DYNAM CAPITAL

VIETNAM'S BANKING SECTOR

Vietnam is one of the world's fastest-growing economies, and we are invested in several leading banks that we think will compound their earnings through the next phase of expansion

September 2026

Why invest in Vietnam's banks?

Leading Vietnamese banks sit at the centre of a rapidly modernising, urbanising, and increasingly digital economy, where access to credit, payments, savings, mortgages, SME finance, and wealth products is deepening.

Recently, credit growth has outpaced deposit mobilisation, raising the importance of low-cost, sticky funding, capital discipline, and genuine customer ecosystems. The resulting liquidity squeeze widens the gap between strong and weak banks. For investors, this changes the question from "do we like Vietnamese banks?" to "which banks can fund profitable growth without destroying margins, over-stretching capital or compromising asset quality?" That is a stock-selection question and plays to Dynam Capital's experience and skill set.

Banks account for almost 40% of Dynam Capital's public equity portfolios as of 31st August 2026, and five banks are included in our top ten holdings. Over the past seven years, six of our bank holdings have seen their share prices increase by more than 250%.

Our key investment criteria include durable CASA and retail deposit franchises; high and sustainable ROE; adequate capital and retained-earnings generation; disciplined loan growth; diversified fee income; credible digital ecosystems; strong governance; and the ability to gain share as regulation drives consolidation.

In emerging markets, banks are often seen as a leveraged investment play on a rapidly growing economy. We are not investing in banks simply because Vietnam is growing. We are investing in institutions with franchises that have become increasingly valuable and are driving the economic transformation itself.

1. The structural opportunity

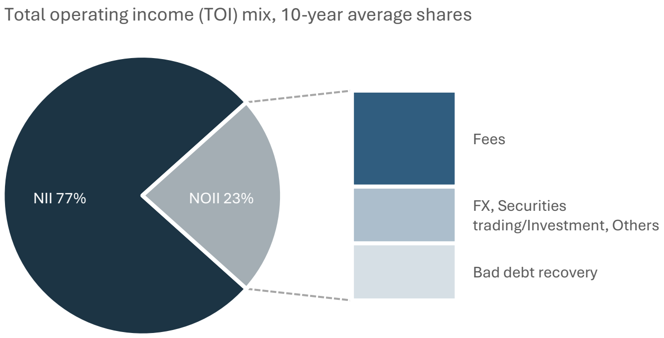
Vietnam's banking opportunity has evolved. The old thesis that millions of people are entering the formal banking system remains relevant but is no longer sufficient. A few years ago, we would tell investors that the banking system was very underpenetrated and that there were more Facebook accounts (70 million at the time) in the country than bank accounts. However, according to the State Bank of Vietnam (SBV), by 2025, 89% of Vietnam's population aged 15 and above had a payment account, up from around 30% in 2010. The sector has rapidly shifted from simply acquiring customers and expanding access to financial services toward deepening customer relationships, increasing product usage and driving revenue diversification. Rapid digitalisation and the expansion of multi-product ecosystems have underpinned this transition.

The transformation formally began just five years ago. In May 2021, the SBV issued Decision No. 810/QD-NHNN, approving the banking sector's digital transformation plan through 2025. The journey initially focused on digitising banking services, expanding digital access and building the necessary infrastructure, and has moved toward deeper data integration and intelligent banking. Digital platforms have become the infrastructure for broader financial ecosystems, enabling banks to onboard customers and cross-sell payments, lending, wealth management, insurance and investment products while lowering servicing costs.

As a result, over the last decade, Vietnam banks' non-interest income (NOII) grew at a CAGR of 20.2%, outpacing net interest income's 16.7% growth rate. NOII share of total operating income (TOI) rose from 19% in 2015 to 24% in 2025. Banks are actively building broad financial ecosystems that extend well beyond traditional lending to encompass securities, insurance, asset management, consumer finance, and digital platforms.

Of the TOI, fee income and income from other banking activities (FX trading, trading/investment securities, joint-venture capital contribution/share purchases), which accounted for 71% of NOII, grew at a 21.5% CAGR during the period. Meanwhile, the remainder, mostly income from bad-debt recoveries, grew at an 18.1% CAGR and remained a meaningful contributor to banks' earnings, reflecting the benefits of several years of aggressive balance-sheet clean-up.

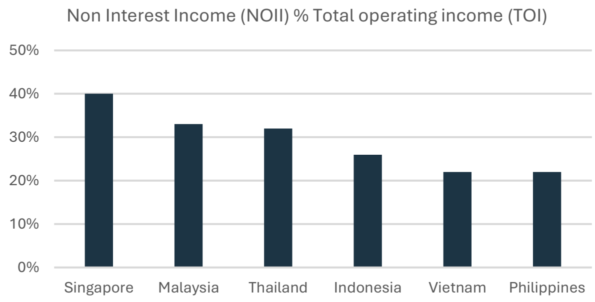
Figure 1: Vietnam banks' total operating income mix



Source: Aggregate data from 16 banks under our banking coverage

Across ASEAN, banks are increasingly shifting toward NOII to diversify earnings as NIMs come under pressure. Wealth management, payments and transaction banking are particularly attractive given their recurring, customer-driven fee streams, compared with more volatile trading income. Singapore's leading banks provide a clear benchmark with 30-40% of total income from fees, trading, insurance, wealth management, and treasury activities. Malaysia focuses on fees, trading, and bancassurance, while Thailand's NOII was supported by fees, brokerage, wealth, and investment gains.

Figure 2: Non interest incomes as percentage of total operating income of ASEAN banks



Source: The Global Economy, Vietnamese banks

Vietnam's underdeveloped capital markets and wealth-management industry keep the NOII/TOI ratio below the levels of its leading regional peers. We see this gap as a structural opportunity: deeper capital markets, rising household wealth and expanding digital ecosystems should allow Vietnamese banks to broaden their product offerings, deepen customer monetisation and build more diversified earnings streams.

Among Vietnamese banks, TCB, MBB and VPB stand out as leaders in digital transformation, supported by strong investments in data, AI and digital ecosystems. These capabilities, combined with their large ecosystems, diversified customer bases and broad product offerings, position them well to deepen customer monetisation and diversify revenue streams. These structural advantages should allow them to capture a disproportionate share of the growth in Vietnam's non-interest income opportunity.

2. The cyclical opportunity

Vietnam is entering a new phase of development, described as an "era of national ascent," with the Government targeting double-digit GDP growth during 2026–2030. This ambition is underpinned by a stronger focus on large-scale infrastructure investment, strategic national projects and the development of key economic zones.

Total social investment is estimated at VND5.1 quadrillion (c. USD195 billion) in 2026 and VND38.5 quadrillion (c. USD1.47 trillion) over 2026–2030, highlighting the scale of capital required to support the country's next phase of development. In addition, the VND1.1 quadrillion (c. USD40 billion) public investment plan for 2026 should create strong spillover demand across construction, building materials and logistics, as companies in these sectors should require additional working capital and investment funding to scale up capacity and execute new projects.

This creates a meaningful opportunity for Vietnamese banks, with substantial demand for medium- and long-term credit, particularly as the Government seeks to mobilise non-budgetary funding from banks, private investors, PPPs, capital markets, and international lenders. Banks with strong capital bases, diversified funding sources and the capacity to participate in large, syndicated loans should be better positioned to capture this structural increase in credit demand, particularly in medium- and long-term infrastructure financing.

Banks capitalising on growth opportunities

To finance large-scale projects, banks typically lend around 40–60% of total project investment, with the ratio potentially approaching 70% for highly bankable projects with stable, predictable cash flows. Total project investment, however, should not be directly equated with potential bank credit demand. The actual bankable debt depends on the project's debt-servicing capacity, equity contribution, government support, cash-flow visibility, collateral, regulatory lending limits, and individual banks' capacity to provide large-ticket financing.

For simplicity, assuming 15% credit growth in 2026, 70% of total project investment is funded through non-budgetary sources, and 50% of such funding is financed by bank loans, these projects could absorb approximately 64% of new credit disbursements in 2026, contributing around 9.6 ppt to the sector's overall credit growth. This scale is expected to increase further in subsequent years, potentially reaching 12–13% of the sector's credit, assuming system credit expansion remains at around 15% per year. Nevertheless, elevated credit demand, led by long-term investments, has been constrained by liquidity pressures as credit growth continues to outpace deposit mobilisation. The mismatch remains one of the most prominent macroeconomic challenges for the Vietnamese financial system.

Yet, credit expansion is constrained by tightening liquidity

After a period of credit growth exceeding 30% annually in 2005–2010, credit growth moderated to an average of 13–15% per year through 2024. On the funding side, deposits broadly grew in line with credit, keeping the customer loan-to-deposit ratio (LDR) at approximately 90–95%. However, this dynamic began to reverse in 2020 following the outbreak of the Covid-19 pandemic. The negative funding gap began to emerge.

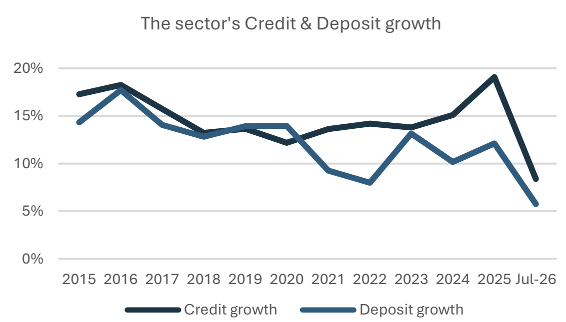
Table 1: Vietnam banking sector – key development phases

Period	Key developments	Significance
2005–2007	Banking liberalisation and WTO preparation	Greater competition and modernisation
2008–2011	Rapid credit expansion and global financial crisis	High growth but rising risks
2011–2015	Banking restructuring and bad debt resolution	Improved financial stability
2016–2020	Basel implementation and digital banking	Stronger regulation and technological innovation
2021–present	Digital transformation, sustainability, and financial resilience	Shift toward modern, customer-centric banking

Source: The SBV, Vietnamese banks

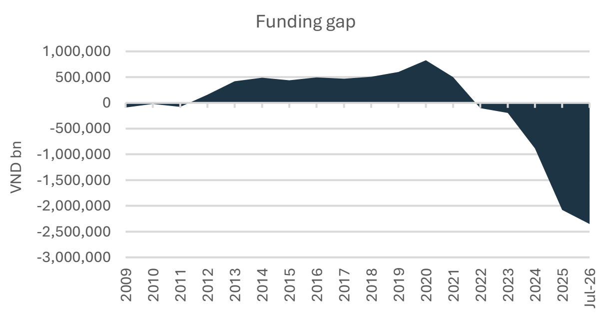
In response to the pandemic, the SBV cut policy rates three times in 2020 to support economic activity. The persistently low deposit interest rates weighed on deposit growth, which increased only 8–9% annually in 2021–2022. In 2022, mounting inflationary pressures and concerns about financial stability following the property-linked-banking scandal prompted the SBV to tighten monetary policy, driving deposit rates sharply higher to 9–12% p.a. In 2023, the SBV pivoted toward monetary easing, cutting policy rates aggressively to stimulate economic growth. Deposit growth subsequently recovered to 13.1% in 2023 before moderating and lagging credit growth from 2024 onward.

Figure 3: The sector deposit vs. credit growth



Source: The SBV

Figure 4: The sector's funding gap



Source: The SBV

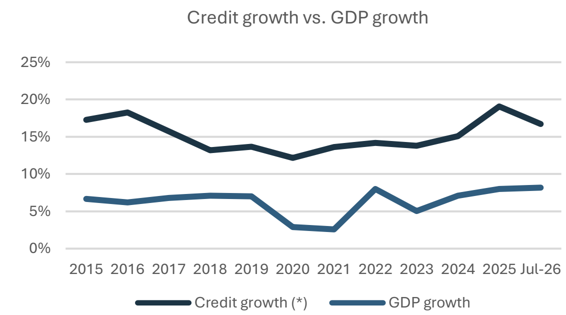
In 2025, credit growth surged to 19.1% YoY, exceeding the SBV's initial target of 15–16%, while deposit growth remained sluggish at 12.1% YoY. In 2026, the SBV set a system-wide credit growth target of 15% YoY and instructed banks to reduce deposit rates. As of July 2026, credit grew 8.98% YTD, compared with 5.8% YTD deposit growth. The funding gap remained substantial, ranging from VND 2,300–2,700 trillion during the first six months of 2026.

Why the current liquidity squeeze matters

Entering 2026, the banking sector faced a challenging policy balancing act, as it simultaneously met rising demand for credit to finance infrastructure and other priority projects, maintained accommodative interest rates to support economic growth, contained inflationary pressures, and preserved exchange-rate stability. At the same time, banks must strengthen operational resilience, maintain prudent risk management and capital adequacy, and comply with increasingly stringent international regulatory standards.

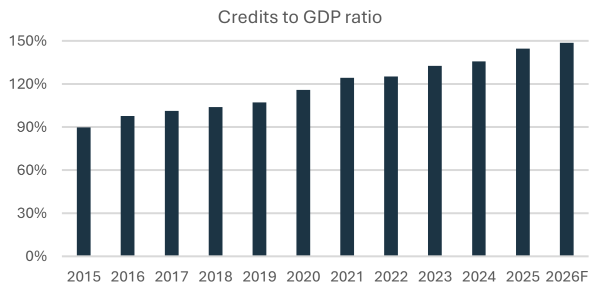
For years, Vietnam has used bank credit to support rapid growth. As a result, the credit-to-GDP ratio reached 145% in 2025 and is estimated to rise to 149% in 2026 and 183% in 2030. This high ratio underscores the economy's growing reliance on bank credit and signals elevated systemic risk. However, because Vietnam's capital market has not yet developed to meet the economy's funding needs, the banking sector remains the economy's backbone. This dependence places greater pressure on banks' funding capacity, liquidity, capital adequacy, and asset quality.

Figure 5: Vietnam Credit growth vs. GDP growth



Source: The SBV, (*) Jul 2026 Credit growth YoY

Figure 6: Vietnam Credit to GDP ratio

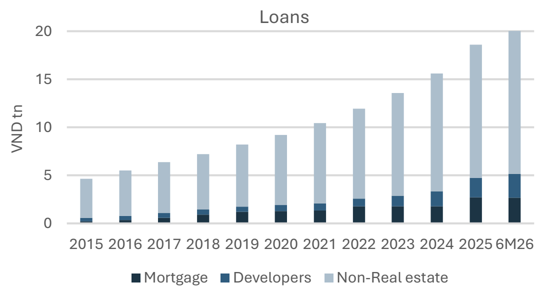


Source: The SBV, GSO

The current liquidity squeeze is more acute than in previous development phases, as banks face growing demand to finance large-scale, long-term investments. Banks' deposit base is predominantly short-term, with around 80–90% maturing in less than 12 months. In contrast, bank loans are largely concentrated in medium- and long-term tenors. This maturity mismatch places significant pressure on banks to compete for deposits and secure stable funding to meet their growing long-term lending needs.

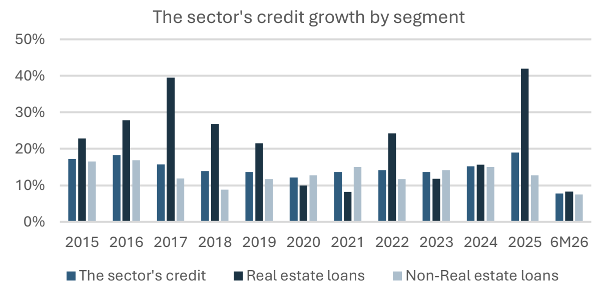
From another perspective, real estate lending has increasingly strained banks' long-term funding capacity since 2025, as credit to the real estate sector grew at roughly twice the pace of overall bank credit. Real estate loans, including loans to developers and mortgages, accounted for 25.5% of total sector loans in 2025, up from around 21% in 2024. In 1H26, real estate credit grew 8.3% YTD, slightly ahead of overall system credit growth of 7.7% YTD, as the SBV required banks to limit real estate credit growth to avoid exceeding overall credit growth. This has drawn down banks' pool of long-term funding.

Figure 7: The sector's credit balance



Source: The SBV, the Ministry of Construction

Figure 8: The sector's credit growth, by segment



Source: The SBV, the Ministry of Construction

However, credit extended to designated priority real estate projects, which require substantial long-term funding, is excluded from banks' credit growth quotas, provided banks participate in financing these projects. For example, 18 approved priority real estate projects, with a combined investment value of VND752 trillion, are excluded from participating banks' real estate credit growth quotas. This investment is equivalent to approximately 3.5% of projected 2026 system credit, with spending spread over seven years, or roughly 1% of annual system credit. Meanwhile, another 17 real estate projects, with a combined investment value of VND955 trillion, have been proposed to the Government for similar treatment.

Thus, participating banks could potentially expand real estate lending beyond their overall credit growth limits, creating additional demand for medium- and long-term funding. This could further intensify competition for long-tenor deposits as banks seek to secure stable funding to finance these projects.

Compared with regional peers, Vietnam's mortgage penetration remains relatively moderate. On a loan-share basis, Thailand's mortgage penetration is broadly similar to Vietnam; however, Thailand's significantly higher mortgage-to-GDP ratio reflects a more developed and deeper housing-finance market. The sizeable gap in mortgage/GDP penetration therefore points to substantial long-term headroom for expanding formal housing finance and retail credit in Vietnam. More broadly, this highlights the need to comprehensively restructure Vietnam's banking and financial-market funding mix to support sustainable, long-term development.

Table 2: Mortgage penetration in ASEAN banking markets

Country	Mortgage loans/Total bank loans	Mortgage loans/GDP	Relative position
Malaysia	38-40%	39-40%	Very high
Singapore	27-29%	40-45%	High
Thailand	14-15%	28-30%	Low–mid
Vietnam	14.5%	13%	Low–mid
Indonesia	9-10%	6–7%	Low
Philippines	7.0%	4–5%	Very low

Source: Country's central bank

3. Navigating the funding channel

Vietnam's current liquidity squeeze does not necessarily amount to a liquidity crunch. Banks remain capable of meeting their daily obligations, settling payments, honouring customer withdrawals, funding loan disbursements, and maintaining depositor confidence. Rather, the current liquidity pressure is better characterised as a structural shortage of stable, long-term funding needed to finance the country's ambitious growth and modernisation agenda.

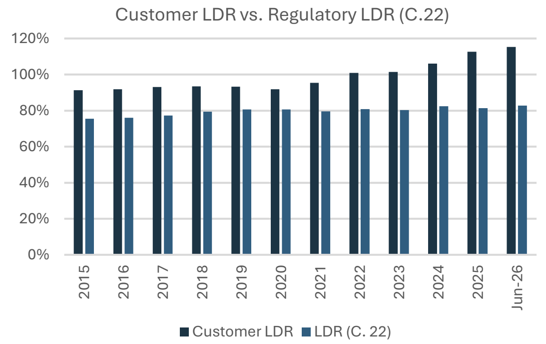
Addressing this structural imbalance will require gradually reshaping the economy's funding mix, including developing deeper capital markets and more diversified sources of long-term financing. At the banking-system level, mitigating the maturity mismatch between funding sources and lending assets will also be critical to maintaining liquidity, controlling funding costs, and ensuring sustainable credit growth.

Increasing reliance on interbank funding and certification of deposits

By June 2026, the banking sector's regulatory LDR stood at around 83%, remaining comfortably below the 85% regulatory ceiling. However, customer LDR rose to 115% as credit growth continued to outpace deposit growth.

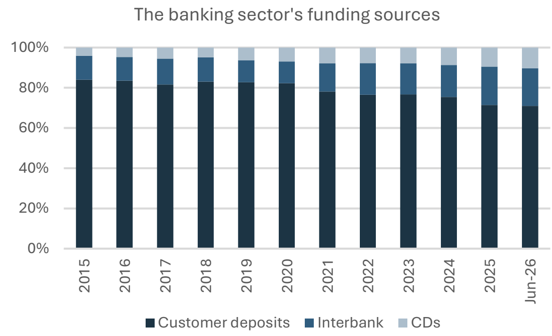
Unlike the customer LDR, the regulatory LDR includes interbank borrowings and certificates of deposit (CDs - fixed-term deposit instruments issued by a bank, evidencing the bank's obligation to repay the principal plus interest to the holder at maturity) [(1)], in addition to customer deposits, in the total mobilised funding. This broader funding base provides banks with additional headroom to support credit growth and partially offset ongoing pressure on customer deposits.

Figure 9: The sector's loan-to-deposit ratio



Source: The SBV, C.22- Circular 22/2019/TT-NHNN

Figure 10: The sector's funding mix



Source: Aggregate data of 16 banks under our banking coverage

Interbank funding began to surge from mid-2025 as funding demand for infrastructure and real estate projects intensified and system liquidity tightened. By the end of 2025, aggregate interbank funding grew 46.2% YoY, accounting for 18% of total mobilised funding, compared with an average of 14% over the previous five years. In 1H26, interbank funding continued to expand, rising 5% YTD.

Banks are increasingly turning to international markets through syndicated loans, green loans, and sustainability-linked loans. The total value of offshore funding was around USD 7 billion in 2025-2026, estimated to account for 6–19% of the sector's newly added interbank deposits and 2–4% of the sector's newly mobilised funding in the two years. The effective cost of international funding can reach 8–9% p.a., including USD interest rates, arrangement fees, and FX hedging costs, making it relatively uncompetitive versus domestic funding. However, the key benefit lies not in the funding cost, but in the ability to diversify funding sources and extend their maturity by securing additional medium- and long-term capital.

Table 3: Major international funding transactions

Bank	Year	International funding	Structure / tenor	Purpose
VPBank	2025	USD 1.56bn	Syndicated / ESG-linked	General & sustainable funding
VPBank	2025	USD 300mn	International bond	Sustainable finance
VPBank	2025	USD 350mn	Syndicated	Sustainable finance
VPBank	2026	USD 1.44bn	Sustainability-linked loan	General funding / green & social lending
HDBank	2025	USD 215mn	ESG-linked	Green & social lending
HDBank	2026	USD 821mn	Syndicated loan/ESG-linked	Sustainable finance /green & social lending
Techcombank	2026	USD 1.0bn	Proposed syndicated loan	General corporate purposes
SHB	2025	USD 600mn	ESG syndicated loan	Funding diversification
MBBank	2025	USD 500mn	Sustainable funding	Green/social finance
Nam A Bank	2026	USD 300mn	ESG-linked	Sustainable finance, SME & climate lending
BIDV	2026	USD 250mn	Sustainable funding	Sustainable finance, SME & climate lending
TPB	2025	USD 250mn	ESG syndicated loan	Green/social finance

Source: The Banks

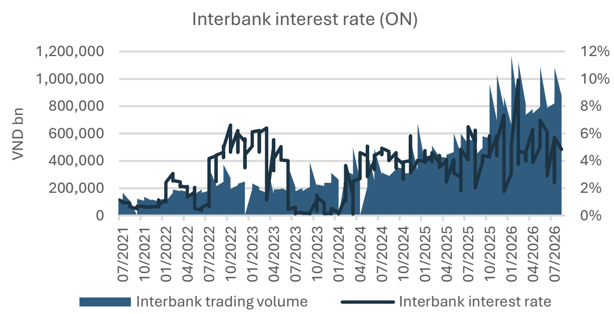
Read more about the green finance movement of the banking sector in Dynam ESG Report 2025 on our website.

CDs have also emerged as another important funding channel. Although CDs typically carry higher interest rates than conventional customer deposits, they allow banks to secure larger pools of funding with longer and more predictable tenors. In Vietnam, interest rates on short-term deposits with maturities of 1–6 months are capped at 4.8% per annum, while CDs are not subject to the same interest-rate ceiling. Banks have therefore ramped up CD issuance, offering attractive rates to mobilise funds from both institutional and retail depositors.

As liquidity tightens, banks raise deposit rates to attract funds. Customer deposit rates have risen significantly since 2H25 and remained elevated through 2026. By mid-2026, prevailing rates for 12-month and longer-tenor deposits had reached 7.5–9.5%, with some private banks offering even higher promotional rates.

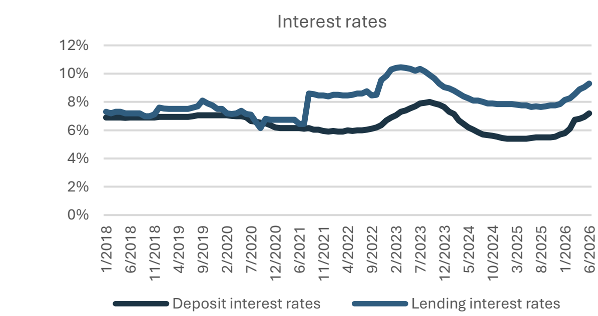
Overnight (ON) interbank rates have been volatile as banks have become more active in the interbank market. The ON rate briefly spiked to 17% p.a. in February and exceeded 11% p.a. in March before moderating substantially after the SBV injected liquidity through open-market operations. By July, the ON rate had declined to 4.0% p.a., before rebounding to 6.5% p.a. by month-end. This suggests that the SBV retains sufficient policy tools to manage short-term money-market conditions and prevent temporary liquidity pressures from escalating into a systemic liquidity crunch.

Figure 11: Vietnam Interbank ON rate and volume



Source: The SBV

Figure 12: Vietnam lending - deposit interest rates



Source: The SBV, Banks

Raising fresh equity to strengthen capital buffers

Vietnamese banks are actively using rights issues and private placements to strengthen their capital base amid accelerating credit growth.

Stronger equity capital is critical to preserve CAR headroom as banks expand risk-weighted assets (particularly through greater exposure to real estate lending) and face increasingly stringent capital requirements under the Basel III-aligned regulatory framework. It also enhances banks' capacity to mobilise funding to finance long-term projects while maintaining adequate regulatory capital buffers.

Table 4: Banks' Private placement and Rights issue plans in 2026-2027

Bank	Method	Planned issuance	Potential fresh capital	Status
Vietcombank	Private placement	543.1m shares	VND 5.4 - 30.2tn (1)	Planned
MBBank	Rights issue	805.5m shares	VND 8.1tn	Being implemented
MBBank	Private placement	Up to 200m shares	VND 2.0 - 4.2tn (1)	Planned
HDBank	Private placement	700m shares	VND7.0 - 19.1tn (1)	Planned 2026-2027
VPBank	Private placement	>624m shares	VND 6.2 - 16.0tn (1)	Planned Q3–Q4/26
NCB	Private placement	1,000m shares	VND 10.0tn	Completed in 2026
NCB	Private placement	3,300m shares	VND 33.0tn	Planned 2027
Vietbank	Rights issue	296.1m shares	VND 3.0tn	Planned Q3–Q4/26
Bac A Bank	Rights/public offering	~350m shares	VND 3.5tn	Planned
BIDV	Private placement	>258m shares	VND 2.6tn	Completed in 2026
Nam A Bank	Rights issue/ESOP	401.6m shares	VND4.0tn	Planned Q3–Q4/26
Total			**VND 84.4tn – 129.4tn (2)**	

Source: The Banks, (1) Assuming offering price VND10,000 or market price; (2) The final amount depends on the offering price

Adjusting regulatory and policy frameworks to support credit expansion

The Government and the SBV have shown policy flexibility through targeted regulatory adjustments in response to evolving macroeconomic and market conditions. These measures aim to support the Government's growth targets, build longer-term development foundations, and help maintain banking sector stability and manage systemic risks.

- Directing loans to industrial real estate and large-scale infrastructure projects

At the beginning of 2026, the SBV capped each bank's real-estate credit growth at no higher than its overall credit growth, aiming to rein in the strong expansion of property lending in recent years.

In May 2026, however, the SBV issued Official Dispatch No. 4551/NHNN-CSTT, which allowed banks to exclude new lending for social housing, industrial parks and export processing zones in 2026 from the real estate category.

In June 2026, the SBV issued Official Dispatch No. 5386/NHNN-TD, which allowed banks to exclude newly disbursed loans related to key infrastructure and development projects (proposed by leading developers Vingroup, Sun Group and Masterise) from banks' credit growth quotas. Looking ahead, additional large-scale projects are expected to request similar special lending regimes under comparable official guidance.

- Relaxing liquidity regulations to create room for lending

In April 2026, the SBV circulated draft amendments that would have replaced the traditional loan-to-deposit ratio (LDR) with broader ratios more closely aligned with Basel III standards - CDR (Core Deposit Ratio), LCR (Liquidity Coverage Ratio) and NSFR (Net Stable Funding Ratio). However, the SBV has postponed implementation of the amended circular. Instead, the SBV has issued a series of regulations that technically ease liquidity calculations.

In May 2026, the SBV issued Circular 08/2026/TT-NHNN, effective 15 May 2026, allowing banks to include 20% of State Treasury deposits in LDR calculations. This reversed the previous roadmap that had required full exclusion of these deposits from 1 Jan 2026. The change particularly benefited the state-owned banks, which hold the State Treasury deposits, by lowering their regulatory LDR and creating additional lending headroom.

In June 2026, the SBV issued Circular 25/2026/TT-NHNN, effective 1 July 2026, which raised the maximum ratio of short-term funding that can be used for medium- and long-term lending from 30% to 40%. This was the most significant measure, reversing the multi-year tightening path that progressively lowered the cap. This change benefits all banks by easing the pressure to mobilise medium- and long-term funding amid intensifying competition for deposits.

In July 2026, the SBV issued Decision 1743/QD-NHNN, effective 1 August 2026 and valid until 31 July 2028, further increasing the portion of State Treasury deposits that can be counted in the LDR from 20% to 50%. This provided a substantial boost to technical lending capacity for state-owned banks. The Decision also reaffirmed that the Ministry of Finance (MoF) can proactively determine the ceiling for placing idle State Treasury funds at commercial banks (which can exceed the current limit of 50% of the total idle State Treasury balance). With total State Treasury balance of around VND1,500 trillion and deposits at state-owned banks of VND 715 trillion, a higher ceiling for Treasury deposits could release meaningful liquidity into the banking system.

- Instructing banks to lower the economy's borrowing costs

In August 2026, Vietnam's government and the SBV held high-level meetings. The Prime Minister urged banks to cut costs and lower lending rates to support economic growth. Based on banks' compliance with the SBV's directives, the SBV will allocate 2027 credit growth quotas by reducing room for banks that fail to carry out instructions properly. Several banks have responded to the SBV's call by announcing lending-rate cuts of 0.5–2ppt, targeting SMEs, household businesses and priority sectors, while some have reduced rates by 0.5–0.7ppt for individual business and corporate loans. On the deposit side, some cut rates by 0.2–1.3ppt for 6–12-month tenors and 0.32–0.7ppt for maturities above 12 months.

Banks have limited scope to materially reduce deposit rates given persistent funding pressures. However, SBV's efforts to curb deposit-rate competition should help prevent an aggressive race and mitigate the risk of rates returning to 14–18% p.a. levels seen during previous financial stress periods, particularly in 2008 and 2010–2011.

- Opening a refinancing window

The SBV has announced a refinancing program for credit institutions, directed toward the Government's approved programs, such as rental housing initiatives, credit institution restructuring, and NPL resolution. While the policy is supportive, it targets specific credit needs rather than providing a broad-based solution to the banking system's structural shortage of stable, long-term funding.

Developing a roadmap for financial market reform: from bank dominance to a comprehensive capital market

In July 2026, the Prime Minister issued Decision No. 1413/QD-TTg, establishing Vietnam's roadmap for financial market reform through 2045. The Decision sets out a comprehensive, multi-year reform agenda covering capital markets, banking, digital assets, and financial infrastructure, aiming to create a more balanced and resilient financing ecosystem.

Vietnam's GDP is broadly comparable in scale to Thailand and Singapore and is larger than Malaysia's, yet its financial-market depth remains significantly lower. This disparity highlights substantial headroom for Vietnam to deepen its financial markets and unlock significant growth potential across credit, capital markets, and non-bank financial intermediation.

Table 5: ASEAN financial-market depth, 2025

Country	GDP 2025 (USD bn)	Equity market cap / GDP	Corporate bonds / GDP	Investment funds / GDP
Indonesia	1,446	66%	2%	4% (1)
Singapore	604	137%	27%	731% (1)
Thailand	577	89%	23%	30% (1)
Vietnam	515	61%	8%	6% (2)
Philippines	487	48%	5%	4% (1)
Malaysia	472	103%	55%	55% (1)

Source: World Bank WDI, 2025 nominal/current USD, the Global Economy, OECD, AsianBondsOnline/ADB, (1) OECD investment-fund AUM/GDP, 2024. (2) Vietnam fund-management-company AUM estimate, 2025

4. How we select banks to invest in

Taken together, the sector has significant growth opportunities, supported by the country's ambitious development and investment agenda, but also faces several near-term challenges. Most notably, the shortage of stable, long-term funding could constrain banks' credit expansion. While elevated interest rates have strengthened banks' liquidity, a prolonged period of high rates could ultimately weaken credit absorption across the economy, increase financing costs and accelerate NPL formation.

Thus, key competitive advantages that will determine which Vietnamese banks succeed are multifaceted.

- Banks with a strong retail deposit franchise, high CASA, and lower funding costs will be better positioned to protect net interest margins and withstand periods of tight liquidity.
- The ability to maintain a strong capital base and raise capital efficiently, particularly as the sector transitions toward Basel III, will be essential to support continued rapid credit growth. As a result, banks can effectively structure and finance large-scale infrastructure and priority projects to benefit from Vietnam's ambitious growth agenda.
- Digital capabilities and comprehensive multi-product ecosystems play a decisive role. Banks that deepen customer relationships through integrated platforms of banking, securities, insurance, consumer finance and payments will generate higher non-interest income and achieve greater operational efficiency.
- Disciplined risk management and asset-quality controls, particularly in real estate and large corporate lending, are critical to sustaining long-term earnings growth.
- Strong local and foreign strategic partners - including under the higher foreign ownership limits available to certain banks - will further strengthen their competitive position.

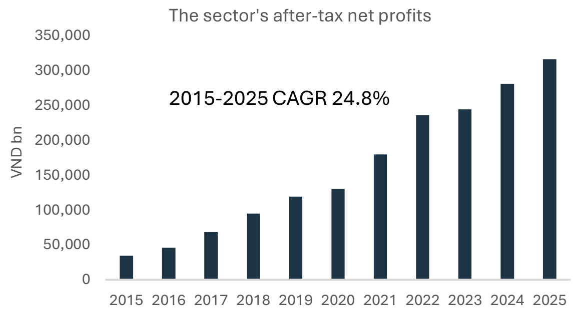
We look at the banks through several research lenses: funding, capital, returns, asset quality, franchise strength, governance and valuation.

Lens	What we want	Why it matters now
Funding	High CASA, sticky retail/corporate deposits; manageable LDR	Protects NIM when deposit and interbank funding become expensive
Capital	Strong CAR; high retained earnings; credible capital plan	Determines how much growth can be supported without dilution
Returns	High sustainable ROE/ROA, not one-off trading gains	Makes retained capital compound
Asset quality	Conservative underwriting; transparent NPL formation; provisioning	Fast credit growth can hide future losses
Franchise	Digital engagement, payments, payroll, SME and wealth ecosystems	Creates deposits and cross-sell at lower acquisition cost
Governance	Aligned owners; credible management; disciplined related-party exposure	Critical in a system still consolidating
Valuation	P/B justified by sustainable ROE and growth	Avoid paying for growth that consumes rather than creates capital

5. How the leading banks stack up

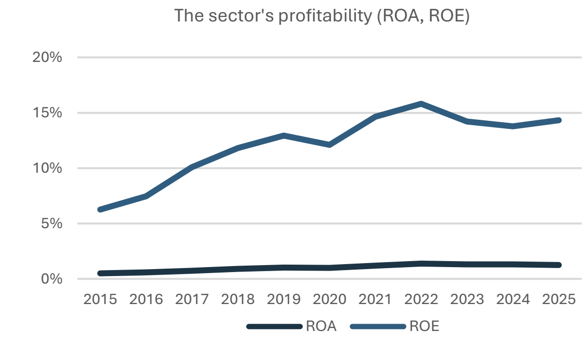
Over the last decade, Vietnam's banking sector has undergone a profound transformation, shifting from an underbanked economy with relatively weak regulatory frameworks to a more mature, well-regulated system capable of supporting solid growth. Sector-wide net profits grew at a 24.8% CAGR in 2015-2025, driven by sustained credit expansion, development of multi-product ecosystems, improving asset quality, and stronger risk management.

Figure 13: The sector's after-tax profits



Source: The SBV

Figure 14: The sector's profitability



Source: The SBV

In the current challenging environment, rather than seeking one "optimal" bank to invest in, we assess overall balance sheet quality, the ability to adapt across economic cycles, and the capacity to generate sustainable earnings.

In this context, we frame Vietnam's principal banks along three dimensions:

- Growth capacity: the ability to capture opportunities from the credit and investment cycle
- Funding strength: the ability to secure stable funding while managing funding costs and liquidity
- Earnings sustainability: the ability to absorb potential risks and deliver sustainable earnings

Vietnam's banking sector comprises 49 banks, including 1 wholly state-owned bank (Agribank), 30 joint-stock commercial banks (of which 27 are listed, including 3 state-owned banks BIDV, VietinBank, Vietcombank), 9 wholly foreign-owned banks, 2 policy banks, 1 cooperative bank, 2 joint-venture banks, and 4 single-member limited liability commercial banks that have been compulsorily transferred to and are owned by other banks.

Of the 27 listed banks, we narrow our universe to 16 names with established and valuable brands, generally sound corporate governance, and long operating track records. Collectively, these banks account for nearly 70% of the sector's total loans, deposits, and earnings, providing broad representation of the banking sector.

From this universe, we further narrow the field down to 10 banks with strong franchises, proven track records of sustainable earnings growth, sound asset quality, and/or compelling turnaround potential.

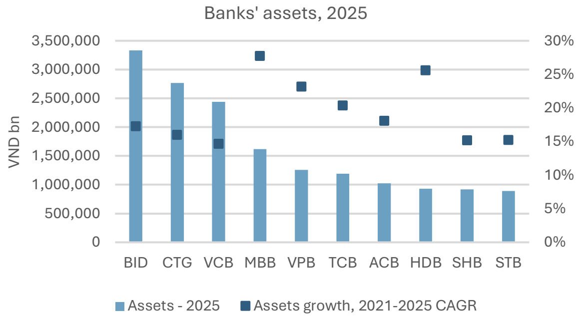
Growth capacity

Growth capacity is underpinned by franchise quality, competitive positioning, sufficient capital headroom, and the ability to expand lending while maintaining asset quality and profitability.

Among Vietnamese banks, state-owned banks continue to command larger market shares, while leading private banks have been gaining ground faster. State-owned banks typically hold 8–12% of system loans and deposits, supported by strong government linkages, implicit policy support, and well-established corporate and infrastructure franchises. Meanwhile, leading private banks hold 4–6% of loan and deposit market shares, underpinned by stronger retail and digital ecosystem franchises.

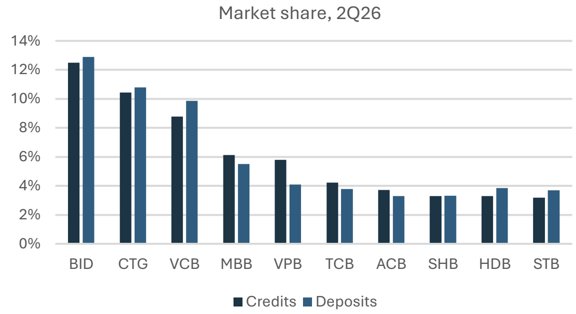
Banks with strong retail franchises and robust asset growth, such as MBB, TCB, VPB and HDB [(2)], are well positioned to expand their market share faster than peers.

Figure 15: Banks' assets by 2025



Source: The SBV, banks

Figure 16: Banks' credit and deposit market shares



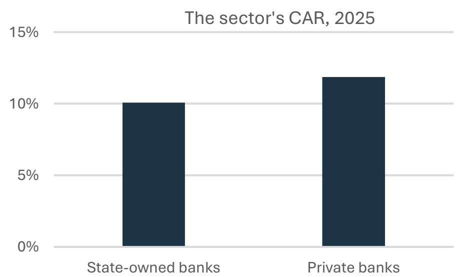
Source: The SBV, banks

In addition, VCB, MBB, VPB and HDB, which have taken responsibility for supporting the restructuring of weak banks, have been granted significantly higher credit growth quotas for the 2025–2028 period. This gives these banks greater headroom to expand lending and gain market share, as seen in 2025 and 1H26. Assuming they sustain their current credit growth pace of around 25–30% (except VCB), MBB's credit market share could rise to approximately 7.8% by 2028, from 5.8% in 2025, while VPB's could increase to 7.1%, from 5.1%, and HDB's to 3.9%, from 2.9%. By contrast, VCB is expected to grow broadly in line with system-wide credit growth, thereby maintaining its loan market share at around 9% by 2028, consistent with its position as a state-owned bank.

In terms of capital base, the sector's capital adequacy ratio (CAR) was 12.1% in 2025 (under Circular 41/2016 – Basel II), remaining above the current regulatory minimum of 8%; however, capital buffers vary significantly between banks. State-owned banks generally operate with thinner CAR buffers of 10.1%, reflecting their much larger balance sheets and the need to support substantial credit growth. Private banks typically maintain higher capital ratios of 11.9%, giving them greater headroom for credit expansion. Banks with stronger capital positions will have greater flexibility to expand lending, absorb higher risk-weighted assets and maintain regulatory CAR, while banks with thinner buffers may face greater constraints on balance-sheet growth.

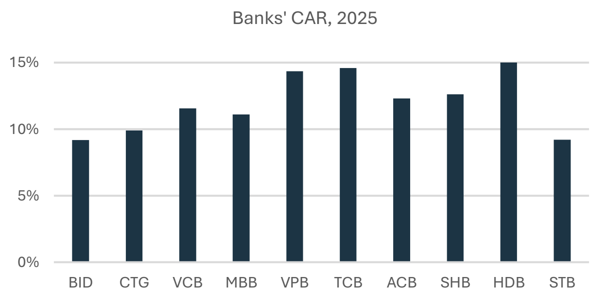
HDB, TCB and VPB stand out for their relatively strong capital buffers, whereas BID and CTG remain more capital constrained. MBB sits between the two groups, with a relatively moderate CAR but strong profitability and active capital-raising plans that should provide additional headroom. As mentioned earlier, in 2026-2027, banks plan to raise fresh capital to enhance lending capacity and prepare for increasingly stringent capital requirements under Vietnam's Basel III-aligned framework.

Figure 17: The sector's Capital adequacy ratio (CAR)



Source: The SBV

Figure 18: Banks' CAR, 2025



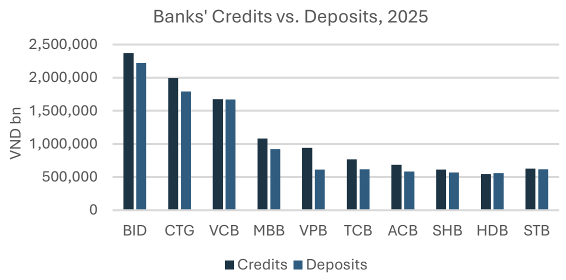
Source: The banks

Funding strength

Funding strength reflects the ability to secure stable, diversified funding at competitive costs, manage liquidity effectively, and gradually extend funding tenors to support growing medium- and long-term credit demand.

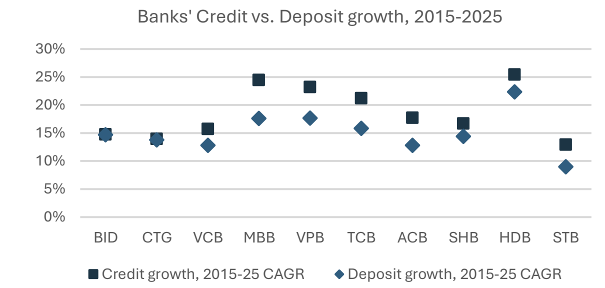
Over the past decade, state-owned banks have maintained a relatively balanced trajectory between credit and deposit growth, while private banks have diverged more clearly, particularly among faster-growing lenders (MBB, TCB, VPB, HDB). This suggests that banks pursuing more aggressive growth strategies, having higher customer LDR, increasingly need to diversify beyond traditional customer deposits and rely more heavily on alternative funding sources, including interbank borrowing, CDs and longer-tenor deposits.

Figure 19: Banks' credit vs. deposit balances, 2025



Source: The Banks

Figure 20: Banks' credit vs. deposit growth, 2015-2025

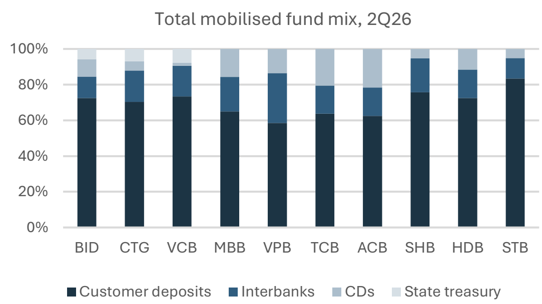


Source: The Banks

In a period of high deposit rates and tight liquidity, the key differentiator is no longer simply a bank's funding cost or CASA ratio, but its ability to diversify funding sources to mobilise longer-tenor deposits at sufficient scale and speed. Banks that can extend funding tenors and narrow maturity mismatches should be better positioned to sustain credit growth while managing liquidity and funding costs.

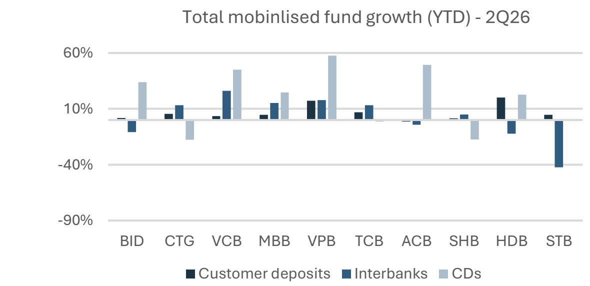
In 2025 and 1H26, amid sluggish customer deposit growth, most banks have increasingly turned to interbank funding and CDs, particularly VCB, MBB, VPB and ACB. Total interbank and CD funding amounted to 28% of banks' total mobilised funds in 1H26, up from 27% in 2025 and an average of 19% over 2015–2024.

Figure 21: Banks' total mobilised fund mix



Source: The Banks

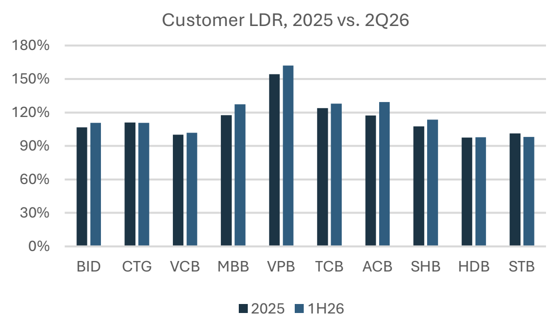
Figure 22: Banks' mobilised fund growth, by sources



Source: The Banks

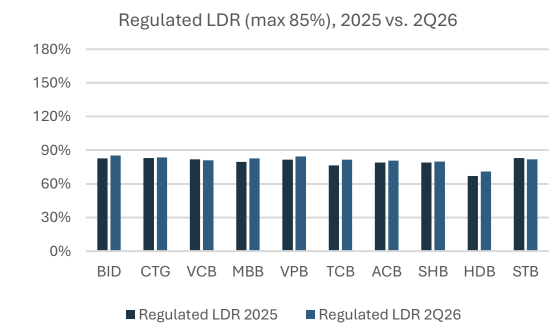
While banks' regulated LDR remained below the regulatory ceiling of 85%, the customer LDR continued to climb in 1H26. The highest levels were recorded at VPB, MBB, TCB and ACB, ranging from 127% to 162%. This widening gap between the two metrics was due to a sharp rise in interbank and CD funding.

Figure 23: Banks' customer loan-to-deposit ratios



Source: The Banks

Figure 24: Banks' regulated loan-to-deposit ratios

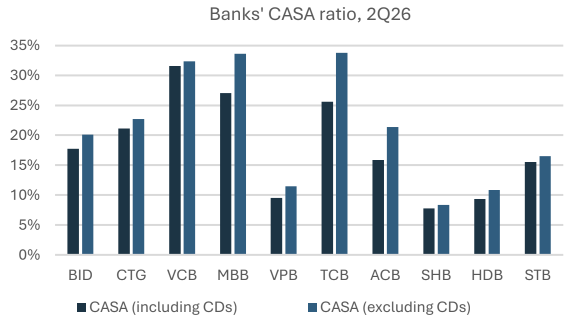


Source: The SBV, the Banks

As mentioned earlier, not all interbank funding is overnight or short-term; banks increasingly turn to offshore borrowing with tenors of 3–5 years. For example, VPB's term interbank deposits accounted for 57% of its total interbank funding, of which 60% had tenors of 1–5 years.

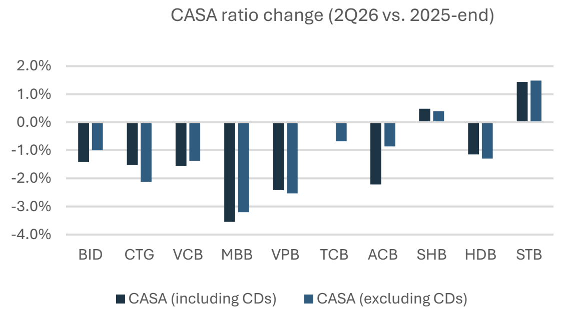
The shift in the deposit mix toward term deposits has driven down CASA ratios across most banks. We view this development as constructive at the current stage, as it helps ease the system's liquidity and maturity mismatches, even though it comes at the expense of higher funding costs. Banks with stronger pricing power and more retail-driven loan books should be better positioned to absorb higher funding costs and sustain above-average margins.

Figure 25: Banks' CASA ratio



Source: The Banks

Figure 26: Banks' CASA ratio changes



Source: The Banks

In summary, within this theme, VPB, TCB, MBB and HDB stand out among private banks for their ability to mobilise funding to support credit growth. Meanwhile, VCB, supported by its high CASA ratio and low funding costs, is better positioned among state-owned banks to capture the sector's growth opportunities.

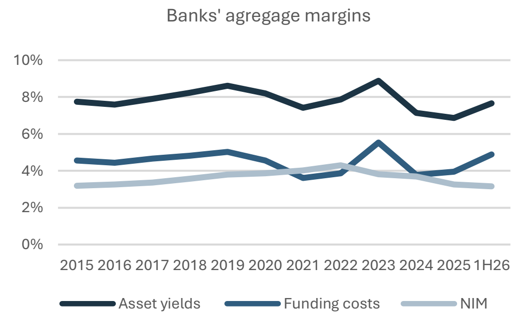
Earnings sustainability

The final dimension reflects the ability to absorb potential asset-quality and macroeconomic risks and sustain earnings growth through resilient margins, diversified income streams, disciplined cost management, and prudent provisioning.

The era of low funding costs and elevated NIMs in 2020–2022, driven by exceptionally low pandemic-era deposit rates, is unlikely to return. Since then, banks' NIMs have gradually declined. The contraction in 2025–1H26 was primarily driven by higher deposit rates and a rising share of term deposits. In 2Q26, asset yields began to recover as banks repriced their loan books, particularly mortgages that had exited their initial grace periods and shifted to floating rates. As a result, NIMs showed early signs of recovery in 2Q26 from the 1Q26 level.

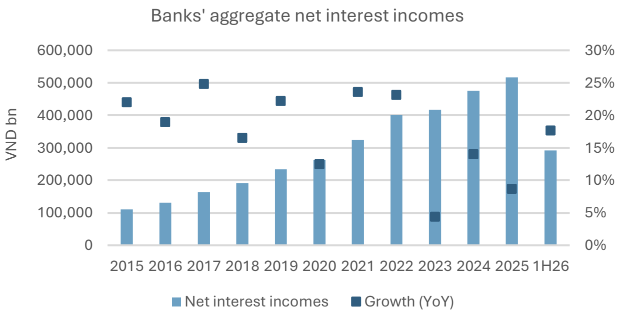
Despite the pressure on NIMs, net interest income (NII) continued to grow, supported by rapid expansion in interest-earning assets, allowing banks to offset margin compression through balance-sheet growth.

Figure 27: Banks' aggregate margins



Source: Aggregate data from 16 banks under our banking coverage

Figure 28: Banks' aggregate net interest incomes

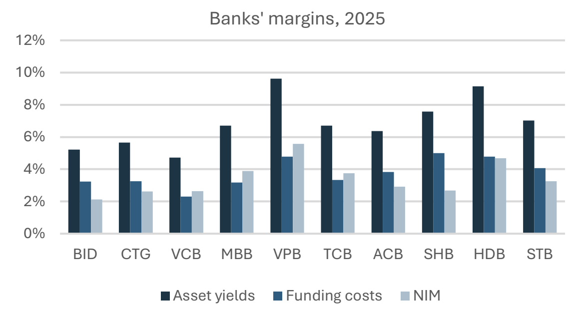


Source: Aggregate data from 16 banks under our banking coverage

Private banks generally achieve higher NIMs, particularly those with diversified customer bases and broad exposure across lending segments, such as VPB, HDB, MBB and TCB. By contrast, state-owned banks tend to report lower NIMs, partly reflecting their role as key providers of credit to the economy and their greater emphasis on keeping borrowing costs relatively affordable.

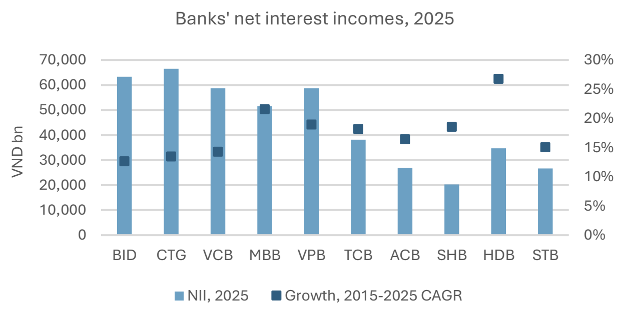
Banks with high CASA ratios, such as VCB, TCB and MBB, generally benefit from lower funding costs than their peers, giving them greater flexibility to offer more competitive lending rates while protecting margins.

Figure 29: Banks' margins, 2025



Source: The Bank

Figure 30: Banks' net interest incomes, 2025

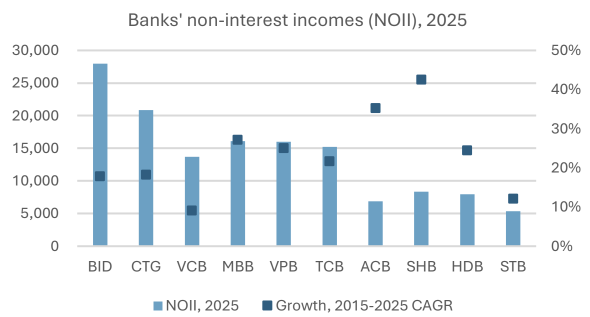


Source: The Bank

Vietnamese banks' revenue remains heavily dependent on NII. NOII accounted for only around 20% of TOI. Banks with strong retail and digital ecosystems, such as TCB and MBB, have higher NOII contributions of around 24–30%, supported mainly by fee income, securities trading and investment activities.

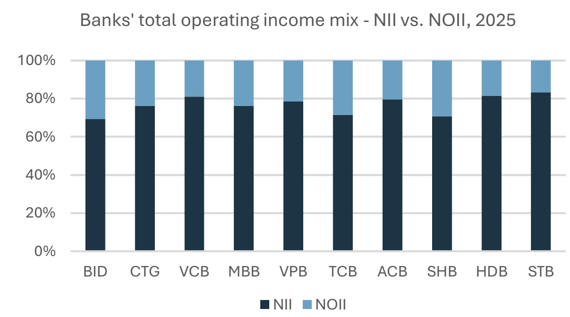
State-owned banks also maintain relatively high NOII/TOI ratios of around 21–25%, driven primarily by foreign-exchange (FX) trading and income from bad debt recovery.

Figure 31: Banks' non-interest incomes, 2025



Source: The Banks

Figure 32: Banks' total operating incomes (TOI) mix

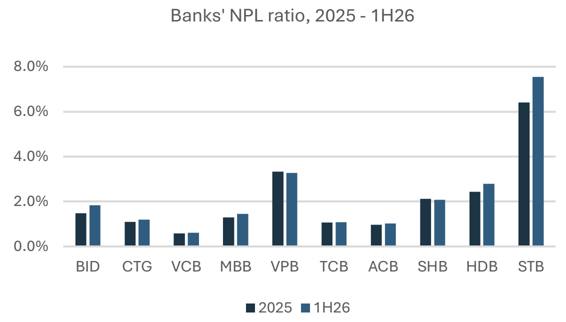


Source: The Banks

In terms of asset quality, by June 2026, the sector-wide total NPL ratio had declined to 3.9% of total loans, from around 5.0% at the end of 2025. The on-balance-sheet NPL ratio stood at 3.34%, or just 1.55% when excluding the NPLs of the five weak banks currently under the SBV's restructuring plans. The off-balance-sheet NPL ratio (including VAMC bonds and restructured bad debts) was 0.56%. NPLs have been rising alongside accelerated credit disbursement but remain broadly under control, as banks have strengthened their risk management frameworks in line with international standards.

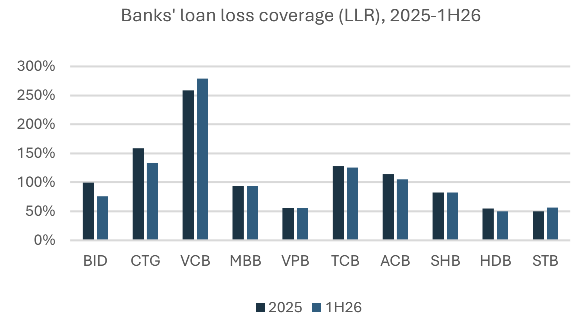
Most banks within our coverage maintained NPL ratios below 2% and loan-loss coverage (LLR) ratios at or above 100%. VPB, with a customer profile spanning high affluence to mass-market segments, typically has a higher NPL ratio than its peers. Its more aggressive write-offs have also contributed to a relatively low LLR. VCB and ACB are considered the most conservative banks in terms of risk management.

Figure 33: Banks' non-performing loan ratio



Source: The Banks

Figure 34: Banks' loan loss coverage



Source: The Banks

6. Testing our investment thesis

Our banking portfolio currently comprises eight covered stocks supported by comprehensive fundamental research, financial modelling, in-depth analysis, and regular corporate engagement. This enables us to adjust portfolio weights promptly as fundamentals and investment theses evolve. Given the significant shifts in the operating environment in recent periods, we have tested our investment views across the banks under our coverage against three key investment themes. Our conviction picks remain unchanged, as follows:

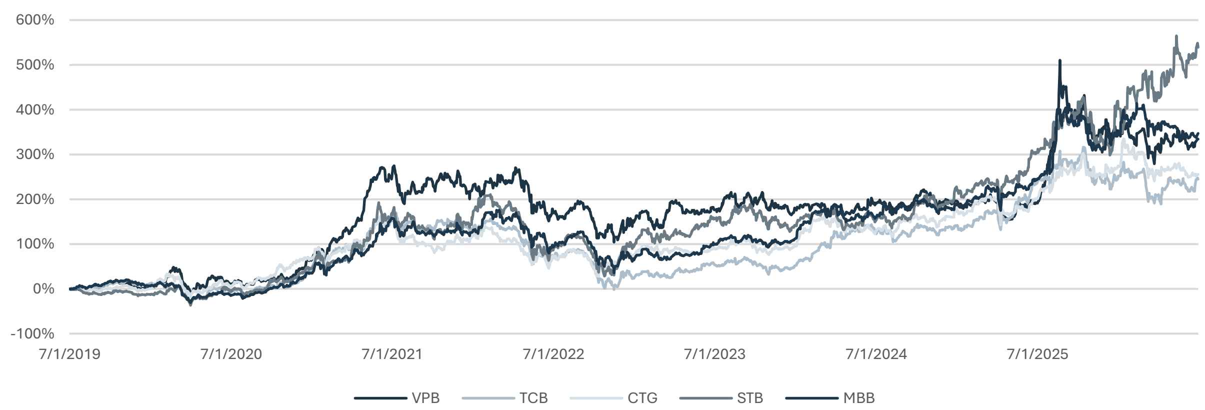
- Growth capacity: MBB, VPB, TCB, VCB
- Funding strength: MBB, VPB, TCB
- Earnings sustainability: MBB, TCB, VPB, VCB

CTG and BID are also expected to deliver strong earnings growth over 2026–28, but this is driven largely by bad-debt recovery income. We therefore view them as opportunistic rather than conviction picks.

ACB remains a high-quality, conservative bank; however, earnings growth is likely to be constrained by NIM compression amid rising funding costs, as well as more moderate credit growth.

STB is a turnaround stock pick that we have followed from its early stages and has already delivered substantial investment gains. At present, however, earnings growth is being weighed down by elevated NPLs and surging provisioning expenses, reflecting its ongoing balance-sheet clean-up and transition under the new management team. It targets reducing the NPL ratio to a normalised 1.5–2.0% by 2028, from the current level of 7.5%. If management executes this plan successfully, earnings could return to a high-growth trajectory, supported by STB's strong franchise, valuable brand, and sizeable asset base.

Banking share price performance over the past seven years.



7. Going green

The banking sector remained one of our strongest ESG performers through FY2026. Across the portfolio banks assessed, including VCB, ACB, CTG, TCB, STB, MBB, and VPB, we observed continued year-on-year improvement in green finance penetration, governance disclosure, and ESG risk integration.

Our five-pillar assessment framework continues to group the banks into three tiers: large state-owned banks (VCB, BID, CTG) functioning as institutional green finance anchors; private leaders (ACB, VPB) driving SME financial inclusion; and mid-tier banks continuing their transition.

Green credit continued to expand across the banking system during FY2026, supported by the operationalisation of the Green Taxonomy (Decision 21/2025/QD-TTg). System-wide green lending has maintained a strong multi-year growth trajectory, averaging approximately 22% CAGR, with green credit penetration rising from 4.3% of total outstanding loans in 2024 to approximately 6% in 2025, against a 2030 target of 20%.

Year	Green Credit / Total Credit
2020	4%
2024	4.3%
2025	6% (vs. 10% interim target)
2026	Prioritised under 15% system limit (Targeting ~8%–10% trajectory)
2030 Target	20%

Key themes for the banking sector during FY2026:

- **Institutionalisation of green finance:** Leading commercial institutions continue to formalise sustainable finance frameworks aligned with ICMA Green Bond Principles. VCB expanded its green credit portfolio while maintaining leadership in green bond issuance. Meanwhile, joint-stock banks such as ACB and VPB broadened their ESG-linked lending products and deployed dedicated climate credit facilities.
- **Financial inclusion & DFI-backed SME support:** With Small and Medium Enterprises (SMEs) accounting for approximately 95% of Vietnam's enterprise base, supporting MSME resilience remains a strategic priority. ACB and VPB maintain dedicated SME focus areas, while TCB and MBB leverage digital channels and AI-driven platforms to broaden credit access. To scale these efforts, leading banks actively partner with international DFIs to secure dedicated credit lines for green transition projects, women-led enterprises (WSMEs), and inclusive supply-chain finance.
- **ESG risk integration in credit decisions:** banks increasingly incorporate ESG screening into credit approval, with larger institutions formalising climate-related risk assessment frameworks and Board-level ESG oversight becoming standard practice among leading banks.
- **Capital market leadership:** Major state-owned and commercial lenders are leading sustainable capital mobilisation through international partnerships. VCB and CTG have strengthened DFI relationships and multilateral technical assistance programs, positioning the sector to capitalise on government-backed interest subsidy frameworks for eligible green and circular economy loans.

8. Is there a dividend?

For a high-ROE bank with attractive lending opportunities, retained earnings are valuable growth capital. Cash dividends reduce common equity available to support risk-weighted assets; stock dividends preserve cash and can accompany the capitalisation of retained profits. The correct investor question is therefore not "how high is the dividend?" but "what return can management earn on the capital it retains?". A bank that can sustainably reinvest at high-teens or 20% ROE may create more long-run value by retaining a substantial share of earnings. Conversely, retention is not automatically positive: if incremental credit is low-quality or margins are being competed away, a high payout can be the more rational policy.

European banks are often seen as steady dividend plays - judged through the lens of mature credit penetration, modest nominal GDP growth, surplus capital and cash distributions. Vietnam is earlier in the curve. Its leading banks can still reinvest capital into a growing formal economy, gain share from weaker institutions, and monetise rapidly expanding digital relationships. That makes a comparison of price-to-book ratios and dividend yield alone an inadequate tool.

The right comparison is closer to an earlier phase of Asian banking development: rising household income, formalisation, consolidation and technology-driven productivity. The caveat is that Vietnam's credit-to-GDP ratio is already high, so the next phase must be better-quality financial deepening rather than simply ever-faster leverage.

Vietnamese banks have implemented Basel II and are progressing toward Basel III, which requires substantial capital buffers to meet higher capital standards amid rapid credit expansion. Therefore, banks prefer to distribute stock dividends to conserve capital, while still paying modest cash dividends. Overall, the Vietnam banking sector's average cash dividend yield is around 2.5–3.5%. Despite the relatively modest cash yields, Vietnamese banks deliver higher profitability, particularly in terms of ROE, than most regional and global peers.

Table 6: Global & regional bank comparison

Region / Market	Cash Dividend Yield	ROA	ROE	Avg. EPS Growth (5Y)	2026E P/B	Key Takeaway
Vietnam	2.5–3.5%	1.5–2.0%	16–18%	15–20%	1.1–1.3x	High growth & ROE
China (major banks)	4.0–5.5%	0.6–0.8%	8–10%	2–6%	0.5–0.8x	Low growth, high yield
Indonesia	4.0–6.0%	2.0–2.6%	15–17%	12–18%	1.5–2.5x	Strong profitability
Thailand	5.0–8.0%	1.1–1.3%	8–10%	5–10%	0.7–1.1x	High yield, low growth
Singapore	4.0–5.0%	1.0–1.5%	12–15%	8–12%	1.3–1.7x	Balanced
Malaysia	4.0–5.5%	1.0–1.4%	10–13%	6–10%	1.0–1.4x	Moderate
Europe	4.0–6.5%	0.6–1.0%	10–13%	8–15%	0.8–1.3x	Recovery-driven

Source: Bloomberg, the SBV, The Banks

9. Sector consolidation

Vietnam still has a fragmented banking landscape, but recent policy points toward regulator-led consolidation rather than an immediate wave of conventional mergers between healthy listed banks. Weak institutions have been transferred to stronger banks, including mandatory transfers involving MBB, VPB, HDB and VCB. Decree 69/2025 also permits foreign ownership of up to 49% in qualifying private banks receiving mandatory transfers, versus the general 30% aggregate foreign cap. In addition, these banks have been granted significantly higher credit growth quotas than the system-wide average for 2025–2028. This preferential treatment creates substantial opportunities for these banks to accelerate balance-sheet expansion, potentially doubling their assets and market share over the medium term, while also making them more attractive to foreign strategic investors.

Over three to five years, this can strengthen the leading franchises: scale lowers unit technology costs, broad ecosystems support CASA, stronger banks gain customers and talent, and regulatory burdens become easier to absorb. The likely outcome is not fewer banks overnight, but a widening competitive gap.

10. What could go wrong?

- Funding squeeze becomes persistent: deposit rates rise faster than loan yields, compressing NIMs.
- Credit quality deterioration: rapid prior-year lending, property exposure or consumer finance produces delayed NPL formation.
- Capital becomes the binding constraint: high growth consumes CET1 faster than retained earnings rebuild it.
- Policy intervention distorts economics: directed lending or pressure to suppress lending rates weakens risk-adjusted returns.
- FX and external shocks: this could tighten domestic liquidity and force the SBV to prioritise currency stability over easy money.
- Consolidation creates hidden costs: stronger banks carrying out 'national service' inherit restructuring burdens that dilute near-term returns.

APPENDIX

Vietnam banking sector – 1H26 review

Vietnam's banking sector delivered solid earnings growth in 1H26, supported by strong credit expansion, improving operating efficiency and lower credit costs. Across our coverage, aggregate after-tax profit increased around 20.4% YoY, while credit growth remained strong at roughly 8.6% YTD, well ahead of deposit growth of 5.0% YTD.

While NIM remained under pressure in 1Q26 due to higher deposit costs and a shift toward term deposits, most banks saw NIM stabilise or recover in 2Q26 as loan yields repriced upward, particularly for floating-rate mortgages. VCB, CTG, VPB and MBB were among the key earnings growth leaders.

Asset quality remained broadly manageable but warrants closer monitoring. Despite rapid credit growth, NPLs were generally contained across our coverage and credit costs declined, supporting earnings. However, some banks saw renewed NPL formation in 1H26, particularly in higher-risk loan categories. This suggests that the next phase of the cycle may increasingly depend on whether banks can sustain credit growth without sacrificing asset quality.

Overall, 1H26 marked a transition from a credit-demand story to a funding-and-margin story: credit demand remained strong and supported earnings, but rising deposit costs and scarcity became the key bottleneck. Going forward, we expect funding access, NIM resilience, asset quality and the ability to monetise strong franchises to increasingly differentiate bank performance.

1H 2026 Performance

1H 2026	BID	CTG	VCB	MBB	VPB	TCB	ACB	STB
Scale (VND bn)								
Assets	3,440,844	2,962,004	2,657,441	1,733,013	1,502,526	1,273,077	1,067,845	892,049
Loans	2,501,807	2,092,708	1,758,168	1,227,554	1,161,402	847,336	745,759	636,029
Deposits	2,261,720	1,890,810	1,728,821	963,815	716,277	662,448	576,604	647,939
NPAT	14,947	20,657	24,000	15,745	14,583	14,016	8,614	2,931
Growth (YTD)								
Assets	3.3%	7.0%	8.8%	7.3%	19.2%	6.8%	4.1%	-2.7%
Loans	5.4%	5.0%	5.1%	13.2%	23.0%	10.4%	8.6%	1.5%
Deposits	1.7%	5.4%	3.4%	4.6%	17.1%	7.0%	-1.5%	4.8%
NPAT (YoY)	18.7%	36.6%	36.9%	26.5%	66.5%	14.9%	0.6%	-49.4%
Ratio								
CASA	20.1%	22.7%	32.3%	33.6%	11.5%	33.8%	21.4%	16.5%
NIM	2.04%	2.86%	2.94%	3.93%	5.33%	3.50%	2.90%	2.74%
NPL	1.8%	1.2%	0.6%	1.4%	3.3%	1.1%	1.0%	7.5%
LLR	76%	134%	279%	94%	56%	126%	105%	57%
CAR	9.2%	9.9%	11.1%	10.7%	13.7%	15.0%	11.8%	9.9%
Profitability								
Annualized ROA	0.9%	1.4%	1.8%	1.9%	2.1%	2.3%	1.6%	0.6%
Annualized ROE	16.6%	21.9%	18.9%	22.1%	16.8%	16.1%	17.8%	9.6%
Valuation								
Market cap (USD'm)	10,628	9,323	18,657	7,686	7,601	8,655	4,907	5,202
EPS Growth (2026F)	11.8%	22.3%	20.0%	13.2%	24.3%	15.4%	2.7%	12.6%
PE (x) @ 2026F EPS	10.0	7.0	13.8	6.6	7.0	7.8	7.1	22.3
PB (x) @ 2026F BVPS	1.4	1.1	1.9	1.2	1.0	1.1	1.2	2.1

Source: The Banks, Dynam estimates

2025 Performance

2025	BID	CTG	VCB	MBB	VPB	TCB	ACB	STB
Scale (VND bn)								
Assets	3,330,904	2,767,699	2,441,929	1,615,764	1,260,150	1,192,344	1,025,850	917,119
Loans	2,372,955	1,992,273	1,673,526	1,084,019	943,902	767,617	686,777	626,392
Deposits	2,223,225	1,793,732	1,672,534	921,368	611,512	618,912	585,180	618,342
NPAT	29,958	34,621	35,178	26,779	23,990	25,290	15,625	5,939
Growth (YoY)								
Assets	20.7%	16.0%	17.1%	43.1%	36.4%	21.8%	18.7%	22.6%
Loans	15.4%	15.7%	15.5%	39.6%	36.2%	21.5%	18.3%	16.1%
Deposits	13.8%	11.7%	10.4%	29.0%	31.4%	16.0%	8.9%	9.1%
NPAT	21.5%	36.6%	4.0%	18.3%	52.0%	17.5%	-6.9%	-41.1%
Ratio								
CASA	21.1%	24.8%	33.7%	36.8%	13.7%	34.5%	22.3%	15.0%
NIM	2.13%	2.62%	2.64%	3.89%	5.58%	3.76%	2.92%	3.26%
NPL	1.5%	1.1%	0.6%	1.3%	3.3%	1.1%	1.0%	6.4%
LLR	100%	159%	259%	94%	55%	128%	114%	50%
CAR	9.2%	9.9%	11.6%	11.1%	14.4%	14.6%	12.3%	9.2%
Profitability								
ROA	1.0%	1.3%	1.6%	2.0%	2.2%	2.3%	1.7%	0.7%
ROE	19.5%	21.1%	16.5%	21.6%	15.5%	16.0%	17.6%	10.3%

Source: The Banks

(1) Certificate of deposits

Under Circular 02/2025/TT-NHNN, effective 16 June 2025, a certificate of deposit is: "A form of deposit in the form of a valuable paper and evidence of the issuing credit institution's or foreign bank branch's obligation to repay the debt to the purchaser within a specified period, subject to agreed interest-payment and other conditions."

Certificate of Deposit: A negotiable deposit instrument issued by a bank that represents the bank's obligation to repay principal and interest to the holder over a specified maturity. In Vietnam, CDs are classified as a form of deposit in the form of a valuable paper.

Vietnamese CDs can be transferred, but their transferability is subject to applicable regulations and the issuer's terms; this does not necessarily mean they trade like US-style negotiable CDs in an active secondary market. Circular 02/2025 expressly allows transfer through sale, gift, exchange, inheritance and other legally permitted forms.

(2) List of key banks in this white paper

Ticker	Full name
BID	BIDV – Joint Stock Commercial Bank for Investment and Development of Vietnam
CTG	VietinBank – Vietnam Joint Stock Commercial Bank for Industry and Trade
VCB	Vietcombank – Joint Stock Commercial Bank for Foreign Trade of Vietnam
MBB	MBBank – Military Commercial Joint Stock Bank
VPB	VPBank – Vietnam Prosperity Joint Stock Commercial Bank
TCB	Techcombank – Vietnam Technological and Commercial Joint Stock Bank
ACB	Asia Commercial Joint Stock Bank
SHB	Saigon–Hanoi Commercial Joint Stock Bank
HDB	HDBank – Ho Chi Minh City Development Joint Stock Commercial Bank
STB	Sacombank – Saigon Thuong Tin Commercial Joint Stock Bank

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