RATING ANNOUNCEMENT
01 December 2025

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

Hanoi, 01 December 2025 - VIS Rating has assigned a long-term issuer rating of A to VPBank Securities Joint Stock Company (VPBANKS). The outlook on VPBANKS's A issuer rating is stable. This is the first time VIS Rating has assigned a rating to VPBANKS.

RATING RATIONALE

VPBANKS's A long-term issuer rating reflects its above-average standalone assessment and our expectation of a high likelihood of affiliate support and low government support for the firm in times of need. The firm's standalone assessment incorporates its above-average funding and liquidity profiles, average leverage, profitability, and risk appetite relative to peers.

Established in 2009, VPBANKS is now one of Vietnam's top three securities firms by total assets, reaching VND 51 trillion as of 1H2025. Following its 2022 acquisition by Vietnam Prosperity Joint Stock Commercial Bank (VPBank)—a large, privately owned bank—the firm entered a phase of accelerated growth, driven by a refreshed leadership team and strategic capital infusion. VPBANKS repositioned its core focus toward corporate bond advisory, underwriting, and distribution, leveraging VPBank's extensive client network to scale operations. Between 2022 and 1H2025, total income from its core corporate bond business accounted for approximately 57.9% of operating profit, significantly above the industry average of 39%, with margin lending contributing 39.2% and other investment banking services 3.0%.

According to management, VPBANKS plans to strategically expand margin lending over the next five years, capitalizing on improved market sentiment and aligning with VPBank's broader ambition to build a comprehensive financial ecosystem. To support this shift, VPBANKS raised a total of VND12.7 trillion of new equity through its major Initial Public Offering (IPO) completed in early November 2025. VPBank will retain 79.96% controlling ownership post-IPO, down from 99.9% in 1H2025. Given VPBANKS's strategic role within VPBank's ecosystem, the two entities will strengthen collaboration to support VPBANKS's business expansion.

Between 2022 and 1H2025, VPBANKS recorded a return on average assets (ROAA) of 4.5%, in line with the industry average. We assess the firm's profitability as 'Average', with expectations of improvement as it diversifies into margin lending and strengthens its investment banking capabilities.

Management targets a 42% compound annual growth rate (CAGR) in margin lending revenue over the next five years, supported by strategic initiatives to attract retail customers in VPBank's ecosystem. These include leveraging the customer base of the parent bank's ecosystem , enhancing digital trading platforms, deploying AI-related digital services, and expanding investment advisory services amid improving market sentiment. VPBANKS aims to capture 15% of the margin lending market by 2030.

Profitability is also expected to benefit from a targeted 12.5% CAGR in investment banking fee income, driven by actively seeking new customers, broadening service offerings for corporate clients in VPBank's ecosystem, . This includes end-to-end corporate bond-related services, M&A advisory, and IPO consulting. The firm aspires to become Vietnam's leading securities provider in bond-related services by 2030.

As of 1H2025, VPBANKS's pre-tax earnings volatility[1] stood at 83%, reflecting its rapid growth relative to peers. We anticipate this volatility will improve over time as the firm transitions to a more balanced business mix.

VPBANKS's legacy focus on corporate bond advisory and distribution has led to significant exposure to higher-risk assets. As of 1H2025, these made up 21% of total assets, including corporate bonds (13.2%), bond buyback commitments (4.1%),

[1] Pre-tax earnings volatility is calculated by dividing the standard deviation of pre-tax earnings from trailing ten semi-annual periods over the mean of the company's pre-tax earnings

unlisted shares (3.2%), and overdue margin loans (0.5%). We assess the firm's risk appetite as 'Average', supported by sound risk controls and a strategic shift toward lower-risk margin lending, which is expected to stabilize asset risk over the next 12–18 months.

The bond portfolio is concentrated in real estate and hospitality issuers—sectors challenged by weak cash flows and high leverage. While no defaults have occurred, refinancing risks remain elevated. VPBANKS also faces exposure from retail bond buyback commitments. To mitigate these risks, the firm and VPBank have formed a joint committee to monitor issuer cash flows and collateral, prioritizing clients with strong credit profiles. Over the next two years, VPBANKS will target large developers and manufacturers and apply stricter collateral standards.

Margin lending to large clients accounted for a significant share of the margin loan portfolio as of 1H2025, exceeding industry-average levels. Overdue loans remain low at 0.5% of assets, mostly tied to a legacy corporate event and adequately provisioned for. We note that the current portfolio is anchored in frequently traded stocks of major real estate and banking firms. Over the past year, the firm has tightened controls—collateral valuation, early warning systems, and auto-force sell mechanisms—and plans to expand into mass retail while raising standards for large borrowers. Disciplined risk management will be key as lending scales.

VPBANKS's funding and liquidity profile is a core credit strength. We assess it as 'Above-Average', supported by a strong liquid asset buffer and a proven ability to secure diversified funding from both domestic and international sources.

The firm secures local credit lines through VPBank's established relationships within the financial sector. It also receives offshore funding arranged by Sumitomo Mitsui Banking Corporation (SMBC), VPBank's strategic foreign shareholder. By November 2025, SMBC facilitated nearly USD 400 million in syndicated loans, representing the largest offshore funding secured by a Vietnamese securities firm. Additionally, VPBank introduced a broad base of corporate and individual clients to VPBANKS, contributing to over VND 10 trillion in borrowings by 1H2025.

To support margin lending growth, VPBANKS plans to issue VND 4 trillion in 12-month senior unsecured bonds across 2025–2026. As of 1H2025, liquid assets—including term deposits and certificates of deposit—covered 12% of total assets, exceeding peer levels. The firm's liquidity inflow-to-outflow ratio[2] stood at 99%, in line with the industry average.

As a major bond distributor, VPBANKS faces potential liquidity pressure from bond buyback commitments during market downturns. To mitigate this, the firm maintains dedicated liquidity buffers and coordinates with VPBank through centralized liquidity management under a joint asset-liability committee to ensure timely support.

We assess VPBANKS's leverage as 'Average', reflecting a significant increase in its leverage ratio[3] from 1.5x in 2023 to 2.9x as of 1H2025—above the industry average of 2.6x. The rise was driven by increased borrowing to support strong asset growth.

Management has indicated plans to supplement the recent IPO equity raising with future borrowings to support its rapid growth strategy over the next 12–18 months, with a targeted leverage range of 2.5x-3.5x.

We incorporate a high likelihood of affiliate support from VPBank to VPBANKS, resulting in a rating uplift from VPBANKS's standalone credit profile. This uplift reflects VPBank's strong standalone creditworthiness and the close strategic alignment between the two entities.

Our assessment considers VPBank's significant ownership stake (80% post-IPO), VPBANKS's role as a key profit contributor since 2022, their shared brand identity, and integrated strategic planning across the group. VPBANKS remains a core subsidiary within VPBank's financial services ecosystem, and its operational integration is unchanged following the IPO.

The stable outlook on VPBANKS's long-term issuer rating reflects our view that its risk appetite, leverage, and liquidity will remain steady as the firm executes its expansion strategy over the next 12–18 months.

Factors that could lead to an upgrade of the rating

VPBANKS's A rating could be upgraded if (1) its exposure to high-risk assets and leverage are maintained at substantially lower levels than current levels; or (2) we view the standalone credit profile of VPBank to improve from continuous asset quality improvement and higher loss-absorption buffers.

Factors that could lead to a downgrade of the rating

VPBANKS's A rating could be downgraded if (1) high-risk assets rises continuously from current levels, and in turn, heightens the likelihood of balance sheet losses and liquidity challenges; or (2) leverage ratio increases substantially, without any meaningful increase in long-term borrowings or liquid assets, posing greater risks to liquidity shocks; or (3) we assess VPBank's capacity to support VPBANKS to have fallen substantially.

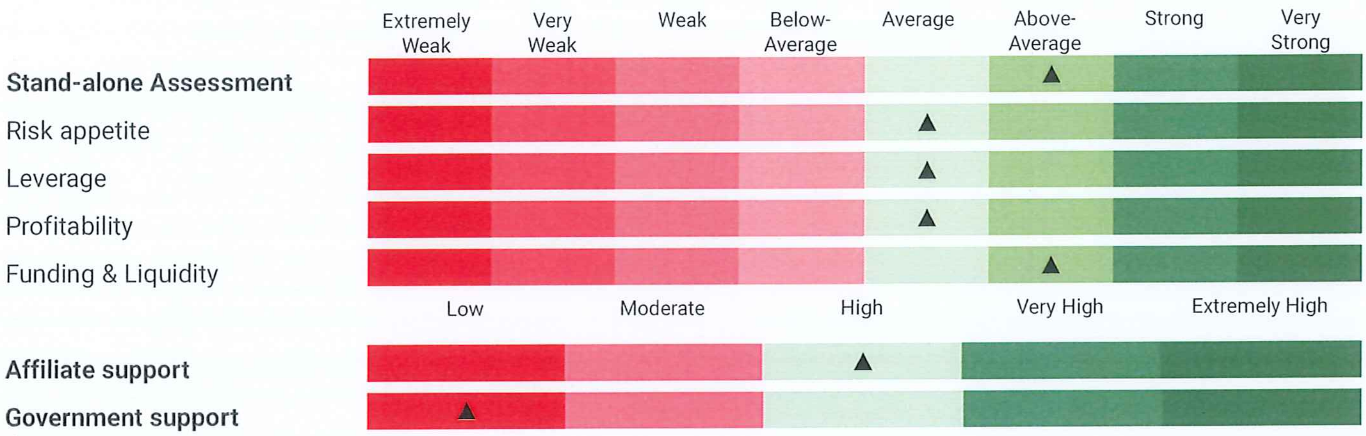
2 Liquidity inflow-to-outflow is calculated by dividing liquidity inflow by liquidity outflow. Liquidity inflows include haircut rates of unrestricted cash, securities and investment portfolios, receivables from financial institutions, customers, brokers, etc. Liquidity outflows include all short-term funding sources and off-balance sheet commitments.
3 Leverage ratio is calculated by total tangible assets and off-balance sheet exposures over tangible common equity

RATING METHODOLOGY

Rating Methodology: Financial Institutions.

For detailed information, please refer to the full methodology at: https://visrating.com/how-to-get-rated/view/financial-institutions-rating-methodology

SUMMARY OF KEY FACTORS



Source: VIS Rating

CREDIT RATING HISTORY

Date	Rating type	Rating	Outlook	Action
01 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

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Simon Chen, CFA
Head of Ratings and Research
01 December 2025

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