

# Key highlights of Presentation on Vietnam Access Days 2024

Corporate bond market outlook: Entering a new development phase  
on a stronger footing, forging ahead to overcome key challenges

# Key takeaways



The Vietnamese bond market has enormous growth potential and can develop into an important funding channel for corporate issuers to supplement bank financing to fund long term projects.



The new development phase of the corporate bond market is supported by improving credit outlook in 2024. Bond defaults are slowing, and new issuances will gradually increase with improved market sentiment.



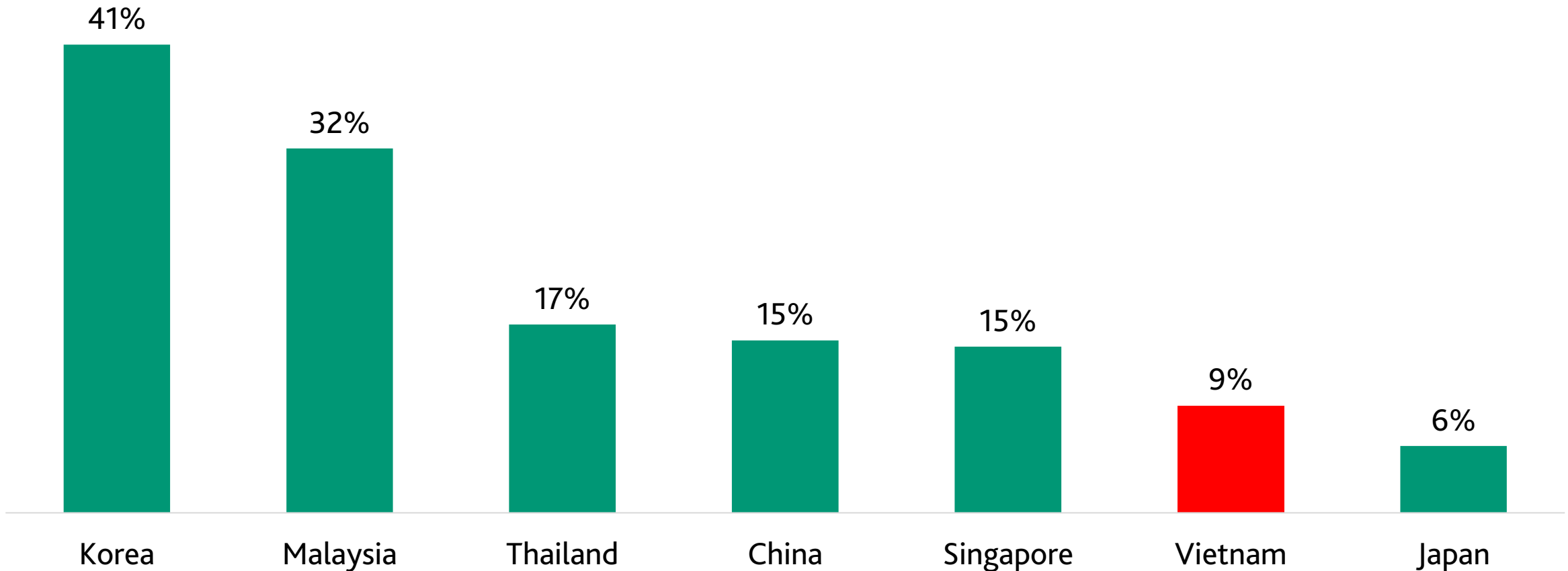
New regulations have paved the way for sustainable growth to protect bondholders and regain market confidence. From January 2024, all requirements of Decree No. 65/2022 will come into effect and drive stronger discipline for all stakeholders.



Credit ratings will support investors in making better investment decisions. Credit ratings can help to improve credit differentiation and risk pricing in both primary and secondary markets over time.

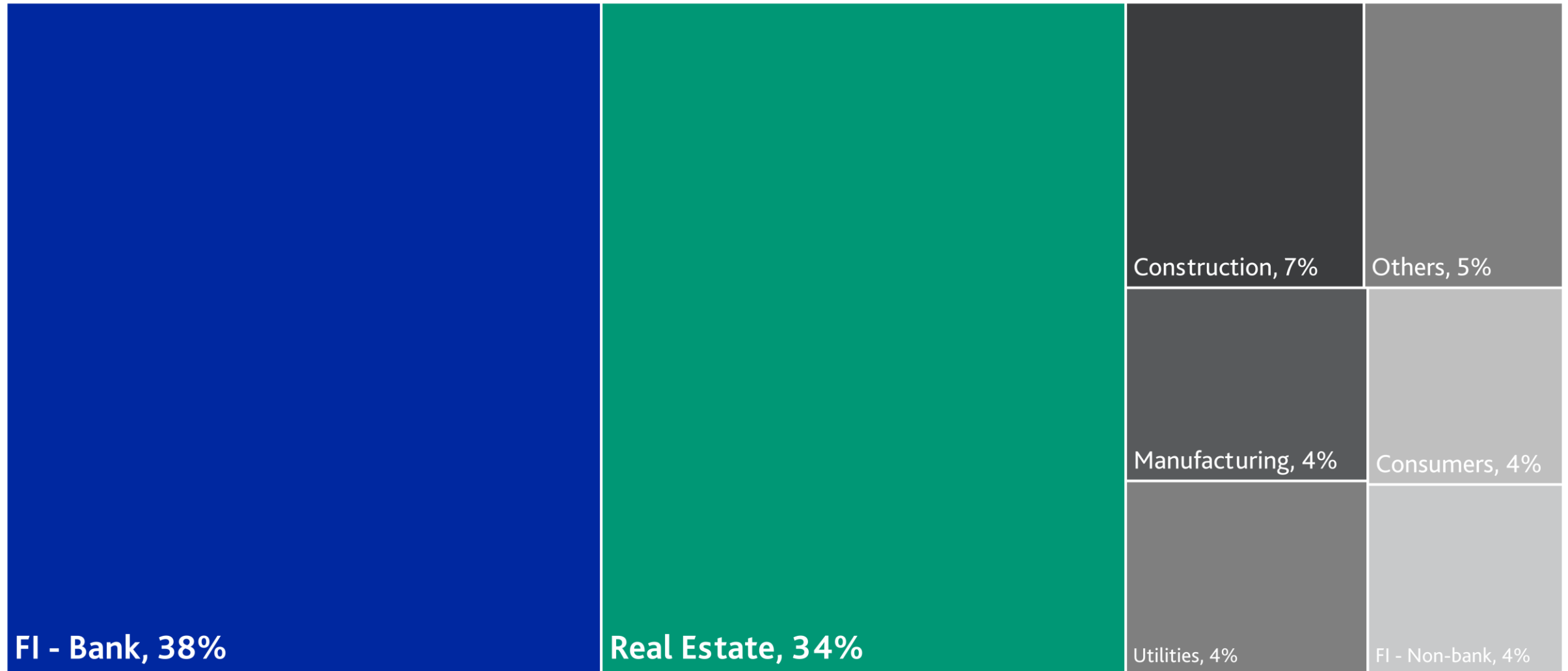
# Vietnam's corporate bond market has enormous growth potential

Outstanding bonds % Domestic Credit



Source: Hanoi Stock Exchange (HNX), State Securities Commission of Vietnam (SSC), Asian Bonds Online, General Statistics Office (GSO), CEIC, Vietnam Investors Service

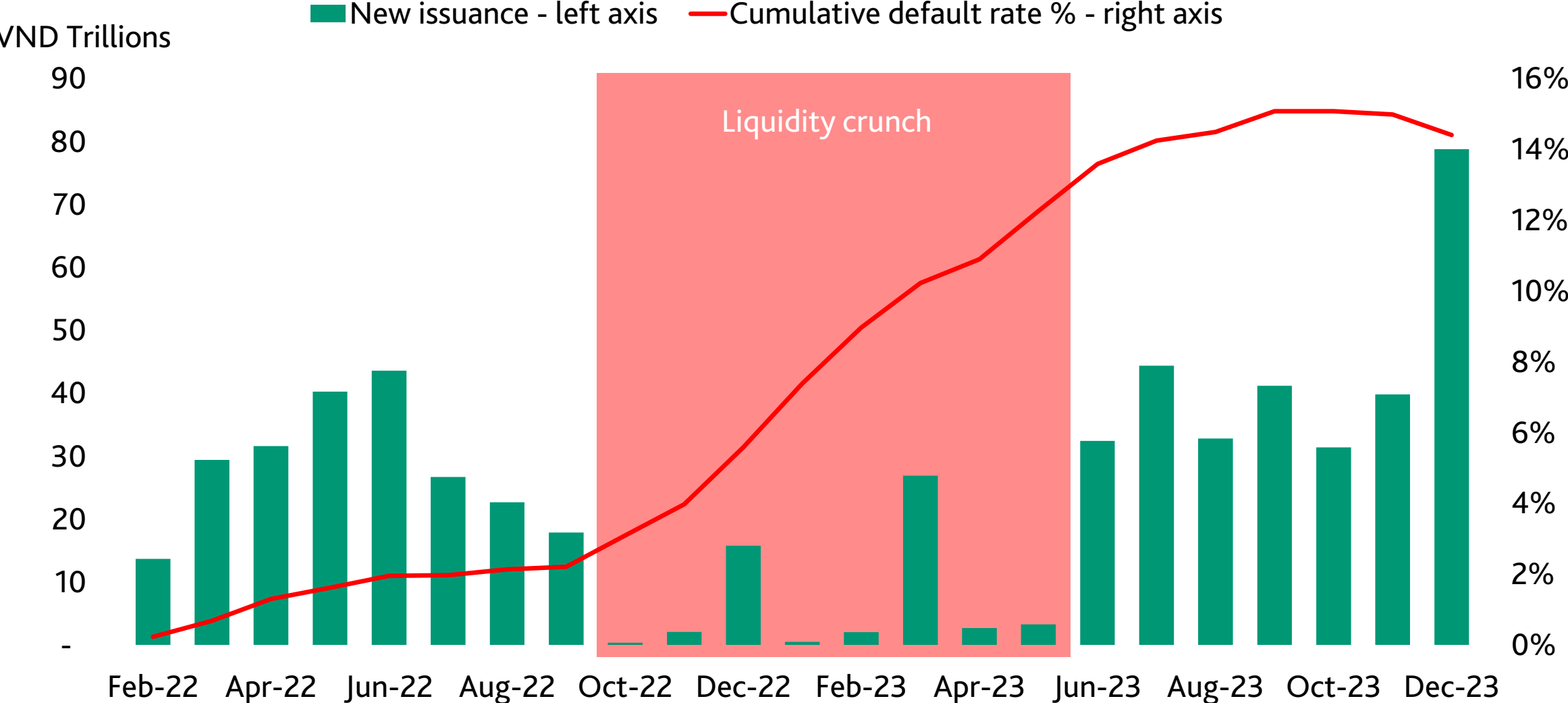
# Banks and Real Estate companies are the main corporate bond issuers



Total bond issuance 2019 - 2023 breakdown by sectors  
Source: HNX, SSC, Vietnam Investors Service



# Default rates surged as market confidence sank



Source: HNX, Vietnam Investors Service

# Decree 65 will drive stronger market discipline



## Strengthen bondholders rights & safeguards

- » Strengthen bondholder's legal rights;
- » Enhance the market infrastructure for bond settlement;
- » Raising risk awareness by stricter requirements to invest in private issuance;



## Reinforce roles & responsibilities of service providers

- » More legal obligations for intermediary service providers;
- » Enhance the independence of Bondholder representatives;



## Stricter supervisory framework

- » Enhance the surveillance of various regulatory authorities;
- » Monitor investor base through centralized custody;



## Enforce issuer's transparency & accountability

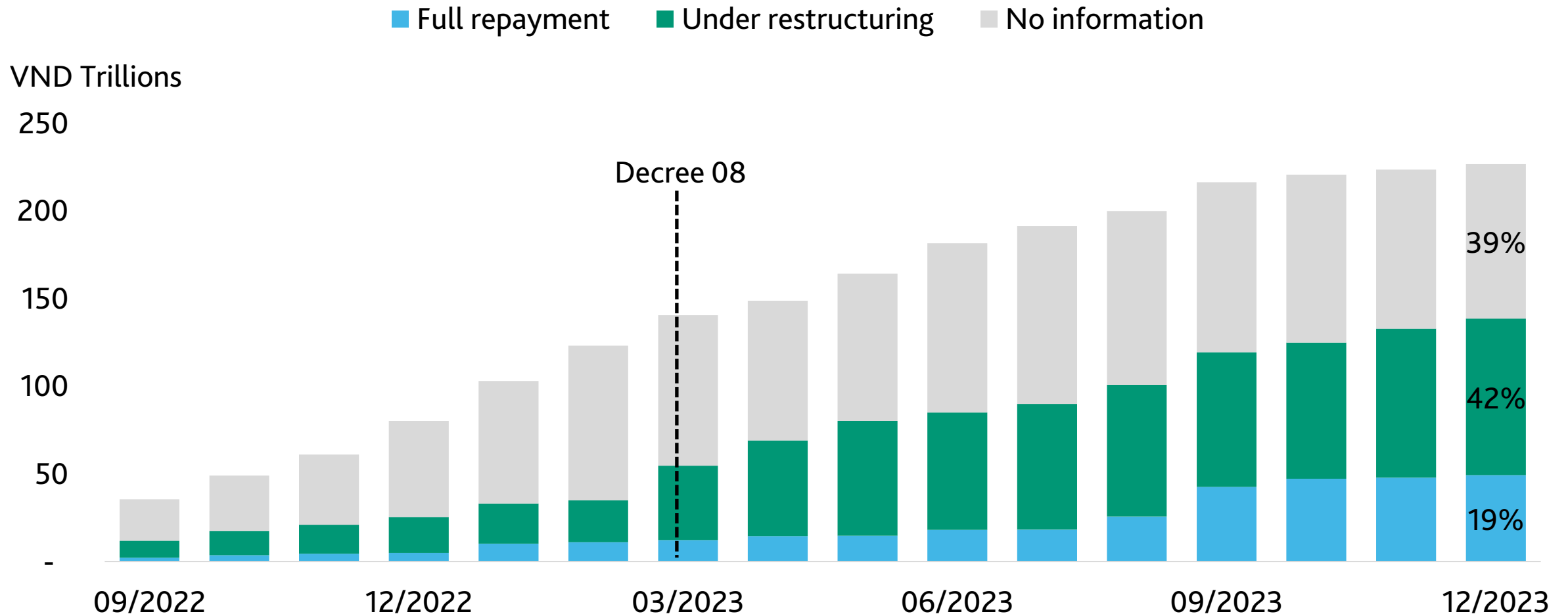
- » More regular information disclosure basis;
- » Issuer must settle all prior debt repayments before issuing new bonds;



## Mandatory credit ratings for bond issuance

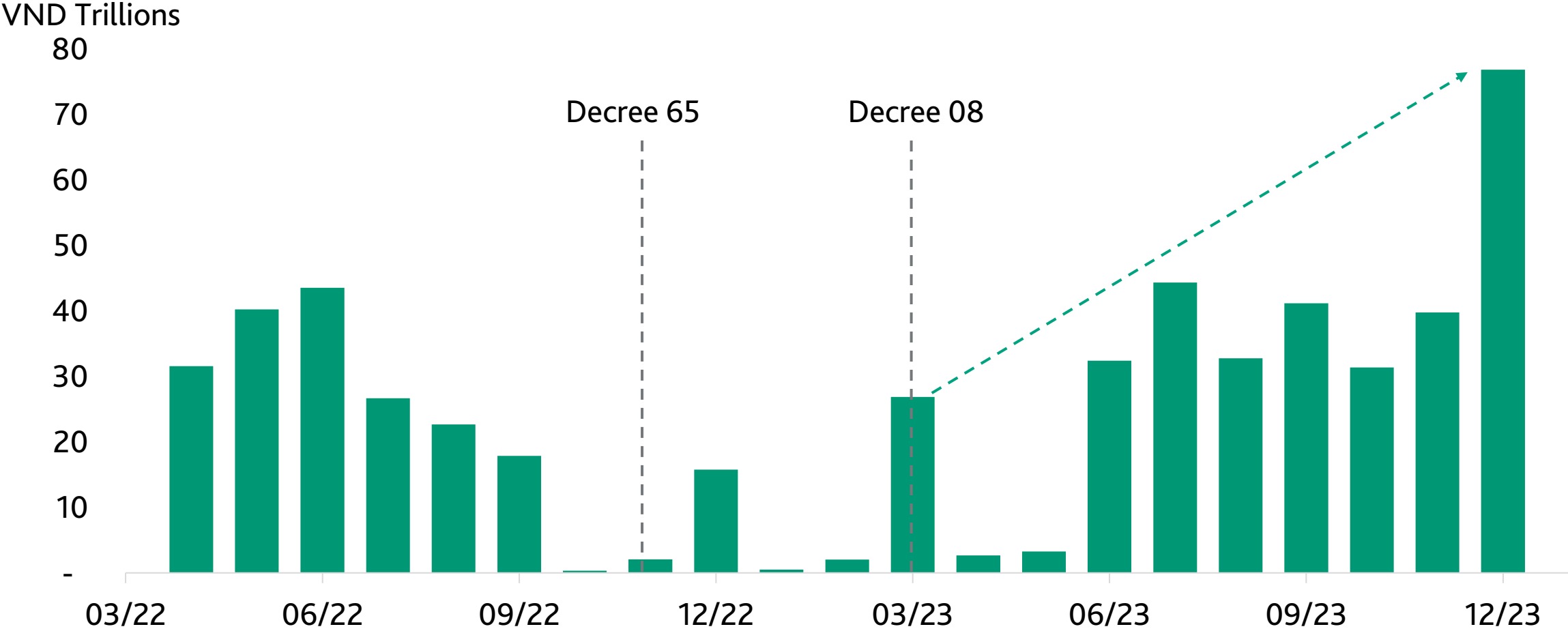
- » Private placement follow the same requirements as public bond issuance;

# Decree 08 provides new mechanisms to restructure bond repayment terms



Source: HNX, Vietnam Investors Service

# Low interest rates will support new issuance activity

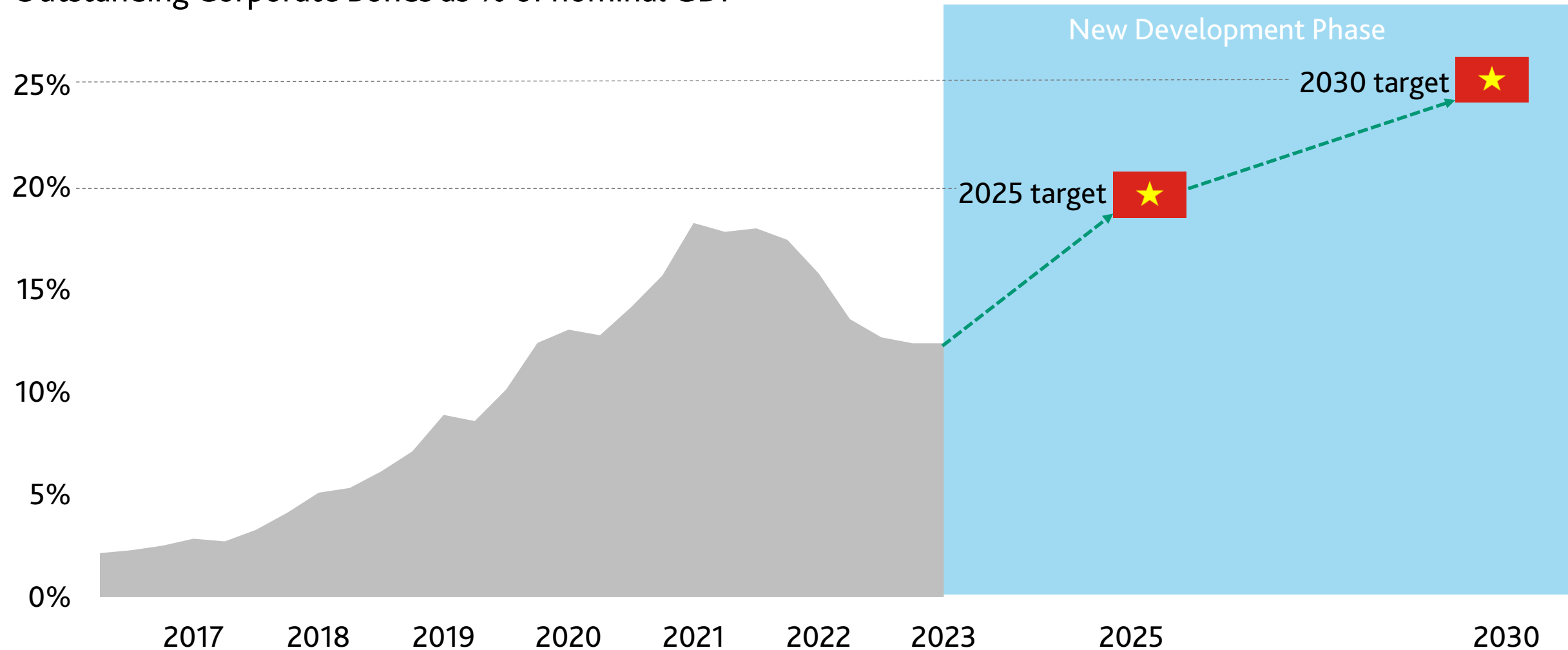


Source: HNX, SSC, Vietnam Investors Service



# The government targets corporate bonds to reach 25% of GDP by 2030

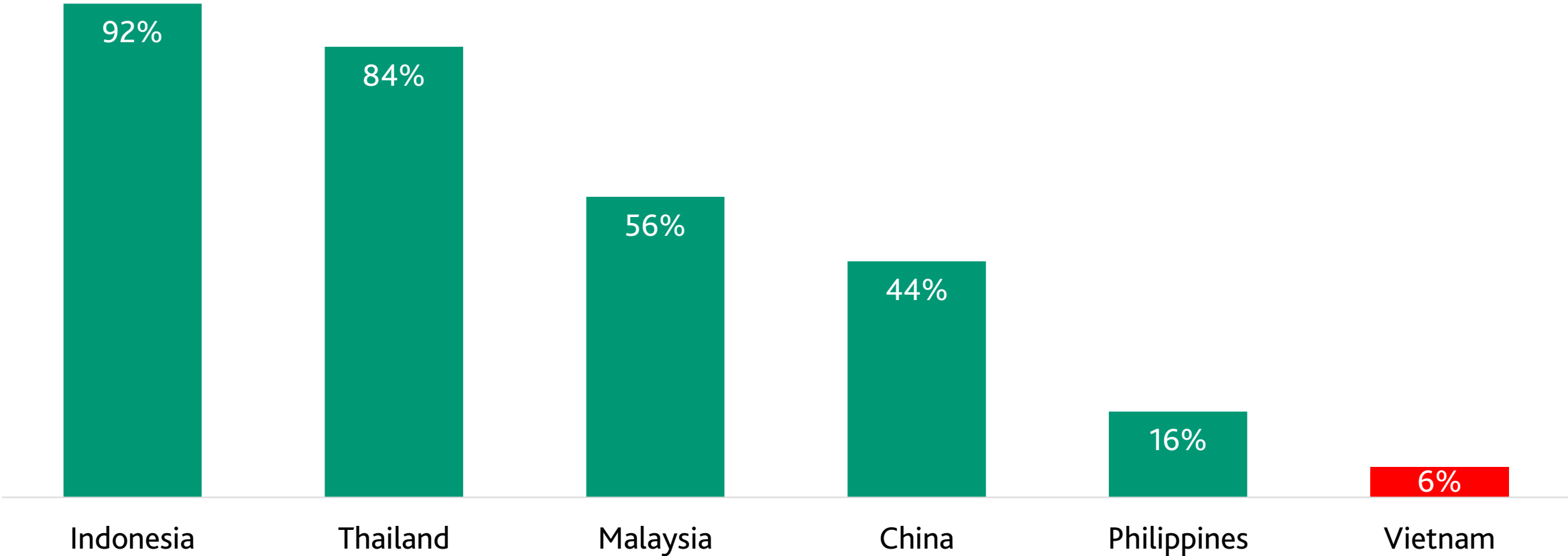
Outstanding Corporate Bonds as % of nominal GDP



Source: HNX, SSC, GSO, MOF, Vietnam Investors Service

# Large room to increase the depth of Vietnam's corporate bond market

% corporate bonds rated



\* Vietnam number calculated based on outstanding bonds of issuers having rated at issuers level  
Source: Asian Bonds Online, Vietnam Investors Service



Thank you!

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**Simon Chen, CFA**  
*Head of Ratings & Research*  
[Simon.chen@visrating.com](mailto:Simon.chen@visrating.com)

**Duong Duc Hieu, CFA**  
*Director - Senior Analyst*  
[Hieu.duong@visrating.com](mailto:Hieu.duong@visrating.com)

**Phan Duy Hung, CFA**  
*Director - Senior Analyst*  
[Hung.phan@visrating.com](mailto:Hung.phan@visrating.com)

**Nguyen Dinh Duy, CFA**  
*Director - Senior Analyst*  
[Duy.nguyen@visrating.com](mailto:Duy.nguyen@visrating.com)