



Update MBB – OUTPERFORM

April 29, 2025



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Recommendation **OUTPERFORM**

HOSE: MBB

Banking

Current price (VND) **23,700**

Target price (VND) **26,000**

Expected share price return +9.7%

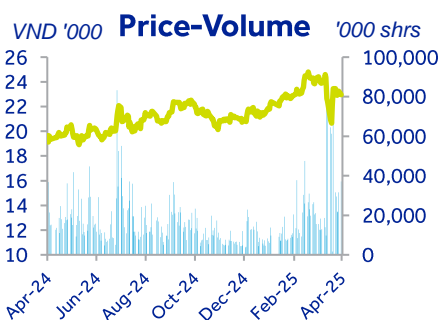
Expected dividend yield 1.3%

Expected total return **+11.0%**

Stock performance (%)

	YTD	1M	3M	12M
Absolute	5.1	-2.7	8.1	18.3
Relative	9.8	5.7	10.5	14.3

Source: Bloomberg



Ownership

Viettel	18.4%
SCIC	9.8%
Vietnam Helicopter	7.0%
Sai Gon New Port	6.2%
VCB	3.8%

Stock Statistics

28-Apr-25

Bloomberg code

MBB VN

52-week range (VND)	18,870-25,000
No. of shares (m)	6,102
Mkt cap (VND bn)	140,047
Mkt cap (USD m)	5,374
Foreign room left (%)	1.1
Est. free float (%)	69.0
3m avg daily vol (shs)	21,509,100
VND/USD	26,060
VN-Index/HNX-Index	1207.07/211.47

MILITARY COMMERCIAL JS BANK (MBB)

We maintain an **OUTPERFORM** recommendation for MBB with a 12-month target price of VND 26,000 per share, based on target P/E and P/B multiples of 6.5x and 1.1x, respectively. Provision buffer has limited room for further reduction, putting pressure on provision costs and profit growth for MBB in the coming quarters.

1Q25 results showed strong growth, with PBT increasing by 44.7% y/y and 3.6% q/q, driven by TOI growth of 27.5% y/y, including strong credit growth (+27.1% y/y, +2.3% ytd), while operating expenses and provisioning expenses growing at a slower pace (+12.4% y/y and +10.3% y/y, respectively).

Asset quality deteriorated in 1Q25. The special mentioned loan ratio and NPL ratio both increased by 34 bps and 22 bps q/q, to 1.91% and 1.84%, respectively. However, MBB only modestly increased provisioning expenses (+10.3% y/y, -7.4% q/q), resulting in a drop in NPL coverage ratio to 75%, from 92% at the end of 2024.

For 2025, we forecast MBB's PBT to reach VND31,921 billion, up 10.7% YoY, in line with the 10% growth target approved at the AGM. Key drivers include:

1. NII is expected to grow 24.7% y/y, supported by 25% credit growth. We expect MBB to be granted a higher credit growth quota than the initial quota of 23.7% from the SBV.
2. NFI is expected to decline slightly by 2.3% y/y due to a high base in Q4/24 when MBB realized bond profits, although off-balance sheet loan collection has positive outlook thanks to a recovering real estate market and growing outstanding off-balance sheet loans.
3. Opex is projected to grow 10% y/y. CIR is expected to decrease from 30.7% to 28.1%, helping MBB maintain its profitability.
4. Provisioning expenses are forecast to surge by 58.6% y/y, as (1) the current NPL coverage ratio is relatively thin at 75%, leaving little room for further reduction, and (2) restructured loans under Circular 02/2023 accounted for 0.65% of total loans by end-2024 and may turn into NPLs in 2025–26. Additionally, loans to customers exporting to the U.S. accounted for 0.6% of total loans and could be at risk if trade negotiations with the U.S. turn unfavorable.

(VND bn)	2021	2022	2023	2024	2025F	2026F
Credit growth	26.1%	24.9%	28.0%	24.7%	25.0%	25.0%
NIM	5.10%	5.76%	4.87%	4.13%	4.20%	4.22%
NFI proportion	29.1%	21.0%	18.2%	25.7%	21.4%	20.0%
TOI growth	35.0%	23.4%	3.8%	17.1%	17.7%	23.0%
CIR	33.5%	32.5%	31.5%	30.7%	28.7%	25.6%
Credit costs	2.2%	1.8%	1.1%	1.3%	2.0%	2.5%
Profit before tax	16,527	22,729	26,306	28,829	31,925	36,893
growth	54.6%	37.5%	15.7%	9.6%	10.7%	15.6%
PAT after minority	12,697	17,483	20,677	22,634	25,064	28,965
Profit attributable	12,148	16,674	19,372	21,047	23,289	26,692
Adjusted EPS (VND)	1,991	2,732	3,175	3,449	3,816	4,374
Adjusted BVPS (VND)	9,763	12,446	15,197	18,378	21,934	26,008
ROA	2.2%	2.5%	2.3%	2.0%	1.8%	1.7%
ROE	22.6%	24.6%	23.0%	20.5%	18.9%	18.2%
CAR (Basel 2)	11.0%	12.0%	10.8%	11.7%	11.2%	10.6%
P/E (x)	8.7	4.5	5.0	6.3	6.2	5.4
P/B (x)	1.8	1.0	1.0	1.2	1.1	0.9
DPS (VND)	-	-	500	500	300	300
Dividend yield	0.0%	0.0%	2.1%	2.1%	1.3%	1.3%

The restructuring of Ocean bank (MBV) appears to have limited impact on MBB

With MBB's support prior to the official acquisition in late 2024, MBV has reduced VND3,940 billion in accumulated losses since 2022, bringing it down to VND15,688 billion by the end of 2024. MBV's total assets by end-2024 were VND46,000 billion, with total loans of VND35,000 billion and charter capital of VND4,269 billion.

With SBV's support via refinancing loans at 0% interest and MBB's expected capital injection of up to VND5,000 billion into MBV, management anticipates MBV will return to profitability in 2025 and eliminate accumulated losses within 5–7 years.

Given its small scale, MBV can quickly adapt and roll out new products, and is thus oriented to become a digital bank, which targets younger and tech-savvy customers.

Plans for other subsidiaries

For MCredit, MBB is considering an IPO to enhance transparency and broaden funding sources. MBB currently owns 50% of MCredit.

For MB Cambodia, MBB is seeking a strategic partner and plans to reduce its ownership to a level where it is no longer considered a subsidiary.

MBB also plans to convert its branch in Laos into a subsidiary and expand into potential markets such as South Korea, Japan, China, Singapore, and Taiwan.

Dividend and treasury share buyback plan

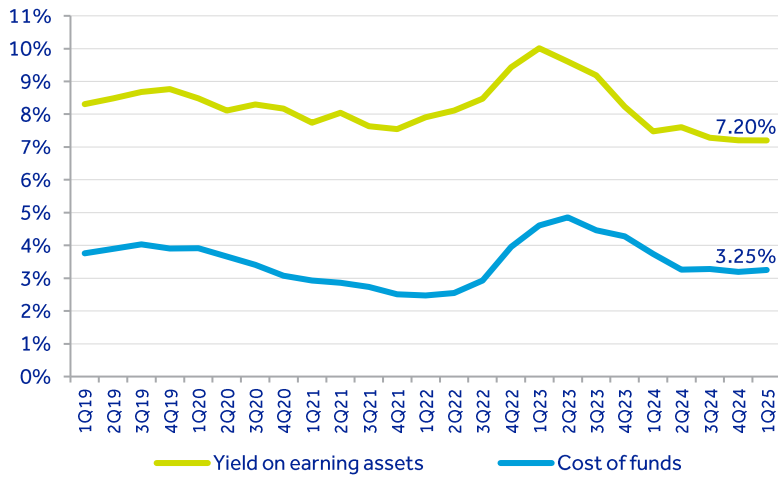
For 2025, MBB plans to pay a cash dividend of 3% and a stock dividend of 32%.

Regarding the private placement to strategic investors (approved in 2024), MBB plans to issue an additional 62 million shares, equivalent to 0.1% of charter capital.

MBB also plans to repurchase 100 million treasury shares, equal to 1.6% of post-issuance charter capital, via order-matching on the stock exchange during 2025–26. This move aims to protect shareholders amid high market volatility. According to management, the buyback will not significantly impact MBB's capital adequacy ratio (CAR), which is currently at ~11.7%, in line with the sector average.

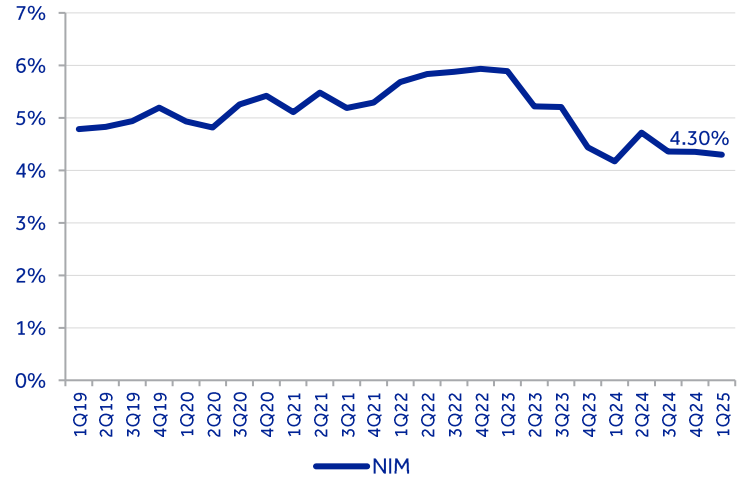


Asset yields and cost of funds stayed flat...



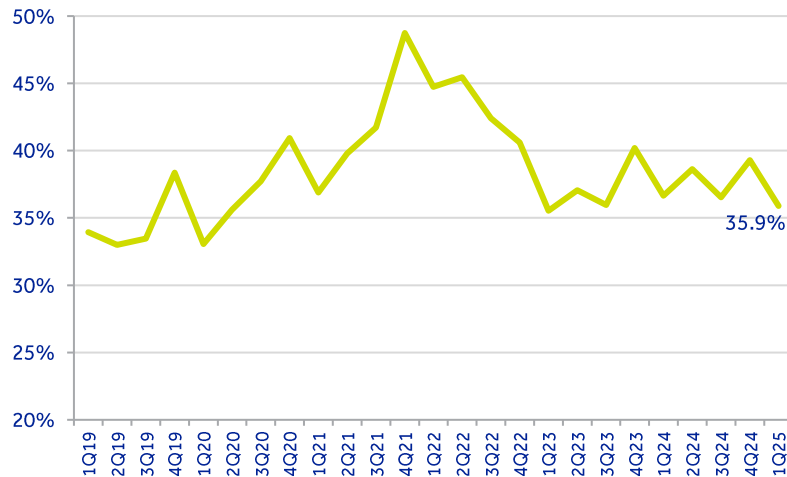
Source: MBB, ACBS estimated

... helped stabilize NIM



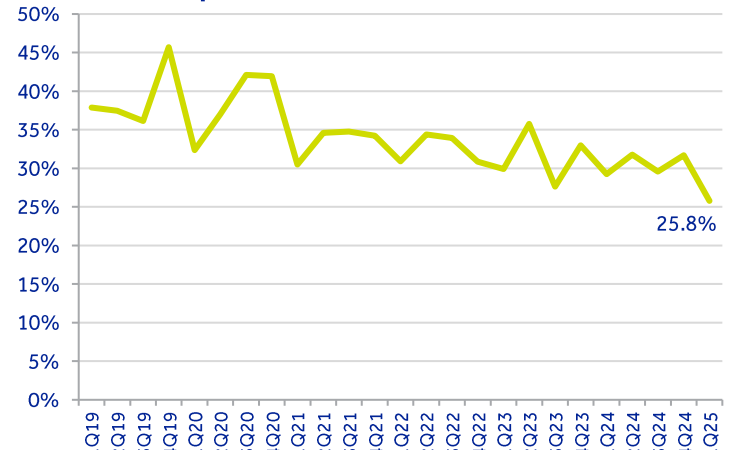
Source: MBB, ACBS estimated

CASA decreased in Q1/25 due to seasonality



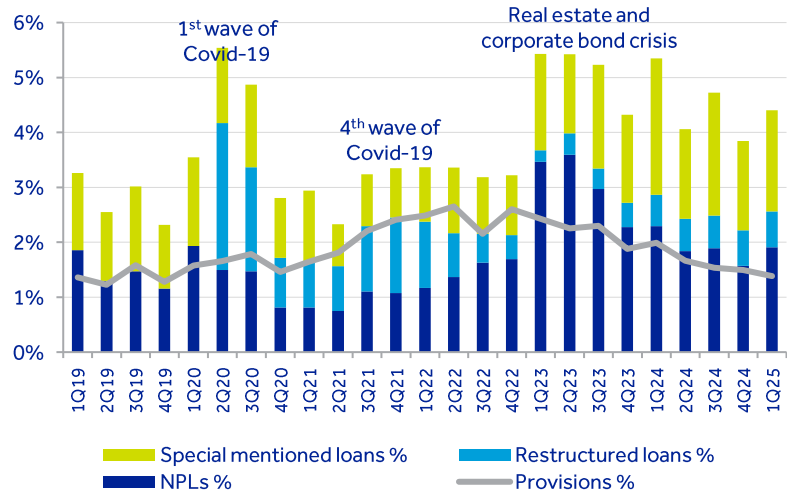
Source: MBB, ACBS estimated

Further-optimized operating costs helped CIR continue its downward trend



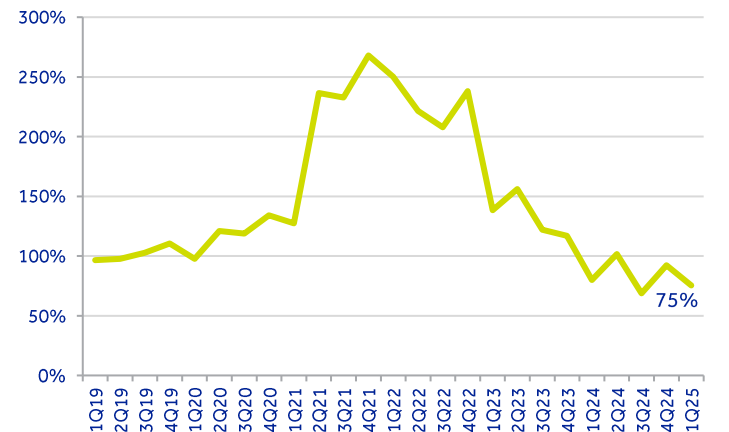
Source: MBB, ACBS estimated

Asset quality deteriorated in Q1/25



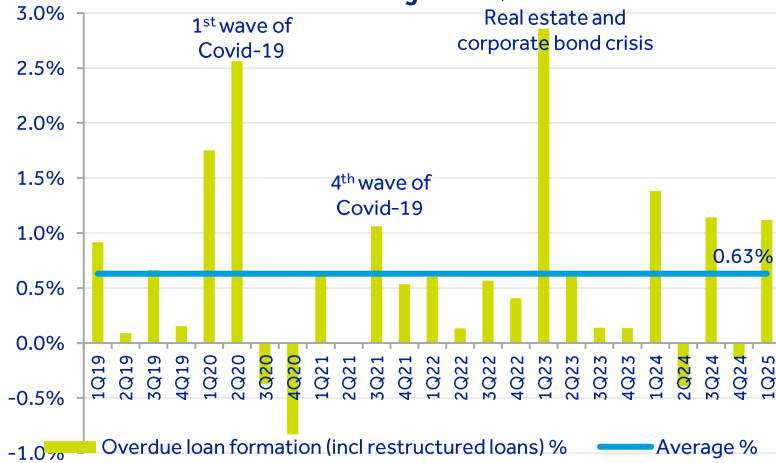
Source: MBB, ACBS estimated

NPL coverage eroded due to provisioning lower than NPL growth



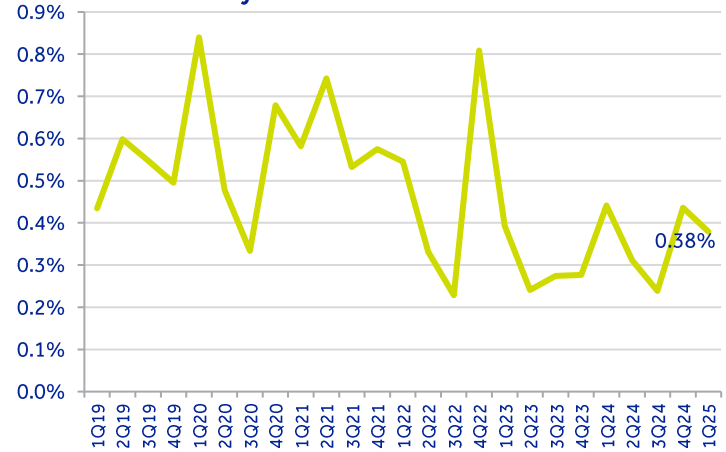
Source: MBB, ACBS estimated

Overdue loan (including restructured loan) increased again in Q1/25



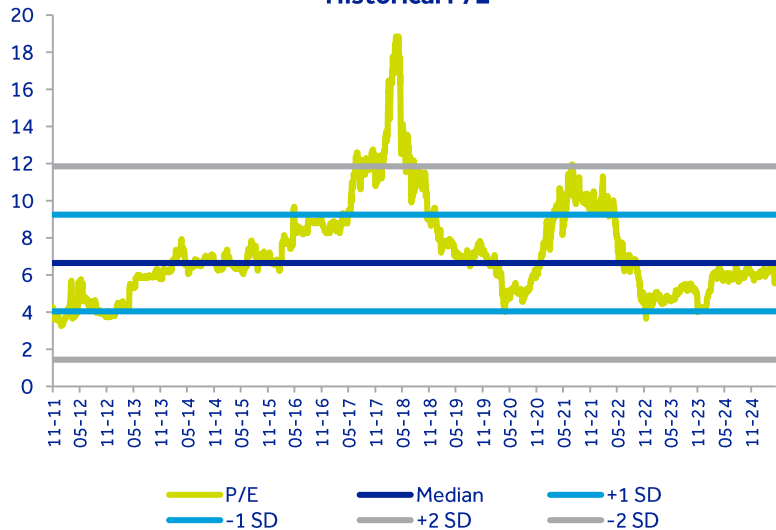
Source: MBB, ACBS estimated

Credit costs are lower than NPL growth and may have to increase in the future



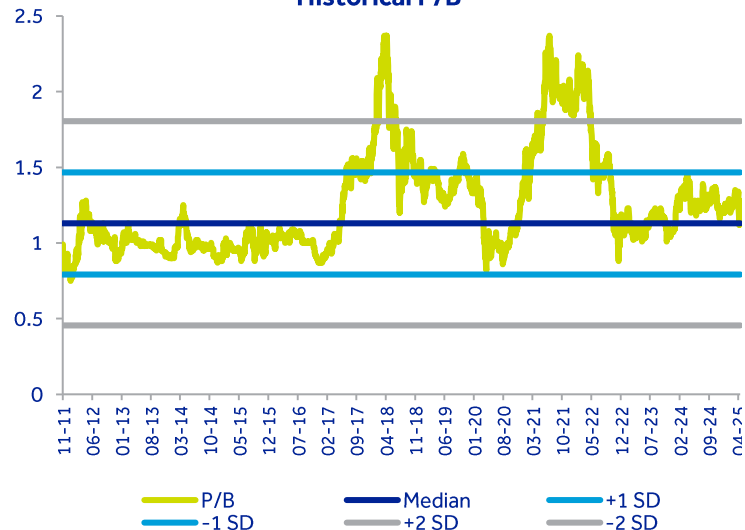
Source: MBB, ACBS estimated

Historical P/E



Source: Fiinpro-X, ACBS

Historical P/B



Source: Fiinpro-X, ACBS

BANK'S FINANCIAL RATIOS

(Unit: VND billion)

Ticker	Exchange	Mkt cap 28-04-25	Equity 4Q24	Total Assets 4Q24	NPL ratio 4Q24	Special mentioned loan 4Q24	NPL coverage 4Q24	CAR (Basel 2) 31-12-23	ROA (TTM)	ROE (TTM)	P/E	P/B
BID	HOSE	287,174	2,760,693	144,512	1.4%	1.7%	133.7%	8.6%	1.0%	19.2%	11.5	2.1
CTG	HOSE	229,030	2,385,388	148,505	1.2%	1.4%	174.7%	9.3%	1.2%	18.6%	9.0	1.6
VCB	HOSE	557,325	2,085,397	198,956	1.0%	0.3%	223.3%	11.4%	1.7%	18.6%	16.5	2.8
MBB	HOSE	150,116	1,128,801	117,060	1.6%	1.6%	92.3%	10.8%	2.2%	22.1%	6.6	1.3
TCB	HOSE	196,756	978,799	147,940	1.1%	0.7%	113.9%	14.4%	2.4%	15.6%	9.1	1.4
VPB	HOSE	155,505	923,848	147,275	4.2%	6.5%	56.2%	17.1%	1.8%	11.4%	9.9	1.1
ACB	HOSE	117,473	864,006	83,462	1.5%	0.5%	77.9%	12.5%	2.1%	21.8%	7.0	1.4
STB	HOSE	74,937	748,095	54,972	2.4%	0.8%	68.4%	9.1%	1.4%	20.0%	7.4	1.4
SHB	HOSE	40,571	747,244	57,850	2.6%	0.9%	65.1%	12.2%	1.3%	17.1%	4.4	0.7
HDB	HOSE	82,658	697,281	56,658	1.9%	4.8%	68.7%	12.6%	2.0%	25.8%	6.5	1.5
LPB	HOSE	105,451	508,330	43,338	1.6%	1.0%	83.3%	12.2%	2.2%	25.1%	10.9	2.4
VIB	HOSE	61,072	493,158	41,862	3.5%	3.4%	50.1%	11.7%	1.6%	18.1%	8.5	1.5
TPB	HOSE	42,668	418,028	37,596	1.5%	1.8%	81.3%	12.4%	1.6%	17.3%	7.0	1.1
SSB	HOSE	56,473	325,699	35,003	1.9%	0.7%	82.9%	13.6%	1.6%	14.8%	11.7	1.6
MSB	HOSE	30,290	320,177	36,818	2.7%	1.3%	64.4%	12.8%	1.9%	16.2%	5.5	0.8
OCB	HOSE	27,617	280,712	31,672	3.2%	2.4%	47.1%	13.3%	1.2%	10.5%	8.7	0.9
NAB	HOSE	23,277	245,129	19,289	2.3%	1.5%	52.8%	11.2%	1.6%	20.9%	6.5	1.2
EIB	HOSE	39,024	239,768	25,099	2.5%	1.1%	42.3%	13.4%	1.5%	14.0%	11.7	1.6
ABB	UPCoM	8,255	176,742	14,049	3.7%	1.6%	45.5%	11.0%	0.4%	4.4%	13.5	0.6
BAB	HNX	11,496	165,487	11,782	1.2%	0.4%	97.4%	0.0%	0.6%	8.9%	11.4	1.0
VBB	UPCoM	6,830	162,856	8,701	2.7%	0.9%	46.0%	10.4%	0.6%	11.6%	7.3	0.8
VAB	UPCoM	5,467	119,832	8,866	1.3%	0.5%	72.5%	9.3%	0.8%	10.4%	6.2	0.6
NVB	HNX	13,508	118,499	6,093	19.5%	2.2%	8.6%	9.2%	-	-	-	2.2
BVB	UPCoM	7,849	103,536	6,155	3.1%	1.4%	45.2%	11.3%	0.3%	5.2%	-	1.3
KLB	UPCoM	4,502	92,176	6,605	1.9%	1.2%	83.7%	9.7%	1.0%	14.4%	5.1	0.7
PGB	UPCoM	6,489	73,211	5,163	2.6%	1.5%	40.5%	12.0%	0.5%	6.7%	-	1.3
SGB	UPCoM	4,481	33,260	4,090	2.7%	5.1%	36.3%	17.7%	0.2%	1.9%	-	1.1
Average		86,900	636,894	55,532	2.8%	1.7%	76.1%	11.5%	1.3%	15.0%	8.8	1.3
Median		40,571	325,699	36,818	2.3%	1.4%	68.4%	11.7%	1.5%	15.9%	8.5	1.3

Source: FiinPro-X, ACBS

(Unit: VND billion, unless otherwise stated)	Market price (VND):	23,700	Target price (VND):	26,000	Market cap (VND bn):	144,624
INCOME ITEMS	2021	2022	2023	2024	2025F	2026F
Net interest income	26,200	36,023	38,684	41,152	51,303	64,234
Net fee & commission income	4,367	4,136	4,085	4,368	5,023	5,777
Other non-interest income	6,368	5,434	4,537	9,893	8,907	10,248
Total operating income	36,934	45,593	47,306	55,413	65,233	80,259
Growth (%)	35.0%	23.4%	3.8%	17.1%	17.7%	23.0%
Operating expenses	(12,377)	(14,816)	(14,913)	(17,007)	(18,708)	(20,579)
Profit before provision & tax	24,557	30,777	32,393	38,406	46,525	59,680
Provision expenses	(8,030)	(8,048)	(6,087)	(9,577)	(14,600)	(22,787)
Profit before tax	16,527	22,729	26,306	28,829	31,925	36,893
Growth (%)	54.6%	37.5%	15.7%	9.6%	10.7%	15.6%
PAT after minority interests	12,697	17,483	20,677	22,634	25,064	28,965
Profit attributable to shareholders	12,148	16,674	19,372	21,047	23,289	26,692
Adjusted EPS (VND)	1,991	2,732	3,175	3,449	3,816	4,374
BALANCE SHEET ITEMS	2021	2022	2023	2024	2025F	2026F
Outstanding loans & corporate bonds	406,518	507,683	649,795	810,199	1,012,749	1,265,936
Growth (%)	26.1%	24.9%	28.0%	24.7%	25.0%	25.0%
Customer deposit	384,692	443,606	567,533	714,154	892,693	1,115,866
Growth (%)	23.7%	15.3%	27.9%	25.8%	25.0%	25.0%
Total assets	607,140	728,532	944,954	1,128,801	1,403,785	1,745,222
Shareholder's equity	59,575	75,949	92,738	112,149	133,845	158,707
BVPS (VND)	9,763	12,446	15,197	18,378	21,934	26,008
KEY RATIOS	2021	2022	2023	2024	2025F	2026F
NPL	0.9%	1.1%	1.6%	1.6%	1.6%	1.7%
NPL coverage	268%	238%	117%	92%	71%	75%
NIM	5.1%	5.8%	4.9%	4.1%	4.2%	4.2%
CIR	34%	32%	32%	31%	29%	26%
ROA	2.2%	2.5%	2.3%	2.0%	1.8%	1.7%
ROE	22.6%	24.6%	23.0%	20.5%	18.9%	18.2%
CAR (Basel 2)	11.0%	12.0%	10.8%	0.0%	0.0%	0.0%
P/E (x)	8.7	4.5	5.0	6.3	6.2	5.4
P/B (x)	1.8	1.0	1.0	1.2	1.1	0.9
Dividend yield	0.0%	0.0%	2.1%	2.1%	1.3%	1.3%

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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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