Corporate Bond Bulletin

Q2 2026

July 2026

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Corporate Bond Market Q2 2026 Overview: Property Sector Drives Market Growth

Corporate Bond Issuance Activity Rebounded in Q2 2026

Vietnam's corporate bond market recorded a notable rebound in Q2 2026, with 160 successful issuances raising a total of VND 233.5 trillion (Figure 1). Activity improved significantly from the seasonally weaker first quarter. However, on a year-on-year basis, the number of issuances declined by 21%, while total issuance value decreased modestly by 4%, indicating a moderation in primary market activity.

We expect the economy's financing needs to remain significant over the medium term, driven by continued investment demand and economic expansion. However, recent volatility in interest rates has reduced the attractiveness of bond issuance and may cause issuers to delay fundraising activities. In addition, the implementation of Decree No. 200/2026/ND-CP, effective from 5 June 2026, introduces more stringent regulatory and disclosure requirements, which may require issuers additional time to adjust their funding plans and strengthen compliance frameworks. Consequently, primary bond market activity could remain relatively subdued in the near term despite strong underlying capital demand.

Private placements continued to account for the vast majority of market activity, representing VND 213.8 trillion across 150 issuances, accounting for 92% of total issuance value (Figure 3). Public offerings remained limited, totaling only VND 10.5 trillion through nine transactions. Public issuance activity was concentrated primarily among financial institutions, including BIDV, Kien Long Bank, Nam A Bank, TCBS, and F88, alongside convertible bond offerings from non-financial corporates SBT and CII. The quarter also witnessed Vingroup's US$350 million international bond issuance, highlighting selective access to offshore funding among large corporate groups.

Increasing Issuance Size Reflects Improving Market Quality

Despite the decline in issuance volumes, the average issuance size continued to increase. During H1 2026, average issuance value reached VND 1,433 billion per transaction, up 31% from 2025 and approximately seven times the level observed during the highly fragmented issuance cycle in 2020 (Figure 4).

The trend toward larger issuance sizes suggests a gradual improvement in market quality and issuer concentration. As the regulatory framework has become more comprehensive, weaker issuers have increasingly faced challenges accessing the bond market, resulting in a more selective issuance environment dominated by corporates with stronger funding capacity, larger project pipelines, and greater investor recognition.

Real Estate Sector Surpasses Banks as the Largest Issuer Group

The banking and real estate sectors continued to dominate Vietnam's corporate bond market, jointly accounting for more than 90% of total issuance value during H1 2026 (Figure 7). However, the two sectors exhibited markedly different issuance trends.

Banking sector issuance declined sharply by 38.6% year-on-year to VND 122.3 trillion, reflecting reduced capital-raising needs following substantial issuance volume over the previous two years. In contrast, bond issuance by real estate companies surged 185% year-on-year to VND 128.1 trillion (Figure 8), making the sector the largest contributor to overall market issuance during the first half of 2026.

The real estate sector recorded its strongest quarterly issuance volume since 2022 and its second-highest level on record after Q4 2021. The sharp increase indicates renewed funding demand from large developers seeking to support extensive project pipelines amid improving legal approvals and stronger market sentiment.

Despite this strong recovery, bond financing remains modest relative to the substantial capital requirements of ongoing infrastructure and real estate developments. Consequently, we view the sector's funding demand as likely to remain a key driver of future bond market growth.

Issuance activity remained highly concentrated. Vingroup and Masterise collectively accounted for approximately 84% of total real estate issuance during H1 2026, with estimated issuance values of VND 69 trillion and VND 45 trillion, respectively (Figure 9). This concentration highlights the uneven recovery in market access, with stronger issuers continuing to dominate fundraising activity.

Funding Costs Continue to Rise

Coupon rates increased further across all major sectors during H1 2026 (Figure 11), reflecting tighter funding conditions and rising investor return expectations.

Within the banking sector, average coupon rates reached approximately 8.5% per annum, representing an increase of 168 basis points from year-end 2025 and nearly 300 basis points above the trough recorded in early 2025. The trend suggests that banks have become increasingly willing to offer higher funding costs to secure medium-term capital and support balance sheet growth.

The real estate sector exhibited a similar trajectory. After bottoming out in Q3 2025, average coupon rates increased steadily throughout 2026, reaching 11.4% per annum in Q2 2026. Most issuances were priced within a range of 10%-12.5% per annum. Rising funding costs likely reflect both higher credit-risk premiums and investors' increasing preference for compensation amid longer-term market uncertainties.

Although issuance activity among other sectors remained relatively limited, several financial institutions and energy companies also issued bonds at noticeably higher coupon rates than in previous periods, indicating broader upward pressure on funding costs across the corporate sector.

Issuers Shorten Bond Tenors Amid Higher Interest Rates

Alongside rising borrowing costs, issuers increasingly shifted toward shorter-term financing structures. Average bond tenor declined to 4.66 years in 2026 from 5.08 years in 2025 (Figure 12), particularly among banking and real estate issuers.

More than half of all transactions carried maturities of less than three years, accounting for 56% of total issuance volume. By comparison, bonds with tenors of ten years or longer represented only 14.5% of total issuances.

The shortening of bond maturities may reflect issuers' efforts to reduce funding costs and preserve issuance flexibility amid higher interest rate conditions. However, greater reliance on shorter-term obligations could also increase refinancing requirements over the medium term, particularly for issuers with weaker liquidity profiles or projects characterized by extended cash-flow generation periods.

Outstanding Market Growth Remains Modest

Total corporate bond issuance reached VND 275.4 trillion during H1 2026, representing a modest increase of 2.5% year-on-year. However, elevated levels of maturities and early redemptions continued to offset new issuance. Bond maturities rose 41.5% year-on-year to VND 72.3 trillion, while early redemptions increased 23.7% to VND 152.9 trillion.

As a result, total outstanding corporate bonds expanded by only VND 50 trillion, or 3.5%, compared with year-end 2025, reaching VND 1.48 quadrillion (Figure 2).

The banking sector remained the largest contributor, accounting for 52.2% of outstanding bonds, followed by the real estate sector at 33.5%. Despite gradual expansion, the corporate bond market remained relatively small at only 10.9% of GDP (Figures 5-6), significantly below the size of the banking system's credit outstanding and domestic equity market.

While the market has not yet returned to the rapid growth phase observed prior to 2022, we expect continued regulatory improvements and tighter market standards to strengthen investor confidence over time. In our view, the evolving regulatory framework is likely to support a more sustainable market structure characterized by improved transparency, stronger issuer quality, and more balanced long-term growth.

Market Outlook for H2 2026 and 2027: Rising Refinancing Needs to Sustain Issuance Momentum

As Vietnam's corporate bond market continues to expand, bond maturities are expected to increase materially over the coming periods. Maturity pressure is typically concentrated in the second half of the year, reflecting the seasonal pattern of issuance activity in prior years. We estimate total bond maturities will reach approximately VND 156 trillion in H2 2026 (Figure 10), nearly twice the amount recorded in the first half of the year.

Refinancing requirements are expected to remain elevated in 2027. Total bond maturities are projected to increase by approximately 30% year-on-year to VND 297 trillion, equivalent to around 20% of current outstanding corporate bonds. The real estate sector will continue to account for the largest share of maturing obligations. Property developers are estimated to face VND 77.6 trillion of bond maturities in H2 2026, representing roughly half of total market maturities. This figure is expected to increase further to VND 156.5 trillion in 2027, up 16.2% from the previous year.

The growing maturity schedule is likely to reinforce refinancing demand across the corporate sector, particularly among real estate issuers undertaking large-scale development projects with substantial funding requirements. While elevated maturities may increase refinancing risks for weaker issuers, they are also expected to support continued issuance activity as companies seek to refinance existing obligations and secure funding for ongoing investments. Against this backdrop, we expect primary bond issuance to remain active through the remainder of 2026 and into 2027, driven by both refinancing requirements and capital needs associated with major property and infrastructure projects. As investment activity accelerates, bond financing is likely to remain an important funding source alongside bank credit and equity financing.

We also expect the market structure to become increasingly diversified. The implementation of Decree No. 200/2026/ND-CP has introduced higher disclosure, transparency, and investor-protection standards for private placements, bringing the private placement framework closer to public issuance standards. Over time, this development could encourage a broader mix of issuance channels and contribute to a healthier and more transparent market ecosystem.

In addition, the proposed regulatory framework governing public issuance of PPP-related corporate bonds could become an important catalyst for market development. Once introduced, the framework may facilitate bond financing for large-scale infrastructure projects, expand access to long-term institutional capital, and reduce reliance on traditional bank financing. We view these regulatory initiatives as supportive of the market's long-term development, strengthening both funding capacity and overall market quality despite the higher refinancing requirements expected over the next two years.

Decree 200 Signals a Shift Toward Higher Market Standards and Credit Quality

The enactment of Decree No. 200/2026/ND-CP on 5 June 2026 marks a significant milestone in the development of Vietnam's corporate bond market. By replacing Decrees 153/2020, 65/2022, and 08/2023, the regulation establishes the most comprehensive legal framework for private corporate bond issuance since the market turbulence of 2022. More importantly, it reflects a clear regulatory transition from promoting issuance growth toward strengthening market discipline, credit quality, and investor protection.

The decree introduces several provisions that are expected to have a meaningful impact on market structure. First, professional individual investors may only purchase privately placed bonds issued by non-public companies if the bonds carry a credit rating and are backed by either eligible collateral or a payment guarantee from a licensed credit institution. This change substantially increases the role of credit ratings in the issuance process, transforming them from a disclosure tool into an important mechanism for investor access and credit differentiation.

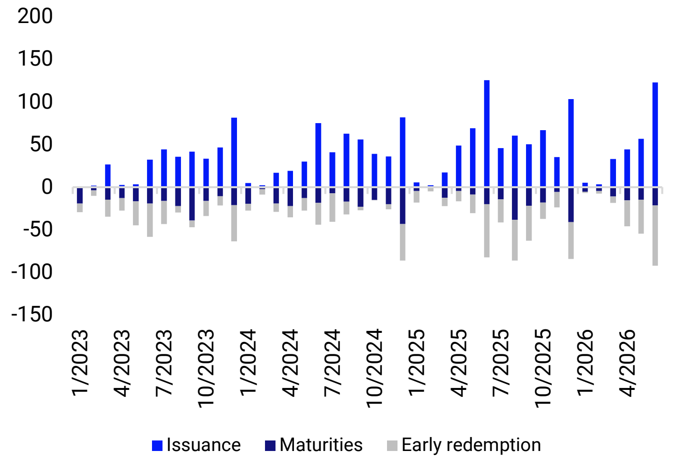
Second, the regulation prohibits issuers from using their own shares, equity interests, or bonds as collateral for bond issuances. This addresses one of the key weaknesses exposed during the 2022 market disruption, when the quality and enforceability of collateral became a major concern among investors. Third, the introduction of a maximum debt-to-equity ratio of five times for most non-financial and non-real-estate corporates is intended to strengthen financial discipline and limit excessive leverage among issuers.

In our view, the new framework will accelerate the ongoing differentiation of issuers based on credit strength and transparency. Companies with stronger financial profiles, better governance practices, and established credit ratings are likely to benefit from broader investor access and more competitive funding costs. Greater transparency and improved disclosure standards should help reduce information asymmetry, allowing investors to assess credit risk more effectively and supporting a more efficient pricing of risk.

Conversely, issuers that are unable to comply with the new requirements may face a narrower investor base and higher refinancing costs. While the tighter standards could temporarily moderate issuance activity, particularly among lower-quality borrowers, they are expected to improve overall market quality and encourage stronger financial discipline among market participants.

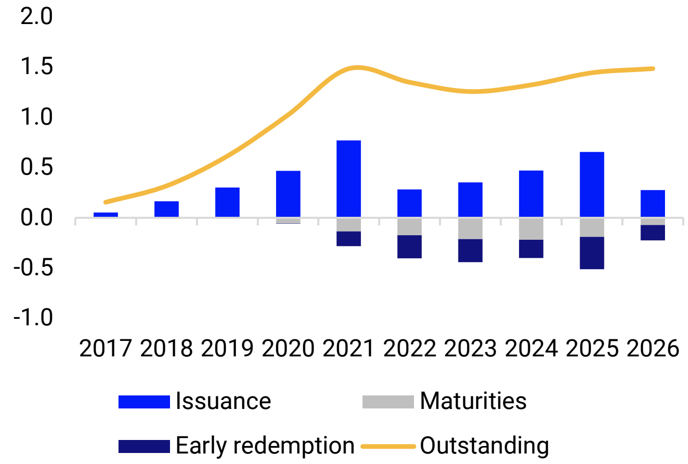
We view Decree 200 as a positive credit development for Vietnam's corporate bond market. By strengthening disclosure standards, enhancing investor safeguards, and elevating the role of independent credit assessments, the regulation should contribute to a more transparent and resilient market environment. Over the medium term, these reforms are expected to support sustainable market growth, reinforce investor confidence, and facilitate the gradual development of a deeper and more institutionally driven corporate bond market that is better aligned with international market practices.

Figure 1. Monthly Corporate Bond Issuance Volume, Maturities, and Early Redemptions (VND trillion)



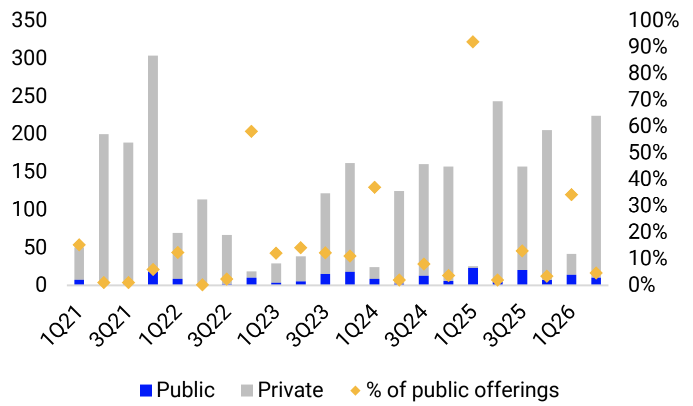
Nguồn: HNX, S&I Ratings

Figure 2. Corporate Bond Issuance, Maturities, and Early Redemptions by Year (VND trillion)



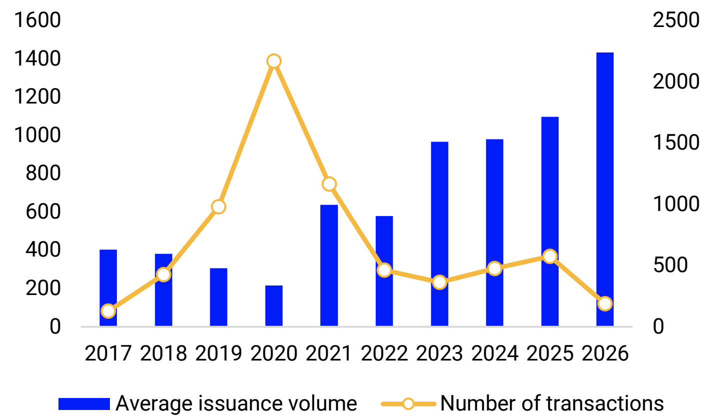
Nguồn: HNX, S&I Ratings

Figure 3. Quarterly Corporate Bond Issuance by Offering Type: Private Placements vs. Public Offerings (VND trillion)



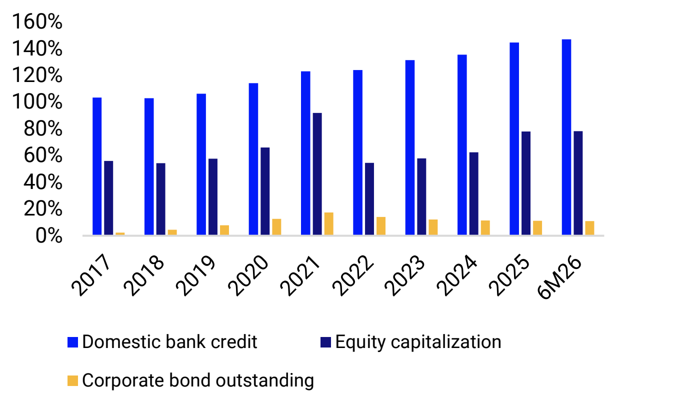
Nguồn: HNX, S&I Ratings

Figure 4. Average Corporate Bond Issuance Value per Transaction (VND billion)



Nguồn: HNX, S&I Ratings

Figure 5. Corporate Bond Market Size Relative to the Equity Market and Bank Credit (% of GDP)



Nguồn: HNX, S&I Ratings

Figure 6. Evolution of Vietnam's Corporate Bond Market

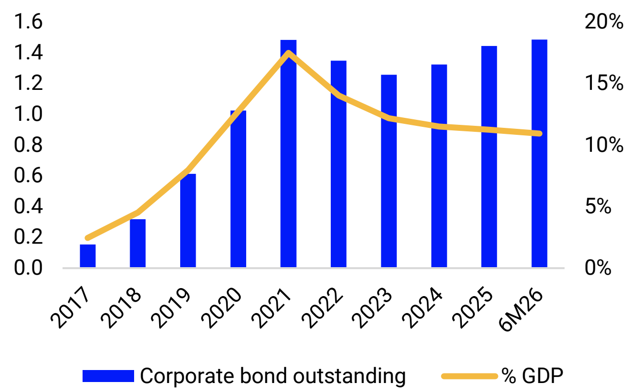


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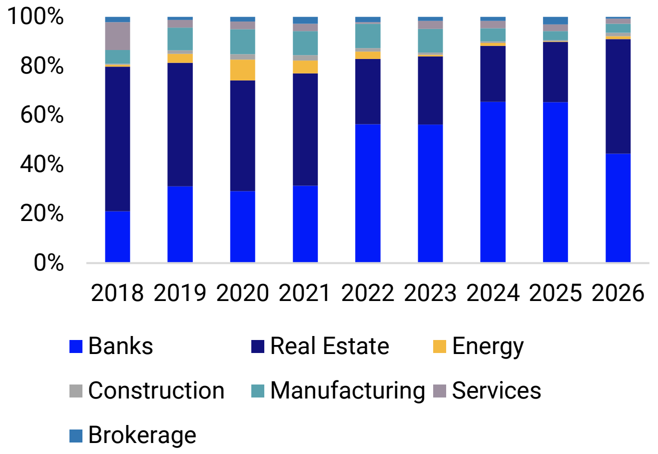
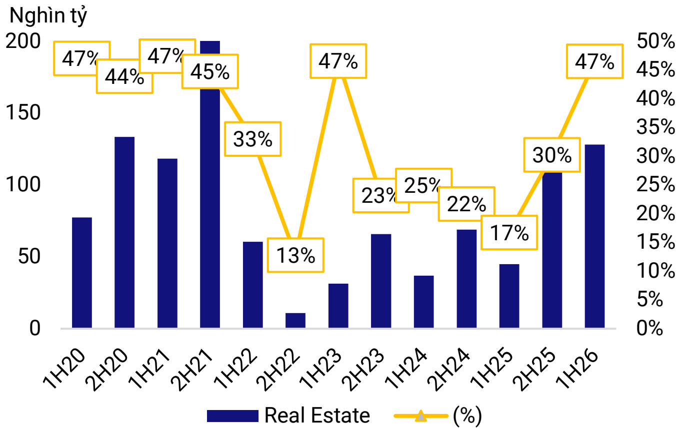
Figure 7. Corporate Bond Issuance by Sector (% of Total Issuance Value)



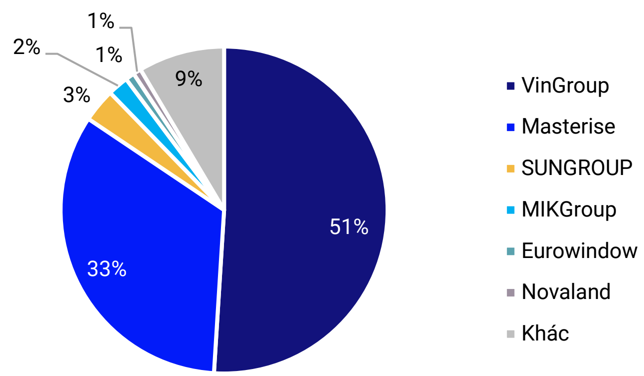
Nguồn: HNX, S&I Ratings

Figure 8. Real Estate Bond Issuance Volume and Share of Total Corporate Bond Issuance (VND trillion, %)



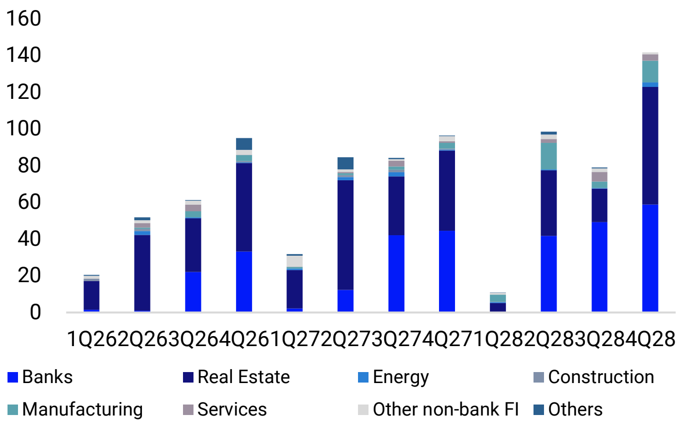
Nguồn: HNX, S&I Ratings

Figure 9. Largest Real Estate Bond Issuers in Q2 2026 (% of Sector Issuance)



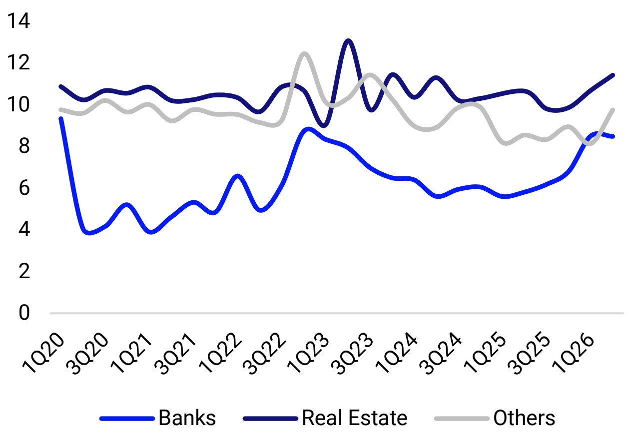
Nguồn: HNX, S&I Ratings

Figure 10. Corporate Bond Maturities by Quarter (VND trillion)



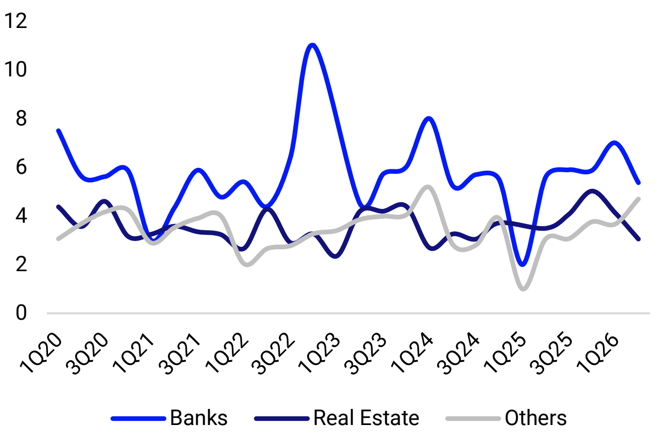
Nguồn: HNX, S&I Ratings

Figure 11. Average Bond Coupon Rates by Sector (%)



Nguồn: HNX, S&I Ratings

Figure 12. Average Bond Tenor by Sector (Years)



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APPENDIX 1: SUMMARY OF KEY CHANGES UNDER DECREE NO. 200/2026/ND-CP

Compared with Decrees 153/2020/ND-CP, 65/2022/ND-CP and 08/2023/ND-CP

No.	Topic	Key Changes under Decree 200	Impact on the Corporate Bond Market
1	**Regulatory Framework**	• Expands the regulatory structure from 6 chapters/45 articles under Decree 153 to 8 chapters/51 articles. • Introduces two new chapters: Chapter IV on Information Disclosure (separating domestic and international issuances) and Chapter VII on Violations, Dispute Resolution, and Compensation, which is entirely new.	• Establishes a more comprehensive legal framework aligned with the amended Securities Law and Enterprise Law. • Reduces regulatory gaps exposed during the 2022 market disruption and strengthens confidence among institutional investors, particularly foreign investors.
2	**Issuance Purpose and Use of Proceeds**	• Eliminates the broad purpose of "implementation of investment programs"; issuances are now limited to three purposes: investment projects, debt restructuring, and purposes permitted under specialized regulations. • Changes in bond proceeds utilization require approval from competent authorities, consent from at least 65% of bondholders of the same class, and mandatory redemption for dissenting investors. • Issuers must separately track bond proceeds throughout the entire bond life cycle.	• Reduces the risk of misuse of proceeds, a key factor behind defaults during the 2022 market downturn. • Increases compliance costs and reduces issuers' flexibility in reallocating capital after issuance.
3	**Professional Individual Investors**	• Professional individual investors may invest in privately placed bonds issued by non-public companies only if the bonds carry a credit rating and are secured by eligible collateral or guaranteed by a licensed credit institution. • The validity period for professional investor status verification is extended from three months to one year.	• Limits market access for unrated or insufficiently secured non-public issuers, particularly real estate developers. • Supports demand for credit rating services and may improve secondary market liquidity for qualifying bonds.
4	**Collateral Requirements**	• Prohibits the use of an issuer's own shares, equity interests, or bonds as collateral for bond issuances across all investor categories.	• Addresses a major structural weakness revealed during the 2022 market crisis, where collateral values deteriorated alongside issuer credit quality. • May increase issuance costs for issuers that previously relied on such collateral structures, particularly in the real estate sector.
5	**Debt-to-Equity Ratio**	• Total liabilities, including proposed bond issuance proceeds, must not exceed five times shareholders' equity based on the latest audited financial statements. • Exemptions apply to SOEs, real estate project issuers, banks, insurance companies, securities firms, and fund managers.	• Strengthens leverage discipline among non-financial corporates.

No.	Topic	Key Changes under Decree 200	Impact on the Corporate Bond Market
		• Outstanding bonds from previous issuances must be included when calculating leverage for subsequent issuances.	
6	**Multi-Tranche Issuances**	• Multi-tranche issuance structures are now limited to credit institutions.	• Non-bank issuers lose flexibility in raising capital in stages and must prepare a complete issuance dossier for each transaction. • Could increase funding execution risks and cash-flow planning requirements.
7	**Intermediary Service Providers**	• Only securities companies may act as underwriters, placement agents, or auction organizers for private bond issuances. • Advisory responsibilities are strengthened, requiring substantive due diligence and assessment rather than simple documentation reviews.	• Reinforces the role of securities firms within the issuance ecosystem. • Increases legal liability and compliance obligations for advisory institutions, while banks are expected to focus more on collateral management services.
8	**Information Disclosure and Administrative Procedures**	• Separates domestic and international disclosure requirements. • Replaces the approval mechanism with a "confirmation of complete documentation" process at the State Securities Commission. • The information memorandum is no longer part of the approval dossier and is instead provided directly to investors and the stock exchange.	• Shortens issuance timelines for eligible issuers. • Improves transparency throughout the bond lifecycle and supports ongoing credit surveillance and market monitoring.
9	**Violations, Dispute Resolution, and Compensation**	• Introduces a new chapter governing dispute resolution through negotiation, mediation, arbitration, or litigation, alongside compensation obligations under the Civil Code.	• Enhances legal certainty and transparency in the event of disputes. • Improves the basis for recovery-rate assessments and supports investor confidence in creditor-rights protection.
10	**Decentralized Supervision and Inspection**	• Provincial authorities are assigned responsibility for monitoring and supervising non-public issuers operating within their jurisdictions. • Regulatory agencies at various levels are authorized to inspect compliance with bond issuance and proceeds utilization requirements.	• Enhances oversight of smaller and higher-risk issuers concentrated at the local level. • May facilitate earlier detection of violations while increasing compliance costs for issuers.
11	**Effective Date and Transitional Provisions**	• Effective from 5 June 2026, replacing Decrees 153/2020, 65/2022, and 08/2023. • Outstanding bonds secured by an issuer's own shares or equity interests may remain in place until maturity. • Legacy bonds remain subject to transitional rules depending on their issuance date.	• Limits disruption to outstanding bonds by avoiding full retrospective application. • Investors and analysts should distinguish between bonds issued before and after Decree 200 when assessing credit risk and recovery prospects.

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