

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

Non-deal roadshow presentation

February 2024



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Company Representation



Mr. Le Ngoc Lam
Chief Executive Officer



Mr. Tran Phuong
Senior Executive Vice President

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BIDV Overview

2

Company Highlights

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Growth Strategy

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Appendix 1: Financial Summary

A2

Appendix 2: Industry Overview



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 2nd largest nationwide network¹

Total assets

USD 94.7bn

Gross loans

USD 73.2bn

Total deposits

USD 70.1bn

Shareholders' equity

USD 4.9bn

ROAE²

19.8%

Cost-income-ratio

34.3%

NPL ratio

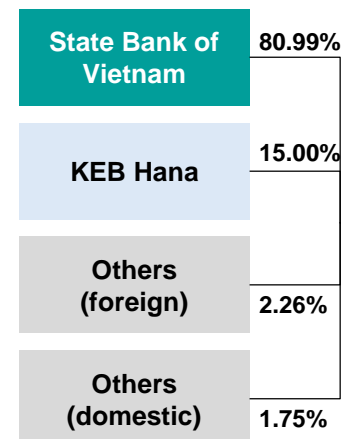
1.25%

CAR

8.6%

Shareholding Structure

As of 31 December 2023



Selected Awards & Accolades



The Asian Banker Excellence in Retail Financial Services
Best Retail Bank (SOE) in Vietnam, 8th 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, 6th consecutive year (2023)



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

Source: Company filings

Note: USD/VND= 24,300; All data as of 31 December 2023 unless otherwise stated

1. Among listed banks in Vietnam

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

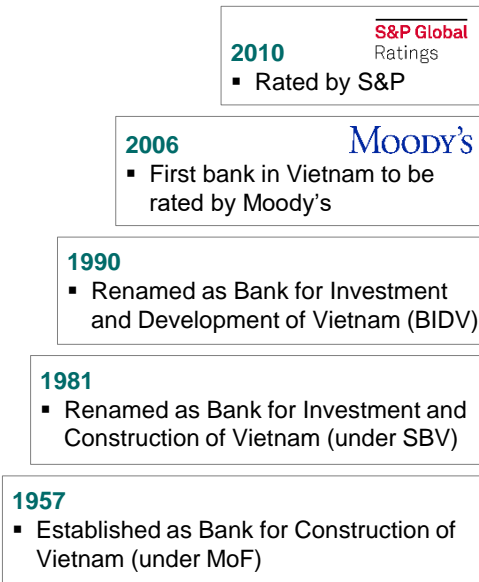
RESTRICTED



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

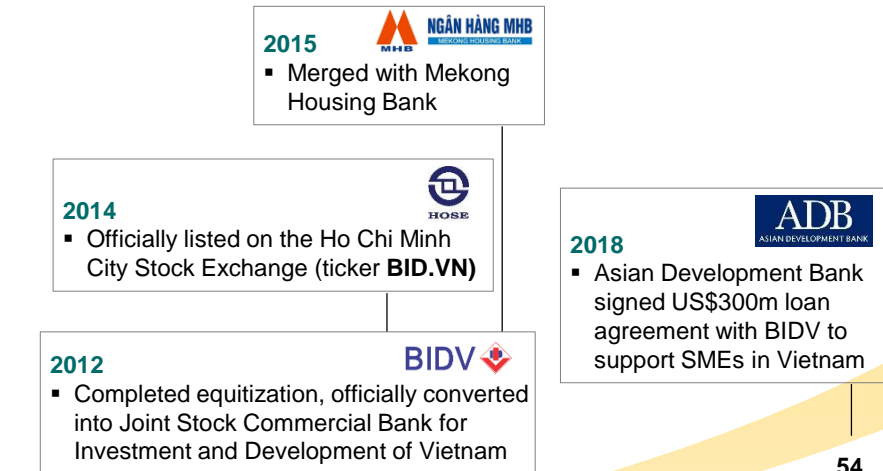
Establishment & Equitization Phase

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



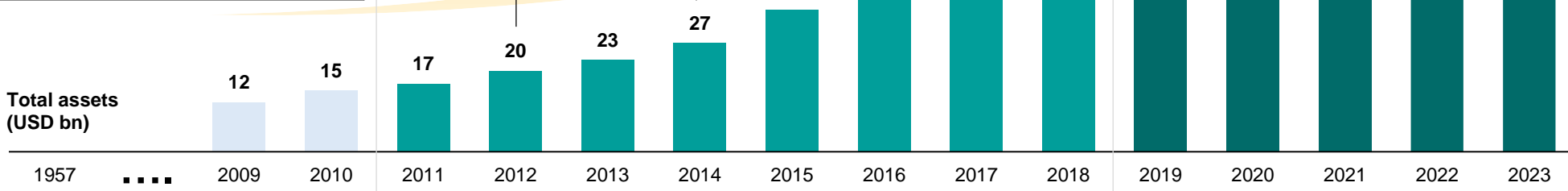
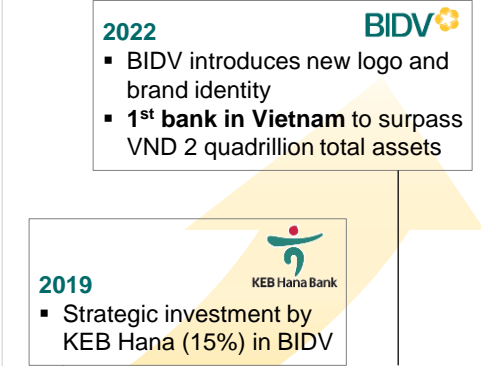
Post IPO: Growth & Transformation

Implementation of growth strategies



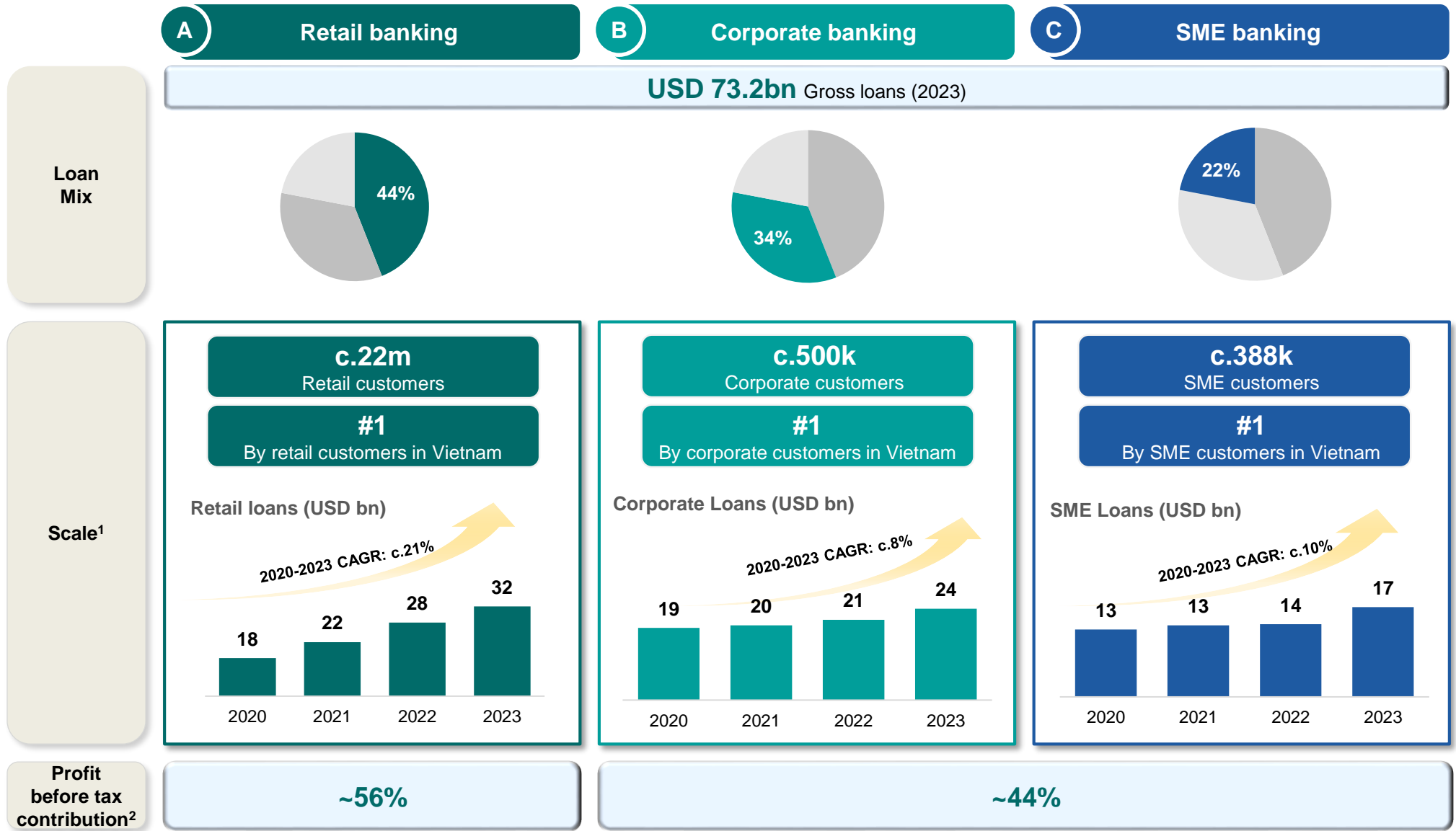
Introduction of Foreign Strategic Investor

Ongoing initiatives to reduce state ownership & increase foreign participation



Source: BIDV
Notes: USD/VND= 24,300
MOF= Ministry of Finance; SBV= State Bank of Vietnam

Key Business Segments



Source: Company filings

Note: USD/VND= 24,300; Statistics and financials for year ended 31st December 2023 unless otherwise stated

- Loans on consolidated level
- For financial year ended 2022



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

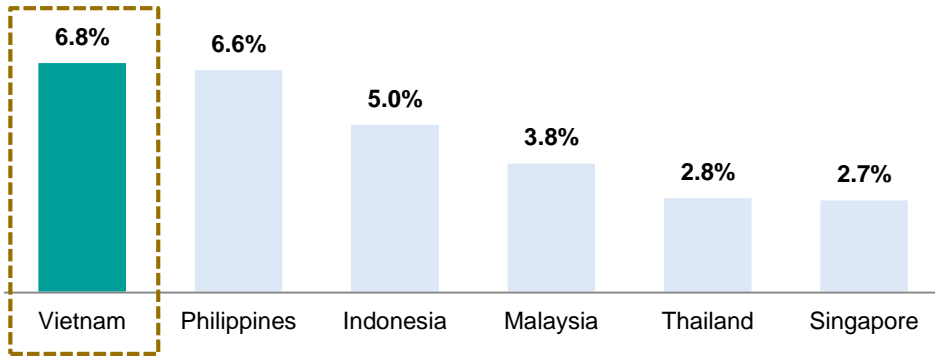
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Robust Risk Management Framework Driving High Quality Growth

1 Clear Beneficiary of Vietnam's Compelling Consumer Story

Fastest growing economy in SEA by real GDP

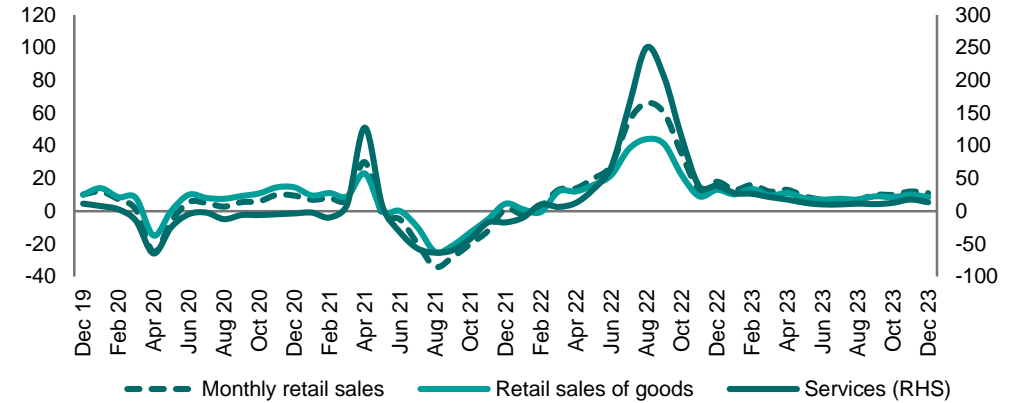
2022-2032E Real GDP CAGR (%)



Source: Economist Intelligence Unit

Private consumption is expected to maintain recovery momentum

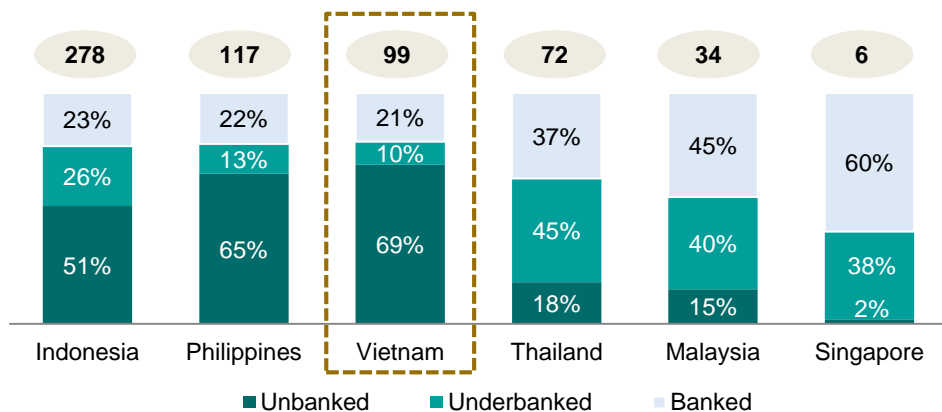
(% YoY)



Source: Mirae Asset Securities (Vietnam) Research; compiled from GSO

3rd largest population in SEA; high unbanked¹ population

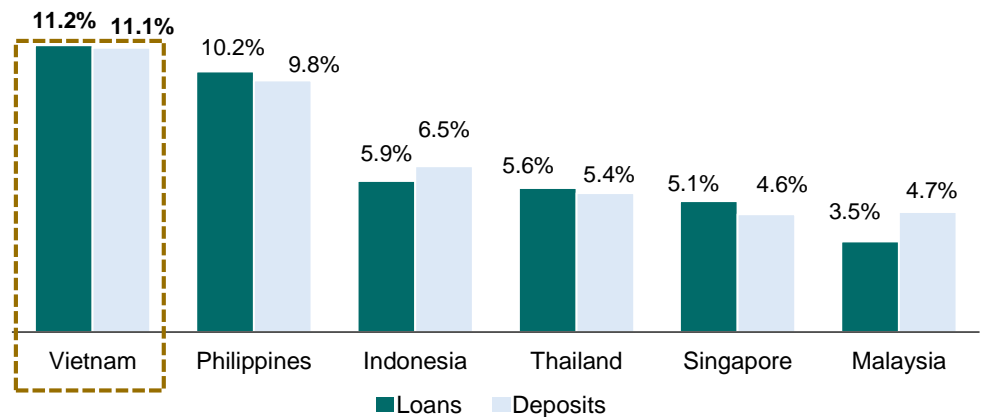
Total population (2023; millions)



Source: Euromonitor, World Bank, Bain, Merchant Machine
 Note: 1. Unbanked= no access to basic financial services / bank account; Underbanked= not well-served or have unmet needs (e.g. no credit card access, no long-term saving products and underinsured)

Strong banking sector growth outlook

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



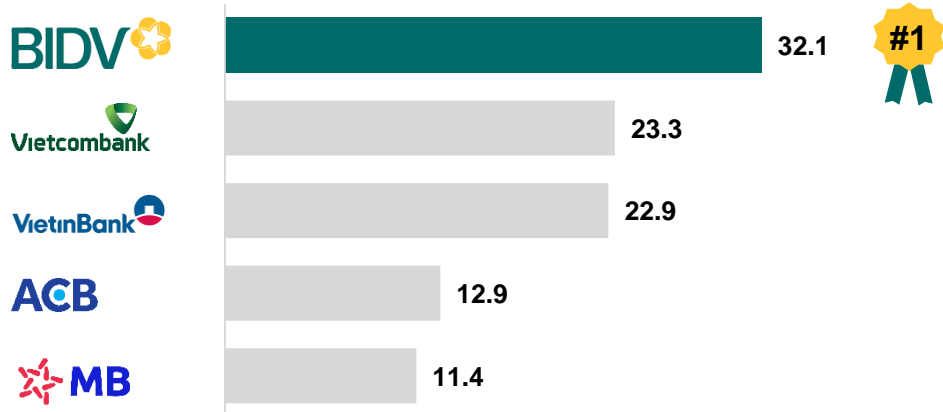
Source: World Bank



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

Undisputed No.1 retail banking franchise

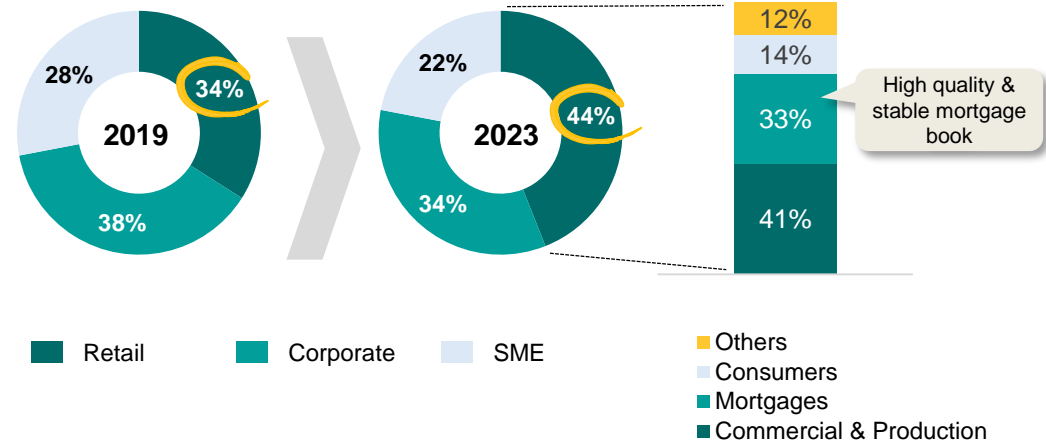
2023 retails loans¹ (USD bn)



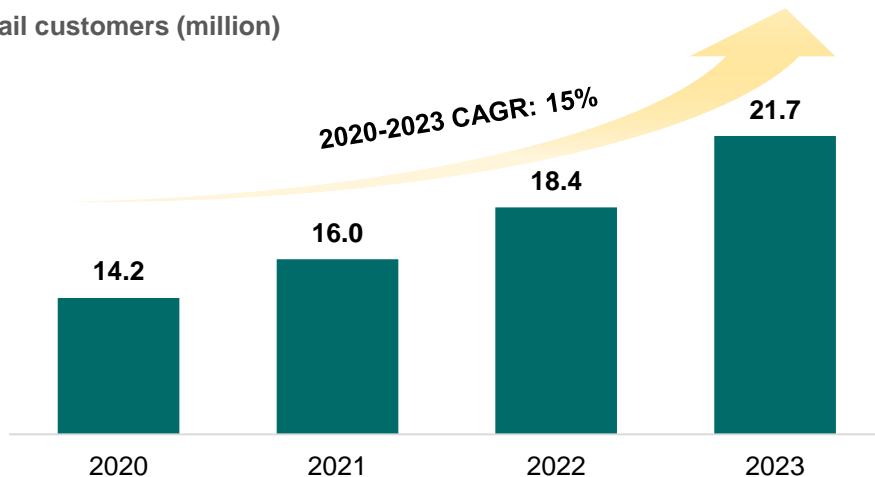
Strategy to shift into higher profitability retail business

Overall Loan Mix by Customers

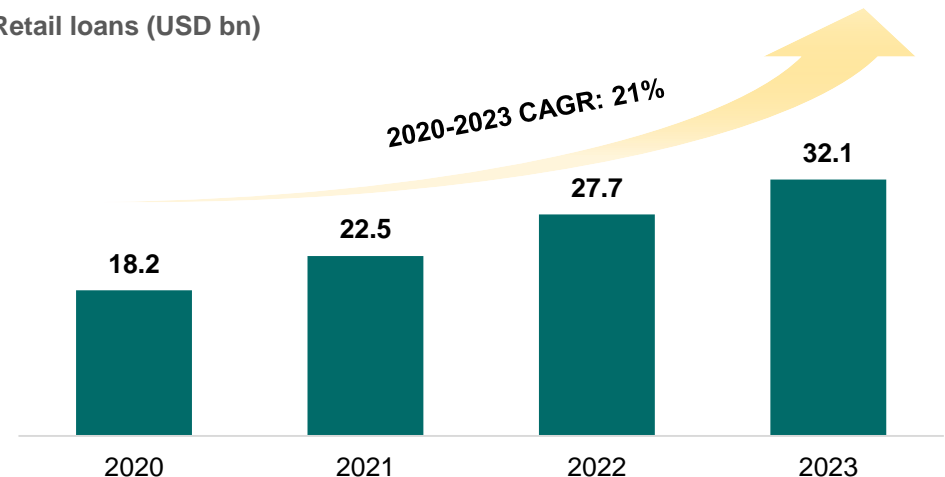
Retail Loan Mix



Retail customers (million)



Retail loans (USD bn)



Source: BIDV
 Note: USD/VND= 24,300
 1. Retail loans of VCB, Vietinbank, ACB, Sacombank based on disclosure in 4Q23 financial statements and investor presentation



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

Corporate banking

#1
by Corporate customers in Vietnam

>500k
Corporate customers

>USD 2.5bn
Green credit extended

SME banking

#1
by SME customers in Vietnam

>388k
SME customers¹

~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

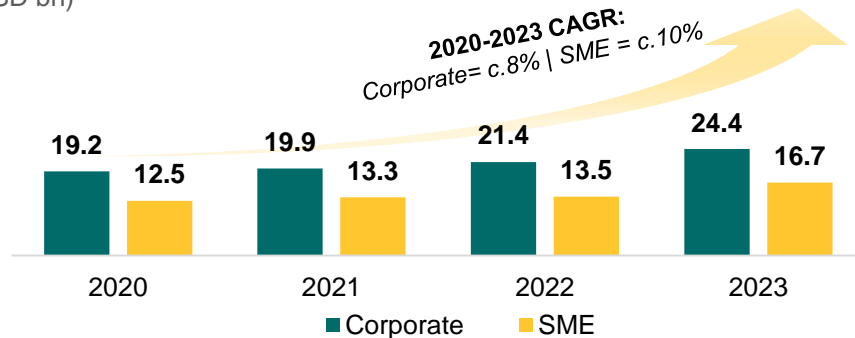
Advocating green finance growth with strategic partnerships



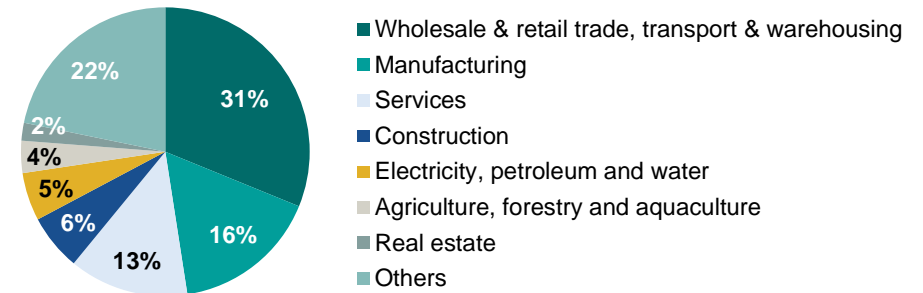
Supporting Vietnam's economy during turbulent times

- Launched **>USD 11.5bn** credit packages in 2023 to support SMEs
- Extended Covid-19 Relief Programs to WSME²s during pandemic

Loans by segment (Corporate & SME)
(USD bn)



Loans by industry (2023; company overall)



Source: BIDV, Ministry of Planning and Investment
 Note: USD/VND= 24,300; All data as of 31 December 2023 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 network¹ 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, STM²

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

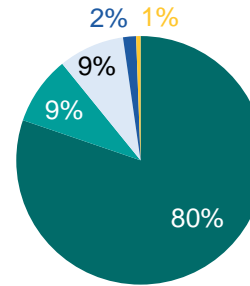


For home and car loans

With ~80% of transactions now conducted digitally

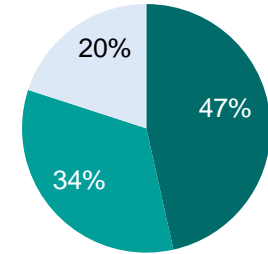
Diversified and stable funding

Mobilized capital (2023)



- Customer deposits
- Valuable papers³
- Deposits from credit institutions
- Borrowings from SBV
- Grants, trust funds

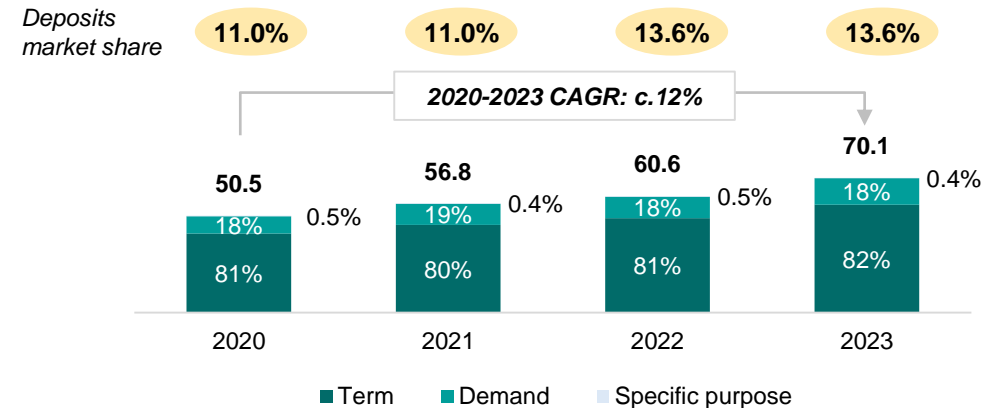
Customer deposits mix (2023)



- Individuals
- Corporates
- Financial Institutions

Total customer deposits

(USD bn)



Source: Company filings

Note: USD/VND= 24,300

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



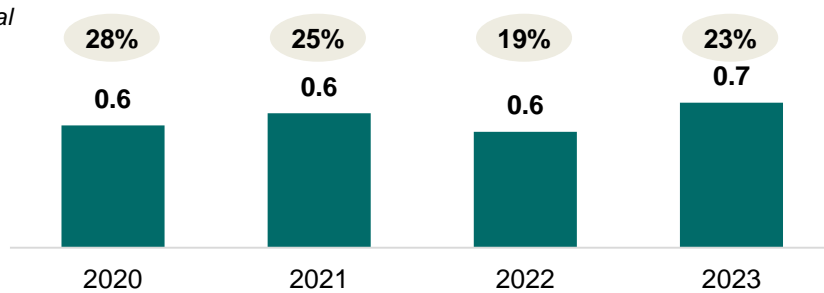
Significant Upside Opportunity to Unlock Non-Interest Income Growth

Recovery in 2023 non-interest income

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

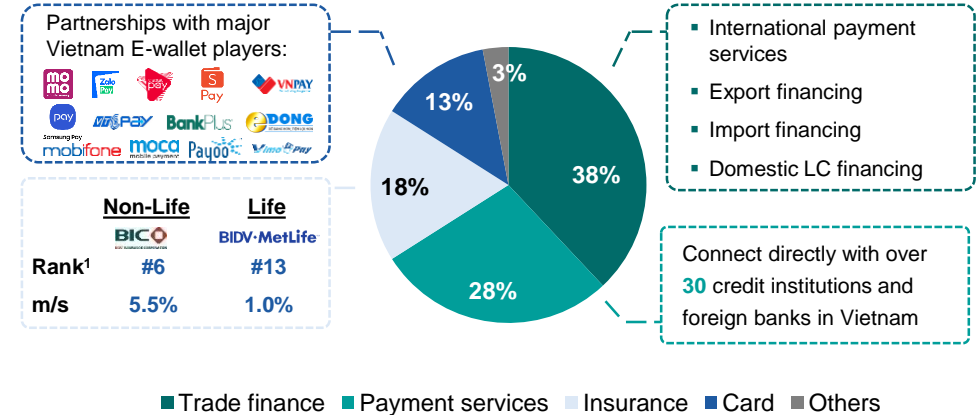
Net fee and non-interest income (USD bn)

As % of total operating income



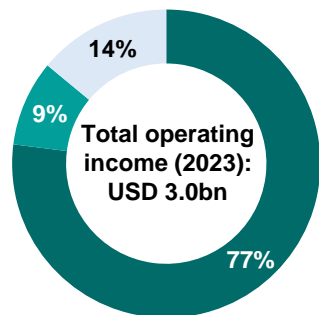
Diversified and balanced product offerings

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 (77%), Net fee income (9%), Other non-interest income (14%)

...Supported by companies in BIDV ecosystem

Securities / Leasing / Asset Management

Key subsidiaries:

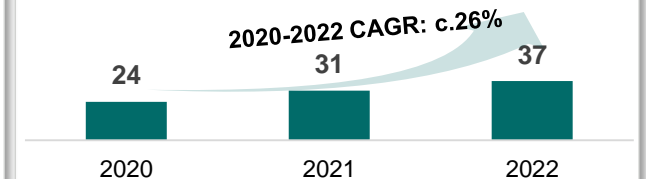


Insurance

Key subsidiaries / JV:



Net fee income from insurance (USD m)

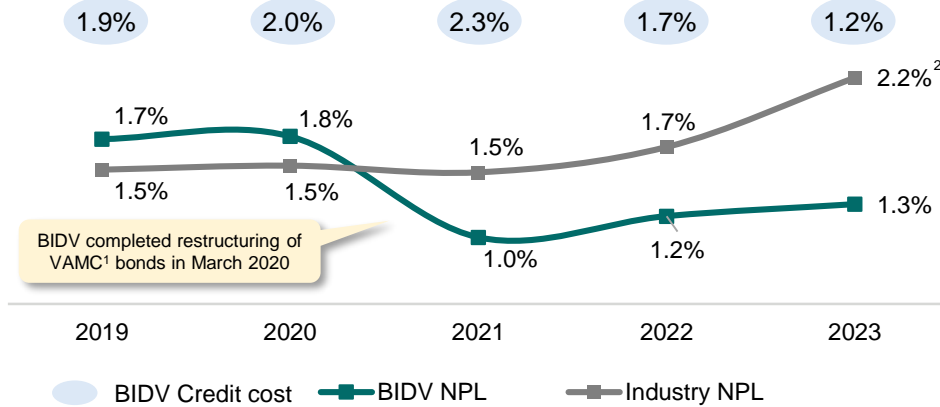


Source: Company filings
Note: USD/VND= 24,300

6 Robust Risk Management Framework Driving High Quality Growth

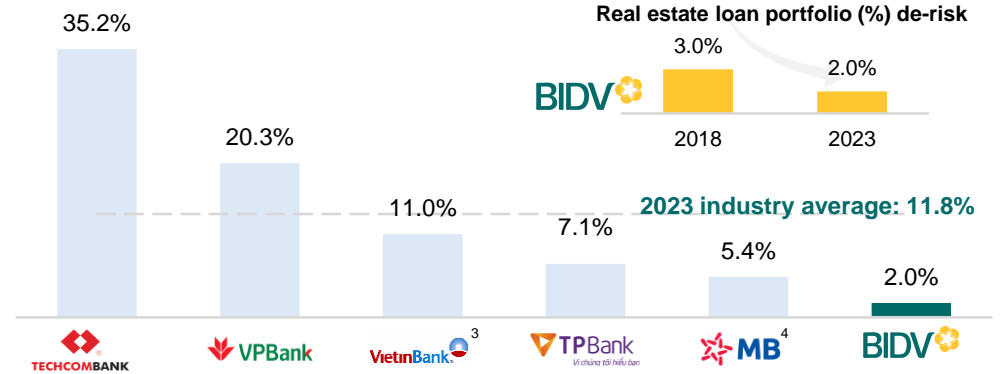
Substantially improved asset quality

NPL Ratio & Credit Cost (%)



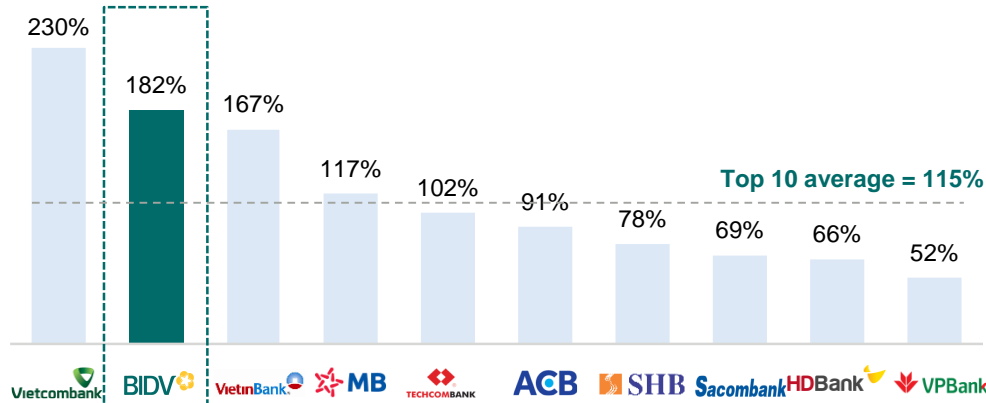
With reduced exposure to real estate sector

Real Estate Loans as % of Gross Loans (2023)



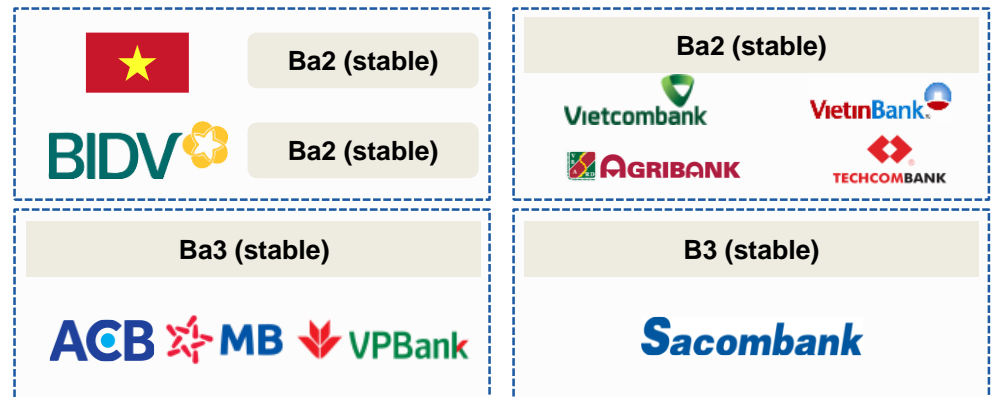
One of the highest NPL coverage among peers

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. Industry NPL as of 3Q23; latest available
3. As of Sep 2023, latest available
4. As of Jun 2023, latest available



3. Growth Strategy

VISION

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

5 Core Values



Intelligence

Believe

Integrity

Detail Orientation

Vitality

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
14%-15% total assets 12%-13% lending 13%-14% deposits	<=1.4% NPL ratio	1% ROA 20% ROE 25% Profit before tax (YoY growth)

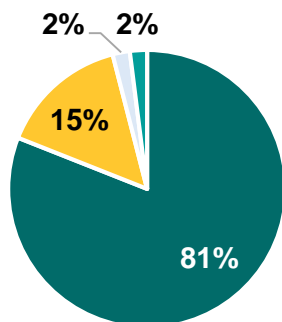


Shareholding Structure & Capital Raising Plan

- ◆ 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 investors¹, 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

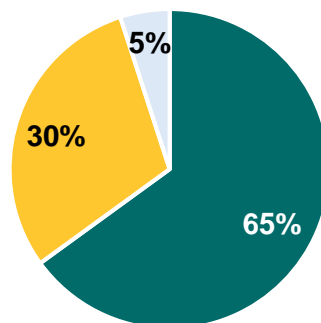
- Completed IPO in 2011
- Converted to Joint Stock Commercial Bank in 2012



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

Stage 2: To 2025

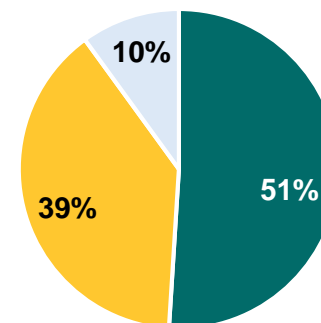
- Issuing shares to foreign investors (foreign shareholding limit at 30%)



- 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

(USD million)

Income Statement	2019	2020	2021	2022	2023	19-23 CAGR
Net interest income	1,481	1,473	1,927	2,303	2,310	11.8%
Net fee & commission income	176	217	272	233	270	11.4%
Total operating income	1,980	2,059	2,572	2,859	3,005	11.0%
Operating expense	(710)	(728)	(801)	(935)	(1,032)	9.8%
Profit before provision	1,270	1,331	1,771	1,924	1,973	11.6%
Provision expenses	(828)	(960)	(1,213)	(981)	(835)	0.2%
Profit before tax	442	371	558	943	1,138	26.7%
Net profit attributable to shareholders	344	288	434	744	887	26.7%

Balance Sheet	2019	2020	2021	2022	2023	19-23 CAGR
Gross loans	45,967	49,971	55,746	62,643	73,155	12.3%
Total assets	61,315	62,415	72,498	87,271	94,684	11.5%
Customer deposits	45,850	50,480	56,806	60,642	70,135	11.2%
Total liabilities	58,120	59,137	68,945	82,986	89,625	11.4%
Shareholders' equity	3,067	3,145	3,421	4,090	4,854	12.2%
Asset quality / capitalization						
Loans to deposits	87.95%	86.98%	83.36%	83.0%	83.8%	
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%	
CAR	8.74%	8.61%	8.97%	8.87%	8.60%	
Profitability						
Net interest margin	2.82%	2.61%	2.86%	2.98%	2.57%	
Non-interest income / Operating Income	25.3%	28.5%	25.1%	19.6%	23.1%	
Fee income ratio	8.9%	10.5%	10.6%	8.1%	9.0%	
Credit Cost	1.91%	2.00%	2.30%	1.67%	1.23%	
CIR	35.9%	35.4%	31.1%	32.6%	34.3%	
ROAA	0.60%	0.47%	0.64%	0.93%	0.97%	
ROAE	13.3%	9.3%	13.2%	19.8%	19.8%	

Source: BIDV company filings



Appendix 2. Industry Overview



Macroeconomic Environment

After bracing macroeconomic headwinds and inflation peaks, signs are showing a gradual recovery

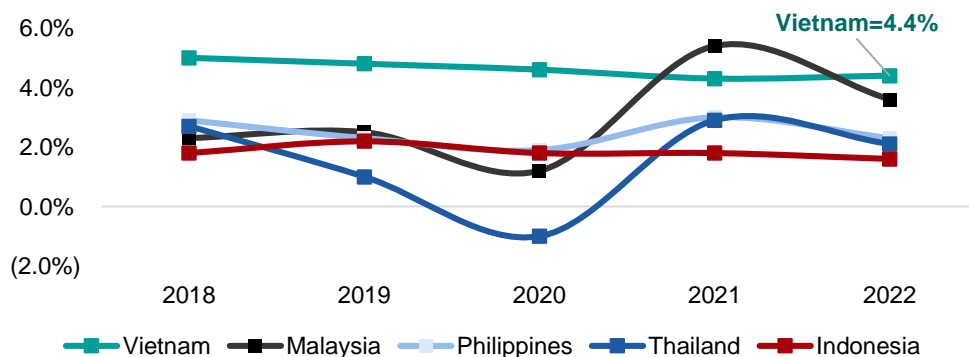
GDP growth has slowed amid global headwinds and expected to recover in 2024

	2022	2023	2024E
GDP growth (%)	8.0	5.1	6.0
Private Consumption (% YoY)	7.8	4.4	5.8
CPI (%)	3.2	3.3	3.4
Policy Rate (%)	6.0	4.5	4.5

Source: BIDV Investor Presentation Jan 2024

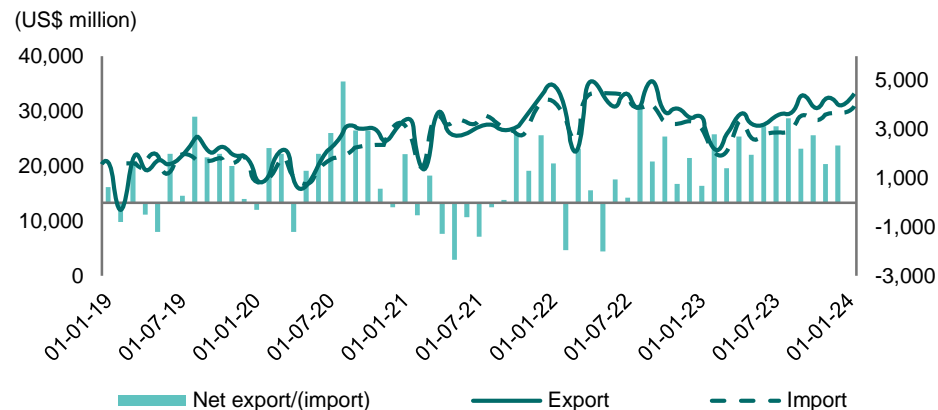
Strongest FDI-to-GDP contribution among emerging markets in SEA

FDI as % of GDP (%)



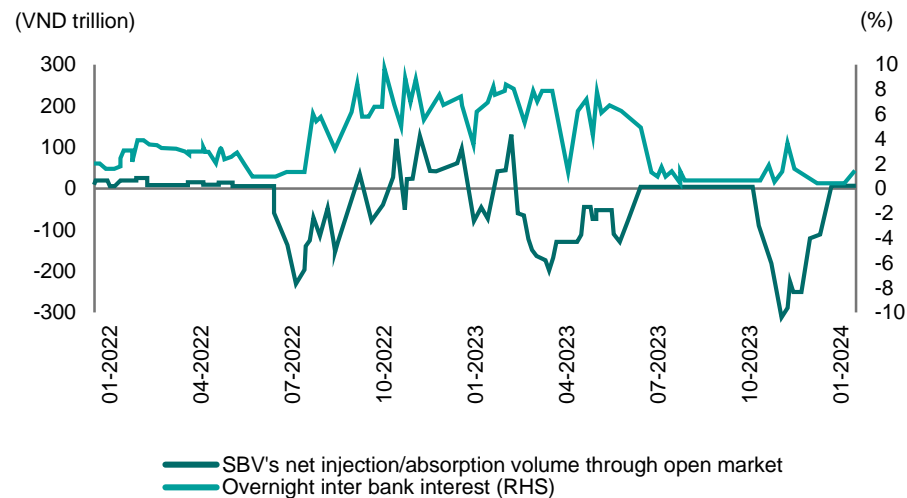
Source: World Bank

Vietnam has seen broad-based weakness in exports since 4Q22 but managed to recover throughout 2023



Source: SSI Research

The SBV also cut rates in 1Q23 and 4Q23, reflecting continuous efforts to support growth



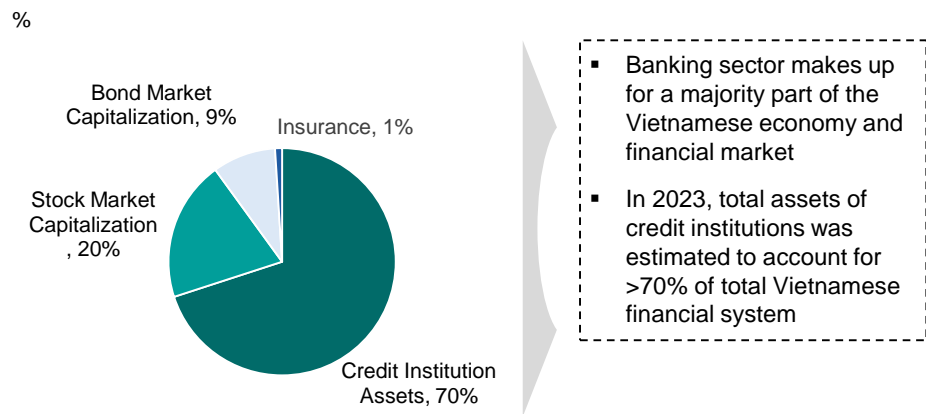
Source: SSI Research

Vietnam Banking Sector

Banking sector is the backbone of Vietnam's economy

Banking makes up the majority of Vietnam's financial market

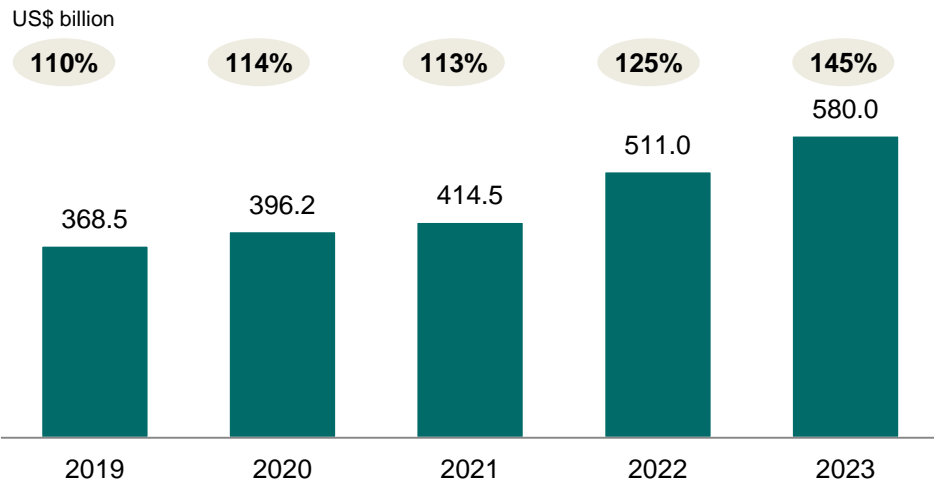
Structure of Vietnam's Financial System (% Total Assets)



Source: Factset, As of 29 December 2023

Vietnam's credit-to-GDP ratio is among the highest in the world

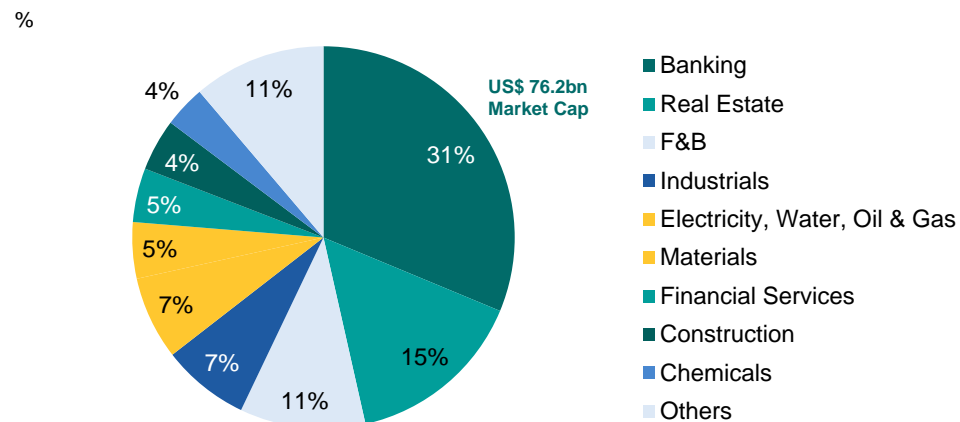
Vietnam's outstanding credit and % of GDP



Source: VNEconomy

The banking sector is still the largest market cap group¹

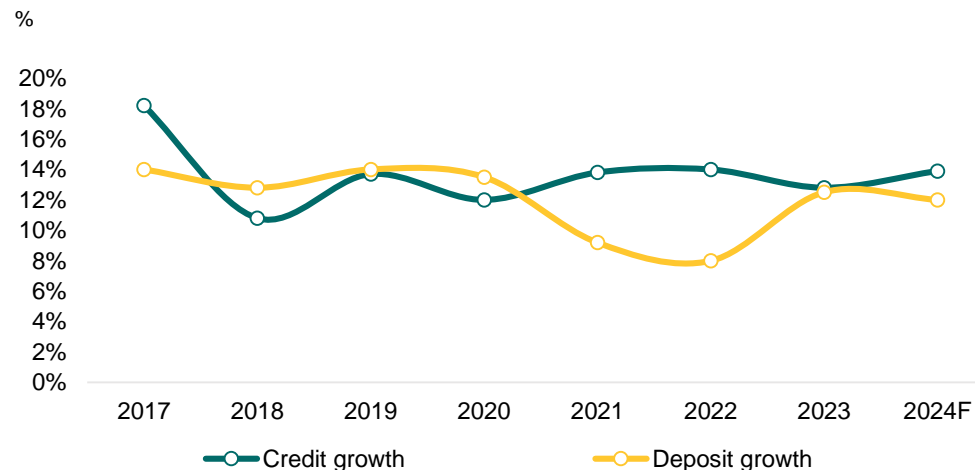
Market capitalization by sector¹



Source: SSI Research, As of 29 December 2023

Credit continues to grow at a fast but more sustainable level

Credit & Deposit growth



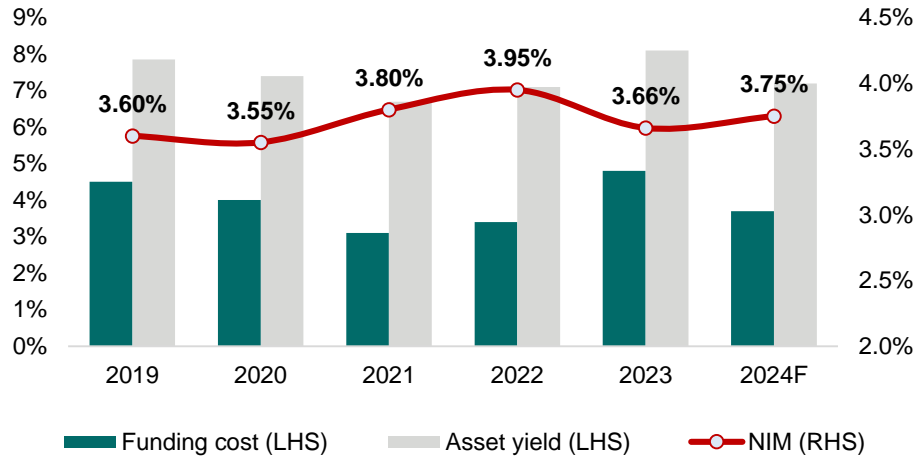
Source: SSI research

Vietnam Banking Sector (cont'd)

Banking sector competitive edges

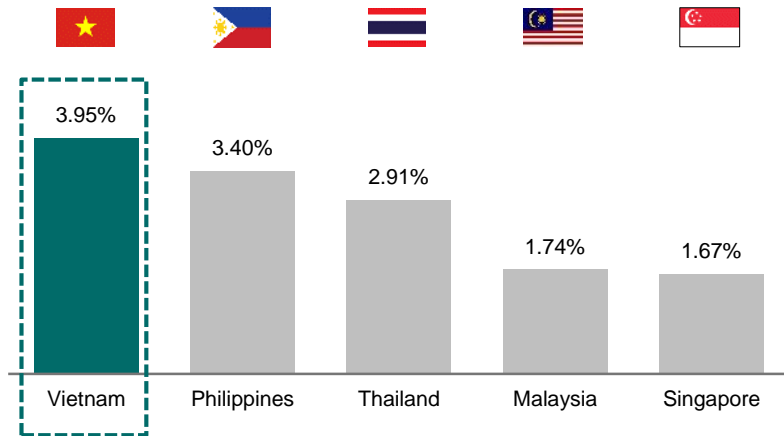
High NIM and profitability

NIM of Banking Sector



Source: Fiinpro

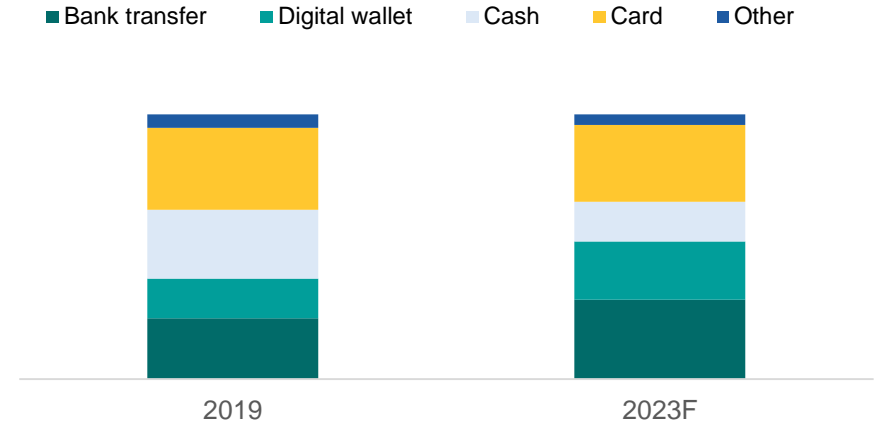
Net Interest Margins by region (2022)



Source: SNL, Fiinpro

Banking digitization leads to lower CIR

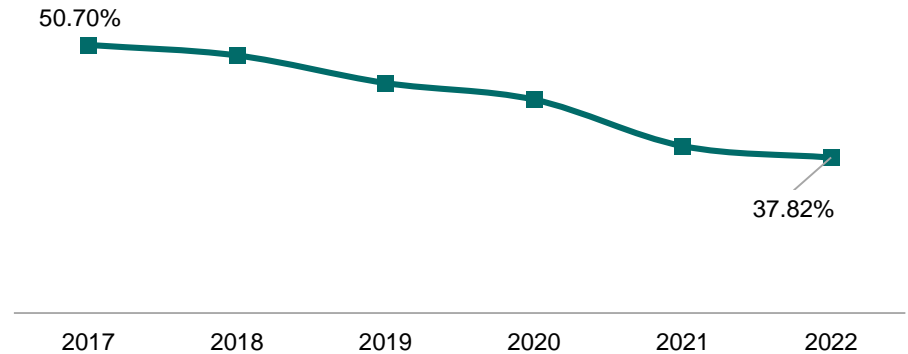
Payment Value Percentage 2019-2023F



Source: SNL

Cost to Income ratio

%



Source: SNL

Thank you!

Creating
Sustainable
Values

