

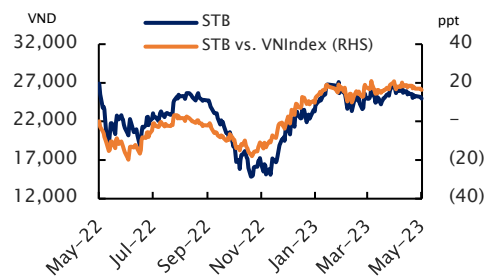
## BUY

**TP upside (downside): +16%**

**Close 5 May 2023**

Price **VND 24,950**  
 12M Target **VND 28,860**

**Share price performance relative to VNI**



Source: Bloomberg

Market cap	US\$2.0 bn
6M avg. daily turnover	US\$20 mn
Outstanding shares	1,885mn
Free float	100%
FINI ownership	25.8%
Major shareholders	6.7%
2023E Asset/equity (x)	15.7
2023E P/E (x)	11.2
2023E P/B (x)	1.0
FOL remaining room	4.2%
2023E Dividend yield (%)	0.0%

Source: FiinPro, Yuanta Vietnam

STB's 1Q23 Results	1Q23	% QoQ	% YoY
NII (VND bn)	5,837	-3%	113%
Net Fee Inc. (VND bn)	658	-26%	-57%
Adj. TOI (VND bn)	6,771	-6%	48%
Opex (VND bn)	3,416	29%	21%
Provision (VND bn)	1,002	-70%	42%
PATMI (VND bn)	1,900	8%	49%
NPL (%)	1.19%	+21bps	-9bps
LLR (%)	104%	-27ppt	-30ppt
CASA (%)	17.4%	-1.8ppt	-5.6ppt

Source: Company Data, 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

## Sacombank (STB VN)

### Net interest income boosted earnings

STB reported 1Q23 PATMI of VND1.9 tn (+8% QoQ/+49% YoY), fulfilling 25% of the bank's full-year target and 38% of our forecast. The YoY strong increase was driven primarily by high net interest income.

### Details

**Loans increased by 2.2% QoQ/8.6% YoY** to reach VND448 tn in 1Q23.

**1Q23 net interest income** was VND5.8 tn (-3% QoQ/+113% YoY). STB fully provisioned for total restructured accrued interest assets (which were VND22 tn or ~3.6% of total assets) in 2022. We estimate 1Q23 annualized NIM on total assets of 3.93% (-25bps QoQ/+1.9ppt YoY).

**1Q23 net fee income** was VND658 bn (-26% QoQ/-57% YoY), which we think is due to lower banca sales, in line with the sector trend.

**1Q23 opex** was VND3.4 tn (+29% QoQ/+21% YoY). Adj. CIR was 51% in 1Q23 (+14ppt QoQ/-11ppt YoY), based on our calculations.

**A mixed impact of provisioning.** Provisioning declined by -70% QoQ but jumped by +42% YoY to reach VND1 tn in 1Q23.

**Recoveries are near the end of the road.** Net other income (mainly NPL recoveries) was only VND29 bn (-95% on both QoQ and YoY) in 1Q23. NPL recoveries have been a feature of STB's earnings in recent years, but this is trending down as the legacy restructuring nears completion.

**NPL ratio increased to 1.19%** (+21bps QoQ/ but -9bps YoY) in 1Q23. Aggregate NPLs increased by +24% QoQ/+1% YoY to reach VND5.3 tn. Notably, category 3 NPLs jumped by 143% QoQ/+327% YoY. **LLR ratio** fell to 104% (-27ppt QoQ/-30ppt YoY).

**CASA ratio** dropped to 17.4% as at 1Q23 (-1.8ppt QoQ/-5.6ppt YoY).

### Our view

**Restructuring story: the end is in sight.** We estimate STB's total net NPA ratio decreased to 1.9% as at 1Q23 (-50bps QoQ/-2.8ppt YoY).

**But keep an eye on rising NPLs.** Rising NPL ratios are a concern as these are not legacy assets. This also resulted in the reduced LLR ratio in 1Q23. Although we expect [Circular 02/2023/TT-NHNN](#) to alleviate provisioning pressure and reduce report NPLs, underlying asset quality deterioration will be a more important factor for investors to consider.

**STB** trades at 1.0x 2023E P/B vs. the sector median of 1.1x. We maintain our BUY 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

© 2023 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

#### Matthew Smith, CFA

Head of Research

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

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

#### Tanh Tran

Analyst (Banks)

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

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

#### Di Luu

Analyst (Consumer)

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

[di.luu@yuanta.com.vn](mailto:di.luu@yuanta.com.vn)

#### Binh Truong

Deputy Head of Research (O&G, Energy)

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

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

#### An Nguyen

Assistant Analyst

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

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

### Institutional Sales

#### Anh Nguyen

Sales Trader Supervisor

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

[anh.nguyen2@yuanta.com.vn](mailto:anh.nguyen2@yuanta.com.vn)

#### Dat Bui

Sales Trader

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

[dat.bui@yuanta.com.vn](mailto:dat.bui@yuanta.com.vn)

#### Hien Le

Sales Trader

Tel: +84 28 3622 6868

[hien.le@yuanta.com.vn](mailto:hien.le@yuanta.com.vn)

#### Vi Truong

Sales Trader

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

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