October 26, 2026

JSC Bank for Investment and Development of Vietnam

[Vietnam / Bank]

Bloomberg Code (BID VN) | Reuters Code (BID.HM)

Riding the growth wave

BUY

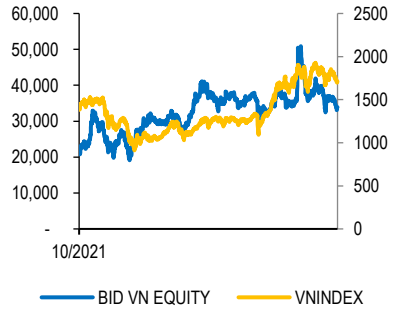
Initiation

Target price (12M)	**40,800VND**
Current price (10/26/2026)	33,750 VND
Upside (%)	20.8%

VNINDEX	1,763
Forward PE 1Y	11.7
Market cap (VND bn)	263,294
Outstanding shares (mn)	7,778
Free float (mn shares)	1,810
52-week high/low (VND)	52,975 /32,150
90-day avg. volume (mn shares)	3.92
90-day avg. value (VND bn)	137
FOL remaining (%)	12.6

Major shareholders (%) SBV 76.7

Price performance	3M	6M	12M
Absolute (%)	-6.8	-10.3	-7.4
Relative to VN-Index (%)	-2.3	-4.3	-6.0



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BUY recommendation, target price VND40,800

BIDV (BID) – the bank with the largest total assets and loan book among listed banks – is shifting from scale expansion to improving efficiency and growth quality under its 2026-2030 strategy. We initiate coverage of BID with a BUY recommendation and a target price of VND40,800/share, based on a combination of residual income RI (40%) and a target P/B of 1.6x (60%).

A brand closely associated with construction investment and financing

Having started as a construction bank, BIDV leads in credit market share with total outstanding credit of VND2,376tn at end-2025, accounting for 17.3% of total loans of the 20 banks listed on HOSE (2018-2025 CAGR: 13%). The 2026-2030 infrastructure investment wavep (Ring Road 4, expressways, airports, LNG power) together with policies raising the cap on short-term funds for medium- and long-term lending to 40% and including State Treasury deposits in the LDR will support BIDV's expansion of project lending. We forecast BIDV's credit growth at 10% in 2026, accelerating to 12% in 2027 as deposits return to the banking system.

Diversified ecosystem, growing retail market share

BID maintains a full ecosystem (banking, securities, insurance, financial leasing) with foreign strategic partners (KEB Hana, Fairfax, MetLife, Sumitomo Mitsui Trust). The share of individual loans rose from 35.1% (2019) to 47.4% (2025); fee income has grown steadily at a CAGR of around 10% per year. NIM declined from 2.9% (2021-2022) to 2.1% in 2025 due to preferential loan packages, but showed signs of bottoming out in 6M2026 as asset yield recovered to 5.5%. We forecast NIM to stay at 2.0-2.1% over 2026-2027.

Stable asset quality

Following the balance sheet clean-up with KEB Hana, provision expenses/TOI fell from 47.2% (2021) to 25.2% (2025), and CIR improved to 31.8% in 6M2026. PBT reached VND37,788bn in 2025 (+20.4% YoY) and VND18,905bn in 6M2026 (+17.9% YoY), with ROE at around 18-19%. However, bad debt rose to VND45,719bn at end-Q2/2026 and the loan loss coverage ratio fell to 75.9%. We forecast the NPL ratio to rise to 1.6-1.8% and credit cost at 0.9-1.0% over 2026-2027, with CIR staying below 33%. Accordingly, 2026 PBT is forecast at VND42,735bn (+13% YoY), expect to grow over 13% in 2027. For Q3/2026 results, we forecast BIDV's YTD credit growth at over 8% and PBT of VND9,500bn (+25% YoY). For full-year 2026, PBT is expected to reach VND42,735bn (+13% YoY).

Clear five-year growth plan and capital-raising roadmap

Under its 2026-2030 plan, BIDV targets average annual growth of over 8% in total assets and PBT, ROE of 15% or higher, an NPL ratio below 1% by 2030 and green credit growth of 1.3-1.5 times overall credit growth. The plan to issue 780 million shares over 2026-2028 will lift CAR from 10.0% to 10.5-11% and gradually reduce state ownership in line with Decision 40/2026/QD-TTg. We project BIDV's PBT to grow at around 12% per year over the next five years.

Risks 1) Asset quality deteriorates faster than expected. 2) Further NIM erosion

Year	2023	2024	2025	2026F	2027F
Net interest income (VND bn)	56,136	58,008	63,295	75,009	82,309
Non-interest income (VND bn)	16,877	23,052	27,919	23,791	29,315
Total operating income (VND bn)	**73,013**	**81,060**	**91,214**	**98,801**	**111,624**
Operating and provision expenses (VND bn)	(45,424)	(49,677)	(53,426)	(56,066)	(63,022)
PBT (VND bn)	**27,589**	**31,384**	**37,788**	**42,735**	**48,602**
Loan growth (%)	16.78	15.66	15.41	10.00	12.00
NIM (%)	2.57	2.33	2.11	2.11	2.02
ROE (%)	19.4	18.8	19.1	18.2	17.8

Source: Fiinpro, Company data, Shinhan Securities Vietnam.

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Company overview

Company overview

BIDV's predecessor was the Bank for Construction of Vietnam, established under Decision 177/TTg dated 26/04/1957 of the Prime Minister with the initial mandate of disbursing state budget funds for capital construction investment to serve national development.

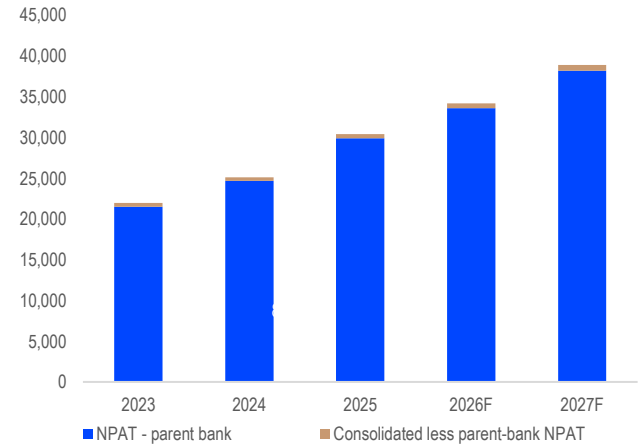
BIDV is the oldest commercial bank in Vietnam and one of the four largest state-owned commercial banks (Big 4). After several rounds of restructuring and renaming, BIDV officially began operating as a commercial bank in 1995, was converted into a joint stock commercial bank in 2012 and listed on HOSE in 2014. In 2019, BIDV completed the sale of 15% of its charter capital to KEB Hana Bank (South Korea), marking a turning point in strengthening its financial capacity, risk management and international cooperation.

BIDV currently has the largest total assets and loan book among listed banks, with an extensive operating network and leading positions across multiple segments, from large corporates and SMEs to individual customers. Leveraging its brand, large customer base, stable funding and close ties with the public sector, BIDV plays a key role in supplying capital to the economy, particularly for key infrastructure projects. At the same time, the bank is accelerating its digital transformation, modernizing its technology infrastructure and expanding its service ecosystem to enhance operational efficiency and competitiveness.

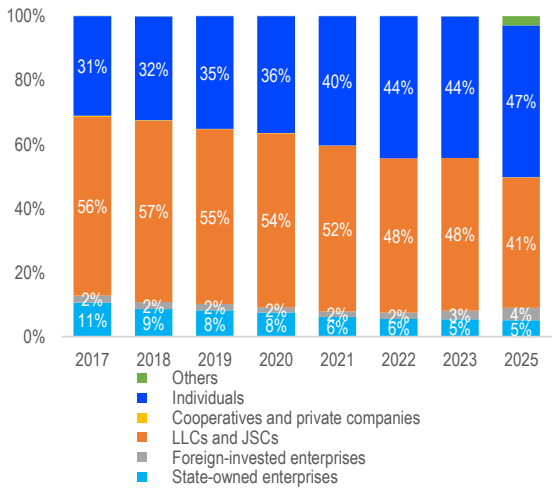
Business overview

BIDV's profit is mainly derived from core banking activities, with the parent bank contributing around 98% of consolidated NPAT in 2025 (VND29,904bn out of a total of VND30,430bn). The remainder comes from subsidiaries in securities (BSC), insurance (BIC), financial leasing and subsidiary banks in Laos and Cambodia. Over 2018-2025, consolidated NPAT grew at an average rate of around 22% per year.

Consolidated NPAT is mostly contributed by the parent bank (VNDbn)



BID's loan book by customer as of 2025



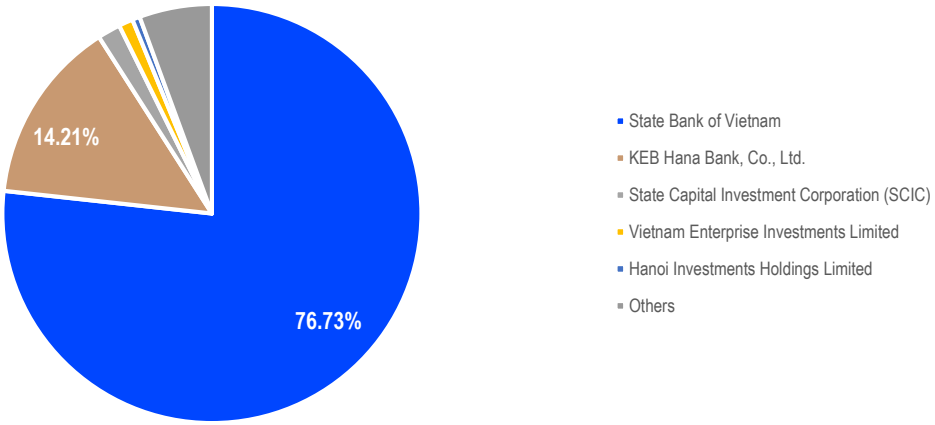
Source: BID, Fiinpro, Shinhan Securities Vietnam

Organizational structure

No.	Division/ Company name	Business line	Bank's ownership
	SUBSIDIARIES		
1	BIDV Debt Management and Asset Exploitation One Member LLC	Debt management and asset exploitation	100.00%
2	BIDV Securities JSC ("BSC")	Securities	51.97%
3	BIDV Insurance Corporation ("BIC")	Insurance	51.01%
4	MHB Securities JSC ("MHBS")	Securities	60.00%
5	Bank for Investment and Development of Cambodia ("BIDC")	Banking	98.50%
6	Lao-Viet Insurance Joint Venture Company ("LVI")*	Insurance	33.15%
7	Lao-Viet Joint Venture Bank ("LVB")	Banking	65.00%
8	BIDV - SuMi TRUST Leasing Company Limited ("BSL")	Financial leasing	50.00%
9	Cambodia - Vietnam Securities Company (*)	Securities	98.50%
10	Cambodia - Vietnam Insurance Company (*)	Insurance	26.01%
	BANKING DIVISION (including Departments/Centers at the Head Office, Branches, Representative Offices, IT Center, BIDV Training School and Southern Vault Service Center)		
	ASSOCIATES		
1	Vietnam Aircraft Leasing JSC ("VALC")	Aircraft purchase and leasing	18.52%
2	Cambodia – Vietnam Food Company Limited ("Cavifood") (*)	Trading of food and agricultural products	32.51%
	JOINT VENTURES		
1	Vietnam-Russia Joint Venture Bank ("VRB")	Banking	49.5%
2	BIDV Tower Joint Venture Company ("BIDV Tower")	Construction, operation and management of office buildings	55.00%
3	BIDV MetLife Life Insurance Company Limited ("BIDV MetLife") (*)	Insurance	37.25%

Source: BID; * indirect ownership through subsidiaries

Shareholder structure as of end-Q2/2026 (%)



Source: BID

BID's development history

BIDV's key milestones

- **26/04/1957:** Established as the Bank for Construction of Vietnam under the Ministry of Finance
- **24/06/1981:** Renamed the Bank for Investment and Construction of Vietnam under the State Bank of Vietnam
- **14/11/1990:** Renamed the Bank for Investment and Development of Vietnam
- **01/01/1995:** Officially began operating under the commercial bank model
- **28/12/2011:** Initial public offering of shares
- **01/05/2012:** Officially converted into the Joint Stock Commercial Bank for Investment and Development of Vietnam
- **24/01/2014:** BIDV shares (ticker BID) officially listed on the stock exchange
- **25/05/2015:** Successfully merged Mekong Housing Bank (MHB) into the BIDV system
- **11/11/2019:** Signed a strategic cooperation agreement and announced KEB Hana Bank (South Korea) as a foreign strategic shareholder holding 15% of BIDV's charter capital
- **26/04/2022:** Officially adopted a new brand identity
- **03/09/2023:** Successfully migrated to the Core Banking Profile system
- **05/03/2025:** Completed a charter capital increase via private placement to investors, raising charter capital to over VND70,213bn
- **25/03/2026:** Completed a private placement, raising BIDV's charter capital to over VND72,800bn

Investment thesis

Scale advantage tied to economic growth drivers

1. Leading in scale and loan market share

Having started as a construction bank, BIDV's brand is closely associated with financing public investment projects. As of end-2025, BIDV's total outstanding credit reached VND2,376tn, the largest among listed banks and accounting for around 17% of total outstanding loans of the banks listed on HOSE, followed by CTG (VND1,995tn) and VCB (VND1,681tn). Across the whole banking system, BIDV's credit market share has remained around 11%.

Over 2018-2025, BIDV's outstanding credit grew at an average rate of around 13% per year, accelerating to 15-16% per year in 2023-2025 as public investment was stepped up. The corporate loan book focuses on trading, manufacturing and infrastructure sectors such as transportation, power and water. Notable key national infrastructure projects financed by BIDV include ring roads, expressways, airports and power plants.

Representative large projects with BIDV's participation (large infrastructure projects are usually financed via syndicated loans with other banks):

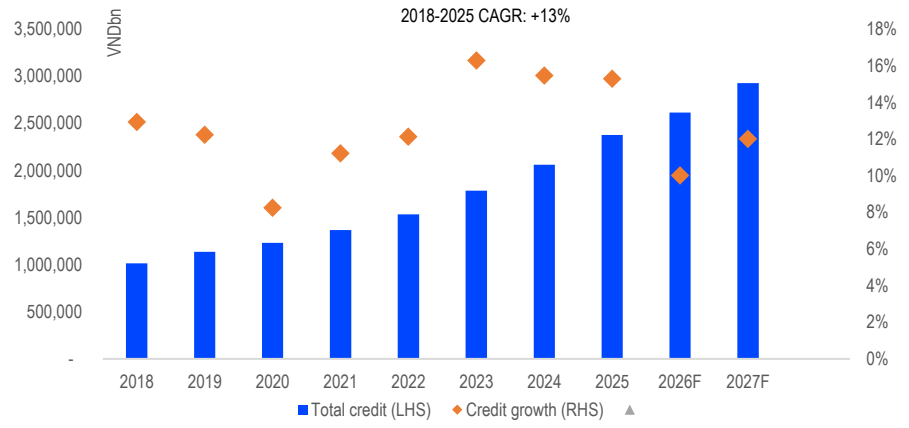
- Trung Luong – My Thuan Expressway; North – South Expressway: Dien Chau – Bai Vot section; 500kV circuit-3 transmission line Quang Trach – Quynh Luu; solar and wind power projects
- Long Thanh International Airport phase 1 – Component project 3; Ho Chi Minh City – Thu Dau Mot – Chon Thanh Expressway; Ring Road 4 – Hanoi Capital Region – Component project 3; Quang Trach II LNG thermal power plant – Component project 1; Ninh Binh – Hai Phong Expressway; Expansion of Ho Chi Minh City – Trung Luong – My Thuan Expressway; O Mon IV thermal power plant.
- In the coming years, BIDV is expected to continue financing infrastructure projects such as Ring Road 4 – Ho Chi Minh City, the Hanoi – Ninh Binh Expressway, the Hai Phong Expressway and a group of BOT projects (expected in 2H2026), along with 18 key infrastructure projects and 34 key works and projects of Hanoi over 2026-2030 with total estimated capital needs of VND1,000-1,500tn. We believe this will be the main driver helping BIDV sustain credit growth of 10-12% per year going forward.

After KEB Hana became a strategic shareholder, BIDV stepped up the resolution and clean-up of its balance sheet, strengthened its brand identity and shifted its credit mix toward retail (instead of focusing only on wholesale and large customers as before 2018). From 2019 to 2025, the share of individual loans in BIDV's loan book rose from 35.1% to 47.4%, while the share of loans to state-owned enterprises declined from 8.3% to 5.2%. By customer segment, as of end-Q2/2026, retail accounted for 47% of outstanding loans.

By tenor, as of end-Q2/2026, short-term loans accounted for 60.6% of BIDV's loan book and medium- and long-term loans 39.4%, up significantly from 33.7% at end-2023. BIDV's tenor structure is similar to that of other listed SOCBs (CTG: 38.1%, VCB: 41.3% at end-2025).

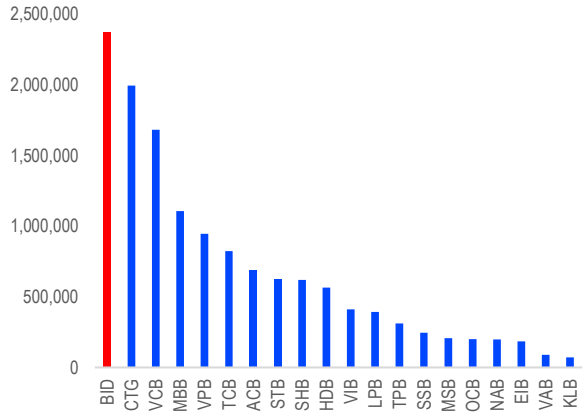
BIDV segments its customers into five main groups, ranging from individuals to large corporates and domestic and international financial institutions. The corporate division includes large corporates (average two-year revenue above VND2,000bn or credit limit above VND3,000bn), MIDCOM (revenue of VND500–2,000bn), SMEs and FDI enterprises. These groups are concentrated mainly in Hanoi, Ho Chi Minh City and the southern industrial hubs; their product needs span credit, deposits, trade finance, payments and cash management. The FDI segment has more than 9,800 customers (2025 data) from China, South Korea, Japan, Singapore, Taiwan, etc., focusing on manufacturing, processing and trading. The financial institutions segment includes banks, securities companies, insurers, investment funds, financial agencies and international organizations, with a focus on payments, correspondent banking, treasury and trade finance. The individual segment has nearly 26 million customers, equivalent to around 26% of the population, focusing on retail banking, credit, deposits, cards and digital services via BIDV SmartBanking. This structure helps BIDV diversify its revenue sources and cross-sell products across its large customer ecosystem.

BID's credit over 2018-2025 (%)

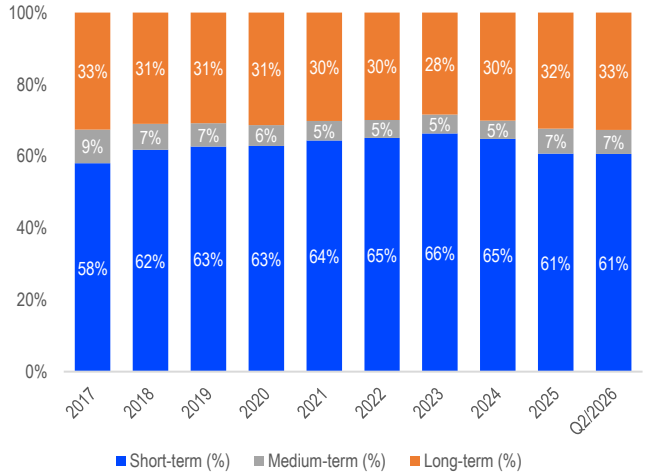


Source: Fiinpro, Company data, Shinhan Securities Vietnam

BIDV's credit vs. the industry (VNDbn)

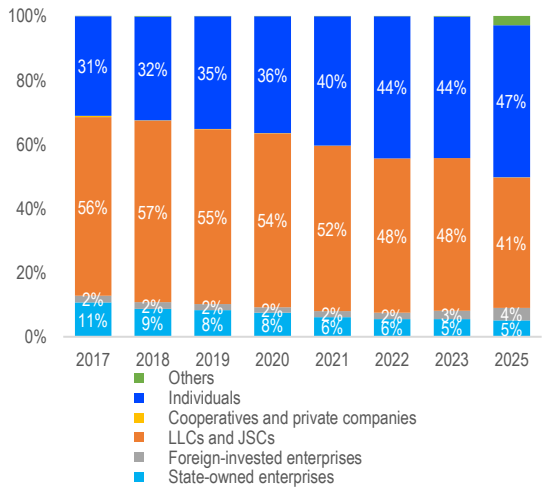


Loan book by tenor (%)

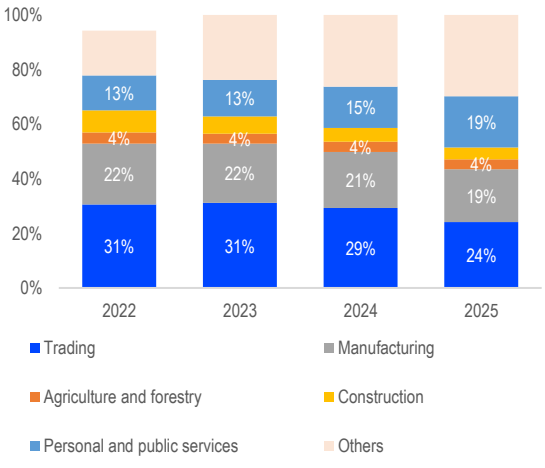


Source: Fiinpro, Company data, Shinhan Securities Vietnam

Loan book by customer segment (%)

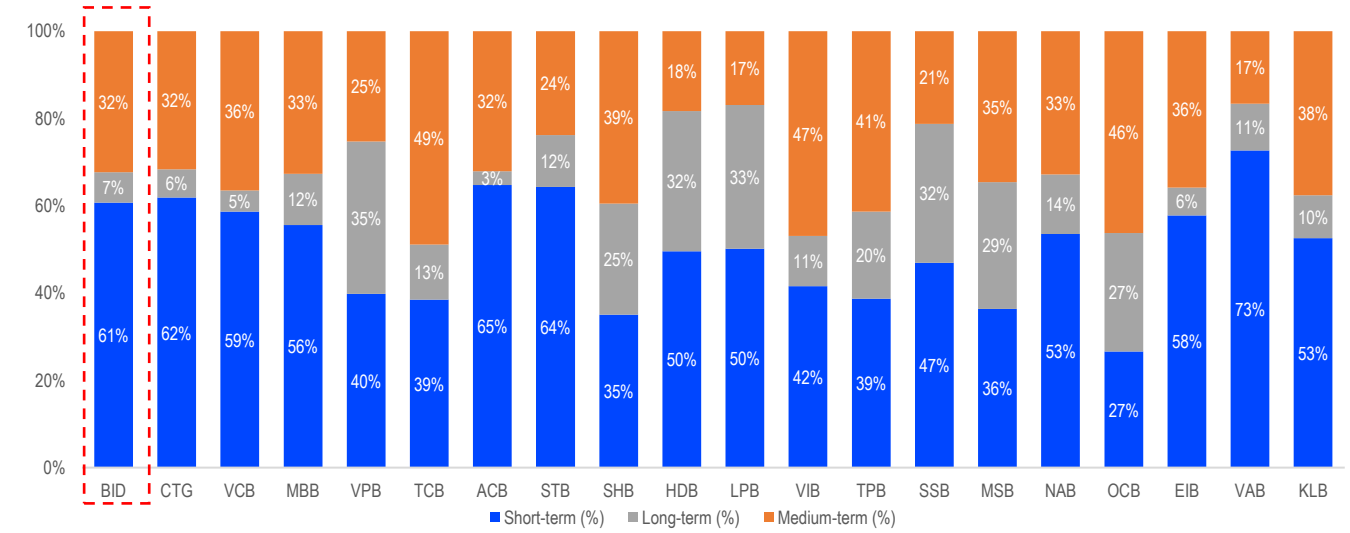


Loan mix by sector as of 2022-2025



Source: BID, Fiinpro, Company data, Shinhan Securities Vietnam

Loan tenor structure of banks listed on HOSE as of end-2025 (%)

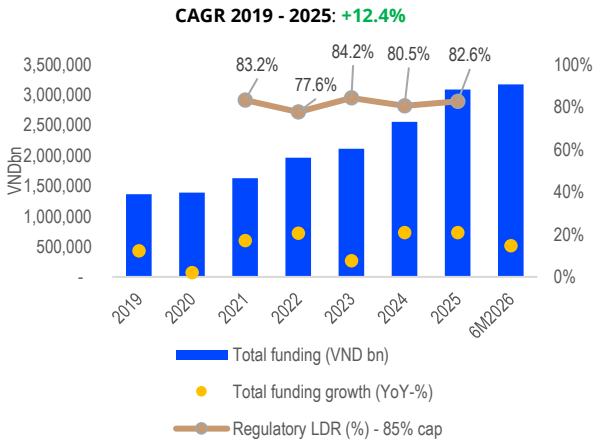


Source: Fiinpro, Company data, Shinhan Securities Vietnam

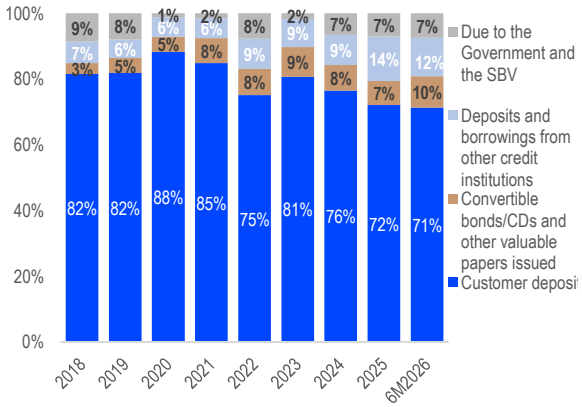
2. Diversified multi-channel funding; the State Treasury continues to play an important role for BIDV

Alongside its leading position in lending, BIDV also has the largest funding base in the system. Total funding reached VND3,085tn at end-2025 (2019-2025 CAGR: 14.6%) and VND3,172tn at end-Q2/2026 (+14.7% YoY). Besides customer deposits, BIDV maintains a significant share of funding from deposits of the Government, the State Treasury and the SBV (7.5% of total funding at end-Q2/2026), higher than most private joint stock commercial banks, giving it a cost-of-funds advantage.

BID's total funding over 2019-2025

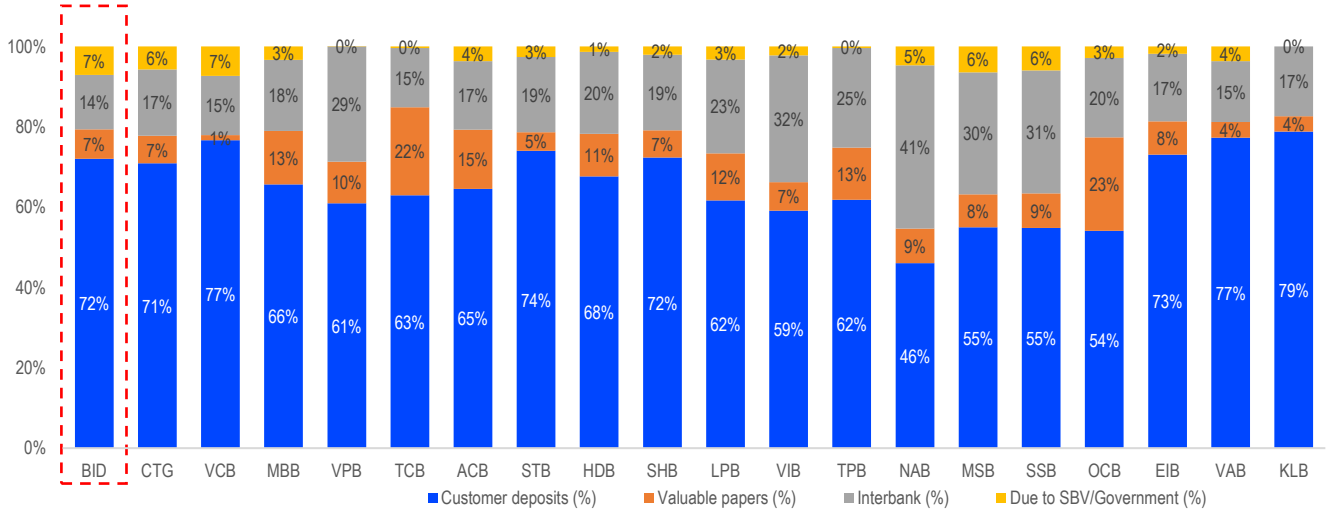


BID's funding structure over the years (%)



Source: Fiinpro, Company data, Shinhan Securities Vietnam

Deposit structure of banks listed on HOSE as of end-2025 (%)



Source: Fiinpro, Company data, Shinhan Securities Vietnam

Diversified ecosystem, improving retail market share

BIDV has a comprehensive ecosystem to leverage its leading asset scale

As a state-owned bank with a large institutional customer base and deposits from the public sector, BIDV enjoys a low cost of funds compared with private joint stock commercial banks. BIDV's cost of funds (COF) declined from 4.8% in 2023 to 3.3% in 2025, before rising slightly to 3.6% in 6M2026.

However, BIDV's NIM is low as the bank has had to fulfil its role of supporting economic growth throughout different periods. After reaching 2.9% in 2021-2022, BIDV's NIM declined continuously to 2.1% in 2025, mainly due to a sharp drop in asset yield from 7.2% in 2023 to 5.2%. In 6M2026, NIM remained stable at 2.1% as asset yield recovered to 5.5% thanks to increased medium- and long-term lending, offsetting the higher cost of funds.

Over 2023-2025, BIDV rolled out numerous preferential loan packages for production and business, personal lending and the "First Home" credit package supporting young people in buying homes at preferential interest rates of 5-6.5% per year, fixed for 1-2 years. These packages lowered the bank's average asset yield, thereby narrowing NIM despite BIDV's cost-of-funds advantage.

Not only the parent bank but also BIDV's subsidiaries have foreign financial institutions as strategic partners: BIDV Securities (BSC) has a strategic partnership with Hana Financial Investment (part of Hana Financial Group);

Non-life insurer BIC has global insurance group Fairfax as its strategic partner;

BIDV MetLife life insurance is a joint venture between BIDV and the MetLife insurance group;

Financial leasing company BIDV – SuMi TRUST (BSL) is a joint venture with Sumitomo Mitsui Trust Bank.

A full ecosystem of products spanning banking, securities, non-life and life insurance and financial leasing helps BIDV acquire and retain large customers while enhancing cross-selling. The strategic partnership with KEB Hana has helped BIDV expand its reach to Korean FDI customers; the share of loans to foreign-invested enterprises rose from 1.9% in 2019 to 3.8% in 2025. BIDV's fee income has grown steadily at a 2018-2025 CAGR of around 10% per year, from VND3,551bn to VND6,924bn, with less volatility than private joint stock commercial banks.

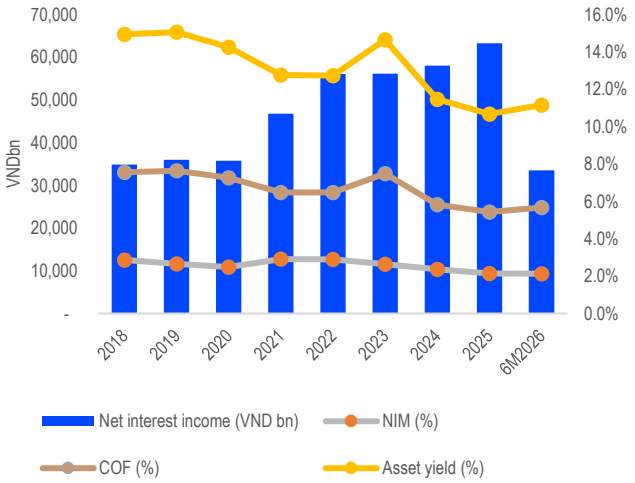
BIDV has maintained stable growth, supported by a diversified service ecosystem including FX trading, derivatives, domestic and international payments, trade finance and correspondent banking. BIDV has a competitive advantage thanks to its extensive correspondent banking network, its capability to provide hedging products and strong investment in digitalization, thereby expanding its base of import-export corporate customers, increasing transaction volumes and improving cross-selling.

NIM shows signs of bottoming out thanks to restructuring of interest-earning assets

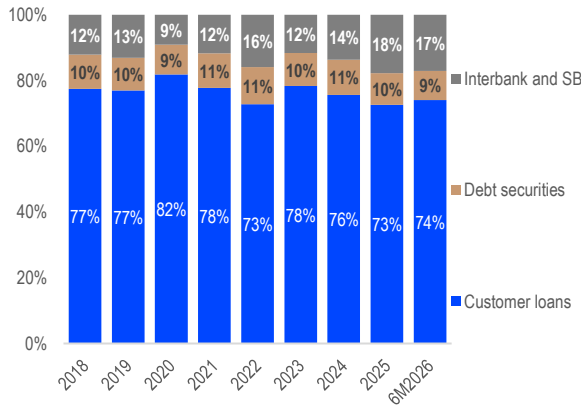
Customer loans accounted for 74.1% of BIDV's interest-earning assets at end-Q2/2026 (end-2025:

72.6%), while the share of debt securities fell to 8.9%. The reallocation of interest-earning assets toward customer loans, combined with a higher share of medium- and long-term lending, lifted asset yield from 5.2% to 5.5%, keeping NIM stable at 2.1% despite a 0.3 ppt increase in the cost of funds. We believe BIDV's NIM has likely bottomed out in 2026-2027 and forecast the bank's NIM at around 2.0-2.1%.

BID's NIM, COF and asset yield over 2018-Q2/2026



BID's interest-earning asset structure over the years



Source: Fiinpro, Company data, Shinhan Securities Vietnam

In terms of funding structure, customer deposit growth has been significantly slower than loan growth, reducing the share of customer deposits in total funding from 81.8% in 2019 to 71.3% at end-Q2/2026 and pushing the loan-to-customer-deposit ratio (pure LDR) up to around 107% at end-2025. As a result, BIDV has had to simultaneously step up funding via certificates of deposit, bonds (the share of valuable papers rose from 4.6% to 9.5%) and private placements. In 2026, as loan demand exceeded funding capacity, the SBV increased the weighting of State Treasury term deposits in the LDR calculation, thereby supporting liquidity for SOCBs, including BIDV.

At end-2025, BIDV's medium- and long-term loans/total loan book ratio stood at 39.2%, similar to other SOCBs such as VCB and CTG. In 2026, as Vietnam stepped up numerous long-tenor infrastructure projects while deposits remained concentrated in short tenors, the SBV raised the cap on short-term funds used for medium- and long-term lending from 30% to 40%. At the same time, the SBV also temporarily excluded lending to certain key projects from banks' 2026 credit growth quotas.

Key policy changes support bank system liquidity

Decision 1743/QD-NHNN: raises the weighting of State Treasury term deposits in the LDR calculation to 20%, then further to 50%, reducing BIDV's LDR by around 1.6-1.7 ppts.

Circular 25/2026/TT-NHNN: raises the maximum ratio of short-term funds used for medium- and long-term lending from 30% to 40%. BIDV's ratio currently stands at 22.98%, implying ample room to expand project lending.

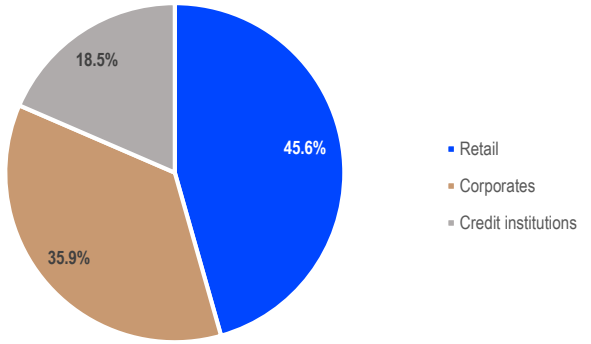
Decree 24/2016/ND-CP: the Ministry of Finance is considering removing the 50% cap on idle State Treasury funds allowed to be deposited at commercial banks.

By depositor type at end-2025, retail accounted for 45.6%, corporates 35.9% and credit institutions 18.5%. The CASA ratio improved from 16.0% in 2019 to 21.1% in 2025 before edging down to 20.1% at end-Q2/2026, still below the 25-30% target for 2030 under the new strategy, indicating substantial room to lower the cost of funds.

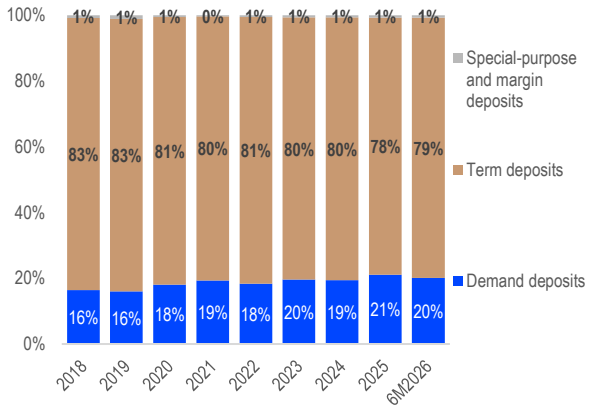
Circular No. 50/2026/TT-NHNN, effective December 1, 2026, marks a shift toward a Basel III-aligned liquidity risk management framework for Vietnam's banking sector. Key changes include raising the LDR cap from 85% to 95% under a revised calculation methodology, introducing the liquidity coverage ratio (LCR) and net stable funding ratio (NSFR), and strengthening requirements for liquidity and funding stability. Over the long term, the framework should provide banks with greater flexibility in credit allocation while placing greater emphasis on liquidity resilience and stable funding structures. Importantly, implementation of the new LCR and NSFR requirements will begin on October 1, 2028, under a phased roadmap, with full compliance thresholds reached progressively by 2030 for NSFR and 2033 for LCR. This extended transition period gives banks time to adjust their funding mix and balance sheets, helping mitigate abrupt pressure on funding costs and net interest margins (NIM). **However, the**

actual impact will need to be monitored more closely as the transition date approaches

Customer deposit structure as of end-2025 (%)



Deposit structure by tenor (%)



Source: BID, Fiinpro, Company data, Shinhan Securities Vietnam

Asset quality has been stable since the strategic investor came on board

Over 2013-2015, BIDV's bad debt rose sharply due to large loans to state-owned groups and corporations amid a frozen real estate market and unfavorable macroeconomic conditions. BIDV's NPL ratio including VAMC bonds rose from 2.3% at end-2013 to 5.2% in 2015, at the same time as BIDV merged with MHB. BIDV then actively resolved and sold bad debts, fully settling its VAMC bonds by end-2019 and bringing the NPL ratio down to 2.58%.

Before and after signing the strategic partnership with KEB Hana, BIDV stepped up provisioning and wrote off bad debts from its balance sheet. Provision expenses rose from VND18,894bn in 2018 to a peak of VND29,481bn in 2021, equivalent to 47.2% of total operating income (TOI). Combined with new capital, the strategic partner's risk management system and diversification into retail customers, BIDV's consolidated NPL ratio fell from 1.9% in 2018 to 1.0% in 2021, while the loan loss coverage ratio (LLR) peaked at 216.9% in 2022.

Aggressive bad debt resolution in the previous period has enabled BIDV to recover written-off debts, improving non-interest income amid NIM compression. Other income (mainly from debt recovery) reached VND13,125bn in 2025, 2.6 times the 2024 level.

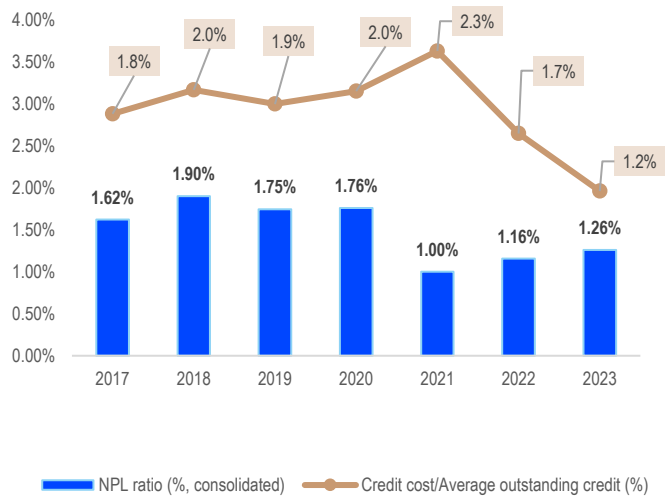
However, asset quality has shown signs of renewed pressure since end-2022, when the real estate and corporate bond markets fell into crisis. Bad debt rose from VND13,546bn (NPL ratio of 1.16%) in 2021 to VND29,036bn in 2024 (around 1.4% of total loans).

2024-2025 was a period of low interest rates to support the economy, during which BIDV's NPL ratio was relatively stable (below 1.5%). However, since early 2026, interest rates have returned to high levels, which will put pressure on asset quality in the coming years. We forecast BIDV's NPL ratio to rise slightly to 1.6% at end-2026 and 1.8% at end-2027.

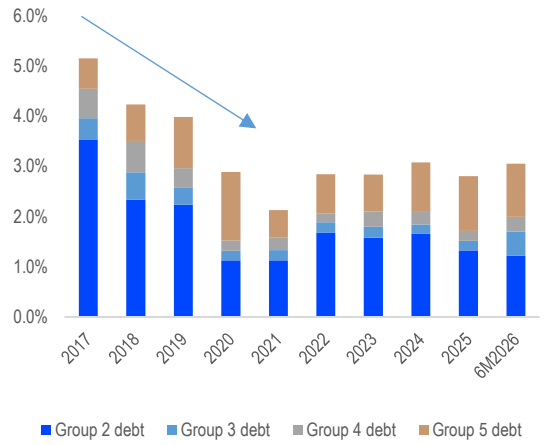
The loan loss coverage ratio (LLR) fell sharply from 216.9% in 2022 to 99.9% in 2025 and 75.9% at end-Q2/2026, narrowing the bank's provisioning buffer against rising bad debt risk.

Credit cost stable at 1.0-1.1%: credit cost/average loans declined from 2.3% in 2021 to 1.2% in 2023 and around 1.0-1.1% over 2024-2025. Going forward, we assume BIDV's credit cost at around 0.9-1% without much room for improvement as building pressure from new NPL formation.

NPL ratio and credit cost over the years

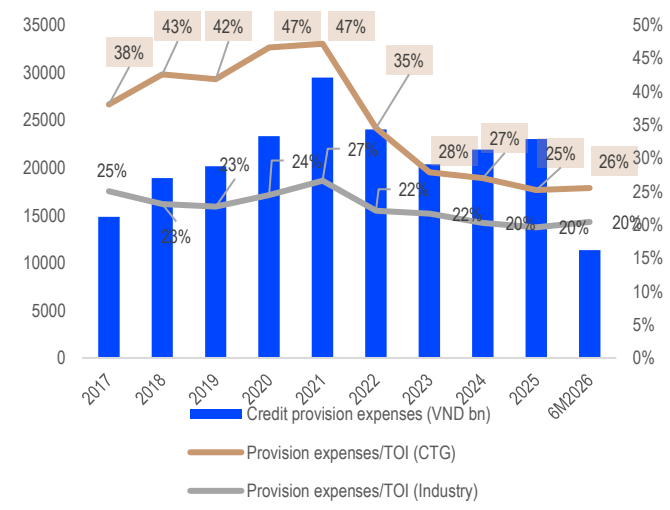


BID's overdue loans (Groups 2-5)

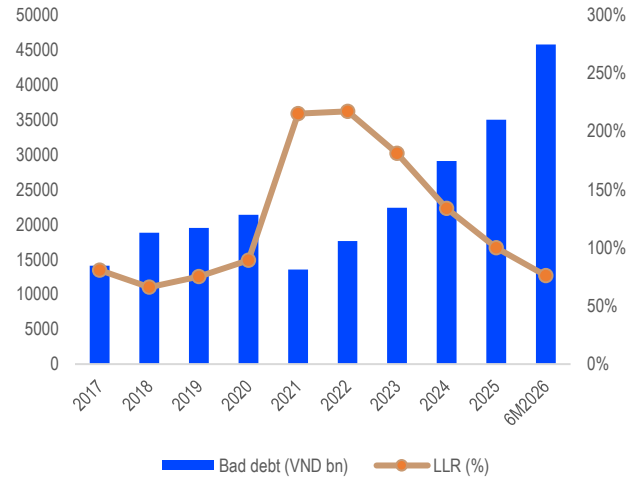


Source: Fiinpro, Company data, Shinhan Securities Vietnam

Strong provisioning over 2018-2021



BID's loan loss coverage ratio LLR (%)



Source: Fiinpro, Company data, Shinhan Securities Vietnam

Clear growth and capital-raising plans for the next five years

BIDV's five-year growth targets

BIDV aims to become a regional-scale financial – banking group in Asia-Pacific by 2045, ranking among the top 100 strongest banks in Asia by 2030 and the top 50 by 2045, following the "Big – Strong – Green" orientation. The bank will maintain its leading position in scale in the domestic market while expanding international operations and enhancing risk management, capital adequacy and liquidity in line with international standards. Digital transformation and AI adoption are identified as the main drivers for improving operational efficiency, alongside a focus on sustainable growth through ESG and green credit.

BIDV's business targets for 2026-2030

No.	Indicator	2026-2030 target
I	**SCALE**	
1	Total assets	Average growth of no less than 8% per year over the period
2	Outstanding credit	As approved annually by the competent State authority
3	Funding	Managed in line with credit growth, ensuring safety ratios as prescribed
II	**QUALITY - EFFICIENCY**	
4	CAR	Compliance with SBV regulations
5	PBT	Average growth of >8% per year over the period
6	NPL ratio	Target of <1% by 2030
7	ROE	≥ 15%
III	**GREEN**	
8	Green/sustainable credit growth	Target of around 1.3-1.5 times BIDV's credit growth rate

Source: BIDV. Note: ROE and green/sustainable credit growth targets apply to the commercial bank only. Other targets apply to both the commercial bank and the consolidated group.

Capital-raising plan to increase foreign ownership and reduce state ownership

At end-2025, the SBV held 79.56% of BIDV's charter capital and KEB Hana Bank 14.74%. After the private placement of 259 million shares completed in Q1/2026, the SBV's ownership fell to 76.7%, while foreign ownership rose from 17.13% to around 18.1%, still well below the 30% foreign ownership limit.

Under Decision 40/2026/QD-TTg (effective from 05/08/2026), the State will maintain a minimum ownership of 65% of charter capital in state-owned commercial banks. With current ownership of 76.7%, BIDV has around 11.7 ppts of room to gradually reduce state ownership through additional share issuances to strategic and institutional investors, while the State retains control. The five-year plan for restructuring State capital at BIDV for 2026-2030 will be the basis for determining the size of the issuances.

Over 2026-2028, BIDV plans to issue an additional 780 million shares (around 10.71% of outstanding shares). By our calculations, if all these shares are placed with non-state investors, the SBV's ownership will fall below 70%, still above the 65% threshold. We believe that increasing foreign ownership will not only help BIDV replenish Tier 1 capital toward Basel III standards but also support improvements in governance and share liquidity.

Business results show steady growth

Net interest income: rose from VND34,856bn in 2018 to VND63,295bn in 2025 (CAGR of around 8.9%). After flat performance in 2022-2024 due to NIM compression, net interest income re-accelerated by 9.1% YoY in 2025 on 15.3% credit growth. In 6M2026, net interest income reached VND33,538bn, supported by a stable NIM of 2.1%.

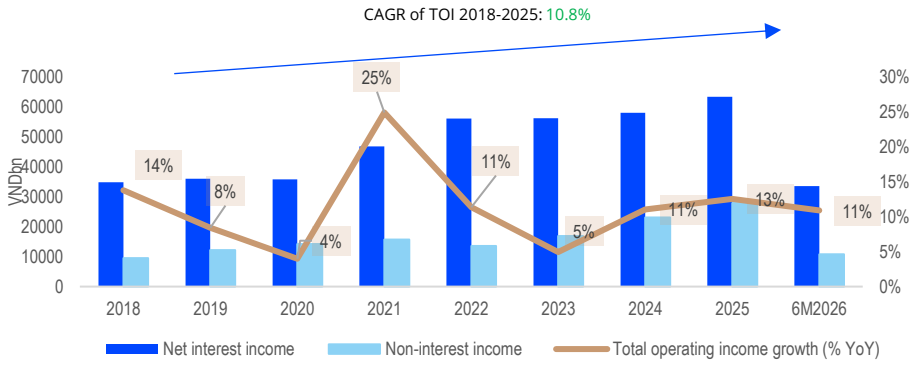
Non-interest income: grew faster at a 2018-2025 CAGR of around 16.6%, reaching VND27,919bn in 2025 (+21.1% YoY) and raising its share of total operating income from 21.5% to 30.6%. The main driver in 2025 was other income (mainly recovery of written-off debts) of VND13,125bn, offsetting declines in FX trading gains (-29.3% YoY) and gains on disposal of investment securities (-53.8% YoY). In 6M2026, non-interest income reached VND10,797bn.

Operating expenses: rose at an average of 9.9% per year over 2019-2025 to VND30,428bn in 2025. As income grew faster than expenses, the CIR improved from 35.9% in 2019 to 33.4% in 2025 and 31.8% in 6M2026, reflecting efficiency gains from digital transformation and economies of scale.

Credit provision expenses: declined from a peak of VND29,481bn in 2021 to VND20,344-22,999bn over 2023-2025. Provision expenses/TOI fell from 47.2% in 2021 to 25.2% in 2025 and 25.5% in 6M2026 (VND11,318bn), allowing profit to grow faster than income.

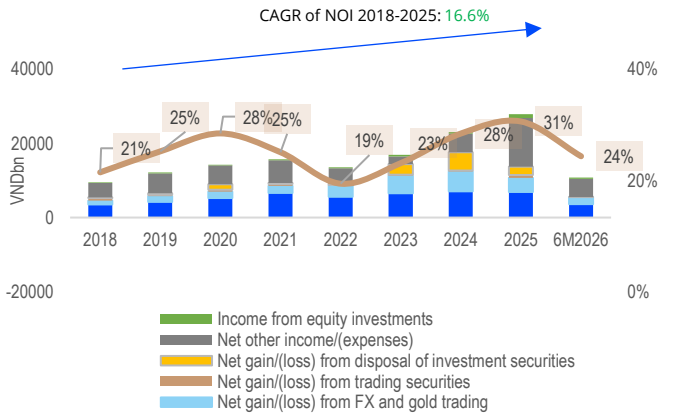
Profitability and efficiency: PBT rose from VND9,473bn in 2018 to VND37,788bn in 2025 (CAGR of around 21.9%), including 20.4% YoY growth in 2025. In 6M2026, BIDV posted PBT of VND18,905bn (+17.9% YoY). ROE (TTM) has hovered around 19% since 2022 and stood at 18.4% at end-Q2/2026 due to the larger equity base following the private placement.

BID's total income 2018-2025 (VND bn)

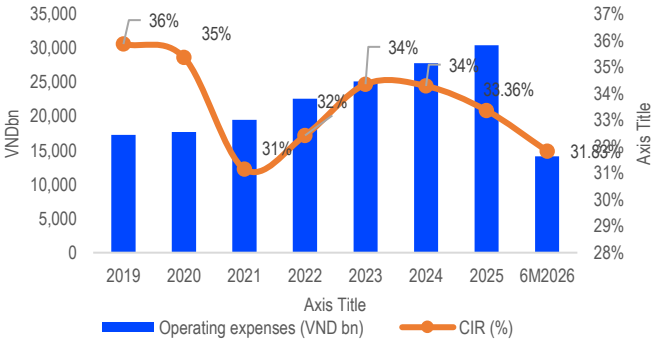


Source: Fiinpro, Company data, Shinhan Securities Vietnam

BID's total operating income

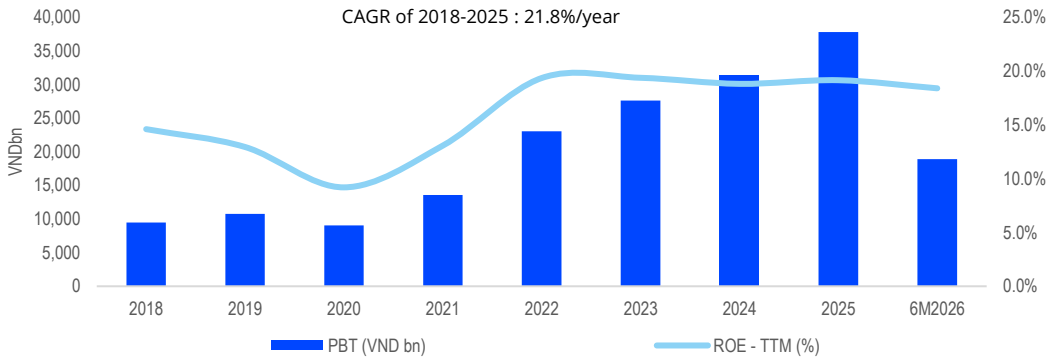


Operating expenses and CIR



Source: Fiinpro, Company data, Shinhan Securities Vietnam

BIDV's PBT and operating efficiency



Source: Fiinpro, Company data, Shinhan Securities Vietnam

Limited cash dividends, Tier 2 bond issuance and private placements help BIDV improve its CAR

BIDV's CAR improved from 8.6% in 2020 to 9.2% in 2025 and 10.0% at end-Q2/2026 following the private placement, though it remains below the industry average. Over 2026-2028, BIDV plans to issue an additional 780 million shares (equivalent to 10.71% of outstanding shares at end-Q1/2026) to further strengthen its CAR, secure room for growth in the following years and work toward its CAR target of 10.7% by 2030. By our estimates, if the issuance is successful, BIDV's CAR could improve by a further 0.5-1 ppt to around 10.5-11% (assuming an unchanged RWA/credit ratio and an issue price equivalent to a P/B of 1.5-1.6x).

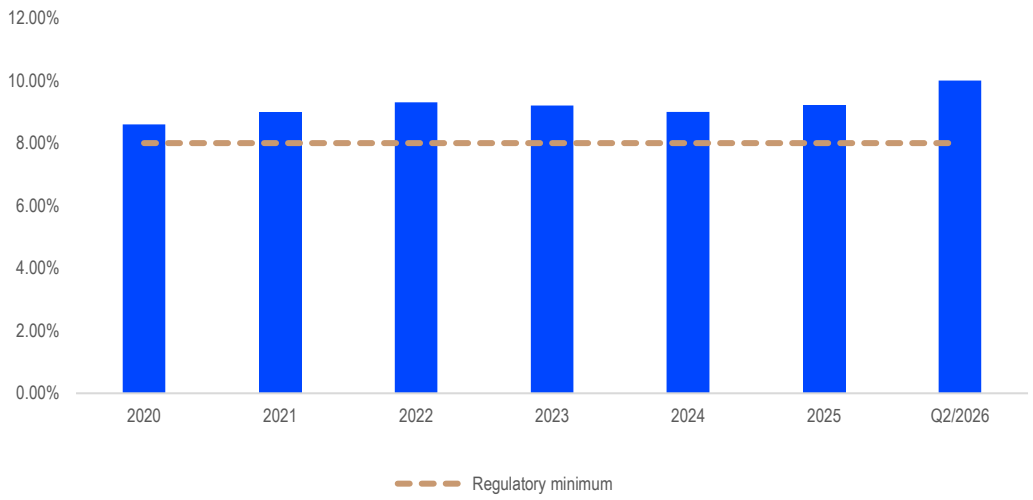
Previous private placements:

2019: issued 603 million shares (15%) to KEB Hana Bank, raising over VND20,000bn

Q1/2025: private placement of 124 million shares (1.79%), raising VND4,800bn

Q1/2026: private placement of 259 million shares (3.77%), raising over VND10,000bn

BID's CAR over the years



Source: Fiinpro, Company data, Shinhan Securities Vietnam

2026-2027 earnings forecast

Credit growth of 10% in 2026 and 12% in 2027

In 6M2026, BIDV's Market 1 funding grew only 4.7% YTD, continuing to lag credit growth (5.5% YTD), so room for loan expansion is constrained by liquidity (pure LDR rose to 110%). Therefore, we forecast BIDV's full-year 2026 credit growth at only 10%, bringing total outstanding credit to around VND2,614tn.

However, we note that cash has returned to the banking system in 2H2026; with deposit rates at high levels, VND deposit growth has outpaced VND loan growth since August 2026. Given the current trend, we expect BIDV's funding to improve and grow 12% in 2027, thereby supporting credit growth of 12% in the following years.

NIM is expected to remain stable as the bank steps up medium- and long-term project lending, while fixed-rate preferential mortgages gradually shift to floating rates, offsetting the rising cost of funds. We forecast BIDV's NIM at 2.0-2.1% over 2026-2027.

With many mortgages entering their floating-rate period from Q3-Q4/2026, we believe asset quality across the industry in general and at BIDV in particular will come under pressure. BIDV's NPL ratio is forecast to rise to 1.6-1.8% over 2026-2027.

Fee and FX trading income are likely to maintain stable growth thanks to the bank's ecosystem and customer base advantages. Conversely, still-subdued real estate market liquidity will weigh on the recovery of written-off debts, making it difficult for other income to stay as high as in 2025.

The CIR is forecast to continue improving to below 33% over the next two years.

Accordingly, we forecast BIDV's PBT to grow by more than 13% in both 2026 and 2027. For the next five years, we assume BIDV's profit will grow at an average of 12% per year, in line with credit growth.

For Q3/2026 results, we forecast BIDV's YTD credit growth at over 8% and PBT of VND9,500bn (+25% YoY). For full-year 2026, PBT is expected to reach VND42,735bn (+13% YoY).

Valuation and recommendation

Initiate with BUY rating and target price of VND40,800

We initiate coverage of BID with a BUY recommendation and a target price of VND40,800/share, based on a combination of residual income (RI, 40% weight) and target P/B (60% weight).

Valuation methodology:

Based on the Residual Income model with a cost of equity of 13.7% and a long-term growth rate of 2%, we estimate BID's fair value at VND34,719 per share.

For the P/B method, we apply a target P/B of 1.6x, determined by comparison with BID's historical P/B and the industry average. The target P/B is below the five-year average to reflect current market headwinds as well as the dilution effect from upcoming issuances.

Accordingly, BID's fair value under this method is VND44,859 per share.

Cost of equity	
Cost of equity (%)	**13.7**
Risk-free rate (%)	4.5
Equity risk premium (%)	9.16
Beta	1.0

RI method

(Unit: VND bn)	6M2026	2027F	2028F	2029F	2030F
Cost of equity (%)	13.7%	13.7%	13.7%	13.7%	13.7%
Cost of equity after 2030					13.7%
NPAT	18,423	38,210	41,404	45,937	53,201
Residual income (RI)	5,592	8,414	7,070	6,626	8,240
PV of RI	**5,245**	**6,943**	**5,134**	**4,233**	**4,631**

Terminal residual income	**80,326**
Long-term growth rate	2.00%

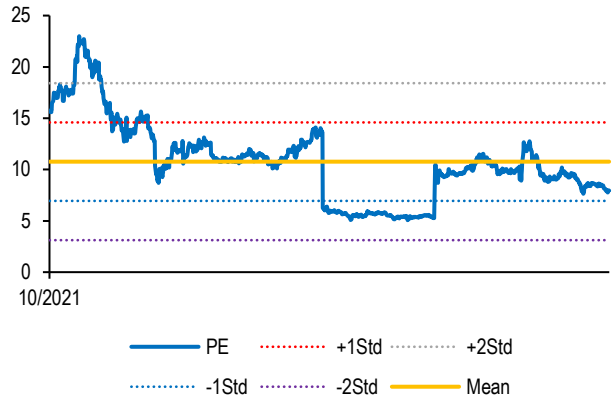
PV of terminal value	45,146
PV of RI	26,187
Beginning equity	198,783
Total value	270,116
Number of shares (bn)	7.78
Target price (VND)	**34,719**

Share valuation

Method	Weight	Target price (VND)
Residual income (RI)	40%	34,719
P/B target (1.6x)	60%	44,859
Target price (VND)	**40,803**	

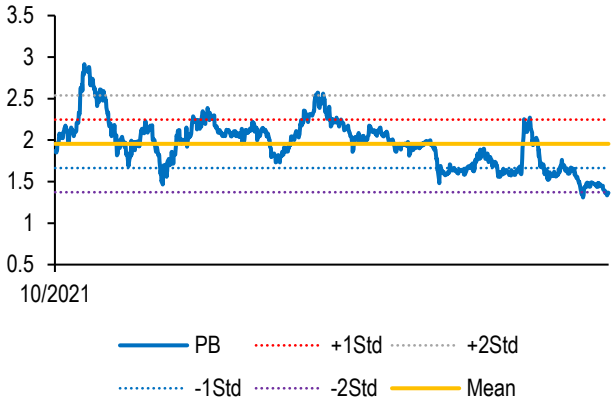
Source: Shinhan Securities Vietnam

PER of BID



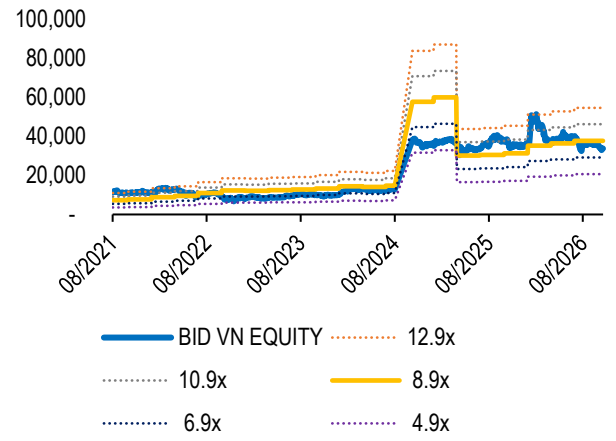
Source: Bloomberg, Company data, Shinhan Securities Vietnam

PBR of BID



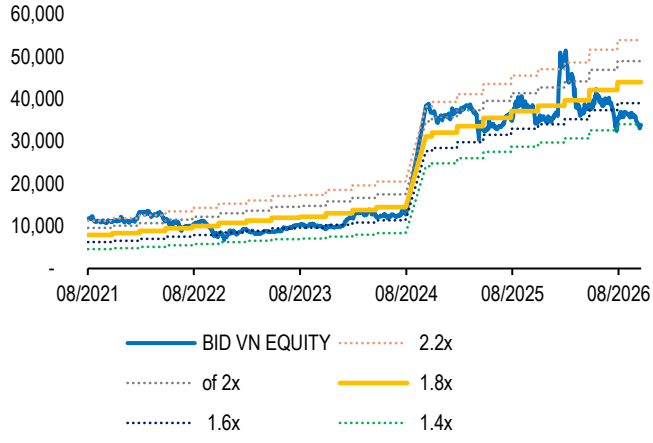
Source: Bloomberg, Company data, Shinhan Securities Vietnam

BID's PE Bands



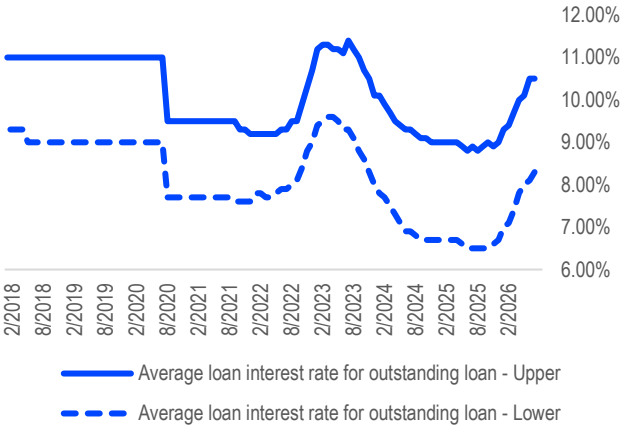
Source: Bloomberg, Company data, Shinhan Securities Vietnam

BID's PB bands



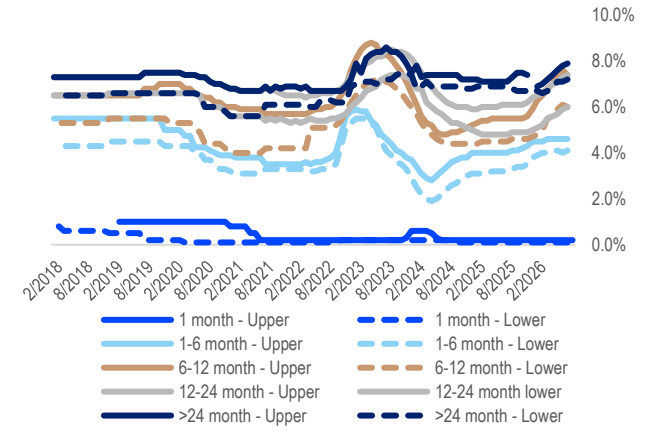
Source: Bloomberg, Company data, Shinhan Securities Vietnam

Vietnam's average lending rates



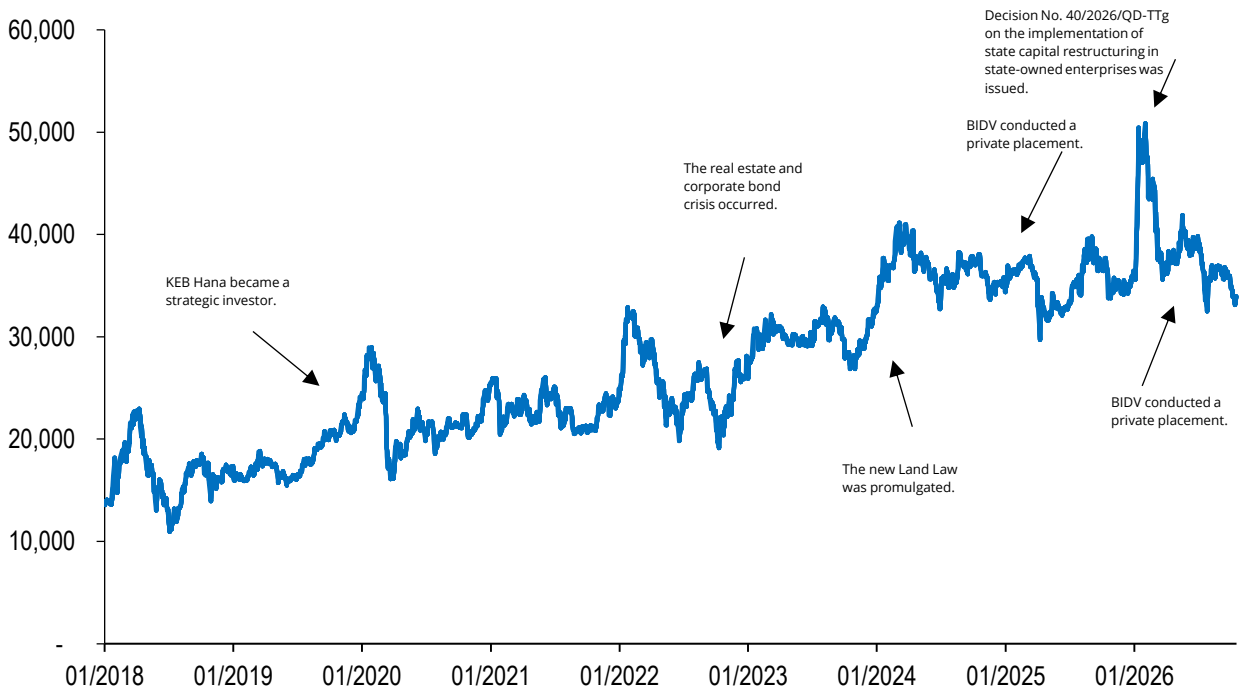
Source: SBV, Company Data, Shinhan Securities Vietnam

Vietnam's average deposit rates



Source: SBV, Company Data, Shinhan Securities Vietnam

BID's key events



Source: Bloomberg, Company data, Shinhan Securities Vietnam

Risks

Risk of unsuccessful capital raising

Although CAR improved to 10.0% at end-Q2/2026, BIDV remains heavily reliant on private placements, and the plan to issue 780 million shares over 2026-2028 requires approval from the competent authorities and must ensure state ownership in line with the five-year capital restructuring plan. If issuances are delayed or unsuccessful, especially amid unfavorable market conditions, BIDV may have to limit credit growth, thereby pressuring profit growth in the coming years.

Low NIM leaves BIDV with a thin buffer to absorb future provisions

BIDV's NIM fell from 2.9% in 2021-2022 to 2.1% in 2025 and 6M2026, among the lowest of listed banks, limiting the pre-provision profit generated per unit of assets. If the credit cycle turns out less favorable than expected, the low NIM will leave BIDV with little room to absorb rising provision expenses without hurting profit, while also slowing capital accumulation from retained earnings.

Appendix: Financial statements

Balance sheet

Year (VND bn)	2023	2024	2025	2026F	2027F
Total assets	**2,300,869**	**2,760,693**	**3,330,826**	**3,909,291**	**4,373,891**
Cash, gold and gemstones	11,029	10,773	13,075	21,274	24,040
Balances with the SBV	51,616	92,341	123,630	97,812	110,527
Placements with and loans to other credit institutions	211,812	279,972	457,353	778,418	874,834
Trading securities	6,972	12,734	30,152	30,152	30,152
Derivatives and other financial assets	-	663	-	-	-
Loans to customers	1,737,196	2,017,266	2,338,010	2,572,643	2,879,036
Debt purchases	-	-	-	-	-
Investment securities	222,393	277,838	285,463	318,105	355,919
Capital contributions and long-term	3,113	3,424	4,374	4,881	5,445
Fixed assets	11,096	12,120	13,123	13,797	14,505
Investment properties	-	-	-	-	-
Other assets	45,641	53,562	65,646	72,210	79,431
Total liabilities	**2,178,002**	**2,616,182**	**3,157,273**	**3,707,106**	**4,139,823**
Due to the Government and the SBV	35,896	168,389	218,826	234,143	250,533
Deposits and borrowings from other credit institutions	181,831	232,956	417,965	683,765	728,286
Customer deposits	1,704,690	1,953,170	2,222,992	2,445,291	2,763,179
Funds received from the Government and other credit	12,536	11,981	12,274	12,458	12,645
Valuable papers issued	189,487	198,900	225,408	261,473	303,309
Other liabilities	53,562	50,784	59,809	69,977	81,873
Shareholders' equity	**122,867**	**144,512**	**173,553**	**202,184**	**234,067**
Capital	72,711	84,789	90,089	90,089	90,089
Reserves	15,662	15,727	33,711	38,768	44,522
Retained earnings	30,331	39,462	44,786	67,172	92,629
Minority interests	4,966	5,234	5,564	6,155	6,827
Total liabilities and equity	**2,300,869**	**2,760,693**	**3,330,826**	**3,909,291**	**4,373,891**

Income statement

Year (VND bn)	2023	2024	2025	2026F	2027F
Interest income	152,761	138,288	154,993	198,599	234,176
Interest expense	(96,626)	(80,281)	(91,698)	(123,589)	(151,867)
Net interest income	**56,136**	**58,008**	**63,295**	**75,009**	**82,309**
Net fee income	6,570	7,074	6,924	7,475	9,684
Net gain from FX and gold trading	4,707	5,361	3,792	4,485	4,980
Net gain from trading securities	305	286	719	-	-
Net gain from investment securities	2,872	4,900	2,262	302	337
Net other income	2,068	4,986	13,125	11,067	13,797
Income from equity investments	355	446	1,097	463	516
Total non-interest income	**16,877**	**23,052**	**27,919**	**23,791**	**29,315**
Total operating income	**73,013**	**81,060**	**91,214**	**98,801**	**111,624**
Operating expenses	(25,081)	(27,790)	(30,428)	(33,471)	(36,818)
Pre-provision operating profit (PPOP)	47,932	53,270	60,786	65,330	74,806
Credit provision expenses	(20,344)	(21,887)	(22,999)	(22,595)	(26,204)
Profit before tax	**27,589**	**31,384**	**37,788**	**42,735**	**48,602**
Corporate income tax	(5,612)	(6,256)	(7,357)	(8,547)	(9,720)
Net profit after tax	**21,977**	**25,128**	**30,430**	**34,188**	**38,882**
NPAT attributable to parent	21,505	24,661	29,904	33,597	38,210

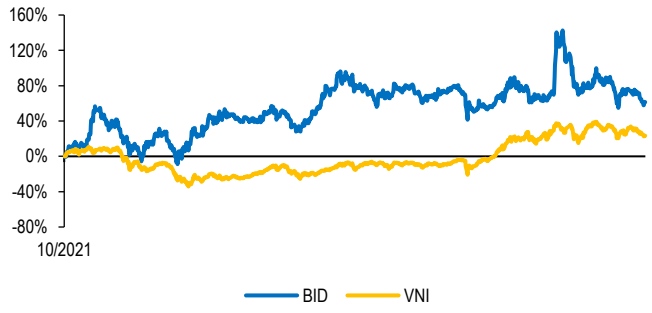
Financial ratios

Year	2023	2024	2025	2026F	2027F
Growth (% YoY)					
Customer loans	16.78	15.66	15.41	10.00	12.00
Customer deposits	15.68	14.58	13.81	10.00	13.00
Shareholders' equity	17.93	17.62	20.10	16.50	15.77
Total assets	8.50	19.98	20.65	17.37	11.88
Net interest income	0.12	3.33	9.12	18.51	9.73
Non-interest income	24.90	36.59	21.11	(14.78)	23.22
PPOP	1.93	11.14	14.11	7.48	14.51
PBT	19.90	13.75	20.41	13.09	13.73
NPAT	19.31	14.34	21.10	12.35	13.73
Profitability (%)					
NIM	2.64	2.36	2.14	2.11	2.02
ROA	1.0	1.0	1.0	0.9	0.9
ROE	19.4	18.8	19.1	18.2	17.8
Liquidity (%)					
Total loans/Total deposits (Pure LDR)	104.28	105.27	106.75	106.75	105.80
Asset quality					
Leverage ratio (x)	18.73	19.10	19.19	19.34	18.69
NPL ratio (%)	1.26	1.41	1.47	1.60	1.80
LLR (%)	180.92	133.68	99.91	90.05	84.46
Provisions/Outstanding credit (%)	2.27	1.88	1.47	1.44	1.52
Credit cost/Customer loans (%)	1.23	1.14	1.04	0.91	0.95
Credit cost/Outstanding credit (%)	1.23	1.14	1.04	0.91	0.95
Per-share data (VND)					
EPS	2,825	3,230	3,911	4,394	4,998
BPS	15,793	18,575	22,308	25,988	30,086
PPOP/share	6,161	6,847	7,813	8,397	9,615

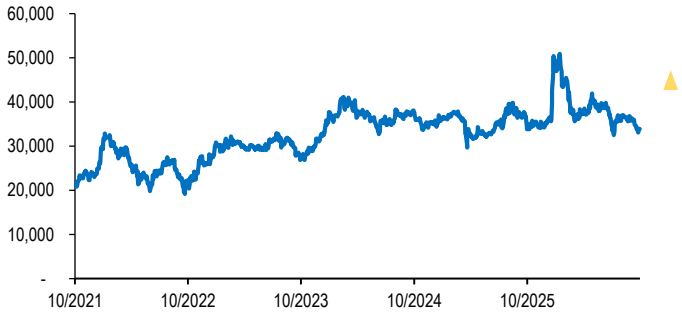
Source: Company data, Shinhan Securities Vietnam

BIDV (BID)

Share price



Target price



Date	Rating	Target price (VND)	Price gap vs. TP (%)	
			Avg.	Max/Min
26/10/2026 (Initiation)	BUY	40,800	1.8	27/-23

Note: Price gap vs. target price is calculated based on the past 12 months

Shinhan Securities Vietnam

Stock	Industry
◆ **BUY:** Upside potential in 12 months more than 15% ◆ **HOLD:** Upside potential in 12 months from -15% to 15% ◆ **SELL:** Upside potential in 12 months more than -15%	◆ **POSITIVE:** Based on market cap, largest share of sector stocks under coverage is rated BUY ◆ **NEUTRAL:** Based on market cap, largest share of sector stocks under coverage is rated HOLD ◆ **NEGATIVE:** Based on market cap, largest share of sector stocks under coverage is rated SELL

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