

HCM Development (HDB)

Credit Expansion Phenomenon

1Q26: Credit Growth Surge

- 1Q26 PBT rose by +14.0%yoy to VND6,107bn, thanks to robust growth in net interest incomes (+14.5%yoy) and net fee incomes (+26.8%yoy), and manageable expenses on operation and risks provision. 1Q26 PBT completed 20.3% of the 2026 target. 1Q26 NAP rose by 12.5%yoy to VND4,902bn, lower than PBT due to a higher effective tax rate.
- 1Q26 total credit grew by + 9.21% YTD to VND616,062bn, higher than the industry's rate of 3.18%YTD. This growth was primarily fueled by corporate loans (+9.9% YTD) and HDSaison (+9.9% YTD). Meanwhile, Corporate bonds and retail loans changed -15.8% YTD and +4.6%YTD, respectively.
- Net interest margin in 1Q26 significantly declined from 4.81% in 1Q25 and 5.1% in 4Q25 to 3.93% in 1Q26. The higher cost of funds and lower asset yields were mainly caused by a decrease in NIM.
- Deposits from customers, valuable papers, and other credit institutions rose by +7.5%YTD. LDR remained healthy at the end of 1Q26, remaining at 67.7%.
- 1Q26 non-interest incomes declined by -18.2%yoy. Activities across segments included services incomes (+15.5%yoy), FX (+71.0%yoy), and others (-66.6%yoy).
- Operating expenses and risks provision expenses in 1Q26 rose moderately by +2.5%yoy and declined -5.0%yoy, respectively. CIR fell from 27.4% in 1Q25 to 26% in 1Q26.
- Non-performing loans remained year-over-year and rose quarter-over-quarter from both the parent bank and HDSaison. Consolidated NPL (3-5)/(2-5) changed from 2.4%/7.8% in 1Q25, 2.4%/5.9% in 4Q25 to 2.6%/5.2% in 1Q26. Of which, NPL (3-5)/(2-5) from parent banks experienced from 2.2%/7.4% in 1Q25, 2.3%/5.5% in 4Q25 to 2.4%/4.7% in 1Q26.
- **HDSaison:** Witnessed a strong 1Q26 PBT growth of 10.8%yoy to VND339bn, NPL changed from 7.3% in 1Q25, 6.9% in 4Q25 to 7.2% in 1Q26.

12M rating **NON-RATED**

12M TP

Up/Downside

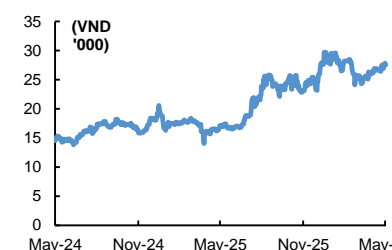
Stock Data

VNIndex (May 16, pt)	1,922
Stock price (May 16, VND)	27,550
Market cap (USD mn)	5,232
Shares outstanding (mn)	5,005
52-Week high/low (VND)	29,700/16,501
6M avg. daily turnover (USD mn)	17.62
Free float / Foreign ownership (%)	74.9/21.8
Major shareholders (%)	
Sovico	9.99
Clarendelle Investment PTE. Ltd	3.69

Performance

	1M	6M	12M
Absolute (%)	0.1	0.2	0.6
Relative to VNIndex (%p)	0.0	0.0	0.1

Stock price trend



Source: Bloomberg

	2021A	2022A	2023A	2024A	2025A
TOI (VND bn)	16,758	21,967	26,414	34,032	42,696
chg. (YoY)	21.6	31.1	20.2	28.8	25.5
PPE (VND bn)	10,375	13,336	17,284	22,051	31,095
Net profit (VND bn)	6,453	8,209	10,336	13,248	17,074
EPS (VND)	3,011	3,063	3,464	3,636	3,296
chg. (YoY)	14.3	1.7	13.1	5.0	(9.3)
PB (x)	1.2	1.5	1.5	1.8	1.8
PE (x)	5.5	7.1	6.5	7.7	8.3
P/PPE (x)	13.4	10.4	8.0	6.3	4.5
NIM ()	4.3	5.0	4.8	5.2	4.5
ROE ()	20.2	23.3	23.5	24.7	25.8
ROA ()	1.6	1.8	2.0	2.0	2.0
Dividend yield ()	0	4.58	4.42	0	0
CAR ()	14.40	13.40	12.60	14.03	16.7

Note: Net profit, EPS and ROE are based on figures attributed to controlling interest

Analysts who prepared this report are registered as research analysts in Vietnam but not in any other jurisdiction, including the U.S.
PLEASE SEE ANALYST CERTIFICATIONS AND IMPORTANT DISCLOSURES & DISCLAIMERS AT THE END OF THIS REPORT.

Research Dep

researchdept@kisvn.vn

2Q26F: Double-digit growth from a low base

- 2Q26F credit growth could sustain its robust momentum, building on the high base of +15.31% YTD recorded in 2Q25. For the full year, 2026 credit growth could hit 37%, fueled by aggressive corporate expansions and a steady recovery in the retail segment.
- 2Q26F NIM could maintain its quarterly stability, underpinned by effective cost of funds management and a shift toward higher-yield retail lending.
- 2Q26F Non-interest incomes remain double-digit growth from a low base in 2Q25. Fee income could sustain its robust growth trajectory in 2026, fueled by a resurgence in bancassurance, expanding payment services, and a broad recovery in banking service fees.
- Provisioning expenses in 2Q26F are under less pressure due to a high base effect, while non-performing loans (NPLs) could remain under control.
- The management has proposed a 30% stock dividend payout ratio in 2026.

Recommendation and Ratings

- HDB is trading at PB of 1.7x, compared to the five-year average of 1.6x.

Table 1: Snapshot of income statement

Units: VNDbn, %

	1Q25	4Q25	1Q26	q/q	n/n	2024	2025	n/n
Net interest income	7,408	9,756	8,483	(13.0)	14.5	30,857	34,746	12.6
Total operating income	9,205	12,330	9,953	(19.3)	8.1	34,032	42,696	25.5
Profit before provision expense	6,680	8,510	7,366	(13.4)	10.3	22,051	31,095	41.0
PBT	5,355	6,519	6,107	(6.3)	14.0	16,730	21,346	27.6
PAT	4,358	5,220	4,902	(6.1)	12.5	13,248	17,074	28.9

Source: FiinproX, company data

Table 2: 2026 Planning

Units: VNDtn, %

	2025	2026F	YoY
Total assets	931	1,194	28
Deposit	832	1,060	28
Credit	588	804	37
PBT	21.3	30.1	41

Source: FiinproX, company data

■ **Guide to KIS Vietnam Securities Corp. stock ratings based on 12-month forward performance**

- BUY: Expected total return will be 15% or more
- Hold: Expected total return will be between -5% and 15%
- Sell: Expected total return will be -5% or less
- KIS Vietnam Securities Corp. does not offer target prices for stocks with Hold or Sell ratings.

■ **Guide to KIS Vietnam Securities Corp. sector ratings for the next 12 months**

- Overweight: Recommend increasing the sector's weighting in the portfolio compared to its respective weighting in the VNIndex based on market capitalization.
- Neutral: Recommend maintaining the sector's weighting in the portfolio in line with its respective weighting in the VNIndex based on market capitalization.
- Underweight: Recommend reducing the sector's weighting in the portfolio compared to its respective weighting in the VNIndex based on market capitalization.

■ **Analyst Certification**

I/We, as the research analyst/analysts who prepared this report, do hereby certify that the views expressed in this research report accurately reflect my/our personal views about the subject securities and issuers discussed in this report. I/We do hereby also certify that no part of my/our compensation was, is, or will be directly or indirectly related to the specific recommendations or views contained in this research report.

■ **Important compliance notice**

As of the end of the month immediately preceding the date of publication of the research report or the public appearance (or the end of the second most recent month if the publication date is less than 10 calendar days after the end of the most recent month), KIS Vietnam Securities Corp. or its affiliates does not own 1% or more of any class of common equity securities of the companies mentioned in this report.

There is no actual, material conflict of interest of the research analyst or KIS Vietnam Securities Corp. or its affiliates known at the time of publication of the research report or at the time of the public appearance.

KIS Vietnam Securities Corp. or its affiliates has not managed or co-managed a public offering of securities for the companies mentioned in this report in the past 12 months;

KIS Vietnam Securities Corp. or its affiliates has not received compensation for investment banking services from the companies mentioned in this report in the past 12 months; KIS Vietnam Securities Corp. or its affiliates does not expect to receive or intend to seek compensation for investment banking services from the companies mentioned in this report in the next 3 months.

KIS Vietnam Securities Corp. or its affiliates was not making a market in securities of the companies mentioned in this report at the time that the research report was published.

KIS Vietnam Securities Corp. does not own over 1% of shares of the companies mentioned in this report as of 16 May 2026.

KIS Vietnam Securities Corp. has not provided this report to various third parties.

Neither the analyst/analysts who prepared this report nor their associates own any shares of the company/companies mentioned in this report as of 16 May 2026.

KIS Vietnam Securities Corp. has not issued CW with underlying stocks of HCM Development (HDB) and is not the liquidity provider.

Prepared by: Research Dep

Global Disclaimer

■ General

This research report and marketing materials for Vietnamese securities are originally prepared and issued by the Research Center of KIS Vietnam Securities Corp., an organization licensed with the State Securities Commission of Vietnam. The analyst(s) who participated in preparing and issuing this research report and marketing materials is/are licensed and regulated by the State Securities Commission of Vietnam in Vietnam only. This report and marketing materials are copyrighted and may not be copied, redistributed, forwarded or altered in any way without the consent of KIS Vietnam Securities Corp..

This research report and marketing materials are for information purposes only. They are not and should not be construed as an offer or solicitation of an offer to purchase or sell any securities or other financial instruments or to participate in any trading strategy. This research report and marketing materials do not provide individually tailored investment advice. This research report and marketing materials do not take into account individual investor circumstances, objectives or needs, and are not intended as recommendations of particular securities, financial instruments or strategies to any particular investor. The securities and other financial instruments discussed in this research report and marketing materials may not be suitable for all investors. The recipient of this research report and marketing materials must make their own independent decisions regarding any securities or financial instruments mentioned herein and investors should seek the advice of a financial adviser. KIS Vietnam Securities Corp. does not undertake that investors will obtain any profits, nor will it share with investors any investment profits. KIS Vietnam Securities Corp., its affiliates, or their affiliates and directors, officers, employees or agents of each of them disclaim any and all responsibility or liability whatsoever for any loss (director consequential) or damage arising out of the use of all or any part of this report or its contents or otherwise arising in connection therewith. Information and opinions contained herein are subject to change without notice and may differ or be contrary to opinions expressed by other business areas or KIS Vietnam Securities Corp. The final investment decision is based on the client's judgment, and this research report and marketing materials cannot be used as evidence in any legal dispute related to investment decisions.

■ Country-specific disclaimer

United States: This report is distributed in the U.S. by Korea Investment & Securities America, Inc., a member of FINRA/SIPC, and is only intended for major U.S. institutional investors as defined in Rule 15a-6(a)(2) under the U.S. Securities Exchange Act of 1934. All U.S. persons that receive this document by their acceptance thereof represent and warrant that they are a major U.S. institutional investor and have not received this report under any express or implied understanding that they will direct commission income to Korea Investment & Securities, Co., Ltd. or its affiliates. Pursuant to Rule 15a-6(a)(3), any U.S. recipient of this document wishing to effect a transaction in any securities discussed herein should contact and place orders with Korea Investment & Securities America, Inc., which accepts responsibility for the contents of this report in the U.S. The securities described in this report may not have been registered under the U.S. Securities Act of 1933, as amended, and, in such case, may not be offered or sold in the U.S. or to U.S. person absent registration or an applicable exemption from the registration requirement.

United Kingdom: This report is not an invitation nor is it intended to be an inducement to engage in investment activity for the purpose of section 21 of the Financial Services and Markets Act 2000 of the United Kingdom ("FSMA"). To the extent that this report does constitute such an invitation or inducement, it is directed only at (i) persons who are investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) of the United Kingdom (the "Financial Promotion Order"); (ii) persons who fall within Articles 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Financial Promotion Order; and (iii) any other persons to whom this report can, for the purposes of section 21 of FSMA, otherwise lawfully be made (all such persons together being referred to as "relevant persons"). Any investment or investment activity to which this report relates is available only to relevant persons and will be engaged in only with relevant persons. Persons who are not relevant persons must not act or rely on this report.

Hong Kong: This research report and marketing materials may be distributed in Hong Kong to institutional clients by Korea Investment & Securities Asia Limited (KISA), a Hong Kong representative subsidiary of Korea Investment & Securities Co., Ltd., and may not otherwise be distributed to any other party. KISA provides equity sales service to institutional clients in Hong Kong for Korean securities under its sole discretion, and is thus solely responsible for provision of the aforementioned equity selling activities in Hong Kong. All requests by and correspondence with Hong Kong investors involving securities discussed in this report and marketing materials must be effected through KISA, which is registered with The Securities & Futures Commission (SFC) of Hong Kong. Korea Investment & Securities Co., Ltd. is not a registered financial institution under Hong Kong's SFC.

Singapore: This report is provided pursuant to the financial advisory licensing exemption under Regulation 27(1)(e) of the Financial Advisers Regulation of Singapore and accordingly may only be provided to persons in Singapore who are "institutional investors" as defined in Section 4A of the Securities and Futures Act, Chapter 289 of Singapore. This report is intended only for the person to whom Korea Investment & Securities Co., Ltd. has provided this report and such person may not send, forward or transmit in any way this report or any copy of this report to any other person. Please contact Korea Investment & Securities Singapore Pte Ltd in respect of any matters arising from, or in connection with, the analysis or report (Contact Number: 65 6501 5600).

Copyright © 2026 KIS Vietnam Securities Corp.. All rights reserved. No part of this report may be reproduced or distributed in any manner without permission of KIS Vietnam Securities Corp..