

Viet Nam

Viet Nam's local currency (LCY) bond market grew 9.8% quarter-on-quarter (q-o-q) to reach VND2,089.1 trillion (USD91.5 billion) at the end of December. On an annual basis, the market expanded 25.5%. The quarterly growth was driven by both government and corporate bonds, with outstanding bonds in these segments increasing 5.3% q-o-q and 22.7% q-o-q, respectively, which in both cases was a faster growth rate than in the previous quarter. Outstanding government bonds and corporate bonds comprised 71.3% and 28.7% of the LCY bond market, respectively, at the end of December 2021.

Table 1: Size and Composition of the Local Currency Bond Market in Viet Nam

	Outstanding Amount (billion)						Growth Rate (%)			
	Q4 2020		Q3 2021		Q4 2021		Q4 2020		Q4 2021	
	VND	USD	VND	USD	VND	USD	q-o-q	y-o-y	q-o-q	y-o-y
Total	1,664,554	72	1,903,088	84	2,089,053	92	8.1	31.4	9.8	25.5
Government	1,379,079	60	1,414,481	62	1,489,606	65	7.0	18.7	5.3	8.0
Treasury Bonds	1,227,742	53	1,276,988	56	1,349,811	59	6.8	22.8	5.7	9.9
Central Bank Bonds	0	0	0	0	0	0	-	-	-	-
State-Owned Enterprise Bonds	151,337	7	137,494	6	139,796	6	8.1	(6.8)	1.7	(7.6)
Corporate	285,475	12	488,607	21	599,446	26	13.9	172.4	22.7	110.0

(-) = negative, - = not applicable, LCY = local currency, q-o-q = quarter-on-quarter, Q3 = third quarter, Q4 = fourth quarter, USD = United States dollar, VND = Vietnamese dong, y-o-y = year-on-year.

Notes:

1. Bloomberg LP end-of-period LCY-USD rates are used.

2. Growth rates are calculated from an LCY base and do not include currency effects.

Sources: Bloomberg LP and Vietnam Bond Market Association.

Corporate bond issuance in Viet Nam jumped 30.8% q-o-q in the fourth quarter (Q4) of 2021 to VND123.4 trillion as more firms turned to the bond market to raise funds. The table below lists notable bond sales during the quarter, led by Thai Son-Long An JSC with a single VND4.6 trillion issuance. The largest debt issuers in Q4 2021 were mainly from the property sector.

Table 2: Local Currency Corporate Bond Issuances in the Fourth Quarter of 2021

Corporate Issuer	Coupon Rate (%)	Issued Amount (VND billion)
Thai Son - Long An JSC		
8-year bond	Variable coupon	4,600
Osaka Garden Corporation		
2-year bond	Variable coupon	4,300
Sunvalley Invest JSC		
4-year bond	-	3,560
Bach Hung Vuong JSC		
1-year bond	-	2,980
Wealth Power JSC		
1-year bond	-	2,880
S-Vin Real Estate JSC		
3-year bond	Variable coupon	2,500
Vietnam Prosperity Joint Stock Commercial Bank ^a		
3-year bond	2.40	2,500
3-year bond	2.40	2,500

- = not available, JSC = Joint Stock Corporation, VND = Vietnamese dong.

^a Multiple issuance of the same tenor indicates issuance on different dates.

Source: Vietnam Bond Market Association.

The top 30 corporate issuers had aggregate LCY bonds outstanding of VND358.7 trillion at the end of December, accounting for 59.8% of the total LCY corporate bond market. About 75% of the top 30's debt stock was issued by banks, totaling VND275.4 trillion, while property firms had the second-highest share at 13.2% (VND47.3 trillion). All firms with more than VND10.0 trillion of outstanding bonds were from the banking sector except for the Masan Group. The Bank for Investment and Development of Vietnam was the largest issuer among the top 30 list with total bonds outstanding of VND37.2 trillion at the end of Q4 2021.

Table 3: Top 30 Issuers of Local Currency Corporate Bonds in Viet Nam

Issuers	Outstanding Amount		State-Owned	Listed Company	Type of Industry
	LCY Bonds (VND billion)	LCY Bonds (USD billion)			
1. Bank for Investment and Development of Vietnam	37,240	1.63	Yes	Yes	Banking
2. Vietnam Prosperity Joint Stock Commercial Bank	29,050	1.27	No	Yes	Banking
3. Ho Chi Minh City Development Joint Stock Commercial Bank	28,768	1.26	No	Yes	Banking
4. Vietnam International Joint Stock Commercial Bank	26,950	1.18	No	Yes	Banking
5. Lien Viet Post Joint Stock Commercial Bank	24,090	1.06	No	Yes	Banking
6. Asia Commercial Joint Stock Bank	21,900	0.96	No	Yes	Banking
7. Orient Commercial Joint Stock Bank	18,535	0.81	No	No	Banking
8. Tien Phong Commercial Joint Stock Bank	17,649	0.77	No	Yes	Banking
9. Masan Group	16,900	0.74	No	Yes	Finance
10. Vietnam Joint Stock Commercial Bank for Industry and Trade	13,389	0.59	Yes	Yes	Banking
11. Saigon - Ha Noi Commercial Joint Stock Bank	11,250	0.49	No	Yes	Banking
12. An Binh Commercial Joint Stock Bank	10,500	0.46	No	No	Banking
13. Vietnam Maritime Joint Stock Commercial Bank	8,999	0.39	No	Yes	Banking
14. Sovico Group Joint Stock Company	8,550	0.37	No	Yes	Property
15. Saigon Glory Company Limited	8,000	0.35	No	No	Property
16. Bac A Commercial Joint Stock Bank	6,140	0.27	No	Yes	Banking
17. Southeast Asia Commercial Joint Stock Bank	6,077	0.27	No	Yes	Banking
18. Golden Hill Real Estate JSC	5,701	0.25	No	No	Property
19. Vinhomes Joint Stock Company	5,565	0.24	No	Yes	Property
20. Vingroup	5,425	0.24	No	Yes	Property
21. Ho Chi Minh City Infrastructure Investment Joint Stock Company	5,370	0.24	No	Yes	Construction
22. Military Commercial Joint Stock Bank	5,216	0.23	No	Yes	Banking
23. Mediterranean Revival Villas Company Limited	5,000	0.22	No	No	Property
24. Vietnam Technological and Commercial Joint Stock Bank	5,000	0.22	No	Yes	Banking
25. Bong Sen JSC	4,800	0.21	No	No	Manufacturing
26. Thai Son - Long An JSC	4,600	0.20	No	No	Property
27. Vietnam Bank for Agriculture and Rural Development	4,600	0.20	Yes	No	Banking
28. Trung Nam Dak Lak 1 Wind Power JSC	4,500	0.20	No	No	Energy
29. Phu My Hung Corporation	4,497	0.20	No	No	Property
30. Truong Hai Auto Corporation	4,400	0.19	No	No	Manufacturing
Total Top 30 LCY Corporate Issuers	358,660	15.71			
Total LCY Corporate Bonds	599,446	26.26			
Top 31 as % of Total LCY Corporate Bonds	59.8%	59.8%			

LCY = local currency, USD = United States dollar, VND = Vietnamese dong.

Notes:

1. Data as of 31 December 2021.

2. State-owned firms are defined as those in which the government has more than a 50% ownership stake.

Source: *AsianBondsOnline* calculations based on Bloomberg LP data.