27.7%**
Non-interest income	15,377	18,209	18.4%
Total operating income	**63,870**	**80,140**	**25.5%**
Operating expenses	17,388	19,802	13.9%
Credit impairment charges	16,947	20,781	22.6%
Profit before tax	**29,535**	**39,557**	**33.9%**
Cost-to-income ratio (CIR)	27.22%	24.71%	-2.51 bps

Source: FiinProX, GTHTSVN Research

Figure 1: 9M2026 Earnings Breakdown



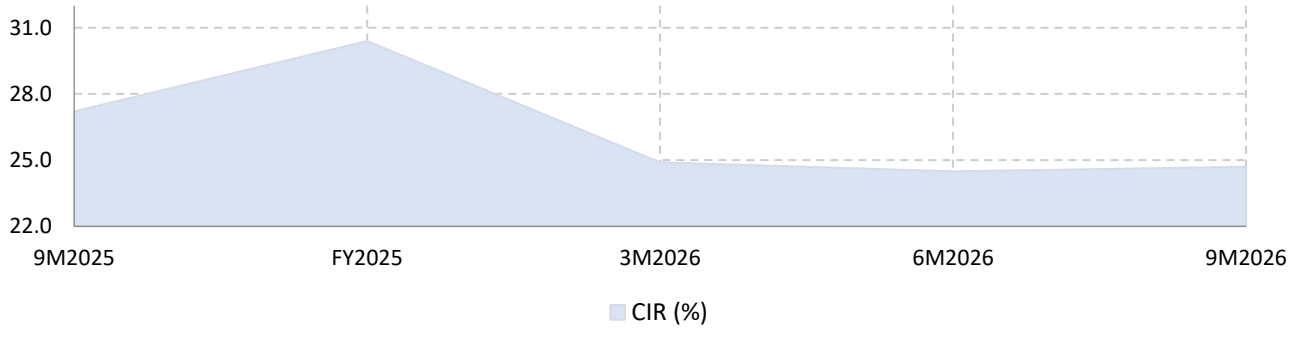
Source: CTG, GTHTSVN Research

Effective cost control supported earnings growth. Total operating income (TOI) rose 25.5% YoY in 9M2026, significantly outpacing the 13.9% increase in operating expenses. Pre-provision operating profit (PPOP) reached VND60,338bn (+29.8% YoY), underpinning 33.9% PBT growth despite a 22.6% rise in credit provisions.

Non-interest income (Non-NII) grew 18.4% YoY to VND18,209bn in 9M2026, accounting for 22.7% of CTG's total operating income. Growth was primarily driven by fee income and foreign-exchange trading. Net fee and commission income rose 42.5% YoY to VND6,602bn, supported by guarantee fees (+32.2%), payment services (+24.6%), and insurance operations at VBI (+52.7%). Net foreign-exchange gains increased 24.0% YoY to VND3,180bn, while other net operating income grew 10.0% to VND7,705bn, including approximately VND6,900bn recovered from previously written-off loans. Conversely, trading-securities income declined sharply from VND667bn to VND25bn, partly offsetting overall growth.

At the 3Q2026 earnings briefing, the bank also confirmed the completion of the VietinBank Tower disposal and all related accounting entries, but did not disclose the transaction value.

Figure 2: Cost-to-Income Ratio (CIR) Trend (%)



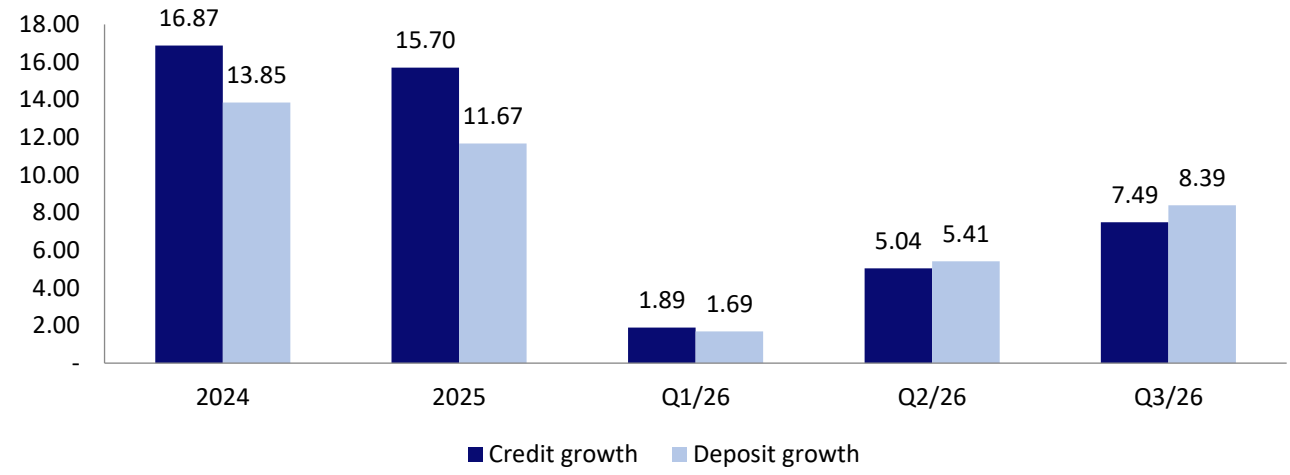
Source: CTG, GTHTSVN Research

November 20, 2026
CTG VN

The cost-to-income ratio (CIR) declined 2.5 percentage points YoY to 24.7%, reflecting improved operating efficiency. Operating expenses rose 13.9% YoY, below TOI growth of 25.5%. PPOP increased 29.8% to VND60.3tn, while credit provisions climbed 22.6% to VND20.8tn. Therefore, earnings growth was not driven by cuts in aggregate credit provisions.

CREDIT GROWTH OF 7.5% YTD, LED BY FDI CLIENTS AND LARGE CORPORATES

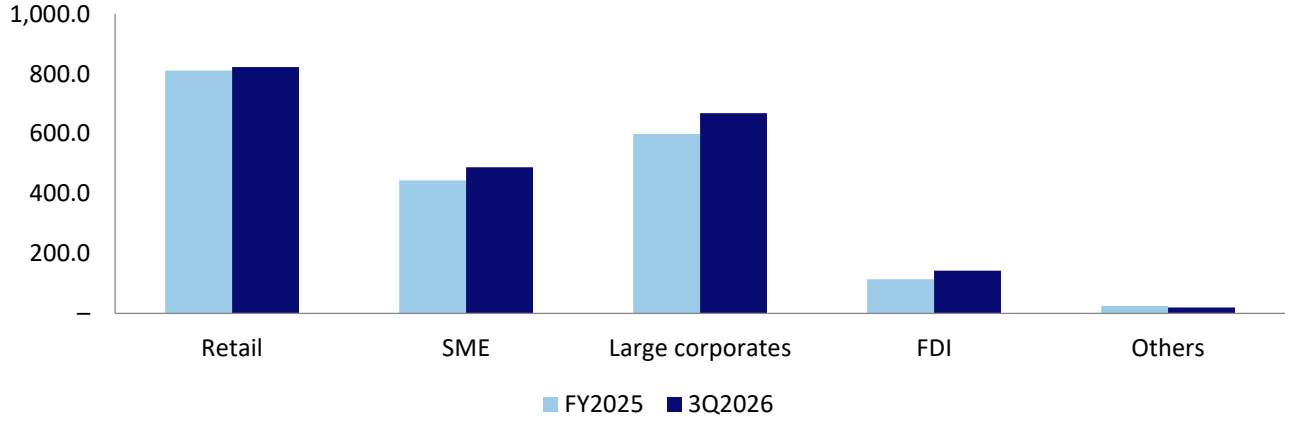
Figure 3: Credit and Deposit Growth (%)



Source: CTG, GTHTSVN Research

Credit expanded 7.5% YTD, below the banking system's 11.6% growth through end-3Q2026. This reflects a deliberate approach to balancing liquidity, credit underwriting quality and balance-sheet expansion. Corporate lending led growth, broadly in line with the industry trend: loans to FDI customers rose 25.1% YTD, large corporates 11.7%, and SMEs 9.9%, while retail lending increased only 1.4%.

Figure 4: Loan Portfolio by Customer Segment (VND tn)



Source: CTG, GTHTSVN Research

A rising share of incremental lending went to large corporates and FDI clients, creating opportunities to cross-sell transaction banking, foreign exchange and cash-management services. In particular, FDI loans increased 25.1% YTD, concentrated in electrical equipment, fisheries and animal feed segments.

By industry, real estate developers loans represented 8.9% of CTG's total loan book, equivalent to approximately VND190tn at end-3Q2026. Meanwhile, mortgages eased from VND240tn at end-2025 to VND227tn at end-3Q2026, representing around 12% of the bank's credit exposure.

At the briefing, VietinBank representatives noted that as of end-3Q2026 the bank had not disbursed credit to the 18 key projects subject to special mechanisms. For the Red River landscape boulevard project, it issued a conditional financing commitment of VND313tn to the investor consortium, but no credit had yet

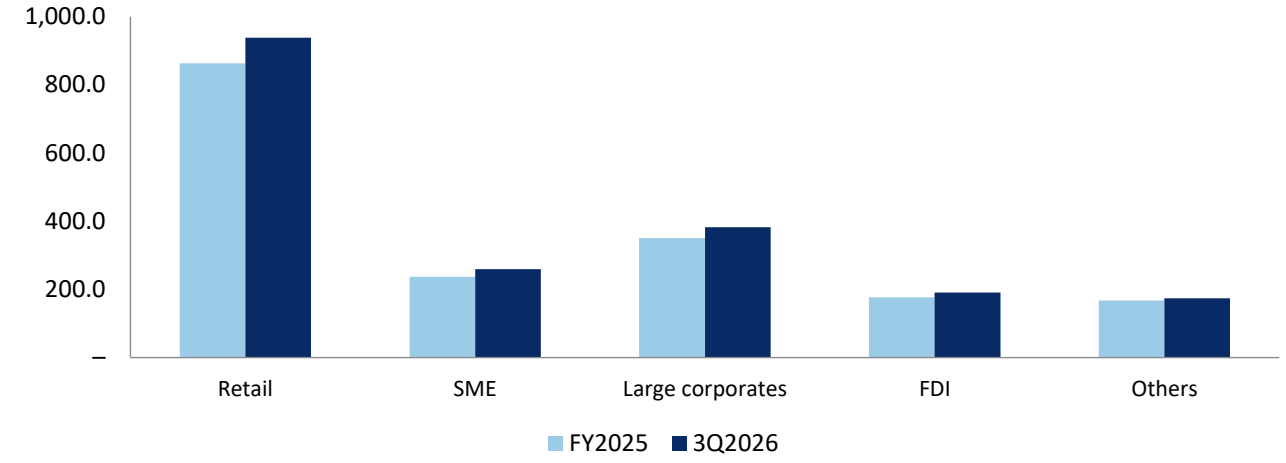
been extended.

Management also highlighted challenges to retail growth amid liquidity pressures and elevated interest rates. New mortgage disbursements were mainly directed to homebuyers in Hanoi and Ho Chi Minh City. Working-capital and business loans are expected to remain key drivers of credit growth going forward.

DEPOSITS OUTPACE LOAN GROWTH, BUT CASA QUALITY WARRANTS MONITORING

At end-3Q2026, CTG's customer deposits reached VND1,944tn (+8.4% YTD), exceeding credit growth of 7.5% YTD. Retail deposits stood at VND938tn (+8.7% YTD), remaining the main funding source at approximately 48.3% of total customer deposits. SME and large-corporate deposits both increased 9.2% YTD, reflecting the bank's ability to retain and expand corporate funding.

Figure 5: Deposits by Customer Segment (VND tn)



Source: CTG, GTHTSVN Research

CASA: TRANSACTION BANKING ADVANTAGES REMAIN, BUT FUNDING MIX HAS BECOME LESS FAVORABLE

At end-3Q2026, CTG's CASA balance was VND455tn, down slightly by 0.8% YTD despite an 8.4% increase in customer deposits. Consequently, the CASA ratio fell from 25.5% at end-2025 to 23.4%, broadly consistent with banks' increasing reliance on term deposits to manage liquidity and regulatory ratios.

By segment, retail customers continued to account for the largest portion of CASA, albeit with a decline, while SME and FDI CASA balances improved. Amid intensifying deposit competition, a shift toward term funding could push up cost of funds (COF) and constrain further NIM expansion over the coming quarters.

Figure 6: CASA Balance and Ratio

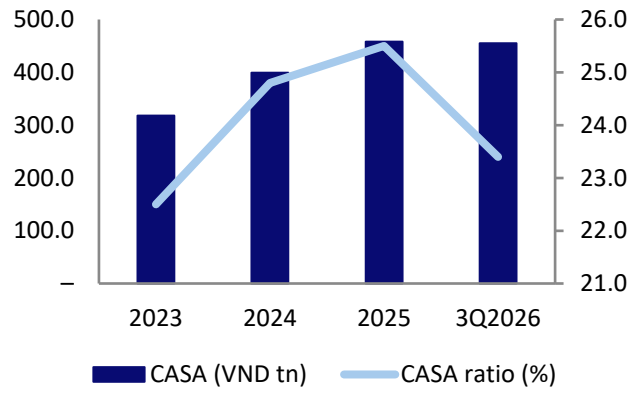
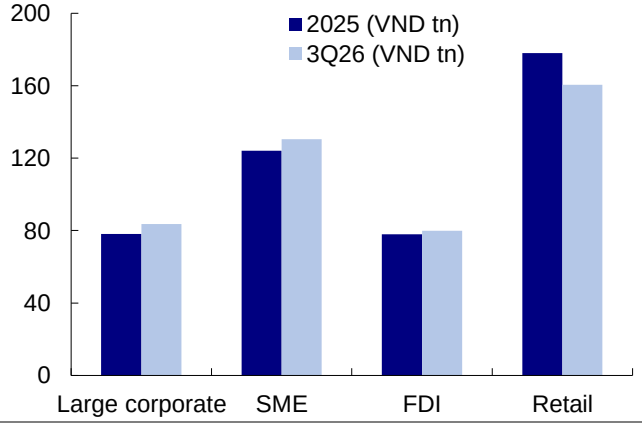


Figure 7: CASA Composition by Customer Segment



Source: CTG, GTHTSVN Research

November 20, 2026
CTG VN

NIM RECOVERY SHOULD BE ASSESSED ALONGSIDE FUNDING COST PRESSURES

NIM recovered in 3Q2026 but has yet to demonstrate a sustained improvement. According to the bank, 9M2026 NIM reached 2.91%, versus 2.59% in FY2025, 2.82% in 1Q2026 and 2.86% in 2Q2026. The improvement mainly reflected higher lending rates and yields on earning assets (YOEA). Average lending rates rose to 7.66% in 9M2026 from 6.4% in 2025. However, funding pressures persisted: COF rose from 3.22% in 2025 to an average of 3.94% in 9M2026, while the average deposit rate increased from 3.77% to 4.94%.

With asset yields rising faster than funding costs, 9M2026 net interest income reached VND61,931bn (+27.7% YoY), becoming the main driver of operating income growth. The sustainability of NIM recovery will depend on the pace of earning-asset repricing, deposit-rate developments and improvements in the CASA mix.

Figure 8: NIM (Cumulative)

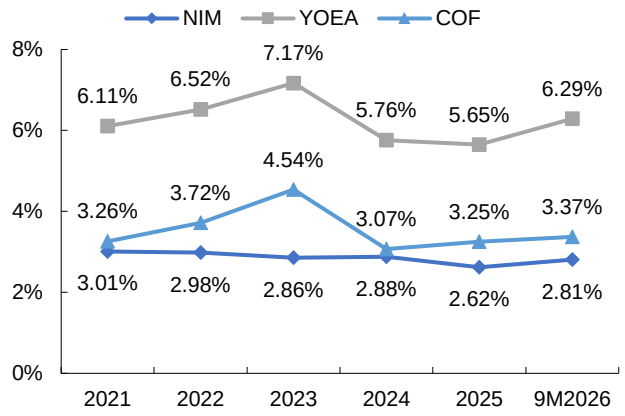
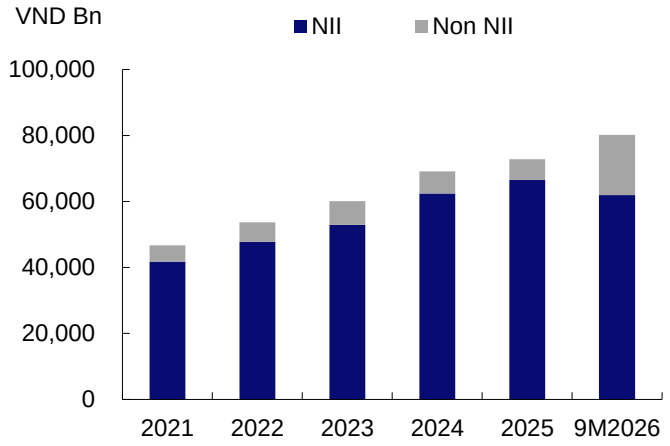


Figure 9: Net Interest and Non-Interest Income

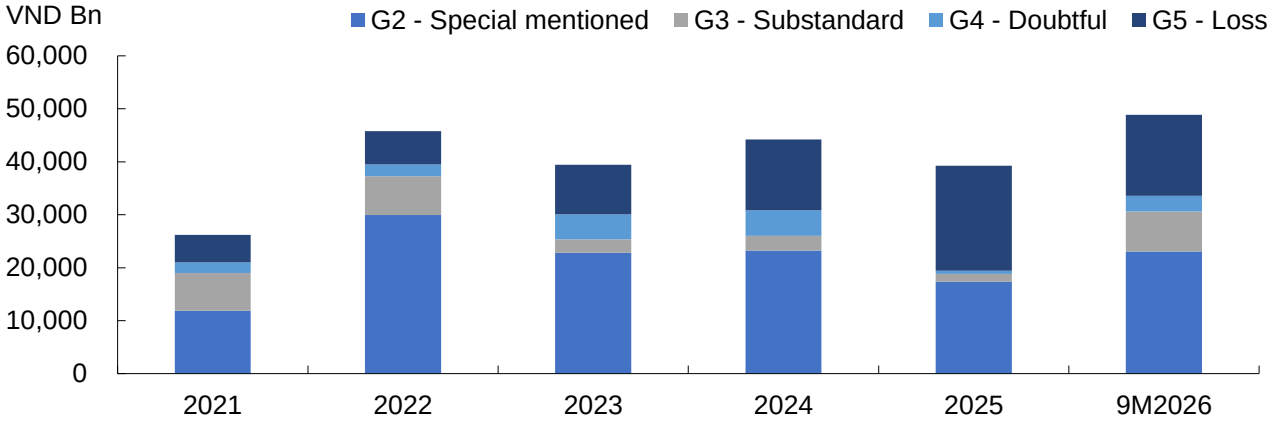


Source: FiinProX, GTHTSVN Research

ASSET QUALITY: NPL RATIO REMAINS STABLE, BUT ABSOLUTE NPL BALANCE CONTINUES TO RISE

Asset-quality pressures persist despite a stable NPL ratio. At end-3Q2026, CTG's NPL ratio was 1.20%, flat QoQ but up from 1.10% at end-2025. Absolute NPLs reached approximately VND25.8tn (+17.6% YTD), growing faster than customer loans (+7.5% YTD). Notably, the loan mix deteriorated as Group 2, Group 3 and Group 4 loans increased, whereas Group 5 loans declined compared with end-2025. This indicates that new NPL formation pressure has not fully subsided, even though the overall NPL ratio remains relatively low.

Figure 10: NPL Ratio and Loan-Loss Coverage



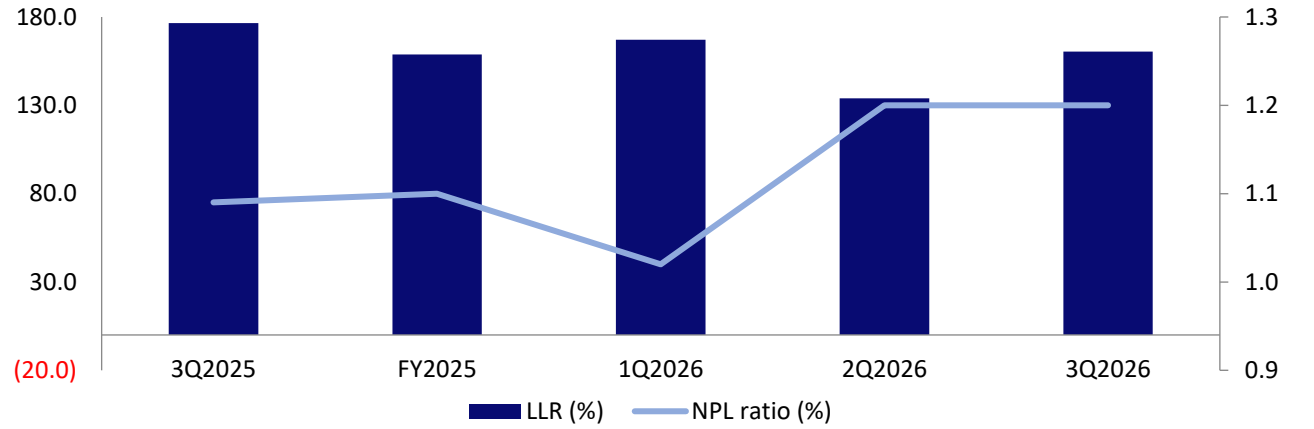
Source: CTG, GTHTSVN Research

Credit risk is concentrated in sectors facing cash-flow and repayment pressures. According to VietinBank, NPLs predominantly arose in construction, especially transport infrastructure, real-estate businesses, consumer lending, steel and textiles. These sectors are relatively sensitive to funding costs, payment schedules and market demand. Corporate-loan risks are concentrated in construction projects,

real estate and manufacturing businesses with long working-capital cycles. In retail, consumer borrowers may face repayment pressure from income and interest-rate fluctuations. CTG's credit quality should therefore be assessed not only through its headline NPL ratio but also through its ability to contain deterioration across individual customer segments.

A stronger provisioning buffer supports risk absorption. The loan-loss coverage ratio (LLR) improved from 134.0% at end-2Q2026 to 160.4% at end-3Q2026, above 158.8% at end-2025 but below 176.5% a year earlier. Stronger reserves enhance CTG's capacity to address problematic loans, particularly as Group 2–4 balances rise. Nevertheless, the increase in potentially risky loans suggests credit costs could remain under pressure in coming quarters. In our view, new NPL formation, debt recoveries and the maintenance of strong coverage will be critical to sustaining CTG's earnings growth.

Figure 11: NPL Ratio and Loan-Loss Coverage



Source: CTG, GTHTSVN Research

VALUATION AND RECOMMENDATION

We use the residual income (RI) method as the basis for assessing CTG's fair value.

In our current model, the cost of equity (Ke) is 13.88%, based on a 4.46% risk-free rate, an adjusted beta of 1.16x and an 8.13% equity risk premium. We assume 4.0% terminal growth in residual income, reflecting an expectation that CTG will generate positive economic profits over the long term.

Our growth assumptions incorporate 12.0% customer-loan growth in 2026, followed by 10.0–12.5% annual growth over 2027–2030. We also forecast an increase in the NPL ratio from 1.15% in 2026 to 1.30% by 2030, reflecting a relatively prudent approach to asset quality.

Our valuation yields a fair value of VND32,800 per CTG share.

We see improving fundamentals for CTG, particularly as NIM recovers and pre-provision operating profit grows strongly. Nevertheless, increases in Group 2–4 loans and funding costs may weigh on the sustainability of profitability.

With 8.9% upside based on our valuation (relative to the closing price on 20 November 2026), we assign a **NEUTRA**L rating to CTG in the near term. Scope for a higher valuation will depend on upward earnings revisions following 9M2026 results, the sustainability of NIM recovery and credit cost management over the coming quarters.

Investment risks. Higher deposit rates could constrain NIM recovery; increases in Group 2–4 loans could raise provisioning expenses; and tighter liquidity requirements could limit credit expansion.

COMPANY RATING DEFINITION

Benchmark: VN – Index. Time Horizon: 6 to 18 months

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

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

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PHÒNG PHÂN TÍCH GUOTAI HAITONG VIỆT NAM

Trịnh Khánh Linh
Chuyên viên phân tích
linhtk@gtht.com.vn
(024) 35.730.073 - máy lẻ 707

Trần Thị Hồng Nhung
Giám đốc
nhungtth@gtht.com.vn
(024) 35.730.073 - máy lẻ 703

CHỨNG KHOÁN GUOTAI HAITONG (VIỆT NAM)
GUOTAI HAITONG SECURITIES (VIETNAM)

CONTACT	HEAD OFFICE HANOI	BRANCH HO CHI MINH CITY
Consultation phone: (024) 35.730.073 Phone to place an order: (024) 35.779.999 Email: info@gtht.com.vn Website: www.gtht.com.vn	P9-10, Tầng 1, Charmvit Tower Telephone: (024) 35.730.073 Fax: (024) 35.730.088	3rd Floor, No. 2 BIS, International Square, Ward 6, District 3, Ho Chi Minh City Telephone: (028) 38.239.966 Fax: (028) 38.239.696