S&I Ratings

Vietnam Corporate Bond Bulletin Q3 2026



October 2026

S&I Ratings

Corporate Bond Market Q3 2026: Issuance Growth Moderates as Funding Costs Remain Elevated

Issuance Activity Slowed Following Strong Q2 Momentum

Vietnam's corporate bond market recorded 153 successful issuances in Q3 2026, with total issuance volume reaching VND 179.4 trillion, down 26% from the previous quarter. Similar to the seasonal pattern observed in 2025, market activity accelerated significantly in Q2 following a subdued first quarter before normalizing in Q3. On a year-on-year basis, issuance volume increased by 7.8% in Q3 and by 6.7% during the first nine months of 2026.

While issuance activity remained positive, the pace of market expansion continued to lag broader economic growth. During the first nine months of 2026, Vietnam's GDP grew by 9.0% and credit outstanding increased by 11.59%, while the outstanding corporate bond balance rose by only 7.1% from year-end 2025 to VND 1.54 quadrillion. S&I Ratings believes the combination of higher interest rates and tighter regulatory requirements has constrained issuance growth despite robust financing demand from the corporate sector.

Public Issuance Continues to Gain Traction

Public bond offerings remained a notable bright spot in Q3. Total public issuance reached VND 31.6 trillion across 16 transactions, representing a 55% increase compared with the same period last year and the highest quarterly volume on record.

Commercial banks continued to dominate this segment, accounting for half of total transactions, including Agribank's VND 15 trillion issuance. Meanwhile, non-bank issuers including securities firms, consumer companies, and financial institutions increasingly accessed the public market, although issuance size generally remained modest compared with bank issuers.

The growing share of public offerings reflects the gradual transition of the market toward a more transparent and regulated funding structure, particularly following recent regulatory reforms.

Real Estate Issuance Adjusted from Exceptionally High Levels

Real estate bond issuance moderated in Q3 after accelerating sharply in the previous quarter. Total issuance volume declined by 55% quarter-on-quarter as the number of successful transactions fell from 43 to 21.

The decline primarily reflected lower issuance from major developer groups. Issuance associated with the Vingroup ecosystem decreased to VND 16 trillion from VND 61 trillion in Q2, while issuance by the Masterise group remained broadly stable at VND 23.5 trillion. Given their dominant share within the sector, changes in issuance activity among these large issuers significantly influence overall market performance.

Despite the quarterly decline, real estate issuance remained 27% higher than the same period in 2025, while cumulative issuance during the first nine months increased by 121% year-on-year. S&I Ratings views the sector's financing demand as structurally elevated due to large-scale project pipelines and refinancing requirements. Nevertheless, higher funding costs and slower project execution in a high-interest-rate environment may continue to affect issuance volumes over the near term.

Bank Bond Issuance Remained Subdued

Bank bond issuance totaled VND 120 trillion in Q3, up 11.8% year-on-year and 7% quarter-on-quarter. However, cumulative issuance during the first nine months remained approximately 20% lower than the same period last year.

The implementation of Circular 50's revised Loan-to-Deposit Ratio (LDR) framework, under which only eligible Tier 2 bonds are included in the LDR denominator, has reduced the incentive for banks to issue bonds. As bank bonds account for roughly two-thirds of total market issuance, weaker bank issuance has been a key driver behind the moderation in overall market growth during 2026.

Coupon Rates Approached Previous Cycle Highs

Funding costs continued to increase across all sectors during Q3, although the pace of repricing slowed as coupon rates approached levels last seen during the 2022-2023 tightening cycle.

Average coupon rates on bank bonds reached 8.85%, exceeding the previous cycle average peak of approximately 8.7%. Several issuances were priced above 10%, including transactions by Sacombank and PVcomBank. Coupon rates for real estate and non-financial corporates hit between 12.5% and 13.0%, remaining below the previous cycle highs of approximately 14%-14.5%.

Compared with the lows recorded in 2025, average coupon rates have risen by roughly 250 basis points, highlighting the substantial increase in corporate funding costs over the past 18 months.

Outlook for Late 2026 and 2027: Refinancing Risks Increase as Interest Rates Remain Higher for Longer

S&I Ratings expects refinancing pressure to intensify during the remainder of 2026 and throughout 2027. Approximately VND 93 trillion of corporate bonds are scheduled to mature in Q4 2026, representing the largest quarterly maturity profile of the year. Real estate issuers account for approximately VND 46.9 trillion, or nearly half of total market maturities.

Looking further ahead, total corporate bond maturities could reach approximately VND 276 trillion in 2027, an increase of 22% compared with 2026. Real estate issuers are expected to account for VND 156 trillion, equivalent to 57% of total maturities. Consequently, future issuance activity will play an increasingly important role not only in financing new investments but also in refinancing existing obligations.

At the same time, demand for medium- and long-term capital continues to rise as Vietnam accelerates investment across real estate, infrastructure, transportation, energy, and industrial projects. This should provide long-term structural support for the corporate bond market.

However, elevated domestic and global interest rates are likely to remain a key constraint on market growth. Persistent inflation risks and higher global sovereign bond yields suggest funding costs may remain elevated through at least the first half of 2027. This environment could create additional pressure on highly leveraged issuers and companies with substantial refinancing needs.

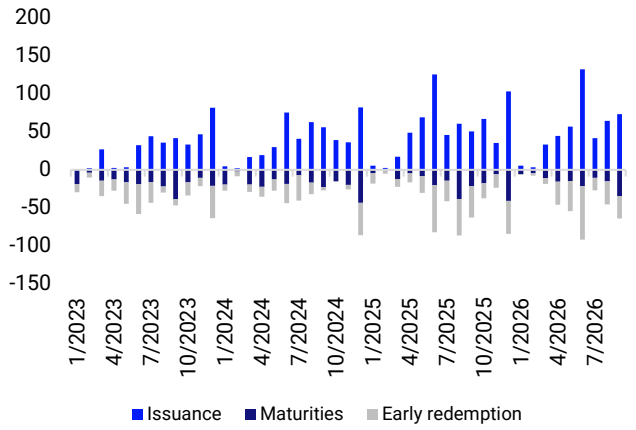
Expanding Access to International Capital Markets

The Government is considering a return to the international bond market while continuing efforts to achieve Investment Grade sovereign status. In S&I Ratings' view, an improvement in Vietnam's sovereign rating would not only strengthen access to international funding but could also reduce regulatory capital requirements for financial institutions holding Vietnamese sovereign debt under the Basel framework.

At the corporate level, Vietnamese financial institutions have already begun to access offshore funding markets. SHB recently completed a SGD 229 million international bond issuance benefiting from a guarantee provided by the Credit Guarantee and Investment Facility (CGIF), while Vietcombank has announced plans to issue international bonds to strengthen its medium- and long-term funding base.

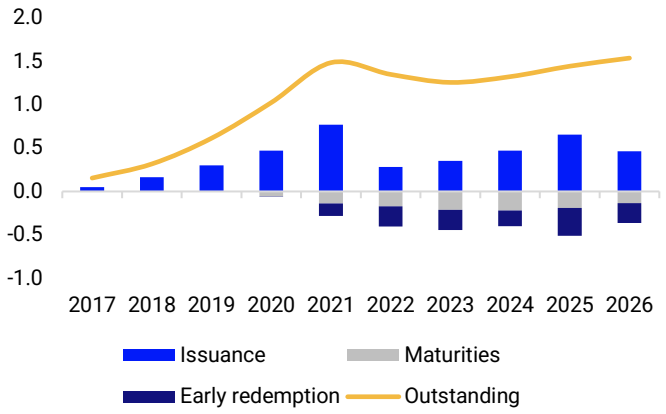
Although international funding may broaden financing options and diversify investor sources, funding cost advantages are not always straightforward. In addition to benchmark rates and credit spreads, issuers must absorb costs related to underwriting, credit ratings, regulatory compliance, and currency hedging.

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



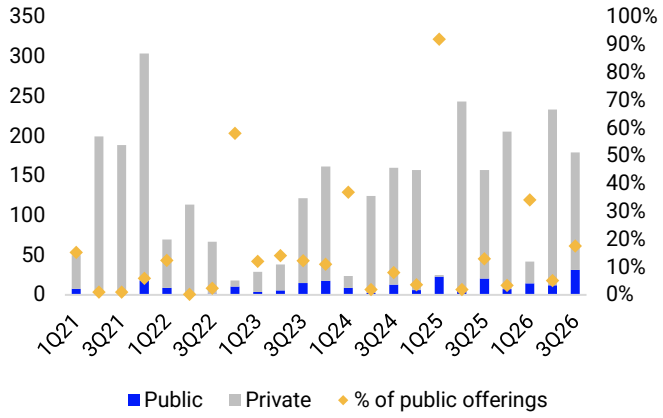
Nguồn: HNX, S&I Ratings

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



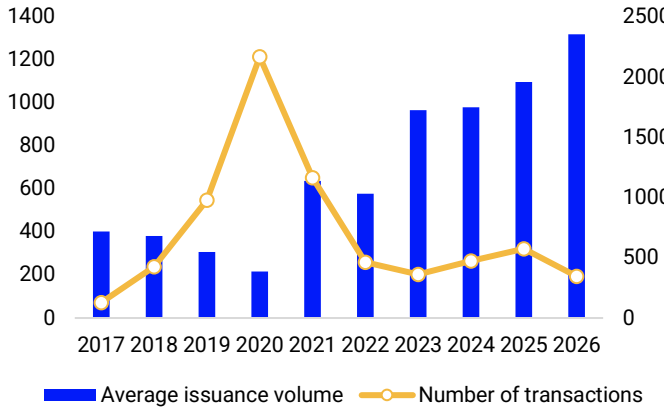
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Figure 3. Quarterly Corporate Bond Issuance by Offering Type: Private Placements vs. Public Offerings (VND trillion)



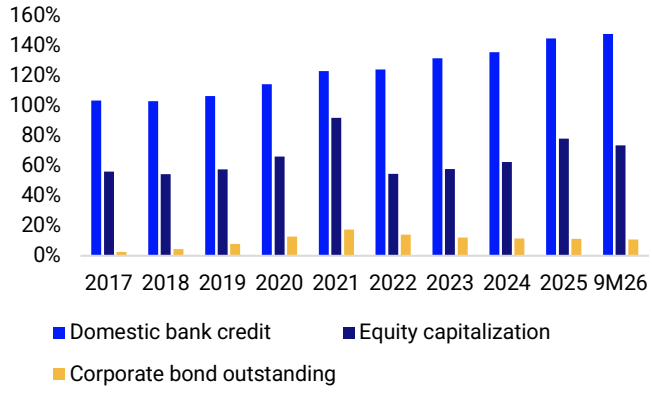
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Figure 4. Average Corporate Bond Issuance Value per Transaction (VND billion)



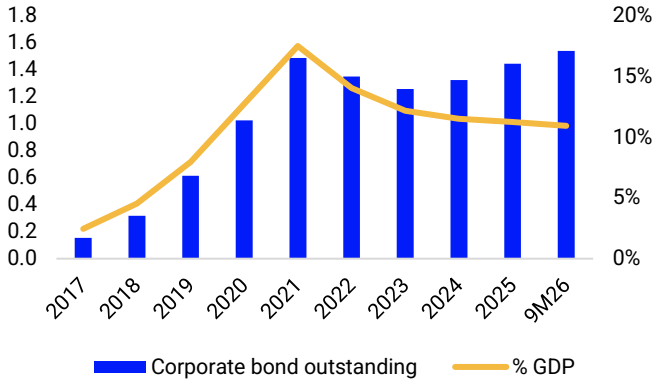
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Figure 5. Corporate Bond Market Size Relative to the Equity Market and Bank Credit (% of GDP)



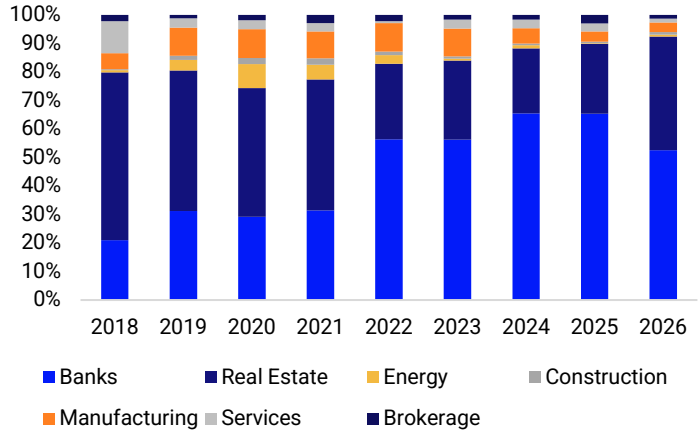
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Figure 6. Evolution of Vietnam's Corporate Bond Market



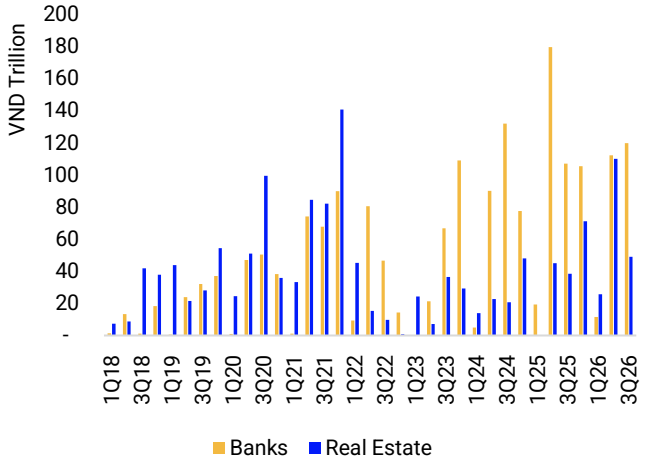
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Figure 7. Corporate Bond Issuance by Sector (% of Total Issuance Value)



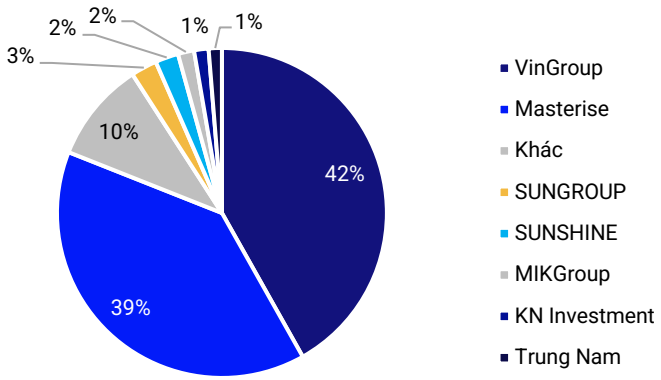
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Figure 8. Real Estate Bond Issuance Volume and Share of Total Corporate Bond Issuance (VND trillion, %)



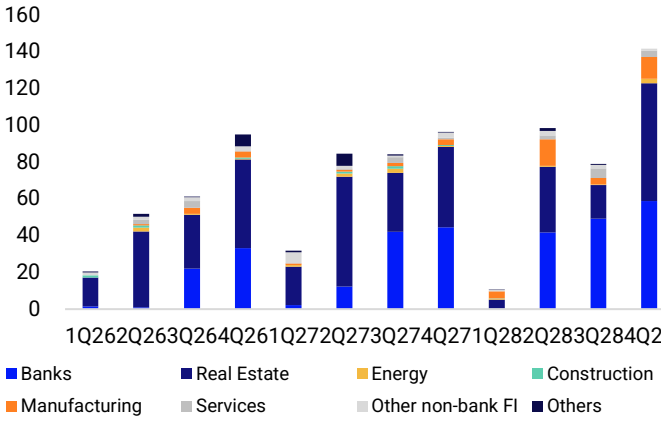
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Figure 9. Largest Real Estate Bond Issuers in 9M 2026 (% of Sector Issuance)



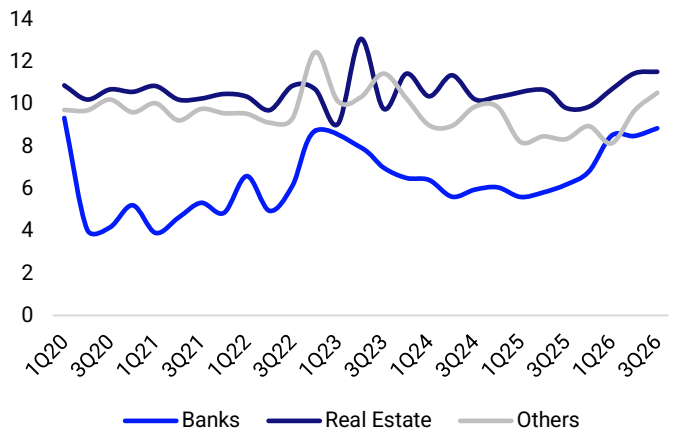
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Figure 10. Corporate Bond Maturities by Quarter (VND trillion)



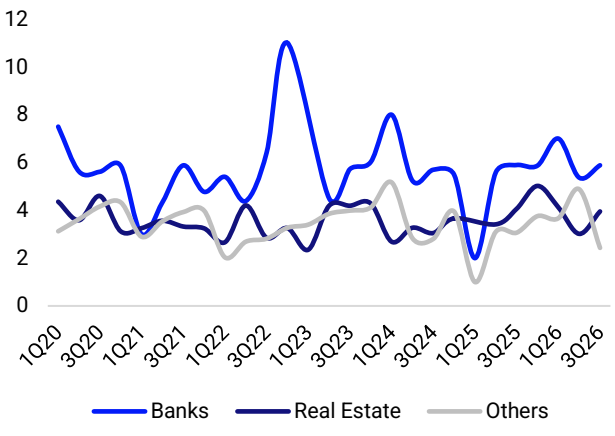
Nguồn: HNX, S&I Ratings

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



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Figure 12. Average Bond Tenor by Sector (Years)



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