



BANK FOR INVESTMENT AND DEVELOPMENT OF VIETNAM JSC



August 2024

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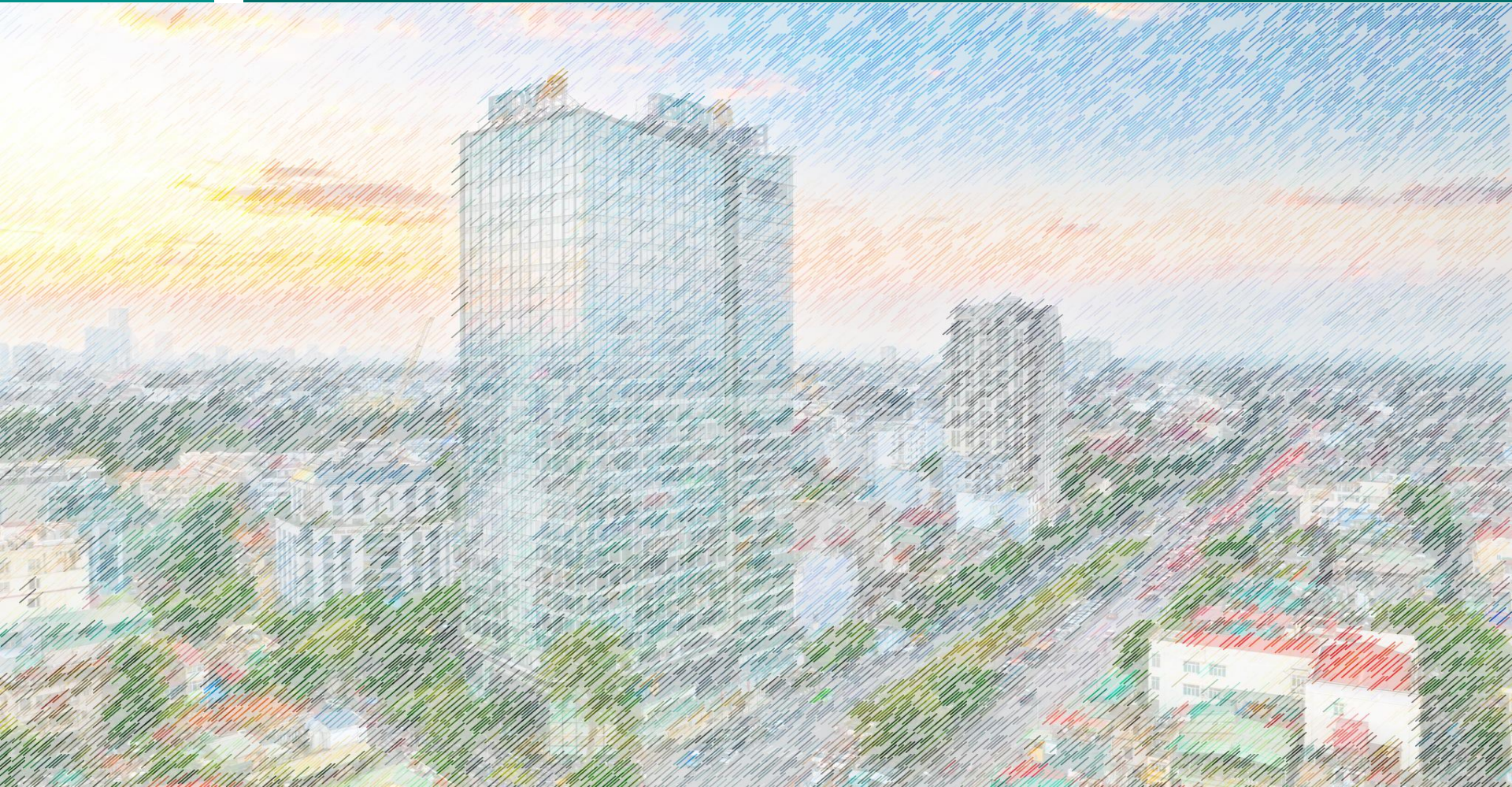
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Highlights



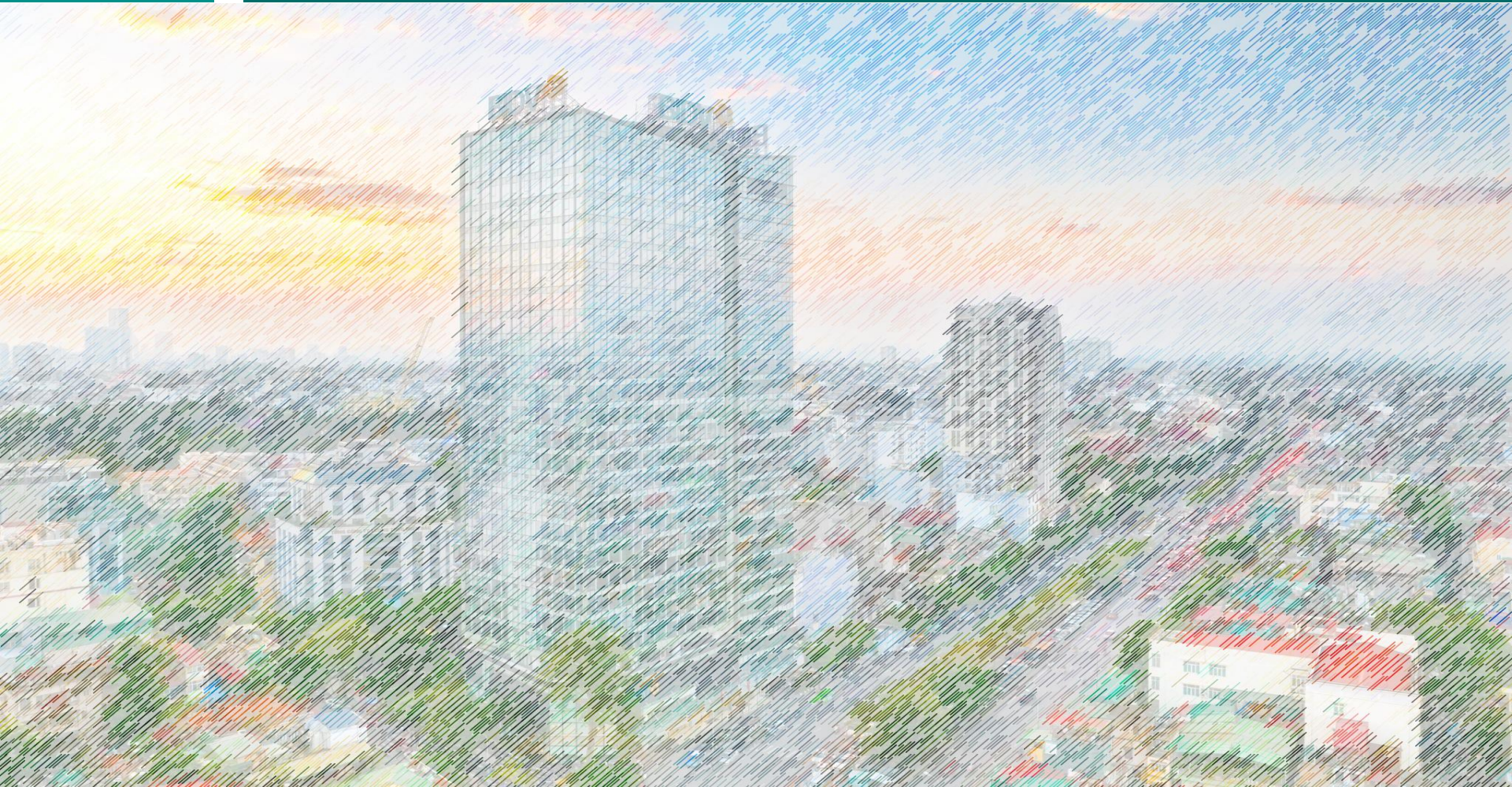
1H24 results: Solid growth with sustained profitability

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Customer Loans	 VND 1,883tn + 15.6% YoY + 5.9% YTD	<ul style="list-style-type: none"> Loan book grew 5.9% YTD driven by strong retail loan growth
Total Deposits	 VND 2,000tn + 15.1% YoY + 6.0% YTD	<ul style="list-style-type: none"> Deposit improved significantly, with CASA balance increasing 28% YoY
Total Operating Income	 VND 37.4tn + 8.3% YoY	<ul style="list-style-type: none"> TOI improved with steady net interest income and strong non-interest income growth
PBT	 VND 15.5tn + 12.1% YoY	<ul style="list-style-type: none"> PBT increased on the back of low operating expenses and lowered credit cost
NIM	 2.51% FY23: 2.57% 1Q24: 2.55%	<ul style="list-style-type: none"> NIM fell slightly, expected to stabilize in 2H with improved CASA and credit quality
CIR	 32.4% FY23: 34.3%	<ul style="list-style-type: none"> Continued improvement in CIR with application of ESG practices
RoAA / RoAE	  1.01% / 19.7% FY23: 0.97% / 19.8%	<ul style="list-style-type: none"> Profitability metrics remain stable with improving operating efficiency
NPL	 1.52%¹ FY23: 1.25%	<ul style="list-style-type: none"> NPL remains subdued in 1H24 due to NPLs from construction sector

Notes:
1. NPL is 1.32% as of June 30, 2024 in accordance with Circular No.11/2021/TT-NHNN.

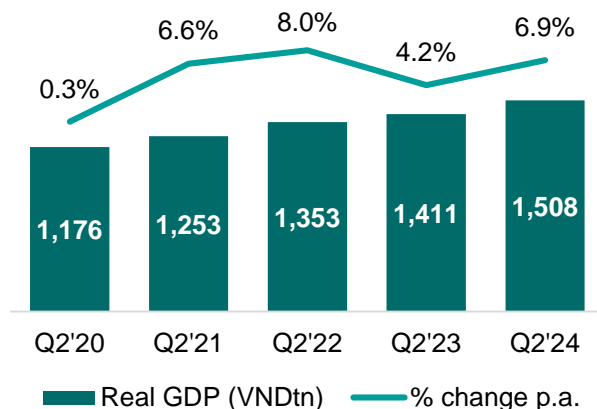
2 Vietnam macroeconomic environment



Reviewed outlook with robust and sustainable growth

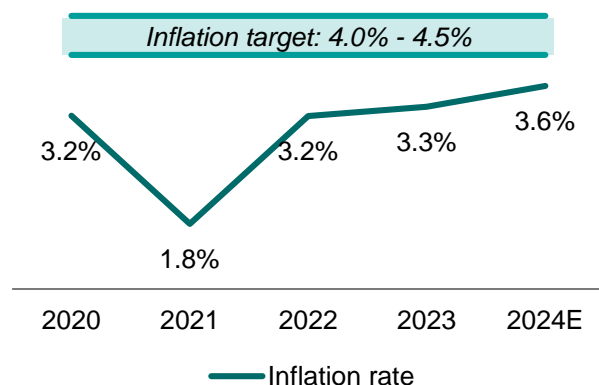
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Continued GDP growth momentum with Q2 growth rate hitting new high (VND tn)



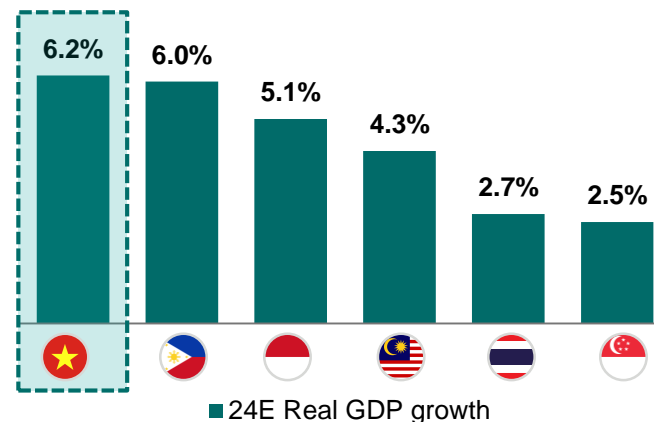
Source: EIU

Inflation rate well controlled below inflation target



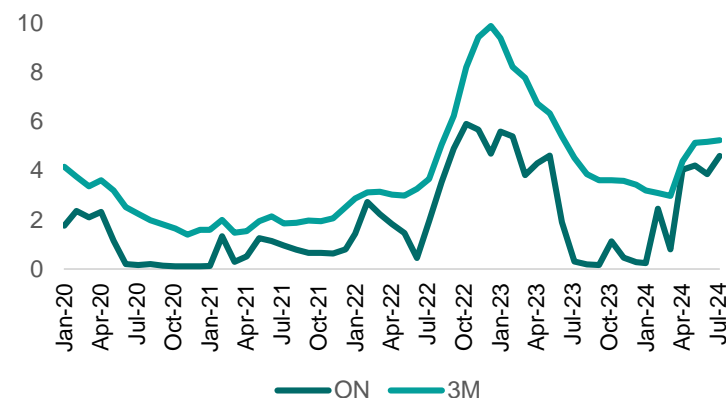
Source: Euromonitor

Forecasted to be the fastest growing economy in the region



Source: Euromonitor

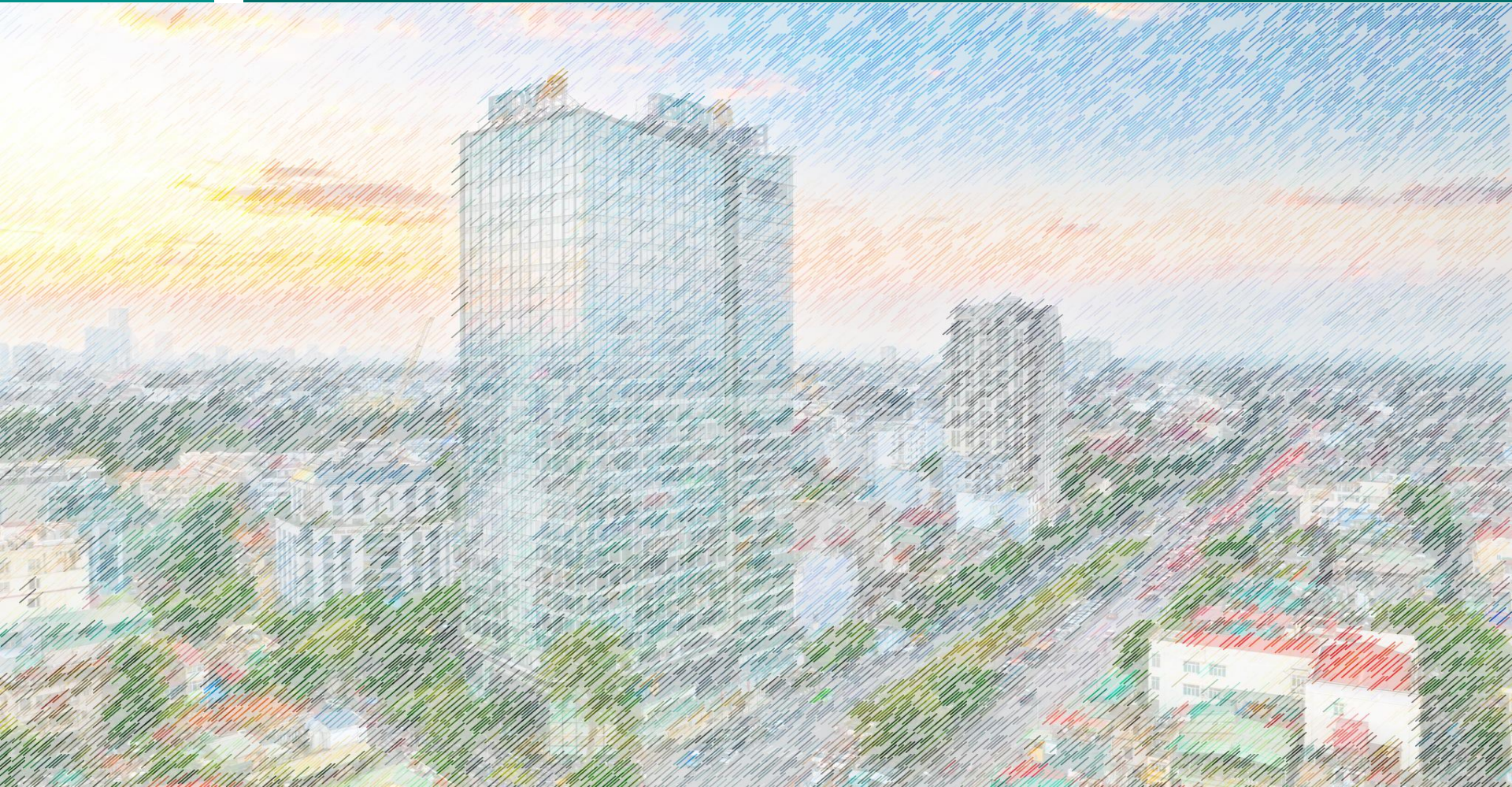
Policy rates maintained at a low level to stabilize FX amongst global pressure (% , monthly average)



Source: FactSet

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Financial results

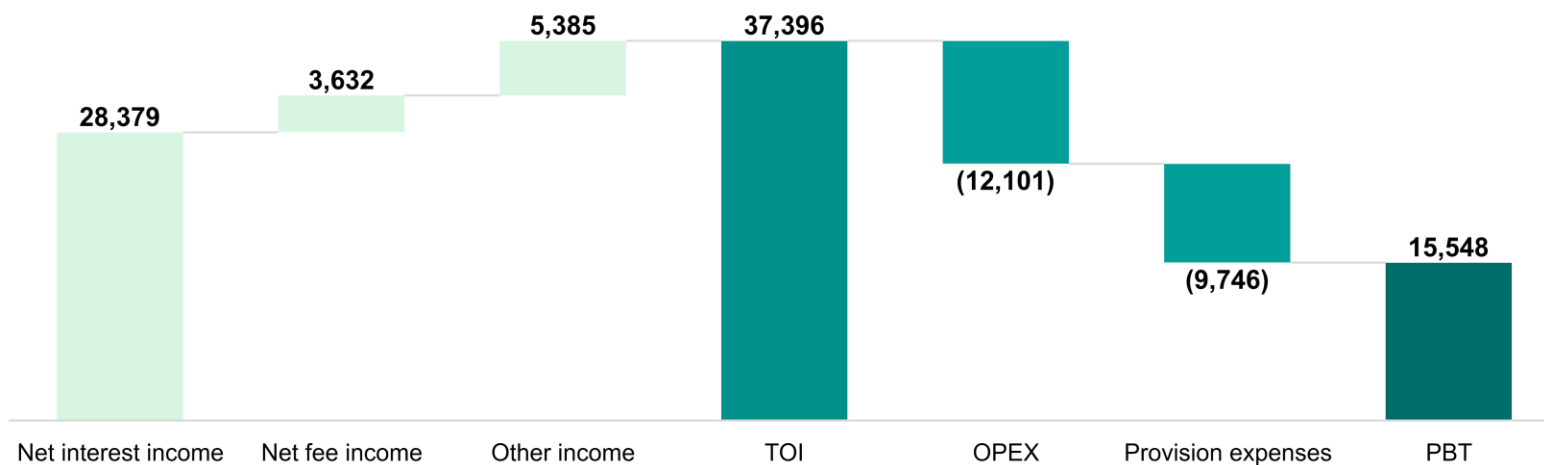


1H24 earnings breakdown

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- Recovery in net interest income primarily due to robust growth in corporate loan for commercial production and mortgage loan
- Strong growth momentum in net fee income driven by payment and card related services, underpinned by insurance income
- Other income grew on the back of robust trading and FX-related income
- Lowered provisions and credit cost enhancing profitability while maintaining strong coverage

1H24 earnings breakdown
(VND tn)



YoY
growth

▲ 3.3%

▲ 13.8%

▲ 39.5%

▲ 8.3%

▲ 8.0%

▲ 3.0%

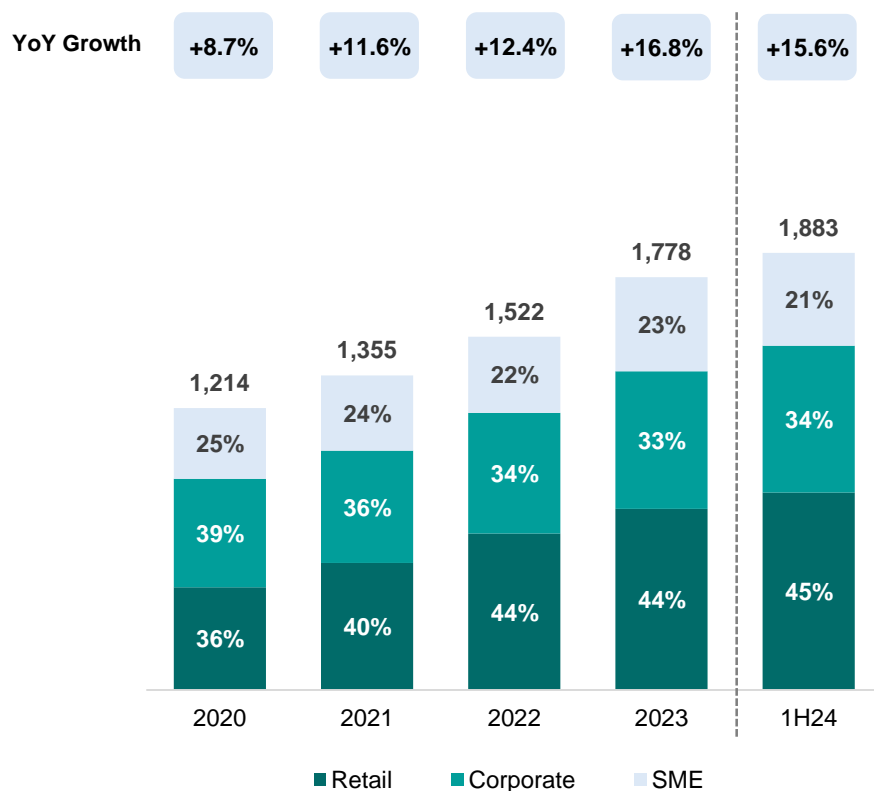
▲ 12.1%

Credit growth

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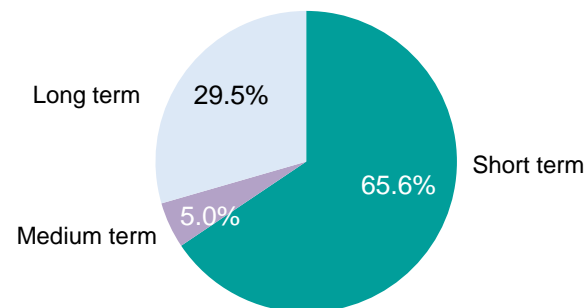
- Credit grew by 5.9% YTD in 1H24 – selected expansion of credit portfolio with resumed growth of Retail and Corporate segment
- Retail segment continues to be the main contributor, with improved credit demand from corporates

Loan mix by customer segments (VND tn)



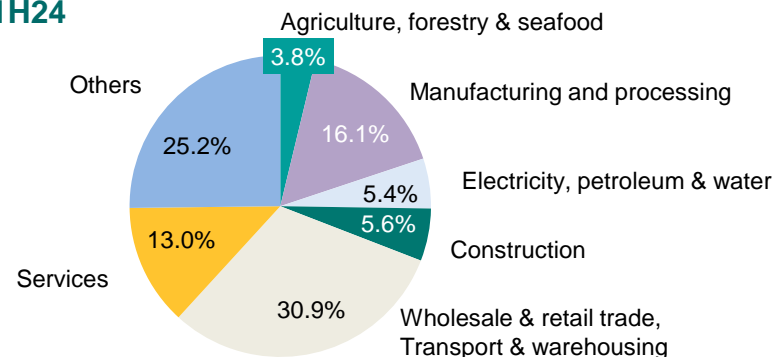
Loan mix by tenure (VND tn)

1H24



Loan mix by industry

1H24

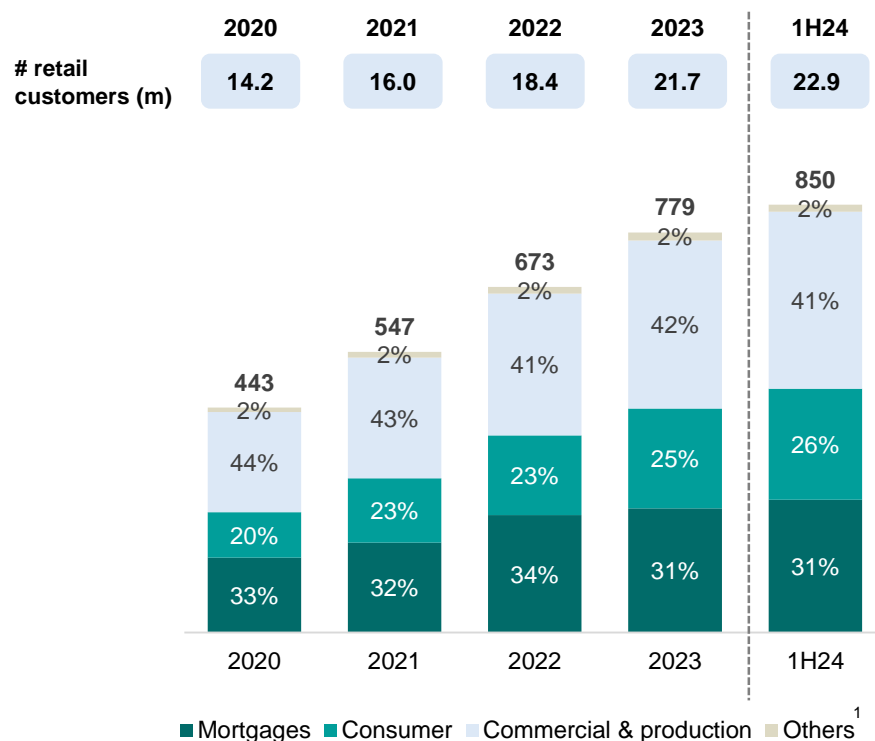


Loan portfolio

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- Retail focused strategy covering 23m retail customers, with ~1/3 of retail loans in mortgages
- Stable corporate & SME loan book backed by high quality commercial & production and project financing loans

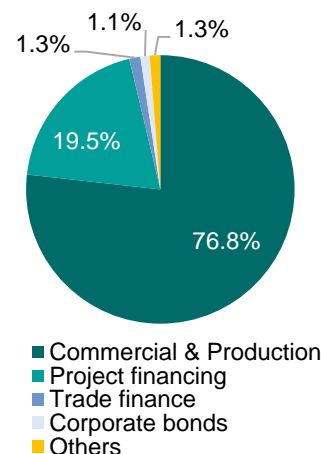
Retail loans by sector (VND tn)



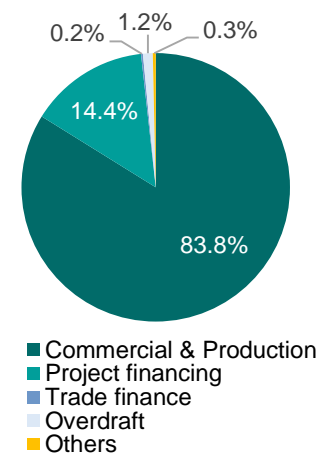
Corporate + SME loans

	2020	2021	2022	2023
# Corporate + SME customers (thousands)	330	351	376	405

Corporate loans by product (1H24)



SME loans by product (1H24)



Notes:

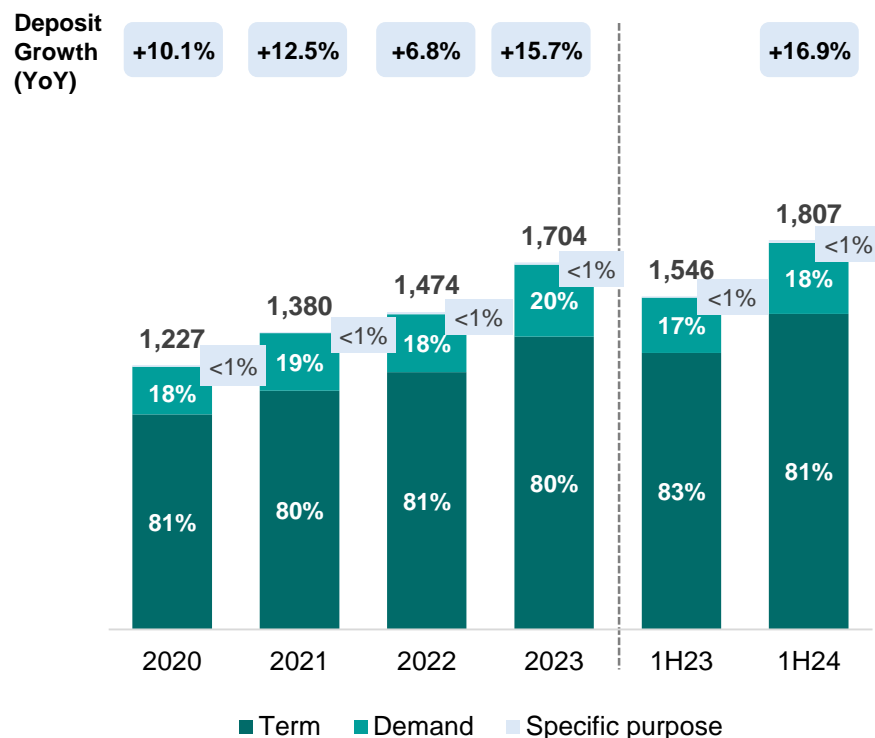
1. Others loan types include pledged loans, overseas education loan, credit cards, etc.

Deposits & CASA

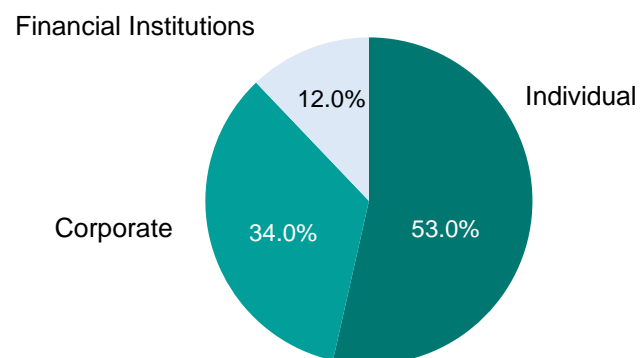
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- Total deposits increased to VND 1,807tn (+16.9% YoY)
- CASA balance stood at VND 329tn in 1H24 (+28% YoY), supported by various initiatives to drive the key customer accounts and strong CASA growth in Corporate segment (+32% YTD)

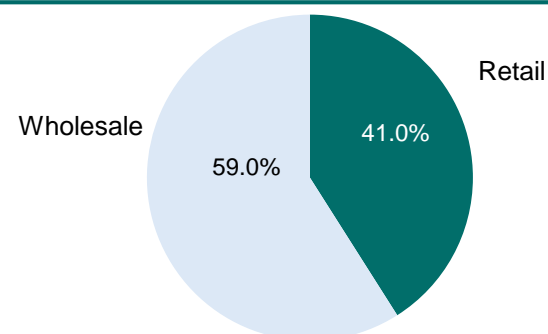
Customer deposit by type (VND tn)



Deposit by customer type (1H24)



Source of CASA (1H24)

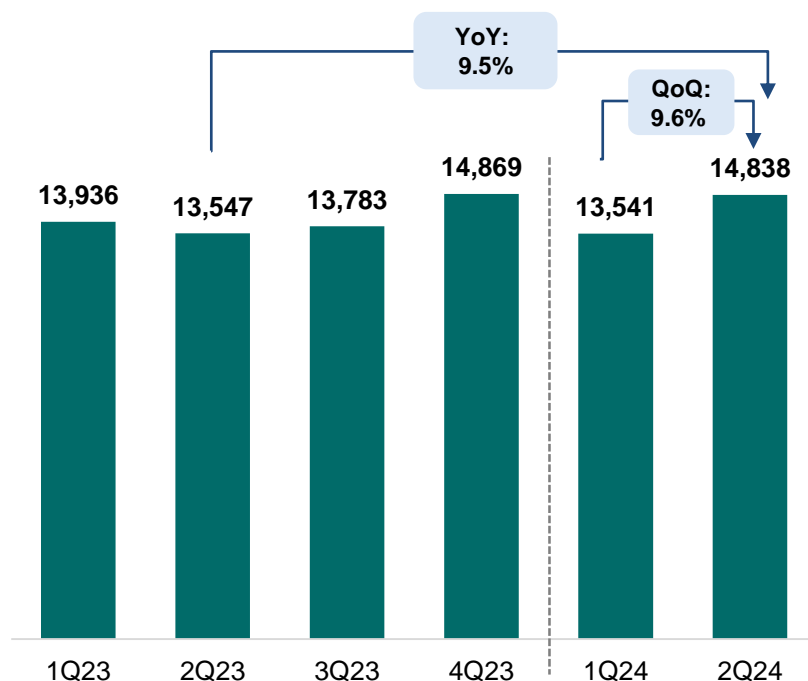


Net interest margin (NIM)

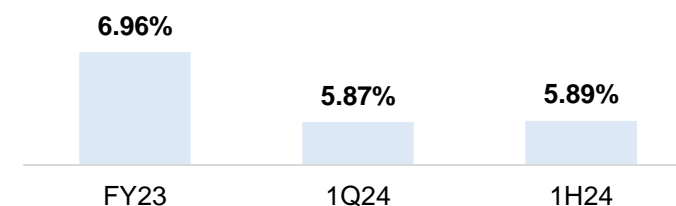
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- NIM remained subdued in 1H24 mainly due to weaker credit demand with a greater reduction of lending interest rates; credit demand is expected to pick up through 2H24, helping to stabilize NIM
- Continued measures to improve NIM through low funding cost (non-term and short-term deposits), and promoting credit growth

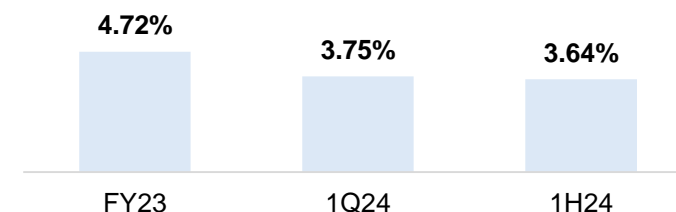
Net interest income (VND bn)



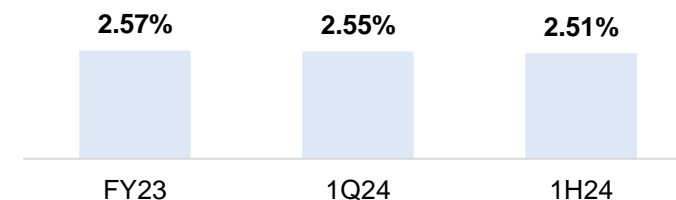
Yield



Cost of funding



NIM

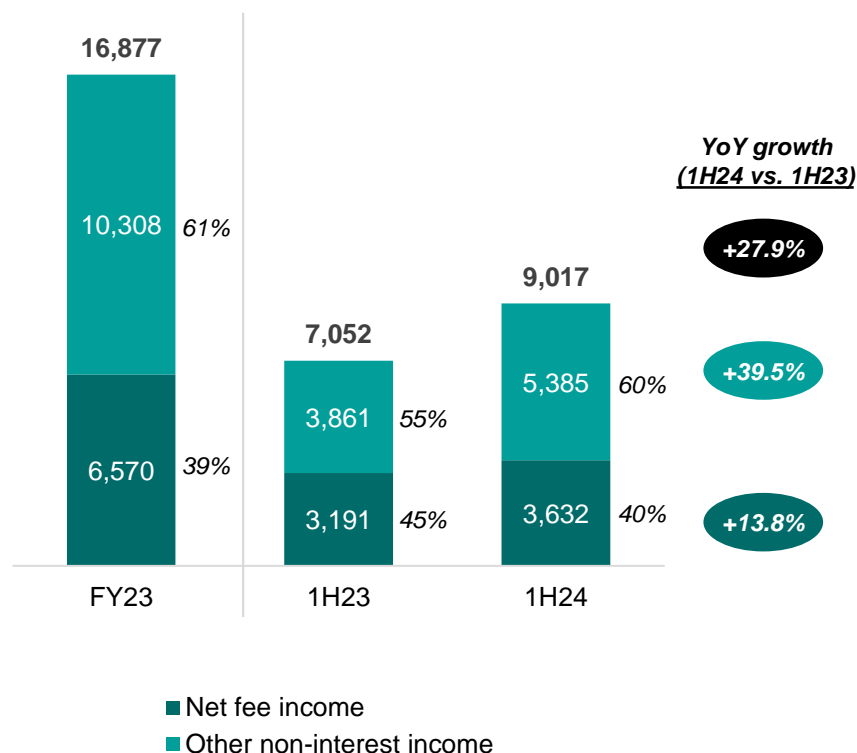


Fee income & other operating income

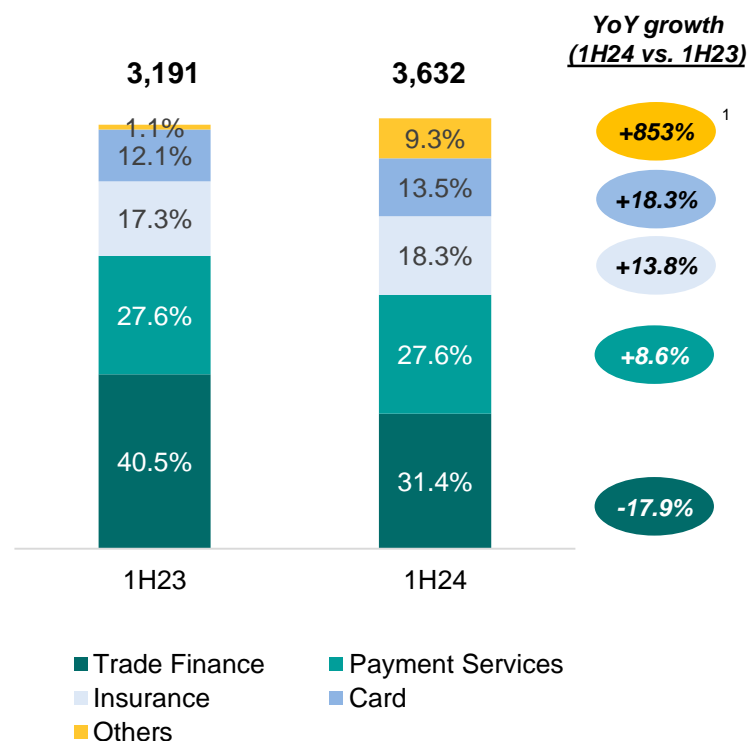
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- Total non-interest income grew by 28% YoY, driven by gains from financial assets (other non-interest income)
- Net fee income grew at 14% YoY in 1H2024, on the back of insurance and card related fees.

Total non-interest income (VND bn)



Net fee income breakdown



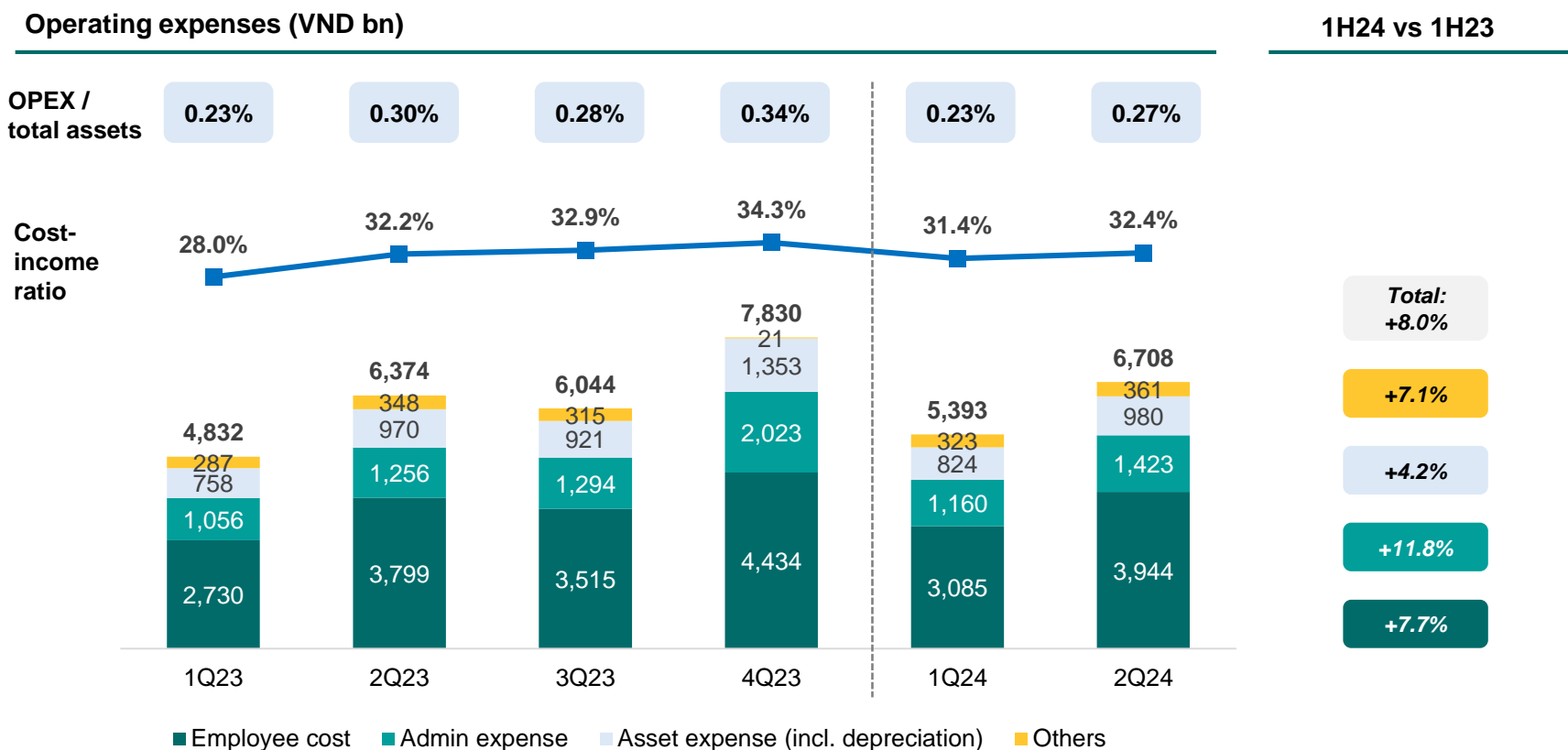
Notes:

1. Fee for issuing lucky number accounts increased by 853%, netting VND276 bn.

Operating expenses

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- Applying ESG best practices to reduce maintenance and admin cost as well as increase sustainable practice
- Applying new software in human resources management to increase operation efficiency and cutting G&A cost

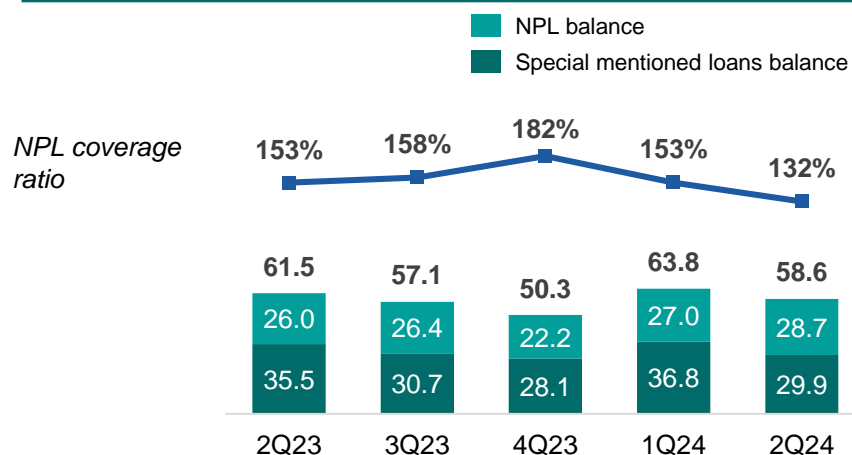


Asset quality

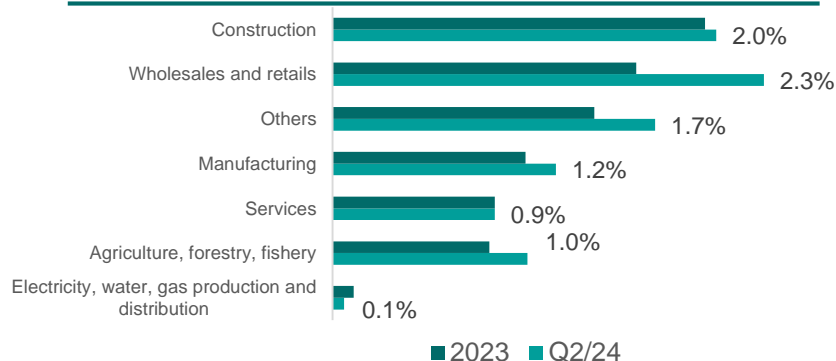
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- **Special Mention Loans increase in 1H24 driven by limited number of mortgage customers – this is expected to remediate in the coming quarters**
- **Credit cost is on a clear downward trend, decreasing from 1.56% in 2Q23 to 1.17% in 2Q24**

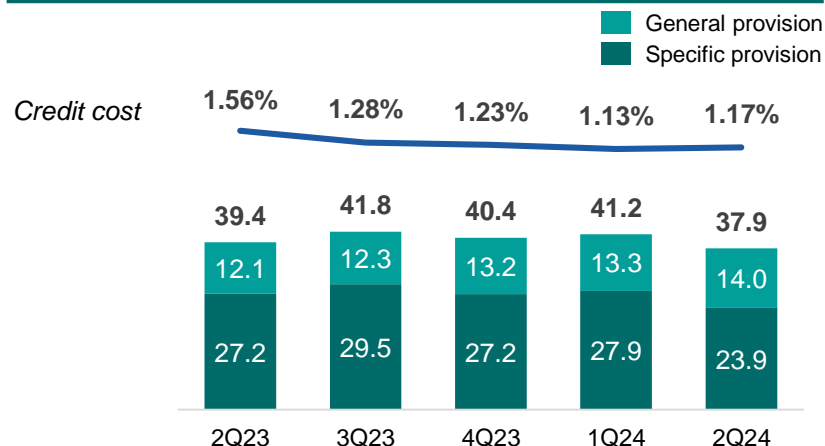
NPL and coverage ratio (VND tn)



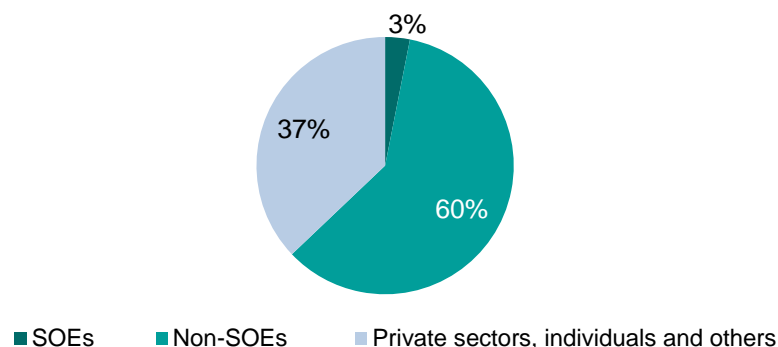
NPL by industry



Provision expense and credit cost (VND tn)



NPL by type



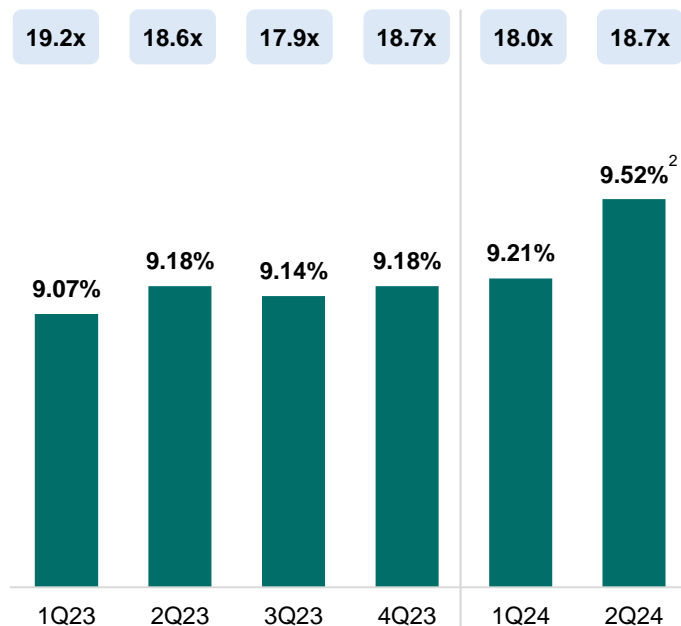
Capital & liquidity

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- Regulatory loan-to-deposit ratio maintained at 83.3% as of end June 2024, complying with regulatory requirement¹ of below 85%¹

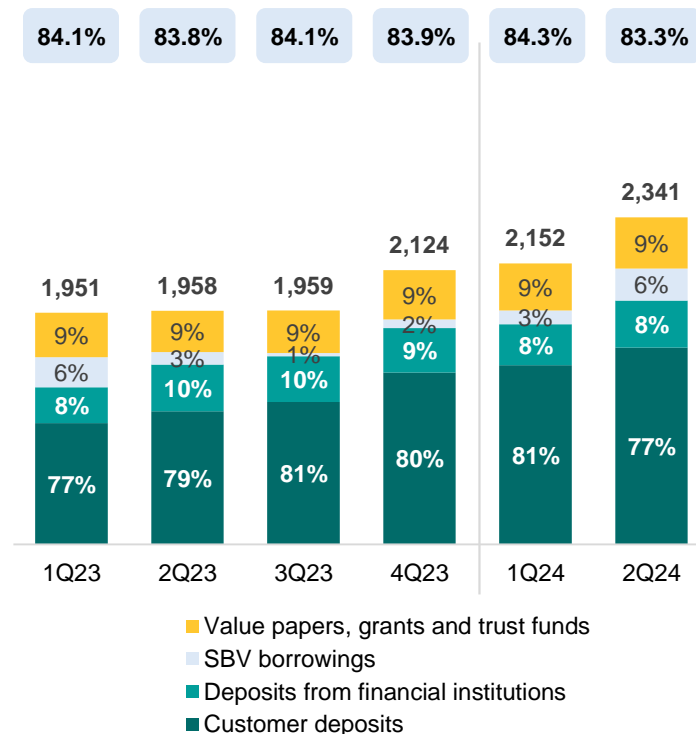
Capital Adequacy Ratio (CAR)

Leverage ratio
(Total assets /
Total equity)



Funding mix (VND tn)

Regulatory
LDR ratio



Notes:

- As prescribed by SBV's Circular 22/2019/TT-NHNN
- To be updated after audited Financial Statement

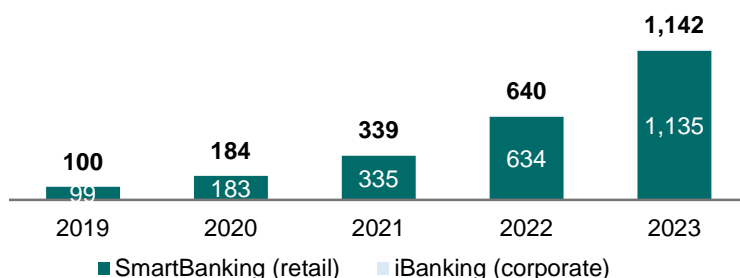
Digital Banking

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- **Number of digital customers:** 8,621,070 in 2023 (newly opened during the period and with transactions occurring)
- **Innovation products:** Apple Watch, Smart Keyboard for fund transfer, Notification for transaction (OTT messages), Quickloan, Cumulative Deposits, Financial Management, Lucky account, eKYC, Insurance, Securities, etc.

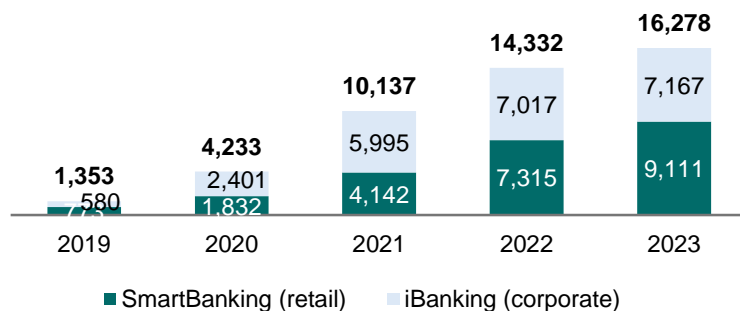
Volume of transactions via key e-banking platforms

(million)

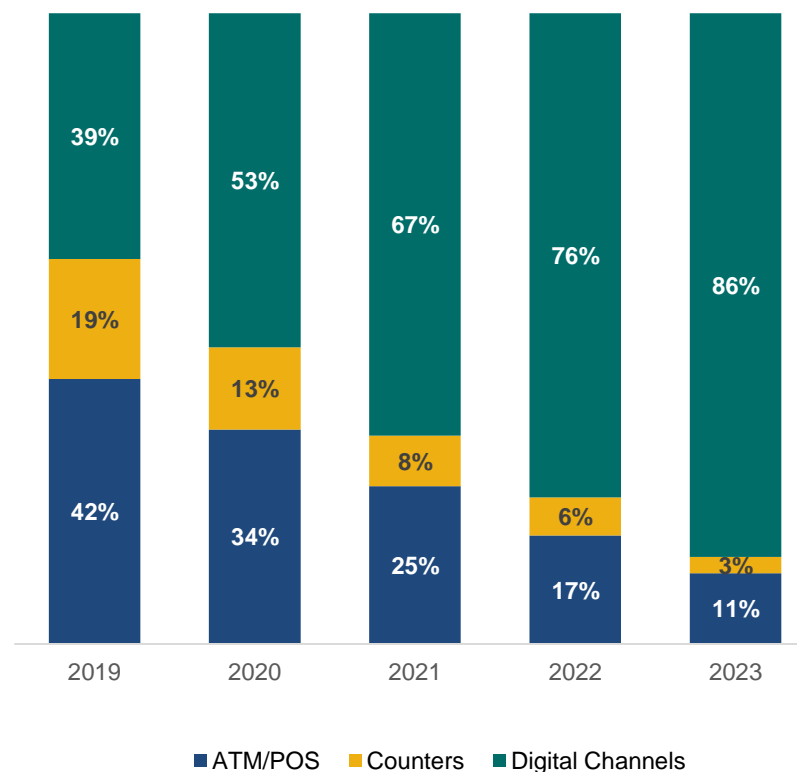


Value of transactions via key e-banking platforms

(VND tn)

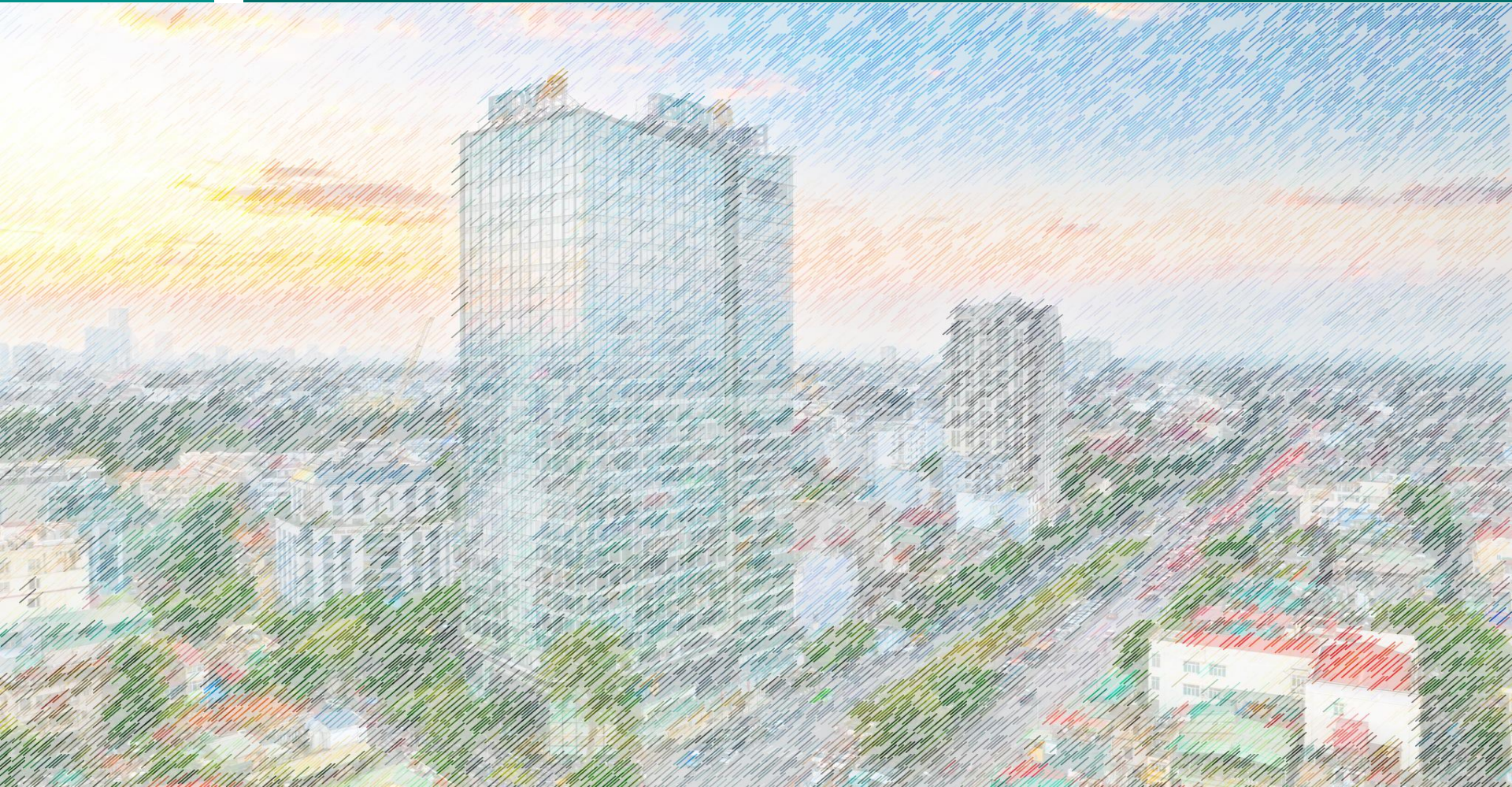


Transactions by channel



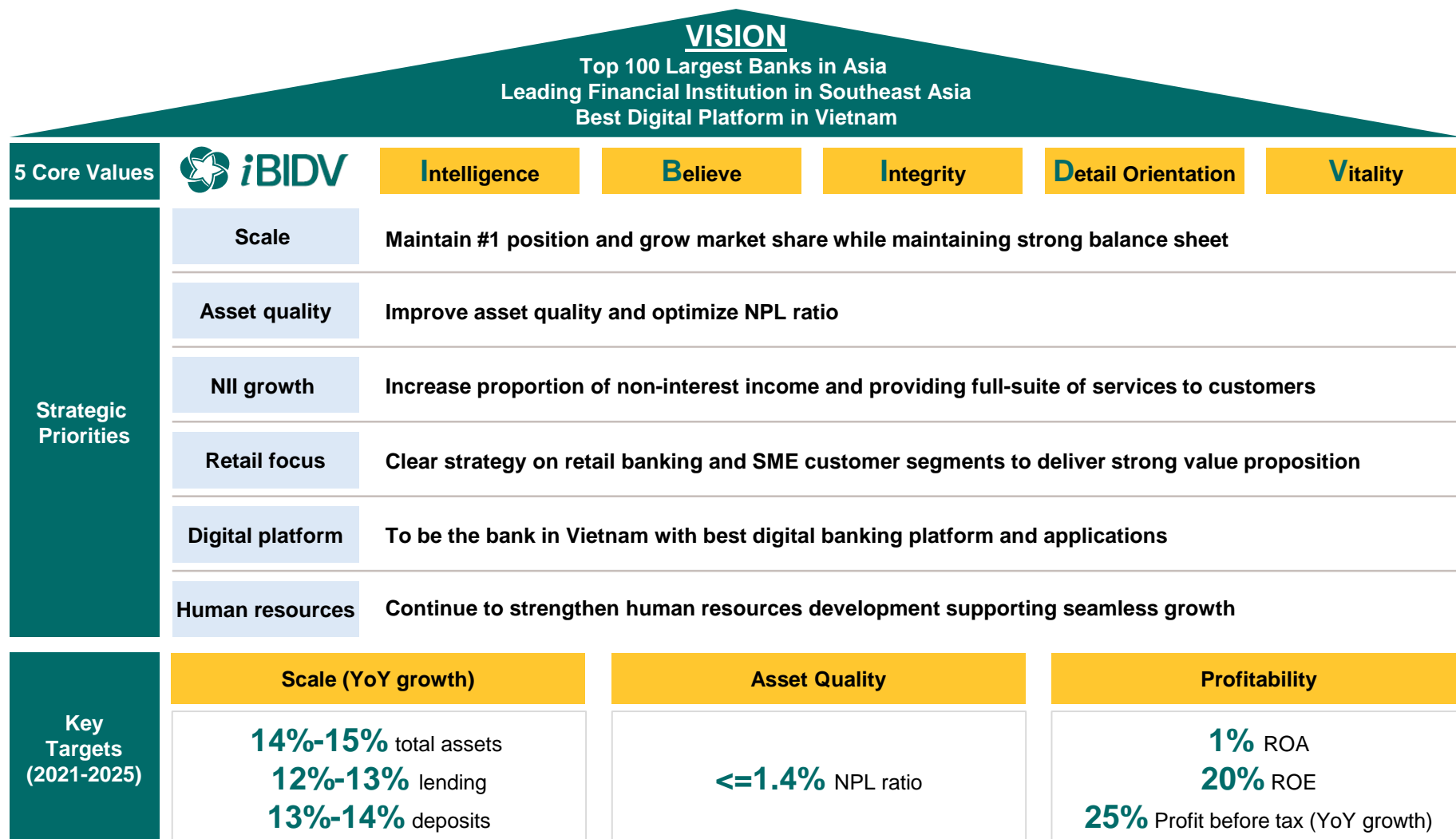
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Growth strategy & targets



Strategy and growth targets

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Projected shareholding structure

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STAGE 1: To 2022

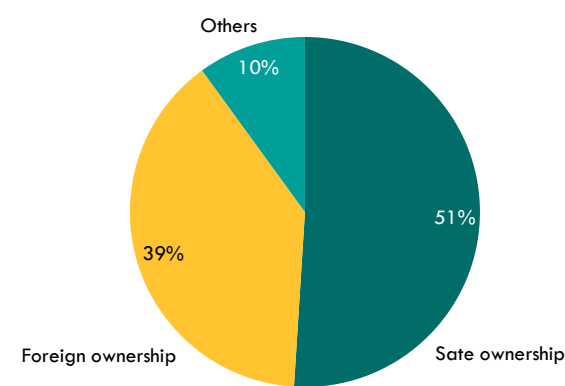
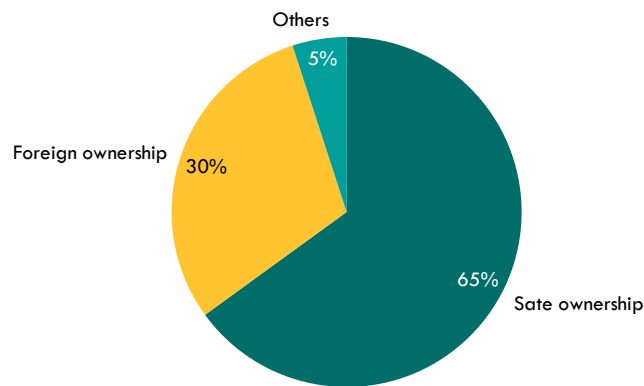
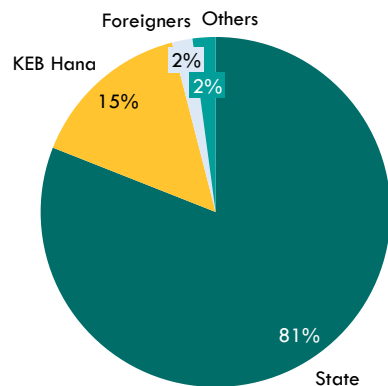
- IPO finished in Dec 2011
- Transformed to Joint Stock Commercial Bank in April 2012
- State ownership: 80.99%
- KEB Hana: 15%
- Other Foreigner ownership: 3%

STAGE 2: To 2025

- Issuing shares to foreign investors (total up to 30%):
- Strategic Investor (KEB Hana): 15%
- Financial investor: up to 12%
- State ownership $\geq 65\%$

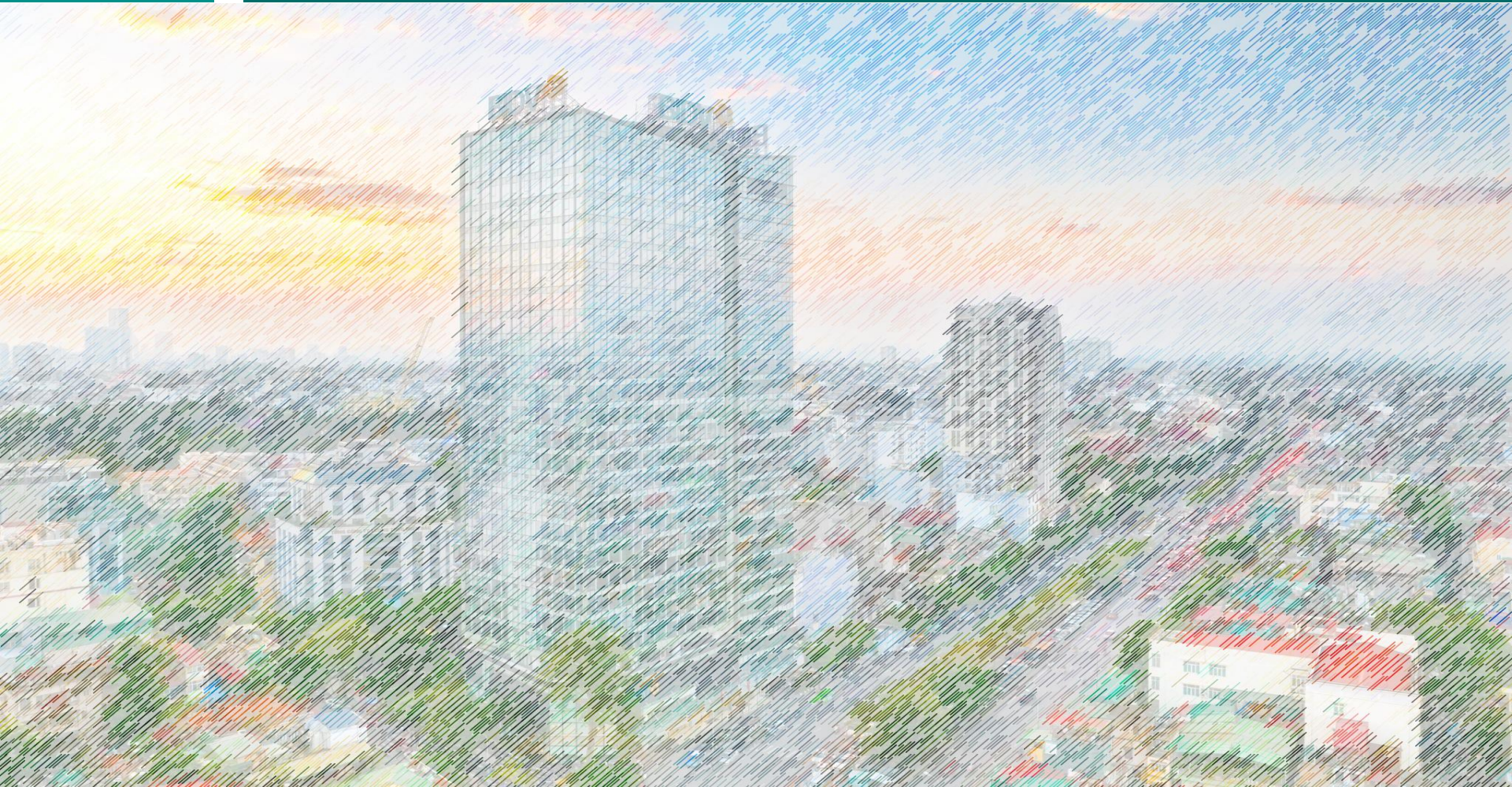
STAGE 3: From 2030

- Additional public offering
- Issuing additional shares to foreign
- Foreign Investors (may hold $>30\%$ in total)
- State ownership decrease to $\geq 51\%$



(*) According to "The Development Strategy of the Vietnam Banking Sector to 2025, vision to 2030" approved by the Prime Minister in Decision No.986/QĐ-TTg dated 8th Aug 2018

Appendix I: Key Financials



Financial summary

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Income Statement (VNDbn)	2019	2020	2021	2022	2023	1H24	1H23	19-23 CAGR	1H24 YoY
Net interest income	35,978	35,797	46,823	55,960	56,136	28,379	27,483	11.8%	3.3%
Net fee & commission income	4,266	5,266	6,614	5,651	6,570	3,632	3,191	11.4%	13.8%
Total operating income	48,121	50,037	62,494	69,480	73,013	37,396	34,536	11.0%	8.3%
Operating expense	(17,257)	(17,693)	(19,465)	(22,715)	(25,081)	(12,101)	(11,205)	9.8%	8.0%
Profit before provision	30,864	32,344	43,029	46,765	47,932	25,295	23,330	11.6%	8.4%
Provision expenses	(20,132)	(23,318)	(29,481)	(23,842)	(20,344)	(9,746)	(9,460)	0.3%	3.0%
Profit before tax	10,732	9,026	13,548	22,923	27,589	15,549	13,870	26.6%	12.1%
Net profit to shareholders	8,368	6,997	10,540	18,086	21,505	12,182	10,895	26.6%	11.8%
Balance Sheet									
Gross loans	1,116,998	1,214,296	1,354,633	1,522,222	1,777,665	1,882,815	1,629,067	12.3%	15.6%
Total assets	1,489,957	1,516,686	1,761,696	2,120,677	2,300,814	2,521,053	2,124,768	11.5%	18.7%
Customer deposits	1,114,163	1,226,674	1,380,398	1,473,598	1,704,269	1,806,926	1,545,569	11.2%	16.9%
Total liabilities	1,412,304	1,437,039	1,675,367	2,016,558	2,177,897	2,386,354	2,010,616	11.4%	18.7%
Shareholders' equity	74,523	76,412	83,135	99,395	117,951	129,654	109,397	12.2%	18.5%
Key ratios									
Asset quality / capitalization									
Loans-to-deposits ratio	87.95%	86.98%	83.36%	83.0%	83.8%	83.3%	83.8%		
NPL ratio	1.74%	1.76%	1.00%	1.16%	1.26%	1.52%	1.59%		
Loan loss reserve coverage	74.2%	88.4%	214.5%	216.8%	181.8%	132.2%	151.5%		
CAR	8.74%	8.61%	8.97%	9.34%	9.18%	9.52%	9.34%		
Profitability									
Net interest margin	2.82%	2.61%	2.86%	2.98%	2.58%	2.51%	2.81%		
Non-interest income / Op. Income	25.3%	28.5%	25.1%	19.6%	23.1%	24.1%	20.4%		
Fee income ratio	8.9%	10.5%	10.6%	8.1%	9.0%	9.7%	9.2%		
Credit Cost	1.91%	2.00%	2.30%	1.67%	1.23%	1.17%	1.56%		
CIR	35.9%	35.4%	31.1%	32.6%	34.3%	32.4%	32.4%		
RoAA ¹	0.60%	0.47%	0.64%	0.93%	0.97%	1.01%	1.03%		
RoAE ¹	13.3%	9.3%	13.2%	19.8%	19.8%	19.7%	20.9%		

Notes:

1. RoAA = Net profit to shareholders / average period assets; RoAE = Net profit to shareholders / average period shareholders' equity; annualized for 1H23 and 1H24

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