

## Viet Nam

In the fourth quarter (Q4) of 2022, growth in the local currency (LCY) bond market of Viet Nam accelerated to 6.5% quarter-on-quarter (q-o-q), with the outstanding bond stock reaching VND2,498.5 trillion (USD105.7 billion). The higher growth was mainly driven by government bonds amid increased issuance of Treasury bonds and government-guaranteed bonds during the quarter. In contrast, the corporate bond stock contracted due to continued bond repurchases by issuers and a decline in issuance volume on tighter corporate bond regulations.

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

	Outstanding Amount (billion)						Growth Rate (%)			
	Q4 2021		Q3 2022		Q4 2022		Q4 2021		Q4 2022	
	VND	USD	VND	USD	VND	USD	q-o-q	y-o-y	q-o-q	y-o-y
<b>Total</b>	2,089,053	92	2,345,688	98	2,498,515	106	8.8	25.5	6.5	19.6
Government	1,489,606	65	1,608,839	67	1,768,424	75	4.3	8.0	9.9	18.7
Treasury Bonds	1,349,811	59	1,435,693	60	1,525,134	65	5.1	9.9	6.2	13.0
Central Bank Bills	0	0	30,400	1	94,400	4	-	-	210.5	-
Government Guaranteed and Municipal Bonds	139,796	6	142,747	6	148,890	6	(2.3)	(7.6)	4.3	6.5
Corporate	599,446	26	736,850	31	730,092	31	21.9	110.0	(0.9)	21.8

(-) = negative, - = not applicable, 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 local currency-USD rates are used.
2. Growth rates are calculated from a local currency base and do not include currency effects.

Sources: Bloomberg LP and Vietnam Bond Market Association.

Viet Nam's corporate bond issuance in Q4 2022 substantially dropped 92.3% q-o-q to VND3,844.7 trillion. There were only 17 corporate bond issuances during the quarter, all of which were privately placed and issued by a total of 10 companies. Since most corporate bonds in Viet Nam are issued via private placement, the enforcement of Decree 65 in September dragged down overall issuance during the quarter.<sup>12</sup>

Table 2: Notable Local Currency Corporate Bond Issuances in the Fourth Quarter of 2022

Corporate Issuer	Coupon Rate (%)	Issued Amount (VND billion)	Corporate Issuer	Coupon Rate (%)	Issued Amount (VND billion)
Masan Group			Bank for Investment and Development of Vietnam		
5-year bond	4.10% + average interest rate for 12-month deposit	1,700	6-year bond	1.30% + average interest rate for 12-month deposit	45
Nam Long Investment			7-year bond	1.35% + average interest rate for 12-month deposit	40
7-year bond	3.50% + fixed base rate	500	20-year bond	8.50%	200
Thanh Nguyen Energy Development and Investment			Nui Phao Mining		
5-year bond	13.00% (first year)	500	5-year bond	11.00% (first 2 years)	210

VND = Vietnamese dong.

Source: Vietnam Bond Market Association.

<sup>12</sup> Decree 65 establishes tighter regulatory restrictions in the issuance process, including bond registration and use of bond proceeds, of privately placed corporate bonds. Issuers are subjected to tighter disclosure requirements, and the refinancing of privately placed bonds is restricted to issuers themselves and not for their subsidiaries or affiliated companies. Decree 65 also specifies that bond proceeds can no longer be used to finance or restructure the issuers' capital resources and requires bond issuers to redeem the bond ahead of maturity if they violate the regulations on bond issuance and trading, or if they breach the bond issuance plan.

In Q4 2022, the aggregate LCY bonds outstanding of the top 30 corporate issuers reached VND469.3 trillion, accounting for 64.3% of the total LCY corporate bond market. Majority of the top 30 corporate issuers were from the banking sector, having a total debt stock equivalent to 80.9% of the outstanding total of the top 30 issuers. The property sector had the second-largest share at 10.7%, amounting to VND50.4 trillion.

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	61,115	2.59	Yes	Yes	Banking
2.	Vietnam Prosperity Joint Stock Commercial Bank	30,600	1.29	No	Yes	Banking
3.	Orient Commercial Joint Stock Bank	29,535	1.25	No	No	Banking
4.	Ho Chi Minh City Development Joint Stock Commercial Bank	29,182	1.23	No	Yes	Banking
5.	Vietnam International Joint Stock Commercial Bank	28,950	1.22	No	Yes	Banking
6.	Lien Viet Post Joint Stock Commercial Bank	28,344	1.20	No	Yes	Banking
7.	Asia Commercial Joint Stock Bank	27,700	1.17	No	Yes	Banking
8.	Vietnam Joint Stock Commercial Bank for Industry and Trade	25,102	1.06	Yes	Yes	Banking
9.	Masan Group	21,200	0.90	No	Yes	Diversified
10.	Military Commercial Joint Stock Bank	18,846	0.80	No	Yes	Banking
11.	Tien Phong Commercial Joint Stock Bank	17,949	0.76	No	Yes	Banking
12.	Vietnam Technological and Commercial Joint Stock Bank	14,300	0.61	No	Yes	Banking
13.	NoVa Real Estate Investment Corporation JSC	12,281	0.52	No	Yes	Property
14.	An Binh Commercial Joint Stock Bank	11,300	0.48	No	No	Banking
15.	Saigon—Ha Noi Commercial Joint Stock Bank	10,150	0.43	No	Yes	Banking
16.	Vinhomes JSC	9,935	0.42	No	Yes	Property
17.	Vietnam Maritime Joint Stock Commercial Bank	9,399	0.40	No	Yes	Banking
18.	Vietnam Bank for Agriculture and Rural Development	8,657	0.37	Yes	No	Banking
19.	Sovico Group Joint Stock Company	8,550	0.36	No	Yes	Consumer Services
20.	Bank for Foreign Trade of Vietnam JSC	8,240	0.35	No	No	Banking
21.	Saigon Glory Company Limited	8,000	0.34	No	No	Property
22.	Southeast Asia Commercial Joint Stock Bank	7,826	0.33	No	Yes	Banking
23.	Bac A Commercial Joint Stock Bank	7,535	0.32	No	Yes	Banking
24.	Golden Hill Real Estate JSC	5,701	0.24	No	No	Property
25.	Vingroup	5,425	0.23	No	Yes	Property
26.	Ho Chi Minh City Infrastructure Investment	5,113	0.22	No	Yes	Construction
27.	Sai Gon Thuong Tin Commercial Joint Stock Bank	4,800	0.20	No	Yes	Banking
28.	Thai Son—Long An JSC	4,600	0.19	No	No	Property
29.	VPBank SMBC Finance Company Limited	4,500	0.19	No	No	Finance
30.	Phu My Hung Corporation	4,497	0.19	No	No	Property
Total Top 30 LCY Corporate Issuers		469,330	19.86			
Total LCY Corporate Bonds		730,092	30.89			
Top 30 as % of Total LCY Corporate Bonds		64.3%	64.3%			

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

Notes:

1. Data as of 31 December 2022.

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 and Vietnam Bond Market Association data.