

Citi's 2026 Pan – Asia Conference

Vietnam Upgrade – Growth, Opportunities & Challenges

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Executive Chairman, FiinGroup and FiinRatings

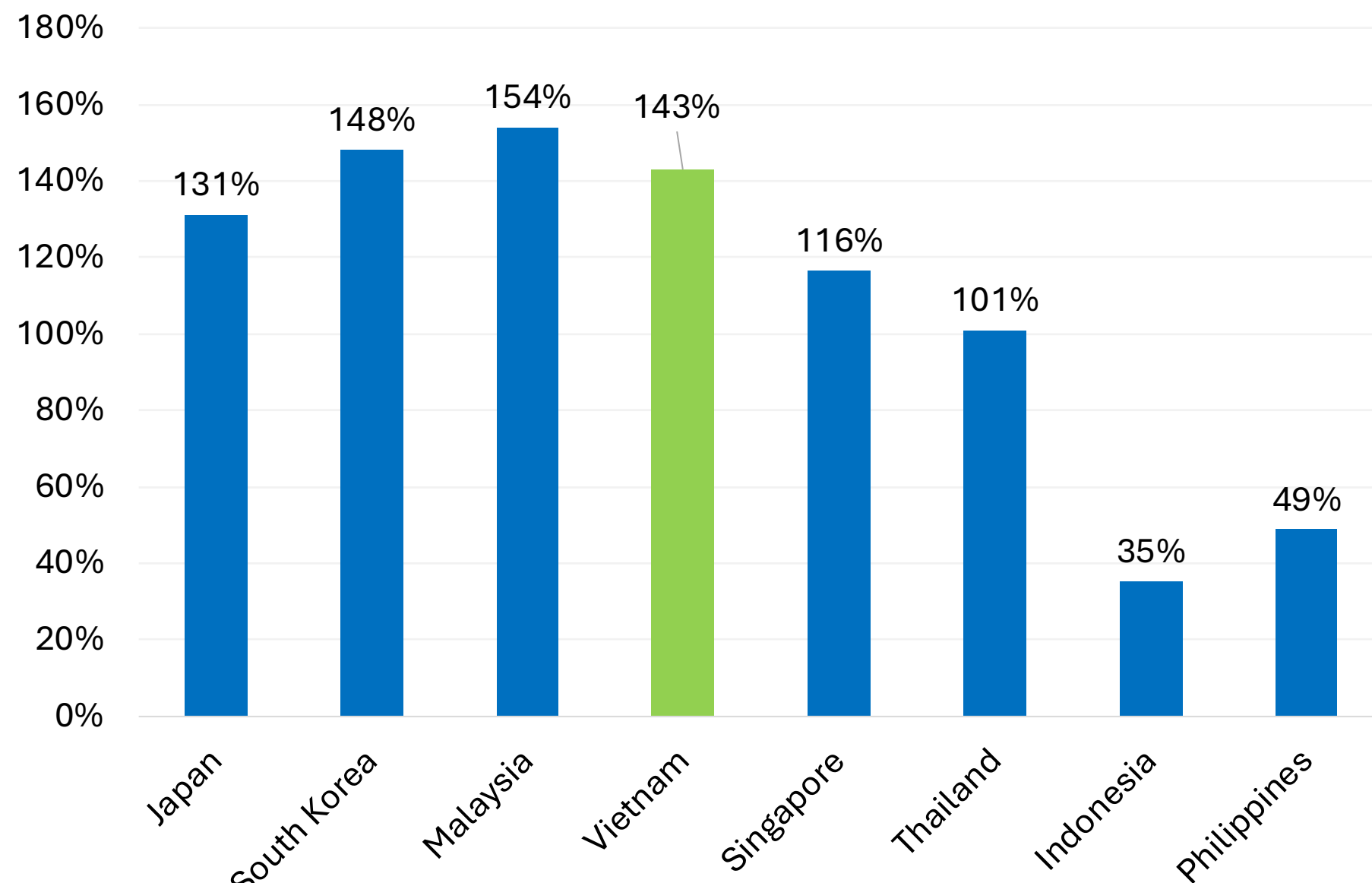
Data Analytics Research Intelligence Ratings



Agenda

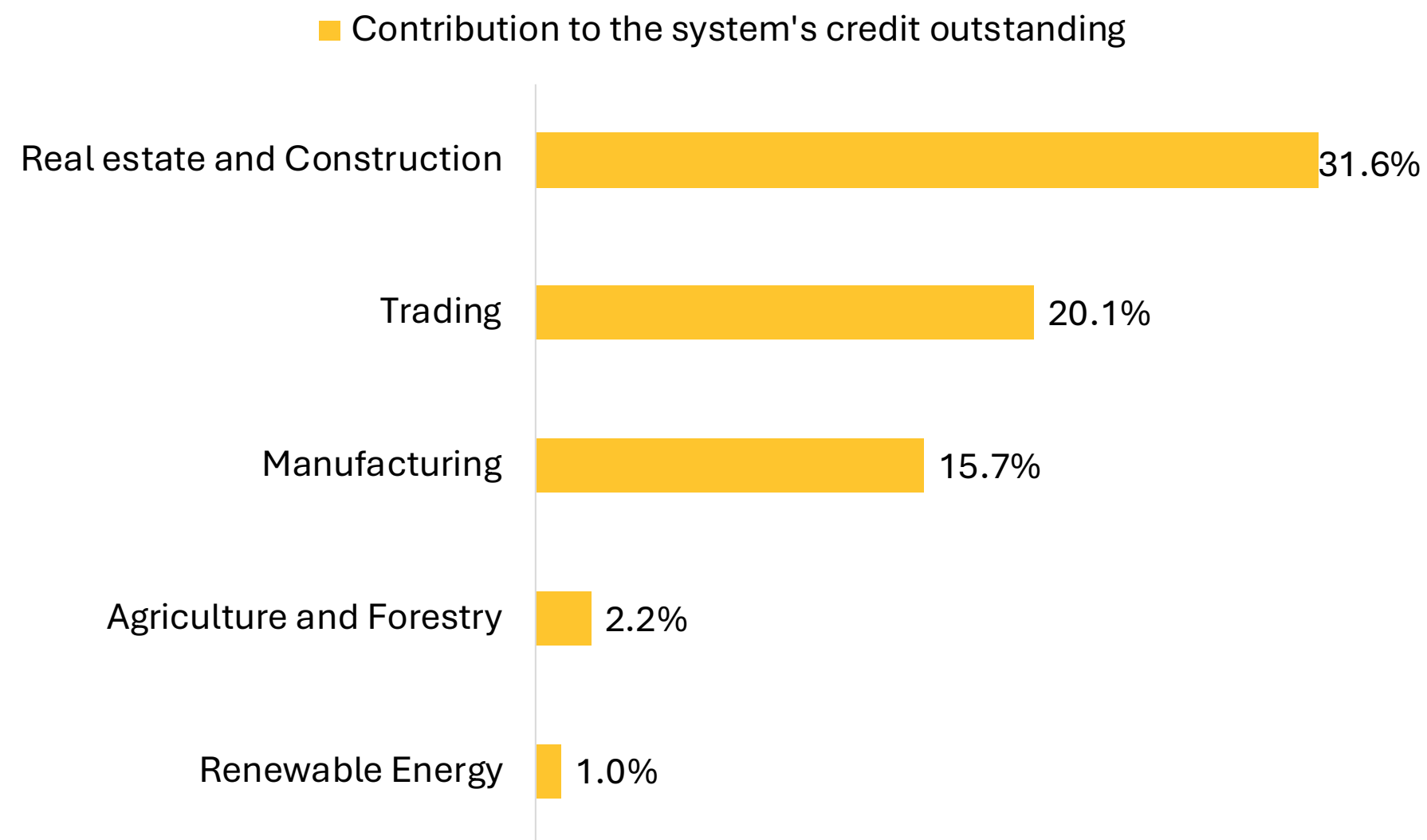
- I.  Diversifying Vietnam's Growth Funding Model
- II. Enhancing Transparency for Sovereign Rating Upgrade
- III. Vietnam's FTSE Secondary EM Upgrade Opportunity
- IV. Vietnam's Exposure to Energy and Oil Price Shocks

Vietnam Banking Credit is Reaching the level of More Developed Market...(Banking Credit/ GDP as of 2025 end)



Source: FiinGroup compilation from central bank statistics (SBV, BOT, MAS, BNM, OJK/BI, BSP, BOJ, BOK); IMF World Economic Outlook.

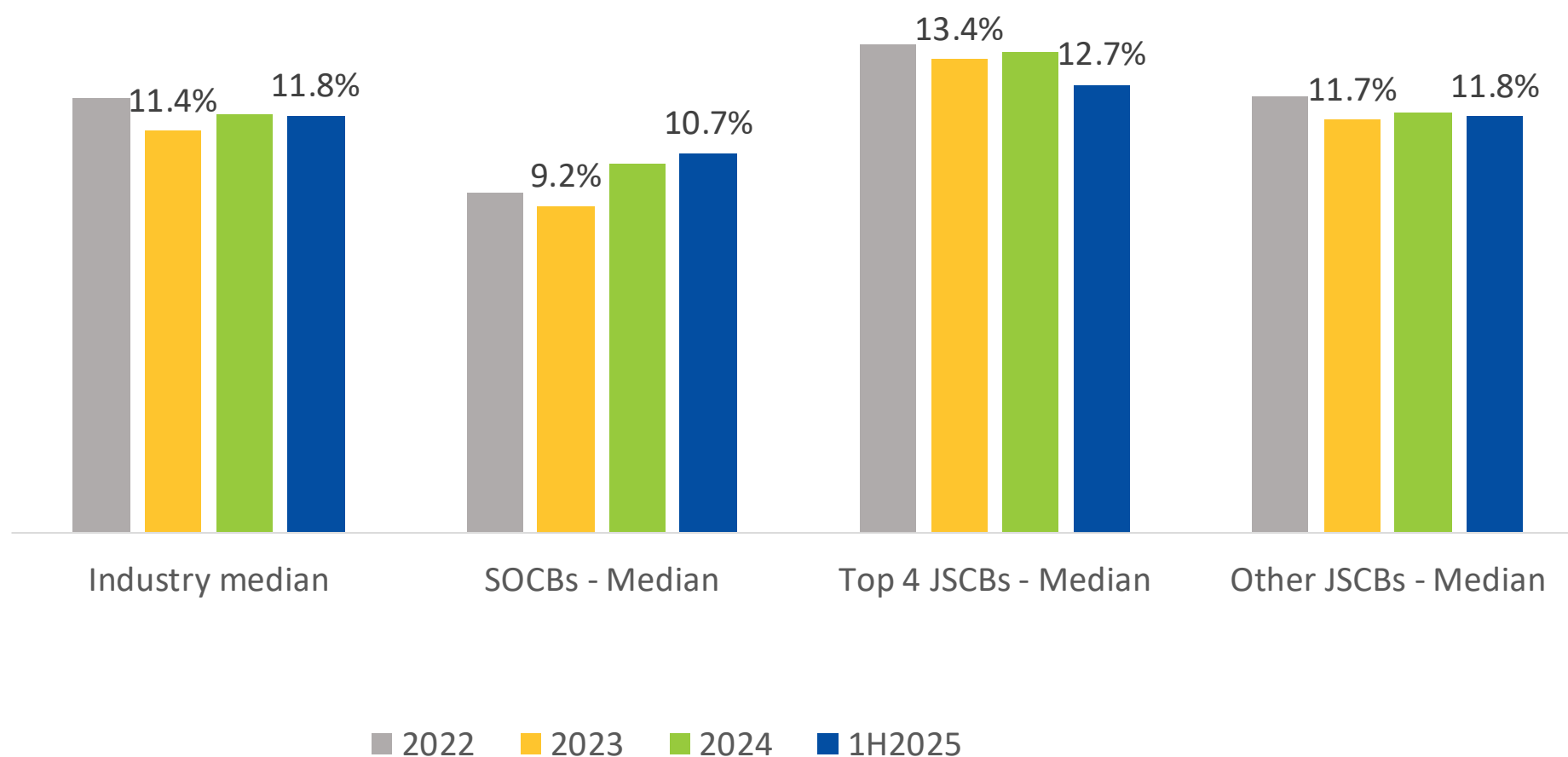
...with credit allocation on cyclical sectors while renewable energy still very small



Source: FiinRatings.

Note: Data compiled from the financial statement of 28 banks, SBV. Real estate includes both credit to developers and home buyers. Above are the selected sectors only but not all sectors (with % can be added up to 100%)

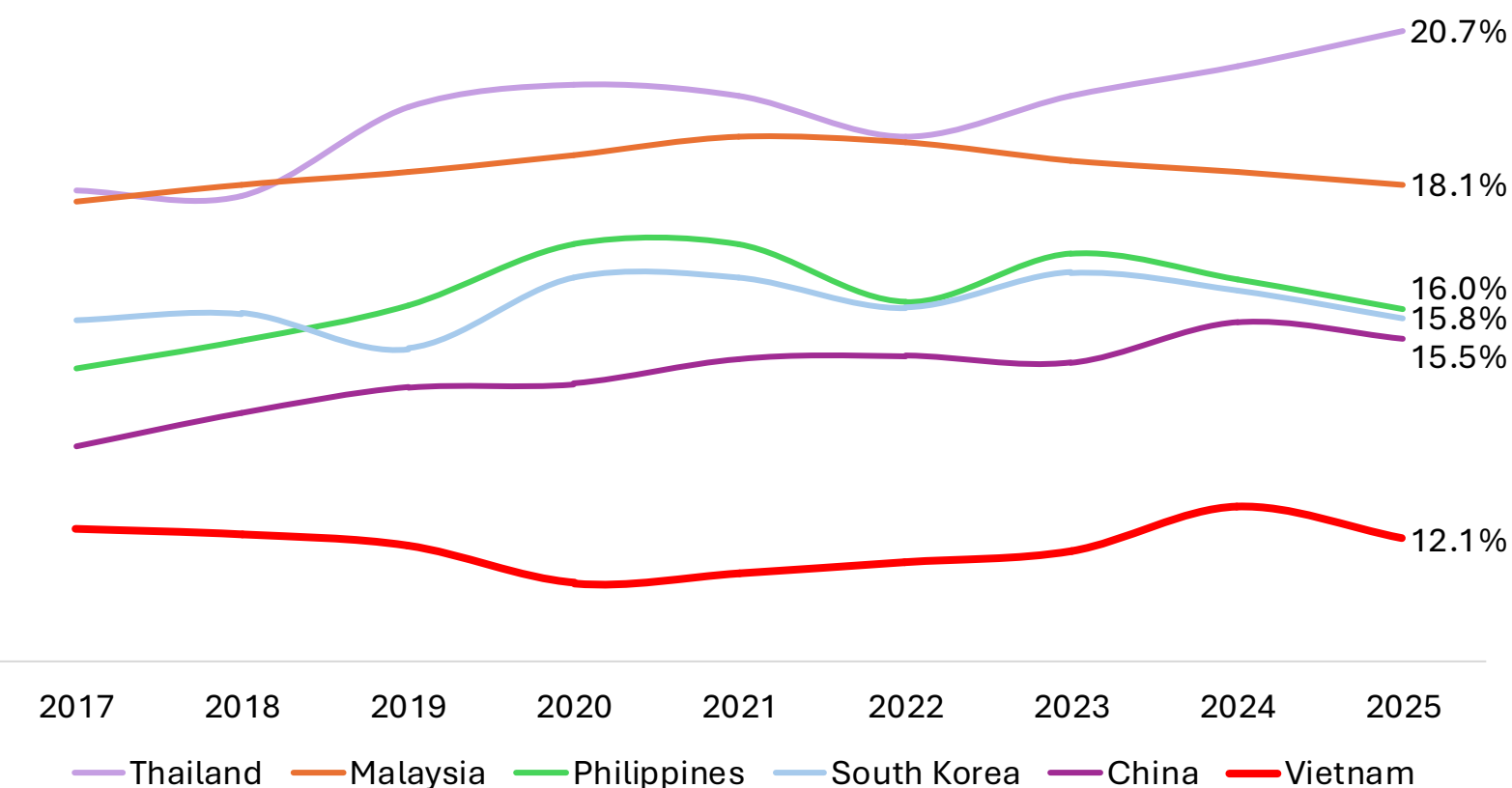
Vietnam Banks' CAR by group



Source: FiinRatings

Note: The data is median figures but not weighted average

CAR of Vietnam vs Regional countries

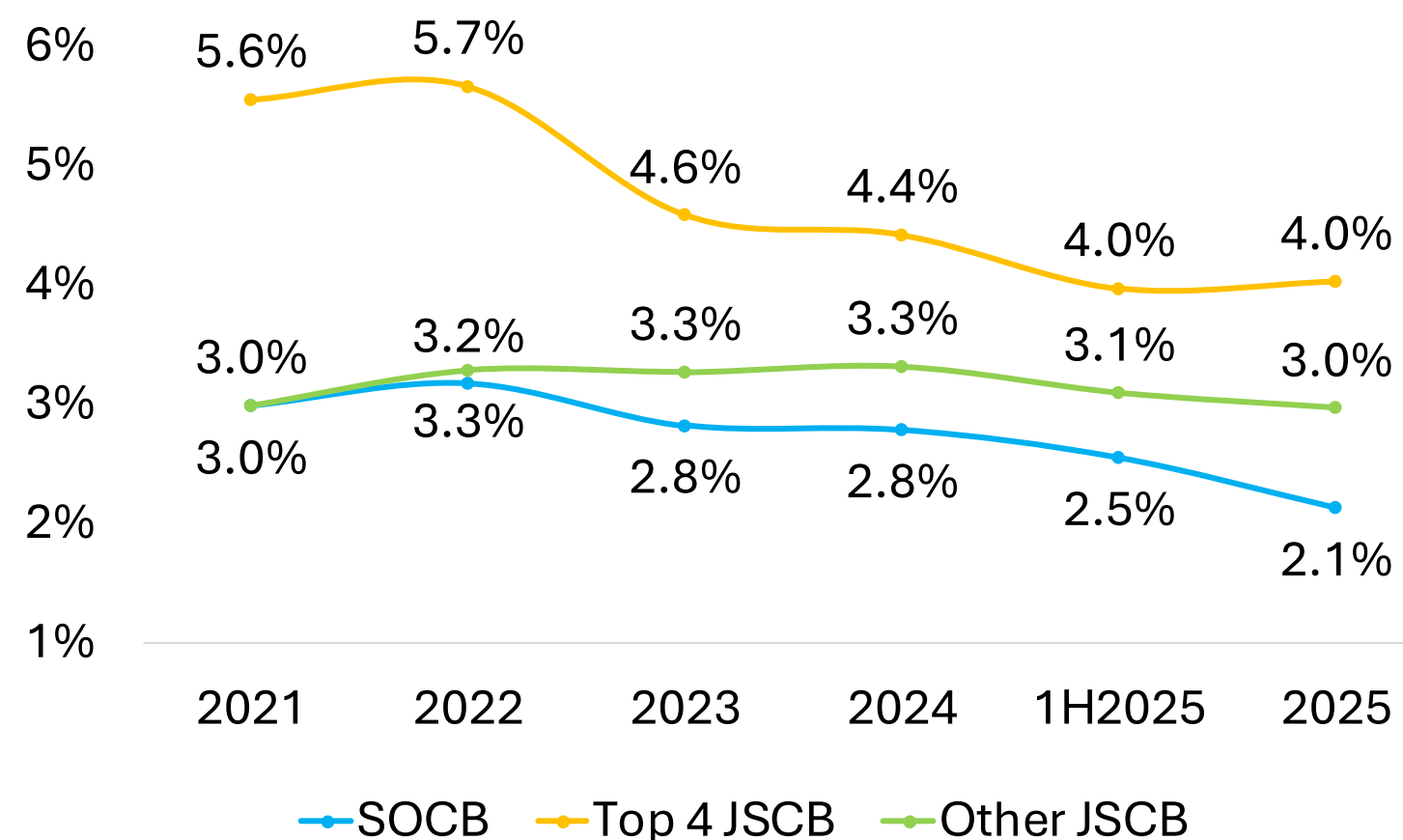


Source: FiinGroup

Note: Data for the Philippines represents the Universal and Commercial Banking Group. Vietnam's 2025 data is as of 1H2025 and was calculated by FiinGroup based on reported risk-weighted assets and regulatory capital, using the following formula: $\text{Risk-weighted assets} / (\text{Tier 1 capital} + \text{Tier 2 capital} - \text{deductions})$.

- 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.

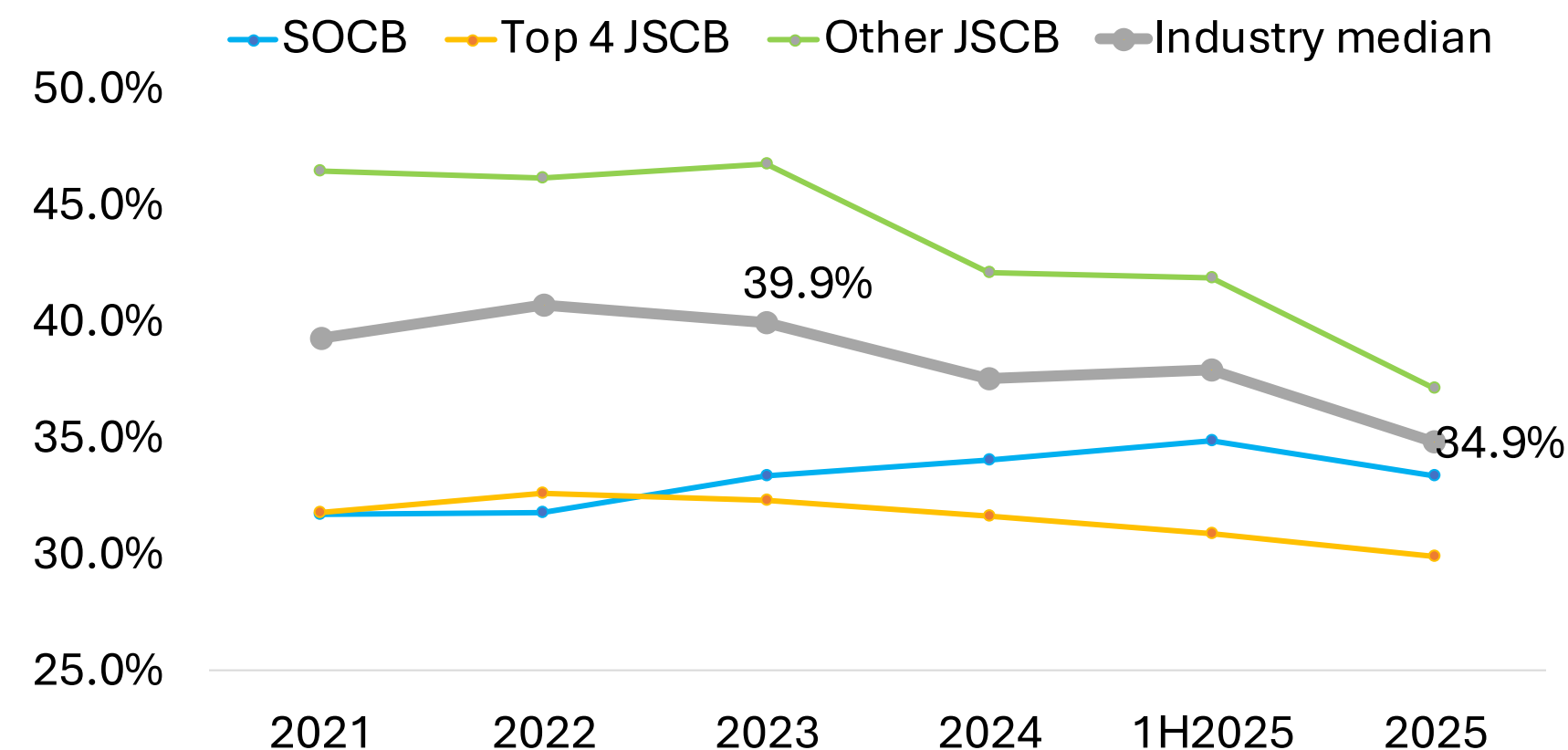
Vietnam banks' NIM (by group) (2021 – 2025)



Source: FiinRatings

- 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.

Vietnam banks' CIR By Group (2021 – 2025)

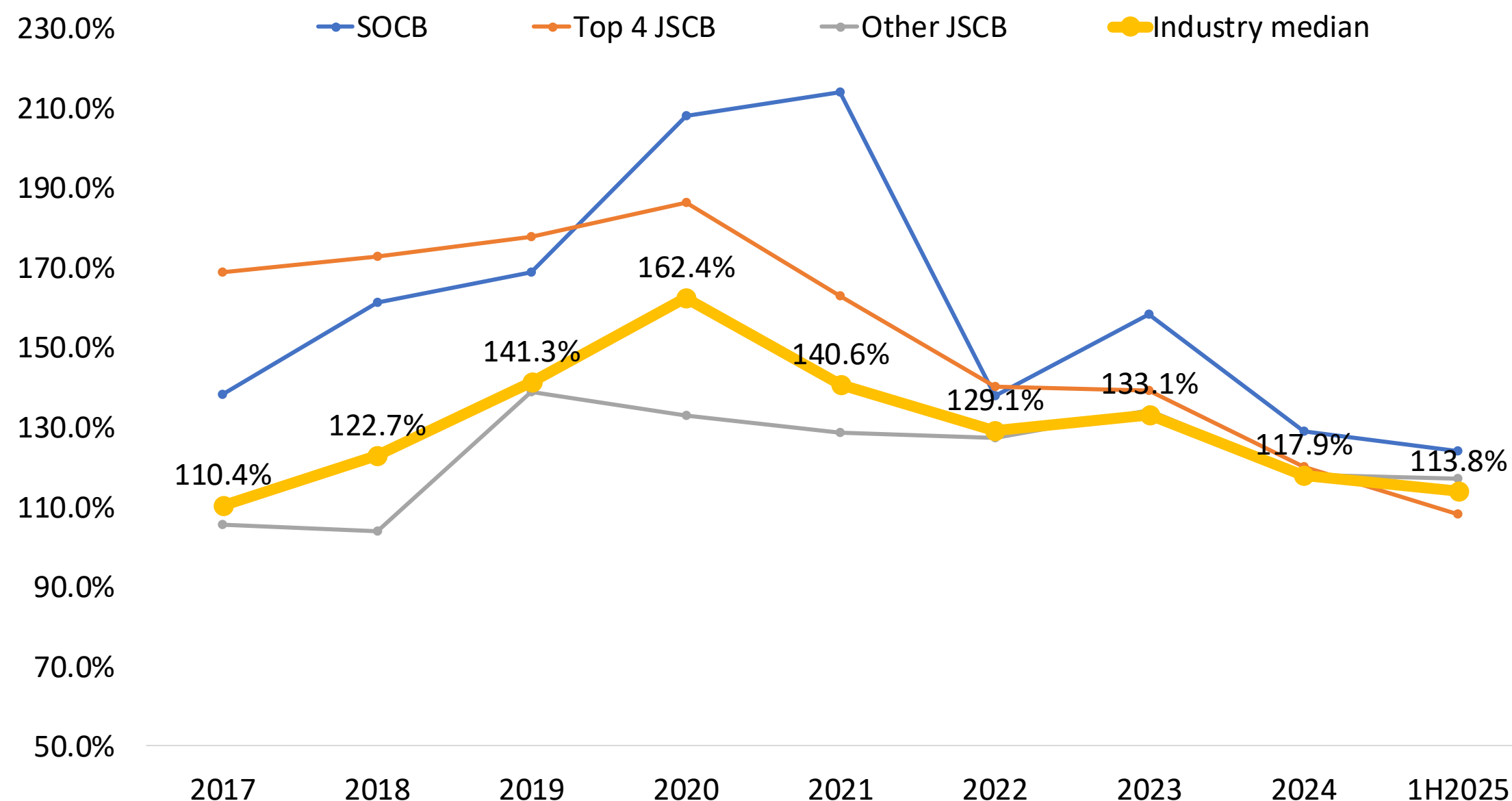


Source: FiinRatings

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.

Broad liquid assets / Short-term wholesale funding (2017 – 1H2025)



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.



Exchange Rate & Interest Rate Volatility

VND depreciation increases foreign debt servicing costs, putting corporates in a squeeze



Foreign Capital Net Outflow

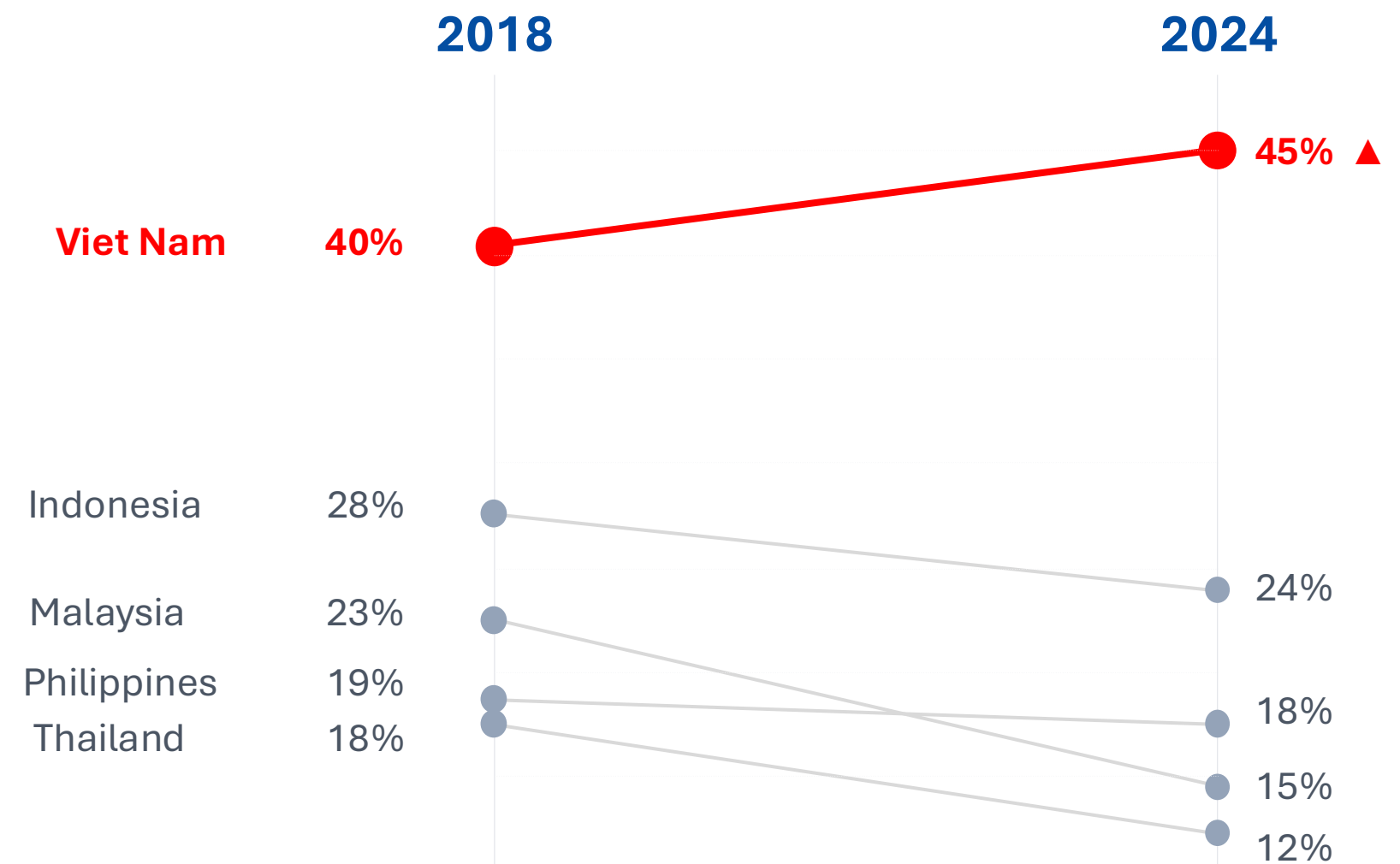
Foreign investors are net-selling securities, pressuring exchange rates and system liquidity



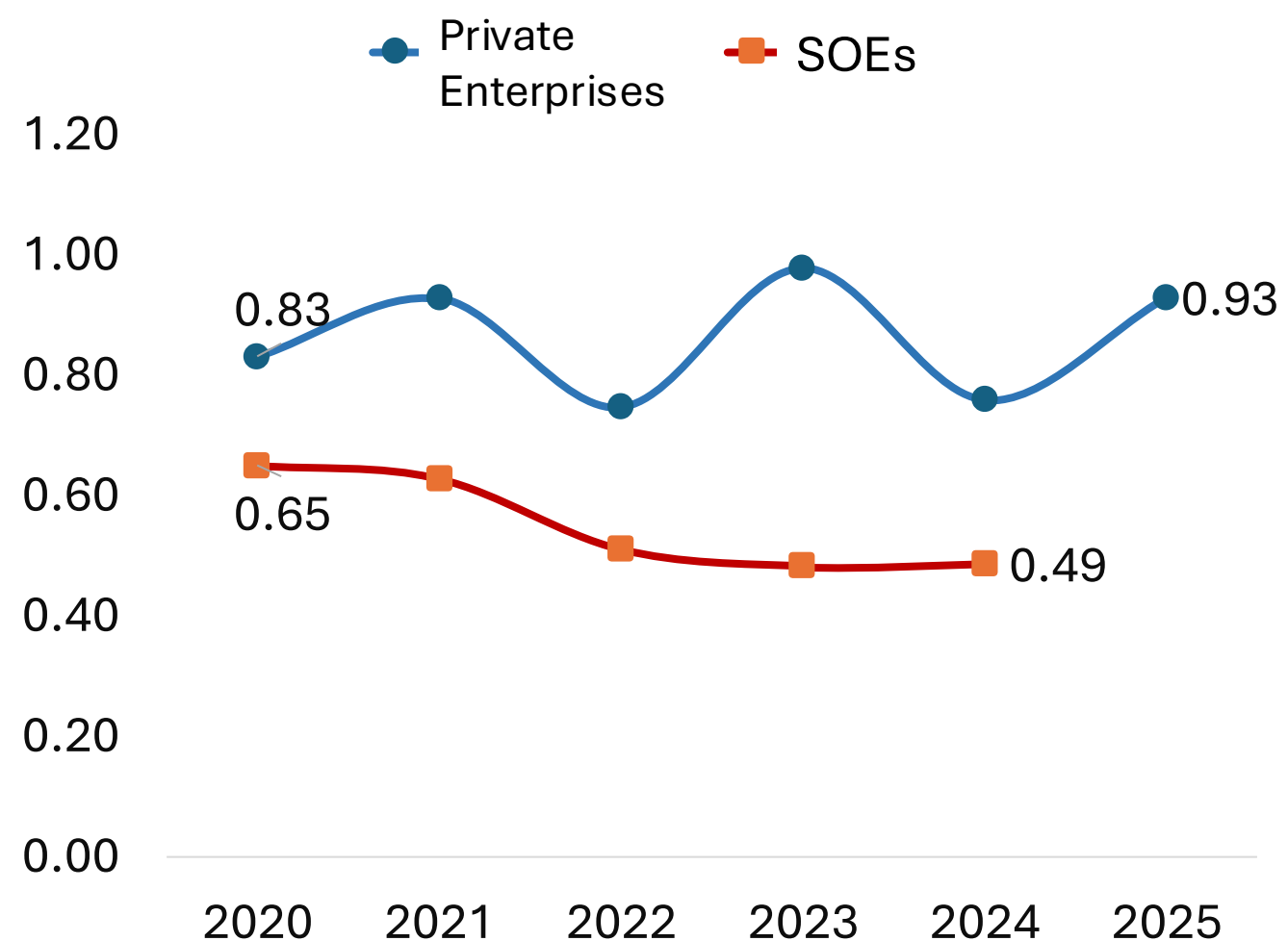
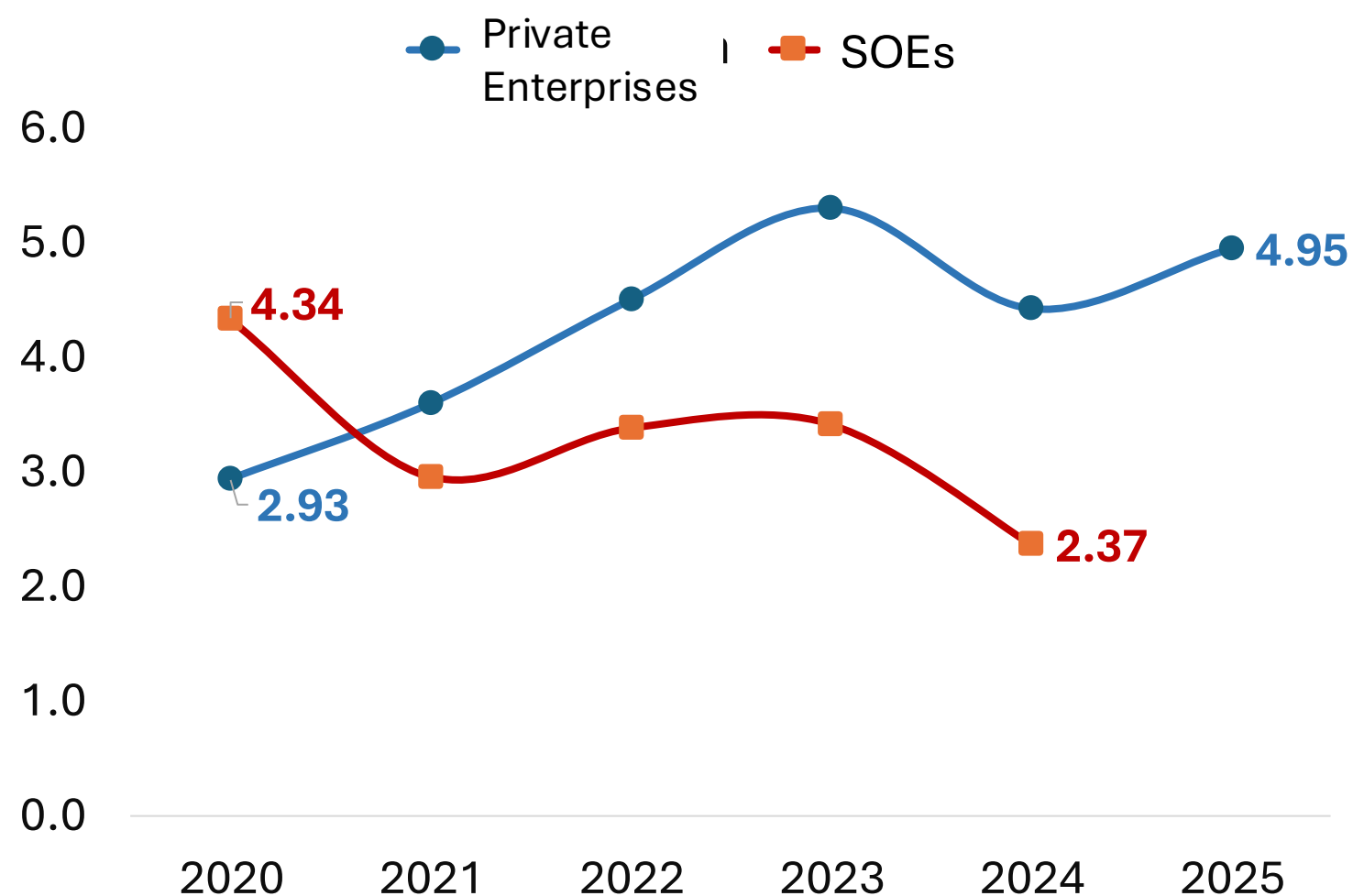
Credit Tightening & Selective Lending

Banks lend selectively, interest rates rise, refinancing channels are narrowing

Corporate Short-term Debts/ Total Debts (%)

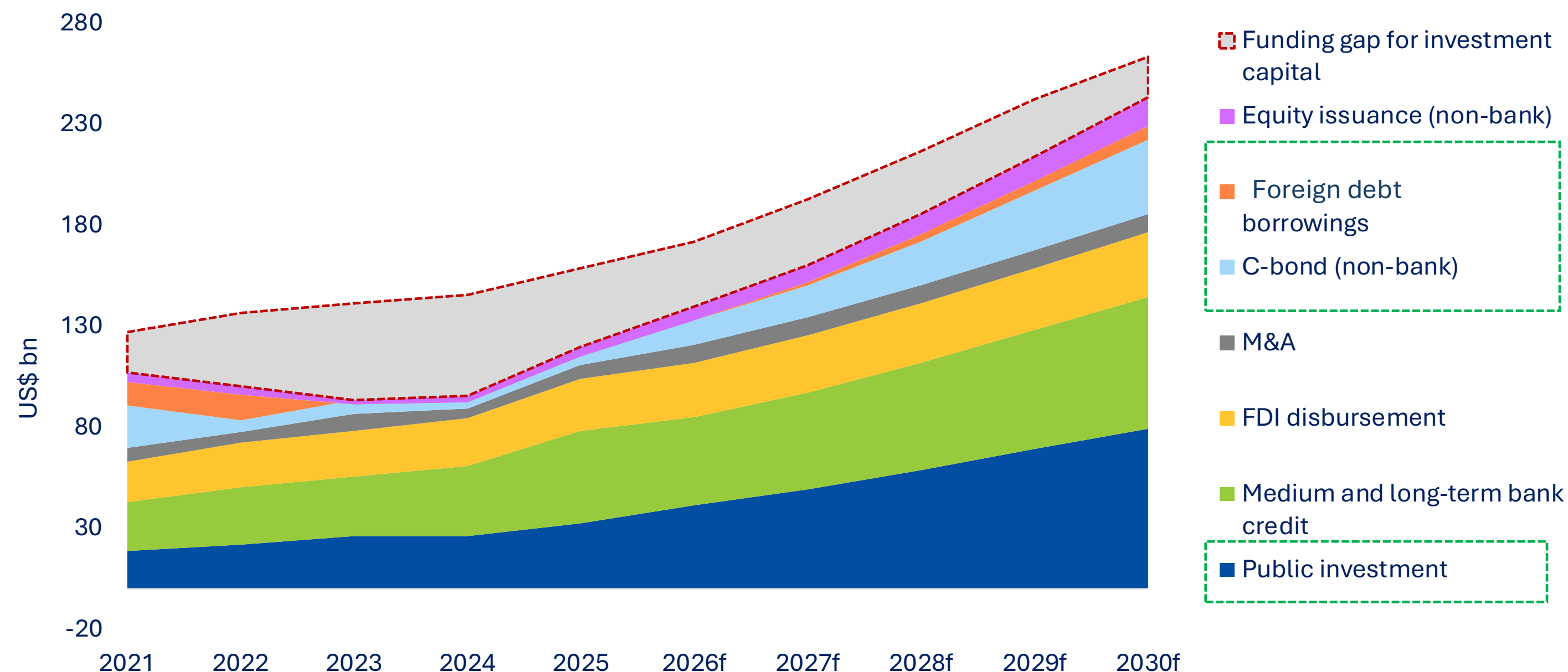


Source: S&P Capital IQ, S&P Global Ratings. Average share of debt due within 12 months for top 50 listed companies by assets in each country.

**Debt/ Equity: Private Enterprises vs. SOEs
(Median)****Debt/EBITDA: Private Enterprises vs. SOEs
(Median)**

Source: [FiinRatings](#), calculations based on data from 18 state-owned conglomerates and the 20 largest listed private enterprises by total assets. Note: Data on state-owned enterprises (SOEs) were collected and compiled from the companies' websites (information disclosures in accordance with Decree No. 81/2015/NĐ-CP and Circular No. 99/2025/TT-BTC).

Shifting capital mobilization towards the capital markets is essential to unlock long-term funding for the targeted two-digit GDP growth



Source: FiinGroup.

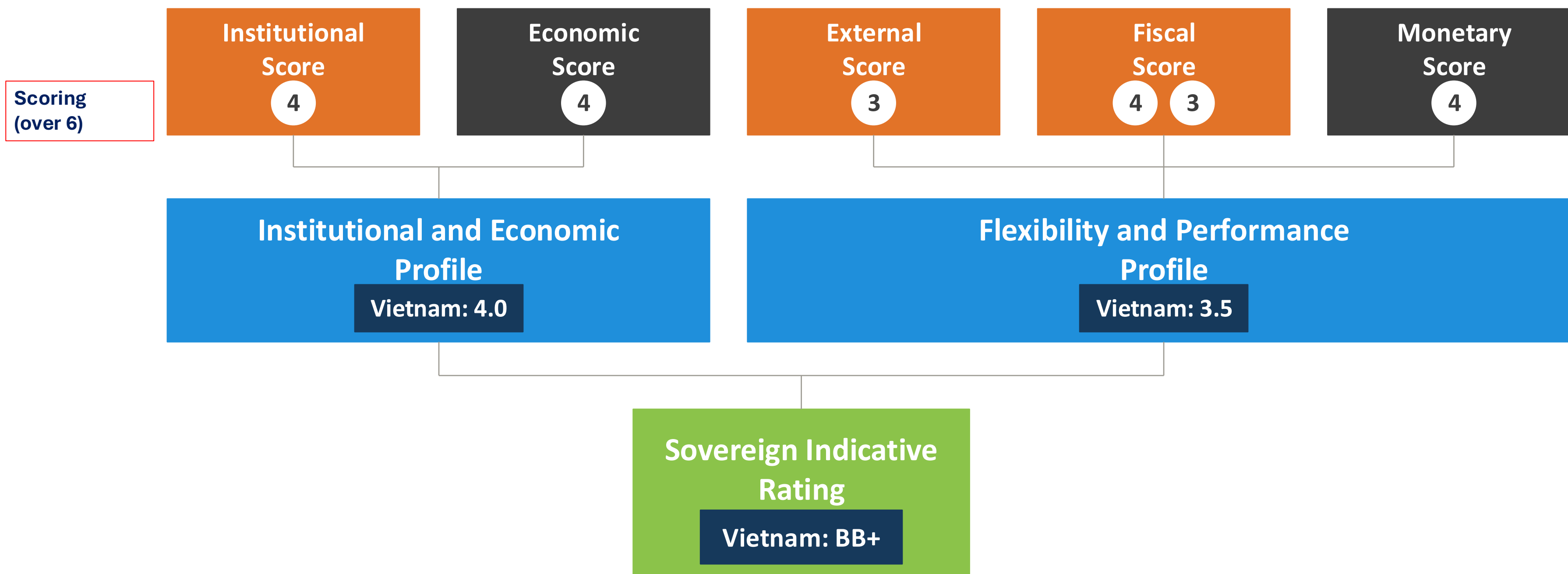
Notes:

- The main assumptions and basis for the above forecast include: (1) Capital needed for growth is total social investment based on the assumption of 10% GDP growth per year during the period 2026-2030; (2) The ratio of total social investment/GDP gradually increases, approaching 40% by 2030; (3) Public investment disbursement according to plan, completion rate maintained at a high level (>90%); (4) Credit growth stable around 15-18% per year; medium and long-term credit structure does not change significantly; (5) Non-bank corporate bond issuance recovers from 2026 and gradually increases its proportion in the capital structure; (6) FDI disbursement grows steadily at about 7-8% per year; M&A improves compared to the low base of the previous period.
- The analyses in this report focus only on medium- and long-term capital flows, excluding short-term funding channels for working capital.

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Sovereign Issuer Credit Rating Framework by S&P Global Rating



Source: S&P, Standard Chartered.

Institutional	Economic	External	Fiscal: flexibility and performance	Fiscal: debt burden	Monetary
Score = 4/6	4/6	3/6	4/6	3/6	4/6
Moderately Weak	Moderately Weak	Moderately Strong	Moderately Weak	Moderately Strong	Moderately Weak
- Effective policy responsiveness helps preserve macroeconomic stability. - Improve transparency and disclosure - Improve the business environment. - Accelerate SOE reform (e.g., Resolution 79). - Improve selected World Governance Indicators (WGI) through more proactive engagement / improve the Human Development Index (HDI).	- High but stable growth. - Improve growth quality: productivity and innovation. - Improve the structure of the economy.	- Timely information on the balance of payments and the international investment position. - Improve selected metrics, such as trade balance / GDP. - Better management of capital flows (foreign portfolio investment and FDI). - Improve the country's external position as a net external creditor. - Enhance external sustainability, particularly CARs coverage and months of imports.	- The outlook is favorable, but greater attention should be paid to government debt management. - Improve the effectiveness of external funding mobilization for both the central and local governments. - As public investment increases, improve its spillover effects and effectiveness; mobilize financing for major infrastructure projects by strengthening the policy framework for PPP bankability, project finance structures, and credit enhancement mechanisms.	- Control credit growth (loans / GDP). - Improve banking sector stability, given the current very high industry risk level (BICRA 9/10): better control of credit growth, stronger risk-based lending practices, and higher capital / prudential safety buffers. - Undertake stronger capital market reforms (government bonds and corporate bonds) to support growth financing.	- Exchange rate management regime: more flexibility would be preferable. - Enhance the independence and autonomy of the State Bank of Vietnam. - Address certain structural issues: increase the effectiveness of monetary policy transmission and strengthen the policy focus in monetary operations. - The role of the corporate bond market remains too limited, and the linkages between the corporate bond market and the banking sector are still weak.

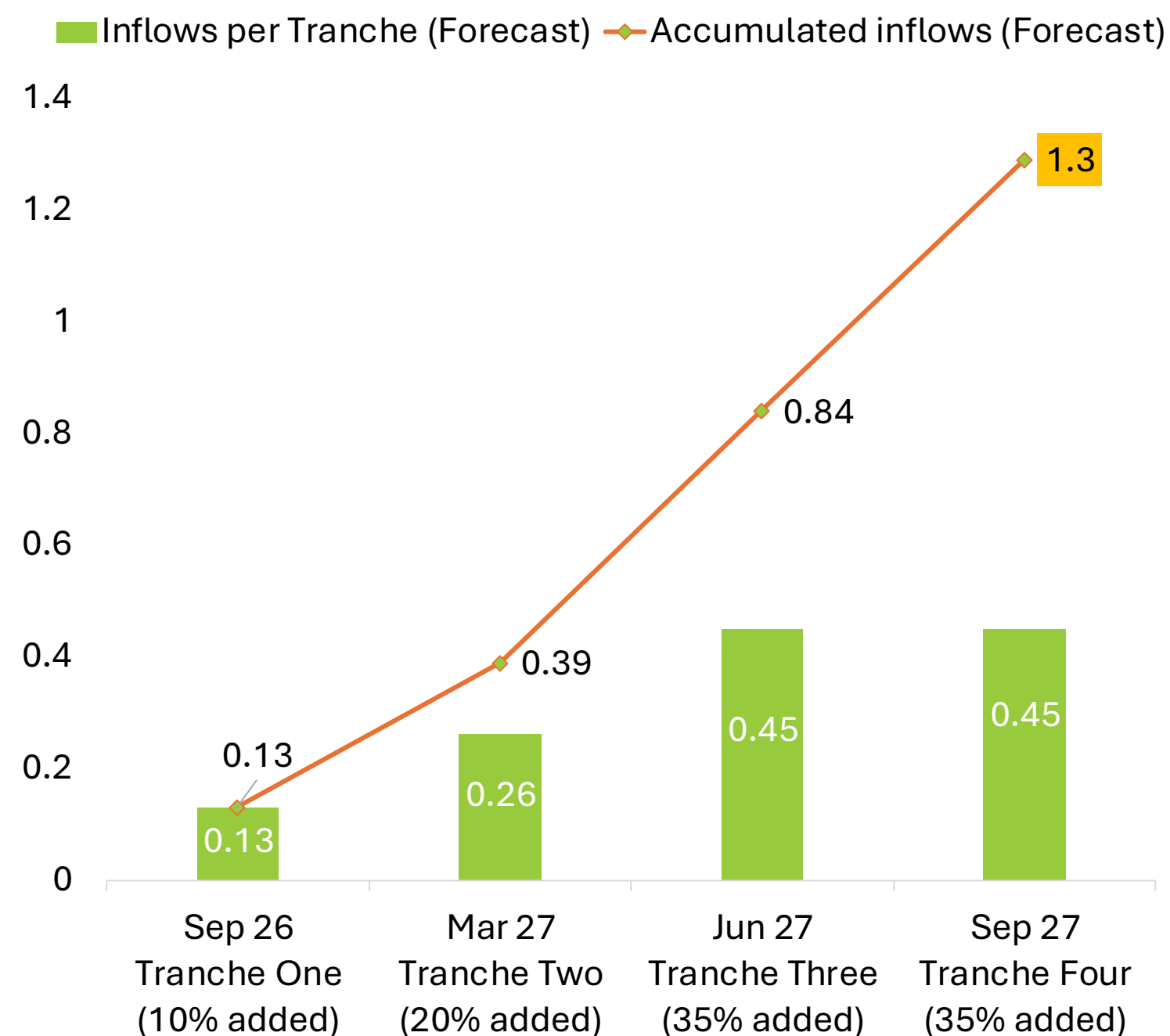
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Major ETFs Tracking FTSE Indices with Vietnam Exposure Post-Upgrade

ETF	Benchmark Index	Total AUM (USD bn, Mar 2026)	Vietnam Weight in Benchmark (%)	Implied Passive Inflows to Vietnam (USD mn)
Vanguard Total International Stock ETF	FTSE Global All Cap ex US	582	0.09%	495
Vanguard Institutional Total International Stock Market Index Trust II	FTSE Global All Cap ex US	296	0.09%	251
Vanguard FTSE Emerging Markets ETF	FTSE Emerging Markets All Cap China A	146	0.33%	481
Vanguard FTSE All-World ex-US Index Fund	FTSE All-World ex US	84	0.04%	34
Vanguard Total World Stock ETF	FTSE Global All Cap	79	0.03%	27
Vanguard FTSE All-World UCITS ETF	FTSE All-World	66	0.02%	13
Total		1,253		~1,300

FTSE Secondary EM upgrade is expected to channel ~USD 1.3 billion of passive inflows into Vietnam equities, phased across four tranches through Sep 2027



Methodology: Implied Passive Inflows to Vietnam = Total AUM × Vietnam Weight in Benchmark. Assumes full passive replication of FTSE index weights post-upgrade.

Source: FiinGroup, SSI Research ; Vanguard fund disclosures (as of Mar 31, 2026); FTSE Russell index methodology

Source: FiinGroup

23 Stocks Potentially Qualified for FTSE EM inclusion

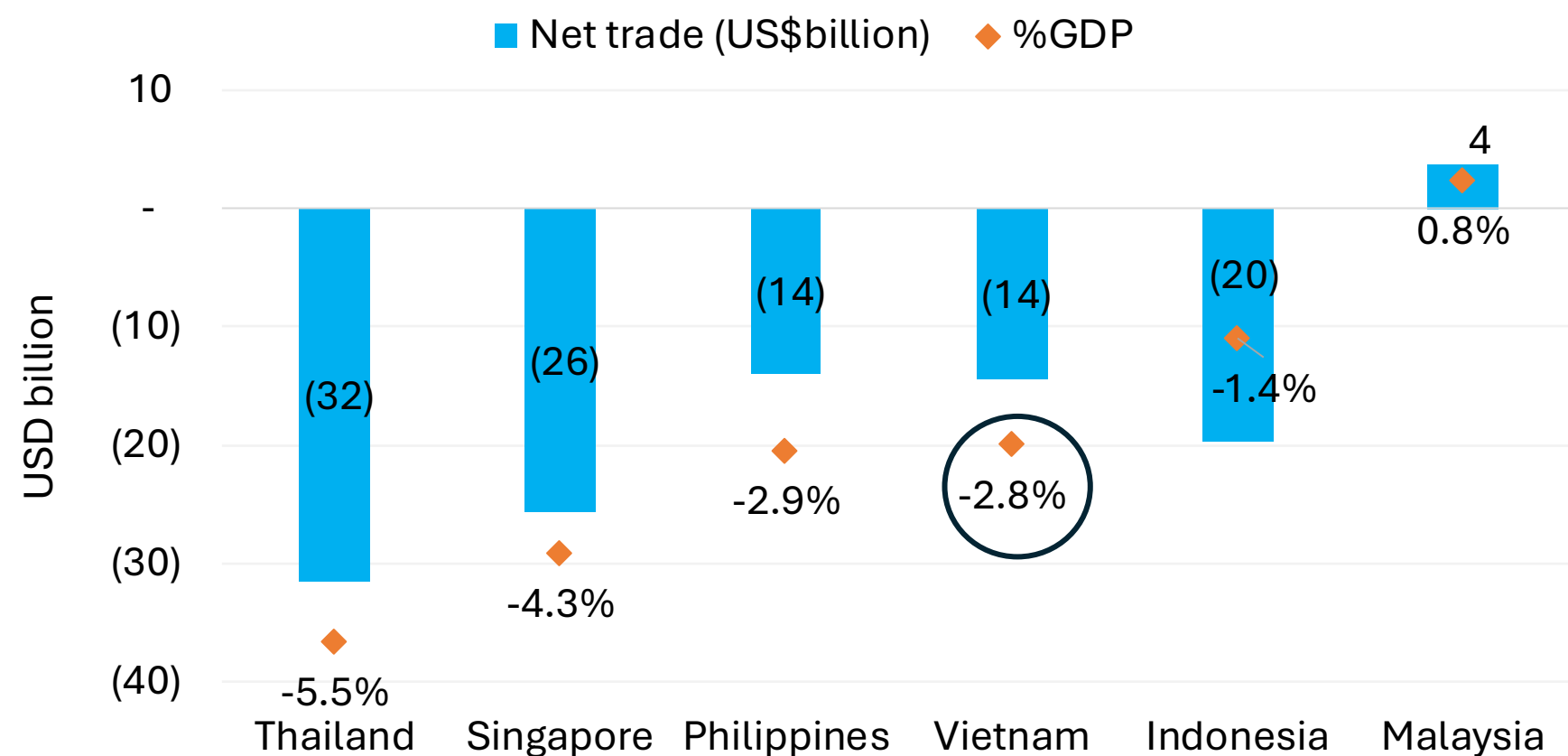
STT	Ticker	Company Name	Market Capitalization (as of May 6, 2026) (million USD)	Free Float (%)	Free Float Capitalization (%)	1-Year Average Trading Volume (May 6, 2026) (shares)	Remaining Foreign Ownership (%)	6-Month Price Change (%)	Sector
1	VIC	VinGroup	65,057	35%	22,770	6,450,461	45%	111%	Conglomerate
2	HPG	Hoa Phat Group	8,148	55%	4,481	48,050,101	26%	6%	Materials
3	VHM	Vinhomes	23,855	30%	7,156	7,284,119	42%	53%	Real Estate
4	FPT	FPT Corp	4,803	85%	4,082	10,443,413	18%	-26%	Information Technology
5	MSN	Masan Group	4,360	60%	2,616	8,854,633	75%	-1%	Consumer
6	SSI	SSI Securities	2,731	70%	1,911	36,538,761	68%	-9%	Securities
7	VNM	Vinamilk	4,944	40%	1,977	6,311,539	51%	6%	Consumer
8	STB	Sacombank	4,996	95%	4,746	12,668,943	18%	33%	Banking
9	VCB	Vietcombank	19,443	11%	2,139	8,171,139	10%	0%	Banking
10	VJC	Vietjet Air	4,130	45%	1,858	2,419,300	24%	0%	Aviation
11	VRE	Vincom Retail	3,199	40%	1,279	9,077,030	37%	14%	Real Estate
12	VIX	VIX Securities	1,659	100%	1,659	45,815,000	92%	-21%	Securities
13	NVL	Novaland	1,474	65%	958	20,752,453	44%	27%	Real Estate
14	VCI	Vietcap Securities	1,170	70%	819	11,190,246	80%	-1%	Securities
15	SHB	SHB Bank	2,849	75%	2,137	81,976,583	27%	-10%	Banking
16	GEX	Gelex Group	1,477	70%	1,034	13,262,883	43%	-6%	Electrical Equipment
17	VND	VNDIRECT Securities	975	75%	731	23,719,344	91%	-15%	Securities
18	KBC	Kinh Bac City	1,264	55%	695	6,776,023	40%	-2%	Industrial Real Estate
19	KDH	Khang Dien House	1,045	65%	679	5,825,791	23%	-29%	Real Estate
20	BID	BIDV Bank	11,452	6%	687	6,798,715	12%	6%	Banking
21	DGC	Duc Giang Chemicals	815	60%	489	3,620,426	43%	-39%	Chemicals
22	BSR	Binh Son Refining & Petrochemical	5,142	8%	411	12,857,256	48%	62%	Oil & Gas
23	GEE	GELEX Electric	2,813	13%	366	1,042,550	49%	17%	Electrical Equipment

Source: FiinGroup. Note; Calculation performed by FiinGroup based on the criteria published by FTSE. Calculation made on 10 May 2026

Agenda

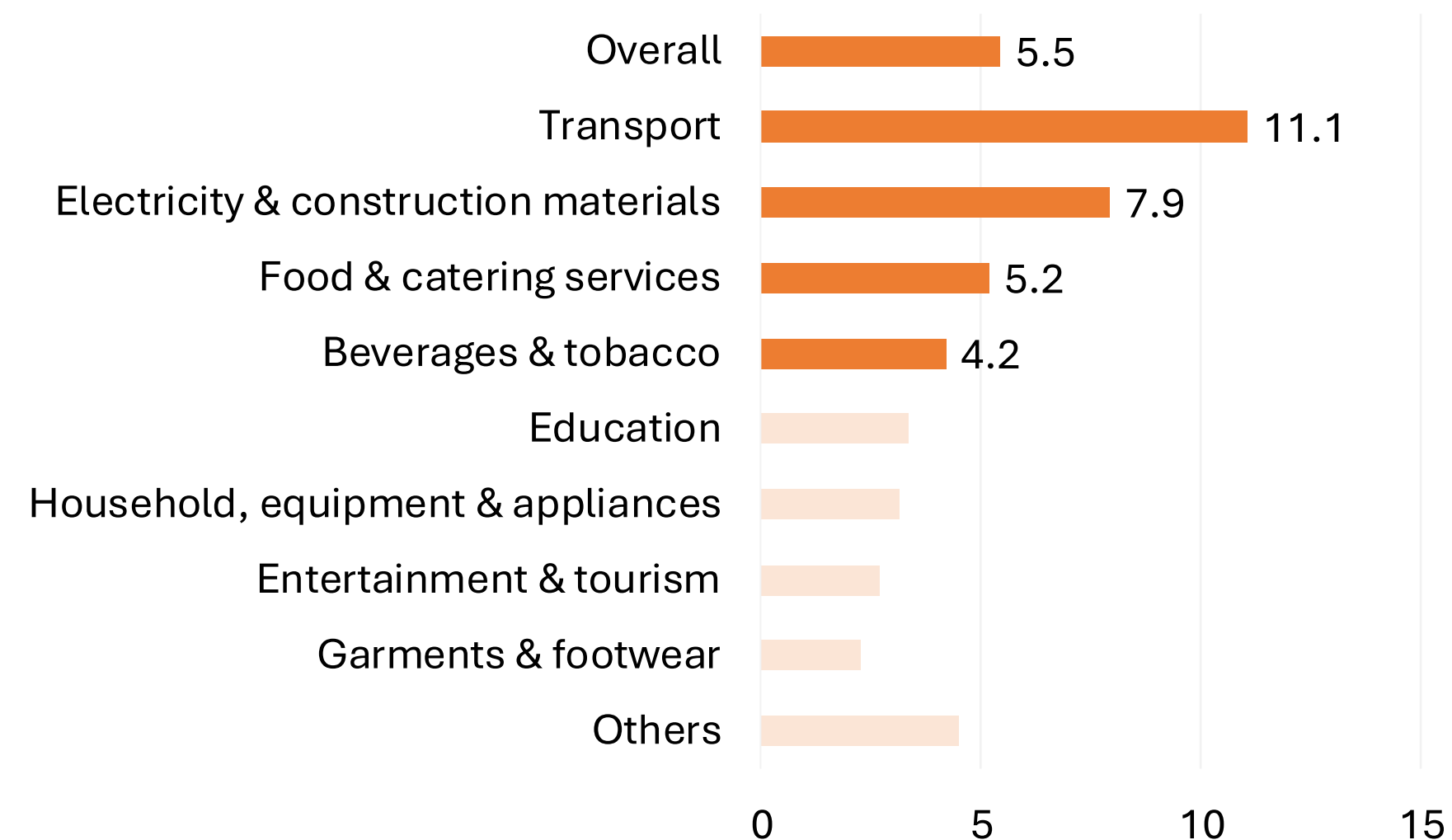
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Net trade of crude oil, petroleum products and natural gas (2025)



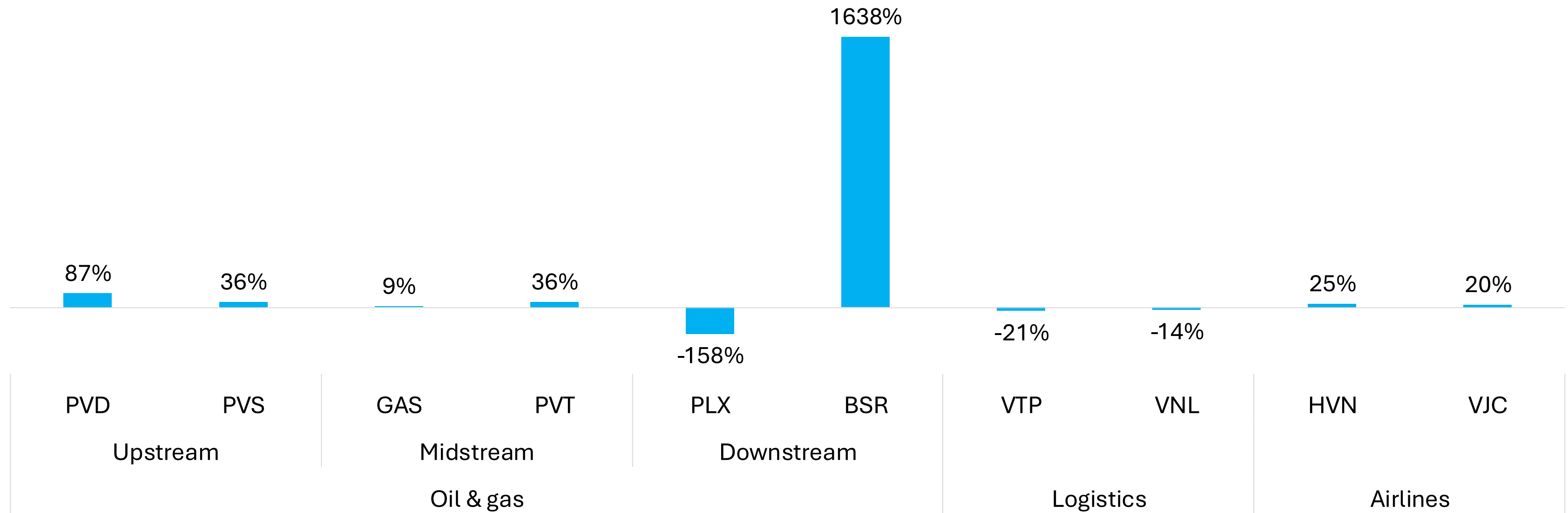
Source: FiinRatings from Bank of Thailand, Singstat, Philippine Statistics Authority, Customs of Vietnam and BPS Statistics Indonesia. Note: Net trade = exports - imports

YoY CPI increase in April 2026 (%)



Source: FiinRatings from GSO

YoY EBIT Change in Q1/2026 of some listed entities by sector



Source: FiinProX



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