

VIS Rating affirms Fortune Vietnam Joint Stock Commercial Bank's A+ issuer rating, stable outlook

Hanoi, 08 May 2026 - Vietnam Investors Service and Credit Rating Agency Joint Stock Company (VIS Rating) has affirmed Fortune Vietnam Joint Stock Commercial Bank's (LPBank) A+ long-term issuer rating. The rating outlook remains stable.

The rating presented in this announcement is effective from the date of the announcement and remains in effect unless and until it is superseded by a subsequent rating action. Please visit <https://visrating.com/rating-results> to obtain the latest update on the rating.

RATING RATIONALE

The affirmation of LPBank's A+ long-term issuer rating with a stable outlook reflects VIS Rating's expectation that the bank will maintain robust profitability, supporting internal capital generation and loss-absorption capacity, alongside stable funding and liquidity.

The rating also factors in rising asset risk and credit costs stemming from rapid loan growth and higher interest rates, which, if sustained, could pose increasing downside risks to its standalone assessment.

LPB's asset quality weakened over 2024–1Q2026, driven by higher delinquencies in retail mortgages and household business loans. The increase in the problem loan ratio to 1.8% in 1Q2026 from 1.6% in 2024, alongside a decline in loan loss coverage to 70%, signals rising pressure on asset quality.

We expect the problem loan formation rate to be elevated over the next 12–18 months, reflecting weaker debt-servicing capacity among retail borrowers amid higher interest rates and seasoning risks from rapid loan growth. The continued focus on retail and mortgage lending may increase the bank's exposure to investment-related borrowers and add to downside credit risks.

In 2025, the bank reported a strong return on average assets (ROAA) of 2.1%, above the industry average of 1.5%, supported by higher fee income, debt recovery gains, and disciplined cost management. Over the next 12–18 months, intensifying net interest margin pressure and potentially elevated credit costs are likely to moderately weigh on profitability; however, ROAA should remain above the industry average and continue to support internal capital generation.

The bank's tangible common equity (TCE) to risk-weighted assets stood at 9.8% in 2025. Following the recent shareholder approval of cash dividends totaling around VND 9 trillion, we expect capital levels to remain broadly stable over 2026–2027, supported by robust profitability.

We expect LPBank's funding and liquidity to remain stable despite intense deposit competition, supported by continued efforts to lengthen its funding profile and sizable liquid asset buffers.

CASA deposits stood at 7.3% of gross loans at end-2025, below the industry average. In 2026, the bank plans to issue VND 5 trillion of subordinated bonds with 7–10-year maturities to support loan growth. Liquid assets accounted for 28% of total assets in 2025, which we view as sufficient to cover short-term market funding needs.

LPBank's A+ rating incorporates our assumption of a moderate likelihood of government support in extraordinary circumstances, reflecting the bank's sizable domestic franchise and a strengthened regulatory framework that equips authorities with multiple resolution tools for distressed banks.

Factors that could lead to an upgrade of the rating

LPBank's A+ rating could be upgraded if the bank (1) exhibits a track record of maintaining prudent credit underwriting standards and improving the asset quality, for example by consistently maintaining its problem loan ratio at below 0.5%; or (2) improves its loss-absorption buffer through a substantial increase in core capitalization, such that TCE / RWA ratio stays above 13.5% on a sustained basis.

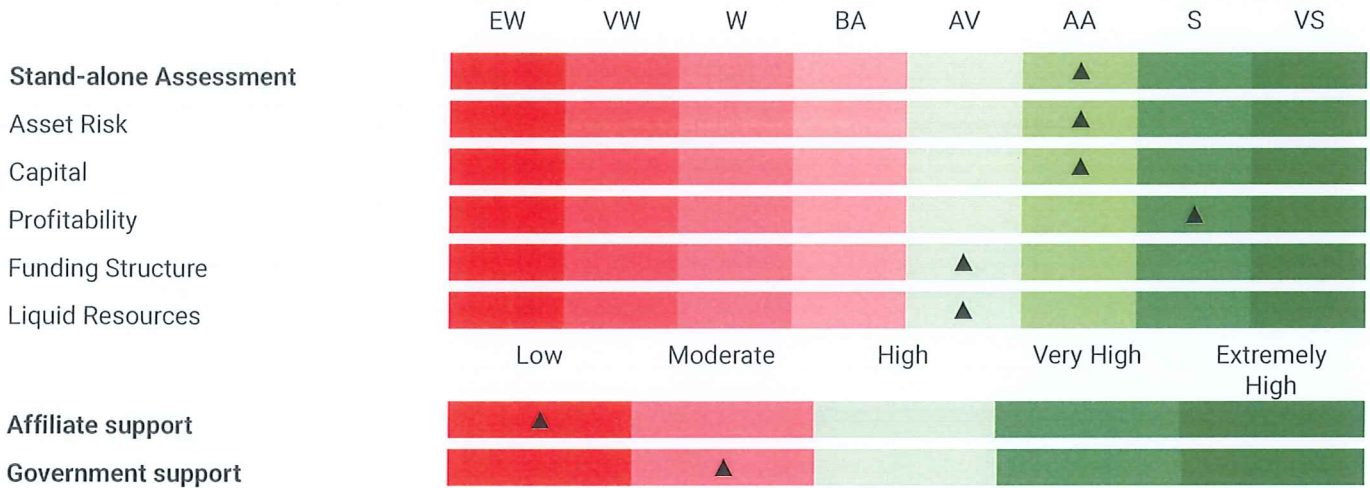


RATING METHODOLOGY

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

Note: EW- Extremely Weak, VW- Very Weak, W- Weak, BA- Below-Average, AV- Average, AA- Above-Average, S- Strong, VS- Very Strong

CREDIT RATING HISTORY

Date	Rating type	Rating	Outlook	Action
08 May 2026	Long-term Issuer	A+	Stable	Affirm
08 May 2025	Long-term Issuer	A+	Stable	Affirm
08 May 2024	Long-term Issuer	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: Vietnam Investors Service 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

REGULATORY DISCLOSURES

For further specification of VIS Rating's Rating Symbols and Definitions, please see <https://visrating.com/how-to-get-rated/>.

LPBank's ownership stake in VIS Rating: 0%

The ownership ratio of LPBank held by VIS Rating's staff: 0%

Cases in which analysts and credit rating council members cease their participation in the credit rating contract before the contract expires and the reason for the cessation: 0

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The rating has been disclosed to the rated entity or its designated agent(s) and issued with no amendment resulting from that disclosure.

This rating is solicited.

Regulatory disclosures contained in this press release apply to the credit rating and, if applicable, the related rating outlook or rating review.

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Primary Analysts:

Nguyen Duc Huy, CFA – Sector Lead Analyst – email: huy.nguyen@visrating.com

Rating Committee Members:

Simon Chen, CFA – Committee Chairman – email: simon.chen@visrating.com

Phan Duy Hung, CFA, MBA – Committee Member – email: hung.phan@visrating.com

Duong Duc Hieu, CFA – Committee Member – email: hieu.duong@visrating.com

Vietnam Investors Service and Credit Rating Agency Joint Stock Company

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Simon Chen, CFA

Head of Ratings and Research

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