

Vietnam's Credit Landscape H2 2025: A steadfast ship weathering the storm

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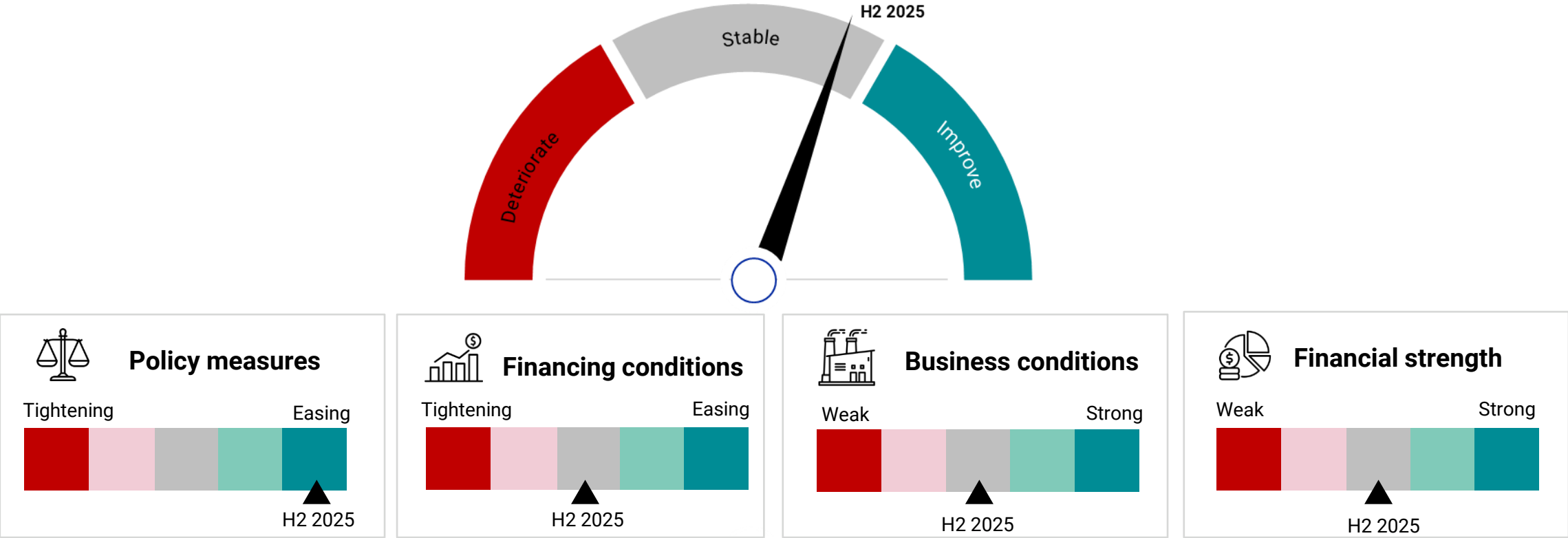
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Agenda

- 1 Credit outlook remains stable as reforms advance through global headwinds
- 2 Leading and lagging sectors from the perspective of a credit rating agency
- 3 Q&A session

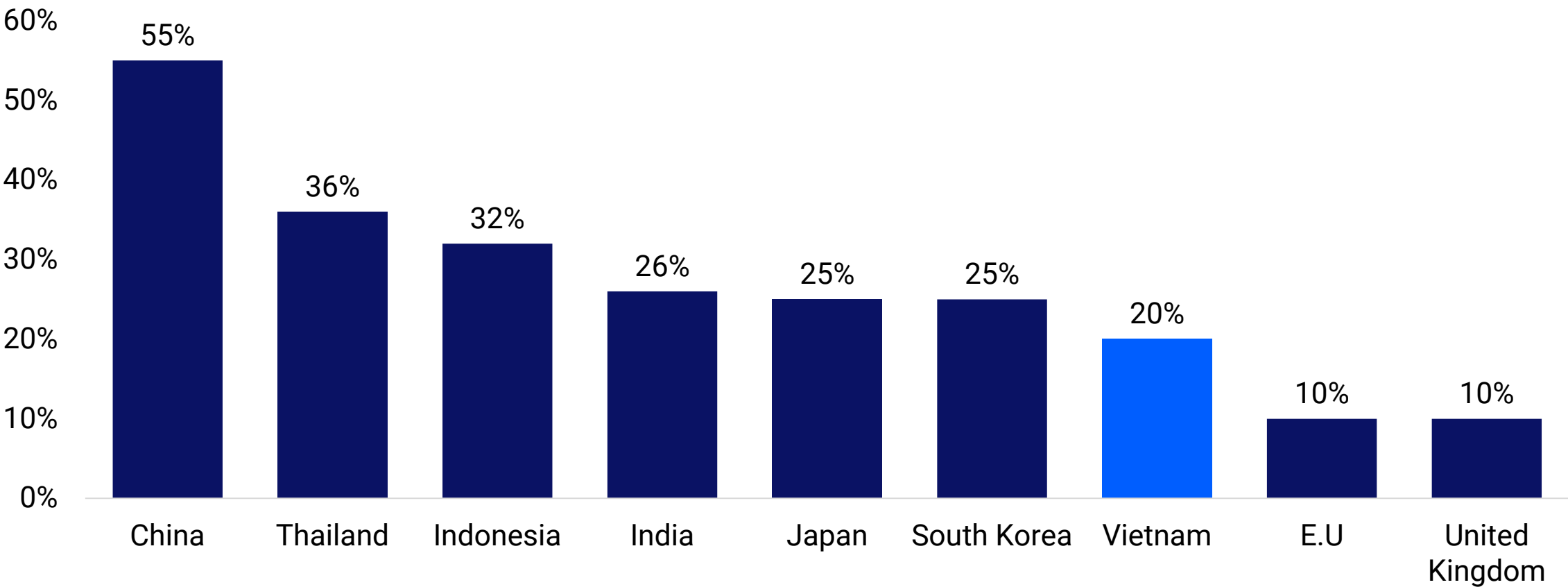
**Credit outlook remains stable as reforms
advance through global headwinds**

Vietnam's credit conditions remain stable in H2 2025, supported by proactive fiscal measures and ongoing institutional reforms



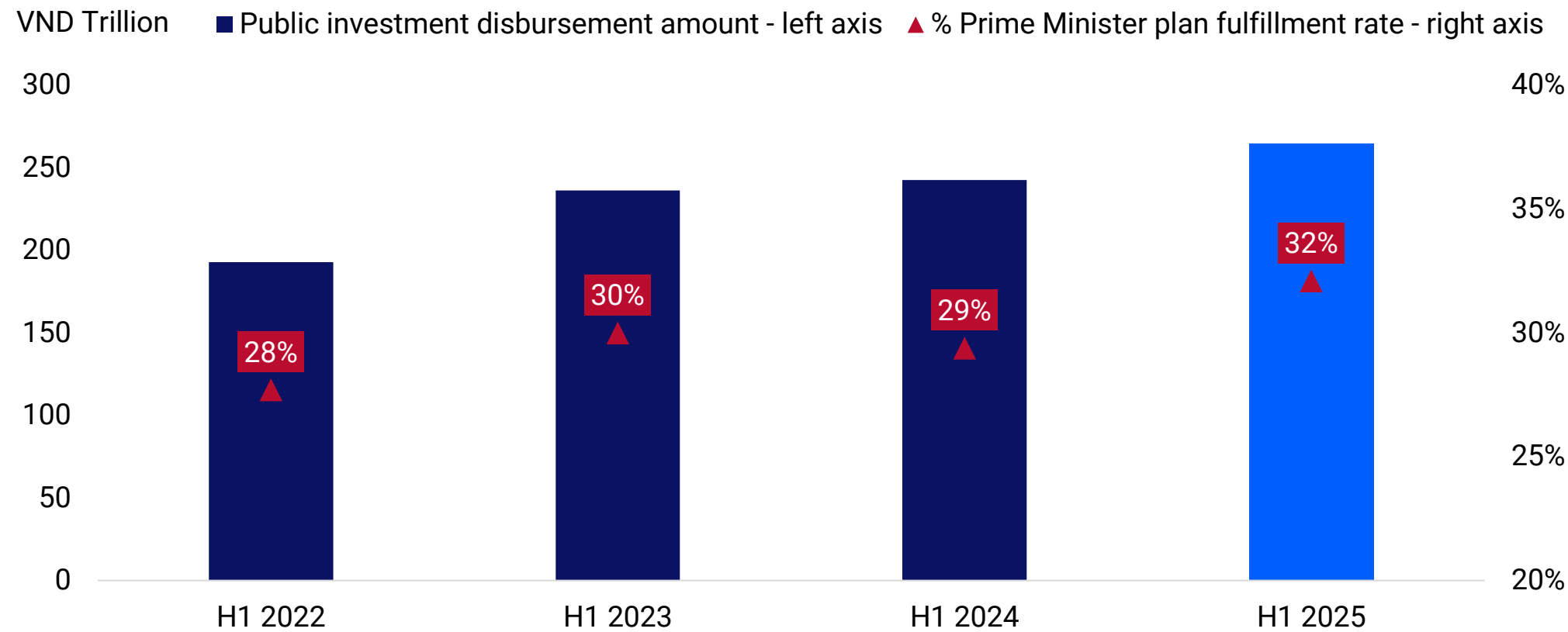
Source: VIS Rating

The resumption of U.S. reciprocal tariffs after August 1 can weigh on Vietnam's growth in H2 2025



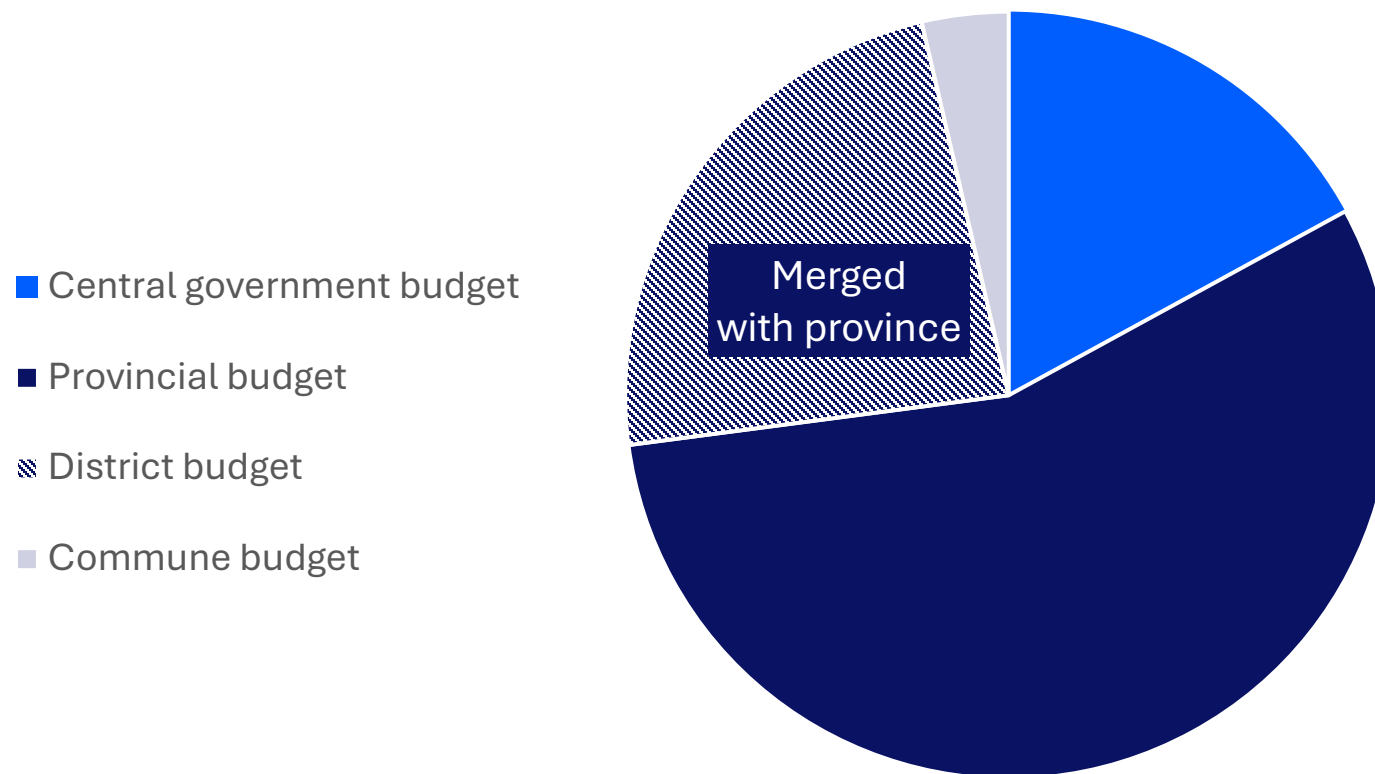
Source: United States Trade Representative

Increase in public infrastructure spending will stimulate domestic business activities and reinforce the momentum of reform







Source: Ministry of Finance, VIS Rating

Consolidation on the provincial level will allow for better resource allocation



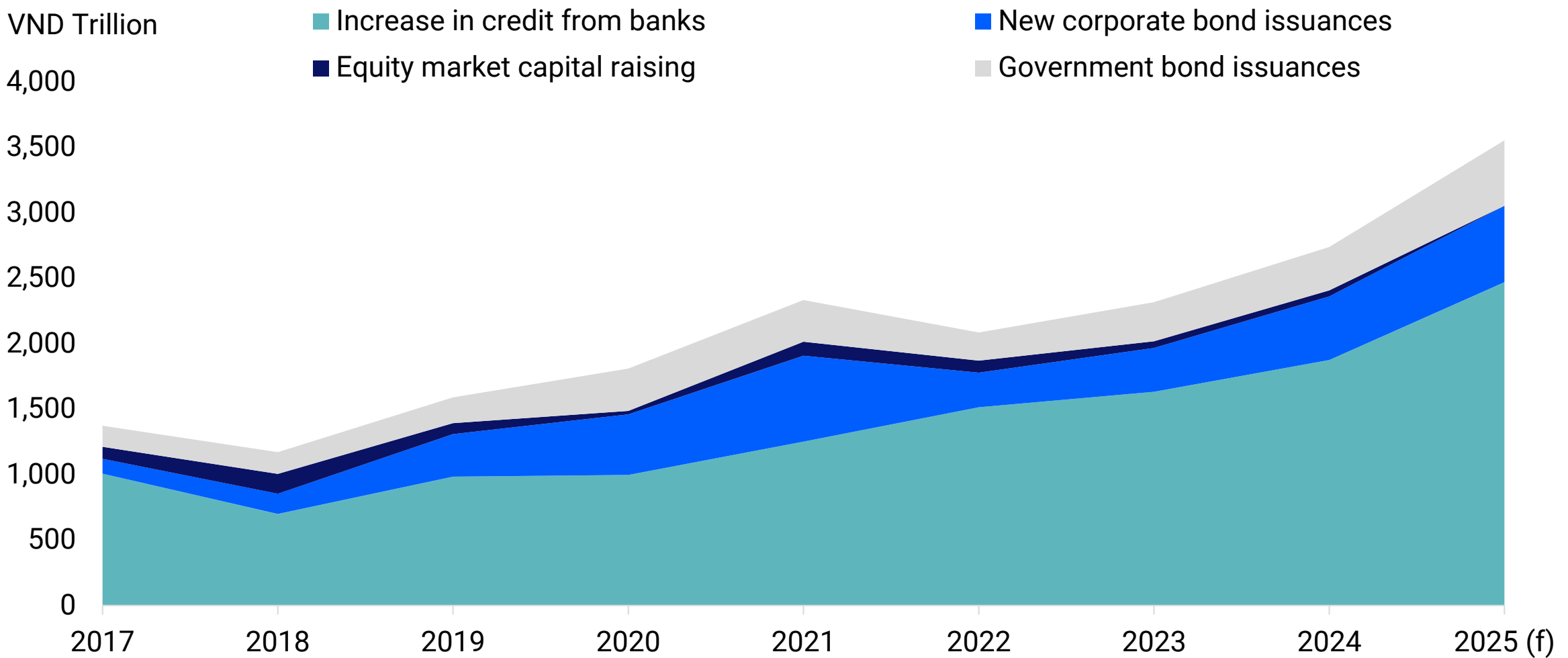
Source: Ministry of Finance, VIS Rating

The release of Politburo Resolutions No. 57, 59, 66, and 68 in May signals a strategic pivot

	Framework	Vision	Execution
	Resolution 57/NQ-TW	<ul style="list-style-type: none"> » By 2045 the digital economy must exceed 50 % of GDP and place Vietnam in the world's top 30 countries for innovation. 	<ul style="list-style-type: none"> » Offer strong tax, credit, and land incentives so SMEs invest in digitalisation, R&D, and smart manufacturing. » Launch nationwide start-up schemes and preferential policies that fuel tech entrepreneurship. » Push digital consumption so that online products and services reach ≥70 % of the digital economy across key sectors.
	Resolution 59/NQ-TW	<ul style="list-style-type: none"> » By 2050 Vietnam to become a high-income and developed nation by leveraging global ties on four pillars: economy, politics, innovation, and social 	<ul style="list-style-type: none"> » Deepen economic integration with different countries to drive restructuring, digital transition, and growth. » Accelerate the integration scheme and pivot to adopting regional science-tech-innovation to raise national competitiveness » Broaden political ties to keep a stable, peaceful environment
	Resolution 66/NQ-TW	<ul style="list-style-type: none"> » By 2030, Vietnam will rank in ASEAN's top three countries for investment climate with a clear, consistent legal system » By 2045, the legal framework should meet advanced global standards and support a high-income, modern state 	<ul style="list-style-type: none"> » Earmark ≥0.5 % of the annual state budget for law-making and move to performance-based funding » Digitise the whole legislative cycle with AI, big-data tools, and modern IT infrastructure » Intensify international legal cooperation and align domestic rules with global treaties
	Resolution 68/NQ-TW	<ul style="list-style-type: none"> » By 2030, Vietnam to have two million firms, at least 20 large corporate groups in global value chains » By 2030, the private sector will account for 55–58 % GDP and contribute 35–40 % of state revenue. 	<ul style="list-style-type: none"> » Reform laws to guarantee property rights, free competition and a low-cost, transparent business environment » Expand PPP models and incentivize 1000 leading innovation firms and create a Go Global export programme. » Strengthen SME finance: credit-guarantee funds, fintech sandboxes, green credit, and unsecured lending. » Allow 200 % tax deduction on R&D, let firms retain 20 % of taxable income for tech-innovation funds, and give CIT/PIT breaks to start-ups.

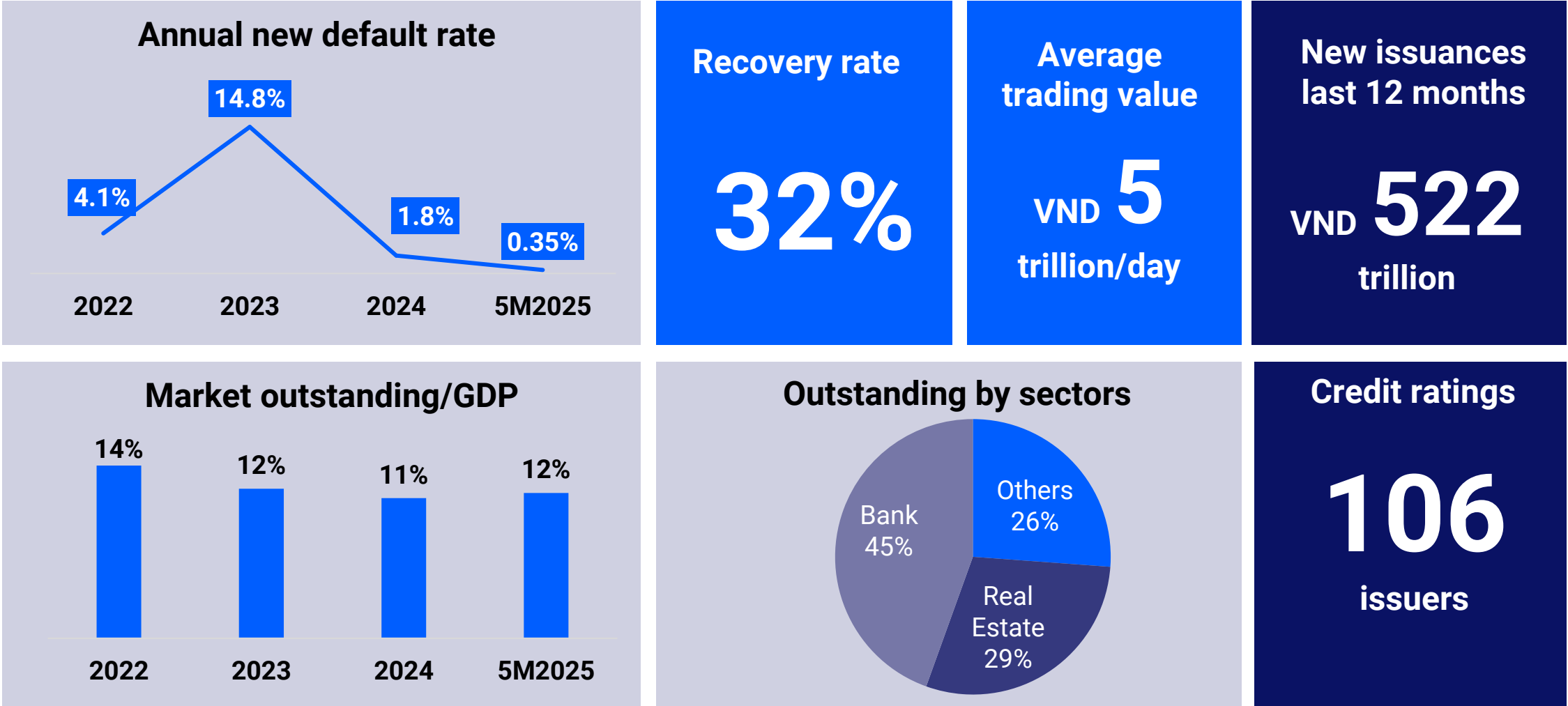
Source: Resolution 57/NQ-TW, Resolution 59/NQ-TW, Resolution 66/NQ-TW, Resolution 68/NQ-TW, VIS Rating

Stronger bank credit growth to support financing for corporates



Source: VIS Rating
Note: Credit growth in Q2/2025 is calculated as of 18/06/2025

Domestic corporate bond market is back on track

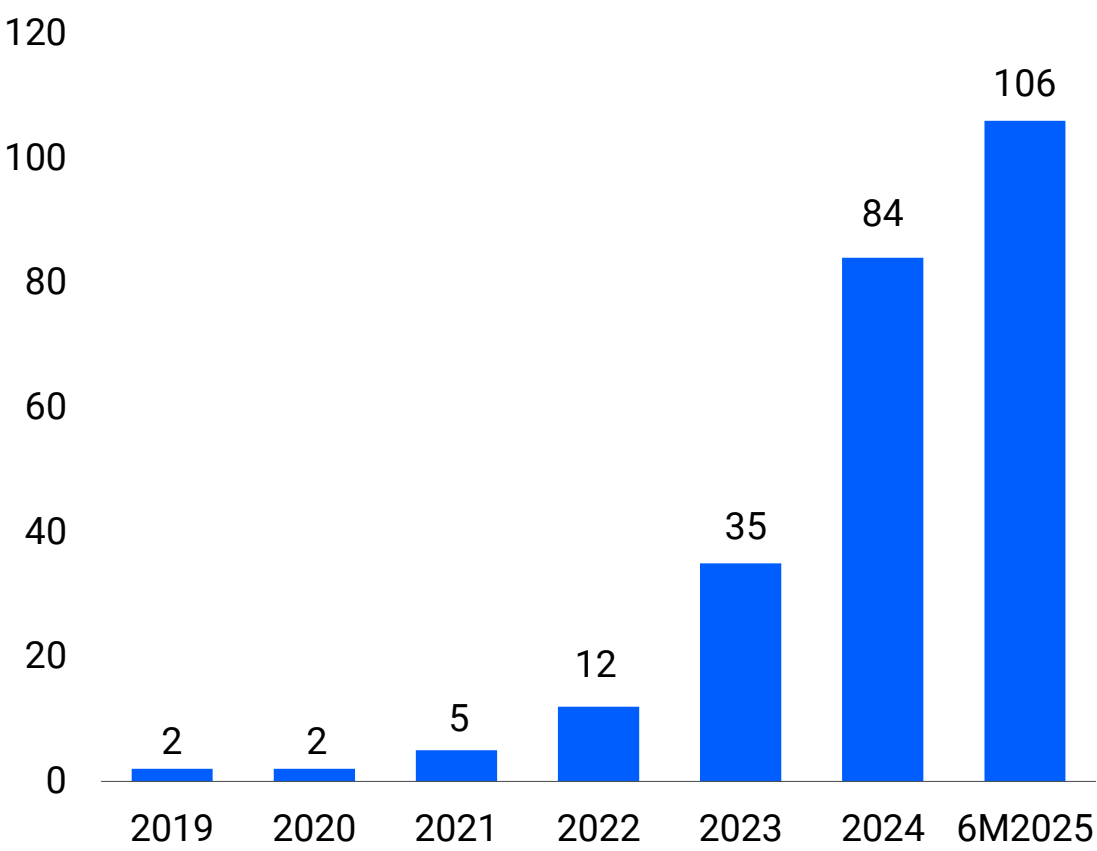


Source: VIS Rating

Leading and lagging sectors from the perspective of a credit rating agency

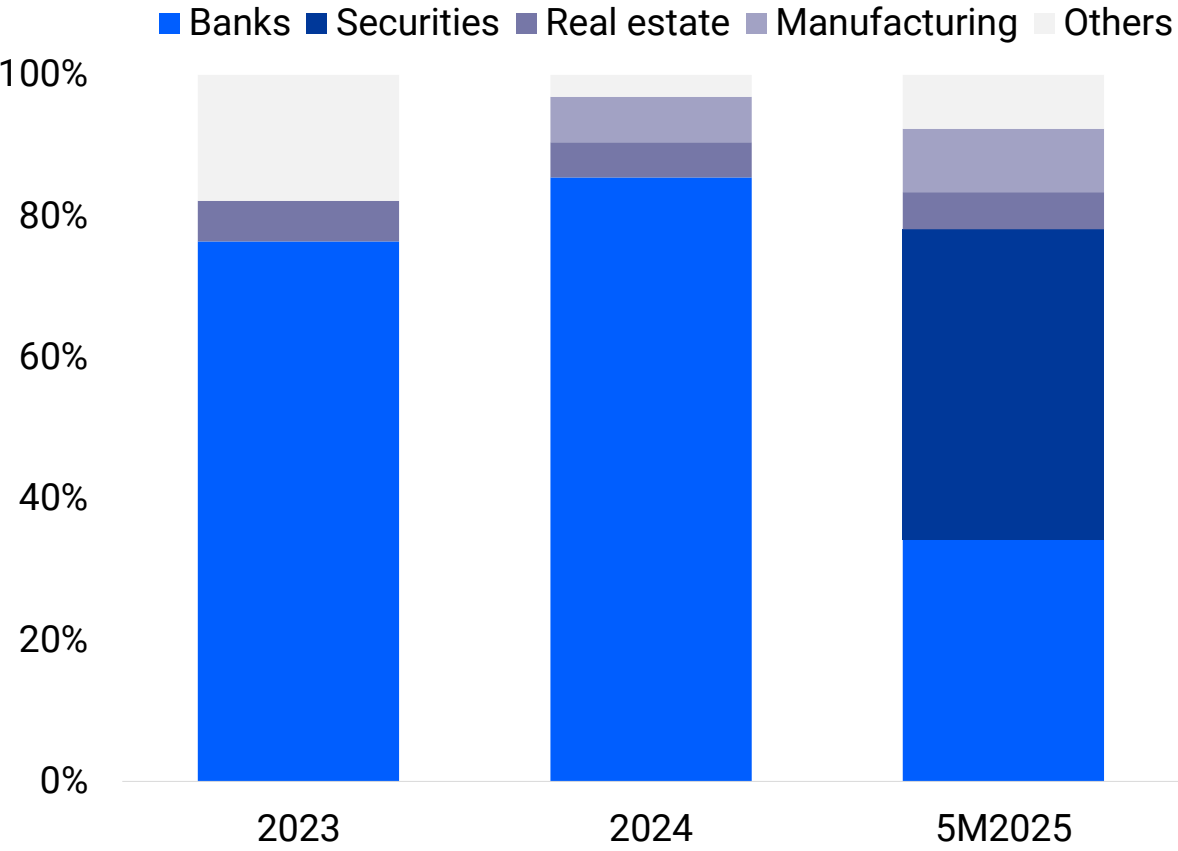
Increasing adoption of credit ratings

Increasing number of first-time rated issuers



Source: VIS Rating

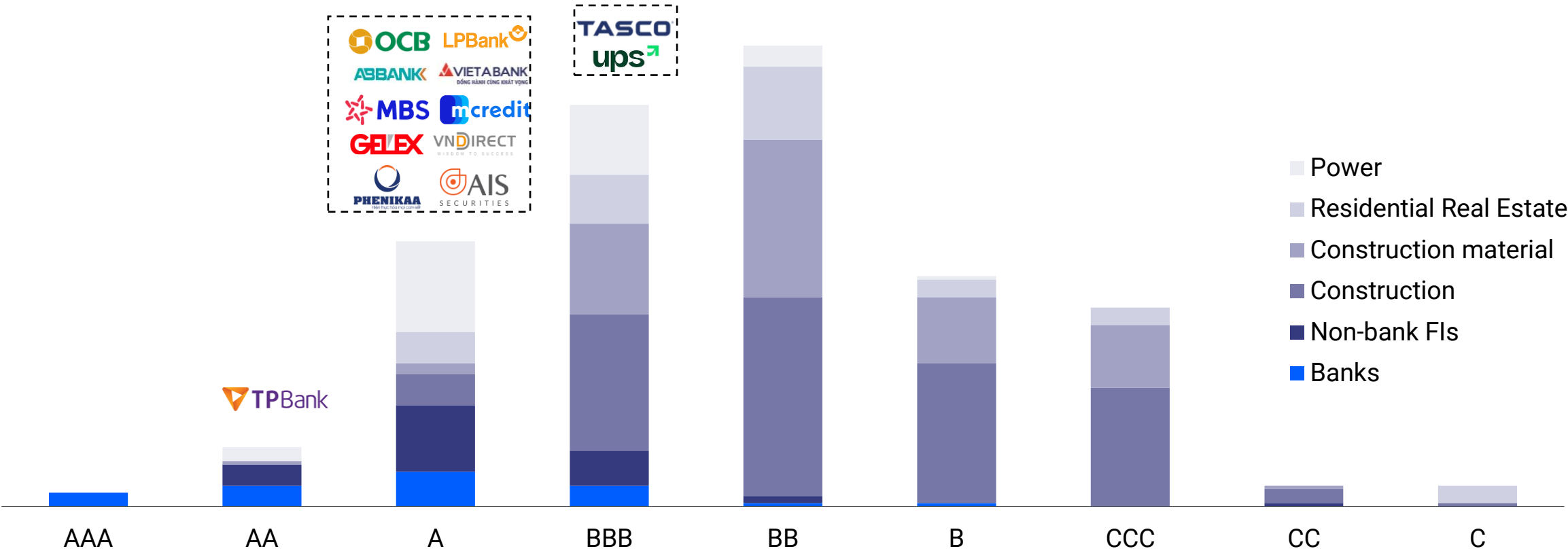
Growing diversity of rated issuers



Note: % total asset of rated issuers
Source: VIS Rating

Differentiate the risk profile across industries and companies

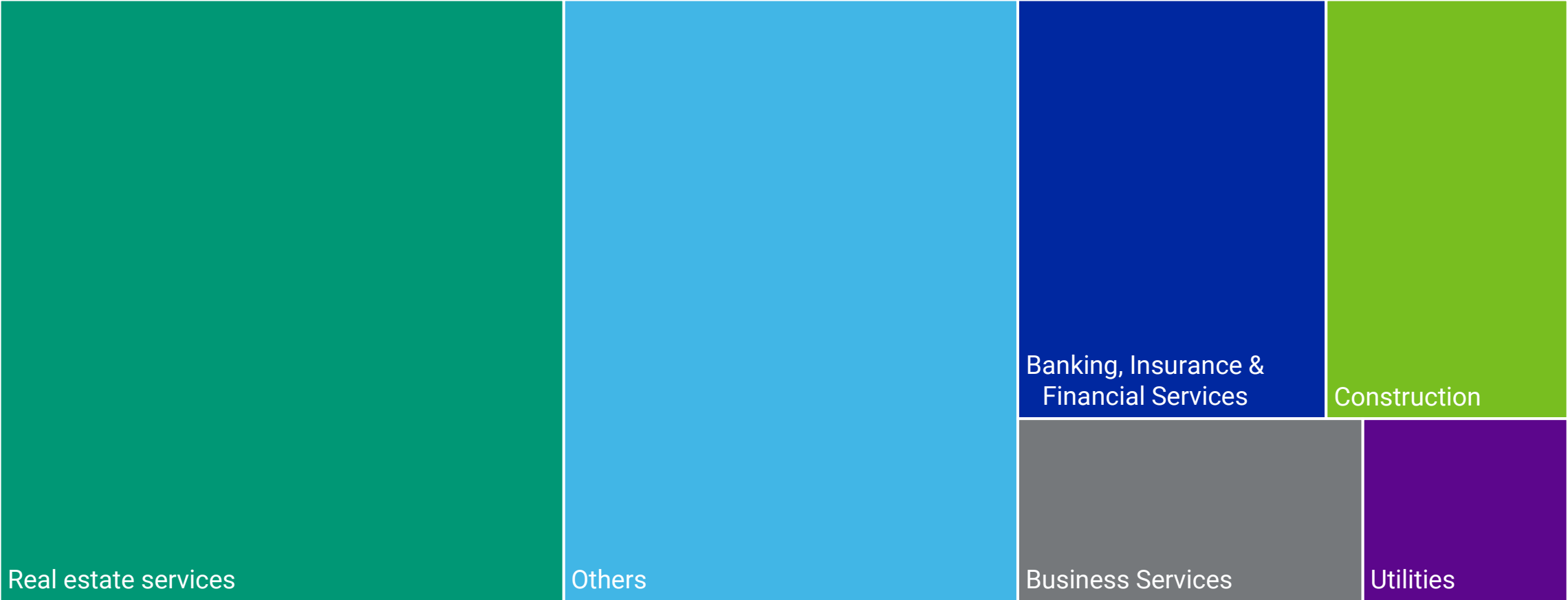
Preliminary rating distribution for ~ 500 companies



Source: VIS Rating

Governance risks among key credit concerns

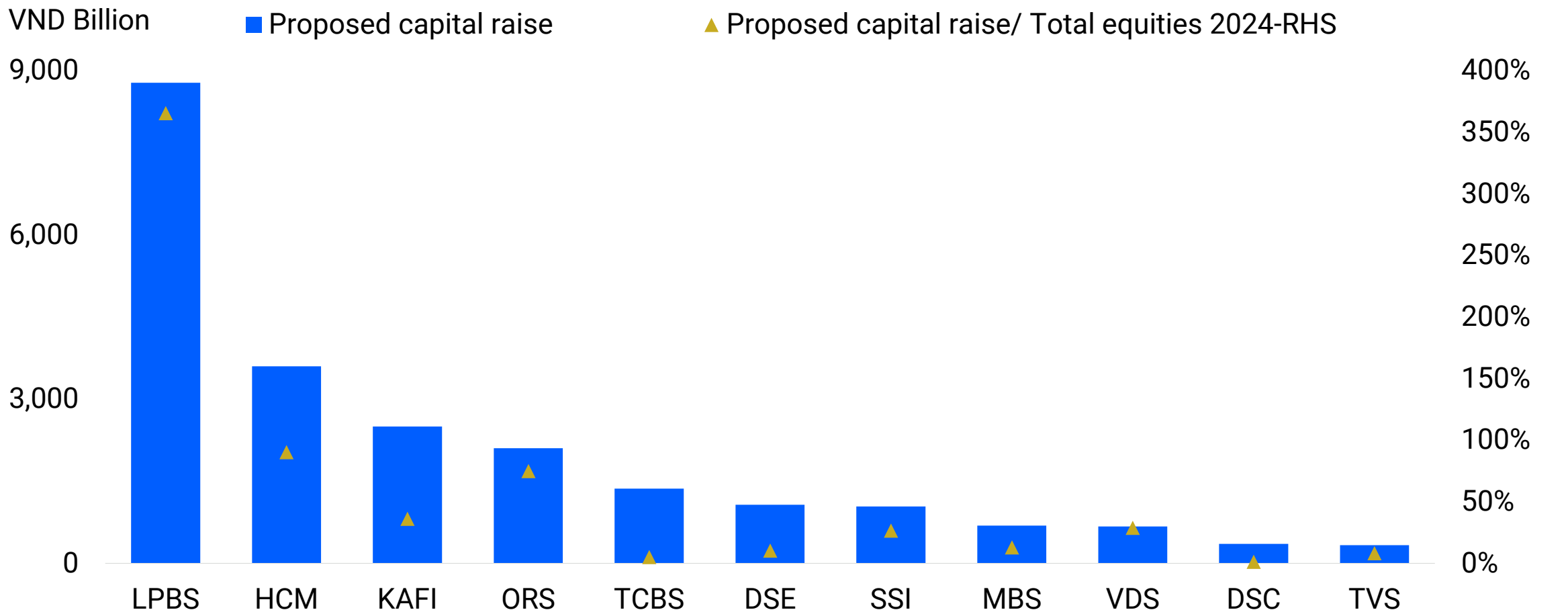
Most of banks' connected parties are from real estate services and construction sector



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

More securities firms will inject new capital to support expansion

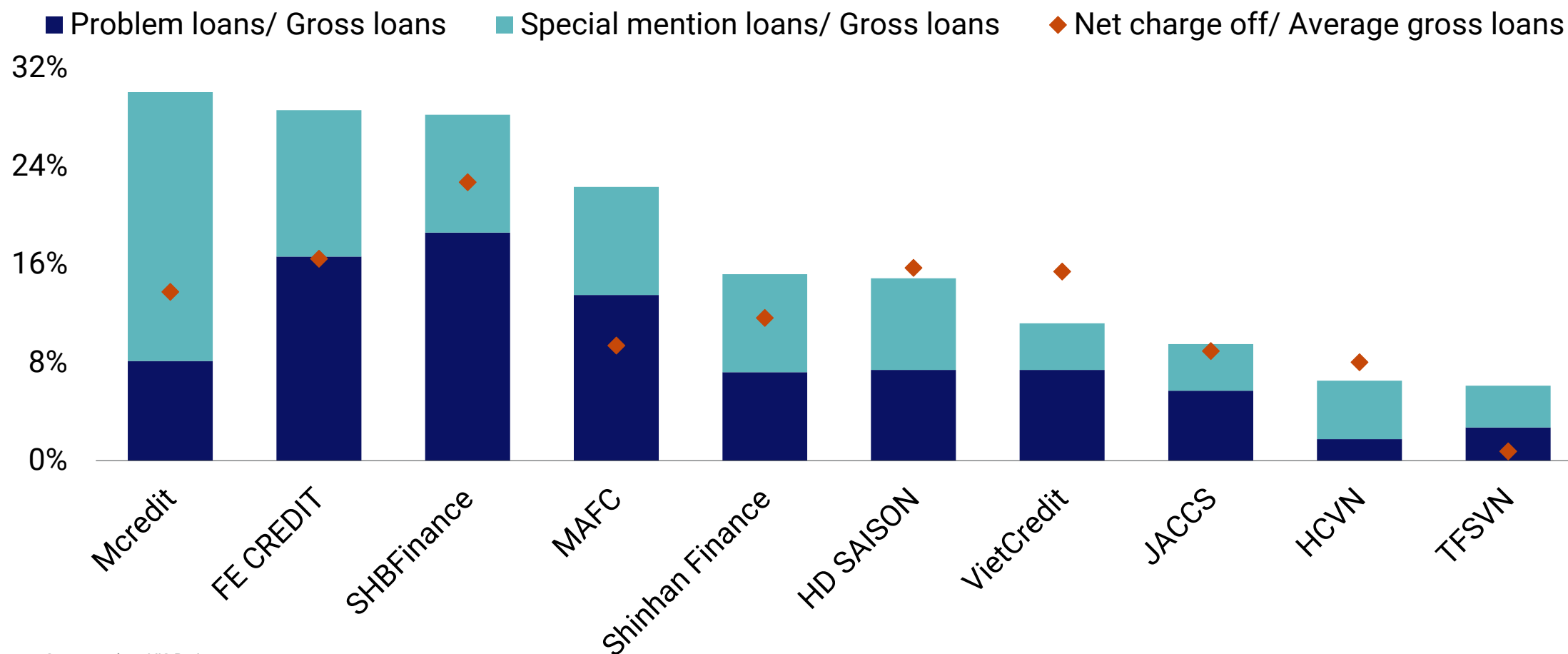
Proposed capital raises mostly come from bank-affiliated firms



Source: Company data, VIS Rating

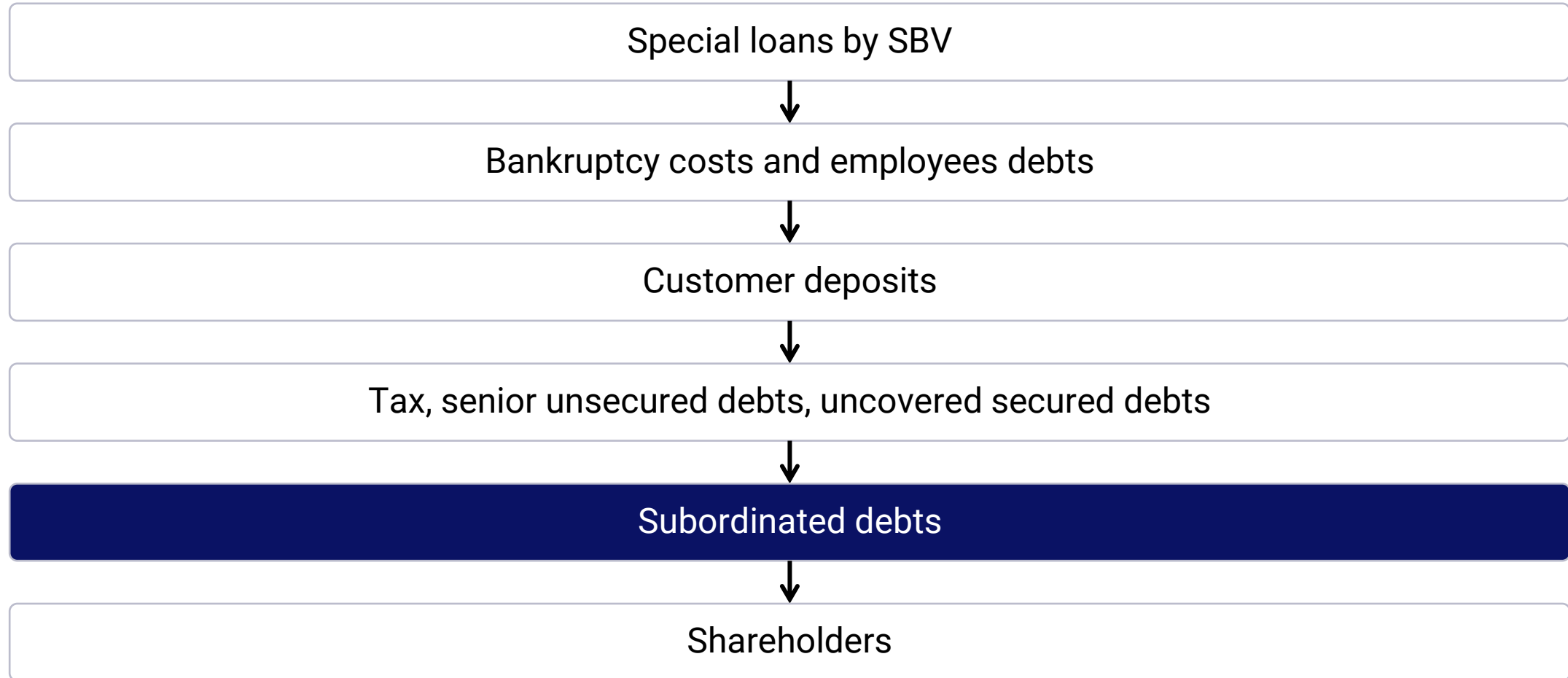
Asset risk will remain elevated for cash loan-focused firms

Consumer finance companies will adopt more conservative business strategies in response to rising asset risk



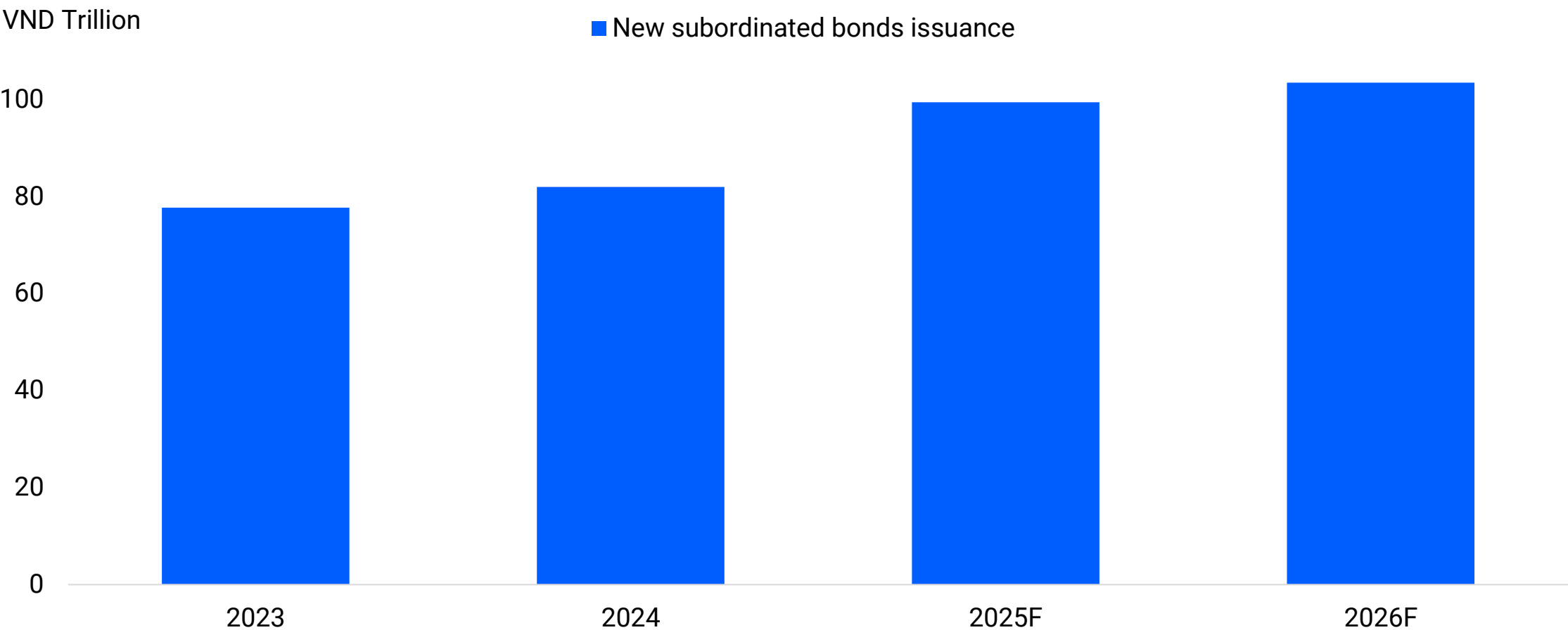
Source: Company data, VIS Rating

Subordinated bondholders rank below all senior creditors



Source: Bankruptcy Law, Circular 41/2016/TT-NHNN, VIS Rating

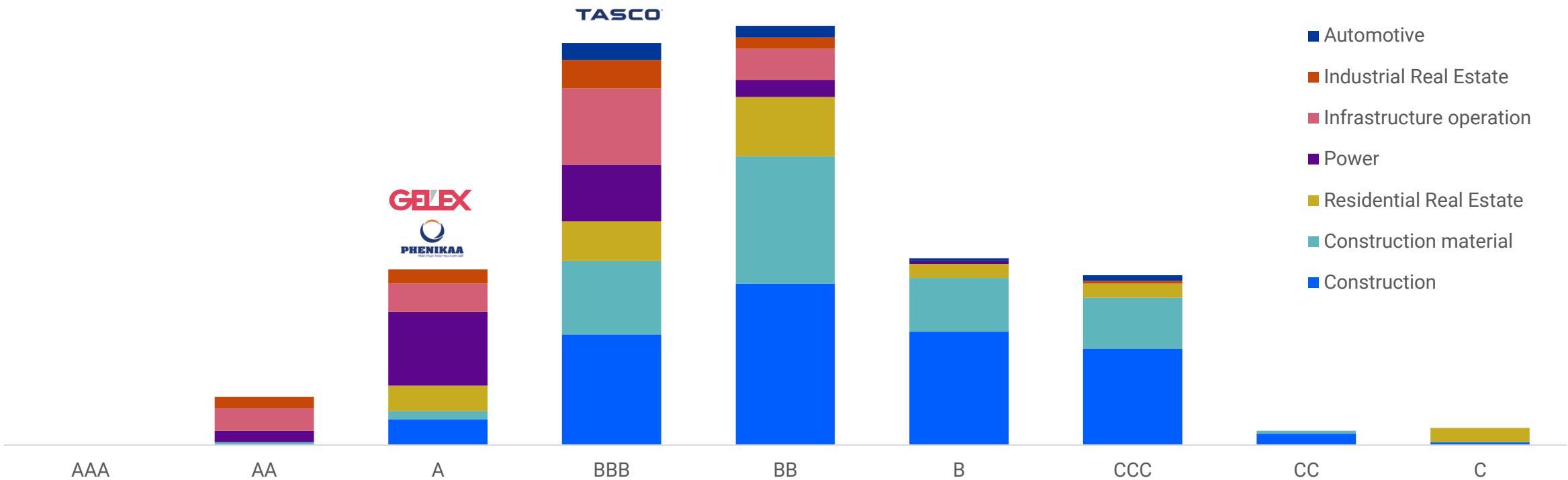
Banks will need over VND 200 trillion subordinated bonds issuance in 2025–2026



Source: HNX, VIS Rating






Differentiate the risk profile across industries and companies

Preliminary rating distribution for ~ 500 companies



Source: VIS Rating

Differentiate the risk profile across Non-FI companies

Indicator	Stronger corporates	Weaker corporates
	Scale <ul style="list-style-type: none"> » Annual revenue > VND 2 trillion 	<ul style="list-style-type: none"> » Annual revenue < VND 200 billion » High revenue volatility
	Business profile <ul style="list-style-type: none"> » Stronger industry-profile sectors, i.e. Telecom, Power » Well-established business franchise, high operational efficiency » Multiple competitive advantages » Strong business diversification » Strong corporate execution 	<ul style="list-style-type: none"> » Weaker industry-profile sectors, i.e. Agriculture, Services » Moderate to weak business operation » No competitive advantages » High business concentration » Limited business track record
	Profitability & Efficiency <ul style="list-style-type: none"> » High, stable profit margin, i.e. EBITDA margin > 20% » Strong revenue growth 	<ul style="list-style-type: none"> » Volatile, low profit margin, i.e. EBITDA margin < 5% » Declining revenue
	Leverage & Coverage <ul style="list-style-type: none"> » Low leverage, i.e. Debt/EBITDA < 6X » Strong operating cash flow, i.e. CFO/Debt > 20% 	<ul style="list-style-type: none"> » High leverage, i.e. Debt/EBITDA > 10x » Negative operating cash flow
	Liquidity <ul style="list-style-type: none"> » Strong cash balances and CFO » Sizable new funding plans 	<ul style="list-style-type: none"> » Inadequate cash, asset-liability duration mismatch » Weak capacity to raise new funding

Source: VIS Rating

Q&A session