

BID Bank (BID)

Asset quality showing signs of recovery

December 5, 2025

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3Q25 PBT grew 16.9% YoY to VND7,594 billion

In 3Q25, NII of Bank for Investment & Development of Vietnam (BID) gained 8.5% YoY to VND15,173 billion, driven by 8.8% YTD credit growth while NIM continued to remain low. Credit costs were average (0.28%) with provisions touching VND6,186 billion (+1.4% QoQ, +33.9% YoY), and PBT was VND7,594 billion (+16.9% YoY). 9M25 PBT totaled VND23,632 billion (+7.2% YoY).

Credit growth in 2026 should reach 15%

KBSV expects BID's credit growth to remain at 15% in 2026, based on (1) high credit demand in the context of the government's GDP growth target of 10%; (2) the driving force from the private economy, promoting public investment, and the real estate recovery; and (3) competitive advantage from low CoF.

NIM expected to improve in 2026

KBSV expects NIM of BID in 2026 will be better than 2025 as credit growth is higher than deposit growth, allowing the bank to flexibly adjust lending interest rates. Furthermore, BID can benefit in the short term as interbank interest rates rise while the bank continues interbank net lending.

NPL improved to 1.87% and may further decrease in 2026

Asset quality has shown positive developments with the NPL ratio reaching 1.87% (-10bps QoQ). KBSV expects that low interest rates and strongly rebounding economy will help BID's asset quality improve significantly in 2026.

BUY rating – Target price VND51,800/share

After considering valuation results, business prospects, and possible risks, we recommend BUY for BID shares. The target price for 2026 is VND51,800 apiece, 37% higher than the price on December 5, 2025.

BUY change

Target price VND51,800

Upside	37.0%
Current price (Dec 5, 2025)	VND37,800
Consensus target price	VND43,280
Market cap (VNDtn/USDbn)	265.4/10.1

Forecast earnings & valuation

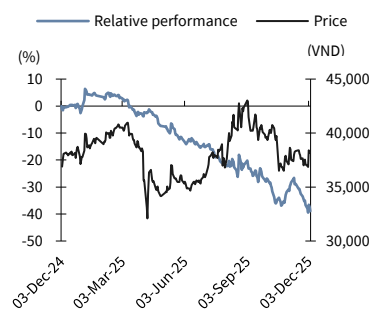
FY-end	2023	2024	2025F	2026F
Net interest income (VNDbn)	56,136	58,008	60,718	75,062
PPOP (VNDbn)	47,932	53,094	54,545	67,466
NPAT-MI (VNDbn)	21,505	25,140	26,368	29,060
EPS (VND)	3,773	3,645	3,755	4,139
EPS growth (%)	5	(3)	3	10
PER (x)	10.0	10.4	10.1	9.1
BVPS	21,554	21,009	25,078	29,217
PBR (x)	1.8	1.8	1.5	1.3
ROE (%)	19.4	19.1	16.7	15.5
Dividend yield (%)	0.0	0.0	0.0	0.0

Trading data

Free float	5.7%
3M avg trading value (VNDbn/USDmn)	135.5/5.13
Foreign ownership	14.7%
Major shareholder	State Bank of Vietnam (SBV, 80.99%)

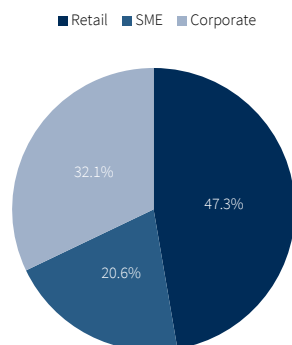
Share price performance

(%)	1M	3M	6M	12M
Absolute	1.1	-6.8	6.5	0.4
Relative	-9.1	-11.0	-22.7	-38.9



Source: Bloomberg, KB Securities Vietnam

Revenue composition (2024)



Business operation

Bank for Investment and Development of Vietnam (BID) is one of four state-owned joint stock commercial banks, with total assets of VND2,760,693 billion by the end of 2024 – the largest among Vietnam banks. The retail segment accounted for the biggest share of BID's loan portfolio, at 47.3%.

Source: Bank for Investment & Development, KB Securities Vietnam

Investment Catalysts

Credit growth is expected to reach 15% in 2026, underpinned by the rebounding real estate market, boosted public investment, and low lending interest rates.

NIM is projected to improve slightly in 2026 due to high borrowing demand and a net lending advantage on the interbank market.

Asset quality showed positive signs in 4Q25, promising improvement for 2026.

Notes

Please see more details below

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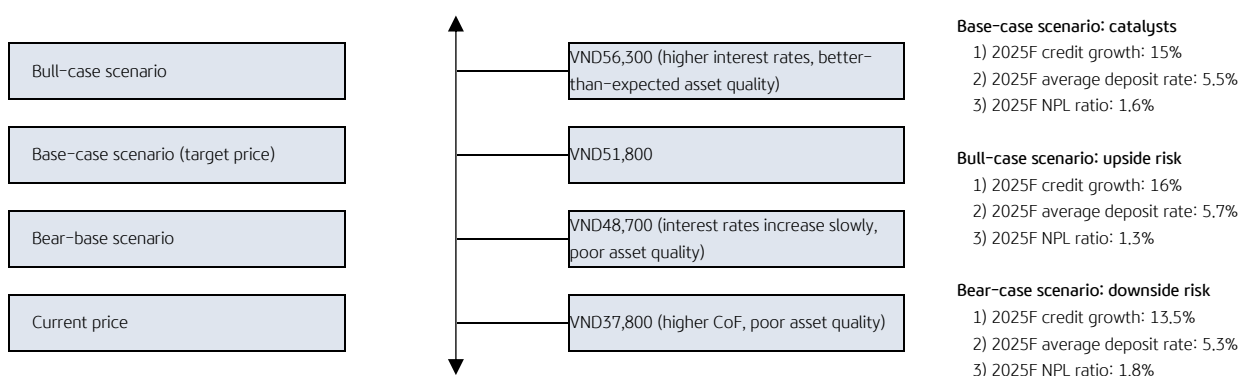
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Revised earnings estimates

(VNDbn)	KBSV estimates		Change vs previous estimates		Consensus*		Difference	
	2025E	2026E	2025E	2026E	2025E	2026E	2025E	2026E
NII	62,924	76,785	-4%	-2%	62,088	72,928	-2%	3%
POPP	56,001	68,610	-3%	-2%	55,172	63,087	-1%	7%
NP-MI	25,950	28,022	2%	4%	26,964	30,816	-2%	-6%

Source: Bloomberg, KB Securities Vietnam

Investment opinion & risks



Business performance

3Q25 PBT grew 16.9% YoY to VND7,594 billion

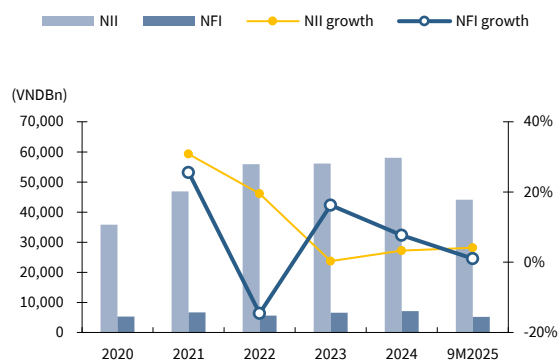
In 3Q25, BID's NII reached VND15,173 billion (+8.5% YoY), driven by 8.8% YTD credit growth while NIM continued to stay low. NOII surged 136.8%, helping TOI reach VND21,154 billion (+22.6% YoY). Credit costs were average (0.28%) with provisions touching VND6,186 billion (+1.4% QoQ, +33.9% YoY), and PBT was VND7,594 billion (+16.9% YoY). 9M25 PBT totaled VND23,632 billion (+7.2% YoY).

Table 1. BID – 3Q2025 financial results

(VNDbn, %)	3Q24	2Q25	3Q25	+/-%QoQ	+/-%YoY	Notes
Net interest income (NII)	13,990	14,992	15,173	1.2%	8.5%	NII grew by a mere of 8.5% YoY due to muted credit growth compared to other banks, while NIM has stayed low.
Net fee income (NFI)	1,475	1,887	1,734	-8.1%	17.5%	All segments contributed to growth, of which income from other activities soared 69.8% YoY; FX segment gained 31.8% YoY and securities investment earned VND584 billion vs a loss of VND549 billion in the same period last year.
Other non-interest income (NOII)	1,794	5,211	4,248	-18.5%	136.8%	
Total operating income (TOI)	17,259	22,089	21,154	-4.2%	22.6%	
Operating expenses	(6,307)	(7,366)	(7,375)	0.1%	16.9%	Provisions remained high; provision buffer improved slightly with loan loss coverage ratio (LLCR) reaching 94.5% (+5.4ppts QoQ).
Pre-provision operating profit (PPOP)	10,951	14,724	13,780	-6.4%	25.8%	
Provision expenses	(4,453)	(6,098)	(6,186)	1.4%	38.9%	
Profit before taxes (PBT)	6,498	8,626	7,594	-12.0%	16.9%	
NPAT-MI	5,151	6,755	5,953	-11.9%	15.6%	
Credit growth	3.7%	3.5%	8.8%	-0.9 ppts	5.1 ppts	Credit growth was weaker than the industry average (~14% YTD) due to large lending amount. SMEs (+10.4% YTD) and individual customers (+9.3% YTD) led the growth, while corporate customer group recorded a modest growth of 6.8% YTD.
Deposit growth	2.1%	4.7%	11.1%	-2.1 ppts	9 ppts	Deposits from customers showed a subdued growth of 6.9% YoY, forcing BID to boost mobilization from the SBV (+28.2%) and the interbank market (+41.5% YTD).
NIM	2.47%	2.16%	2.15%	-1 bps	-32 bps	The decline in NIM has shown signs of slowing down as the lending interest rate level is low enough to create a competitive advantage. BID still maintains low CoF as it is more proactive in sources than the commercial bank group.
Average earnings yield (IEA)	6.02%	5.31%	5.32%	1 bps	-69 bps	Asset quality improved with substandard and doubtful debt groups shrinking by 6bps QoQ and 4bps QoQ, respectively. NPL formation ratio is estimated at 0.11%, lower than the previous six quarters (0.4% on average).
Average cost of funds (CoF)	3.77%	3.32%	3.36%	3 bps	-41 bps	
CIR	36.5%	33.3%	34.9%	1.5 ppts	-1.6 ppts	
NPL ratio	1.71%	1.98%	1.87%	-10 bps	16 bps	

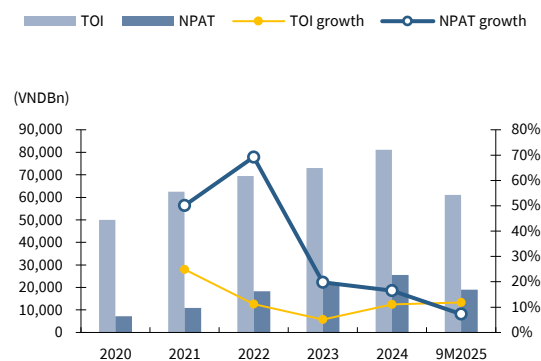
Source: Bank for Investment & Development, KB Securities Vietnam

Fig 2. BID – NII, NFI & growth (VNDbn, %YoY)



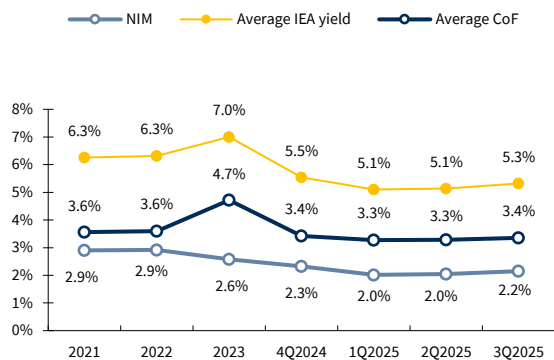
Source: Bank for Investment & Development, KB Securities Vietnam

Fig 3. BID – TOI, NPAT & growth (VNDbn, %YoY)



Source: Bank for Investment & Development, KB Securities Vietnam

Fig 4. BID – NIM, IEA & CoF (%)



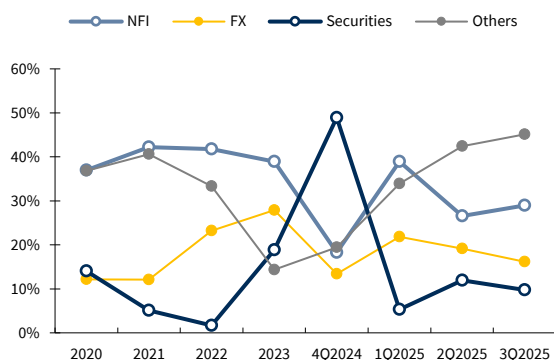
Source: Bank for Investment & Development, KB Securities Vietnam

Fig 5. BID – CASA ratio in 2020-2025 (%)



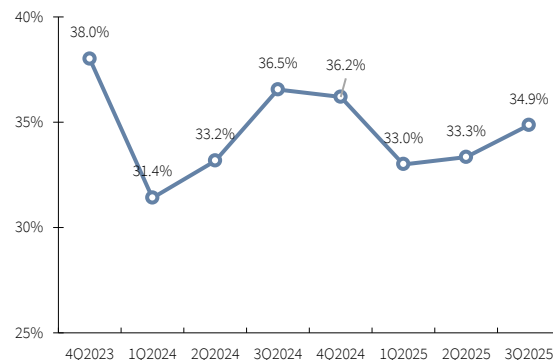
Source: Bank for Investment & Development, KB Securities Vietnam

Fig 6. BID – NOI breakdown in 2020-2025 (%)



Source: Bank for Investment & Development, KB Securities Vietnam

Fig 7. BID – CIR in 2023-2025 (%)



Source: Bank for Investment & Development, KB Securities Vietnam

Credit growth in 2026 should reach 15%

Although the bank's lending did not achieve impressive growth in 9M25, KBSV expects credit growth for the whole year 2025 to reach the target of 14% YTD, 2ppts lower than the previous forecast based on high credit demand, accelerated public investment at the end of the year, and the system's shortage of resources due to maintaining low interest rates. BID, with its advantage in resources and remaining credit limits, will benefit.

For 2026, KBSV expects BID's credit growth to reach 15%, assuming:

- (1) The banking industry is assigned to get high credit growth as the government has set a GDP growth target of 10%. Along with that, the main driver for GDP growth is public investment, which will be strongly accelerated while BID has an advantage in this area.
- (2) Measures to solve legal issues will help brighten the prospects of the land market, thereby stimulating the borrowing demand of individual customers, while corporate customers benefit from Resolution 68-NQ/TW on the development of the private economy.
- (3) BID pursues a low-interest lending strategy with an IEA of 5.16% in 3Q25, the second lowest in the entire industry, which is a major competitive advantage to absorb credit demand.

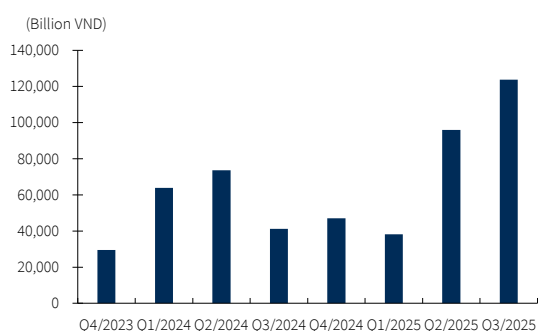
NIM is expected to improve next year

KBSV lowered its forecast for BID's 2025 NIM to 2.04%, down 10bps from the 2Q25 projection, considering lower-than-expected IEA. For 2026, we hope BID's NIM to advance 12bps YoY, based on:

KBSV expects the banking system in general to adjust CoF with deposit interest rates increasing by 50–100bps in late 2025–2026 due to pressure to raise capital to ensure liquidity as well as control exchange rates, thereby causing BID's CoF to gain 23bps YoY.

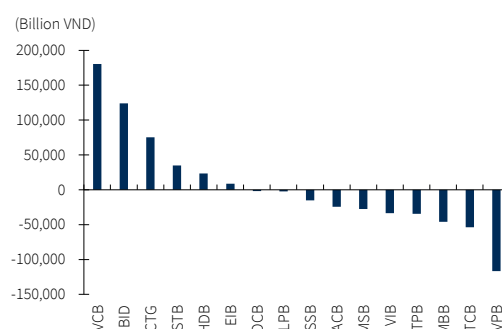
We expect IEA to grow 34bps since (1) credit demand continues to be high while deposit growth is weaker, giving the bank the opportunity to be flexible in lending interest rates; and (2) BID maintains a net lending position in the interbank market, so it will benefit in the short term during low cash period.

Fig 8. BID – Net lending on interbank market (VNDbn)



Source: Bank for Investment & Development, KB Securities Vietnam

Fig 9. Vietnam – Interbank net lending in 3Q25 (VNDbn)

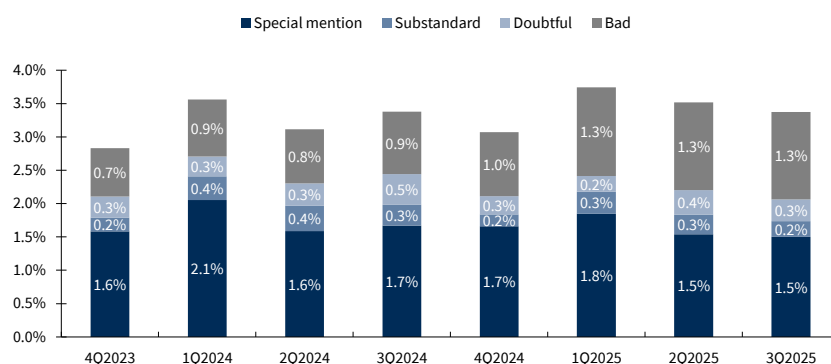


Source: Vietnam banks, KB Securities Vietnam

NPL fell to 1.87%, which is expected to further improve in 2026

Asset quality showed recovery signs with the NPL ratio reaching 1.87% (-10bps QoQ). KBSV expects that with interest rates remaining low and the economy entering a rapid growth phase, BID's asset quality will achieve big improvements in 2026. It should be noted that its provisions in 2025 are at a high level due to unfavorable NPL developments compared to other banks. If asset quality is stronger, it will be a leverage for profit growth in 2026.

Fig 10. BID - NPL portfolio in 2023-2025 (%)



Source: Bank for Investment & Development, KB Securities Vietnam

Fig 11. Vietnam - Special mention loan & NPL ratios across banks (%)

	% NPL	QoQ	% Group 2	QoQ	Provision (Billion VND)	LLCR
OCB	3.70%	0.23%	1.92%	-0.02%	-2,940	40.6%
VPB	3.51%	-0.46%	3.61%	0.58%	-17,340	55.1%
VIB	3.32%	-0.24%	2.74%	-0.17%	-4,873	39.4%
EIB	2.99%	0.33%	1.24%	0.25%	-1,877	34.7%
HDB	2.90%	0.36%	4.60%	0.66%	-6,148	43.4%
MSB	2.79%	0.09%	1.18%	0.01%	-3,072	53.7%
STB	2.75%	0.29%	1.64%	0.91%	-15,542	93.3%
BID	1.87%	-0.10%	1.50%	-0.04%	-39,649	94.5%
MBB	1.87%	0.27%	1.36%	0.06%	-13,800	79.2%
LPB	1.78%	0.04%	0.93%	-0.01%	-5,256	76.1%
TCB	1.16%	-0.09%	0.59%	0.00%	-10,632	119.2%
ACB	1.09%	-0.38%	0.47%	-0.24%	-6,156	84.0%
CTG	1.09%	0.22%	1.08%	0.11%	-38,336	176.5%
VCB	1.03%	0.03%	0.27%	0.02%	-34,009	201.9%
Total/ Average	1.86%	0.02%	1.45%	0.14%	-203,663	92.3%

Source: Company reports, KB Securities Vietnam

Forecast & valuation

Table 12. BID – 2024A–2026F financial results

(VNDbn, %)	2024	2025F	+/-%YoY	2026F	+/-%YoY	Assumptions
NII	58,008	60,718	4.7%	75,062	23.6%	Net interest income is expected to increase in 2026 thanks to good credit growth and improved NIM from the low base of 2025.
NFI	7,074	6,544	-7.5%	7,002	7.0%	
TOI	81,061	82,643	2.0%	101,606	22.9%	
Provisions	(21,109)	(20,947)	-0.8%	(30,439)	45.3%	The prudent forecast for 2026 credit costs was maintained at 1.2% with LLDR reaching 91%.
NPAT	25,140	26,368	4.9%	29,060	10.2%	
NIM	2.32%	2.04%	-29bps	2.16%	13bps	2026 NIM should rise 13bps YoY thanks to improved IEA as credit demand increases while liquidity is limited.
IEA	5.54%	5.14%	-40bps	5.48%	34bps	
CoF	3.42%	3.29%	-14bps	3.52%	23bps	
CIR	34.5%	34.0%	-50bps	33.6%	-40bps	
NPL ratio	1.41%	1.80%	39bps	1.60%	-20bps	Asset quality should make improvement thanks to good economic growth and maintained low interest rates.
Total assets	2,760,792	3,291,543	19.2%	3,753,795	14.0%	
Equity	144,911	176,082	21.5%	205,143	16.5%	

Source: Bank for Investment & Development, KB Securities Vietnam

We upgrade BID to BUY with a target price of VND52,800

We apply a combination of P/B multiple approach and residual income to determine the fair value of BID shares. In this report, we make forecasts for 2026 to reflect the bank's growth prospects in the next one year:

(1) P/B valuation:

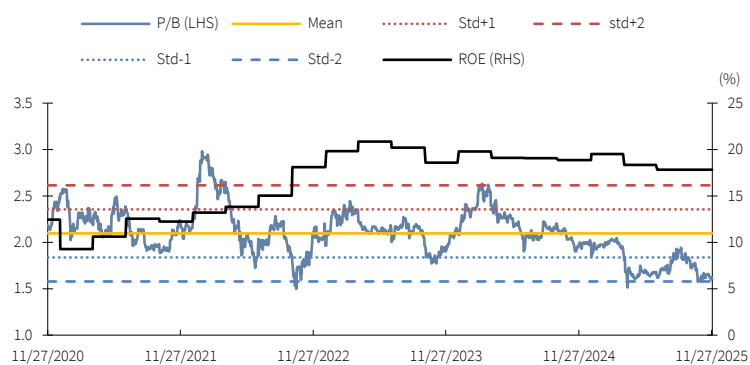
We raise our 2026 forward P/B to 2.18x, equivalent to BID's five-year mean, supported by robust credit growth prospects and BID's leading market position. However, the bank's asset quality needs to show more recovery signals.

(2) Residual income valuation (Table 14):

In addition, we employ the residual income method to better capture systemic risks and long-term expectations.

By assigning equal weights (50/50) to the two methods, we arrive at a fair value of VND51,800/share for 2026, implying a 37% upside from the closing price on December 5, 2025.

Fig 13. BID – P/B, ROE in 2020–2025 (x, %)



Source: Bloomberg, KB Securities Vietnam

Table 14. BID – Residual income valuation

(VNDbn)		2026F	2027F	2028F
NPAT		29,622	33,052	37,881
Excessed return		6,643	6,280	6,877
Required rate of return (r)	13.05%			
Growth (g)	3.0%			
Terminal value	42,062			
End-2025 fair value	280,257			
Value per share	39,915			

Source: KB Securities Vietnam

Table 15. BID – Valuation results

Valuation method	Derived price	Weight	Weighted price
P/B	63,693	50%	31,847
Residual income	39,915	50%	19,958
Target price			51,800

Source: KB Securities Vietnam

BID – 2022A–2026F summarized financials & forecasts

(VNDbn)	2022	2023	2024	2025F	2026F	(VNDbn)	2022	2023	2024	2025F	2026F
Net interest income	56,070	56,136	58,008	60,718	75,062	Loans	1483,996	1737,196	2,018,044	2,316,638	2,668,088
Interest income	121,111	152,761	138,288	153,168	190,139	Marketable securities	1701	6,972	12,734	14,345	16,496
Interest expense	(65,041)	(96,626)	(80,281)	(92,450)	(115,077)	Cash (ex. Reserves)	13,745	11029	10,773	12,135	13,956
Fees & commissions	5,648	6,570	7,074	6,544	7,002	Interest earning assets	2,092,669	2,271,476	2,720,288	3,241,464	3,694,025
Other non-interest income	4,210	2,068	4,987	6,268	9,320	Fixed assets & other assets	51896	59,850	68,427	76,344	84,929
Total operating income	69,582	73,013	81,061	82,643	101,606	Total assets	2,120,609	2,300,869	2,760,792	3,291,543	3,753,795
SG&A expenses	(22,557)	(25,081)	(27,967)	(28,099)	(34,139)	Customer deposits	1473,598	1704,690	1953,165	2,200,200	2,530,230
Pre-provisioning OP	47,025	47,932	53,094	54,545	67,466	Borrowings & call money/repos	170,289	202,023	210,882	245,168	263,148
Provision for credit losses	(24,015)	(20,344)	(21,109)	(20,947)	(30,439)	Interest bearing liabilities	1973,861	2,124,440	2,565,390	3,057,473	3,481,984
Other income	6,526	6,543	9,192	10,446	15,533	Other liabilities	42,558	53,562	50,491	57,988	66,669
Other expense	(2,316)	(4,475)	(4,205)	(4,178)	(6,213)	Total liabilities	2,016,419	2,178,002	2,615,881	3,115,461	3,548,653
Pre-tax income	23,009	27,589	31,985	33,598	37,027	Charter capital	50,585	57,004	68,975	70,213	70,213
Income tax expense	(4,589)	(5,612)	(6,381)	(6,720)	(7,405)	Capital surplus	15,351	15,361	15,361	18,926	18,926
NP	18,420	21,977	25,604	26,878	29,622	Retained earnings	21,576	30,331	36,192	62,560	91,621
Minority interest profit	(262)	(472)	(464)	(510)	(561)	Capital adjustments	-	-	-	-	-
Parent NP	18,159	21,505	25,140	26,368	29,060	Total shareholders' equity	104,190	122,867	144,911	176,082	205,143

Financial Indicators (%)	2022	2023	2024	2025F	2026F	Valuation (VND, X, %)	2022	2023	2024	2025F	2026F
Profitability						Share Price Indicators					
ROE	19.3%	19.4%	19.1%	16.7%	15.5%	EPS	3,590	3,773	3,645	3,755	4,139
ROA	0.9%	10%	10%	0.9%	0.8%	BVPS	20,597	21,554	21,009	25,078	29,217
Pre-provision ROE	39.5%	33.7%	31.7%	27.2%	28.3%	Tangible BVPS	19,720	20,730	20,238	24,329	28,477
Pre-provision ROA	19%	17%	17%	14%	15%	Valuations					
Net interest margin (NIM)	2.9%	2.6%	2.3%	2.0%	2.2%	PER	10.5	10.0	10.4	10.1	9.1
Efficiency						PBR	18	18	18	15	13
Pure Loan to deposit ratio	103.3%	104.3%	105.3%	107.0%	107.0%	Dividend yield	0.0%	0.0%	0.0%	0.0%	0.0%
Cost-income ratio	32.4%	34.4%	34.5%	34.0%	33.6%	ROE	19.3%	19.4%	19.1%	16.7%	15.5%
Growth						Capital Adequacy					
Asset growth	20.4%	8.5%	20.0%	19.2%	14.0%	CAR	9.5%	9.9%	8.6%	>9%	>9%
Loan growth	12.0%	17.1%	16.2%	14.7%	15.2%	Asset Quality					
PPOP growth	9.3%	19%	10.8%	2.7%	23.7%	NPL ratio (substandard)	12%	13%	14%	18%	16%
Parent NP growth	72.3%	18.4%	16.9%	4.9%	10.2%	Coverage ratio (substandard)	216.8%	180.7%	133.7%	910%	90.6%
EPS growth	72.3%	5.1%	-3.4%	3.0%	10.2%	NPL ratio (precautionary)	2.8%	2.8%	3.1%	3.3%	3.3%
BVPS growth	20.7%	4.6%	-2.5%	19.4%	16.5%	Coverage ratio (precautionary)	88.4%	80.2%	61.4%	49.7%	43.9%

Source: Bank for Investment & Development, KB Securities Vietnam

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Investment ratings & definitions

Investment Ratings for Stocks

(Based on the expectation of price gains over the next 6 months)

Buy:	Neutral:	Sell:
+15% or more	+15% to -15%	-15% or more

Investment Ratings for Sectors

(Based on the assessment of sector prospects over the next 6 months)

Positive:	Neutral:	Negative:
Outperform the market	Perform in line with the market	Underperform the market

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