JSC BANK FOR INVESTMENT AND DEVELOPMENT OF VIETNAM (HOSE: BID)

Steady Growth Amid Capital Constraints and NPL Control

We issue an updated valuation report on BID shares of the JSC Bank for Investment and Development of Vietnam, with a 12-month target price of **VND 50,100**, equivalent to a projected 2026F P/B multiple of 1.8x.

- BID is Vietnam's largest state-owned commercial bank by total assets, exceeding VND 3.25 quadrillion (approximately USD 133 billion) as of end-2025. It benefits from a low cost of funds, a comprehensive financial services ecosystem, and an extensive nationwide distribution network. As a key policy bank aligned with directives from the Government and the State Bank of Vietnam (SBV), BIDV plays a pivotal role in credit allocation, capital mobilization, and support for priority economic sectors. We believe ***BID will serve as a cornerstone in achieving the Government's double-digit GDP growth target over the next five years by providing financing for major national projects, large conglomerates, and priority sectors***.
- ***Forecast earnings growth remains steady, with gradual improvement in capital adequacy metrics.*** BIDV's capital adequacy ratio (CAR) and Tier 1 capital ratio stood at relatively low levels within the sector at 9.6% and 6.8%, respectively, as of 2Q25, primarily due to its high leverage ratio compared to peers. Stricter capital requirements under Circular 14/2025/TT-NHNN (effective September 15, 2025, aligning closer to Basel III standards) necessitate prompt capital-raising initiatives, combined with more prudent credit growth and risk-weighted asset management. Accordingly, we forecast credit growth at a CAGR of 14% over 2025F–2030F, below the projected system-wide average of 18% for the same period. Net interest margin (NIM) is expected to expand modestly from a low of 2.1% in 2025E (the lowest since listing) to 2.5% by end-2030F, driven by an improved proportion of medium- to long-term lending and a higher CASA ratio. Average NIM over 2025F–2030F is projected at 2.3%, still below the 2.6% average recorded in 2019–2024, underscoring BIDV's role in delivering preferential-rate credit packages to support national economic growth objectives. Net profit after tax is forecasted to achieve a CAGR of 15% over 2025F–2030F, including 14% growth in 2025E.
- ***Valuation and Recommendation.*** The strong share price rally of over 30% in the first two weeks of 2026 has largely absorbed the upside potential we previously anticipated over the next 12 months, bringing the current valuation in line with BIDV's five-year historical average and above our target multiple of 1.9x. In the near term, we recommend investors exercise patience and await a pullback to a more attractive discount relative to our target price, consistent with their risk tolerance, before accumulating shares. Over the longer horizon, BIDV retains compelling upside potential as the stock price will gradually reflect sustained book value growth (projected 5Y CAGR of 16%), supported by its leading position and competitive advantages as Vietnam's flagship state-owned bank and primary capital channel for high-growth economic objectives.
- ***Risks:*** The Government's ambitious high-growth targets may give rise to risks of uncontrolled inflation and exchange rate volatility beyond the SBV's management capacity, potentially impacting key drivers of growth, profitability, and asset quality.

Key Financial Indicators

Year-end – December (VND bn)	FY2022	FY2023	FY2024	FY2025F	FY2026F	FY2027F
TOI	**69,480**	**73,013**	**81,061**	**86,062**	**101,369**	**115,829**
Growth (%)	*11%*	*5%*	*11%*	*6%*	*18%*	*14%*
Net Profit After Tax	**18,086**	**21,505**	**25,140**	**28,549**	**33,948**	**39,332**
Growth (%)	*72%*	*19%*	*17%*	*14%*	*19%*	*16%*
NIM (%)	2.9	2.6	2.3	2.1	2.3	2.4
ROAA (%)	0.9	1.0	1.0	1.0	1.0	1.0
ROAE (%)	19.8	19.8	19.5	19.0	18.8	18.1
EPS (VNĐ)	2,937	3,090	3,015	3,556	4,072	4,718
BVPS/shares (VND)	18,231	19,347	19,158	22,871	27,564	32,182
Cash Dividend (VND)	200	0	0	450	0	0
P/E (x)	10.7	11.5	12.3	14.3	12.5	10.8
P/B (x)	1.7	1.8	1.9	2.2	1.8	1.6

Source: BID, RongViet Securities. Data as of January 23rd, 2026.

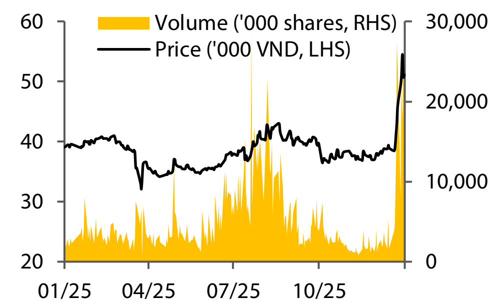
NEUTRAL -1%

Market Price (VND)	50,800
Target Price (VND)	50,100
*Cash Dividend (VND)**	*0*

**Expected to be received over the next 12 months*

Stock Information

Industry	Bank
Market Capitalization (VND bn)	365,111
Shares Outstanding (mn shares)	7,021
Beta	0.9
Free Float (%)	4.2
52-week High (VND)	54,500
52-week Low (VND)	32,093
Average 20-day Trading Volume ('000 shares)	9,671



Return Performance (%)

	3M	1Y	2Y
BID	30.8	33.1	35.7
VN30 Index	3.6	59.4	63.1
VN-Index	7.3	51.8	1.6

Major Shareholders (%)

State Bank of Vietnam	79.6
KEB Hana Bank	14.7
Remaining Foreign Ownership Limit	*5.7*

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TABLE OF CONTENTS

VALUATION

We evaluate BID using the residual income approach in combination with the P/B multiple method. Under the P/B approach, we apply a target multiple of 1.9x to the 2026F book value per share. **Our target price for BID is VND 50,100**, implying 2026F P/B of 1.8x. Investors may refer to the sensitivity analysis table below to make investment decisions in line with their risk appetite for this stock. Based on the closing price as of January 23rd, 2025, we have a **NEUTRAL** view on **BID** shares.

Table 1: Valuation Summary

Valuation Method	Target price	Weight	Average
Residual income (g: 3.0%, Ke: 11.8%)	46,600	40%	18,640
P/B (1.9x BVPS 2026F)	52,400	60%	31,440
Total		**100%**	**50,100**
P/B 2026F			1,82
Current price (Jan 23rd 2025)			50,800
Cash dividend in the next 12M			0
Total expected return			**-1%**

Source: RongViet Securities

Table 2: Long-term valuation by residual income approach

RI Assumptions	Value	Valuation Summary	Unit: VND Bn
Cost of Equity	11.8%	Forecasted Period	5Y
Effective CIT Rate	20%	Opening Shareholders' Funds	144,911
5Y Risk-free Rate	3.7%	+ PV 5Y Residual Income	54,779
Equity Risk Premium	8.1%	+ PV Terminal Value	127,731
Long-term ROE	17.5%	Value of Shareholders' Funds	327,421
Beta	0.9	Number of Shares Outstanding (mn)	7,021
Terminal Growth	3.0%	**Value Per Share (VND)**	**46,632**

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

		Terminal growth				
		1.00%	**2.00%**	**3.00%**	**3.25%**	**3.50%**
Cost of Equity	9.8%	45,457	47,439	49,853	50,542	51,269
	10.8%	43,796	45,777	48,192	48,880	49,608
	11.8%	42,236	44,217	**46,632**	47,320	48,048
	12.8%	40,771	42,752	45,167	45,855	46,583
	13.8%	39,393	41,374	43,789	44,477	45,205

Table 4: Share Price Sensitivity (VND)

		P/B						
		1.60	1.70	1.80	**1.90**	2.00	2.10	2.20
BVPS 2026	27,564	44,102	46,858	49,615	**52,371**	55,127	57,884	60,640
BVPS 2027	32,182	51,491	54,709	57,927	**61,145**	64,363	67,582	70,800

Source: RongViet Securities

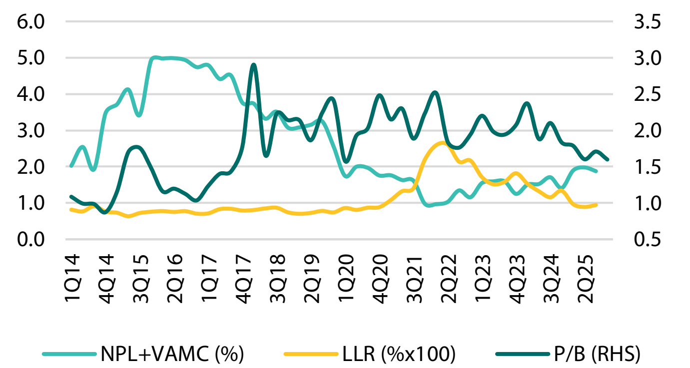
Historical P/B Valuation Trends of BID and Key Influencing Factors

Regarding the historical evolution of P/B valuation, BID traded within a range of 1.0–1.75x from its listing until 2017, before being re-rated to a higher band of 1.6–2.5x from 2018 to the present. The period from mid-2017 to early 2018 is identified as a phase of strong re-rating for BID, during which its valuation surged to a historical peak of nearly 3.0x book value per share (BVPS), supported by several key factors: **(1)** the banking sector benefited from Resolution No. 42/2017/QH14 (effective from August 15, 2017), which piloted creditors' rights to seize collateral and introduced various legal measures to accelerate NPL resolution; **(2)** expectations surrounding state divestment and the sale of stakes to foreign strategic investors (culminating in the official announcement of the KEB Hana transaction by end-2018 and its completion in 2019); and **(3)** a booming equity market, with capital flows concentrating on large-cap banking stocks, including BID. Following this unusually rapid expansion, BID's valuation quickly normalized and reverted to the 1.6–2.5x range mentioned above. *Since 2022 until the end of 2025, BID's valuation has been in a downtrend and is currently trading close to the lower boundary of the aforementioned range, before the price surge in early 2026 brought the P/B back to the 5-year average level of 2.1 times as of January 12, 2026.*

With respect to the relationship between valuation trends and asset quality, we do not observe a particularly clear relationship between the two factors — only a relatively moderate one. For example, the NPL ratio (including bad debts sold to VAMC) continuously declined due to more aggressive resolution efforts from 2017 through 2021, yet the valuation was continuously adjusted downward from early 2018 (near 3.0 times) and traded sideways around 2.0–2.5x BPVS without a corresponding improvement reflecting the NPL trend through 2021. Nevertheless, as NPLs have continuously increased from 2022 to the present, BID's P/B valuation has also declined from 2.0x to the current level of approximately 1.60x.

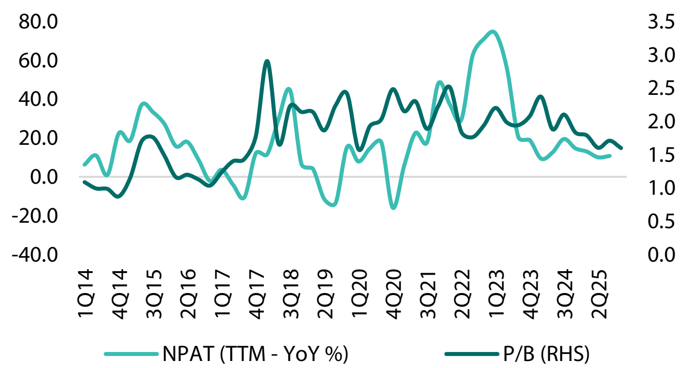
Other factors, such as earnings growth and profitability as measured by ROAE, do not exhibit a clear correlation with BID's P/B valuation (**Figures 2 and 3**).

Figure 1: The historical quarterly P/B valuation since listing and the NPL ratio indicate a relatively weak inverse correlation



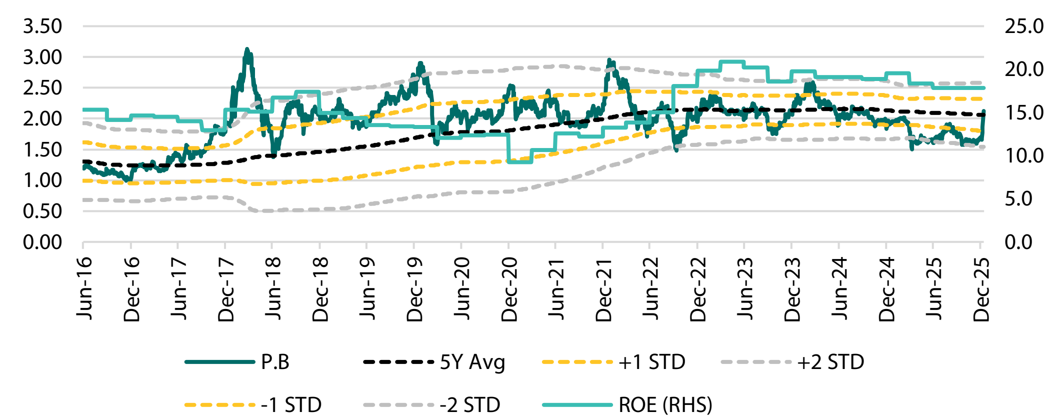
Source: BID, Bloomberg, RongViet Securities

Figure 2: The historical quarterly P/B valuation since listing and earnings growth trends do not exhibit a clear correlation



Source: BID, Bloomberg, RongViet Securities

Figure 3: BID's 10-year P/B valuation history and ROAE (right axis)



Source: Bloomberg, RongViet Securities

Based on the observed correlations between valuation and the factors discussed above, we believe that asset quality will have a certain influence on BID's valuation outlook going forward. With expectations that BID will prioritize optimization of its risk-weighted asset portfolio—by lowering risk weights during the forecast period to strengthen capital adequacy amid existing constraints in meeting the more stringent requirements under Circular 14/2025/NHNN—we expect BID's asset quality to improve modestly but steadily in the coming years (see the Forecast section). Accordingly, we adopt a target P/B multiple of 1.85x, higher than the current valuation of 1.6x but still below the 5-year trailing average P/B of 2.1x, reflecting a lower average ROAE over the forecast period (2025F–2030F: 17%) compared with the 2022–2024 period (20%).

Table 4: Comparison of Key Financial Metrics with Peer Banks in Vietnam and Emerging Markets

Bank	Country	Market Cap (USD Mn)	3Y CAGR 2021-2024		Profitability 2024			Asset Quality 2024		Operational Metrics 2024		P/B	
			PBT	Loan to customers	NIM %	ROE %	ROA %	NPL %	LLR %	NII/TOI %	CIR %	Curr. (x)	5Y Av (x)
BID	**VN**	**13,628**	**29%**	**11%**	**2.4**	**17.2**	**1.0**	**1.4**	**131**	**67**	**32**	**2.2**	**2.1**
Agribank	VN	N.a	22%	9%	3.1	19.5	1.0	1.7	132	77	37	N.a	N.a
VCB	VN	23,532	12%	11%	2.9	17.2	1.7	1.0	223	73	30	2.8	3.1
CTG	VN	12,208	18%	11%	2.9	18.6	1.1	1.2	172	72	26	1.9	1.4
Bank of China	CH	237,829	-2%	6%	1.5	9.6	0.7	1.2	200	70	34	0.4	0.4
Punjab National Bank	IN	15,672	22%	9%	N.a	15.6	1.2	2.3	N.a	67	49	1.0	0.8
Krung Thai Bank	TB	12,877	21%	0%	3.0	10.4	1.2	3.5	183	72	41	0.9	0.6
Maybank	MK	32,892	5%	4%	1.4	10.7	1.0	1.2	122	44	44	1.4	1.2
Bank Rakyat Indonesia Persero	IJ	33,245	20%	4%	6.7	19.1	3.0	2.7	215	81	46	1.7	2.4
Bank Mandiri Persero	IJ	26,614	22%	11%	4.3	20.5	2.4	1.1	271	75	41	1.6	1.8

Source: Bloomberg, RongViet Securities. Data as of Jan 13th 2025

FINANCIAL ANALYSIS

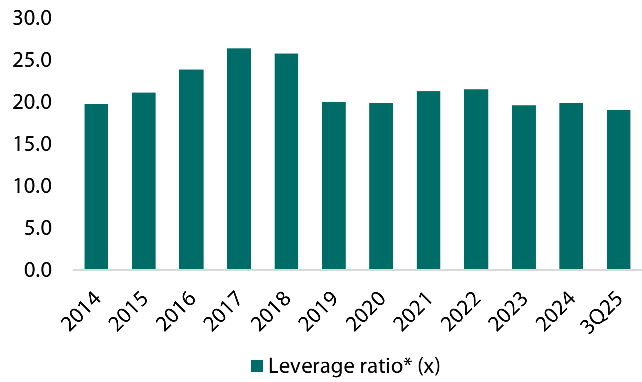
CAPITAL ADEQUACY: CAPITAL RAISING IS URGENT TO ENSURE COMPLIANCE WITH TIGHTER REGULATORY REQUIREMENTS

On December 1, 2019, BID was recognized by the State Bank of Vietnam (SBV) as meeting the capital adequacy requirements under Circular 41, becoming one of the banks compliant with Basel II standards and implementing the framework ahead of the official effective date of Circular 41/2016/TT-NHNN (Circular 41).

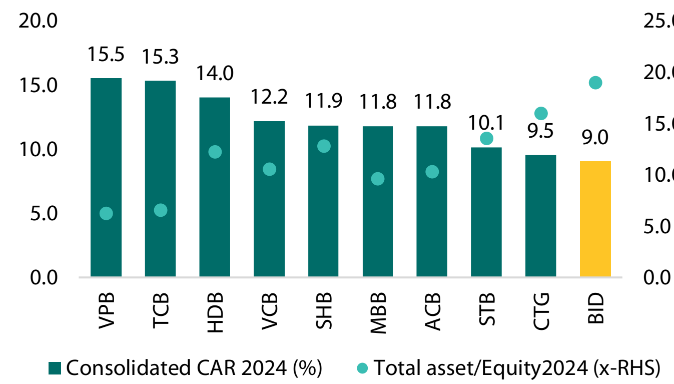
Regulatory capital compliance

As of June 30, 2025, BID's consolidated capital adequacy ratio (CAR) stood at 9.57%, of which the Tier 1 capital ratio was 6.75%, in compliance with the capital adequacy requirements under Circular 41 (with a regulatory minimum of 8%). However, BID's CAR remains among the lower levels within the banking system. A key contributing factor is BID's significantly higher leverage ratio (total assets to equity) compared with the industry average as well as relative to the group of state-owned commercial banks.

Figure 4 and Figure 5: BID's leverage ratio (Total assets/Equity) has declined significantly since 2018 but remains the highest among major banks



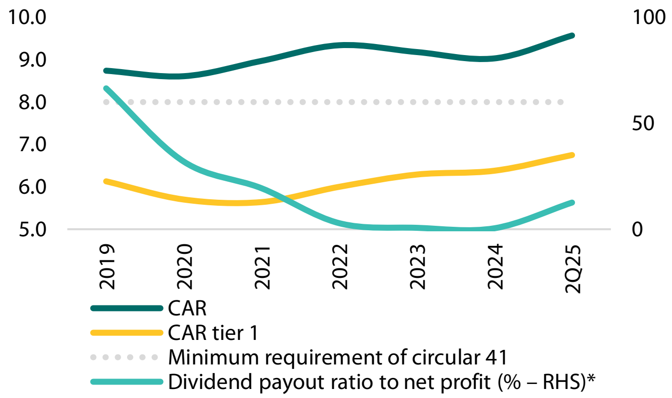
*Source: BID, RongViet Securities *Bank parent*



Source: Bank report, RongViet Securities

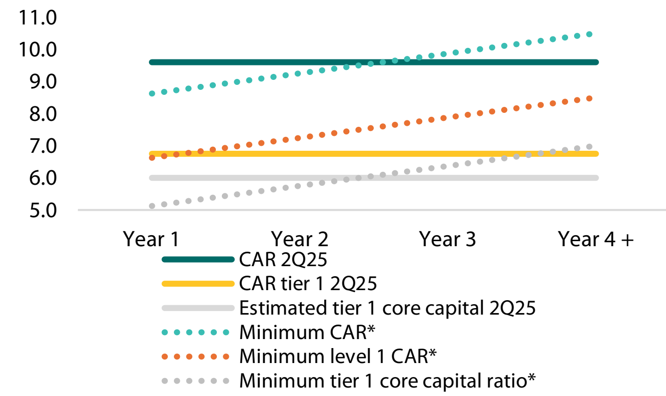
We observe that BID may face significant challenges in meeting the capital adequacy requirements for the various capital components under Circular 14/2025/TT-NHNN (Circular 14) — the new capital adequacy regulation, broadly aligned with Basel III standards, which will take effect from October 15, 2025. Under Circular 14, additional buffers are introduced, including the capital conservation buffer (CCB), the countercyclical capital buffer (CCyB), and a capital buffer for domestic systemically important banks (D-SIBs), as prescribed by the SBV from time to time. Accordingly, the minimum requirements for Common Equity Tier 1 (CET1), Tier 1 capital, and total capital adequacy ratios will be raised progressively over a four-year roadmap following the official adoption of Circular 14. As of June 30, 2025, BID's estimated CET1 ratio, Tier 1 ratio, and total CAR stood at 6.0%, 6.7%, and 9.6%, respectively. We believe that if BID registers to apply Circular 14 from 2026, it could meet both the Tier 1 capital adequacy ratio and the overall capital adequacy ratio in the first year. However, the compliance challenge will become significantly greater starting from the second year onward. Accordingly, BID is expected to register for the application of Circular 14 and adopt the Standardized Approach for calculating risk-weighted assets starting from 2027, following a potential capital-raising issuance that may take place in 2026. The bank is then projected to transition to the Internal Ratings-Based (IRB) Approach from 2030.

Figure 6: BID's consolidated CAR has improved since 2021, supported by a high level of retained earnings and the absence of cash dividend payouts during 2021–2023



Source: BID, RongViet Securities
**Accounted for Q4-2025 cash dividend payout*

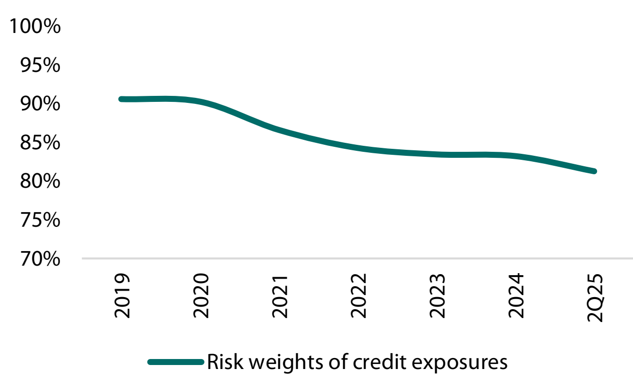
Figure 7: BID would face significant challenges in meeting the minimum CAR for its capital components if BID chooses to applied Circular 14 in 2026



Source: BID, SBV, RongViet Securities forecast
** Under Circular 14, including the Capital Conservation Buffer (CCB)*

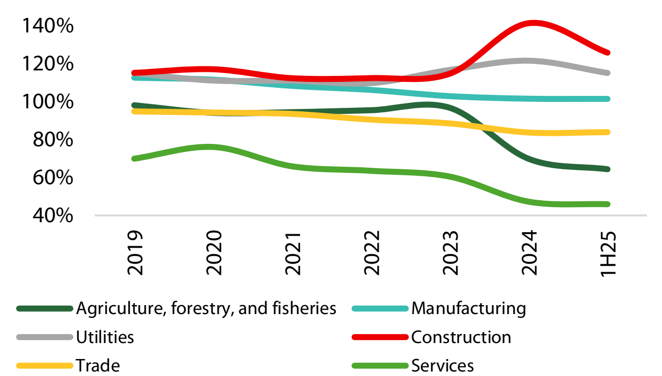
To improve its capital adequacy ratio, BID has continuously optimized its risk-weighted asset (RWA) portfolio by reducing risk weights across receivables, both by counterparty and by sector, alongside capital-raising initiatives. We estimate that the average risk weight applied to receivables has trended downward since 2019—the year BID began disclosing its capital adequacy reports in accordance with Circular 41. This trend has been driven by tighter risk-weight management for retail exposures (nearly 50% of the portfolio), as well as exposures to the manufacturing (around 20%), and trade/commerce sectors (around 20%). This reflects stricter credit underwriting standards (e.g., LTV ratios, income-to-debt metrics, and corporate financial structures) and increased disbursements to priority sectors in line with the SBV's policy orientation.

Figure 8: Estimated Risk Coefficient of Credit Exposures (Loans and Advances)



Source: BID, RongViet Securities forecast

Figure 9: Estimated Risk Weights by Sector of Credit Exposures to Corporates and Households



Source: BID, RongViet Securities forecast

Capital trend

In 2019, BID completed a private placement to its strategic shareholder KEB Hana Bank, equivalent to 15% of charter capital, raising VND 20.2 trillion. This transaction lifted the consolidated CAR to 8.7% at that time. The CAR subsequently declined slightly to 8.1% in 2020 due to cash dividend payments and a 16% YoY contraction in earnings amid the impact of the Covid-19 pandemic. Nevertheless, the CAR has shown a gradual improvement from 2020 to date, driven primarily by: **(1)** the absence of cash dividend payments in 2022 and 2023, **(2)** capital increases through a private placement in Q1-2025 (2.9% of charter capital), and **(3)** a compound annual growth rate of 33% in profit attributable to parent shareholders over the 2021–2024 period.

In Q4-2025, BID paid a cash dividend at a rate of 4.5%, which is likely to exert downward pressure on the year-end 2025 CAR compared with the 2Q25 level, given the relatively modest profit growth of only 7% YoY in 9M25. In the near term, over 2025–2026, BID plans to increase its charter capital by more than 30%, raising it to VND 91,870 billion through three measures: **(1)** issuance of 498.5 million shares from reserves, equivalent to 7.1% of charter capital; **(2)** issuance of 1,397 million shares as stock dividends, equivalent to 19.9% of charter capital; and **(3)** a private placement or public offering of 264 million shares (approximately 3.8% of charter capital).

Estimated Capital Adequacy Ratios After Capital Increase via Private Placement/Public Offering

On January 13, 2026, BIDV's Board of Directors approved a resolution setting the private placement issuance price at VND 38,900 per share for investors. Using data from the Capital Adequacy Ratio Report as of June 30, 2025 - including the components of capital, total risk-weighted assets, market risk capital requirement, and operational risk capital requirement - we estimate that BID's Core Tier 1 capital ratio, Tier 1 capital ratio, and total capital adequacy ratio could reach 6.1%, 7.4%, and 10.2%, respectively, following the issuance. We note that the actual figures are expected to be higher when taking into account retained earnings accumulated from June 30, 2025, up to the actual issuance date.

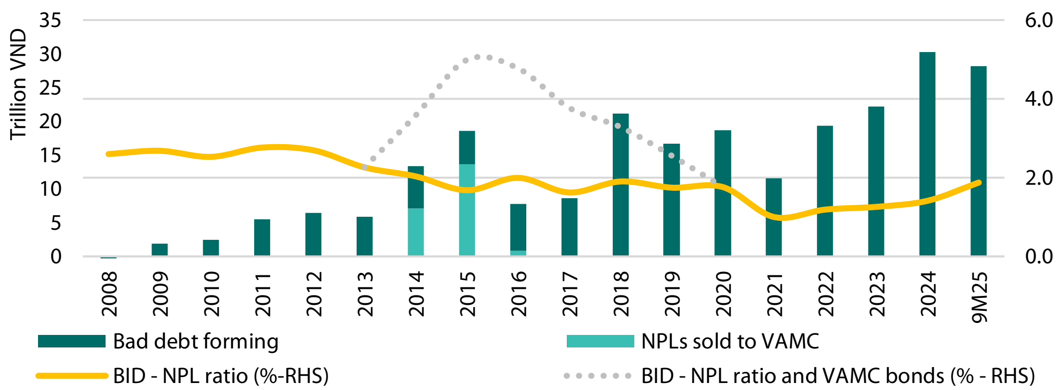
As such, *BID would meet the minimum requirements for Core Tier 1, Tier 1, and total capital adequacy ratios in 2027 — the first year of applying Circular 14*. *However, starting from 2030 — the fourth year of Circular 14 application — the pressure to maintain Core Tier 1 and Tier 1 capital ratios will intensify, as the minimum thresholds will increase to 7.0% and 8.5%, respectively*. We expect this potential bottleneck could be addressed through retained earnings accumulated over the period 2027–2030, combined with the transition from the Standardized Approach to the Internal Ratings-Based (IRB) Approach for calculating risk-weighted assets.

ASSET QUALITY: NPLs RISING AGAIN BUT PROVISIONS NOT FULLY BOOKED DUE TO THE NEED TO BALANCE PROFITABILITY AND CAPITAL BUFFERS

Loan Quality

Between 2008 and 2024, BID's loan quality has evolved in line with economic cycles and changes in management, as reflected in the decline of the NPL ratio from 2.7% in 2008 to 1.4% in 2024. A notable period during this timeline was the sharp rise in NPLs (including VAMC special bonds from 2013), which surged from 2013 and peaked at nearly 5% in 2015, driven by the freezing of the real estate market and distressed loans from state-owned conglomerates amid the post-global financial crisis environment and high interest rates. Aggressive NPL resolution efforts between 2017 and 2021 reduced the NPL ratio to 1% - the lowest level since BID's equitization. However, NPLs have been trending upward again, approaching 2%, influenced by Covid-19-related impacts and a downturn in the real estate market during 2022–2023. At the end of 3Q-2025, BID's NPLs stood at nearly VND 42 trillion (1.9% of total loans), while Stage 2 loans amounted to over VND 33 trillion (1.5% of total loans). Overall, we assess that BID exhibits a slightly higher risk appetite compared with VCB and CTG among state-owned commercial banks, and its current asset quality is around the industry average.

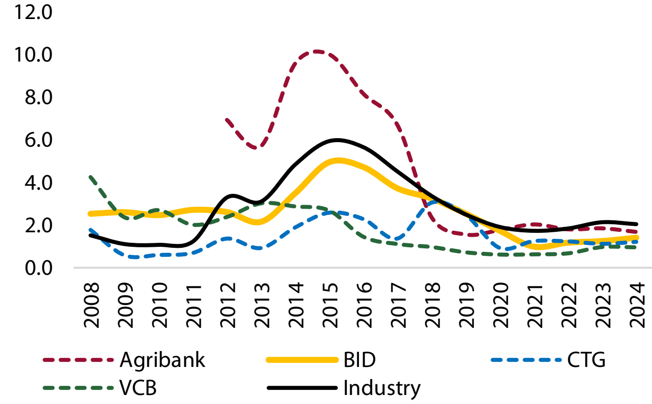
Figure 10: NPL Size (net, including NPLs sold to VAMC) and Corresponding NPL Ratio, 2008–3Q2025

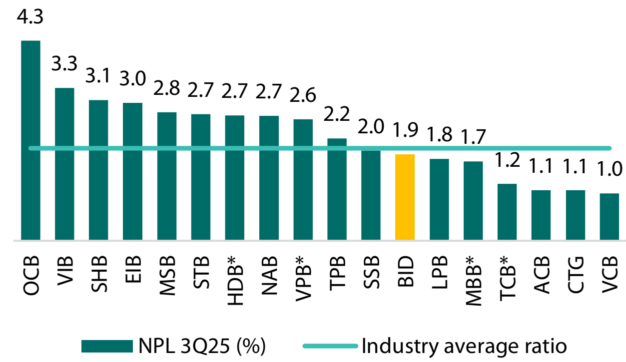


Source: BID, RongViet Securities

- **2008–2012:** NPL ratios fluctuated around 2.5%–2.7%, influenced by the post-global financial crisis environment, which affected interest rates and the business landscape in Vietnam, leading to defaults among state-owned conglomerates and a frozen real estate market. Notably, a significant portion of NPLs came from Vinashin Group (VND 6,600 billion in 2011, accounting for 2.4% of total loans at that time). In 2011, BID participated in the consolidation of three banks—SCB, Tin Nghia, and De Nhat—under the Prime Minister's approved plan, providing a total of VND 2,400 billion in loans to the merging banks.
- **2013–2019:** In 2013, the Vietnam Asset Management Company (VAMC) was established to resolve NPLs in the banking system. Between 2014 and 2016, BID sold nearly VND 22,000 billion in NPLs to VAMC, mostly consisting of previously impaired Stage 2 loans, reducing the on-balance-sheet NPL ratio below 2% from 2014 onward. Including VAMC-bought NPLs, the actual NPL ratio reached 5% in 2015. Additionally, BID recorded NPLs linked to misconduct by former Chairman Tran Bac Ha after his arrest in 2018. Key exposures included: a loan to Bình Hà Livestock JSC (cattle project in Hà Tĩnh) of over VND 2,000 billion, with more than VND 1,200 billion classified as NPL; a loan to Trung Dũng Company exceeding VND 1,000 billion; and lending to 12 "shell" companies associated with Pham Cong Danh, former Chairman of Construction Bank, totaling VND 4,700 billion, most of which were later recovered through collateral primarily held as deposits at BID and real estate.
- **2020–Present:** By 2020, most VAMC special bonds were resolved through provisions (76%) and buybacks (24%), bringing the NPL ratio down to 1%—the lowest level in history—by 2021, mainly due to maintaining loan classifications and restructuring repayment schedules for Covid-affected loans as per SBV guidelines. However, the post-pandemic macroeconomic environment from 2022 onwards, combined with the rapid Fed rate hikes and the collapse of SCB, as well as disruptions in the corporate bond market (particularly involving renewable energy and real estate borrowers of BID), has led to a surge in newly formed NPLs, which continues to rise. We expect net newly formed NPLs to continue increasing in 2025, as BID's Stage 2 loans as of 3Q2025 remain sizable with no clear signs of improvement.

Figure 11 and Figure 12: BID's current NPL ratio (including VAMC special bonds) has improved significantly compared with 10 years ago and is close to the industry average as of 3Q2025

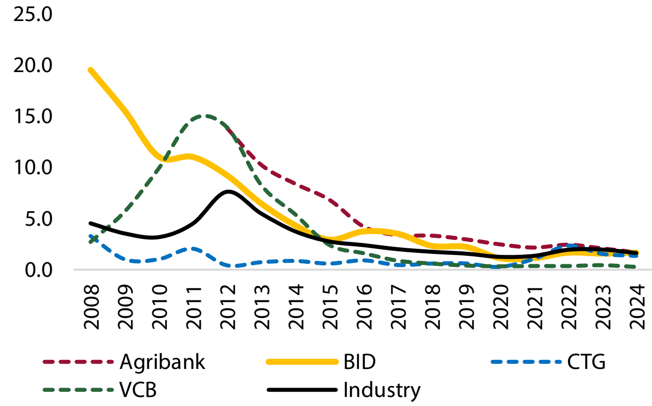


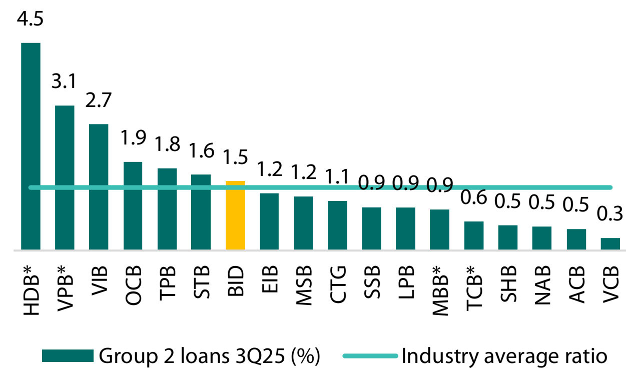


Source: Banks' reports, RongViet Securities

*Source: Banks' reports, RongViet Securities *Bank parent*

Figure 13 and Figure 14: BID's group 2 loan ratio, although having improved significantly since equitization, has risen slightly since 2022 and remains above the industry average as of 3Q2025





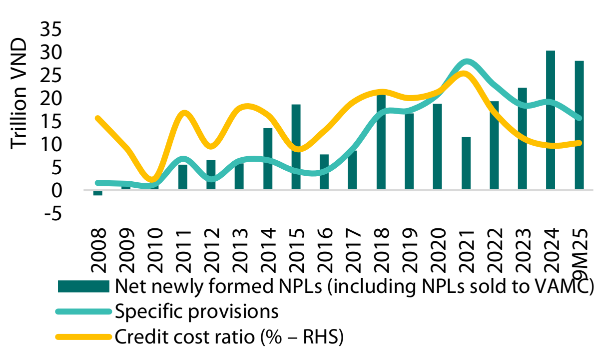
Source: Banks' reports, RongViet Securities

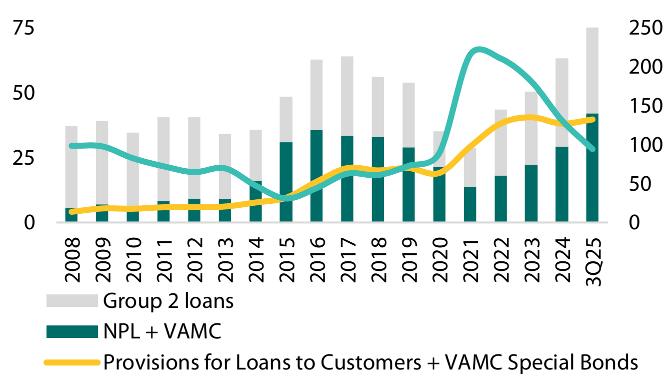
*Source: Banks' reports, RongViet Securities * Ngân hàng mẹ*

Provisioning

The credit cost ratio was consistently maintained between 1.8% and 2.3% from 2017 to 2021 to resolve residual NPLs from the previous term. This approach helped the loan loss coverage ratio (LLR) reach a peak of 215% in 2021, when provisions were equivalent to or exceeded net newly formed NPLs during that period. However, provisioning activities have gradually decreased since 2022 in order to balance profit growth and improve the bank's capital adequacy ratio. As a result, the LLR has steadily declined from its 2021 peak and stood at only 94% at the end of 3Q2025, returning to pre-Covid levels.

Figure 15 and Figure 16: The provisioning buffer was actively strengthened between 2018 and 2021 but has declined sharply thereafter, as provisioning expenses have not kept pace with newly formed net NPLs





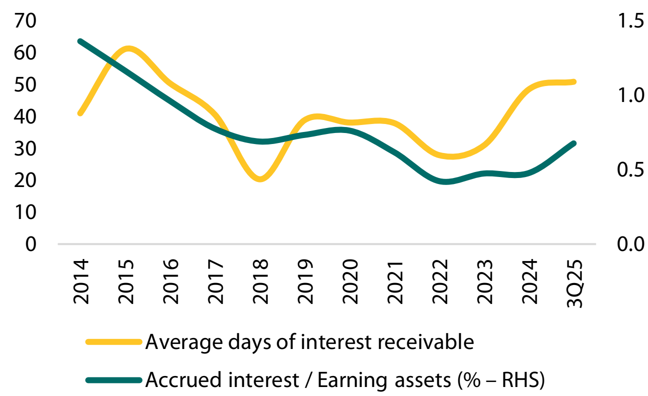
Source: BID, RongViet Securities

Source: BID, RongViet Securities

Accrued Interest Ratio / Total Earning Assets

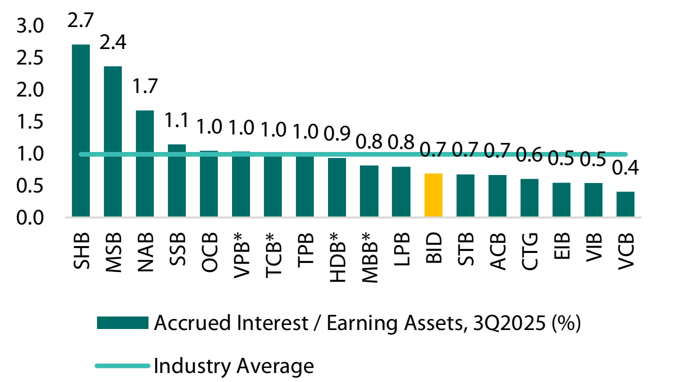
The ratio of accrued interest to total earning assets improved in line with asset quality between 2014 and 2022, declining from around 1.4% to 0.4%. Correspondingly, the days of interest receivable shortened from approximately 60 to 30 days, reflecting better capital turnover and tighter risk management policies at BID. However, since 2023, these indicators have shown a slight upward trend, implying loan restructuring activities as asset quality deteriorates. Despite this, BID remains among the banks with a lower accrued interest to earning assets ratio (0.68%) compared with the industry average of 1.0% as of 3Q2025.

Figure 17: Accrued Interest / Earning Assets Ratio and Average Days of Interest Receivable (Last 10 Years)



Source: BID, RongViet Securities

Figure 18: BID's Accrued Interest / Earning Assets Ratio Compared with the Industry (3Q2025)



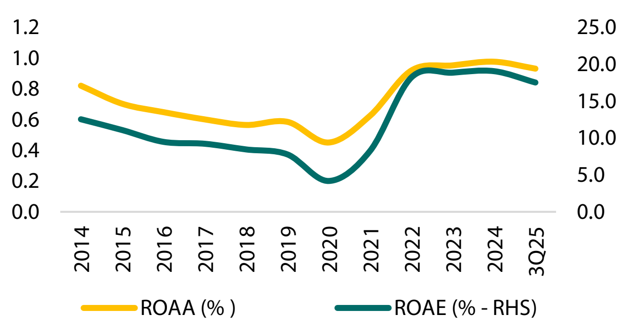
*Source: Bank report, RongViet Securities *Bank parent*

OPERATIONAL EFFICIENCY: AT INDUSTRY AVERAGE LEVEL

BID's operational efficiency, measured by ROAA and ROAE, has historically been at the industry average. Following the pandemic, efficiency improved significantly in 2022 but began to decline below the industry average from 2024.

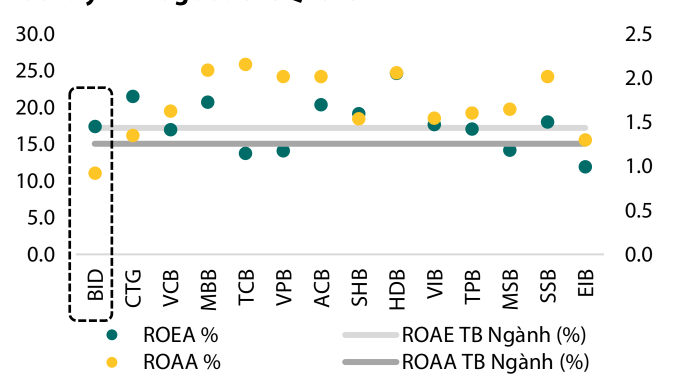
Between 2014 and 2020, profitability indicators showed a downward trend: ROAA fell from 0.8% to 0.5%, while ROAE dropped from 12.5% to below 8% by 2020. This was largely due to sustained high credit costs amid rising NPLs, which pressured profitability and earnings growth, even as capital and asset size expanded rapidly following the merger with MHB in 2015. Operational efficiency improved strongly **during 2020–2022** as BID reduced provisioning pressure and benefited from post-pandemic credit growth recovery, with ROAA rising to around 1% and ROAE exceeding 18%. However, from 2023 to the present, these indicators have stabilized at a lower level due to weak credit growth and a continuously declining NIM, preventing earnings from maintaining the strong growth seen in prior years.

Figure 19: BID's ROA and ROE ratio



Source: BID, RongViet Securities

Figure 20: BID's Operational Efficiency Compared with Industry Average as of 3Q2025

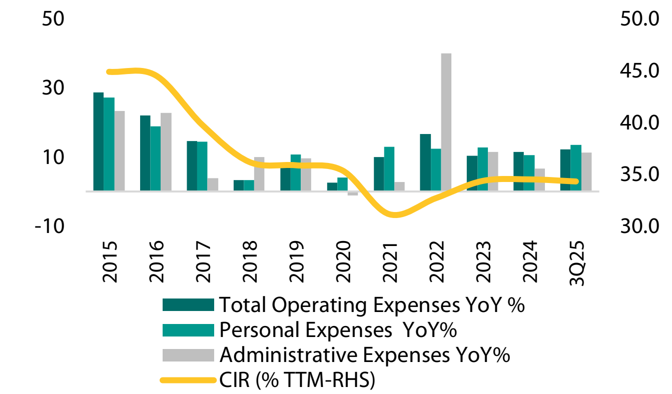


Source: Bank report, RongViet Securities

BIDV effectively controlled costs between 2014 and 2021, with the cost-to-income ratio (CIR) declining from 45% to 31%, thanks to significant reductions in operating expenses, personnel costs, and administrative expenses. Since 2022, CIR has risen to 35% and stabilized at this level, primarily due to a 39% increase in administrative costs, which drove a 17% rise in total operating expenses in 2022. In subsequent years, both operating expenses and total operating income (TOI) have grown proportionally.

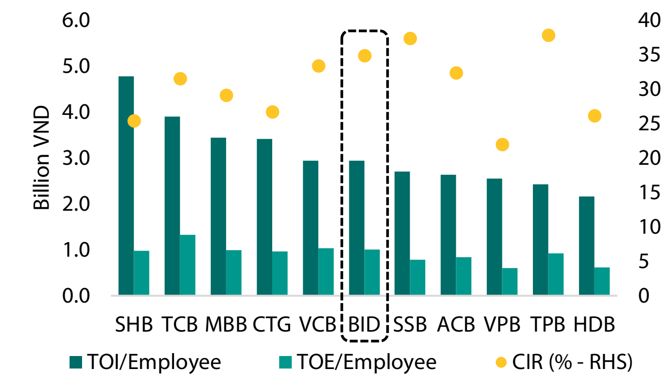
BIDV's revenue generated per employee is around the industry average, yet its cost-to-income ratio remains among the highest (**Figure 22**). This partly explains why BID's ROAA and ROAE are lower than the sector average, highlighting the need for tighter control over operating expenses to improve overall operational efficiency.

Figure 21: CIR has increased over the past three years due to stagnation in total net operating income.



Source: Banks' reports, RongViet Securities

Figure 22: BID ranks around the industry average in terms of revenue generated per employee (Q3-2025 TTM).



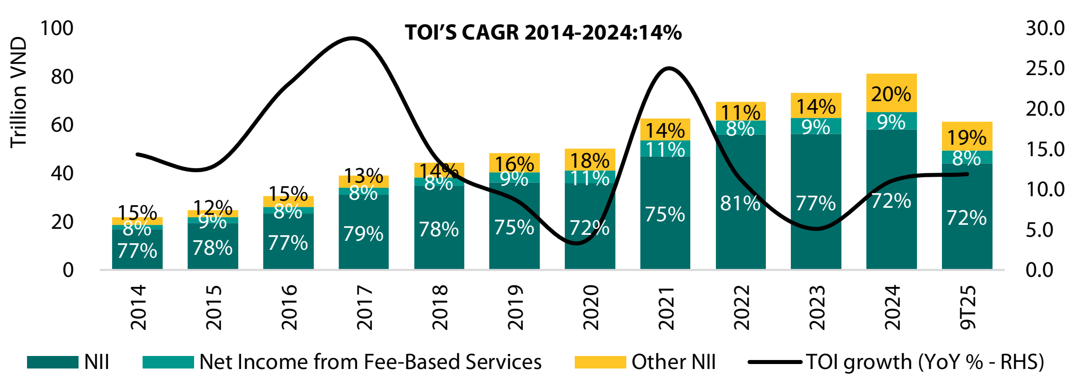
Source: Banks' reports, RongViet Securities

PROFITABILITY: BELOW-AVERAGE PROFITABILITY

Total Operating Income Structure

Net interest income plays the leading role in TOI, accounting for an average of 75% over the past five years, followed by fee income, which ranges from 8–11%. The contribution of other non-interest income to TOI has fluctuated in recent years, depending on foreign exchange operations and recoveries from risk-adjusted loans.

Figure 23: BID's TOI is primarily driven by net interest income



Source: BID, RongViet Securities

BID's NIM Compared with Other Banks

Compared with other banks, BID's net interest margin (NIM) is currently the lowest among listed state-owned commercial banks, and thus the lowest in the system. BID relies more heavily on Tier 2 bonds over a five-year horizon than VCB and CTG because its Tier 1 capital ratio is the lowest (6.78% vs. 11.47% for VCB and 7.17% for CTG as of 30/6/2025), necessitating greater Tier 2 capital to maintain the required capital adequacy ratio. This reduces BID's cost of funds advantage among state-owned banks, despite similar deposit rates across the group.

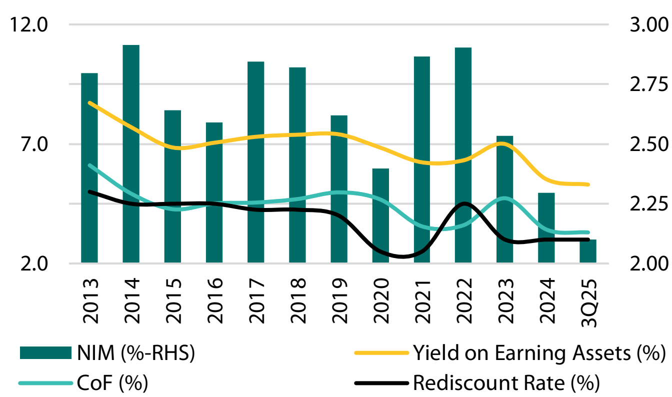
At the same time, BID is highly competitive in lending rates, comparable to VCB—the bank offering the lowest loan rates in the market—across many loan products and outperforming most of the system, reflecting its strategy to expand retail market share and support economic growth. These two factors largely explain BID's NIM positioning over the past five years.

NIM trend

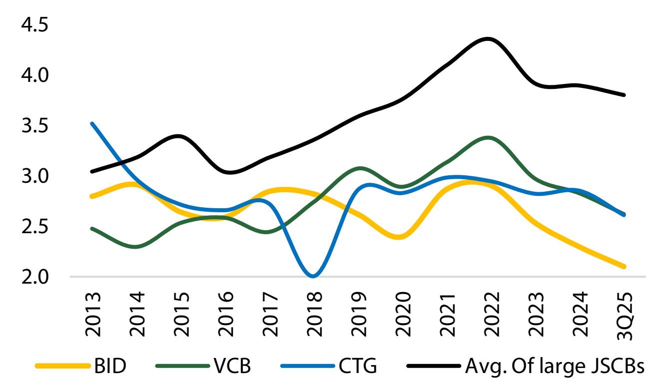
Prior to 2023, BID's NIM reached relatively high levels of 2.8–2.9% in years when the SBV cut policy rates to implement accommodative monetary policy (2013, 2014, 2017, 2018, and 2021), amid limited inflationary and exchange-rate pressures. Policy rates were reduced by 200 bps in 2013, 50 bps in 2014, and 25 bps in 2017. These rate cuts allowed BID's funding costs to decline faster than lending rates, thereby supporting NIM expansion, except for 2020 (when the SBV cut policy rates by 150 bps), as credit demand and asset quality were severely affected by the Covid-19 crisis. Conversely, in years when policy rates were stable, NIM tended to normalize to around 2.5–2.6% due to the implementation of preferential lending programs. In 2015, BID's NIM was additionally affected by the merger with MHB.

Since 2023, SBV has changed its credit quota mechanism by granting full-year credit limits at the beginning of the year. This approach has reduced credit supply constraints with the aim of lowering lending rates to stimulate credit demand. As a result, BID's earning asset yields have become more exposed to competitive pressures in the lending market, particularly amid weak credit absorption in 2023, while the bank has continued to roll out multiple preferential lending programs. Consequently, asset yields have declined faster than funding costs, preventing NIM from expanding as in previous periods. This, combined with the adverse impact of asset quality on interest income, has driven BID's trailing twelve-month NIM down to 2.10% - the lowest level in the bank's history as of 3Q2025.

Figure 24: BID's NIM (TTM) had declined to a record low and the lowest level in the banking system as of 3Q2025.

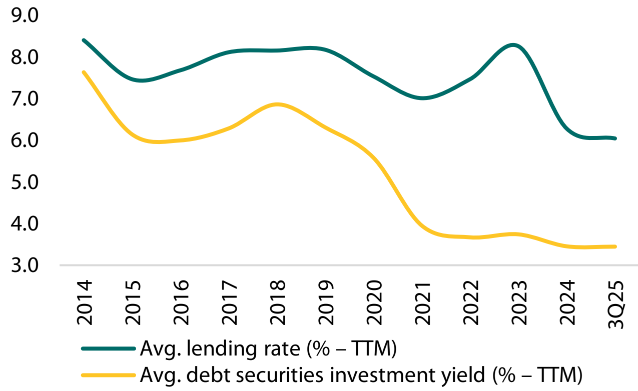


Source: BID Parent bank, SBV, RongViet Securities



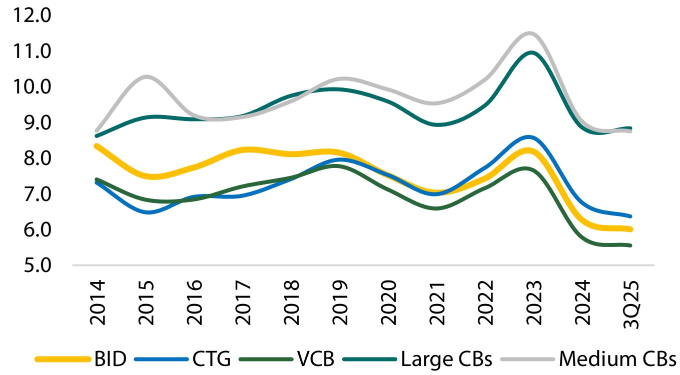
*Source: Banks' reports, RongViet Securities *Parent bank*

Figure 25: Customer lending rates have declined rapidly over the past two years to support the economy in line with the Government's and the SBV's policy direction.



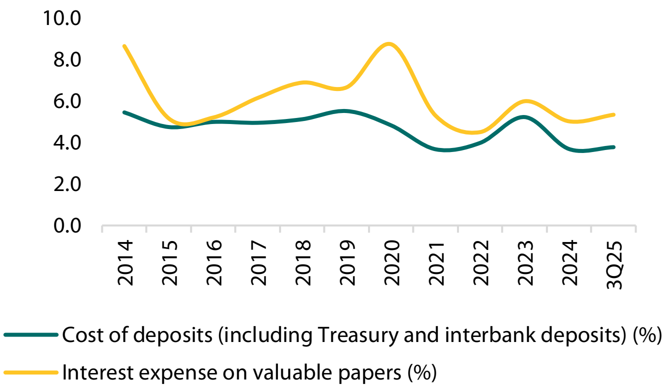
Source: BID, RongViet Securities

Figure 26: Since 2022, BID has ranked second in the market in terms of lending rate competitiveness, after VCB



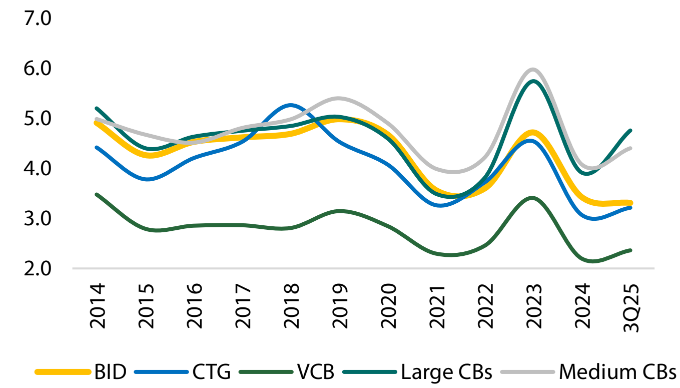
Source: Banks' reports, RongViet Securities

Figure 27: Cost of funds from deposits and debt securities (TTM) – BID



Source: BID, RongViet Securities

Figure 28: BID has limited cost-of-funding advantages within the state-owned banking group due to its higher Tier 2 capital requirements.

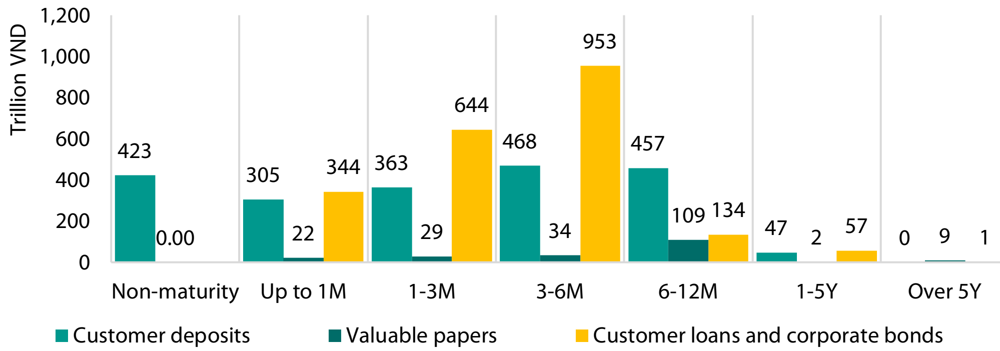


Source: Banks' reports, RongViet Securities

Interest rate risk

As of 30 September 2025, BID recorded a negative gap between loans and deposits in the 6–12 month repricing bucket (approximately -VND 430 trillion). However, this was largely offset by positive gaps in the shorter repricing buckets, specifically 1–3 months (approximately VND 250 trillion) and 3–6 months (approximately VND 450 trillion). The net cumulative gap across all repricing buckets amounted to nearly VND 290 trillion (positive). This structural positioning suggests potential for NIM expansion in a rising interest rates environment, as both earning assets and interest-bearing liabilities would be repriced based on the same underlying reference rates (assuming other conditions remain unchanged).

Figure 29: Loan portfolio and funding structure (deposits and debt securities) by interest rate repricing tenor as of Q3-2025



Source: BID, RongViet Securities

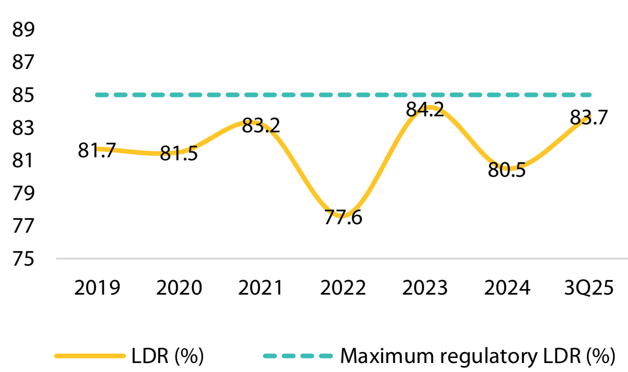
LIQUIDITY: HEIGHTENED PRESSURES IN LATE 2025

LDR ratio

The SBV issued Circular No. 26/2022/TT-NHNN amending Circular No. 22/2019/TT-NHNN at the end of 2022, allowing deposits from the State Treasury (ST) to be partially included in deposits for LDR calculation under a three-year roadmap from 31 December 2022 to 31 December 2025, as illustrated in **Figure 31**. Thanks to this regulation and the large ST deposit balances in 2022 and 2024, BID's LDR improved significantly as of 31 December 2022 and 31 December 2024. As of 3Q25, although ST deposits remained broadly comparable to end-2024 levels, BID's LDR increased to 83.7%, approaching the regulatory cap (85%), due to (1) the proportion of ST deposits eligible for LDR calculation being reduced to 20% from 40% in 2024, and (2) deposit growth of only 6.5% YTD, lagging behind credit growth of 8.8% YTD.

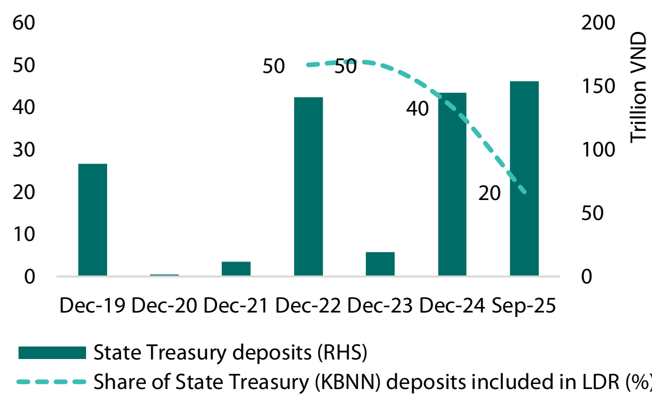
From 2026 onward, ST deposits will no longer be included in deposits for LDR calculation at state-owned commercial banks. This factor may require BID to step up deposit mobilization and tighten credit growth in the short term to maintain its LDR within the regulatory threshold.

Figure 30: The LDR is rising and approaching the regulatory ceiling.



Source: BID, RongViet Securities estimates

Figure 31: State Treasury deposits will no longer be included in deposits for LDR calculation starting in 2026.

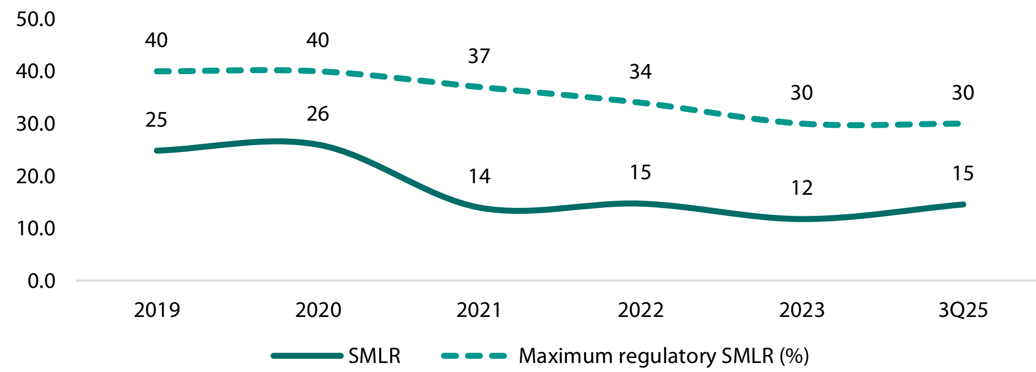


Source: BID, Circular 26/2022/TT-NHNN, RongViet Securities

Short-term funding to medium- and long-term lending ratio

A notable point is that BID maintains a very solid short-term funding to medium- and long-term lending ratio, standing at 15% as of 3Q25. This ratio has shown a declining trend since 2019, in line with the SBV's orientation to tighten control over this metric. Accordingly, the maximum allowable ratio of short-term funds used for medium- and long-term lending has been gradually reduced by the SBV from 45% in 2018 (Circular 19/2017/TT-NHNN) to 30% effective from 1 October 2023 (Circular 08/2020/TT-NHNN). We believe that BID will face limited difficulty in complying with this requirement, supported by ample short-term funding and a loan portfolio with a bias toward short-term tenors.

Figure 32: BID's ratio of short-term funding used for medium- and long-term lending comfortably complies with SBV regulations, supported by a loan portfolio concentrated in short-term lending.



Source: BID, RongViet Securities estimates

9M-2025 FINANCIAL RESULTS AND 2025F FORECASTS

In 9M25, BID recorded PBT of VND 23.6 trillion, up +7% YoY. Key highlights of 9M25 results include: **(1)** Credit growth reached +8.8% YTD (compared with +6.1% as of 2Q25), but showed a clear slowdown in 3Q25 with only +2.6% QoQ, mainly due to a -9% QoQ contraction in lending to individual business households; **(2)** NIM in 3Q25 came in below expectations, declining 20 bps to 2.03% — the lowest level in the bank's history — primarily impacted by a sharp drop in other income from credit-related activities; **(3)** Net new NPL formation decreased significantly to nearly VND 4 trillion in 3Q25, compared with VND 24 trillion in the first half of the year. ROAE continued its downward trend, falling to 17.5% - the lowest level since 2022 - reflecting modest profit growth combined with a larger equity base following the private placement capital increase earlier in 2025.

For the full year 2025F, we project PBT to reach over VND 36 trillion, representing +14% YoY growth. Credit growth is expected to achieve 15% for the full year, fully utilizing the assigned credit quota and benefiting from upward revisions during the year, driven by strong credit demand toward year-end. The robust end-of-year credit demand is also anticipated to support NIM improvement in the final quarter, lifting the full-year projected NIM to 2.10%, compared with 2.04% recorded in 9M25. Asset quality is expected to remain tightly controlled in 4Q25, enabling the bank to record a further reduction in net new NPL formation of approximately VND 2 trillion while alleviating pressure on credit costs.

Table 5: 9M-2025 business results and 2025F forecasts

Unit: Billion VND	9M25	YoY (%/bps)	2025F	YoY (%/bps)	Note
NII	**44,110**	**4%**	**61,724**	**6%**	
NFI	5,160	1%	7,433	5%	
Gain/Losses from FX	3,186	-19%	4,159	-22%	
Gain/Losses from investment securities trading	1,638	-2088%	2,333	-55%	
Other incomes	7,049	111%	9,923	99%	Income from the recovery of off-balance-sheet bad debts reached VND 7 trillion (+63% YoY).
TOI	**61,143**	**12%**	**86,062**	**6%**	
OPEX	-20,648	12%	-29,332	5%	
PPOP	40,494	12%	56,730	7%	
Provisioning expenses	-16,862	19%	-20,347	-4%	
PBT	**23,632**	**7%**	**36,383**	**14%**	
Credit growth (%-YTD)*	8.8 (YTD)	14.3	15.1		• Retail lending growth was broadly flat QoQ, reaching +9% YTD, slower than 15% YTD in the same period of 2024. The main drag came from business household loans, which declined 9% QoQ and 5% YTD, due to short-term impacts from new invoicing regulations for household businesses. Mortgage and consumer loans continued to grow solidly, up 16% YTD and 23% YTD, respectively. • Corporate credit increased 8% YTD, a marked improvement from 3% YTD in the previous quarter, supported by healthy growth in both SMEs (+10.4% YTD) and large corporates (+7.0% YTD). • Loan mix (Retail / SME / Large corporates): 48% / 21% / 32%.
Mobilization growth (%-YTD)*	6.5 (YTD)	10.8	13.6		
· Customer deposits	6.9	11.3	14.5		
· Valuable papers	2.9	5.7	5.0		
NIM (%-TTM)	2.13	-35 bps	2.10	-23 bps	3Q25 NIM remained low at 2.03%, down 5 bps QoQ, mainly due to increased disbursement to corporate loans, particularly large corporates, during the quarter.
CASA (%)	20.5	200 bps	21.0	50 bps	
YoEA (%-TTM)	5.34	-75 bps	5.34	-20 bps	
CoF (%-TTM)	3.32	-40 bps	3.44	2 bps	
CIR (%-TTM)	34.3	-60 bps	34.1	-42 bps	
NPL (%)	1.87	+17 bps	1.23	-19 bps	

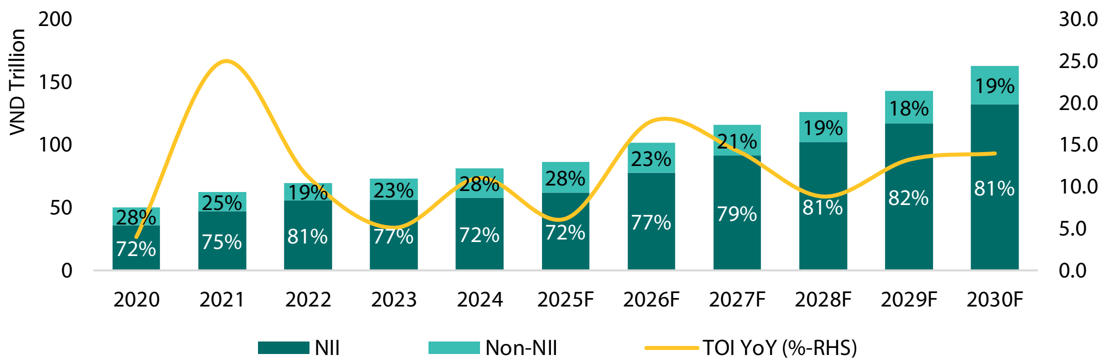
LLR (%)	95	-21 ppts	110	-21 pps	
Credit cost (%)	1.14	+10 bps	0.92	-18 bps	
Net NPL formation (%-TTM)	1.50	-10 bps	1.20	-38 bps	The net NPL formation ratio remains relatively high, diverging notably from the declining trend observed at VCB, CTG, and several large joint-stock commercial banks.
ROAE (%)	17.5	-140 bps	19.0	-50 bps	ROAE has been on a continuous downward trend since 2023.
BVPS (VND/share)	23,151	-1%	22,871	13%	

Source: BID, RongViet Securities

2025F–2030F FORECASTS

Total Operating Income: *Total operating income over 2025F–2030F is projected to grow at a CAGR of 14%, driven by a 17% CAGR in net interest income and a more modest 6% CAGR in non-interest income.*

Figure 33: Forecast of BID's Total Operating Income

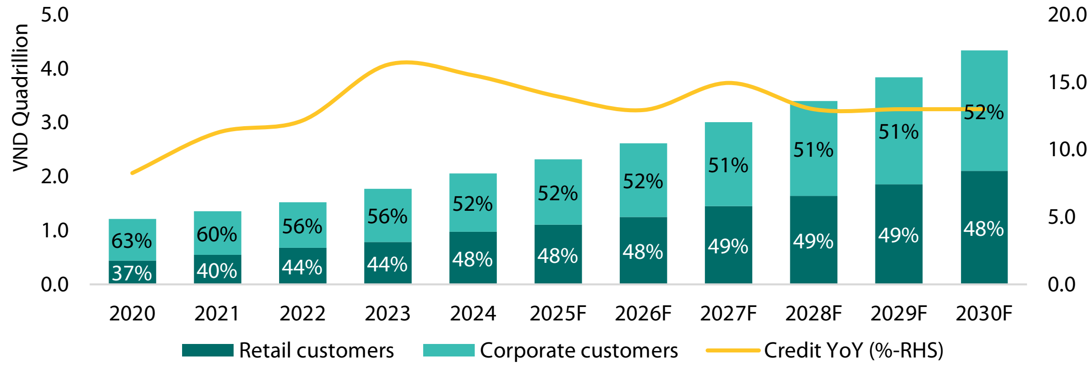


Source: BID, RongViet Securities forecasts

Projected NII is expected to grow at a 17% CAGR over 2025F–2030F, driven primarily by 14% CAGR in credit growth and an average NIM of 2.4% (2025F: 2.1%).

- ***Credit growth*:** For 2025F, BID is expected to fully utilize the credit quota granted by the SBV and achieve credit growth of 15%, as credit growth had already reached 13% by the end of November 2025. Over the forecast period 2025F–2030F, we project credit to grow at a CAGR of 14.2%, with growth in the large corporate segment outpacing that of the retail segment. This aligns with the policy direction of accelerating the development of private economic conglomerates and highlights BID's strong capability to participate in major national infrastructure projects during the next five years in support of economic growth objectives. This projected growth rate represents a slight moderation compared with the CAGR of 14.6% recorded over the prior three years (2021–2024). The main reason is the bank's deliberate, controlled credit expansion to ensure compliance with the new, stricter capital adequacy requirements under Circular 14/2025 of the SBV (see Financial Analysis section), starting from 2027 — the year BID is expected to register for the application of Circular 14. In parallel, we expect BID to continue optimizing its credit portfolio toward lower risk weights and to implement capital-raising plans to strengthen capital buffers. In fact, BID is currently in the final stages of raising capital through a private placement (at a rate of 3.84%).

Figure 34: BID's credit amount is projected to grow at a 14% CAGR over the 2025F–30F period

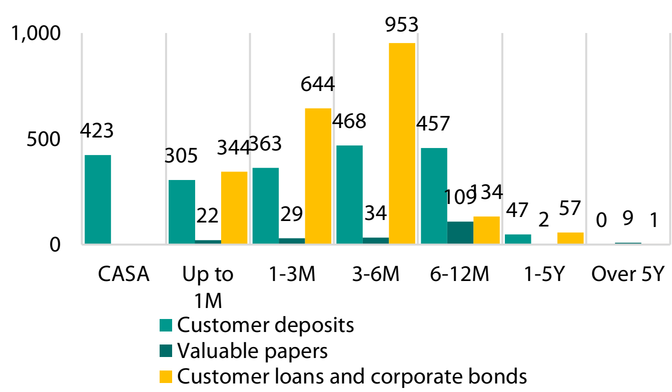


Source: BID, RongViet Securities forecasts

- ***NIM***: BID's NIM has steadily declined over the past three years (2022–2025), reflecting interest rate fluctuations and the economy's reduced capacity to absorb credit. As the largest state-owned commercial bank, BID has continuously offered large-scale, competitively priced credit packages to stimulate lending, which has weighed on its NIM. For 2025F, we project NIM to bottom at 2.1% as the 9M25 quarterly average at 2.04% (-30 bps YoY) and 4Q25 projected at 2.15% due to the cessation of preferential lending packages and the increase of minimum lending rates for retail loans from mid-November.

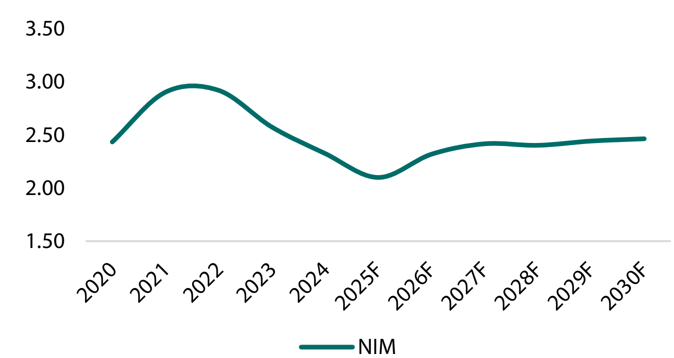
  From 2026, NIM is expected to recover as average lending yields rise faster than funding costs amid a recognized trend of rising interest rates. This is supported by the fact that loans with 1–3–6 month interest reset periods account for 75% of the loan portfolio, while deposits with the same reset period represent only 40% of total deposits at 3Q25. NIM is projected to further expand in 2027 due to (1) the end of fixed-rate promotional periods on most retail loans (housing and consumer) issued in 2024–2025, and (2) successful capital increases, which could reduce reliance on Tier-2 capital. Additionally, improvements in credit quality (via portfolio risk control) and a higher CASA ratio are expected to support NIM expansion over the forecast period.

Figure 35: Breakdown of credit and mobilization (deposits and bonds) by interest rate repricing tenure as of Q3-2025



Source: BID, RongViet Securities forecasts

Figure 36: BID's projected NIM is expected to bottom out at 2.1% in 2025F, improve to 2.4% in 2026F–27F, and stabilize thereafter



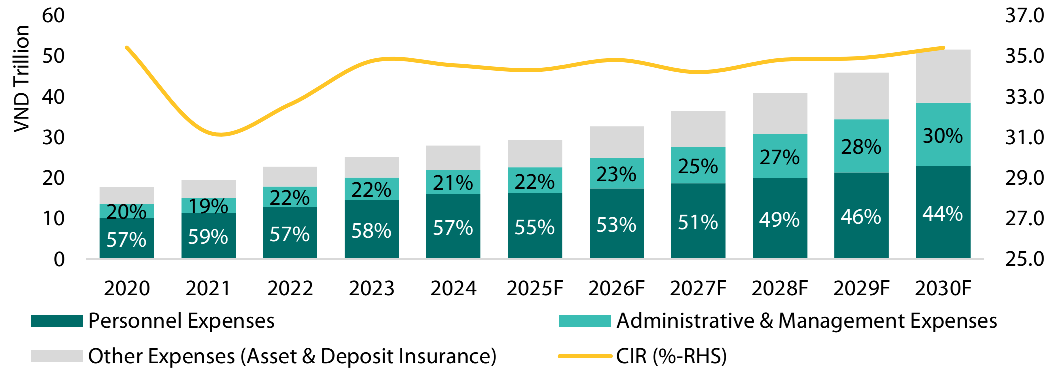
Source: BID, RongViet Securities forecasts

Non-interest income is projected to grow at a 5-year CAGR of 6% for 2025F–2030F (2019–2024: 14%). Within this, service income is expected to grow at a 12% CAGR, led by payment services and non-life insurance (BIC), which are forecasted at 10% and 15% CAGR, respectively. This projection does not include potential revenue from gold trading under Decree 232/2025/ND-CP or providing services for crypto asset trading platforms. Other non-interest income is expected to grow at a 2% CAGR, mainly due to decreasing off-balance sheet debt recovery from 2029–2030 as risk disposal activities taper off from 2026 with improving asset quality.

Expenses: *Total expenses are projected to grow at a 9% CAGR during 2025F–2030F, including operating expenses at 12% CAGR and credit risk provisioning at 13% CAGR.*

Operating expenses: We assume personnel costs will grow at a 7% CAGR (2019–2024: 10.5%), driven by an average staff cost increase and a 2% CAGR in employee numbers (2019–2024: 2.3%). Investment in digital transformation will continue, pushing administrative expenses to a 20% CAGR (2019–2024: 11%). The CIR is expected to remain stable around 34%–35% throughout the forecast period.

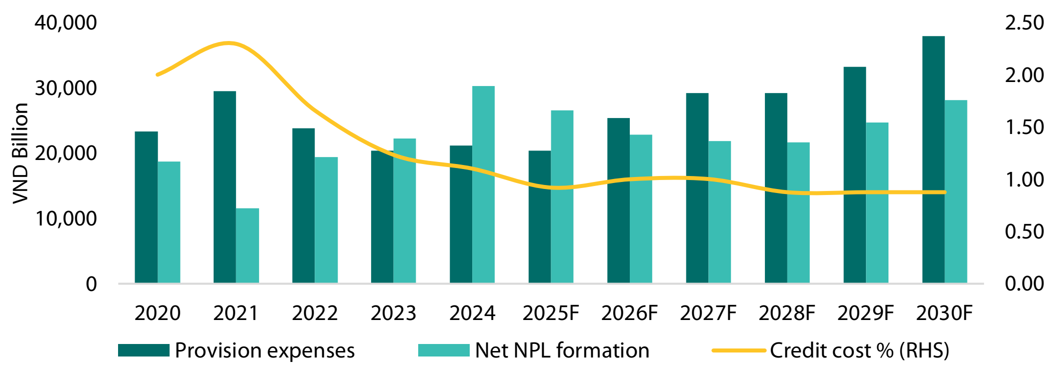
Figure 37: Projected Operating Expenses of BID (VND Billion)



Source: BID, RongViet Securities forecasts

Credit Risk Provisioning: We expect NPLs to gradually improve from 2026, with the projected NPL ratio declining from 1.2% in 2025F to 1.0% in 2030F. The main driver behind this asset quality improvement is the bank's focus on reducing risk weights in its risk-weighted asset portfolio through more prudent lending practices, aiming to enhance capital adequacy over the five-year period in compliance with Cir 14 regulations. Although net NPLs are expected to decrease gradually from 2026, credit cost is projected to remain in the range of 0.9-1.0% to solidify credit risk provisioning buffer. As a result, the projected NPL coverage ratio is expected to improve from 110% at the end of 2025F to 180% by 2030F.

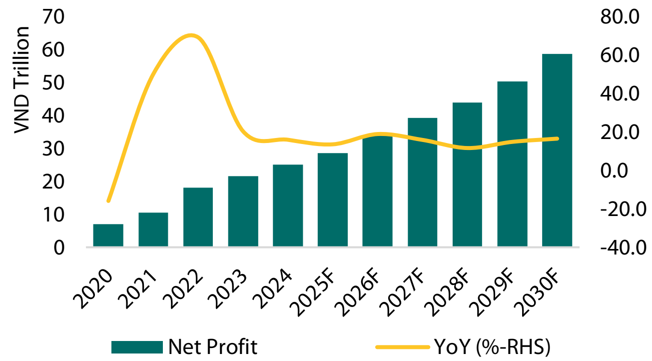
Figure 38: Projected Credit Provisioning Expenses and Net NPLs of BID (VND Billion)



Source: BID, RongViet Securities forecasts

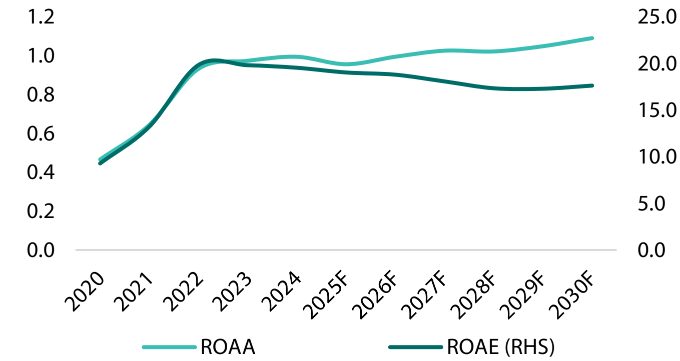
Net Profit: *BID's NPAT-MI is projected to grow at a CAGR of 16% over 2025F–2030F.*

Figure 39: Projected BID's NPAT-MI over 2025F-30F period



Source: BID, RongViet Securities forecasts

Figure 40: The reduction in leverage has led to a divergence in the trends of forecasted ROAA and ROAE



Source: BID, RongViet Securities forecasts

Table 6: Projected annual financial statements of BID

INCOME STATEMENT	2022	2023	2024	2025F	2026F	2027F	2028F	2029F	2030F
Interest Income	121,001	152,761	138,288	157,006	196,233	227,447	258,873	295,994	338,393
Interest Expenses	-65,041	-96,626	-80,281	-95,283	-118,392	-136,057	-156,734	-179,492	-206,389
Net Interest Income	**55,960**	**56,136**	**58,008**	**61,724**	**77,841**	**91,389**	**102,139**	**116,502**	**132,004**
Net Fee Income	5,651	6,570	7,074	7,433	8,343	9,369	10,583	11,904	13,442
Net gain/(loss) from FX and gold dealings	3,137	4,707	5,361	4,159	4,660	4,954	5,432	5,647	6,043
Net gain/(loss) from trading/investment bonds	**227**	**3,177**	5,185	**2,333**	**2,061**	**2,214**	**2,271**	**2,538**	**2,854**
Net other income	4,214	2,068	4,987	9,923	7,925	7,309	4,896	5,891	8,917
TOI	**69,480**	**73,013**	**81,061**	**86,062**	**101,369**	**115,829**	**125,974**	**143,200**	**164,050**
OPEX	-22,715	-25,081	-27,967	-29,332	-32,699	-36,540	-40,908	-45,917	-51,646
PPOP	46,765	47,932	53,094	56,730	68,670	79,289	85,066	97,283	112,404
Provision for credit losses	-23,842	-20,344	-21,109	-20,347	-25,383	-29,183	-29,180	-33,246	-37,881
PBT	**22,923**	**27,589**	**31,985**	**36,383**	**43,287**	**50,106**	**55,886**	**64,037**	**74,523**
Corporate income tax	-4,574	-5,612	-6,381	-7,306	-8,711	-10,047	-11,225	-12,863	-14,960
Minority interest	-263	-472	-464	-528	-628	-727	-811	-929	-1,081
NPAT-MI	**18,086**	**21,505**	**25,140**	**28,549**	**33,948**	**39,332**	**43,850**	**50,245**	**58,482**
EPS (VND/share)	**3,575**	**3,773**	**3,645**	**3,556**	**4,072**	**4,718**	**5,260**	**6,027**	**7,014**

Source: BID, RongViet Securities forecasts

Table 7: Projected annual balance sheet of BID

BALANCE SHEET	2022	2023	2024	2025F	2026F	2027F	2028F	2029F	2030F
ASSETS									
Cash and precious metals	13,745	11,029	10,773	11,641	11,616	12,937	10,813	11,425	11,574
Balances with the SBV	111,418	51,616	92,341	61,500	77,088	88,728	101,239	116,020	132,146
Placements with and loans to other credit institutions	221,178	211,812	279,972	439,555	461,533	484,610	508,840	534,282	560,996
Trading securities	1,701	6,972	12,734	23,369	24,463	25,610	26,816	28,081	29,410
Loans and advances to customers	1,484,169	1,737,196	2,018,044	2,336,158	2,676,768	3,066,293	3,490,804	3,974,839	4,522,464
Investment securities	235,636	222,393	277,838	268,551	281,729	295,565	310,093	325,348	341,365
Investment in other entities and longterm investments	2,968	3,113	3,424	3,990	4,483	5,036	6,358	7,125	7,986
Fixed assets	10,539	11,096	12,120	14,822	16,261	18,488	20,557	23,106	25,859
Other assets	38,282	45,641	52,884	58,172	61,081	64,135	67,342	70,709	74,244
TOTAL ASSETS	**2,120,677**	**2,300,869**	**2,760,792**	**3,217,761**	**3,615,021**	**4,061,403**	**4,542,862**	**5,090,936**	**5,706,046**
LIABILITIES									
Due to Gov and borrowings from SBV	152,753	35,896	168,389	227,325	238,691	250,626	263,157	276,315	290,131
Deposits and borrowings from other credit institutions	177,221	181,831	232,954	314,488	314,488	320,778	327,193	320,649	330,269
Deposits from customers	1,473,598	1,704,690	1,953,165	2,236,374	2,569,594	2,957,603	3,374,625	3,867,320	4,404,878
Funds received from Gov, international and other institutions	13,238	12,208	11,981	13,180	14,498	15,947	17,542	19,296	21,226
Valuable papers issued	157,052	189,487	198,900	208,845	217,199	219,371	222,662	227,115	231,657
Other liabilities	42,697	53,562	50,491	45,442	46,805	48,209	49,655	51,145	52,679
Total liabilities	**2,016,558**	**2,178,002**	**2,615,881**	**3,045,654**	**3,401,275**	**3,812,534**	**4,254,834**	**4,761,841**	**5,330,840**
MINORITY INTEREST	**4,723**	**4,966**	**5,234**	**5,762**	**6,390**	**7,117**	**7,927**	**8,856**	**9,937**
SHAREHOLDER'S EQUITY									
Capital	66,204	72,711	84,789	89,594	100,918	100,918	100,918	100,918	100,918
Reserves	12,448	15,662	19,397	23,638	28,681	34,524	41,038	44,701	47,276
Retained Earnings	21,504	30,331	36,192	53,814	78,459	107,012	138,845	175,321	217,776
Shareholder's equity	99,395	117,901	139,677	160,583	200,967	234,636	272,173	311,383	355,332
TOTAL EQUITY	**2,120,677**	**2,300,869**	**2,760,792**	**3,217,761**	**3,615,021**	**4,061,403**	**4,542,862**	**5,090,936**	**5,706,046**

Source: BID, RongViet Securities forecasts

Table 8: Profitability metrics

Profitability	2022	2023	2024	2025F	2026F	2027F	2028F	2029F	2030F
Avg lending yield	7.4%	8.2%	6.3%	6.2%	6.8%	6.9%	6.9%	6.9%	7.0%
Avg deposit rate	4.0%	5.2%	3.7%	4.0%	4.3%	4.4%	4.5%	4.5%	4.6%
Avg yield of earning assets	6.3%	7.0%	5.5%	5.3%	5.8%	6.0%	6.1%	6.2%	6.3%
CoF	3.6%	4.7%	3.4%	3.4%	3.7%	3.8%	3.9%	4.0%	4.1%
NIM	2.9%	2.6%	2.3%	2.1%	2.3%	2.4%	2.4%	2.4%	2.5%
CASA	18.9%	20.2%	20.1%	21.0%	21.5%	22.0%	22.0%	22.5%	22.5%
ROAE	19.8%	19.8%	19.5%	19.0%	18.8%	18.1%	17.3%	17.2%	17.5%
ROAA	0.9%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.1%

Source: BID, RongViet Securities forecasts

Table 9: Asset quality

ASSET QUALITY	2022	2023	2024	2025F	2026F	2027F	2028F	2029F	2030F
NPL ratio	1.2%	1.3%	1.4%	1.2%	1.1%	1.2%	1.1%	1.0%	1.0%
Net NPL formation (VND bn)	19,366	22,204	30,230	26,544	22,856	21,849	21,659	24,675	28,115
Net NPL formation rate	1.3%	1.3%	1.6%	1.2%	0.9%	0.8%	0.7%	0.7%	0.7%
Credit cost	1.7%	1.2%	1.1%	0.9%	1.0%	1.0%	0.9%	0.9%	0.9%
LLR	210%	181%	131%	110%	118%	135%	153%	172%	183%

Source: BID, RongViet Securities forecasts

Table 10: Operational efficiency ratios

OPERATING METRICS	2022	2023	2024	2025F	2026F	2027F	2028F	2029F	2030F
NII/TOI	81%	77%	72%	72%	77%	79%	81%	81%	80%
NFI/TOI	8%	9%	9%	9%	8%	8%	8%	8%	8%
Other Non-NII/TOI	11%	14%	20%	20%	15%	13%	11%	10%	11%
CIR	33%	34%	35%	34%	32%	32%	32%	32%	31%
Total assets/Equity	21.3	19.5	19.8	20.0	18.0	17.3	16.7	16.3	16.1

Source: BID, RongViet Securities forecasts

Table 11: Growth indicators

GROWTH METRICS	2022	2023	2024	2025F	2026F	2027F	2028F	2029F	2030F
NII	20%	0%	3%	6%	26%	17%	12%	14%	13%
NFI	-15%	16%	8%	5%	12%	12%	13%	12%	13%
Other Non-NII	-13%	31%	55%	6%	-10%	-1%	-12%	12%	26%
TOI	**11%**	**5%**	**11%**	**6%**	**18%**	**14%**	**9%**	**14%**	**15%**
OPEX	17%	10%	12%	5%	11%	12%	12%	12%	12%
Provisioning expenses	-19%	-15%	4%	-4%	25%	15%	0%	14%	14%
PBT	69%	20%	16%	14%	19%	16%	12%	15%	16%
NPAT-MI	**72%**	**19%**	**17%**	**14%**	**19%**	**16%**	**11%**	**15%**	**16%**

Source: BID, RongViet Securities forecasts

Table 12: Projected annual cash dividends of BID

	2022	2023	2024	2025F	2026F	2027F	2028F	2029F	2030F
Cash dividend per share (VND)	200	0	0	450	0	0	0	0	0
Dividend payout ratio	6%	0%	0%	14%	0%	0%	0%	0%	0%
Dividend yield	0.6%	0.0%	0.0%	1.2%	0.0%	0.0%	0.0%	0.0%	0.0%

Source: BID, RongViet Securities forecasts

OVERVIEW OF THE BANK

Company History

Bank for Investment and Development of Vietnam (BIDV) was established on April 26, 1957, originally named the Vietnam Construction Bank under the Ministry of Finance. In its early years, the bank primarily functioned as a development finance institution, funding major national projects such as power plants, bridges, irrigation systems, and industrial infrastructure, becoming a key financial arm of the State in post-war economic recovery and development.

In 1981, the bank was renamed Vietnam Bank for Investment and Construction, under the State Bank of Vietnam, expanding its mandate to provide development investment loans and finance emerging economic sectors.

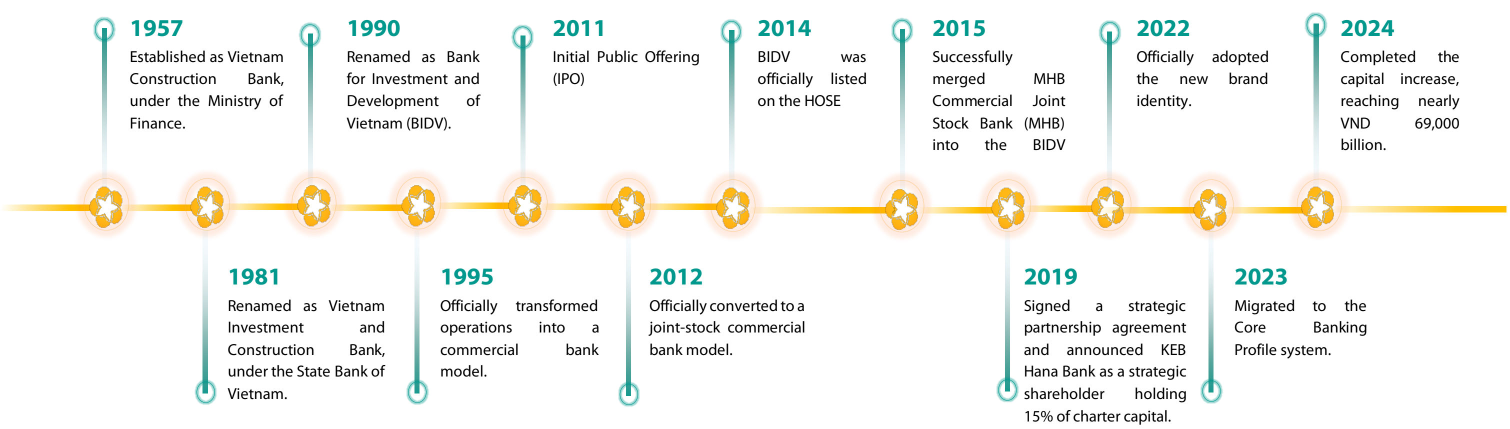
By 1990, BIDV officially adopted its current name, Bank for Investment and Development of Vietnam, marking its transition from a policy bank to a full-service commercial bank operating under market mechanisms and offering comprehensive financial services to enterprises and economic organizations. In 1995, BIDV completed its transformation into a commercial bank model, laying the foundation for sustainable growth in the integration era.

The period 2011–2012 was a strategic turning point, as BIDV underwent equitization, conducted its initial public offering (IPO), and officially transformed into a state-owned joint-stock commercial bank operating under modern governance standards. By 2014, BID shares were listed on HOSE, cementing BIDV's position as one of Vietnam's four largest commercial banks, playing a key role in financing the economy and implementing the Government's fiscal and monetary policies.

In 2015, BIDV completed the merger with Mekong Housing Bank (MHB), expanding its network and financial capacity. By 2019, the bank entered a strategic partnership with KEB Hana Bank (South Korea), with the strategic shareholder acquiring 15% of charter capital, strengthening technology and international management capabilities.

In recent years, BIDV has continued to assert its leadership in digital transformation and modern governance, including the adoption of a new brand identity (2022), the Core Banking Profile upgrade (2023), and the completion of a capital increase to nearly VND 69,000 billion in 2024, maintaining its position as the largest bank in Vietnam by total assets and branch network.

Figure 41: Key Milestones of BID



Source: BID, RongViet Securities

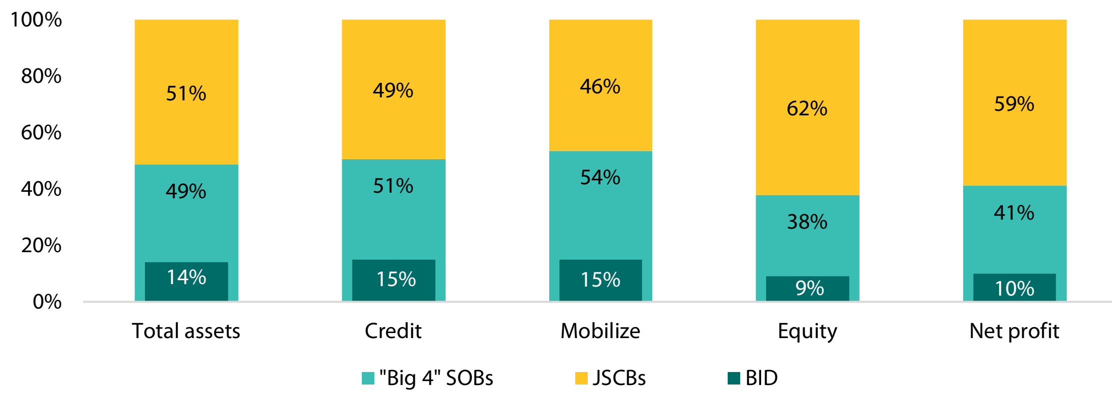
RONG VIET SECURITIES

BIDV'S POSITION IN THE BANKING INDUSTRY

BID holds the number one position in credit market share (since 2017) and deposit mobilization (since 2024), with an average 10-year growth rate of 16% per year.

- BID's total assets have ranked first in the banking sector since 2015 following the merger with MHB and have maintained this leading position to date. As of September 30, 2025, BID's total assets exceeded VND 3 quadrillion.
- As of September 30, 2025, BID's shareholders' equity ranked fourth in the banking sector, after VCB, CTG, and TCB.
- In terms of business performance, BID's pre-tax profit in 2024 ranked second in the industry, after VCB, recording a 10-year CAGR of 18%.

Figure 42: BIDV's market share in total assets, loans, deposits, and profit (2024)



Source: Report of 27 commercial banks and Agribank, RongViet Securities

CAPITAL INCREASE HISTORY

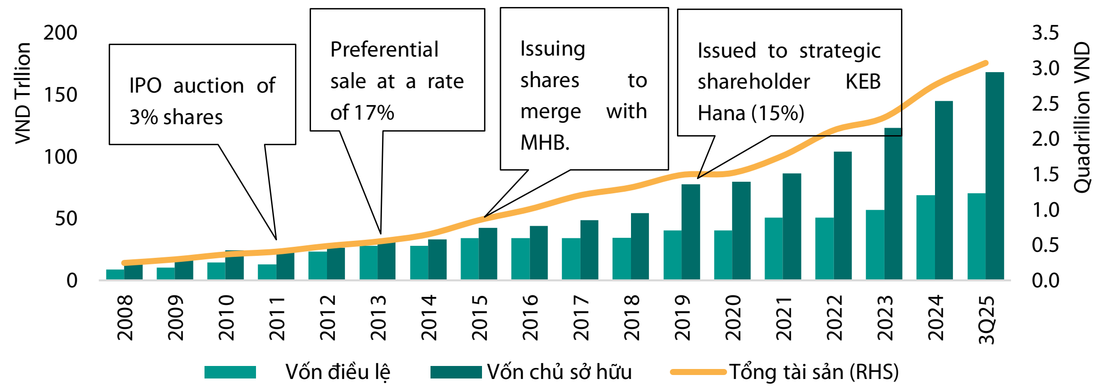
BID was officially equitized at the end of 2011 under Prime Minister's Decision No. 2124/QĐ-TTg. Prior to equitization (September 2011), its charter capital (CC) and total assets were nearly VND 15 trillion and VND 400 trillion, respectively***. On May 1, 2012, BID officially transformed into a joint-stock commercial bank with transferred charter capital of VND 23 trillion and total assets exceeding VND 431 trillion, ranking second in the banking system by size***. After equitization, the State Bank of Vietnam (SBV) held 95.8% of BID's shares.

The capital increase process through additional share issuance went through several key milestones as follows:

- **2013:** BID issued bonus shares at a rate of 5% and issued over 400 million shares to existing shareholders at VND 10,000/share (17% increase), raising charter capital (CC) to over VND 28 trillion.
- **2015:** In May, BID completed the issuance of 337 million shares for a share swap to merge with MHB Bank at a 1:1 ratio (1 MHB share for 1 BID share), increasing CC to VND 31.5 trillion and reducing SBV ownership to 95.3%. In August, BID issued an additional 270 million shares to raise business capital at VND 10,000/share (8.6% increase), raising CC to over VND 34 trillion.
- **2019:** KEB Hana Bank (South Korea) became a strategic foreign shareholder in BID by acquiring 603 million shares (15% of CC) for over VND 20 trillion (issuance price VND 33,640/share). This implied a pre-money P/B valuation of BID at 2.1x (close to market valuation at the time), increasing CC to over VND 40 trillion and reducing state ownership to 81.0%.
- **2025:** BID offered approximately 123.8 million shares in a private placement (1.8%) to professional investors (including SCIC and certain Dragon Capital funds) at VND 38,800/share, raising CC to over VND 70 trillion. After this issuance, state ownership further decreased to 79.6%.

Currently, BID plans to increase its charter capital through the following initiatives: a stock dividend (19.9%), a private placement (3.84%), and issuance from the reserve fund to supplement charter capital (7.1%), expected to take place during 2025–2026. If these issuances are successfully completed, BID will surpass VCB to become the largest bank in the system in terms of charter capital, reaching approximately VND 92 trillion.

Figure 43: Evolution of BID's charter capital, equity, and total assets

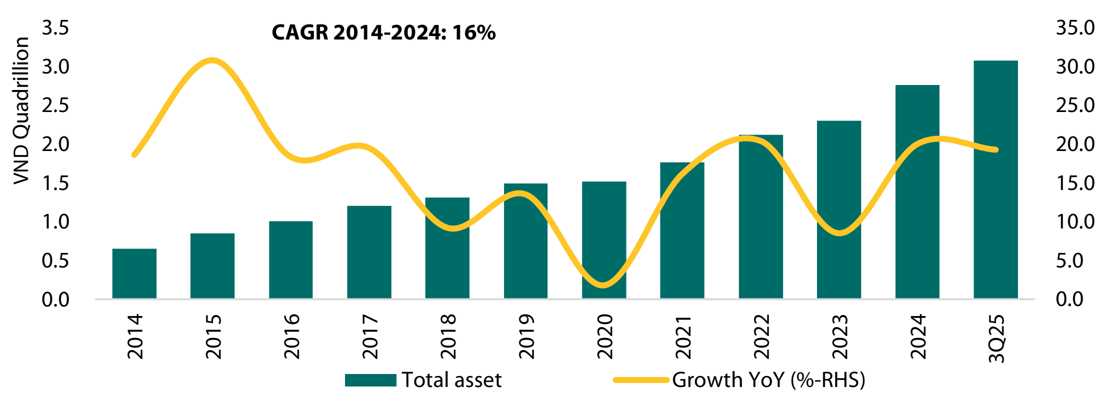


Source: BID, RongViet Securities

TOTAL ASSETS

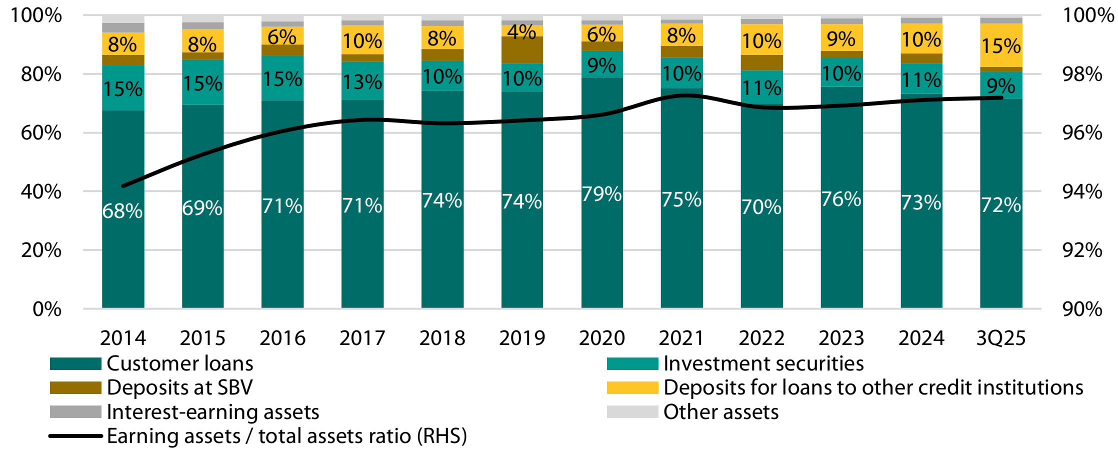
BID's total assets reach about VND 3.1 quadrillion as of the third quarter of 2025, ranking first in the industry. BID's total assets grow with a 10-year CAGR in the period 2014-2024 of 16%. BID recorded slow growth in customer loans in the period from 2019 to 2022 when the bank (1) restructured and handled bad debts after changes in leadership and shareholders (Mr. Tran Bac Ha retired in 2016 and was arrested at the end of 2018, then KEB Hana Bank became a strategic shareholder in 2019), (2) was affected by the Covid pandemic on credit demand and quality. (2020-2022), (3) CAR ratio is low near the minimum threshold.

Figure 44: BID's total assets growth from 2014 to present



Source: BID, RongViet Securities

Figure 45: BID's total asset structure records a trend of increasing the proportion of profitable assets over the past 10 years



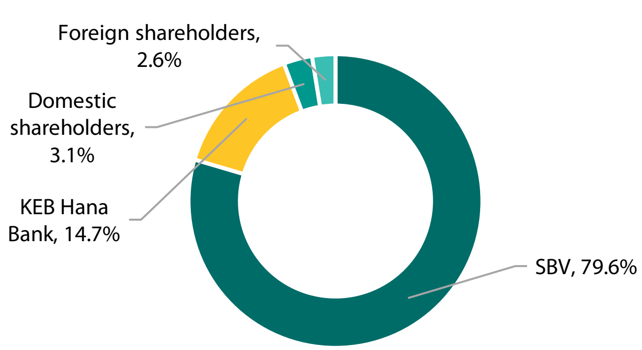
Source: BID, RongViet Securities

Ownership Structure

The State is the largest shareholder in BID, holding approximately 79.6% through its ownership representative, the SBV. Thereby, the SBV ensures its controlling role and directs the bank's strategic orientation toward prioritizing national policies, such as supporting macroeconomic growth, stabilizing the financial system, and implementing Government directives. KEB Hana Bank (South Korea) is the sole foreign strategic shareholder in BID, currently owning 14.7% of the charter capital. The ownership ratios of other foreign investors and domestic shareholders in BID as of 17/12/2025 are 2.4% and 3.3%, respectively.

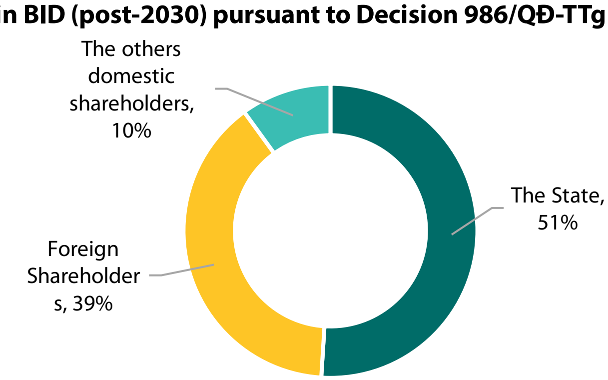
Pursuant to Decision No. 986/QĐ-TTg issued by the Prime Minister on 08/08/2018, approving the Development Strategy for the Vietnam Banking Sector to 2025 with orientations to 2030, the minimum State ownership ratio has been reduced to 51% from the previous 65%. This is also the ratio that BID plans for the post-2030 period. We believe this plan, on one hand, expands room for domestic and foreign investors, while on the other, strengthens BID's capital adequacy ratio - currently at the lower end of the banking system (see Financial Analysis section) - to comply with the SBV's increasingly stringent capital regulations (approaching Basel III standards).

Figure 46: Shareholder Structure



Source: BID, VSD, RongViet Securities Data as of Jan 14th 2026

Figure 47: Long-term roadmap for reducing state ownership in BID (post-2030) pursuant to Decision 986/QĐ-TTg



Source: BID, RongViet Securities

BUSINESS SCALE

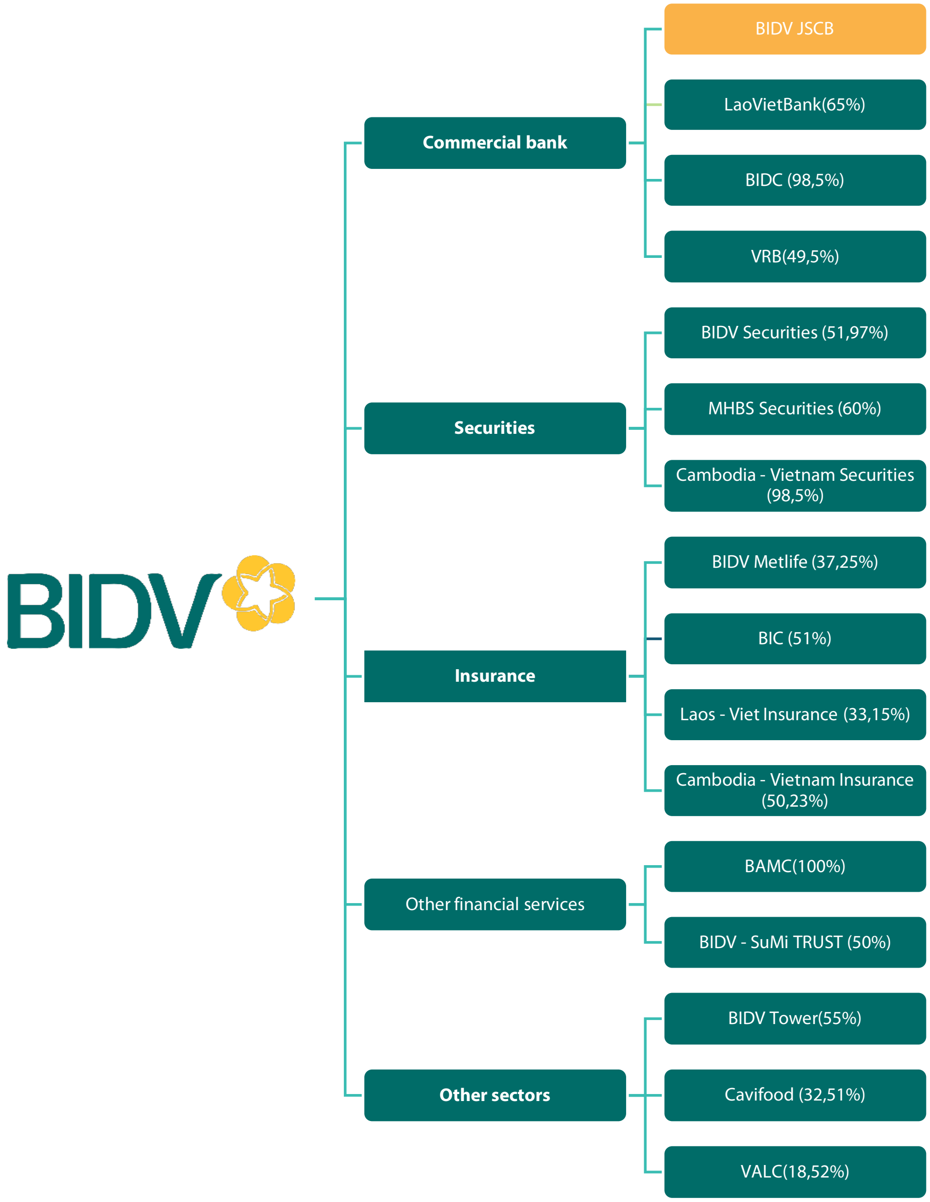
BIDV maintains the largest operational network and workforce among Vietnamese banks; The bank operates over 189 branches and 928 transaction offices, along with numerous representative offices and member units both domestically and internationally, employing nearly 29,000 staff as of the end of Q3-2025.

BIDV has 10 subsidiaries, 3 joint ventures, and 2 associates (Figure...), ensuring the comprehensive provision of key financial services to a broad client base ranging from individuals and households to various types of institutional organizations and enterprises.

Certain subsidiaries make significant contributions to BIDV's consolidated profit, including:

- **BIDV Insurance Corporation (BIC)**: BIC commenced operations in January 2006 following BIDV's acquisition of QBE's stake in the former Vietnam-Australia Insurance Joint Venture Company, primarily engaging in non-life insurance; In 2024, BIC's operations faced challenges due to the severe impact of Typhoon Yagi; Despite these conditions, BIC successfully met and exceeded its business plan, with total insurance premium revenue reaching VND 5,066 billion, up 6.1% from 2023, advancing to the 5th position in market share; Consolidated pre-tax profit reached VND 650 billion, representing 13.2% growth over 2023 and fulfilling 108.3% of the 2024 plan, placing it among the most profitable insurers in the market; In 2024, BIC continued to receive an A.M. Best financial strength rating of B++ and a national scale issuer credit rating of aaa.VN, the highest in Vietnam.
- **BIDV Securities Joint Stock Company (BSC)**: In 2022, BSC completed a private placement to foreign strategic investor Hana Securities (Korea); In 2024, amid persistent unfavorable conditions and risks in the securities market, BSC achieved positive results, recording the highest pre-tax profit since inception at VND 515.6 billion.
- **BIDV Tower Joint Venture Company**: This is a joint venture between BIDV and Bloomhills Holdings Pte Ltd. (Singapore), with BIDV holding 55% ownership; The company operates in the office leasing sector at BIDV Tower, located at 194 Tran Quang Khai, Hoan Kiem District, Hanoi; In 2024, operations remained stable with a 100% occupancy rate, delivering pre-tax profit of VND 152 billion.

Figure 48: BIDV's organizational structure by business segments, including legal entities and corresponding ownership ratios.



Source: BID, RongViet Securities

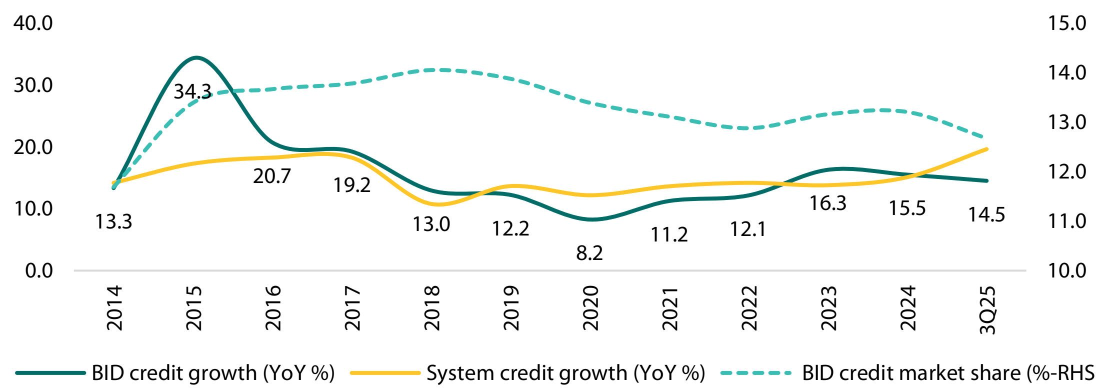
BUSINESS OPERATIONS OVERVIEW

1. CREDIT ACTIVITIES

Credit activities remain the core business of BIDV, with the ratio of customer loans to total assets at 72% as of Q3-2025 and the ratio of net interest income to total operating income at 72% for the first nine months of 2025. BIDV maintains the largest consolidated customer loan portfolio in Vietnam, reaching approximately VND 2.23 quadrillion as of the end of Q3-2025. BIDV's credit activities encompass various forms, including standard commercial lending, discounting of negotiable instruments, rediscounting and other valuable papers, bank guarantees, finance leasing, credit card issuance, and other forms as prescribed by the SBV.

Scale, growth rate, and market share over the past 10 years

Figure 49: BIDV's credit market share* surged following the merger with MHB in 2015 but has shown a slight downward trend from 2019 through Q3-2025.



*Source: BID, SBV, RongViet Securities *Parent bank*

Over the 10-year period from 2014 to 2024, BID's parent bank credit scale (including corporate bonds) grew at a CAGR of 15.7%, outperforming the system's CAGR of 14.7%, primarily driven by exceptional growth in 2015 upon completion of the merger with MHB (MHB's pre-merger credit outstanding exceeded VND 30 trillion, equivalent to nearly 7% of BID's year-end 2014 credit outstanding); MHB held strengths in agricultural lending in the Mekong Delta region, enabling BIDV to expand its transaction network and market share in this area post-merger.

However, over the most recent five years from 2019 to 2024 - absent the scale surge from the MHB merger - BID's credit CAGR reached only 12.9%, below the system's 13.8%, resulting in a gradual decline in BID's credit market share from a peak of 14.0% in 2018 to 13.2% in 2024, and further to a low of 12.7% as of Q3-2025; This underperformance stems from objective factors, including the SBV's tight control over system-wide credit room to safeguard systemic stability amid domestic macroeconomic shocks (the SCB incident) and exchange rate pressures, leading to subdued credit demand (2022-2024), as well as subjective factors involving tighter corporate customer credit policies amid rising NPLs (2023-2025). Despite the declining market share trend, BID maintains its position as the leading bank in credit market share.

Lending Orientation Across Periods

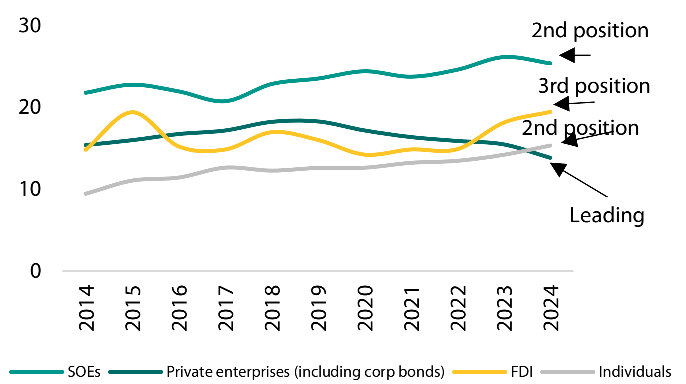
As a state-owned commercial bank, BIDV closely coordinates with the Government, SBV, and relevant ministries (such as the Ministry of Finance and the Ministry of Planning and Investment) to implement national socioeconomic development policies and monetary policy (through preferential credit packages and priority lending programs for sectors including agriculture, infrastructure, and SMEs); In practice, BID leads the market in financing government investment and development projects and economic programs: participating in financing bridge and road construction projects; acting as lead arranger and capital provider for numerous key national projects in sectors such as hydropower, oil and gas, and construction; and providing on-lending from capital sources of national development funds (for SMEs, innovation, data development, etc.)

Notably, BID maintains close coordination with the Ministry of Finance *in building long-term partnerships with WB, ADB and other international organizations;* In practice, BID serves as the entrusted bank for disbursing numerous large projects funded by WB capital (such as Rural Finance Projects I-II-III) and ADB (since 1996, with total disbursements exceeding USD 6 billion for 63 projects supporting SMEs), contributing to Vietnam's economic development; This reinforces BID's leading position in credit scale and market share for lending to private enterprises in Vietnam.

Beyond policy orientation, *BID has strategically shifted its credit structure by customer segment toward diversification and growth in the private sector, particularly accelerating retail lending*; Accordingly, lending to state-owned enterprises declined from nearly 40% in 2008 to approximately 5% in 2024, with an outstanding balance exceeding VND 100 trillion; Over this period, the proportion of retail lending surged from 10% to 47%, while lending to non-state domestic enterprises and FDI enterprises remained relatively stable at 43% and 4%, respectively; Currently, BID's retail loan portfolio ranks second in the system, behind only Agribank.

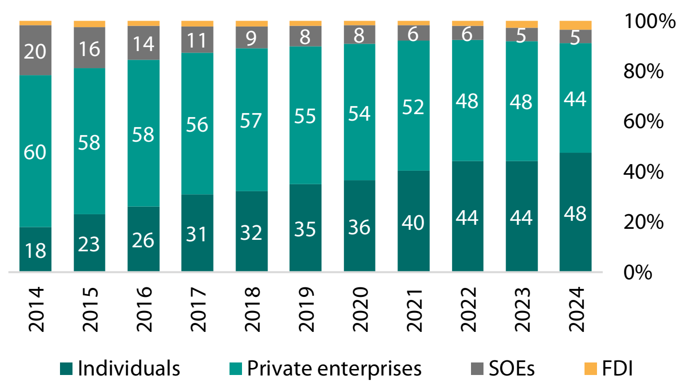
BID is also among the leading commercial banks in green credit, with total green credit outstanding reaching VND 81 trillion in 2024, accounting for 12% of the industry's market share; BID's green credit orientation aligns with the Government's renewable energy development strategy, focusing on renewable energy projects (wind and solar power) and sustainable infrastructure.

Figure 50: Loan market share (%) by customer segment of BID



Source: Listed Bank reports, Agribank, RongViet Securities

Figure 51: BIDV has strongly promoted retail banking since 2015 while gradually reducing the proportion of corporate lending.



Source: BID, RongViet Securities

Lending activities by customer segment

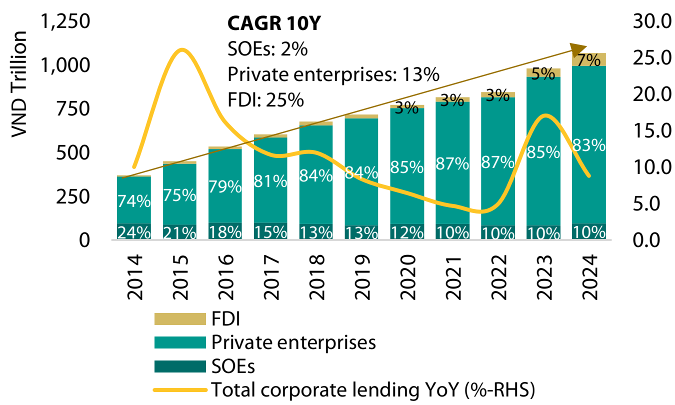
Corporate customer segment

Corporate lending remains a core activity for BIDV, accounting for 53% of total customer loans with outstanding balances exceeding VND 1.2 quadrillion at the end of 2024, recording a 10-year CAGR from 2014 to 2024 of 11%.

By sub-segment, 60% of corporate loan exposure is allocated to large enterprises, reflecting BIDV's traditional role in serving national key projects and its position as Vietnam's leading financial institution in providing capital and banking products/services to conglomerates and corporations controlling critical economic sectors.

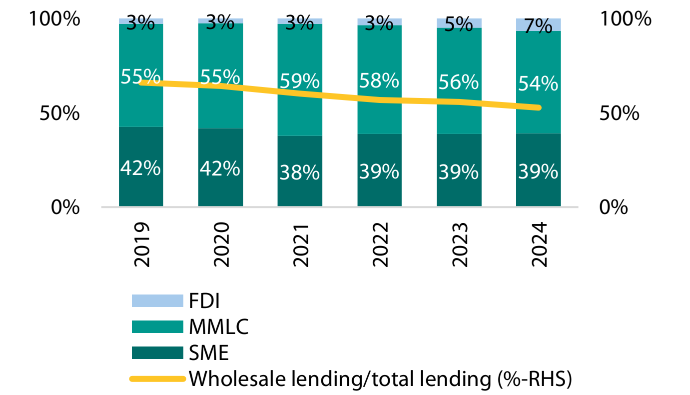
By enterprise type, 83% of corporate loan exposure comprises lending to private enterprises (**Figure 52**); Within this, BIDV focuses on large enterprises with sound financial positions operating in trade and services sectors; Additionally, BIDV consistently leads in implementing state policies to support economic recovery and development through credit solutions such as programs aimed at resolving difficulties and promoting production and exports for enterprises in forestry, fisheries, and related sectors; FDI segment lending exposure at BIDV has shown an increasing trend over the years but remains a small proportion (4%) of total credit outstanding.

Figure 52: Corporate customer loan portfolio by type



Source: BID, RongViet Securities

Figure 53: Lending to MMLC plays a significant role in BIDV's corporate loan portfolio.

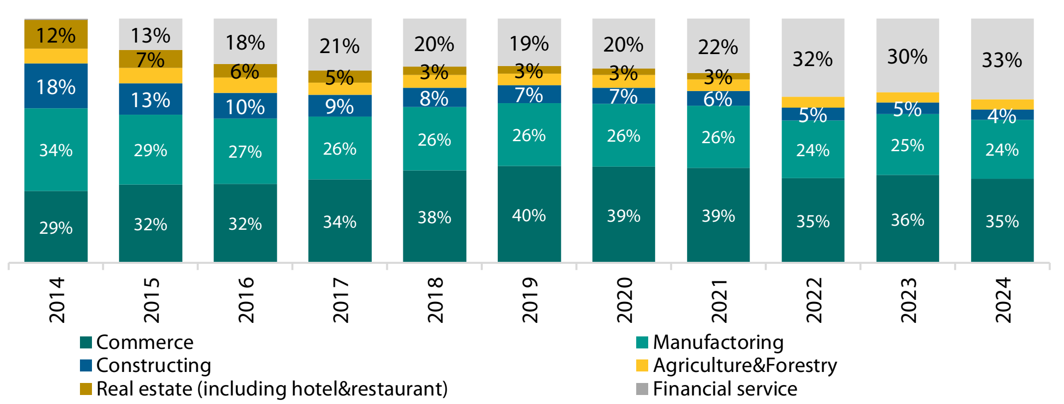


Source: BID, RongViet Securities

By lending sector, BIDV focuses on areas such as trade and manufacturing-processing, collectively accounting for 60% of the corporate lending structure (**Figure 54**).

BIDV maintains a low proportion of *corporate bond investments* at approximately 0.3% of total outstanding loans, primarily comprising green and sustainable bonds in renewable energy and green infrastructure sectors, with issuances amounting to VND 3,000 billion in 2024.

Figure 54: Corporate loan portfolio breakdown by sector*



*Source: BID, RongViet Securities * Since 2022, BIDV has ceased separate classification of loan exposure to the real estate sector and financial services.*

The bank offers a diverse portfolio of corporate credit products, categorized into main groups including:

- Traditional lending (facility-based loans, credit line loans, overdraft facilities, medium- to long-term project investment loans).
- Sector-specific lending (construction, pharmaceuticals, electrical equipment manufacturing, shipbuilding, financing for small hydropower projects, financing for commercial operational renewable energy projects).
- Green project lending (BIDV provides short-term or medium- to long-term loans to finance business/production plans or investment projects that meet green/sustainable standards, certifications, or labeling).
- Indirect lending from capital sources of **(1)** *the Small and Medium Enterprise Development Fund* (for innovative startups, enterprises participating in value chains or industry clusters) with

highly preferential interest rates (short-term at 1.2% per annum and medium- to long-term at 4.4% per annum), and **(2)** *the National Technology Innovation Fund* with current interest rates ranging from 3.5% to 6% per annum.

- Supply chain financing (distributor financing, supplier financing).
- Trade finance (BIDV iBank, import trade finance, export trade finance, domestic trade finance).

We also commend BIDV's digital transformation efforts, with continuous development and enhancement of digital banking software and applications since 2018 to improve corporate customer service experience; The digital banking ecosystem is quite diverse, featuring prominent products such as:

- BIDV iBank - a comprehensive electronic banking system delivering full banking services across both app and web channels with automated, real-time, 24/7 processing.
- BIDV iConnect - a seamless integration solution connecting banking services with customers' ERP systems.
- BIDV SCF - a supply chain financing solution enhancing operational efficiency for core enterprises and their suppliers or distributors.
- Online unsecured overdraft lending product on the MISA Lending platform.
- BIDV Open API system - integrating banking services into various platforms including sales management, school management, hotel management, port management, cash management systems (CMS), enterprise resource planning (ERP), and numerous software/applications tailored for enterprises across multiple industries and sectors.

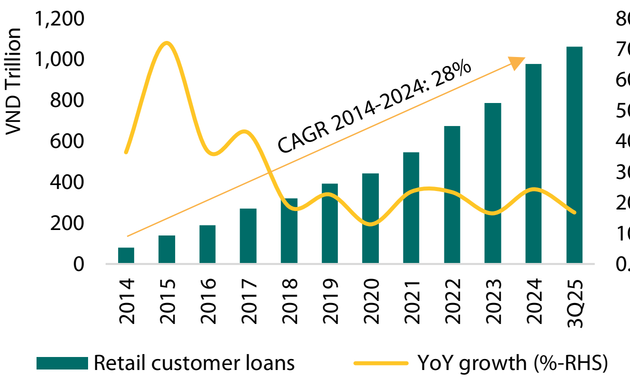
Retail lending

Retail banking has been a strategic business priority for BIDV over the past decade; As a result, retail customer lending recorded a 10-year CAGR from 2014 to 2024 of 28% - significantly higher than the corporate segment - reaching a scale of nearly VND 1 quadrillion by the end of 2024 and ranking second in the industry (behind only Agribank); *BIDV currently serves 22 million retail customers*, offering a diverse portfolio of financial products that address needs ranging from daily transactions to sophisticated wealth management solutions for high-net-worth individuals

The target retail customer profile for BIDV and state-owned commercial banks in general comprises individuals with moderate to high income, strong financial capacity, good credit history, and legitimate borrowing needs; Additionally, BIDV segments its retail customers into priority, loyal, and mass categories to enable tailored customer care and marketing policies aimed at developing the targeted retail customer base.

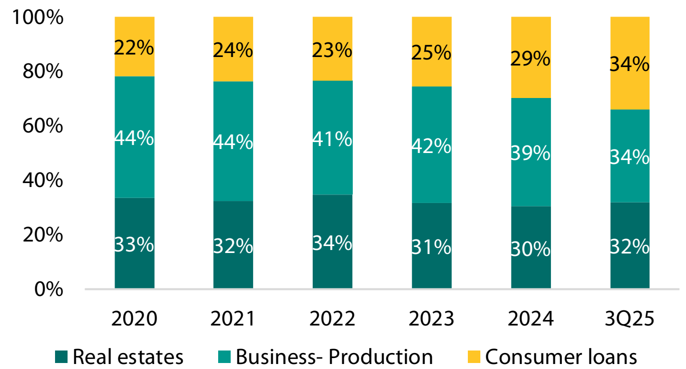
BIDV currently offers three main retail lending product groups: real estate purchase loans, individual production and business loans (SX-KD), and consumer loans (including auto loans, education loans, unsecured consumer loans, etc.); Over the most recent five years, the structure of retail lending products has evolved as follows: real estate loans declined slightly from 33% (2020) to 30% (Q2/2025), individual SX-KD loans (household businesses) decreased significantly from 44% (2020) to 35% (Q2/2025), while consumer loans rose sharply from 22% to 35%.

Figure 55: Retail Customer Loan Portfolio of the Parent Bank



Source: BID, RongViet Securities

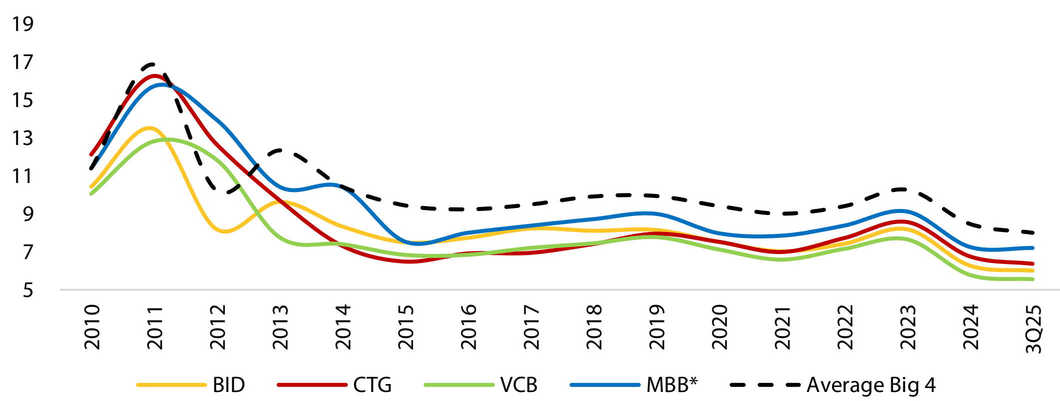
Figure 56: BID's Retail Customer Loan Portfolio Breakdown by Product



Source: BID, RongViet Securities

To realize its retail banking development strategy and achieve the positive growth outcomes described above, BIDV has leveraged several competitive advantages: (1) the reputation of a state-owned commercial bank; (2) an extensive nationwide distribution network that facilitates access to highly fragmented retail customers; (3) low funding costs enabling highly competitive lending rates (Figure ...) to continuously attract new customers while retaining existing ones; and (4) credit relationships with large corporate clients or payroll-serviced enterprises to cross-sell retail products (home loans, consumer loans, etc.). In addition, robust digital transformation efforts and the development of an advanced digital banking ecosystem have enabled rapid reach to younger generations and urban customers while delivering personalized experiences, further accelerating the bank's retail transformation.

Figure 57: BIDV has significantly improved its average lending rate competitiveness (%) since 2018 and currently offers the second-most attractive rates in the market.



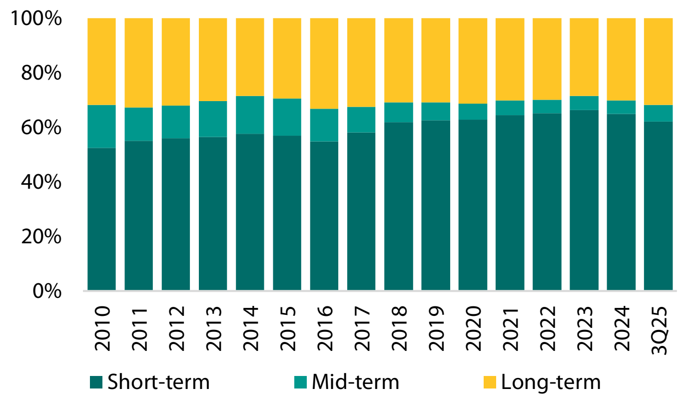
*Source: Bank report, RongViet Securities *Bank parent ** MBB, VPB, ACB, TCB*

Maturity structure of customer loans

BIDV maintains a high proportion of short-term lending within the industry, with the ratio rising from 53% in 2010 to 64% in 2024; This reflects a partial focus on working capital loans to support production and business activities for enterprises and individuals, as well as trade finance for FDI enterprises and import-export companies; Meanwhile, the proportion of long-term lending has remained stable at approximately 30% since 2010; This maturity structure enables BIDV to sustain high liquidity safety through rapid capital turnover while mitigating credit risk.

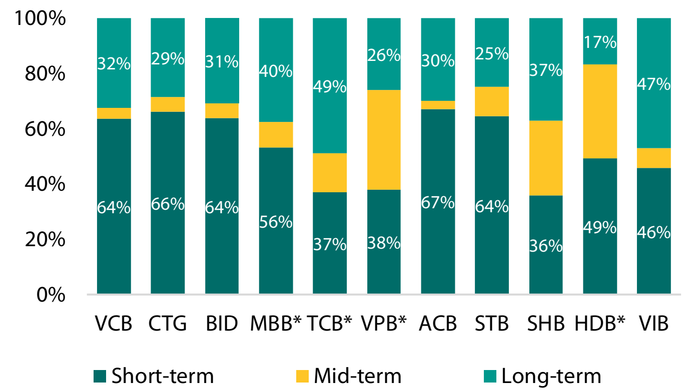
BIDV's loan portfolio maturity structure shows similarity to the other two major state-owned commercial banks, VCB and CTG, due to their shared orientation toward short-term lending for production and business support, and differs markedly from most private joint-stock commercial banks, which pursue higher yields through medium- and long-term loans (**Figure 59**).

Figure 58: BIDV's loan portfolio exhibits a trend toward concentration in short-term loans



Source: BID, RongViet Securities

Figure 59: Comparison of credit structure by maturity of BIDV with select large- and medium-sized commercial banks (Q3-2025)



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

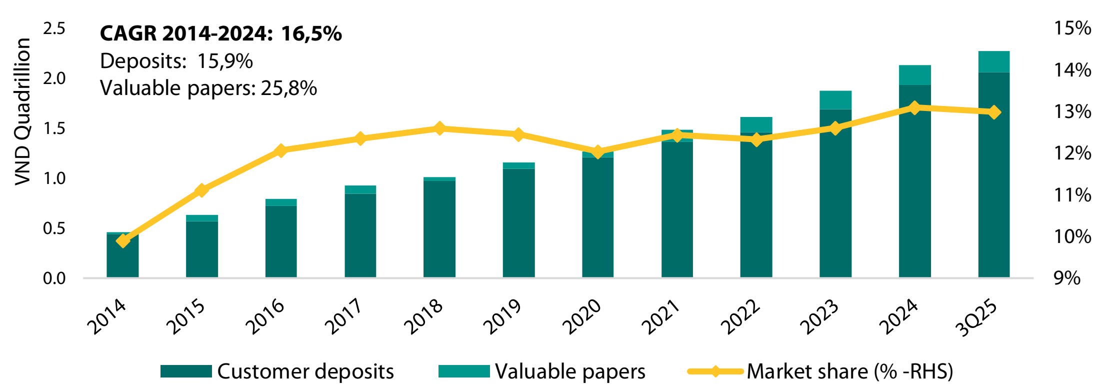
2. MOBILIZATION

To meet funding requirements for its business activities, BIDV actively mobilizes capital through multiple channels, including: (1) deposits, certificates of deposit, and long-term debt securities from individuals and economic organizations; (2) participation in the interbank market and borrowings from other credit institutions; (3) capital mobilization from the Ministry of Finance and the State Treasury.

Scale and growth of mobilized funds

Over the 2014-2024 period, BIDV's total mobilized funds (comprising deposits and valuable papers) recorded a CAGR of 16.5%, reaching over VND 2 quadrillion by the end of 2024 - representing the largest market-based funding scale in the Vietnamese banking system; During this period, the deposit market share also steadily increased from 10% to 13%, reflecting stable capital scale expansion and sustained strong customer confidence amid intense competition.

Figure 60: Scale and market share of BIDV's customer deposits



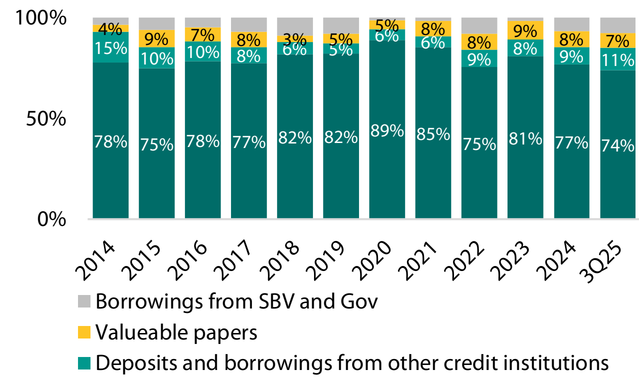
Source: BID, RongViet Securities

Funding structure

Customer deposits account for the largest proportion at 75-80%, followed by deposits and borrowings from other credit institutions (8-10%) and valuable papers (8-9%); Mobilization from the State Treasury fluctuates between 1-8%, depending on the Government's monetary and fiscal policies in each period.

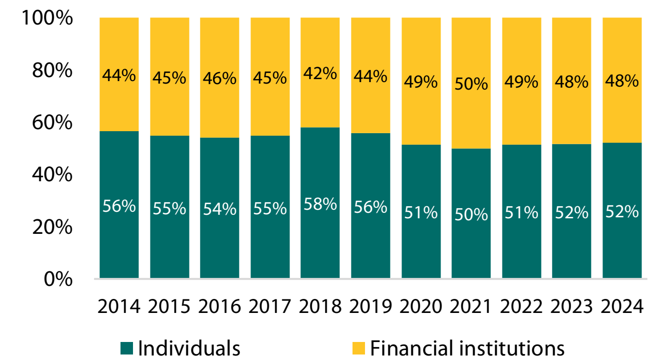
- *Funding structure by customer type:* BIDV maintains a balanced ratio between deposits mobilized from retail customers and institutional clients (**Figure 62**), reflecting its policy orientation toward even development across key customer segments.
- *BIDV's CASA* ratio has steadily improved since 2018, rising from 16% to 20.5% as of Q3-2025; However, BIDV has not fully capitalized on its funding sources despite possessing a large customer base and unique advantages (e.g., being the sole settlement bank for the Vietnamese securities market and the lead bank for disbursing concessional international loans supporting economic development), as its CASA ratio remains unexceptional compared to the industry average and the lowest among state-owned banks (**Figure 64**); This can be partly explained by delays in digital banking project implementation and fee waiver policies amid intensifying deposit competition; While many private joint-stock commercial banks initiated digitization from 2018, BIDV only established its Digital Banking Center in 2019 and commenced comprehensive transformation from 2021 (launching the new multi-channel digital application for retail customers, SmartBanking - integrating BIDV Mobile and BIDV Online channels - in 2021, and upgrading the iBank application for corporate customers with enhanced multi-channel features and ERP integration capabilities in 2022); Regarding fee policies, BIDV only began waiving transfer fees in 2022, whereas the trend of fee reductions at private joint-stock banks had been underway for 3-4 years, diminishing BIDV's competitive edge in attracting CASA relative to early adopters.

Figure 61: BIDV's funding structure by mobilization channels*



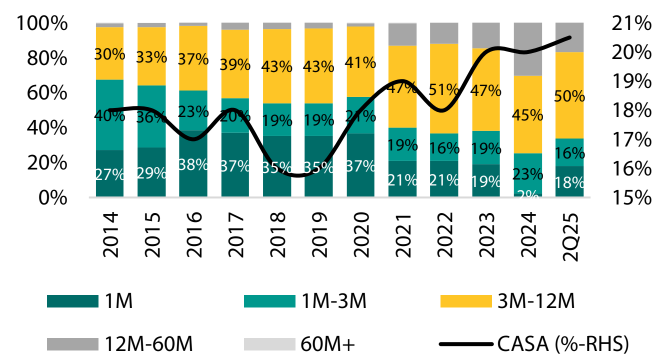
*Source: BID, SBV, RongViet Securities *Parent bank*

Figure 62: Structure of customer deposits by customer type



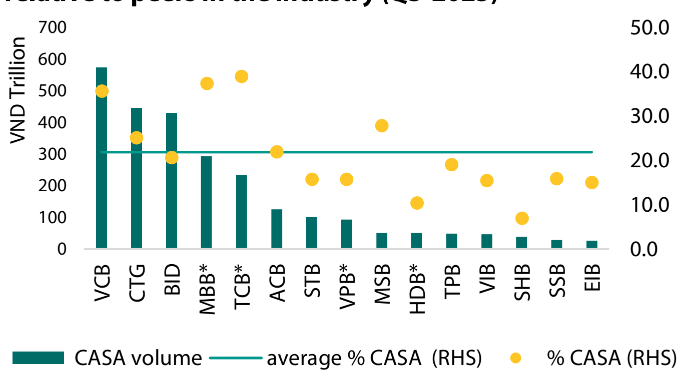
Source: BID, RongViet Securities

Figure 63: Deposit maturity structure of BID



Source: BID, RongViet Securities

Figure 64: BIDV's CASA scale and CASA market share relative to peers in the industry (Q3-2025)



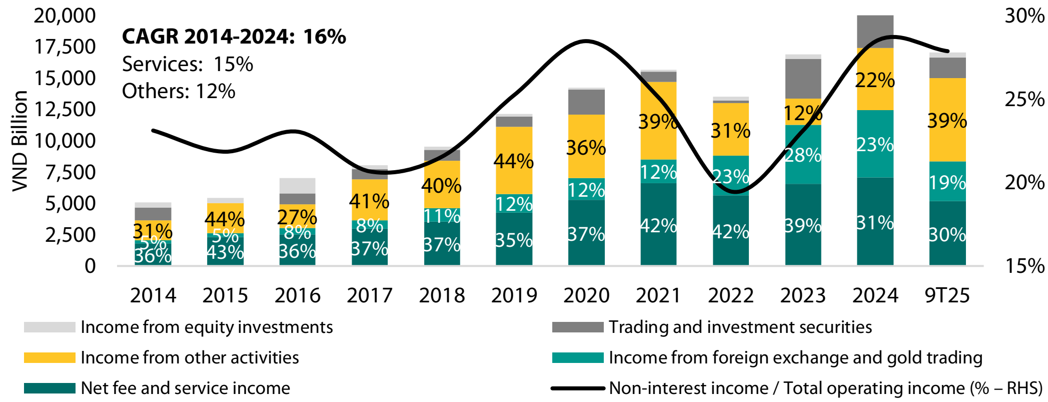
*Source: Banks' reports, RongViet Securities * Parent bank*

3. NON-INTEREST INCOME SOURCES

Non-interest income currently contributes 28% to the bank's total revenue (2024), a level that is high within the industry (industry average of 21% in 2024). Of this, income from service activities and income from other activities dominate non-interest income, accounting for an average share over the most recent five years of 37% and 29%, respectively. A distinctive feature of BID's non-interest income compared to most other banks is the significant contribution from recoveries of non-performing loans previously written off, driven by the bank's largest off-balance sheet NPL portfolio in the system. This explains BID's superior ratios of non-interest income to total revenue and other operating income to total non-interest income relative to the industry.

BID's non-interest income recorded a CAGR of 16% from 2014 to 2024. Within this period, 2022 was the only year to register a decline, as it marked the start of BID's policy to waive multiple service fees (such as domestic and interbank transfer fees, primary account management fees, SmartBanking maintenance fees, OTT messaging fees on the app, etc.) and was impacted by the real estate market downturn, which affected collateral disposal activities and NPL recoveries.

Figure 65: BID's non-interest income composition over the past 10 years



Source: BID, RongViet Securities

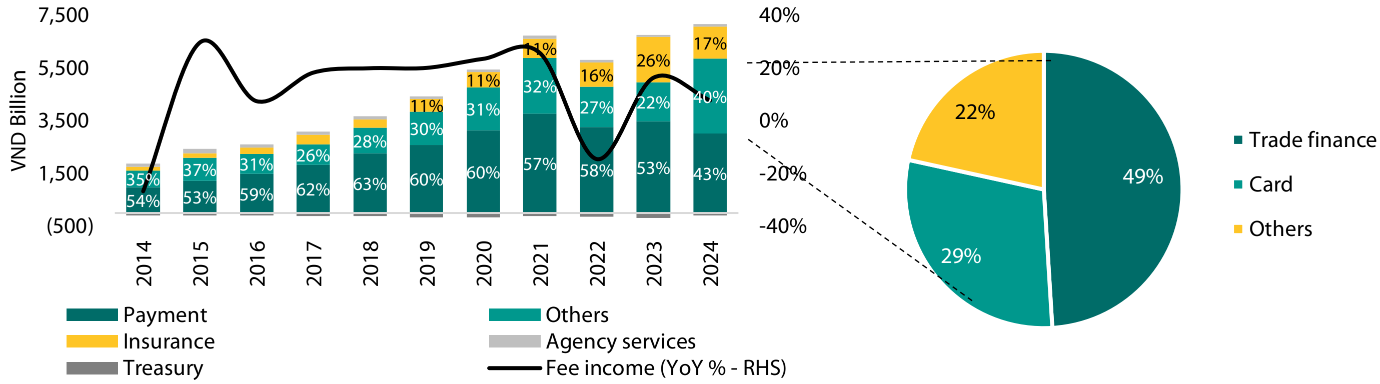
Income from fee and service activities

Revenue diversification through the development of service business activities has long been a key development focus for BID, as the bank recognizes this segment's substantial potential for exploitation, enabling steady revenue growth with low risk. Income from service activities over the 2014-2024 period achieved solid growth, averaging 15% per annum.

BIDV's income from service activities is primarily contributed by three sources:

- *Payment services:* BID maintains the most extensive connections with fintech companies to deploy intermediary payment services, such as online payments, e-wallet services, and collection/disburse support services. Additionally, BID has been the sole settlement bank for Vietnam's underlying securities market since 1999. Consequently, payment services represent the primary pillar of BID's fee income. However, the contribution from this segment has declined from 60% prior to 2019 to 43% in 2024, due to the implementation of service fee reductions starting in 2022 amid heightened competition, as previously discussed.
- *Insurance services:* The portion recorded in service operating income stems from non-life insurance activities of BIC, whereas income from life insurance through the joint venture BIDV MetLife is recognized under income from capital contributions and equity investments.
- *Trade finance:* BID ranks among the leading banks in trade finance market share, currently holding approximately 13% of the total market, supported by its large FDI client portfolio and import-export enterprises. Leveraging its substantial corporate client base and extensive correspondent relationships with nearly 2,000 banks worldwide, BID has sustained stable fee income from trade finance activities, underscoring its significant role in the bank's fee portfolio with a contribution of approximately 20% to total net fee income in 2024.

Figure 66: Net fee and service income structure

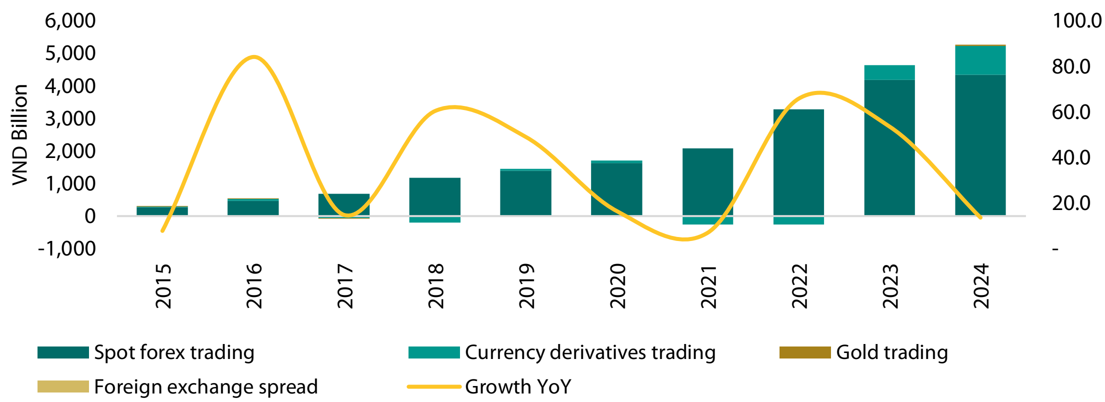


Source: BID, RongViet Securities

Foreign Exchange Trading

BIDV also ranks among the leading banks in the domestic foreign exchange market, supported by its extensive portfolio of import-export and FDI corporate clients, which ensures abundant foreign currency supply. Income from foreign currency transactions at BID reached approximately VND 5,300 billion in 2024, primarily derived from profits on spot foreign exchange transactions, while derivatives trading and gold trading segments contributed only modestly. Heightened exchange rate volatility in the 2023-2024 period, which increased hedging demand, contributed to improved margins on the bank's foreign currency derivatives business.

Figure 67: Most of BID's foreign exchange trading profits come from spot transactions

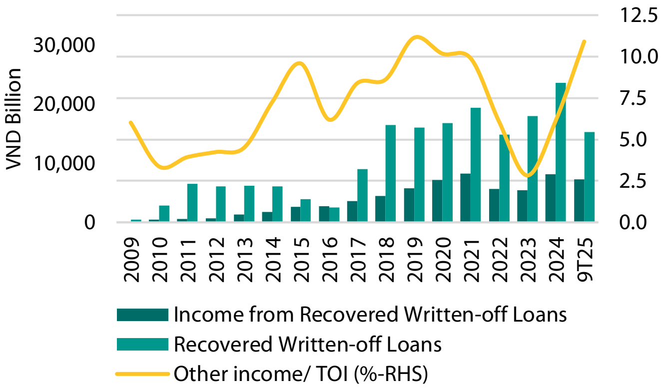


Source: BID, RongViet Securities

Other income

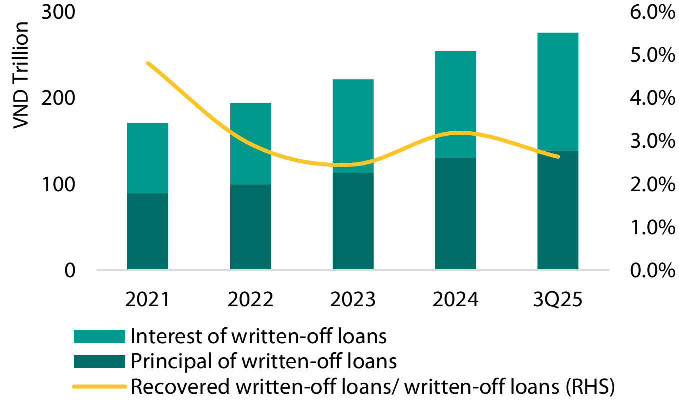
Other income at BID is predominantly generated from recoveries of loans previously written off, largely through the liquidation of collateral securing non-performing loans. During 2022-2023, such recoveries declined due to unfavorable real estate market conditions amid rapidly rising interest rates and NPL levels; however, they have since recovered from 2024 onward and continue to play a significant role in the bank's overall revenue structure. As noted earlier, BID maintains the largest stock of written-off loans in the banking system.

Figure 68: Income from other activities typically contributes 8%-10% to total operating income during buoyant real estate market years and less than 5% during sluggish real estate market years (2009-2013 and 2022-2023).



Source: BID, RongViet Securities

Figure 69: Annual recovery rate of non-performing loans relative to the off-balance sheet monitored loan portfolio of BID from 2021*



Source: BID, RongViet Securities

4. BUSINESS STRATEGY

BID has set ambitious goals for the 2025-2030 period, aiming to become a leading large, strong, and green bank in Southeast Asia, and to rank among the top 100 banks in Asia. BID has outlined its business strategy plan with a vision to 2030 through several key initiatives, as summarized in the table below.

Table 13: Key Strategic Directions and Management Focus Areas in the Vision to 2030

Comprehensive digital transformation	Enhancing financial capacity	Credit activities	Credit quality control
Focus resources on implementing breakthrough solutions in digital banking channels (electronic identification - eKYC, multichannel electronic clearing transfers and payments - ACH, online deposit mobilization/lending, etc.).	• Restructure the funding base maturity profile toward increasing the proportion of non-term deposits. • Increase charter capital through share issuances to foreign investors, new financial investors, subordinated bond issuances, and stock dividends. • Shift the income structure toward increasing non-interest income sources. • Implement effective cost management.	• Promote efficient medium- and long-term lending within appropriate limits. • Drive short-term credit growth for high-quality customers that deliver high overall benefits. • Leverage market-leading position to advance toward a modern retail banking model: increase the share of individual customers and SME customers. • Expand strategic partnerships in wholesale banking activities: capitalize on strengths in collaboration with KEB Hana Bank to develop the foreign corporate client segment. • Roll out "Green Credit" packages, allocating a specific proportion to finance customers in renewable energy, clean energy sectors, low-carbon emission production and consumption industries, and those adapting to climate change.	• Monitor the recovery capacity of distressed customer groups that have received support in line with Government and SBV directives. • Vigorously implement measures for NPL resolution, recovery of potential risk loans, and off-balance sheet debts.

Source: BID, RongViet Securities

APPENDIX: INDUSTRY OUTLOOK

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

- *Trends in developing financial conglomerate models among Vietnamese JSC banks and opportunities to boost non-interest income from the highly promising gold market and crypto assets*.
- *Fee income from bancassurance activities across the banking sector*.
- *Circular 14/2025/TT-NHNN introducing new capital adequacy ratio regulations for the banking industry*.
- *Outlook for the trade finance market*.

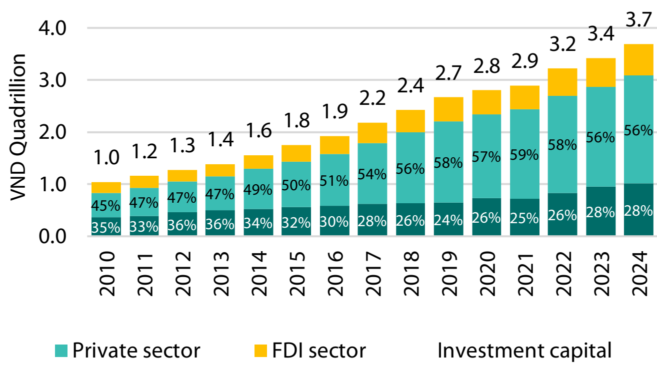
CREDIT GROWTH OUTLOOK IN THE CONTEXT OF DOUBLE-DIGIT ECONOMIC GROWTH TARGETS FOR THE 2026-2030 PERIOD

Credit needs to achieve a compound annual growth rate of 18% over the next five years to meet private sector investment capital demand and support economic development.

On November 13, 2025, the National Assembly passed a Resolution on the socio-economic development plan, setting a GDP growth target of 10% or higher for 2026 and the entire 2026-2030 period, providing momentum toward the vision of Vietnam becoming a developed, high-income nation by 2050.

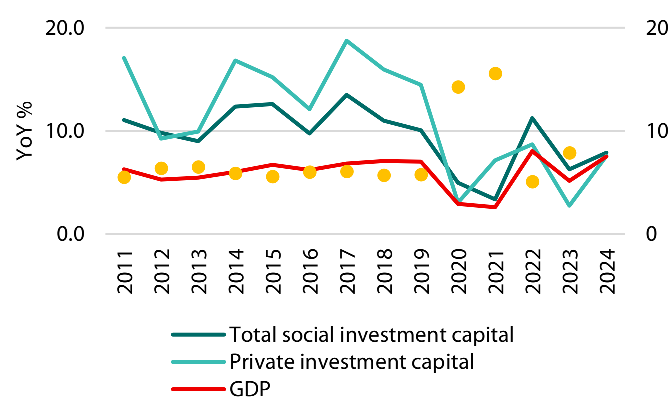
To realize this ambitious GDP growth target, the economy clearly requires substantial total realized social investment capital (TRSIC), alongside solutions for institutional reforms, high-quality human resource development, and technological breakthroughs. For the 2025 plan alone, the Ministry of Finance estimated that total social investment capital needs to exceed VND 4 quadrillion, equivalent to USD 150 billion, to achieve GDP growth of 8% or higher. With a GDP growth target of 10% for the 2026-2030 period and assuming an ICOR of 6, estimated TRSIC needs to maintain a compound growth rate of approximately 15% and reach around VND 35 quadrillion, or nearly USD 1,400 billion, over this five-year period.

Figure 70: Structure of total social investment capital by economic sector type, highlighting the important role of private sector investment with a contribution of 55-60%



Source: GSO, RongViet Securities

Figure 71: Growth in total social investment capital, non-state sector investment capital, and GDP growth

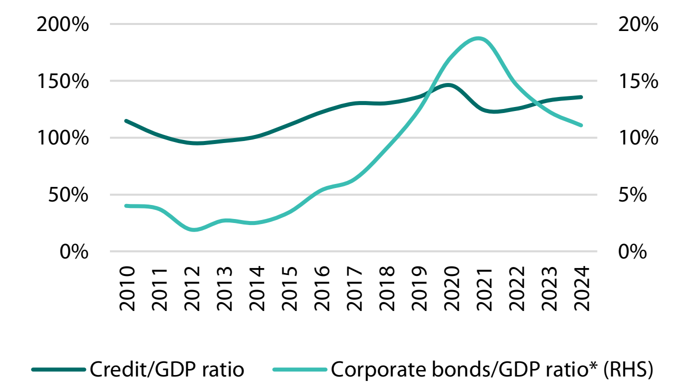


Source: SBV, GSO, RongViet Securities

By economic type **(Figure 70), non-state sector investment capital plays a pivotal role,** particularly in the context where the private economy has been emphasized as the most important driver of the market economy following the Politburo's issuance of Resolution 68-NQ/TW (Resolution 68) on May 4, 2025. Private capital sources currently account for the largest share in the structure of total realized social investment capital, ranging from 56% to 59% over the most recent five years, followed by capital from the state sector (budgetary investment) and the foreign-invested sector (FDI disbursement and ODA capital). The contribution ratio of private investment capital has trended upward since 2010 (45%) to 2024 (56%), driven by a gradual decline in the state sector's investment share amid market economy development and privatization of state-owned enterprises to enhance efficiency, although the state economic sector's role remains highly significant due to its broad societal spillover effects.

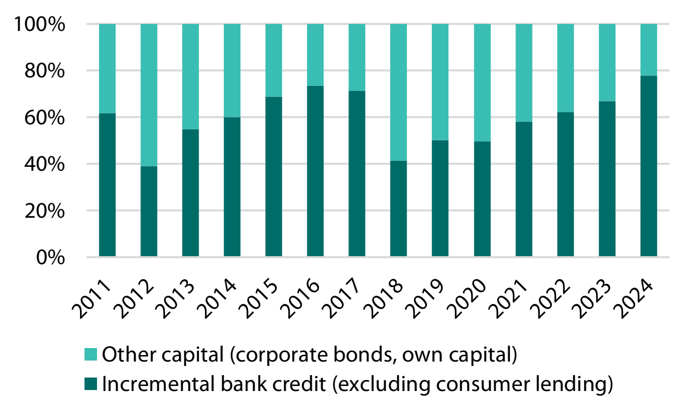
Private sector investment capital is composed of three primary mobilization sources: (1) Credit from the commercial banking system and (2) Capital raised from the capital market through corporate bonds (borrowing from institutions and individuals) and own capital (formed from profits, equity mobilization, contributions, etc.). Of these, **private sector investment remains predominantly dependent on credit from the commercial banking system**. We estimate that annual incremental credit outstanding (excluding consumer lending) accounted for nearly 80% of private sector investment capital in 2024. In practice, the credit outstanding-to-GDP ratio stood at 135% as of 2024, significantly higher than the 11% corporate bond outstanding-to-GDP ratio (or approximately 5% if excluding corporate bonds issued by financial institutions). This disparity stems from a sharp contraction in the corporate bond market since 2022, primarily originating from a series of events and factors related to a crisis of confidence, legal and policy changes, and macroeconomic pressures.

Figure 72: Bank credit will remain the primary capital mobilization channel for the private economic sector as the capital market requires time to restore confidence and develop.



*Source: SBV, GSO, VBMA, RongViet Securities *including bonds of financial institutions*

Figure 73: Estimated contribution ratio of bank credit to private sector investment capital has continuously increased since 2018, reaching nearly 80% in 2024.



Source: SBV, GSO, RongViet Securities

The Government has budgeted investment and development expenditure for the five-year period 2026-2030 at VND 8.51 quadrillion (approximately USD 320 billion, or an average of nearly USD 65 billion per year), estimated to cover 25% of total TRSIC requirements. Meanwhile,

Combined with expectations of foreign-invested sector investment maintaining a compound growth rate of approximately 10% over the same period (compared to the 2021-2024 CAGR of 10%), *total realized investment by the FDI sector is forecast to reach nearly USD 170 billion*, or an average of nearly USD 35 billion per year (at current exchange rates). This level aligns well with projected future FDI realization data, given that the gap between cumulative realized FDI (nearly USD 327.5 billion) and cumulative registered FDI (USD 510.5 billion) from 1988 to March 31, 2025, already exceeds USD 180 billion, excluding annual new registrations. **This leads to a forecast that private sector capital sources need to reach over VND 23 quadrillion (approximately USD 870 billion, or more than USD 170 billion per year), equivalent to a required compound growth rate of 20% over the next five years.**

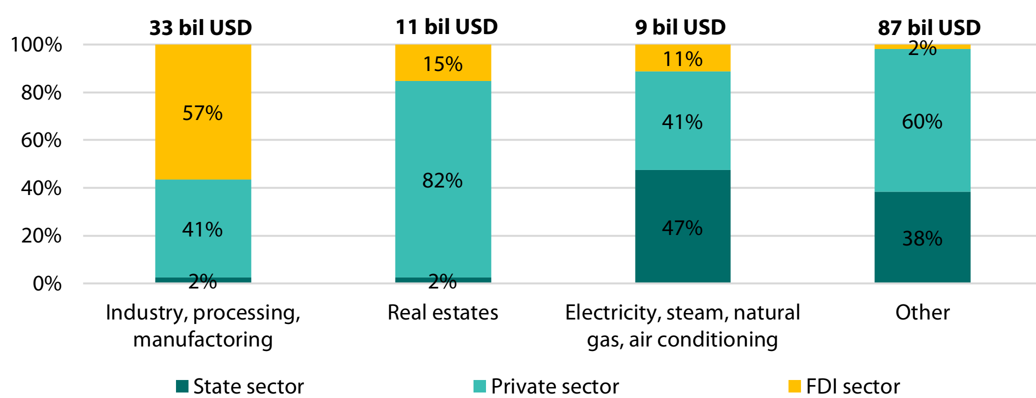
Assuming 80-85% of private sector investment sources derive from bank credit, **outstanding credit is projected to achieve a compound growth rate of 18% to support the Government's double-digit GDP growth target for the 2026-2030 period**, reaching approximately VND 40 quadrillion by 2030F. With prospects for credit maintaining an 18% compound growth rate over the next five years, the credit outstanding-to-GDP ratio is forecast to reach 162% by 2030F.

Sectors expected to attract private capital sources and exhibit strong credit growth

According to Resolution 68, the State is directing efforts to "expand private enterprise participation in key national projects" (such as high-speed railways, urban railways, spearhead industries, energy infrastructure, digital infrastructure, green transportation, defense industry, security, etc.) through policies involving orders, limited tendering or direct appointment, incentives, and diversified public-private partnership models. Additionally, access to land and production/business premises for the private economy will be facilitated, with the State prioritizing the promotion of science and technology, innovation, and digital transformation. Accordingly, *sectors anticipated to see substantial increases in private investment capital and credit include real estate business, energy, science and technology, and particularly construction (related to infrastructure projects).*

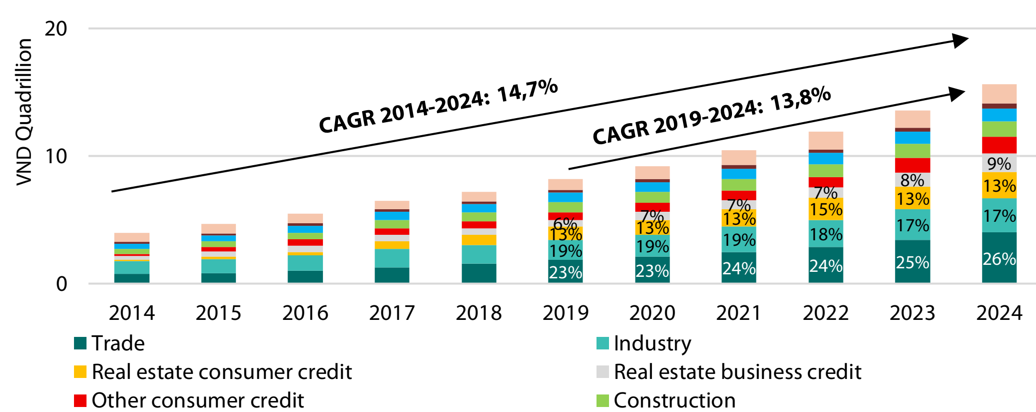
Consistent with this orientation, we expect *credit growth to concentrate in the medium- and large-sized enterprise segment*, aligning with the State's goal under Resolution 68 to form and rapidly develop large- and medium-sized enterprises, including private economic conglomerates of regional and global stature. Meanwhile, retail credit (serving consumption needs of individual customers or SMEs) is projected to recover but with a lag relative to the medium- and large-enterprise segment, as we anticipate that investment capital from the State and private enterprises will have spillover effects on household incomes after approximately 1-2 years from the onset of strong investment acceleration (expected from 2026).

Figure 74: Contribution structure by investment capital sources across select representative sectors in 2024



Source: GSO, RongViet Securities

Figure 75: Scale of credit across the economy by sector



Source: SBV, RongViet Securities

Table 14: 5Y CAGR, 10Y CAGR and credit structure by major economic sectors

Sector \ Criteria	CAGR 2014-24 (%)	CAGR 2019-24 (%)	6M-2025 YTD (%)	1H2025 Credit structure (%)
Trade	18	17	8	25
Industry	10	11	6	17
Real estate consumer credit	35	14	10	13
Real estate business credit	16	23	20	10
Other consumer credit	23	16	n.a	n.a
Construction	12	8	7	7
Agriculture, forestry, and fisheries	9	7	5	6
Transportation and telecommunications	11	11	15	3
Other credit	8	12	n.a	n.a
Total credit	**15**	**14**	**10**	**100**

Source: SBV, RongViet Securities

Potential and risks of the credit-based growth model: lessons from asian countries

Pursuing rapid economic growth through aggressive credit expansion is a common strategy employed by nations to accelerate their economic development. Moreover, when such credit or investment sources are properly leveraged - alongside other macroeconomic policies - during the "golden population structure" period (demographic dividend), they can enable middle-income developing countries to successfully transition into developed, high-income nations.

The two Asian "tigers" - South Korea and Taiwan - represent countries that have successfully applied this strategy. Both pursued a credit-driven growth model by directing capital flows into priority sectors and even suppressing interest rates (in South Korea's case). This model was a key driver of their miraculous development over three decades from the 1970s to the 1990s, coinciding with the period when these economies benefited from the demographic dividend.

Credit allocation policies in these countries evolved across strategic phases: shifting from light industry (labor-intensive) to heavy industry, and then to high-technology sectors, with an overall orientation toward promoting exports (to generate employment and accumulate foreign currency reserves) and industrial upgrading. The primary rationale for this progression was to sustain national competitiveness: as worker incomes rose with economic development, these countries gradually reduced reliance on labor-intensive industries and were compelled to redirect investment toward capital-intensive sectors or knowledge-intensive industries - those reliant on high technology, research and development, and highly skilled human resources.

Table 15: Successful Economic Development Cases Based on High Credit Growth into Manufacturing Sectors

Country	High Growth Period	Special Institutional Features	Priority Sectors for Credit Allocation	Growth Outcomes
South Korea	1970-1990	In the early 1960s, the South Korean Government nationalized all major banks, thereby gaining full control over credit flows and interest rates. Although the Government legally privatized all major commercial banks in the 1980s, it continued to exert dominant influence for many years thereafter. Directed lending played a crucial role in forming large family-owned conglomerates (chaebols) with global competitiveness, which became the primary driver of subsequent economic growth.	Credit was strategically directed by the State into export-oriented manufacturing sectors deemed critical to the national growth strategy, such as: • Heavy and chemical industries (steel, shipbuilding, automobiles, petrochemicals). • Electronics and semiconductors. Approximately **54%** of total credit was allocated to these manufacturing sectors in the 1980s, declining to **44%** by 1990 - a still substantial figure.	• Investment/GDP ratio rose from 10% in 1965 and remained above 30% from 1980 onward. • 10YCAGR credit in 70s/80s/90s reached 35%/19%/17% , respectively. Bank credit-to-GDP ratio increased from 30% in 1970 to 70% in 2000. • Double-digit GDP growth sustained for many years from 1965 through the early 1990s. • Per capita GDP quadrupled during the 1980s, with South Korea

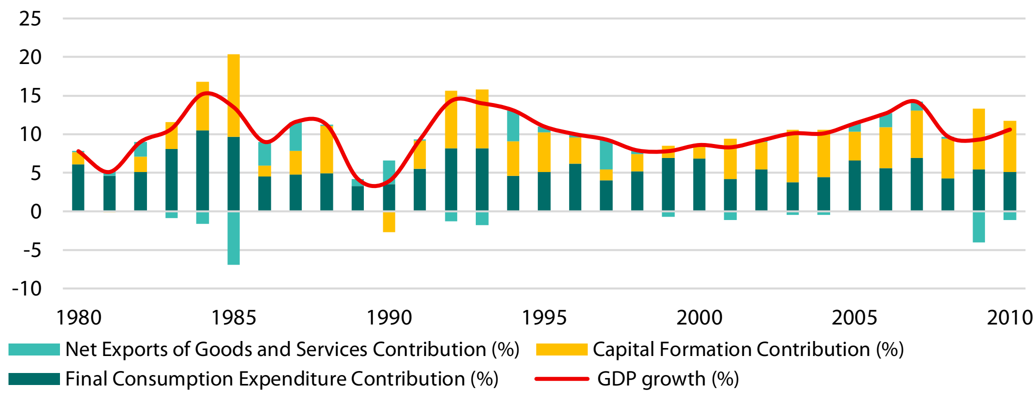
				achieving high-income status around the mid-1990s.
Taiwan	1960-1990	Taiwan established state-owned development banks from the 1950s, alongside special investment funds, to channel credit/investment toward key industrial sectors. From the late 1980s, Taiwan's credit policy gradually liberalized (particularly after 1987 with the lifting of martial law and U.S. pressure for financial liberalization): bank privatization, removal of interest rate controls, and phased reduction of policy-directed credit.	The Government directed banks (under state control) to provide preferential low-interest loans to priority export sectors: • Early phase 1960-1970: Focus on light industries such as textiles, footwear, and consumer export goods. • 1970-1980: Emphasis on heavy industries including steel, shipbuilding, petrochemicals, and infrastructure development (highways, ports, power plants). • 1985-1990: Shift to high-technology sectors such as semiconductors, electronics, precision machinery, and automation.	• Average GDP growth of 8-10% during the 1970s-1980s. • Economic structure transformed from agriculture (32% of GDP in 1952) to below 10% by 1980, with industry rising from 20% to 40-45% of GDP. By the 1990s, Taiwan became a developed economy. • Unlike South Korea, Taiwan's credit policy supported SMEs initially and later facilitated the emergence of large conglomerates. Numerous global technology conglomerates were formed, such as TSMC, Foxconn, Acer, ASUS, etc.

Source: World Bank, San Francisco Federal Reserve District, RongViet Securities

While the aforementioned approach has delivered breakthrough results in certain periods, it has also revealed negative side effects associated with excessive leverage, as exemplified by the case of China.

The development of the world's second-largest economy following the "Reform and Opening Up" policy in 1978 represents one of the most remarkable transformations in modern history. With an export-oriented development strategy amid global trade integration, the Chinese economy began accelerating strongly from the 1990s through the expansion of special economic zones combined with promotion of the private economic sector. By 2001, China's accession to the WTO and this globalization trend enabled access to major international export markets, providing outlets for low-cost labor and Chinese manufacturing. During the 2001-2010 period, growth was further boosted by surging exports and peak FDI inflows. From 1990 through the mid-2010s, China achieved double-digit average annual GDP growth for many years (**Figure 76**) and transitioned into an upper-middle-income country. Notably, this growth process occurred during the period when China benefited from the demographic dividend and was supported by massive investment/credit capital directed into strategic priority sectors in each phase. In the acceleration phase of 1992-2001, investment focused on processing and manufacturing for exports, special economic zone development, and infrastructure; from 2001-2010, infrastructure remained a priority, but investment was increasingly shared with real estate.

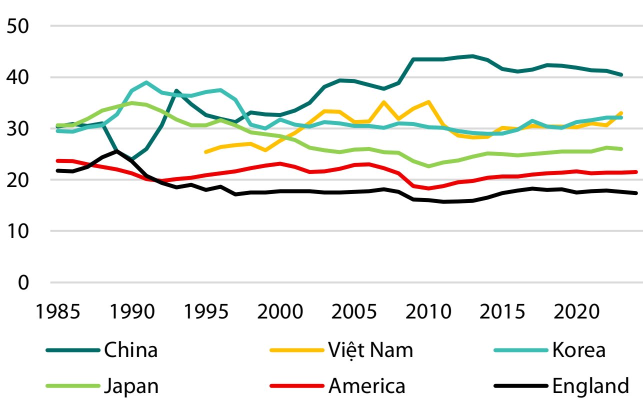
Figure 76: Investment as a key driver of China's miraculous economic growth from the 1990s to 2010 (%)



Source: National Bureau of Statistics of China, RongViet Securities

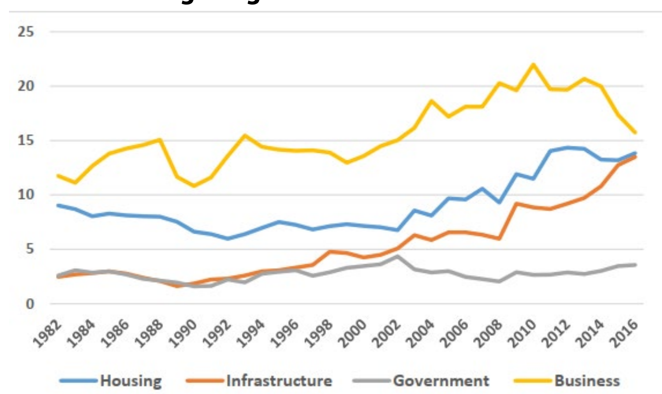
Large-scale investment has been the core of China's development model, supported by high domestic savings rates post-1980 (driven by rapidly rising household incomes following the Reforms and the one-child policy) and particularly by debt financing. The investment-to-GDP ratio remained very high, averaging nearly 35% from the mid-1990s until before 2008, and staying above 40% thereafter due to a nearly USD 600 billion economic stimulus package in response to the global financial crisis (**Figure 77**). This massive stimulus was predominantly in the public sector, focused on infrastructure and housing investments. Although China subsequently began redirecting investment toward *"new quality productive forces," prioritizing high-technology sectors (such as AI, semiconductors, and renewable energy) while reducing investment in traditional heavy industries (such as steel, cement, and coal)* due to overcapacity, the share of investment in infrastructure and real estate has remained substantial (**Figure 78**).

Figure 77: China's investment ratio has stayed elevated above 40% since 2008, significantly higher than in many developed countries



Source: World Bank, RongViet Securities

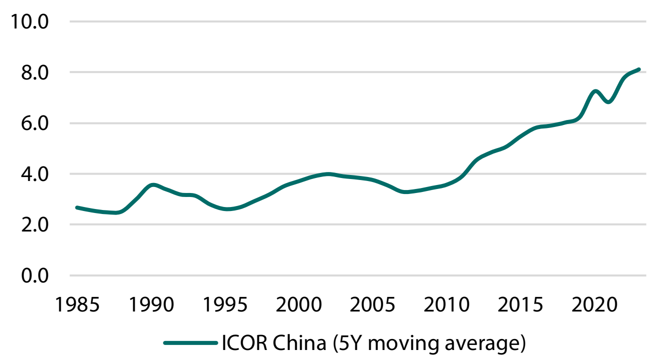
Figure 78: Structure of China's investment by sector, highlighting the concentration in infrastructure and real estate following the global financial crisis



Source: Herd (2020). Research report on estimated gross capital formation and accumulated capital by economic sectors in China. World Bank

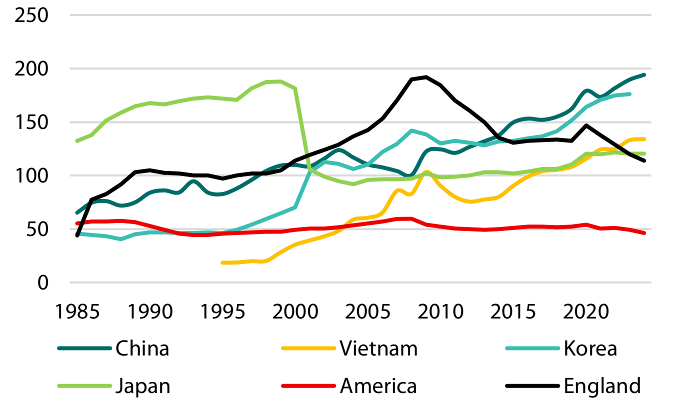
However, after decades of large-scale investment in infrastructure and real estate, China is confronting diminishing returns on investment, manifested through the persistent upward trend in the ICOR index (**Figure 79**) over the most recent decade. In other words, China must continue expanding investment/credit at a faster rate than GDP to maintain GDP growth. This results in rapidly accumulating debt without proportionate growth creation, elevating the overall debt-to-GDP ratio - encompassing public debt (potentially exceeding 200% when incorporating LGFV borrowings for local infrastructure financing), non-financial corporate debt, and household debt - to historical highs, excluding outstanding obligations from the informal market (shadow banking).

Figure 79: China facing diminishing investment efficiency after 2010



Source: World Bank, RongViet Securities estimated

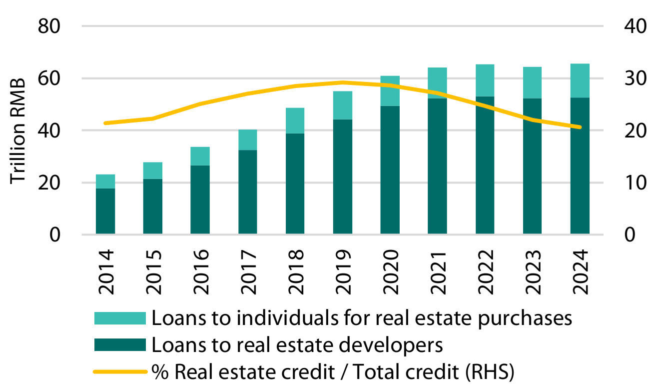
Figure 80: Bank loans to the corporate sector - the largest component of China's total debt - have reached nearly 200% of GDP, one of the highest levels globally



Source: World Bank, RongViet Securities

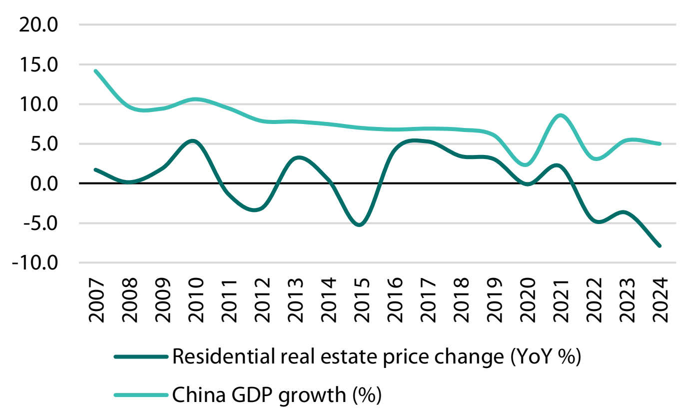
Private sector debt (primarily non-financial corporate) stands at a very high level, rising sharply from approximately 150% of GDP in 2015 to 194% of GDP in 2024, according to World Bank data. Corporate debt is heavily concentrated in specific sectors, with real estate being the most prominent, as this sector has been a key investment focus closely tied to infrastructure development. In practice, the high leverage ratios of real estate developers led the sector into crisis following the Covid-19 outbreak and the introduction by the Chinese Government of the "three red lines" policy to control leverage among these enterprises. This triggered a continuous decline in housing prices and prompted households to curtail spending (given that real estate represents the largest share of total household assets in China), creating a deflationary spiral that has weighed on China's economic growth in recent years.

Figure 81: Lending to the real estate sector peaked at nearly 30% before the Covid-19 pandemic and has continuously declined since the sector entered crisis in 2021



Source: PBoC, RongViet Securities estimated

Figure 82: Actual housing price growth in China (%), contributing to the deflationary spiral in the economy



Source: Bank for International Settlements, World Bank, RongViet Securities

Lessons for Vietnam

From the real-world examples above, it is evident that directed credit can be a powerful tool for promoting economic growth but requires prudent management to effectively capitalize on the "golden population" period (with many forecasts indicating only 10-15 years remaining) and enable Vietnam to escape the middle-income trap in line with established objectives.

Drawing from the experiences of South Korea and Taiwan, allocating credit under Government direction to priority sectors such as exports and heavy industry development represents the correct approach that should be implemented promptly, accompanied by policies encouraging domestic industrial and service sector growth, alongside controls on credit to non-priority areas. This is particularly relevant given that the share of credit financing Vietnam's industrial sector remains relatively low, at under 20%, and export-oriented manufacturing activities continue to depend predominantly on FDI enterprises.

China's experience, conversely, underscores that uncontrolled credit expansion may drive short-term growth but accumulate long-term debt, causing lasting economic damage through phenomena such as real estate bubbles and deflation. Vietnam could face similar risks of excessive leverage and diminishing efficiency akin to China's trajectory if the projected credit-to-GDP ratio reaches approximately 165% by 2030 as previously noted, particularly if real estate lending remains prioritized as currently and capital flows are not swiftly redirected toward manufacturing-export sectors to enhance national income. This experience also suggests that the Government should not prematurely relax credit growth limits, which could rapidly elevate debt ratios in the short term, until banking systems fully comply with capital adequacy ratios under Circular 14/2025 and ensure effective direction of credit flows to priority sectors. Nevertheless, Vietnam holds an advantage over China in achieving efficient investment returns from public debt, given its low public debt ratio (below 40% of GDP). Additionally, diversifying investment capital sources through policies to develop the capital market (enhancing transparency, product diversification, and market quality) is an essential direction, helping reduce bank dependence, strengthen crisis resilience, and support sustainable growth.

APPENDIX - PEERS

In this report, we utilize the three remaining listed state-owned banks in Vietnam - VCB, CTG, and Agribank along with six other commercial banks from emerging Asian economies that hold comparable positions for benchmarking financial metrics and valuations. 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 BID.

Vietcombank (VCB VN), established in 1963, is the state-owned commercial bank with the largest profit scale in Vietnam, recording pre-tax profit of USD 1.7 billion in 2024 and total assets exceeding USD 80 billion in 2024. VCB leads the system in international transactions and retail, wholesale banking services, exerting significant influence on the domestic economy with a market share of approximately 9% in 2024.

VietinBank (CTG VN), established in 1988, is a large-scale state-owned commercial bank in Vietnam, with pre-tax profit of USD 1.27 billion in 2024 and total assets exceeding USD 90 billion. VietinBank leads the system in financing industry, trade, and corporate banking services, with substantial domestic economic influence and a market share of approximately 11% in 2024.

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

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

Punjab National Bank (PNB IN). PNB was initially the first Indian-owned private bank when established in 1894 and was nationalized in 1969. In 2020, PNB merged with United Bank of India and Oriental Bank of Commerce, significantly expanding its scale and operations, increasing its branch network to over 11,000 nationwide and positioning it as India's second-largest public sector bank. PNB focuses on serving essential economic segments in India, such as agricultural finance, retail, and SMEs. NPL ratios at PNB, and Indian banks in general, remain relatively high at around 5%-6% in 2024.

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

Malayan Banking Bhd (MAY MK) is the largest bank in Malaysia by total assets (USD 240 billion in 2024), established in 1960 and headquartered in Kuala Lumpur. Maybank offers a diverse range of financial services and operates strongly across Southeast Asia, including Singapore and Indonesia.

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

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

Table 16: Comparison of scale

Year	2019	2020	2021	2022	2023	2024	5Y CAGR
Total asset (Mil USD)							
BID VN Equity	52,767	57,418	61,990	76,753	75,806	81,847	9
VCB VN Equity	64,294	65,663	77,179	89,738	94,807	108,335	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	112,965	174,918	176,426	181,876	191,782	217,163	4
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
Average	**500,429**	**572,579**	**635,583**	**638,023**	**692,153**	**730,445**	**8**
Median	**101,773**	**110,839**	**119,521**	**124,401**	**134,460**	**135,889**	**6**
Equity (MilUSD)							
BID VN Equity	3,490	4,070	4,780	5,736	6,798	7,695	17
VCB VN Equity	3,216	3,308	3,642	4,206	4,858	5,484	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	8,475	12,644	12,854	12,527	13,243	15,565	4
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
Average	**42,739**	**49,019**	**54,598**	**54,637**	**57,880**	**60,441**	**7**
Median	**13,072**	**13,122**	**13,615**	**13,669**	**15,095**	**16,507**	**5**

Source: Bloomberg, RongViet Securities

Table 17: Comparison of market share with Vietnamese state-owned banks

Year	2019	2020	2021	2022	2023	2024
Credit market share(%)						
BID VN Equity	13.9	13.4	13.1	12.9	13.2	13.2
VCB VN Equity	9.1	9.2	9.3	9.7	9.4	9.3
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
Deposits market share(%)**						
BID VN Equity	15.4	15.0	15.3	14.9	14.6	15.0
VCB VN Equity	12.8	12.6	12.6	12.5	12.0	11.6
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
CASA market share(%)**						
BID VN Equity	14.4	14.3	13.9	14.1	14.3	14.1
VCB VN Equity	21.4	20.1	19.4	21.4	20.1	19.9
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, Bank report, RongViet Securities ** Based on 27 listed commercial banks' scale and Agribank*

Table 18: Comparision valuation

Year	2019	2020	2021	2022	2023	2024	Weighted average 5Y
Weight	**10%**	**10%**	**10%**	**20%**	**20%**	**30%**	
P/B valuation (x)							
BID VN Equity	2.4	2.5	2.2	1.9	2.1	1.8	2.1
VCB VN Equity	4.0	3.8	3.4	2.8	2.7	2.6	3.0
CTG VN Equity	1.0	1.5	1.7	1.2	1.2	1.4	1.3
3988 HK Equity	0.3	0.2	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	0.7
KTB TB Equity	0.5	0.4	0.4	0.5	0.6	0.6	0.5
MAY MK Equity	0.8	0.8	0.9	1.0	1.0	1.2	1.0
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
Medium	**1.4**	**1.4**	**1.4**	**1.3**	**1.5**	**1.4**	**1.4**
Median	**1.0**	**1.2**	**1.3**	**1.2**	**1.2**	**1.4**	**1.2**

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%**	
NIM (%)							
BID VN Equity	2.8	2.6	3.0	3.1	2.7	2.4	2.7
VCB VN Equity	3.2	3.0	3.2	3.5	3.1	2.9	3.2
CTG VN Equity	3.0	3.0	3.1	3.0	2.9	2.9	3.s0
3988 HK Equity	2.0	2.0	1.9	1.8	1.7	1.5	1.7
PNB IN Equity	2.4	3.2	2.5	2.7	2.9	2.7	2.8
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
Medium	**3.5**	**3.3**	**3.4**	**3.5**	**3.3**	**3.1**	**3.3**
Median	**3.0**	**3.0**	**3.0**	**3.0**	**2.9**	**2.9**	**3.0**
ROE (%)							
BID VN Equity	12.1	7.7	11.0	16.9	17.4	17.2	15.1
VCB VN Equity	22.8	19.0	19.4	21.7	20.3	17.2	19.7
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	0.8	3.3	4.1	3.3	8.5	15.2	7.7
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
Medium	**12.1**	**9.5**	**11.6**	**13.5**	**14.8**	**15.4**	**13.6**
Median	**11.4**	**8.5**	**11.2**	**14.5**	**14.8**	**17.2**	**14.1**
ROA (%)							
BID VN Equity	0.6	0.5	0.6	0.9	1.0	1.0	0.8
VCB VN Equity	1.6	1.4	1.6	1.9	1.8	1.7	1.7
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	0.1	0.2	0.3	0.2	0.6	1.1	0.5
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
Medium	**1.2**	**0.9**	**1.1**	**1.3**	**1.4**	**1.5**	**1.3**
Median	**1.0**	**0.8**	**0.9**	**0.9**	**1.0**	**1.1**	**1.0**

Source: Bloomberg, RongViet Securities

Table 20: Comparison of asset quality

Year	2019	2020	2021	2022	2023	2024
NPL (%)						
BID VN Equity	1.7	1.8	1.0	1.2	1.3	1.4
VCB VN Equity	0.7	0.6	0.6	0.7	1.0	1.0
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	15.5	15.4	4.7	9.3	5.9	0.4
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
Medium	**3.5**	**3.5**	**2.1**	**2.6**	**2.2**	**1.5**
Median	**1.7**	**1.8**	**1.7**	**1.4**	**1.3**	**1.2**
LLR (%)						
BID VN Equity	75	89	215	210	181	131
VCB VN Equity	191	368	421	317	227	223
CTG VN Equity	120	131	180	186	167	172
3988 HK Equity	183	162	187	189	192	200
PNB IN Equity	19	16	40	20	22	41
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
Medium	**141**	**199**	**226**	**188**	**182**	**173**
Median	**132**	**140**	**187**	**187**	**181**	**183**

Source: Bloomberg, RongViet Securities

Table 21: Comparison of Performance Metrics

Year	2019	2020	2021	2022	2023	2024
NII/TOI (%)						
BID VN Equity	68	67	71	76	72	67
VCB VN Equity	69	69	70	72	72	73
CTG VN Equity	75	73	73	69	70	72
3988 HK Equity	70	73	70	77	74	70
PNB IN Equity	N.a	70	71	74	75	72
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
Medium	**69**	**69**	**68**	**72**	**71**	**70**
Median	**69**	**70**	**71**	**74**	**73**	**72**
CIR (%)						
BID VN Equity	35	33	29	31	32	32
VCB VN Equity	32	30	29	29	29	30
CTG VN Equity	37	33	30	28	27	26
3988 HK Equity	36	37	37	35	35	34
PNB IN Equity	N.a	46	49	51	53	54
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
Medium	**40**	**41**	**41**	**39**	**38**	**39**
Median	**41**	**42**	**43**	**41**	**40**	**41**

Source: Bloomberg, RongViet Securities

Table 22: Comparison of Growth Metrics

Year	2019	2020	2021	2022	2023	2024	CAGR 5Y
Consumer lending (YoY %)							
BID VN Equity	13	9	13	9	14	10	11
VCB VN Equity	16	15	16	15	8	9	12
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	46	3	5	10	11	14
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
Medium	**11**	**13**	**9**	**5**	**10**	**8**	**9**
Median	**12**	**9**	**13**	**5**	**10**	**9**	**10**
PBT (YoY %)							
BID VN Equity	13	-16	52	66	18	10	23
VCB VN Equity	26	-1	21	33	9	-3	11
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	466	70	-23	163	105	109
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
Medium	**18**	**39**	**37**	**25**	**29**	**17**	**22**
Median	**8**	**-16**	**27**	**33**	**15**	**9**	**11**

Source: Bloomberg, RongViet Securities

RONG VIET 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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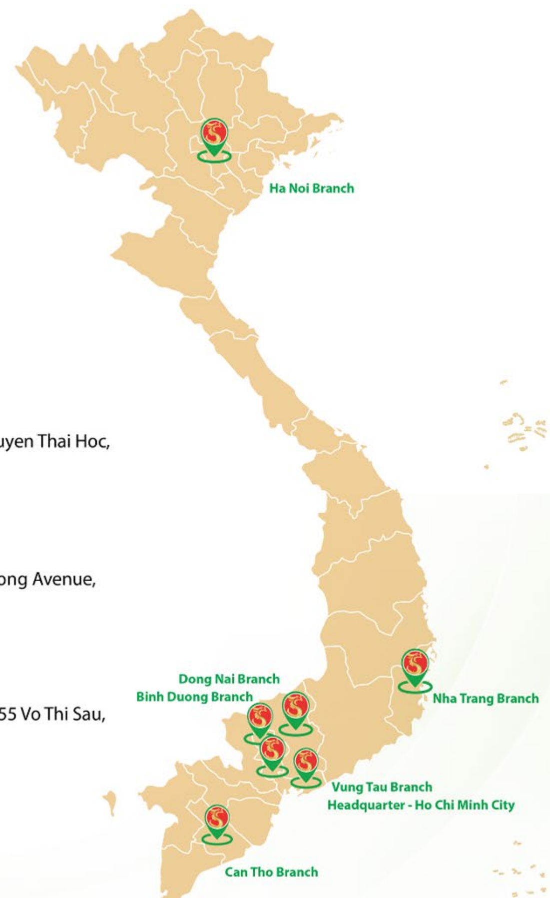

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