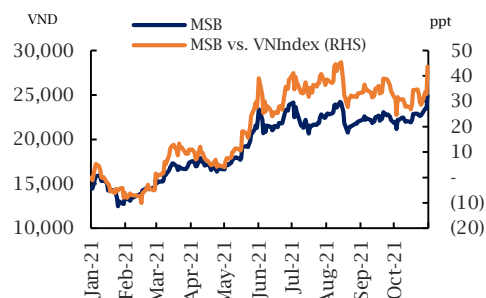


Not Rated
TP upside/(downside) N/A
Close 5 Nov 2021
Price VND 24,600
12M Target N/A
Share price performance relative to VNI

Source: Bloomberg

Market cap	US\$1.6 bn
6M avg. daily turnover	US\$11.6 mn
Outstanding shares	1,528 mn
Free float	75%
FINI ownership	30.0%
Major shareholders	13.1%
2021E P/E (x) (*)	9.6x
2021E P/B (x) (*)	3.5x
FOL remaining room	0.0%
2021E dividend yield	0.0%

Source: FiinPro, (*) Bloomberg

MSB's 3Q21 Results	3Q21	% QoQ	% YoY
NII (VND bn)	1,627	+10%	+24%
Net Fee Inc.(VND bn)	251	-88%	+46%
Other non-II (VND bn)	433	N/A	+43%
TOI (VND bn)	2,311	-30%	+30%
Opex (VND bn)	714	-34%	+2%
Provision (VND bn)	587	+143%	+50%
PATMI (VND bn)	809	-49%	+46%
NPL (%)	1.95%	-7bps	-37bps
NPL (cir. 02) (%)	1.31%		
LLR (%)	62%	+4ppt	+3ppt
CASA (%)	31%	+3ppt	+8ppt

Source: Company Data, Yuanta Vietnam
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Maritime Bank (MSB VN)

Analyst Meeting takeaways

MSB held an analyst meeting on Nov 5 to report its 9M21 results.

PATMI reached VND809 bn (-49% QoQ/ but +46% YoY) in 3Q21. The sequential plummet was largely due to weak net fees and increased provisioning. 9M21 PATMI jumped by +148% YoY to reach VND3.3 tn.

3Q21 net interest income was VND1.6 tn (+10% QoQ/+24% YoY). 9M21 net interest income was VND4.5 tn (+38% YoY). COF declined -1.2ppt from 2020 to reach 2.41% in 9M21 on the high CASA ratio of 31% (+2ppt YTD). As such, 9M21 NIM reached 3.72% (+37bps YTD).

3Q21 net fee income was VND251 bn (-88% QoQ/+46% YoY). The QoQ decline was due to the high base, as 2Q included the upfront fee from the banca exclusivity deal with Prudential. 9M21 net fee income was VND2.4 tn (+393% YoY).

3Q21 trading gains were VND191 bn (vs. -337 bn in 2Q21 /+38x YoY). In 9M21, trading gains were down -48% YoY to reach VND182 bn.

3Q21 opex was VND714 bn (-34% QoQ/+2% YoY). 9M21 opex was VND2.5 tn (+11% YoY). 9M21 CIR was 32.7% (-14ppt YoY).

Provisioning was the key drag on earnings. 3Q21 provisioning jumped by +143% QoQ/+50% YoY to reach VND587 bn. 9M21 provisioning was VND1.0 tn (+17% YoY).

The bank will divest 100% of FCCOM (its consumer finance company) at estimated deal size of \$100 mn. The bank expects to record VND1.8 tn (about \$80 mn) in profit from selling FCCOM.

NPL ratio (cir. 02) was 1.31% (-31bps YTD) as at 3Q21. 3Q21 LLR ratio increased to 62% (+8ppt YTD), which is still low compared to the sector median of 74%.

Total restructured loans were VND1.8 tn as at 3Q21 (1.8% of 3Q21 loans), mainly in real estate (74%), followed by transportation (16%).

3Q21 ST funding/MLT loans was 17%, far below the SBV's cap of 40%. LDR ratio was 65%, below the SBV's cap of 85%. CAR ratio was 11.2%.

Our view

MSB appears to be a relatively strong bank fundamentally and ranked 6th in our 2Q21 [CAMEL rankings](#). Stay tuned for an update.

Increased provision hurt earnings in 3Q21, but we believe it is a prudent approach against asset quality deterioration. We expect the bank to further increase the LLR ratio, as its LLR is relatively low.

We don't cover MSB, so we don't have an official view. However, its valuation is relatively high vs the sector. MSB currently trades at 3.5x 2021E P/B, which is higher than the sector median of 2.0x; MSB's 2021E ROE is in line with the sector median (source: Bloomberg).

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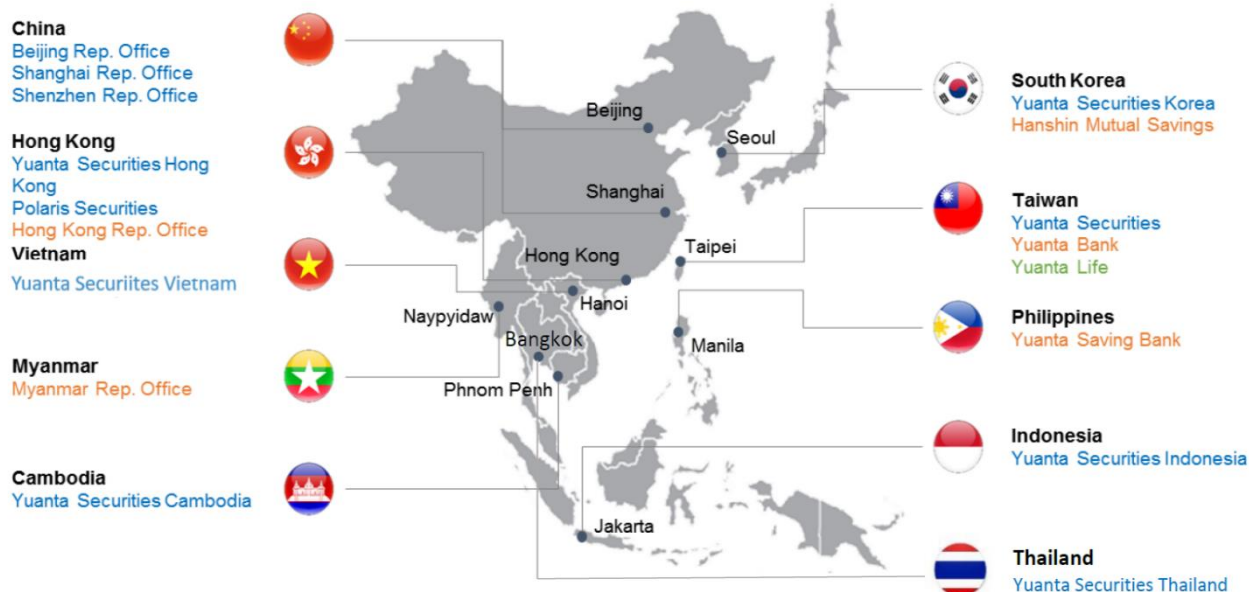
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