

TPBank (TPB)

2Q2022 PBT up 36.6% YoY

TPB released positive 2Q22 business results with PBT of VND2,165 billion, up 36.6% YoY

— TPBank (TPB) achieved positive business results in the second quarter of 2022. Specifically, net interest income (NII) reached VND3,035 billion (+7.2% QoQ, +20.1% YoY); non-interest income (NOII) jumped to VND1,538 billion (+96.0% QoQ, +69.4% YoY) with the main driver coming from TPB selling part of its bond portfolio. Thus, TOI touched VND4,573 billion (+26.5% QoQ, +33.1% YoY). Provision for credit losses of VND645 billion (-14.6% QoQ, +5.4% YoY) along with high CIR following increased depreciation and staff cost for salary and bonus in 2021 and 2Q22 made 2Q22 PBT stand at VND2,165 billion (+33.4% QoQ, +36.6% YoY). In 1H22, PBT was VND3,788 billion (+15.9% YoY, +26.0% YoY).

NIM will be under enormous pressure in the second half of 2022

— 2Q22 NIM rose slightly to 4.24% (+12bps QoQ) thanks to a 19bps increase in average earnings yield since TPB boosted home and car loans with high interest rates between January and June. However, NIM might be under enormous pressure in 2H22 in the context of CASA ratio down 66bps QoQ to 18.1% combined with TPB selling part of government bonds to record earnings in 2Q22.

Asset quality improved with the NPL ratio down 29bps QoQ to 0.85%

— The NPL ratio in 2Q22 dropped sharply to 0.85% (-29bps QoQ, -30bps YoY), with substandard debts down 16bps QoQ and doubtful debts down 13bps QoQ. During the period, TPB still maintained a high provision of VND645 billion (-14.6% QoQ, +5.4% YoY), making the loan loss coverage ratio (LLCR) sit at 161.5% (the highest in recent years of TPB). Restructured debts up to now are about VND900 billion and have been made provision.

TPB would speed up personal loans in the second half of 2022

— By the end-June 2022, TPB's credit growth hit 10.8%, which is within the 11.4% limit set by the State Bank of Vietnam (SBV). TPB expects its credit cap to be expanded by about 5% in the last months of the year. Regarding the development orientation in 2H22, TPB will keep focusing on personal loans, especially home and car loans. In contrast, the bank will limit disbursement to corporate customers investing in real estate and only finance working capital and businesses providing other services.

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Investment ratings & definitions

Investment Ratings for Stocks

(based on expectations for absolute price gains over the next 6 months)

Buy:	Hold:	Sell:
+15% or more	+15% to -15%	-15% or more

Investment Ratings for Sectors

(based on expectations for absolute price gains over the next 6 months)

Positive:	Neutral:	Negative:
Outperform the market	Perform in line with the market	Underperform the market

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