

NAB listed on HOSE on March 8, 2024

Nam A Commercial Joint Stock Bank (Stock code: NAB) to be listed on HoSE on March 8, 2024 with a reference price of VND 15,900 /share with a price range on the first trading day of +/-20%, corresponding to the floor and ceiling price of NAB on the first trading day is VND 12,720 – 19,080 /share. Previously, NAB canceled transactions of more than 1 billion NAB shares on UPCoM, the closing price of the last trading session on February 28, 2024 was VND 16,500 /share.

Our comments about NAB:

NAB is among small-sized private banks in the banking system with total assets of more than VND 200,000 billion, market share of credit and deposit accounting for about 1% of the entire banking system, by the end of 2023.

In 2023, PBT of NAB reached VND 3,304 billion, an increase of 45.7% compared to 2022, mainly thanks to a sharp increase in NIM in Q4/2023 (up 1.97 percentage points q/q and up 1.4 percentage points y/y) to 4.94%. By the end of 2023, NAB's ROA and ROE reached 1.4% and 18.8%, respectively, higher than the industry average (ROA: 1.3%, ROE: 14.8%).

NAB's liquidity and capital adequacy indicators were under well control with LDR ratio of 75%, short-term capital for medium and long-term loans of 19.9% and CAR (Basel II) of 11.1%. NPL ratio and group 2 loan ratio were 2.1% and 3.8%, respectively. Restructured loan according to Circular 02/2023 accounted for an insignificant proportion.

NAB has settled all VAMC bonds in Q4/2023, thereby helping the bank reduce pressure of provisioning for VAMC bond in the following years.

The management said that NAB's 2024 credit growth quota based on the score of SBV is about 14.2%-15.7%, equivalent to the SBV's system-wide credit growth guidance.

PBT plan for 2024 is VND 4,000 billion (21% growth) and 2025 is VND 5,000 billion (25% growth). According to the above plan and with the reference price of VND 15,900 /share, the 2024 forward P/E and P/B of NAB are 5.3x and 0.9x, respectively, equivalent to same-sized peers.

The management also plans to pay stock dividends at the minimum of 20% of par value for each year to come.

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BUY	: total stock returns (including dividend yield) over the next 12 months are forecast to be 20% or higher.
OUTPERFORM	: total stock returns (including dividend yield) over the next 12 months are forecast to be from 10 to 20%.
NEUTRAL	: total stock returns (including dividend yield) over the next 12 months are forecast to be between -10 and 10%.
UNDERPERFORM	: total stock returns (including dividend yield) over the next 12 months are forecast to be from -10 to -20%.
SELL	: total stock returns (including dividend yield) over the next 12 months are forecast to be -20% or lower.

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