



How We Can Help Investors and Creditors:

Investing in Vietnamese companies with Confidence

Introduction to Investor Service | June 2024

A Technical Collaboration Partner of:



A member company of:





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About FiinRatings

- FiinRatings Joint Stock Company (“FiinRatings”) is a **domestic credit rating agency** in Vietnam, operating under the license No. 02/GCN-DVXHTN granted by the Ministry of Finance on 20 March 2020. We provide credit rating services and related activities for investors and creditors in the Vietnam capital market.
- We are a member of FiinGroup, a market leader in providing financial data, business information, industry research, credit rating, and other data-driven analytics services in Vietnam
- FiinRatings is also approved verifier of **green bonds** in accordance with international standards of Climate Bonds Initiative in Vietnam.

Our vision:

“To be the Most Impactful Credit Rating Agency in Vietnam”

Our Mission:

“Enlighten the Market”

We strive to empower issuers through credit rating services, promote transparency, and drive sustainable growth in Vietnam's capital market.



Date of establishment

March 11th 2008



Legal Representative

Nguyen Quang Thuan



Shareholders

FiinGroup JSC: 99.9%
Management: 0.1%



Rating Action

40+ Issuers



Charter Capital

VND 35 billion



Auditor

pwc



Partners

S&P Global
Ratings



Publications

150+ reports

Our Key Development Milestone

2008

FiinGroup (previously known as StoxPlus) was founded as a stock market information provider.

2020

Expanded and operating as a local licensed Credit Rating Agency

2021

Established a partnership with S&P Global Ratings, the world's largest credit rating agency.

2022

Authorized by CBI to a An Verifier for Green Bonds/ Green Loans. Corporate reorganisation and renamed as FiinRatings Jsc

Our partners

S&P Global
Ratings

Technical Partner providing technical training in analytical capacity building, operations and compliance toward the international practice since May 2020.



Collaborate in various activities in developing rating culture in Vietnam via a technical assistance program and rating subsidy scheme for first-time issuer ratings

Climate Bonds INITIATIVE

FiinRatings is an Approved Verifier for green bonds under the standards by Climate Bonds Initiative (CBI). We are only agency in Vietnam to assist Vietnamese enterprises participating in Green Bonds under CBI's taxonomy for better access to finance.



Entered into a Partnership Agreement to promote green bonds and the sustainable finance market in Vietnam since February 2023.

Our Services

Issuer Services

We work with Vietnamese companies for enhancing their access to funding, widening range of funding alternatives, and optimizing cost of funds



Credit Rating Services

We work with Vietnamese companies in providing issuer credit ratings for the companies as well as issue credit ratings for their debt instrument



Green Finance Service

We provide green bond verifications and Second Party Opinions under the green bond taxonomy of Climate Bonds Initiative or ICMA.

Investor Services

We help investors do business in Vietnam with confidence by supplementing their internal evaluation process and benchmark credit quality across investment options. Our ratings serve as a reliable reference for pricing and trading of debt instruments for markets



Company Credit Assessment

Insightful credit assessment about a specific company in a point-in-time or on-going basis with indicative ratings:

- Company profiling
- Management quality
- Business risk analysis
- Financial risk analysis
- Indicative ratings



Sector Credit Research

Leveraging on our credit models and industry benchmark, our sector reports in periodical basis keep you ahead of market movements:

- Market sizing and forecast
- Segmentation analysis
- Sector credit outlook
- Sector trends
- Regulatory and policies
- Key players profile



Portfolio Credit Monitoring

Report on credit risks of entities or debt instruments in an investment portfolio.

- Credit assessment for each entity
- Business risk analysis
- Financial risk analysis
- Indicative ratings

Sample Reports: Issuers Services

Solicited Credit Ratings

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Rating Summary

Company Description

Base-case scenario

Business Position (+1)

Capital, Leverage and Earnings (+2)

Risk Position (+0)

Funding and Liquidity (+0)

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Appendix 2: Techcombank's financial state

Appendix 3: Techcombank's key metrics

Appendix 4: Terms and Definition

Copyright & Disclaimer Statements

Issuer Name

Bank Full Name ("<Short ver>" or "<Initials>")

Industry Classification

Financial Institutions | Banks

Company Overview:

Economy and Industry Trends: Vietnam's economic growth in 2023-2024 is expected to recover at a slower pace to be in line with the global trend after a robust post-pandemic recovery in 2022, with the target GDP reaching 6.5% in 2023 proposed by Vietnam National Assembly. This is contributed by the FDI inflows remaining strong and Vietnam benefiting from production chains shifting out of China. Additionally, the average monthly CPI is seeing a gradual upward trend though still meeting the Government's inflation target of below 4%. By year-end 2022, the annual figure increased by 3.15% compared to the previous year. It is expected that inflation can peak at 6.8% as of year-end 2022 and decline to 6.5% in 2023, 4.1% in 2024.

For the banking system, we view that liquidity will be the key watching factor in 2023 as the gap between the outstanding loans growth and total deposits growth widens, creating liquidity pressure for the banking system. Commercial banks in Vietnam still have to ensure the minimum capital adequacy ratio and LDR ratio, especially at the time when the SBV loosens the credit room in October 2022.

In Q3/2022, outstanding customer deposits witnessed a sharp drop in the context of climbing interest rates and exchange rates, and stricter monitor in corporate bond issuance activities, leading to corporates prioritizing the withdrawal of deposits to repay loans. Meanwhile, the deposits from other credit institutions in the whole system also declined significantly since Q2/2022, along with the rapid increase of interbank interest rates, which saw a surge up to a record high of nearly 5% in October 2022.

While the bad debt of commercial banks remains stably low in Q2/2022, the amount in Q3/2022 showed signs of increasing when the debt restructuring regulation granted in Circular 14 ended. However, commercial banks have aggressively increased their provisioning practices within the period, we expect that asset quality of the whole system is manageable. We believe the stand-alone credit profiles of commercial banks are likely to show greater differentiation in the foreseeable future. In our opinion, ongoing strong regulatory and government support for the banking sector should keep overall credit quality stable.

Rating Type

Rating

Prelim Proposed Rating

Proposed Outlook

Bank Full Name ("<Short ver>" or "<Initials>")

Credit Risk Assessment

Rating Snapshot:

	Initial Rating
Banking Sector Anchor	a-
Business Position	++
Capital & Earnings	++
Risk Position	-x
Funding & Liquidity	-x
Stand-alone Credit Profile	<score>
External Support	++
Issuer Credit Rating	<SCORE>
Outlook	<Outlook>

Bank Full Name ("<Short ver>" or "<Initials>")

Credit Risk Assessment

Rating Rationale

The long-term issuer credit rating of [REDACTED] ([REDACTED]) at [SCORE] with the [Positive/Negative/Stable] outlook reflects its robust financial indicators why its long record of fulfilling the public policy, thus high likelihood of extraordinary state support, if required. The bank's very strong business position reflects our expectation that it will continue to benefit from the dominant market position with a solid, resilient franchise ability. The ratings also incorporate the bank's adequate capital with high dividend payout ratios compared to the industry average. [REDACTED] is also among the most prudent banks in risk management. Like the other state-owned commercial banks in Vietnam, [REDACTED]'s funding and liquidity benefit from a strong deposit base.

Business Position: Dominant market position with a monopoly role as a foreign exchange dealer in the Vietnam banking system

[REDACTED] is a state-owned bank, the fourth-largest commercial Vietnamese bank in terms of total assets, with a consolidated asset base of VND 1,602.4 trillion as of 1H2022, and a market share of around 11% in domestic lending, while 11.7% in terms of depositary base. The main drivers of [REDACTED]'s market share are its state-owned status, its long track record, and its leading position in foreign currency trading. Compared to the industry average, [REDACTED] has extensive geographic coverage by having more than 600 branches and transaction offices across Vietnam, together with its international presences in Laos, Hong Kong, Singapore, and the United States. We expect that the bank's scale continues to grow owing to the recent mandatory weak bank rescue in 2022, known as CBBank, which is expected to bring about xx branches to the bank with higher credit limit granted compared to other commercial banks.

Besides the core lending services, [REDACTED] has built up its own eco-system to provide securities brokerages services, life and non-life insurances products to individuals, businesses, and public and social institutions, real estate rental and other services via its subsidiaries, including [REDACTED] Securities, [REDACTED] Tower, [REDACTED] Leasing, VFC (subsidiary in Hong Kong), [REDACTED] Laos, [REDACTED] Money. Additionally, [REDACTED] has played a monopoly role in domestic multi-currency interbank payment system via its [REDACTED]-money platform, which gives [REDACTED] a competitive advantage over other banks' bilateral foreign currency payment systems. Most of the domestic credit institutions and several foreign bank branches open accounts in foreign currencies at the [REDACTED]. The Bank is also designated to take part in its policy role as the exclusive entity for settling Visa card transactions and the foreign currency converter bank for the ODA and other government-guaranteed loan disbursements. The bank's net gain from foreign exchange transactions has accounted for a recurring portion of 9.1% in total operating income, reaching VND 3 trillion as of 1H2022.

[REDACTED] acquires a large base of corporate customers, especially entities working in import and export industries, thanks to its currency trading capacity and long track record. Some notable customers of [REDACTED] are PetroVietnam, Airports Corporation of Vietnam, and Petrolimex. State-owned enterprises are important clients of [REDACTED]. They used to account for 30-48% of [REDACTED]'s customer loans in the period of 2006-2008. Until 1H2022, state-owned enterprises loan in [REDACTED] still ranks 3rd, out of 31 sampled banks, at an outstanding value of VND 60.15 trillion. Currently, the Bank is gradually transforming into retail banking. As a result, its corporate loans decreased from 70% in 2014 to 45% in 2021, likewise, its individual loan increased from 16% in 2014 to 46% in 2021.

Source: FiinRatings' Credit Ratings Report Sample
Please download our sample [here](#)

Green Finance Service

FiinRatings

Company XXX Use of Proceeds/ Assets/ Non-Financial Legal Entities

Pre-issuance Verification Report

Pre-issuance Verification Report

Company X Use of Proceeds/ Assets/ Non-Financial Legal Entities

Hanoi, [Date]

Analyst:

XXXX, Primary Specialist: xxx

XXXX, Secondary Specialist: xxx

XXXX, Team member: xxx

*Disclaimer XXXX

This document is prepared in both English version and placed in the event of any

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FiinRatings

Company XXX Use of Proceeds/ Assets/ Non-Financial Legal Entities

Pre-issuance Verification Report

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10. Verification Statement

ANNEXES

1. About the Issuer

Established in 1988, Gia Lai Electricity Joint Stock Company ("GEC" or "the Company")/s primary activities involve the production, distribution, and trading of electricity. The company is engaged in the generation of hydropower, solar power, and wind power, boasting a total portfolio of nearly 750 MWp as of the conclusion of 2022.

GEC's strategic vision includes achieving a total installed capacity of over 1,700 MWp by the year 2025. To realize this goal, the company is committed to expanding its project portfolio, engaging in research and development of new forms of renewable energy. The core pillars of GEC's strategic development orientation are to i) become a pioneer in Renewable Energy Development in Vietnam, ii) optimize resources, and increase company value, thereby iii) contribute positively to the sustainable development of Vietnam.

In line with its commitment to environmentally impactful investments, GEC's issuance of green bonds is intended to finance or refinance, either wholly or partially, Eligible Green Projects falling within the eligibility category for the use of proceeds of Renewable Energy (onshore wind and solar energy).

GEC is currently stimulating its investment in construction of renewable energy plants. [...]. The xx Bonds finance construction of the facility (the "Project").

Project participants include:

- [Main investors]
- [Technical consultant]
- [Bank]
- Additional equity investors.

[Any participants' background of experience in green projects]

2. Scope and Objectives

A verification audit is a pivotal step in the Green Bond Issuer's pursuit of a Climate Bonds Certification for the issuance of a Certified Green Bond. The primary objective of the verification process is to obtain an independent third party assessment subject to the Issuer's compliance with the Standard through a compliance audit of the procedures to effectively manage the proceeds of the Green Bond. The overarching aim is to ensure alignment with the objectives outlined in the Climate Bonds Standard.

Company X ("X" or "the Issuer") has engaged FiinRatings to compile a Pre-issuance Verification Report for its Use of Proceeds Debt Instruments to be certified as Globally recognised, Paris-aligned Certification of Debt Instruments by the Climate Bonds Initiative (CBI). The verification process includes reviewing and verifying the conformance of the Company's green bond with the Wind Energy Criteria and Solar Energy Criteria outlined in the Climate Bonds Standard.

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DD MM YYYY

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CLIMATE BONDS STANDARD CERTIFIED

Certification

This is to certify that the

Has met the criteria for certification by the Climate Bonds Standard Board on behalf of the Climate Bonds Initiative

Sean Kidney

CEO, Climate Bonds Initiative

ICMIF

CALSTRS

IIGCC

CLIMATE RISK

NWDC

Climate Bonds Initiative

Climate Bonds

Source: FiinRatings' s Pre – Issuance Verification sample report and Certification from CBI

For reference, please download our sample here:

- [Pre – Issuance verification report](#)
- [Post – Issuance verification report](#)
- [Second Party Opinion report](#)

Our Credentials

Services for Issuers

We have conducted credit rating of 40 enterprises in Vietnam and become the credit rating agency with the largest customer base in the market, assist them in improving creditworthiness & optimizing capital costs:



Note: FiinRatings' domestic rating scale has 20 notches, from C to AAA (AAA for Vietnamese government bonds).



Our Credentials



Services for Investors

We help investors do business in Vietnam with confidence supplementing their internal evaluation process and benchmark credit quality across investment options. Our ratings serve as a reliable reference for pricing and trading of debt instruments for markets



Our Credentials

Investor Profile	Project	Investor's Needs	Solutions
<div><p>An insurance fund management with AUM of US\$650m actively in debt markets</p></div>	<ul style="list-style-type: none">• Adoption of Domestic Rating Scales in Risk Management• Quarterly Credit Assessment in Vietnamese Banks• Bond Credit Assessment	<ul style="list-style-type: none">• International ratings do not have significant credit differentiations among Vietnamese banks• Lack of information for debt issuers who are non-public companies	<ul style="list-style-type: none">• Credit assessment report in semi-annual basis providing a forward-looking view about Vietnamese banking sector and credit estimates for all banks• Integrating the domestic rating scale by FiinRatings for risk exposure in Vietnamese banks• Credit assessment for corporate bond issuers

“The uniqueness from FiinRatings is that they have a full table of credit estimates including interactive ratings for all Vietnamese banks under the domestic rating scale. It helps us a lot in asset allocation among Vietnamese banks as the local rating scale offers a wider credit differentiation as compared to the international rating scale. We appreciate the local and practical insights from the team of local analysts and international experts from FiinRatings. They are also doing good to contribute a well-functioning capital market in Vietnam”

Trinh Quynh Giao
CEO, Petrol Vietnam Insurance Asset Management (PVIAM)



Our Credentials

Investor Profile



A multi-national institution based in UK providing infrastructure financing and credit guarantees for emerging markets

Project

Feasibility Study and Business Plan for Credit Enhancement Facility in Vietnam

Investor's Needs

- Assess viability for a credit guarantee business in Vietnam.
- Lack of information on debt deal flows in sustainable infrastructure

Solutions

- Market research for financing demand and supply in sustainable infrastructure
- Sectorial credit assessment and identification of deal flows for sustainable infrastructure financing
- Developing financial model and business plan for a local credit enhancement facility in Vietnam



“We are delighted to have support from FiinRatings in the market study assessment for infrastructure in Vietnam. They have a talented team of researchers, credit analysts and consultants delivering high quality local insights. They have a practical approach in helping assess the market opportunity and navigating challenges. The work undertaken by FiinRatings is also helpful for us in screening debt deal flows in various segments of infrastructure in Vietnam, complimenting our origination efforts in a cost-efficient manner.”

Denesh Srishanker

*Group Head, Credit Enhancement Facility
Private Infrastructure Investment Group*



Our Credentials

Investor Profile	Project	Investor's Needs	Solutions
	<ul style="list-style-type: none">• Risk Assessment on Vietnam Corporate Bond Market• Vietnam Credit Mapping of Provincial Subnational Entities	<ul style="list-style-type: none">• Corporate bond turmoil posted an increased degree of risks but there are a lack of in-depth views• Lack of credit information for SOEs and Provincial Governments	<ul style="list-style-type: none">• In-depth assessment on Vietnam Corporate Bonds providing key credit risks and spillovers to Banking Sector• Credit analysis for selected provinces and shadow ratings for SOEs in waste treatment, sanitation, tourism and social housing
	Credit Assessment for Potential Debt Issuers	<ul style="list-style-type: none">• Lack of information for debt issuers who are non-public companies and need for independent credit assessment opinions	<ul style="list-style-type: none">• Credit assessment reports have been delivered for various debt issuers in real estates, food manufacturing, logistics and banking.

“As an insurance fund management actively involving in investment in corporate bonds in Vietnam, we appreciate the support from FiinRatings in helping us with credit assessments for potential corporate bond investments. Since there are limited disclosure and financial transparency in Vietnamese corporate bond market especially with private placemment bonds, the credit assessment service by FiinRatings helps us save time and resources in investment originations and preliminary due diligence in corporate bond transactions. We also valued a lot from publications and commentaries by FiinRatings on the market issues and credit outlook which are relatively overlooked by other local research houses”

Nguyen Thi Ngoc Lan
Director, Head of Investment at Generali Vietnam Life Insurance

Our people

The Board of Directors and Senior Management



Nguyen Quang Thuan, FCCA
Chairman and CEO

- The Founder and Chairman of FiinGroup and FiinRatings.
- 24 years of experience in auditing, investment management, consulting and data analytics. Former Investment Analyst at Vietnam Holding Asset Management Ltd and former Manager at Deals Service of PwC in Vietnam and Sydney, Australia



Nguyen Huu Hieu, MBA
Board Member

- Currently the co-founder and CEO of FiinGroup, the parent company
- Former Specialist at Department for International Development of UK (DFID) in Vietnam and Former Consulting Manager at PwC Vietnam



Nguyen Minh Tu, MBA
Chief Operating Officer

- Current Managing Director of Business Information Service at FiinGroup
- Former Head of Analyst at TPBank's Investment Banking Division and former Audit Senior at KPMG Vietnam



Vu Thi Hoan
Chief Financial Officer and Head of Compliance

- 16 years of experience in Financial Management and Accounting
- Chief Financial Officer and Compliance at FiinGroup



Research and Analytical: Key Personnel

Rating Committee



Paul Coughlin

Credit Rating Committee Member
Previously Senior Executive Director and Global Head of Analytics and Operations at S&P Global Ratings



Nguyen Viet Thinh, FCCA, VACPA

Credit Rating Committee Member.
Currently Co-founder of CGS Vietnam and previously VIOD CEO and Audit Manager and Advisory Director at PwC Vietnam.



Khong Van Minh

Credit Rating Committee Member.
Previously Investment Director at Jaccar Fund Management and Head of Supervisory Board at Hiep Phuc Industrial Park JSC.



Nguyen Thi Lan, CFA

Credit Rating Committee Member.
Currently Head of Portfolio Management at PVI AM

Corporate Sectors



Le Hong Khang Analytical Director

Managing analytical and rating methodology at FiinRatings. Previously manager at Investment Banking of TPBank, Financial Controller at The Open House Company and Senior Auditor at KPMG.



Nguyen Nhat Hoang, CFA Manager, Corporate Ratings

Specialist in research and ratings for corporate sectors. Previously Analyst at FPT Securities and Audit Senior at KPMG Vietnam.



Nguyen Tung Anh, MSc Director, Credit Research Head of Sustainable Finance

Previously senior economic analyst at Australian Embassy Hanoi and Deputy manager at Market Analysis of State Securities Commission of Vietnam.



Nguyen Vu Cuong, MSc Senior Analyst, Corporate Ratings

Specialist in research and ratings for corporate sectors. Previously Analyst at FPT Securities and Global Trade Specialist at Fulton Bank, U.S.

Financial Sectors



Nguyen Anh Quan, MSc Manager, Financial Institution Ratings

Specialist in banking and NBFIs at FiinRatings. Previously worked as a consultant at Ernst & Young New York and Vietnam; and head of planning at One Mount Distribution.



Tran Thi Bang Tam, MSc Assistant Manager, Financial Institution Ratings

Previously Business Credit Analyst in the Business Information Department at FiinGroup
Former Credit Appraisal Officer at Vietnam Maritime Commercial Joint Stock Bank (MSB).



Tran Thi Anh Linh, CFA Senior Credit Analyst, Financial Institution Ratings

Previously Senior Credit Policy & Portfolio Analyst for Retail Banking Techcombank Vietnam and Credit Risk Model Validation Officer at Groupe BPCE, the second largest financial institution in France.

Our Value Propositions



Experienced credit decisioning practitioners and professionals

- Our team comprised of seasoned professionals at both rating committee level and rating analyst level.
- They are all practitioners and experienced in credit decisioning and scoring at the local business context and credit ratings from developed market via technical support from international technical advisors.



Built up from outstanding research capabilities

- Our rating methodologies have been developed and improved from our 10-year expertise in industry research and data analytics;
- We are a pioneer in paid service for market research and industry studies for key sectors and sub-sectors of Vietnam;



Industry Analytics and Benchmarks

- Analytics models and data benchmarks are at the heart of any rating models. We are very proud of being the first in Vietnam occupying such models and benchmarks which is built up from our data-mining works over the last 12 years;
- We are continuously developing such models and rating benchmarks



Track records in Credit Scoring

- Before expanding to CRA, we have a long track record in corporate credit evaluation and scoring under our Business Information Service with data analytics platform and on-call request for both credit and trade credits
- We produced around 10+ thousand credit reports on Vietnamese companies per year for our international clients



Strong Investor Base

- We have a great network of local and foreign financial investors including asset managers, insurance firms, banks, and corporate investors;
- This is our special advantages for corporate issuers in diversifying the funding source.

Contact us

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