



Company Report: Agribank insurance (ABI VN)

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2022 AM updated

- Business Plan 2022: Revenue reaches at least VND 2,124 billion, + 8.4% YoY. The underlying premium will reach VND 2,114 billion, + 8% YoY. Minimum PBT reaches VND 316 billion.
- The company targets to reach VND 3,300 billion in revenue by 2025, with charter capital reaching VND 700 billion.
- Dividend 2022: 20% in shares
- After the decrease in revenue due to the Covid-19 pandemic in 2021, insurance revenue has now recovered, monthly sales was back to normal at VND200 billion / month and expected to grow strongly in 2022, making up for sales reduction in 2021.
- There is low compensation cost in 2021 low due to social distancing, leading to increased profits.
- From now until 2025, the board of directors will list shares on the exchange.
- Currently, the new Law on Insurance Business does not have a significant impact on the business activities of the company.
- There is still huge potential in the credit insurance product line. The management will try to expand the sales channel to credit funds as well as branches of other banks.
- 6 months business result is still following the plan.
- The equitization of Agribank is still being implemented, especially removing obstacles in land use plans.
- Currently Credit Insurance products are proving great benefits for farmers, ensuring social security, and customers buying on a voluntary basis, the level of product satisfaction is very high.

Rating:

Buy
Initial

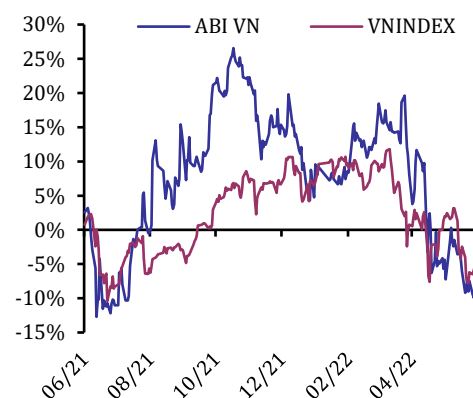
6-18m TP:

70,000

Share price:

VND46,700

Stock performance



Change in Share Price	1 M	3 M	1 Y
Abs. %	-4.7%	-19.6%	-12.5%
Rel. % to VNI index	0.2%	-2.1%	-21.6%
Avg. share price (VND)	48,767	53,023	55,572

Source: Bloomberg, Guotai Junan Vietnam

Year End	Revenue	Net Profit	EPS	EPS	PER	BPS	PBR	DPS	Yield	ROE
12/31	(VND bil)	(VND bil)	(VND)	(Δ%)	(x)	(VND)	(x)	(VND)	(%)	(%)
2017A	1,235	128	3,378	15%	14	17,310	2.70	2000	59%	40
2018A	1,413	172	4,521	34%	10	19,702	2.37	0	0%	48
2019A	1,742	242	6,381	41%	7	23,449	1.99	1000	16%	46
2020A	1,905	293	7,711	21%	6	27,497	1.70	500	6%	35
2021A	1,957	273	6,333	-18%	7	28,613	1.63	0	0%	23

Shares in issue (m)	41.9	Major shareholder	Agribank 51.51%
Market cap. (VNĐ m)	1,961,510	Free float (%)	35.0
3-month average vol. ('000)	24,678	FY21 Net gearing (%)	162.0
52 Weeks high/low (VNĐ)	44,737 / 68,000		

Source : the Company, Guotai Junan Vietnam.



Financial Statements and Ratios

Balance sheet				Income statement			
Year end Dec (VND ' bil)	2019	2020	2021	Year end Dec (VND ' bil)	2019	2020	2021
Current Asset	2,375	2,796	3,103	Premium revenue	1,515	1,779	1,883
Cash & equivalents	48	58	57	Compensation expense	-377	-478	-541
Short term investment	1,940	2,283	2,514	Direct cost	-791	-991	-1,114
Receivable	90	98	145	SGA expenses	-477	-483	-469
Non-current assets	194	192	212	Financial income	121	138	125
Property plant & equipment	122	132	140	Profit before income tax	303	366	341
Long term investment	59	45	53	Profit after tax	242	293	273
Total assets	2,569	2,988	3,315	EPS(VND)	6,582	6,582	6,582
Current liabilities	1,678	1,943	2,080	Financial ratio			
Current liabilities	1,678	1,943	2,080	PBT margin	20.00%	20.57%	18.11%
Insurance provision	1,408	1,609	1,711	ROA	9.42%	9.81%	8.24%
Non-current liabilities	0	0	0	ROE	27.16%	28.04%	22.11%
Total equity	891	1,045	1,235				
Retained earnings	299	380	425				
Total Capital	2,569	2,988	3,315				

Source: the Company, Guotai Junan (Vietnam).

COMPANY RATING DEFINITION

Benchmark: VN – Index.

Time Horizon: 6 to 18 months

Rating	Definition
Buy	Relative Performance is greater than 15% Or the Fundamental outlook of the company or sector is favorable
Accumulate	Relative Performance is 5% to 15% Or the Fundamental outlook of the company or sector is favorable
Neutral	Relative Performance is -5% to 5% Or the Fundamental outlook of the company or sector is neutral
Reduce	Relative Performance is -15% to -5% Or the Fundamental outlook of the company or sector is unfavorable
Sell	Relative Performance is lower than - 15% Or the Fundamental outlook of the company or sector is unfavorable

SECTOR RATING DEFINITION

Benchmark: VN – Index

Time Horizon: 6 to 18 months

Rating	Definition
Outperform	Relative Performance is greater than 5% Or the Fundamental outlook of the sector is favorable
Neutral	Relative Performance is -5% to 5% Or the Fundamental outlook of the sector is neutral
Underperform	Relative Performance is lower than -5% OrThe Fundamental outlook of the sector is unfavorable

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