

16 Mar 2021

Asia Commercial Bank (ACB)

2021 PBT guidance at VND10.6tn, up 10.5% yoy

2021 guidance

- Yesterday, ACB disclosed official documents for the 2020 AGM on 06 April 2021.
- The bank proposed a 2021 PBT guidance of VND10.6tn, up 10.5% yoy, which is equivalent to 93% of our forecast.
- This may be due to a modest credit growth target of 9% vs. 14% from our projection. Given that, ACB expects the total assets to grow by 10% yoy and deposit to grow by 9% yoy; NPL ratio will maintain below 2% threshold.

No cash dividend for 2020 and 2021

- ACB proposes a 25% stock dividend for 2020, and expects to raise the bank's charter capital to VND27tn in 3Q21. The bank also plans to carry a 25% stock dividend for 2021.
- ACB's dividend policy in the next two years is quite different to our expectation (10% of cash dividend) which may show the bank's ambition of strengthening its capital buffer.
- Last year, ACB beat its guidance by 26%. Given that, we believe the above modest target is the result of the bank's traditional conservative practice since it has not yet got the 2021's credit growth quota from the SBV.

12M rating **BUY (Maintain)**

12M TP **35,600**

Up/Downside **+9.3% (incl 3.0% cash dividend)**

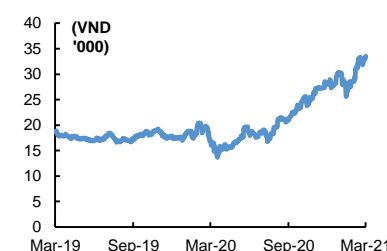
Stock Data

VNIndex (Mar 15, pt)	1,185
Stock price (Mar 15, VND)	33,500
Market cap (USD mn)	3,139
Shares outstanding (mn)	2,162
52-Week high/low (VND)	33,500/13,693
6M avg. daily turnover (USD mn)	11.88
Free float / Foreign ownership (%)	76.1/30.0
Major shareholders (%)	
ALP Asia Finance	10.0
Dragon Capital	7.6

Performance

	1M	6M	12M
Absolute (%)	17.3	57.3	98.0
Relative to VNIndex (%p)	11.0	23.9	39.5

Stock price trend



Source: Bloomberg

	2018A	2019A	2020A	2021F	2022F
TOI (VND bn)	14,033	16,097	18,161	22,591	26,639
chg. (% YoY)	22.7	14.7	12.8	24.4	17.9
PPE (VND bn)	7,321	7,790	10,537	12,685	15,348
Net profit (VND bn)	5,137	6,010	7,683	9,104	10,865
EPS (VND, adj.)	2,390	2,744	3,508	4,166	4,972
chg. (% YoY)	143.6	14.8	27.8	18.7	19.3
PB (x)	3.4	2.6	2.0	1.7	1.4
PE (x)	14.0	12.2	9.5	8.0	6.7
P/PPE (x)	9.6	9.3	6.9	5.7	4.7
NIM (%)	3.6	3.6	3.7	3.9	4.0
ROE (%)	27.7	24.6	24.3	23.4	23.3
ROA (%)	1.7	1.7	1.9	1.9	2.0
Dividend yield (%)	0.0	0.0	0.0	3.0	3.0
CAR (%)	10.1	10.9	11.1	11.4	12.0

Note: Net profit, EPS and ROE are based on figures attributed to controlling interest

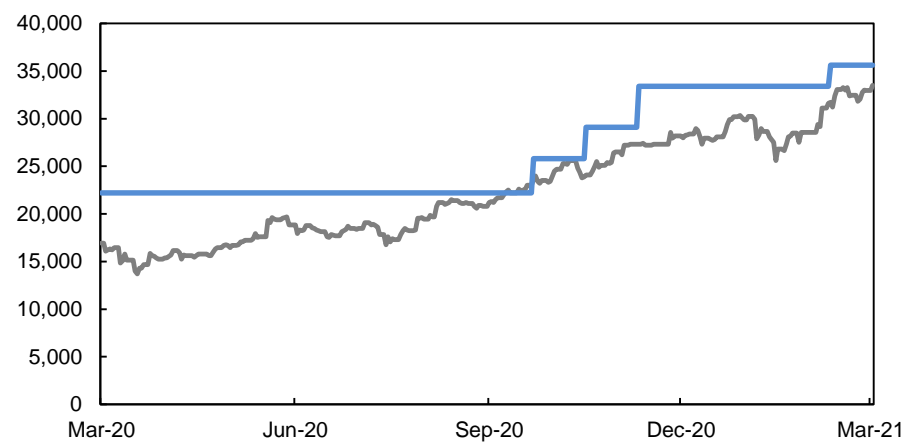
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Changes to recommendation and price target

Company (code)	Date	Recommendation	Target price	%vs. avg. price	%vs. high (low)
Asia Commercial Bank (ACB)	20-03-20	BUY	VND22,200	-	-
	28-04-20	BUY	VND22,200	-	-
	29-07-20	BUY	VND22,200	-	-
	05-10-20	BUY	VND25,800	-	-
	30-10-20	BUY	VND29,100	-	-
	24-11-20	BUY	VND33,400	-	-
	23-02-21	BUY	VND35,600	-	-



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