Sep 16th, 2025

Shinhan Securities



Asia Commercial Bank

[Vietnam / Banking]

Bloomberg Code (ACB VN) | Reuters Code (ACB.HM)

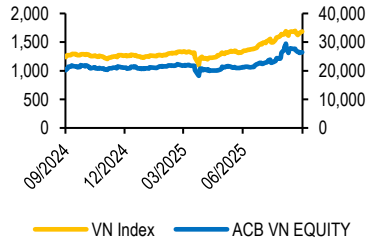
BUY

Update report

Target price (12 months)	**VND 34,000**
Current price (09/15/25)	VND 26,400
Upside	28.8%

VNINDEX	1,685
P/E thị trường (23F, x)	14.0
Market Cap (bn VND)	135,608
Outstanding shares (mn)	5,137
Free-Floating (mn)	4,514
Free floating (%)	87.9
52-Wk High/Low (VND)	29,500/18,043
90-day avg. trading volume (mn)	15.51
90-day avg. turnover (bn VND)	435
Foreign ownership (%)	30.0
Major shareholders (%)	Sather Gate 4.99

Performance	3T	6T	12T
Tuyệt đối (%)	25.4	16.8	24.4
Tg đối với VN-Index (%)	-2.7	-10.3	-10.2



Source: Bloomberg

Stay firm on the strategy

Updated with BUY recommendation, target price VND 34,000

ACB's strategic orientation is to be the top retail bank in Vietnam. This is also a bank with a conservative development strategy, do not invest in corporate bonds. In terms of asset quality, this bank is one of the first banks to complete BASEL III standards. ACB has good credit growth record and is increasingly improving its business operations. With the residual income (RI) method and comparison method based on P/B, we update the target price for ACB for the next 12 months to reach 34,000 VND.

Business result in 6M2025

-By the end of 6M/2025, ACB's credit growth was nearly 9% compared to the end of 2024. The individual and SME segments increased by 7.7% and 5.6% respectively, the large corporate customer segment was the main driving force for ACB in the first half of the year with an increase of 25%. Management said that SMEs' loan demand has not recovered strongly in the first half of 2025.

- NIM decreased to 3.3% at the end of Q2/2025, compared to 3.71% at the end of 2024. ACB's interest income decreased slightly by 6% YoYNon-interest income grew by 39% YoY, mainly from foreign exchange trading and debt collection

- Non-interest income grew by 39% YoY, mainly from foreign exchange trading and debt collection

- Overdue debt and bad debt both decreased significantly in Q2/2025, the NPL ratio decreased from 1.49% to 1.26%; overdue debt (2-5) decreased from 1.97% to 1.73%. As a result, provisioning costs are kept stable in the first half of 2025. The CIR ratio is being controlled at below 30%.

- ACB's pre-tax profit reached VND 10,690 billion (+2% YoY), reaching about 50% of the annual profit plan approved by the General Meeting of Shareholders.

Investment thesis

-ACB has one of the best NPL ratio in the industry. Persistently pursuing a sustainable lending model, retail customer portfolio.

-ACB continues to show positive signals from lending to large corporate customers

-ACB's 5-year strategic orientation includes ROE (>20%), CASA (>30%), Non-interest income (>20% of total income). We believe that the profit growth of 15%/year in the coming period when the lending demand of the retail portfolio recovers is an achievable goal

Outlook for 2025-2026

-For the period 2025-2026: we forecast ACB credit growth of 17%/year, NIM of 3.3% for 2025 and a slight improvement of 3.4% for 2026. Bad debt is controlled at 1-1.5%, credit costs are below 0.5%. Accordingly, ACB's pre-tax profit in 2025 will reach VND 22,002 billion (+4.7% YoY) and in 2026 it will reach VND 25,540 billion (+16% YoY)

Risk: (1) Credit growth increased slower than expected.; (2) Interest rate fluctuations cause ACB's NIM to fall deeper than expected; (3) Risk provisioning expenses increased more strongly than expected.

Year	2022	2023	2024	2025F	2026F
Interest income (VNDbn)	23,534	24,960	27,795	30,068	35,442
Non-interest income (VNDbn)	5,257	7,787	5,720	6,913	8,296
Total operating income (VNDbn)	**28,790**	**32,747**	**33,515**	**36,981**	**43,737**
Provision and other expenses (VNDbn)	(11,676)	(12,679)	(12,509)	(14,979)	(18,197)
Profit before tax (VNDbn)	**17,114**	**20,068**	**21,006**	**22,002**	**25,540**
Credit growth	14.31%	17.86%	18.4%	17.00%	17.00%
NIM	4.26%	3.93%	3.68%	3.33%	3.42%
ROE	**26.49%**	**24.39%**	**21.75%**	**19.45%**	**19.33%**

Source: Fiinpro, Company data, Shinhan Securities Vietnam

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Outlook for 2025-2026

Year	6M/2025	%yoy	2025F	%yoy	2026F	%yoy	Note
Net Interest Income (VNDbn)	13,043	-5.71%	30,068	8.9%	35,441	17.9%	- ACB announced its credit growth for the first half of 2025 reached 8.8%. The large corporate segment continued to be a bright spot with a growth rate of 25.1%. The individual and SME segments saw lower growth, at 5.6% and 7.7%, respectively. The management team stated that ACB's market share in the corporate segment is currently below 1%, leaving ample room for growth. The bank expects to lend to key national projects. Target growth of 30% for large corporate segment in 2025. - The management team continues to emphasize a cautious growth strategy that is suitable for the current market situation, rather than chasing high growth. - The interest rate spread decreased to 3.8% at the end of Q2 2025 (compared to 4.16% at the end of Q4 2025). Under the competitive pressure on the entire industry, ACB's Net Interest Margin (NIM) decreased to 3.3% at the end of Q2 2025. The narrowing NIM caused a slight decrease in ACB's net interest income during the first half of the year. We expect that a shift towards more medium- and long-term lending in the future could help improve ACB's NIM. Additionally, with lending rates currently at a low level, we believe there is not much room for further reduction.
Non-interest Income (VNDbn)	4,164	39.4%	6,913	20.8%	8,296	20.0%	- Good growth in gold and foreign exchange business, which grew by 74% in the first six months of 2025 by taking advantage of exchange rate fluctuations. - Bancassurance continued to show negative growth. - In the first half of 2025, a change in accounting regulations for LC (Letter of Credit) fees—from fee income to interest income—impacted the overall fee income growth of many banks.

							- Income from write-off debt was a highlight, growing by over 100% in the first half of the year.
Total Operating Income (VNDbn)	17,207	2.3%	36,981	10.3%	43,737	19.9%	
Profit Before Tax (VNDbn)	10,690	1.9%	22,002	4.7%	25,540	16.1%	We project that ACB's profit could recover to 16% in 2026, driven by favorable credit growth, a recovery in Net Interest Margin (NIM), and the ability to recover bad debts. We forecast credit costs of 0.4% and 0.5% for 2025 and 2026, respectively.
Net Income (VNDbn)	8,559	2.2%	17,601	4.8%	20,432	16.1%	
Non-performing ratio- NPL (%)	1.3%		1.4%		1.3%		- The NPL ratio is showing signs of peaking as Group 2 debts continue their downward trend, reaching around 0.5% by the end of Q2/2025, down from a peak of approximately 0.9% in Q2/2023. - We therefore expect the NPL ratio to stabilize at around 1-1.5% for the 2025-2026 period. The legalization of Resolution 42 on bad debt resolution, which is expected to take effect in late 2025, will help banks improve their asset quality.
Loan Loss Coverage Ratio – LLR (%)	76.3%		93.7%		102%		The loan loss coverage ratio (LLR) remains stable at 75%. We are assuming that ACB's LLR will reach 100% in 2026.
Total Credit Growth – Ytd (%)	9.1%		17.0%		17.0%		- Credit growth, especially for the SME group in the Southern region, has not shown a strong recovery in first half 2025. Domestic consumer demand also hasn't shown strong positive signs in the same period. - We expect ACB to achieve a credit growth rate of 17% for the 2025-2026 period, based on the loan disbursement speed in the first half of 2025 and the bright spot of growth from large corporate clients. - ACB stated that there is significant room to increase medium and long-term loans as the short-term deposit for medium and long-term lending ratio is low compared to regulations ceiling level.

Customer Deposit Growth – Ytd (%)	5.6%	13.0%	15.0%	-	- As we expected, ACB continued to push for capital mobilization through valuable papers to supplement business capital. - Deposit interest rates may increase slightly towards the end of 2025 and early 2026.
Net Interest Margin – NIM (TTM %)	3.25%	3.3%	3.4%		- Assume ACB can boost mortgage loan growth, the bank could improve its NIM in the coming period. We assume that ACB's NIM could stabilize at 3.3% in 2025 and increase slightly to 3.4% in 2026.

Valuations and recommendations

Valuation

We are using the residual income (RI) method and the P/B (price-to-book) valuation method, with respective weightings of 20% and 80%.

The 12-month target price for ACB is 34,000 VND.

1) With improvements in investment flow and the lifting of valuation for the banking stocks, we are raising the target P/B to 1.6x (returning to the 5-year average). Based on the projected BVPS (book value per share) for the next 12 months of 20,581 VND, our expected 12-month target price for ACB is 32,929 VND.

2) The projected 12-month stock price is 38,589 VND.

Cost of Equity (%)	
Cost of Equity (%)	**12.4**
Risk-free rate (%)	3.7
Equity risk premium (%)	8.66
Beta	1.0

RI Method

(Unit: VNDbn)	**6M2025F**	**2026F**	**2027F**	**2028F**	**2029F**
Cost of equity	**12.4**	**12.4**	**12.4**	**12.4**	**12.4**
Cost of equity after 2029					**12.4**
Net income	9,042	20,432	25,694	31,391	35,165
Residual income (RI)	3,835	7,366	10,347	13,222	13,705
PV of RI	**3,618**	**6,185**	**7,732**	**8,793**	**8,112**

Terminal value of RI (VNDbn)	**148,637**
Terminal growth (%)	2.00%

PV of terminal value (VNDbn	78,749
PV of RI (bn VND))	32,260
Beginning equity (bn VND)	87,211
Total value (bn VND)	198,219
Total outstanding shares (bn)	5.14
Target price (VND)	**38,589**

Valuation Summary

Method	Weight	Price target (VND)
Residual income	20%	**38,589**
P/B target (1.6x)	80%	**32,929**
Target price (VND)	**34,061**	

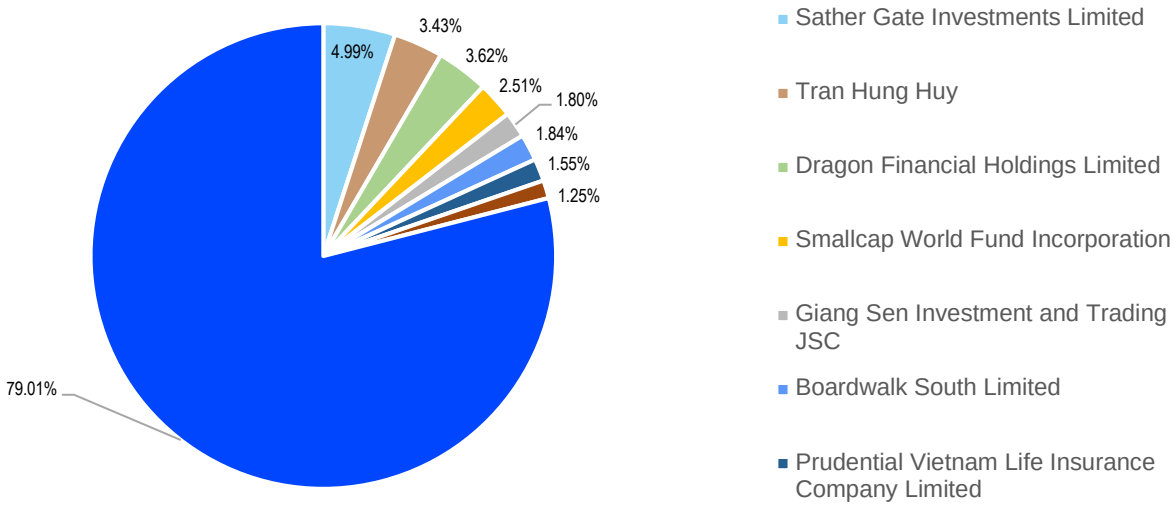
Source: Shinhan Securities Vietnam

Business overview

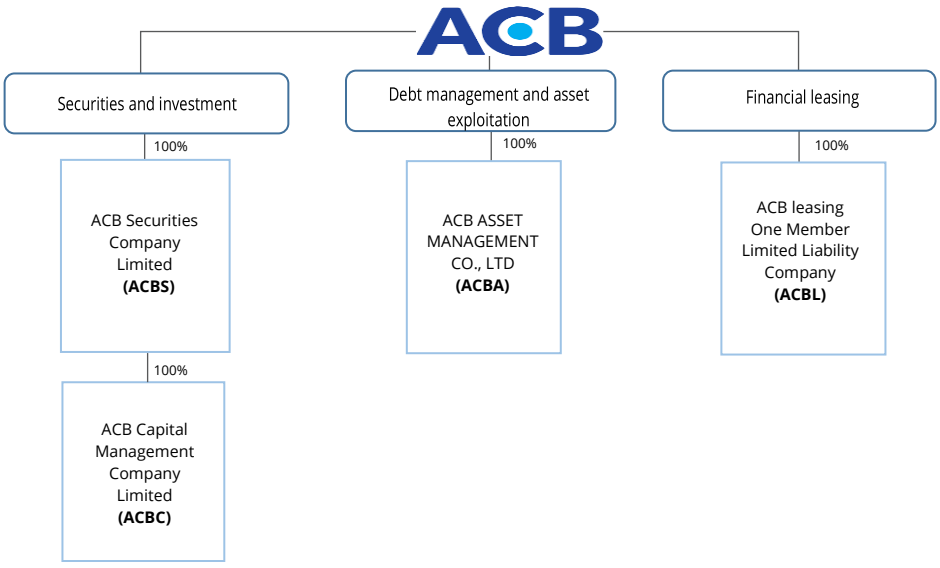
Company history

ACB was established under license number 0032/NH-GP issued on April 24, 1993 and officially went into operation on May 13, 1993. ACB was listed at the Hanoi Stock Exchange, later Hanoi Stock Exchange (HNX) on November 21, 2006. On December 9, 2020, ACB officially transferred trading to the Ho Chi Minh City Stock Exchange. Ho Chi Minh (HOSE).

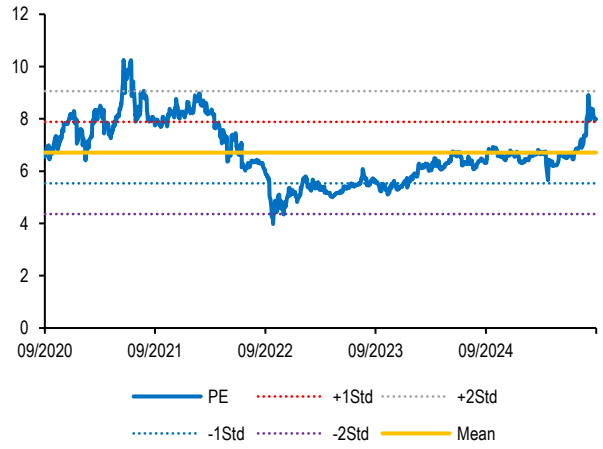
ACB's shareholder structure at the end of Q2/2025



Subsidiaries of ACB

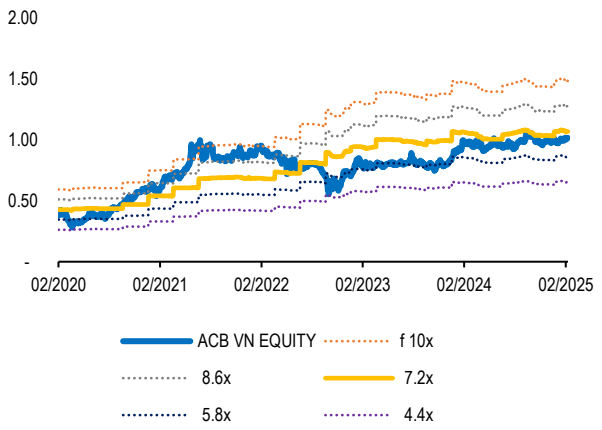


PER of ACB



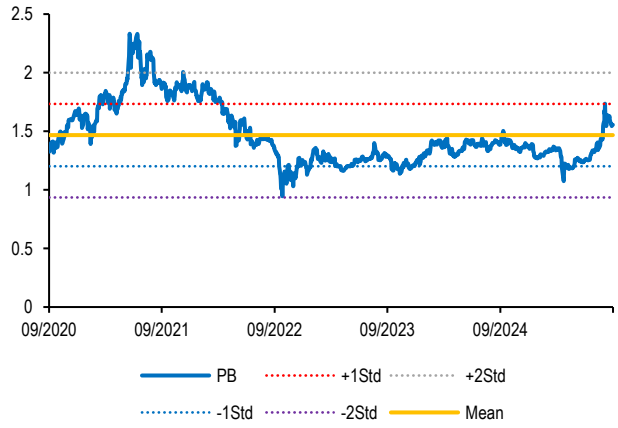
Source: Bloomberg, Company data, Shinhan Securities Vietnam

PER band of ACB



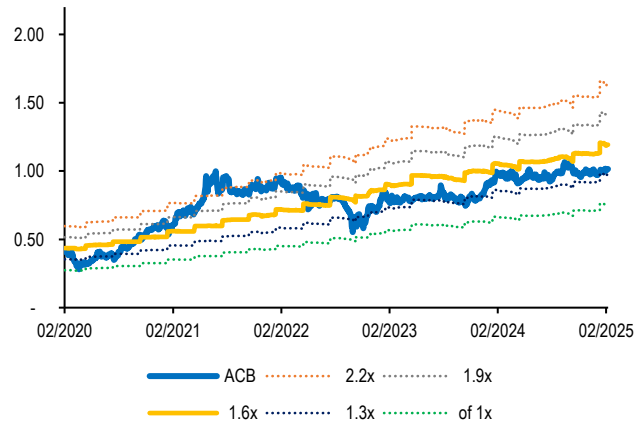
Source: Bloomberg, Company data, Shinhan Securities Vietnam

PBR of ACB



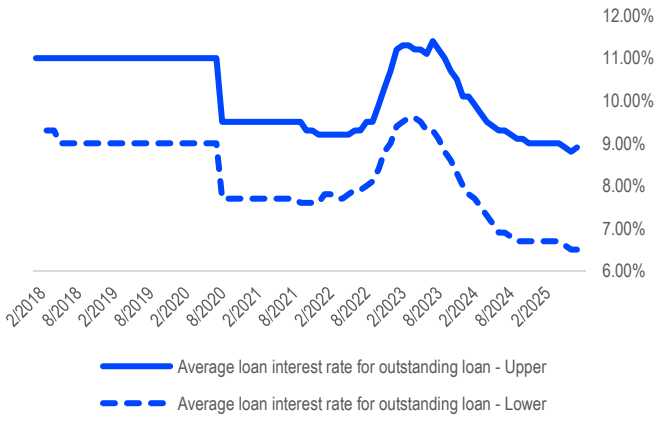
Source: Bloomberg, Company data, Shinhan Securities Vietnam

PBR band of ACB



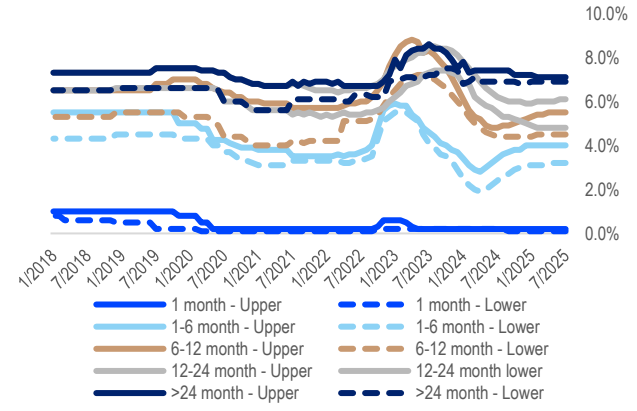
Source: Bloomberg, Company data, Shinhan Securities Vietnam

Average loan interest rate in Vietnam



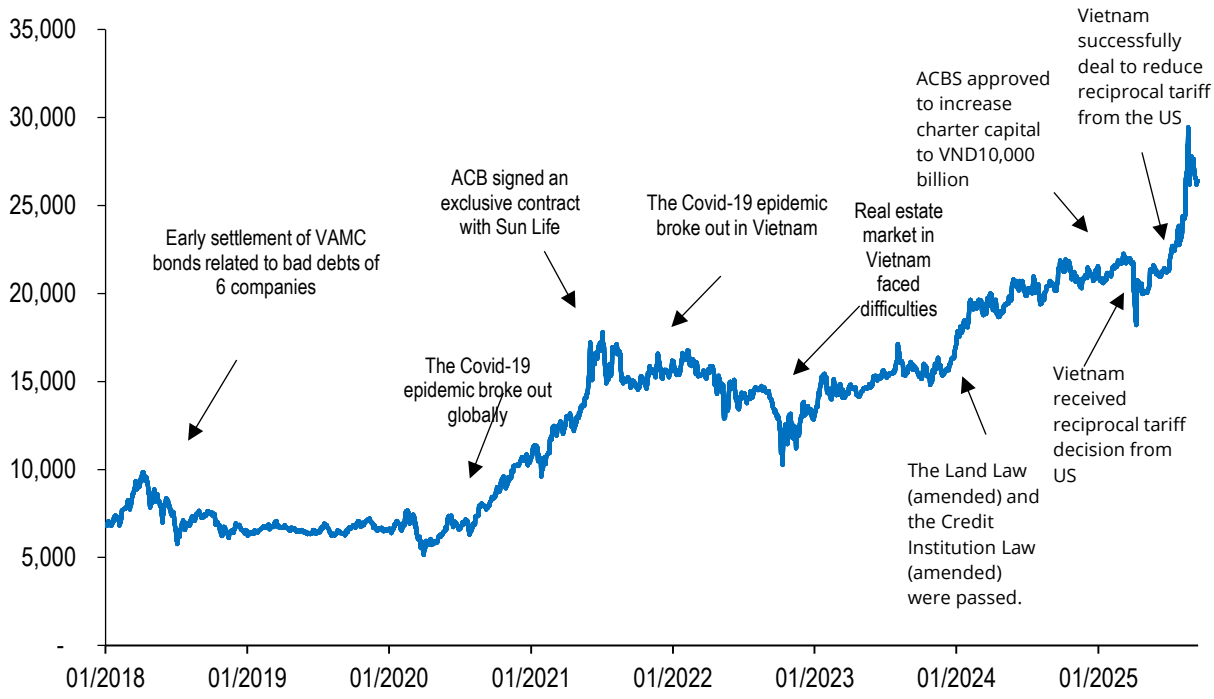
Source: SBV, Company Data, Shinhan Securities Vietnam

Average deposit interest rate in Vietnam



Source: SBV, Company Data, Shinhan Securities Vietnam

ACB important events



Source: Bloomberg, Company Data, Shinhan Securities Vietnam

Appendix: Financial statements

Balance sheet

Year (bn VND)	2022	2023	2024	2025F	2026F
Total assets	**607,875**	**718,795**	**864,006**	**971,682**	**1,135,14**
Cash and precious metals	8,461	6,909	5,696	4,857	5,586
Balances with the SBV	13,658	18,505	25,220	24,286	27,929
Placements with and loans to other credit institutions	85,971	114,874	117,882	115,982	146,532
Trading securities	1,131	7,177	3,881	3,881	3,881
Derivatives and other financial assets	100	-	56	56	56
Loans and advances to customers	408,857	482,235	573,947	672,319	786,509
Debts purchase	-	-	-	-	-
Investment securities	75,535	73,463	121,090	131,982	143,963
Long-term investments	147	140	125	125	125
Fixed assets	3,981	4,763	5,412	5,919	6,474
Investment properties	177	177	177	177	177
Other assets	9,858	10,552	10,519	12,097	13,911
Total liabilities	**549,437**	**647,839**	**780,544**	**874,139**	**1,021,25**
Due to Gov and Loans from SBV	506	0	7,955	7,955	7,955
Deposits and Loans from other credit institutions	67,841	89,507	111,592	111,265	138,532
Deposits from customers	413,953	482,703	537,305	607,154	698,227
Derivatives, Funds received from Gov, international and other institutions	60	159	28	28	28
Convertible bonds/CDs and other	44,304	52,410	101,650	121,981	146,377
Other liabilities	22,772	23,060	22,014	25,757	30,136
Shareholder's equity	**58,439**	**70,956**	**83,462**	**97,543**	**113,888**
Capital	34,046	39,112	44,938	53,066	62,663
Reserves	9,220	11,557	14,790	17,445	20,526
Retained earnings	15,172	20,286	23,734	27,031	30,699
Minority interest	-	-	-	-	-
Total liabilities and equity	**607,875**	**718,795**	**864,006**	**971,682**	**1,135,14**

Income statement

Year (bn)	2022	2023	2024	2025F	2026F
Interest and Similar Income	40,699	52,347	50,903	59,444	71,790
Interest and Similar Expenses	(17,165)	(27,387)	(23,108)	(29,376)	(36,349)
Net Interest Income	**23,534**	**24,960**	**27,795**	**30,068**	**35,441**
Net Fee and Commission Income	3,526	2,922	3,239	4,095	4,791
From foreign currency and gold	1,048	1,110	1,171	1,346	1,575
From trading of trading securities	(388)	168	200	-	-
From disposal of investment securities	21	2,647	450	633	690
Net Fee and Commission Income	990	863	624	802	1,203
Dividends income	59	76	36	36	36
Total non-interest income	**5,257**	**7,787**	**5,720**	**6,913**	**8,296**
Total operating income	**28,790**	**32,747**	**33,515**	**36,980**	**43,737**
General and Admin expenses	(11,605)	(10,874)	(10,903)	(12,538)	(14,419)
Operating Profit Before Provision (PPOP)	17,185	21,872	22,612	24,442	29,318
Provision for credit losses	(71)	(1,804)	(1,606)	(2,441)	(3,778)
Profit before tax	**17,114**	**20,068**	**21,006**	**22,001**	**25,540**
Corporate income tax	(3,426)	(4,023)	(4,216)	(4,400)	(5,108)
Net profit after tax	**13,688**	**16,045**	**16,790**	**17,601**	**20,432**
Attributable to parent company	13,688	16,045	16,790	17,601	20,432

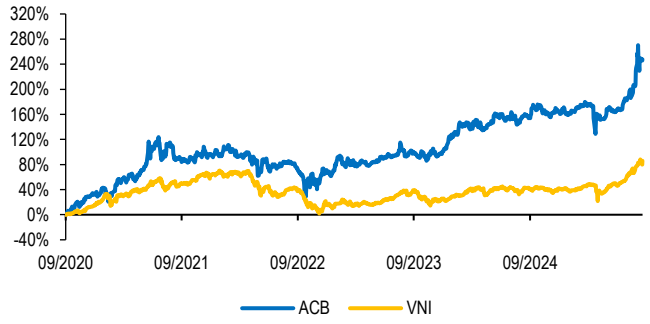
Financial indicators

Year	2022	2023	2024	2025F	2026F
Growth (% YoY)					
Loans to customers	14.31	17.86	19.09	17.00	17.00
Deposits from customers	8.96	16.61	11.31	13.00	15.00
Shareholders' equity	30.15	21.42	17.62	16.87	16.76
Total assets	15.18	18.25	20.20	12.46	16.82
Net interest income	24.22	6.06	11.36	8.18	17.87
Net non-interest income	13.80	48.14	(26.54)	20.85	20.01
PPOP	12.07	27.27	3.38	8.09	19.95
Net profit before tax	42.64	17.26	4.67	4.74	16.08
Net profit after tax	42.54	17.22	4.64	4.83	16.08
Profitability (%)					
NIM	4.36	3.98	3.68	3.33	3.42
ROA	2.41	2.42	2.12	1.92	1.94
ROE	26.49	24.80	21.75	19.45	19.33
Liquidity (%)					
Pure LDR	99.94	101.01	108.07	111.90	113.85
Asset quality					
Leverage (x)	10.40	10.13	10.35	9.96	9.97
NPL ratio (%)	0.74	1.21	1.49	1.40	1.30
LLR ratio (%)	159.27	91.16	77.92	93.73	102.22
Reverse/total credit (%)	1.17	1.10	1.16	1.04	1.06
Credit costs/total loans (%)	0.02	0.40	0.30	0.39	0.51
Credit costs/total credit (%)	0.02	0.40	0.30	0.39	0.51
Per share items (VND)					
EPS	4,053	4,131	3,759	3,427	3,978
BPS	17,303	18,269	18,685	18,990	22,172
PPOP/Share	5,088	5,631	5,062	4,758	5,708

Source: Company data, Shinhan Securities Vietnam

Asia Commercial Bank (ACB VN)

Price performance



Target price (VND)



Date (dd/mm/yyyy)	Recommendation	Target price (VND)	Range of price (%)	
			Average	Max/Min
30/04/2023 (Initial)	BUY	22,080	47.0	20/91
25/10/2023 (Update)	BUY	24,045	60.2	30/107
09/04/2024 (Update)	BUY	25,633	36.2	17/62
28/10/2024 (Update)	BUY	30,090	39.5	21/64
18/02/2025 (Update)	BUY	30,090	39.7	30.4/50.3
16/09/2025 (Update)	BUY	34,000	43.3	15.5/88.8

Note: Calculation of target price gap based on the next 12 months

Shinhan Securities Vietnam

Stock	Industry
◆ **BUY:** Upside potential in 12 months more than 15% ◆ **HOLD:** Upside potential in 12 months from -15% to 15% ◆ **SELL:** Upside potential in 12 months more than -15%	◆ **POSITIVE:** Based on market cap, largest share of sector stocks under coverage is rated BUY ◆ **NEUTRAL:** Based on market cap, largest share of sector stocks under coverage is rated HOLD ◆ **NEGATIVE:** Based on market cap, largest share of sector stocks under coverage is rated SELL

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