

Post-Event Report

Vietnam Credit Outlook 2025:

Navigating opportunities amid global shift and uncertainties, paving the way for a new era of development

Key takeaways



We expect Vietnam's credit conditions to stabilize in 2025, supported by higher government spending and supportive policies. The real estate sector is recovering as market conditions become more favorable, facilitating new project development and sales.



The banking sector will remain the dominant financing channel for economic expansion. Stronger domestic activities will drive new financing needs for borrowers, particularly longer-term corporate credit demand and ongoing recovery of mortgage loans.



The corporate bond market will advance further in the new development phase, marked by higher issuance, particularly from bank and real estate sectors, low new defaults, and a faster-growing green and sustainable bonds.



Weak cash flow is the key credit weakness of Vietnam real estate developers. Meanwhile, governance risks, uneven recovery in the real estate market and volatile external conditions remain our key credit concerns for Vietnam banks.

Our speakers



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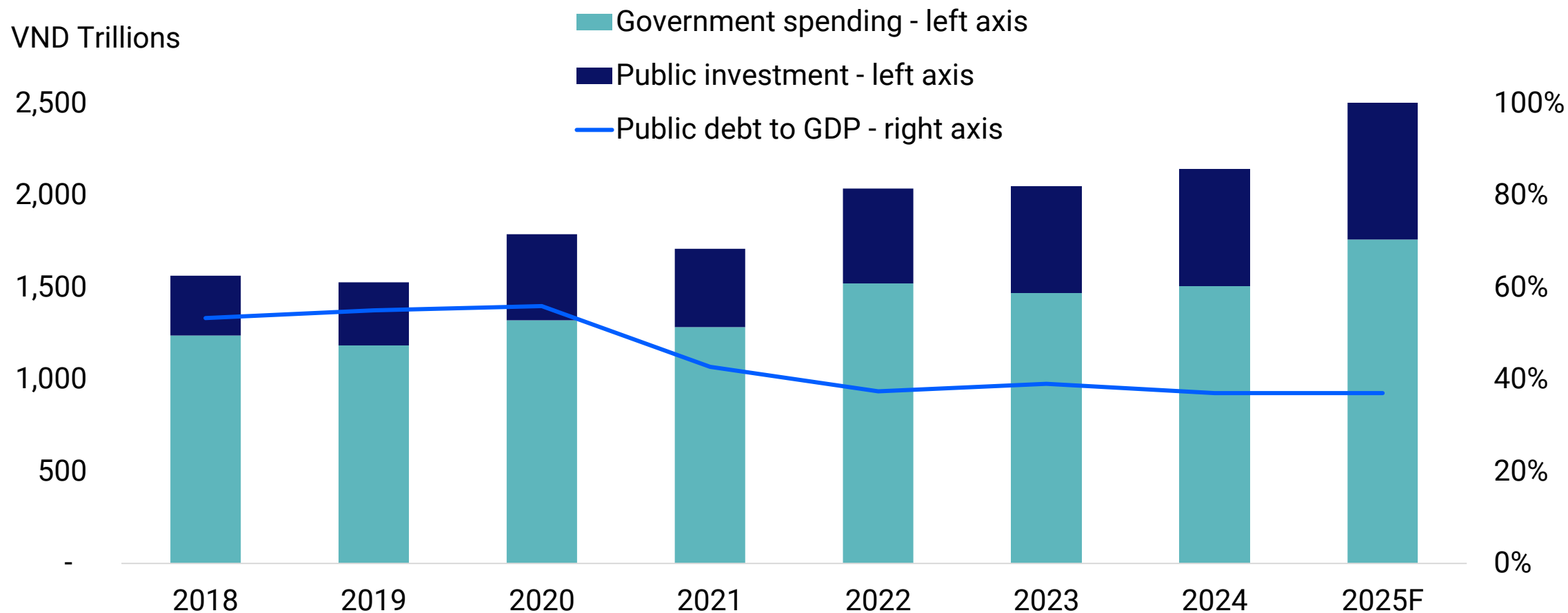
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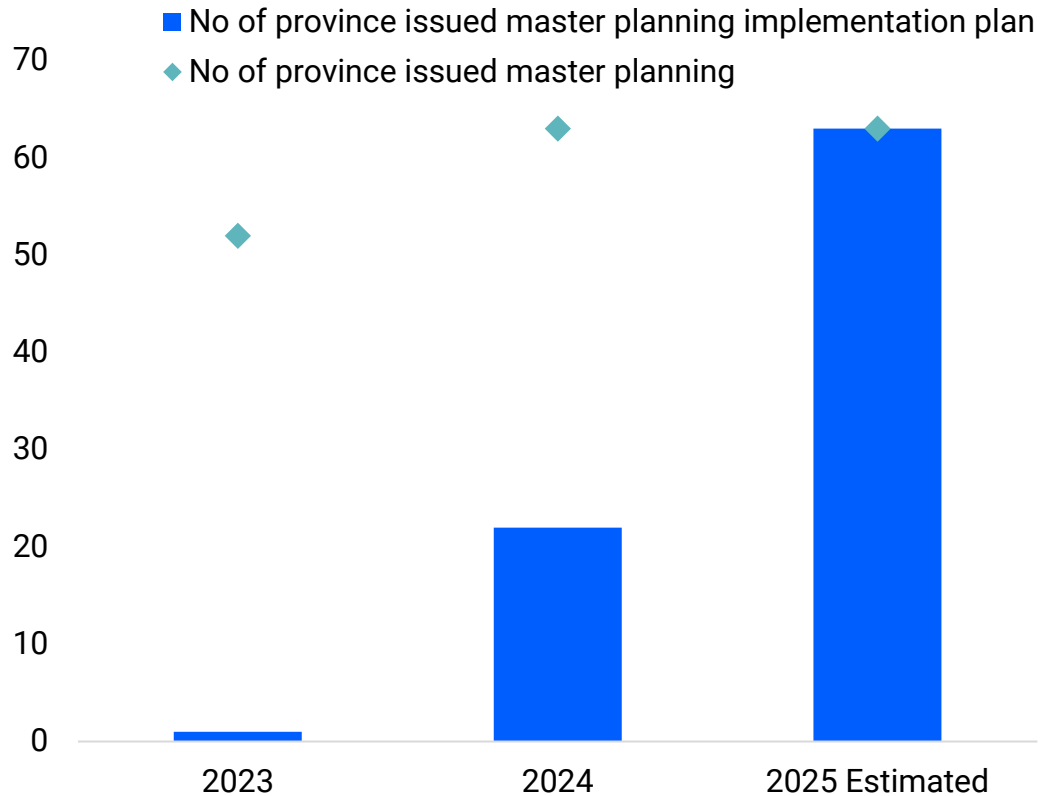
Higher government spending and supportive policy measures are key engines for 8% GDP growth in 2025



Source: Vietnam's General Statistic Office (GSO), VIS Rating

Regulatory improvements will spur project development

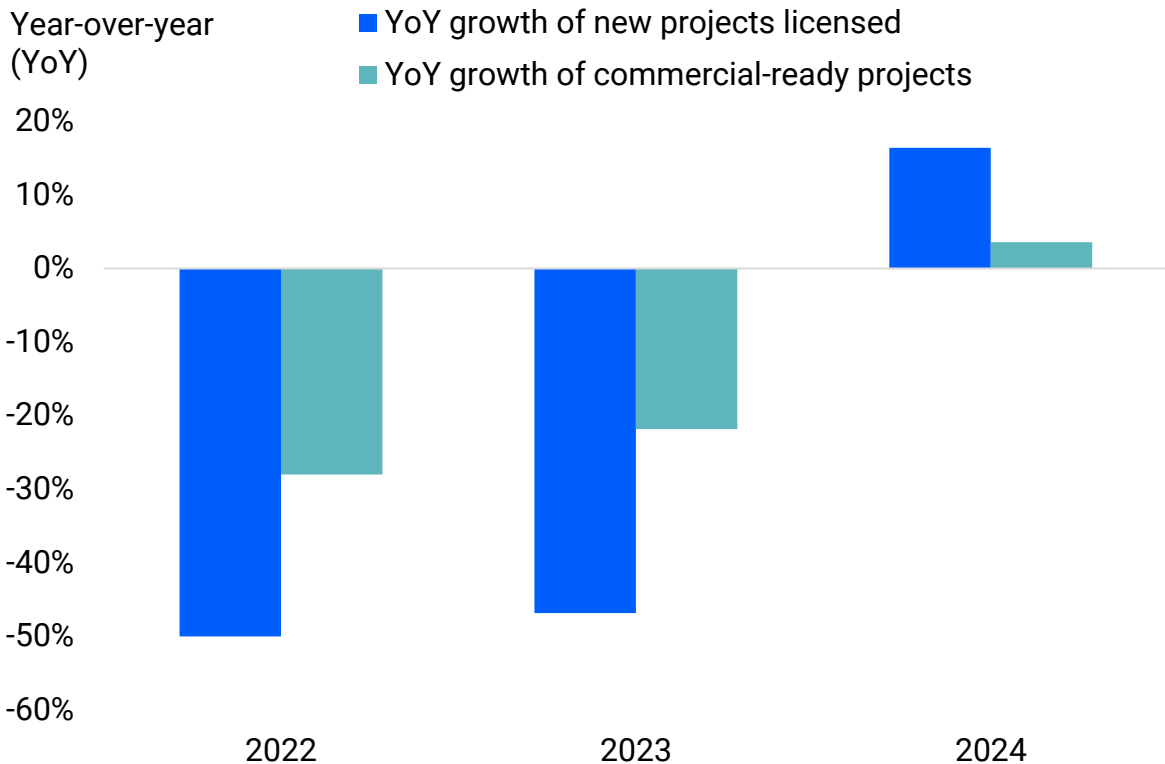
Provincial master planning execution is advancing



Source: VIS Rating

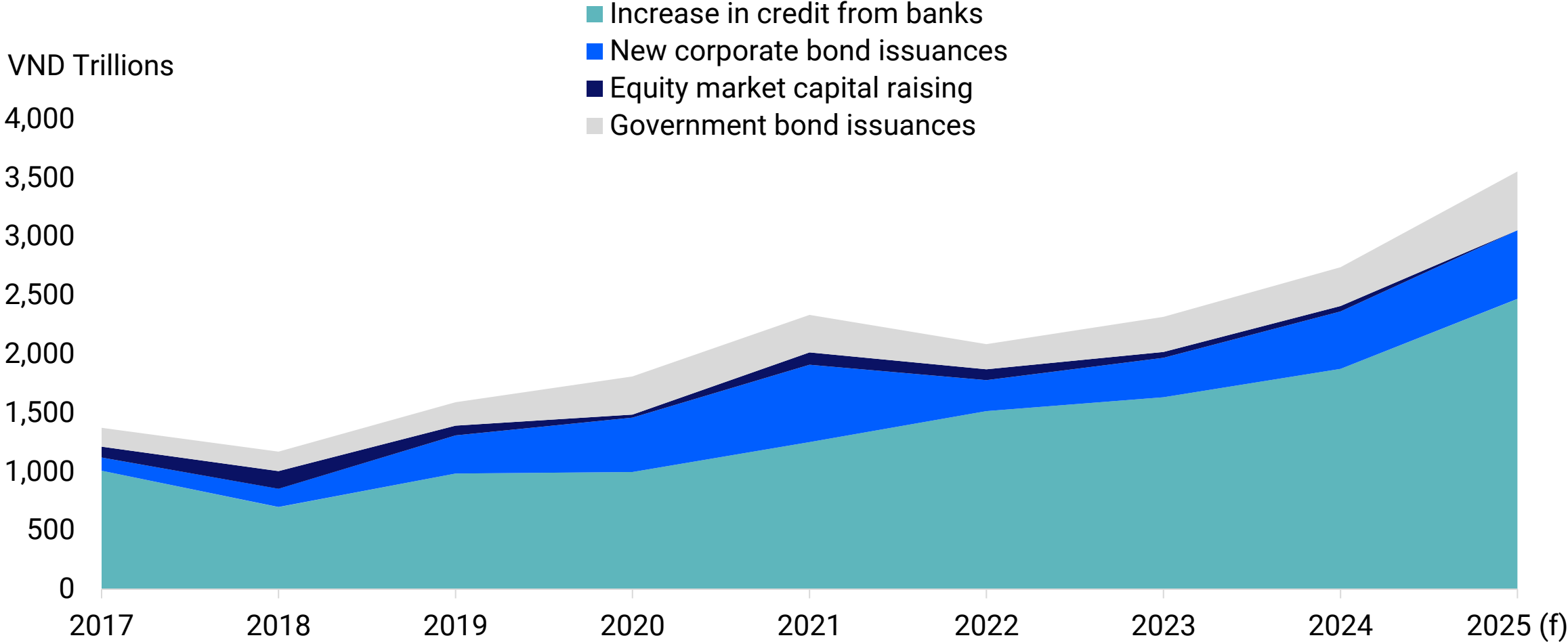


Legal approvals are quickening



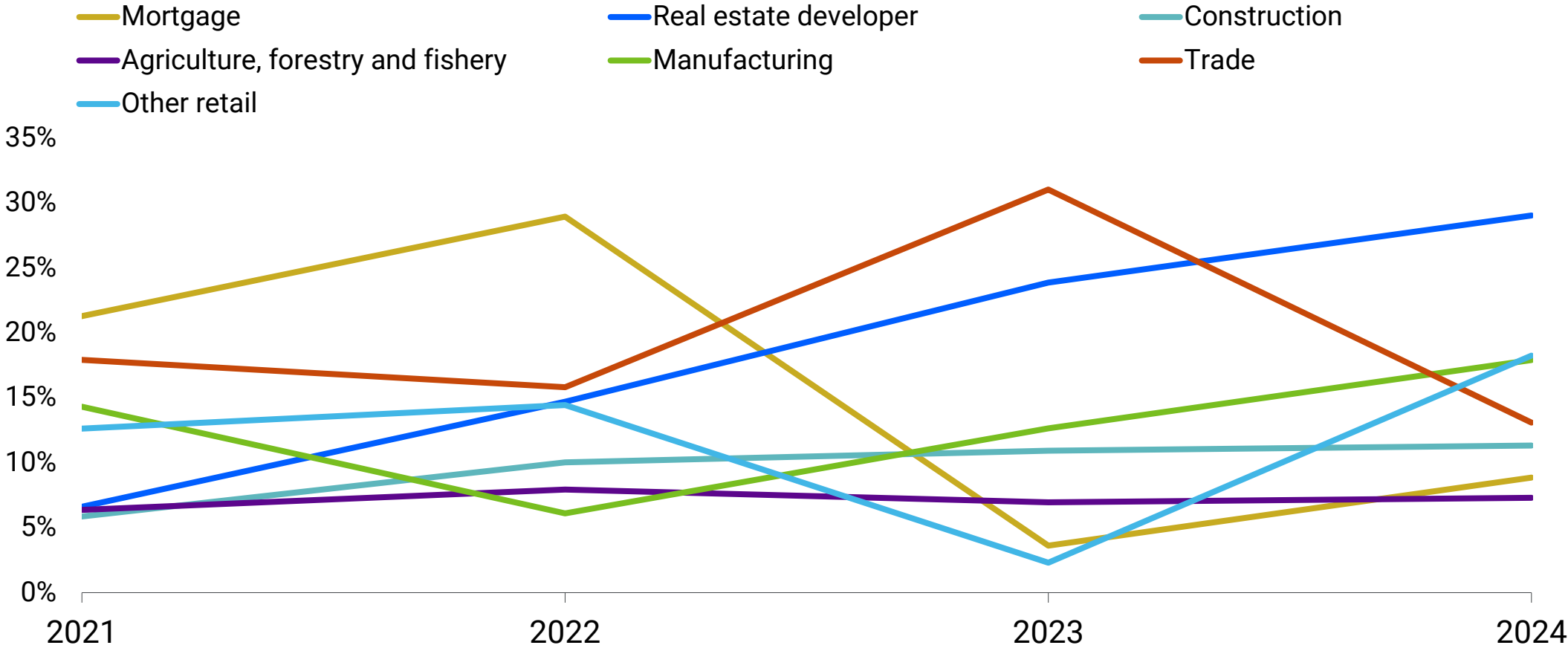
Source: Ministry of Construction, VIS Rating

Bank credit remains dominant source of funding



Source: State Bank of Vietnam (SBV), Hanoi Stock Exchange (HNX), VIS Rating

Robust demand for longer-term corporate loans and ongoing recovery of mortgages



Source: SBV, VIS Rating

Domestic corporate bond market is back on track

New issuances

VND **472** Trillion
(+35% YoY)

New issuances by sectors

Bank
67%

**Residential
Real Estate**
17%

Others
16%

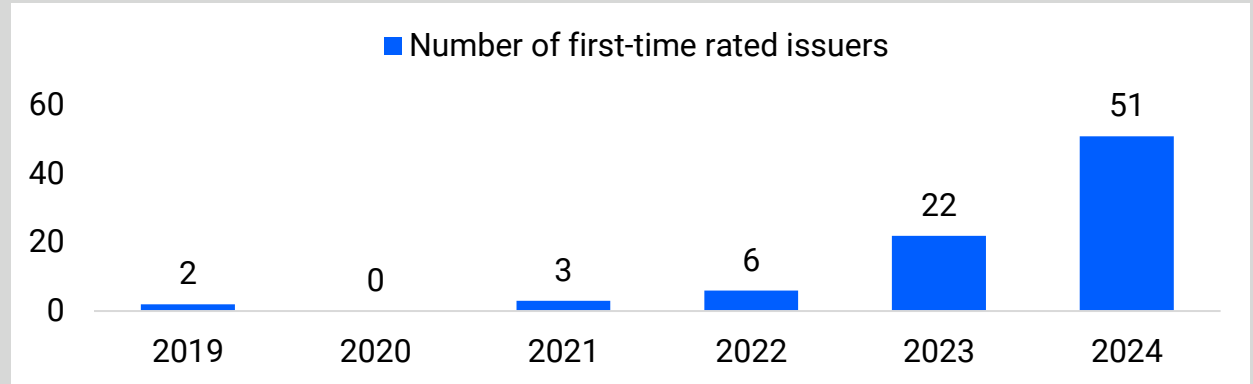
New default

VND **24.2** Trillion
(-83% YoY)

Recovery rate

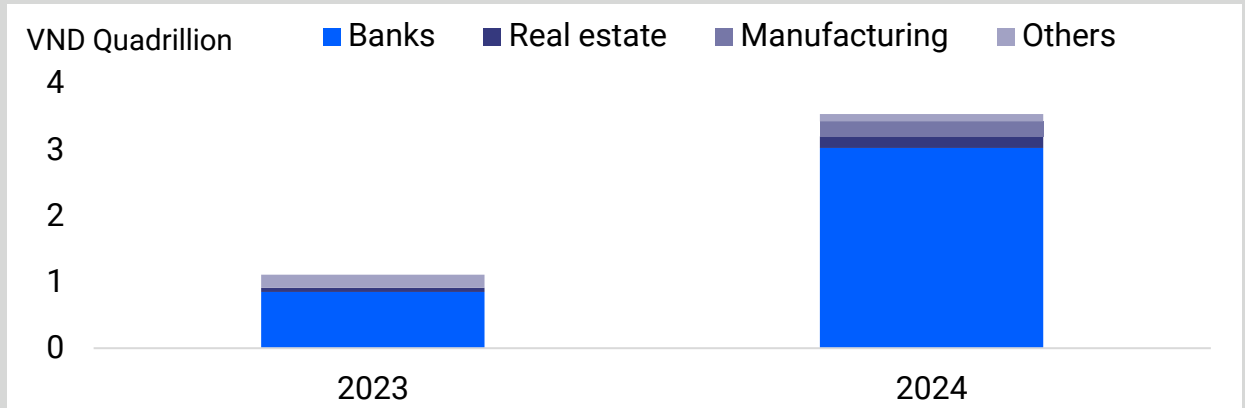
25.2%
(VND 64 Trillion)

Increasing credit ratings adoption



Source: VIS Rating

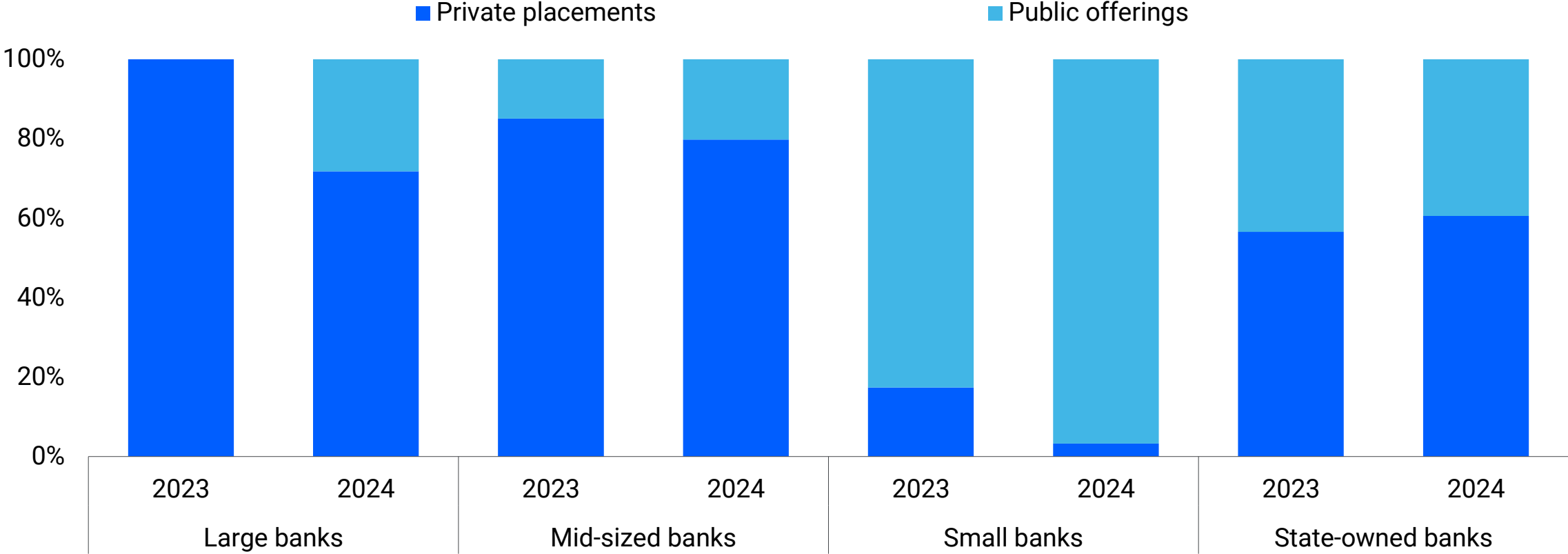
Growing diversity of rated issuers



Note: Total asset of rated issuers
Source: VIS Rating

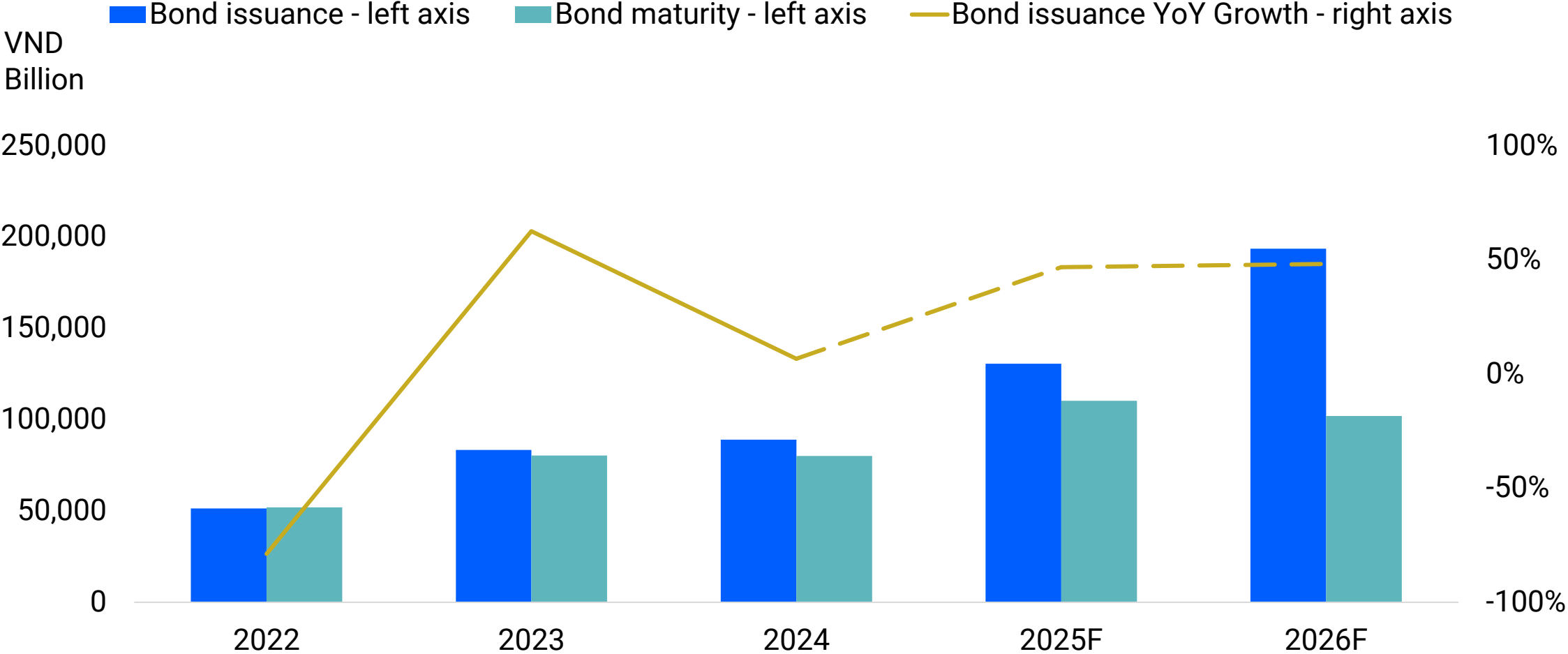
Source: VIS Rating

Increasing bank subordinated bonds via public offerings to tap robust retail investors demand



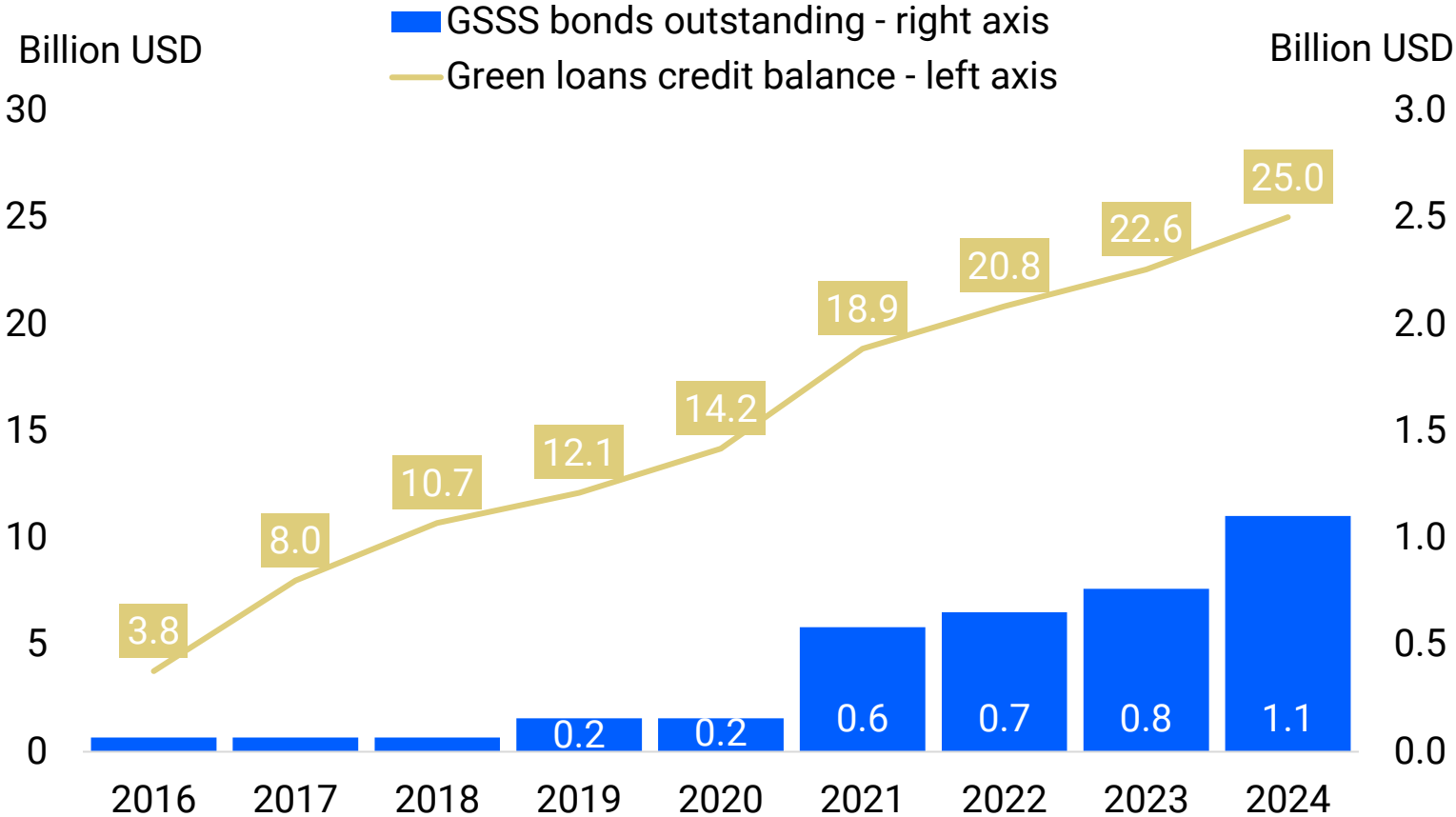
Source: HNX, VIS Rating

New real estate bond issuance will recover in 2025



Source: HNX, VIS Rating

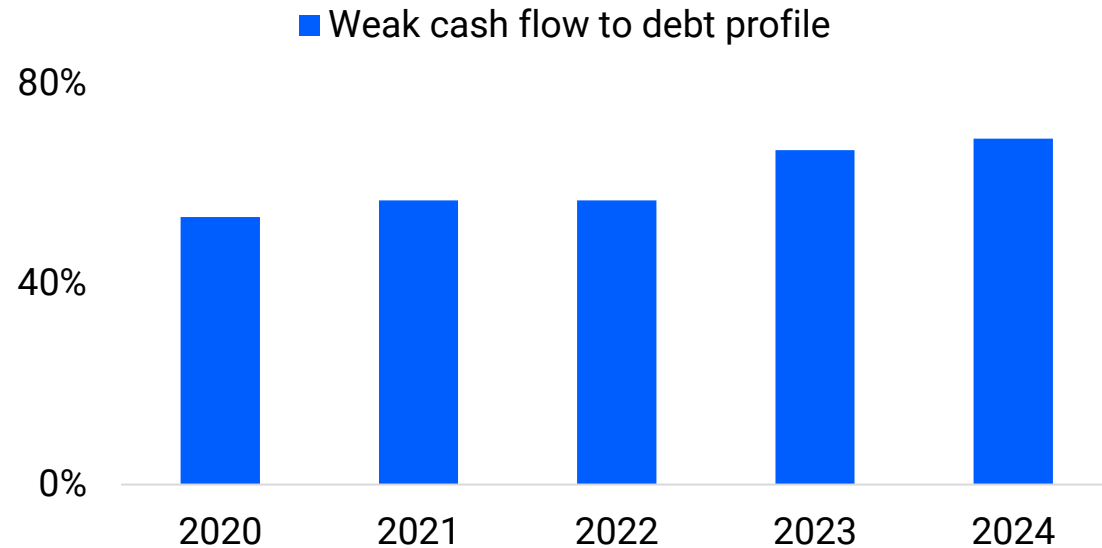
Growing Vietnam's green, social and sustainable (GSSS) bond market



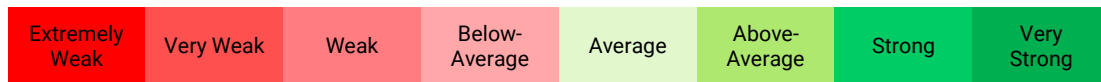
Source: SBV, VIS Rating

Credit differentiation will widen in properties sector

Weak cash flow is key credit weakness

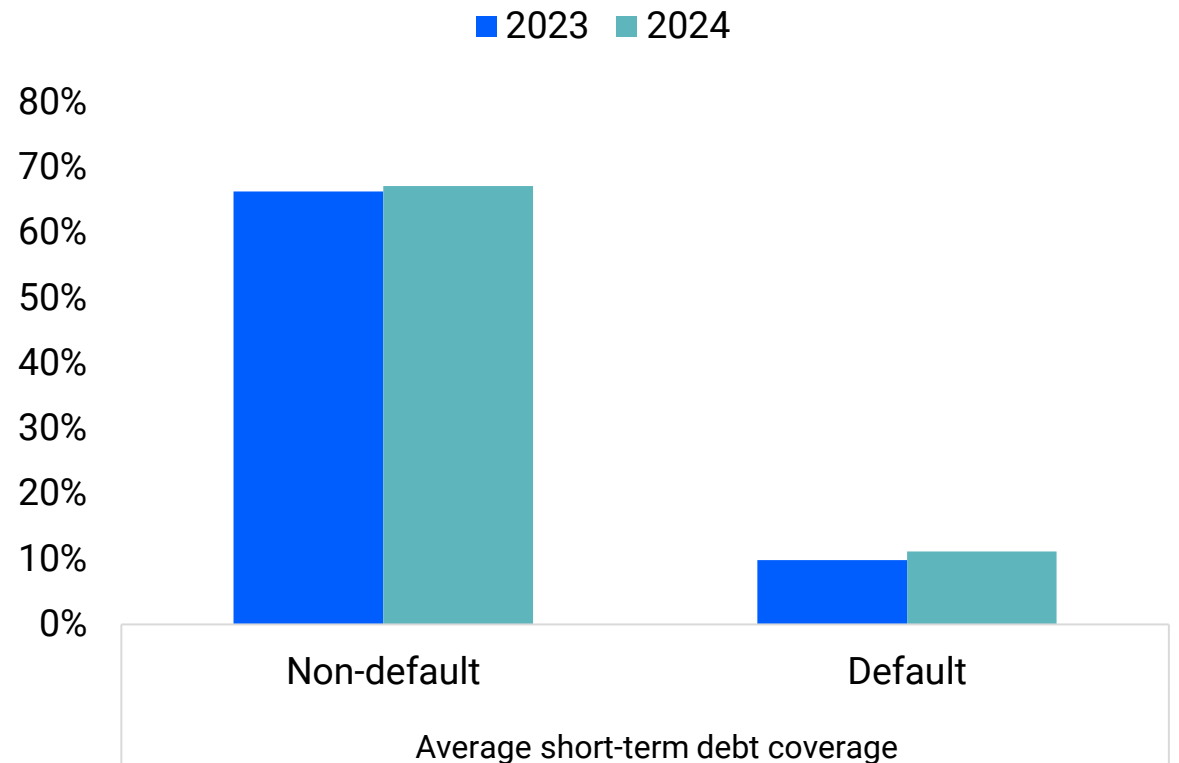


Note: Weak cash flow-to-debt profile is denoted by Weak, Very Weak, and Extremely Weak categories, based on our eight-category assessment scale, as illustrated below.



Source: Company data, VIS Rating

Balance sheets and term debt serviceability will take a long time to strengthen, particularly for defaulted developers



Source: Company data, VIS Rating

Note: Short-term debt coverage = Cash/Short-term debt

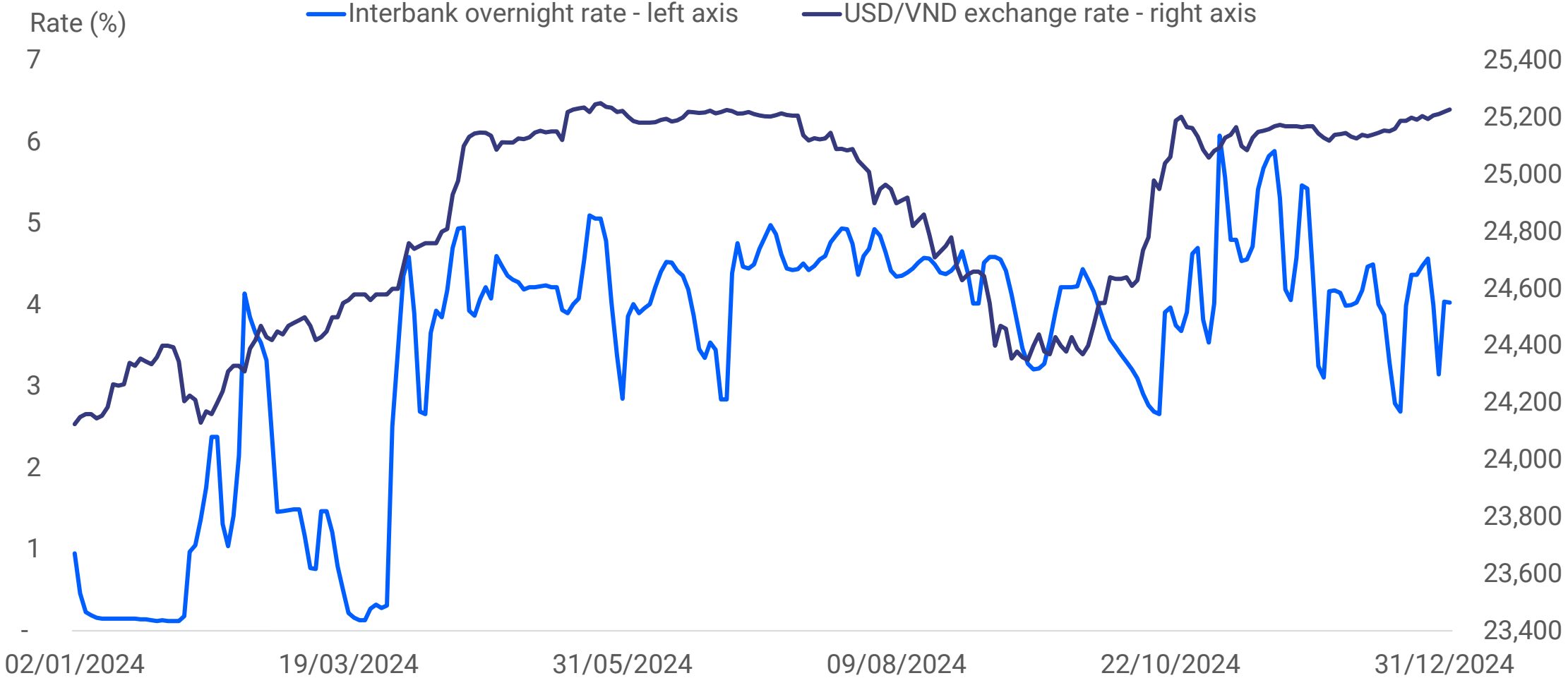
Governance risks among key credit concerns

Most of banks' connected parties are from real estate services and construction sector



Note: Sector numbers include 24 privately-owned commercial banks
Source: Bank data, VIS Rating

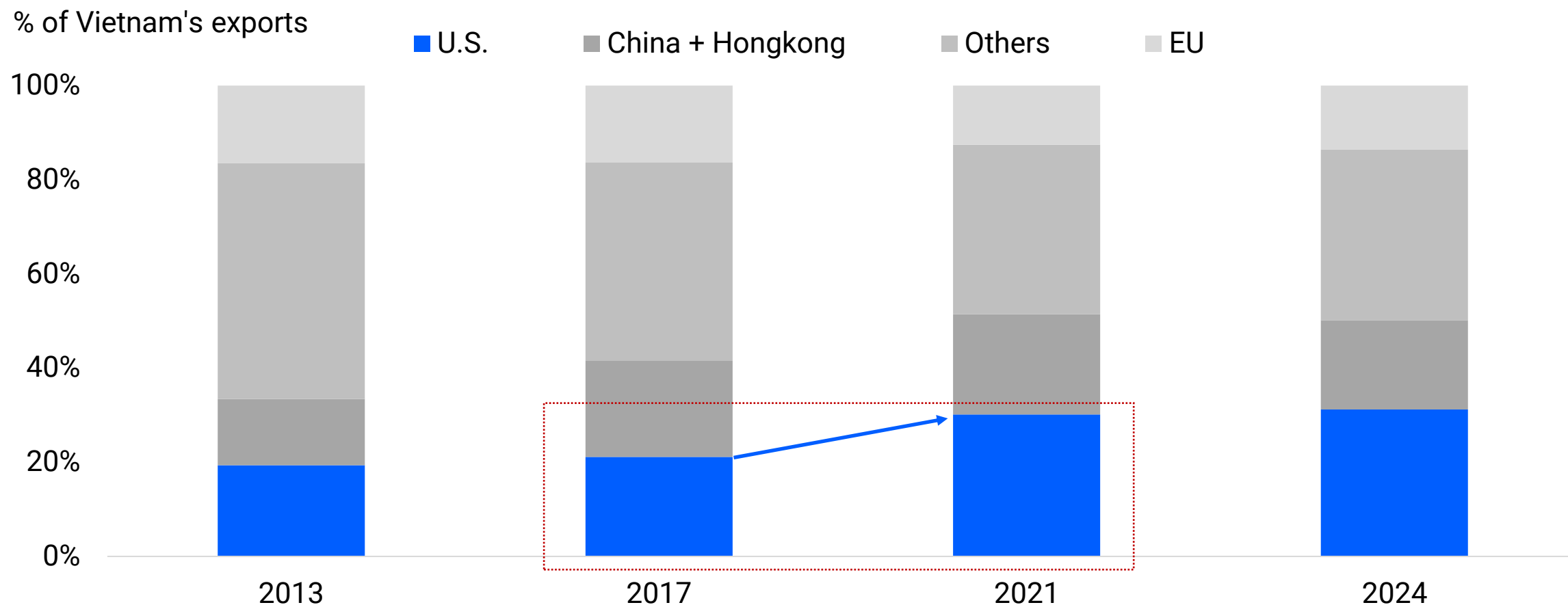
Liquidity challenges amid currency pressures



Source: SBV, VIS Rating

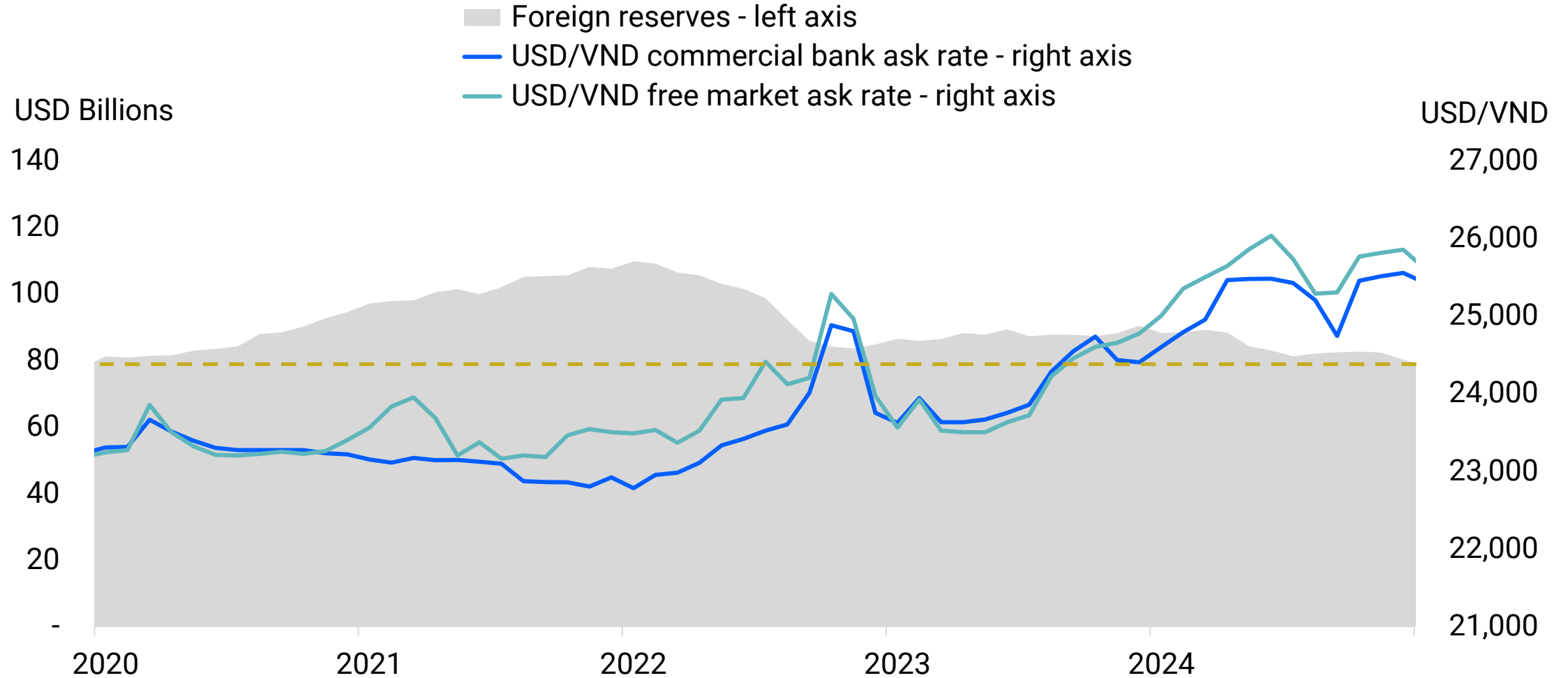


Vietnam has significant exposure to the U.S market



Source: GSO, VIS Rating

State Bank of Vietnam has limited room to manage currency volatility



Source: SBV, VIS Rating

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