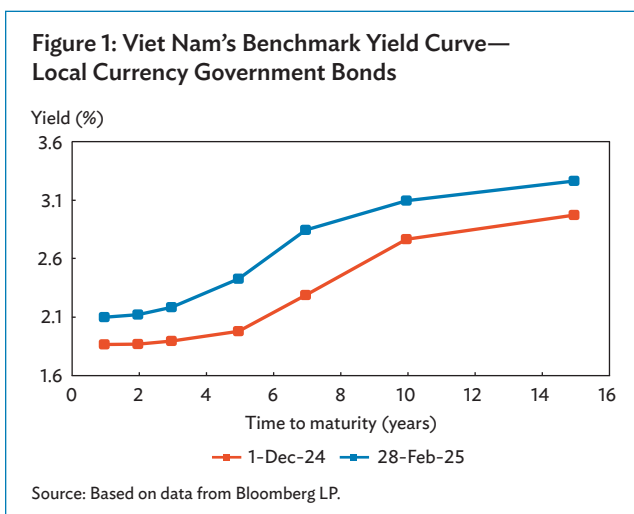


## Viet Nam

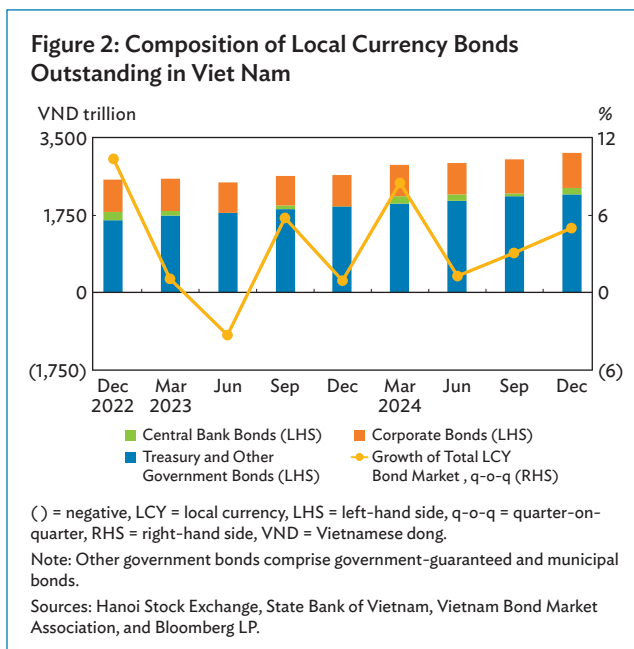
### Yield Movements

Between 1 December 2024 and 28 February 2025, the local currency (LCY) sovereign bond yield curve in Viet Nam shifted upward. Yields climbed an average of 34 basis points across all maturities, propelled by strong economic growth (Figure 1). Viet Nam’s economy grew the fastest among its emerging East Asian peers, expanding 7.1% in full-year 2024—fueled by strong exports and investments—and surpassing the government’s target growth of 6.5%.<sup>25</sup> On 19 February, the National Assembly raised its economic growth target for full-year 2025 to at least 8.0% from an initial target of 6.5%–7.0% in November. Furthermore, the uptick in yields was also influenced by uncertainties over the path of global economic policies.



### Local Currency Bond Market Size and Issuance

Expansion in all bond segments buoyed the LCY bond market’s growth in the fourth quarter (Q4) of 2024. Despite reduced issuance from all bond segments, total LCY bond market growth accelerated to 5.0% quarter-on-quarter (q-o-q) in Q4 2024 due to the reduced volume of maturing bonds (Figure 2). Outstanding Treasury and other government bonds reached VND2,220.4 trillion at the end of December on growth of 2.3% q-o-q, slower than the previous quarter’s 5.3% q-o-q growth. Similarly, the total corporate debt stock totaled VND803.1 trillion at the end of December on slower growth of 4.4% q-o-q, following an 8.3% q-o-q expansion in the third quarter. Meanwhile, the stock of central bank securities jumped 95.0% q-o-q in Q4 2024, reversing the previous quarter’s contraction of 52.6% q-o-q.



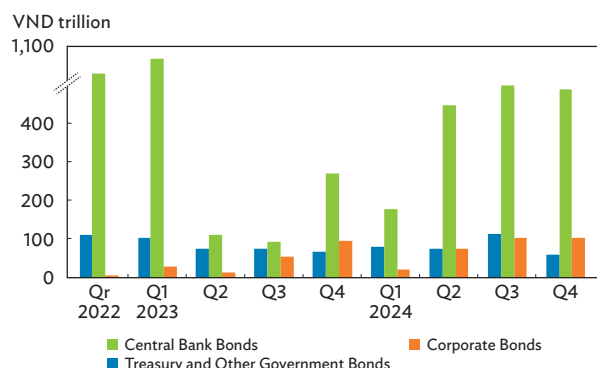
**LCY bond issuance contracted 6.0% q-o-q in Q4 2024 on reduced debt sale across all bond types.** Issuance of Treasury and other government bonds fell 49.0% q-o-q in Q4 2024 due to the government largely meeting its required annual borrowing in the previous quarters (Figure 3). Similarly, corporate bond issuance dropped 1.7% q-o-q in Q4 2024, driven by a slowdown in issuance

in the corporate market’s leading sector (banking) after banks had met the prudential ratios set by the State Bank of Vietnam in the prior quarter. The banking and property sectors remained the key drivers of issuance in Viet Nam’s LCY corporate bond market, accounting for 55.1% and 22.7%, respectively, of the corporate issuance total in Q4 2024. During the quarter, IDI International Development and Investment Corporation and

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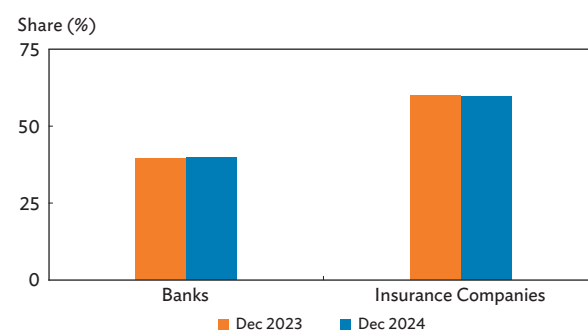
<sup>25</sup> Emerging East Asia is defined to include member states of the Association of Southeast Asian Nations plus the People’s Republic of China; Hong Kong, China; and the Republic of Korea.

**Figure 3: Composition of Local Currency Bond Issuance in Viet Nam**



Q1 = first quarter, Q2 = second quarter, Q3 = third quarter, Q4 = fourth quarter, VND = Vietnamese dong.  
 Note: Other government bonds comprise government-guaranteed and municipal bonds.  
 Sources: Hanoi Stock Exchange, State Bank of Vietnam, Vietnam Bond Market Association, and Bloomberg LP.

**Figure 4: Profile of the Two Dominant Investors for Local Currency Government Bonds**



Source: Ministry of Finance, Viet Nam.

Vietcombank issued green bonds worth VND1.0 trillion and VND2.0 trillion, respectively. The largest corporate issuance during the quarter came from HD Bank, with total debt sales of VND9.0 trillion, representing 8.8% of the total corporate bond issuance during the quarter.

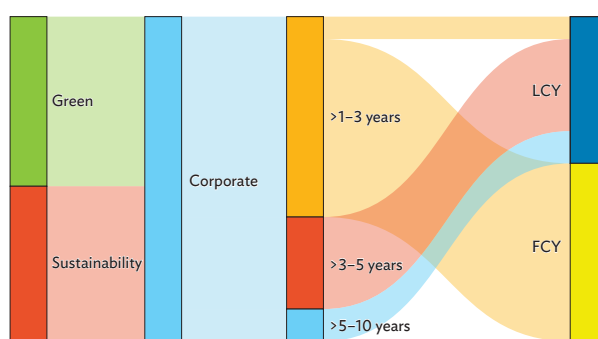
## Investor Profile

**At the end of December, the investor landscape in the LCY government bond market remained largely unchanged from a year earlier.** Viet Nam’s LCY government bond market remained dominated by only two investor groups—insurance firms and banks—with a combined holdings share of 99.2% in December 2024, a slight dip from the previous year’s 99.4% (Figure 4). The heavy concentration of investments from just two investor groups resulted in Viet Nam earning the highest Herfindahl–Hirschman Index score among its regional peers at the end of December.<sup>26</sup>

## Sustainable Bond Market

**The private sector remained the sole player in Viet Nam’s sustainable bond market, which mainly comprises green and sustainability instruments carrying short-term tenors.** Green and sustainability bonds accounted for a nearly equal share of the market

**Figure 5: Market Profile of Outstanding Sustainable Bonds in Viet Nam at the End of December 2024**



FCY = foreign currency, LCY = local currency.  
 Source: AsianBondsOnline calculations based on Bloomberg LP data.

with shares of 52.2% and 47.8%, respectively, of the total sustainable debt stock at the end of Q4 2024 (Figure 5). Total outstanding sustainable bonds grew 11.6% q-o-q to reach USD1.1 billion at the end of December, up from USD1.0 billion in the previous quarter. More than 50.0% of the total sustainable debt stock was in the form of foreign-currency-denominated bonds, while over 60.0% of sustainable bonds carried tenors of 3 years or less, resulting in a size-weighted average tenor of 2.9 years at the end of Q4 2024, among the shortest in the region. On 4 December, Techcombank voluntarily launched its **Green Bond Framework**, making a pioneering move as the first private bank in Viet Nam to advance toward sustainability. Furthermore, IDI International Development and Investment Corporation’s green bond issuance in October marked the first green bond from the agriculture sector.

<sup>26</sup> The Herfindahl–Hirschman Index is a common measure of market concentration. The index is used to measure the investor profile diversification of the local currency bond market by summing the squared share of each investor group in the bond market.