

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

Hanoi, 13 March 2026 - VIS Rating has assigned a long-term issuer rating of A- to LPBank Securities Joint Stock Company (LPBS). The outlook on LPBS's A- issuer rating is stable. This is the first time VIS Rating has assigned a rating to LPBS.

### RATING RATIONALE

The A- long-term issuer rating reflects LPBS's above-average standalone assessment and our low expectation of extraordinary support from affiliates or the government. LPBS's standalone assessment is underpinned by its above-average leverage, funding, and liquidity metrics, as well as average profitability and risk appetite relative to industry peers.

Established in 2009, LPBS is currently a mid-sized, privately-owned securities firm with total assets of VND 30 trillion as of the end of 2025. Following changes to its shareholder structure in late 2023, the firm formed a new management team and adopted a new strategy to strengthen its key businesses: brokerage and margin lending, corporate bond operations, and proprietary equity trading. The firm completed its rebranding in collaboration with Fortune Vietnam Joint Stock Commercial Bank (LPBank), raised significant capital, strengthened its brokerage services, and its staff force.

In 2025, LPBS's core businesses contributed over half of its total operating income - margin lending (35%) and equity trading income (20%). The other half came from fixed-income gains - mainly from bank bonds and deposits.

According to management, LPBS targets asset growth of around 30% in 2026, aiming to rank among the top 10 securities firms within 3–5 years. To support this expansion, the firm plans to raise VND 4.3 trillion through an IPO in 2026, increase longer-term bond and offshore funding, and deepen collaboration with LPBank, particularly in cross-selling and digital platform development.

We assess LPBS's risk appetite at 'Average' level, reflecting its sizeable credit concentration in margin lending and our expectation of higher exposure to higher-risk assets – particularly non-FI corporate bonds - over the next 12-18 months.

As of end-2025, LPBS's risk appetite ratio<sup>1</sup> stood at 2.5%, significantly lower than the industry average. According to management, LPBS plans to expand its non-FI bond holdings to up to 9% of total assets over the next 12-18 months.

The firm plans to expand its holdings beyond the current portfolio of bonds issued by leading industry parks, prioritizing large, financially stable companies across real estate, infrastructure, and industrial park sectors. In addition, LPBS will collaborate with LPBank on new-customer screening and selection to strengthen its underwriting standards.

Margin lending remains highly concentrated among large borrowers compared with peers, reflecting LPBS's rapid expansion to gain market share. Over the past two years, margin loans grew around six times faster than the industry average. We note that its exposure to low-liquidity stocks and, occasionally, flexible collateral valuations increase the risk of overdue loans and vulnerability to credit losses during periods of prolonged market stress.

While management plans to diversify toward mass retail clients to achieve significant margin loan growth over the next 12–18 months, we expect credit concentration to remain elevated in the near term. The retail segment is highly competitive, and early-stage growth firms typically require time to scale sustainably while maintaining disciplined risk management.

We position LPBS's profitability at 'Average' level, reflecting our expectation of improving ROAA from higher margin lending and investment income.

<sup>1</sup> Risk appetite ratio is calculated as total higher-risk assets including corporate bonds, unlisted shares, overdue margin loans and receivables, and off-balance sheet exposures divided by tangible assets



During 2024-2025, the firm's ROAA averaged 3.0%, below most rated peers, due to elevated funding costs and lower asset yields – FI bonds and certificates of deposit (CD) make up the majority of its assets. In addition, its funding costs – averaging 5.1% in 2025, higher than 4.4% among peers – weigh on its profitability.

According to the management, LPBS targets improving its ROAA to 4.6% by 2027, through expanding higher-yielding non-FI bond holdings and raising net interest margins of its margin loans by expanding into the mass retail segment.

The firm also aims to broaden its customer base via enhanced cross-selling with LPBank, expanding its sales force and product suite—including covered warrants—to support more stable recurring income.

However, LPBS's relatively high reliance on equity trading materially increases earnings volatility. In 2025, equity trading accounted for around 20% of total operating income, well above peers' average of 7%, resulting in significantly higher pre-tax earnings volatility<sup>2</sup> (153% versus peers' 119%). We therefore expect earnings volatility to remain above peer levels over the next 12–18 months.

We assess LPBS's leverage at 'Above-Average' level, reflecting its strong capitalization and demonstrated commitment to supporting growth through sizeable capital injections and a consistent non-cash dividend policy. Over the past two years, the firm has maintained an average leverage ratio<sup>3</sup> of 1.8x—materially below the industry average of 2.4x—while raising approximately VND 12.4 trillion in new capital, significantly outpacing peers.

Looking ahead, we expect leverage to remain well-managed over the next 12–18 months, supported by improving profitability and planned equity issuance. Management intends to maintain leverage below 2.5x and raise an additional VND 4.3 trillion in 2026 following its IPO, which we view as sufficient to fund continued asset growth, including margin lending expansion, without materially weakening the firm's capital buffer.

We position LPBS's funding and liquidity at 'Above-Average', supported by its substantial liquid asset buffers and established access to bank funding, including support from LPBank,

As of end-2025, highly liquid assets—primarily CDs and term deposits—accounted for 29% of total assets, materially higher than the industry average of 17%. The firm's liquidity inflow-to-outflow ratio stood at 109%, modestly above the industry average of 106%, indicating adequate coverage of short-term obligations.

LPBS's reliance on short-term bank borrowings is mitigated by these buffers and its diversified bank funding base. In addition, the firm maintains sizable clean credit lines from LPBank, which provides further liquidity flexibility. While management plans to gradually lengthen the funding maturity profile through bond issuance and offshore borrowings, we expect LPBS's refinancing risk to remain well-managed over the next 12–18 months, underpinned by its strong liquidity position and stable access to funding.

LPBS's issuer rating does not incorporate uplift for affiliate and government support.

The outlook on LPBS's long-term issuer rating is stable, reflecting our view that its leverage and liquidity profiles will remain robust following LPBS's strong track record of new capital injections and sizeable liquid asset buffers over the next 12-18 months.

#### **Factors that could lead to an upgrade of the rating**

LPBS's A- rating could be upgraded if the firm (1) demonstrates a sustained track record in executing its growth strategy with disciplined risk management, including prudent underwriting standards, meaningfully reduced margin-lending concentration, and limited balance sheet losses on a consistent basis; and (2) demonstrates consistent improvement in the level and quality of earnings, driven by stronger and more diversified performance across its core businesses.

#### **Factors that could lead to a downgrade of the rating**

LPBS's A- rating could be downgraded if (1) the firm's risk profile weakens materially, for example through a substantial increase in overdue margin loans and corporate bond defaults, heightening the likelihood of balance sheet losses and weakening in capital buffer; or (2) the firm becomes increasingly vulnerable to liquidity risk, including a material decline in liquid asset coverage of short-term obligations or sustained difficulty in refinancing its debt.

<sup>2</sup> 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

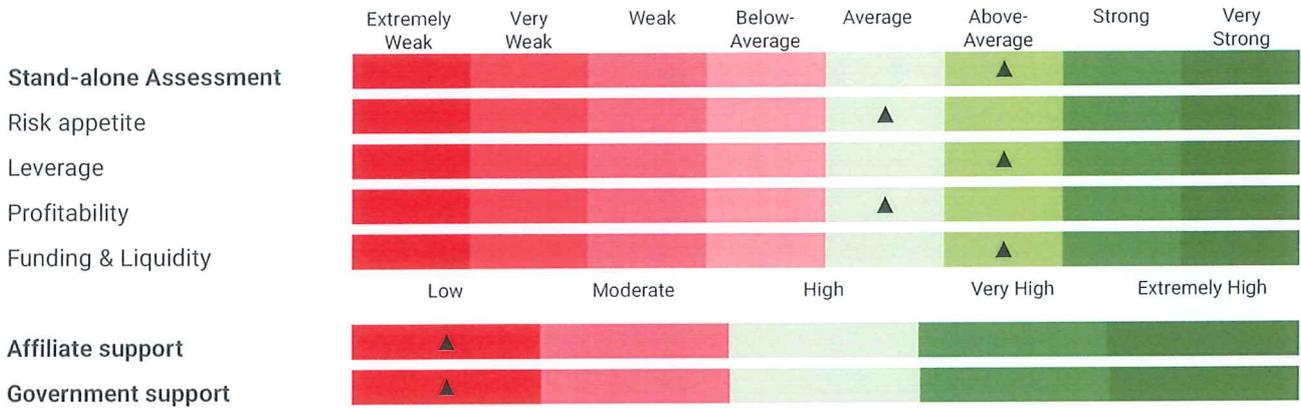
<sup>3</sup> Leverage ratio is calculated by dividing tangible assets and off-balance-sheet exposure over tangible common equity

## 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
13 March 2026	Long-term Issuer Credit Rating	A-	Stable	First-time assignment

## RATING SCALE

### Long-Term Rating

AAA	Issuers or debt instruments demonstrate the <b>strongest</b> creditworthiness relative to other domestic entities and transactions.
AA	Issuers or debt instruments demonstrate <b>very strong</b> creditworthiness relative to other domestic entities and transactions.
A	Issuers or debt instruments demonstrate <b>above-average</b> creditworthiness relative to other domestic entities and transactions.
BBB	Issuers or debt instruments demonstrate <b>average</b> creditworthiness relative to other domestic entities and transactions.
BB	Issuers or debt instruments demonstrate <b>below-average</b> creditworthiness relative to other domestic entities and transactions.
B	Issuers or debt instruments demonstrate <b>weak</b> creditworthiness relative to other domestic entities and transactions and may be approaching default, with strong recovery prospects.
CCC	Issuers or debt instruments demonstrate <b>very weak</b> 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 <b>extremely weak</b> 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 <b>weakest</b> 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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### Vietnam Investors Service and Credit Rating Agency Joint Stock Company

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13 March 2026

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