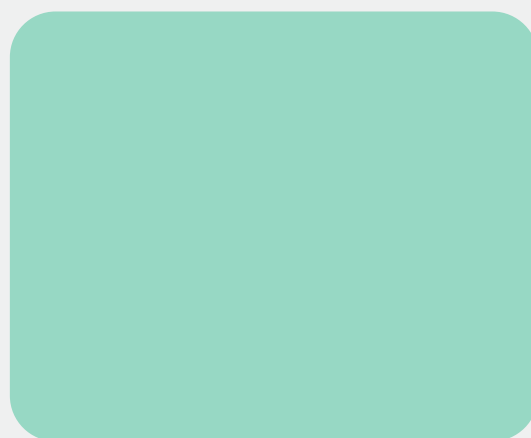


1Q2025 Corporate Bond Bulletin



**May
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Prepared by
S&I Ratings

1Q2025 Overview: Positive signals from public bond issuance channel

According to S&I Ratings estimates, 1Q2025 saw 13 bond issuance rounds totaling VND 25.1 trillion. This includes 11 rounds of public issuance (VND 23.1 trillion) and 2 rounds of private issuance (VND 2 trillion). The bond issuance value increased by 4.7% compared to the same period last year. Additionally, many issuers extended bond maturities in 4Q2024 and 1Q2025, totaling nearly VND 28 trillion, helping businesses maintain capital and limit new issuances.

We estimate issuers repurchased VND 26.9 trillion, with VND 17.2 trillion of bonds maturing in Q1. Consequently, the total corporate bonds in circulation is approximately VND 1.3 trillion, down VND 19 trillion from the end of 2024, equivalent to 11% of GDP (Chart 2). Banks and Real Estate sectors continue to hold the largest shares, with 49.4% and 33.7% of the outstanding bonds in circulation, respectively (Chart 9).

The public bond issuance channel saw a significant surge, recording a record high issuance value in 1Q2025, equivalent to 77% of the total public issuance value for 2024. In contrast, the private issuance channel became quiet, making public issuance account for 92% of the total issuance value during this period (Chart 4). We believe the amended Securities Law effective from 2025, along with Circular 76/2024/TT-BTC tightening regulations on private bond issuance, has initially impacted the market. Strengthening control and ensuring transparent information disclosure will bolster investor confidence in corporate bonds, whether issued privately or publicly. Although these measures may have short-term impacts, they will help absorb the bond supply in the long term.

In Q1/2025, banks and securities companies accounted for 100% of the total bond issuance value, with banks alone accounting for 76.9% of the total issuance value, while non-financial groups were completely absent. For comparison, the Financial group accounted for 23.1% of the total issuance in Q1/2024, while the Real Estate group accounted for 58.4% of the issuance during this time. We believe financial institutions have the largest issuance volume because this product line is being welcomed by investors due to its relatively safe nature, especially as interest rates are expected to trend downward in the coming quarters.

2025 Market outlook: Significant increase in bond expirations expected

In 1Q2025, bond expirations were relatively low at VND 17.2 trillion, primarily in the Real Estate (48%) and Manufacturing (33%) sectors. However, we anticipate a substantial increase in bond expirations in the coming months, with a total value exceeding VND 200 trillion, particularly high in Q3 and Q4 (Q2: VND 33.6 trillion, Q3: VND 91.2 trillion, Q4: VND 77.6 trillion) (Chart 12). This includes VND 26.5 trillion worth of bonds that had their maturities extended previously.

The Real Estate sector is expected to account for half of the bond expired in the last three quarters of the year, with an estimated total value of VND 103.9 trillion. In Q3 alone, the maturity volume for this sector is projected to reach VND 57.5 trillion. Additionally, the volume of delayed bond payments in Q1/2025 is estimated at around VND 21.5 trillion, with Real Estate bonds making up VND 10.4 trillion, or 49% of the total market. We also observe that Real Estate companies have been increasing their borrowing, with the Debt/Equity ratio at the end of 2024 reaching its highest level since 2018 (Chart 14). This indicates that financial pressure on Real Estate companies will remain high, leading to an expected increase in bond issuance in the last three quarters of the year.

The government is proposing stricter conditions for private bond offerings under the Enterprise Law, specifically requiring the Debt/Equity ratio (including the value of bonds expected to be issued) not to exceed 5 times. However, this regulation excludes certain issuers such as state-owned enterprises, enterprises issuing bonds for real estate projects, credit institutions, insurance companies, and securities companies, to avoid conflicts with specialized laws. We believe that stricter legal regulations will help control and organize the bond market, increase transparency, and promote healthy market development.

Chart 1: Vietnam financial market structure (% of GDP)

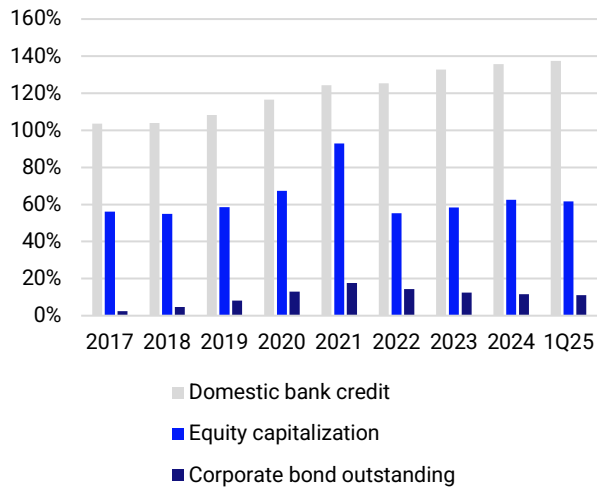
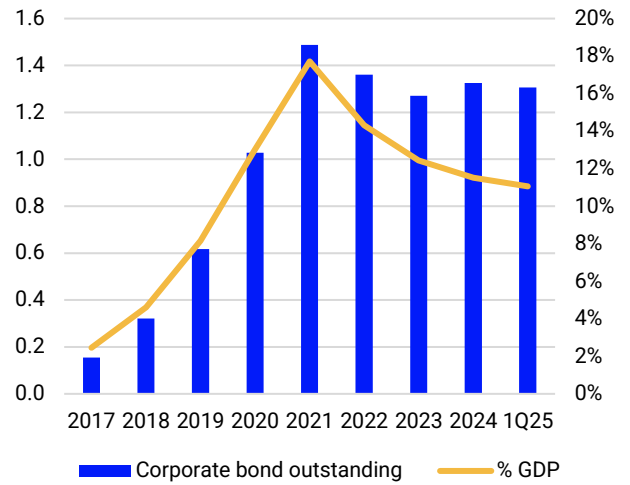


Chart 2: Outstanding corporate bonds as of Dec 2024 (VND qn, % of GDP)



Source: HNX, HSX, SBV

Chart 3: Monthly Corporate bond issuance, expiration, and early buybacks (VND tn)

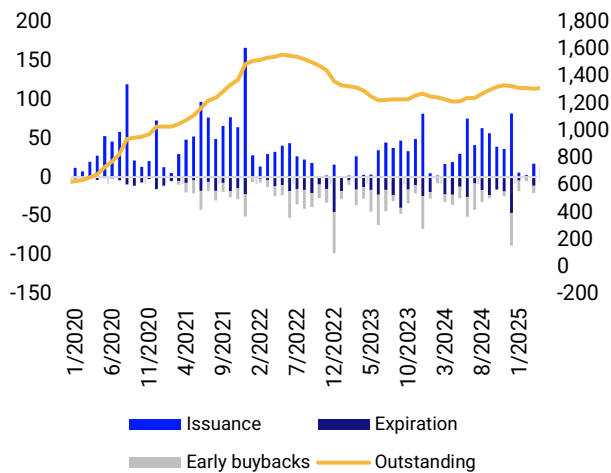
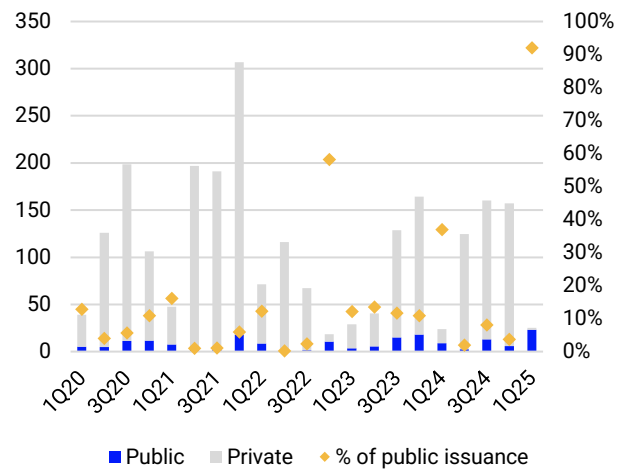


Chart 4: Corporate bond quarterly issuance, by issuance method (VND tn)



Source: HNX

Chart 5: Quarterly bond issuance breakdown by sector (%)

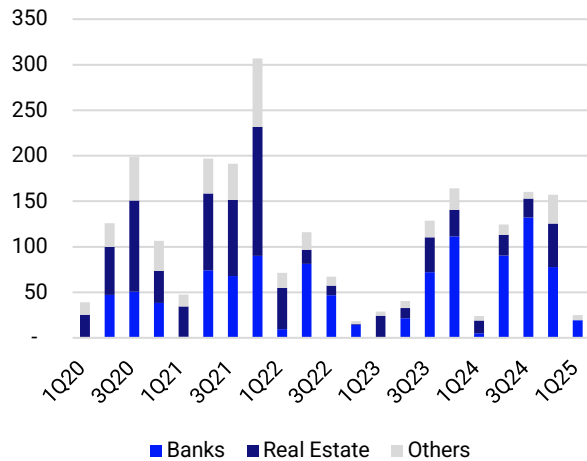
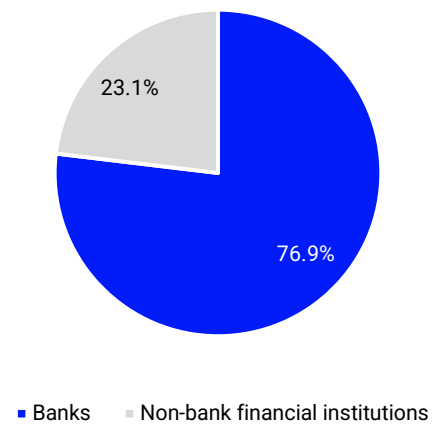


Chart 6: 1Q2025 bond issuance breakdown by sector (%)



Source: HNX, SSC

Chart 7: Average bank and non-bank primary coupon rate for private placement (%)

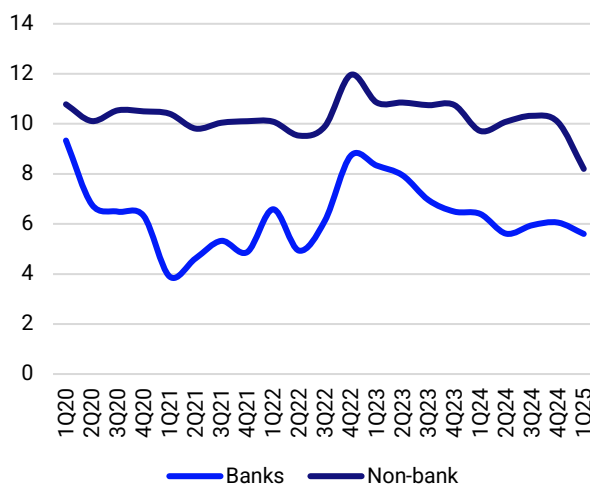
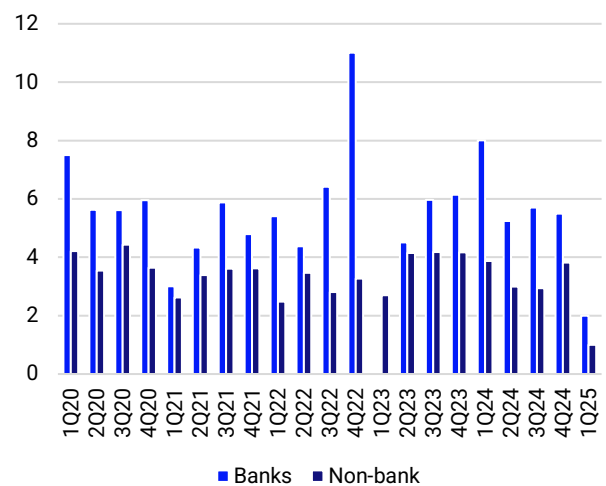


Chart 8: Average tenure for bank and non-bank issuance (years)



Source: HNX

Chart 9: Breakdown of outstanding corporate bonds by March 2025 (% , by sector)

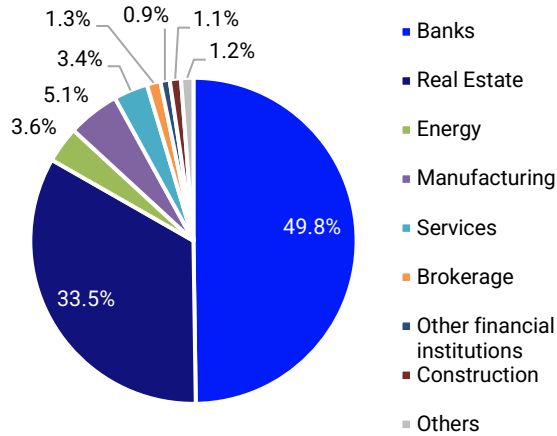
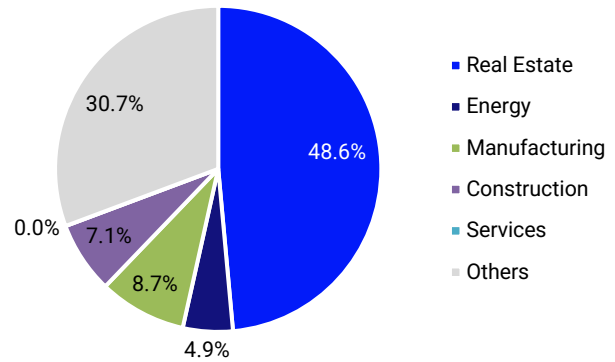


Chart 10: Breakdown of corporate bonds delaying payments in 1Q2025 (% , by sector)



Source: HNX

Chart 11: Quarterly buyback volume (VND tn)

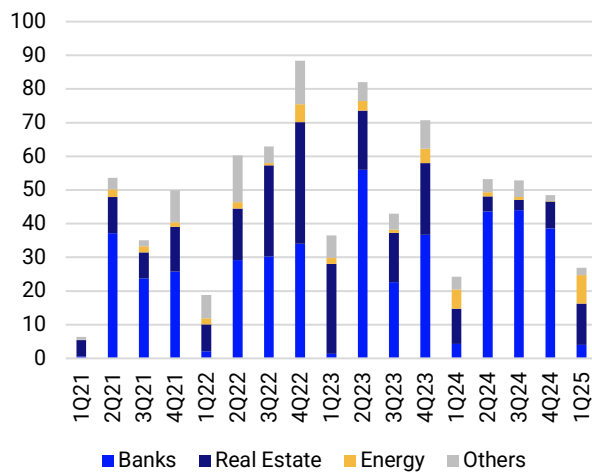
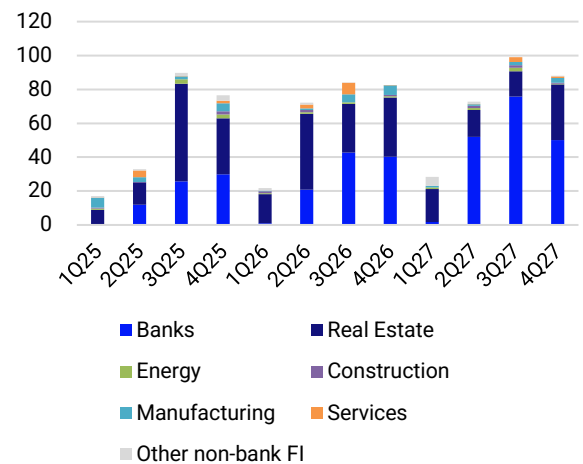


Chart 12: Bond expiration schedule by sector (VND tn)



Source: HNX

Chart 13: Top non-bank bond group names to expire in 2025 (VND tn)

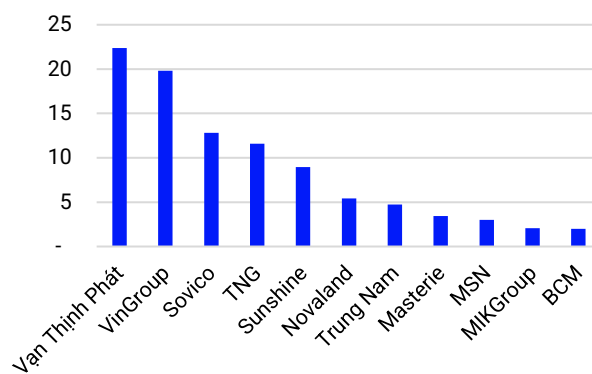
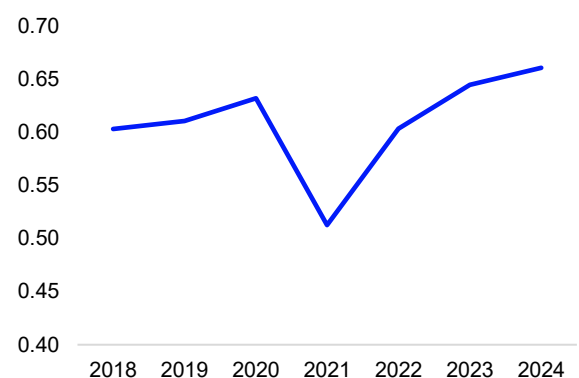


Chart 14: Debt/Equity ratio of listed Real Estate companies



Source: HNX

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