



Military Commercial Joint Stock Bank

[Vietnam / Banking]

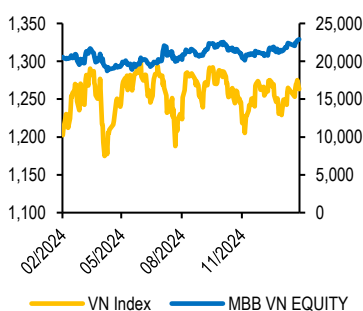
Bloomberg Code (MBB VN) | Reuters Code (MBB.HM)

BUY

Update report

Target price (2026) **VND 34,100**
Current price (02/03/26) VND 27,650
Upside/downside **23.3%**

VNINDEX	1,801
P/E thị trường (25F, x)	13.6
Market Cap (bn VND)	222,721
Outstanding shares (mn)	8,055
Free-Floating (mn)	5,534
Free floating (%)	68.7
52-Wk High/Low (VND)	29,500/14,735
90-day avg. trading volume (mn)	28.71
90-day avg. turnover (bn VND)	667
Foreign ownership (%)	22.1
Major shareholders (%)	Viettel 14.7 SCIC 9.8
Performance	3T 6T 12T
Absolute (%)	15.2 31.3 62.6
Relative to VN-Index (%)	6.2 13.4 20.2



Source: Bloomberg

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Justifies a higher price target

Updated with BUY recommendation, target price VND 34,100

Military Commercial Joint Stock Bank (MBB) has many outstanding achievements in recent years of operation, demonstrated by asset quality, outstanding profits along with highly appreciated credit ratings by international rating agencies. MBB continues to focus on IT development and digital transformation towards the goal of "Becoming a Digital Enterprise, a Leading Financial Group". In 2025, MBB management expect to focus more on retail segment of loan portfolio and continue to improve the quality of CASA. With the residual income (RI) method and comparison method based on the P/B, we update the target price for MBB in 2024 at 34,100 VND.

Business result in 2025

MBB ended 2025 with strong balance sheet expansion. Consolidated total assets grew 43% YoY, while consolidated credit increased 37% YoY, well above the industry average (around 19%). Loan growth was broad-based across retail and corporate segments, with retail loans accounting for 45% of total outstanding loans by end-2025.

Total deposits increased 31% YoY, with a continued acceleration in the issuance of valuable papers (+44%) to support strong credit growth.

Despite robust loan expansion, MBB's NIM narrowed to 4.06% by end-Q4/2025, reflecting an industry-wide trend amid slower deposit growth and intensified competition in lending rates. Net interest income reached VND 51,610 billion (+25% YoY).

Non-interest income grew 13% YoY, driven mainly by fee income (+51%) and recoveries from bad debt handling (+69%), with card services, bancassurance, and advisory services showing a solid recovery.

The CIR declined to 29.1%, reflecting improved operating efficiency through technology adoption. The consolidated NPL ratio fell to 1.3%, while the loan loss coverage ratio reached 93.75% (100% at the parent bank).

Pre-tax profit reached VND 28,829 billion (+19% YoY), exceeding management's target and our forecast, supported by effective cost control and a recovery in fee income.

Outlook for 2026

We forecast 2026 credit growth at 30%, below management's 35% target, due to emerging liquidity tightness in recent quarters. In a mildly rising interest rate environment and with MBB maintaining relatively low lending rates to prioritize scale, we expect NIM to narrow further to 3.9% in 2026. Benefiting from its participation in the restructuring of MBV Bank, we assume MBB can raise its loan loss coverage ratio to 111% in 2026, while CIR remains below 29%.

Accordingly, 2026 pre-tax profit is projected at VND 39,995 billion, up 16.7% YoY

Risk: (1) Ongoing liquidity pressure in the banking system may continue to compress NIM. (2) Rising lending rates could put pressure on banks' asset quality in the coming years

Year	2022	2023	2024	2025F	2026F
Interest income (VNDbn)	36,023	40,964	41,152	51,610	67,627
Non-interest income (VNDbn)	9,570	7,433	14,261	16,083	18,754
Total operating income (VNDbn)	45,593	48,397	55,413	67,693	86,381
Provision and other expenses (VNDbn)	(22,863)	(21,000)	(26,584)	(33,425)	(46,386)
Profit before tax (VNDbn)	22,729	26,306	28,829	34,268	39,995
Credit growth (%)	25.0%	28.0%	24.7%	36.7%	30%
NIM (%)	5.7%	4.8%	4.2%	4.1%	3.9%
ROE (%)	25.6%	23.9%	21.5%	21.1%	20.5%

Source: Finpro, Company data, Shinhan Securities Vietnam

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MBB analyst meeting note for Q4/2025

Management's targets and business outlook for 2026:

Entering 2026, MBB is embarking on its second consecutive year of high balance sheet expansion, building on the strong 2025 base, which marked the bank's most aggressive balance sheet growth in the past five years. Management continues to pursue a strategy of rapid yet controlled growth, with retail, digitalization, and ecosystem development as its core pillars, while maintaining risk discipline amid strong credit expansion.

Credit growth:

MBB targets credit growth of approximately 35% in 2026, above the industry average, continuing to leverage: (i) a CASA ratio among the highest in the system (37.8% as of end-2025); and (ii) sustained credit expansion headroom stemming from its participation in the restructuring of a weak bank.

MBB will continue its long-term strategy of increasing the retail loan mix by 1.5–3.0 percentage points per year, with retail loans expected to account for around 47–50% of the total loan portfolio over the medium term. Management indicated that within the retail portfolio, approximately 40% is mortgage lending and 40% relates to SME/household business loans.

For unsecured lending, MBB stated that exposure will be capped at below 10% of total outstanding loans.

Funding:

Deposits are expected to grow broadly in line with credit (around 35%), supported by a sustained high CASA ratio and increasing customer engagement within MBB's digital ecosystem.

Operating efficiency:

NIM: Expected to remain around 4%, facing mild pressure from a 0.15–0.2ppt increase in funding costs, partly offset by scale expansion and a high CASA ratio. **From our perspective, with interbank market conditions remaining tight in the early months of 2026, NIM at MBB and across the banking system may continue to decline in 1H2026. For the full year, we forecast MBB's NIM to ease to 3.9%, with net interest income growth driven primarily by balance sheet expansion rather than margin improvement.**

CIR: Expected to remain on an optimization trend at 28–29%, supported by operating leverage from digitalization and scale.

ROE: Expected to stay at a high level of around 20%, reflecting superior capital efficiency among large banks.

MBB shared that it plans to adopt the Standardized Approach (SA) as early as 2027 and the IRB approach in 2029, ahead of the SBV's 2030 deadline.

Regarding dividend policy, MBB indicated that it will prioritize capital strengthening to support growth; accordingly, we do not expect a high cash dividend payout in the near term

As for M Credit, management noted that an IPO is under consideration, but near-term priorities remain focused on further system and platform enhancements.

Valuations and recommendations

Valuation

We use the residual income (RI) method and the P/B method. The target price for the stock in 2026 is VND34,100/share.

1) In an environment where the SBV imposes a relatively low system-wide credit growth cap (around 12%), banks that do not participate in the restructuring of weak banks are expected to face lower credit growth limits than MBB. Given MBB's superior balance sheet expansion prospects, we view its current P/B valuation of 1.6x as reasonable, slightly above its five-year average (around 1.5x). Based on our 2026 BVPS estimate of VND 21,181 per share, we derive a target price of VND 33,890 per share.

2) For the residual income method, the estimated stock price in 2026 is VND34,158.

Cost of Equity (%)	
Cost of Equity (%)	13.2
Risk-free rate (%)	4.3
Equity risk premium (%)	8.1
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	31,996	37,171	44,210	56,257	61,571
Residual income (RI)	11,400	12,488	14,702	20,792	19,120
PV of RI	10,073	9,750	10,142	12,673	10,298

Terminal value of RI (VNDbn)	148,886
Terminal growth (%)	2.00%

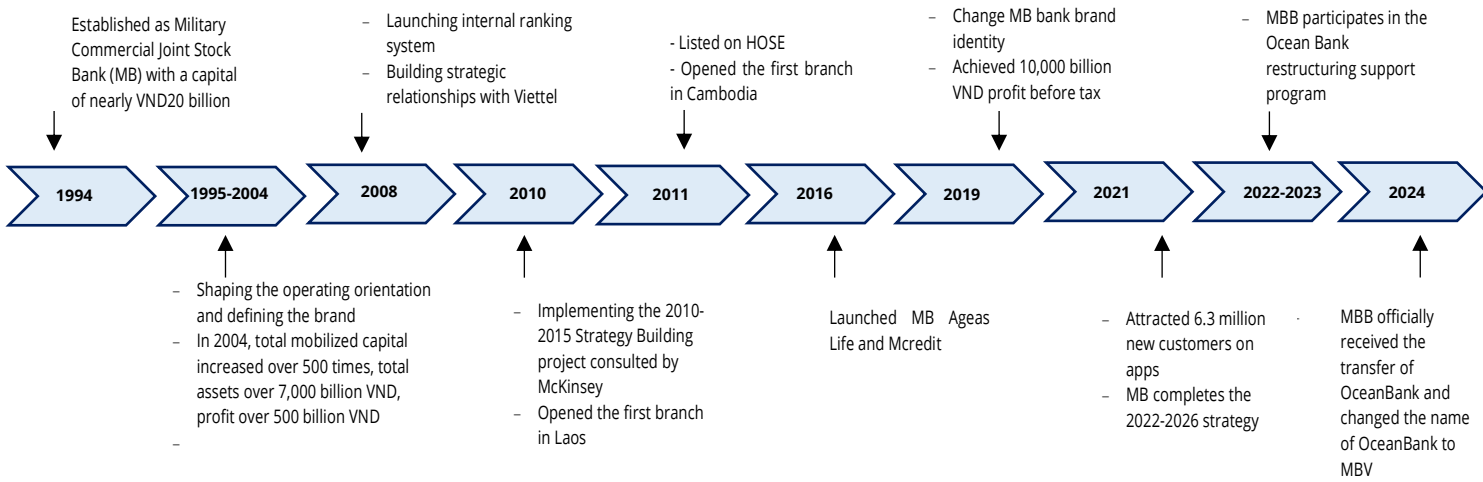
PV of terminal value (VNDbn)	80,185
PV of RI (VNDbn)	52,935
Beginning equity (bn VND)	142,023
Discount (%)	275,143
Total value (bn VND)	8.05
Total outstanding shares (bn)	34,158
Target price (VND)	80,185

Valuation Summary		
Method	Weights	Price target (VND)
Thu nhập thặng dư (RI)	60%	34,158
P/B target (1.6x)	40%	33,890
Target price (VND)		34,051

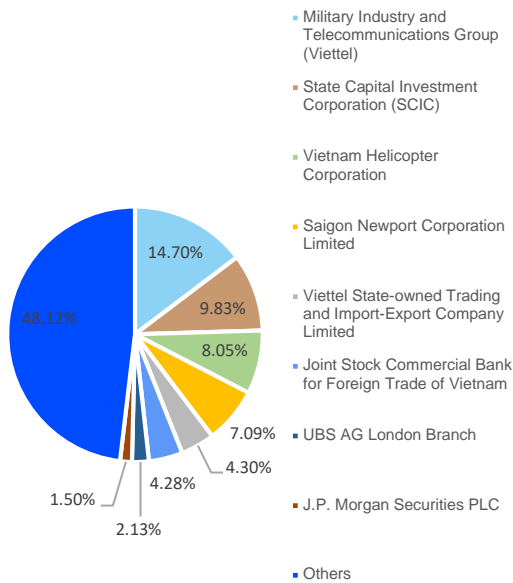
Source: Shinhan Securities Vietnam

Business overview

Business history

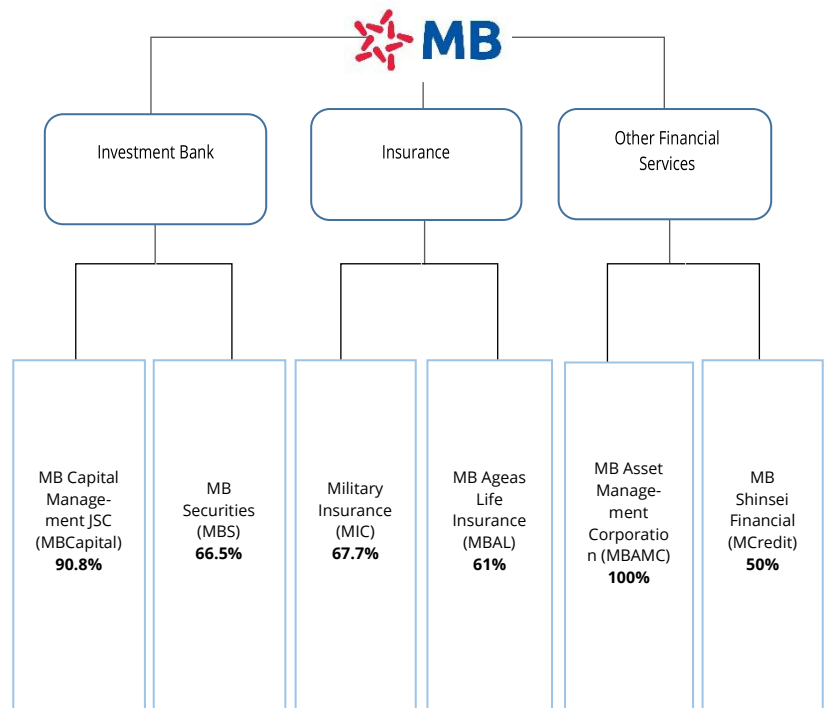


Shareholder ownership 12/31/2024



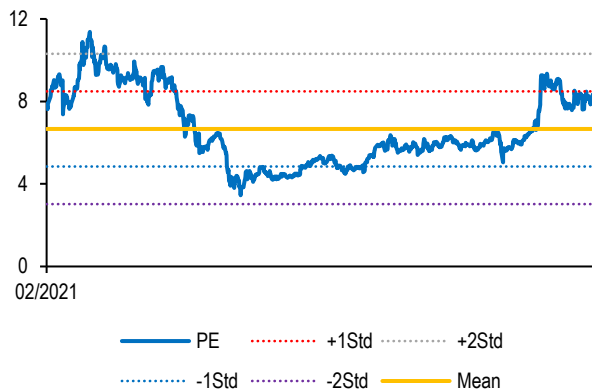
MBB subsidiaries

MBB owns many subsidiaries operating in the financial and non-financial sectors, including:



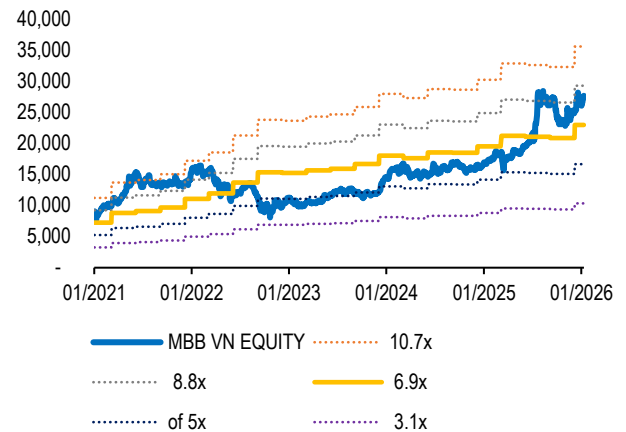
Source: Company data, Shinhan Securities Company

PER of MBB



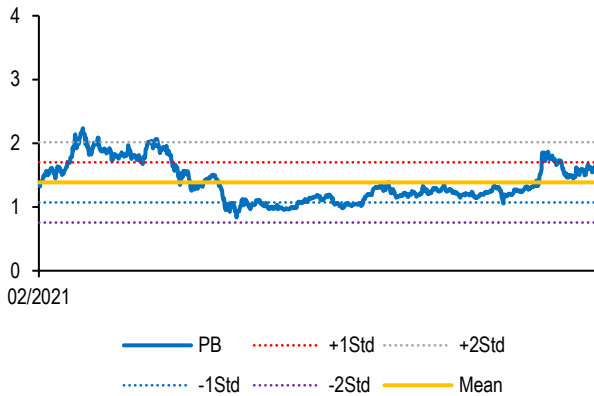
Source: Bloomberg, Company data, Shinhan Securities Vietnam

PER band of MBB



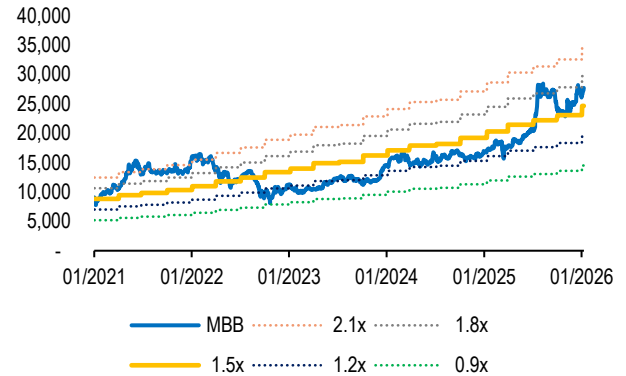
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PBR of MBB



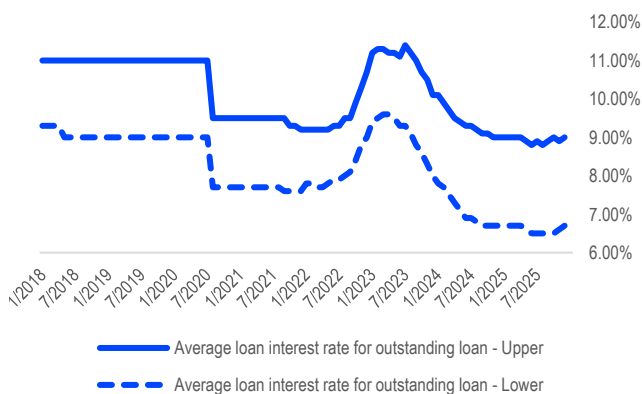
Source: Bloomberg, Company data, Shinhan Securities Vietnam

PBR band of MBB



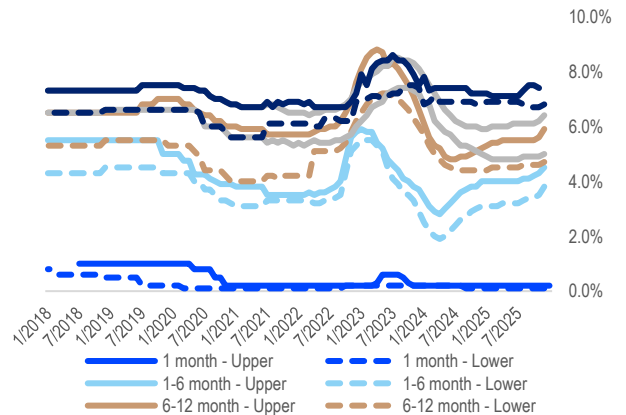
Source: Bloomberg, Company data, Shinhan Securities Vietnam

Average loan interest rate in Vietnam



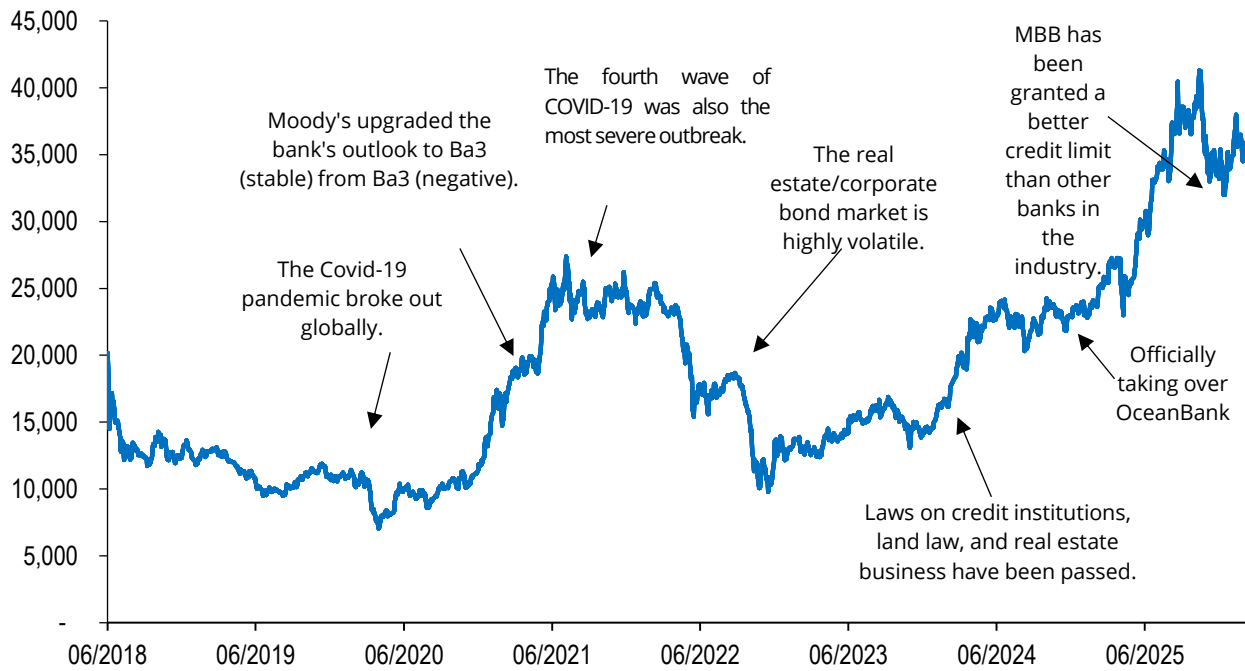
Source: SBV, Company Data, Shinhan Securities Vietnam

Average deposit interest rate in Vietnam



Source: SBV, Company Data, Shinhan Securities Vietnam

MBB important events



Source: Bloomberg, Company Data, Shinhan Securities Vietnam

Appendix: Financial statements

Balance sheet

Year (bn VND)	2022	2023	2024	2025	2026F
Total assets	728,532	944,954	1,128,80	1,615,764	1,972,026
Cash and precious metals	3,744	3,675	3,349	4,966	11,978
Balances with the SBV	39,655	66,322	29,825	68,494	-
Placements with and loans to other credit institutions	32,937	46,344	76,786	182,924	290,096
Trading securities	4,106	44,251	7,932	4,653	5,592
Derivatives and other financial assets	70	141	-	-	-
Loans and advances to customers	448,599	599,579	765,048	1,070,869	1,392,851
Debts purchase	1,007	1,790	952	2,444	2,444
Investment securities	159,580	147,923	209,637	225,575	203,111
Long-term investments	625	616	609	468	468
Fixed assets	5,074	4,854	5,430	5,617	5,826
Investment properties	236	240	234	223	223
Other assets	32,901	29,218	28,998	49,531	59,438
Total liabilities	648,919	848,242	1,011,74	1,473,741	1,802,973
Due to Gov and Loans from SBV	32	9	8,156	47,475	47,475
Deposits and Loans from other credit institutions	65,117	99,810	110,170	248,017	227,257
Deposits from customers	443,606	567,533	714,154	921,368	1,197,779
Derivatives, Funds received from Gov, international and other institutions	2,003	2,800	2,985	4,611	5,764
Convertible bonds/CDs and other	96,578	126,463	128,964	187,236	243,407
Other liabilities	41,584	51,628	47,312	65,034	81,292
Shareholder's equity	79,613	96,711	117,060	142,023	169,053
Capital	47,597	54,938	56,296	83,966	83,966
Reserves	9,289	12,194	14,997	19,391	23,770
Retained earnings	19,064	25,560	40,718	32,577	54,763
Minority interest	3,664	3,973	4,911	5,886	6,554
Total liabilities and equity	728,532	944,954	1,128,80	1,615,764	1,972,026

Financial indicators

Year	2022	2023	2024	2025	2026F
Growth (% YoY)					
Loans to customers	26.69	32.67	27.10	39.57	30.00
Deposits from customers	15.31	27.94	25.83	29.02	30.00
Shareholders' equity	27.41	21.48	21.04	21.32	20.13
Total assets	19.99	29.71	19.46	43.14	22.15
Net interest income	37.50	7.39	6.38	25.41	31.03
Net non-interest income	(10.86)	(9.90)	65.40	12.78	16.61
PPOP	25.33	5.25	18.56	25.01	30.73
Net profit before tax	37.53	15.74	9.59	18.87	16.71
Net profit after tax	37.32	15.97	9.01	19.31	16.85
Profitability (%)					
NIM	5.60	4.83	4.24	4.06	3.89
ROA	2.7	2.5	2.2	2.0	1.8
ROE	25.6	23.9	21.5	21.1	20.5
Liquidity (%)					
Pure LDR	103.83	107.67	108.75	117.65	117.65
Asset quality					
Leverage (x)	9.15	9.77	9.64	11.38	11.57
NPL ratio (%)	1.09	1.60	1.62	1.29	1.20
LLR ratio (%)	238.03	116.98	92.25	93.75	111.20
Reverse/total credit (%)	2.36	1.77	1.43	1.19	1.14
Credit costs/total loans (%)	1.95	1.14	1.38	1.48	1.83
Credit costs/total credit (%)	1.59	0.94	1.31	1.43	1.59
Per share items (VND)					
EPS	4,004	4,038	4,325	3,400	3,972
BPS	17,559	18,548	22,060	17,632	21,181
PPOP/Share	6,788	6,213	7,238	5,961	7,792

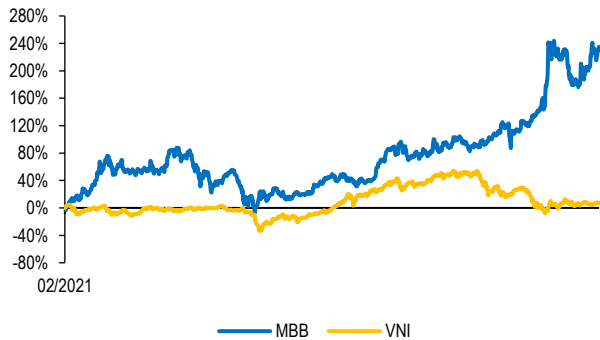
Source: Company data, Shinhan Securities Vietnam

Income statement

Year (bn)	2022	2023	2024	2025	2026F
Interest and Similar Income	52,486	69,143	69,062	89,088	122,185
Interest and Similar Expenses	(16,463)	(30,459)	(27,910)	(37,478)	(54,558)
Net Interest Income	36,023	38,684	41,152	51,610	67,627
Net Fee and Commission Income	4,136	4,085	4,368	6,579	8,726
From foreign currency and gold	1,704	1,210	2,000	1,757	3,740
From trading of trading securities	141	542	1,756	668	67
From disposal of investment securities	1,315	300	2,803	1,590	643
Net Fee and Commission Income	2,142	2,428	3,281	5,314	5,404
Dividends income	132	57	53	174	174
Total non-interest income	9,570	8,622	14,261	16,083	18,754
Total operating income	45,593	47,306	55,413	67,693	86,381
General and Admin expenses	(14,816)	(14,913)	(17,007)	(19,681)	(23,617)
Operating Profit Before Provision (PPOP)	30,777	32,393	38,406	48,012	62,764
Provision for credit losses	(8,048)	(6,087)	(9,577)	(13,744)	(22,769)
Profit before tax	22,729	26,306	28,829	34,268	39,995
Corporate income tax	(4,574)	(5,252)	(5,878)	(6,885)	(7,999)
Net profit after tax	18,155	21,054	22,951	27,383	31,996
Attributable to parent company	17,483	20,772	22,634	26,779	31,290

Military Commercial Joint Stock Bank (MBB VN)

Price performance



Date (dd/mm/yyyy)	Recommendation	Target price (VND)	Range of price (%)	
			Average	Max/Min
30/11/2022 (Initial)	BUY	19,475	64.8	30/123
01/11/2023 (Update)	BUY	22,771	92.7	52/161
12/04/2024 (Update)	BUY	21,975	19.8	12.8/27.8
11/02/2025 (Update)	BUY	23,263	46.2	32.5/63.2
04/02/2026 (Update)	BUY	34,100	54	15.4/131

Target price (VND)



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

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