



Asia Commercial Bank

[Vietnam / Banking]

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

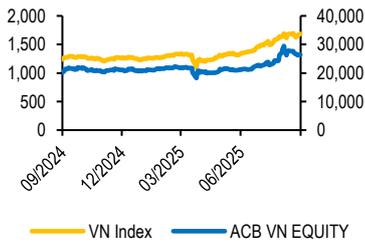
BUY

Update report

Target price (12 months) **VND 30,400**
 Current price (03/02/26) VND 23,950
Upside 26.9%

VNINDEX	1,846
P/E thị trường (23F, x)	13.9
Market Cap (bn VND)	125,078
Outstanding shares (mn)	5,137
Free-Floating (mn)	4,748
Free floating (%)	92.4
52-Wk High/Low (VND)	29,500/18,043
90-day avg. trading volume (mn)	12.15
90-day avg. turnover (bn VND)	310
Foreign ownership (%)	27.2
Major shareholders (%)	Sather Gate 4.99

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



Source: Bloomberg

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Stable asset quality

Updated with BUY recommendation, target price VND 30,400

ACB positions itself as a leading retail bank in Vietnam. It has consistently pursued a prudent growth strategy, notably refraining from investing in corporate bonds. In terms of asset quality, ACB is among the pioneering banks to have completed Basel III standards. The bank has delivered solid credit growth and continues to refine and strengthen its business model. Using a Residual Income (RI) approach and a P/B-based valuation method, we revise our 12-month target price for ACB to VND 30,400 (down from VND 34,000), reflecting our lower NIM assumptions and higher projected operating expenses for the coming years.

2025 business result

- ACB recorded credit growth of 18.5%, in line with the industry average. Loan growth was evenly distributed across quarters during the year. The bank has shown a more open risk appetite by beginning to invest in corporate bonds. Credit expansion was mainly driven by corporate and FDI clients, while retail lending increased by only 12.9% (business loans up 8%, mortgage lending posted strong growth of 23%)
- Customer deposit growth reached 8.9% in 2025, while total funding (including deposits and valuable papers) increased by 12.4% ytd.
- NIM declined sharply to 2.9% by end-2025, from 3.68% at end-2024. As a result, net interest income fell by 3.2% to VND 26,906 billion.
- Non-interest income grew by 20.5% in 2025, supported by the recovery in insurance services, FX operations, and recoveries from written-off loans.
- CIR remained stable below 32% in 2025. However, management indicated that CIR may rise to around 35% going forward as the bank accelerates its operation initiatives.
- The NPL ratio declined to 0.97%, while the LLR increased significantly to 114% by end-2025. ACB stepped up provisioning in Q4/2025 in relation to Decree No. 86/2024/NĐ-CP, which management described as a prudent approach.
- ACB's 2025 PBT reached VND 19,539 billion (-7% YoY), fulfilling only 85% of its full-year target.

Outlook for 2026

Compared with our previous forecast, ACB's actual 2025 results fell short of our expectations, mainly due to weaker-than-expected NIM and higher provisioning expenses for the year. For 2026, we project ACB's loan growth at 15%, with NIM remaining flat at 2.9% (revised down from our previous forecast of 3.4%). Non-interest income is expected to maintain solid growth of 23%. Credit cost is projected at 0.4%, with asset quality remaining stable, reflected in an NPL ratio of 1.2% and LLR above 100%. We also revise our operating expense growth assumption to 20% (vs. 15% in our previous report). Accordingly, ACB's PBT could reach VND 23,732 billion (+21.5% YoY), representing growth on the low base of 2025.

Risks: (1) Slower-than-expected credit growth; (2) Interest rate volatility leading to a sharper-than-forecast NIM compression; (3) Continued challenges in the retail lending segment.

Year	2022	2023	2024	2025	2026F
Interest income (VNDbn)	23,534	24,960	27,795	26,906	31,122
Non-interest income (VNDbn)	5,257	7,787	5,720	6,892	8,483
Total operating income (VNDbn)	28,790	32,747	33,515	33,798	39,604
Provision and other expenses (VNDbn)	(11,676)	(12,679)	(12,509)	(14,259)	(15,873)
Profit before tax (VNDbn)	17,114	20,068	21,006	19,539	23,732
Credit growth	14.3%	17.9%	19.1%	18.3%	15.00%
NIM	4.26%	3.93%	3.68%	2.9%	2.9%
ROE	26.49%	24.39%	21.75%	17.56%	18.6%

Source: Fiiopro, Company data, Shinhan Securities Vietnam

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Outlook for 2026

Year	2025	%yoy	2026F (New)	%yoy	2026F (Old)	Note
Net Interest Income (VNDbn)	26,906	-3.2%	31,122	15.7%	35,441	<ul style="list-style-type: none"> - Management noted that certain regulations related to e-invoices, tax declarations, and an unfavorable business environment have negatively impacted the recovery of the household business loan portfolio in 2025 - We assume ACB's loan growth to reach around 15%, with NIM remaining flat. Accordingly, we expect net interest income in 2026 to increase by approximately 15.7%. - After a prolonged period of limited participation in the corporate bond market, we observe that ACB has shown greater openness in its investment appetite, indicating that the bank will selectively and prudently invest in bonds issued by reputable companies with strong cash flows.
Non-interest Income (VNDbn)	6,892	20.5%	8,483	23.3%	8,296	<ul style="list-style-type: none"> - ACB's non-interest income increased by 21% in 2025, driven by strong performance in the FX segment and recoveries from previously written-off loans. We currently assume this segment will grow by approximately 23% in 2026. - Management noted that ACBI (non-life insurance) has completed the necessary legal procedures and is expected to officially commence operations in mid-2026. We expect fee income related to insurance to show a more visible recovery going forward. - In addition, ACB is awaiting approval of the quota and regulatory framework related to online gold trading.
Total Operating Income (VNDbn)	33,798	0.8%	39,604	17.1%	43,737	
Profit Before Tax (VNDbn)	19,539	-7.0%	22,732	21.5%	25,540	<p>We expect ACB's net profit to grow by more than 21% in 2026. However, this figure is lower than our previous forecast, mainly due to our downward revision of NIM assumptions and higher projected operating expenses.</p> <p>In Q4/2025, provisioning expenses surged to VND 1.96 trillion. ACB explained that this reflects a prudent approach to strengthen buffers in relation to Decree 86/2024/NĐ-CP.</p>

Net Income (VNDbn)	15,625	-6.9%	18,985	21.5%	20,432	Accordingly, we expect ACB's credit cost to decline slightly in 2026 (from 0.5% to 0.4%). As ACB rolls out several new operational initiatives, we assume the bank's CIR will increase from 32.3% to approximately 33.4%.
Non-performing ratio- NPL (%)	0.97%		1.2%		1.3%	- ACB's NPL ratio remains among the lowest in the system. The bank accelerated provisioning in 2025, bringing the NPL ratio down to below 1%. In 2026, as interest rates normalize, we cautiously forecast ACB's NPL ratio at around 1.2%.
Loan Loss Coverage Ratio - LLR (%)	114%		106%		102%	We maintain our assumption that ACB's LLR will stay above 100% in 2026.
Total Credit Growth - Ytd (%)	18.3%		15.0%		17.0%	- Consolidated loan growth reached 18.6% in 2025, driven by corporate lending (+62%) and FDI clients (+170%). Real estate lending grew by 25%, of which 80% was mortgage lending and only 20% was lending to developers. - Given the SBV's tighter stance on credit growth control, we revise down our 2026 loan growth forecast to 15%.
Customer Deposit Growth - Ytd (%)	8.9%		14.0%		15.0%	- As interest rates have moved away from historically low levels, we expect customer deposit mobilization at ACB to improve. However, due to the lower loan growth assumption, we also slightly trim our deposit growth projection accordingly. - ACB's LDR stood at 79% at end-2025 (vs. the regulatory cap of 85%), while the ratio of short-term funding for medium- and long-term loans was 24.4% (below the 30% regulatory ceiling). These indicators suggest that ACB's balance sheet structure remains stable.
Net Interest Margin - NIM (TTM %)	2.9%		2.9%		3.4%	- Amid the industry-wide trend of rising funding costs and a shift in loan growth drivers (with corporate clients leading, while household businesses and SMEs show weaker-than-expected recovery), we lower our NIM forecast to below 3% (from 3.4%).

Valuations and recommendations

Valuation

We apply a Residual Income (RI) model and a P/B valuation approach with weightings of 20% and 80%, respectively.

Our 12-month target price is set at VND 30,400 per share (down from VND 34,000 in our previous report).

1) ACB has not met our earnings expectations, as its household business loan portfolio is facing certain challenges in the recovery process. Although overall loan growth remains solid, driven by corporate and FDI clients, these segments typically generate thinner margins for the bank. In the near term, we lower our target P/B multiple for ACB to 1.4x (below its 5-year historical average of around 1.5x).

With our 12-month forward BVPS forecast at VND 21,358, we derive a 12-month target price of VND 29,901 under the P/B method.

2) Under the Residual Income approach, our 12-month target price is VND 32,419 per share.

Cost of Equity (%)	
Cost of Equity (%)	13.2
Risk-free rate (%)	4.3
Equity risk premium (%)	8.15
Beta	1.1

RI Method					
(Unit: VNDbn)	2026F	2027F	2028F	2029F	2030F
Cost of equity	13.2	13.2	13.2	13.2	13.2
Cost of equity after 2030					13.2
Net income	18,986	21,986	25,645	28,857	32,988
Residual income (RI)	5,523	6,363	7,510	7,849	8,718
PV of RI	4,880	4,967	5,180	4,783	4,694

Terminal value of RI (VNDbn)	88,233
Terminal growth (%)	2.00%

PV of terminal value (VNDbn)	47,503
PV of RI (bn VND)	24,503
Beginning equity (bn VND)	94,520
Total value (bn VND)	166,526
Total outstanding shares (bn)	5.14
Target price (VND)	32,419

Valuation Summary		
Method	Weight	Price target (VND)
Residual income	20%	32,419
P/B target (1.4x)	80%	29,901
Target price (VND)		30,400

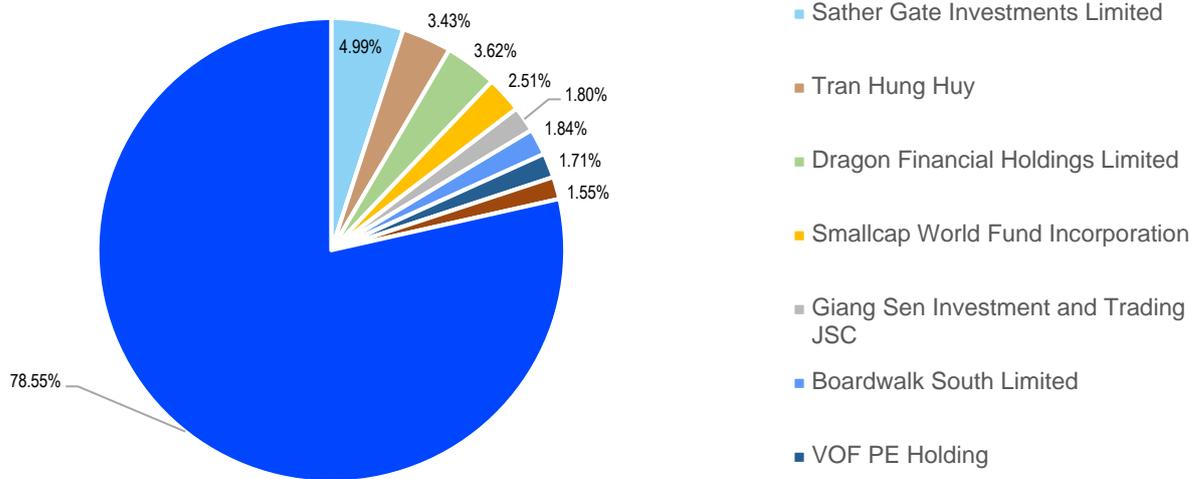
Source: Shinhan Securities Vietnam

Business overview

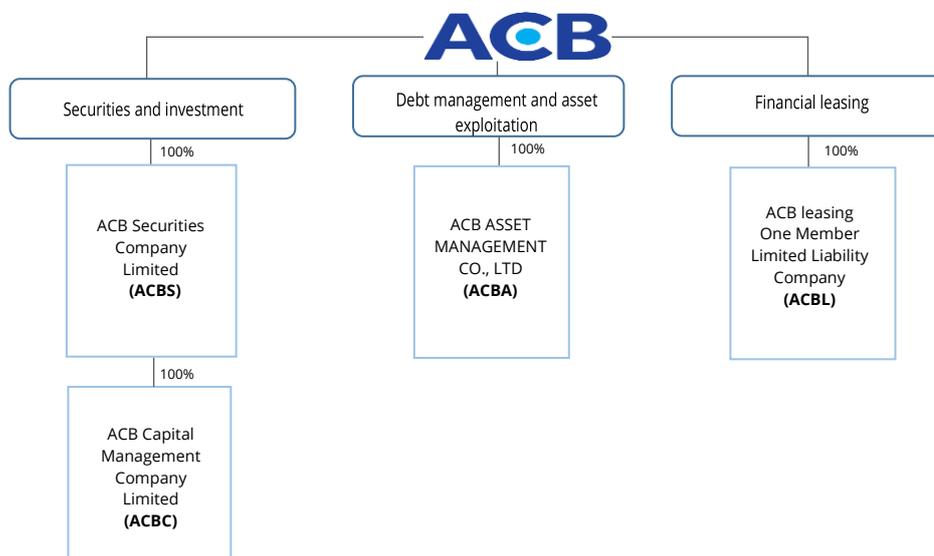
Company history

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 Q4/2025



Subsidiaries of ACB

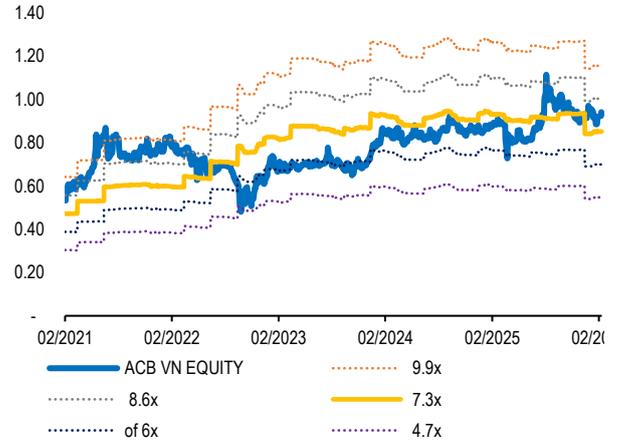


PER of ACB



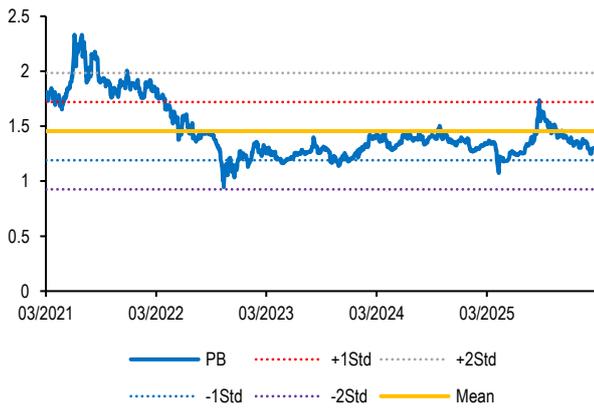
Source: Bloomberg, Company data, Shinhan Securities Vietnam

PER band of ACB



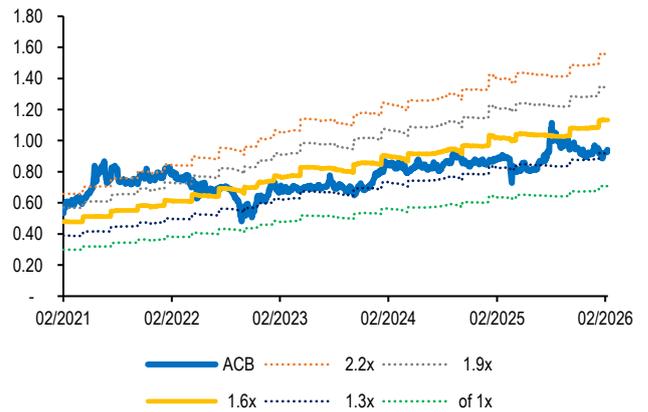
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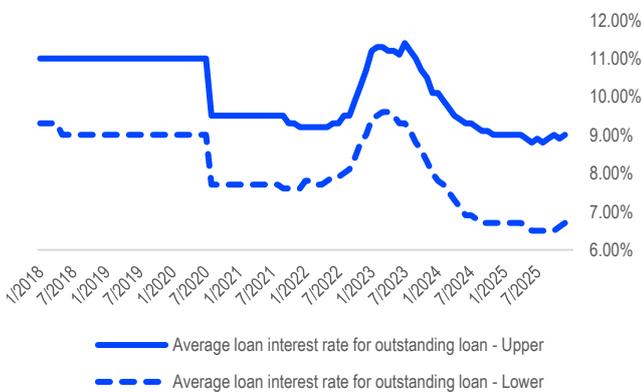
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PBR band of ACB



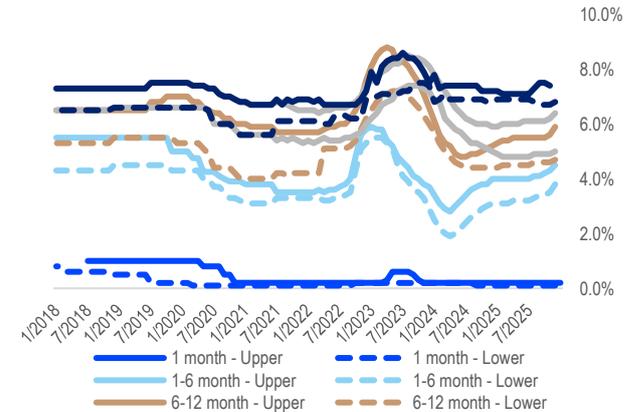
Source: Bloomberg, Company data, Shinhan Securities Vietnam

Average loan interest rate in Vietnam



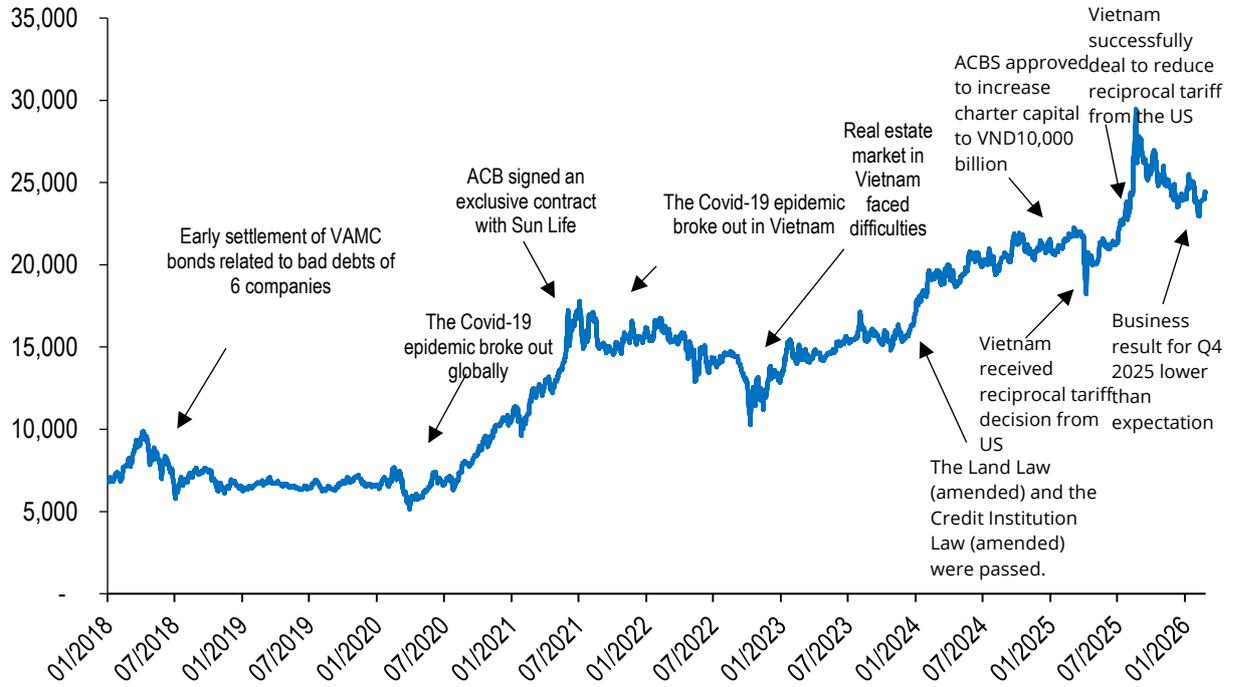
Source: SBV, Company Data, Shinhan Securities Vietnam

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	2025	2026F
Total assets	607,875	718,795	864,006	1,025,85	1,151,15
Cash and precious metals	8,461	6,909	5,696	8,625	5,337
Balances with the SBV	13,658	18,505	25,220	16,575	26,684
Placements with and loans to other credit institutions	85,971	114,874	117,882	149,991	149,767
Trading securities	1,131	7,177	3,881	6,545	6,545
Derivatives and other financial assets	100	-	56	324	324
Loans and advances to customers	408,857	482,235	573,947	679,153	781,839
Debt purchase	-	-	-	-	-
Investment securities	75,535	73,463	121,090	144,164	157,436
Long-term investments	147	140	125	75	75
Fixed assets	3,981	4,763	5,412	5,439	5,963
Investment properties	177	177	177	150	150
Other assets	9,858	10,552	10,519	14,811	17,033
Total liabilities	549,437	647,839	780,544	931,330	1,041,44
Due to Gov and Loans from SBV	506	0	7,955	32,976	32,976
Deposits and Loans from other credit institutions	67,841	89,507	111,592	155,000	152,302
Deposits from customers	413,953	482,703	537,305	585,180	667,105
Derivatives, Funds received from Gov, international and other institutions	60	159	28	19	19
Convertible bonds/CDs and other	44,304	52,410	101,650	133,294	159,953
Other liabilities	22,772	23,060	22,014	24,861	29,087
Shareholder's equity	58,439	70,956	83,462	94,520	109,708
Capital	34,046	39,112	44,938	51,638	51,638
Reserves	9,220	11,557	14,790	17,583	20,468
Retained earnings	15,172	20,286	23,734	25,298	37,601
Minority interest	-	-	-	-	-
Total liabilities and equity	607,875	718,795	864,006	1,025,85	1,151,15

Financial indicators

Year	2022	2023	2024	2025	2026F
Growth (% YoY)					
Loans to customers	14.31	17.86	19.09	18.27	15.00
Deposits from customers	8.96	16.61	11.31	8.91	14.00
Shareholders' equity	30.15	21.42	17.62	13.25	16.07
Total assets	15.18	18.25	20.20	18.73	12.21
Net interest income	24.22	6.06	11.36	(3.20)	15.67
Net non-interest income	13.80	48.14	(26.54)	20.49	23.08
PPOP	12.07	27.27	3.38	1.16	15.36
Net profit before tax	42.64	17.26	4.67	(6.98)	21.46
Net profit after tax	42.54	17.22	4.64	(6.94)	21.51
Profitability (%)					
NIM	4.36	3.98	3.68	2.94	2.92
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	117.36	118.39
Asset quality					
Leverage (x)	10.40	10.13	10.35	10.85	10.54
NPL ratio (%)	0.74	1.21	1.49	0.97	1.20
LLR ratio (%)	159.27	91.16	77.92	114.29	105.65
Reverse/total credit (%)	1.17	1.10	1.16	1.11	1.01
Credit costs/total loans (%)	0.02	0.40	0.30	0.53	0.36
Credit costs/total credit (%)	0.02	0.40	0.30	0.53	0.36
Per share items (VND)					
EPS	4,053	4,131	3,759	3,042	3,696
BPS	17,303	18,269	18,685	18,401	21,358
PPOP/Share	5,088	5,631	5,062	4,453	5,137

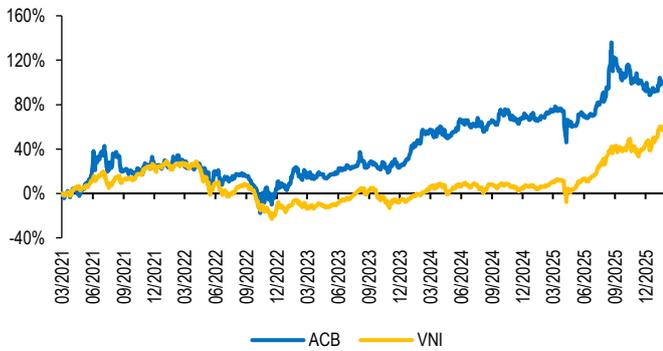
Source: Company data, Shinhan Securities Vietnam

Income statement

Year (bn)	2022	2023	2024	2025	2026F
Interest and Similar Income	40,699	52,347	50,903	58,756	70,845
Interest and Similar Expenses	(17,165)	(27,387)	(23,108)	(31,850)	(39,723)
Net Interest Income	23,534	24,960	27,795	26,906	31,122
Net Fee and Commission Income	3,526	2,922	3,239	3,147	4,430
From foreign currency and gold	1,048	1,110	1,171	1,732	1,976
From trading of trading securities	(388)	168	200	474	-
From disposal of investment securities	21	2,647	450	397	754
Net Fee and Commission Income	990	863	624	1,023	1,204
Dividends income	59	76	36	119	119
Total non-interest income	5,257	7,787	5,720	6,892	8,483
Total operating income	28,790	32,747	33,515	33,798	39,604
General and Admin expenses	(11,605)	(10,874)	(10,903)	(10,924)	(13,218)
Operating Profit Before Provision (PPOP)	17,185	21,872	22,612	22,874	26,386
Provision for credit losses	(71)	(1,804)	(1,606)	(3,335)	(2,654)
Profit before tax	17,114	20,068	21,006	19,539	23,732
Corporate income tax	(3,426)	(4,023)	(4,216)	(3,914)	(4,746)
Net profit after tax	13,688	16,045	16,790	15,625	18,986
Attributable to parent company	13,688	16,045	16,790	15,625	18,986

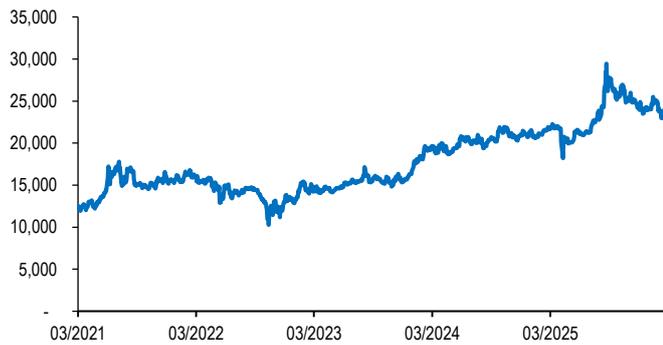
Asia Commercial Bank (ACB VN)

Price performance



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
02/03/2026 (Update)	BUY	30,400	20.3	-3.1/58.5

Target price (VND)



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

Shinhan Securities Vietnam

Stock

- ◆ **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%

Industry

- ◆ **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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