

# Bank for Investment and Development of Vietnam ("BIDV")

Investor presentation

November 2024



**1** **BIDV Overview**

**2** **Company Highlights**

**3** **Growth Strategy**

**A1** **Appendix 1: Financial Summary**



# 1. BIDV Overview



# BIDV: Vietnam's National Banking Champion

## Key Statistics



### Bank in Vietnam by

- Total assets
- Gross loans
- Customer deposits

One of the Big 4 State-owned Commercial Banks

Supported by the 2<sup>nd</sup> largest nationwide network<sup>1</sup>

Total assets

USD 105.1bn

Gross loans

USD 79.7bn

Total deposits

USD 76.5bn

Shareholders' equity

USD 5.7bn

ROAE<sup>2</sup>

18.9%

Cost-income-ratio

33.7%

NPL ratio

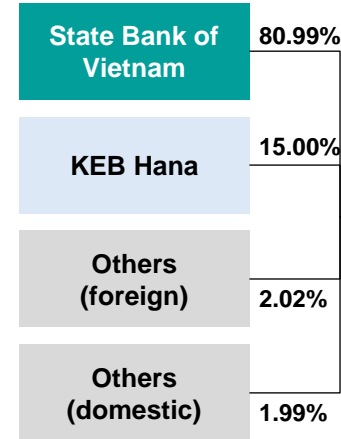
≤1.4%

CAR

9.5%<sup>3</sup>

## Shareholding Structure

As of 11 November 2024



## Selected Awards & Accolades



Vietnam National Brands (2023)



*The Asian Banker Excellence in Retail Financial Services*  
**Best Retail Bank (SOE) in Vietnam, 8<sup>th</sup> time (2023)**  
**Best Private Banking Service in Vietnam (2023)**  
**Best International Credit Card in Vietnam (2023)**  
**Best FX Bank in Vietnam (2023)**



*Global Banking & Finance Review*  
**Best Corporate Bank Southeast Asia (2023)**



*Alpha Southeast Asia*  
**Best SME Bank in Vietnam, 6<sup>th</sup> consecutive year (2023)**



*Asia Money*  
**Vietnam's Best Bank for Digital Solutions (2023)**

Source: Company filings

Note: USD/VND= 24,500; All data as of 30 September 2024 unless otherwise stated

1. Among listed banks in Vietnam

2. Net profit attributable to shareholders divided by average shareholders' equity

3. CAR as of 1H 2024

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# First Bank Established in Vietnam with Close to 70 Years of Heritage

## Establishment & Equitization Phase

Formed 12 years after Vietnam's independence as the nation's oldest bank

**2010** S&P Global Ratings  
▪ Rated by S&P

**2006** MOODY'S  
▪ First bank in Vietnam to be rated by Moody's

**1990**  
▪ Renamed as Bank for Investment and Development of Vietnam (BIDV)

**1981**  
▪ Renamed as Bank for Investment and Construction of Vietnam (under SBV)

**1957**  
▪ Established as Bank for Construction of Vietnam (under MoF)

## Post IPO: Growth & Transformation

Implementation of growth strategies

**2015** **NGÂN HÀNG MHB**  
▪ Merged with Mekong Housing Bank

**2014** **HOSE**  
▪ Officially listed on the Ho Chi Minh City Stock Exchange (ticker **BID.VN**)

**2012** **BIDV**  
▪ Completed equitization, officially converted into Joint Stock Commercial Bank for Investment and Development of Vietnam

**2018** **ADB**  
▪ Asian Development Bank signed US\$300m loan agreement with BIDV to support SMEs in Vietnam

## Introduction of Foreign Strategic Investor

Ongoing initiatives to reduce state ownership & increase foreign participation

**3Q2024**  
▪ **1<sup>st</sup> bank in Vietnam** to surpass USD 100 billion total assets

**2022** **BIDV**  
▪ BIDV introduces new logo and brand identity  
▪ **1<sup>st</sup> bank in Vietnam** to surpass VND 2 quadrillion total assets

**2019** **KEB Hana Bank**  
▪ Strategic investment by KEB Hana (15%) in BIDV

Total assets (USD bn)

12

15

17

20

22

27

35

41

49

54

61

62

72

87

94

94

105

1957 ... 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2023 3Q2024

Source: BIDV  
Notes: USD/VND= 24,500  
MOF= Ministry of Finance; SBV= State Bank of Vietnam

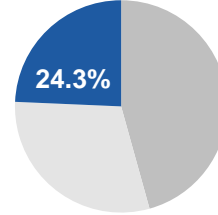
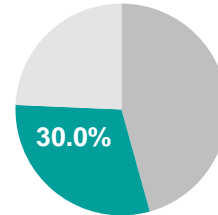
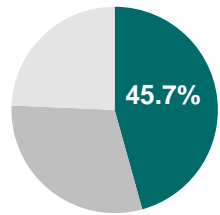


# Key Business Segments

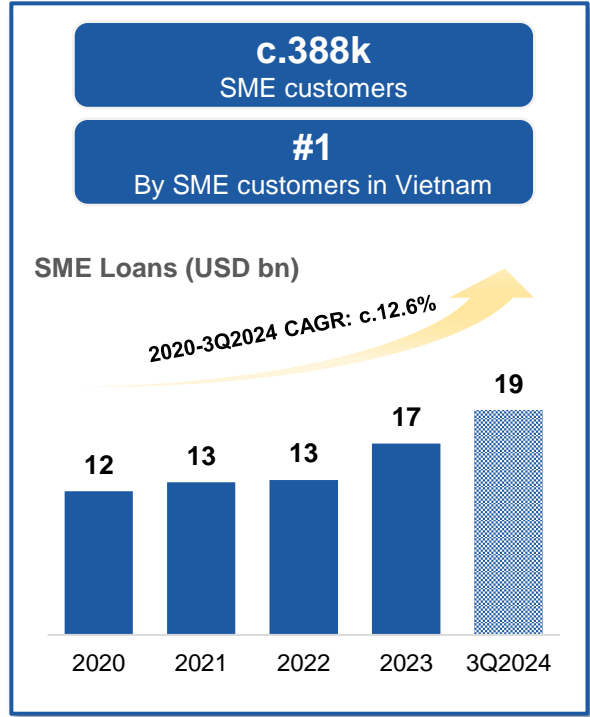
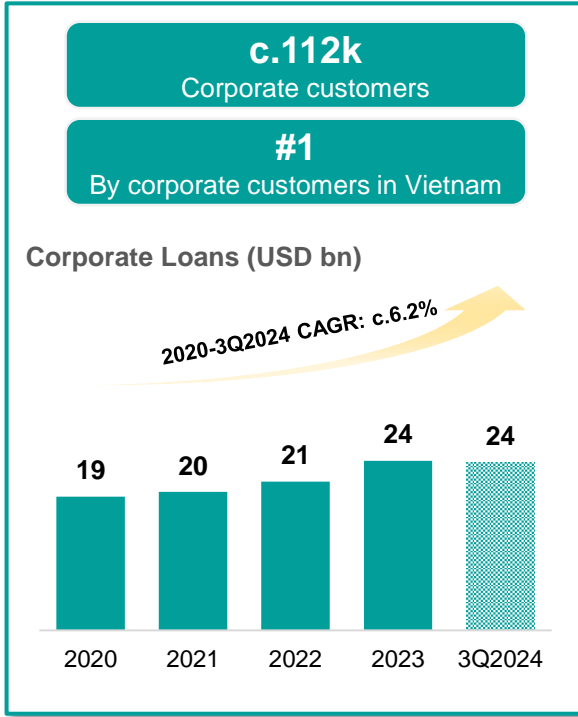
**A** Retail banking      **B** Corporate banking      **C** SME banking

**USD 79.7bn** Gross loans (3Q2024)

Loan Mix



Scale<sup>1</sup>



Source: Company filings  
 Note: USD/VND= 24,500; Statistics and financials for years ended 31<sup>st</sup> December unless otherwise stated  
 1. Loans on consolidated level



## 2. Company Highlights

## Key Highlights

**BIDV** 

1

**Clear Beneficiary of Vietnam's Compelling Consumer Story**

2

**No.1 Retail Franchise Underpinned by Successful Retail-focused Strategy**

3

**No.1 Corporate and SME Bank Supporting Vietnam's Economic Growth**

4

**Omnichannel Distribution Network Amassing The Largest Deposit Base**

5

**Significant Upside Opportunity to Unlock Non-Interest Income Growth**

6

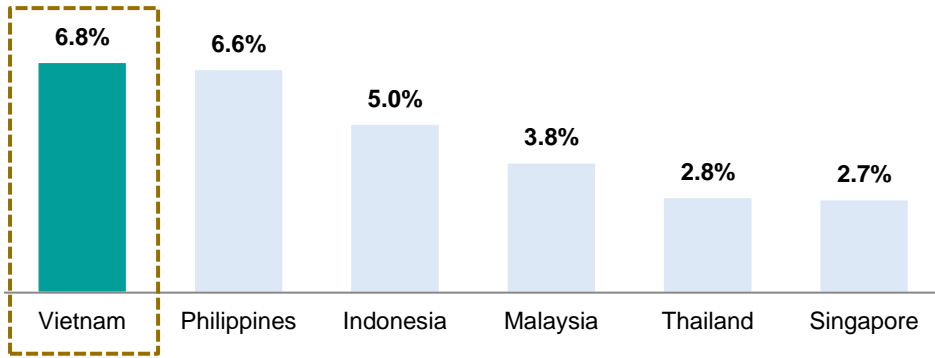
**Robust Risk Management Framework Driving High Quality Growth**



# 1 Clear Beneficiary of Vietnam's Compelling Consumer Story

## Fastest growing economy in SEA by real GDP

2022-2032E Real GDP CAGR (%)

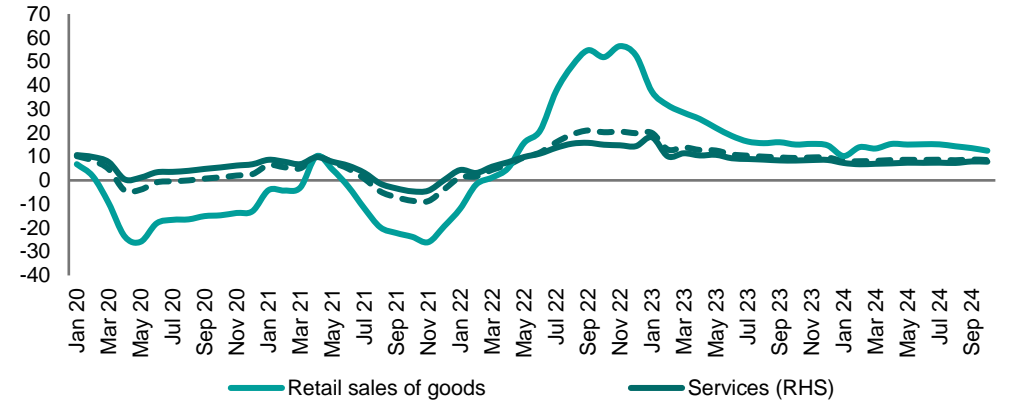


Source: Economist Intelligence Unit

## Private consumption is expected to maintain recovery momentum

(% YoY)

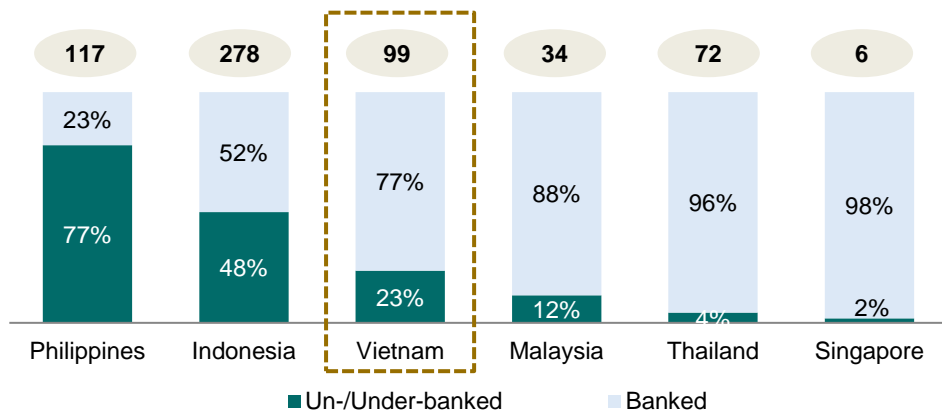
(% YoY)



Source: FiinPro

## 3<sup>rd</sup> largest population in SEA with attractive un-/under-banked<sup>1</sup> population of financial inclusion opportunities

Total population (2023; millions)

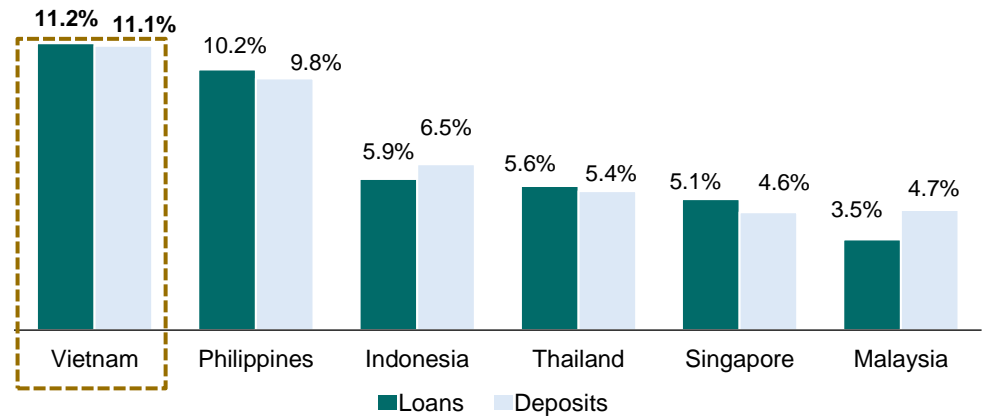


Source: GSO compilation

Note: 1. Un-/Under-banked= no access to basic financial services / bank account

## Strong banking sector growth outlook

2022-2032E Banking Loans and Deposits CAGR (%)



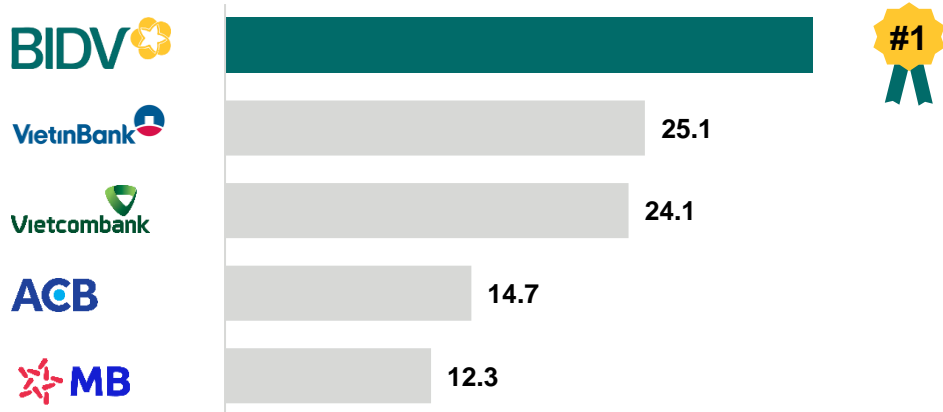
Source: World Bank



# No.1 Retail Franchise Underpinned by Successful Retail-focused Strategy

## Undisputed No.1 retail banking franchise

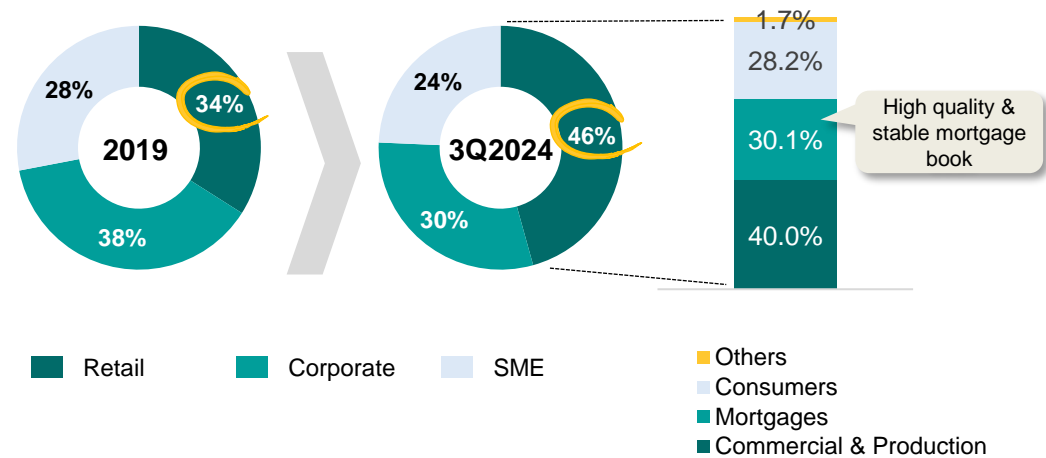
3Q2024 retails loans<sup>1</sup> (USD bn)



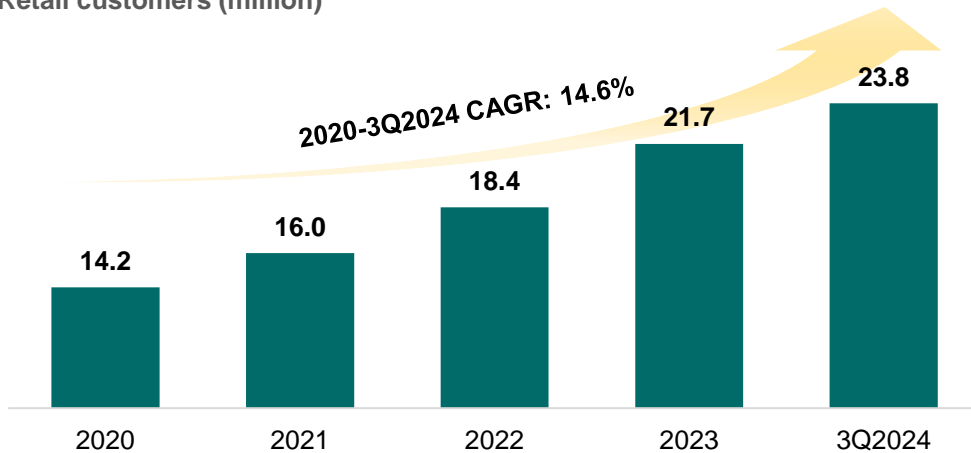
## Strategy to shift into higher profitability retail business

Overall Loan Mix by Customers

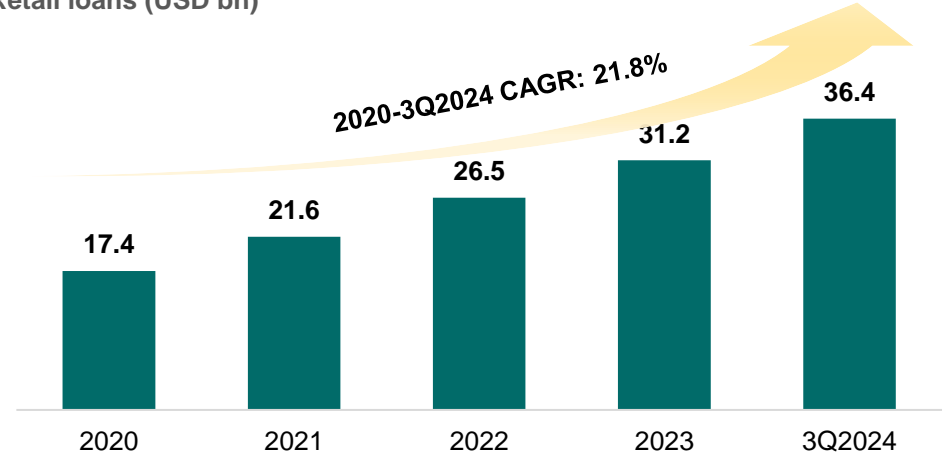
Retail Loan Mix



Retail customers (million)



Retail loans (USD bn)



Source: BIDV  
 Note: USD/VND= 24,500  
 1. Based on disclosure in 3Q23 investor presentations



# No.1 Corporate and SME Bank Supporting Vietnam's Economic Growth

## Corporate banking

**#1**  
by Corporate customers in Vietnam

**>112k**  
Corporate customers

**>USD 2.5bn**  
Green credit extended

## SME banking

**#1**  
by SME customers in Vietnam

**>388k**  
SME customers<sup>1</sup>

**~40%**  
Of SMEs in Vietnam bank with BIDV

### Competitive scale advantage leveraging corporates' value chain

- Selectively grow FDI and large corporates while focusing on servicing existing anchor customers with high transaction banking needs
- Grow mid-market corporate customers as **extension to SME offering**

### One of BIDV's key focus segment

- SME makes up **>90%** of total number of businesses in Vietnam, contributing to **45%** of GDP and **31%** total budget collection

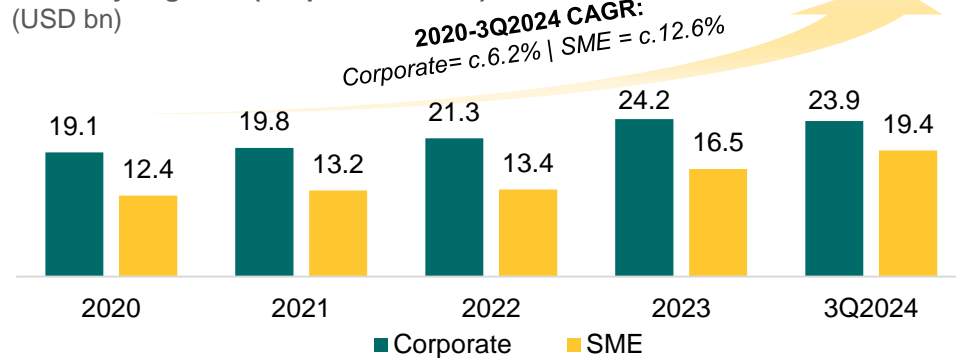
### Advocating green finance growth with strategic partnerships

### Supporting Vietnam's economy during turbulent times

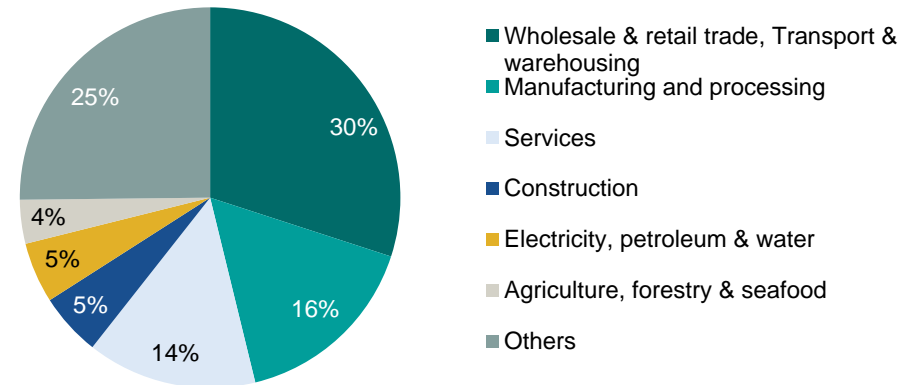


Loans by segment (Corporate & SME)

(USD bn)



Loans by industry (3Q2024; company overall)



Source: BIDV, Ministry of Planning and Investment

Note: USD/VND= 24,500; All data as of 30 September 2024 unless otherwise stated

1. As of December 2023

2. Women-Owned Small and Medium Enterprises



# Omnichannel Distribution Network Amassing The Largest Deposit Base

## No.2 distribution network<sup>1</sup> in Vietnam

Covering all 63 provinces in Vietnam;  
~40% of branches located in Ho Chi Minh City & Hanoi

**190**

Branches

**895**

Transaction offices

**c. 1.9k**

ATM, CRM, STM<sup>2</sup>

**c. 36k**

Point of sales

## Backed by flagship digital banking applications

### Retail banking



✓ **Multi-channel** integration

✓ **Ecosystem** with financial services, payment, shopping

### Corporate banking



for institutional clients

✓ **100k+** Downloads

✓ **24/7** Online support

✓ Cross-platform

### Lifestyle



For online running competitions

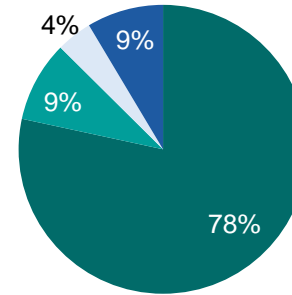


For home and car loans

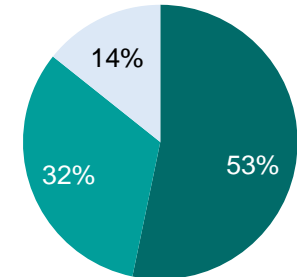
**With ~80% of transactions now conducted digitally**

## Diversified and stable funding

### Mobilized capital (3Q2024)



### Customer deposits mix (3Q2024)

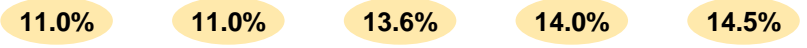


- Customer deposits
- Deposits from financial institutions
- SBV borrowings
- Value papers, grants and trust funds<sup>3</sup>
- Individuals
- Corporates
- Financial Institutions

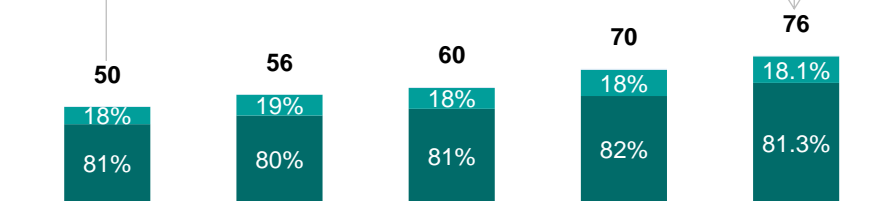
## Total customer deposits

(USD bn)

Deposits market share



2020-3Q2024 CAGR: c. 12%



- Term
- Demand
- Specific purpose

Source: Company filings  
Note: USD/VND= 24,500

1. By number of branches and transaction offices among listed banks in Vietnam
2. ATM= Automatic teller machines; CRM= Cash register machines; STM= Smart teller machines
3. Includes certificates of deposits, bill, bonds and subordinated bonds issued



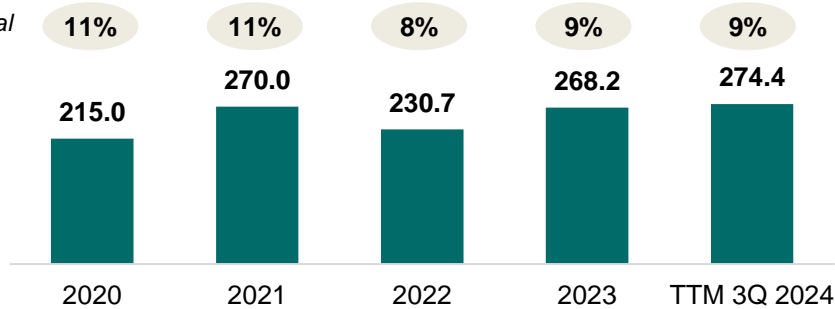
# Significant Upside Opportunity to Unlock Non-Interest Income Growth

## Recovery in 2023 and 2024 of non-interest income

Successful implementation of initiatives since 2023 after decline in 2022 (mainly due to waiver of digital banking transaction fees to promote digital banking)

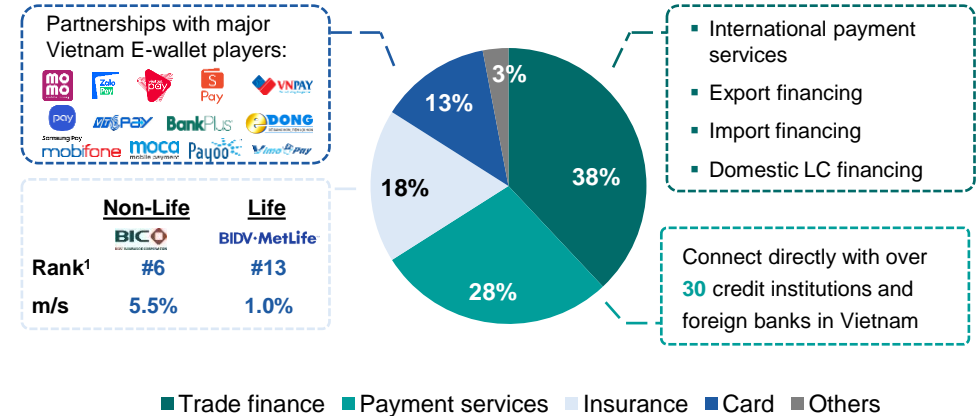
### Net fee and non-interest income (USD mn)

As % of total operating income



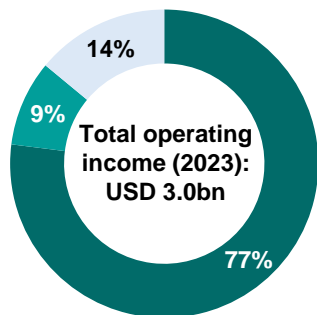
## Diversified and balanced product offerings

### Net fee income breakdown (2023)



## Potential to Grow Non-interest income contribution...

### Total Operating Income Composition (%)



One of BIDV's key targets is to increase proportion of non-interest income

Legend: ■ Net interest income ■ Net fee income ■ Other non-interest income

## ...Supported by companies in BIDV ecosystem

### Securities / Leasing / Asset Management

#### Key subsidiaries:

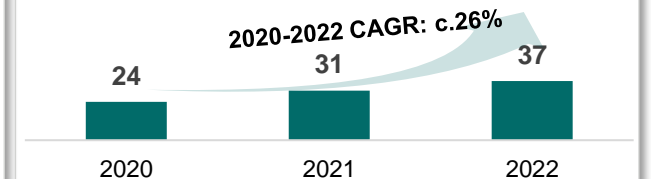


### Insurance

#### Key subsidiaries / JV:



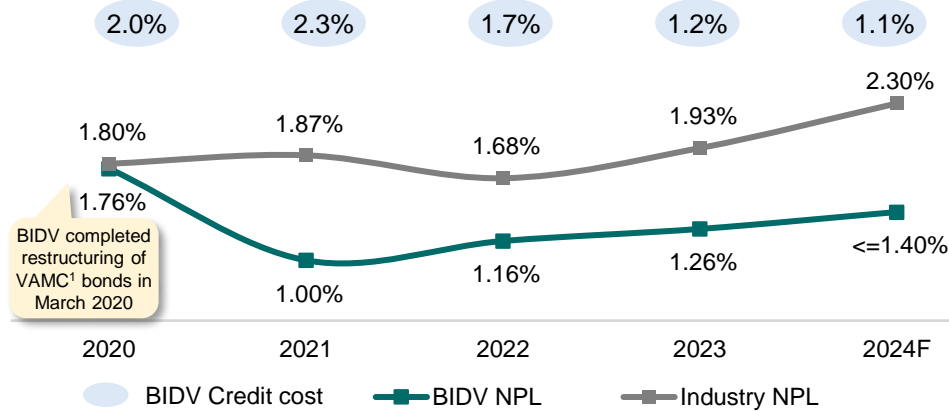
#### Net fee income from insurance (USD m)



# 6 Robust Risk Management Framework Driving High Quality Growth

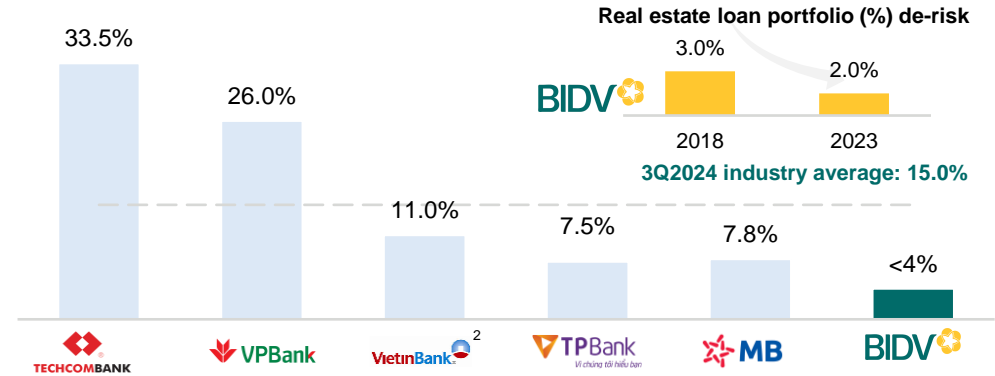
## Substantially improved asset quality

NPL Ratio & Credit Cost (%)



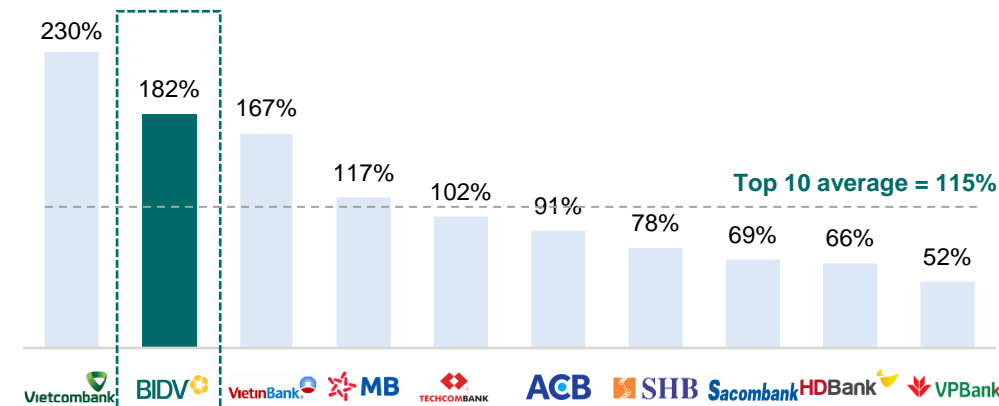
## With reduced exposure to real estate sector

Real Estate Loans as % of Gross Loans (3Q2024)



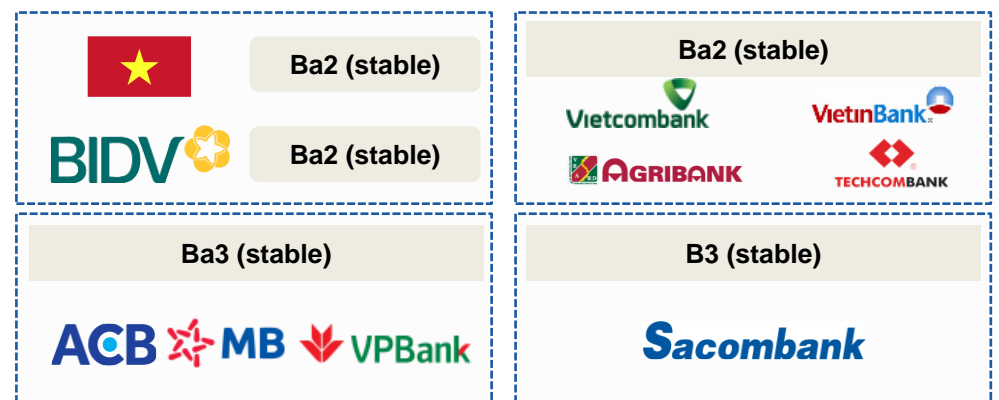
## One of the highest NPL coverage among peers

NPL Coverage Ratio (2023)



## Top credit rating in line with Vietnam country outlook

MOODY'S



Source: Company filings, Moody's

Note:

1. Vietnam Asset Management Company

2. As of Sep 2023, latest available

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## 3. Growth Strategy

## VISION

Top 100 Largest Banks in Asia  
 Leading Financial Institution in Southeast Asia  
 Best Digital Platform in Vietnam

### 5 Core Values



**I**ntelligence

**B**elieve

**I**ntegrity

**D**etail Orientation

**V**itality

### Strategic Priorities

Scale	Maintain #1 position and grow market share while maintaining strong balance sheet
Asset quality	Improve asset quality and optimize NPL ratio
NII growth	Increase proportion of non-interest income and providing full-suite of products and services to customers
Retail / SME focus	Clear strategy on retail banking and SME customer segments to deliver strong value proposition
Digital platform	To be the bank in Vietnam with best digital banking platform and applications
Human resources	Continue to strengthen human resources development supporting seamless growth

### Key Targets (2021-2025)

Scale (YoY growth)	Asset Quality	Profitability
<p><b>14%-15%</b> total assets</p> <p><b>12%-13%</b> lending</p> <p><b>13%-14%</b> deposits</p>	<p><b>&lt;=1.4%</b> NPL ratio</p>	<p><b>1%</b> ROA</p> <p><b>20%</b> ROE</p> <p><b>25%</b> Profit before tax (YoY growth)</p>



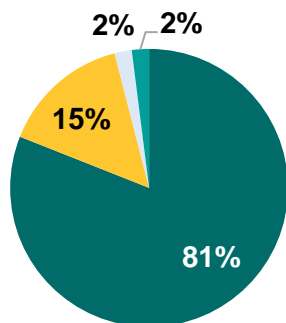


# Shareholding Structure & Capital Raising Plan

- ◆ In 2022 and 2023, AGM approved the capital raising plan to increase its charter capital by issuing additional shares up to c.455,267,143 shares (c.9% of outstanding shares) in the form of public offering or private placement. The plan was approved by its EGM in Jan 2024 to extend to 2024
- ◆ According to local regulations, foreign investors in a Vietnamese commercial bank are subject to certain **foreign ownership limits**: total foreign shareholding cannot exceed 30% and single foreign strategic investor cannot exceed 20%; each foreign individual (non-strategic) can own up to 5% without triggering SBV approval
- ◆ The **lock-up period** for private placement shares is 1 year for professional investors, at least 3 years for local strategic investors<sup>1</sup>, foreign non-strategic investors with over 10% stake, and at least 5 years for foreign strategic investors
- ◆ According to BIDV's 2023 Charter, the **selling price** of new share offerings must not fall below the market price on the offering date or the latest book value of the shares, except it is otherwise permitted by the Laws.

## Stage 1: To 2022

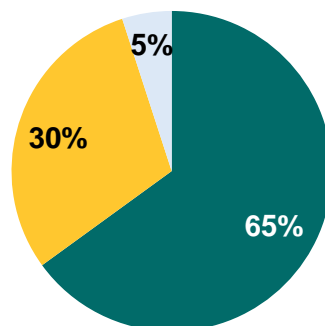
- Completed IPO in 2011
- Converted to Joint Stock Commercial Bank in 2012



- State
- KEB Hana
- Other foreign shareholders
- Other domestic shareholders

## Stage 2: To 2025

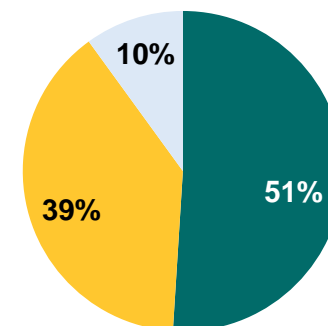
- Issuing shares to foreign investors (foreign shareholding limit at 30%)



- State
- Foreign ownership
- Other domestic shareholders

## Stage 3: From 2030

- Additional public offering and share issuance
- Foreign investors may hold >30% in total
- State ownership decreased to >=51%



- State
- Foreign ownership
- Other domestic shareholders

Note:

1. Strategic investor means an investor approved by the General Shareholder Meeting in accordance with the criteria regarding financial capacity, technology qualifications and a cooperation commitment with the bank for at least 3 years
2. 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 Aug 8, 2018



**Vietnam's National Banking Champion**



**Successful Retail Transformation Coupled  
with Strong Corporate & SME Franchise**



**Poised for Profitability Growth  
With Non-Interest Income Expansion**



**Continued Asset Quality Improvement  
Underpinned by Prudent Risk Management**



## Appendix 1. Financial Summary



# Financial Summary

(VNDbn)

Income Statement (VNDbn)	2019	2020	2021	2022	2023	9M24	9M23	19-23 CAGR	9M24 YoY
Net interest income	35,978	35,797	46,823	55,960	56,136	42,369	41,266	+11.8%	+2.7%
Net fee & commission income	4,266	5,266	6,614	5,651	6,572	5,107	4,956	+11.4%	+3.1%
<b>Total operating income</b>	<b>48,121</b>	<b>50,037</b>	<b>62,494</b>	<b>69,480</b>	<b>73,024</b>	<b>54,655</b>	<b>52,422</b>	<b>+11.0%</b>	<b>+4.3%</b>
Operating expense	(17,257)	(17,693)	(19,465)	(22,715)	(25,080)	(18,408)	(17,250)	+9.8%	+6.7%
<b>Profit before provision</b>	<b>30,864</b>	<b>32,344</b>	<b>43,029</b>	<b>46,765</b>	<b>47,944</b>	<b>36,246</b>	<b>35,173</b>	<b>+11.6%</b>	<b>+3.1%</b>
Provision expenses	(20,132)	(23,318)	(29,481)	(23,842)	(20,295)	(14,200)	(15,410)	+0.2%	(7.9%)
<b>Profit before tax</b>	<b>10,732</b>	<b>9,026</b>	<b>13,548</b>	<b>22,923</b>	<b>27,650</b>	<b>22,047</b>	<b>19,763</b>	<b>+26.7%</b>	<b>+11.6%</b>
<b>Net profit to shareholders</b>	<b>8,368</b>	<b>6,997</b>	<b>10,540</b>	<b>18,086</b>	<b>21,552</b>	<b>17,330</b>	<b>15,477</b>	<b>+26.7%</b>	<b>+12.0%</b>
<b>Balance Sheet</b>									
Gross loans	1,116,998	1,214,296	1,354,633	1,522,222	1,777,665	1,953,065	1,653,452	+12.3%	+18.1%
<b>Total assets</b>	<b>1,489,957</b>	<b>1,516,686</b>	<b>1,761,696</b>	<b>2,120,677</b>	<b>2,300,814</b>	<b>2,575,981</b>	<b>2,132,855</b>	<b>+11.5%</b>	<b>+20.8%</b>
Customer deposits	1,114,163	1,226,674	1,380,398	1,473,598	1,704,269	1,873,725	1,583,544	+11.2%	+18.3%
Total liabilities	1,412,304	1,437,039	1,675,367	2,016,558	2,177,897	2,437,542	2,013,767	+11.4%	+21.0%
<b>Shareholders' equity</b>	<b>74,523</b>	<b>76,412</b>	<b>83,135</b>	<b>99,395</b>	<b>117,951</b>	<b>138,440</b>	<b>119,088</b>	<b>+12.2%</b>	<b>+16.3%</b>
<b>Key ratios</b>									
<b>Asset quality / capitalization</b>									
Loans-to-deposits ratio	87.95%	86.98%	83.36%	83.0%	83.8%	83.7%	84.1%		
NPL ratio	1.74%	1.76%	1.00%	1.16%	1.25%				
Loan loss reserve coverage	74.2%	88.4%	214.5%	216.8%	181.8%	115.7%	158.4%		
CAR	8.74%	8.61%	8.97%	9.34%	9.18%		9.34%		
<b>Profitability</b>									
Net interest margin	2.82%	2.61%	2.86%	2.98%	2.58%	2.48%	2.70%		
Non-interest income / Op. Income	25.3%	28.5%	25.1%	19.6%	23.1%	22.5%	21.3%		
Fee income ratio	8.9%	10.5%	10.6%	8.1%	9.0%	9.3%	9.5%		
Credit Cost	1.91%	2.00%	2.30%	1.67%	1.23%	1.06%	1.28%		
CIR	35.9%	35.4%	31.1%	32.6%	34.3%	33.7%	32.9%		
RoAA <sup>1</sup>	0.60%	0.47%	0.64%	0.93%	0.97%	0.99%	0.94%		
RoAE <sup>1</sup>	13.3%	9.3%	13.2%	19.8%	19.8%	18.9%	17.8%		

Thank you!

Creating  
Sustainable  
Values

