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# Asia Commercial Bank (ACB)

## Flat 2020E guidance; moving to HOSE

### Earnings guidance kept flat for 2020E

— Management released flat earnings guidance of VND7,636 billion or down a modest 1.6% for 2020E in the proposal for the annual general shareholders' meeting. Other metrics included: 1) credit growth of 11.75% YoY and equal to State Bank of Vietnam's allocation to ACB for 2020E; 2) customer deposit growth of 12% YoY; 3) total assets growth of 12% YoY; and 4) non-performing loans below 2%. Shareholders will meet to approve these business targets on June 16.

### Plans to change listing to the Ho Chi Minh Stock Exchange

— ACB will also ask shareholders to approve changing the listing to the Ho Chi Minh Stock Exchange. This move should allow ACB to be included in several indices, including the VN30 (at about 4% weighting according to management); VNDiamond (10% estimated weighting); VNFIN Select (12% estimated weighting) and VNFIN Lead (12% estimated weighting), which should support the stock's market value and benefit shareholders. Specific details on the timetable will be determined by the Board of Directors.

### Will declare 30% stock dividend for 2019 performance & issue Tier 2 international bonds

- Management plans to boost charter capital by VND4,988 billion to VND21,615 billion with a 10-for-3 stock dividend for 2019 results. These stock dividends will be issued to existing shareholders and is expected to be completed in 4Q. Moreover, the dividend target for 2020E performance will be an 18% stock dividend.
- ACB will also ask shareholders to approve issuing Tier 2 international bonds representing up to 10% of total customer deposits. The bonds will be issued to boost Tier 2 capital and improve the ratio of short-term funding for medium- to long-term loans at a spread to prevailing interest rates at the time of issue.

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## Investment ratings & definitions

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### 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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