

Yuanta Vietnam Banks Universe				
Stock code	Yuanta Rating	Current price (VND)	Target price (VND)	12-m TSR*
ACB VN	BUY	36,150	38,115	5%
BID VN	SELL	42,650	37,300	-13%
HDB VN	BUY	30,200	31,656	5%
MBB VN	BUY	33,200	34,233	3%
STB VN	HOLF-UPF	26,350	16,790	-36%
VCB VN	BUY	97,300	114,650	19%
VPB VN	HOLD-UPF	64,000	Under review	

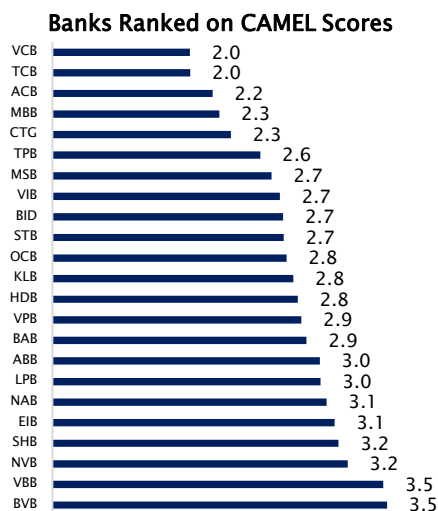
### What's new?

- 1Q21 PATMI of the 23 listed banks: VND41 tn (+23% QoQ/+78% YoY).
- 1Q21 net interest income was VND81 tn (+2% QoQ/+25% YoY).
- Total 1Q21 credit cost was VND22 tn (-13% QoQ/+2% YoY).
- LLR ratio: 111% (+7ppt YTD).
- NPL ratio: 1.41% (+2bps YTD).

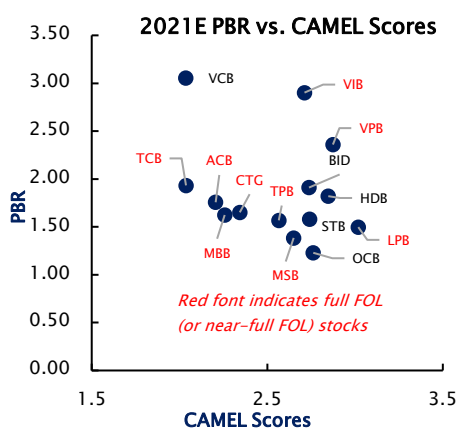
### Our view

- 1Q21 YoY results were driven by low funding cost, high fee income, and high NPL recoveries.
- High credit growth and fee income will drive earnings in 2021E.
- Banks with high provisioning coverage will have more flexibility to lower provision and boost earnings.

**Overview:** We have updated our rankings of the 23 listed Vietnamese banks based on our CAMEL analytical framework. We have added two more banks to our CAMEL universe: ABB and NAB. Perhaps unsurprisingly, [VCB](#) remains No. 1 in our CAMEL rankings. We also have BUY recommendations on [ACB](#) (ranked 3rd), [MBB](#) (4th), and [HDB](#) (13th).



Source: FiinPro, Yuanta Vietnam



Source: Bloomberg

## Vietnam Banks

### Quality is key

[VCB \(BUY\)](#) remains our No. 1 CAMEL-ranked bank. VCB's loan loss reserve (LLR) ratio of 279% was down -89ppt YTD, but this is still the highest figure in the sector. This reflects VCB's prudent and proactive approach against underlying asset quality deterioration amid the macro shock created by COVID-19. [TCB \(Not Rated\)](#), [ACB \(BUY\)](#), and [MBB \(BUY\)](#) round out our top four CAMEL-ranked banks once again.

Surprisingly, [KLB \(Not Rated\)](#) jumped from the bottom to 12<sup>th</sup> in our 1Q21 ratings. KLB divested 176 mn STB shares, improving its capital efficiency. It also reduced its NPL ratio by -3.86ppt QoQ to 1.57% and improved its ROE to 14.5 (+11.2ppt QoQ/+13.1ppt YoY).

1Q21 earnings boosted by increased net interest income and fees. Improved net interest income was largely driven by reduced funding costs backed by SBV policy. Of course, loan yields also decreased, but apparently at a slower pace than that of the deposit rate. In addition, upfront fees and bancassurance sales helped boost profitability.

Sector loan loss reserve (LLR) ratio increased by 7ppt YTD to reach 111%. However, the sector's NPL ratio also increased, albeit slightly, by 2bps to reach 1.41%. Circular 03/2021/TT-NHNN relieves provisioning pressures and should also help earnings in 2021E. Please see tables 2-5 for more details.

We continue to recommend a focus on quality banks with high LLR ratios such as VCB, MBB, and ACB. As one of our top picks, VCB remains the highest-quality bank and its [valuation premium is justified](#) in our view.

[MBB](#) also ranks as one of our top picks as a high-quality bank with strong operational results. We believe MBB deserves a premium to peers, but the stock trades at 1.6x P/B 2021E vs. the sector median of 1.7x.

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

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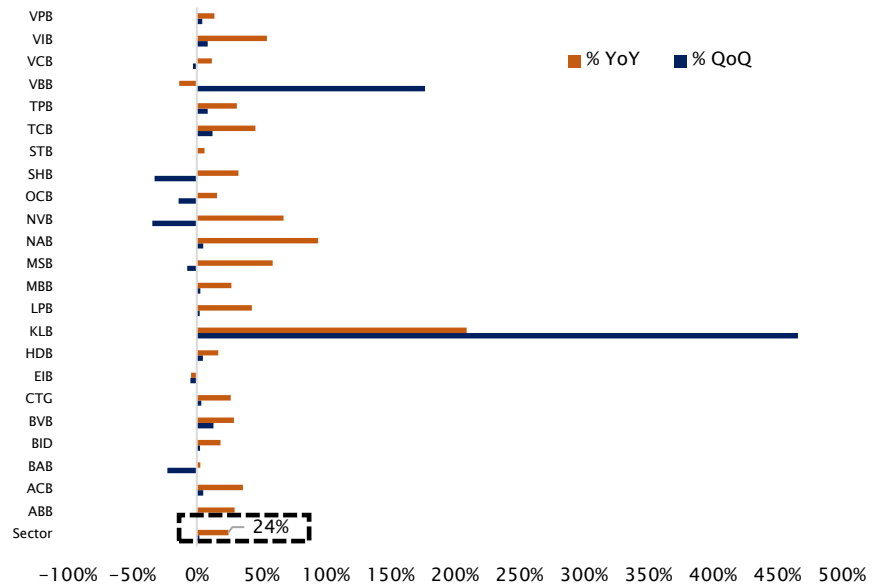
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Bloomberg code: YUTA

## CAMEL 1Q21\_Updated

Bank sector (i.e., the 23 listed banks) earnings reached VND41 tn (+23% QoQ/ +78% YoY) in 1Q21, largely driven by higher net interest income and fees. Please see Table 1 for more details on banks' 1Q21 earnings and key drivers.

Figure 1: Banks sector's 1Q21 earnings largely driven by higher Net-II



Source: FiinPro, Yuanta Vietnam

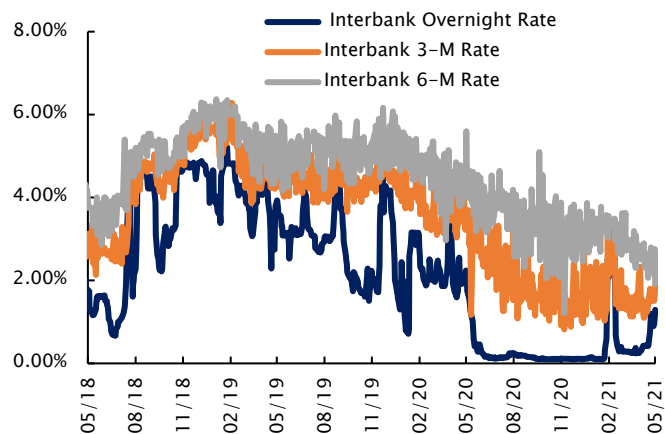
### How will banks perform operationally in the next few quarters?

We expect that high net interest income and net fee income will continue to drive banks' earnings in the next several quarters.

#### Interest income boosted by high credit growth

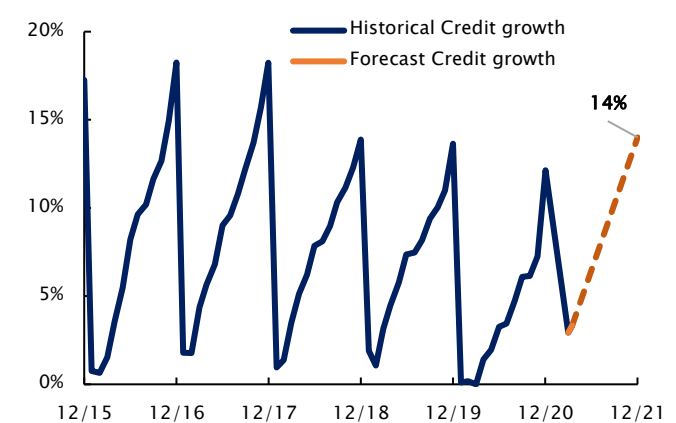
Sector credit growth reached 2.93% YTD in 1Q21, which is higher than 1.31% YTD in 1Q20 due to the impact of the Covid19. As at Apr 16, 2021, total credit growth was 3.34% YTD. We expect that credit growth will increase going forward and we forecast 14% YoY growth for 2021E. This is because we believe that the SBV will maintain easy monetary conditions until at least the end of this year. Wave Four of Covid19 is ongoing, posing some concerns for economic growth; however, we believe that Vietnam's government will again be able to control the pandemic successfully. Specifically, we expect the economy to recover and credit demand to accelerate in the second half of 2021.

Figure 2: Interbank interest rates on downward trend



Source: FiinPro, Yuanta Vietnam

Figure 3: Credit growth forecast to reach 14% in 2021E



Source: FiinPro, Yuanta Vietnam

## Bancassurance will continue to support fee income in 2021E

We expect upfront fee recognition from bancassurance exclusivity deals and bancassurance sales to continue providing support for banks' fee income and earnings this year. In addition, we also expect a wave of renegotiations of bancassurance exclusivity deals in 2021–22E. For example, HDB is in the process of renegotiating its tie-up with Dai-ichi Life. Based on the deal values illustrated table 1 below, we anticipate that TCB and VPB will also renegotiate their partnerships to get higher “upfront” fees that will probably be within the range of those of their peers.

**Table 1: Estimated upfront fees from recent bancassurance exclusivity deals\***

Banks	No. of clients at the time of signing the deal (mn)	No. of branches/ offices	Network (cities)	Year (signed the deal)	Term (years)	Partner	Estimated upfront fee (VND bn)
VCB	10	552	53	Nov-19	15	FWD	9,000
TCB	5	315	45	Sep-17	15	Manulife	1,500
VPB	5	216	51	Oct-17	15	AIA	1,800
ACB	5	371	47	2020	15	Sun Life	8,500
CTG*	14	1,150	63	2020	16	Manulife	7,000
HDB*	10	308		2021?	15	???	7,000

Source: Company data, tapchitaichinh.vn, Yuanta Vietnam

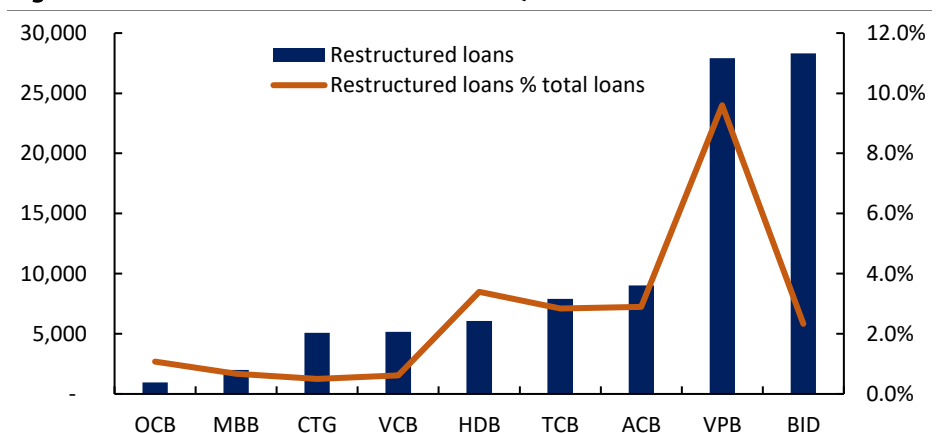
\* Note: All data for ACB, VCB, TCB, and VPB are estimated numbers at the time of contract signing. Yuanta Vietnam estimates for CTG and HDB. No. of clients for HDB includes HDBank and HDSaison.

## Provisioning impact from Circular 03/2021/TT-NHNN

Circular 03/2021/TT-NHNN guides the banks to provision for restructured loans over three years. This should partly help to reduce provisioning pressure and thus improve earnings. However, banks with low loan loss reserve coverage will have to increase provisioning to meet the requirements of Circular 03. By contrast, the impact on banks that already have high provisioning coverage, such as VCB, will be insignificant. Thus, we recommend to continue focusing on the banks with high loan loss reserve ratios.

The degree of impact depends on each bank's restructured loans package and its current level of provisioning.

**Figure 4: Banks Restructured loans as at 4Q20**



Source: FiinPro, Yuanta Vietnam

Below are our estimates for each bank's additional specific provisioning requirements based on Circular 03. However, the actual additional specific provisioning numbers might be smaller than our spreadsheet would indicate because we believe that restructured loans as at 1Q21 are lower than those of 4Q20.

**Table 2: Case 1- Assuming all restructured loans are Category 2 (Special Mention)**

Banks	Total required specific provision (VND bn)	Actual specific provision as at 1Q21 (VND bn)	Additional specific provision based on Circular 03 over three years (VND bn)	Additional specific provision as a %ge of banks' 1Q21 Equity
ACB	2,418	1,043	1,376	3.6%
BID	20,330	14,334	5,997	7.3%
CTG	7,692	6,287	1,406	1.5%
HDB	1,812	579	1,233	4.7%
MBB	2,270	3,037	-	0.0%
OCB	1,140	319	820	4.4%
TCB	1,180	362	818	1.0%
<b>VCB</b>	5,116	15,292	-	0.0%
VPB	6,337	2,343	3,994	7.1%

Source: Company Data, Yuanta Vietnam

**Table 3: Case 2- Assuming all restructured loans are in Category 3 (Substandard)**

Banks	Total required specific provision (VND bn)	Actual specific provision as at 1Q21 (VND bn)	Additional specific provision based on Circular 03 over three years (VND bn)	Additional specific provision as a %ge of banks' 1Q21 Equity
ACB	2,568	1,043	1,526	4.0%
BID	24,575	14,334	10,242	12.4%
CTG	8,667	6,287	2,381	2.6%
HDB	2,997	579	2,418	9.2%
MBB	2,570	3,037	-	0.0%
OCB	1,283	319	963	5.2%
TCB	2,365	362	2,003	2.5%
<b>VCB</b>	5,890	15,292	-	0.0%
VPB	10,522	2,343	8,179	14.6%

Source: Company Data, Yuanta Vietnam

**Table 4: Case 3 – Assuming all restructured loans are in Category 4 (Doubtful)**

Banks	Total required specific provision (VND bn)	Actual specific provision as at 1Q21 (VND bn)	Additional specific provision based on Circular 03 over three years (VND bn)	Additional specific provision as a %ge of banks' 1Q21 Equity
ACB	2,868	1,043	1,826	4.8%
BID	33,065	14,334	18,732	22.8%
CTG	10,617	6,287	4,331	4.7%
HDB	5,367	579	4,788	18.1%
MBB	3,170	3,037	134	0.2%
OCB	1,569	319	1,250	6.8%
TCB	4,735	362	4,373	5.5%
<b>VCB</b>	7,436	15,292	-	0.0%
VPB	18,892	2,343	16,549	29.6%

Source: Company Data, Yuanta Vietnam

**Table 5: Case 4 – Assuming all restructured loans are in Category 5 (loss)**

Banks	Total required specific provision (VND bn)	Actual specific provision as at 1Q21 (VND bn)	Additional specific provision based on Circular 03 over three years (VND bn)	Additional specific provision as a %ge of banks' 1Q21 Equity
ACB	3,368	1,043	2,326	6.1%
BID	47,215	14,334	32,882	40.0%
CTG	13,867	6,287	7,581	8.3%
HDB	9,317	579	8,738	33.1%
MBB	4,170	3,037	1,134	2.1%
OCB	2,047	319	1,727	9.4%
TCB	8,685	362	8,323	10.5%
<b>VCB</b>	10,014	15,292	-	0.0%
VPB	32,842	2,343	30,499	54.5%

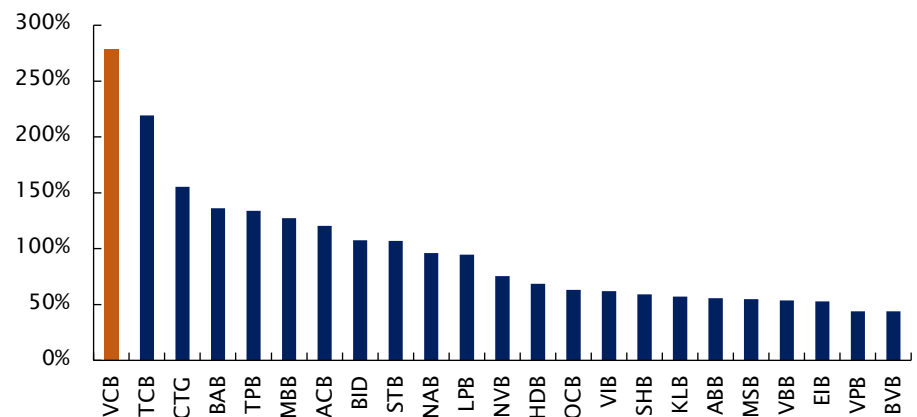
Source: Company Data, Yuanta Vietnam

## Focus on banks with high LLR ratios in 2021

We prefer banks with high LLR ratios. We believe that banks with high loan loss reserve ratio will be less impacted by additional required provisioning from Circular 03. In particular, VCB's LLR ratio of 279% as at 1Q21 is the highest in the sector, which indicates its prudent approach to prepare for any potential losses that might occur from its restructured loan portfolio. In fact, VCB will not have to provide additional provisioning based on Circular 03. As such, VCB has the flexibility to lower provisioning to boost earnings in 2021E without sacrificing its asset quality.

Banks' earnings in 2021 will partly depend on the ability to collect payments from restructured loan borrowers. If those loans become bad debts, banks—and especially those with low LLR ratios—will have to put aside additional provisions, which will thus drag down their earnings.

Figure 5: 1Q21 loan loss reserve ratios (LLR/NPL)



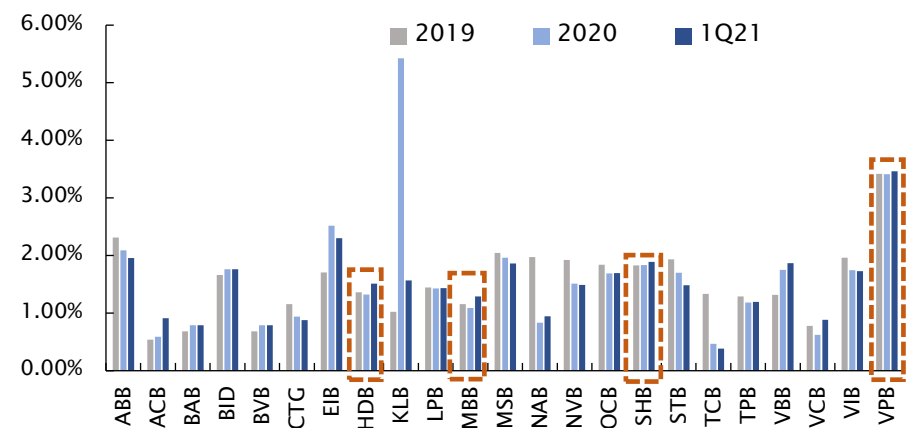
Source: FiinPro, Yuanta Vietnam

## NPL ratios trending up

The sector's NPL ratio increased slightly by 2bps YTD to reach 1.41%. Category 3 NPLs were up by 21% YTD, category 4 NPLs increased by 12% YTD, while category 5 NPLs decreased by -3% YTD. In total, category 3-5 NPLs increased slightly by +5% YTD to reach VND90 tn in 1Q21. Increased NPLs are mostly attributable to banks with unsecured consumer finance businesses such as HDB, MBB, SHB, and VPB. Three of them ([HDB \(BUY\)](#), [MBB \(BUY\)](#), and [VPB \(HOLD-UPF\)](#)) are under our coverage; the NPL ratio of our coverage universe was 1.53% (+10bps YTD), which is higher than the sector for the reasons mentioned.

We believe that the published numbers fail to fully reflect the underlying asset quality deterioration. This is because the SBV's forbearance policy forces banks to maintain asset quality categorizations of loans to Covid-19 impacted clients.

Figure 6: 1Q21 NPL ratios



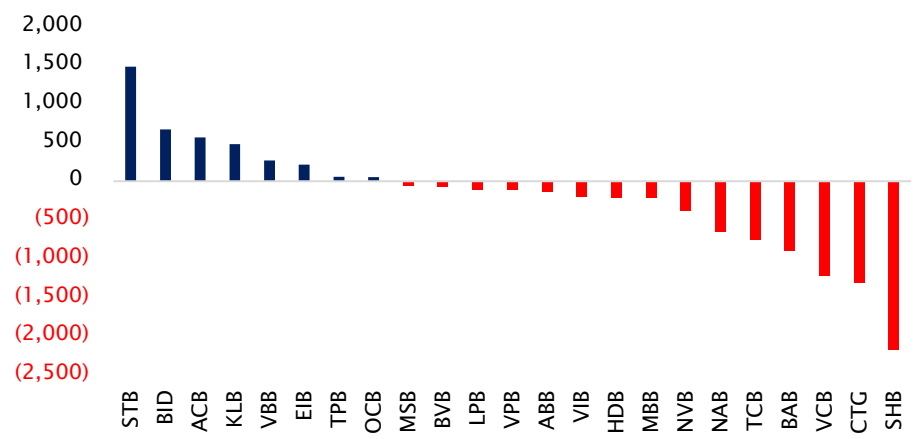
Source: FiinPro, Yuanta Vietnam

### Interest income (Cash Flow Statements vs. P&L Statements)

We continue to observe a significant difference between the numbers on the banks' cash flow statements and those on the income statements. In 1Q21, SHB and CTG are again on top of the list of banks that recorded the significant negative differences.

A negative difference indicates that gross interest income (we ignore interest expense for this exercise) has been recognized on the income statement but not yet collected. To be fair, this might be due to timing and differences between accrual accounting and actual payment. However, it could also herald the potential for negative earnings revisions in the future as a signal of a potential rise in delinquent debts. As such, we believe the P&L / cash flow differential continues to merit close attention going forward.

**Figure 7: Interest income differential between CF and P&L Statements in 1Q21**

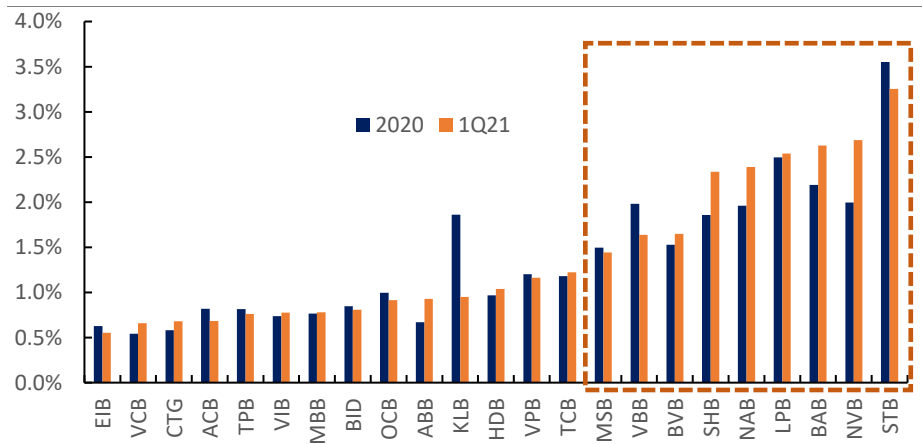


Source: FiinPro, Yuanta Vietnam

### High accrued interest might misrepresent earnings

We observe that some banks have relatively high and increased accrued interests/total assets, which might distort their earnings. This raises potential risks that might emerge if banks cannot collect these accrued interest, which would force them to record a decrease in revenue if a failed payment occurs in the same accounting period or an increase in expenses if it occurs in a different accounting period. In any case, uncollected accrued interest could herald a drop in earnings. Thus, investors should pay close attention to this indicator as a gauge of the banks' earnings quality.

**Figure 8: Accrued interest as a percentage of assets as at 1Q21**



Source: FiinPro, Yuanta Vietnam

**Table 6- Banks' 1Q21 earnings and key drivers**

Banks 1Q21 earnings			Key drivers									
Banks	PATMI		Net-II		Adj. Non-II		Opex		Provision		Loan loss recoveries	
	% QoQ	% YoY	% QoQ	% YoY	% QoQ	% YoY	% QoQ	% YoY	% QoQ	% YoY	% QoQ	% YoY
<b>Sector</b>	<b>23%</b>	<b>78%</b>	<b>2%</b>	<b>24%</b>	<b>-8%</b>	<b>34%</b>	<b>-17%</b>	<b>3%</b>	<b>-13%</b>	<b>2%</b>	<b>-9%</b>	<b>74%</b>
ABB	30%	26%	1%	29%	-40%	-23%	-36%	-8%	10%	30%	-35%	33%
ACB	-3%	62%	5%	36%	38%	12%	11%	-17%	145%	554%	-26%	-39%
BAB	4%	29%	-23%	3%	-35%	96%	-32%	13%	-100%	-100%	-88%	1027%
BID	62%	88%	3%	18%	-25%	22%	-36%	16%	2%	19%	-21%	210%
BVB	-15%	-13%	13%	29%	24%	17%	29%	10%	52%	9369%	482%	389%
CTG	21%	168%	3%	26%	-12%	-7%	-39%	6%	96%	-69%	-39%	59%
EIB	-14%	-53%	-5%	-4%	-9%	57%	-2%	-8%	-20%	-1008%	-53%	14%
HDB	48%	76%	5%	17%	53%	251%	-13%	1%	-33%	49%	-80%	-2%
KLB	4778%	1051%	466%	209%	3%	169%	-20%	1%	-140%	-51%	-62%	-89%
LPB	88%	81%	2%	43%	-42%	626%	-32%	11%	-44%	-663%	-87%	-50%
MBB	84%	107%	3%	27%	40%	44%	-13%	37%	-6%	-14%	156%	407%
MSB	32%	301%	-8%	59%	-2%	80%	-46%	-20%	6%	157%	-67%	47%
NAB	-25%	225%	5%	94%	-28%	73%	31%	44%	-100%	N/A	-98%	2%
NVB	-208%	80%	-34%	67%	-62%	12%	-2%	11%	-65%	261%	-179%	-16%
OCB	-34%	14%	-14%	16%	-54%	-25%	-19%	10%	-41%	-48%	41%	216%
SHB	107%	116%	-33%	32%	-80%	46%	-27%	-17%	-100%	N/A	-45%	1504%
STB	-4%	2%	0%	6%	-24%	11%	-32%	8%	648%	14%	-90%	-18%
TCB	11%	79%	12%	45%	32%	46%	11%	20%	132%	10%	-3%	90%
TPB	4%	41%	8%	31%	-36%	39%	-25%	-10%	-35%	21%	N/A	N/A
VBB	322%	-46%	177%	-14%	-45%	-17%	-26%	13%	-82%	-111%	-46%	-58%
VCB	22%	65%	-3%	12%	13%	108%	39%	-3%	-41%	6%	N/A	-3%
VIB	2%	68%	8%	54%	-8%	49%	4%	32%	15%	114%	-35%	472%
VPB	11%	38%	4%	14%	-8%	-20%	-6%	-21%	3%	20%	9%	75%

Source: FiinPro, Yuanta Vietnam

**Table 7- Banks 1Q21 NPLs and LLR ratios**

Sector	NPLs ratio			LLR ratio		
	1Q21	2020	%YTD	1Q21	2020	%YTD
<b>Sector</b>	<b>1.41%</b>	<b>1.38%</b>	<b>0.02%</b>	<b>111%</b>	<b>104%</b>	<b>7%</b>
ABB	1.96%	2.09%	-0.13%	56%	53%	2%
ACB	0.91%	0.59%	0.32%	120%	160%	-40%
BAB	0.79%	0.79%	0.00%	136%	131%	5%
BID	1.76%	1.76%	0.00%	108%	89%	18%
BVB	2.83%	2.85%	-0.02%	44%	50%	-7%
CTG	0.88%	0.94%	-0.06%	155%	132%	23%
EIB	2.30%	2.52%	-0.21%	53%	50%	2%
HDB	1.51%	1.32%	0.19%	69%	82%	-13%
KLB	1.57%	5.42%	-3.86%	57%	16%	41%
LPB	1.43%	1.43%	0.00%	94%	90%	5%
MBB	1.29%	1.09%	0.20%	127%	134%	-7%
MSB	1.86%	1.96%	-0.10%	55%	54%	1%
NAB	0.95%	0.83%	0.11%	96%	114%	-18%
NVB	1.49%	1.51%	-0.02%	75%	75%	0%
OCB	1.69%	1.69%	0.00%	63%	62%	1%
SHB	1.89%	1.83%	0.06%	59%	61%	-2%
STB	1.48%	1.70%	-0.22%	107%	94%	13%
TCB	0.38%	0.47%	-0.08%	219%	171%	48%
TPB	1.19%	1.18%	0.01%	134%	134%	0%
VBB	1.87%	1.75%	0.12%	54%	58%	-5%
VCB	0.88%	0.62%	0.26%	279%	368%	-89%
VIB	1.73%	1.74%	-0.02%	62%	59%	3%
VPB	3.46%	3.41%	0.05%	44%	45%	-1%

Source: FiinPro, Yuanta Vietnam



## Yuanta Banks Universe

[VCB \(BUY\)](#) is one of our top picks in the sector and the best quality bank in Vietnam in our view. Currently, VCB is still the most prudent bank in terms of its high level of provisioning against asset quality deterioration. Thus, VCB will have more flexibility than any other banks to adjust provisioning in the future to support earnings without sacrificing asset quality. Moreover, the bank has the potential to boost income from continued upfront fee recognition and bancassurance sales. VCB trades at 3.1x 2021E P/B. We believe this valuation premium is justified given that VCB is the highest quality bank and investors should focus on quality in 2021 due to lack of visibility on overall bank sector earnings amid forbearance on COVID 19–impacted borrowers. Our target price of VND114,650 per share implies TSR of 19% from the current share price of VND97,300 (May 12, 2021).

[ACB \(BUY\)](#) and [MBB \(BUY\)](#). Both banks continue to be among the highest quality banks in Vietnam on our analytical framework, with high LLR ratios, relatively strong capital levels, and high ROEs compared to their peers. ACB trades at 1.8x 2021E P/B vs. the sector median of 1.7x, while MBB trades at 1.6x 2021E P/B. We believe that both ACB and MBB deserve a premium over their peers given their strong operational results. MBB also ranks among our top picks and we recommend clients to accumulate the stock now, while there is no FOL premium to worry about.

[HDB \(BUY\)](#). HDB trades at 1.6x 2021E P/B in line with the sector median of 1.7x. High loan growth and a potentially renegotiated bancassurance exclusivity fee will help boost HDB's earnings in 2021E and beyond.

[STB \(HOLD–UPF\)](#). STB trades at 1.5x 2021E P/BV with 2021E ROE of only 10%. We continue to view STB as a turnaround story for the long haul, as outlined in our initiation; however, the current valuation is arguably a stretch given the substantial nonperforming assets that still remain to be resolved and the bank's relatively low 2021E ROE.

**We also have HOLD–UPF recommendation on [VPB](#).** Strong market liquidity driven by domestic investors and the divestment of FE Credit have boosted VPB's stock price recently. VPB trades at 2.9x P/B vs. the sector median of 1.7x. The unsecured consumer business remains a key operational concern. However, they have offloaded 49% of that risk and at this point our target price may overstate the downside; our model and valuation are now under review.

**We maintain our SELL recommendation on [BID](#).** Though we acknowledge the operational improvement from capital increase in 2019 (i.e., the deal with KEB Hana Bank), the current valuation is stretched in our view. The stock trades at 2.7x 2021E P/B with 2021E ROE forecast of 12%. This is expensive relative to the sector median 2021E P/B of 1.7x and 2021E ROE of 19%. It is possible that investors have piled into BID for its scale and/or funding advantages, but we also think the fact that its valuation is lower than that of VCB is a driver. However, we do not view it as comparable to VCB in terms of quality and do not believe it merits this valuation premium to the sector.



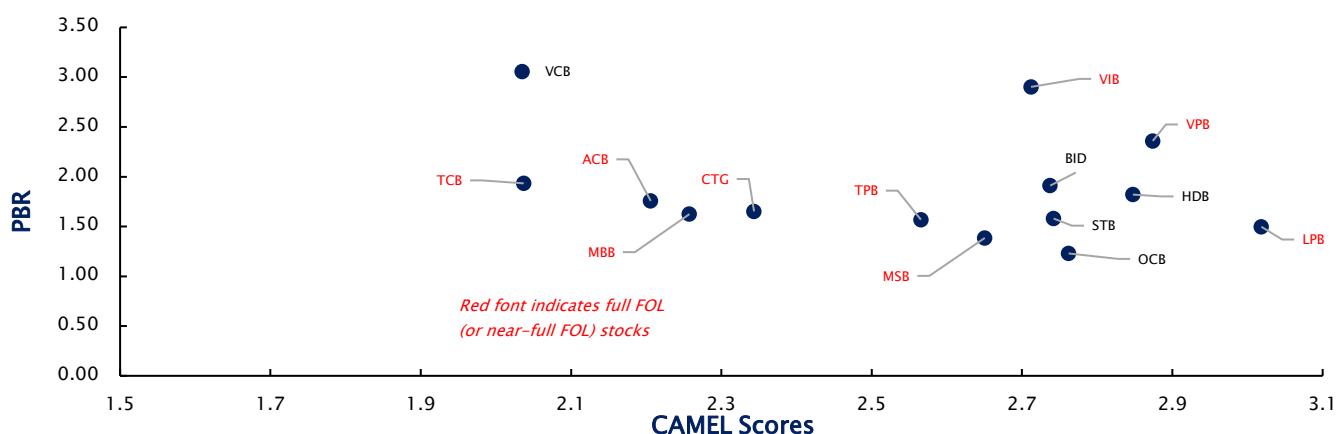
**Table 8- Yuanta Vietnam Coverage Universe**

Yuanta Vietnam Coverage Universe										
Sector	Company	Stock code	Market cap (USDm)	3-month ADT	Yuanta Rating	Current price (VND)	Target price (VND)	Up (down) side	2020E Dividend yield	12-m TSR*
<b>Banks</b>	Asia Commercial Bank	ACB VN	3,389	14.1	BUY	36,150	38,115	5%	0.0%	5%
	BIDV	BID VN	7,440	5.4	SELL	42,650	37,300	-13%	0.0%	-13%
	HD Bank	HDB VN	2,088	6.0	BUY	30,200	31,656	5%	0.0%	5%
	MB Bank	MBB VN	4,030	23.7	BUY	33,200	34,233	3%	0.0%	3%
	Sacombank	STB VN	2,061	32.3	HOLF-UPF	26,350	16,790	-36%	0.0%	-36%
	Vietcombank	VCB VN	15,651	7.1	BUY	97,300	114,650	18%	0.8%	19%
	Vietnam Prosperity Bank	VPB VN	6,814	21.5	HOLD-UPF	64,000	Under review			
<b>Brokers</b>	HCM City Securities	HCM VN	447	5.7	BUY	33,800	26,532	-22%	3.9%	-18%
	Saigon Securities	SSI VN	975	18.2	HOLD-OPF	34,800	18,328	-47%	1.8%	-46%
	Viet Capital Securities	VCI VN	510	3.9	HOLFD-UPF	71,000	26,449	-63%	1.2%	-62%
	VNDirect Securities	VND VN	387	8.1	HOLFD-UPF	41,600	13,150	-68%	1.7%	-67%
<b>Energy</b>	PV POW	POW VN	1,265	8.7	BUY	12,450	13,137	6%	2.4%	8%
	PV NT2	NT2 VN	254	0.6	SELL	20,350	19,318	-5%	7.4%	2%
	PCC1	PC1 VN	211	1.0	BUY	25,400	34,864	37%	0.0%	37%
<b>Consume</b>	Masan Group	MSN VN	5,298	8.3	HOLD-OPF	104,000	84,908	-18%	0.0%	-18%
	Phu Nhuan Jewelry	PNJ VN	945	2.1	BUY	95,800	92,197	-4%	1.9%	-2%
	Digiworld	DGW VN	234	1.6	HOLD-OPF	125,700	31,574	-75%	1.2%	-74%
<b>Oil &amp; GAS</b>	PV Drilling	PVD VN	385	8.3	HOLD-OPF	21,100	10,429	-51%	0.0%	-51%
<b>Property</b>	Kinh Bac City	KBC VN	742	8.7	BUY	36,400	55,226	52%	1.4%	53%
	Khang Dien House	KDH VN	899	4.0	BUY	37,100	31,081	-16%	1.3%	-15%
	Nam Long	NLG VN	491	2.8	BUY	39,650	30,517	-23%	1.3%	-22%
	Novaland	NVL VN	6,059	10.1	HOLD-OPF	130,000	65,073	-50%	0.0%	-50%
	Vinhomes	VHM VN	13,939	15.9	BUY	97,700	94,862	-3%	0.0%	-3%
<b>Transpor</b>	Airports Corp Vietnam	ACV VN	6,704	0.8	HOLFD-UPF	71,000	76,400	8%	0.7%	8%
<b>Industrial</b>	Dohaco	DHC VN	247	1.2	BUY	101,800	97,871	-4%	4.4%	1%

\*Note: TSR = Total shareholder return over the next 12 months inclusive of expected share price change and dividends. We expect 2020E dividend yields for all banks to be zero, as the SBV has told banks not to pay cash dividends in 2020. Pricing data as of close on May 12, 2021.

Source: Bloomberg, Yuanta Vietnam

**Figure 9: 2021E P/BV vs. CAMEL scores**



Source: Bloomberg

**Table 9- Weighted ratings for each component of the CAMEL model**

SUMMARY	ABB	ACB	BAB	BID	BVB	CTG	EIB	HDB	KLB	LPB	MBB	MSB	NAB	NVB	OCB	SHB	STB	TCB	TPB	VBB	VCB	VIB	VPB
<b>Capital</b>	3.5	2.9	3.1	3.0	3.0	3.3	3.5	2.7	3.3	3.3	2.7	2.9	3.5	2.9	2.3	2.6	3.0	2.1	2.8	3.3	2.7	3.0	2.2
<b>Asset</b>	3.1	2.1	1.8	2.0	3.5	1.4	3.3	3.1	2.9	2.6	1.8	3.1	2.5	2.9	3.2	3.5	2.0	1.7	2.0	3.1	1.7	3.1	3.7
<b>Management</b>	3.8	2.4	3.4	3.4	3.7	2.9	3.8	2.9	2.9	3.2	2.7	2.5	3.4	4.2	3.0	3.7	3.2	2.2	2.8	4.4	2.5	2.0	2.5
<b>Earnings</b>	2.5	1.8	4.1	3.1	4.0	2.0	3.3	2.2	3.0	2.9	1.8	1.9	3.5	3.9	1.9	2.8	3.6	1.4	1.7	4.1	1.7	1.8	2.2
<b>Liquidity</b>	2.2	1.9	2.2	2.2	3.5	2.1	1.7	3.2	1.9	3.0	2.4	2.9	2.3	2.2	3.4	3.1	1.9	2.9	3.6	2.6	1.5	3.6	3.7
<b>CAMEL Score</b>	3.0	2.2	2.9	2.7	3.5	2.3	3.1	2.8	2.8	3.0	2.3	2.7	3.1	3.2	2.8	3.2	2.7	2.0	2.6	3.5	2.0	2.7	2.9

Source: FiinPro, Yuanta Vietnam

**Table 10- CAMEL RATINGS\_1Q21 Update**

	1Q21	ABB	ACB	BAB	BID	BVB	CTG	EIB	HDB	KLB	LPB	MBB	MSB	NAB	NVB	OCB	SHB	STB	TCB	TPB	VBB	VCB	VIB	VPB	
<b>Capital Adequacy</b>	CAR	3	3	5	4	4	4	2	2	5	3	3	3	4	5	2	3	4	1	3	4	4	3	3	
	Equity / Assets	2	3	3	4	4	4	2	3	3	4	2	2	4	4	1	4	4	1	3	4	3	3	3	1
	Equity/Assets + Off BS	5	2	3	4	5	4	4	4	3	4	4	5	4	4	3	4	4	1	4	5	3	4	3	
	VAMC-adj E/A	2	2	3	4	3	3	3	2	3	3	1	2	4	4	1	4	5	1	2	4	3	3	1	
	Tangible E/A	2	3	3	4	4	4	2	3	4	4	2	2	5	5	1	4	4	1	3	4	3	3	1	
	VAMC adj TE / TA	2	2	3	4	4	3	4	3	3	4	1	2	5	4	1	4	5	1	2	4	3	3	1	
	Interbank / Assets	3	2	2	2	4	3	3	4	5	2	2	2	2	2	2	3	2	1	2	2	3	4	2	1
	Loans / Assets	5	5	5	5	5	5	4	3	3	5	4	1	5	1	3	5	5	4	3	1	5	5	5	
	Current FOL room (%)	5	5	1	1	4	5	4	1	5	5	5	5	1	1	5	1	1	5	5	1	3	5	5	
	Basel II approval	5	2	5	2	1	2	5	1	5	1	2	1	5	2	2	1	2	2	1	2	1	1	1	
	Trend	3	2	2	2	3	2	3	2	3	2	3	2	4	3	2	2	2	2	2	2	2	5	2	2
<b>AVERAGE RATING</b>		3.6	3.1	3.5	3.6	3.7	3.7	3.6	3.2	3.6	3.7	2.9	3.0	4.0	3.4	2.6	3.4	3.6	2.4	3.1	3.6	3.4	3.4	2.6	
<b>Asset Quality</b>	SML ratio	2	1	1	2	2	1	1	2	1	2	1	2	1	2	4	3	1	1	2	1	1	3	5	
	Type 3 NPL ratio	1	1	1	1	1	1	1	1	1	1	2	1	1	1	2	1	1	1	2	1	1	1	5	
	Type 4 NPL ratio	5	2	3	2	4	1	1	5	1	2	2	3	2	1	3	3	1	1	3	1	2	4	5	
	Type 5 NPL ratio	4	2	1	5	5	2	5	1	5	4	1	4	2	5	3	5	5	1	1	5	2	4	2	
	NPL & SML ratio	4	2	1	3	4	2	4	3	3	3	3	4	2	3	5	4	2	1	3	3	2	5	5	
	Gross NPL ratio	3	1	1	3	4	1	4	3	3	2	2	3	1	2	3	3	2	1	2	3	1	3	5	
	Net NPL ratio	4	2	1	2	5	2	4	3	3	2	1	3	2	3	3	3	2	1	1	4	1	3	5	
	LLR / Gross loans	4	4	4	1	3	2	3	4	5	2	1	4	4	3	4	3	1	5	1	4	1	4	1	
	LLR / NPLs	5	1	1	1	5	1	5	5	5	2	1	5	2	4	5	5	1	1	1	5	1	5	5	
	GPs/Performing loans	1	2	2	1	2	1	2	1	2	2	2	2	2	2	2	1	2	1	2	1	1	2	1	
	SPs / NPLs	4	3	3	2	4	1	4	4	4	3	1	3	4	4	4	4	2	3	1	4	1	4	4	
	SPs / NPLs + SMLs	4	3	1	2	4	1	4	4	4	3	1	3	4	4	5	4	1	4	3	4	1	5	5	
	VAMC bonds/Assets	1	1	1	1	1	1	5	1	1	1	1	1	1	1	1	1	4	5	1	1	1	1	1	
	Accrued interest/Assets	1	1	5	1	4	1	1	2	1	5	1	3	5	5	1	5	5	2	1	4	1	1	2	
	Other receivables/Assets	5	2	1	2	3	2	4	4	4	4	3	5	2	5	2	4	2	2	4	2	3	3	3	
Trend	2	4	3	3	4	2	3	4	2	3	3	2	4	2	3	3	2	2	3	4	3	3	4		
<b>AVERAGE RATING</b>		3.1	2.0	1.9	2.0	3.4	1.4	3.2	2.9	2.8	2.6	1.6	3.0	2.5	2.9	3.1	3.5	2.1	1.8	1.9	2.9	1.5	3.1	3.6	
<b>Management</b>	Fees / Adj income	4	3	5	3	4	3	3	4	4	4	3	3	5	5	3	5	1	2	3	4	2	1	4	
	Fees / Assets	4	3	5	3	4	3	3	3	4	3	2	3	5	5	2	4	2	1	2	5	2	1	2	
	Costs / Adj income	2	1	3	1	4	1	3	2	4	3	2	2	3	2	1	1	4	1	1	5	1	1	1	
	Costs / Assets	3	3	2	2	2	2	2	3	3	3	4	3	2	1	3	1	4	4	3	2	2	3	5	
	CASA growth	5	4	1	5	5	5	5	5	1	5	5	1	1	5	5	5	4	5	5	5	5	3	3	
	Credit costs / Assets	3	2	1	5	2	3	3	5	2	5	3	2	5	3	5	3	5	3	4	1	4	2	5	
	Credit cost adjusted NIM	4	1	4	5	4	3	5	1	2	2	1	3	4	5	2	5	3	4	1	2	5	3	1	
	Governance rating	5	3	5	3	3	3	5	3	4	3	2	3	5	5	3	3	3	2	3	5	2	3	2	
	Quality of management	5	1	5	3	3	3	5	2	3	3	1	2	5	5	3	3	2	1	2	5	1	2	2	
	Trend	3	3	3	2	3	2	3	3	2	3	3	3	3	3	3	4	3	4	2	3	4	2	3	
<b>AVERAGE RATING</b>		3.8	2.4	3.4	3.2	3.4	2.8	3.7	2.9	3.2	3.1	2.8	2.6	3.5	4.1	2.9	3.5	3.1	2.2	2.8	4.1	2.4	2.0	2.8	
<b>Earnings</b>	NIM	4	1	5	4	5	3	4	1	3	2	1	3	4	5	2	3	4	1	1	5	3	1	1	
	Fees / adj revenue	4	3	5	3	4	3	3	4	4	4	3	3	5	5	3	5	1	2	3	4	2	1	4	
	Investment inc / adj rev	1	3	4	2	2	3	1	4	3	4	3	1	2	2	1	1	4	3	1	1	2	5	5	
	Total adj non-II / adj rev	1	2	4	1	3	2	1	3	3	3	1	1	3	3	1	2	1	1	1	1	1	1	3	
	Cost / adj revenue	2	1	3	1	4	1	3	2	4	3	2	2	3	2	1	1	4	1	1	5	1	1	1	
	PPOP / Assets	2	1	5	2	5	1	5	1	5	3	1	1	5	5	1	1	5	1	1	5	1	1	1	
	Provisioning / assets	1	1	1	3	1	1	1	1	1	1	2	1	1	2	1	2	1	1	1	1	1	1	5	
	OROA	2	1	5	5	5	2	5	1	2	3	1	2	4	5	1	4	5	1	1	5	1	1	1	
	Other income / assets	5	5	5	4	5	5	5	5	5	5	3	4	5	5	5	5	5	3	5	5	5	5	3	
	Pretax ROA	2	1	5	5	5	1	5	1	2	3	1	1	4	5	1	3	5	1	1	5	1	1	1	
	PAT ROA	2	1	4	4	5	1	4	1	2	3	1	1	3	5	1	3	4	1	1	5	1	1	1	
	Minint / assets	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
	Average Leverage	2	2	2	3	3	3	1	2	2	3	2	2	4	3	1	3	3	1	2	3	2	2	1	
	PATMI ROE	3	1	5	4	5	1	5	1	3	2	1	2	2	5	1	3	4	1	1	5	1	1	1	
Trend	2	2	3	2	3	2	2	4	2	2	3	2	3	2	4	2	4	1	3	4	2	4	3		
<b>AVERAGE RATING</b>		2.3	1.7	3.8	3.0	3.7	2.0	3.1	2.1	2.8	2.8	1.7	1.8	3.2	3.7	1.7	2.6	3.4	1.4	1.6	3.7	1.7	1.8	2.1	
<b>Liquidity</b>	Gross LDR	3	3	2	4	4	4	1	4	1	4	3	3	3											

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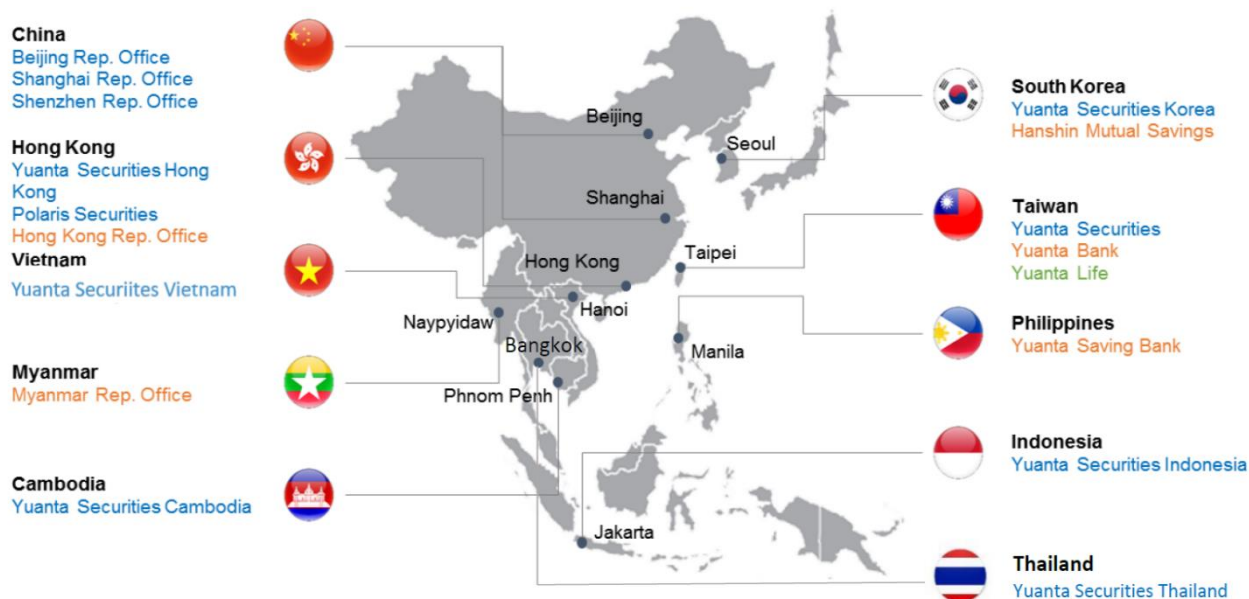
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