

Yuanta Vietnam Banks Universe				
Stock code	Yuanta Rating	Current price (VND)	Target price (VND)	12-m TSR*
ACB VN	BUY	20,750	31,880	54%
BID VN	HOLD-UPF	36,150	38,860	9%
HDB VN	HOLD-OPF	14,800	26,480	79%
MBB VN	BUY	16,950	32,792	93%
STB VN	BUY	16,250	28,860	78%
VCB VN	BUY	74,000	89,850	22%
VPB VN	BUY	17,500	32,547	86%

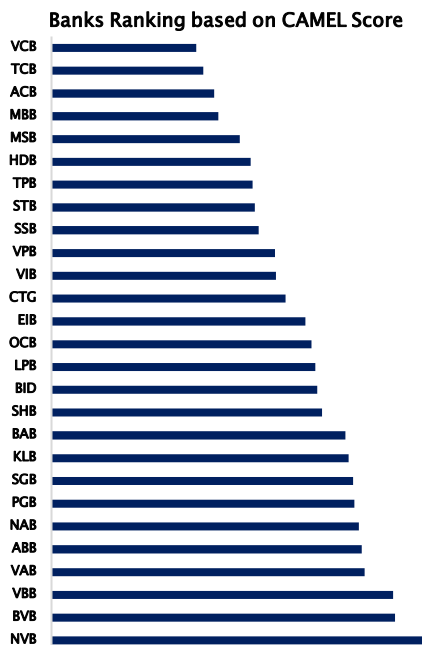
### What's new?

- 3Q22 PATMI (27 listed banks) was VND48 tn (-5% QoQ/ +54% YoY).
- 3Q22 net interest income was VND111 tn (+5% QoQ/+31% YoY).
- 3Q22 credit cost was VND31 tn (+3% QoQ/-1% YoY).
- LLR ratio: 143% (-3ppt YTD).
- NPL ratio: 1.60% (+26bps YTD).

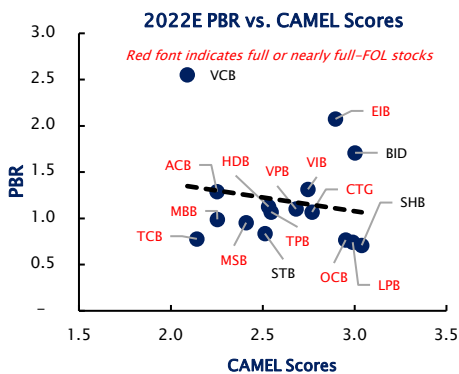
### Our view

- The YoY earnings increase was driven by increased net-II and net fees.
- Rising funding costs and the reduced cap on ST funding to MLT loans will constrain NIM going forward, so credit costs will be the key earnings driver.
- Sector valuations are attractive at a median 1.1x 2022E PB.

**Overview:** We have updated our rankings of the 27 listed Vietnamese banks for 3Q22 based on our CAMEL analytical framework. [VCB \(BUY\)](#), TCB (Not Rated), [ACB \(BUY\)](#), and [MBB \(BUY\)](#), remain the Top 4 in terms of scores.



Source: Yuanta Vietnam



Source: Bloomberg, Yuanta Vietnam

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Bloomberg code: YUTA

### Earnings will largely depend on provisioning

VCB, TCB, ACB, and MBB continue to rank as top 4 on our 3Q22 CAMEL scores. For these banks, asset quality remains solid, as demonstrated by relatively low NPL ratios and high LLR ratios; and earnings growth remains strong (ACB: +71% YoY, MBB: +61% YoY, and VCB: +32% YoY).

STB improved its ranking to 8<sup>th</sup> place from 9<sup>th</sup> place in 2Q22 as its restructuring progress is nearly completed. We estimate STB's total net NPA ratio decreased to 3.2% as at 3Q22 (-40bps QoQ/-3.7ppt YoY). Its NPL ratio has decreased to below 1.0%, and the bank has continued to build up a stronger credit provision buffer with a 3Q22 LLR ratio of 154%.

Sector aggregate PATMI was VND48 tn (-5% QoQ/+54% YoY) in 3Q22, largely driven by increased net interest income and fees.

Sector net interest income (Net-II) jumped by +5% QoQ/+31% YoY to reach VND111 tn. 9M22 net-II was VND315 tn (+22% YoY). Loans to customers grew by 12.2% YTD in 3Q22. Sector NIM on average total assets was 3.71% (+7bps QoQ/+35bps YoY) in 3Q22.

We expect 4Q22 NIM compression due to 1) rising funding costs and constrained loan yields and 2) reduced cap on ST funding to MLT loans.

Net fee income was VND14.4 tn (-7% QoQ/+34% YoY) for the group. 9M22 net fee income was VND45 tn (+18% YoY).

Total provisioning was VND31 tn (+3% QoQ/-1% YoY) across the listed banks. 9M22 provisioning was VND86 tn (-1% YoY). We expect bank earnings in 4Q22 to depend largely on provisioning policies. High-LLR banks are better positioned to outperform in terms of PATMI and ROE.

Valuations are very attractive at the current median level of 1.0x 2022E P/B with 2022E ROE of 20% (Bloomberg Consensus). Our top picks are [MBB \(BUY\)](#), [ACB \(BUY\)](#), and [VCB \(BUY\)](#), underlining our preference for quality.

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

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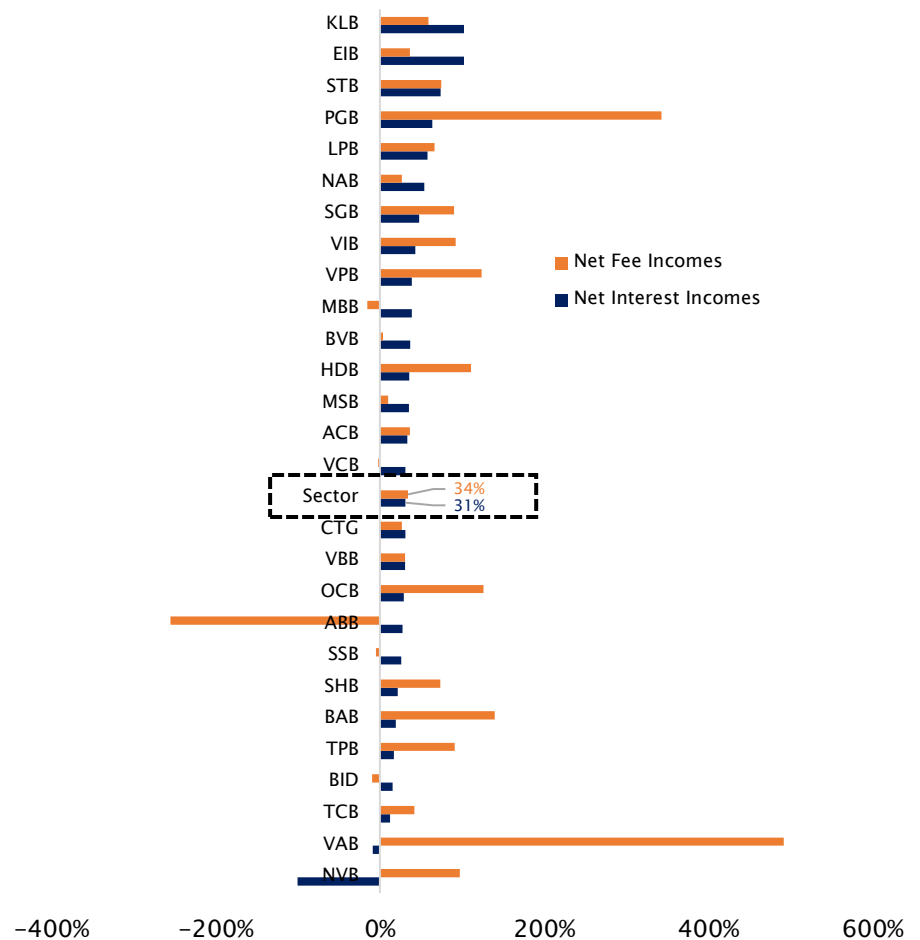
## CAMEL 3Q22\_Update

Earnings growth was strong YoY in 3Q22. The 27 listed banks posted aggregate PATMI of VND48 tn (-5% QoQ/ +54% YoY) in 3Q22. The YoY increase was driven by strong growth in net interest income and net fees.

We expect headwinds for banks' earnings in 4Q22 given: 1) limited remaining room for lending expansion room (credit growth was 11.5% YTD as at Oct 2022 versus the total credit quota of 14% for 2022) unless the SBV further increases credit quota for banks, and 2) NIM compression as rising funding costs are unlikely to be offset by blended asset yields.

Please see Table 2 (page 8) for more details on the banks' 3Q22 earnings and key drivers.

Figure 1: Strong Net-It and fee income were key drivers in 3Q22



Source: FiinPro, Yuanta Vietnam

Net interest income increased by +5% QoQ/+31% YoY to reach VND111 tn for the listed banks. Loan growth of the 27 listed banks was 12.2% YTD in 9M22 (up from growth of 9.1% YTD in 9M21). Sector NIM (measured on average total assets) was 3.71% in 3Q22 (+7bps QoQ/+35bps YoY).

We expect NIM to be constrained going forward given the rising funding cost environment and potential reduced cap on ST funding used for MLT loans. Liquidity has been tightening, and interbank rates have jumped significantly over the last month. This is pushing up the banks' funding cost, and we expect this trend to persist for the remainder of the year and early next year.

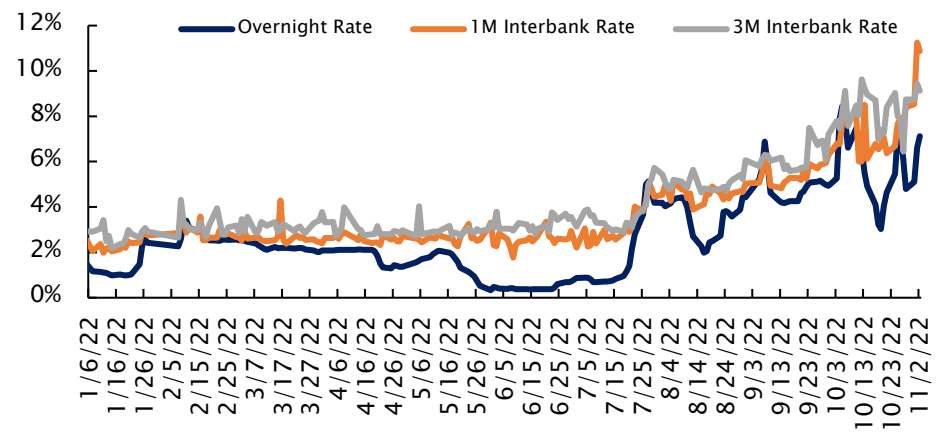
Bank system liquidity has been tight, with the overnight rate increasing to a high of 8.44%/year on Oct 5 as the troubles at SCB came to light. Liquidity has improved since then on SBV intervention, but it still remains tight in recent weeks.

The SBV announced [another policy rate hike](#) on October 25. This was the SBV's second policy rate hike in 2022, after the first one in September, and we would not be overly surprised by another hike before yearend.

Time deposit rates at the four state-owned banks are now 4.9%/year (+80bps/year vs. Oct 2022) for 1-month, 6.0% (+1.3ppt/year vs. Oct 2022) for 6-months, and 7.4%/year (+1ppt/year vs. Oct 2022) for 12-month time deposits.

But non-SOE banks pay higher deposit rates, so the arithmetical average deposit rates for the sector are about 5.5% (+40bps vs. Oct 2022) for 3-months, 6.9% (+80bps vs. Oct 2022) for 6-months, and 7.8% (+80bps vs. Oct 2022) for 12-month time deposits. This includes the beleaguered SCB, which rather famously is offering a sector-high 9.10% for 12-month VND time deposits in an effort to retain its depositors.

**Figure 2: Tight liquidity has pushed up interbank rates**



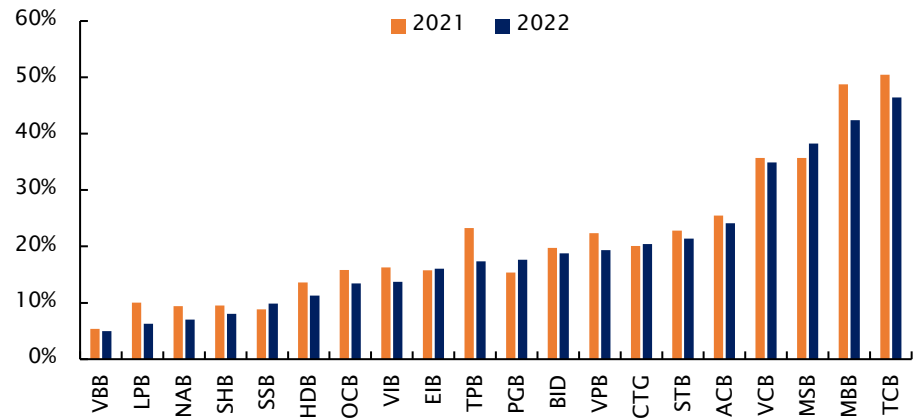
Source: SBV

**But yields have not increased to offset the higher funding costs.** Banks have been directed by the SBV to support borrowers and drive a continued economic recovery. Lending rates are likely to increase anyway, but the pace of this change will be slower and the degree of yield increases will likely be lesser than that of funding costs, in our view. As such, the overall sector's NIM is likely to decline moderately in 4Q22.

**CASA ratios declined** in 3Q22. We think that CASA deposits will comprise an even lower proportion of total deposits in 4Q22 due to rising term deposit rates. Banks have also been increasing demand deposit rates to meet CASA KPIs, but this also increases total funding costs. For example, some banks have increased demand deposit rates to the maximum level of 1.0%/year, which means that CASA deposits are obviously less cheap than previously.

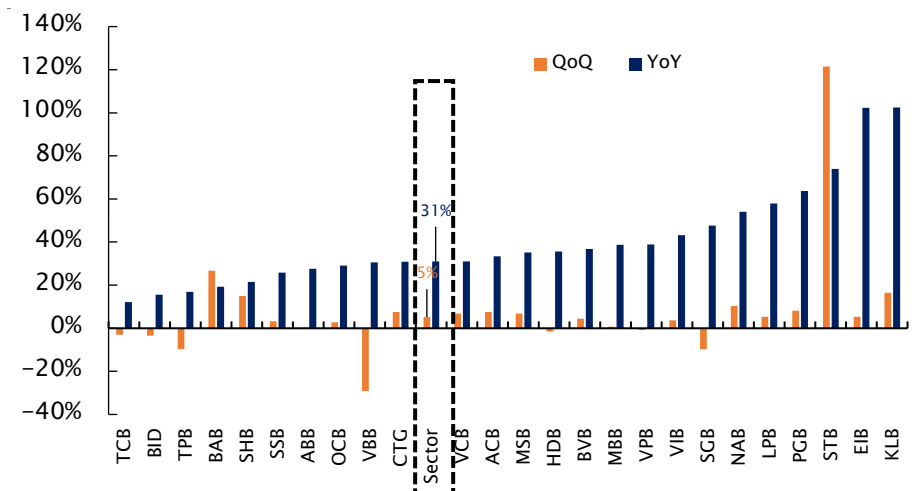
**However, we still think focusing on banks with high CASA ratios** (i.e. TCB, MBB, and VCB) is the right approach for investors. High-CASA banks are better-positioned to weather the negative impact on NIMs from rising funding costs than banks with low CASA ratios are, in our opinion.

**Figure 3: CASA ratios**



Source: FiinPro, Yuanta Vietnam. \* data for 2022 are as at 3Q22

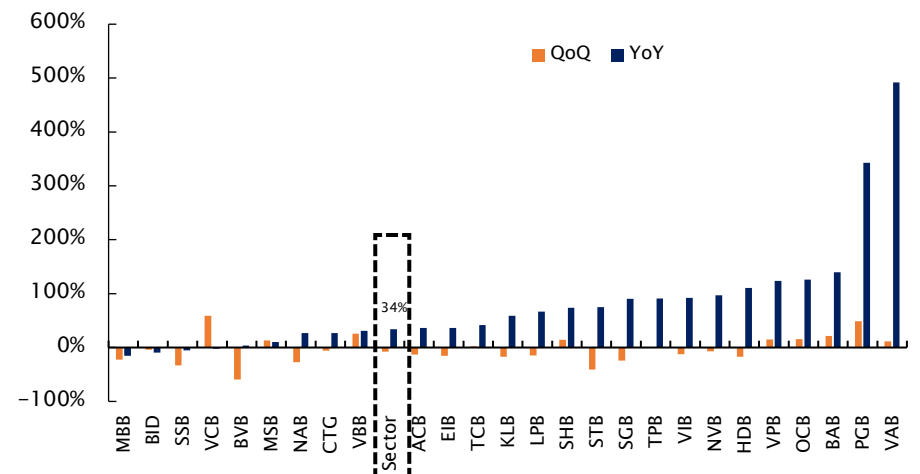
**Figure 4: Strong net interest income growth in 3Q22**



Source: FiinPro, Yuanta Vietnam

**Net fee income reached VND14.4 tn (-7% QoQ/+34% YoY) in 3Q22**, mostly driven by settlements (47% of total net fees) and bancassurance (41% of total net fees).

**Figure 5: Net fee income growth in 3Q22**



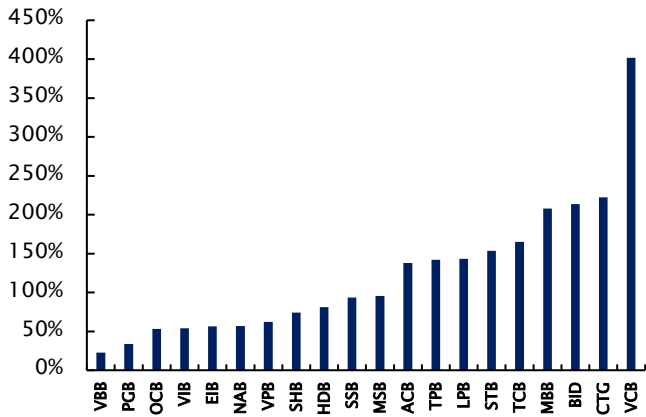
Source: FiinPro, Yuanta Vietnam

**Provisioning reached VND30.6 tn (+3% QoQ/-1% YoY)** across the listed banks. Some of the banks with high LLR ratios (i.e. ACB, BID, and MBB) reduced provisioning in 3Q22. By contrast, some of the banks with low LLR ratios increased their provisioning in 3Q22. This supports our view that high-LLR banks have greater flexibility to support their bottom-line results.

**We expect that sector earnings will largely depend on each bank's provisioning policy going forward given limit credit growth and constrained NIM in 4Q22.**

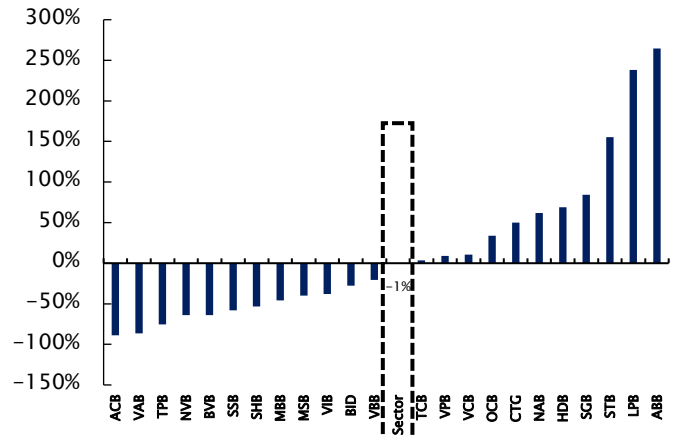
However, we expect that only banks with high-LLR ratio (i.e. VCB, MBB, BID, CTG) will be able to lower provisioning to boost earnings, while low-LLR ratio banks might continue to increase their provisioning.

**Figure 6: Provisioning growth in 3Q22**



Source: FiinPro, Yuanta Vietnam

**Figure 7: Provisioning growth in 3Q22**



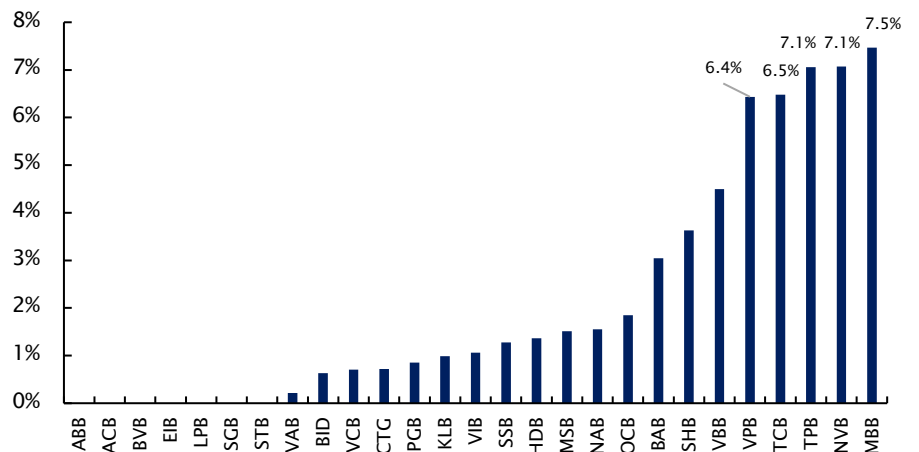
Source: FiinPro, Yuanta Vietnam

**Corporate bond exposure:**

Market concerns have arisen about the sustainability of corporate bonds and the banks' exposure to such assets. The banks that have the highest exposure to corporate bonds as a percentage of total assets are MBB (7.5%), NVB (7.1%), TPB (7.1%), TCB (6.5%), and VPB (6.4%).

The corporate bond market has slowed to a trickle and will probably remain tepid into 1H23 given the well-reported scandals and resulting regulatory response (i.e. Decree 65/2022/ND-CP).

**Figure 8: Corporate bonds/ Total assets as at 3Q22**



Source: FiinPro, Yuanta Vietnam

**We are not concerned about a possible banking crisis related to corporate bonds, which we consider to be unlikely.** Total bonds outstanding was about VND1.3 quadrillion (~13% of GDP, source: FiinRatings, HNX) as at Sep 2022. Of which non-bank bond was VND909 trillion (68% of the total bonds).

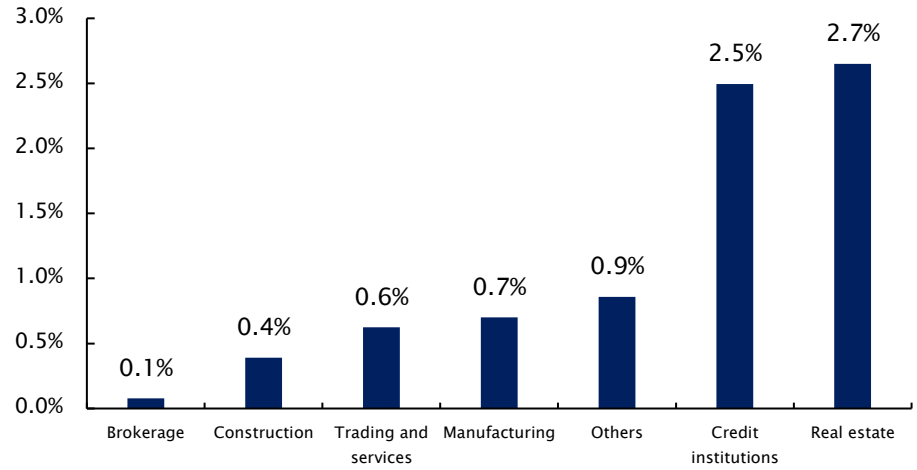
Real estate industry bonds were VND455 trillion at 3Q22 (34% of the total bonds, and 2.7% of total bank assets). Property firms are obviously the locus of concern, but our house view is that

Vietnam's major property developers are in relatively good financial condition. Our colleague Tam Nguyen, who covers the Vietnam real estate sector, retains a relatively constructive view on the sector and believes that comparisons with

China's real estate market are ill-conceived. Please see Tam's latest [update](#) of his proprietary CIGARR analytical framework (from 2Q22) of the financial conditions and debt sustainability of the top-20 listed developers.

**Notably, banks currently hold VND284 tn worth of corporate bonds (1.7% of total bank assets).** We do not consider this scale of corporate bond holdings to be a systemic risk for the banks.

**Figure 9: Bank holdings of corporate bonds by sector as a % of banks' assets**

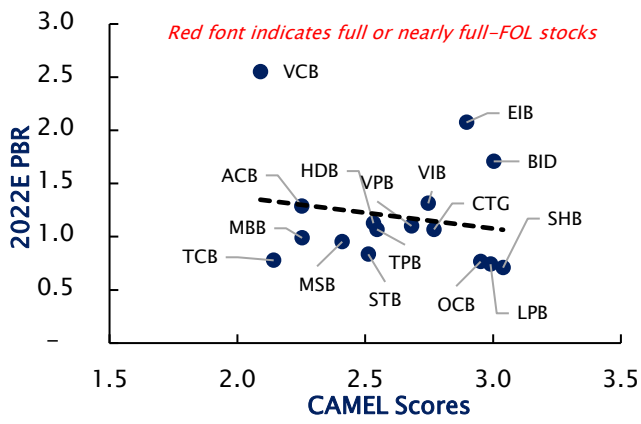


Source: FiinRatings, HNX, SBV, Yuanta Vietnam

### **Attractive Valuations**

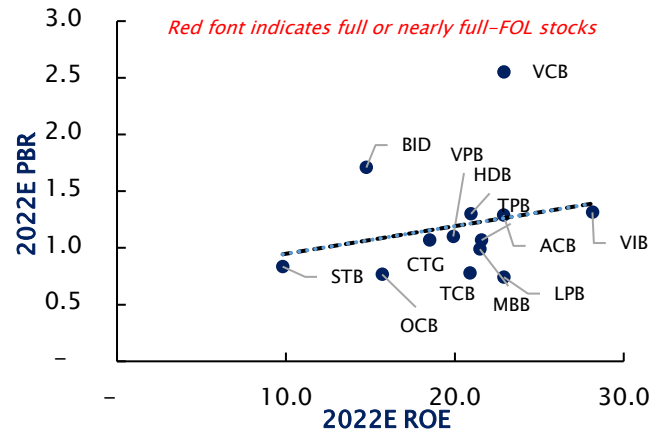
The listed banks trade at median of 1.0x 2022E PB, an attractive level given the sector's high potential growth and 2022E ROE of 20% (*Source: Bloomberg Consensus*). Our top picks are [MBB](#), [VCB](#), and [ACB](#).

Figure 10: 2022E PB vs CAMEL Scores



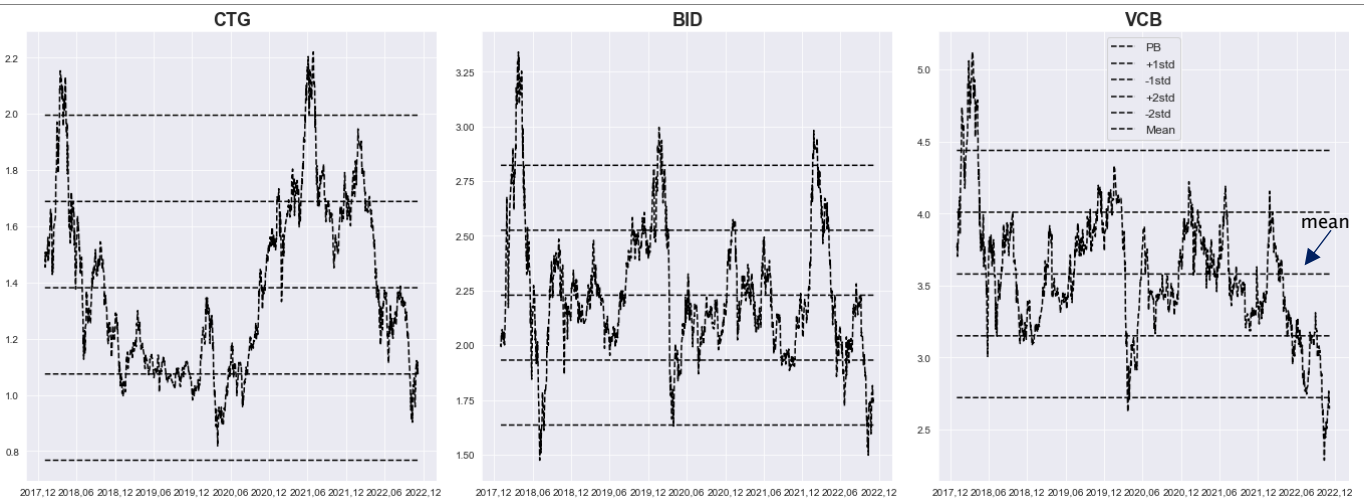
Source: Bloomberg, Yuanta Vietnam

Figure 11: 2022E PB vs. 2022E ROE



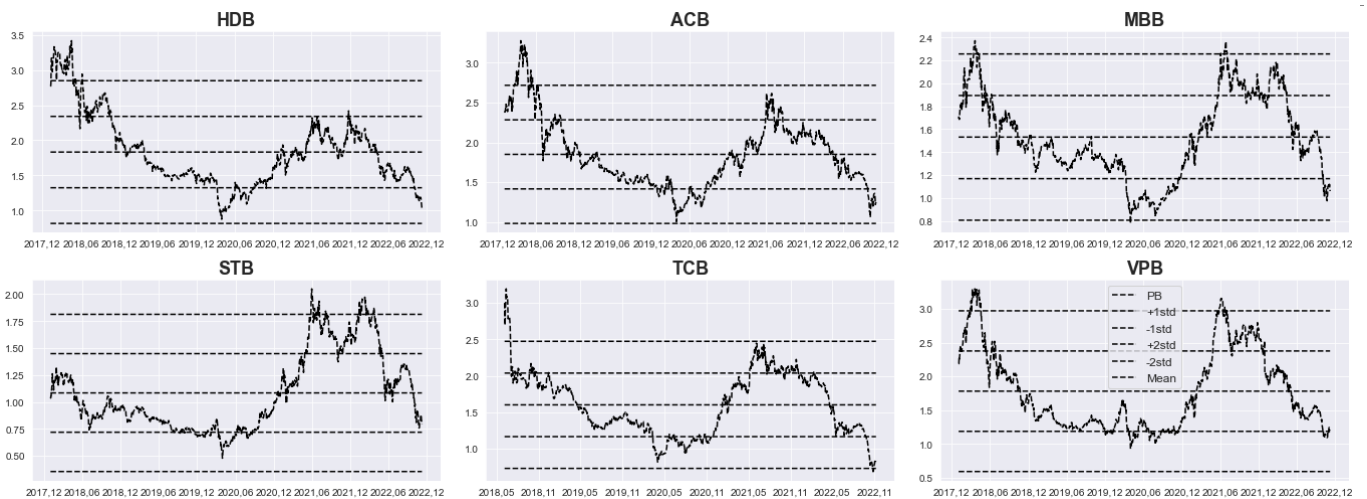
Source: Bloomberg, Yuanta Vietnam

Figure 12: SOCBs Historical PB valuations



Source: Bloomberg, Yuanta Vietnam

Figure 13: JOCBs Historical PB valuations



Source: Bloomberg, Yuanta Vietnam

**Table 1- Yuanta Vietnam Banks Coverage Universe**

Banks	Stock code	Market cap (USD mn)	Yuanta Rating	Current price (VND)	Target price (VND)	12-m TSR*
Asia Commercial Bank	ACB VN	2,818	BUY	20,750	31,880	54%
BIDV	BID VN	7,353	HOLD-UPF	36,150	38,860	9%
HD Bank	HDB VN	1,497	HOLD-OPF	14,800	26,480	79%
MB Bank	MBB VN	3,090	BUY	16,950	32,792	93%
Sacombank	STB VN	1,232	BUY	16,250	28,860	78%
Vietcombank	VCB VN	14,081	BUY	74,000	89,850	22%
Vietnam Prosperity Bank	VPB VN	4,724	BUY	17,500	32,547	86%

\*Note: TSR = Total shareholder return over the next 12 months inclusive of expected share price change and dividends. Pricing data as of close on Nov 9, 2022.

Source: Bloomberg, Yuanta Vietnam

**Table 2- Banks' 2Q22 earnings and drivers**

Banks	Earnings drivers													
	PATMI		Net-II		Fee income		Adj. Non-II		Opex		Provision		Net other income	
	% QoQ	% YoY	% QoQ	% YoY	% QoQ	% YoY	% QoQ	% YoY	% QoQ	% YoY	% QoQ	% YoY	% QoQ	% YoY
Sector	-5%	54%	5%	31%	-7%	34%	-33%	-34%	5%	25%	3%	-1%	-19%	76%
ABB	-92%	-79%	0%	28%	-224%	-255%	-103%	-162%	10%	40%	80%	264%	-197%	1106%
ACB	-9%	71%	8%	33%	-13%	36%	-310%	-86%	11%	12%	-134%	-89%	-65%	193%
BAB	54%	7%	27%	19%	22%	140%	213%	-71%	47%	24%	-58%	-422%	391%	4675%
BID	2%	158%	-3%	16%	-4%	-10%	40%	47%	5%	8%	-16%	-28%	-21%	33%
BVB	-62%	41%	4%	37%	-59%	4%	243%	-69%	49%	67%	-6%	-64%	-31%	51%
CTC	-28%	36%	8%	31%	-6%	27%	-45%	-19%	13%	33%	41%	50%	101%	514%
EIB	17%	211%	5%	102%	-15%	37%	-69%	-42%	-12%	48%	-328%	-582%	-92%	6%
HDB	-3%	41%	-1%	36%	-17%	111%	-17%	72%	-2%	42%	-12%	69%	35%	432%
KLB	-25%	129%	16%	103%	-17%	59%	-9%	-686%	-3%	27%	240%	-2043%	-16%	909%
LPB	-31%	61%	5%	58%	-15%	66%	-104%	-239%	-3%	8%	44%	238%	-55%	-84%
MBB	6%	61%	1%	39%	-22%	-15%	-14%	-25%	-3%	23%	-30%	-46%	3%	20%
MSB	-19%	49%	7%	35%	13%	10%	-45%	76%	-6%	40%	-407%	-40%	-70%	-173%
NAB	30%	96%	10%	54%	-27%	27%	195%	553%	1%	30%	-6%	62%	7%	259%
NVB	3714%	-407%	-101%	-100%	-7%	97%	-56%	-33%	-16%	-13%	-21%	-64%	-57%	-107%
OCB	1%	-18%	3%	29%	16%	126%	-93%	-105%	4%	29%	182%	34%	-60%	295%
PGB	20%	46%	8%	64%	49%	343%	-64%	-29%	9%	23%	5%	-4539%	95%	43%
SGB	10%	-8%	-10%	48%	-24%	90%	-50%	-57%	48%	41%	-80%	84%	-70%	-52%
SHB	26%	73%	15%	22%	14%	74%	-1659%	-78%	25%	29%	-24%	-53%	-47%	252%
SSB	-20%	24%	3%	26%	-33%	-5%	-79%	-30%	2%	48%	-53%	-58%	39%	-7%
STB	51%	89%	121%	74%	-41%	75%	-11%	-14%	30%	28%	0%	155%	-97%	5%
TCB	-9%	22%	-3%	12%	2%	42%	-49%	-46%	-8%	15%	46%	3%	-41%	184%
TPB	-1%	54%	-10%	17%	0%	91%	-80%	-86%	-26%	38%	-49%	-76%	-1%	112%
VAB	-7%	90%	-22%	-9%	11%	492%	10%	-74%	1%	20%	21%	-87%	5%	95%
VBB	-47%	117%	-29%	31%	26%	31%	286%	50%	16%	27%	-57%	-21%	-9%	65%
VCB	2%	32%	7%	31%	59%	-2%	-3%	25%	10%	27%	2%	11%	-56%	-14%
VIB	2%	102%	4%	43%	-12%	92%	16%	230%	11%	17%	-54%	-38%	8%	383%
VPB	6%	73%	-1%	39%	15%	124%	-264%	-91%	0%	44%	-3%	9%	-5%	8%

Source: FiinPro, Yuanta Vietnam

**Table 3- 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	PGB	SGB	SHB	SSB	STB	TCB	TPB	VAB	VBB	VCB	VIB	VPB
Capital Adequacy	3.3	2.5	2.7	3.2	3.0	3.3	3.5	2.0	3.2	3.2	2.3	2.5	2.9	2.9	2.3	2.8	1.5	2.5	2.3	2.9	2.3	2.4	2.4	2.9	2.9	2.8	2.0
Asset Quality	3.3	1.8	1.6	1.7	3.3	1.8	3.0	2.6	2.6	1.8	1.9	2.3	3.6	4.2	3.6	3.4	3.5	3.3	2.3	1.5	1.7	2.0	3.1	3.7	1.4	3.4	3.7
Management	3.6	2.2	3.8	3.2	3.7	3.0	2.8	2.4	3.2	3.1	2.4	2.2	3.2	4.3	2.9	3.0	4.2	2.9	2.2	3.0	1.9	2.3	3.5	3.9	2.3	1.9	2.2
Earnings	2.4	1.9	4.2	3.1	4.2	3.0	2.2	1.9	3.8	2.3	1.7	1.6	2.8	3.9	2.1	3.5	3.3	2.2	1.7	2.9	1.8	1.9	3.9	3.8	1.8	1.7	2.0
Liquidity	3.8	2.6	3.5	3.6	3.5	2.5	2.9	3.4	3.2	4.4	2.8	3.3	3.9	3.5	3.8	3.5	3.6	4.2	4.2	2.1	2.9	3.8	3.7	3.3	1.9	3.6	3.3
CAMEL Score	3.3	2.2	3.2	3.0	3.5	2.7	2.9	2.5	3.2	3.0	2.2	2.4	3.3	3.7	2.9	3.2	3.2	3.0	2.5	2.5	2.1	2.5	3.3	3.5	2.1	2.7	2.7

Source: FiinPro, Yuanta Vietnam



**Table 4- CAMEL RATINGS\_3Q22 Update**

3Q22	ABB	ACB	BAB	BID	BVB	CTG	EIB	HDB	KLB	LPB	MBB	MSB	NAB	NVB	OCB	PGB	SGB	SHB	SSB	STB	TCB	TPB	VAB	VBB	VCB	VIB	VPB		
Capital Adequacy	Tier 1CAR	3	1	3	5	4	5	5	1	5	3	5	1	5	5	1	5	1	5	5	4	1	1	3	3	3	2	1	
	Tier 2 CAR	1	1	1	1	1	1	1	1	5	1	5	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
	CAR	2	2	3	3	3	3	5	1	3	3	3	3	3	5	2	5	1	3	3	3	1	2	3	3	3	3	2	1
	Equity / Assets	2	2	3	5	4	4	2	2	4	3	1	1	3	3	1	2	1	3	2	4	1	2	3	4	3	3	1	
	Equity / Assets + Off BS exposures	4	2	3	4	4	4	2	3	4	4	3	4	4	3	3	2	1	3	3	4	3	3	3	5	3	4	2	
	VAMC-adj equity / Adj Assets	2	2	3	4	3	3	1	2	3	3	1	1	3	3	1	2	1	3	1	5	1	2	3	4	3	2	1	
	Tangible Equity / Tangible Assets	2	2	3	5	4	4	2	2	4	3	1	1	4	4	1	2	1	3	2	4	1	2	3	4	3	3	1	
	VAMC adj TE / VAMC adj TA	2	2	3	4	4	4	2	2	4	3	1	1	3	3	1	2	1	3	1	5	1	2	3	4	3	2	1	
	Interbank / Assets	4	3	2	3	3	3	4	3	5	2	2	4	3	3	3	5	4	2	5	1	3	3	2	4	4	3	2	
	Loans / Assets	4	5	5	5	4	5	5	4	2	5	4	3	4	3	3	3	5	5	4	5	4	1	5	2	5	5	5	
	Current FOL room (%)	5	5	1	1	3	2	5	3	1	5	5	5	1	1	5	1	1	2	2	1	5	5	1	1	2	5	5	
	Basel II approval	5	1	5	2	1	2	5	1	5	1	1	1	5	2	1	1	1	1	1	2	2	1	1	2	1	1	1	
Trend	4	2	2	3	2	4	3	1	3	3	2	2	2	3	3	5	2	2	2	2	3	2	2	3	4	2	2		
Asset Quality	SML ratio	2	1	1	2	2	2	1	3	1	2	2	2	2	5	5	1	3	2	1	1	1	2	2	3	1	4	5	
	Type 3 NPL ratio	1	1	1	1	1	1	1	2	1	1	1	1	1	5	1	1	1	1	1	1	1	1	1	1	1	2	5	
	Type 4 NPL ratio	2	1	1	1	2	1	1	1	1	1	1	1	3	5	2	1	2	2	1	1	1	1	1	2	1	3	5	
	Type 5 NPL ratio	5	3	1	3	5	4	5	1	5	3	1	3	4	5	5	5	5	5	5	4	2	1	1	5	5	2	4	5
	NPL & SML ratio	5	1	1	4	5	5	4	5	4	4	5	5	5	5	5	5	5	5	5	2	1	1	4	4	5	1	5	5
	Gross NPL ratio	4	2	1	2	4	2	3	3	3	2	2	2	4	5	4	4	4	4	4	3	1	1	1	3	5	1	4	5
	Net NPL ratio	4	1	1	1	4	3	4	3	3	1	1	2	4	5	4	5	3	3	2	1	1	1	2	5	1	4	5	
	LLR / Gross loans	3	2	3	1	1	1	4	3	2	1	1	2	3	1	2	4	4	1	2	2	4	3	4	4	1	3	1	
	LLR / NPLs	5	1	1	1	5	1	5	3	4	1	1	2	5	5	5	5	5	4	2	1	1	1	5	5	1	5	5	
	GPs / Performing loans	1	2	2	1	1	1	1	1	2	1	1	1	1	1	1	1	1	1	2	2	1	1	1	1	2	1	1	
	SPs / NPLs	4	2	2	1	4	1	4	3	3	1	1	3	4	5	4	4	3	3	3	1	3	2	3	5	1	4	3	
	SPs / NPLs + SMLs	4	1	2	1	4	1	4	4	3	1	1	3	4	5	5	4	4	3	2	1	3	4	3	5	1	5	3	
	VAMC bonds / Assets	1	1	1	1	1	1	1	1	1	1	1	3	1	1	1	5	5	2	1	5	1	1	1	1	1	1	1	
	Accrued interest / Assets	1	1	5	1	3	1	1	2	1	4	1	3	5	4	1	2	2	5	3	1	3	1	5	3	1	1	2	
	Other receivables / Assets	5	2	1	2	3	2	3	4	3	2	5	5	2	5	5	2	1	5	5	2	2	4	5	2	2	3	3	
Trend	3	3	2	3	4	3	3	3	2	2	4	2	4	4	4	3	4	4	2	2	3	3	2	4	3	3	3		
Management	Fees / Adj income	5	3	5	4	4	3	4	3	3	4	3	3	4	3	3	4	5	5	2	1	1	2	5	5	3	2	3	
	Fees / Assets	4	2	5	3	4	3	3	2	3	2	2	4	4	3	4	4	4	2	1	1	2	5	4	3	1	1		
	Costs / Adj income	3	2	4	1	5	1	3	2	4	3	2	2	3	5	2	4	4	1	1	4	1	2	3	4	1	1	1	
	PATMI YoY growth	5	1	5	1	1	1	1	1	1	1	1	1	1	5	5	1	5	1	3	1	3	1	1	1	1	1	1	
	CASA growth	2	5	1	5	5	4	3	5	4	5	5	3	5	5	5	1	5	5	2	5	5	5	5	5	4	5	5	
	Credit costs / Assets	3	1	1	5	2	5	1	4	2	4	5	2	3	4	3	3	5	5	3	5	2	4	1	3	4	2	5	
	Credit cost adjusted NIM	3	1	4	5	4	4	2	1	3	1	1	1	2	5	1	3	3	2	3	4	1	1	4	5	2	1	1	
	Governance rating	5	3	5	3	5	3	5	3	5	5	2	3	5	5	2	5	5	3	3	3	2	3	5	5	2	2	2	
	Quality of current management	5	1	5	3	5	3	5	2	5	5	1	3	5	5	3	5	5	3	3	3	1	2	5	5	1	2	2	
Trend	3	3	3	3	2	4	2	3	3	3	3	3	2	3	3	2	3	2	2	3	2	3	2	2	3	2	3		
Earnings	NIM	2	1	5	3	4	3	2	1	3	1	1	1	2	5	1	3	2	1	2	3	1	1	5	4	2	1	1	
	Fees / adj revenue	5	3	5	4	4	3	4	3	3	4	3	3	4	3	3	4	5	5	2	1	1	2	5	5	3	2	3	
	Investment inc / adj revenue	1	5	4	4	5	3	1	5	4	5	2	1	4	1	4	4	1	5	1	4	5	3	5	2	2	5	5	
	Total adj non-int inc / adj revenue	1	2	4	2	4	2	2	2	3	2	1	3	1	2	3	2	4	1	1	1	1	1	4	3	1	2	3	
	Cost / adj revenue	3	2	4	1	5	1	3	2	4	3	2	2	3	5	2	4	4	1	1	4	1	2	3	4	1	1	1	
	PPOP / Assets	1	1	5	1	5	1	2	1	5	1	1	1	2	5	1	4	3	1	2	1	1	1	5	5	1	1	1	
	Provisioning / assets	2	1	1	3	1	3	1	2	1	2	3	1	2	2	2	2	3	3	2	3	1	2	1	2	2	1	5	
	OROA	2	1	5	5	5	5	2	1	5	2	1	1	3	5	1	5	5	1	1	5	1	1	5	5	1	1	1	
	Other income / assets	5	5	5	4	5	4	4	5	5	5	4	5	5	5	4	4	4	4	5	4	4	5	4	4	5	5	1	
	Pretax ROA	2	1	5	4	5	4	2	1	5	2	1	1	3	5	1	4	5	2	1	4	1	1	4	5	1	1	1	
	PAT ROA	2	1	5	4	5	4	1	1	5	2	1	1	3	5	1	4	5	1	4	5	1	1	4	5	1	1	1	
	Mintint / assets	1	1	1	1	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	4	3	3	1	2	3	2	1	1	3	3	1	2	1	2	2	3	1	2	2	3	2	2	1	
	PATMIROE	3	1	5	1	5	2	3	1	4	1	1	1	2	5	2	5	5	1	2	4	1	1	3	4	1	1	1	
Trend	2	2	3	3	3	4	2	2	3	2	2	2	2	3	4	2	2	2	2	2	4	3	2	2	2	2	3		
Liquidity	Gross LDR	4	4	3	4	5	4	2	5	3	5	5	5	3	1	5	3	3	5	5	3	5	3	3	2	3	5	5	
	Net LDR	4	4	3	4	5	4	2	5	3	5	5	5	3	1	5	3	3	4	5	3	5	3	3	2	3	5	5	
	Deposits / Assets	5	3	1	3	5	3	1	5	5	4	5	5	3	1	5	4	2	4	5	1	5	5	2	4	2	5	5	
	Deposits / Liabilities	5	2	1	3	5	3	1	5	5	4	5	5	3	1	5	4	1	3	5	1	5	5	2	4	2	5	5	
	CASA ratio	4	3	5	4	5	3	4	5	5	5	1	1	5	5	5	4	5	5	5	3	1	4	5	5	1	5	4	
	LTMT loans/Current deposits	4	2	5	3	5	3	3	5	5	5	1	2	5	5	5	3	4	5	5	2	2	5	5	5	1	5	5	
	MT loans / Total loans	2	1	3	1	2	1	1	2	5	5	3	4	4	5	4	2	1	4	3	1	3	3	5	4	1	1	5	
	LT loans / Total loans	3	3	3	3	3	3	3	2	1	2	3	3	2	3	5	3	1	3	2	2	4	5	1	3	4	5	2	
	ST deposits / LTMT loans	5	1	5	5	1	1	5	1	1	5	2	5	5	5	1	5	5	5	5	1	2	5	5	2	1	1	1	
Trend	3	4	3	4	4	3	3	3	3	4	4	3	4	4	4	3	5	3	3	4	4	3	4	4	4	4	4		

Source: FiinPro, Yuanta Vietnam

**Basic Statistics**

**Figure 14: Large cap bank (>US\$2 bn) stock price performance vs. VNINDEX from Jan '21 – Aug '22 (all start at 1)**



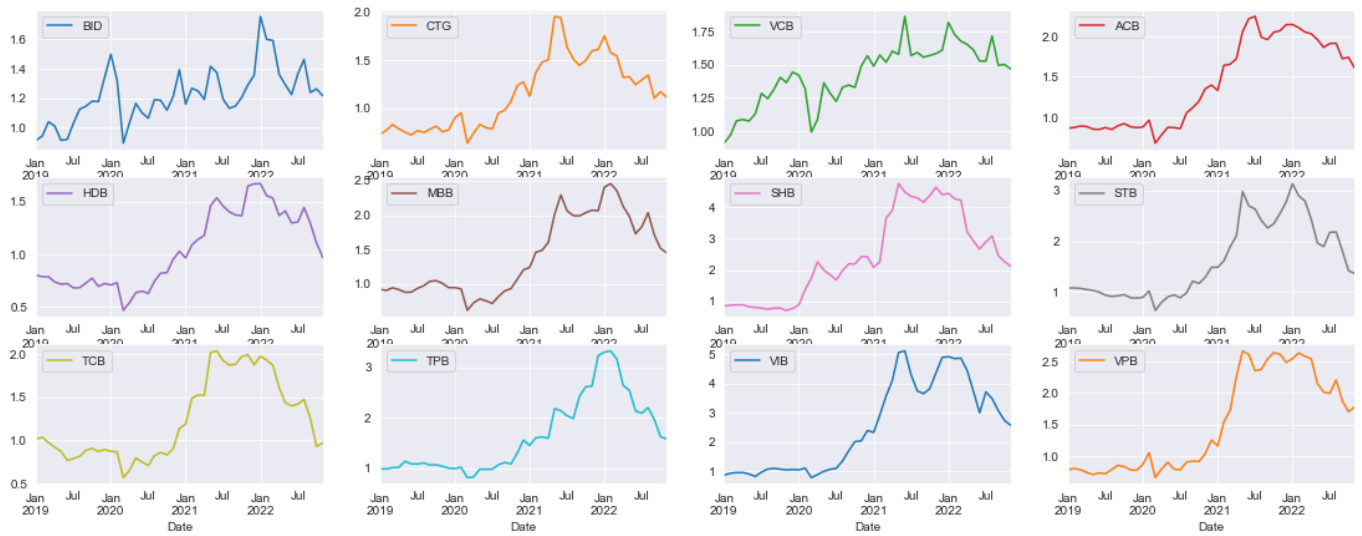
Source: Bloomberg, Yuanta Vietnam

**Figure 15: Medium and small cap bank (<US\$2 bn) stock price performance from Jan '21 – Aug '22 (all start at 1)**



Source: Bloomberg, Yuanta Vietnam

**Figure 16: Banks' stock cumulative monthly return from Jan 2019 – Aug 2022**



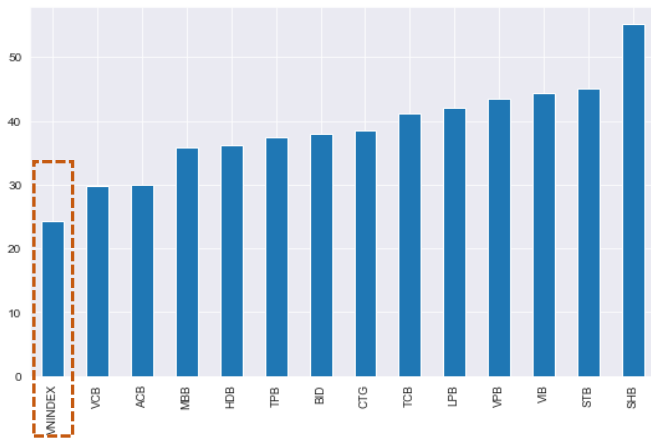
Source: Bloomberg, Yuanta Vietnam

**Figure 17: Correlation between banks and VNINDEX (based on monthly return from Jan 2019 to Aug 2022)**

	VNINDEX	BID	CTG	VCB	ACB	HDB	LPB	MBB	SHB	STB	TCB	TPB	VIB	VPB
VNINDEX	1.000000	0.689726	0.753563	0.764588	0.782445	0.814584	0.660301	0.859562	0.164911	0.690398	0.819157	0.657641	0.703341	0.746956
BID	0.689726	1.000000	0.783753	0.681802	0.594093	0.645082	0.582301	0.701097	0.124457	0.612347	0.649062	0.535648	0.568122	0.544970
CTG	0.753563	0.783753	1.000000	0.617813	0.854813	0.800521	0.726550	0.785963	0.376647	0.719245	0.715083	0.592866	0.701336	0.709322
VCB	0.764588	0.681802	0.617813	1.000000	0.567768	0.601217	0.408851	0.699662	-0.075164	0.388124	0.535253	0.391629	0.410638	0.496615
ACB	0.782445	0.594093	0.854813	0.567768	1.000000	0.818781	0.704000	0.795033	0.261395	0.717361	0.739735	0.582054	0.718132	0.740509
HDB	0.814584	0.645082	0.800521	0.601217	0.818781	1.000000	0.724682	0.805750	0.271691	0.793523	0.786766	0.661434	0.674459	0.677194
LPB	0.660301	0.582301	0.726550	0.408851	0.704000	0.724682	1.000000	0.749974	0.467173	0.866189	0.695504	0.526429	0.828596	0.632221
MBB	0.859562	0.701097	0.785963	0.699662	0.795033	0.805750	0.749974	1.000000	0.205124	0.775327	0.832680	0.663014	0.713121	0.745936
SHB	0.164911	0.124457	0.376647	-0.075164	0.261395	0.271691	0.467173	0.205124	1.000000	0.450577	0.210640	0.174643	0.357657	0.377302
STB	0.690398	0.612347	0.719245	0.388124	0.717361	0.793523	0.866189	0.775327	0.450577	1.000000	0.797954	0.672592	0.764651	0.697477
TCB	0.819157	0.649062	0.715083	0.535253	0.739735	0.786766	0.695504	0.832680	0.210640	0.797954	1.000000	0.717052	0.680452	0.762720
TPB	0.657641	0.535648	0.592866	0.391629	0.582054	0.661434	0.526429	0.663014	0.174643	0.672592	0.717052	1.000000	0.549281	0.542638
VIB	0.703341	0.568122	0.701336	0.410638	0.718132	0.674459	0.828596	0.713121	0.357657	0.764651	0.680452	0.549281	1.000000	0.636317
VPB	0.746956	0.544970	0.709322	0.496615	0.740509	0.677194	0.632221	0.745936	0.377302	0.697477	0.762720	0.542638	0.636317	1.000000

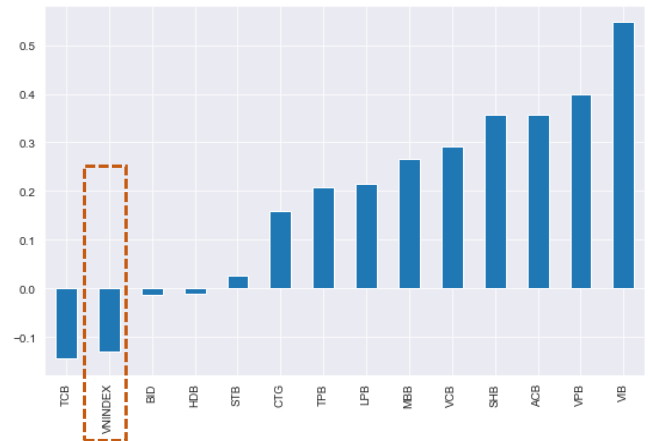
Source: Bloomberg, Yuanta Vietnam

**Figure 18: Annualized volatility (Jan 2019–Aug 2022)**



Source: Bloomberg, Yuanta Vietnam

**Figure 19: Sharpe ratios (Jan 2019–Aug 2022)**



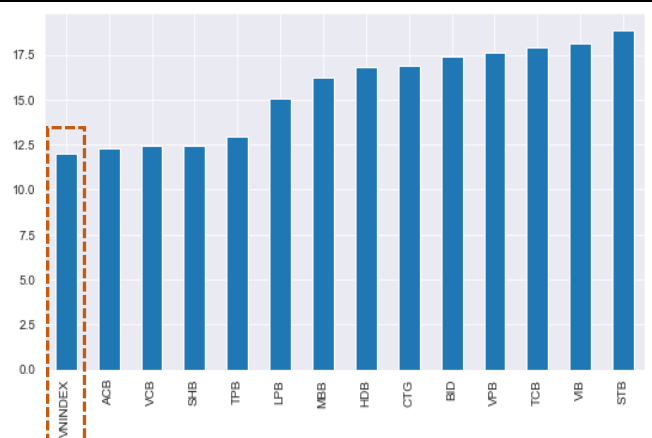
Source: Bloomberg, Yuanta Vietnam

**Figure 20: Monthly drawdown**



Source: Bloomberg, Yuanta Vietnam

**Figure 21: Value at Risk (VaR) at 5% level**



Source: Bloomberg, Yuanta Vietnam

# Appendix A: Important Disclosures

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