

INTRODUCTION TO VIETNAM CREDIT MARKET

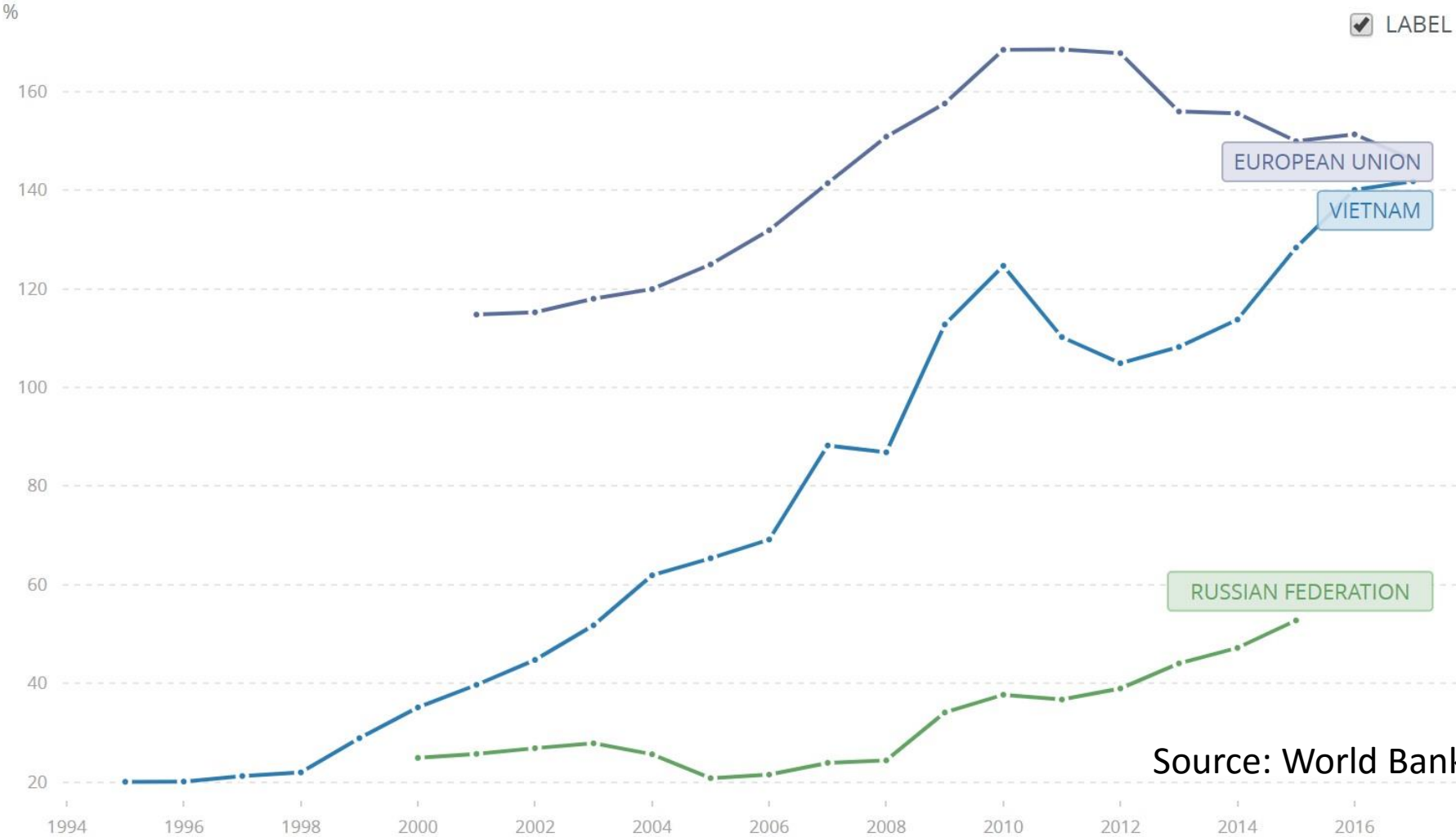
PhD. Tran Manh Ha

PhD. Hoang Thi Thu Hien

Vietnam capital market vs credit market

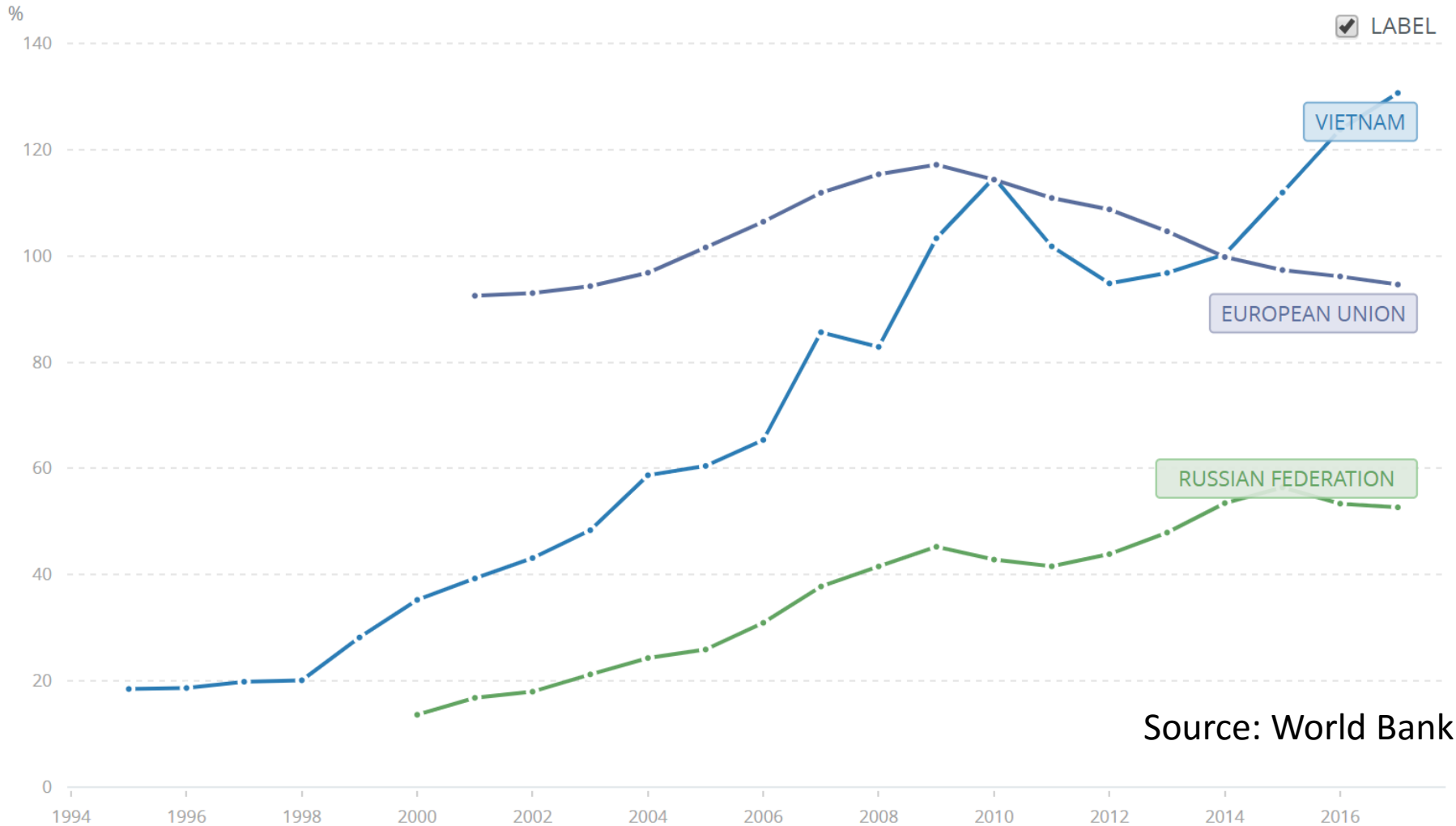


Domestic credit provided by financial sectors over GDP



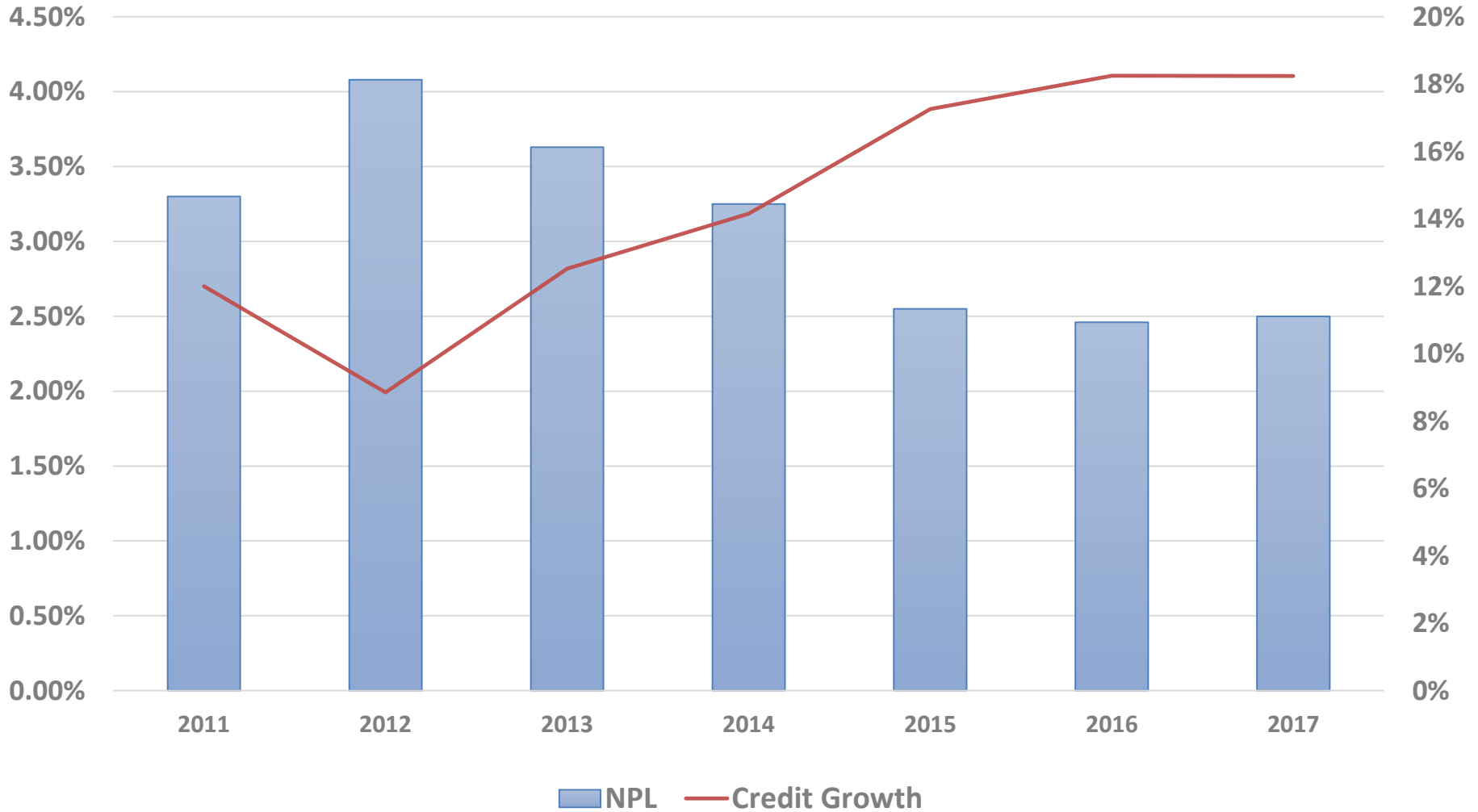
Source: World Bank

Domestic credit provided by banks over GDP

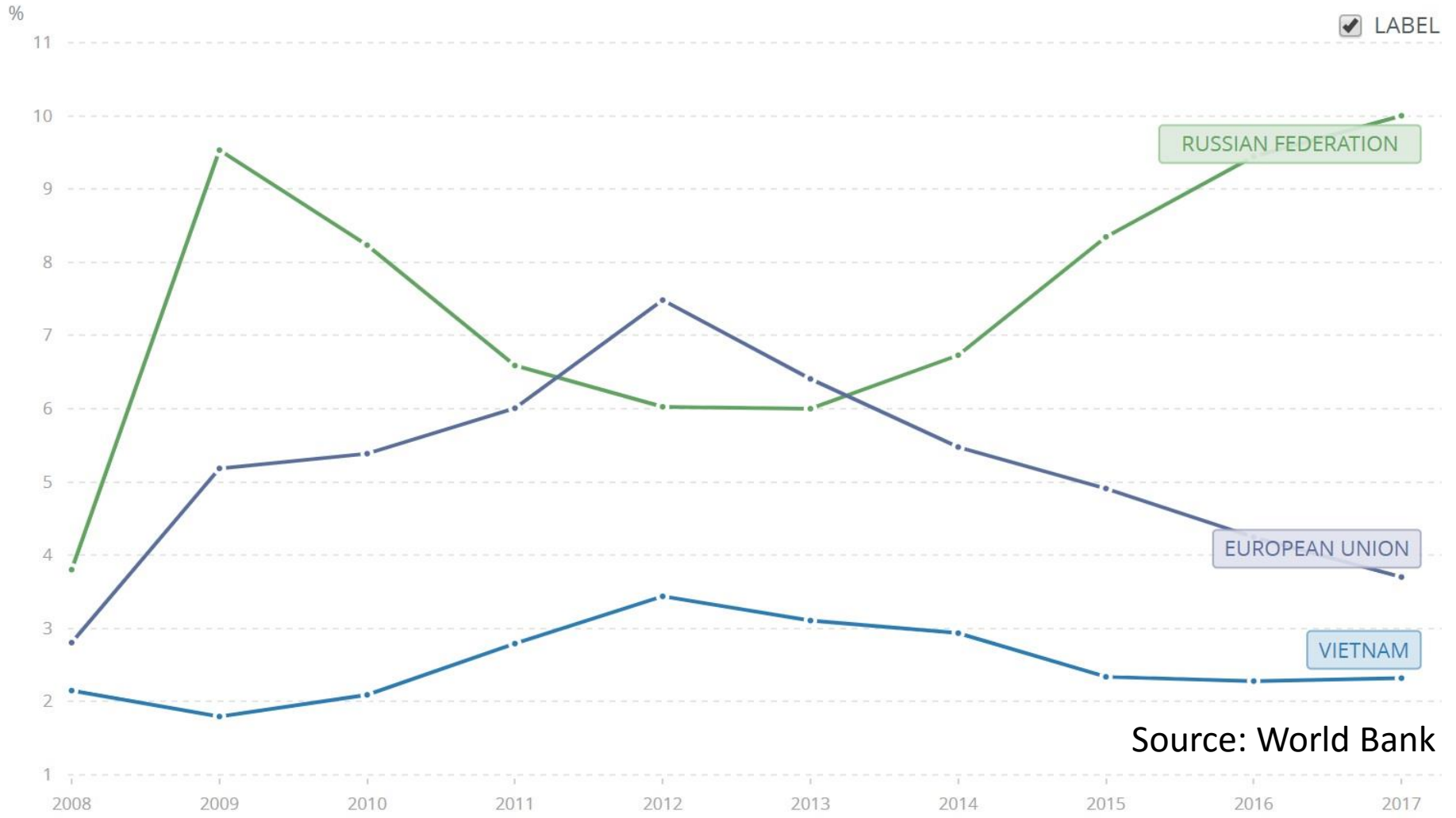


Source: World Bank

Credit growth rate and NPL of Vietnamese banks

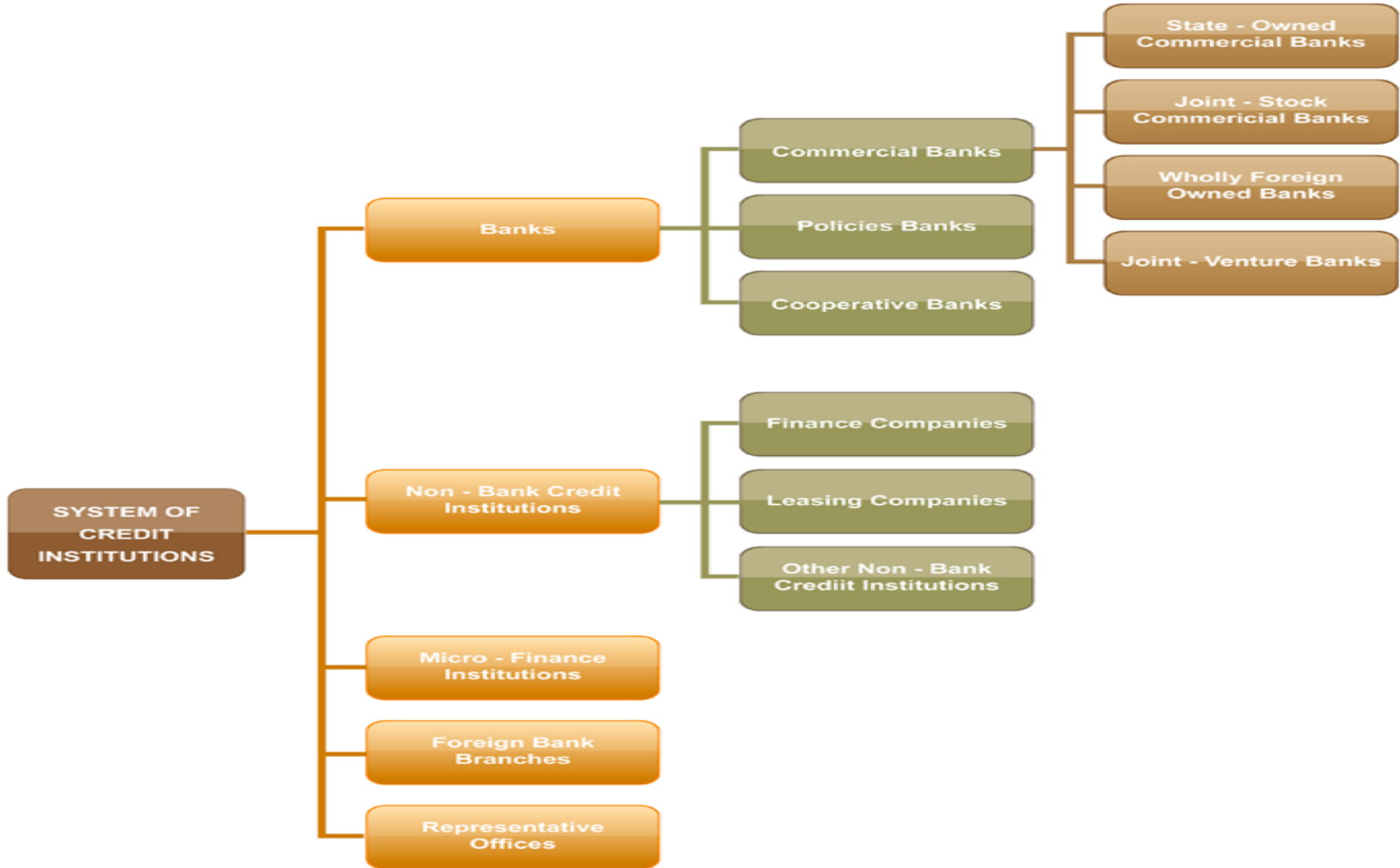


NPL comparison



Source: World Bank

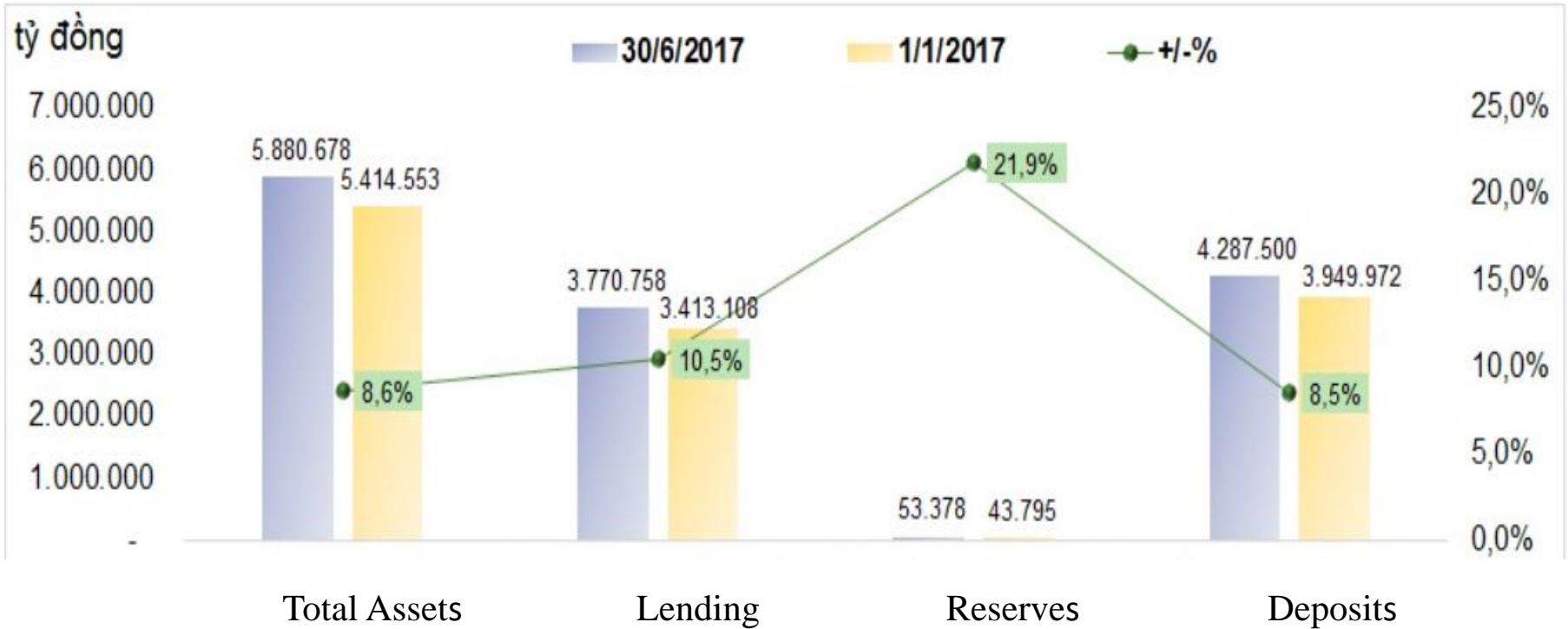
Vietnam Credit institutions



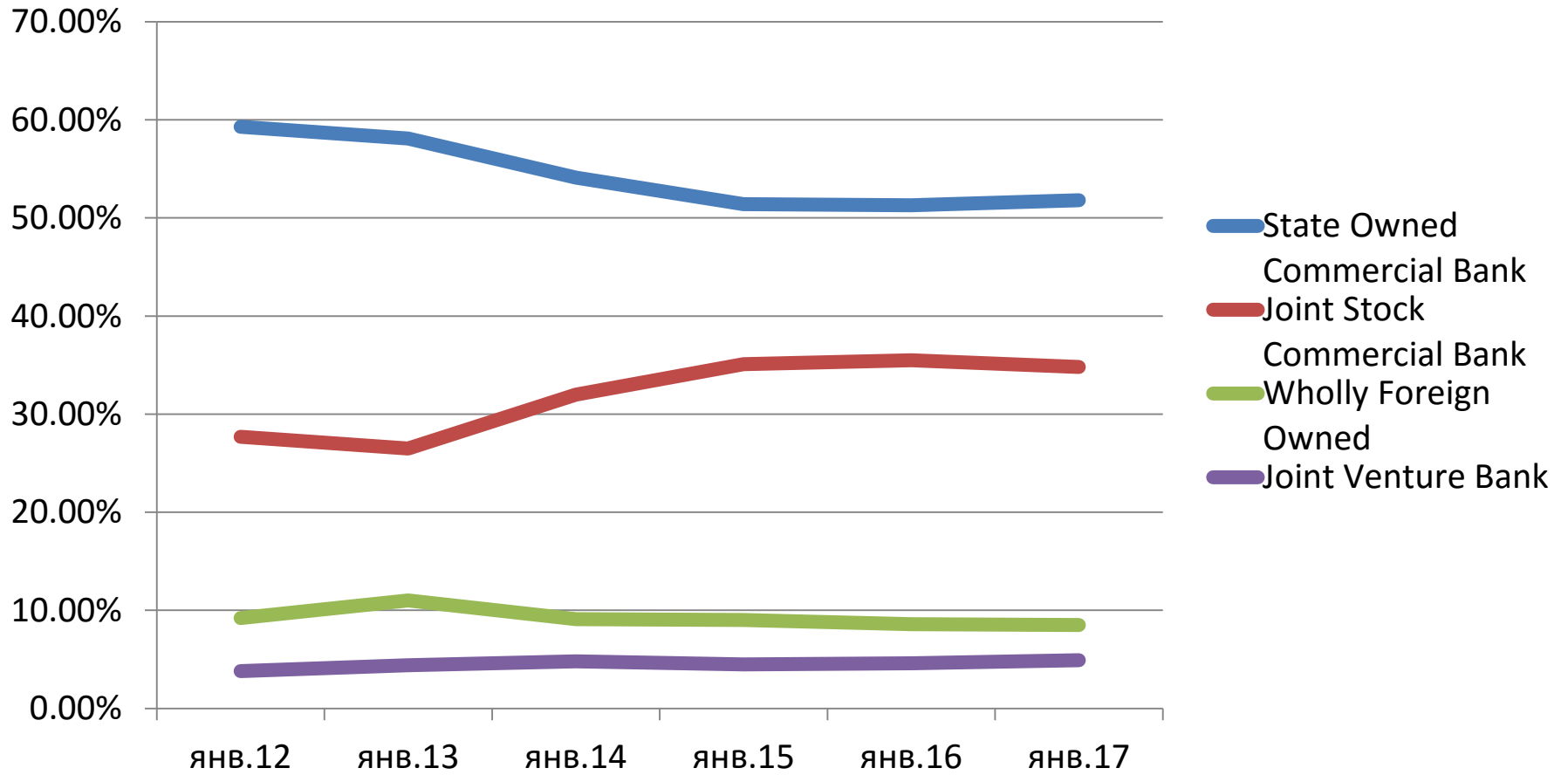
Vietnam Credit institutions

	2005	2007	2012	2018
State- Owned Commercial Bank	5	5	5	7
Joint- Stock Commercial Bank	37	37	35	28
Wholly Foreign Owned Bank and Branches	29	33	50	48
Joint Venture Bank	1	4	4	9
Finance Company	-	-	-	16
Leasing Company	-	-	-	11

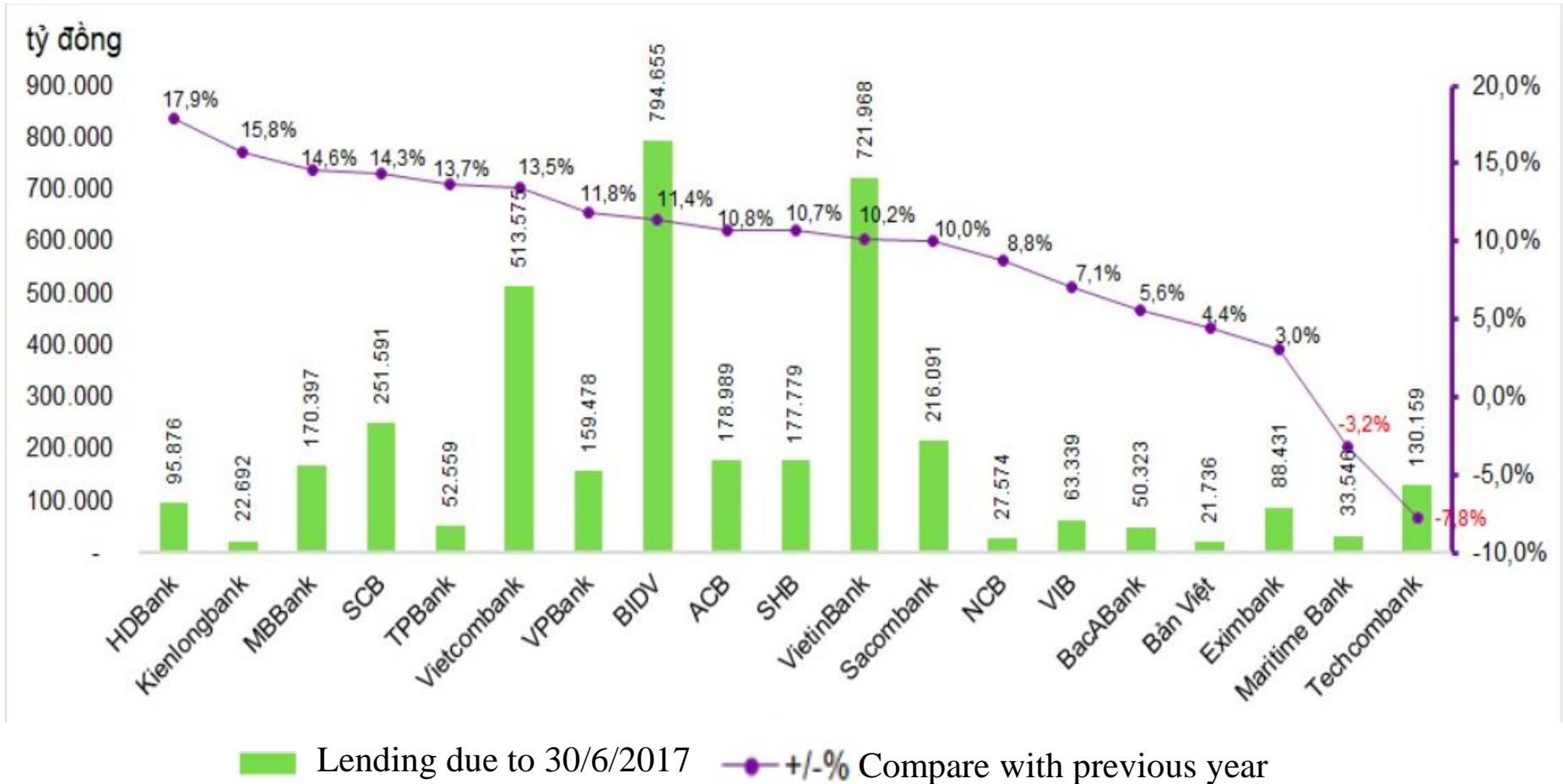
Vietnam banks: relatively small in size



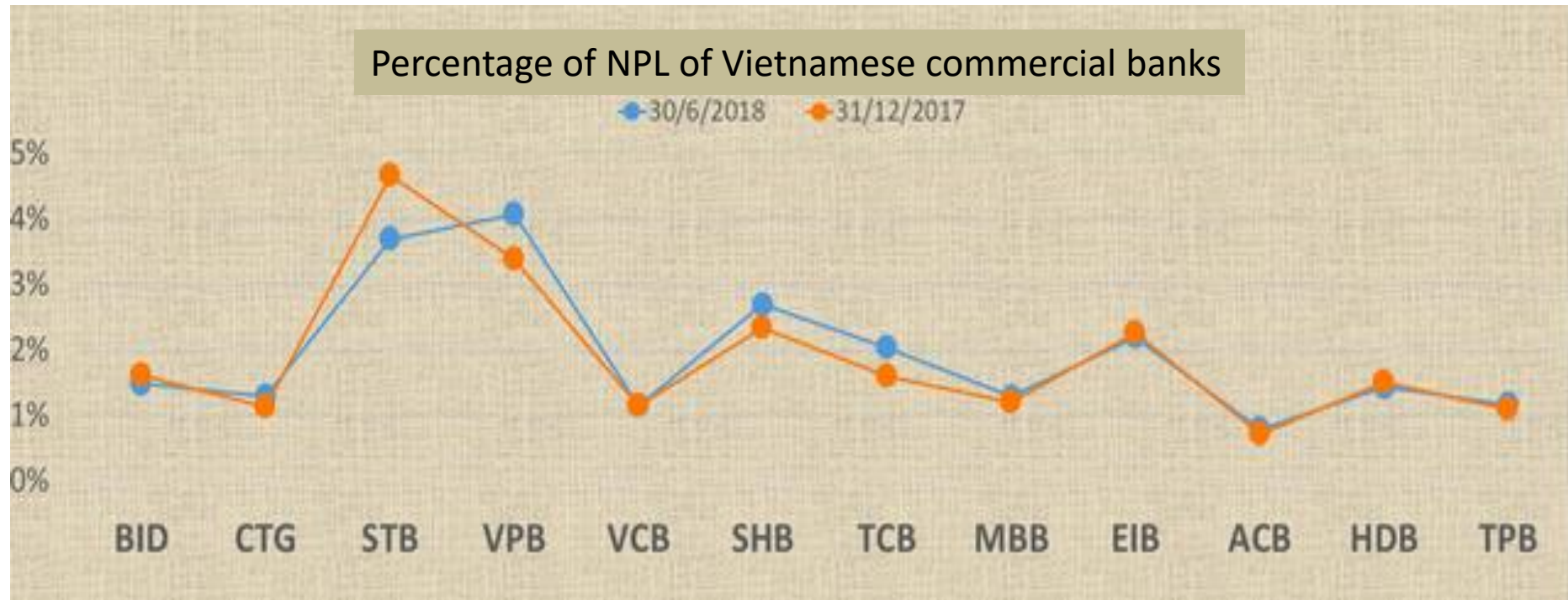
Leading market share: SOBs dominate



High credit growth rate



A Risk-driven market



Consumer lending

Thriving Consumer Lending Market in Vietnam

May 18, 2018 Posted by [Vietnam Briefing](#) Written by [Koushan Das](#)

The consumer lending market in Vietnam, driven by a rise in consumption and favorable demographics, offers huge growth opportunities for investors. Consumer lending grew by 65 percent in 2017, compared to 50.2 percent in 2016. The market is predicted to grow from the current VND 600 trillion (US\$26.45 billion) to VND 1 quadrillion (US\$44 billion) by 2019.

CONSUMER LENDING CONTINUES TO RECORD STRONG PERFORMANCE

In 2017, consumer lending in Vietnam continued to record healthy double-digit growth in both gross lending and outstanding balance. Durables lending saw the fastest value growth while other personal lending recorded the highest value sales.

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Consumer credit booms in Vietnam

VietNamNet Bridge - The Vietnamese consumer finance market at VND646 trillion, or \$28 billion in 2016, was equal to 10 percent of GDP.

