

Vietnam's Sectors Spotlight

Banking Sector: FY2025 recap and 2026 outlook

From Surge to Selectivity: Capital Strength and Liquidity will Shape Vietnam Banking Outlook

Hanoi | April 13, 2026

This report does not constitute a rating action



Bank

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- **Moderation of Credit Growth Following 2025 Surge:** After a period of rapid expansion and peaking at approximately 19% in 2025, credit growth is projected to decelerate in 2026 as the sector shifts toward more selective expansion. This cooling period is driven by a high system-wide credit-to-GDP ratio exceeding 140% and new SBV regulatory measures, including stricter quarterly lending quotas and limits on real estate exposure.
- **Further Tightening of Profit Margins:** The sector's Net Interest Margin (NIM) fell to 2.9% in FY2025 from 3.5% in 2024. Sector NIM may remain under 3.0% in 2026, driven by higher cost of funds and compromising lending yields. While profitability is under pressure, it is being supported by an increase in non-interest income, specifically from bad debt recoveries and other one-off incomes.
- **Asset Quality pressure to rise in 2026 as credit growth moderates and write-off activity normalizes:** The non-performing loan (NPL) ratio remained stable at ~1.9% in 2025. However, this stability was largely achieved through aggressive write-offs and rapid loan growth rather than organic improvement, leading to provisioning levels reaching their lowest point since 2021.
- **Resurging Liquidity Pressure in late-2025 and likely to prolong in 2026:** A significant gap has emerged as credit growth (19%) far outpaced deposit growth (11.4%) in 2025. This has forced banks to rely more heavily on interbank funding and bond issuance, a trend expected to prolong liquidity pressure and increase funding costs throughout 2026.
- **FY2025 saw broadly stable-to-improving credit profiles** (median anchored at [A-], 7 upgrades, no downgrades), but the sector outlook turns unfavorable for 2026 amid rising asset quality and liquidity pressures, with resilience concentrated in banks with strong profitability, capital discipline, and diversified funding.

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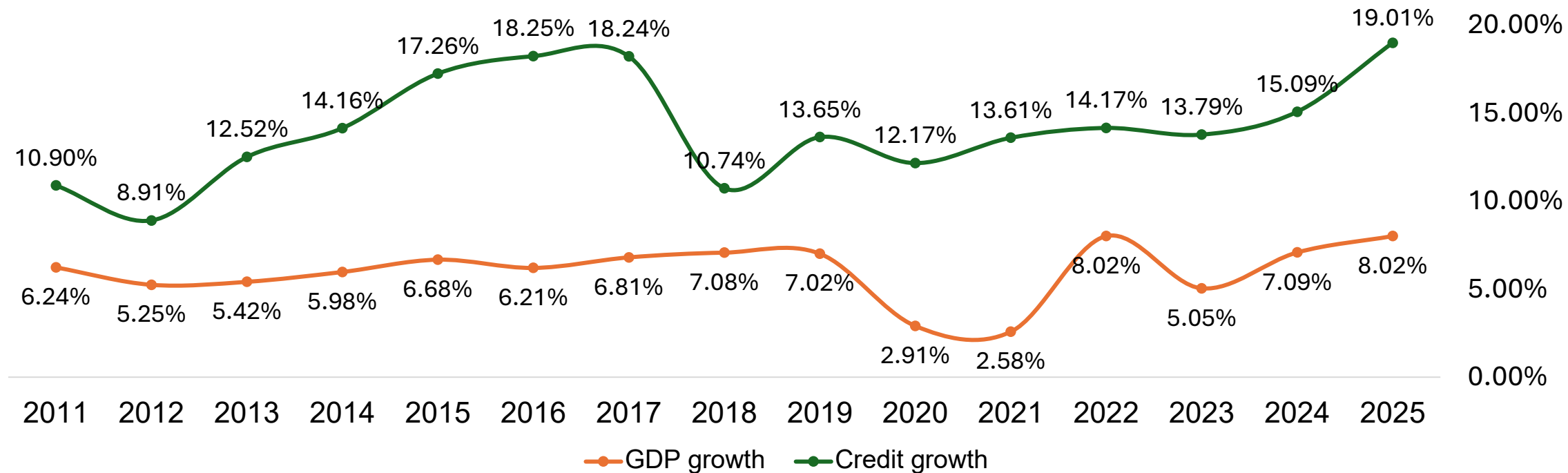
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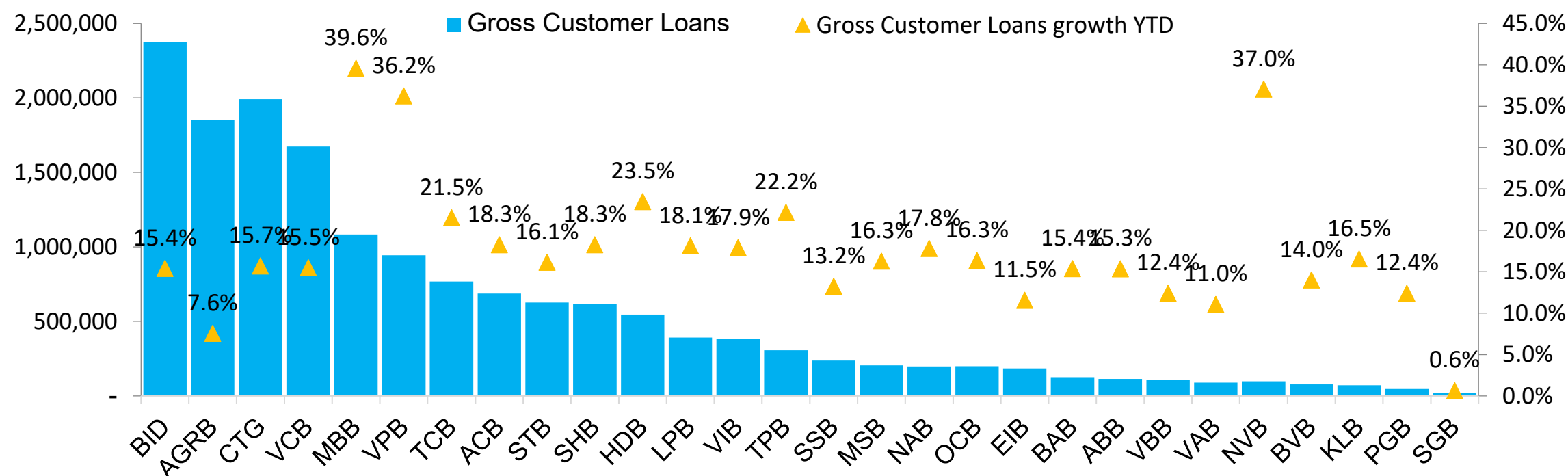
Selective credit expansion ahead, with growth increasingly differentiated by capital strength

Exhibit 01: Vietnam's GDP growth and credit growth during the period 2011-2025



Source: FiinRatings

Exhibit 02: Commercial banks loan balance (VND billion, LHS) and its growth rate (RHS) as of YE2025

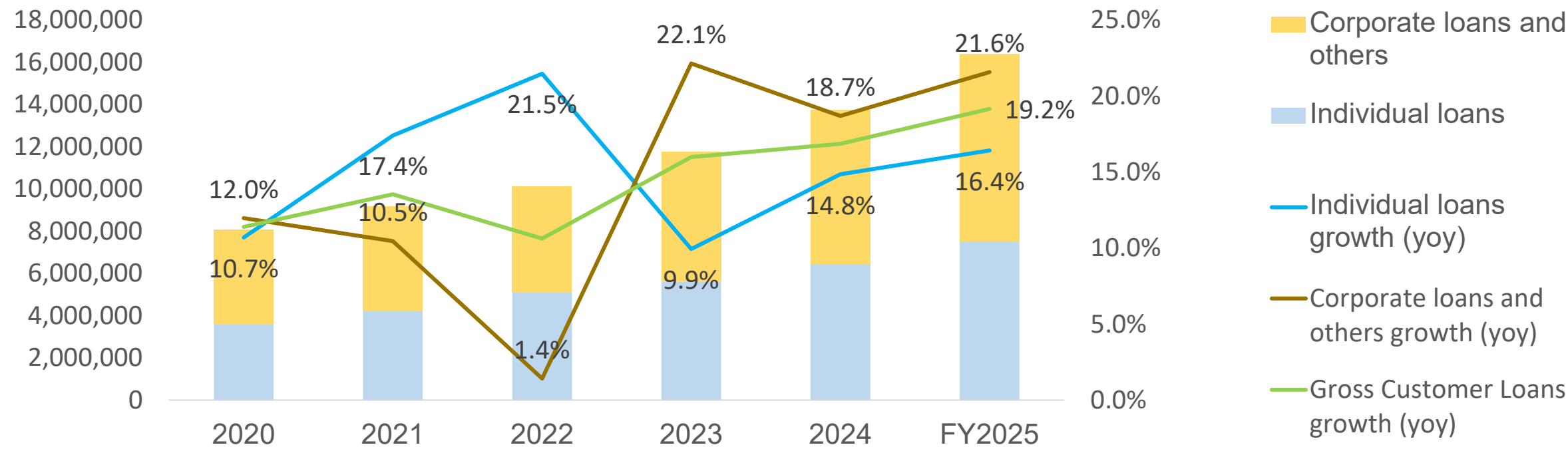


Source: FiinRatings

- GDP growth continues to be outpaced by credit growth.** System credit grew ~19% in 2025, surpassing the “usual” State Bank Vietnam’s (“SBV”) target of 15% in previous years. This growth was supported by infrastructure expansion, FDI-driven industrial activity, real estate, and recovering retail lending.
- We expect credit growth in 2026 to be lower than in 2025, given the existing high credit to the economy (GDP) ratio of over 140%.** New measures by the SBV in 2026 (e.g. requiring that each bank’s lending in Q1/2026 not exceed 25% of total 2026 credit target and each bank’s 2026 real estate lending growth cannot exceed its 2025’s total lending growth ...) are expected to slow down real estate lendings.
- Basel-III capital requirement and the credit-quota soft “phaseout” are expected to increasingly differentiate credit growth among banks:** scale and capital will let leading banks compound share, while smaller JSCBs pace expansion to balance capital, earnings, and asset quality.

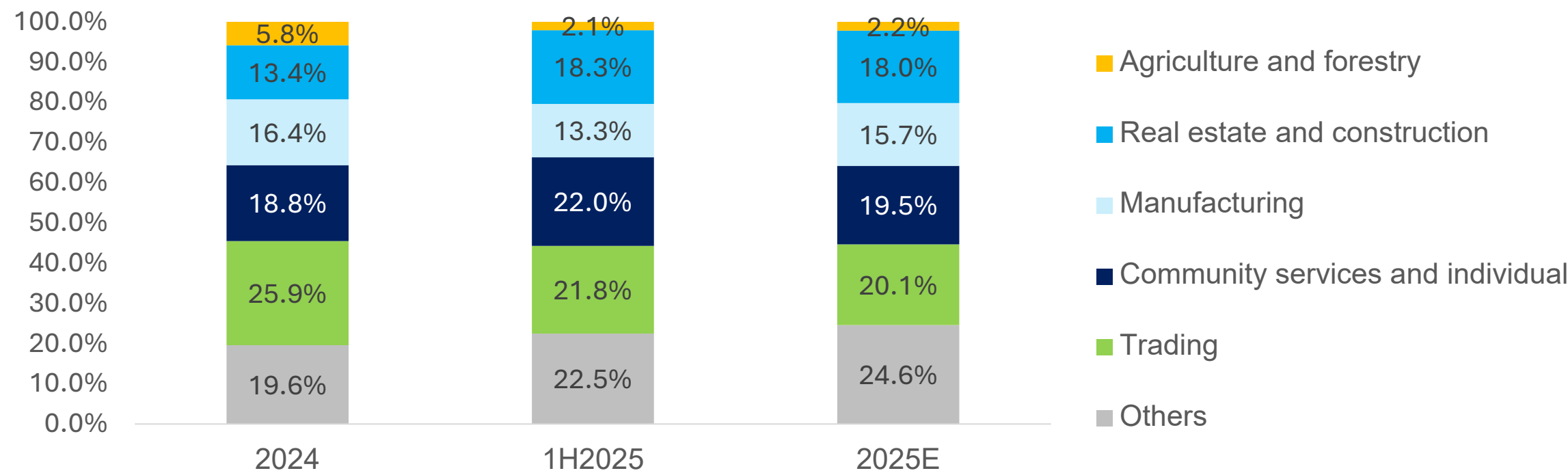
Selective credit expansion ahead, with growth increasingly differentiated by capital strength (cont.)

Exhibit 03: Reaccelerating loan growth across individual and corporate segments in YE2025



Source: FiinRatings

Exhibit 04: Vietnam’s bank loans structure is driven by real estate and retail within 2024-2025



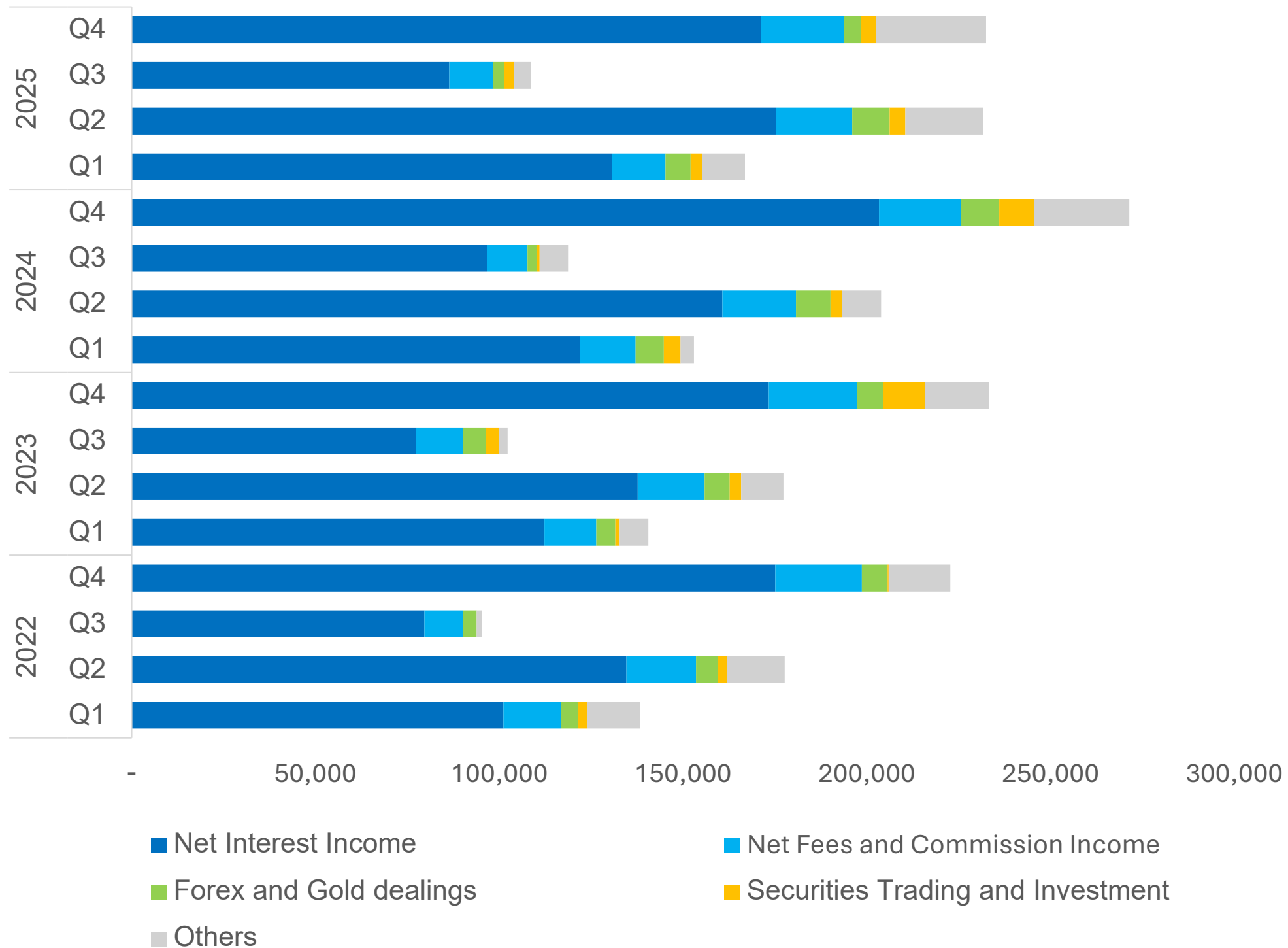
Source: FiinRatings

Credit structure is relatively stable in 2025: ~54% corporate / 46% retail (2024: 53% to 47%). Growth in 2025 was led by real-estate-related lending, FDIs, and retail credit, consistent with SBV’s flexible credit guidance for 2025.

- By bank group:**
 - Top-4 JSCBs led the upturn, with retail rebounding to high-20% yearly growth; corporate to low-30% yearly growth.
 - Other JSCBs continued to catch up from the 2022 trough, with corporate reaching mid-20% yearly growth, although slower in retail yearly growth (<10%).
 - SOCBs’ corporate lending showed notable growth (~15%) in 2025 compared to previous year, closely similar growth to retail lending.

Non-interest income expected to contribute more to Banks' TOI; Fee income could show notable growth in 2026

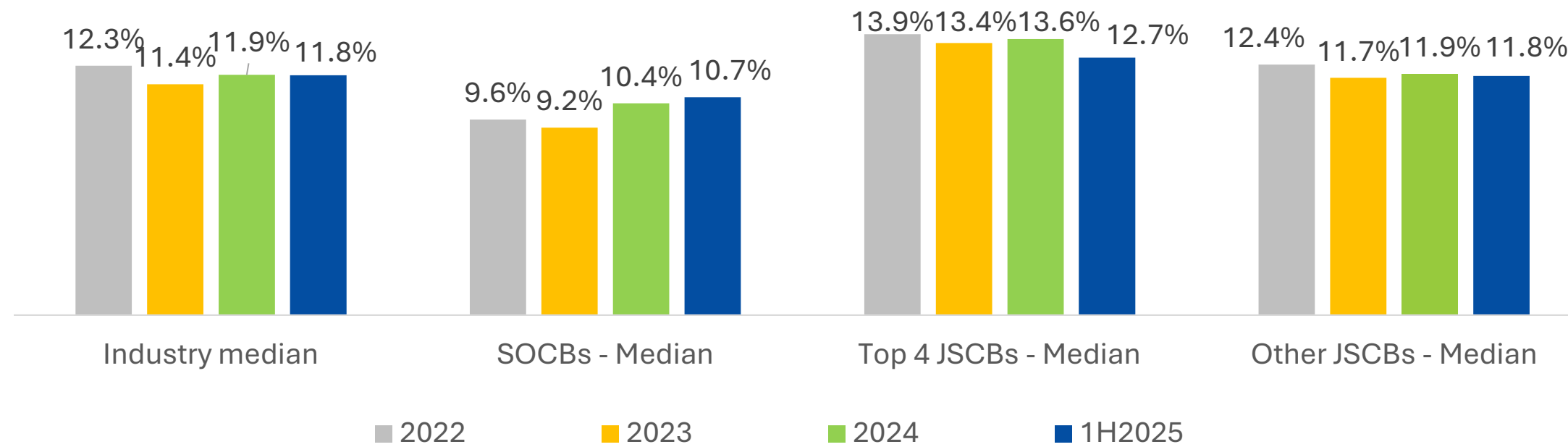
Exhibit 05 : TOI breakdown by quarter (2022-2025) - Sector non-interest income grew, driven by rise in other incomes (recoveries, divestments, equity investments, other one-off incomes) (VND billion)



- Sector non-interest income edged up to ~23.8% of TOI in YE2025** (vs ~23.2 in 1H2025 and ~22.0% in 2024), driven by other incomes. FX & Gold dealings slowed down in 2H2025 after impressive growth in the first half.
- 2025 is the fourth consecutive year that the sector's net Fee & Commission income remained at ~68-69 trillion VND** (supported mainly by Settlement, Insurance, and Other Fee Services). In 2026, in the context that Vietnam stock market is likely to be upgraded and corporate bond issuance is expected to increase due to lower bank's credit growth target, we view that this will have positive impact on the sector's **Brokerage & Agency Fee Services**. Additionally, the economy's focus on infrastructure growth in the next few years will increase demand for **L/C and other Guarantee services**, which will benefit banks who are doing well in these segments.
- Other incomes** (recoveries/divestments/ equity investments /one-offs) were **higher in 1H2025**, especially at **SOCBs/Other JSCBs** (recoveries, divestments, one-offs), consistent with more active workouts heading into the new NPL framework.
- Resolution No. 42 codified in the amended Law of Credit Institutions has shown considerable impact on **collateral enforcement / recoveries** in the 2H2025 and is expected to continue in 2026.

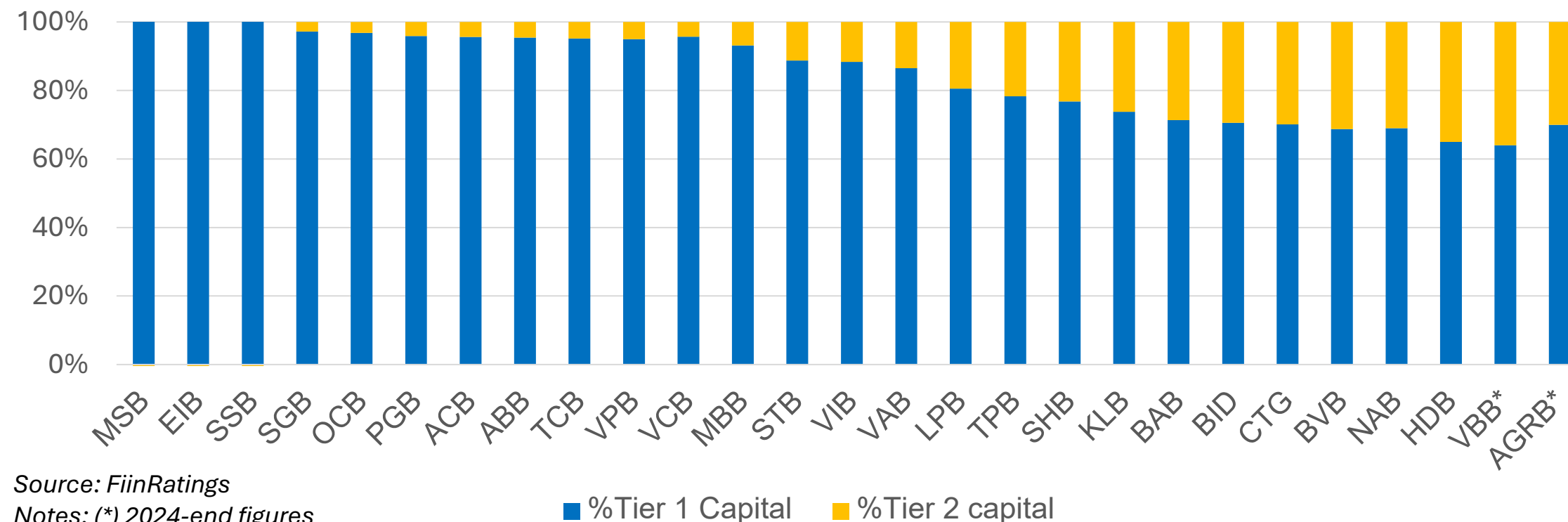
Capital constraint remains a critical challenge for the sector; Tier-1 capital is the key factor to watch

Exhibit 06: Vietnam banks' CAR (by sector and by group) (2022 – 1H2025)



Source: FiinRatings

Exhibit 07: Owners' capital structure of banks in Vietnam (1H2025)

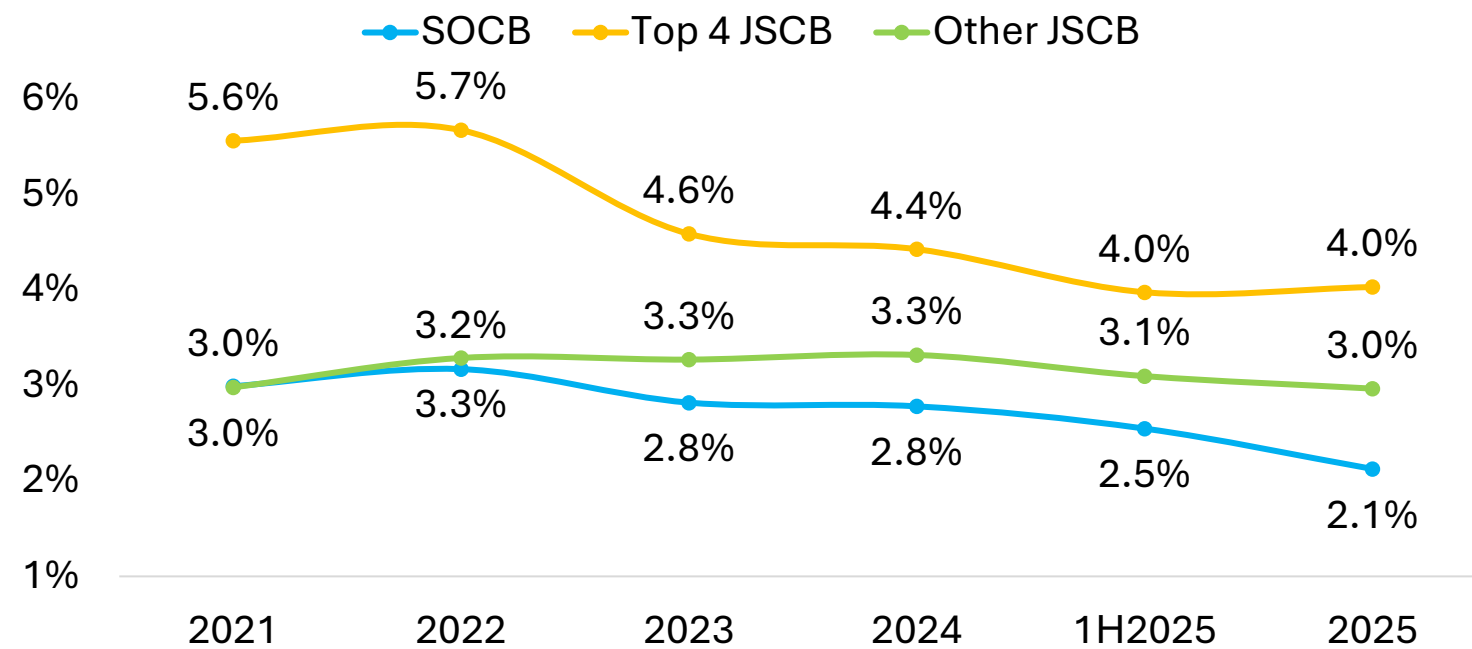


Source: FiinRatings
Notes: (*) 2024-end figures

- Tier-1 capital still remains dominant, but **reliance on Tier-2 capital has increased since 2024** through tier-2 bond issuance, particularly at **SOCBs and mid-tier JSCBs**.
- Sector CAR remains stable, but diverging by group: 1H2025 CAR actually declined for majority of banks, especially for smaller banks:
 - SOCBs improved CAR from ~9.2% (2023) to ~10.7% (1H2025), mainly through Tier-2 issuance.
 - Top 4 JSCBs saw CAR dip to ~12.7% (1H2025) from 13.9% (2022) as rapid RWA growth outpaced capital build.
 - Other JSCBs remains around ~12.0% (11.8% in 1H2025), indicating similar growth pressure despite bond issuance.
- In order to balance between credit growth and capital constraints, **we maintain our view** that SOCBs will focus on building stronger CET1 through profit retention with moderate growth; Top JSCBs will balance profit retention with opportunistic Tier-2 capital raise for aggressive growth; smaller JSCBs will face a choice to either infuse new equity or decelerate growth.

Profitability showed resiliency in 2025 as margins tightened; Banks turn to non-interest income for earnings support

Exhibit 08: Vietnam banks' NIM (by sector and by group) (2021 – 2025)



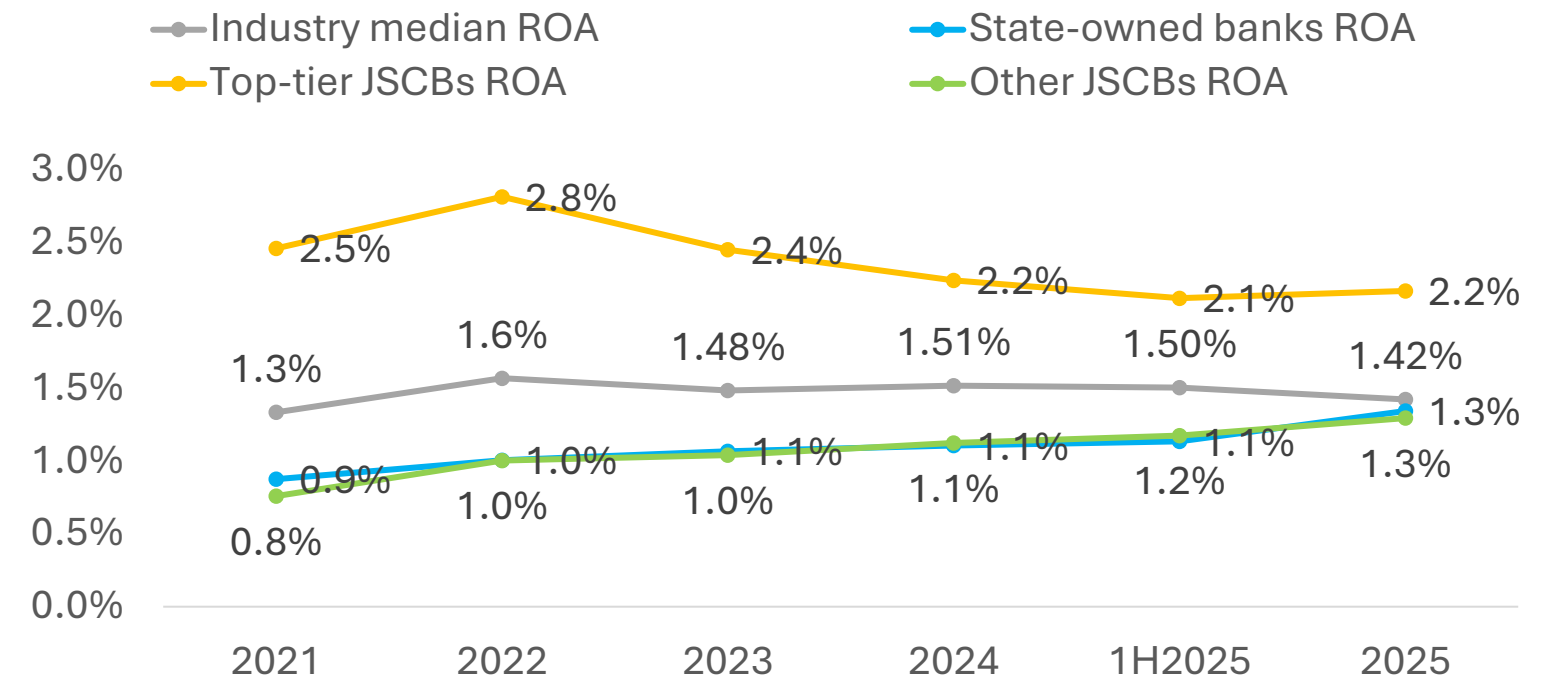
Source: FiinRatings

■ **Sector NIM fell to 2.9% in FY2025** (~3.3% in 1H2025, 3.5% in 2024; peak 3.8% in 2022), while **ROA slightly decrease to ~1.4%** despite support from non-interest income and improving CIR. **Sector NIM may remain under 3.0% in 2026**, driven by higher cost of funds and compromising lending yields. In contrast, longer term lending and consumer lending focus could help maintain NIM at the 2025 level.

■ **Earnings outlook (2026) – by bank group:**

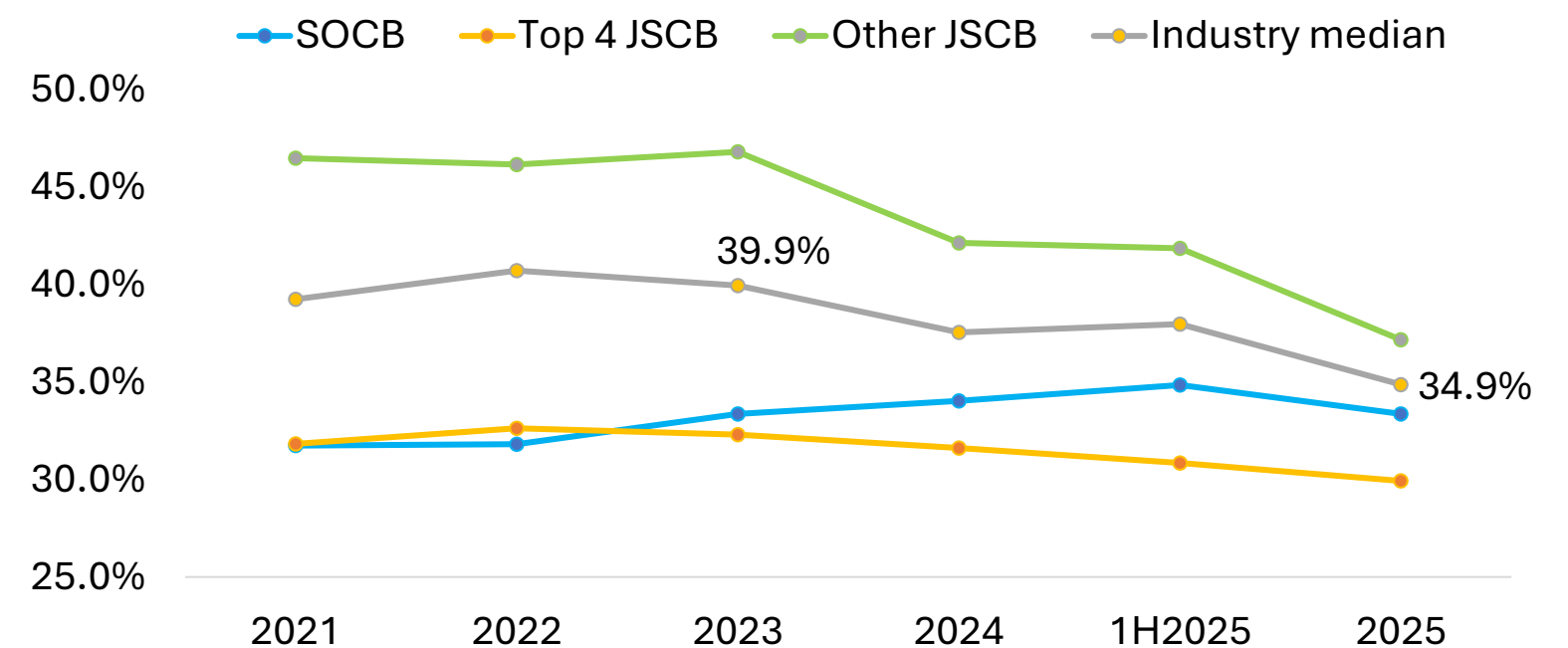
- **Top 4 JSCBs:** NIM likely stabilizes (supported by higher CASA), ROA stays above sector but below the 2022 peak; increasingly reliant on non-interest income
- **SOCBs:** NIM to slightly decline due to continuing interest rate subsidy for customers. FX & Gold dealings & Recoveries become key income drivers;
- **Other JSCBs:** NIM will diverge amongst banks who (1) can and cannot acquire / utilize retail customers and (2) have strong position in certain non-interest income business segments.

Exhibit 09: Vietnam banks' ROA (by sector and by group) (2021 – 2025)



Source: FiinRatings

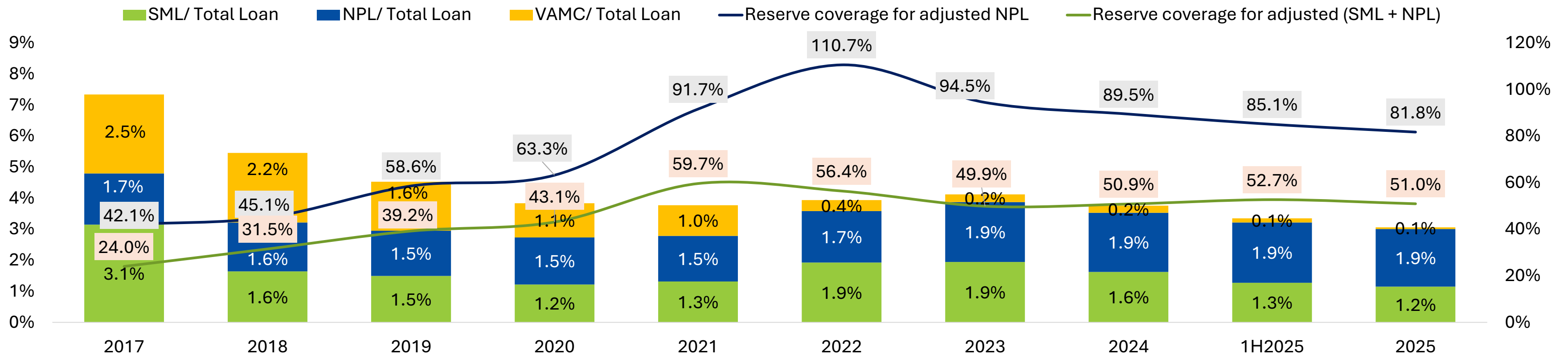
Exhibit 10: Vietnam banks' CIR (by sector and by group) (2021 – 2025)



Source: FiinRatings

Asset Quality pressure to rise as credit growth moderates and write-off activity normalizes

Exhibit 11: Problematic loans* ratio (LHS) and reserve coverage ratio (RHS) of commercial banks in Vietnam



Source: FiinRatings

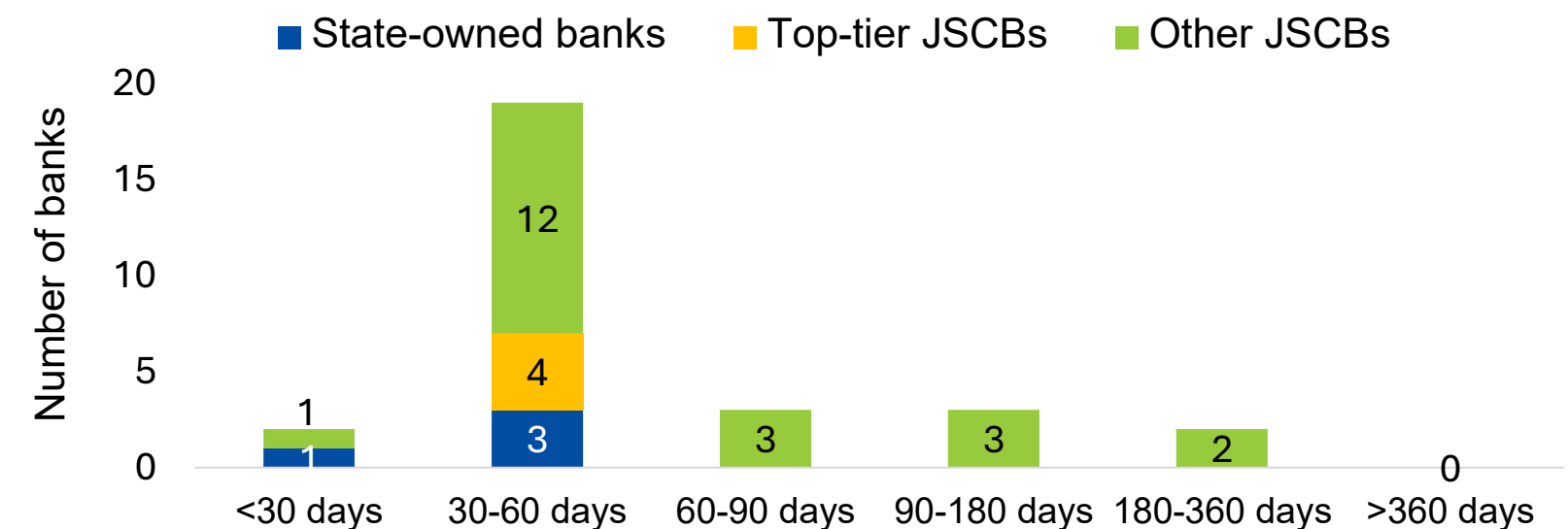
Note: (*) Problematic loans comprise of special-mentioned loans (SML), non-performing loans (NPL), and the divestment of non-performing loans to Vietnam Asset Management Company (VAMC);

Total loans = Loan book + VAMC bonds

Problem loan continued to shrink in 2025 from the 2023 peak: Sector NPL is ~1.9% in 2025, maintained from previous two years; Sector SML dropped to ~1.2% in YE2025 (from ~1.9% in 2024), showing fewer early-warning loans. The noted improvement in asset quality was primarily driven by **rapid loan growth** and **significant write-offs** of NPLs. Net write-off / average gross loans increased to 1.3%, slightly higher than the steady 1.2% level in 2023-2024. In 2026, we don't foresee banks write-off as aggressive as previous years; instead, we may see the comeback of VAMC bonds as a tool to help banks manage asset quality.

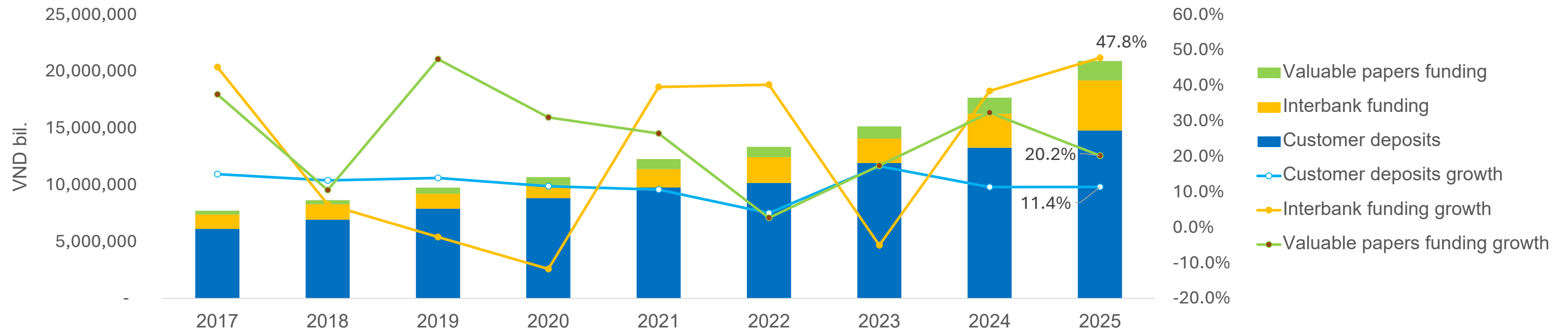
Provisioning levels in YE2025 are at the lowest since 2021, reflecting that banks are relying more on write-offs and recoveries instead of only piling up provisions.

Exhibit 12: Interest and fees receivable days of commercial banks in 2025



Source: FiinRatings

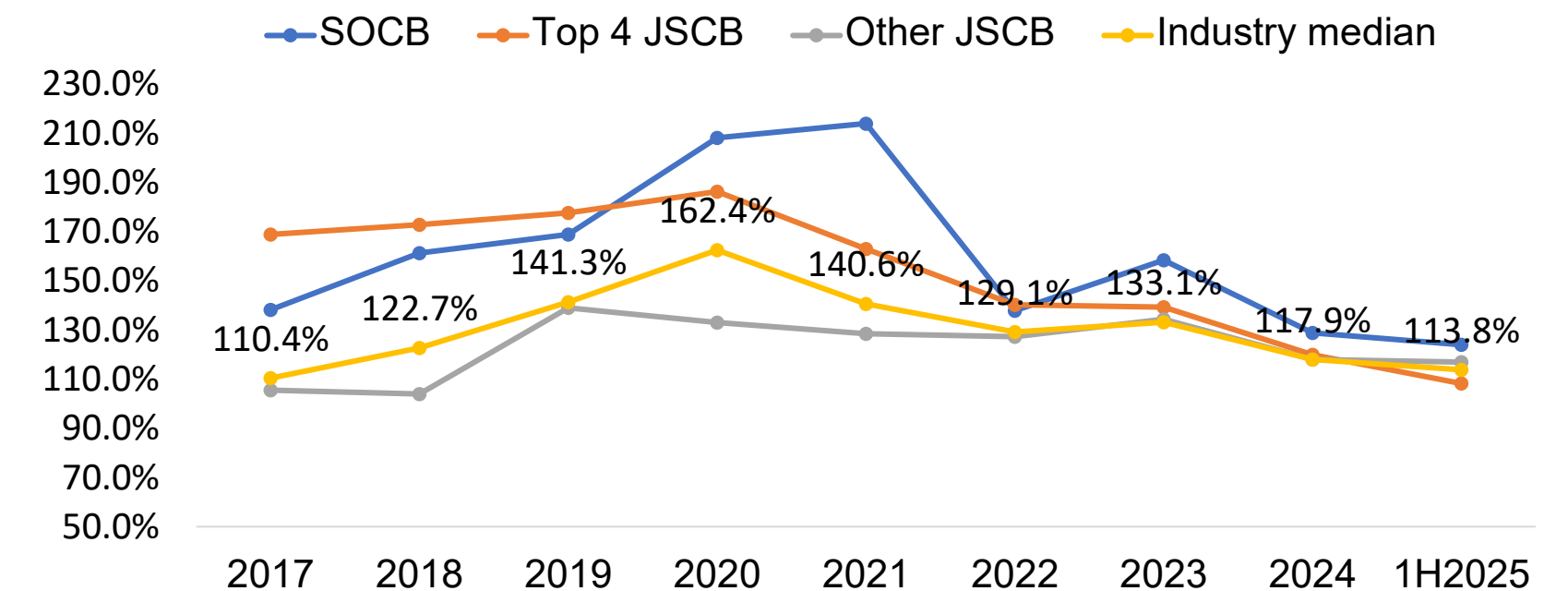
Exhibit 13: Sector loan growth outpaced deposit growth in recent years, prompting continuing high reliance on bond issuance and wholesale funding



Source: FiinRatings

- Credit growth (19.0%) continued to outpace deposit growth (11.4%) in 2025, so banks continued to rely on interbank funding and bond issuance. The ongoing decline in Broad liquid assets/ Short-term wholesale funding ratio (BLA/STWF) (from YE2023 figure of 133% to 1H2025 figure of 114%) and Stable funding ratio (SFR) (from YE2023 figure of 100% to ~91% in YE2025) reflects loan growth outrunning stable funding and draw-down of liquid assets to support that growth. After two years of rapid growth, we project the sector and many banks will face considerable liquidity pressure throughout 2026.
- **Funding cost rose in late 2025 and is likely to increase in 2026.** In the context that many banks are relying significantly on wholesale funding, and majority of customer deposits is short-term (<1Y), banks will likely increase deposit rate significantly this year to attract deposits with possible longer terms. CDs/bond rate will also increase this year to help banks secure longer term fundings.

Exhibit 14: Broad liquid assets / Short-term wholesale funding (2017 – 1H25)



Source: FiinRatings

Exhibit 15: Notable regulatory changes in 1H2025 (1/3)

#	Issued/ Effective	Regulation / Policies	Highlights on What changed	Implicative Impacts on Banking System
1	Issued 19 May 2025	Foreign ownership in credit institutions – Decree 69/2025/ND-CP (amends Decree 01/2014)	Restructure foreign-ownership limits and approvals in banks/foreign bank branches—relevant for capital raising, M&A and strategic investors	Facilitates strategic capital; may accelerate consolidation.
2	Passed 27 Jun 2025; Effective 2025-10-15	Codification of Resolution 42/2017/QH14 on bad debt handling (into Law No. 96/2025/QH15, Amending Law on Credit Institutions (LOCI) 2024)	Permanently codifies Resolution 42 practices; streamlines secured-asset seizure/disposal; clarifies procedures across civil/criminal cases; strengthens creditor rights.	Accelerates bad-debt cleanup; improves recoveries; lowers structural LGD.
3	Issued 26 Jun 2025	Bank code/admin standards refresh - SBV Circular 11/2025/TT-NHNN (amends Circular No. 17/2015/TT-NHNN)	Updates technical/administrative standards for bank identification/codes and ops processes.	Operational consistency; fewer processing errors; short-term IT change load.
4	Issued June 06 2025	Special control of credit institutions - SBV Circular 07/2025/TT-NHNN (amends Circular No. 39/2024/TT-NHNN)	Fine-tunes special-control procedures and remedial measures under LOCI 2024—practical playbook for early intervention/restructuring. Issued 6 Jun 2025. Operational impact for risk, finance, and legal teams handling troubled-bank scenarios or counterparties	Improves orderly handling of weak banks; reduces systemic uncertainty.
5	Issued 30 Jun 2025	Capital Adequacy (Basel III-aligned) - SBV Circular 14/2025/TT-NHNN	This sets CET1, Tier 1, Total CAR minima and introduces capital buffers (conservation, countercyclical; and higher buffers for systemically important banks). Banks must recalibrate ICAAP, RWA optimization and dividend/capital plans	Strengthens loss-absorbing capacity; may slow high-growth lenders without capital headroom.

Exhibit 15: Notable regulatory changes in 1H2025 (2/3)

#	Issued/ Effective	Regulation / Policies	Highlights on What changed	Implicative Impacts on Banking System
6	Issued 16 June 2025; Effective 01 July 2025	Decree No. 156/2025/ND-CP (Amendments and additions to Decree No. 55/2015/ND-CP)	Increase the maximum unsecured loan amount for individuals, households, cooperatives, business households, cooperative unions, and farm owners from 300 million to 5 billion VND.	Enabling retail and agricultural credit growth, but alongside increased credit risk and loss given defaults of the agricultural segment.
7	Issued 01 Jul 2025	Law No. 76/2025/QH15 (Enterprise Law 2025, amendments to No. 59/2020/QH14)	Introduces mandatory beneficial-owner disclosure and reporting, tighter corporate registration requirements, clearer liability of legal representatives, refined capital-reduction rules, and stricter governance/eligibility standards, thereby enhancing transparency and alignment with AML and corporate-governance practices	Better borrower transparency; lower credit opacity; harmonizes with AML rules; impacts borrower KYC/Ultimate Beneficial Ownership (UBO) clarity.
8	Issued 11 Jul 2025	Extension of debt restructuring for Vietnam Airlines (VNA) - SBV Circular 16/2025/TT-NHNN (amends 04/2021)	Extends the maximum restructuring horizon for VNA exposures to 31/12/2027, sets conditions for maintaining classification/provisioning, and details SBV refinancing mechanics for banks that lent to VNA	Limits cliff risk; contains sectoral NPL spikes; targeted scope.
9	Issued 12 Aug 2025; Effective 01 Oct 2025	Required-reserve relief (targeted) - SBV Circular No. 23/2025/TT-NHNN (Amends Circular 30/2019/TT-NHNN)	From 1 Oct 2025, SBV grants a 50% reduction in required-reserve ratios for select banks to support liquidity/credit transmission. Therein , required-reserve relief for “transferee” banks VCB, MB, VPB, HDB that are eligible for receiving a 50% RRR cut (to 1.5% <12m; 0.5% ≥12m), freeing low-yield reserves and easing funding costs/liquidity at these banks; the policy is targeted, not sector-wide.	Eases funding costs; supports credit growth; heterogenous impact.
10	Issued 26 Aug 2025; Effective 10 Oct 2025	Gold market reform (licenses for gold bar production/import/export) - Decree 232/2025/ND-CP (amends 24/2012)	Ends the state monopoly on gold bar production/import; Allows qualified enterprises and commercial banks to produce gold bars and import/export gold materials; aims to increase supply and transparency.	Deeper, more transparent gold market; new risks to manage.

Exhibit 15: Notable regulatory changes in 1H2025 (3/3)

#	Issued/ Effective	Regulation / Policies	Highlights on What changed	Implicative Impacts on Banking System
11	Issued 30 Sep 2025	Regulations on subsidiaries and affiliated companies of credit institutions in debt management and asset recovery - Circular 31/2025/TT-NHNN	Tightens conditions for buying bad debt and strictly limits assets management companies' holding of secured assets, especially real estate. New regulations require a bad debt ratio of less than 3% and setting a clear time limit for secured assets which are real estates, forcing them to be sold or transferred within a maximum period of 5 years.	Forced liquidations of long-overdue real estates marginally improves liquidity. Restricting bad debt purchases to banks with strong credit quality allocates bad debts more evenly across the industry, thereby improving overall sector risk profile.
12	Issued 14 Nov 2025	Circular 43/2025/TT-NHNN (Amendments and additions to Circular No. 08/2022/TT-NHNN)	Designate the different responsibilities of units under the SBV in supervision and treatment for micro and macro-level banking risks; Supplement regulations on risk supervision for banks of systemic importance, based on recommendations from the BSSD Project consultants; and Provides additional regulations on compliance monitoring and early intervention mechanisms in line with the new provisions of the Law on Credit Institutions 2024.	Clearly defined supervision hierarchy helps focus resources, improve the quality of risk analysis and assessment, and reduce overlap in the implementation process. New regulations on banks supervision contributes to strengthening the ability to prevent and control risks for key institutions, as well as enhances the SBV's early intervention capabilities.
13	Issued 25 Dec 2025	Prescribing penalties for administrative violations in the monetary and banking sector - Decree 340/2025/ND-CP	Tightens KYC/AML (anti-money laundering) and increases bank responsibility in account management, with fines of VND 200–250 million for opening anonymous or impersonated accounts.	Improves operational and borrower transparency while increasing operating costs and reducing banks' willingness to penetrate the unbanked segment.
14	Issued 31 Dec 2025; Effective 02 Mar 2026	Regulations on discounting activities of credit institutions and branches of foreign banks for customers - Circular 81/2025/TT-NHNN	Amending the list of credit institutions and valuable papers eligible for discounting; Removing exposure limit for discounting for a single customer; and Defining the responsibilities of both parties corresponding to each discounting method.	Improves operational flexibility for discounting, thereby reducing liquidity risks. Concentration risk increases across the board from the exposure limit removal. Credit risk increases due to discounting being treated similar to lending.

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Exhibit 16: Medians of key ratios of commercial banks by indicative stand-alone credit profile (SACP) within 2024-2025

SACP Category	[aa]		[a]		[bbb]		[bb] and below	
	2025	2024	2025	2024	2025	2024	2025	2024
Business Position								
Gross Customer Loans	925,818 ▲	704,191	386,859 ▼	442,485	109,563 ▼	169,291	58,448 ▼	68,063
Net Income TTM	26,669 ▲	22,356	7,333 ▼	9,721	1,579 ▼	3,467	122 ▼	337
Capital and Earnings								
Common Equity Tier-1 Capital to Total Assets	8.7% ▼	9.6%	7.9% ▲	7.8%	7.9% ▼	10.9%	7.4% ▲	7.1%
NIM TTM	3.4% ▼	4.0%	3.1% ▼	3.6%	2.7% ▼	3.6%	2.2% ▼	2.3%
CIR TTM	30.6% ▼	32.6%	33.2% ▼	34.3%	38.0% ▼	38.8%	58.7% ▲	51.7%
ROA TTM	1.9% ▼	2.2%	1.5% ▼	1.6%	1.2% ▼	1.6%	0.4% ▲	0.4%
Interest and fees receivable days TTM	37.17 ▲	33.96	49.22 ▲	43.36	54.93 ▲	53.45	59.96 ▼	81.87
Risk Position								
Adjusted NPL	1.1% ▼	1.3%	2.1% ▲	1.9%	2.4% ▼	2.6%	5.1% ▲	4.6%
Adjusted (NPL + SML)	1.8% ▼	1.9%	3.2% ▲	3.1%	3.5% ▼	3.8%	9.3% ▲	4.3%
Reserve Coverage Ratio	121.2% ▲	103.1%	61.2% ▼	81.3%	67.8% ▲	50.0%	39.5% ▲	36.3%
LLR/(NPL+SML)	85.2% ▲	64.5%	42.7% ▼	51.2%	44.7% ▲	31.3%	29.1% ▼	38.9%
Funding and Liquidity								
LDR	80.6% ▼	82.1%	74.1% ▼	78.6%	70.7% ▼	75.2%	63.3% ▼	64.6%
Customer Deposits/ Total Liabilities	62.7% ▼	69.7%	60.6% ▼	68.3%	68.6% ▲	63.7%	69.2% ▲	69.2%
Average Financing Cost TTM	3.4% ▲	3.3%	4.7% ▲	4.3%	5.0% ▲	4.1%	4.8% ▼	4.8%

Source: FiinRatings

- Across all categories, capital & earnings indicators are mostly downward. In [a] category banks, significant decline in reserve coverage and LLR ratios despite aggressive writeoffs, suggest even thinner buffers against ongoing asset quality pressure and higher reliance on collaterals & debt recoveries.
- Asset quality figures showed inconsistent divergence when banks in ([aa] and [bbb]) improved while banks in ([a] and [bb and below]) deteriorated, while Earnings figures showed the opposite trend, reflecting banks' different strategy in a high growth period.

Exhibit 17: Medians of key ratios of commercial banks by bank groups within 2024-2025

Bank Category	SOCBs		Top 4 JSCBs		Other JSCBs	
As of FYE / In FY	2025	2024	2025	2024	2025	2024
Business Position						
Gross Customer Loans	1,992,273 ▲	1,722,668	855,759 ▲	662,300	184,216 ▲	165,155
Net Income TTM	34,857 ▲	25,298	25,155 ▲	19,275	2,827 ▼	3,174
Capital and Earnings						
Common Equity Tier-1 Capital to Total Assets	6.4% ▲	5.8%	11.1% ▼	11.9%	7.8% ▲	7.4%
NIM TTM	2.6% ▼	2.9%	3.9% ▼	4.2%	2.7% ▼	3.3%
CIR TTM	33.4% ▼	33.9%	29.9% ▼	31.6%	37.2% ▼	40.2%
ROA TTM	1.3% ▲	1.1%	2.2% ▲	2.2%	1.3% ▲	1.3%
Interest and fees receivable days TTM	36.5 ▲	34.8	36.4 ▲	35.5	51.5 ▼	59.9
Risk Position						
Adjusted NPL	1.1% ▼	1.3%	1.2% ▼	1.6%	2.7% ▲	2.6%
Adjusted (NPL + SML)	2.0% ▼	2.8%	1.9% ▼	2.6%	4.0% ▲	3.8%
Reserve Coverage Ratio	157.3% ▲	152.2%	104.0% ▲	85.1%	51.6% ▼	52.8%
LLR/(NPL+SML)	88.2% ▲	74.3%	68.7% ▲	52.9%	36.2% ▼	38.9%
Funding and Liquidity						
LDR	78.3% ▼	81.0%	82.8% ▼	84.9%	71.1% ▼	74.5%
Customer Deposits/ Total Liabilities	70.4% ▼	77.5%	61.8% ▼	66.5%	65.5% ▼	68.3%
Average Financing Cost TTM	3.2% ▼	3.3%	3.6% ▲	3.4%	4.8% ▲	4.6%

Source: FiinRatings. Note: Top 4 JSCBs include: Asia Commercial Joint Stock Bank (ACB), Military Commercial Joint Stock Bank (MBBank), Vietnam Technological And Commercial Joint Stock Bank (Techcombank), and Vietnam Prosperity Joint Stock Commercial Bank (VPBank)

- Common Equity Tier-1 Capital to Total Assets of SOCBs (6.4%) show moderate improvement, yet is still lower than that of Top 4 JSCBs (11.1%) and JSCBs (7.8%), highlighting SOCBs' structural capital weakness despite their systemic role. Reserve coverage improves for SOCBs (157%) and top JSCBs (104%) but thin for Other JSCBs (52%), pointing to weaker buffers against credit shocks in medium and smaller private banks
- Though Top 4 JSCBs report a lower deposit-to-liability ratio (62%) than smaller JSCBs (66%), they fund themselves with a more diversified liability structure and enjoy lower cost of funds than other JSCBs, (partly thanks to their valuable papers and their positions in the interbank market).

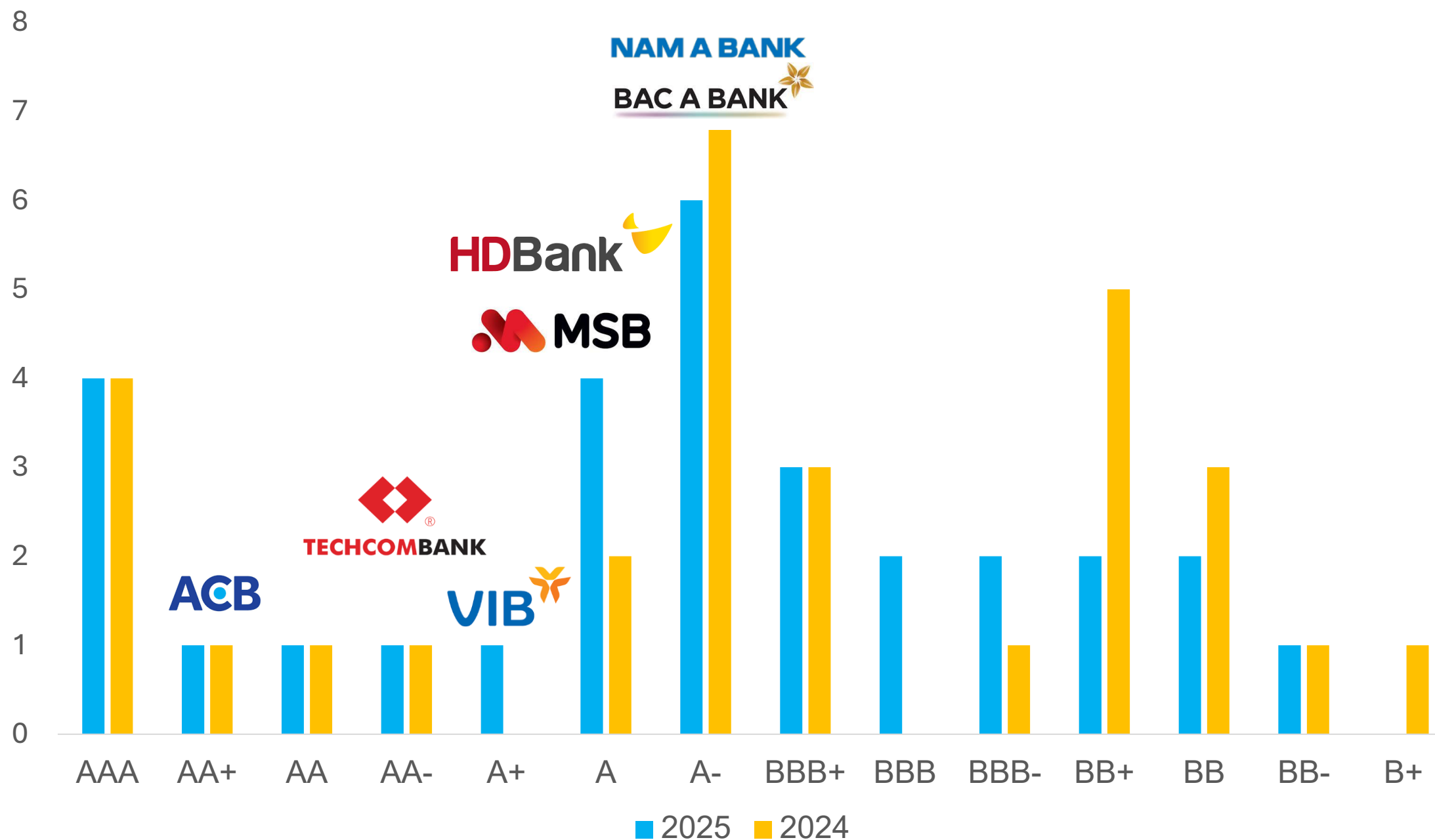
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Bank

Exhibit 18: Distribution of indicative issuer credit ratings of commercial banks in 2024-2025



Source: FiinRatings

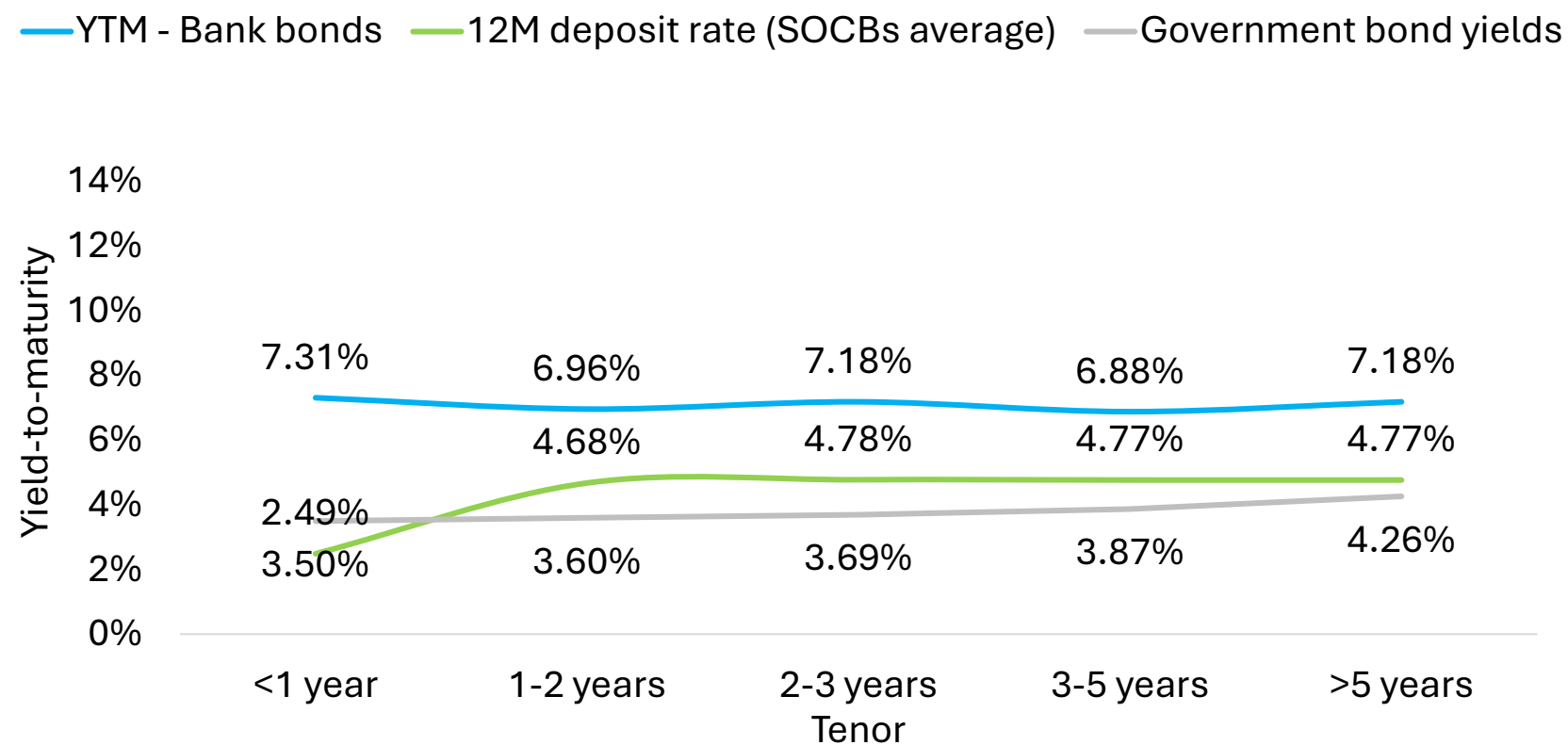
Note:

- (i) this is a preliminary credit distribution based on public information and updated periodically
- (ii) Besides Techcombank, HDBank, VIB, BAB, ACB, MSB, NAB, we have not performed and published rating for any of these banks as of this report date. Additionally, we have performed and published a rating for a debt instrument issued by Vietcombank (not displayed in chart)
- (iii) 2025 and 2024 Figures do not include Saigon Commercial Bank (SCB) due to data unavailability

- In FY2025, the median credit score remains clustered around the [A-] category, reaffirming the anchor rating for the banking sector.
- Out of 30 commercial banks, 7 improved their credit profiles in FY2025 compared to 1H2025, whose rating categories widely range from [A] to [BB], while no banks saw further deterioration in their credit profile during the same time horizon.
- The improvement is the result of a combination of: (1) change in our assessment of business position to reflect our updated view on smaller banks that belong and play a considerable role in solid corporate ecosystems and (2) improvement in risk management & asset quality.
- For 2026, in the context of rising pressure in Asset quality & Liquidity, while NIM compression and capital constraint remain challenging, we project an unfavorable outlook for the overall banking sector (in contrast to stable outlook in the previous 2 years). Regardless, we will see improvement in few banks' creditworthiness. Their characteristics include: NIM/ROA perseveration, selective credit expansion, funding diversification, and high liquidity buffer...

- **The yield gap has widened between bank bonds and deposit rates, especially for longer tenors.** This reflects higher perceived credit and duration risk by investors, but also suggests regulatory-driven issuance, particularly of Tier 2 debt instruments, which typically have longer maturities and subordination features. This occurs in a context where the government continues efforts to maintain low interest rates and stimulate economic growth.
- **We expect that banks will likely continue to redeem some Tier 2 bonds early, especially those nearing full amortization or carrying high costs but will now be more cautious.** With the new buffer rules, redeeming Tier 2 capital reduces total capital, which could put pressure on capital ratios if not offset by retained earnings or new issuance.
- Secondary market trading in 3–5-year bank bonds is still expected to grow, but investors will become more selective given tighter capital rules and a greater focus on credit quality.
- As of the date of this report, bank bond yields range from 6.7% to 7.3%, depending on maturity and credit rating. Compared to previous report, yields showed more convergence across credit rating groups—particularly between [AAA–AA], [A–BBB], and [BB and below].

Exhibit 19: Average Yield Curves - Bank Bonds, as of 26 March 2026

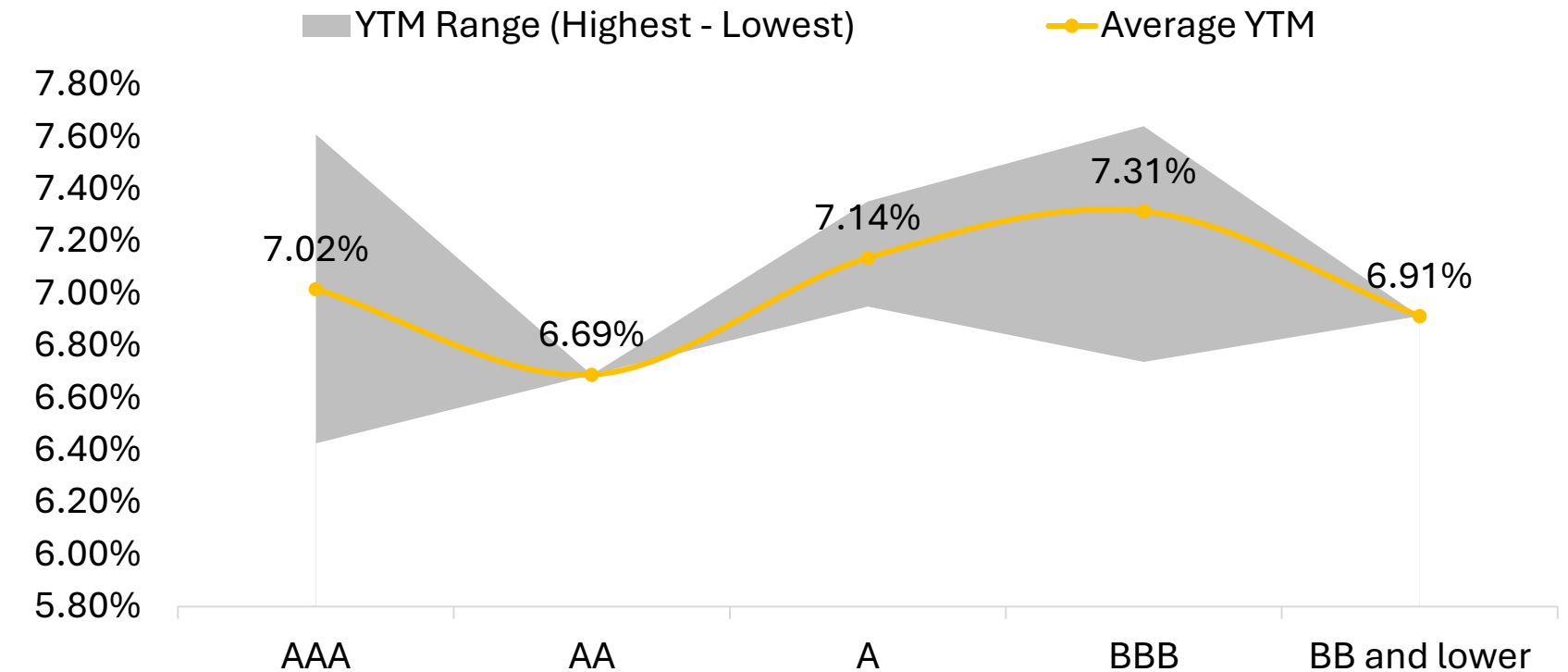


Source: FiinRatings, HNX.

Note:

- (i) Data on bank bond yield curves are compiled from 6890 bond tranches issued by 11 banks as secondary issuers on HNX during the period from January 1, 2024, to March 26, 2026 (including matured bonds).
- (ii) The 12-month deposit interest rate is the average interest rate for a 12-month term, updated from 4 state-owned banks as of June 30, 2025.
- (iii) Government bond yields are updated as of March 26, 2026.

Exhibit 20: Bank Bond Yields by Credit Ratings, as of 26 March 2026



Source: FiinRatings.

Note:

- (i) The yield to maturity (YTM) of bank bonds is compiled and analyzed based on individual and public corporate bond transaction data. Data is updated as of 26 March 2026;
- (ii) This is a preliminary credit distribution based on public information and updated periodically; Besides Techcombank, HDBank, VIB, BAB, ACB, MSB, NAB, and VCB, we have not performed and published rating for any of these banks as of this report date

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