RATING ANNOUNCEMENT
17 December 2025

VIS Rating assigns first-time A+ issuer rating to BIDV Securities Joint Stock Company, stable outlook

Hanoi, 17 December 2025 - VIS Rating has assigned a long-term issuer rating of A+ to BIDV Securities Joint Stock Company (BSI). The outlook on BSI's A+ issuer rating is stable. This is the first time VIS Rating has assigned a rating to BSI.

RATING RATIONALE

The A+ long-term issuer rating reflects BSI's above-average standalone assessment, supported by strong risk appetite, above-average profitability, funding and liquidity metrics. It also incorporates its average leverage compared to industry peers. The rating also incorporates our expectation of a moderate likelihood of extraordinary support from affiliates.

BSI was established in 1999 as one of the first two securities firms in Vietnam. Today, BSI is a mid-sized player with total assets of VND16.7 trillion as of 9M2025. The company operates under a traditional business model focused on retail brokerage and margin lending, and has expanded its suite of advisory services for institutional clients over the years. As a key subsidiary (52% stake) of one of Vietnam's largest state-owned banks, Joint Stock Commercial Bank for Investment and Development of Vietnam (BID), BSI and BID collaborate closely on group strategic initiatives. BSI's other major shareholder is Hana Securities Co. Ltd. with a 35% equity stake. Since 2022, Hana Securities has provided technical assistance to develop BSI's digital capabilities.

We view BSI's 'Strong' risk appetite as a key credit strength, anchored by its conservative business strategy and significantly lower exposure to higher-risk assets than the industry average. Assets considered as higher-risk – includes corporate bonds (i.e., excluding bonds issued by financial institutions (FI)) and unlisted shares - have consistently amounted to around 5% of total assets over the past three years.

As of 9M2025, margin loans accounted for 50% of total assets, followed by treasury investments—primarily bonds issued by government and FIs (18%), term deposits and certificates of deposits (TDs and CDs, 15%), and listed shares (5%).

We assess that BSI's asset risks from margin loans are well-managed, supported by its track record of disciplined risk management policies and processes. These include stringent customer eligibility criteria, risk assessment frameworks calibrated based on loan-to-value ratios and collateral valuations, and robust margin call processes. Credit concentration is modest, with the 20 largest margin loans comprising just 33% of the portfolio, below peer averages.

In addition, we view credit risks from corporate bond investments – around 4% of total assets as of 9M2025 - as manageable. This reflects the stringent selection of issuers with robust profitability and bonds supported by a high degree of collateralization. According to the management, none of their bond investments experienced any repayment issues over the past three years.

In 2026, BSI targets to grow its retail margin loans by over 10% year-on-year, mainly by leveraging BID's nationwide customer network. We do not expect any material change in its risk appetite and exposure to higher-risk assets over the next 12-18 months.

We assess BSI's profitability as 'Above-Average', supported by a three-year average ROAA of 4.7%, exceeding the peer average of 4.2%. This strength is primarily driven by low funding costs that underpin margin lending and treasury income. Over the past three years, BSI's average funding cost was 4.6%, below the peer average of 5.1%.

In addition, BSI expanded margin lending faster than peers, with a three-year compound annual growth rate of 39%, higher than peers' average of 29%. From 2023 to 9M2025, margin lending contributed more than half of operating profit, followed by investment income (37%)—mainly from CDs, TDs, and bonds—and brokerage income (6%).

Reduced reliance on listed equity trading has also lowered pre-tax earnings volatility to 45% as of 9M2025 from 50% in 2024, a credit positive. Income from equity investments declined to 5% of total operating income in 9M2025 from 9% in 2024.

Looking ahead, BSI plans to collaborate with BID to offer investment products – such as equities, bonds, CDs, fund certificates – to the bank's customers, while accelerating digitalization to attract new customers and diversify offerings. These initiatives should support gradual improvement in earnings stability over the next 12–18 months.

We assess BSI's funding and liquidity as 'Above-Average', underpinned by substantial liquid asset buffers, a well-diversified funding mix, and a proven ability to access low-cost funding from both onshore and offshore lenders.

BSI maintains strong funding flexibility, supported by sizeable and diversified credit facilities—including clean lines—from local banks and foreign institutions in Taiwan and Korea. Borrowings from retail and institutional clients further strengthen its funding profile, accounting for 11% of total funding as of 9M2025.

Liquidity risks are well-managed, with highly liquid assets—TDs, CDs, and financial-institution bonds—representing 38% of total assets, in line with the industry average. Over the past three years, BSI's liquidity inflow-to-outflow ratio averaged 112%, above the industry norm of 105%.

According to management, BSI plans to diversify its funding structure through new bond issuance, targeting the issuance of up to VND 500 billion of 1Y senior unsecured bonds by the end of 2025.

We expect its funding and liquidity position to remain stable over the next 12–18 months, backed by robust liquid asset buffers and continued diversification efforts.

We assess BSI's leverage as 'Average', reflecting its increased reliance on short-term borrowings to fund margin loan growth amid improving market sentiment. As of 9M2025, leverage ratio[1] rose to 3.1x from 2.0x in 2024, above the industry average of 2.7x.

Management intends to retain capital through a non-cash dividend policy while pursuing moderate asset growth of around 10%. Coupled with robust profitability, we expect BSI's leverage to remain broadly stable at current levels over the next 12–18 months.

BSI's issuer rating incorporates an uplift for affiliate support, reflecting our expectation of a moderate likelihood of extraordinary support from BID in times of need. This view is underpinned by BID's robust standalone creditworthiness and the close strategic alignment between the two affiliated companies.

BSI plays a key role in BID's long-term strategy to transition from traditional banking to a diversified financial services ecosystem, leveraging the bank's extensive customer base to offer a wide range of wealth management products. The two entities share a common management team, ensuring centralized governance and strategic coordination. Our assessment also considers BID's significant ownership stake, BSI's contribution to group profitability, and their shared brand identity, which collectively facilitate decision-making and reinforce integration.

The outlook on BSI's long-term issuer rating is Stable, reflecting our expectation that its strong risk appetite and liquidity profile will remain intact as it executes retail-focused margin loan expansion over the next 12–18 months.

Factors that could lead to an upgrade of the rating

BSI's A+ rating could be upgraded if the firm successfully raises new capital to strengthen its loss-absorption buffers—such as reducing its leverage ratio to 1.3x on a sustainable basis—alongside a significant improvement in ROAA and earnings stability.

Factors that could lead to a downgrade of the rating

BSI's A+ rating could be downgraded if:

- Leverage and exposure to higher-risk assets increase materially, heightening balance sheet risks (e.g., rapid expansion or significant growth in corporate bonds, unlisted shares); or
- Profitability weakens significantly due to operational losses; or
- Liquidity risks rise substantially, such as a sharp decline in liquid assets insufficient to cover short-term obligations; or
- We view BID's capacity or willingness to provide support to have fallen materially.

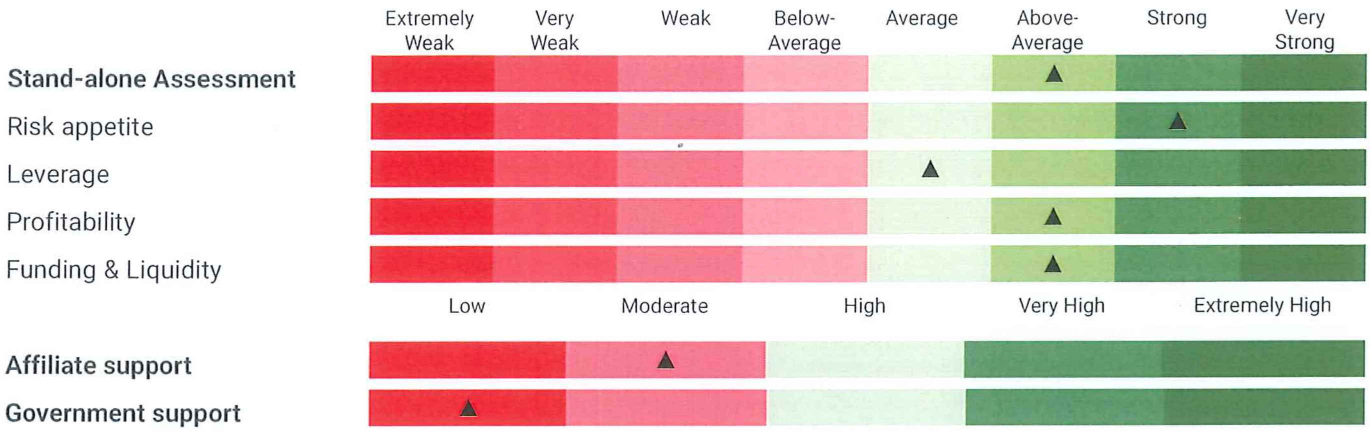
[1] Leverage ratio is measured by total tangible assets and off-balance-sheet exposures over tangible common equity.

RATING METHODOLOGY

Rating Methodology: Financial Institutions.

For detailed information, please see our full methodologies at: https://visrating.com/how-to-get-rated/view/financial-institutions-rating-methodology.2

SUMMARY OF KEY FACTORS



Source: VIS Rating

CREDIT RATING HISTORY

Date	Rating type	Rating	Outlook	Action
17 December 2025	Long-term Issuer Credit Rating	A+	Stable	First-time assignment

RATING SCALE

Long-Term Rating

AAA	Issuers or debt instruments demonstrate the **strongest** creditworthiness relative to other domestic entities and transactions.
AA	Issuers or debt instruments demonstrate **very strong** creditworthiness relative to other domestic entities and transactions.
A	Issuers or debt instruments demonstrate **above-average** creditworthiness relative to other domestic entities and transactions.
BBB	Issuers or debt instruments demonstrate **average** creditworthiness relative to other domestic entities and transactions.
BB	Issuers or debt instruments demonstrate **below-average** creditworthiness relative to other domestic entities and transactions.
B	Issuers or debt instruments demonstrate **weak** creditworthiness relative to other domestic entities and transactions and may be approaching default, with strong recovery prospects.
CCC	Issuers or debt instruments demonstrate **very weak** creditworthiness relative to other domestic entities and transactions and are likely in or near default, typically with moderate recovery prospects.
CC	Issuers or debt instruments demonstrate **extremely weak** creditworthiness relative to other domestic entities and transactions and are typically in default, typically with poor recovery prospects.
C	Issuers or debt instruments demonstrate the **weakest** creditworthiness relative to other domestic entities and transactions and are typically in default, with very poor recovery prospects.

Note: VIS Rating appends the modifiers + and – to each generic rating classification from AA through CCC. The modifier + indicates that the obligation ranks in the higher end of its generic rating category; no modifier indicates a mid-range ranking; and the modifier – indicates a ranking in the lower end of that generic rating category

REGULATORY DISCLOSURES

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BSI's ownership stake in VIS rating: 0%

The ownership ratio of BSI held by VIS Rating's staff: 0%

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This rating is solicited.

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Vietnam Investors Service and Credit Rating Agency Joint Stock Company
Public Credit Rating Announcement No: VN0101003060-001-171225

M.S.D.N: 0109839192-C.T.C.P
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Simon Chen, CFA
Head of Ratings and Research
17 December 2025

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