

**JOINT STOCK COMMERCIAL BANK FOR FOREIGN TRADE OF VIETNAM (HSX: VCB)**
**Solidifying The Leading Position**

We have updated our valuation report for **VCB**, deriving a 12-month target price of **VND 69,800**, equivalent to a projected P/B ratio of 2.6x for 2025F and 2.3x for 2026F.

- Profit growth is poised to resume double-digit in the medium term, after years of prudent operation.** VCB is the leading state-owned bank in the entire system in terms of demand deposit size (leading to absolute advantages in the industry in terms of low funding costs), asset quality (since 2014) and profit scale (since 2018). These achievements stem not only from its strong brand and credibility as a state-owned bank, coupled with its historical role as Vietnam's first bank tasked with international trade responsibilities-enabling it to attract major corporate clients and FDI capital flows-but also from its disciplined and prudent management approach. This approach prioritizes risk management and sustainable development. While this conservative stance has somewhat constrained profit growth and operational efficiency compared to industry peers during recent economic challenges, it has also allowed VCB to build more than enough provision for losses on loans, reinforcing its solid earnings outlook going forward. This positions the bank well for accelerated growth in the coming years, as the economy is expected to undergo positive transformation driven by fundamental institutional reforms. *We project that VCB's profit to achieve a CAGR of 15% over the 2025F-2030F period*, including 11% growth for 2025F, based on the following key assumptions: (1) a credit growth CAGR of 16% for 2025F-2030F, (2) a slight expansion in NIM from 2.80% in 2025F to 3.10% by the end of the forecast period, with an average NIM of 2.95% for 2025F-2030F (lower than the 3.07% average for 2019-2024 due to proactive support for economic growth). NPL ratios are expected to remain well-controlled, at 0.95% in 2025F, gradually declining to 0.8% by the end of the forecast period.
- Attractive Valuation Relative to Historical Levels:** VCB's P/B valuation has been on a downward trend since early 2022, dropping from 4.1x to 2.5x. The current valuation reflects a significant discount compared to the five-year average P/B of 3.10x. In addition to the challenges stemming from subdued profit growth and deteriorating operational efficiency, the impact of U.S. tariff policies implemented since April 2025 continues to impede the recovery of VCB's valuation, given the bank's substantial exposure to corporate clients engaged in export-import activities. We do not anticipate VCB's P/B multiple returning to the 3-4x range in the medium term, as moderate earnings growth projected for 2025F/2026F is likely to drive a further decline in ROAE to approximately 17%, prior to a recovery toward 20% by the end of the forecast horizon, incorporating assumptions regarding cash dividends. Nevertheless, we believe VCB's valuation will sustain a meaningful premium relative to the industry average, supported by its robust asset quality, which serves as a critical earnings buffer during periods of economic headwinds.
- Risks:** Potential adverse developments in U.S. countervailing tariffs and unpredictable geopolitical risks could impact VCB's strengths in its export-import client base, potentially leading to lower-than-expected credit growth and NIM.

**Key Financial Ratios**

Y/E Dec (VND Bn)	FY2022	FY2023	FY2024	FY2025F	FY2026F	FY2027F
<b>TOI</b>	<b>68,083</b>	<b>67,723</b>	<b>68,578</b>	<b>74,882</b>	<b>85,146</b>	<b>98,949</b>
Growth (%)	20%	-1%	1%	9%	14%	16%
<b>LNST</b>	<b>29,899</b>	<b>33,033</b>	<b>33,831</b>	<b>37,561</b>	<b>41,788</b>	<b>48,811</b>
Growth%	36%	10%	2%	11%	11%	17%
NIM (%)	3.40	3.01	2.86	2.79	2.87	2.96
ROAA (%)	1.9	1.8	1.7	1.7	1.7	1.7
ROAE (%)	24.4	22.0	18.7	17.8	17.4	17.9
EPS (VNĐ)	3,145	3,246	3,324	3,691	4,106	4,796
BVPS/CP (VNĐ)	16,223	19,737	23,471	26,948	30,551	34,593
Cash Dividend (VND)	1,200	0	0	450	500	750
P/E (x)	17.0	16.5	18.3	16.0	14.4	12.3
P/B (x)	3.3	2.7	2.6	2.2	1.9	1.7

Source: VCB, RongViet Securities . Data as of Nov 04th, 2025

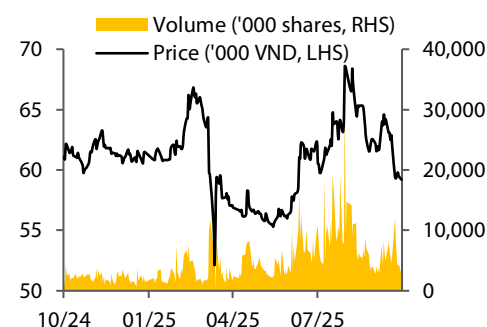
**ACCUMULATE +17%**

Market price (VNĐ)	60,100
Target price (VNĐ)	69,800
Cash dividend (VND)*	500

\* Expected in the next 12M

**Stock Information**

Sector	Banks
Market Cap (VND Bn)	502,176.1
No of Outstanding Shares (mn)	8,355.7
Beta	0.87
Free Float (%)	23
52-week High	68,599
52-week Low	52,120
20 Session Avg. Volume ('000 shares)	5,471.6


**Performance (%)**

	3T	1N	2N
VCB	-2.4	-1.6	7.1
VN30 Index	16.2	45.2	58.5
VN-Index	9.3	32.6	1.6

**Major Shareholders (%)**

SBV	74.80
Mizuho Financial Group	15.03
Remaining foreign room	8.41

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**TABLE OF CONTENTS**

<b>A. VALUATION</b>	<a href="#">Page 3</a>
<b>B. FINANCIAL ANALYSIS</b>	<a href="#">Page 7</a>
<b>C. 1H2025 BUSINESS RESULTS AND 2025 FORECASTS</b>	<a href="#">Page 19</a>
<b>D. 2025F – 2030F FORECASTS</b>	<a href="#">Page 20</a>
<b>E. BANK OVERVIEW</b>	<a href="#">Page 27</a>
<b>F. INDUSTRY OUTLOOK</b>	<a href="#">Page 45</a>
<b>G. PEERS</b>	<a href="#">Page 55</a>

## VALUATION

We employed the residual income method with a 40% weighting and the P/B valuation method (applying a target multiple of 2.7x to the 2026F BVPS) with a 60% weighting to value VCB stock. We assigned a higher weighting to the P/B method, as it better reflects the net asset value and underscores VCB's superior asset quality, which has historically driven a significant valuation premium compared to the industry average (Figure 3b). **The target price for VCB stock is VND 69,800**, implying a projected P/B of 2.6x for 2025F and 2.3x for 2026F. Investors may refer to the sensitivity analysis table below to make investment decisions aligned with their risk appetite for this stock. Based on the closing price on October 28th, 2025, we recommend an **ACCUMULATE** rating for VCB.

**Table 1: Valuation summary**

Valuation Method	Target price	Weight	Average
Residual income (g: 1.5%, Ke: 11.9%)	50,682	40%	20,273
P/B (2.7x BVPS 2026F)	82,487	60%	49,492
<b>Total</b>		<b>100%</b>	<b>69,800</b>
P/B 2025F			2.59
P/B 2026F			2.28
Current price (10/27/2025)			59,400
Cash dividend in the next 12M (VND/share)			500
<b>Total expected return</b>			<b>16%</b>

Source: RongViet Securities

**Table 2: Residual income approach assumptions**

Residual Income Assumptions	Value	Unit: VND Bn (otherwise noted)
Cost of Equity	12.0%	Forecasted Period 5Y
Effective CIT Rate	20%	Opening Shareholders' Funds 196,209
5Y Risk-free Rate	3.3%	+ PV 5Y Residual Income 71,221
Equity Risk Premium	8.7%	+ PV Terminal Value 156,049
Long-term ROE	20.1%	Value of Shareholders' Funds 423,479
Beta	0.9	Number of Shares Outstanding (mn) 8,356
Terminal Growth	1.5%	<b>Value Per Share (VND) 50,682</b>

Source: RongViet Securities

**Table 3: Share Price Sensitivity (VND) in residual income approach**

		Terminal growth				
		1.00%	1.25%	1.50%	1.75%	2.00%
Cost of Equity	10.0%	52,943	52,418	52,418	52,943	54,065
	11.0%	54,797	54,272	54,272	54,797	55,919
	12.0%	54,797	54,272	<b>54,272</b>	54,797	55,919
	13.0%	52,943	52,418	52,418	52,943	54,065
	14.0%	49,559	49,035	49,035	49,559	50,682

Source: RongViet Securities

**Table 4: Share Price Sensitivity (VND) in P/B multiple approach**

		P/B						
		2.4	2.5	2.6	2.70	2.8	2.9	3.0
<b>BVPS 2025</b>	26,948	64,674	67,369	70,064	<b>72,759</b>	75,454	78,148	80,843
<b>BVPS 2026</b>	30,551	73,322	76,377	79,432	<b>82,487</b>	85,542	88,597	91,652

Source: RongViet Securities

## Historical P/B Valuation Trends of VCB and Key Drivers

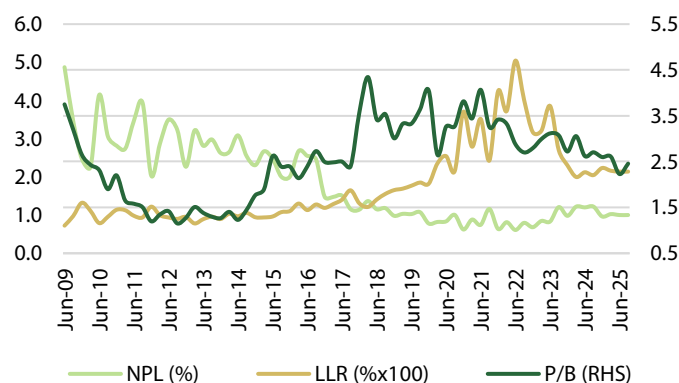
VCB reached a record-high P/B valuation of 3.8x shortly after its listing in June 2009, but this declined to 1.2x as the economy entered a recession and the banking sector faced a bad debt crisis. Since then, VCB's P/B valuation has undergone two notable revaluation phases in 2014-2015 and 2017-2018, followed by a consistent decline from 2022 to the present.

**2014-2015 Period:** VCB's P/B increased from a low of approximately 1.5-2x to around 2.5x, primarily driven by improvements in asset quality. VCB proactively strengthened its provisioning practices and sold bad debts to the Vietnam Asset Management Company (VAMC), enhancing the health of its balance sheet and boosting investor confidence. This occurred amid Vietnam's banking sector undergoing significant restructuring to address the 2011-2013 bad debt crisis, coupled with an economic recovery post-recession, supported by stable GDP growth and policies from the State Bank of Vietnam (SBV), such as interest rate reductions and credit expansion initiatives.

**2017-2018 Period:** The P/B valuation surged to a historical peak of approximately 4.3x, reflecting record-breaking business performance driven by strong profitability improvements with minimal pressure from bad debts and credit costs. Specifically, in 2017/18, net profit after tax (NPAT) grew significantly by 32%/61%, fueled by robust fee income growth of 21%/34% and an increase in NIM, which rose by 30 basis points to 2.8% in 2018 and stabilized at 2.9%-3.1% over the subsequent five years, supported by effective cost-of-funds management. VCB also completed its bad debt restructuring plan two years ahead of schedule, reducing the NPL ratio to below 1%—the lowest in a decade—by 2018. Additionally, the booming Vietnamese stock market, with significant capital inflows into the banking sector following several high-profile bank IPOs, further supported VCB's valuation as the largest market capitalization bank stock. VCB capitalized on favorable market conditions and its strong financial metrics in 2018 to execute a private placement to foreign investors GIC and Mizuho (officially issued in January 2019).

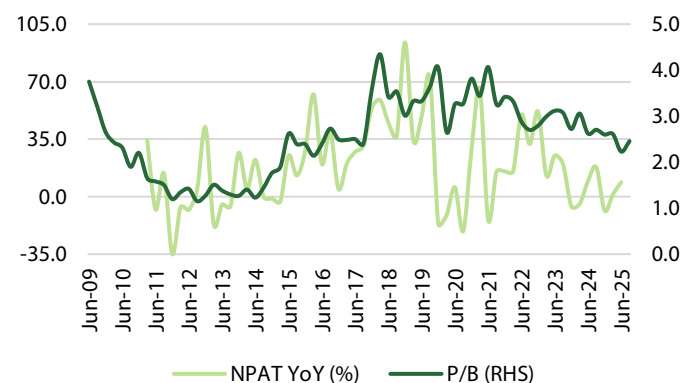
**2022 to Present (2025):** The P/B valuation declined from approximately 3.5x to 2.5x, reflecting industry-wide bad debt pressures, slower growth, and reduced capital efficiency, despite VCB maintaining strong asset quality (NPL ratio below 1% and a loan loss coverage ratio exceeding 200%). Pre-tax profit growth was modest at 11%/2% in 2023/24, with ROAE decreasing from 24% in 2022 to 17.5% in 2Q25. Consequently, the P/B began trading at a discount to its five-year average of 3.10x from May 2022, following the U.S. Federal Reserve's interest rate hike cycle, which exerted significant pressure from global and Vietnamese monetary policies. Additionally, the domestic corporate bond market crisis and the subsequent SCB event led to heightened bad debt pressures across the industry. **Currently, VCB trades at a trailing P/B of 2.32x and a projected P/B of 2.20x/1.94x for 2025F/26F, significantly below its historical five-year average of 3.06x.**

**Figure 1: Historical P/B and asset quality**

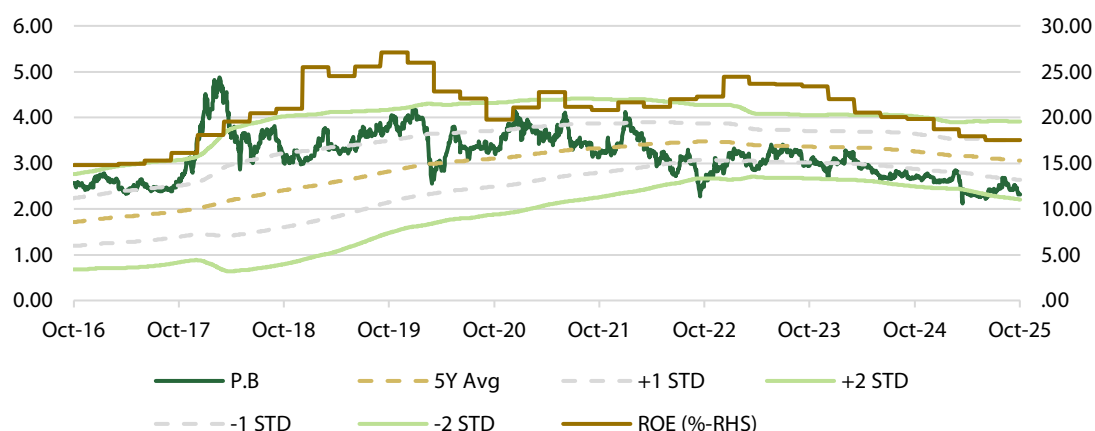


Source: VCB, Bloomberg, RongViet Securities

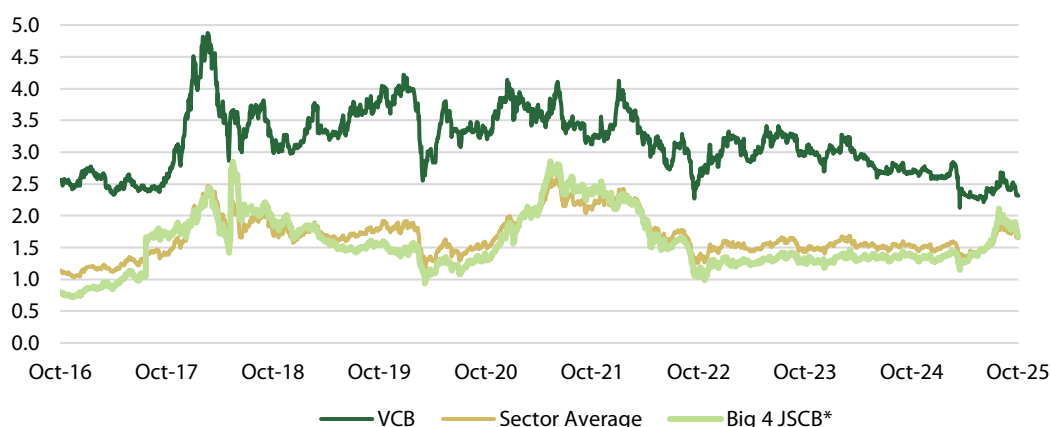
**Figure 2: Historical P/B and NPAT growth**



Source: VCB, Bloomberg, RongViet Securities

**Figure 3a: 10-year historical P/B and ROAE of VCB**


Source: Bloomberg, RongViet Securities

**Figure 3b: The P/B valuation premium of VCB relative to the industry has been gradually narrowing over the past 10 years and is currently standing at more than 40%**


Source: Bloomberg, RongViet Securities \*MBB, VPB, TCB, ACB

Given VCB's robust balance sheet, which currently leads the banking system (see [Financial Analysis](#) section), we do not anticipate significant improvements in asset quality to materially drive a revaluation of VCB's stock. Instead, we believe that optimizing operational efficiency will have a more substantial impact on VCB's valuation prospects. Accordingly, with a projected CAGR of 15% for net profit attributable to parent company shareholders over the 2025F-30F period, combined with the assumption that VCB maintains a consistent cash dividend policy (averaging 15% of net profit attributable to parent company shareholders), we forecast ROAE to gradually improve to 20.1% by 2030F from 17.5% in 2Q25. Consequently, we select a target P/B valuation of 2.7x, which is higher than the current five-year trailing average P/B of 2.5x.

**Table 5: Compare key financial metrics with peer banks in Vietnam and emerging market economies.**

Bank	Country	Market Cap (USD Mn)	3Y CAGR 2021-2024		Profitability 2024			Asset Quality 2024		Operational Metrics		P/B	
			PBT	Loans to customers	NIM %	ROE %	ROA %	NPL %	LLR %	NII/TOI %	CIR %	Curr. (x)	5Y Avg (x)
<b>VCB</b>	<b>VN</b>	<b>18,933</b>	<b>12%</b>	<b>11%</b>	<b>2.9</b>	<b>17.2</b>	<b>1.7</b>	<b>1.0</b>	<b>223</b>	<b>73</b>	<b>30</b>	<b>2.3</b>	<b>3.1</b>
Agribank	VN	N.A	22%	9%	3.1	19.5	1.0	1.7	132	77	37	N.A	N.A
BID	VN	9,863	29%	11%	2.4	17.2	1.0	1.4	131	67	32	1.6	2.1
CTG	VN	9,779	18%	11%	2.9	18.6	1.1	1.2	172	72	26	1.6	1.4
Bank of China	CH	235,990	-2%	6%	1.5	9.6	0.7	1.2	200	70	34	0.5	0.4
Punjab National Bank	IN	15,622	125%	8%	N.A	16.7	1.2	3.0	N.A	67	48	0.9	0.8

Krung Thai Bank	TB	11,379	21%	0%	3.0	10.4	1.2	3.5	183	72	41	0.8	0.6
Maybank	MK	28,441	5%	4%	1.4	10.7	1.0	1.2	122	44	44	1.3	1.2
Bank Rakyat Indonesia Persero	IJ	34,754	20%	4%	6.7	19.1	3.0	2.7	215	81	46	1.8	2.4
Bank Mandiri Persero	IJ	25,054	22%	11%	4.3	20.5	2.4	1.1	271	75	41	1.5	1.8

Source: Bloomberg, RongViet Securities, data as of October 28<sup>th</sup> 2025

## FINANCIAL ANALYSIS

### Capital adequacy – Robust Capital Buffer with Significant Room for Improvement

VCB was among the first two banks in Vietnam (alongside VIB) to implement Circular 41/2016/TT-NHNN on capital adequacy ratios in accordance with Basel II standards, effective from January 1, 2019. This was one year ahead of the circular's official effective date (2020) and earlier than many other banks in the system. This achievement underscores VCB's robust governance capabilities, as it successfully met stringent requirements for IT infrastructure, data systems, and risk management policies to effectively calculate and manage the Capital Adequacy Ratio (CAR) in line with international Basel II standards. Furthermore, this demonstrates VCB's pioneering role in promoting the adoption of international best practices across the industry.

In early 2019, VCB completed a private placement to GIC and Mizuho (representing 2.95% of charter capital at the time of issuance), raising VND 6.1 trillion. However, due to consistent cash dividend payments from 2019 to 2021, VCB's CAR fluctuated between 9.3% and 10.5%. Since 2023, this ratio has steadily improved, reaching 12.0% by the end of 2Q25. The improvement was driven by (1) the suspension of cash dividend payments, (2) a reduction in risk weights for corporate and individual receivables (see **Figure 5**), which lowered the credit risk-weighted assets, and (3) a strong 36% profit growth in 2022, supported by a significant NIM increase (+25 bps YoY) and reduced credit provisioning, as VCB had fully provisioned for restructured loans and those retained in their original debt classification during the COVID-19 period.

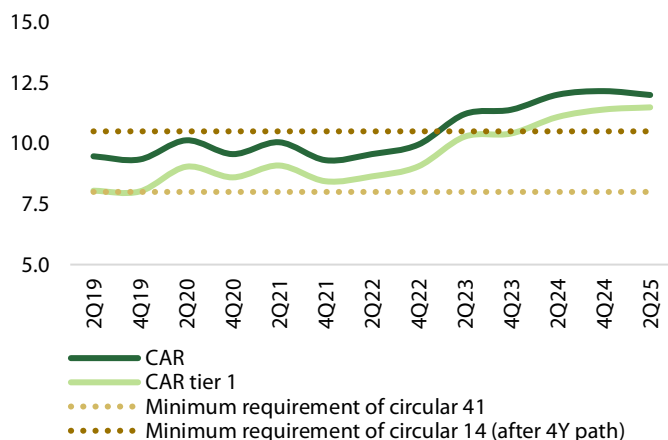
As of now, the State Bank of Vietnam (SBV) has issued new regulations on capital adequacy through Circular 14/2025/TT-NHNN (Circular 14)<sup>1</sup>, aligning with Basel III standards. Effective from October 15, 2025, Circular 14 mandates a minimum CAR of 10.5% starting from the fourth year of implementation, which is 2.5% higher than the minimum requirement under Circular 41 due to the inclusion of a Capital Conservation Buffer (CCB). VCB's CAR at the end of 2Q25 (calculated using the standardized approach for credit risk) already meets the highest minimum requirement (10.5% in the fourth year post-Circular 14 implementation). With a projected five-year CAGR of 13% for net profit after tax and a planned private placement (6.5%) expected between late 2025 and early 2026, we are confident that VCB will face no challenges in complying with the new CAR requirements. However, we note that the SBV may, depending on the period, impose additional requirements such as a Countercyclical Capital Buffer (CCyB) ranging from 0-2.5% and a Systemic Risk Buffer for systemically important commercial banks (VCB is likely included in this group), potentially raising the minimum CAR requirement above 10.5%.

In the immediate term, VCB will register with the SBV to apply the standardized approach for calculating credit risk-weighted assets upon the effective date of Circular 14 while enhancing its internal risk rating system (expected to take approximately 14 months). Subsequently, VCB plans to transition to the Internal Ratings-Based (IRB) approach. After a minimum of two years from registering with the SBV to implement the IRB approach, VCB may receive approval to adopt this method. Given VCB's asset portfolio, which is distinguished by its top-tier safety within the system, we believe the IRB approach could reduce the scale of credit risk-weighted assets compared to the standardized approach. This is due to lower risk weights calculated based on Probability of Default (PD) and expected loss ratios, which are more tailored than the standardized risk weights prescribed by the SBV. As a result, VCB's CAR has significant room for improvement beyond its current level.

<sup>1</sup> Please refer to our report on this circular [here](#).

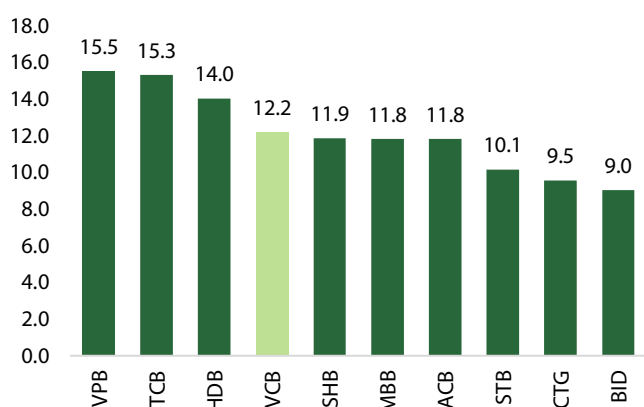


**Figure 4: VCB's 2Q2025 consolidated CAR continues to meet the highest requirements of Circular 14**



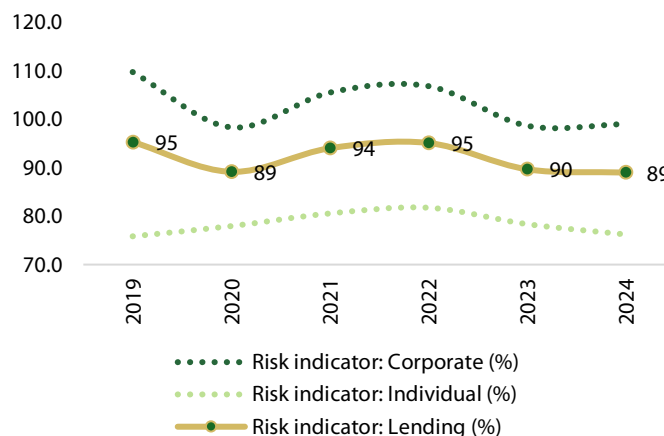
Source: VCB, RongViet Securities

**Figure 6: VCB's CAR (2024) is at a high average level among the top 10 listed banks with the largest total assets**



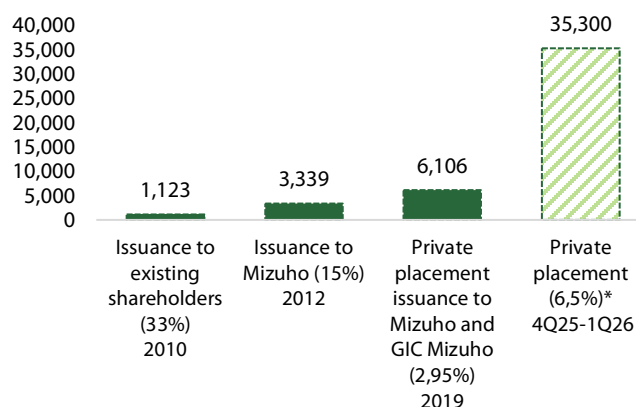
Source: Company reports, RongViet Securities

**Figure 5: VCB has optimized the risk weights for corporate and individual receivables, thereby strengthening its CAR over the past three years**



Source: VCB, RongViet Securities

**Figure 7: The upcoming private placement (6.5% stake) will significantly bolster VCB's CAR.**



Source: Company reports, RongViet Securities

\* The scale of the capital increase, with the assumed issuance price being the market price as of September 9<sup>th</sup>, 2025.

## ASSET QUALITY—SOLIDIFYING THE INDUSTRY'S TOP POSITION IN QUALITY

**As of June 30, 2025, VCB recorded total assets of approximately VND 2.2 trillion, placing it fourth in the banking industry.** VCB's total assets have grown at a 10-year CAGR of 14%, slightly below the industry average of 16%, primarily due to slower growth in 2018, 2020-2021, and 2023.

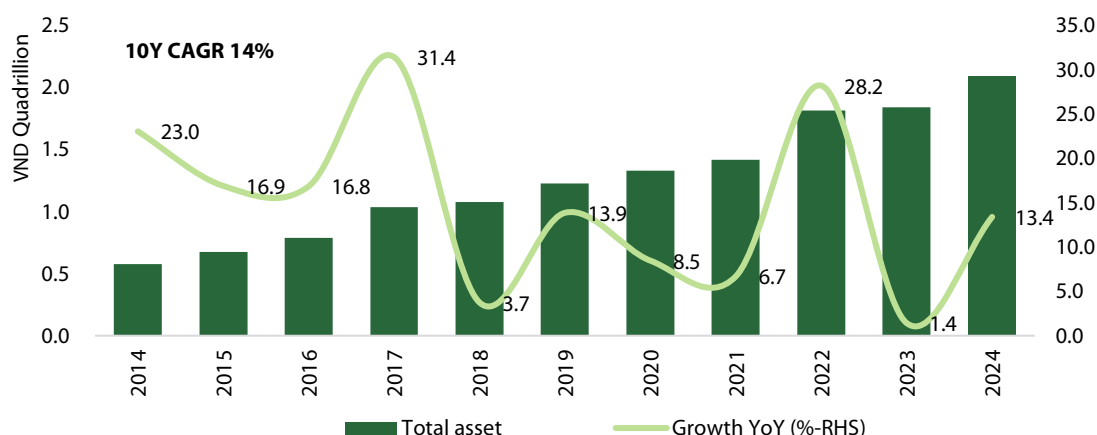
- In 2018**, the significant deceleration in total asset growth was linked to the handling of the State's divestment transaction in SAB at the end of 2017. VCB was the sole bank to manage this USD 5 billion transaction, directly receiving foreign currency from Vietnam Beverage—a subsidiary of ThaiBev—for conversion into VND to facilitate the purchase of SAB shares. Post-transaction, the balance of deposits from the State Treasury at VCB (proceeds from the divestment) and VCB's transactional deposits at SBV surged at the end of 2017, as VCB sold foreign currency back to SBV. Following the completion of this transaction, the State Treasury gradually withdrew its deposits from VCB to its account at SBV, resulting in an 88% YoY decline in VCB's deposit balance at SBV by the end of 2018. This led to a slowdown in total asset growth for that year. Excluding this exceptional transaction, VCB's total assets in 2018 would have grown by 16.1% compared to 2017.



- **During 2020-2021**, the COVID-19 pandemic significantly hampered loan growth, particularly in the retail customer segment, which dropped to 19% after achieving a robust 43% CAGR over the preceding five years.
- **In 2023**, growth was further constrained by macroeconomic pressures. First, the deposit balance at SBV fell sharply by 37% YoY, following a surge of over 300% in 2022 (reaching over VND 92 trillion) driven by substantial foreign exchange transactions to stabilize exchange rates, conducted by SBV with VCB and other commercial banks. The volatile macroeconomic environment, coupled with significant monetary policy shifts by major global central banks, impacted Vietnam's monetary policy and exchange rate management (notably, SBV widened the exchange rate band from  $\pm 3\%$  to  $\pm 5\%$  effective October 17, 2022). These policy and economic changes in 2022 significantly reduced the economy's capacity to absorb capital in 2023. Consequently, VCB's credit growth in 2023 was only 11%, the lowest since its equitization.

Overall, the trajectory of VCB's total asset growth underscores its leading position in handling foreign exchange-related transactions within Vietnam's banking system. Simultaneously, it reflects VCB's prudent management approach during periods of significant macroeconomic challenges.

**Figure 8: The growth trend of VCB's total assets over the past 10 years**



Source: VCB, RongViet Securities

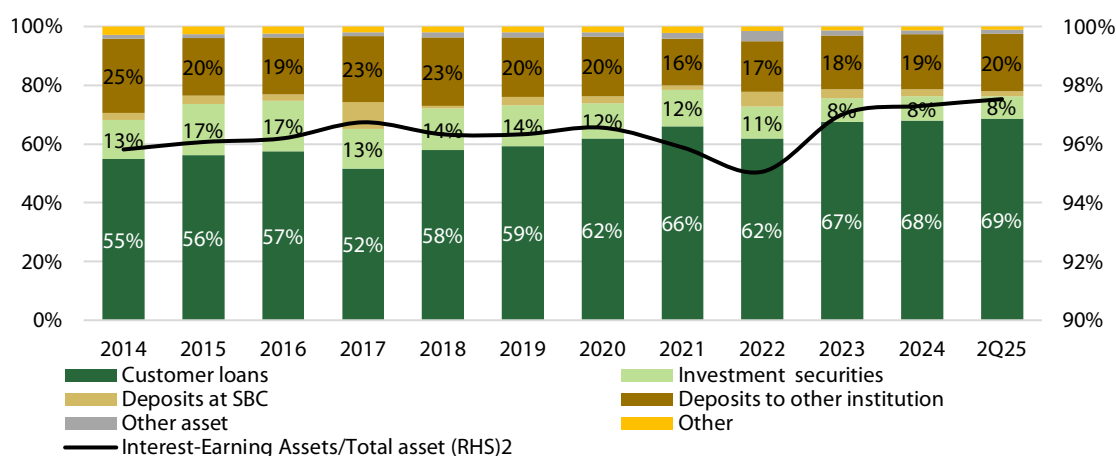
**Regarding the asset structure, the proportion of interest-earning assets within the total asset portfolio has been consistently optimized over the past decade, increasing from approximately 96% to 97.5%.** This trend was briefly interrupted during the 2020-2022 period due to a rapid increase in non-performing assets, including receivables from L/C settlements, accrued interest, and fees, driven by the impact of the Covid-19 pandemic, international macroeconomic pressures (such as the U.S. Federal Reserve's interest rate hikes and the Russia-Ukraine conflict), and domestic challenges (notably the SCB incident and the bond market crisis). However, the proportion of non-performing assets has significantly declined over the past three years, reaching 1.3% of total assets at the most recent reporting date, reflecting improved credit quality.

The bank's prudent lending approach is further evidenced by the low ratio of accrued interest and fees to interest-earning assets, standing at 0.4%, notably below the average for the commercial banking sector (2Q25: 0.9%). Additionally, the average days for interest receivables have been maintained at approximately 30 days (2024), despite the loan portfolio being predominantly composed of wholesale loans, which typically have longer repayment cycles compared to the monthly periodicity of retail loans. This underscores VCB's robust credit quality control measures.

As of June 30, 2025, VCB's outstanding credit balance reached nearly VND 1.6 trillion, driven by intensified wholesale lending and large-scale project financing over the past three years to support economic growth. This, coupled with slower growth in customer deposits and balances held at the State Bank of Vietnam (related to mandatory reserves), has led to an upward trend in the customer loan-to-asset ratio. Meanwhile,

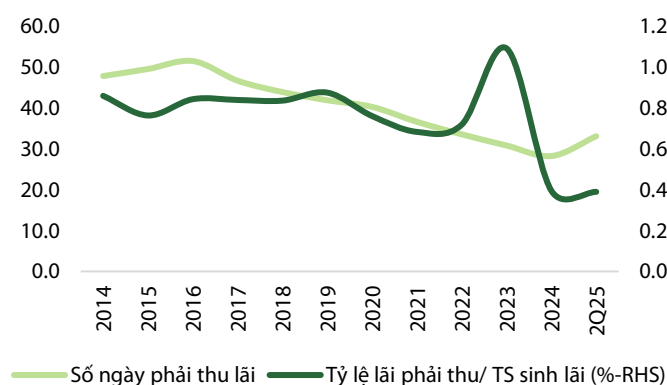
interbank deposits, lending, trading securities, and investment securities have maintained stable proportions. Overall, VCB sustains high asset quality, with the lowest non-performing asset ratio in the banking system and a stable interest-earning asset proportion approaching 98%.

**Figure 9: VCB's asset structure**



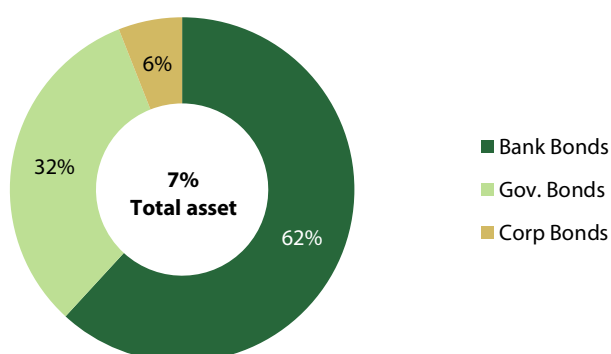
Source: VCB, RongViet Securities

**Figure 10: Accrued interest/interest-earning assets and average number of days for interest receivables in 10 years**



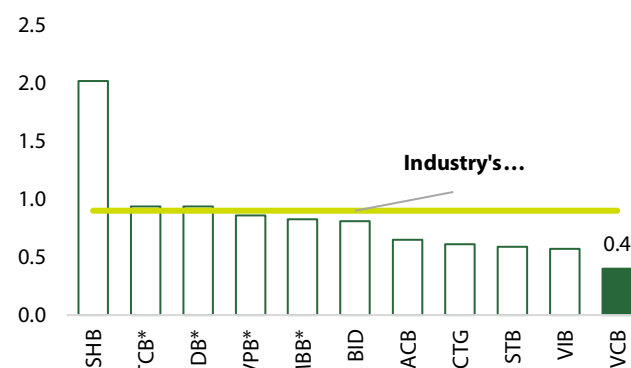
Source: VCB, RongViet Securities

**Figure 12: The structure of valued paper portfolio (2Q25)**



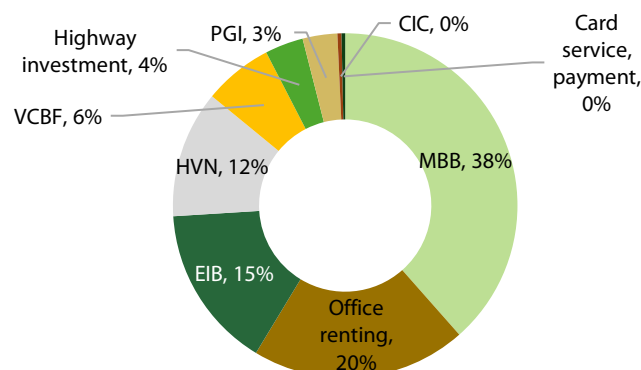
Source: VCB, RongViet Securities

**Figure 11: Accrued interest/interest-earning assets of VCB at the lowest level in the industry (2Q25)**



Source: Company reports, RongViet Securities

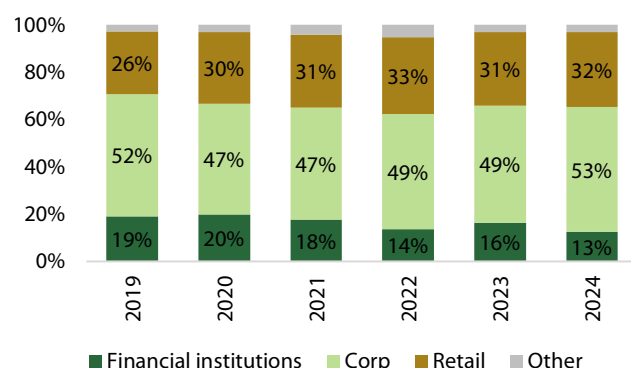
**Figure 13: The structure of the investment portfolio in other enterprises by industry (2024)**



Source: VCB, RongViet Securities

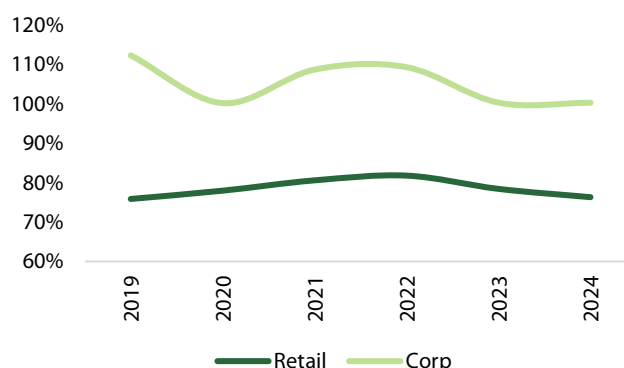
**After applying risk weights and adhering to Circular 41/2016/SBV on capital adequacy ratios, the risk-weighted asset structure of VCB has remained stable, with a slight downward trend in the risk-weighted asset ratio over the past three years.** The majority of risk-weighted assets are concentrated in exposures to corporate clients and financial institutions (primarily other credit institutions), while retail exposures account for a relatively small proportion (see Figure ...), despite representing approximately 45% of total customer loans. This is attributed to the estimated risk weight for retail loans being consistently maintained below 80%, as most of these loans are relatively low-risk (10% from secured loans backed by valued securities and 40% from production and business loans). Meanwhile, the estimated risk weight for corporate exposures has been prudently managed, decreasing from 112% in 2019 to 100% in 2024, reinforcing VCB's cautious operational approach.

**Figure 14: Risky asset structure and risk coefficient of VCB**



Source: VCB, RongViet Securities

**Figure 15: Average risk coefficient of receivables categorized by customer segment**



Source: VCB, RongViet Securities

**VCB has consistently maintained one of the lowest overdue loan ratios in the banking industry over the past decade**

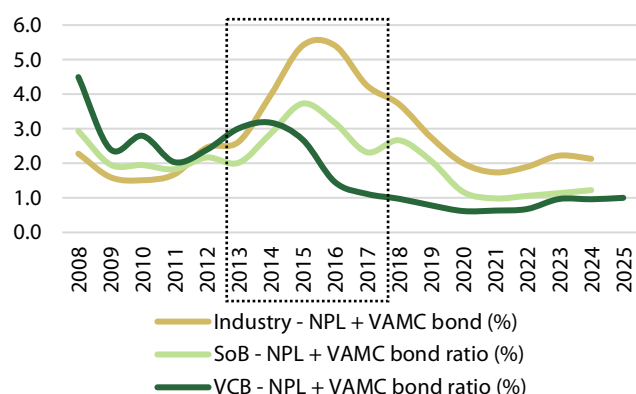
VCB has consistently maintained one of the lowest overdue loan ratios in the banking industry over the past decade. The bank stands out for its highly prudent approach to credit quality control. The NPL ratio (including bonds held by the Vietnam Asset Management Company, VAMC) has generally trended downward since peaking at 4.6% in 2008-the year of VCB's equitization and the global financial crisis-and has been stably managed below the 1% threshold since 2018, despite the economic downturn from 2022 to 2024. In addition to post-loan risk management measures such as maintaining high provisioning levels, selling bad debts to VAMC, and recovering non-performing loans, VCB employs rigorous pre-lending screening processes for borrowers and loan sectors.

- **2008–2013:** This is the period when the banking industry began to fall into a crisis due to the impact of the global financial crisis and the alarming scale of bad debt – a consequence of rapid credit growth before 2008, increased operating interest rates, many state-owned enterprises operating at a loss, and, ultimately, a frozen real estate market. However, we observe that VCB has managed bad debt very effectively, both in terms of scale and ratio, and performed significantly better than the industry average (**Figure 16**), despite the bank's focus on lending to large state-owned enterprise clients during this period (see [Overview](#) section). From this reality, we believe that VCB successfully established a risk management policy early on, enabling the bank to select high-quality borrowers while limiting exposure to high-risk segments such as real estate business and consumption. As a result, VCB's bad debt ratio not only peaked at a lower level than the industry average but was also brought under control one year earlier.
- **2013–2015:** After the economic recession, VCB began addressing bad debt by 2015, the bank had fully processed the special VAMC bonds (with a total value of over 6 trillion VND). This was achieved

in just over two years after selling the debt to VAMC, making VCB the first commercial bank to complete the repurchase of bad debt from VAMC and the bank with the fastest processing time.

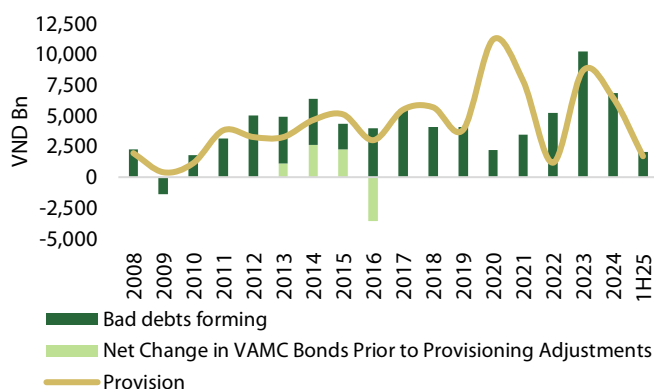
- 2018-Present: By 2018, VCB had successfully reduced its NPL ratio below the 1% threshold for the first time**, a level considered a strict benchmark for the bank, maintained consistently despite the post-COVID economic downturn from 2022 to 2024. This achievement underscores VCB's strong position in asset quality. **During this period, VCB adopted a highly prudent provisioning strategy, starting in 2018, by setting aside provisions not only for bad debts but also for all Group 2 loans (special mention loans).** This practice has been maintained to date (see **Figure 19**), a feat achieved by few other major banks (e.g., VCB from 2017–2021, MBB from 2021–2022, VietinBank in 2020, and BIDV in 2021). During the COVID-19 pandemic, VCB also fully provisioned for restructured loans (in accordance with SBV's circulars on debt rescheduling and maintaining loan classifications), with provisioning levels significantly exceeding net bad debt formation (see **Figure 18**). This bolstered VCB's provision buffer (see **Figure 21**), substantially alleviating credit cost pressures in 2022–2023. Additionally, during this period, VCB significantly expanded its retail lending segment while maintaining strong control over bad debt formation, highlighting the high quality of its customer base.

**Figure 16: VCB has demonstrated more effective management and control of non-performing loans compared to other banks, including other state-owned banks, during the periods of 2013–2017 and 2022–2024**



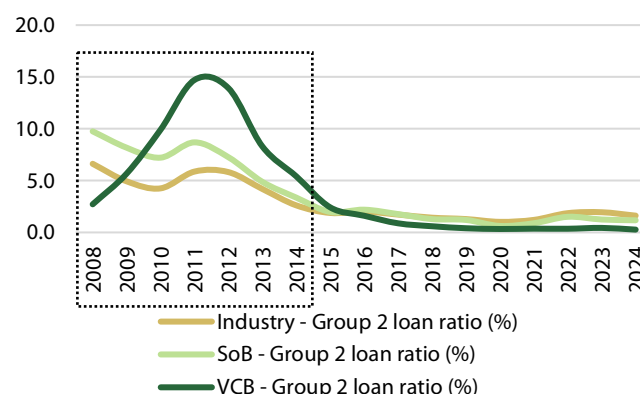
Source: Company reports, RongViet Securities

**Figure 18: VCB consistently ensures a provisioning budget that aligns with the scale of newly arising bad debts**



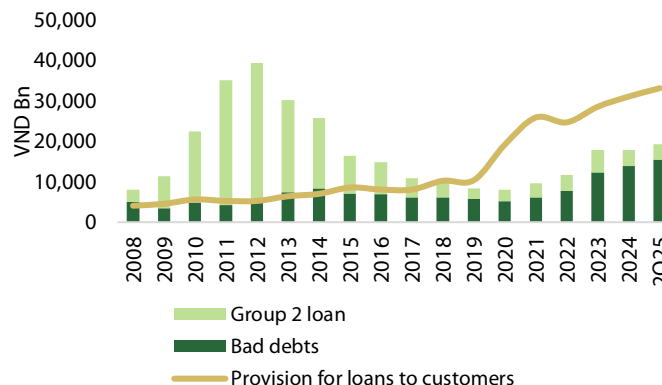
Source: VCB, RongViet Securities

**Figure 17: VCB has actively managed the quality of overdue loans since 2012, resulting in a reduction of the Group 2 loan ratio from its peak in 2011 to the lowest level in the industry by 2016**



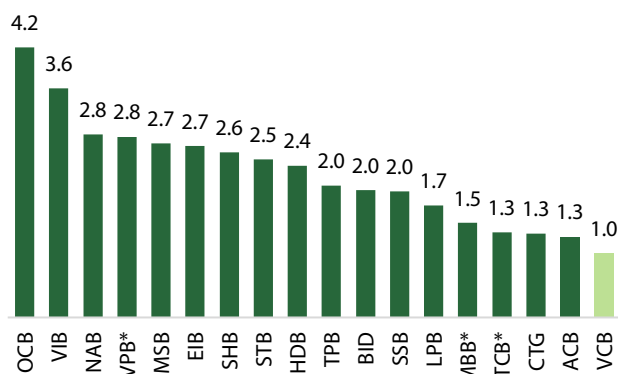
Source: Company reports, RongViet Securities

**Figure 19: VCB is the only bank in Vietnam provisioning for both NPLs and Group 2 loans since 2018**



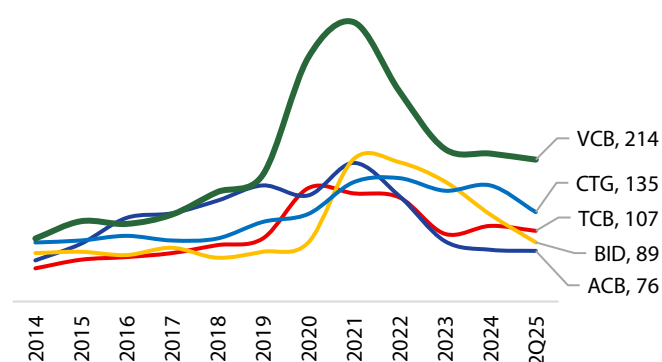
Source: Company reports, RongViet Securities

**Figure 20: VCB has sustained its position as the bank with the lowest NPL ratio in the system as of Q2 2025**



Source: Company reports, RongViet Securities

**Figure 21: VCB leads the Vietnamese banking system in terms of the bad debt coverage ratio (%)**



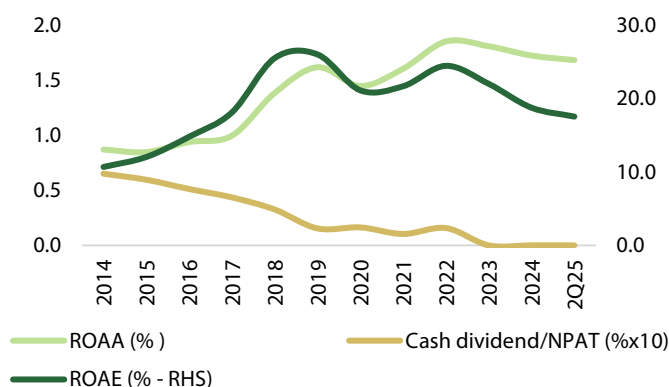
Source: Company reports, RongViet Securities

### MANAGEMENT AND OPERATIONS – PRUDENT APPROACH LEADS TO DECLINING EFFICIENCY IN THE PAST THREE YEARS

VCB's operational efficiency was among the industry leaders following a period of robust profit growth from 2014 to 2022, but it has experienced a slight decline since 2022, with its ROAA and ROAE currently aligning with the industry average.

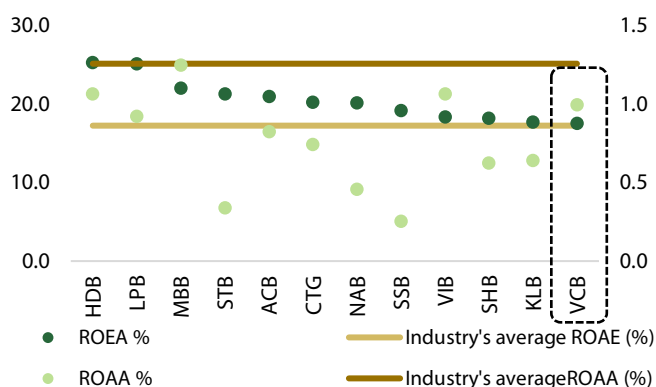
- 2014–2019 Period:** During this period, ROAA and ROAE exhibited strong growth, rising from 0.85% and 12% in 2014 to 1.62% and 26% in 2019, respectively. This trend was driven by: (1) increased revenue from a strategic shift toward retail and SME lending, coupled with positive growth in fee-based income, particularly from bancassurance, without significant pressure from credit costs; and (2) a high dividend payout ratio relative to net profit after tax, averaging 50%.
- 2020–2022 Period:** Affected by the COVID-19 pandemic, ROAA and ROAE declined in 2020–2021 due to VCB significantly increasing provisions, which surged by over 400% in 2021. In 2022, operational efficiency rebounded post-pandemic, supported by 19% credit growth and a substantial reduction in specific provisioning for customer loans (due to provision reversals), resulting in a 36% year-on-year (YoY) increase in profit before tax. This recovery drove improvements in ROAA and ROAE in 2022.
- 2023–Present:** Since 2023, both metrics have shown a clear downward trend, primarily due to the inability to sustain prior profit growth levels. Weak credit demand and a sharp decline in Net Interest Margin (NIM) have dampened revenue growth momentum, leading to net profit after tax growth of only 11% and 2% in 2023 and 2024, respectively, despite credit costs decreasing significantly by 52% YoY in 2023 and 27% YoY in 2024. Additionally, VCB's decision to suspend cash dividend payments from 2023 to the present has contributed to the decline in ROAE.

**Figure 22: VCB's ROAA and ROAE**



Source: VCB, RongViet Securities

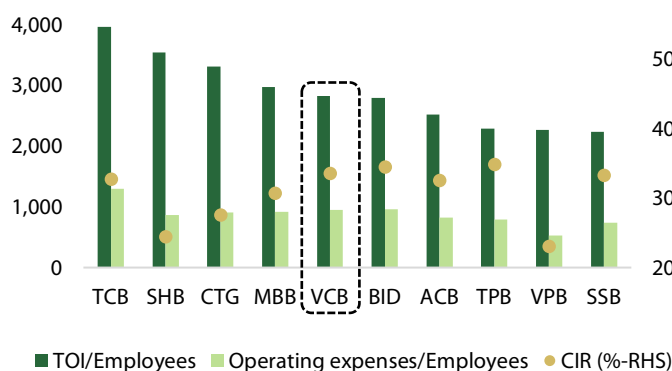
**Figure 23: Operational Efficiency of VCB as of Q2 2025 Compared to Industry Average**



Source: Company reports, RongViet Securities

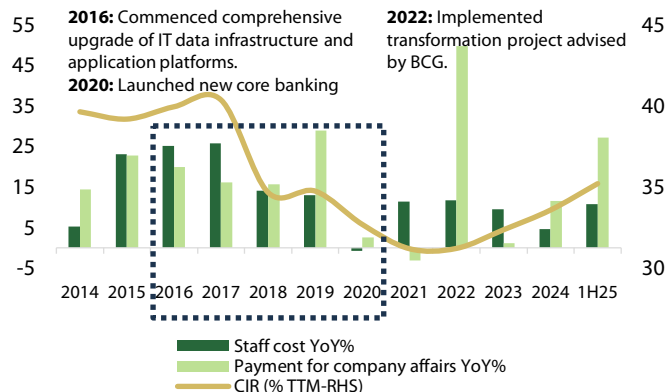
VCB achieved strong cost control performance from 2014 to 2019, with the CIR declining steadily, reflecting an effective operational strategy. However, since 2022, and particularly over the past three years, CIR has risen again, indicating challenges in balancing long-term investments (such as digital transformation) with sustained income growth. While this may be a necessary strategy to remain competitive in the rapidly evolving digital banking landscape, VCB must focus on optimizing income to prevent further escalation of CIR.

**Figure 24: VCB ranks fifth in the banking sector for average revenue generated per employee.**



Source: Company reports 2024, RongViet Securities

**Figure 25: CIR has increased over the past three years due to stagnant TOI and heightened investment in digital transformation.**



Source: VCB, RongViet Securities

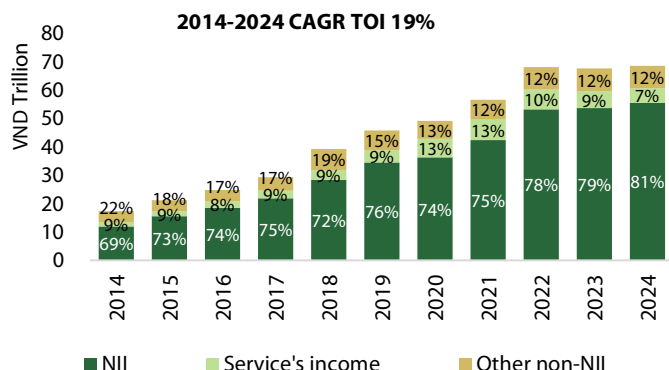
## PROFITABILITY - HIGHEST AMONG STATE-OWNED COMMERCIAL BANKS WITH AN ABSOLUTE ADVANTAGE IN COST OF CAPITAL

VCB's TOI structure is primarily driven by net interest income, which accounts for an average of 77% of TOI over the past five years, followed by income from service activities, ranging from 7% to 13%. The contribution of other non-interest income to total operating income has remained relatively stable in recent years, fluctuating based on the performance of foreign exchange trading and the recovery of previously provisioned bad debts. This structure reflects the characteristic reliance of Vietnamese credit institutions on net interest income. This proportion is significantly higher than that of commercial banks in developed countries (see **Figure 27**), where banks have robustly developed non-interest income sources such as fees from investment banking services, asset management, insurance, credit cards, and trading in more complex financial products like derivatives or securitization. On the other hand, this presents an opportunity for



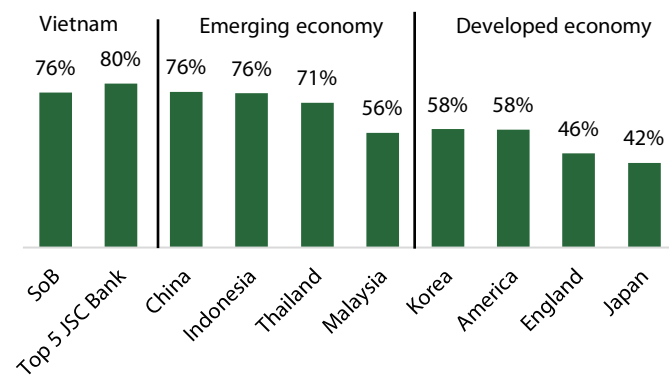
Vietnam's versatile commercial banks, particularly those with large-scale operations, to enhance fee-based income in the future by developing into financial conglomerates capable of providing a comprehensive ecosystem of financial services.

**Figure 26: TOI remains primarily dependent on NII.**



Source: VCB, RongViet Securities

**Figure 27: NII/TOI 2024 for leading banks in emerging and developed markets highlights differences in income diversification.**



Source: Bloomberg, RongViet Securities

**Net Interest Margin (NIM) Reflects the Unique Role of State-Owned Banks and Resilience Against Declining Interest Income Risks.** From 2017 to 2022, VCB's NIM experienced significant growth, driven by impressive retail credit expansion and effective optimization of funding costs, consistently maintaining the lowest cost of capital in the industry. This was further supported by low market interest rates during 2021–2022. The peak was in 2022, when NIM reached 3.4%, the highest in VCB's history. Since 2023, NIM has moderated in line with broader banking system trends, as yields on interest-earning assets faced pressure from competition and government policies aimed at reducing lending rates to support the economy. By Q2 2025, VCB's trailing twelve-month (TTM) NIM declined to 2.7%, the lowest since 2018.

Notably, VCB's lending rates have consistently been among the lowest in the market since 2019 (see **Figure 31**), underpinned by its absolute competitive advantage in cost of capital. Consequently, even amidst competitive pressures on interest rates and subdued credit demand, VCB's NIM remains relatively higher than that of other state-owned banks (see **Figure 29**).

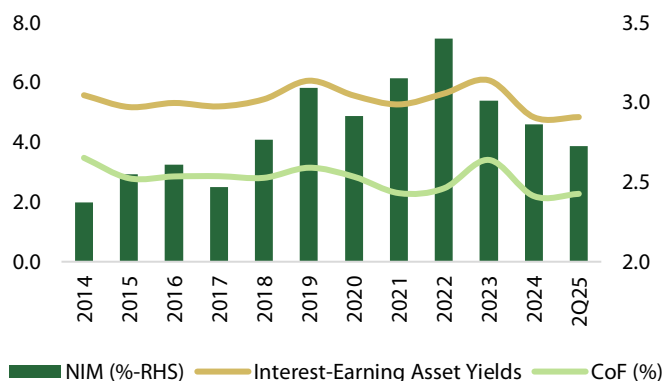
These factors reflect: (1) the unique role of a state-owned bank **in supporting the economy and regulating market interest rates**, facilitated by liquidity support from the SBV; and (2) a controlled credit growth strategy **prioritizing low-risk customer segments**.

- **Role in Interest Rate Regulation and Economic Support:** VCB, alongside other state-owned banks such as VietinBank, BIDV, and Agribank, often plays a leading role in setting market interest rates, particularly during periods of monetary policy easing or tightening by the SBV. Unlike some joint-stock commercial banks, state-owned banks typically refrain from raising lending rates to the maximum extent when market interest rates trend upward, , , in order to support businesses and the economy. They may also benefit from liquidity support from the SBV (e.g., treasury deposits) at preferential rates, which reduces funding costs. This holds true during periods when the government encourages lower lending rates to address economic challenges (e.g., the COVID-19 pandemic or financial crises). However, state-owned banks may be limited in their ability to maximize NIM due to pressures to maintain preferential credit policies for state-owned enterprises and priority sectors (e.g., agriculture, exports, and supporting industries).
- **Impact of Customer Structure on NIM:** Despite the growing share of retail lending, VCB tends to prioritize low-risk customer segments and business-oriented lending, rather than focusing heavily on real estate or consumer loans. This approach results in less pronounced NIM expansion compared



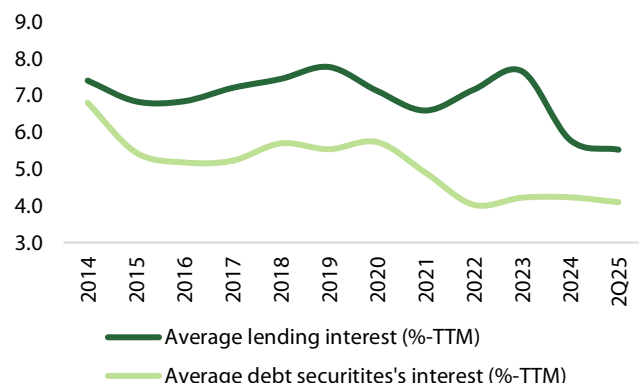
to some private joint-stock commercial banks. However, it also enhances VCB's resilience against risks of declining accrued interest income compared to the broader banking system, particularly when bad debts arise during economic downturns, due to its controlled credit risk exposure.

**Figure 28: Trends in VCB's NIM (TTM) in Relation to Fluctuations in Interest-Earning Asset Yields and CoF**



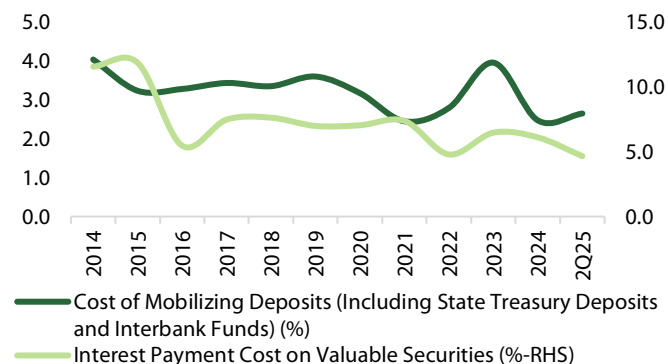
Source: VCB, RongViet Securities

**Figure 30: Customer Lending Rates Were Promptly Reduced Over the Past Three Years to Support Credit Growth in Line with Government and SBV Directives**



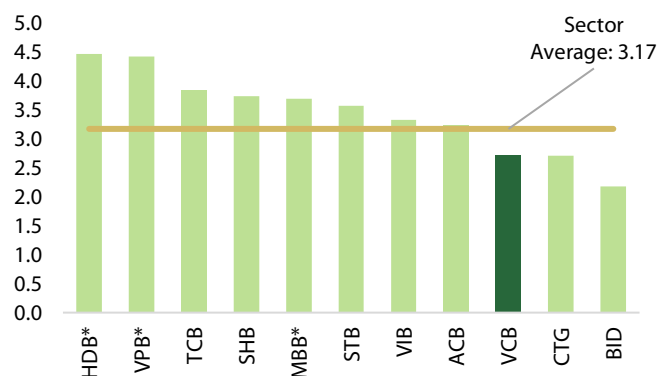
Source: VCB, RongViet Securities

**Figure 32: Average Funding Costs Declined Significantly During Periods When the SBV Implemented Monetary Easing Policies to Support the Economy (2020–2021 and 2024), Partly Due to Deposits from the State Treasury**



Source: VCB, RongViet Securities

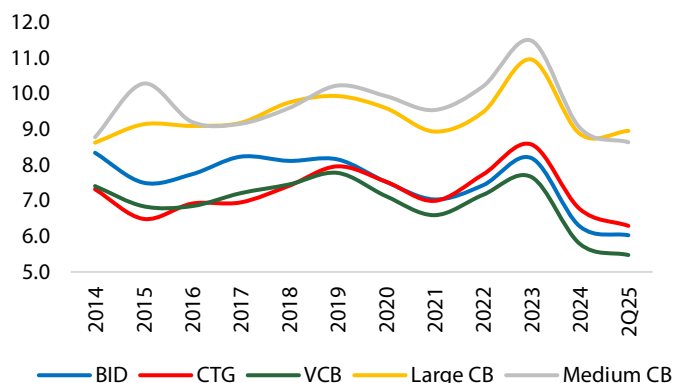
**Figure 29: VCB Exhibits a Lower NIM Compared to the Industry Average Due to Its Pioneering Role in Policy Implementation, but Outperforms CTG and BID thanks to a Healthier Loan Portfolio**



Source: Company reports 2Q2025, RongViet Securities

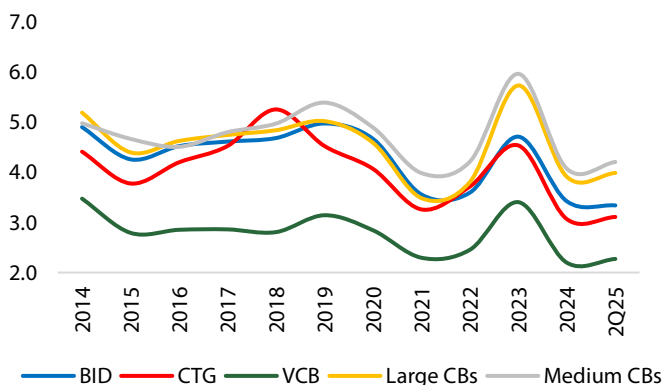
\*Parent bank data

**Figure 31: Comparison of Average Lending Yields Across Commercial Bank Groups Highlights the Leading Role of State-Owned Banks in Settling Market Interest Rates**



Source: Company reports, RongViet Securities

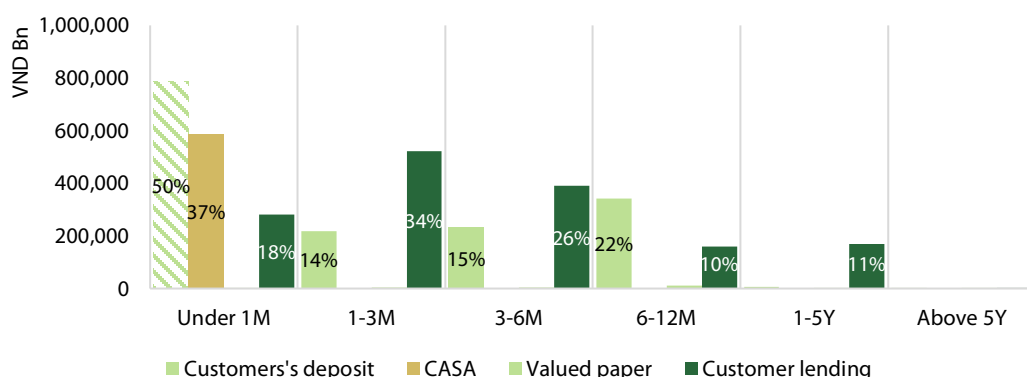
**Figure 33: Average Funding Costs Declined Significantly During Periods When SBV Implemented Monetary Easing Policies to Support the Economy (2020–2021 and 2024), Partly Due to Deposits from the State Treasury**



Source: VCB, RongViet Securities

**We maintain a moderately positive outlook on VCB's potential to expand its NIM as the economy shows signs of accelerating growth in the coming years.** This perspective stems from the structure of VCB's loan interest rate repricing, with 78% of loans featuring repricing tenors of less than six months. However, while this ratio is lower than the 79% of customer deposits with repricing tenors of less than six months, it is noteworthy that 37% of this deposit base consists of CASA (current and savings accounts) with a fixed interest rate of 0.1% per year. Consequently, the effective proportion of deposits with repricing tenors of less than six months is only 42%, which is lower than the 52% of customer loan outstanding with the same repricing tenor. The risk of delayed loan rate adjustments relative to funding costs primarily arises from loans with repricing tenors of 6 months to 1 year (where only 10% of loans are matched by funding with the same tenor, resulting in a -12% mismatch ratio) and those with tenors exceeding 1 year (fully exposed to interest rate risk due to the absence of corresponding funding tenors). Thus, in the event of rapid adjustments in deposit rates, approximately 23% of the loan portfolio would be at risk of interest rate fluctuations, impacting NIM.

**Figure 34: Structure of Customer Loans and Deposits, Including Valuable Securities (GTCG), by Repricing Tenor as of Q2-2025, Showing Over 50% of VCB's Loan Portfolio Undergoes Frequent Interest Rate Adjustments (from Less Than 1 Month to 3 Months)**



Source: VCB, RongViet Securities

### LIQUIDITY – PRESSURE TO ACCELERATE DEPOSIT MOBILIZATION IN THE SHORT TERM PERSISTS

**Regarding the LDR,** VCB's ratio has risen sharply from 73% in 2019 to 80% in 2024, driven by slower deposit growth compared to credit growth during this period, with average annual growth rates of 11% and 15%, respectively.

Following the issuance of Circular 26/2022/TT-NHNN, which amended Circular 22/2019/TT-NHNN at the end of 2022, the SBV allowed a portion of State Treasury (KBNN) deposits to be included in the deposit component for LDR calculations, with the following phased schedule:

- From 12/31/2022, to 12/31/2023: 50% of the State Treasury deposit balance;
- From 1/1/2024, to 31/12/2024: 40% of the State Treasury deposit balance;
- From 1/1/2025, to 12/31/2025: 20% of the State Treasury deposit balance;
- From 1/1/2026: 0% of the State Treasury deposit balance.

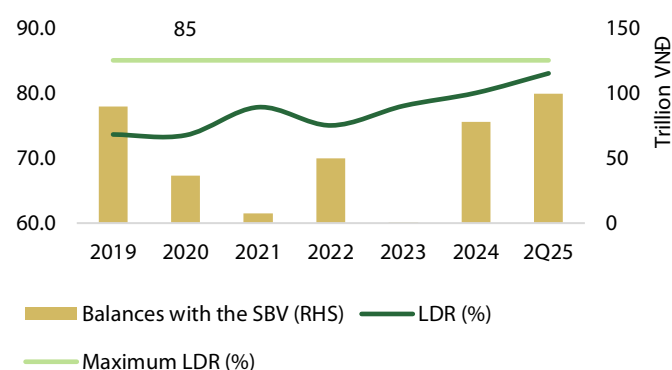
Thanks to this regulation and a significant surge in KBNN deposits in 2022, the rapid increase in VCB's LDR ratio experienced a slight decline in 2022. Although KBNN deposit mobilization (which saw a 10% reduction in the deposit ratio counted toward LDR compared to 2023) spiked again at the end of 2024, reflecting the SBV's stable interest rate management approach through liquidity support at low funding costs, the LDR ratio continued to trend upward through 2024. As of Q2 2025, the LDR rose to 83%, nearing the SBV's regulatory threshold, as the portion of KBNN deposits included in LDR calculations further decreased by 20% compared to 2024. This factor will compel VCB to accelerate deposit mobilization relative to lending in the near term to

ensure compliance with the LDR ratio, potentially impacting NIM if there is no shift in the loan portfolio toward medium- to long-term tenors.

**VCB's ratio of short-term funds used for medium- and long-term loans** has been declining since 2019, aligning with the SBV's directive to reduce this ratio. Accordingly, the SBV has progressively lowered the maximum allowable ratio of short-term funds for medium- and long-term lending from 45% in 2018 (per Circular 19/2017/TT-NHNN) to 30% from October 1, 2023 (per Circular 08/2020/TT-NHNN). We believe VCB faces minimal challenges in adhering to this regulation, given its loan portfolio's short-term orientation.

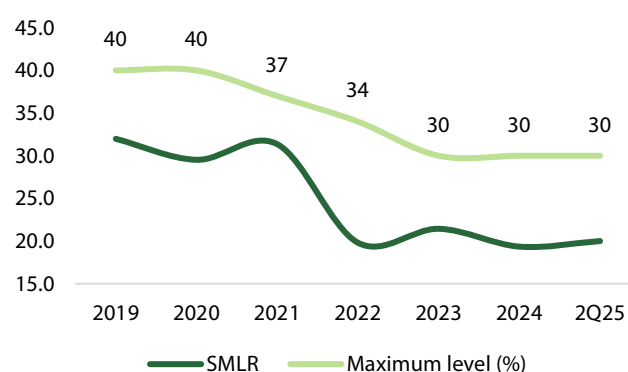
Overall, VCB effectively leverages cost-efficient funding sources (e.g., KBNN deposits) and maintains liquidity ratios in compliance with legal requirements at relatively safe levels. However, the LDR's proximity to the regulatory threshold poses pressure on short-term deposit growth.

**Figure 35: The LDR Ratio in Q2 2025 is approaching the maximum threshold as deposit mobilization has consistently lagged behind credit growth over the past two years**



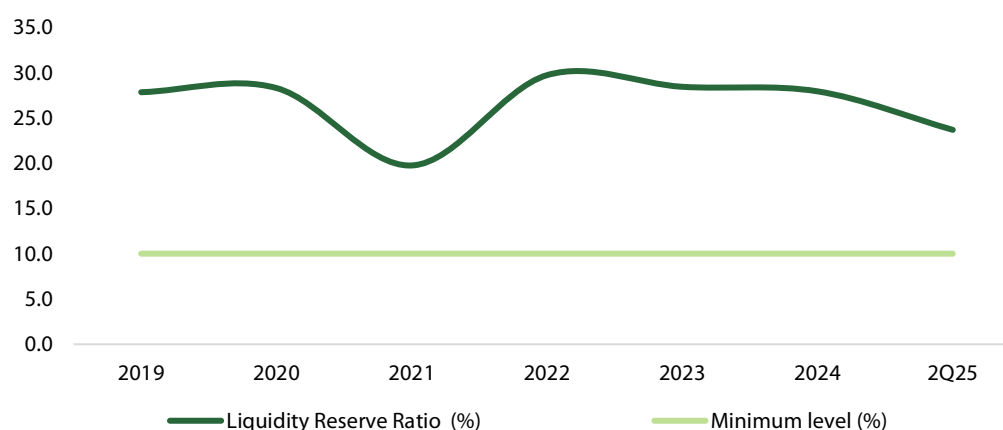
Source: VCB, RongViet Securities estimate

**Figure 36: VCB maintains a very safe margin relative to the regulatory requirement for the smlr ratio**



Source: VCB, RongViet Securities estimate

**Figure 37: The Liquidity Reserve Ratio Consistently Exceeds 10%**



Source: VCB, RongViet Securities estimate \*High liquid asset/Total liabilities

### 1H-2025 FINANCIAL RESULTS AND 2025 FORECASTS

In 6M25, PBT reached VND 21.9 trillion (+5% YoY), completing 47% of the 2025F PBT forecast. VCB's slow growth was driven by flat NII performance, impacted by a 30 bps YoY decline in NIM (TTM) to 2.7% following interest rate cuts (lending rates down 110 bps YoY to 6.6% and deposit rates down 50 bps YoY to 2.7%) to stimulate credit growth and support the economy under government directives. This was offset by a 20% YoY increase in non-interest income, led by FX trading (+55% YoY) and bad debt recoveries (+166% YoY), while net fee income dropped sharply by 43% YoY due to the absence of upfront fees from the exclusive bancassurance partnership with FWD (ended since 4Q24). A key positive was a 48% YoY reduction in provisioning expenses, with NPL formation falling to the lowest level in three years after the NPL formation cycle in 2023. Weak profit growth drove ROE down further to 17.5%, the lowest level since 2017.

**Figure 4: 1H-2025 financial results and 2025F**

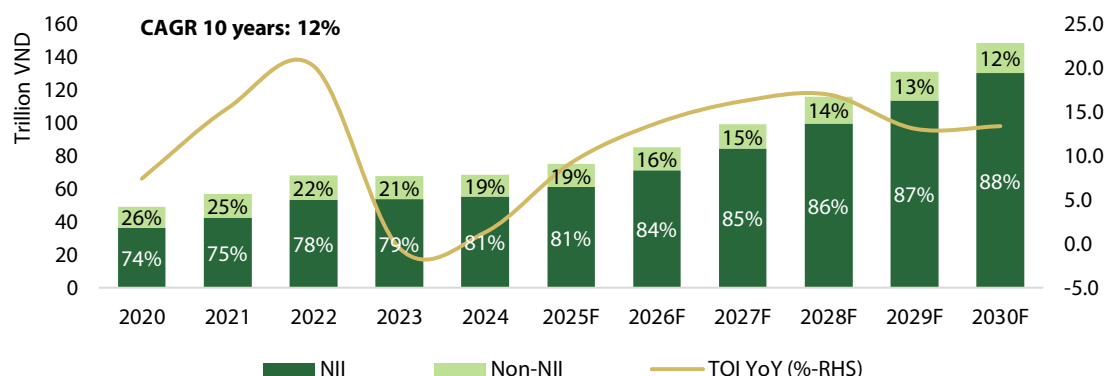
Unit: Billion VND	1H25	YoY (%/bps)	2025F	YoY (%/bps)	Note
<b>NII</b>	27,847	0%	60,984	10%	
NFI	1,667	-43%	3,451	-33%	Stopped recognizing upfront fees from the exclusive bancassurance distribution agreement with FWD starting from 4Q24.
Gain/Losses from FX	3,659	55%	6,682	26%	
Gain/Losses from investment securities trading	37	60%	100	53%	
Other incomes	1,922	166%	3,665	42%	Income from the recovery of off-balance sheet bad debts increased by 43% YoY, reaching VND 2 trillion.
<b>TOI</b>	<b>35,133</b>	<b>3%</b>	<b>74,882</b>	<b>9%</b>	
OPEX	-11,677	15%	-24,843	8%	
PPOP	23,456	-2%	50,039	10%	
Provisioning expenses	-1,562	-48%	-3,128	-6%	
<b>PBT</b>	<b>21,894</b>	<b>5%</b>	<b>46,911</b>	<b>11%</b>	<b>1H25 PBT fulfilled 47% of the full-year PBT forecast.</b>
Credit growth (%-YTD)*	7.3**	13.4	13.8		<ul style="list-style-type: none"> <li>Loan growth of retail customers (+10% YTD) recovered significantly compared to the same period in 2024 (+4% YTD), driven by consumer loans and credit cards (est. at 22% YTD).</li> <li>The corporate segment grew by 5% YTD, mainly driven by large corporates (+6% YTD). Notably, FDI loan growth reached 15% YTD.</li> </ul>
Mobilization growth (%-YTD)*	4.8	15.0	11.4		
· Customer deposits	4.9	15.5	11.6		
· Valuable papers	0.2	-10.8	0		
NIM (%-TTM)	2.72	-29 bps	2.79	-7 bps	NIM has stabilized compared to 1Q25, supported by the acceleration of consumer loans within the retail lending portfolio.
CASA (%)	36.9	145 bps	37.0	28 bps	
YoEA (%-TTM)	4.84	-83 bps	4.87	4 bps	
CoF (%-TTM)	2.27	-58 bps	2.33	13 bps	
CIR (%-TTM)	35.2	303 bps	33.2	-40 bps	<ul style="list-style-type: none"> <li>Administrative expenses surged by 27% YoY in 1H25 due to the implementation of digital transformation projects.</li> <li>CIR is expected to improve in the second half of the year, as TOI growth in 2H25 is forecast at 17% YoY compared to a 2% YoY increase in operating expenses, with a large portion of costs front-loaded in the first half.</li> </ul>
NPL (%)	1.0	-20 bps	0.9	-2 bps	<ul style="list-style-type: none"> <li>NPL ratio remained well controlled at around 1%, with retail's and corporate's stood at 0.8% and 1.2%, respectively, stable QoQ.</li> </ul>
LLR (%)	214	173 bps	218	-569 bps	
Credit cost (%)	0.2	-4 bps	0.2	-4 bps	
Net NPL formation (%-TTM)	0.2	-74 bps	0.2	-31 bps	The NPL formation rate declined to the lowest level in three years, following the NPL formation cycle that began in 2023.
ROAE (%)	17.5	-244 bps	17.8	-90 bps	2Q25 marked the third consecutive quarter in which VCB's ROAE remained below 20%.
BVPS (VND/share)	25,568	17,6	26,948	16,1	<ul style="list-style-type: none"> <li>2025F BVPS has factored in the 4.5% cash dividend payment planned for 2025.</li> <li>As of September 26, 2025, trailing P/B stood at 2.5x, while 2025F/2026F P/B multiples were 2.3x/2.1x, compared to the 5-year historical average P/B of 3.1x.</li> </ul>

Source: VCB, RongViet Securities \*Parent bank \*\* After selling debts to VCB Neo — formerly Construction Bank

## 2025F–2030F FORECASTS

**Total Operating Income:** Total operating income for the 2025F–2030F period is projected to grow at a CAGR of 15%, driven by a 16% CAGR in net interest income and a 6% CAGR in non-interest income.

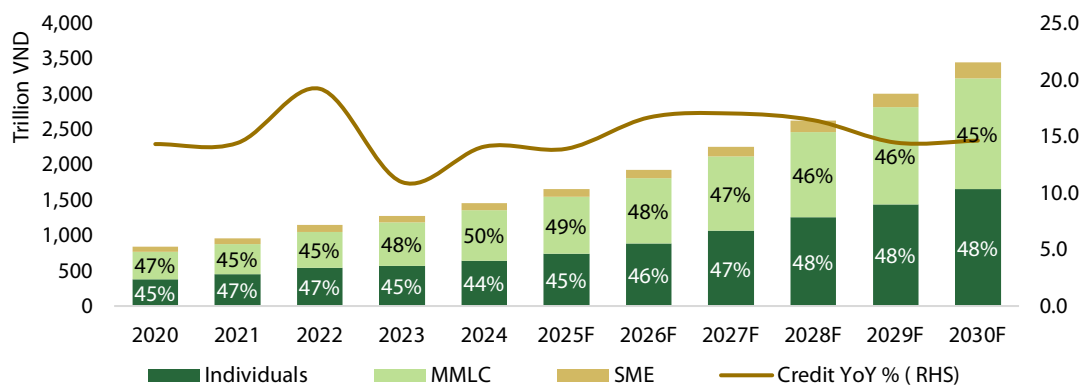
**Figure 38: VCB's Total Operating Income Forecast**



Source: VCB, RongViet Securities forecasts. Note: These data are also presented in tabular format on [\(Page 23\)](#).

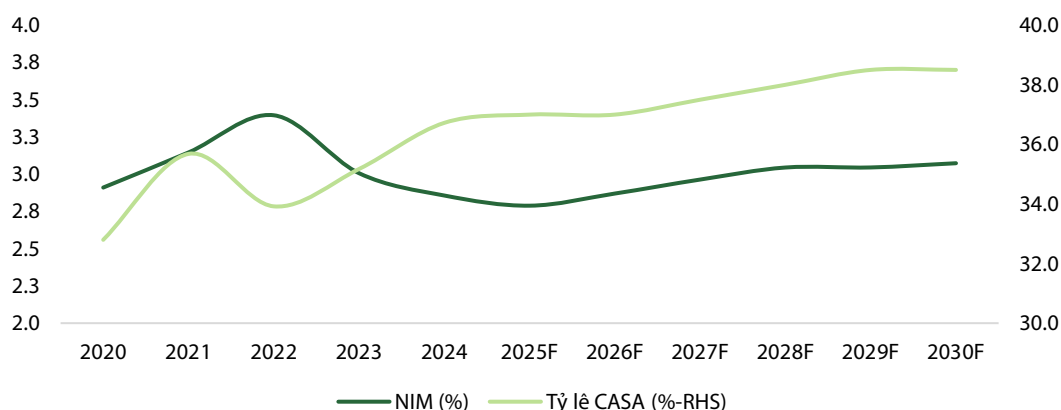
**Net interest income** is projected to grow at a CAGR of 16% during 2025F–2030F, primarily driven by 16% credit growth and an average NIM of 3.0% (2019–2024: 3.1%).

- Credit growth:** Regarding Vietnam's macroeconomic outlook, we expect GDP growth to remain stable at around 7–8% annually, supported by strong momentum from exports, manufacturing, services, foreign direct investment (FDI), and domestic demand. As the leading bank in executing the strategic directions of the Government and the SBV, VCB is well-positioned to sustain credit growth at a CAGR of 16%, leveraging its core competitive advantages: (1) the lowest funding cost in the system, (2) strong brand reputation and an extensive nationwide network, (3) proven capability in handling large-scale transactions and loans for national projects, and (4) a high-quality, large-scale customer base across both corporate and retail segments. We expect retail loan growth to reach 18%, slightly outpacing wholesale (large corporate) growth of 14%, driven by the continued expansion of the retail customer base. Key risks to the forecast include:
  - The unpredictable nature of U.S. trade policy during the remainder of President Donald Trump's term (until 2028) could weaken global and Vietnamese trade flows, negatively impacting trade finance, FDI corporate lending, and domestic exporters within global supply chains. This is despite the 20% reciprocal tariff imposed by the U.S. on Vietnam not being a significant disadvantage compared to other competing exporters.
  - Economic stimulus efforts could lead to inflation spiraling out of control, prompting adjustments to GDP growth targets and monetary policy.
  - The management's overly cautious stance, which has already slowed growth momentum and gradually ceded credit market share to joint-stock commercial banks over the past three years.

**Figure 39: VCB's Credit Growth Forecast by Customer Segment**


Source: VCB, RongViet Securities

- NIM:** Given their role in supporting economic growth, state-owned banks typically have lower but more stable NIMs compared to private banks. VCB's NIM ranged between 2.9% and 3.1% during 2019–2024, except for 2022 when NIM rose abnormally to 3.4% due to a sharp surge in post-Covid credit demand early in the year and lending rate adjustments following the SBV's policy rate hikes in Q4-2022. For the 2025F–2030F period, we expect the average NIM to remain at around 3.0%, higher than the 2025F projection of 2.8% but slightly below the 5-year average of 3.1% for 2019–2024. This reflects our view that VCB and other state-owned banks will maintain stable lending rates (within their control and in line with the macroeconomic environment) to support economic growth.

**Figure 40: Projected NIM and CASA of VCB**


Source: VCB, RongViet Securities forecasts

**Non-interest income** is projected to grow at a 5-year CAGR of 6% during 2025F–2030F (2019–2024: 3%). The relatively modest growth is mainly due to the expected decline in the CAGR of off-balance sheet bad debt recoveries starting from 2027F, as the banking sector may have passed the NPL cycle (2022–2024 period) and VCB's net NPL formation and risk disposal scale remain limited (1.4% of total loans as of end-2024). Fee income is projected to grow at a 5-year CAGR of 13%, driven by the recovery of the bancassurance segment. We have not factored in any projections related to gold trading activities under Decree 232/2025/NĐ-CP on gold business management (with the possibility of VCB being designated as a gold trading exchange), nor potential participation in providing market infrastructure services for digital asset trading under Resolution 05/2025/NQ-CP, which governs the pilot digital asset market in Vietnam.

- Net fee income from services:** Trade finance fees (including fees related to L/Cs, guarantees, international payments, and factoring), card services, and bancassurance commissions were the three largest fee income sources for VCB as of 1H25, accounting for 37%, 22%, and 9% of total fee income, respectively. Bancassurance used to contribute around 40% to fee income; however, a



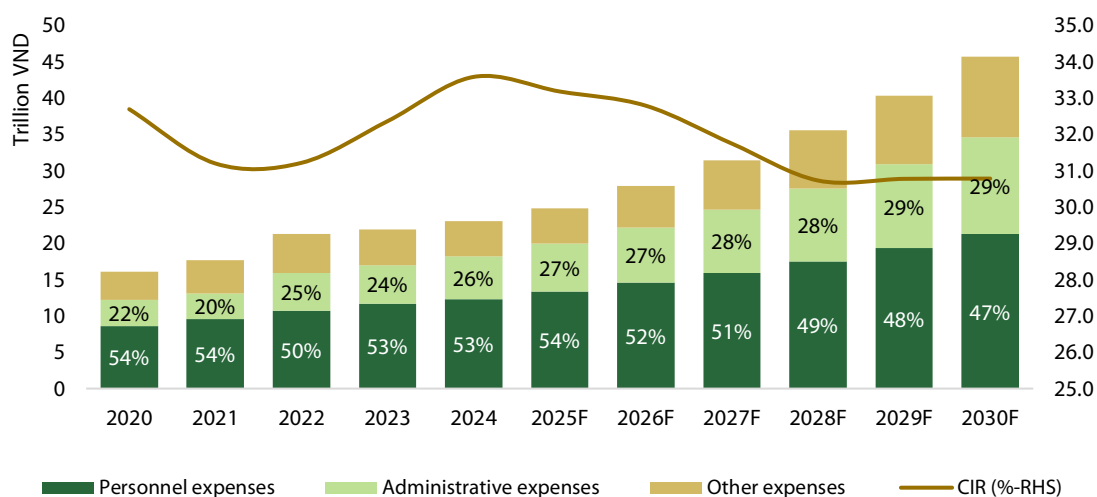
decline is expected in 2025 due to the absence of upfront fee recognition from the exclusive distribution agreement with FWD (since 4Q24). Nonetheless, we believe the strong potential of the life insurance market will drive a recovery and double-digit CAGR growth in this segment over the forecast period.

- **FX trading income:** This is a distinctive and important component of VCB's non-interest income, given the bank's market-making position in interbank FX transactions. This segment recorded a 10-year CAGR of 11%, contributing 7–8% of the bank's total operating income. Over the next five years, we project the CAGR to moderate slightly to 8%, reflecting concerns over reciprocal tariff tensions that could impact FDI inflows and VCB's FX transaction volume.
- **Recoveries of previously written-off bad debts** are expected to decline in 2027F and maintain a low contribution to total revenue (2%–3%), as the NPL cycle has likely peaked and the bank applies strict risk management policies as soon as on-balance sheet NPLs arise.

**Cost:** The total cost CAGR for the 2025F–2030F period is projected at 16%, comprising a 13% CAGR in operating expenses and an 18% CAGR in credit provision expenses.

**Operating expenses:** We assume personnel expenses will grow at a CAGR of 10%, mainly driven by higher average cost per employee, while headcount growth is expected to remain modest at 2% CAGR, reflecting the bank's ongoing digitalization process. It is also worth noting that VCB's workforce expansion has slowed steadily from 10% in 2019 (pre-Covid) to 3% in 2024. Investments in digital banking projects will continue to be prioritized, driving administrative expenses CAGR to 15% (2019–2024 CAGR: 11%). The CIR is projected to decline to 31.0% by 2030F, from 33.6% at end-2024.

**Figure 41: VCB's Operating Expense Forecast (VND Billion)**

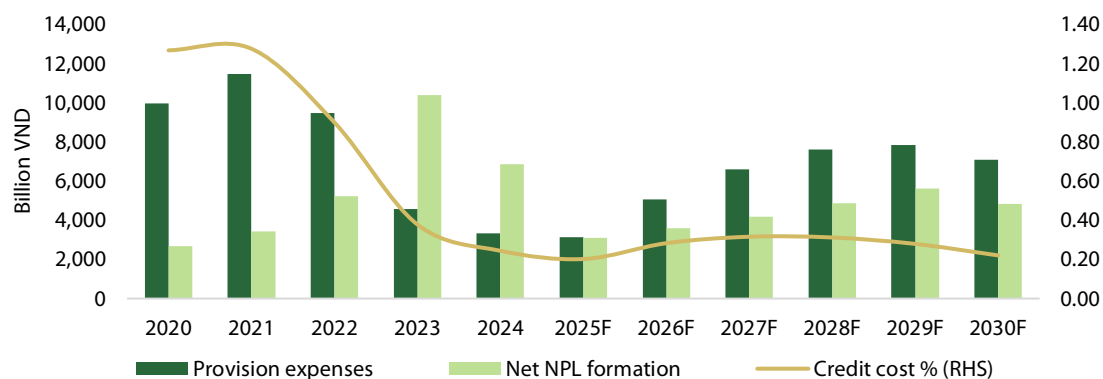


Source: VCB, RongViet Securities forecasts

**Credit provision expenses:** Assuming an average net NPL formation rate of 0.19% per year and an average credit cost of 0.27% during 2025F–2030F, the NPL coverage ratio is projected to remain at 212% by 2030F, in line with the 2023 level. It is noteworthy that **as of 2Q25, VCB's loan loss reserves not only fully cover all overdue loans from Group 2 to Group 5 but also include a 0.9% reserve buffer for Group 1 loans.** This implies that even if 1% of Group 1 loans were to turn non-performing, it would not place significant pressure on credit costs, especially since the probability is low—Group 2 loans, which are already fully provisioned, typically become NPLs before Group 1 loans. Therefore, we highly value VCB's defensive position against macroeconomic volatility and its ability to manage credit costs during the forecast period, with potential upside risk from provision reversals. The 18% CAGR in credit provision expenses mainly reflects increases in general provisions in line with incremental credit growth and the low base in 2025F



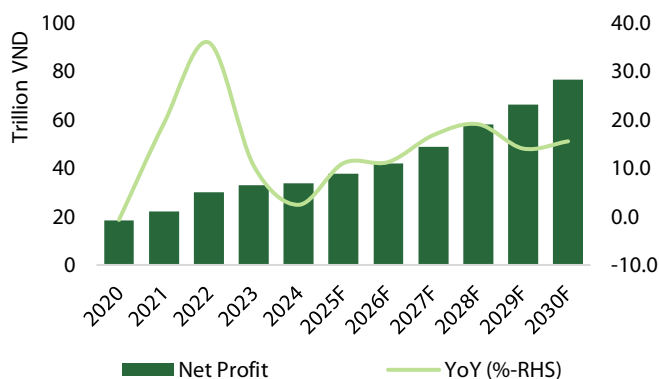
**Figure 42: VCB's Credit Provision Expenses and Net NPL Formation Forecast (Billion VND)**



Source: VCB, RongViet Securities forecasts

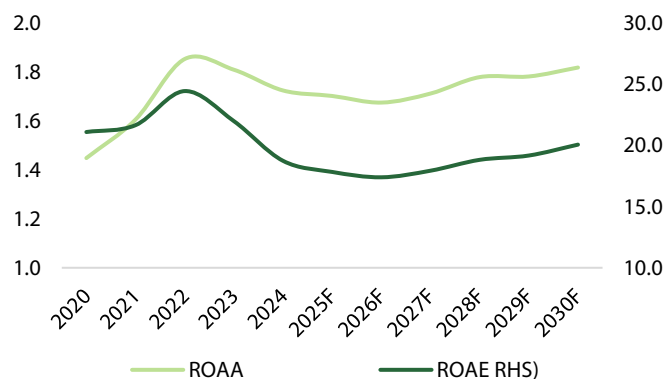
**Net Income:** VCB's net profit attributable to parent company shareholders is projected to grow at a CAGR of 15% during 2025F–2030F.

**Figure 43: Projected net profit after tax attributable to parent Company's Shareholders of VCB**



Source: VCB, RongViet Securities forecasts

**Figure 44: Higher profit growth and sustained dividend payout policy during the forecast period supported by a strong CAR ratio (2Q25: 12%), enhancing operational efficiency**



Source: VCB, RongViet Securities forecasts

**Note:** We also visualize these data in tabular form. More detailed information can be found in the Appendix. ([Page 24](#)).

**Table 7: Projected annual financial statements of VCB**

INCOME STATEMENT	2022	2023	2024	2025F	2026F	2027F	2028F	2029F	2030F
Interest Income	88,113	108,122	93,655	106,560	124,392	147,115	173,769	200,688	230,271
Interest Expenses	-34,866	-54,501	-38,249	-45,576	-53,240	-62,890	-74,322	-87,102	-100,227
<b>Net Interest Income</b>	<b>53,246</b>	<b>53,621</b>	<b>55,406</b>	<b>60,984</b>	<b>71,152</b>	<b>84,226</b>	<b>99,447</b>	<b>113,587</b>	<b>130,044</b>
<b>Net Fee Income</b>	6,839	5,780	5,137	3,451	3,783	4,272	4,842	5,497	6,247
Net gain/(loss) from FX and gold dealings	5,768	5,660	5,292	6,682	7,114	8,032	8,673	8,927	9,740
Net gain/(loss) from trading/investment bonds	-34	124	66	100	95	86	94	92	90
Net other income	2,054	2,272	2,372	3,378	2,705	2,042	2,372	2,460	1,928
<b>TOI</b>	<b>68,083</b>	<b>67,723</b>	<b>68,578</b>	<b>74,882</b>	<b>85,146</b>	<b>98,949</b>	<b>115,723</b>	<b>130,856</b>	<b>148,343</b>
OPEX	-21,251	-21,915	-23,027	-24,843	-27,915	-31,408	-35,557	-40,267	-45,659
PPOP	46,832	45,809	45,551	50,039	57,231	67,541	80,166	90,588	102,684
Provision for credit losses	-9,464	-4,565	-3,315	-3,128	-5,054	-6,593	-7,602	-7,848	-7,095
<b>PBT</b>	<b>37,368</b>	<b>41,244</b>	<b>42,236</b>	<b>46,911</b>	<b>52,177</b>	<b>60,948</b>	<b>72,564</b>	<b>82,741</b>	<b>95,589</b>
Corporate income tax	-7,449	-8,189	-8,383	-9,326	-10,363	-12,106	-14,417	-16,435	-18,988
Minority interest	-20	-21	-22	-24	-27	-31	-37	-43	-49
<b>NPAT-MI</b>	<b>29,899</b>	<b>33,033</b>	<b>33,831</b>	<b>37,561</b>	<b>41,788</b>	<b>48,811</b>	<b>58,110</b>	<b>66,263</b>	<b>76,551</b>
<b>EPS (VND/CP)</b>	<b>6,318</b>	<b>5,910</b>	<b>6,053</b>	<b>3,691</b>	<b>4,106</b>	<b>4,796</b>	<b>5,710</b>	<b>6,511</b>	<b>7,522</b>

**Table 8: Projected annual balance sheet of VCB**

BALANCE SHEET	2022	2023	2024	2025F	2026F	2027F	2028F	2029F	2030F
<b>ASSETS</b>									
Cash and precious metals	18,349	14,505	14,268	12,428	8,547	3,707	-5,268	-13,349	-21,673
Balances with the SBV	92,558	58,105	49,340	46,922	52,819	60,215	72,435	65,947	67,363
Placements with and loans to other CIs	313,637	336,469	389,952	430,897	478,296	522,299	590,720	675,193	759,592
Trading securities	1,500	2,495	4,876	5,163	5,395	5,638	5,894	6,163	6,445
Loans and advances to customers	1,120,287	1,241,675	1,418,016	1,616,775	1,888,379	2,211,330	2,575,918	2,949,482	3,384,029
Investment securities	196,171	145,780	167,383	174,503	182,770	191,450	200,565	210,135	220,184
Investment in other entities and L-T investments	2,194	2,225	2,228	2,489	2,843	3,251	4,224	4,776	5,412
Fixed assets	7,985	7,708	8,093	9,401	10,534	12,162	13,889	15,744	17,820
Other assets	60,978	30,651	30,402	31,314	32,254	33,221	34,218	35,245	36,302
<b>TOTAL ASSETS</b>	<b>1,813,815</b>	<b>1,839,613</b>	<b>2,085,874</b>	<b>2,329,892</b>	<b>2,661,837</b>	<b>3,043,274</b>	<b>3,492,596</b>	<b>3,949,335</b>	<b>4,475,475</b>
<b>LIABILITIES</b>									
Due to Gov and borrowings from SBV	67,315	1,671	78,237	117,356	123,224	129,385	135,854	142,647	149,779
Deposits and borrowings from other CIs	232,511	213,839	234,534	234,534	239,225	246,401	253,793	261,407	269,249
Deposits from customers	1,243,468	1,395,698	1,514,665	1,690,366	1,982,799	2,315,910	2,710,772	3,117,388	3,589,672
Funds received from Gov, international and other institutions	3	0	1	1	1	1	1	1	1
Valuable papers issued	25,338	19,913	24,125	24,125	22,919	24,065	25,268	26,531	27,858
Other liabilities	109,534	43,362	38,103	38,103	38,103	38,103	38,103	38,103	38,103
<b>Total liabilities</b>	<b>1,678,169</b>	<b>1,674,601</b>	<b>1,889,664</b>	<b>2,104,484</b>	<b>2,406,270</b>	<b>2,753,864</b>	<b>3,163,791</b>	<b>3,586,077</b>	<b>4,074,662</b>
<b>MINORITY INTEREST</b>	<b>88</b>	<b>94</b>	<b>96</b>	<b>120</b>	<b>147</b>	<b>179</b>	<b>216</b>	<b>259</b>	<b>308</b>
<b>SHAREHOLDER'S EQUITY</b>									
Capital	53,130	61,696	61,696	89,362	89,362	89,362	89,362	89,362	89,362
Reserves	22,557	27,447	37,053	47,718	59,583	73,442	89,941	97,115	101,857
Retained Earnings	60,733	76,759	98,332	88,327	106,595	126,547	149,405	176,642	209,406
Shareholder's equity	135,558	164,919	196,113	225,167	255,273	289,052	328,373	362,741	400,197

TOTAL EQUITY	1,813,815	1,839,613	2,085,874	2,329,892	2,661,837	3,043,274	3,492,596	3,949,335	4,475,475
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Source: VCB, RongViet Securities

**Table 9: Profitability metrics**

Profitability	2022	2023	2024	2025F	2026F	2027F	2028F	2029F	2030F
Avg lending yield	7.2%	7.7%	5.8%	5.7%	5.8%	6.0%	6.1%	6.2%	6.2%
Avg deposit rate	2.8%	4.0%	2.5%	2.7%	2.8%	2.8%	2.9%	2.9%	2.9%
Avg yield of earning assets	5.6%	6.1%	4.8%	4.9%	5.0%	5.2%	5.3%	5.4%	5.4%
CoF	2.5%	3.4%	2.2%	2.3%	2.4%	2.5%	2.5%	2.6%	2.6%
NIM	3.4%	3.0%	2.9%	2.8%	2.9%	3.0%	3.0%	3.0%	3.1%
ROAE	24.4%	22.0%	18.7%	17.8%	17.4%	17.9%	18.8%	19.2%	20.1%
ROAA	1.9%	1.8%	1.7%	1.7%	1.7%	1.7%	1.8%	1.8%	1.8%

Source: VCB, RongViet Securities estimates

**Table 10: Asset quality indicators**

ASSET QUALITY	2022	2023	2024	2025F	2026F	2027F	2028F	2029F	2030F
NPL ratio	0.7%	1.0%	1.0%	0.9%	0.9%	0.9%	0.8%	0.8%	0.8%
Net NPL formation (VND bn)	5,230	10,393	6,867	3,100	3,576	4,178	4,875	5,624	4,831
Net NPL formation rate	0.5%	0.9%	0.5%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
Credit cost	0.9%	0.4%	0.2%	0.2%	0.3%	0.3%	0.3%	0.3%	0.2%
LLR	317%	230%	223%	218%	214%	214%	214%	210%	212%

Source: VCB, RongViet Securities estimates

**Table 11: Operational efficiency ratios**

OPERATING METRICS	2022	2023	2024	2025F	2026F	2027F	2028F	2029F	2030F
NII/TOI	78%	79%	81%	81%	84%	85%	86%	87%	88%
NFI/TOI	10%	9%	7%	5%	4%	4%	4%	4%	4%
Other Non-NII/TOI	12%	12%	12%	14%	12%	11%	10%	9%	8%
CIR	31%	32%	34%	33%	33%	32%	31%	31%	31%
Total assets/Equity	13.4	11.2	10.6	10.3	10.4	10.5	10.6	10.9	11.2

Source: VCB, RongViet Securities estimates

**Table 12: Growth indicators**

GROWTH METRICS	2022	2023	2024	2025F	2026F	2027F	2028F	2029F	2030F
NII	26%	1%	3%	10%	17%	18%	18%	14%	14%
NFI	-8%	-15%	-11%	-33%	10%	13%	13%	14%	14%
Other Non-NII	15%	4%	-3%	30%	-2%	2%	9%	3%	2%
TOI	20%	-1%	1%	9%	14%	16%	17%	13%	13%
OPEX	20%	3%	5%	8%	12%	13%	13%	13%	13%
Provisioning expenses	-18%	-52%	-27%	-6%	62%	30%	15%	3%	-10%
PBT	36%	10%	2%	11%	11%	17%	19%	14%	16%
NPAT-MI	36%	10%	2%	11%	11%	17%	19%	14%	16%

Source: VCB, RongViet Securities estimates

**Table 13: Projected annual cash dividends of VCB**

	2022	2023	2024	2025F	2026F	2027F	2028F	2029F	2030F
Cash dividend per share (VND)	1,200	0	0	450	500	750	1,000	1,000	1,000
Dividend payout ratio	19%	0%	0%	12%	12%	16%	18%	15%	13%
Dividend yield	2%	0%	0%	1%	1%	1%	2%	2%	2%

Source: VCB, RongViet Securities

## OVERVIEW OF THE BANK

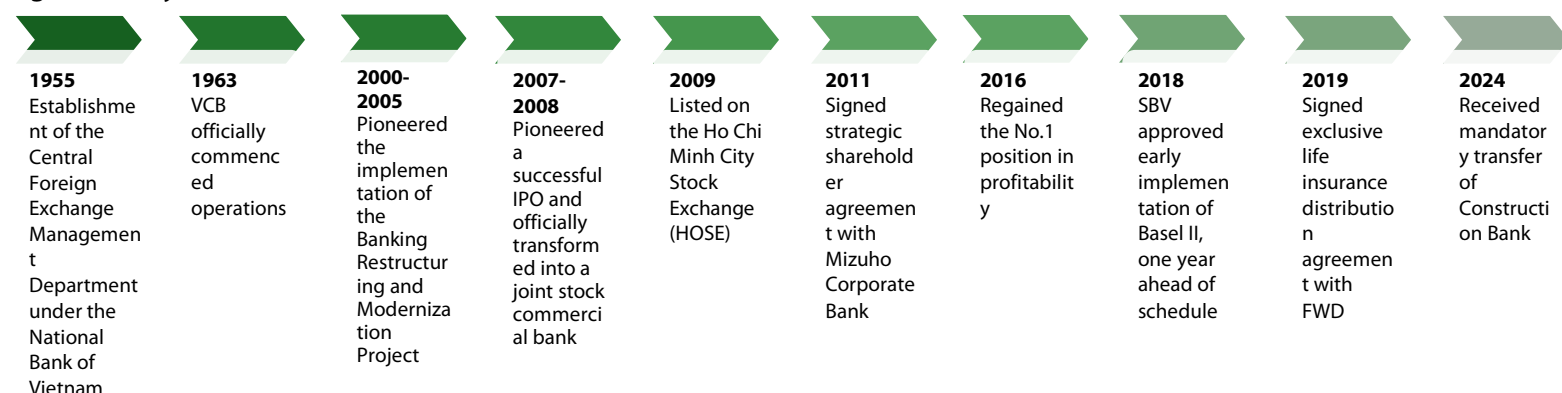
### COMPANY HISTORY

The Joint Stock Commercial Bank for Foreign Trade of Vietnam (Vietcombank – VCB) originated from the Central Foreign Exchange Management Department under the National Bank of Vietnam, established in 1955, and was later renamed the Foreign Exchange Department under the State Bank of Vietnam (SBV) in 1961. In 1963, VCB officially commenced operations as an independent entity, separated from the Foreign Exchange Department of the SBV. From its establishment until 1975, VCB successfully fulfilled its historic mission as the sole foreign trade bank in Vietnam, responsible for receiving and managing foreign aid capital (Special Foreign Currency Fund B29) to support economic development in the North while also financing the Southern battlefield during the war.

VCB was the first state-owned commercial bank selected by the Government to pilot equitization: the bank successfully completed its initial public offering (IPO) on December 26, 2007, officially transformed into a joint stock commercial bank on June 2, 2008, and was listed on the Ho Chi Minh City Stock Exchange on June 30, 2009. Throughout its history, VCB has leveraged its early strengths in foreign trade finance and gradually expanded into a universal bank, offering customers a wide range of financial services, especially in international trade. Over more than 60 years of development, VCB is currently the fourth largest state-owned joint stock commercial bank by total assets in Vietnam and leads the banking system in foreign exchange and international finance activities, while also playing an influential role in the regional financial community.

As of the end of 2024, VCB's total assets exceeded VND 2 quadrillion and profit before tax surpassed VND 42 trillion, maintaining its position as the most profitable bank in the system since 2016.

**Figure 45: Key Milestones of VCB**



Source: VCB, RongViet Securities

Over the past five years (2019–2024), VCB recorded a CAGR of 11%/14%/13% for total assets, credit outstanding, and profit before tax, respectively. The proportion of retail versus corporate lending stood at 44%/56% at the end of 2024, consistent with 2019, implying balanced growth across both customer segments during the period. During this time, VCB maintained a very conservative credit provisioning policy. The bank made full additional provisions in the early years for loans allowed to be restructured with unchanged loan classification (2020–2022), thereby continuously maintaining the highest NPL coverage ratio in the system. However, under macroeconomic pressures during 2022–2024, credit growth and NIM showed a slowing trend and decline. This led to a downward trend in ROAE, from 26.0% in 2019 to 17.5% by the end of 2Q25.

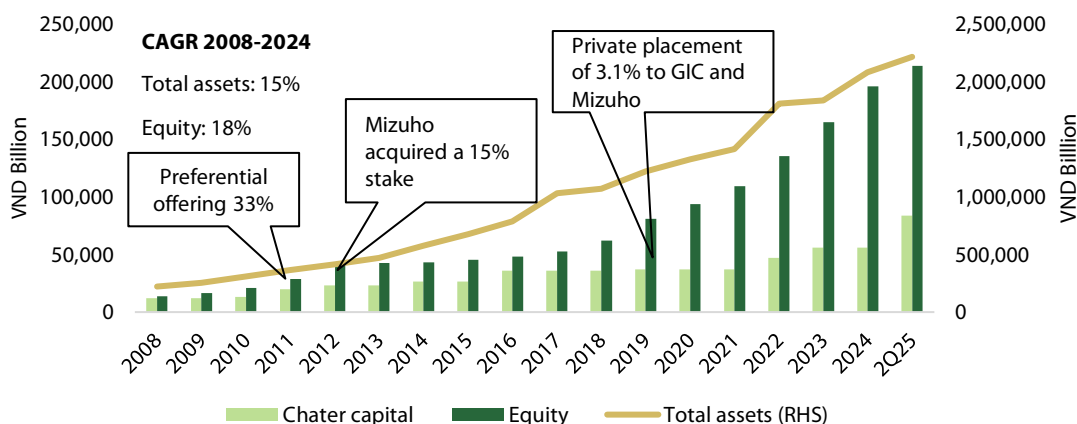
### Charter Capital and Total Assets

Since its equitization, VCB has experienced strong growth in capital and total assets. **Charter capital** increased from VND 12,101 billion to VND 83,557 billion, nearly a sevenfold rise over 17 years, making it the highest in the entire banking system. The capital-raising process through additional share issuance has passed several key milestones as follows:

- ✓ In early 2011, **VCB sold 33% of shares to existing shareholders at par value**, raising charter capital from VND 13 trillion to nearly VND 18 trillion.
- ✓ In September 2011, **VCB successfully signed a strategic partnership agreement with Mizuho Corporate Bank Ltd**, part of the Mizuho Financial Group (the third largest financial group in Japan). **By January 2012, Mizuho Corporate Bank Ltd officially became a strategic shareholder of VCB**, acquiring 15% of VCB's shares at an estimated value of VND 11,800 billion (with an estimated issuance price of VND 34,000/share at the time of issuance - 2.5 times the book value). Charter capital increased to over VND 23 trillion following this issuance.
- ✓ In January 2019, VCB privately issued over **111 million shares (equivalent to 3.1% of outstanding shares) to Mizuho and GIC (Singapore's sovereign wealth fund)**. Of these, GIC purchased 94 million shares, equivalent to 2.55% of VCB's charter capital, while Mizuho purchased the remaining shares to maintain its 15% ownership. This issuance raised VND 6.1 trillion, with an estimated issuance price at the time of VND 55,000/share - 2.8 times the book value. Charter capital increased to over VND 37 trillion.

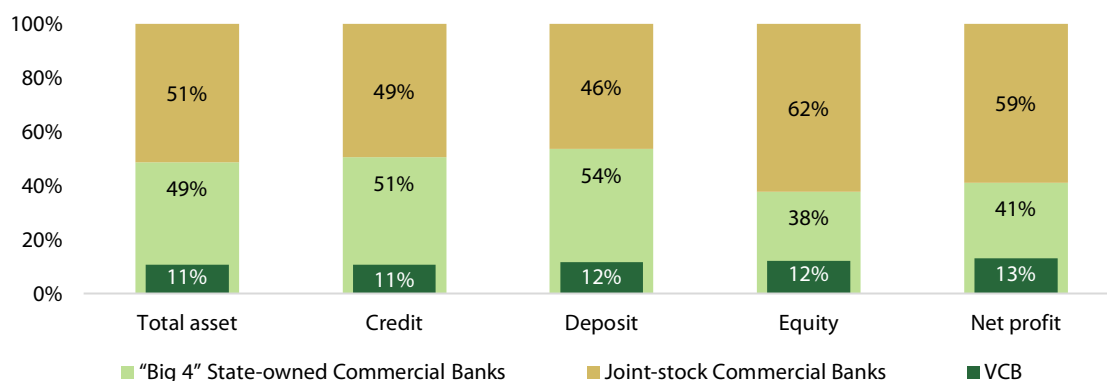
**VCB is currently preparing for a private placement of up to 6.5% of its outstanding shares at the time of issuance, expected to take place in early 2026.** If the offering is successful, the bank's charter capital will increase further to nearly VND 89 trillion.

**Figure 46: Growth of Charter Capital, Equity, and Total Assets of VCB**



Source: VCB, RongViet Securities

**Figure 47: Market share of total assets, lending, deposits, and profit (2024)**



Source: Bank reports, RongViet Securities

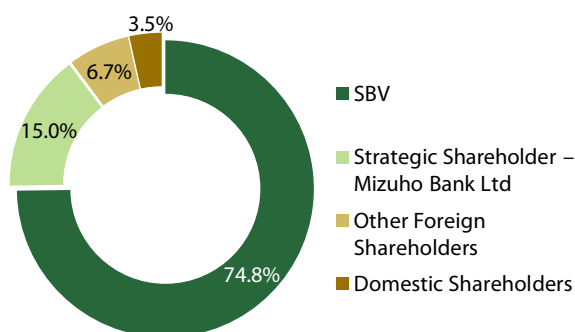
## OWNERSHIP STRUCTURE

The State Bank of Vietnam (SBV) currently holds a 74.8% stake in VCB, maintaining a controlling role and ensuring strategic direction aligned with national policies, including supporting macroeconomic stability, safeguarding the financial system, and implementing government directives. The SBV has two representatives on VCB's Board of Directors (2023–2028 term) out of a total of 12 members. Other domestic investors hold approximately 3.5% of VCB's shares.

As of September 17, 2025, foreign ownership stands at 21.7%, leaving a remaining foreign ownership limit of 8.3%. Among foreign shareholders, Mizuho Bank — the sole strategic partner — has maintained a 15% ownership since 2012, demonstrating a long-term commitment. Mizuho Bank brings expertise from one of Japan's leading financial institutions in risk management, digital transformation, and international expansion, and also supports VCB's digital transformation projects. Mizuho Bank has one board representative. In addition, two foreign financial investors each hold over 1%: GIC (1.0%) and T. Rowe Price Associates (1.1%). The remaining 4.6% of foreign ownership is held by other investors.

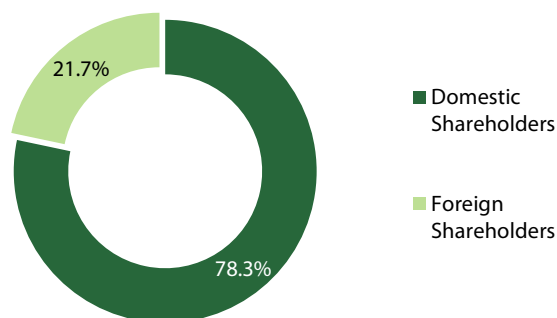
If the SBV and Mizuho Bank do not participate in the upcoming private placement (maximum 6.5% of outstanding shares), their ownership stakes are expected to decline to 70.2% and 14.1%, respectively.

**Figure 48: Major Shareholder Structure**



Source: VCB, RongViet Securities \*Data as of September 17, 2025

**Figure 49: Foreign Investor Ownership Structure**

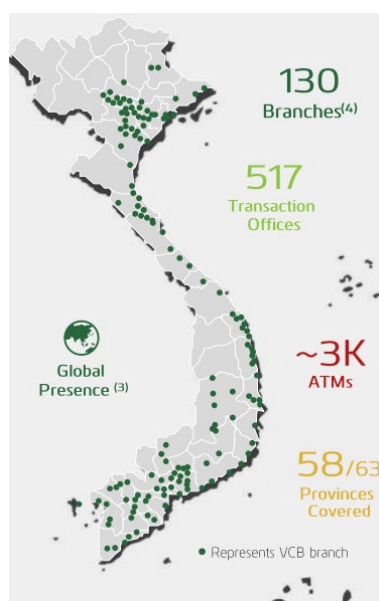


Source: VCB, RongViet Securities \*Data as of September 17, 2025

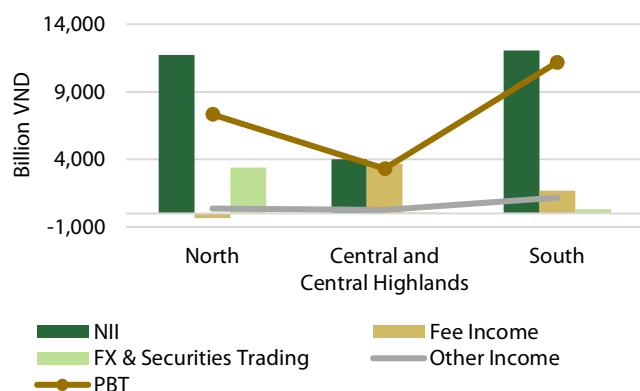
## BUSINESS SCALE

With its position as one of Vietnam's four largest state-owned commercial banks, VCB operates an extensive nationwide network with over 130 branches, 530 transaction offices, and numerous representative offices/subsidiaries both domestically and internationally, offering a comprehensive range of financial services and commercial real estate business (**Figure 54**) and (**Figure 55**). VCB has also developed a dense autobank system with 3,090 ATMs and 121,035 POS terminals across the country. Its banking operations are further supported by a correspondent network of 1,194 banks in 87 countries and territories worldwide. As of the end of 2Q25, VCB employed approximately 24,000 staff.

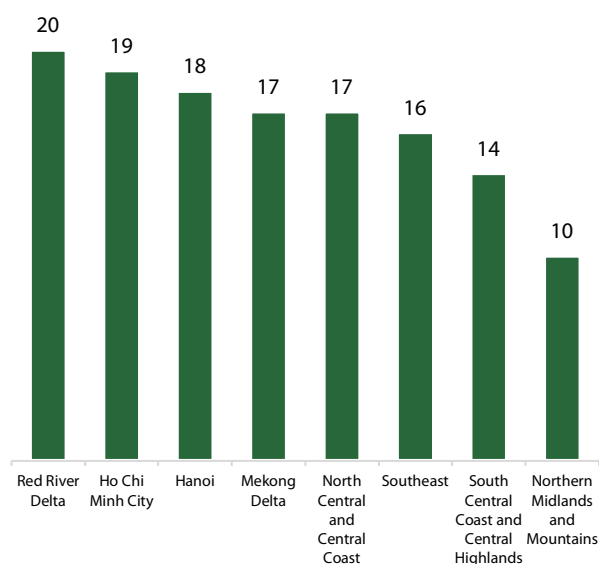


**Figure 50: A nationwide and evenly distributed branch network**


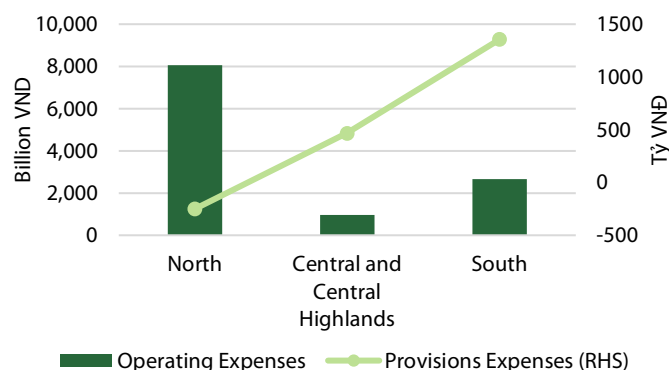
Source: VCB, RongViet Securitie

**Figure 52: Revenue and Profit Contribution by Geographic Region – 1H2025**


Source: VCB, RongViet Securities

**Figure 51: Number of VCB Branches by Region**


Source: VCB, RongViet Securities

**Figure 53: Cost Structure by Geographic Region – 1H2025**


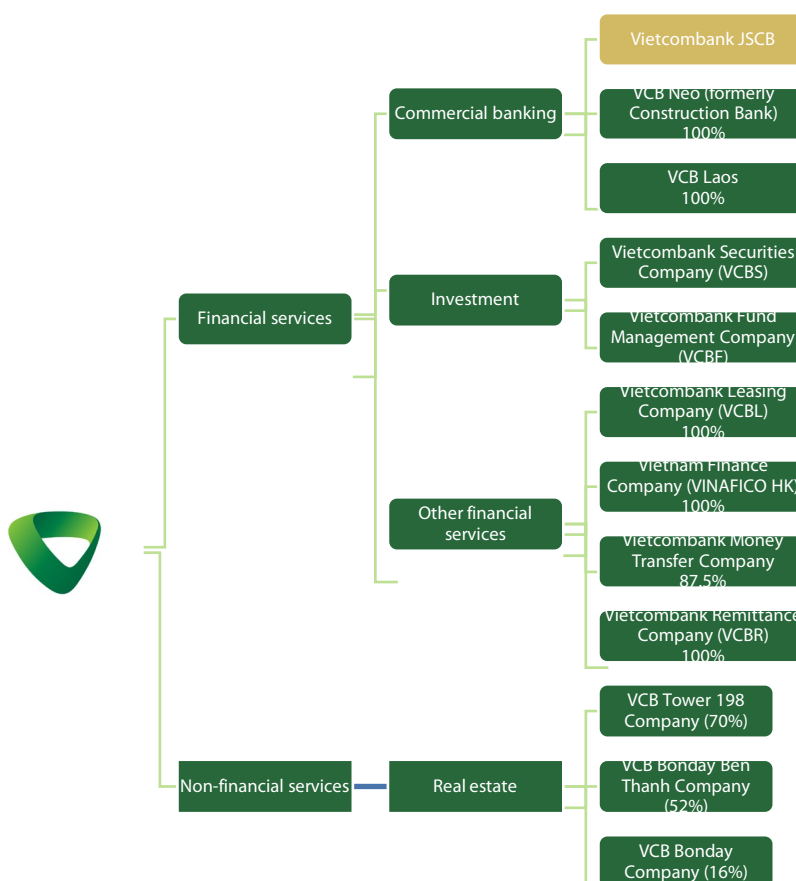
Source: VCB, RongViet Securities

As of now, VCB has 8 subsidiaries, including: Vietcombank Leasing Company Limited (VCBL), Vietcombank Securities Company (VCBS), Vietnam Finance Company (VINAFICO HK), Vietcombank Remittance Company (VCBR), Vietcombank Money Transfer Company (87.5%), VCB Neo, VCB Laos, and Vietcombank 198 Tower Co., Ltd. (70%). In addition, the bank has 3 joint ventures and associates, including: Vietcombank–Bonday–Benthanh Joint Venture Co., Ltd. (52%), Vietcombank Fund Management Company (VCBF) (51%), and Vietcombank–Bonday Joint Venture Co., Ltd. (16%). Among these, three companies make significant contributions to Vietcombank's profit before tax, including:

- VCBS:** In recent years, VCBS has maintained stability and sustainable growth. Its most recent capital increase took place in 2022, raising charter capital to VND 2,500 billion, thereby strengthening its financial capacity for business operations. In 2024, VCBS ranked among the top 10 securities companies in terms of brokerage market share, and was particularly in the top 3 for Government bond brokerage, with a market share of around 2.9% on HOSE as of early 2025. The company recorded total assets of VND 12,899 billion and profit after tax of VND 508 billion in 2024.

- **VCBL:** This company operates in the financial leasing sector. In 2024, VCBL continued to perform stably and efficiently, achieving profit before tax of approximately VND 165 billion, up 7.6% year-on-year. Its financial leasing outstanding balance reached around VND 7,094 billion, representing a 17% increase compared to 2023.
- **VBB:** This joint venture is between Vietcombank, Saigon Trading and Service Corporation (Setra Corp.), and Bonday Investments Ltd. (Hong Kong), with capital contributions of 52%, 18%, and 30%, respectively. VBB operates in office leasing at the Vietcombank Tower, located at 5 Me Linh Square, District 1, Ho Chi Minh City. The company maintained stable business performance in 2024, with an occupancy rate of 96.5% and profit before tax of VND 284.44 billion.

**Figure 54: Business segments structure and portfolio of subsidiaries, joint ventures, and associates of VCB**



Source: VCB, RongViet Securities

**Figure 55: VCB provides comprehensive financial solutions for key customer segments and has achieved several notable awards.**



Source: VCB, RongViet Securities

## BUSINESS OPERATIONS OVERVIEW

### 1. Credit Activities

#### **Credit Growth and Market Share Over the Past 10 Years**

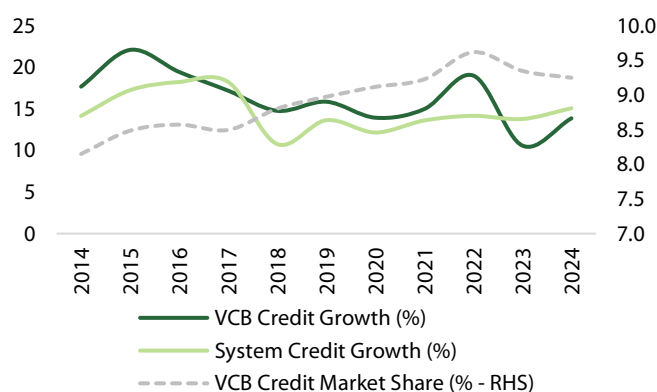
**VCB's credit growth** during this period has outpaced the overall growth of the Vietnamese banking system for most of the time. However, we also observe a deceleration trend over the past 10 years, driven by both macroeconomic factors and internal strategic decisions, such as prioritizing quality of growth over sheer volume.

- **Period 2014–2021:** During this period, VCB achieved an average annual growth rate of approximately 16%, relatively higher than the system for most of the time. From 2015 to 2017, VCB recorded high growth with a CAGR of 18%, driven by retail customer lending (CAGR 51%) – a priority segment under the strategic plan to expand the retail credit portfolio outlined in the 2013–2015 restructuring scheme – combined with a competitive interest rate advantage. However, credit growth gradually slowed from 2018 to 2021 (CAGR 15%) due to intensified competition in the retail lending market and the impact of the COVID-19 pandemic.
- **Post-COVID period - from 2022 to present:** This period started with a breakout growth of 19% in 2022, driven by strong lending demand early in the year as the SBV implemented multiple preferential credit support packages, particularly for businesses affected by the pandemic, to stimulate borrowing and post-COVID economic recovery. At the same time, VCB prioritized green loans and infrastructure projects, contributing to an increase in outstanding loans of over VND 200,000 billion, resulting in significant credit growth and market share expansion compared to the system in 2022 (**Figure 56**). However, amid global and domestic macroeconomic challenges, overall economic credit demand contracted significantly. This, combined with VCB's cautious lending approach (prioritizing credit quality over quantity), led to a notable deceleration in VCB's credit growth from 2023–2024.

**VCB's credit market share** steadily increased from 8.1% in 2014 to a peak of 9.6% in 2022, driven by growth in retail customer lending combined with strengths in large-scale project loans, FDI enterprises, and competitive interest rates as noted above. In the following two years, VCB adopted a more cautious lending approach amid macroeconomic challenges, leading to a slight decline in its credit market share. By the end

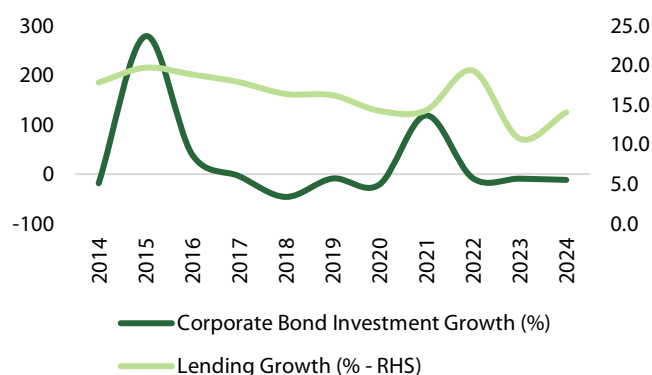
of 2024, we estimate VCB's credit market share at 9.3%, ranking fourth in the banking sector, after the three remaining state-owned banks: BID, CTG, and Agribank.

**Figure 56: VCB's credit market share, although slightly declining in 2023–24, has shown an increasing trend over the past 10 years, driven by advantages in funding costs and strengths in lending to large-scale projects and FDI.**



Source: VCB, RongViet Securities \* Parent bank

**Figure 57: Credit growth by type of customer lending and corporate bond investment**



Source: VCB, RongViet Securities \* Parent bank

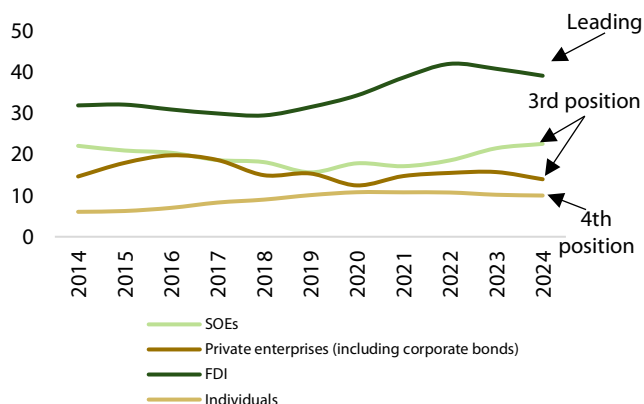
### Lending Orientation Across Periods

As a state-owned commercial bank, VCB conducts its lending activities with a focus on priority sectors and provides preferential loan packages in line with government and SBV directives at different periods. Across customer segments, VCB has shifted noticeably over the past 10 years from lending to state-owned enterprises toward private-sector enterprises and the retail customer segment. Additionally, VCB stands out in lending to FDI enterprises due to (1) its historical position - VCB was established with the primary mission of supporting foreign trade and foreign investment, and (2) its financial capability, with abundant foreign currency resources and experience in handling complex FDI-related transactions.

- **From 2010–2015:** VCB primarily focused on corporate and FDI customer lending, with a market share of 18–23% in state-owned enterprise (SOE) loans and 33–35% in FDI loans across the system. A key advantage was its state ownership, which allowed VCB to leverage government preferential policies and strategic guidance to strengthen partnerships with large domestic and multinational corporations. Its strong reputation and close relationships with regulatory authorities facilitated access to large-scale loans, negotiation of international cooperation projects, and effective support for FDI enterprises.
- **From 2016–2020:** The bank shifted strongly toward retail and SME segments to align with overall market trends, diversify risk, and improve NIM, with the share of retail loans rising from 20% to over 45% by 2020. In contrast, SOE lending declined rapidly to 8% in 2020. Nevertheless, VCB maintained a competitive edge in financing FDI enterprises, capturing approximately 30–35% of the total sector market share.
- **From 2021–2022:** The share of FDI lending increased from 6.2% to 7.5%, corresponding to a market share growth from 35% to a peak of 43% in 2022, clearly reflecting the bank's preferred status among FDI enterprises. At the same time, retail lending grew to a record high of 47%, confirming that retail had become a new pillar of VCB's business.
- **From 2023–2024:** The composition of retail and domestic private enterprise loans slightly decreased to 44% and 39%, respectively, while FDI and SOE loans increased to 10% and 7%. This reflects the economy's limited capital absorption during a slow-growth period, with VCB seeking growth in areas aligned with its strengths, such as foreign trade and large-scale infrastructure project financing, supported by government-driven public investment to stimulate economic growth.
- **Regarding green lending,** VCB prioritizes renewable energy and environmentally friendly infrastructure projects. VCB was the first bank in Vietnam to issue green bonds compliant with domestic regulations and ICMA principles. Total green credit exposure grew significantly from VND 7,890 billion at the end of 2018 to over VND 47,600 billion by the end of 2024, accounting for approximately 4% of total

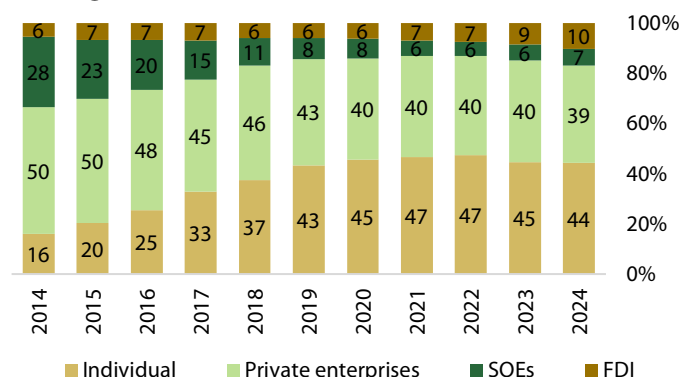
VCB loans. This represents a sixfold increase over seven years, with green credit growth 3.5 times faster than overall credit growth.

**Figure 58: Loan market share (%) by customer segment of VCB**



Source: Listed banks' reports and Agribank, RongViet Securities

**Figure 59: VCB has been accelerating its retail banking segment since 2015 while continuing to expand FDI lending in 2023–2025.**

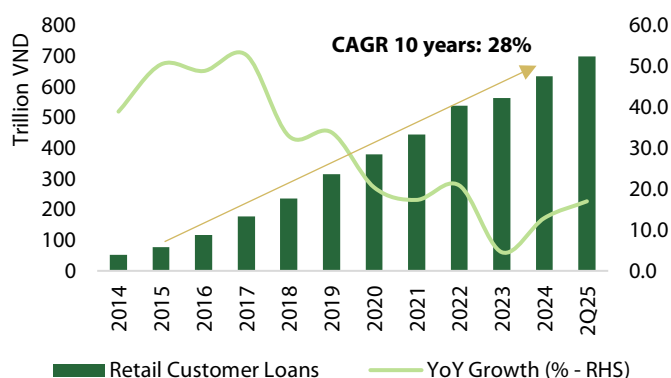


Source: VCB, RongViet Securities

### Lending activities by customer segment

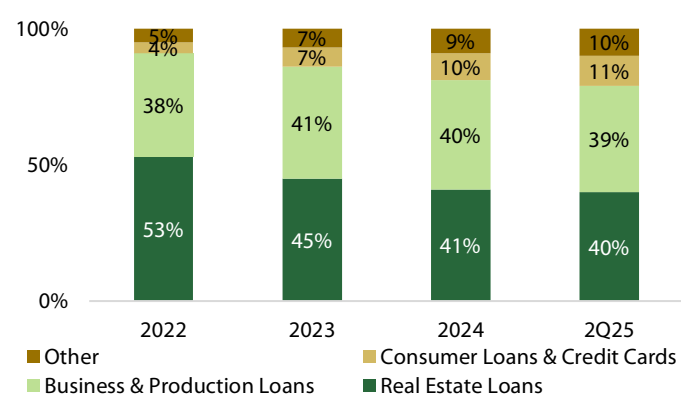
**For retail lending**, VCB currently offers three main product groups: mortgage loans, business/production (SME) loans, and consumer loans. Over the past four years, the product composition for individual customer lending has evolved as follows: mortgage loans declined from 53% (2022) to 40% (2Q/2025); personal business/production loans (household businesses) remained stable at 38–41%; and notably, consumer loans and credit cards grew rapidly from 4% to 11%. We assess that these trends reflect two key management perspectives at VCB: (1) exercising more caution with mortgage lending during market downturns to better control loan quality, and (2) promoting credit card and consumer lending to create room for improving NIM and increasing fee income.

**Figure 60: Retail Customer Loan Portfolio of the Parent Bank**



Source: VCB, RongViet Securities

**Figure 61: VCB's Retail Customer Loan Portfolio Breakdown by Product**

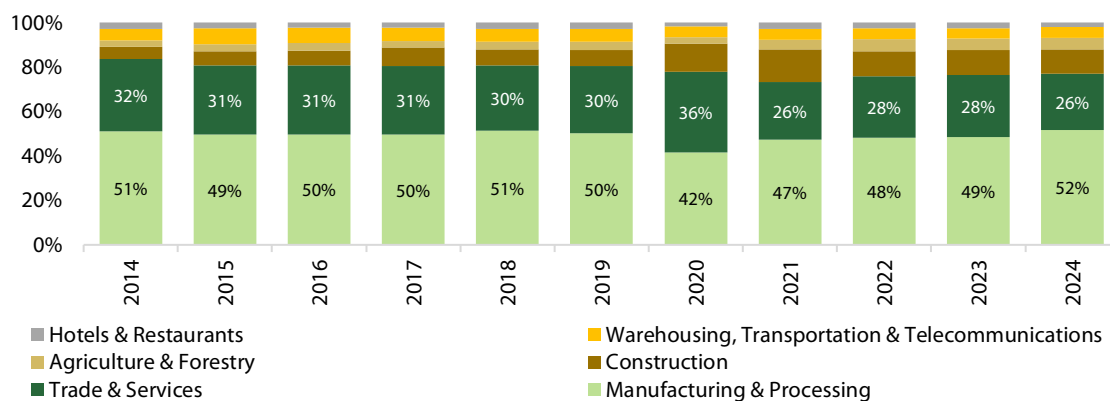


Source: VCB, RongViet Securities

**Corporate lending accounts for a significant portion of VCB's total credit portfolio (around 55% of total outstanding loans), with a focus on large domestic enterprises and FDI companies.** VCB's domestic corporate lending primarily targets national and infrastructure projects of state-owned enterprises (SOEs) and large companies with healthy financials, operating in sectors such as manufacturing, trade, and services. For FDI corporate lending - VCB strength due to abundant foreign currency resources and low funding costs—the bank typically focuses on high-export-value sectors such as industrial manufacturing, electronics, textiles, seafood, as well as financing large-scale plant expansion projects. **VCB prioritizes sectors that support economic growth**, with manufacturing, processing, and trade-service

industries consistently accounting for about 75% of its corporate loan portfolio. **Loans to real estate businesses represent only 4% of total outstanding loans as of the end of 2024.** Regarding corporate bond (CB) investments, VCB maintains a minimal proportion within its credit portfolio, primarily focusing on bonds in the renewable energy sector.

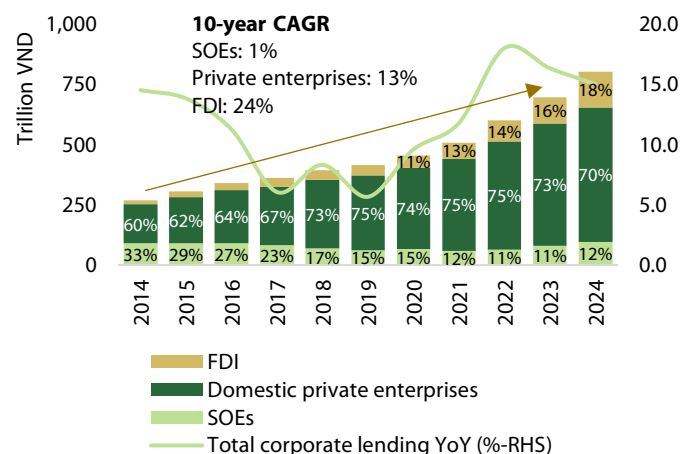
**Figure 62: Corporate loan portfolio breakdown by sector**



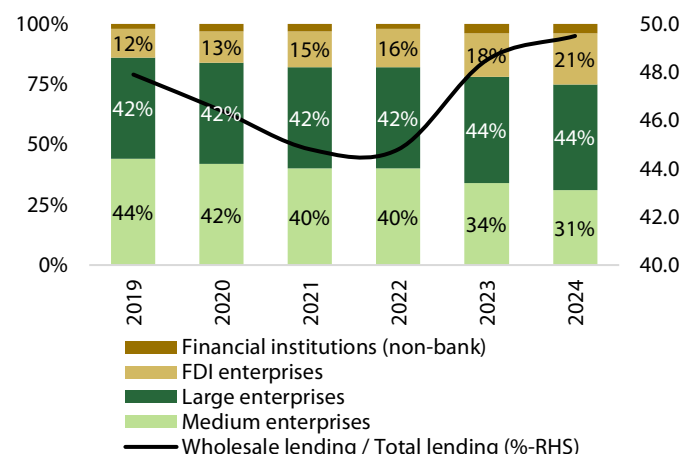
**The bank offers a diverse portfolio of credit products**, with the main credit offerings including:

- **Credit lines and overdrafts:** Provides flexible short-term limits for corporations, parent companies, and FDI enterprises, supporting working capital, contract payment requirements, and cash flow management.
- **Medium- and long-term loans:** Supports businesses in investment projects for production expansion, procurement of modern machinery and equipment, logistics infrastructure, and renewable energy. VCB particularly focuses on green projects and ESG-oriented enterprises, aligning with sustainable credit objectives.
- **Trade finance:** A traditional strength of VCB, including letters of credit (L/C), collections, and import-export financing. This segment represents a significant portion of corporate lending and helps VCB maintain a stable FDI credit portfolio.
- **Project finance:** Targeted at key national projects, infrastructure, energy, and certain commercial real estate projects with transparent legal frameworks and large-scale operations. VCB is more cautious than BID and CTG, focusing on projects with stable cash flows and guarantees from international partners.
- **Guarantees:** Offers a wide range of guarantees, such as bid bonds, performance guarantees, loan guarantees, and international payment guarantees. This is a key tool for VCB to retain large clients in sectors like EPC, oil & gas, and infrastructure construction.

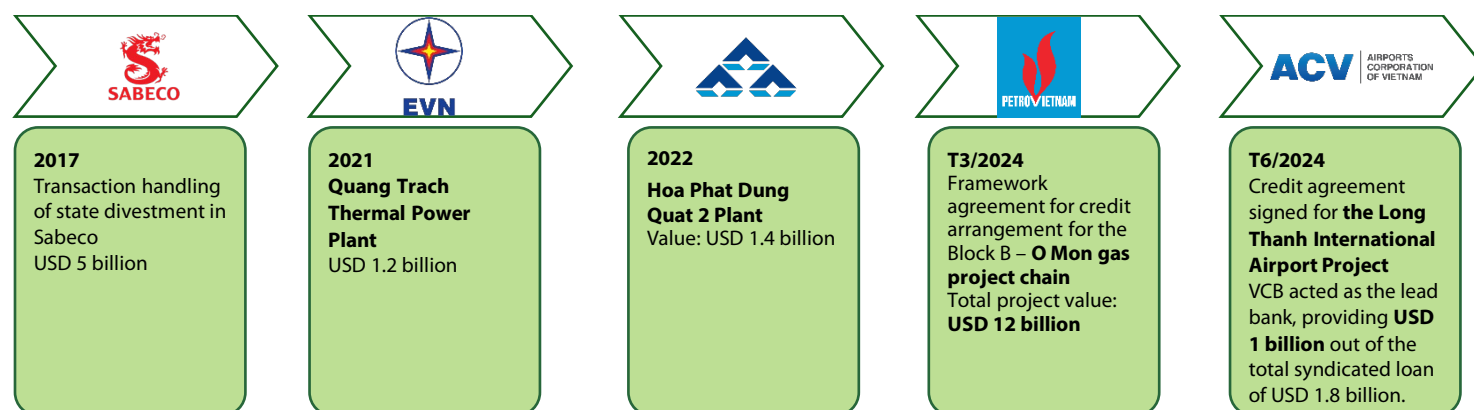


**Figure 63: Corporate customer loan portfolio by type at the parent bank**


Source: VCB, RongViet Securities

**Figure 64: Wholesale lending portfolio accounts for nearly half of VCB's total loan portfolio**


Source: VCB, RongViet Securities

**Figure 65: Key national mega-projects with VCB participation**


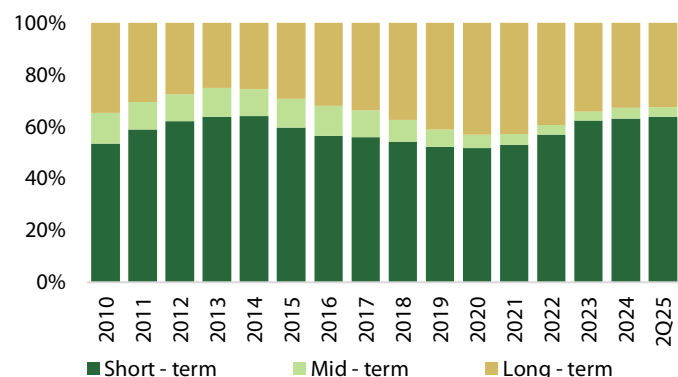
Source: VCB, RongViet Securities

### Maturity structure of customer loans

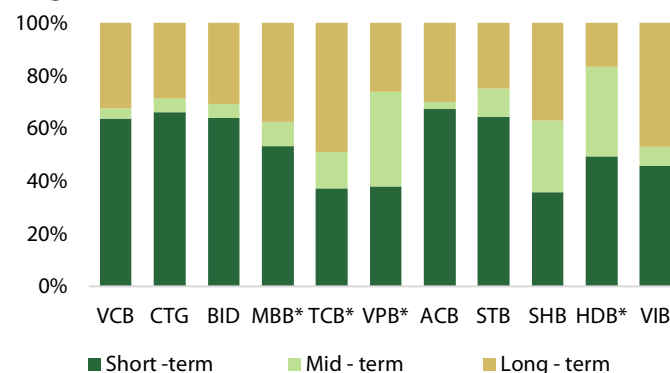
VCB generally maintains a high proportion of short-term loans, ranging from 52% to 64%, reflecting its focus on working capital loans for domestic enterprises and trade finance for FDI and export-import companies. This structure is somewhat similar to two other state-owned commercial banks, BID and CTG (Figure 67). The share of short-term loans gradually declined from 2014 to 2019, in line with the strong growth of retail customer loans with long-term products (such as real estate purchases and consumer loans) alongside the demand for fixed asset investments by enterprises during a period of stable economic growth before the COVID-19 pandemic. However, this proportion has increased gradually from 2021 to 2Q25 amid slow post-COVID economic growth and global macro pressures, which constrained retail customer credit demand and led enterprises to postpone expansion plans. Overall, VCB's loan maturity structure demonstrates strategic adjustments aligned with macroeconomic conditions in each period and partly reflects the health of the economy.

By focusing on short-term loans for business operations, VCB's loan maturity profile differs significantly from most private commercial banks, which seek higher returns through medium- and long-term loans (Figure ...). This structure reflects VCB's strategic orientation toward maintaining high safety, liquidity, and capital turnover capacity while limiting risk.



**Figure 66: VCB's Loan Portfolio Structure by Maturity**


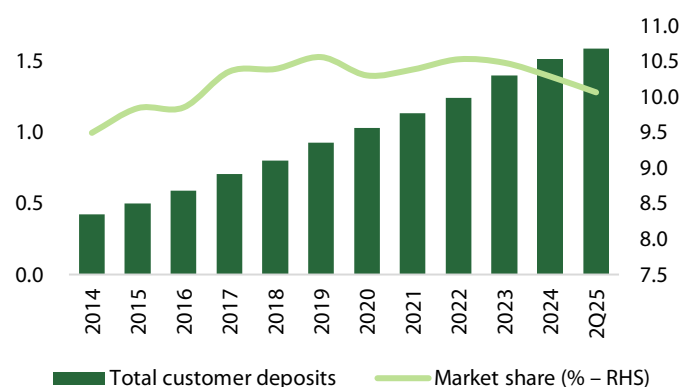
Source: VCB, RongViet Securities

**Figure 67: Comparison of Loan Maturity Structure – VCB vs. Large and Mid-sized Joint-Stock Banks**


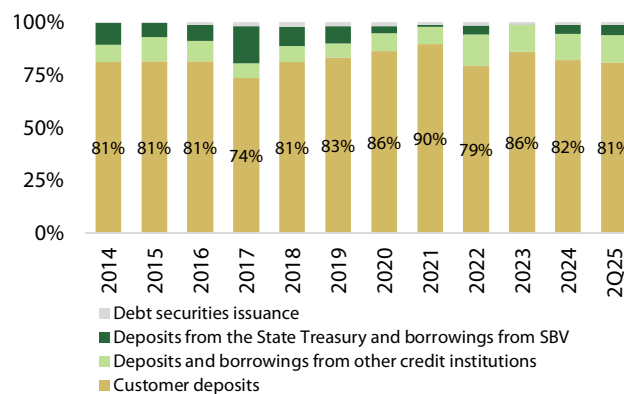
Source: Bank reports 2Q-2025, RongViet Securities, \* Parent bank

## 2. Mobilization

As one of the four state-owned commercial banks (SOCBs), **VCB holds a leading position in deposit mobilization within the system**, with a market share of around 10%, although this ratio has slightly declined over the past three years due to slower credit growth, and **it is permitted to raise deposits from the State Treasury**. VCB raises very little through the debt securities channel, accounting for only 1% of total mobilized funds in the primary and secondary markets. These factors reflect the brand reputation of the state-owned bank and create a competitive advantage in terms of low funding costs for the SOCB group in general, compared to private commercial banks.

**Figure 68: Deposit market share slightly declined over the past three years, in line with the slowing trend of loan growth**


Source: VCB, RongViet Securities

**Figure 69: Deposit structure classified by channels**


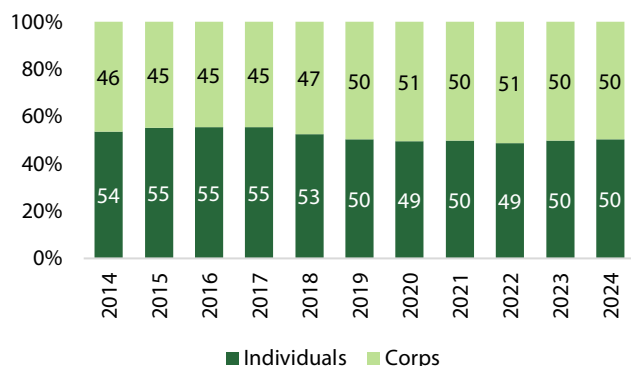
Source: VCB, RongViet Securities

**In terms of deposit composition by customer type**, the proportion of deposits from individuals is fairly balanced with that from corporate clients, although the lending share to corporates is higher. This reflects the brand credibility of a state-owned bank, leveraging its extensive branch/network and existing relationships with large corporations/state-owned enterprises to provide payroll services. The share of deposits from large corporates (including state-owned enterprises) is the second-highest, followed by SMEs and foreign corporates.

**VCB is the commercial bank with the largest foreign currency deposit base in the system**, holding a leading position in foreign exchange trading and international financial services, supported by its history and specialized strategy in this area. As of 2Q25, VCB's foreign currency deposits reached nearly VND 190 trillion, accounting for 13% of total customer deposits, significantly higher than the second-largest

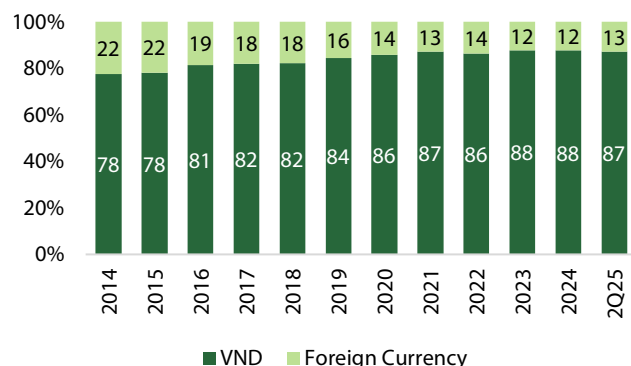
commercial bank, BID, which has VND 135 trillion in foreign currency deposits, representing 7% of total customer deposits.

**Figure 70: Customer deposit composition by client type**



Source: VCB, RongViet Securities

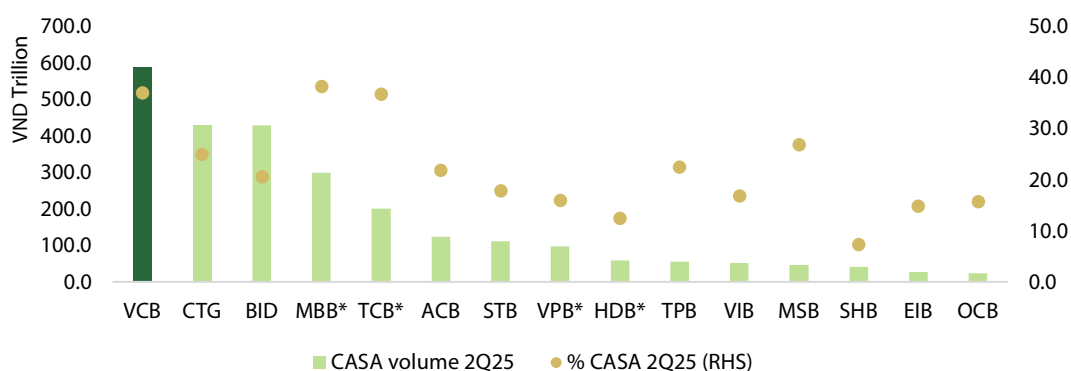
**Figure 71: Customer deposit composition by currency type**



Source: VCB, RongViet Securities

**VCB's CASA ratio** has consistently remained at a high level, rising to rank second in the industry and significantly outperforming the rest of the banking group (37%). The bank's ability to attract current and savings deposits stems from its superior and efficient distribution network (deposit franchise) and a diverse customer base focused on large corporate and retail segments. VCB fully leverages its strong relationships with conglomerates, state-owned enterprises, large corporates, centralized investment funds, and ministries/agencies with substantial capital to increase non-term deposits from sources such as corporate payroll accounts and transactional banking services. Notably, VCB plays a key role in providing services related to the capital market and foreign exchange. In fact, VCB is the leading custodian bank in Vietnam (including custody, asset management, transaction settlement, and other investment-related services) for investment funds, especially foreign and domestic funds operating in Vietnam. Since 2023, VCB has also been approved by the State Securities Commission to serve as the settlement bank for the private placement corporate bond trading system via its specialized VCB C-Bond payment platform. Additionally, VCB plays an important role in interbank clearing through its multi-currency VCB-Money payment system. This strong position helps attract substantial domestic and foreign currency non-term deposits for VCB, alongside fee income for the bank. Beyond strong deposit attraction, VCB retains customers through a robust and continuously improving digital banking platform, combined with a diversified financial services ecosystem - characteristic of a large-scale universal bank. **All these factors enable the bank to maintain a stable low-cost funding base and a high competitive advantage in the Vietnamese banking market, with funding costs consistently among the lowest in the industry.**

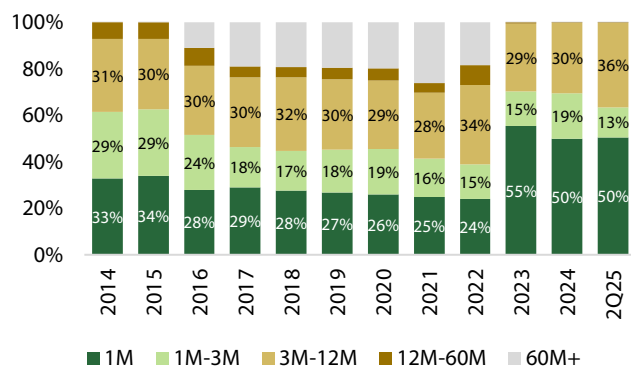
**Figure 72: VCB leads the industry in CASA volume and ranks second in CASA ratio, reinforcing its advantage of the lowest funding cost in the system**



Source: Banks' reports, RongViet Securities, \* Parent bank

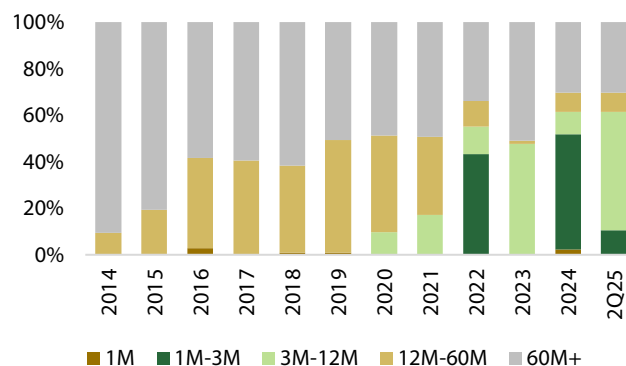
**Regarding the deposit maturity structure**, there has been a change in the reporting policy for deposit data by maturity since 2023. Accordingly, the share of deposits with maturities over 60 months has been reclassified into shorter maturities, causing significant fluctuations in the deposit maturity structure for years prior to 2023 compared with the subsequent period. Fundamentally, VCB's customer deposit maturity structure tends to be relatively short due to (1) the high CASA ratio noted above and (2) low deposit rates, which encourage customers to place funds in shorter tenors ranging from 1 to 6 months. This structure is also consistent with the maturity profile of the bank's loan portfolio, which is skewed toward short-term lending, as analyzed above.

**Figure 73: Deposit maturity structure changed from 2023 due to changes in accounting presentation policy**



Source: VCB, RongViet Securities

**Figure 74: Maturity structure of the debt securities portfolio**

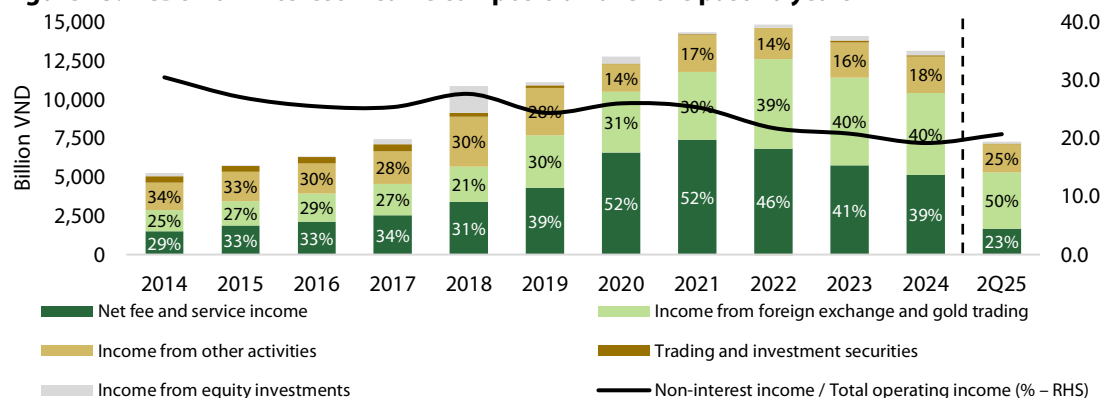


Source: VCB, RongViet Securities

### 3. Non-Interest Income Sources

While fee income is the main source of non-interest income for VCB in particular and the banking sector in general, income from foreign exchange trading consistently accounts for a significant portion of the bank's non-interest income, thanks to its largest foreign currency portfolio in the system. The share of non-interest income in VCB's total operating income has shown a declining trend over the past 10 years, reaching 20.7% in 2Q2025.

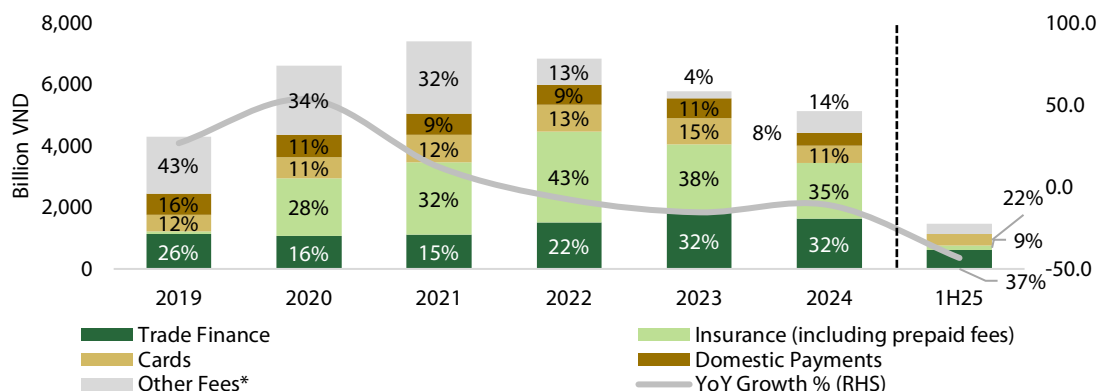
**Figure 75: VCB's non-interest income composition over the past 10 years**



Source: VCB, RongViet Securities

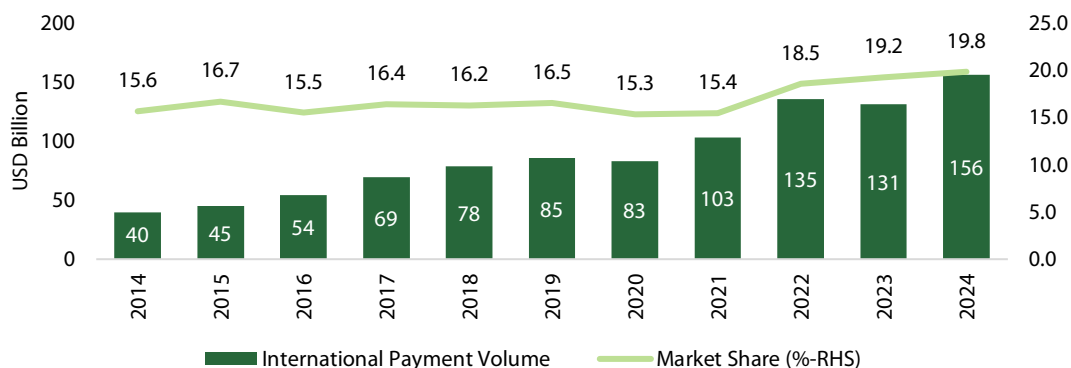
#### Net fee income

VCB's fee and service income is contributed by three main sources: trade finance and international payment services (market-leading in share), insurance (ranked third in the market by fee income in 2023), and card and domestic payment fees. This income source has contracted over the past three years due to unfavorable developments in the life insurance market as well as competitive pressure leading to fee reductions and increased free service offerings

**Figure 76: VCB's net fee income structure**


Source: VCB, RongViet Securities \* Including E-banking services and domestic payment fees for 1H25

- **Trade Finance:** VCB ranks first in the industry in terms of trade finance market share, currently accounting for around 20% of the total market, thanks to its large portfolio of FDI clients and export-import enterprises. With high international payment and trade finance volumes, along with a network of about 2,000 partner banks worldwide, this segment has been VCB's largest source of fee income as of the first half of 2025, contributing 37% of the bank's net fee income.

**Figure 77: VCB's trade finance scale and market share have risen sharply post-Covid, driven by the growth of FDI investment and Vietnam's export-import activities.**


Source: VCB, RongViet Securities

- **Bancassurance:** VCB entered the life insurance market early by establishing a joint venture life insurance company with Cardif (a subsidiary of BNP Paribas, France) in 2007, in which VCB held a 45% stake. However, in 2019, VCB decided to divest from this joint venture to participate in the exclusive bancassurance distribution market with FWD (the agreement was signed in November 2019, and official distribution began in April 2020). With its large, high-quality customer base and extensive experience in life insurance distribution through its partnership with Cardif, VCB rose to become the third-largest bank in Vietnam in terms of annual premium revenue after just three years of officially distributing bancassurance. It was also recognized as one of the banks with the highest policy renewal rates. As a result, bancassurance contributed a significant proportion to VCB's net fee income between 2020 and 2022. However, VCB stopped recognizing upfront fees from its exclusive distribution agreement with FWD starting from 4Q24. Along with the slow recovery of the life insurance market following the confidence crisis in 2022, the contribution of bancassurance to net fee income has dropped sharply—from 43% in 2022 to only 9% in the first half of 2025.
- **Domestic Payments:** VCB earns payment fees from multiple sources, including fund transfers, bill payments, card transactions, ATM withdrawals, foreign exchange services, and less common services such as checks and safe deposit boxes. Net fees from payment services once contributed up to 16% of total net fee income in 2019. However, the growing trend of fee waivers for domestic transfers has

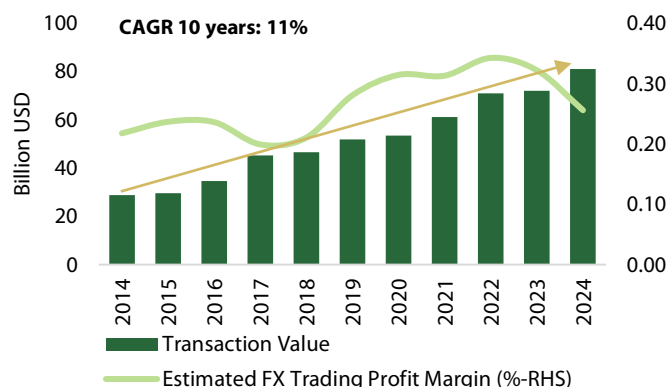
caused this income stream to decline significantly since 2021 (the year VCB implemented a free domestic transfer policy), reducing its share of total net fee income to only 8% in 2024.

### Foreign Exchange Trading

**The bank has almost always maintained a leading position in the foreign exchange (FX) trading segment throughout its history of operations.** VCB, and the group of state-owned commercial banks in general, have an outstanding scale of FX transactions compared to other banks in the Vietnamese banking system. This advantage comes from their strong base of export-import corporate clients, especially FDI enterprises (loans to foreign enterprises from CTG, BID, and VCB account for nearly 90% of the market), as well as their ability to handle large-value FX transactions with low liquidity risk thanks to state ownership.

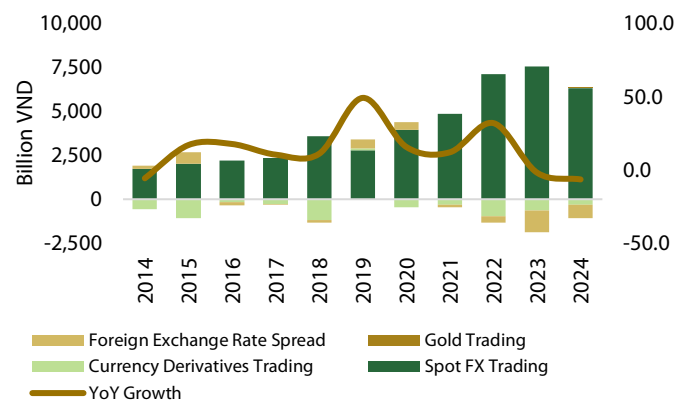
In addition, **the bank operates a multi-currency interbank payment system called VCB-Money**, designed for financial institutions and economic organizations to conduct domestic interbank FX trading. Most domestic credit institutions and many foreign bank branches in Vietnam maintain foreign currency accounts at VCB to facilitate interbank FX fund transfers. Therefore, VCB is also known as a clearing center for interbank FX transactions in Vietnam. These factors have made VCB's FX trading income the largest in the banking system and a significant contributor to the bank's non-interest income structure. This income segment has shown impressive growth, with a 10-year CAGR of 11%, contributing around 7–8% of total operating income.

**Figure 78: VCB's Foreign Exchange Trading Volume**



Source: VCB, RongViet Securities

**Figure 79: Most of VCB's foreign exchange trading profits come from spot transactions**



Source: VCB, RongViet Securities

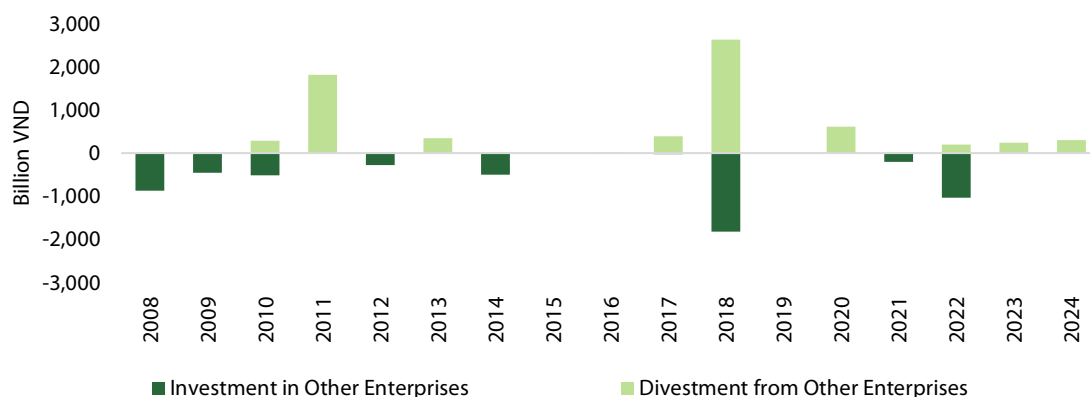
### Trading and Investment Securities Income

In addition to the dividend income received from associated companies, this component of VCB's income is also notable for the bank's divestment process from other commercial banks and non-core enterprises unrelated to financial and banking activities. This restructuring of its investment portfolio aims to enhance investment efficiency and comply with legal regulations on capital contribution and shareholding limits in other credit institutions (including restrictions on cross-ownership among banks). It should be noted that in the early 2000s, VCB held equity stakes in many other banks such as EIB, SaigonBank, Gia Định (now Viet Capital Bank), MBB, VIB, OCB, and OceanBank, as well as in several insurance companies. These ownership relationships mainly stemmed from operational limitations faced by joint-stock commercial banks during their early establishment phase and from the aftermath of the Asian financial crisis of 1997–1998.

The divestment process was particularly active in two key years: 2011 and 2018 (see Figure ...). Specifically, in 2011, VCB divested from Shinhanvina and Gia Định Bank, and by 2018, it had fully divested from Cement Finance JSC, OCB, and reduced its ownership in EIB, MBB, and Vietnam Airlines (HVN). In 2020, VCB withdrew from its joint venture, VCB-Cardif Life Insurance Co., Ltd. From 2021 to 2025, there have been no major transactions, except for some valuation adjustments and a reduction in VCB's ownership in HVN. As of Q2-

2025, VCB's other long-term investment portfolio includes two stakes in other banks — EIB (4.51%) and MBB (4.28%) — one stake in Petrolimex Insurance Corporation (8.03%), and investments in payment and card service institutions (NAPAS, SWIFT, VISA, MASTER), as well as the Vietnam Credit Information Joint Stock Company (CIC).

**Figure 80: Cash Flows from Investments in/Divestments from Other Enterprises\***

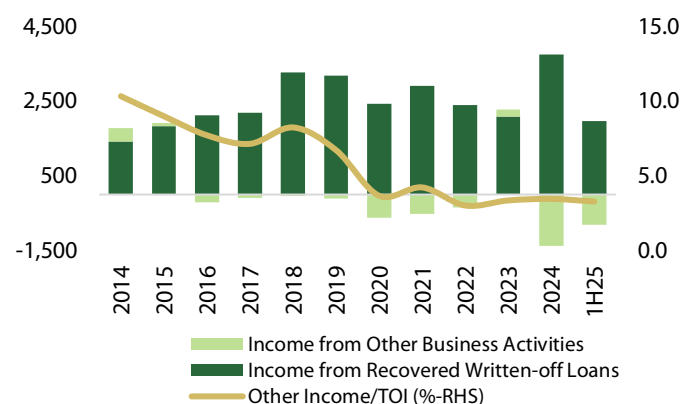


Source: VCB, RongViet Securities \*Parent bank

### Other Income

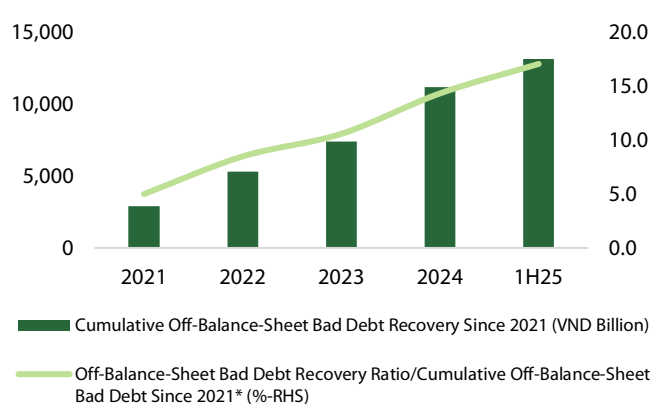
The income that Vietcombank receives from previously written-off or fully provisioned loans mainly comes from the recovery of bad debts that had been handled in accordance with regulations. The proportion of income derived from bad debt recovery accounts for only about 3–4% of total operating income, as the bank's off-balance-sheet non-performing loans remain relatively small compared to its total credit portfolio (written-off loans/total loans = 2% in 2024), reflecting VCB's prudent lending policy. Cumulative recovery of off-balance-sheet bad debts has shown an impressive upward trend over the past five years, increasing from VND 2,912 billion in 2021 to VND 13,114 billion in 1H2025, contributing up to 28% of VCB's non-interest income in 2024.

**Figure 81: Structure of Other Operating Income**



Source: VCB, RongViet Securities

**Figure 82: Annual Bad Debt Recovery Ratio Compared to VCB's Off-Balance-Sheet Loan Portfolio Since 2021\***



Source: VCB, RongViet Securities

\* The Time When Banks Began Disclosing Off-Balance-Sheet Non-Performing Loans



#### 4. Business Strategy

VCB has set an ambitious growth strategy through 2030, aiming to become the number one bank in Vietnam, a leading financial group in the region, and to rank among the world's top 200 largest financial institutions and top 700 listed companies.

- The core pillar of this strategy is comprehensive digital transformation, focusing on building a digital banking ecosystem, enhancing customer experience, and improving operational efficiency to optimize costs. VCB has implemented several strategic projects toward 2030, including the Operations Center of Excellence (Ops COE) and innovation initiatives aimed at creating sustainable competitive advantages (Vietcombank, 2024).
- In parallel, the bank is promoting ESG practices and green credit, gradually adopting international sustainability standards such as GRI and TCFD, while developing environmentally friendly financial products and supporting the country's energy transition.
- In terms of market scale, VCB continues to expand its international operations, increase market share in capital markets, trade finance, and FDI client segments, leveraging its advantage as the leading bank in foreign trade payments.
- Additionally, the human resources strategy to 2030 focuses on developing a new generation of young leaders, strengthening risk management capabilities, and fostering a culture of innovation — thereby reinforcing the foundation for long-term growth. With this strategic roadmap, VCB aims not only to maintain its position as the leading domestic bank but also to elevate its brand on the global financial map.

**Table: VCB's Medium-Term Strategy from 2015–2024**

Periods	Key strategy	Specific Actions
2015–2017	Transforming growth model; applying technology; shifting income structure (increasing non-interest income)	<ul style="list-style-type: none"> <li>• The orientation of “Speed – Efficiency – Sustainability” serves as the guiding principle for operations.</li> <li>• Increasing focus on payment and trade finance activities (originating from its role as a foreign trade bank).</li> <li>• Aiming to increase CASA and improve funding quality (by developing payment accounts and promoting demand deposits).</li> <li>• Beginning preparation and implementation of Core Banking transformation projects to support retail expansion and digital services.</li> </ul>
2018–2020	Transforming business model and competitiveness; applying technology; standardizing risk management (toward Basel II)	<ul style="list-style-type: none"> <li>• Completed and implemented Basel II (VCB is among the first banks to comply), enhancing capital safety and governance standards.</li> <li>• Implemented the Core Banking Signature system and launched VCB Digibank — a key milestone in retail digital transformation.</li> <li>• Shifted the business structure toward retail: increasing the share of retail loans, CASA, and fee income, with the goal of becoming the “Number 1” retail bank.</li> <li>• Digitalized internal management, optimized operating costs, and improved customer experience (through eKYC and online payment applications).</li> </ul>
2021–2024	Transforming growth model and competitive approach; comprehensive digitalization; enhancing execution capability and ESG integration	<ul style="list-style-type: none"> <li>• Accelerated retail and trade finance growth post-COVID; granted additional credit growth quota by the SBV in 2022 thanks to strong asset quality (supporting a breakthrough in credit growth that year).</li> <li>• Integrated ESG into strategy: developed green credit, issued an ESMS framework, and published ESG reports in line with international standards (GRI/TCFD).</li> <li>• Implemented comprehensive digitalization (expanding VCB Digibank, modernizing payments, and upgrading payment infrastructure) to increase fee income and improve CASA.</li> <li>• Strengthened risk management and provisioning (maintaining low NPL levels and increasing coverage ratio) while optimizing capital allocation to key and infrastructure sectors.</li> </ul>
2025–2030	Building leadership brand, developing products and services, contributing to sustainable development	<ul style="list-style-type: none"> <li>• Become the number one financial group in Vietnam, rank among the world's top 200 largest financial institutions and top 700 listed companies, reaffirming its pioneering role in the industry.</li> <li>• Launch a diverse range of financial products for retail, SME, and corporate segments, including green loans and sustainable savings products.</li> <li>• Apply advanced technology to innovate products and services.</li> <li>• Optimize internal operational processes, reduce costs, and enhance employee productivity.</li> <li>• Strengthen treasury, financial market, and digital banking services with the goal of improving customer experience through AI and big data technologies.</li> </ul>

Source: VCB, RongViet Securities



## APPENDIX: INDUSTRY OUTLOOK

Investors may refer to the industry outlook sections in our previous reports:

- Credit growth and fee income from bancassurance outlook can be found in the Industry outlook section of this [report](#).
- Outlook on the trade finance market and the impact of new capital adequacy regulations in the industry outlook section of this [report](#).

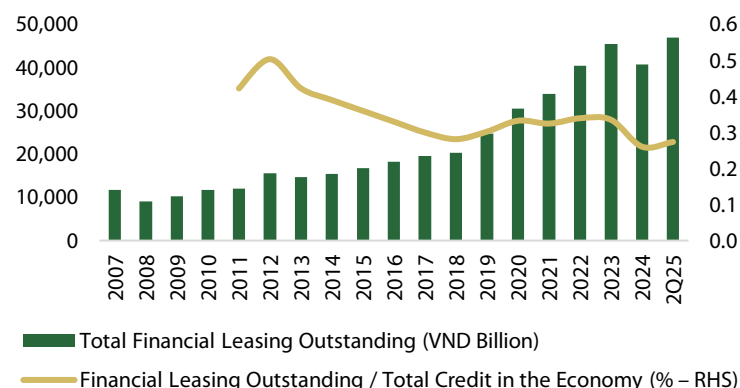
## DEVELOPMENT TREND OF FINANCIAL GROUP MODELS AMONG COMMERCIAL BANKS IN VIETNAM

The expansion and integration of value-added financial services, alongside traditional commercial banking activities, have become an inevitable trend for credit institutions (CIs). This trend is closely linked to the development of financial markets both globally and in Vietnam, driven by economic integration, the evolution of legal frameworks governing related financial services, and essential market demand. Banks are increasingly diversifying their services through the establishment of subsidiaries or joint ventures in areas such as securities, fund management, and insurance. These entities are strategically connected to the parent bank, creating synergies that enhance overall value. The ultimate goal of this process is to build a diversified financial services ecosystem that comprehensively meets the financial needs of both individual and corporate clients, domestically and internationally. In doing so, banks aim to maximize shareholder value for the parent institution by boosting revenue (interest and fee income) and reducing costs (funding and operating expenses) through economies of scale.

### Key Value-Added Financial Services and Historical Milestones

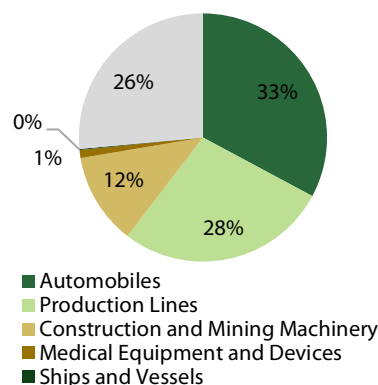
- **Financial leasing** can be considered the first financial service that commercial banks in Vietnam expanded into, especially among state-owned banks, when a series of leasing companies were established in 1998. At that time, Vietnam's economy was in a phase of opening and integration, while the banking system remained underdeveloped — loan procedures were complex, interest rates were high, and businesses often lacked sufficient collateral. Financial leasing emerged as an alternative solution, allowing enterprises to access assets (such as machinery, equipment, and vehicles) without requiring large upfront investments. Instead, they could make payments gradually based on revenue and without immediate transfer of ownership. The four state-owned commercial banks (BIDV, VietinBank, Vietcombank, and Agribank) were pioneers in establishing financial leasing companies in 1998, followed later by Sacombank (2006) and VCB (2007). Although this segment was developed early, after nearly three decades of operation, the financial leasing market in Vietnam remains small, accounting for only a modest proportion compared to total bank credit. As of Q2-2025, total outstanding financial leasing loans reached approximately VND 47 trillion, representing only 0.28% of the entire banking system's credit balance. This limited growth is attributable to several factors: a rigid regulatory framework (restricting leasing companies' capital sources, as they can only use equity or borrow from parent banks, leading to high funding costs and limited scalability); low competitiveness compared to bank lending in terms of interest rates and processing speed; and limited awareness among businesses, many of which still perceive financial leasing as a form of "disguised lending" with higher costs. Consequently, the number of active financial leasing companies in Vietnam today remains modest — only eight are currently in operation.

**Figure 83: The Financial Leasing Market in Vietnam Remains Relatively Small**



Source: Vietnam Leasing Association, SBV, and RongViet Securities estimates

**Figure 84: Financial Leasing Activities Are Currently Concentrated Mainly on Two Asset Types – Transportation Vehicles and Production Lines (2024)**

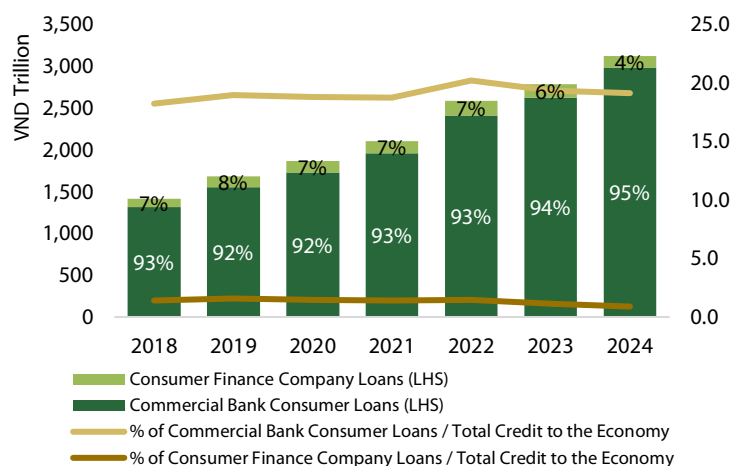


Source: Vietnam Leasing Association, RongViet Securities

- By the year 2000, many credit institutions began establishing their own **securities companies**, coinciding with the formation and early development of Vietnam's nascent stock market. This occurred as the country transitioned from a centrally planned economy to a market-oriented system and deepened its international integration. Subsequently, the Securities Law was enacted in 2006, creating a legal framework for investment funds. Between 2005 and 2008, numerous commercial banks established **fund management companies** to meet the growing demand for professional investment and diversify financial products amid the stock market boom—driven by strong economic growth following WTO accession and proactive capital market policies.
- **The first Asset Management Company (AMC)** - VCB AMC - was established as early as 1995. In 2001, the Prime Minister approved Decision No. 150/2001/QĐ-TTg, allowing commercial banks to establish debt and asset management companies to handle non-performing loans (NPLs). However, it was not until the 2008–2012 bad debt cycle—when Vietnam was directly affected by the global financial crisis and domestic high inflation—that AMCs became more widespread. These entities specialized in NPL resolution, including debt restructuring (rescheduling, interest reduction, debt-to-equity conversion), collateral management, and debt trading. **In 2013, the government approved the national bad debt resolution scheme and established the Vietnam Asset Management Company (VAMC)**—a 100% state-owned enterprise tasked with centralizing NPL resolution across the banking system through special bond (SPB) purchases without direct use of the state budget.
- Between 2013 and 2016, several **consumer finance companies** (CFCs) affiliated with commercial banks were established, such as HD Saison (a joint venture between HDBank and Japan's Credit Saison), FE Credit, and MCredit (a joint venture between MB Bank and Japan's Shinsei Bank). These institutions specialized in small, unsecured consumer loans serving personal needs such as motorcycles, phones, or appliance purchases, and cash loans. Although personal lending had existed since 1995 through banks, there had been no specialized institutions. The establishment of Home Credit Vietnam in 2008 (backed by the Czech Home Credit Group) marked the formalization of Vietnam's consumer finance market. The emergence of these CFCs responded to the growing need for accessible credit among low- and middle-income groups, most of whom could not meet traditional bank loan requirements (e.g., income proof). From 2012 to 2020, the sector experienced explosive growth, with average annual loan growth of 34%, compared to 17.3% for the overall credit market. This rapid expansion helped raise consumer and personal lending (including bank loans) to around 20% of total system-wide credit by 2020 (according to the

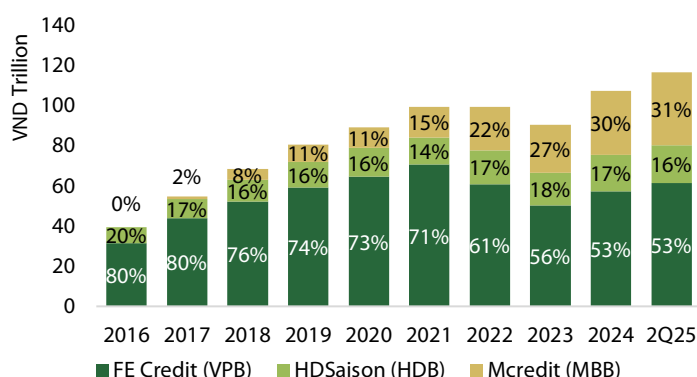
Academy of Finance). However, in 2020, the consumer finance market was hit hard by the COVID-19 pandemic, which reduced household incomes—particularly in the target mass market segment—and subsequently faced a surge in NPLs starting in 2022. As of 2025, the market has gradually stabilized in terms of asset quality and is showing signs of recovery, with outstanding loans of key CFCs (FE Credit, HD Saison, and MCredit) increasing by about 4% year-to-date in 1H25.

**Figure 85: Total Consumer Lending Outstanding of Commercial Banks and Consumer Finance Companies**



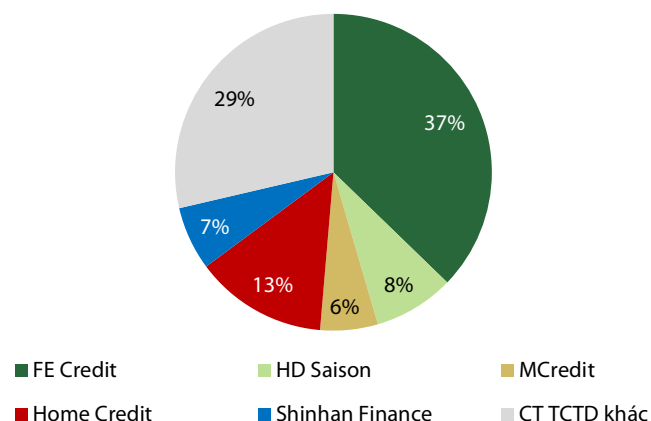
Source: RongViet Securities estimates

**Figure 87: Total Outstanding Loans of the Three Bank-Affiliated Consumer Finance Companies**



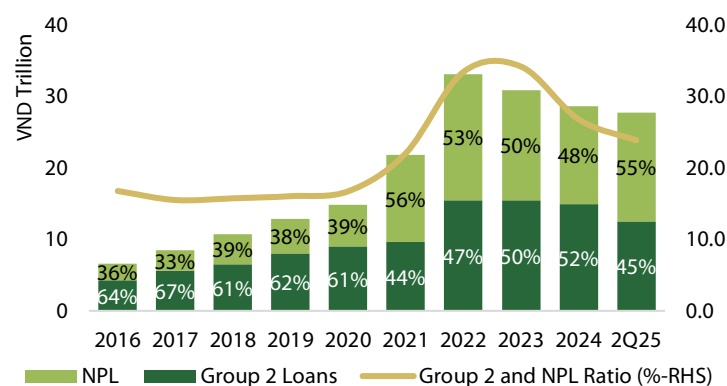
Source: Bank reports, RongViet Securities estimates

**Figure 86: Estimated Market Share of Consumer Finance Companies in 2022**



Source: RongViet Securities estimates

**Figure 88: Asset Quality of the Three Consumer Finance Companies – FE Credit, HD Saison, and MCredit**



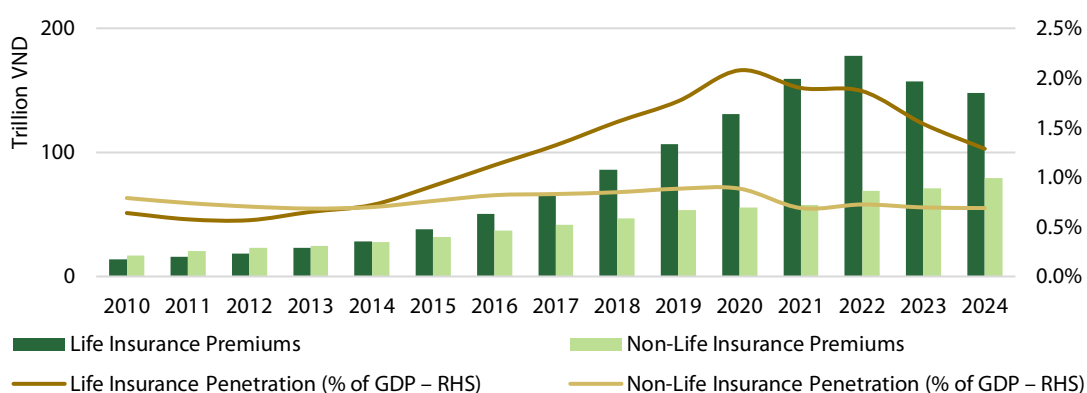
Source: Bank reports, RongViet Securities estimates

- The insurance market experienced strong growth with a CAGR of 20–30% per year during 2001–2010, driven by the rapid entry of numerous global insurance groups following the enactment of the Insurance Business Law in 2000, while financial protection demand was still in its early stages. **For the bancassurance** distribution market, commercial banks generally developed non-life insurance earlier than life insurance due to: (1) easier integration with loans (e.g., vehicle insurance for car loans, home insurance for mortgage loans, or credit insurance), (2) more predictable risk assessment, and (3) life insurance demand being closely linked to the growth of the middle class, which began to develop strongly and stabilize from around 2013 onwards.
  - **For non-life insurance:** In 2005, BIDV acquired the entire stake of the international insurance group QBE in the Vietnam-Australia Insurance Joint Venture to establish **BIDV Insurance Corporation (BIC)**, marking the creation of one of the first bank-owned non-life insurance companies in Vietnam. In the following years, state-owned commercial banks such as VietinBank (CTG), Agribank, and MBB also established their own non-life insurance subsidiaries or joint ventures. Private commercial banks entered this sector later

due to different resource allocation priorities, with VPBank being the earliest in 2018 (establishing OPES), followed by HD Insurance and Techcombank (TCB).

- **For life insurance:** VCB initially entered the market by establishing a joint venture with Cardif (part of BNP Paribas Group, France) in 2007, which was among the earliest bank-affiliated life insurance ventures in Vietnam. However, VCB exited this joint venture in 2019 to pursue an exclusive bancassurance distribution partnership with FWD. Most other commercial banks, except BIDV and MBB, opted for exclusive distribution agreements with foreign life insurance groups. This, coupled with rising demand for life insurance, led to a boom in long-term exclusive bancassurance agreements (15–16 years) between 2015 and 2020. Recently, some banks, such as Techcombank, have terminated exclusive bancassurance partnerships to establish or acquire their own life insurance companies, while VPBank also plans to create a new life insurance subsidiary. This strategic shift aims to adapt to new market conditions following trust crises, stricter regulations, and the need for comprehensive control over their financial ecosystem.

**Figure 89: Premium Volume (GWP) of Life and Non-Life Insurance Markets in Vietnam**





















Source: IAV, RongViet Securities

- Other “niche” financial services, such as **gold and precious metal trading** (mainly gold bars) and **remittance services**, are generally considered complementary activities for commercial banks. Only a few large commercial banks, such as VCB, VietinBank (CTG), and Sacombank (STB), established separate legal entities to operate in these sectors, due to strict regulations, high business risks, and the requirements for bank scale and reputation.

Figure 90: Financial Services Ecosystem of the 10 Largest Listed Commercial Banks by Total Assets

Bank		BIDV	VietinBank	Vietcombank	MB	VPBank	TECHCOMBANK	ACB	SHB	Sacombank	HDBank
Traditional Commercial Banking	Subsidiary Bank	LAOVIET Bank BRIDGE OF SUCCESS 1999 (65%) BIDC Bank BANK FOR INVESTMENT AND DEVELOPMENT OF CAMBODIA P.L.C. 2009 (99%)	VietinBank BANK VIETNAM 2015	Vietcombank Lào 2018 VCBNeo 2024	MB Cambodia 2023 MBV 2024	GPBANK 2025			SHB Lào 2015 SHB Campuchia 2016	Sacombank Lào 2008 Sacombank Campuchia 2009	Vikki Digital Bank 2025
	Joint Venture	VRB VIETNAM - RUSSIA BANK 2006 (50%)	TVB 1992 (50%)								
Financial Leasing Since 1998	Financial Leasing Company	BSL 1998 (50%)	VietinBank LEASING 1998	VCBL Vietcombank Leasing 1998				ACBL 2007		Sacombank-SBL CÔNG TY CHO THUÊ TÀI CHÍNH 2006	
Securities and Investment Since 1999	Securities Company	BSC 1999 (52%)	VietinBank SECURITIES 2000 (76%)	VCBS Vietcombank Securities 2002	MBS 2000 (76%)	VPBank Securities 2022	TECHCOMSECURITIES 2008 (89%)	ACBS 2000		HD Securities BẢO TỬ THÔNG MINH 2011 (30%)	
	Fund Management Company		VietinBank CAPITAL 2010	VCBF Hàng Lạc Quốc Tế, Lạc Thái Bình Phương 2005 (51%)	MB Capital 2007 (91%)		TECHCOM CAPITAL 2008 (89%)	ACBC 2008		HD Capital 2008*	
Non-Performing Loan Management and Collateral Asset Recovery Since 2002	AMC Company	SIAMC 2011	VietinBank AMC 2010		MBAMC 2002	VPBankAMC Công Ty Thanh Quản Lý Tài Sản Ngân Hàng Việt Nam Thịnh Vượng 2006	TECHCOMASSET MANAGEMENT 2008	ACBA 2004	SHAMC 2009	Sacombank-SBA CÔNG TY QUẢN LÝ & KHOA THUẬT TÀI SẢN 2006	
Gold Trading Since 2008	Gold and Precious Metals Company		VietinBank GOLD & JEWELLERY 2010							Sacombank-SBJ CÔNG TY VÀNG BẠC VÀ QUÝ 2008	
Consumer Finance Since 2013	Credit Finance Company				mcredit Khi bạn cần 2016 (50%)	FE CREDIT 2014 (50%)		SHB Finance TÀI CHÍNH TIÊU DÙNG 2016 (50%)		HD SAISON TÀI CHÍNH TIÊU DÙNG 2013 (50%)	

Insurance Non-Performing Loan Management and Collateral Asset Recovery Since 2002	Exclusive Bancassurance Distribution Since 2015	 Manulife 2022	 FWD 2020	 Manulife 2015	 Manulife	 Sun Life 2020	 DAI-ICHI LIFE 2017	
	Life Insurance Company Since 2013	 BIDV-MetLife 2013 (37%)	 MB ageas 2016 (61%)		 TECHCOMINSURANCE 2025 (80%)			
	Non-Life Insurance Company Since 2005	 BIC TỔNG CÔNG TY BẢO HIỂM BICV 2005 (51%)	 VBI BẢO HIỂM VIETINBANK 2008 (73%)	 MIC 2007 (68%)	 OPES The Digital Insurer 2018 (99%)	 TECHCOMINSURANCE 2024 (68%)		 HD Insurance 2020*
Gold Trading Since 2008	Remittance and International Money Transfer Company		 VCBR Vietcombank Remittance 2017				 Sacombank-SBR 2006	 DONGA Money Transfer 2025*

Source: RongViet Securities \*Entities not directly owned yet

## Digital Assets and Gold: Untapped Markets and Attractive Fee Income Growth Opportunities for the Banking Sector

In 2025, the financial market welcomes a significant policy reform with the issuance of Government Resolution No. 05/2025/NQ-CP (Resolution 05) on the pilot implementation of a tokenized asset market in Vietnam. This resolution moves digital assets out of the legal "gray zone" and integrates them into Vietnam's financial market. We believe this resolution marks a strategically significant milestone in the banking sector's journey to expand the value chain of financial services. This is driven by the strong financial resources, extensive customer networks, and advanced fintech infrastructure of banks, alongside other types of enterprises, which are essential for optimizing the operations of the tokenized asset market. Furthermore, given the substantial market size evidenced by the estimated USD 120 billion in cryptocurrency transaction value by Vietnamese users in 2023 (according to Chainalysis)-commercial banks that own early-licensed tokenized asset service companies during the pilot phase stand to significantly enhance profitability (through long-term investments or affiliated companies) over the next five years.

Fundamentally, Resolution 05 (issued on September 9, 2025, effective from the same date, with a five-year pilot period) regulates the pilot implementation of the issuance, offering, and trading of tokenized assets, as well as the provision of related services (including proprietary trading, custody, and platforms for tokenized asset issuance). The tokenized asset trading market in Vietnam will operate under a centralized exchange (CEX) model. Domestic investors holding tokenized assets and foreign investors will be permitted to open accounts with service providers licensed by the Ministry of Finance to custody, buy, and sell tokenized assets in Vietnam. The resolution also mandates close coordination between the **Ministry of Finance, the State Bank of Vietnam (SBV), and the Ministry of Public Security** to select a maximum of five organizations to provide tokenized asset services. It is expected that by 2026, the first enterprises will be licensed to operate tokenized asset trading in Vietnam.

### Key conditions for obtaining a license to organize a tokenized asset trading market include the following:

- (1) The entity must be a Vietnamese enterprise registered to conduct business in tokenized asset-related services;
- (2) It must have a minimum charter capital of VND 10 trillion;
- (3) At least 65% of the capital must be contributed by organizations, with at least 35% of the capital contributed by a minimum of two organizations, which can include commercial banks, securities companies, fund management companies, insurance companies, or technology firms (these institutional shareholders must have recorded profits for the two consecutive years prior to the license application, and their financial statements for those two years must be audited with an unqualified audit opinion);
- (4) The maximum foreign ownership in tokenized asset service providers is capped at 49%;
- (5) The information technology system must meet Level 4 cybersecurity standards as stipulated by information security regulations.

In practice, the State has officially recognized digital assets with the National Assembly's passage of the Digital Technology Industry Law in July 2025. With a more open policy stance toward this asset class, numerous new legal entities have been established to prepare for participation in this highly promising market (see **Table 15**). As of October 6, 2025, we have recorded nine enterprises related to tokenized assets being established, at least three of which are indirectly linked to banks **TCB, VPB, and HDB**. Additionally, **MBB** has demonstrated clear intent to participate in this market by signing a Memorandum of Understanding (MoU) with Dunamu, the operator of South Korea's Upbit



exchange, to facilitate technology transfer and support the establishment of a trading platform. Conversely, some state-owned commercial banks have adopted a more cautious approach, currently limiting their involvement to research and awaiting a clearer legal framework before proceeding with implementation.

**Table 15: Nine Enterprises Have Joined the “Race” to Provide Tokenized Asset Trading Services as of October 6, 2025**

Institution Trading Platform	Establishment Date	Initial Charter Capital (Bil VND)	Shareholders	International Partners	Note
SSID (SSI Digital)	3/25/2022	200	SSI Investment Fund (SSI IMF): 68.54%	SSI IMF has entered into strategic partnerships with international technology firms such as Tether, U2U Network, and Amazon Web Services (AWS) to advance the development of a digital finance ecosystem, blockchain infrastructure, and cloud computing in Vietnam	
TCEX	5/5/2025	3	- Mr. Nguyen Xuan Minh: 89% - TCBS: 9.9% - Techcom Capital: 1.1%		Mr. Nguyen Xuan Minh serves as the Chairman of TCBS, a subsidiary of TCB Bank. The Chairman of the Vietnam Blockchain Association, Mr. Pham Duc Trung, also serves as the Chairman of the Board of Directors of 1Matrix JSC and holds a 30% stake in the company through DeCom Holdings. The remaining shareholders of 1Matrix are affiliated with TCB Bank.
Vimexchange	6/5/2025	10,000	- Vimedimex Group: 50% - Bao Tin Manh Hai: 10% - HBS: 2% - Other Shareholders: Haa Binh Investment & Development JSC, Tien Sa Beach JSC, Vietnam Investment Development Group JSC, International Fund Management JSC, Vimedimex Pharmaceutical JSC.		
VIXEX	8/26/2025	1,000	- FTG VietNam JSC: 64.5% - Communication-Computer JSC - 3C: 20.5% - VIX: 15%		
DNEX	9/9/2025	2	- Fundgo JSC: 30% - Trustpay JSC: 30% - Digital Asset Management Technology JSC: 40%		These shareholders are affiliated with Mr. Nguyen Chi Cong, a member of the Board of Directors of HVA Investment JSC (UpCOM: HVA).
DolphinEX	09/12/2025	50	- Big Data JSC: 45% - Mr Do Xuan Loc: 45% - Mr Nguyễn Quang Minh: 10%.		This enterprise was renamed from TITA Technology JSC.
CAEX	9/19/2025	25	- LynkiD JSC: 50% - Future Land Investment Co., Ltd.: 39% - VPBankS (a subsidiary of VPB): 11%		

HDEX	9/25/2025	200	<ul style="list-style-type: none"> <li>- Galaxy Technology Services JSC: 75%</li> <li>- HD Securities: 15%</li> <li>- Galaxy Pay: 10%</li> </ul>	<b>HDB</b> holds a 30% stake in HD Securities.
LPEX	9/30/2025	6.8	<ul style="list-style-type: none"> <li>- Mr Duong Van Quyet: 40%</li> <li>- Ms Nguyen Thi Bich Ngoc: 30%</li> <li>- Mr Vu Phat Dat: 30%</li> </ul>	<p>LPEX is headquartered at the LPB Building, the head office of <b>LPB</b> Bank.</p> <p>It is preparing to increase capital to participate in the pilot program.</p>
<b>MBB*</b>			<p>It has signed a technical cooperation MoU with Dunamu Group, the operator of Upbit, the largest cryptocurrency exchange in South Korea and among the top three globally, to establish a digital asset trading platform in Vietnam.</p>	

Source: RongViet securities \* No formal enterprise with operations related to tokenized asset services has been established.

According to Triple-A, over 21% of Vietnam’s population owned cryptocurrencies in 2023, ranking second globally, just behind the UAE. Additionally, a Chainalysis report estimates that the transaction value of tokenized assets by Vietnamese users reached approximately USD 120 billion in 2023, with all trading activities conducted on foreign exchanges. Consequently, the legalization of tokenized assets in Vietnam not only mitigates the issue of “capital outflow” but also presents significant revenue opportunities for the State (through transaction taxes) and for organizations providing tokenized asset services, particularly through transaction and custody fees.

We believe that the requirements for charter capital and shareholder structure may not pose the greatest barriers for large enterprises entering this market. Instead, technical challenges, such as technological capabilities (e.g., blockchain infrastructure and cybersecurity) and the availability of highly skilled personnel (e.g., blockchain experts), could be the critical bottlenecks that enterprises need to address before obtaining a license from the Ministry of Finance. This necessitates substantial investment in technological infrastructure and strategic partnerships. Therefore, we expect enterprises with a technological edge (e.g., TCEX, with its deep understanding of blockchain and fintech) or those collaborating with international partners for technology and infrastructure sharing (e.g., SSID and MBB) to be among the top candidates for initial licensing.

#### Overview of Dunamu

Founded in 2012, Dunamu began as a fintech company specializing in blockchain, headquartered in Seoul, South Korea.

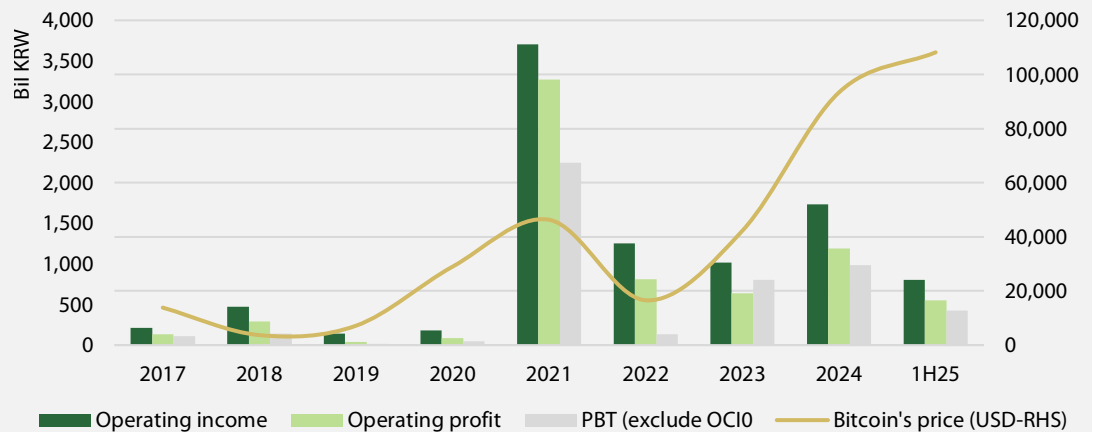
- Dunamu’s primary revenue source (98%) comes from transaction fees on trading platforms for intermediary securities, such as Stockplus (launched in February 2014), and blockchain platforms, including Upbit (launched in October 2017), Upbit NFT (launched in November 2021), and Upbit Staking (a staking service where cryptocurrency holders support blockchain operations by locking their assets to validate transactions, add new blocks, and secure the network in exchange for rewards). The remaining revenue is derived from other services, such as digital asset index creation, data indexing, and blockchain node services for Web3 developers.

- Upbit is currently South Korea’s largest cryptocurrency exchange, with over 8 million active users (per Coinranking), capturing approximately 70% of the market share and achieving a daily trading volume of USD 2.5 billion (CoinGecko, September 2025).

- Dunamu charges transaction fees based on a maker/taker model (maker: placing a limit order; taker: executing an immediate order). Fees vary depending on users’ transaction volumes (higher volumes result in lower fee rates) and range from 0.05% to 0.25%.

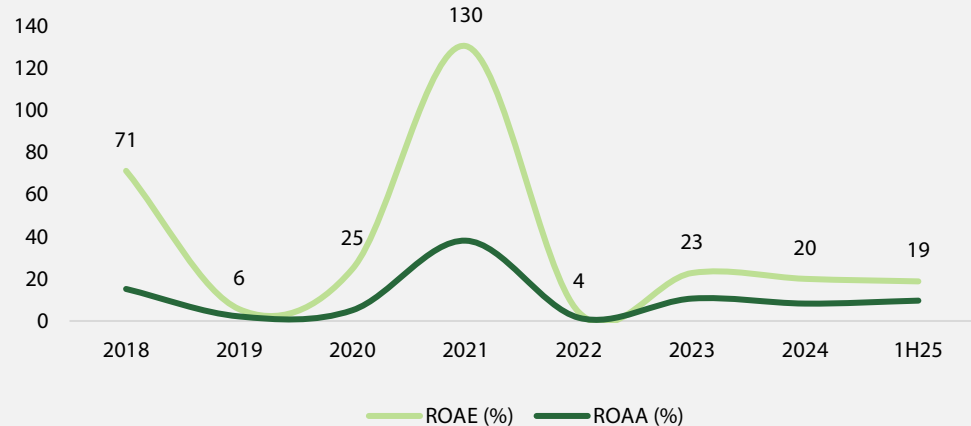
- As transaction fees constitute the majority of its revenue, Dunamu's operational performance is closely tied to cryptocurrency market volatility, with revenue and profits surging during the 2021 bull market, achieving strong growth in 2024, and declining during bear markets (2019–2020, 2022–2023).
- In the first half of 2025, Dunamu recorded operating revenue of KRW 802 billion (+2% YoY) and net profit attributable to shareholders of KRW 421 billion (+5% YoY), equivalent to approximately USD 570 million and USD 300 million, respectively.

**Figure 91: Operating Income, Operating Profit, and Profit Before Tax (Excluding Other Comprehensive Income) of Dunamu**



Source: Dunamu, RongViet Securities

**Figure 92: Operating efficiency of Dunamu**



Source: Dunamu, RongViet Securities

Alongside the tokenized asset market, **the Government is also undertaking comprehensive reforms in the gold market.** Accordingly, the Government issued **Decree No. 232/2025/ND-CP (Decree 232)** on August 26, 2025, effective from October 10, 2025, amending and supplementing certain provisions of Decree No. 24/2012/ND-CP on the management of gold trading activities. Decree 232 officially abolishes the State's monopoly on gold bar production and raw gold importation, transitioning to a controlled market mechanism that opens the gold market to eligible

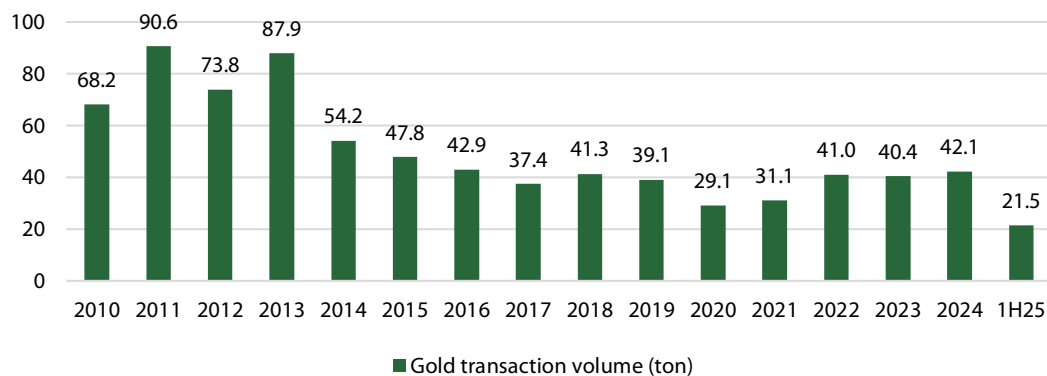
commercial banks and enterprises. In this decree, we highlight two provisions that impact the operations of commercial banks:

- Notably, the decree mandates that *payments for gold purchases and sales valued at VND 20 million or more per day for a single customer must be conducted through a bank account*. This regulation aims to enhance transparency in the gold market, combat money laundering, and closely integrate gold trading activities into the banking system by shifting cash-based gold transactions to banking channels. With the estimated transaction value of gold bars in the official market reaching USD 4 billion in 2024, based on volume data from the World Gold Council, **we expect this regulation to potentially boost CASA deposits by billions of dollars for the banking system from gold transactions, in addition to related transaction fee revenues**. Banks leading in deposit market share, such as the Big 4 state-owned banks (holding 54% market share in 2024) and the Big 4 private commercial banks (MBB, VPB, TCB, VCB, with 22% market share in 2024), will benefit from this increase in CASA funds.
- The decree also permits commercial banks with charter capital exceeding VND 50 trillion to engage in gold bar production. As of June 30, 2025, eight commercial banks meet this criterion: BID, CTG, VCB, Agribank, MBB, TCB, VPB, and VCB. However, we assess that this activity may not be particularly attractive to banks, primarily due to low profit margins (average gross margin below 5%), high market risks, and its misalignment with the core business models of commercial banks.

Another key aspect of the gold market reform process is the plan **to establish a centralized gold trading exchange**. In May 2025, the Government tasked the SBV with studying this initiative. To date, the project remains in the research and preparation phase. The SBV is considering three models: an independent national gold exchange, integration into an existing commodity exchange, or linkage with an international financial center (e.g., in Ho Chi Minh City or Da Nang). Consequently, we believe it is highly likely that the gold exchange will operate under a centralized model managed by a state authority (similar to China's model). In this model, commercial banks could serve as transaction intermediaries or providers of gold-related financial services (e.g., gold accounts, online trading platforms, or derivative products).

Overall, the establishment of a gold exchange will facilitate the circulation of significant gold holdings among the public within the banking system, enabling banks to expand lending for production and investment, thereby contributing to GDP growth. Clearly, this will enhance CASA deposits and service fees related to gold transactions. Among these, **we expect commercial banks eligible to import raw gold and produce gold bars to have an advantage in early deployment of intermediary trading platforms, leveraging their ability to control physical gold supplies to support settlement or gold custody on the centralized gold exchange**.

**Figure 93: Estimated Vietnam's annual transaction volume of gold bars in the official market**



Source: WGC, RongViet Securities

## APPENDIX – PEERS

In this report, we utilize the three remaining listed state-owned banks in Vietnam-BID, CTG, and Agribank-alongside six other commercial banks from emerging Asian economies with comparable positions for financial and valuation metric comparisons. These regional banks are leading financial institutions in their respective countries, characterized by large scale, extensive networks, and state ownership (direct or indirect), similar to VCB.

**BIDV (BID VN)**, established in 1957, is Vietnam’s largest state-owned commercial bank, with total assets exceeding USD 100 billion in 2024. BIDV plays a critical role in financing infrastructure projects and large enterprises. Its credit market share in 2024 accounted for approximately 13% of total credit in Vietnam.

**Vietinbank (CTG VN)**, established in 1988, is a major state-owned commercial bank in Vietnam, with a pre-tax profit of USD 1.27 billion and total assets exceeding USD 90 billion in 2024. Vietinbank leads the system in financing industry, commerce, and corporate banking services, exerting significant influence on the domestic economy, with a market share of approximately 11% in 2024.

**Agribank (unlisted)**, established in 1988, is Vietnam’s largest state-owned commercial bank by network coverage, with total assets exceeding USD 80 billion in 2024. Agribank plays a vital role in financing agriculture, rural development, and rural economic projects. Its credit market share in 2024 accounted for approximately 11% of total credit in Vietnam.

**Bank of China (3988 HK)**, established in 1912, is one of China’s oldest banks and the fourth-largest state-owned bank in China, with total assets of approximately USD 4.8 trillion in 2024. Headquartered in Beijing, BOC operates in over 55 countries and excels in international finance, particularly in foreign exchange management and global trade.

**Punjab National Bank (PNB IN)**, initially established in 1894 as India’s first private bank, was nationalized in 1969. In 2020, PNB merged with United Bank of India and Oriental Bank of Commerce, significantly expanding its scale and operations, with over 11,000 branches nationwide, making it India’s second-largest public sector bank. PNB focuses on serving key economic segments such as agriculture, retail, and SMEs. The non-performing loan (NPL) ratio of PNB, and Indian banks in general, is relatively high, ranging from 5% to 6% in 2024.

**Krung Thai Bank (KTB TB)**, a major state-owned commercial bank in Thailand, was established in 1966 and is headquartered in Bangkok. The primary shareholder is the Financial Institutions Development Fund (FIDF), representing the Ministry of Finance, holding approximately 55% of shares. As of 2024, KTB’s total assets reached nearly USD 110 billion, ranking fourth in Thailand. Its close ties with the government provide advantages in accessing large-scale projects and stable funding but have occasionally led to higher-risk loans, resulting in an NPL ratio above the industry average in the past.

**Malayan Banking Bhd (MAY MK)**, established in 1960 and headquartered in Kuala Lumpur, is Malaysia’s largest bank by total assets (USD 240 billion in 2024). MayBank offers diverse financial services and has a strong presence in Southeast Asia, including Singapore and Indonesia.

**Bank Mandiri Persero Tbk PT (BMRI IJ)**, established in 1998 and headquartered in Jakarta, is Indonesia’s largest state-owned bank by assets (nearly USD 150 billion in 2024). It leads in commercial and retail banking.

**Bank Rakyat Indonesia Persero Tbk PT (BBRI IJ)**, established in 1895 and headquartered in Jakarta, is Indonesia’s second-largest state-owned bank, with total assets exceeding USD 120 billion in 2024. It focuses on microfinance and small and medium enterprises.

**Table 16: Scale Comparison**

Year	2019	2020	2021	2022	2023	2024	CAGR 5Y
<b>Total asset (USD Mn)</b>							
VCB VN Equity	52,767	57,418	61,990	76,753	75,806	81,847	9
BID VN Equity	64,294	65,663	77,179	89,738	94,807	108,330	11
CTG VN Equity	53,539	58,079	67,098	76,541	83,753	93,600	12
3988 HK Equity	3,269,900	3,738,600	4,204,200	4,188,300	4,567,100	4,803,300	8
PNB IN Equity	0	112,965	174,918	176,426	181,876	191,782	11
KTB TB Equity	101,231	110,944	107,105	103,665	106,969	108,982	1
MAY MK Equity	203,988	213,123	213,616	215,259	223,894	240,403	3
BBRI IJ Equity	102,315	108,568	117,852	120,309	127,664	122,540	4
BMRI IJ Equity	95,201	110,734	121,189	128,493	141,256	149,239	9
<b>Medium</b>	<b>438,137</b>	<b>508,455</b>	<b>571,683</b>	<b>575,054</b>	<b>622,570</b>	<b>655,558</b>	<b>8</b>
<b>Median</b>	<b>95,201</b>	<b>110,734</b>	<b>117,852</b>	<b>120,309</b>	<b>127,664</b>	<b>122,540</b>	<b>5</b>
<b>Equity (USD Mn)</b>							
VCB VN Equity	3,490	4,070	4,780	5,736	6,798	7,695	17
BID VN Equity	3,216	3,308	3,642	4,206	4,858	5,481	11
CTG VN Equity	3,314	3,673	4,072	4,552	5,151	5,789	12
3988 HK Equity	265,919	312,296	350,081	351,372	370,291	385,817	8
PNB IN Equity	0	8,475	12,644	12,854	12,527	13,243	9
KTB TB Equity	11,369	11,451	10,842	10,859	11,703	12,919	3
MAY MK Equity	19,942	21,002	20,639	19,467	20,619	21,008	1
BBRI IJ Equity	14,900	14,174	20,278	19,301	20,229	19,497	6
BMRI IJ Equity	14,776	13,600	14,375	14,811	16,947	17,449	3
<b>Medium</b>	<b>37,436</b>	<b>43,561</b>	<b>49,039</b>	<b>49,240</b>	<b>52,125</b>	<b>54,322</b>	<b>8</b>
<b>Median</b>	<b>11,369</b>	<b>11,451</b>	<b>12,644</b>	<b>12,854</b>	<b>12,527</b>	<b>13,243</b>	<b>3</b>

Source: Bloomberg, RongViet Securities

**Table 17: Comparison of Market Share of Vietnamese State-Owned Banks**

Year	2019	2020	2021	2022	2023	2024
<b>Lending market share(%)</b>						
VCB VN Equity	9.1	9.2	9.3	9.7	9.4	9.3
BID VN Equity	13.9	13.4	13.1	12.9	13.2	13.2
CTG VN Equity	11.6	11.2	10.9	10.7	10.9	11.1
Agribank	13.7	13.2	12.6	12.1	11.4	11.0
<b>Depositing market share (%)*</b>						
VCB VN Equity	12.8	12.6	12.6	12.5	12.0	11.6
BID VN Equity	15.4	15.0	15.3	14.9	14.6	15.0
CTG VN Equity	12.3	12.1	12.9	12.6	12.1	12.3
Agribank	17.5	17.2	17.1	16.4	15.6	14.7
<b>CASA market share(%)*</b>						
VCB VN Equity	21.4	20.1	19.4	21.4	20.1	19.9
BID VN Equity	14.4	14.3	13.9	14.1	14.3	14.1
CTG VN Equity	12.3	12.5	12.1	13.0	13.5	14.6
Agribank	11.4	9.8	9.8	9.8	8.9	9.1

Source: SBV, company reports, RongViet Securities \*Based on 27 listed commercial banks's reports and Agribank

**Table 18: Comparison valuation**

Year	2019	2020	2021	2022	2023	2024	Weighted average 5Y
<b>Weight</b>	<b>10%</b>	<b>10%</b>	<b>10%</b>	<b>20%</b>	<b>20%</b>	<b>30%</b>	
<b>P/B valuation (x)</b>							
VCB VN Equity	4.1	3.8	3.4	2.8	2.7	2.6	3.0
BID VN Equity	2.4	2.5	2.3	2.0	2.1	1.9	2.1
CTG VN Equity	1.0	1.5	1.8	1.2	1.2	1.4	1.3
3988 HK Equity	0.3	0.3	0.3	0.3	0.3	0.4	0.3
PNB IN Equity	0.6	0.3	0.4	0.6	1.0	1.0	0.8
KTB TB Equity	0.5	0.4	0.4	0.6	0.6	0.6	0.5
MAY MK Equity	0.8	0.8	0.9	1.0	1.0	1.3	1.1
BBRI IJ Equity	1.9	2.0	1.7	2.0	2.4	1.8	2.0
BMRI IJ Equity	1.3	1.2	1.3	1.7	1.9	1.7	1.6
<b>Medium</b>	<b>1.4</b>	<b>1.4</b>	<b>1.4</b>	<b>1.4</b>	<b>1.5</b>	<b>1.4</b>	<b>1.4</b>
<b>Median</b>	<b>1.0</b>	<b>1.2</b>	<b>1.3</b>	<b>1.2</b>	<b>1.2</b>	<b>1.4</b>	<b>1.2</b>

Source: Bloomberg, RongViet Securities



**Table 19: Comparison of profitability**

Year	2019	2020	2021	2022	2023	2024	Weighted average 5Y
Weight	10%	10%	10%	20%	20%	30%	
<b>NIM (%)</b>							
VCB VN Equity	3.2	3.0	3.2	3.5	3.1	2.9	3.2
BID VN Equity	2.8	2.6	3.0	3.1	2.7	2.4	2.7
CTG VN Equity	3.0	3.0	3.1	3.0	2.9	2.9	3.0
3988 HK Equity	2.0	2.0	1.9	1.8	1.7	1.5	1.7
PNB IN Equity	0.0	2.4	3.2	2.5	2.7	2.9	2.5
KTB TB Equity	3.3	2.8	2.3	2.4	3.0	3.0	2.8
MAY MK Equity	1.9	1.6	1.4	1.7	1.5	1.4	1.5
BBRI IJ Equity	6.8	6.1	7.8	7.8	7.4	6.7	7.1
BMRI IJ Equity	5.9	5.1	5.1	5.4	4.8	4.3	4.9
<b>Medium</b>	<b>3.2</b>	<b>3.2</b>	<b>3.4</b>	<b>3.5</b>	<b>3.3</b>	<b>3.1</b>	<b>3.3</b>
<b>Median</b>	<b>3.0</b>	<b>2.8</b>	<b>3.1</b>	<b>3.0</b>	<b>2.9</b>	<b>2.9</b>	<b>3.0</b>
<b>ROE (%)</b>							
VCB VN Equity	22.8	19.0	19.4	21.7	20.3	17.2	19.7
BID VN Equity	12.1	7.7	11.0	16.9	17.4	17.2	15.1
CTG VN Equity	10.6	14.7	15.8	14.5	14.8	18.6	15.5
3988 HK Equity	11.4	10.6	11.2	10.8	10.1	9.6	10.4
PNB IN Equity	0.0	0.8	3.3	4.1	3.3	8.5	4.5
KTB TB Equity	9.1	4.9	6.1	9.2	9.4	10.4	8.8
MAY MK Equity	10.5	7.8	9.5	9.3	10.4	10.7	9.9
BBRI IJ Equity	17.7	9.2	12.8	17.4	19.7	19.1	17.1
BMRI IJ Equity	14.2	8.5	14.2	19.0	22.4	20.5	18.1
<b>Medium</b>	<b>12.0</b>	<b>9.3</b>	<b>11.5</b>	<b>13.6</b>	<b>14.2</b>	<b>14.6</b>	<b>13.2</b>
<b>Median</b>	<b>11.4</b>	<b>8.5</b>	<b>11.2</b>	<b>14.5</b>	<b>14.8</b>	<b>17.2</b>	<b>14.1</b>
<b>ROA (%)</b>							
VCB VN Equity	1.6	1.4	1.6	1.9	1.8	1.7	1.7
BID VN Equity	0.6	0.5	0.6	0.9	1.0	1.0	0.8
CTG VN Equity	0.8	1.1	1.0	1.0	1.0	1.1	1.0
3988 HK Equity	0.9	0.8	0.8	0.8	0.8	0.7	0.8
PNB IN Equity	0.0	0.1	0.2	0.3	0.2	0.6	0.3
KTB TB Equity	1.0	0.5	0.6	0.9	1.0	1.2	1.0
MAY MK Equity	1.0	0.8	0.9	0.9	0.9	1.0	0.9
BBRI IJ Equity	2.5	1.3	1.9	2.9	3.1	3.0	2.7
BMRI IJ Equity	2.2	1.2	1.7	2.2	2.6	2.4	2.2
<b>Medium</b>	<b>1.2</b>	<b>0.8</b>	<b>1.1</b>	<b>1.3</b>	<b>1.4</b>	<b>1.4</b>	<b>1.3</b>
<b>Median</b>	<b>1.0</b>	<b>0.8</b>	<b>0.9</b>	<b>0.9</b>	<b>1.0</b>	<b>1.1</b>	<b>1.0</b>

Source: Bloomberg, RongViet Securities

**Table 20: Comparison of asset quality**

Year	2019	2020	2021	2022	2023	2024
<b>NPL (%)</b>						
VCB VN Equity	0.7	0.6	0.6	0.7	1.0	1.0
BID VN Equity	1.7	1.8	1.0	1.2	1.3	1.4
CTG VN Equity	1.2	0.9	1.3	1.2	1.1	1.2
3988 HK Equity	1.4	1.5	1.3	1.3	1.3	1.2
PNB IN Equity	0.0	15.5	15.4	4.7	9.3	5.9
KTB TB Equity	4.9	4.6	4.0	3.9	3.8	3.5
MAY MK Equity	2.6	2.2	2.0	1.6	1.3	1.2
BBRI IJ Equity	1.3	1.2	1.7	N.A	2.8	2.7
BMRI IJ Equity	2.4	3.0	2.6	1.9	1.2	1.1
<b>Medium</b>	<b>1.8</b>	<b>3.5</b>	<b>3.3</b>	<b>2.0</b>	<b>2.6</b>	<b>2.1</b>
<b>Median</b>	<b>1.4</b>	<b>1.8</b>	<b>1.7</b>	<b>1.4</b>	<b>1.3</b>	<b>1.2</b>
<b>LLR (%)</b>						
VCB VN Equity	191	368	421	317	227	223
BID VN Equity	75	89	215	210	181	131
CTG VN Equity	120	131	180	186	167	172
3988 HK Equity	183	162	187	189	192	200
PNB IN Equity	0	19	16	40	20	22
KTB TB Equity	132	140	162	172	174	183
MAY MK Equity	73	99	108	127	120	122
BBRI IJ Equity	341	567	472	N/A	229	215
BMRI IJ Equity	137	223	246	285	327	271
<b>Medium</b>	<b>139</b>	<b>200</b>	<b>223</b>	<b>191</b>	<b>182</b>	<b>171</b>
<b>Median</b>	<b>132</b>	<b>140</b>	<b>187</b>	<b>187</b>	<b>181</b>	<b>183</b>

Source: Bloomberg, RongViet Securities

**Table 21: Comparison of operation metrics**

Year	2019	2020	2021	2022	2023	2024
<b>NII/TOI (%)</b>						
VCB VN Equity	69	69	70	72	72	73
BID VN Equity	68	67	71	76	72	67
CTG VN Equity	75	73	73	69	70	72
3988 HK Equity	70	73	70	77	74	70
PNB IN Equity	N/a	66	70	71	74	75
KTB TB Equity	68	70	68	69	73	72
MAY MK Equity	54	48	44	53	48	44
BBRI IJ Equity	78	78	77	81	83	81
BMRI IJ Equity	72	71	72	75	77	75
<b>Medium</b>	<b>69</b>	<b>68</b>	<b>68</b>	<b>71</b>	<b>71</b>	<b>70</b>
<b>Median</b>	<b>69</b>	<b>70</b>	<b>70</b>	<b>72</b>	<b>73</b>	<b>72</b>
<b>CIR (%)</b>						
VCB VN Equity	32	30	29	29	29	30
BID VN Equity	35	33	29	31	32	32
CTG VN Equity	37	33	30	28	27	26
3988 HK Equity	36	37	37	35	35	34
PNB IN Equity	N.A	44	46	49	51	53
KTB TB Equity	48	42	43	41	40	41
MAY MK Equity	46	46	45	43	43	44
BBRI IJ Equity	44	53	54	48	46	46
BMRI IJ Equity	46	49	48	44	40	41
<b>Medium</b>	<b>40</b>	<b>41</b>	<b>40</b>	<b>39</b>	<b>38</b>	<b>39</b>
<b>Median</b>	<b>41</b>	<b>42</b>	<b>43</b>	<b>41</b>	<b>40</b>	<b>41</b>
<b>Retail Lending Ratio(%)</b>						
VCB VN Equity	43	45	47	47	45	44
BID VN Equity	35	36	40	44	44	48
CTG VN Equity	29	30	32	37	38	39
3988 HK Equity	39	39	39	37	33	32
KTB TB Equity	19	18	17	18	19	19
MAY MK Equity	40	43	43	44	44	47
BBRI IJ Equity	16	16	21	N.A	23	24
BMRI IJ Equity	25	27	26	27	27	26
<b>Medium</b>	<b>31</b>	<b>31</b>	<b>32</b>	<b>36</b>	<b>34</b>	<b>35</b>
<b>Median</b>	<b>32</b>	<b>30</b>	<b>32</b>	<b>37</b>	<b>35</b>	<b>35</b>

Source: Bloomberg, RongViet Securities

**Table 21: Comparison of Growth Metrics**

Year	2019	2020	2021	2022	2023	2024	CAGR 5Y
<b>Customer Lending (YoY %)</b>							
VCB VN Equity	16	15	16	15	8	9	12
BID VN Equity	13	9	13	9	14	10	11
CTG VN Equity	8	9	13	9	13	11	11
3988 HK Equity	9	16	13	3	10	5	10
PNB IN Equity	N/a	-7	46	3	5	10	10
KTB TB Equity	12	12	2	-5	0	5	2
MAY MK Equity	2	2	2	0	5	8	3
BBRI IJ Equity	12	1	13	1	13	0	5
BMRI IJ Equity	15	5	6	5	16	13	9
<b>Medium</b>	<b>11</b>	<b>7</b>	<b>14</b>	<b>4</b>	<b>9</b>	<b>8</b>	<b>8</b>
<b>Median</b>	<b>12</b>	<b>9</b>	<b>13</b>	<b>3</b>	<b>10</b>	<b>9</b>	<b>10</b>
<b>PBT (YoY %)</b>							
VCB VN Equity	26	-1	21	33	9	-3	11
BID VN Equity	13	-16	52	66	18	10	23
CTG VN Equity	78	45	4	18	16	21	20
3988 HK Equity	4	-2	20	-2	-1	-2	2
PNB IN Equity	N/a	-104	466	70	-23	163	-193
KTB TB Equity	8	-40	25	38	9	16	6
MAY MK Equity	-2	-22	27	3	2	9	2
BBRI IJ Equity	4	-40	56	52	15	-2	10
BMRI IJ Equity	8	-35	60	42	29	-2	13
<b>Medium</b>	<b>18</b>	<b>-24</b>	<b>81</b>	<b>36</b>	<b>8</b>	<b>23</b>	<b>-12</b>
<b>Median</b>	<b>8</b>	<b>-22</b>	<b>27</b>	<b>38</b>	<b>9</b>	<b>9</b>	<b>10</b>

Source: Bloomberg, RongViet Securities

## COMPANY REPORT

This report has been prepared with the objective of providing investors with insights into the company and supporting their investment decision-making process. The report is based on an analysis of the company's operations and projections of business results, using the most up-to-date data available, in order to determine the fair value of the stock at the time of analysis. We have endeavored to fully convey the analyst's assessments and perspectives on the company in this report. Investors who wish to obtain further information or provide feedback are encouraged to contact the analyst or our client support department.

### Types of recommendations

Recommendation	BUY	ACCUMULATION	UNDERWEIGHT	SELL
Total Return Including Dividends over 12 Months	>20%	5% to 20%	-20% to -5%	<-20%

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