

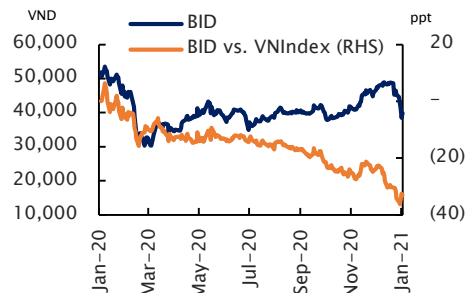
## SELL

**TP upside (downside) -7%**

**Close 29 Jan 2021**

Price VND 39,900  
12M Target VND 37,300

**Share price performance relative to VNI**



Source: FiinPro

|                          |            |
|--------------------------|------------|
| Market cap               | US\$6.9 bn |
| 6M avg. daily turnover   | US\$4.0 mn |
| Outstanding shares       | 4,022mn    |
| Free float               | 4%         |
| FINI ownership           | 17.3%      |
| Major shareholders       | 96.3%      |
| 2021E Asset/Equity (*)   | 22.1       |
| 2021E P/E (*)            | 15.9       |
| 2021E P/B (*)            | 1.8        |
| FOL Remaining Room       | 12.7%      |
| 2021E Dividend yield (*) | 3.2%       |

Source: FiinPro, (\*) Yuanta Vietnam

Research Analyst:

Tanh Tran

+84 28 3622 6868 ext  
3874

[tanh.tran@yuanta.com.vn](mailto:tanh.tran@yuanta.com.vn)

Bloomberg code: YUTA

## BIDV Bank (BID VN)

### Increased provision

#### Event

BID reported 4Q20 PATMI of VND1.6 tn (-22% QoQ/-43% YoY) driven largely by increased provisioning. BID's 2020 PATMI was VND7.1 tn (-14.7% YoY), fulfilling 74% of its full-year target and 69% of our forecast.

#### Details

**Loans increased by just 9% YoY to reach VND1,214 tn in 2020.**

**4Q20 net interest income** was VND10.6 tn (+16% QoQ/+10% YoY). NIM on total average assets was 2.83% in 4Q20 (+32bps QoQ/+20bps YoY), driven by lower funding costs.

**4Q20 net fee income** was VND1.6 tn (+16% QoQ/+28% YoY). Income from securities investment was +VND507 bn in 4Q20 (+27% QoQ/-37% YoY), and income from FX trading was VND486 bn (+11% QoQ/+16% YoY). Other income (which we believe is mostly loan loss recoveries) soared by 127% QoQ/+29% YoY to reach VND2.3 tn.

**Provisioning increased by +22% QoQ/+93% YoY to reach VND7.0 tn in 4Q20**, which was the main for the earnings miss. Provisioning in 2020 increased by 15% YoY to reach VND23.1 tn. The reported NPL ratio was 1.76% (-21bps QoQ/+1bps YoY) at 4Q20.

**LLR ratio was 88% (+1.3ppt QoQ/+13.3ppt YoY)** as at 4Q20.

#### Our view

**Prudent approach.** BID increased provisioning significantly in 4Q20, which dented earnings. We view this positively given the delayed impact of restructured loans and potential for increased NPL formation in 2021E.

| BID: 4Q20 results summary | 4Q20  | QoQ     | YoY      |
|---------------------------|-------|---------|----------|
| PATMI (VND tn)            | 1.6   | -22%    | -43%     |
| Loan (VND tn)             | 1,214 | +6%     | +9%      |
| Deposit (VND tn)          | 1,227 | +7%     | +10%     |
| NPL ratio                 | 1.76% | -21bps  | +1bps    |
| LLR ratio                 | 88%   | +1.3ppt | +13.3ppt |
| CASA ratio                | 18.6% | +1.3ppt | +1.4ppt  |

Source: Company Data, Yuanta Vietnam

**Valuation is still high**, in our view. BID trades at 1.8x 2021E P/B vs. the sector median of 1.3x despite its low 2021E ROE of 12% compared to the sector's median of about 16%. BID benefits from its large scale and SOE status, but we don't see it as comparable to [VCB \(BUY\)](#) in terms of quality. Thus, we maintain our SELL recommendation.

#### ANALYST CERTIFICATION AND IMPORTANT DISCLOSURES ARE LOCATED IN APPENDIX A.

Yuanta does and seeks to do business with companies covered in its research reports. As a result, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making their investment decision.

---

## Appendix A: Important Disclosures

### Analyst Certification

Each research analyst primarily responsible for the content of this research report, in whole or in part, certifies that with respect to each security or issuer that the analyst covered in this report: (1) all of the views expressed accurately reflect his or her personal views about those securities or issuers; and (2) no part of his or her compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed by that research analyst in the research report.

### Ratings Definitions

**BUY:** We have a positive outlook on the stock based on our expected absolute or relative return over the investment period. Our thesis is based on our analysis of the company's outlook, financial performance, catalysts, valuation and risk profile. We recommend investors add to their position.

**HOLD-Outperform:** In our view, the stock's fundamentals are relatively more attractive than peers at the current price. Our thesis is based on our analysis of the company's outlook, financial performance, catalysts, valuation and risk profile.

**HOLD-Underperform:** In our view, the stock's fundamentals are relatively less attractive than peers at the current price. Our thesis is based on our analysis of the company's outlook, financial performance, catalysts, valuation and risk profile.

**SELL:** We have a negative outlook on the stock based on our expected absolute or relative return over the investment period. Our thesis is based on our analysis of the company's outlook, financial performance, catalysts, valuation and risk profile. We recommend investors reduce their position.

**Under Review:** We actively follow the company, although our estimates, rating and target price are under review.

**Restricted:** The rating and target price have been suspended temporarily to comply with applicable regulations and/or Yuanta policies.

Note: Yuanta research coverage with a Target Price is based on an investment period of 12 months. Greater China Discovery Series coverage does not have a formal 12 month Target Price and the recommendation is based on an investment period specified by the analyst in the report.

### Global Disclaimer

© 2020 Yuanta. All rights reserved. The information in this report has been compiled from sources we believe to be reliable, but we do not hold ourselves responsible for its completeness or accuracy. It is not an offer to sell or solicitation of an offer to buy any securities. All opinions and estimates included in this report constitute our judgment as of this date and are subject to change without notice.

This report provides general information only. Neither the information nor any opinion expressed herein constitutes an offer or invitation to make an offer to buy or sell securities or other investments. This material is prepared for general circulation to clients and is not intended to provide tailored investment advice and does not take into account the individual financial situation and objectives of any specific person who may receive this report. Investors should seek financial advice regarding the appropriateness of investing in any securities, investments or investment strategies discussed or recommended in this report. The information contained in this report has been compiled from sources believed to be reliable but no representation or warranty, express or implied, is made as to its accuracy, completeness or correctness. This report is not (and should not be construed as) a solicitation to act as securities broker or dealer in any jurisdiction by any person or company that is not legally permitted to carry on such business in that jurisdiction.

Yuanta research is distributed in the United States only to Major U.S. Institutional Investors (as defined in Rule 15a-6 under the Securities Exchange Act of 1934, as amended and SEC staff interpretations thereof). All transactions by a US person in the securities mentioned in this report must be effected through a registered broker-dealer under Section 15 of the Securities Exchange Act of 1934, as amended. Yuanta research is distributed in Taiwan by Yuanta Securities Investment Consulting. Yuanta research is distributed in Hong Kong by Yuanta Securities (Hong Kong) Co. Limited, which is licensed in Hong Kong by the Securities and Futures Commission for regulated activities, including Type 4 regulated activity (advising on securities). In Hong Kong, this research report may not be redistributed, retransmitted or disclosed, in whole or in part or and any form or manner, without the express written consent of Yuanta Securities (Hong Kong) Co. Limited.

Taiwan persons wishing to obtain further information on any of the securities mentioned in this publication should contact:

Attn: Research  
Yuanta Securities Investment Consulting  
4F, 225,  
Section 3 Nanking East Road, Taipei 104  
Taiwan

Hong Kong persons wishing to obtain further information on any of the securities mentioned in this publication should contact:

Attn: Research  
Yuanta Securities (Hong Kong) Co. Ltd  
23/F, Tower 1, Admiralty Centre  
18 Harcourt Road,  
Hong Kong

Korean persons wishing to obtain further information on any of the securities mentioned in this publication should contact:

---

Head Office  
Yuanta Securities Building  
Euljiro 76 Jung-gu  
Seoul, Korea 100-845  
Tel: +822 3770 3454

Indonesia persons wishing to obtain further information on any of the securities mentioned in this publication should contact:

Attn: Research  
PT YUANTA SECURITIES INDONESIA  
(A member of the Yuanta Group)  
Equity Tower, 10th Floor Unit EFGH  
SCBD Lot 9  
Jl. Jend. Sudirman Kav. 52-53  
Tel: (6221) - 5153608 (General)

Thailand persons wishing to obtain further information on any of the securities mentioned in this publication should contact:

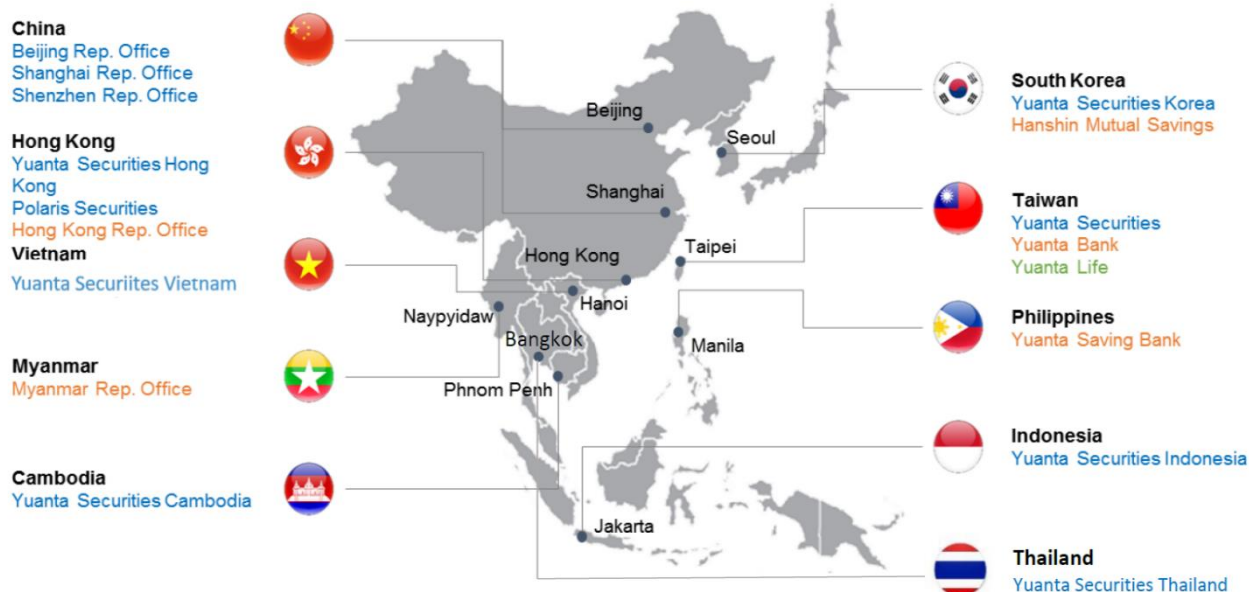
Research department  
Yuanta Securities (Thailand)  
127 Gaysorn Tower, 16th floor  
Ratchadamri Road, Pathumwan  
Bangkok 10330

Vietnam persons wishing to obtain further information on any of the securities mentioned in this publication should contact:

Research department  
Yuanta Securities (Vietnam)  
4th Floor, Saigon Centre  
Tower 1, 65 Le Loi Boulevard,  
Ben Nghe Ward, District 1,  
HCMC, Vietnam

---

# YUANTA SECURITIES NETWORK



## YUANTA SECURITIES VIETNAM OFFICE

**Head office:** 4<sup>th</sup> Floor, Saigon Centre, Tower 1, 65 Le Loi Boulevard, Ben Nghe Ward, District 1, HCMC, Vietnam

### Institutional Research

#### Matthew Smith, CFA

Head of Research

Tel: +84 28 3622 6868 (ext. 3815)

[matthew.smith@yuanta.com.vn](mailto:matthew.smith@yuanta.com.vn)

#### Tam Nguyen

Analyst (Property)

Tel: +84 28 3622 6868 (ext. 3874)

[tam.nguyen@yuanta.com.vn](mailto:tam.nguyen@yuanta.com.vn)

#### Tram Nguyen

Assistant Analyst

Tel: +84 28 3622 6868 (ext. 3872)

[tram.nguyen@yuanta.com.vn](mailto:tram.nguyen@yuanta.com.vn)

### Institutional Sales

#### Huy Nguyen

Head of Institutional sales

Tel: +84 28 3622 6868 (3808)

[Huy.nguyen@yuanta.com.vn](mailto:Huy.nguyen@yuanta.com.vn)

#### Binh Truong

Deputy Head of Research (O&G, Energy)

Tel: +84 28 3622 6868 (3845)

[binh.truong@yuanta.com.vn](mailto:binh.truong@yuanta.com.vn)

#### Tanh Tran

Analyst (Banks)

Tel: +84 28 3622 6868 (3874)

[tanh.tran@yuanta.com.vn](mailto:tanh.tran@yuanta.com.vn)

#### Duyen Nguyen

Sales Trader

Tel: +84 28 3622 6868 (ext. 3890)

[duyen.nguyen@yuanta.com.vn](mailto:duyen.nguyen@yuanta.com.vn)