Initial Issuer Credit Rating Report:

Vietnam Maritime Commercial Joint Stock Bank ('MSB')

Long-term Issuer Credit Rating *: A

Rating Outlook: Stable

Hanoi, 18 June 2025

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** This rating is an Issuer Credit Rating (ICR). An ICR reflects our view of the senior unsecured credit rating of an issuer and is not specific to a debt instrument such as bond that it may issue.*

The rating scale used by FiinRatings is the national scale, therefore, it must not be equated with or represented as a rating on the scale used by any other rating agencies.

The rating presented in this announcement is effective from the rating date, until and unless we make any further updates.

This document is prepared in both English and Vietnamese. The English translation is for reference only and the Vietnamese version will prevail in the event of any inconsistency between the English version and the Vietnamese version.

Table of Content

Rating Summary 3

Company Description 4

Financial Projection 5

Business position (+0) 6

Capital and Earnings (+1) 9

Risk Position (+0) 11

Funding and Liquidity (+0) 13

RATING METHODOLOGY 15

Credit Rating History 15

OWNERSHIP DISCLOSURE AND STATEMENTS 16

Appendix 17

Appendix 1: MSB's financial statement *17*

Appendix 2: MSB's key metrics *18*

Appendix 3: Key metrics of the industry median *19*

Appendix 4: Key Metrics and Formula Used *20*

Appendix 5: Rating Scale and Definition *22*

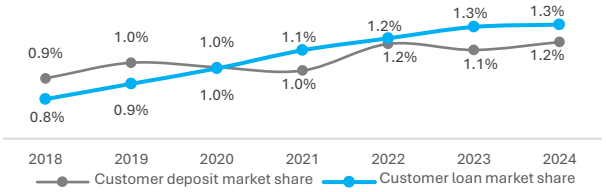
Rating Summary

Company Name	Rating Type	Issue Date	Rating	Outlook
Vietnam Maritime Commercial Joint Stock Bank ("MSB")	Issuer Rating - Initial	June 18, 2025	A	Stable

Industry Classification: Financial Institutions | Comm. Banks

Company Overview: Vietnam Maritime Commercial Joint Stock Bank ('MSB') was established in Hai Phong City in 1991. Following a restructuring period, the Bank completed the full settlement of all non-performing loans sold to VAMC and listed its shares on the Ho Chi Minh Stock Exchange (HOSE) in 2020. MSB has completed the divestment of its subsidiary AMC and plans to further divest its stake in TNEX Finance Company in the near term.

Exhibit 01: MSB's market share growth (2018–2024)



Source: FiinRatings, MSB

Outlook: The "Stable" outlook reflects FiinRatings' assessment that MSB will maintain its ability to meet the issuer's obligations over the next 12-24 months. The Bank is also expected to continue enhancing its risk governance framework, gradually resolving outstanding problematic assets, and maintaining prudent credit quality-particularly in the SME and retail segments.

Upgrade Scenario:

- The Bank's business position improves materially, supported by strong growth in Customer deposit and Gross customer loan market shares, and reaches levels comparable to those of leading privately owned commercial banks who currently outperforming the industry average;
- MSB's capital buffer continues to strengthen, as reflected in a significantly improved Capital adequacy ratio ranking among the highest in the sector, while its profitability remains above the industry average.

Downgrade Scenario:

- MSB's risk Position deteriorates significantly, as reflected in: (i) prolonged asset quality deterioration, with the ratio of Problematic assets (including NPLs, special mention loans, VAMC bonds and receivables of credit nature) remaining elevated at around 7% of Gross customer loans; and (ii) the Bank's prudent provisioning policy not being sustained, as evidenced by an NPL reserve coverage ratio materially below the sector average.
- The capital buffer becomes insufficient to support credit expansion, resulting in a substantial decline in the Capital adequacy ratio, while profitability metrics, particularly NIM, are adversely affected under unfavorable market conditions; and/or
- The funding structure shows a much higher reliance on wholesale funding, while the capacity to meet liquidity pressures has notably declined.

Rating Summary:

	Initial Rating
Banking Sector Anchor	**a-**
Modifiers:	
Business Position	*+0*
Capital & Earnings	*+1*
Risk Position	*+0*
Funding & Liquidity	+0
Stand-alone Credit Profile	a
External Support	**+0**
Issuer Credit Rating	**A**
Outlook	**Ổn định**

Rating Rationale:

- **FiinRatings assigns the Issuer Credit Rating ("ICR") of MSB at 'A' with a "Stable" rating outlook.** MSB's credit profile is underpinned by a relatively solid business foundation supported by its long-standing development history, capital buffers above the industry average, and stable profitability. The Bank has improved bad debt resolution and implemented a risk management system tailored to its customer profile. In addition, MSB has maintained diversified funding access and an adequate liquidity position.
  Nevertheless, FiinRatings notes that certain pressures on the Bank's asset quality currently stem from Problematic assets. Meanwhile, MSB's core customer segments, which consist of small and medium-sized enterprises (SMEs) and retail clients, are considered more susceptible to adverse economic developments, given the continued macroeconomic volatility expected over the next two years.
- **FiinRatings assesses MSB's business position as "Adequate",** reflecting its relatively solid operating capacity supported by a long development history, a diversified revenue base, and a continuously expanding customer base. These factors have reinforced MSB's standing among mid-sized private commercial banks and its classification as a systemically important credit institution.
- **FiinRatings assesses MSB's Capital and Earnings profile as "Strong";** this serves as a key credit strength for the Bank's overall credit profile. This reflects a robust capital buffer that is expected to be sustained, supported by profitability that remains above the industry average. FiinRatings views that MSB is likely to maintain a stable CAR in the range of 12%–13%, with a continued high Tier 1 capital ratio during the 2025–2026 period.
- **MSB's risk position is assessed as "Adequate"** reflecting our view that the Bank is implementing a relatively effective risk management aligned with its target customer segments. The Bank has also shown certain improvements in its risk resolution, with a proven track record of resolving and recovering bad debts in the past. Over the next two years, we expect MSB to maintain sound credit quality control and continue resolving outstanding Problematic assets. FiinRatings projects that the Bank's ratio of Problematic assets to gross customer loans will decline slightly, falling below 6% by end-2025 and under 5% by end-2026
- **MSB's funding and liquidity position is assessed as "Adequate"** reflecting its ability to access a diverse range of funding sources at reasonable costs, along with a relatively stable liquidity position. The ratio of broad liquid assets to short-term wholesale funding has remained consistently above 100% over the past five years, reaching 115.5% by end-2024, broadly in line with the industry median of 120.6%.

Exhibit 02: Key Financial Metrics of MSB (2020-1Q2025)

Key Metrics	Unit	2020	2021	2022	2023	2024	1Q2025
Total assets	*VND trillion*	176,7	203,7	212,8	267,0	320,1	314,7
Gross customer loans (adjusted for corporate bond holding)	*VND trillion*	85,0	104,6	123,2	150,7	176,5	193,1
Customer Deposits	*VND trillion*	87,5	94,6	117,1	132,4	154,6	163,0
Reported Capital adequacy ratio (CAR)	%	10.6%	11.5%	12.3%	12.8%	12.4%	12.3%
Reported Tier-1 Capital adequacy ratio	%	9.6%	10.2%	12.5%	11.7%	11.5%	12.1%
Net interest margin (NIM)	%	3.4%	3.7%	4.5%	4.1%	3.7%	3.6%
Return on average assets (ROA)	%	1.2%	2.1%	2.3%	1.9%	1.9%	1.9%
Non-performing loan ratio (Adjusted NPL)	%	2.0%	1.7%	1.7%	2.9%	2.7%	2.6%
Reserve Coverage Ratio	%	54.1%	95.4%	69.2%	55.2%	64.1%	59.6%
Stable funding ratio (FiinRatings- adjusted)	%	90.2%	86.3%	95.5%	89.8%	91.8%	89.8%
Broad liquid assets / Short-term wholesale funding	%	107.9%	102.8%	125.3%	110.9%	115.5%	112.3%

Source: FiinRatings, MSB

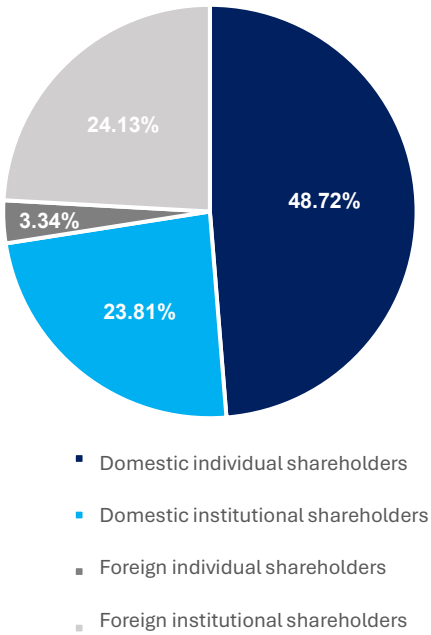
Company Description

Vietnam Maritime Commercial Joint Stock Bank ("MSB") was established in Hai Phong City in 1991. In 2015, MSB completed the merger with Mekong Development Commercial Joint Stock Bank and the acquisition of Vietnam Textile and Garment Finance Joint Stock Company (TFC). Following a restructuring period, MSB fully resolved all non-performing loans previously sold to VAMC and listed its shares on the Ho Chi Minh Stock Exchange (HOSE) in 2020. The Bank subsequently raised its charter capital and conducted additional share listings in 2021, 2022, and 2024. Additionally, MSB completed the divestment of its asset management subsidiary (AMC) in 2021.

MSB currently holds a 100% stake in TNEX Finance Company Limited (formerly FCCOM), which provides consumer loans and merchant financing for e-commerce platform sellers. However, TNEX Finance currently contributes only marginally to MSB's overall operations. In 2024, TNEX Finance reported total assets of VND 3,807 billion, customer loans of VND 1,774 billion, total operating income of VND 359 billion, and pre-tax profit of approximately VND 5 billion-accounting for 1.2%, 1.0%, 2.5%, and 0.1% of MSB's consolidated figures, respectively. MSB plans to divest from TNEX Finance in 2025. Given the subsidiary's modest size and limited strategic role, FiinRatings assesses that the divestment will not have a material impact on MSB's credit profile.

In the future, MSB may expand into investment banking activities, specifically in the areas of securities and asset management, through capital contribution or the acquisition of an existing entity with a charter capital of approximately VND 300–500 billion. This strategic move is intended to serve high-net-worth clients and diversify the Bank's financial ecosystem.

Exhibit 03: MSB's ownership structure as of 31/12/2024



Source: FiinRatings, MSB

Exhibit 04: MSB's key personnel as of 31/12/2024

No	Full Name	Board of Director
1	Mr. Tran Anh Tuan	Chairman
2	Mr. Tran Xuan Quang	Vice Chairman
3	Mr. Nguyen Hoang An	Vice Chairman
4	Mr. Nguyen Hoang Linh	Member
5	Ms. Le Thi Lien	Member
6	Mr. Vo Tan Long	Member
7	Mr. Ta Ngoc Da	Independent member

No	Full Name	Executive Team
1	Mr. Nguyen Hoang Linh	Chief Executive Officer
2	Mr. Nguyen Phi Hung	Deputy Chief Executive Officer
3	Ms. Nguyen Huong Loan	Deputy Chief Executive Officer - Head of Financial Institution Banking Division
4	Ms. Nguyen Thi My Hanh	Deputy Chief Executive Officer - Head of Retail Banking Division
5	Mr. Hoang Viet Phuong	Head of Corporate Banking Division
6	Mr. Vu Ngoc Bong Lai	Head of Strategy and Innovation Division
7	Mr. Bui Duc Quang	Head of Credit Management Banking Division
8	Ms. Nguyen Thi Thu Hang	Head of Financial Management
9	Mr. Nguyen Quoc Khanh	Chief Technology Officer
10	Mr. Nguyen Ngoc Cuong	Chief Human Resources Officer
11	Ms. Dinh Thi Kim Anh	Head of Legal and Compliance Division
12	Ms. Nguyen Ha Thanh	Chief Operating Officer
13	Mr. Nguyen Tien Duc	Chief Risk Officer

Source: FiinRatings, MSB

Exhibit 05: MSB's subsidiaries and affiliates as of 31/12/2024

Subsidiaries / Affiliates	Key business lines	Charter capital (VND bn)	Ownership (%)	Ownership type
TNEX Finance Company Limited ("TNEX FINANCE")	Other financial services activitie	500	100	Direct

Source: FiinRatings, MSB

Financial Projection

Key assumptions

Factors	Base-case assumptions
Credit growth	- MSB's credit growth remained aligned with the Bank's internal targets and continued to outperform the industry average, exceeding the initial credit growth quota allocated by the State Bank of Vietnam (SBV). - Credit growth was primarily supported by the retail and large corporate segments. Meanwhile, lending to SME borrowers exhibited slower momentum, reflecting cautious credit demand in the context of heightened macroeconomic volatility, prolonged recovery of the domestic economy, and persistent challenges in external trade activities.
Asset quality	- NPLs and special mention loans in the retail segment have continued to decline gradually over the years. - NPLs and special mention loans in the large corporate segment have remained at low levels. - NPLs and special mention loans in the SME segment are expected to increase slightly in 2025, followed by a gradual decline over 2026–2027 as macroeconomic conditions stabilize.
	- MSB has proactively written off non-performing loans during 2025–2026. The NPL coverage ratio remained in the range of 60% to 70%.
Funding	- Customer deposits recorded modest growth in 2025 and gradually recovered over the following two years, funding approximately 95% of the Bank's customer loan portfolio.
	- Bonds and valuable papers are expected to account for approximately 13% of gross loans, with the proportion of long-term instruments maintained at 75% during 2025–2027 (2024: 81%, 2023: 72%, 2022: 72%).
	- MSB's average financing cost is expected to remain stable in 2025, increase slightly in 2026, and start to decline in 2027. We assess that interest rate pressure will remain present over the next two years, despite the Government's ongoing efforts to maintain a low interest rate environment - particularly deposit rates - as part of measures to support economic growth.
Earnings	- The yield on interest-earning assets has declined slightly compared to previous years, remaining around 6.5% (2024: 6.7%, 2023: 8.5%), due to lending rate reductions in line with the SBV's policy to stimulate economic growth. - Foreign exchange trading income is expected to decline slightly during 2025–2026, driven by reduced customer demand amid ongoing uncertainties in cross-border trade and a sluggish domestic economic recovery.
Expense	- Loan loss provisions/ Average customer loans are projected to remain around 1% during 2025-2026, before gradually declining from 2027. - Operating expenses are expected to continue decreasing over the 2025–2027 period, following a slight increase in 2024.

Exhibit 06: MSB's key metrics in base case scenario

Key Metrics	2021	2022	2023	2024	2025	2026
-- Year ended Dec. 31 --	*A*	*A*	*A*	*A*	*F*	*F*
Gross customer loan growth	28.0%	18.8%	23.6%	18.3%	19.4%	22.9%
NIM	3.7%	4.5%	4.1%	3.7%	3.5%	3.5%
Net interest income/ total operating income	58.7%	77.8%	75.0%	72.0%	75.2%	76.5%
Net fee income/total operating income	27.1%	10.4%	13.0%	9.5%	10.0%	10.4%
Pre-provision operating income/average assets	3.5%	3.0%	3.1%	3.1%	2.8%	2.8%
ROA	2.1%	2.3%	1.9%	1.9%	1.9%	1.9%
ROE	20.5%	18.9%	15.9%	16.3%	16.0%	15.7%
CIR	37.1%	41.4%	39.3%	36.8%	36.5%	36.0%
Average financing cost	2.5%	2.9%	4.8%	3.3%	3.4%	3.5%
Loan loss provisions/ Average customer loans	1.7%	0.4%	1.2%	1.3%	0.8%	0.7%
Total assets / Total equity	9.2	8.0	8.5	8.7	8.2	8.2
Adjusted NPL ratio	1.7%	1.7%	2.9%	2.7%	2.6%	2.4%
Problem loan ratio	2.9%	3.1%	4.6%	3.9%	3.8%	3.5%
Loan loss reserve / NPL	95.4%	69.2%	55.2%	64.1%	61.4%	66.0%
Stable funding ratio	86.3%	95.5%	89.8%	91.8%	90.9%	89.8%
Broad liquid assets/ Short-term wholesale funding	102.8%	125.3%	110.9%	115.5%	114.0%	113.6%

Source: FiinRatings, MSB

Note: A – Actual, F – Forecasted

Business position (+0)

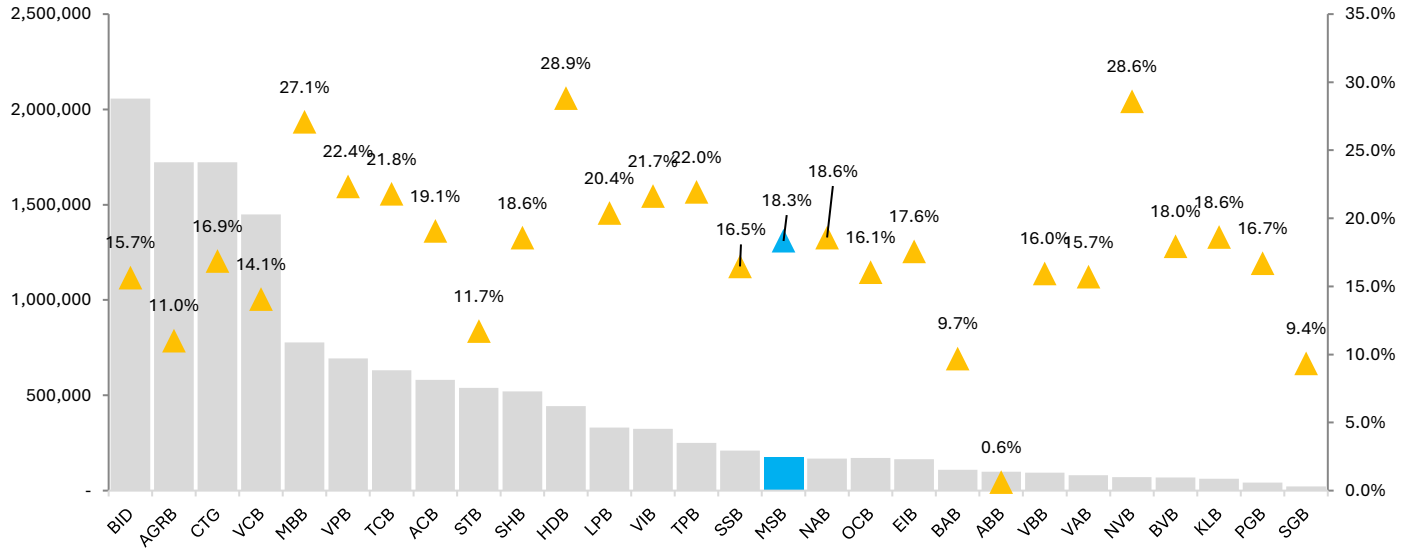
FiinRatings assesses MSB's business position as "Adequate", reflecting its relatively solid operating capacity supported by a long development history, a diversified revenue base, and a continuously expanding customer base. These factors have reinforced MSB's standing among mid-sized private commercial banks and its classification as a systemically important credit institution.

Business Stability

MSB's business stability is assessed as "Adequate", based on the following factors:(1) MSB is a mid-sized private commercial bank in Vietnam, with steadily increasing market shares in total assets, customer deposits, and customer loans over the past five years; (2) The Bank maintains a strong and continuously expanding customer base, which has enabled it to sustain robust credit growth over multiple years

In terms of market share, the Bank has demonstrated consistent growth over the past five years, with its shares of total assets, customer deposits, and customer loans reaching 1.6%, 1.2%, and 1.3% of the entire banking system, respectively, as of end-2024 - ranking 16th, 18th, and 16th out of 30 banks. These figures represent a slight increase compared to 2020 levels of 1.5%, 1.0%, and 1.0%, respectively. Despite a deceleration in credit growth compared to 2020-2023, the Bank's loan growth remained above the industry average (15.1%), reaching 18.3% in 2024. The primary growth drivers were the large corporate segment (+27.2%) and SME segment (+18.5%). In addition, MSB continues to be included in the list of systemically important credit institutions in 2025, pursuant to Decision No. 1631/QĐ-NHNN issued by the Governor of the State Bank of Vietnam on March 28, 2025.

Exhibit 07: MSB's customer loans and credit growth compared to peers as of 31/12/2024 (Unit: VND billion)

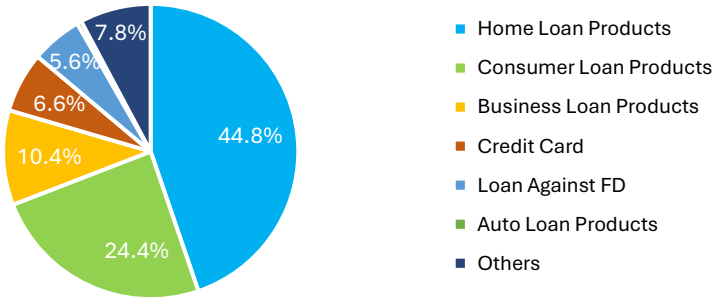


Source: FiinRatings, MSB

MSB's customer base is currently concentrated in two main segments: retail and SME customers, accounting for 26% and 43% of the Bank's total loan portfolio as of end-2024, respectively. Among retail customers, the majority fall into the Mass Affluent segment, with housing loans being the dominant product - representing 45% of total retail lending. In 2024, MSB's retail loan growth lagged behind that of its corporate segments, reaching 11.8%. Amid a slow recovery in the real estate market and subdued demand for housing loans, the Bank actively expanded its consumer loan offerings, which recorded the highest growth rate (+86%) and accounted for approximately 24% of total outstanding loans to individual customers. Over the 2025–2026 period, retail loan growth is expected to remain primarily driven by housing loans, with potential additional support from the expanding consumer loan segment.

In addition to its retail customer base, MSB has strengthened its presence in the SME segment through a strategy of ecosystem expansion linked to large corporate clients. Specifically, the Bank has partnered with major clients to tap into their ecosystems and implement cross-selling initiatives. Key partnerships include Bach Mai Hospital, Children's Hospital No. 2, the Vietnam General Confederation of Labour, Ho Chi Minh City Banking University, Giaohangtietkiem, and G-Tel Mobile. MSB's SME lending balance grew significantly from VND 11,490 billion in 2019 to VND 55,622 billion in 2024, accounting for 43% of the Bank's total loan portfolio - the highest proportion among its lending segments. In addition, we note that MSB's corporate customer base has shown relatively active engagement in import-export activities, as reflected in the Bank's consistently high foreign exchange income and FX swap commitments over the past years.

Exhibit 08: MSB's retail loan portfolio breakdown by product (2024)



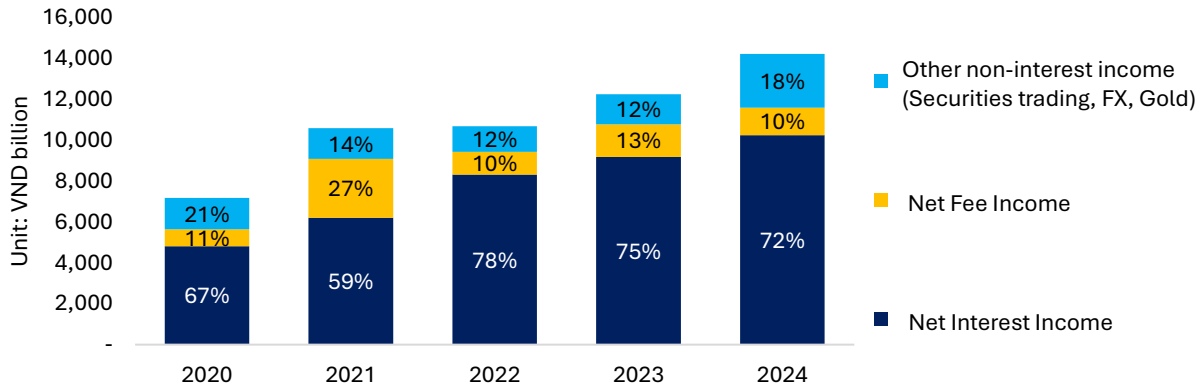
Source: FiinRatings, MSB

During the 2025-2026 period, FiinRatings expects MSB's credit growth to reach approximately 19.5%, primarily driven by the retail and large corporate segments. Meanwhile, SME lending may decelerate due to weaker credit demand stemming from macroeconomic volatility and the impact of retaliatory tariff policies on exports.

Business Diversity

Business diversification is assessed as "Adequate" for MSB. The Bank's operations are geographically concentrated in the northern region, with deposit and loan balances in Hanoi significantly higher than in Ho Chi Minh City, accounting for approximately 49%–58% and 20%–22%, respectively. As of December 31, 2024, MSB had established a branch network of 260 branches and transaction offices across 51 provinces and cities nationwide.

Exhibit 09: MSB's operating income breakdown (2020-2024)



Source: FiinRatings, MSB

In addition, MSB has also demonstrated income diversification, with total non-interest income recording strong growth over the past three years; it accounts for 28% of total operating income in 2024 and is on par with the industry median. The majority of the Bank's non-interest income comes from foreign exchange (FX) activities, which contributed 27% of non-interest income in 2024 (2023: 35%, 2022: 42%). FiinRatings expects FX-related non-interest income to continue playing a significant role in MSB's income structure during 2025–2026, in line with the Bank's strategic direction.

The increase in the share of non-interest income enables the Bank to reduce its reliance on interest-based revenue, which tends to be more sensitive to macroeconomic volatility and monetary policy shifts. This strategic orientation is also consistent with the objective set by the State Bank of Vietnam under Decision No. 986/QĐ-TTg, which targets a system-wide non-interest income ratio of 16%-17% by 2025.

Management and Governance

The impact of MSB's management and governance on its business position is assessed by FiinRatings as "Adequate", based on the leadership's effective operational management, demonstrated resilience in overcoming previous challenges, and the Bank's strong track record of achieving its stated business objectives. During the transition period from 2018 to 2023, MSB achieved several notable milestones, including the full write-off of VAMC debt as of September 30, 2020, and a substantial reduction in legacy problem assets related to the Vinashin incident. Since 2021, with strategic support and advisory from McKinsey, the Bank has optimized its business model along a vertical "bank-in-bank" structure, enabling more flexible strategy execution.

Each of MSB's specialized banking divisions-including Retail Banking, Corporate Banking, Financial Institutions Banking, and Credit Management-is operated as an independent business unit. MSB's business performance has generally been in line with its approved plans, with certain indicators surpassing targets, reflecting the Bank's ability to adapt to market conditions and flexibly execute its strategy during 2023-2024. With a stable foundation in credit and deposit growth, along with relatively effective NPL control, MSB is well-positioned to achieve its growth targets in the upcoming periods.

Exhibit 10: MSB's business plan and actual results for 2023–2024

Key Metrics	2023			2024		
Unit: VND billion	*Actual*	*Plan*	*% Achieved*	*Actual*	*Plan*	*% Achieved*
Total Assets	267,006	230,000	116%	320,177	280,000	114%
Customer Deposits and Valuable Papers	141,342	142,000	100%	175,823	178,900	98%
Outstanding Credit Balance (including loans to corporates and individuals, and corporate bonds)	150,671	141,700	106%	179,179	178,200	101%
Consolidated NPL Ratio (%)	2,0%	<3%	Within target	1,9%	<3%	Within target
Profit Before Tax	5,830	6,300	93%	6,904	6,800	102%
Charter Capital	20,000	20,000	Within target	26,000	26,000	Within target

Source: FiinRatings, MSB

Capital and Earnings (+1)

FiinRatings assesses MSB's Capital and Earnings profile as "Strong"; this serves as a key credit strength for the Bank's overall credit profile. This reflects a robust capital buffer that is expected to be sustained, supported by profitability that remains above the industry average

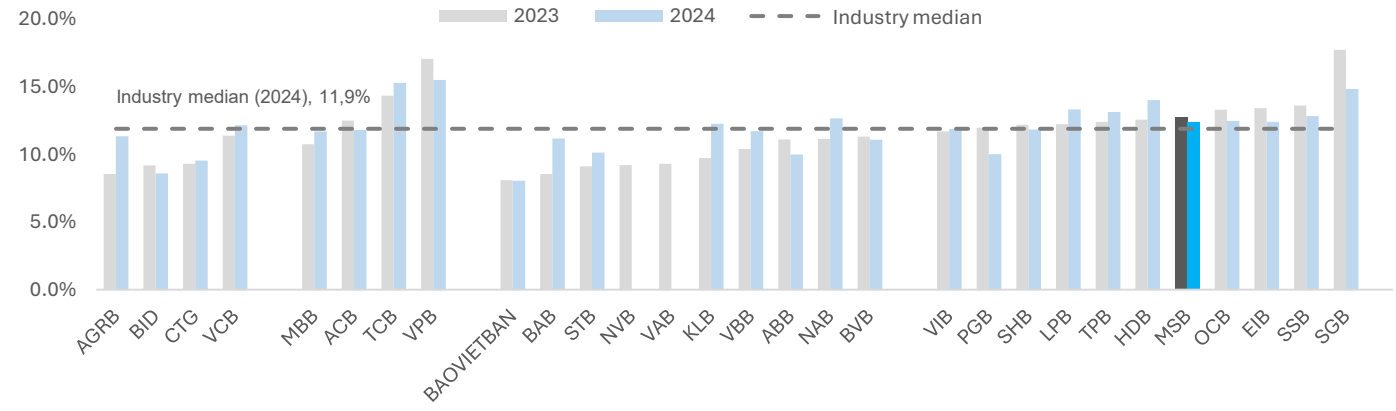
Capital

We assess MSB's capital profile as "Strong", supported by a relatively high capital adequacy ratio (CAR) compared to the industry median, low reliance on Tier 2 capital, and a conservative leverage position.

MSB completed all three pillars of Basel II in 2020. Since then, MSB has consistently maintained its capital adequacy ratio (CAR) within the range of 10.6%-12.8%, above the industry median of 10.4%-12.3% during the same period, and this trend has continued until now. As of December 31, 2024, the Bank's CAR stood at 12.4%, slightly down from 12.8% at end-2023 but still higher than the industry median (11.9%) and well above the regulatory minimum of 8% set by the State Bank of Vietnam. Additionally, over the past five years, MSB has continuously maintained a Tier 1 capital ratio exceeding 100% of total regulatory capital, indicating a solid capital base with minimal reliance on Tier 2 instruments.

As part of its 2024 profit distribution plan, the Bank plans to issue up to 520 million additional shares to existing shareholders in the form of stock dividends, equivalent to a 20% payout ratio based on retained earnings. We believe that MSB's capital buffer remains under limited pressure, as the Bank does not plan to distribute cash dividends while continuing to post stable profit growth, supported by its consistently high credit expansion.

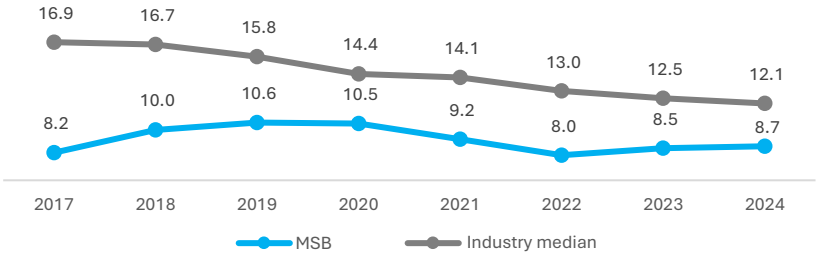
Exhibit 11: Capital adequacy ratio ('CAR') for Vietnamese commercial banks (2023 – 2024)



Source: FiinRatings, MSB

MSB's leverage ratio, measured as total assets divided by equity, remains significantly lower than the industry median. From 2019 to 2023, this ratio followed a downward trend from 10.6x in 2019 to 8.0x in 2023, before slightly increasing to 8.7x in 2024-still well below the industry median of 12.1x.

Exhibit 12: MSB's Total Assets to Equity Ratio compared to Industry Median (2017–2024)



Source: FiinRatings, MSB

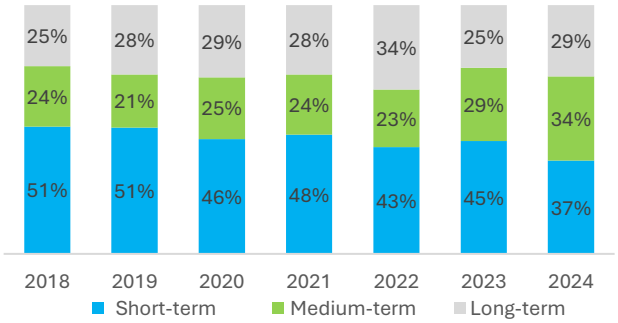
Based on the above factors, FiinRatings expects MSB to maintain its capital adequacy ratio (CAR) at around 12%-13%, with its Tier 1 capital ratio remaining at the currently high level during 2025-2026. We also estimate that MSB's leverage ratio will continue to follow a slight downward trend, stabilizing around 8.2x over the same period.

Earnings

FiinRatings assesses MSB's profitability profile as "Adequate", reflecting its consistently strong and above-average return levels over multiple years. The Bank's high profit margin is mainly attributed to: (i) solid loan yields in SME, mortgage, and medium-to-long-term lending segments; and (ii) a low funding cost.

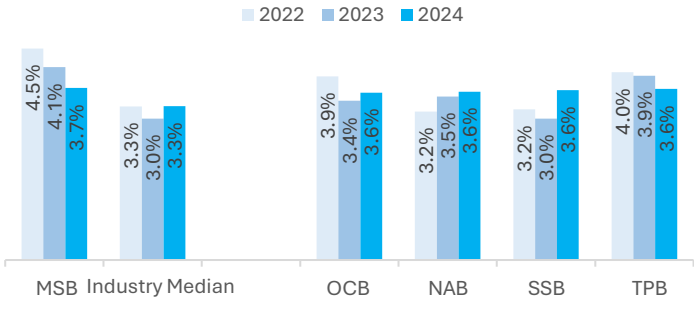
During 2019-2022, MSB's net interest margin (NIM) improved significantly from 2.5% to 4.5%, driven by a loan portfolio shift toward higher-yielding segments such as retail, SME, and medium-to-long-term lending. However, over the past two years, NIM has been under pressure, declining to 4.1% in 2023 and 3.7% by end-2024, mainly due to policy-driven interest rate cuts by the State Bank of Vietnam to stimulate economic growth, coupled with intensifying competition in the retail lending segment.

Exhibit 13: MSB's customer loan breakdown by tenor (2018-2024)



Source: FiinRatings, MSB

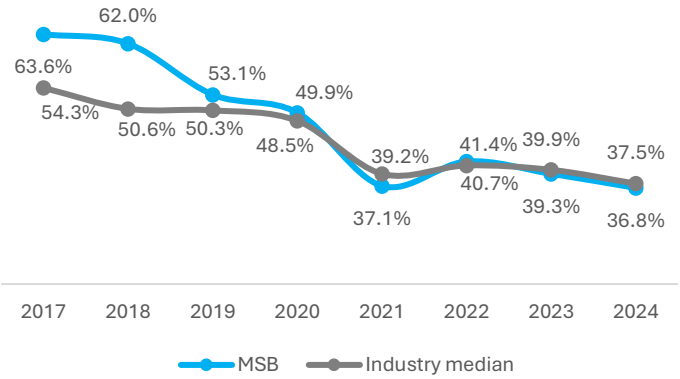
Exhibit 14: MSB's net interest margin ('NIM') compared to industry median and selected commercial banks (2022–2024)



Source: FiinRatings, MSB

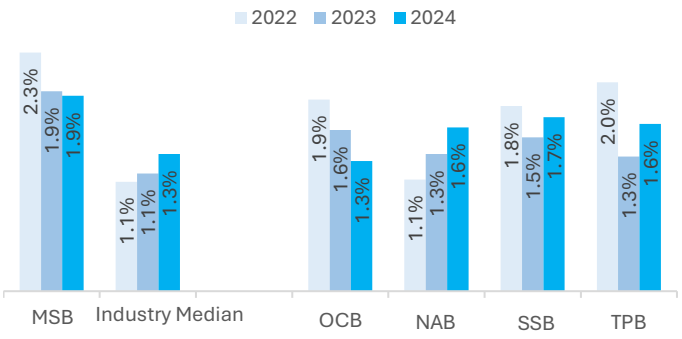
Although MSB's lending rates have gradually declined since 2022 under heightened market competition, the Bank has maintained net interest margin (NIM) and return on assets (ROA) that exceed the industry median and are in line with banks of similar scale. In 2024, MSB reported a NIM of 3.7% and ROA of 1.9%, compared to industry medians of 3.3% and 1.3%, respectively. Under FiinRatings' base-case forecast, MSB's NIM is expected to edge down to approximately 3.5%, while ROA is expected to remain steady at 1.9%.

Exhibit 15: MSB's Cost-to-Income Ratio (CIR) compared to Industry Median (2017–2024)



Source: FiinRatings, MSB

Exhibit 16: MSB's Return on Assets (ROA) compared to Industry Median and Selected Commercial Banks (2022–2024)



Source: FiinRatings, MSB

In addition, MSB has maintained better control over its operating expenses in recent years, as evidenced by a gradual downward trend, with the cost-to-income ratio (CIR) approaching the industry median. The Bank's CIR declined significantly from 63.6% in 2017 to 36.8% in 2024 - nearly equivalent to the industry median of 37.5%. Under the base-case scenario, FiinRatings expects MSB to maintain this improvement trajectory, with the CIR stabilizing around 36.5% over the 2025–2026 period.

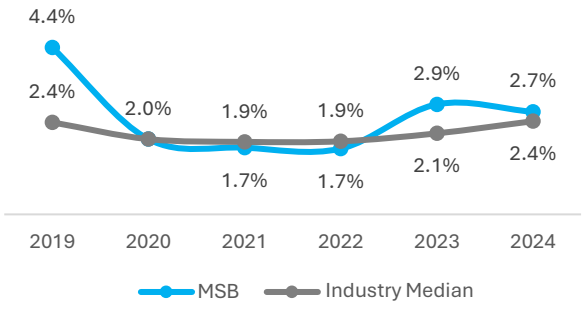
Risk Position (+0)

MSB's risk position is assessed as "Adequate", reflecting our view that the Bank is implementing a relatively effective risk management aligned with its target customer segments. The Bank has also shown certain improvements in its risk resolution, with a proven track record of resolving and recovering bad debts in the past. Over the next two years, we expect MSB to maintain sound credit quality control and make continued progress in addressing outstanding Problematic assets

MSB's adjusted non-performing loan (NPL) ratio (including NPLs and VAMC bonds) increased significantly from 1.7% at end-2022 to 2.9% at end-2023, primarily due to the weakened financial capacity of SME borrowers and mass affluent retail clients amid an unfavorable macroeconomic environment. This development partially reflected the broader industry trend, as the industry median NPL ratio rose from 1.9% in 2022 to 2.1% in 2023, and further to 2.4% in 2024.

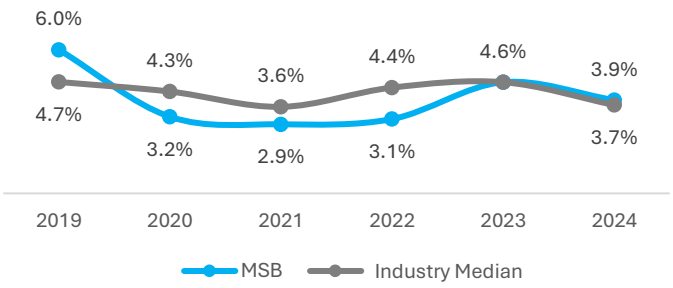
However, through a combination of credit expansion, enhanced debt recovery efforts, strengthened risk controls, and the use of provisions to address non-performing assets, MSB has gradually improved its asset quality. As of end-Q1/2025, the Bank's NPL ratio declined to 2.6%, close to the industry median of 2.5%. The ratio of problematic loans (including NPLs, VAMC bonds, and Stage 2 loans) also dropped from 4.6% at end-2023 to 3.8%, approaching the industry median of 3.7%. Additionally, MSB has proactively reduced its exposure to SME borrowers potentially affected by U.S. countervailing tax measures, bringing the share of this loan segment down to a minimal 1.1% as of end-Q1/2025.

Exhibit 17: MSB's adjusted NPL ratio (Including VAMC Bonds) compared to industry median (2019–2024)



Source: FiinRatings, MSB

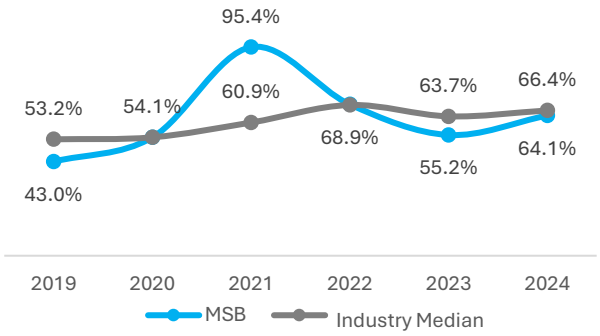
Exhibit 18: MSB's adjusted NPL and special mention loan Ratios (Including VAMC Bonds) compared to industry median (2019–2024)



Source: FiinRatings, MSB

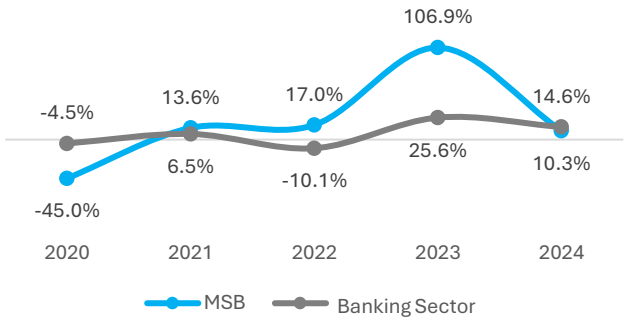
Over the past five years (2020–2024), MSB's customer loan portfolio recorded an average annual growth rate of 22.7%, significantly higher than the industry average of 13.7%. Similarly, the Bank's adjusted non-performing loans (including VAMC bonds) increased by 20.5% per year, well above the industry median of 6.4% for the same period. In the context of ongoing macroeconomic risks, FiinRatings believes that MSB's continued pursuit of high credit growth could place additional pressure on asset quality. Therefore, the recovery pace and resilience of the SME and retail borrower segments will remain key monitoring points in the next surveillance.

Exhibit 19: Adjusted NPL Coverage Ratio (including VAMC bonds) – MSB vs. Industry Median (2019–2024)



Source: FiinRatings, MSB

Exhibit 20: Y-o-Y Growth Rate of Adjusted NPLs (including VAMC bonds) – MSB vs. Banking Sector Average (2020–2024)



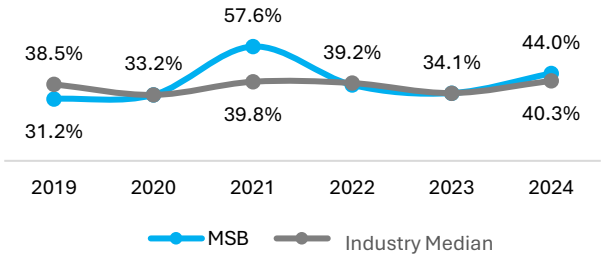
Source: FiinRatings, MSB

FiinRatings assesses that MSB is exposed to a certain level of concentration risk related to the real estate sector. As of end-2024, loans for real estate business accounted for 9.7%, and loans for construction and construction materials made

up 16.5% of MSB's total loan portfolio. Nevertheless, the NPL ratios for large corporate clients as well as real estate businesses remained low, at 0.3% and 0.5% respectively, at the end of 2024, indicating that the Bank has been effective in managing borrowers' debt repayment capacity. FiinRatings recognizes that MSB's risk management system is suitable for its customers, with credit controls effectively enforced.

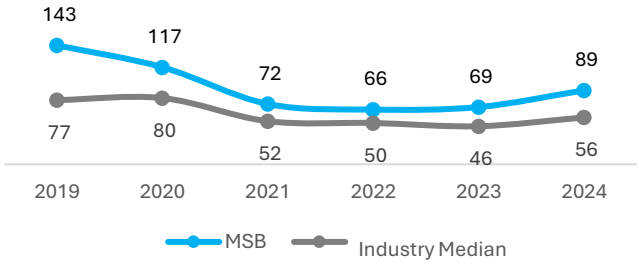
MSB has also demonstrated notable experience and capacity in NPL resolution, having completed the full write off of all VAMC bonds in 2020, and fully resolved problematic assets related to the Vinashin incident in 2024 (including foreclosed properties and receivables associated with asset recovery activities). The Bank's NPL reserve coverage and problematic loans reserve coverage (including NPLs, VAMC bonds, and Group 2 loans) are currently maintained at adequate levels, standing at 59.6% and 40.1%, respectively - approximately in line with the industry medians of 59.4% and 38.8% as of the end of Q1/2025.

Exhibit 21: MSB's Problematic Loan Coverage Ratio (including NPLs, Special Mention Loans, and VAMC Bonds) compared to Industry Median (2019–2024)



Source: FiinRatings, MSB

Exhibit 22: Interest and Fees Receivable Days of MSB Compared to the Industry Median (2019–2024)



Source: FiinRatings, MSB

However, FiinRatings assesses that MSB remains exposed to certain asset quality risks stemming from restructured loans and receivables of credit nature. As of end-Q1/2025, these exposures accounted for 0.6% (excluding restructured loans to Vietnam Airlines) and 2.1% of the total loan portfolio, respectively. Consequently, the ratio of Problematic assets (including NPLs, special mention loans, restructured loans, receivables of credit nature, and VAMC bonds) increased to 6.5%, markedly higher than the industry average of 4.7%

In addition, MSB's interest and fees receivable have shown a gradual increase over the years, reaching VND 5,890 billion as of Q1/2025, equivalent to 3.1% of customer loans (2024: VND 4,898 billion; 2023: VND 5,065 billion; 2022: VND 2,808 billion). Part of the receivables are attributed to income from government bond holdings, reflecting the Bank's active participation as a market maker in the government securities market. This has led to an extension in interest and fee receivable days, rising from 66 days in 2022 to 89 days as of end-2024 and Q1/2025.

Exhibit 23: Ratio of Problematic Assets to Customer Loans – MSB vs. Banking Sector Average as of End-Q1/2025

% of Gross Customer Loans	MSB	Industry Aggregate (avg.)
% VAMC Bonds	0.0%	0.2%
% Non-performing Loans (NPLs)	2.6%	1.9%
% Special Mention Loans	1.3%	1.6%
% Restructured Loans	0.6% (*)	0.9% (**)
% Receivables from Debt Selling Contracts	2.1%	0.0%
% Total Problematic Assets	**6.5%**	**4.7%**

Notes:
(*) Excluding the restructured loan to Vietnam Airlines that is backed by the refinancing facility from the State Bank of Vietnam (SBV).
(**) FiinRatings applies the remaining balance of restructured loans under Circular 02, amounting to VND 126.4 trillion as of 31 August 2024, as reported by the SBV to the 8th session of the 15th National Assembly.
Source: FiinRatings, MSB

In our base case scenario projection, assuming a stable domestic macroeconomic environment, effective implementation of the Government's growth-supporting policies, and MSB's continued credit expansion alongside enhanced risk management, proactive resolution of Problematic assets, and close oversight of loan portfolio quality, FiinRatings expects that the Bank's ratio of Problematic assets to gross customer loans will decline slightly, falling below 6% by end-2025 and further improving to under 5% by end-2026.

Funding and Liquidity (+0)

MSB's funding and liquidity position is assessed as "Adequate," reflecting its ability to access a diverse range of funding sources at reasonable costs, along with a relatively stable liquidity position.

Funding

In recent years, MSB has actively expanded its medium- and long-term funding sources through borrowings from international financial institutions and the issuance of long-term certificates of deposit (CDs), aiming to enhance the stability of its funding structure. As of Q1/2025, the Bank has successfully secured significant limits from reputable international institutions, such as FMO (Netherlands), Proparco (France), and OFID (OPEC Fund). These loans are characterized by long maturities (up to 9 years), large-scale disbursements, and alignment with sustainable development goals, which are consistent with MSB's business model that focused on SMEs and green credit. The Bank has also scaled up the issuance of CDs with maturities from 1 to 5 years, with outstanding balances increasing from VND 2,091 billion (2023) to VND 4,411 billion (2024), and further to VND 5,089 billion in Q1/2025.

Exhibit 24: MSB's Foreign Borrowings as of End-Q1/2025

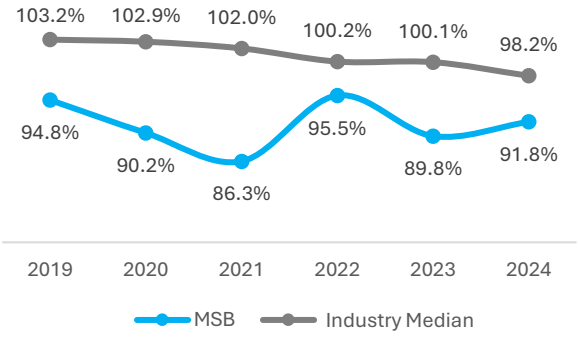
No.	Lenders	Year	Tenor	Outstanding (USD)	Outstanding (VND bn)	Purposes
1	Dutch Development Bank (FMO)	2025	9 years	80 million USD	2,080	Financing for SMEs, micro-SME, women-led SMEs in the rural, sustainable, climate-smart and agriculture sectors
2	Proparco (France)	2022	5 years	30 million USD	780	Financing for green lending initiatives
3	The OPEC Fund for International Development (OFID)	2023	(*)	40 million USD	1,040	Credit line for small and medium-sized enterprises

Note: Exchange rate used for conversion: 1 USD = VND 26,000 (as of 09 May 2025), (*) Tenor not disclosed.
Source: FiinRatings, MSB

In addition, MSB has maintained a average financing cost at a competitive level relative to other joint-stock commercial banks. As of year-end 2024, its average financing cost was 3.3%, on par with the average of top-tier private banks. This was largely driven by a relatively high proportion of current account and savings account (CASA) deposits, which reached 26.4%, well above the industry median of 12.2%.

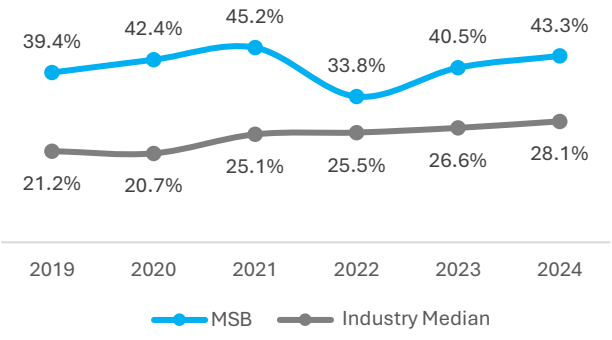
However, we also note that MSB has maintained a relatively high reliance on wholesale funding, which accounted for approximately 40% of total liabilities during the 2019–2024 period - significantly above the industry median of 20–30%. Meanwhile, deposit growth has lagged behind the expansion in gross loans and offbalance sheet commitments, resulting in a stable funding ratio of only 91.8% as of end-2024, slightly below the industry median figure of 98.5%

Exhibit 25: MSB's stable funding ratio adjusted by FiinRatings compared to Industry Median (2019 -2024)



Source: FiinRatings, MSB

Exhibit 26: MSB's Wholesale Funding to Total Liabilities Ratio compared to the Industry Median (2019–2024)

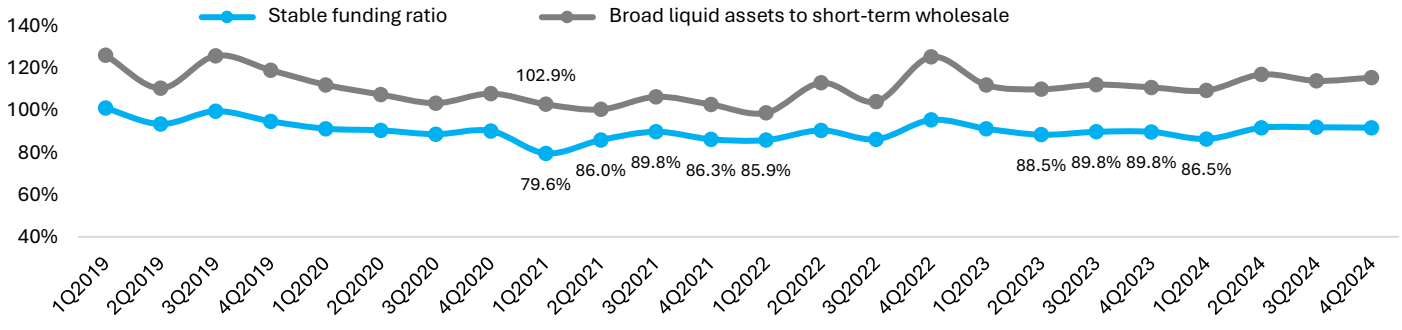


Source: FiinRatings, MSB

Liquidity

Although MSB's funding structure presents certain limitations, its liquidity profile remains adequate. The ratio of broad liquid assets to short-term wholesale funding has remained consistently above 100% over the past five years, even during periods of declining stable funding ratio, which reached the lowest point of 79.6% in Q1/2021. By end-2024, the broad liquid asset ratio had improved to 115.5%, broadly in line with the sector median of 120.6%, after a temporary decline to 110.9% at end-2023 (2022: 125.3%).

Exhibit 27: Quarterly Stable funding ratio and Broad liquid assets to short-term wholesale funding ratio of (2019 -2024)



Source: FiinRatings, MSB

MSB's stable liquidity position reflects the Bank's effective and disciplined liquidity risk management practices, with full compliance with regulatory requirements set by the State Bank of Vietnam (SBV). The Bank has established an early warning system with internal liquidity limits that are more conservative than SBV regulations, enabling the timely identification and mitigation of emerging liquidity risks.

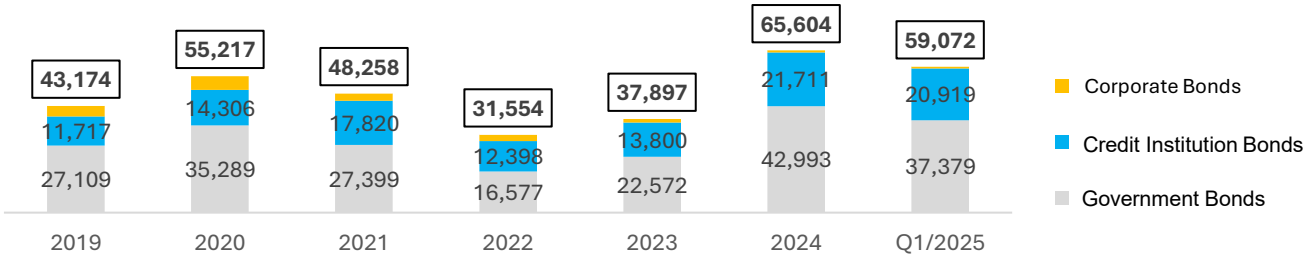
Exhibit 28: Liquidity risk triggers as reported by MSB (latest reporting period)

SBV Regulatory Ratio	SBV thresholds	Internal thresholds
Liquidity reserve ratio	>= 10%	>=12%
30-day liquidity coverage ratio (in VND)	>= 50%	>=55%
30-day liquidity coverage ratio (in foreign currency equivalent)	>= 10%	>=15%
Ratio of short-term funding used for medium and long-term loans	<= 30%	<=30%
Loan-to-deposit ratio (LDR)	<= 85%	<=83%
Ratio of investment in government and government-guaranteed bonds	<= 30%	<=28%

Source: FiinRatings, MSB

FiinRatings recognises MSB's active role as a Market maker in the government bond market as a positive factor. The Bank's Broad liquid assets portfolio plays a critical role in its liquidity management, as government bonds are eligible collateral for various transactions such as interbank borrowings, issuance of valuable papers, or securing credit lines with the State Bank of Vietnam. Accordingly, FiinRatings expects that MSB will be able to manage any existing liquidity pressure over the next 12–24 months, even under more adverse conditions in our stress test, which includes a combination of deposit withdrawals and limited access to interbank funding.

Exhibit 29: Composition of MSB's Investment Securities Portfolio (2019–Q1/2025) (Unit: VND billion)



Source: FiinRatings, MSB
Note: Aggregated total figures shown at the top of each chart

RATING METHODOLOGY

The rating methodology explains FiinRatings approach to assessing credit risk of companies in Vietnam. This methodology is intended as a general guidance to help companies, investors, and other market participants to understand how FiinRatings looks at quantitative and qualitative factors significant in explaining rating outcomes in general and specific for each sector that we cover.

In addition, certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please follow the link below for the Rating Methodology and Related Criteria:

- Banks Rating Methodology

Or refer to the following link for more details on the general rating methodology:

- General Rating methodology

Credit Rating History

Credit Rating History		
Vietnam Maritime Commercial Joint Stock Bank ('MSB')		
Issuer Credit Rating History		
18 June 2025	*Issuer Rating – Initial*	*Issuer Rating:* ***A*** *Outlook:* ***Stable***

OWNERSHIP DISCLOSURE AND STATEMENTS

At the time of the publication, the following information is provided as required by current regulations and as a part of our compliance policies in providing credit ratings:

- MSB's percentage of equity ownership at FiinRatings: none
- FiinRatings' percentage of equity ownership at MSB: none
- FiinRatings' other employee percentage of equity ownership at MSB: none
- MSB's investment value of bond(s) issued by FiinRatings: none
- FiinRatings' investment value of bond(s) issued by MSB: none
- MSB's investment value of other debt instruments issued by FiinRatings: none
- FiinRatings's investment value of other debt instruments issued by MSB: none

FiinRatings aforementioned includes FiinRatings JSC., its directors, Credit Rating Committee members, and analysts of FiinRatings engaged in this rating action. The information above was examined during client acceptance process and before the signing date of Credit Rating Agreement with the Company and was updated on the issue date of this report.

FiinRatings maintain a strict independence policy to meet current regulations in providing credit rating services in Vietnam as well as to comply with our conflicts-of-interest policy and to ensure the objectivity and independence in giving opinion on our credit ratings. Accordingly, personnel directly participated in credit rating are not allowed to own or to execute any transactions of securities, shares or debt instruments issued by the Company once FiinRatings has established a credit rating relationship.

Fiinratings Joint Stock Company

Credit Rating Report No.: 01-C51-2025



Le Hong Khang

Director, Head of Analytical

Hanoi, 18 June 2025

Appendix

Appendix 1: MSB's financial statement

Balance sheet (VND bn)	2020	2021	2022	2023	2024	1Q2025
Cash, gold, silver and gemstones	2,205	1,524	1,394	940	1,203	1,277
Balances with SBV	1,851	3,057	3,690	4,589	5,495	3,870
Balances with and loans to other credit institutions (net)	16,978	33,442	39,244	61,150	60,936	47,903
Trading securities (net)	21	23	22	-	-	-
Derivatives and other financial assets	-	-	446	-	-	-
Loans to customers (net)	78,498	99,876	119,213	146,783	173,467	189,400
Loans to customers (gross)	*79,341*	*101,563*	*120,644*	*149,145*	*176,493*	*192,346*
Provision for loans to customers	*(843)*	*(1,687)*	*(1,431)*	*(2,363)*	*(3,026)*	*(2,946)*
Debt purchasing	-	-	-	-	-	-
Investment securities (net)	55,677	48,226	31,535	37,880	65,570	59,039
Capital contributions and long-term investments	22	10	10	10	12	12
Fixed assets	309	312	383	403	433	429
Investment properties	1,033	-	-	-	-	-
Other assets	20,105	17,196	16,841	15,252	13,032	12,798
Total Assets	**176,698**	**203,665**	**212,776**	**267,006**	**320,148**	**314,727**
Amount due to the Government and SBV	21	1,017	1,015	1,013	9,204	5,081
Deposits and borrowings from other credit institutions	56,026	68,036	50,374	85,554	92,189	80,491
Customer deposits	87,510	94,616	117,121	132,350	154,612	163,035
Derivatives and other financial liabilities	52	77	-	263	730	882
Valuable papers issued	11,711	13,043	11,600	8,991	21,211	21,889
Other liabilities	4,503	4,839	6,013	7,537	5,384	5,329
Total Liabilities	**159,823**	**181,628**	**186,122**	**235,708**	**283,331**	**276,707**
Capital	11,110	15,767	19,892	20,034	26,034	26,034
Fund of institutions	989	1,277	1,896	2,590	3,288	3,288
Foreign exchange differences	-	-	-	-	-	(63)
Retained earnings	4,775	4,993	4,866	8,674	7,495	8,761
Non-controlling interest	-	-	-	-	-	-
Total Shareholders' Equity	**16,875**	**22,038**	**26,654**	**31,298**	**36,818**	**38,021**
Total Liabilities and Shareholders' Equity	**176,698**	**203,665**	**212,776**	**267,006**	**320,148**	**314,727**

Income Statement (VND bn)	2020	2021	2022	2023	2024	1Q2025
Interest and Similar Income	10,020	10,339	13,252	18,951	18,681	4,913
Interest and Similar Expenses	(5,197)	(4,122)	(4,930)	(9,763)	(8,438)	(2,409)
Net Interest Income	**4,822**	**6,216**	**8,322**	**9,189**	**10,243**	**2,504**
Fees and Commission income	1,139	3,248	1,605	2,018	1,835	534
Fees and Commission expenses	(319)	(375)	(493)	(421)	(481)	(117)
Net Fee and Commission Income	**821**	**2,873**	**1,112**	**1,597**	**1,354**	**417**
Net gain/(loss) from foreign currency and gold dealings	270	383	1,000	1,072	1,056	255
Net gain/(loss) from trading of trading securities	(8)	2	(2)	(13)	(0)	(0)
Net gain/(loss) from disposal of investment securities	561	350	683	512	273	(11)
Net Other income/expenses	717	663	(423)	(100)	1,292	93
Income from capital contribution and equity investments	0	102	1	2	-	-
Total Operating Income	**7,182**	**10,588**	**10,694**	**12,259**	**14,218**	**3,258**
Operating Expenses	(3,586)	(3,932)	(4,428)	(4,812)	(5,230)	(1,234)
Operating Profit Before Provision for Credit Losses	**3,597**	**6,656**	**6,266**	**7,447**	**8,988**	**2,024**
Provision for credit losses	(1,073)	(1,568)	(479)	(1,617)	(2,084)	(393)
Profit/(loss) before tax	**2,523**	**5,088**	**5,787**	**5,830**	**6,904**	**1,631**
Corporate income tax expenses	(512)	(1,054)	(1,171)	(1,186)	(1,384)	(365)
Net profit/(loss) after tax	**2,011**	**4,035**	**4,616**	**4,644**	**5,519**	**1,266**

Source: FiinRatings, MSB

Appendix 2: MSB's key metrics

Key metrics	Unit	2019	2020	2021	2022	2023	2024
Business Position							
Total Assets	VND bn.	156,978	176,698	203,665	212,776	267,006	320,148
Gross Customer Loans	VND bn.	63,594	79,341	101,563	120,644	149,145	176,493
Customer Deposits	VND bn.	80,873	87,510	94,616	117,121	132,350	154,612
Operating Income	VND bn.	4,715	7,182	10,588	10,694	12,259	14,218
Fees and commissions income/ Operating income	%	11.1%	11.4%	27.1%	10.4%	13.0%	9.5%
Capital and Earnings							
Common Equity Tier 1 Capital / Total Assets	%	9.5%	9.6%	10.2%	12.5%	11.7%	11.5%
Reported CAR	%	10.3%	10.6%	11.5%	12.3%	12.8%	12.4%
Net Interest Margin	%	2.5%	3.4%	3.7%	4.5%	4.1%	3.7%
Return on Average Assets	%	0.7%	1.2%	2.1%	2.3%	1.9%	1.9%
Interest and fees receivable days	days	143	117	72	66	69	89
Risk Position							
Adjusted NPL ratio	%	4.4%	2.0%	1.7%	1.7%	2.9%	2.7%
Adjusted (NPL + SML) ratio	%	6.0%	3.2%	2.9%	3.1%	4.6%	3.9%
Reserve Coverage to NPL	%	43%	54%	95%	69%	55%	64.1%
Reserve Coverage to (NPL + SML)	%	31%	33%	58%	38%	34%	44.0%
Net write-offs/average gross loans	%	1.9%	1.6%	0.8%	0.7%	0.5%	0.9%
Funding and Liquidity							
Adjusted loan to deposit ratio	%	67.0%	80.8%	93.6%	93.8%	104.9%	99.8%
Wholesale funding/ total liabilities	%	39.4%	42.4%	45.2%	33.8%	40.5%	43.3%
Average Financing Cost	%	4.4%	3.6%	2.5%	2.9%	4.8%	3.3%
Broad liquid assets / Short-term wholesale funding	%	119.0%	107.9%	102.8%	125.3%	110.9%	115.5%
Stable funding ratio	%	94.8%	90.2%	86.3%	95.5%	89.8%	91.8%

Source: FiinRatings, MSB

Appendix 3: Key metrics of the industry median

Key metrics	Unit	2019	2020	2021	2022	2023	2024
Business Position							
Total Assets	VND bn.	164,173	181,394	207,664	231,423	266,122	322,923
Gross Customer Loans	VND bn.	95,644	108,869	121,131	130,506	149,145	192,924
Customer Deposits	VND bn.	95,727	133,918	138,468	148,615	156,329	169,210
Operating Income	VND bn.	5,211	7,182	9,485	9,647	9,424	13,314
Fees and commissions income/ Operating income	%	7.7%	8.6%	9.2%	9.5%	8.8%	8.7%
Capital and Earnings							
Common Equity Tier 1 Capital / Total Assets	%	7.2%	7.1%	7.3%	7.6%	7.9%	7.6%
Reported CAR	%	10.5%	10.4%	11.3%	12.3%	11.4%	11.9%
Net Interest Margin	%	2.6%	2.8%	2.9%	3.3%	3.0%	3.3%
Return on Average Assets	%	0.7%	0.7%	1.0%	1.1%	1.1%	1.3%
Interest and fees receivable days	days	77	80	52	50	46	56
Risk Position							
Adjusted NPL ratio	%	2.4%	2.0%	1.9%	1.9%	2.1%	2.4%
Adjusted (NPL + SML) ratio	%	3.2%	3.2%	2.9%	3.6%	4.4%	3.6%
Reserve Coverage to NPL	%	53.2%	54.1%	60.9%	68.9%	63.7%	66.4%
Reserve Coverage to (NPL + SML)	%	52.4%	47.4%	54.2%	41.2%	38.3%	47.0%
Net write-offs/average gross loans	%	0.8%	0.9%	0.7%	0.7%	0.5%	0.9%
Funding and Liquidity							
Adjusted loan to deposit ratio	%	86.6%	82.7%	84.1%	88.9%	87.9%	90.1%
Wholesale funding/ total liabilities	%	21.2%	20.7%	25.1%	25.5%	26.6%	28.1%
Average Financing Cost	%	5.4%	5.2%	4.2%	4.4%	6.2%	4.2%
Broad liquid assets / Short-term wholesale funding	%	156.4%	168.6%	140.6%	129.1%	133.1%	121.7%
Stable funding ratio	%	103.2%	102.9%	102.0%	100.2%	100.1%	98.2%

Source: FiinRatings

Appendix 4: Key Metrics and Formula Used

Key metrics	Formula
Adjusted NPL & SML ratio	**Numerator:** Special-mentioned loans + Substandard loans + Doubtful loans + Non-performing loans + VAMC bonds **Denominator:** Gross customer loans + VAMC bonds
Adjusted NPL ratio	**Numerator:** Substandard loans + Doubtful loans + Bad loans + VAMC bonds **Denominator:** Gross customer loans + VAMC bonds
Average financing cost	**Numerator:** Interest and similar expenses **Denominator:** Average of Total debts (in which Total debts = Due to Government and loans from SBV + Deposits and loans from other credit institutions + Deposits from customers + Derivatives and other financial liabilities + Funds received from government, international, and other institutions + Convertible bonds, CDs and other valuable papers issued)
Broad liquid assets to short-term wholesale funding	**Numerator:** Broad liquid assets = Cash + Short term interbank loans and reverse repos + Securities owned net of illiquid portion - Restricted cash (in which, Short-term interbank loans and reverse repos = Deposits at the SBV + Deposits with and loans to other credit institutions + Reverse repurchase agreements Securities owned net of illiquid portion = Trading securities + Investment securities - Allowance/Loss reserve (for both HTM and AFS securities) + long-term contributions Restricted Cash = 1% * Deposits from customers) **Denominator:** Short-term wholesale funding
CASA Volatility	**Numerator:** Standard deviation of CASA ratio in a period **Denominator:** Average of CASA ratio in said period
Common equity tier 1 capital / Total Assets	**Numerator:** Paid-in capital + Funds of the credit institution + Fund for basic constructions + Foreign exchange differences + Capital surplus + Undistributed earnings – Goodwill – Treasury shares **Denominator:** Total assets
Cost to Income ratio (CIR)	General and Admin expenses / Total operating income
Customer deposits growth volatility	**Numerator:** Standard deviation of customer deposits growth in a period **Denominator:** Average of customer deposits growth in said period
Deposits/ Liabilities	Deposits from customers / Liabilities
Estimated CASA ratio	**Numerator:** Current deposits + Margin deposits + Deposits for special purposes **Denominator:** Deposits from customers + Convertible bonds, CDs, and other valuable papers issued
Interest and fees receivable days	**Numerator:** Average of Accrued interest and fee receivables **Denominator:** (Interest and similar income + Fees and commission income)/365
Liquid assets/ Total liabilities	**Numerator:** Liquid assets = Cash and cash equivalents + Balances with the SBV + Placements with and loans to other credit institutions + Government and Government-guaranteed bonds **Denominator:** Total liabilities
Loan to Deposit ratio	**Numerator:** Gross customer loans – Loan loss reserve – Reverse repurchases agreements)/ **Denominator:** Adjusted customer deposits + Convertible bonds, CDs, and other valuable paper issued (in which, Adjusted customer deposits = Customers deposits - Margin deposits - Deposits from special purposes)
Long-term Funding Ratio	**Numerator:** Available Stable Funding **Denominator:** Total Equity + Funding Base
Net Interest Margin (NIM)	**Numerator:** Net interest income **Denominator:** Average of Interest-earning assets (in which, Interest-earning assets = Gross customer loans + Balances with the SBV + Placements with and loans to other credit institutions + Debts purchase + Trading securities + Available-for-sale securities + Held-to-maturity investments)
Net write-offs/average gross loans	**Numerator:** Increase/(decrease) in provision for loan losses + Receipts from debts written off) **Denominator:** Average of Gross customer loans
Loan loss reserve to (NPL + SML)	**Numerator:** Provision for losses on loans and advances to customers + Provisions for VAMC bonds **Denominator:** Special- mentioned loans + Substandard loans + Doubtful loans + Bad loans + VAMC bonds
Preprovision operating income	Operating income before provision expenses and reversals
Problem loan ratio	(Non-performing loans + Special-mentioned loans) / (Gross loans + VAMC bonds)
Reserve Coverage Ratio	**Numerator:** Provision for losses on loans and advances to customers + Provisions for VAMC bonds **Denominator:** Substandard loans + Doubtful loans + Bad loans + VAMC bonds
Return on Average Assets	Net profit after tax/ Average of Total assets
Return on Average Equity	Net profit after tax/ Average of Total equity

Risk weighted assets (RWA)	Asset or off-balance sheet (OBS) exposures, weighted according to risk
Short-term wholesale funding/ Funding base	**Numerator:** Short-term funding from the Government and SBV + Short-term interbank and debt market funding + Short-term valuable papers issued **Denominator:** Funding base = Adjusted customer deposits + Interbank and debt funding + Other liabilities (in which, Interbank and debt funding = Debts from the Government and SBV + Deposits and borrowings from other credit institutions + Valuable papers issued)
Short-term wholesale funding / Total wholesale funding	**Numerator:** Short-term wholesale funding = Short-term funding from the Government and SBV + Short-term interbank and debt market funding + Short-term valuable papers issued **Denominator:** Total wholesale funding = Funding base – Customer deposits
Stable funding ratio	**Numerator:** Available stable funding = Adjusted customer deposits + Tangible common equity + Long-term interbank and debt market funding (in which, Adjusted customer deposits = Customers deposits - Margin deposits - Deposits from special purposes Tangible common equity = Total equity – Intangible fixed assets - Goodwill Long-term interbank and debt market funding = Debts from the Government and SBV + Deposits and borrowings from other credit institutions + Valuable papers issued) **Denominator:** Stable funding needs = Customer loans and Long-term interbank lending + Risky and less liquid securities holdings+ Restricted cash + Other assets + 5%* Off-balance sheet credit equivalents (in which, Customer loans and Long-term interbank lending = Net customer loans + Debt purchases + Deposits with and loans to other credit institutions Risky and less liquid securities holdings = Available-for-sale securities (Government and Government-guaranteed, debt instruments issued by financial institutions, corporates, and foreign issuers, equity are haircut) + Held-to-maturity securities + Long-term investments
Wholesale funding/ Liabilities	**Numerator:** Due to Government and loans from SBV + Deposits and loans from other credit institutions + Valuable papers issued + Derivatives and other financial liabilities **Denominator:** Total liabilities
Ability to cover liabilities and commitments	**Numerator:** Broad liquid assets + Government bond **Denominator:** (Deposit from customer - Loans to customers) + Deposits and Loans from others Cis + Valuable papers issued+Liabilities commitments

Appendix 5: Rating Scale and Definition

We employ below rating scale in assigning ratings for all issuers across industries and sectors that we cover in Vietnam. The rating scale used by FiinRatings is the national scale, therefore, it must not be equated with or represented as a rating on the scale used by any other rating agencies.

Definition and explanation	Rating scales
Group 1: **Extremely strong** capacity to meet financial obligation.	**AAA**
Group 2: **Very strong** capacity to meet financial obligation.	**AA+** **AA** **AA-**
Group 3: **Strong capacity** to meet financial obligations but somewhat susceptible to adverse economic conditions and changes in circumstances.	**A+** **A** **A-**
Group 4: **Adequate capacity** to meet financial commitments but more vulnerable to adverse developments and economic conditions.	**BBB+** **BBB** **BBB-**
Group 5: **Moderate capacity** to meet financial obligations but less vulnerable than other speculative issuers.	**BB+** **BB** **BB-**
Group 6: **Weak capacity** to meet financial obligations. Sensitive to business, financial and economic conditions. High risk.	**B+** **B** **B-**
Group 7: **Very weak** capability or very likely to get into default. Very sensitive to business, financial and economic conditions. Substantial risk.	**CCC+** **CCC** **CCC-** **CC** **C**
Group 8: **Default**. Payments on an obligation are not made on the date due or the issuer becomes insolvent. The 'D' rating also will be used upon the filing of a bankruptcy petition or the taking of similar action.	**SD, D**

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