BIDV Review

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68 YEARS OF MOVING FORWARD

INTERNATIONAL FINANCIAL CENTER: OPPORTUNITIES AND CHALLENGES

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BIDV REVIEW

BIDV AT A GLANCE

The Joint Stock Commercial Bank for Investment and Development of Vietnam (BIDV), founded on 26 April 1957, is the longest-established commercial bank in Vietnam. The bank's operations cover banking, insurance, securities, and financial investment, boasting a network of more than 1,100 branches and transaction offices as well as presence in 5 countries and territories. BIDV is headquartered in Hanoi, the capital of Vietnam. The bank's stock (ticker: BID) is listed on Ho Chi Minh City Stock Exchange (HOSE).

VISION 2030

- To become a leading financial institution in Southeast Asia, have the best digital platform in Vietnam, and be among Top 100 largest banks in Asia.

MISSION

- To deliver the best interests and conveniences to customers, shareholders, employees and society.

CORE VALUES iBIDV

- Intelligence
- Belief
- Integrity
- Detail orientation
- Vitality

BIDV

PERSON IN CHARGE OF THE PUBLICATION
LAI TIEN QUAN
Senior Executive Vice President

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HEAD OFFICE
BIDV Tower, 194 Tran Quang Khai str., Hoan Kiem dist., Hanoi, Vietnam
Tel: (+84) 24 22205544
Fax: (+84) 24 22225316
Contact center: 19009247
Email: bidvreview@bidv.com.vn

Editor's Letter

Dear readers,

This April marks the 68th anniversary of BIDV, a time for the bank's employees to look back over the path that generations of the bank's employees have worked hard to shape a leading bank of today. BIDV is set to pursue the model of a "Large - Strong - Green" bank and among Top 100 largest banks in Asia by 2030.

This publication features insights of experts on the domestic economy and the banking sector with recommendations on issues such as tariffs, green transition, macroeconomy, among others.

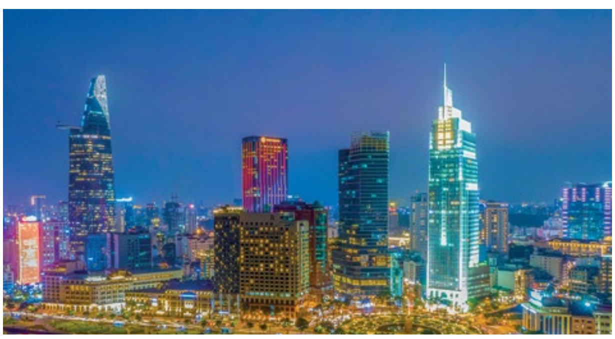
The global rating agency Moody's published the latest credit opinion of BIDV. According to Moody's report, BIDV's long-term local and foreign-currency deposit and long-term issuer ratings were affirmed as being on par with the sovereign rating of the Government of Vietnam and among the highest-rated banks in Vietnam. Moody's recognizes the bank's large and stable deposit franchise as well as the very high probability of receiving government support in times of need.

Vietnam's economy continued to grow positively in the first quarter. However, the economy still faces numerous difficulties due to external risks and challenges. Let's find out five bright spots and five major risks and challenges.

BIDV and the Asian Development Bank jointly launched a "Vietnam's financial market 2024 and 2025 outlook" report with a comprehensive assessment of Vietnam's financial market, covering the banking, securities, and insurance sectors. It helps identify trends, opportunities, and challenges in the market and proposes solutions and recommendations to promote the development of Vietnam's financial market. The report focused on three main topics: (i) presenting an assessment of Vietnam's financial market in 2024 and its outlook for 2025; (ii) analyzing the current situation and development potential of Vietnam's corporate bond market; (iii) offering policy recommendations.

At the announcement and award ceremony of the Sao Khue Awards 2025 hosted by the Vietnam Software and IT Services Association (VINASA), BIDV was honored with seven outstanding technology products and solutions. This marks the 13th year that BIDV has participated in the Sao Khue Awards – one of the most prestigious recognitions in Vietnam's software and IT services sector.


BIDV
HỘI THẢO
SEMINAR
THỊ TRƯỜNG TÀI CHÍNH VIỆT NAM 2024 VÀ TRIỂN VỌNG 2025
VIET NAM'S FINANCIAL MARKETS 2024 AND OUTLOOK 2025

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HO TUAN

BIDV's ratings affirmed

The global rating agency Moody's published the latest credit opinion of the Joint Stock Commercial Bank for Investment and Development of Vietnam (BIDV).

BIDV headquarters in Hanoi

According to Moody's report, BIDV's long-term local and foreign-currency deposit and long-term issuer ratings were affirmed as being on par with the sovereign rating of the Government of Vietnam and among the highest-rated banks in Vietnam.

Moody's recognizes the bank's large and stable deposit franchise as well as the very high probability of receiving government support in times of need. Funding and liquidity remain key strengths for BIDV, as the bank's large deposit base is supported by its status as one of the largest state owned banks in Vietnam.

Details of BIDV's credit rating according to Moody's are as follows: Long term bank deposits – local/ foreign currency at Ba2; Local and foreign currency long term issuer rating at Ba2; and a stable outlook.

2025 marks the 20th consecutive year that BIDV has been reviewed by Moody's, and the bank is the pioneer in this field. This confirms BIDV's commitment to financial transparency as well as compliance with international standards.

With 68 years of development, BIDV has risen to become the largest commercial bank in Vietnam by assets, backed by strong financial capacity, a modern technological platform, a high-quality workforce, and pioneering the Environmental, Social, and Governance (ESG) practice.

As of 31 December 2024, BIDV's total assets reached VND2.7 quadrillion (USD108 billion); total mobilized capital amounted to VND2.14 quadrillion (USD86 billion), accounting for 14.3 percent of the sector's market share; total outstanding loans reached VND2.02 quadrillion (USD81 billion), representing more than 13 percent of the sector's market share. BIDV's operational structure, efficiency, and safety indicators all met or exceeded the set targets.

BIDV continued to be one of the largest corporate income taxpayers. Currently, BIDV is serving 22 million individual customers, nearly 500,000 corporate customers, and has established relationships with more than 2,300 financial institutions worldwide.

LE PHUONG

Vietnam's financial market outlook

BIDV and the Asian Development Bank (ADB) jointly organized a consultation workshop on the "Vietnam's financial market 2024 and 2025 outlook" report with a comprehensive assessment of Vietnam's financial market, covering the banking, securities, and insurance sectors.

Delegates at the Seminar on Vietnam's financial markets 2024 and outlook 2025

Following the success of three previous editions, the report continues to provide a comprehensive assessment of Vietnam's financial market, covering the banking, securities, and insurance sectors. It helps identify trends, opportunities, and challenges in the market and proposes solutions and recommendations to promote the development of Vietnam's financial market.

The workshop and the report focused on three main topics: (i) presenting an assessment of Vietnam's financial market in 2024 and its outlook for 2025; (ii) analyzing the current situation and development potential of Vietnam's corporate bond market; (iii) offering policy recommendations.

VIETNAM FINANCIAL MARKET 2024 AND 2025 OUTLOOK

In 2024, the global economy recovered but unevenly. Cooling inflation created room for central banks to begin interest rate cuts, although they remained cautious due to risks from trade and technology wars. In Vietnam, the State Bank of Vietnam (SBV) implemented a flexible monetary easing policy to support growth and maintain macroeconomic stability. As a result, Vietnam's GDP growth in 2024 reached 7.09 percent, inflation was kept at 3.63 percent, credit grew by 15.08 percent, and the exchange rate, despite significant fluctuations, remained under control. Deposit interest rates slightly increased while lending rates dropped by approximately 0.96 percent compared to the beginning of the year, in line with directions from the Government and the SBV.

In this context, Vietnam's financial market maintained overall stability in 2024. Capital mobilization by credit institutions increased by 10.5 percent; pre-tax profits of 27 listed commercial banks rose by 17.2 percent; the stock market recorded positive growth; and the corporate bond market saw a strong recovery (VND466.5 trillion or USD18.7 billion issued, up 27.7 percent). The securities sector reported a 32 percent increase in after-tax profits, while the insurance sector showed a divergence in profits due to the impacts of Typhoon Yagi.

Alongside positive results, the financial system continued to face several challenges: rising bad debts, declining bad debt coverage ratios, significant capital pressures, and unsustainable profits in the insurance and securities sectors. In addition, cybersecurity risks increased, and the legal framework for digital assets, digital currencies, and regulatory sandboxes remained incomplete.

The international context in 2025 is forecasted to be volatile and uncertain, largely due to the United States' tariff policy. Although Vietnam's economy is projected to maintain a fairly strong growth rate, it will face more risks and challenges than opportunities, particularly regarding tariffs. In the base scenario, if the reciprocal tariff between the United States and Vietnam is reduced to 20–25 percent, Vietnam's GDP is expected to grow by 6.5–7 percent. If the tariff is reduced to only 10 percent, GDP growth could reach 7.5–8 percent. However, if the tariff remains at 46 percent, growth would slow to 5.5–6 percent.

Given this context, Vietnam's financial market in 2025 is expected to encounter both opportunities and challenges. Credit growth is forecasted at 14–15 percent, as credit demand and capital absorption capacity in some sectors remain weak, and the real estate market continues its slow recovery, with property prices remaining high and exceeding the affordability of many households. The USD/VND exchange rate is expected to remain under upward pressure but will likely fluctuate within a range of around 3–4 percent for the year. Bank sector profits are projected to grow by 15–20 percent (lower than in 2024). Interest rates are expected to remain low, with both deposit and lending rates continuing to decline slightly under the guidance of the Government and the SBV. The stock market is expected to benefit from Vietnam's potential market reclassification and improved earnings of listed companies. The insurance sector is forecasted to recover as the adverse impacts of Typhoon Yagi gradually subside and consumer confidence improves.

Dr. Can Van Luc, Chief Economist at BIDV

In terms of institutional framework, the financial sector's legal environment is expected to undergo positive changes, including new regulations on digital asset management and digital currencies. The amended Law on Credit Institutions 2024 is anticipated to address the legal gaps in bad debt resolution, replacing the National Assembly's Resolution 42/2017. Furthermore, trends in digital transformation, green transition, and ESG practices are expected to continue strengthening.

Nevertheless, Vietnam's financial market in 2025 still faces significant risks that require close monitoring and management, including: international market volatility (especially related to the United States' tariff policies) affecting the economy and financial markets, including FDI and foreign indirect investment (FII) flows; substantial corporate bond maturity pressures (with the real estate sector accounting for nearly 56 percent of the total); mounting bad debt pressures; and persistent interconnected risks between the real estate and financial markets.

CURRENT SITUATION AND DEVELOPMENT POTENTIAL OF VIETNAM'S CORPORATE BOND MARKET

During the period 2019–2021, Vietnam's corporate bond market grew rapidly (over 50 percent per year), bringing the total outstanding bonds to approximately 14.75 percent of GDP. However, the overheated development and an incomplete legal framework led to a series

Mr. Tran Phuong, BIDV's Senior Executive Vice President

of violations, a sharp decline in investor confidence, and significant maturity pressures. Since 2022, the Government and the Ministry of Finance have implemented a series of regulatory and restructuring measures to stabilize and rebuild the market, contributing to improved liquidity and issuance volumes during 2023–2024. Nevertheless, the corporate bond market still faces many challenges: a heavy reliance on private placements, uneven quality of investors, weak market infrastructure.

The corporate bond market in 2025 is expected to see more positive developments thanks to stable macroeconomic conditions, low interest rates, and continued improvements in the legal framework. Removing procedural bottlenecks, enhancing information transparency, and strengthening credit rating practices will be decisive factors for the sustainable development of the corporate bond market.

POLICY RECOMMENDATIONS

The report's working team and experts proposed a number of policy recommendations, focusing on three key areas: (i) general recommendations, (ii) solutions to stabilize and develop the financial market, and (iii) solutions to develop the corporate bond market in Vietnam.

The general recommendations include: (i) continuing breakthrough institutional reforms to enhance the economy's resilience; (ii) proactively negotiating with the United States to reduce reciprocal tariffs, address barriers, and promote bilateral economic relations; (iii) considering the implementation of measures to better balance trade with the United States and increase transparency on origin of goods; and (iv) urging ministries, sectors, and localities to enhance economic and corporate self-reliance, resilience, and competitiveness.

The recommendations to stabilize and develop the financial market include: (i) developing a more balanced financial market, reducing reliance on the banking system; (ii) promoting stock market development and upgrade in stock market; (iii) increasing the economy's capacity to supply and absorb capital; (iv) encouraging the development of green finance, digital finance, and data governance in line with Resolution 57/NQ-TW; and (v) strengthening coordination among regulatory agencies to control systemic risks.

The recommendations for developing the corporate bond market include both short-term and long-term solutions. In the short term, urgent tasks include addressing corporate bond maturity pressures, reforming issuance procedures and conditions, shortening public offering licensing times, and restoring investor confidence. In addition, it is necessary to introduce policies encouraging corporate credit rating disclosures for all enterprises (not only for those issuing bonds), with clear criteria.

In the long term, five main solution groups are proposed: (i) further improving legal regulations related to bond issuance, including for government bonds, to create a benchmark for interest rates; (ii) enhancing the infrastructure for the corporate bond market, including the development of a centralized secondary market and a comprehensive information and data platform on bonds and collateral assets; (iii) improving the market management and supervision mechanisms; (iv) diversifying and improving the quality of both primary and secondary market investors; and (v) ensuring that the management and development orientation of this mark et is closely linked with financial system risk management and supervision.

BINH NGUYEN

Impacts of the US tariff on global economy and Vietnam

The reciprocal tariff policy of the US has created a significant "shock" to the global economy, trade, and financial systems.

On 2 April 2025, the United States issued a reciprocal tariff order, which imposes an additional 10 percent tariff on all goods imported into the US (effective from 5 April 2025), and reciprocal tariffs ranging from 11 percent to 50 percent (effective from 9 April 2025) on most goods from other countries to the US (with a rate of 104 percent for goods from China). Subsequently, on 9 April, the US announced a 90-day postponement (for negotiation purposes), while the tariff on Chinese goods was increased to 125 percent (or 145 percent if including the previous 20 percent tariff, effective from 10 April 2025). The reciprocal tariff policy of the US has created a significant "shock" to the global economy, trade, and financial systems, including Vietnam, requiring timely, flexible, and appropriate response measures.

IMPACTS ON THE GLOBAL ECONOMY

For the global economy, the US tariff policy, despite a 90-day postponement, has negatively affected many nations (especially those with large trade surpluses with the US). It is forecasted that as import tariffs increase, the prices of goods sold to end-consumers will rise, reducing consumption demand, increasing inflation in the US and related countries, and delaying the interest rate reduction processes of the Federal Reserve and other central banks. Persistently high inflation and interest rates will suppress investment demand, domestic consumption, and economic and trade growth in the US and globally throughout 2025 and at least in the next one to two years.

In terms of global trade and investment, countries are accelerating efforts to diversify markets, partners, and cooperation models, while FDI investors are becoming more cautious and may consider shifting to other destinations. However, this trend will depend on several factors such as supply chains, infrastructure, costs, labor, and the outcomes of negotiations between the US and other countries.

For global financial markets, strong volatility has been observed due to widespread concerns. In the context of rising and persistently high inflation, central banks (especially in the US, EU, etc.) are likely to delay interest rate cuts, thereby dampening growth momentum as mentioned above. It is forecasted that global financial markets will continue to experience unpredictable fluctuations, depending on the negotiation processes, policies, and government interventions. However, the markets are also expected to gradually adjust and adapt better, with anticipated narrowing volatility over time.

IMPACTS ON VIETNAM'S ECONOMY

Immediately after the US announced the reciprocal tariff on 2 April 2025, effective from 9 April 2025, which imposed a 46 percent tariff (the fifth highest among 59 affected countries) on Vietnamese goods exported to the US, the Party and Government of Vietnam proactively implemented prompt, timely, well-intentioned, flexible, and appropriate actions through high-level communications, exchanges, import contracts, tax reductions, negotiations with US authorities, and coordination on the next steps and solutions for both sides. Although the tariffs have been temporarily suspended for 90 days to allow for negotiations, this still poses a major challenge for Vietnam's export, investment, and economic growth targets in both the short and medium terms.

The US reciprocal tariff policy on Vietnam is currently implemented at a 10 percent rate until 7 July 2025 (90 days from 9 April); therefore, the impact on Vietnam's economy is expected to be less severe than previously projected when it was assumed that Vietnam would face a 46 percent tariff. The 90-day period is a valuable window for Vietnam to actively negotiate reciprocal trade measures with the US to reduce the reciprocal tariff to the lowest possible level, applicable to approximately 90 percent of Vietnamese exports to the US from early July 2025.

It is hoped that negotiations on tariff matters and solutions to balance trade with the US will yield positive results, allowing Vietnam to maintain certain advantages in trade and FDI attraction compared to other countries. Growth drivers are expected to gradually recover in the second half of 2025. At the same time, macroeconomic stability will be maintained and major economic balances will be ensured, thanks to the determination and efforts of the Party, Government, ministries, local authorities, and enterprises (despite ongoing difficulties and challenges).

The economic research team at the BIDV Training and Research Institute has assessed and forecasted Vietnam's economic growth in 2025 based on three scenarios as follows:

Indicator	Base scenario	Adverse scenario	Positive scenario
Probability	60 percent	20 percent	20 percent
Assumptions	Vietnam negotiates with the US to reduce the reciprocal tariff to around 20–25 percent, effective for one year or sooner, followed by further negotiations for lower rates.	After 90 days from 9 April 2025, Vietnam makes little progress in trade negotiations with the US and faces a 46 percent reciprocal tariff on exports to the US starting early July 2025.	Vietnam remains subject only to the current 10 percent tariff on exports to the US, similar to 126 other countries.
Exports	Decline of USD6–7.5 billion (or 1.2–1.5 percent) compared to the normal scenario.	Decline of USD22–24 billion (or 5.5–6 percent) compared to the normal scenario.	Negligible impact.
Realized FDI	Decrease of 3–5 percent.	Decrease of 6–8 percent.	Negligible impact.
GDP growth	6.5–7 percent.	5.5–6 percent.	7.5–8 percent.
Inflation (average CPI)	4–4.5 percent.	5 percent.	3.5–4 percent.

Source: Forecast by BIDV research team.

IMPACTS ON KEY EXPORT SECTORS

An evaluation was conducted on 11 major sectors, covering 21 key export commodities (accounting for 88.7 percent of total export turnover to the US in 2024), based on the base scenario, along with two supporting sectors that are indirectly affected by import-export activities.

RECOMMENDATIONS

Based on the above analysis and forecasts, it is clear that the newly imposed reciprocal tariffs by the US will have significant and uncertain negative impacts on Vietnam's economy and businesses. Accordingly, the research team proposes two groups of recommendations:

FOR STATE REGULATORS:

First, Vietnam needs to remain steadfast and place greater focus on promoting mutually beneficial cooperation with the US across multiple areas, enhancing exchanges and dialogue through various channels. In the immediate term, it is necessary to: (i) actively negotiate by sector with appropriately strong policy packages to reduce reciprocal tariffs; (ii) accelerate negotiations toward signing a countervailing trade agreement between the two countries as soon as possible.

Second, Vietnam should promptly implement specific measures to rebalance trade with the US, including:

(i) increasing imports from the US, especially in products where the US has competitive advantages and Vietnam has demand; (ii) continuing to reduce tariffs on imports from the US; (iii) strengthening control and transparency regarding the origin and transshipment of goods.

Third, proactively and promptly addressing any concerns and obstacles raised by the US side in a reasonable manner.

Fourth, policies should be developed to support businesses and sectors negatively affected by the new US tariff policies. At the same time, detailed plans and solutions should be formulated to help businesses diversify markets and partners, better leveraging signed FTAs, paying greater attention to the domestic market, accelerating efforts to enhance autonomy, resilience, and localization, and participating more deeply and effectively in global supply and value chains.

FOR BUSINESSES:

First, enterprises, especially those exporting to the US, must take proactive steps and coordinate with government agencies and importers to monitor market developments and implement timely, appropriate response measures.

Second, it is essential to ensure transparency regarding origin of goods, localization rates, environmental and labor standards, especially in disclosing the use of semi-finished and finished materials originating from countries currently subject to US trade remedial measures, to mitigate the risk of anti-dumping or trade remedy investigations.

Third, businesses should diversify markets, partners, and supply chains, and make good use of advantages from the signed FTAs, with a focus on large and potential markets such as Halal markets, Africa, and South America.

Fourth, enterprises need to enhance their resilience against external shocks, improve internal capacity and self-reliance, strengthen risk management capabilities related to interest rates, exchange rates, and trade remedy investigations, and increase the use of financial derivatives to better control these risks.

THU BA

International financial center in Vietnam: opportunities and challenges for banks

With a GDP growth rate of 7.09 percent in 2024 - the highest among the ASEAN-6 and significantly surpassing global GDP growth - combined with one of the fastest digital transformation rates in the region and a strong commitment to institutional reform, Vietnam's banking sector stands at the threshold of a strategic opportunity to participate in a global "game" right in Vietnam.

Ho Chi Minh City - the largest economic hub in Vietnam

INTERNATIONAL FINANCIAL CENTER AND CONDITIONS FOR ESTABLISHMENT

According to the draft Resolution of the National Assembly on the establishment of an international financial center (IFC) in Vietnam, the IFC is defined as a place that "concentrates a diverse ecosystem of financial and supporting services, governed by specific mechanisms and policies stipulated in the Resolution". The goal is not only to create a centralized financial hub, but more importantly, to build a special institutional environment where international standards on finance, legal frameworks, technology, and human resources are applied consistently and comprehensively.

To develop a competitive IFC in the region and globally, the following foundational conditions must be ensured: (i) A stable, transparent, and internationally compatible legal environment that builds investor confidence and minimizes institutional risks; (ii) Modern physical and technological infrastructure, including data centers, real-time payment systems, digital identification, and international-standard cybersecurity; (iii) High-quality human resources with deep expertise, international understanding, and the ability to operate complex financial products; (iv) A modern financial system capable of delivering integrated services - from

investment banking and green finance to digital assets and global custody.

In the IFC development process, the banking system plays a pioneering role as the soft infrastructure - the link between institutions, capital flows, and the market. The banking sector is not only an early beneficiary once the IFC is operational, but also a core creator - from developing sophisticated financial products and advancing payment technologies, to channeling international capital and helping to shape operational standards in line with global practices.

STRATEGIC OPPORTUNITIES AND CHALLENGES FOR VIETNAMESE BANKS

The establishment of an IFC not only broadens the operational landscape but also presents an opportunity to reposition the banking sector - upgrading business models, expanding roles, and participating more deeply in the global financial network. This is a golden moment to affirm competitiveness within the regional value chain.

First, one of the core benefits of the IFC is facilitating access to stable, long-term international capital at competitive costs. Being present in an environment that hosts global financial institutions allows Vietnamese banks to more easily issue bonds, attract technical partnerships, and access concessional funding. According to the World Bank, capital costs at an IFC can be 50–100 basis points lower than the regional average.

Second, the IFC enables market expansion and enhancement of the financial service ecosystem. It will attract global financial institutions, international investors, and multinational corporations, creating strong demand for advanced financial services such as issuance advisory, asset custody, portfolio management, investment banking, and green finance. This presents an opportunity for Vietnamese banks to shift from traditional credit models to integrated financial service models aligned with international standards. Anticipating this trend, BIDV has established its own investment banking segment; successfully advised on major M&A and IPO deals in Vietnam, and launched securities custody services for foreign institutional investors - gradually aligning with the operating standards of IFCs in G20 countries.

Third, aligning with international practices enhances creditworthiness and capital mobilization capabilities. The IFC requires participating institutions to fully comply with international standards on capital adequacy, risk management, and financial transparency such as Basel III, IFRS 9, and FATF. These are not only operational requirements but also the “entry ticket” to global capital markets. BIDV is one of the pioneers in standardization, having adopted Basel II since 2019, and is currently transitioning toward Basel III, conducting international audits in accordance with IFRS 9 alongside domestic standards. BIDV has maintained an international credit rating from Moody’s for the past 20 years - a long-term preparation for global financial integration.

Fourth, the IFC will be built on a fully digital foundation, where data, artificial intelligence (AI), open banking, and cloud computing are core infrastructures. This necessitates banks to restructure their operating models, invest deeply in technology, and develop data-driven governance capabilities. BIDV has been a front-runner in this transformation, with a strong digital ecosystem: by the end of 2024, 16 million users are on SmartBanking, and 92 percent of retail transactions are processed through digital platforms. BIDV is also a pioneer in implementing Open API integration with Fintech companies, contributing to the formation of an open banking ecosystem - a critical component of future IFCs.

Fifth, the IFC will serve as a financial intermediary hub in the regional value chain. Positioned strategically at the heart of Southeast Asia, Vietnam has the potential to become a gateway connecting capital flows across the Asia-Pacific. To realize this role, banks must simultaneously upgrade their infrastructure, comply with international standards, and expand cross-border networks.

While the opportunities are clear, challenges remain significant - from institutional readiness and competitiveness to compatibility with international standards, particularly: (i) Multilayered competition from global financial institutions, which inevitably participate with superior capital, technology, and experience; (ii) Gaps in data infrastructure, technology, and digital integration, as many banks still lack standardized data platforms and cross-border integration capabilities - key to delivering large-scale digital financial services in an IFC environment; (iii) Risks of facing "internationalized pressures" without having fully "internationalized capabilities," as global standards become mandatory while many domestic banks are not yet fully prepared. Rapid implementation without adequate support mechanisms may risk market instability; (iv) Challenges in building market trust and policy consistency. Legal and regulatory systems remain fragmented across areas such as credit institutions, non-banking entities, taxation, and investment - hindering the development of new financial products and limiting international partnerships.

POLICY RECOMMENDATIONS

To enable Vietnamese banks to play a central role in the development of an International Financial Center, a synchronized, open, and guiding policy ecosystem must be established. The following are key recommendations to support effective participation and leadership by the banking sector.

For the National Assembly and Government: Expedite the issuance of a specialized resolution on the IFC with long-term strategic direction and special institutional mechanisms. This high-level legal framework will serve as the foundation for the IFC's development roadmap, enabling flexible, preferential policies and a governance model aligned with international practices. This is a pivotal step in "unlocking institutional mechanisms", creating strategic development space for Vietnamese banks. Broad public consultation should be conducted during the drafting process to ensure alignment with market realities. The Government is encouraged to study the experience of recently established IFCs such as GIFT City in India in 2015, in addition to long-established centers. Consider identifying and piloting the most suitable services in short, medium, and long-term phases to leverage Vietnam's human resources and cost-effective infrastructure.

For the State Bank of Vietnam: Establish a dedicated regulatory sandbox for the IFC, with a focus on digital banking, digital assets, green finance, and cross-border payments. Introduce flexible pilot mechanisms for eligible banks and initiate regular policy dialogues with the banking sector to address practical challenges.

For the Vietnam Banks Association: Conduct broad consultations among member banks regarding the draft IFC resolution and related legal documents. Once enacted, continue gathering feedback on implementation challenges to propose to relevant authorities. Organize knowledge-sharing and training programs on global best practices and emerging technologies to help Vietnamese banks stay abreast of international trends and requirements.

For Vietnamese commercial banks: Proactively develop specialized financial service areas within the IFC, leveraging domestic cost advantages in human capital and technology. Focus on areas such as operational processing, asset custody, financial data, and investment support. Formulate strategic plans for IFC participation with a focus on proactive integration, tied to comprehensive upgrades in governance, digital capabilities, and international credit ratings. Strengthen international cooperation and connect with global financial networks to access capital, technology, and modern management expertise. Take an active role in shaping the IFC institutional framework by proposing product models, participating in sandbox initiatives, and piloting new operating models.

An international financial center is not merely an economic development structure, but a symbol of institutional maturity, integration level, and national capacity for innovation. With the collective effort of the National Assembly, Government, State Bank of Vietnam, and the banking system, Vietnam is well-positioned to build an IFC with its own identity - a hub not only for capital flows but also a testing space for institutional reform and a source of innovation diffusion. As the largest bank in Vietnam by total assets, BIDV remains at the forefront of the IFC development journey, committed to advancing the banking industry and national economy.

HAI BINH

Economic highlights in Q1 and forecast

Vietnam's economy continued to grow positively in the first quarter. However, the economy still faces numerous difficulties due to external risks and challenges.

FIVE BRIGHT SPOTS:

1. The Party and the State accelerated the streamlining of the apparatus and improvement of institutions; proactively responding to the United States' tariff policies, striving to achieve growth targets and maintain macroeconomic stability.

2. GDP growth in the first quarter of 2025 reached the highest level in six years; macroeconomic stability was maintained; major balances were ensured. GDP growth in the first quarter of 2025 reached 6.93 percent, with both supply- and demand-side drivers achieving positive results.

3. Growth drivers showed positive signs (consumption, import-export, investment). Total retail sales of goods and revenue from consumer services in the first quarter of 2025 increased by 9.9 percent (up 7.5 percent excluding price factors) compared to the same period last year. Net exports of goods in the first quarter of 2025 reached USD3.16 billion (lower than the USD7.9 billion recorded in the same period last year). Total registered FDI into Vietnam in the first quarter of 2025 was estimated at USD10.98 billion, up 34.7 percent year-on-year; disbursed FDI was estimated at USD4.96 billion, the highest level in seven years, driven by the positive effects of preferential policies, breakthroughs in science and technology development, innovation, and digital transformation.

4. Macroeconomic stability was maintained, with inflation and exchange rates under control and interest rates remaining low to support growth. The consumer price index (CPI) in March 2025 slightly decreased by 0.03 percent compared to February 2025; the average CPI for the first quarter of 2025 increased by 3.22 percent compared to the same period last year (lower than the 3.27 percent increase in the first two months of 2025 and the 3.77 percent increase in the first quarter of 2024). Interest rates remained low, creating favorable conditions to support growth. Deposit interest rates decreased by approximately 0.1-0.9 percent compared to the end of 2024, depending on the term. The average lending interest rates for new and existing VND loans ranged from 6.7 percent to 9 percent per annum, equivalent to December 2024 levels.

5. State budget revenue increased thanks to the positive growth of production and exports. State budget revenue in the first quarter was estimated at VND721.3 trillion (USD28.8 billion), reaching 36.7 percent of the annual plan and up 29.3 percent compared to the same period in 2024; of which, domestic revenue (accounting for 89.6 percent of total revenue) rose by 34.5 percent, and revenue from import-export activities increased by 0.4 percent thanks to the strong recovery of domestic production, consumption, and import-export activities (up 13.7 percent compared to the same period). State budget expenditure was estimated at VND428.2 trillion (USD17.1 billion), reaching 16.8 percent of the annual plan and up 11.6 percent compared to the same period in 2024.

FIVE MAJOR RISKS AND CHALLENGES:

Although domestic economic activities recorded bright spots, there remain five major risks and challenges as follows:

1. External risks and challenges are increasing with four notable ones. First, geopolitical risks, especially the intense trade and technology wars and rising trade protectionism (particularly the United States' imposition of tariffs and the responses from other countries), which may drive up commodity prices, cause inflation, and slow down the expected decline in interest rates, thereby exerting pressure on Vietnam's inflation, interest rates, and exchange rates. Second, weakened recovery momentum in several major economies (the United States, China, Japan, among others) leading to a marked slowdown in global growth. Third, inflation and interest rates, though declining, remain elevated and persist for a prolonged period, making recovery much more difficult and sustaining high risks of public and private debt. Fourth, ongoing risks to energy security, food security, cybersecurity, and heightened threats from natural disasters, saline intrusion, and extreme climate change.

2. Bad debt pressures remain latent; foreign investors continue net selling in the stock market. The on-balance-sheet bad debt ratio of the entire banking system (excluding the five commercial banks under special control) was 1.93 percent of total outstanding loans at the end of 2024, up from 1.69 percent at the end of 2023. However, the combined ratio of on-balance-sheet bad debt, unresolved debts sold to Vietnam Asset

Hanoi, Vietnam

Management Company (VAMC), and potential bad debts (excluding the five banks under special control) stood at 3.28 percent of total outstanding loans, slightly lower than the 3.36 percent recorded at the end of 2023. The bad debt coverage ratio of the 27 listed joint-stock commercial banks declined from 95 percent at the end of 2023 to 90.8 percent at the end of 2024. In the stock market, as of the end of the first quarter of 2025, the VN-Index stood at 1,306.86 points, up 0.11 percent from the previous month and 3.16 percent from the beginning of the year. Meanwhile, foreign investors continued net selling in March (VND10.9 trillion or USD436 million) and recorded cumulative net selling of VND26.8 trillion (USD1.04 billion) in the first quarter of 2025, although Vietnam's net selling figure remains lower than that of Taiwan (USD17.4 billion), South Korea (USD5.3 billion), Malaysia (USD2.2 billion), Indonesia (USD1.8 billion), and Thailand (USD1.1 billion).

3. Enterprises continue to face numerous difficulties. In the first quarter of 2025, businesses still encountered many challenges (slow resolution of legal obstacles; debt and corporate bond maturity pressures; high input costs; uneven recovery of orders; declining profit margins; growing risks from trade and technology wars; rising exchange rate pressures, among others). It is forecasted that from the second quarter of 2025, businesses will face new challenges arising from the United States' tariff policies (depending on the sectors and industries, as well as the export market share of enterprises to the United States). However, it is expected that the timely and appropriate policies of the Party and Government, along with positive negotiation and bargaining outcomes with the United States, will help mitigate negative impacts and support business operations.

4. Recovery of certain traditional growth drivers remains fragile. Although private investment growth in 2024 recovered fairly well (up 5.5 percent year-on-year), it remained much lower than the pre-pandemic level of 15.3 percent. The recovery momentum of industrial production remains uneven and unsustainable: the Industrial Production Index (IIP) in the first quarter of 2025 was still lower compared to the same period before the pandemic (by 11 percent); certain industrial sectors continued to decline, affecting the growth momentum of exports and domestic consumption.

5. The corporate bond market recovery remains unstable. According to VIS Rating, in the first quarter of 2025, new corporate bond issuances reached only VND25,130 billion (USD1 billion), down 12 percent year-on-year, partly due to seasonal factors (the first quarter during 2021–2025 accounted for only about 10 percent of total annual issuances). The value of private placements was the lowest in the past five years, with only two issuance rounds totaling VND2,000 billion (USD80 million).

OUTLOOK FOR FIRST HALF AND FULL YEAR

In the context of ongoing global economic risks and uncertainties (particularly the “shock” of the United States' tariff measures), with inflation and interest rates potentially declining

more slowly than anticipated, and global economic growth slowing down with recession risks looming, according to BIDV's Training and Research Institute, Vietnam's economy is forecasted to experience relatively negative impacts in 2025 and the following years. However, it is expected that successful negotiations regarding tariffs and measures to balance the trade deficit with the United States will help Vietnam maintain certain advantages in trade and FDI attraction compared to other countries. Growth drivers could gradually recover from the second half of 2025, and macroeconomic stability and major economic balances are likely to be maintained, thanks to the determination and efforts of the Government, ministries, and enterprises, although significant challenges remain.

GDP growth: If the United States imposes a 46 percent reciprocal tariff on Vietnam effective from 8 July (after a 90-day period from 9 April), second-quarter GDP growth would be less impacted (compared to the initial scenario of an immediate 46 percent tariff from 9 April) and is forecasted at around 6.8–7 percent. Assuming negotiations with the United States yield favorable results, leading to a lower-than-expected tariff rate (below 46 percent), and enterprises and sectors effectively adapt and seize opportunities to diversify markets, GDP growth could remain similar in the third and fourth quarters (around 6.9–7.1 percent). Accordingly, GDP growth for the full year 2025 is projected at around 6.5–7 percent (approximately 1–1.5 percentage points lower than the original 8 percent growth target before the tariff shock).

Under a more optimistic scenario, GDP growth could reach 7.5–8 percent (down 0.5 percent from the original 8 percent target) if negotiations with the United States are highly successful and new growth drivers are effectively leveraged to offset the decline in traditional growth drivers. In a more negative scenario, should the trade war escalate and prolong, severely affecting global trade and investment activities, and if traditional growth drivers (exports, investment, consumption, etc.) in Vietnam decline sharply or struggle to recover while new growth drivers have not yet taken effect significantly, annual GDP growth is forecasted to be around 5.5–6 percent.

Inflation: Inflationary pressures are expected to increase significantly in the second quarter of 2025 and during the first half of the year due to both cost-push factors (higher import prices as a result of United States tariffs, rising prices of state-controlled goods) and demand-pull factors (credit growth is estimated at 14–15 percent, with the money turnover ratio at 0.8–0.9 times, higher than in 2024 to meet the demand for stronger growth). However, the average CPI for 2025 is forecasted to range between 4–4.5 percent. Although this is higher than the 2024 level (3.63 percent), it remains below the National Assembly's target. Inflation will still be under control thanks to the cooling trend of global inflation (despite increased pressures and a slower-than-expected decline), stable domestic supply of essential goods and services, stable exchange rates and basic interest rates, and increasingly effective policy coordination.

MAI PHUONG

Driving green transition

BIDV representatives and delegates at a panel discussion on green transition

On 21 April 2025, the Joint Stock Commercial Bank for Investment and Development of Vietnam (BIDV) and FPT Corporation co-hosted a seminar titled "The green transition journey and financial – technological solutions". The event attracted more than 100 pioneering ESG-driven enterprises.

The seminar served as a forum for bridging in-depth knowledge with practical action. It enabled businesses not only to stay informed about global green transition trends and international ESG reporting standards but also to learn from practical experiences and strategies for transforming ESG into a competitive advantage amid international integration.

The event further reinforced BIDV's pioneering role in supporting the sustainable development strategies of the business community. In the context of ESG becoming a global standard, BIDV views green finance as a strategic tool to help businesses optimize costs and enhance access to long-term concessional funding. BIDV has issued sustainable financial frameworks in line with international standards, highly rated by Moody's, including Sustainable Loan

Framework, Green Bond Framework, and Sustainable Bond Framework. The bank has also expanded its portfolio of green financial products such as green loans, sustainability-linked loans, green bonds, sustainable bonds, and green deposits.

In his keynote speech, Mr. Tran Long – Senior Executive Vice President of BIDV – emphasized: "Through this seminar, we aim to provide businesses with expert insights and practical experience in financial and technological solutions that not only meet governance requirements but also support enterprises in designing an appropriate roadmap for the green transition, thereby enhancing competitiveness."

FPT introduced the VertZéro technology platform to support greenhouse gas emissions inventory,

Mr. Tran Long, BIDV's Senior Executive Vice President

measurement and reduction, aiming to build an internationally compliant reporting system aligned with standards such as PCAF (Partnership for Carbon Accounting Financials), which is widely adopted by global financial institutions. According to FPT, a key requirement for complying with PCAF is not only the comprehensive identification of emission scopes but also robust data management capacity to ensure data transparency, consistency, and verifiability. This necessitates a well-structured data infrastructure, internal data integration, and standardized data collection, processing, and storage across business units. FPT also provided detailed recommendations for data structuring and preparation, helping businesses better access green finance from domestic and international institutions. Notably, the VertZéro solution is being jointly offered by FPT and BIDV (with a free trial period and up to 25 percent discounts) to all BIDV corporate clients.

With an open and collaborative spirit, the seminar conveyed a strong sense of optimism and aspiration for transformation. The in-depth discussion session provided a clear perspective on Vietnam's position in the green transition, the potential of ESG bond issuance, and BIDV's supportive role. Insights from Gemadept and enterprise support programs from the World Bank further empowered the business community to boldly advance.

The success of the seminar also reflects BIDV's strong commitment to its "green banking" strategy, standing alongside the Government and enterprises on the journey toward sustainable development.

In alignment with the National Green Growth Strategy for the 2021–2030 period, with a vision to 2050, BIDV has consistently embedded the goal of "towards sustainable development" throughout its banking operations, under the message "Pioneering in creating sustainable value." BIDV pursues a brand positioning strategy as a green bank, aiming to become a market leader in ESG practices and sustainable finance, gradually aligning with international green finance standards and implementing its roadmap to become a net-zero bank by 2045.

In recent years, BIDV has intensified efforts to support enterprises in accessing international resources through co-financing programs, mobilization of ODA capital, technical assistance, and ESG bond advisory. BIDV has partnered with several international financial institutions, such as AFD, with a EUR50 million climate credit line to finance climate adaptation and sustainable development projects. BIDV is currently a trusted partner of institutions including the World Bank, ADB, JICA, JBIC, among others, and is the market leader in Vietnam with a 21 percent share in ODA mobilization and international entrusted capital.

Simultaneously, BIDV has established funding relationships with nearly 50 global financial institutions, with a total available credit limit of up to USD4 billion, demonstrating its capacity to effectively receive and implement financial programs that serve sustainable development goals. BIDV also provides ESG advisory services and connects enterprises with technology providers and certification organizations to maximize the effectiveness of green transition implementation.

As of 31 December 2024, BIDV had provided financing to 1,600 clients with 1,982 green projects, with total outstanding loans reaching VND80,870 billion (USD3.2 billion), accounting for 12 percent of the green credit market share. With its existing green credit portfolio as a foundation, BIDV aims to further grow the size and proportion of green lending, striving to maintain its leading position in green credit market share.

MINH THUY

Pioneering technologies

At the announcement and award ceremony of the Sao Khue Awards 2025 hosted by the Vietnam Software and IT Services Association (VINASA), the Joint Stock Commercial Bank for Investment and Development of Vietnam (BIDV) was honored with seven outstanding technology products and solutions.

This marks the 13th year that BIDV has participated in the Sao Khue Awards – one of the most prestigious recognitions in Vietnam's software and IT services sector. Throughout this journey, BIDV has been consistently recognized for its standout technological innovations.

The achievement of seven winning solutions at Sao Khue 2025 further affirms BIDV's position as a leading commercial bank in terms of ICT readiness and adoption in Vietnam. It also highlights the bank's pioneering role in technology application and innovation, as well as the successful development of digital ecosystems across its operations.

BIDV has been honored with 7 Sao Khue awards

B.ONE – DIGITAL WORKPLACE PLATFORM

This is a seamless, multi-tasking, cross-platform browser tool designed to effectively manage internal resources and streamline workflows. With a wide range of user-centric functionalities, the system has been deployed bank-wide, achieving nearly 90 percent digitization of internal processes. B.ONE enables powerful, multi-dimensional information retrieval and efficient task management.

ELECTRONIC GUARANTEE SOLUTION CONNECTED TO THE NATIONAL ONLINE BIDDING SYSTEM

This breakthrough digital solution significantly reduces paperwork and ensures timely electronic guarantee issuance, enabling customers to seize bidding opportunities with ease. It provides 24/7 access to online transactions, real-time status tracking, and immediate result updates, saving time and costs. Customers also benefit from high-security data storage and easy transaction lookups.

GEN AI PROGRAM FOR PRODUCT AND SERVICE INFORMATION SEARCH

This solution supports BIDV's customer service advisors by enabling natural language queries, automatic information retrieval, and response generation. It enhances advisory efficiency, accuracy, and response speed, contributing to improved service quality and customer satisfaction.

E-KYC SOLUTION FOR INSTITUTIONAL CLIENTS

This solution simplifies and accelerates account opening for

businesses, removing location and time constraints. Registration can be completed in 10 minutes, enabling immediate transactions without visiting a branch. The fully automated process - from document recognition to information verification - saves time and minimizes data entry errors. Registered businesses can make transactions within four hours. The automation also reduces manual workload and enhances customer experience.

ESIGN – BIDV'S CENTRALIZED DIGITAL SIGNATURE SYSTEM

This platform provides digital signature services for documents, forms, and internal communications. With a comprehensive legal framework covering both clients and the bank, Esign is a critical solution in advancing BIDV's digital journey and developing new digital products and services.

AUTOMATED SALARY ADVANCE LOAN VIA SMARTBANKING

A pioneering solution that fully digitizes the loan journey for employees at organizations using BIDV for payroll. It enhances user experience and reduces human resource and financial burdens for businesses.

FENGSHUI AND ASTROLOGY-BASED ACCOUNT NUMBERS

An innovative product blending technology with local cultural elements to personalize customer experiences. The AI-powered system suggests account numbers based on birthdate, fengshui elements, or zodiac signs. It also features customized color interfaces and personality analysis. The product is particularly popular among young users, especially Gen Z, who seek highly personalized services.

BIDV's recognition at the Sao Khue Awards 2025 serves as a clear testament to its sound and effective technology development strategy. These solutions not only optimize operations and enhance customer experience but also strengthen BIDV's competitive edge in the market. Looking ahead, BIDV will continue to accelerate digital transformation, focusing on developing cutting-edge fintech products aligned with market trends and increasingly diverse customer needs.

BIDV representatives at the award ceremony

TRUC HUYEN

BIDV wins double sustainable finance awards

Recently, the Joint Stock Commercial Bank for Investment and Development of Vietnam (BIDV) was honored by The Asset (Hong Kong) with two prestigious awards: "Best Issuer for Sustainable Finance in Vietnam 2025" and "Best Sustainable Bond in Vietnam 2025."

This marks the second consecutive year BIDV has received accolades in the sustainable finance category from The Asset, a testament to the bank's unwavering commitment to the goal of "towards sustainable development" as stated in its 2021-2025 business strategy, with a vision to 2030. The awards reaffirm BIDV's position as a leading institution in sustainable finance in Vietnam.

In August 2024, BIDV successfully issued VND3,000 billion (USD120 million) in sustainable bonds, aligned with the International Capital Market Association (ICMA) guidelines for sustainable bonds. With this issuance, BIDV maintained its position as the top ESG bond issuer in the Vietnamese market. The proceeds are earmarked for lending to clients and projects in sectors that generate positive environmental and social impact, including renewable energy, clean energy, green buildings, low-carbon production and consumption, climate change adaptation, social housing, and public healthcare services. The evaluation and selection criteria for funded projects are clearly defined in BIDV's Sustainable Bond Framework, published on 16 August 2024.

Previously, in 2023, BIDV became the first Vietnamese commercial bank to successfully issue VND2,500 billion (USD100 million) in green bonds. Over the past two years, BIDV has completed two consecutive ESG bond issuances with a total value of VND5,500 billion (USD220 million). BIDV's green deposit product has also seen outstanding success, with deposits exceeding VND5,000 billion (USD200 million). These achievements reaffirm BIDV's strategic goal of becoming a "green bank" and contributing meaningfully to Vietnam's national sustainable development strategy.

BIDV wins two sustainable awards

Beyond pioneering innovative and sustainable financial products, BIDV plays a vital role in developing the domestic bond market. The bank is currently one of the leading financial institutions in bond issuance, with total issuance volume since 2018 reaching nearly VND137,000 billion (USD5.5 billion).

HUYEN TRUC

Expanding women's participation in the economy

BIDV representative and delegates at the forum

At the 5th Annual Forum on "Expanding Women's Participation in the Economy" organized by the Asian Development Bank (ADB), BIDV representatives, together with experts, exchanged and shared extensive experiences on building a strong ecosystem and promoting investment in women-owned micro, small, and medium-sized enterprises (MSMEs).

Mrs. Nguyen Thi Kim Phuong, Deputy Head of BIDV's Corporate Banking Department, emphasized that with a customer-centric approach, BIDV has always identified women-owned small and medium enterprises (WSMEs) as a key customer segment for special attention and development priority. Accordingly, BIDV has proactively implemented various financial and non-financial solutions to create a launchpad for the sustainable growth of WSMEs. BIDV supports WSMEs in maximizing value creation from bank financing, enhancing business management capabilities, strengthening internal resources and financial health, and accelerating digital transformation, thereby facilitating access to digital banking products and services.

Specifically, BIDV has developed a SMEasy digital platform, featuring an interface and functionalities tailored to women entrepreneurs under the message “Shining Together with Women-owned small and medium enterprises”. All functions of the platform are designed based on the “EASY” principle: Easy - Agile - Simple, offering a seamless digital experience that integrates all solutions into a single platform.

Aiming to expand access to capital, enhance capabilities, and promote equity and sustainability for WSMEs, BIDV has actively participated in and contributed ideas to various programs such as the Forum on supporting WSMEs in supply chain participation through sustainable development tools, the Digital readiness program for WSMEs including the launch of a Cybersecurity Handbook for women leaders, and the "Ring the bell for gender equality" campaign. BIDV’s contributions have been recognized by the United Nations Entity for Gender Equality and the Empowerment of Women (UN Women), which awarded BIDV the 2024 UN Women Asia-Pacific WEPs Award in the “Innovative Investment in Gender Equality” category.

BIDV’s relentless efforts in supporting WSMEs serve as a strong testament to the bank’s commitment and long-term strategic vision for empowering women entrepreneurs. These efforts also reflect BIDV's responsibility in fostering sustainable development and aligning long-term interests with the prosperity of the business community.

TUE MINH

Moving forward together

This April marks the 68th anniversary of BIDV, a time for the bank's employees to look back over the path that generations of the bank's employees have worked hard to shape a leading bank of today.

PROUD TRADITION

On 26 April 1957 the prime minister of Vietnam Democratic Republic signed Decree No.177/TTg on establishing the Bank for Construction of Vietnam, predecessor of the Joint Stock Commercial Bank for Investment and Development of Vietnam (BIDV). The bank is proud of its glorious tradition, with its different names corresponding to each development period of the country: Bank for Construction of Vietnam (1957 – 1980); Bank for Investment and Development of Vietnam (1981-1990); Bank for Investment and Development of Vietnam (1991 – 2011); and Joint Stock Commercial Bank for Investment and Development of Vietnam (2012 – present). Though bearing different names at different development periods, BIDV has excelled at all tasks assigned by the government, Ministry of Finance, and State Bank of Vietnam, making positive contributions to national defense, construction and the development of the country.

BIDV was successfully equitized on 1 May 2012. The bank has carried out a comprehensive and synchronous restructuring and transformation into a modern banking model; making significant changes in institutional development and governance capacity, actively contributing to the development of the banking industry and the country.

A milestone in BIDV's history is that BIDV completed a strategic

cooperation deal with Hana Financial Group, announcing Hana Bank as a foreign strategic shareholder. This was the largest merger and acquisition deal in the history of Vietnam's financial and banking industry at that time. The deal has brought great benefits to BIDV and shareholders; creating conditions for BIDV to make fundamental changes to the governance model; improve financial capacity, governance capacity, risk management; develop modern products and services; and enhance competitiveness.

Over the past 68 years, the number of staff employed by BIDV has increased from just over 200 during the initial days to over 29,000 today. The bank's network has expanded from 11 branches to over 1,100 branches and transaction offices. From its sole function of fund allocation, BIDV has now become a leading financial institution in Vietnam providing modern and diverse banking products and services that meet the diverse needs of customers. BIDV has presences in five countries and territories.

The contributions of the bank's generations of employees over the years have contributed to shaping a proud and splendid history for BIDV. The bank has been honoured with prestigious awards such as the title "Labour Hero in the innovation period", Ho Chi Minh Medal, orders of merits from the state and government of Laos PDR and the Royal Government of Cambodia as well as other awards from prestigious organisations both local and international. For consecutive years, BIDV has been among the world's Top 2000 largest public companies, Top 200 most valuable banking brands in the world, Top 10 largest companies in Vietnam and many other awards.

Such proud achievements are attributed to the constant leadership of the Party, State, National Assembly and government; the close and effective support and guidance of the State Bank of Vietnam and ministries, and localities; the trust, support and companionship of millions of customers and partners; as well as the relentless efforts of generations of employees over the past 68 years.

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MOVING FORWARD

BIDV continues to affirm its role as a key instrument in implementing monetary policies of the government and the State Bank of Vietnam, promoting its role as a major commercial bank, pioneering in applying modern technology to operations and international integration.

BIDV continues to affirm its pioneering role in sustainable development and in realizing the Environmental – Social – Governance (ESG) commitments through a comprehensive strategy and concrete actions, focusing on three main pillars: (i) Strengthening the strategic foundation for sustainable development; (ii) Leading the market with a green financial ecosystem, driving a sustainable economy; (iii) Pioneering sustainable finance and actively promoting awareness of green finance.

Besides business activities, BIDV has been one of the pioneers in implementing social security programs in many fields such as: education, health care, disaster relief, building solidarity houses, construction of bridges and roads, donation of New

BIDV headquarters in Hanoi

Year gifts to the poor, contributing significantly to sustainable poverty reduction and the national target programs. For 2024 alone, BIDV donated VND450 billion (USD18 million) for social security programs.

BIDV is set to pursue the model of a "Large - Strong - Green" bank. Accordingly, the entire system will focus on the following priorities: (i) Strengthening both individual and collective responsibility in performing assigned duties, ensuring effective and consistent implementation across the system; (ii) Streamlining the organization from management structure and operational network to internal processes to optimize operational performance, efficiency, and effectiveness; (iii) Accelerating transformation across all areas of operations, including restructuring the credit model, modernizing retail and corporate banking operations in line with emerging trends, and advancing digital transformation; (iv) Enhancing governance and risk management, while shifting the income structure toward increasing the proportion of non-interest income; (v) Implementing capital increase plans to strengthen financial capacity, support business growth, and ensure the successful achievement of the strategic goals.

MINH ANH

Run for a green life

BIDV kicks off BIDV RUN - For a green life (season 5)

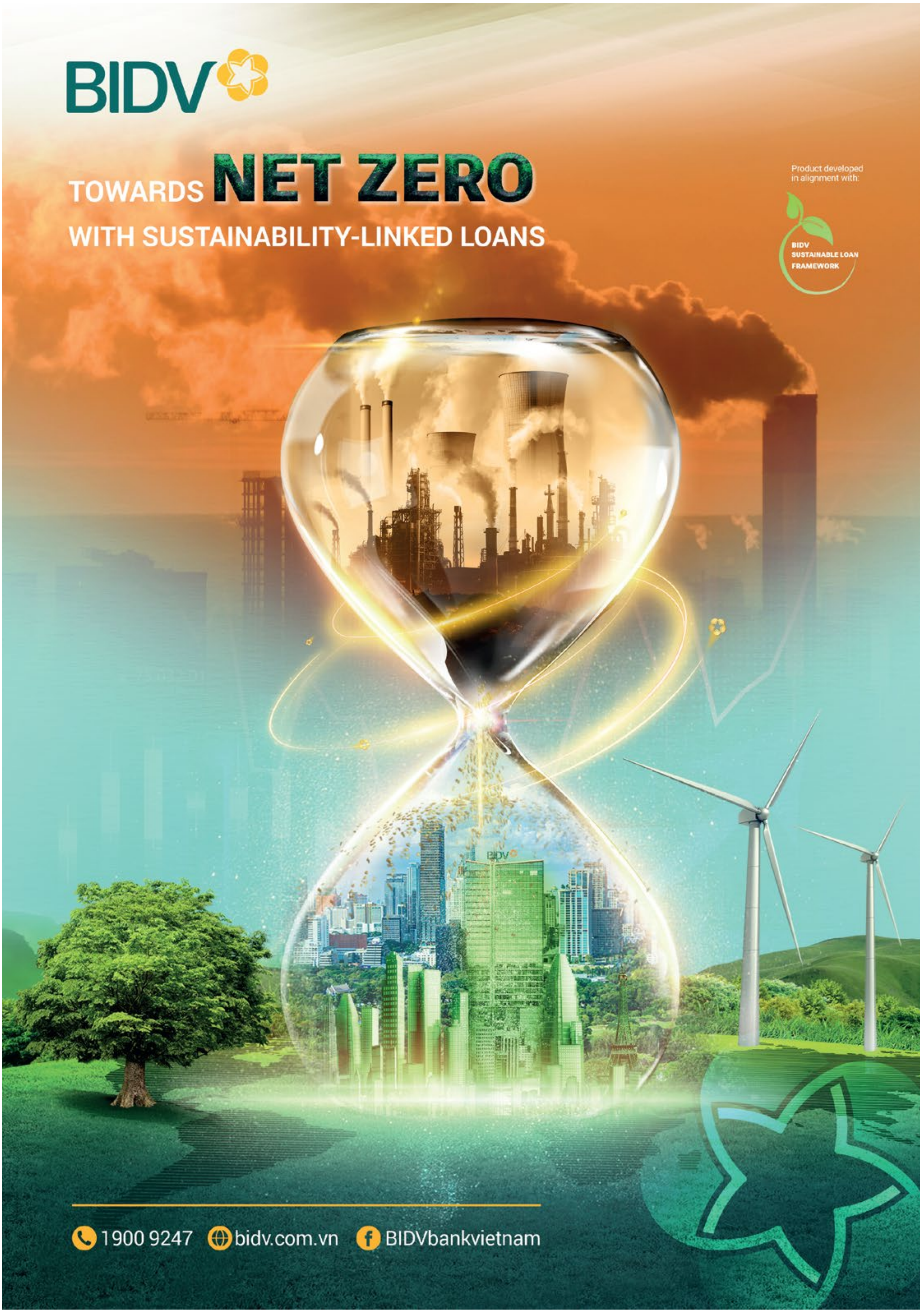
On the morning of 20 April 2025, the Joint Stock Commercial Bank for Investment and Development of Vietnam (BIDV) kicked off the fifth season of the "BIDV RUN – For a Green Life" running event, aiming to spread the "green spirit" and encourage the community to join hands with the bank in promoting social security activities for the country's sustainable development.

Over the past four seasons, the program has attracted nearly 180,000 participants. From a total running distance of almost 10 million kilometers, BIDV has converted the achievements into more than VND40 billion (USD1.6 million) to implement meaningful social welfare initiatives: donating for the construction of 13 flood-resilient community cultural houses for localities in central Vietnam; planting 600,000 new trees across the country; and distributing over 15,000 freshwater tanks to provinces affected by drought and salt intrusion in the Mekong Delta.

This year the "BIDV RUN – For a Green Life" program takes place from 20 April to 11 May 2025. The event is held in celebration of major national holidays, milestones in the banking sector, and BIDV's anniversary: the 50th anniversary of the Liberation of the South and National Reunification (30 April 1975 – 30 April 2025); the 71st anniversary of the Dien Bien Phu Victory (7 May 1954 – 7 May 2025); the 135th birthday of President Ho Chi Minh (19 May 1890 – 19 May 2025); the 74th anniversary of the Vietnamese banking sector (6 May 1951 – 6 May 2025); and the 68th anniversary of BIDV (26 April 1957 – 26 April 2025).

Speaking at the kick-off ceremony held at BIDV's Headquarters in Hanoi, Mrs. Vu Thi Nga – Standing Vice Chairwoman of BIDV's Trade Union – said: "We are delighted to see the 'BIDV RUN – For a Green Life' program entering its fifth season with growing impact and enthusiastic participation from staff, partners, clients, and communities. This program vividly symbolizes a lifestyle of health, responsibility, and harmony with the environment. Through their participation, each individual contributes to the meaningful journey of building sustainable value together. BIDV RUN is a living testament to BIDV's commitment to social responsibility and sustainable development – for a greener future and the well-being of every citizen."

On the very morning of 20 April 2025, around 21,000 runners across Vietnam and from several countries and territories kicked off the first strides of the season, helping to spread the program's humanitarian spirit and joining to support BIDV's meaningful "For a Green Life" initiatives.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