

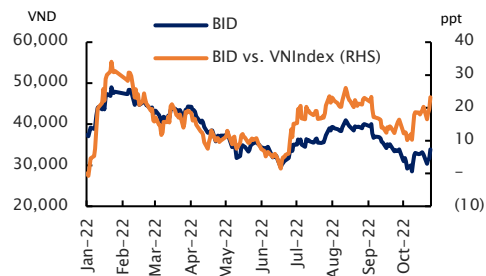
HOLD-Underperform

TP upside (downside): +15%

Close 28 Oct 2022

Price VND 33,800
12M Target VND 38,860

Share price performance relative to VNI



Source: Bloomberg

Market cap	US\$6.9 bn
6M avg. daily turnover	US\$2.1 mn
Outstanding shares	5,059 mn
Free float	4%
FINI ownership	16.9%
Major shareholders	96.3%
2022E Asset/Equity (*)	20x
2022E P/E (*)	13x
2022E P/B (*)	1.8x
FOL Remaining Room	13.1%
2022E Dividend yield (*)	1.3%

Source: FiinPro, (*) Yuanta

BID's 3Q22 Results	3Q22	% QoQ	% YoY
NII (VND bn)	14,098	-3%	16%
Net Fee Inc.(VND bn)	1,441	-4%	-10%
Adj. TOI (VND bn)	16,498	-2%	14%
Opex (VND bn)	5,452	5%	8%
Provision (VND bn)	5,429	-16%	-28%
PATMI (VND bn)	5,278	2%	158%
NPL (%)	1.35%	33bps	-27bps
LLR (%)	214%	-49ppt	74ppt
CASA (%)	18.8%	-1.0ppt	-20bps

Source: Company Data, Yuanta Vietnam

Research Analyst:

Tanh Tran

+84 28 3622 6868 ext 3874

tanh.tran@yuanta.com.vn

Bloomberg code: YUTA

BIDV (BID VN)

Lower provisioning drives earnings

Event

BID reported 3Q22 PATMI of VND5.3 tn (+2% QoQ/+158% YoY). The YoY increase was largely driven by high net interest income and lower provisioning. 9M22 PATMI reached VND14 tn (+68% YoY), fulfilling 88% of our 2022E forecast.

Details

Loans to customers increased by 10.4% YTD to reach VND1,494 tn, while deposits increased by only 2.5% YTD to reach VND1,414 tn as at 3Q22.

3Q22 net interest income (net-II) was VND14.1 tn (-3% QoQ/+16% YoY). 9M22 net-II reached VND41.5 tn (+15% YoY). We estimate 3Q22 NIM on average assets was 2.80% (-25bps QoQ/-13bps YoY).

3Q22 net fee income was VND1.4 tn (-4% QoQ/-10% YoY). 9M22 net fee income was VND4.2 tn (-12% YoY).

Net gains from FX reached VND801 bn in 3Q22 (+28% QoQ/+75% YoY).

Opex was VND5.5 tn in 3Q22 (+5% QoQ/+8% YoY). We estimate that adjusted CIR was 33% (+2ppt QoQ/-2ppt YoY). 9M22 opex was VND15 tn (+13% YoY).

Provisioning declined by -16% QoQ/-28% YoY in 3Q22, which was a key earnings driver. 9M22 provisioning was VND19.3 tn (-17% YoY).

Net other income (mainly NPL recoveries) was VND1.1 tn (-21% QoQ/+33% YoY). 9M22 net other income was VND3.9 tn (-20% YoY).

NPL ratio was 1.35% (+33bps QoQ/ -27bps YoY) in 3Q22. LLR ratio declined sequentially to 214% (-49ppt QoQ/+74ppt YoY) in 3Q22.

CASA deposits were VND266 tn (-5% QoQ/but +7% YoY). CASA ratio decreased to 18.8% as at 3Q22 (-1ppt QoQ/-20bps YoY).

Our view

BID's relatively high LLR ratio allowed for lower provisioning, which boosted earnings in 3Q22. We expect the provisioning line to remain a key earnings driver for BID in 4Q22.

Asset quality held up. Although the NPL ratio increased and LLR ratio decreased, both of these ratios are still at healthy levels as at 3Q22. However, category 5 NPLs rose 88% YTD, which could be a concern.

Deposit franchise is not strong compared to peers (i.e. VCB, MBB, TCB). Thus, we expect BID's NIM to be constrained more in 4Q22.

HOLD-Underperform. BID trades at 1.8x 2022E P/B vs. the sector median 1.0x despite 2022E ROE of 15% vs. the sector median 20%.

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

© 2022 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)

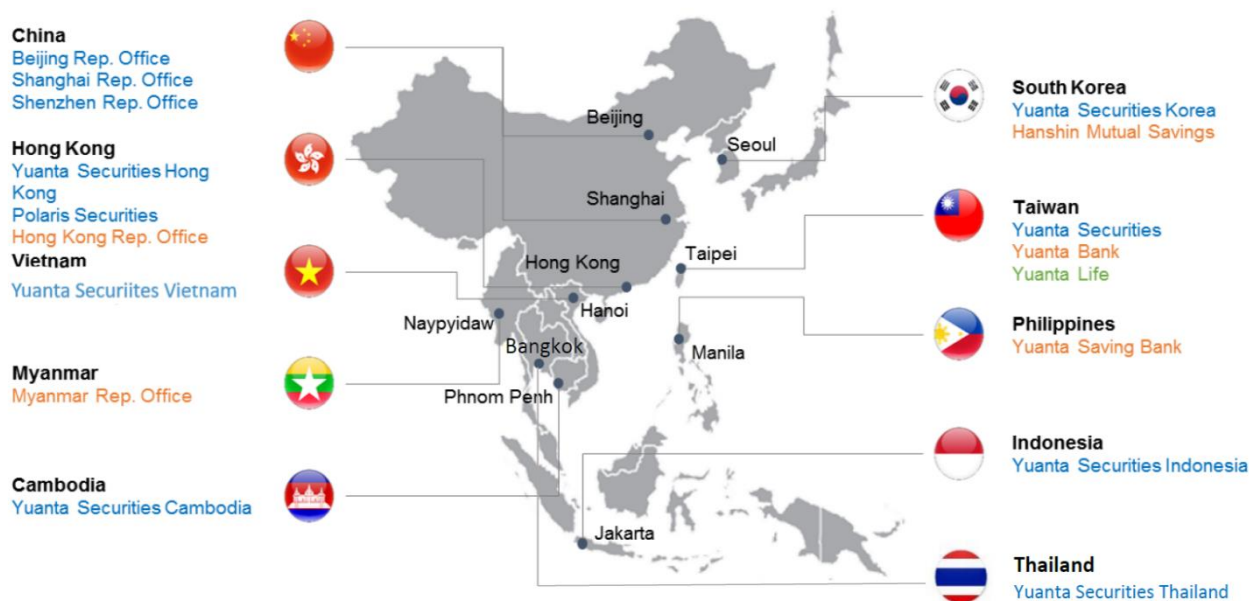
Thailand persons wishing to obtain further information on any of the securities mentioned in this publication should contact:

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: 4th Floor, Saigon Centre, Tower 1, 65 Le Loi Boulevard, Ben Nghe Ward, District 1, HCMC, Vietnam

Matthew Smith, CFA

Head of Research

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

matthew.smith@yuanta.com.vn

Tanh Tran

Analyst (Banks)

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

tanh.tran@yuanta.com.vn

Di Luu

Assistant Analyst

Tel: +84 28 3622 6868 (ext. 3845)

di.luu@yuanta.com.vn

Institutional Sales

Anh Nguyen

Sales Trader Supervisor

Tel: +84 28 3622 6868 (ext. 3909)

anh.nguyen2@yuanta.com.vn

Dat Bui

Sales Trader

Tel: +84 28 3622 6868 (ext. 3941)

dat.bui@yuanta.com.vn

Binh Truong

Deputy Head of Research (O&G, Energy)

Tel: +84 28 3622 6868 (ext. 3845)

binh.truong@yuanta.com.vn

Tam Nguyen

Analyst (Property)

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

tam.nguyen@yuanta.com.vn

Vi Truong

Sales Trader

Tel: +84 28 3622 6868 (ext. 3940)

vi.truong@yuanta.com.vn