

Non-Financial Institution Corporates: Bond Issuance in 2025

Tariff risks loom over business expansion, refinancing to dominate new bond issuances

Total non-financial institution bond (non-FI bond) issuance in 2024 continued to recover and reached VND 150 trillion (+8.4% YoY), of which nearly 50% was for refinancing. In 2025, we expect bond issuance to stabilize and continue to be led by residential real estate developers. Automobile and power sectors may see stronger issuance, while industrial real estate issuers will be more severely affected by tariff risks. Bonds maturing in 2025 are higher than the prior year, but refinancing risks will remain well-managed.

Among the key bond-issuing sectors, business conditions for industrial real estate will be more severely affected by tariff risks

Following a 3% year-over-year (yoy) decline in 2024, newly registered FDI continues to decline by 24% yoy in 4M/2025. We view the concerns and uncertainty around additional tariffs on imports to the U.S. will weigh on new investment and development of industrial real estate. Developers are likely to defer business expansion and capex plans for the foreseeable future. In addition, since the start of 2024, developers had benefited from easier access to bank financing for new projects, partly driven by a new regulation by the State Bank of Vietnam to lower risk weights on loans to industrial real estate. Total bank loans to the top 30 listed industrial zone developers rose by 34% yoy in 2024 (2019-2023 average: 9%), while bond issuances declined by 18% yoy. Hence, we expect bond issuance by these developers will remain weak in 2025.

In contrast, issuers in residential real estate, auto and power sectors may see stronger business growth prospects, supported by robust domestic demand and government policy

Issuers in the residential real estate sector (including the hospitality segment) will accelerate their project developments after securing legal approvals and amid robust homebuyer demand. We expect the yoy growth of bond issuances by developers in 2025 will remain similar to 13% in 2024. Developers will continue to enjoy good access to new financing from banks as the sector operating environment improves.

Meanwhile, for the automobile sector, firms will benefit from the recent removal of all import tax on auto parts beginning in February 2025. Firms, including Vinfast and Tasco, are likely to expand their domestic operations in 2025 and tap the bond market for new financing. Going forward, we expect bond issuances will remain brisk, compared with 33% yoy growth in 2024.

For the power sector, we expect bond issuance to pick up towards the end of 2025. The recent positive developments around the pricing scheme of new renewable energy projects will boost the viability prospects of new projects, and encourage new project development.

Bonds maturing in 2025 have risen from the prior year, however, refinancing risks will remain well-managed

A total of VND 151 trillion worth of outstanding non-FI bond will mature over the course of 2025, 9% higher than a year ago. Over the first four months of 2025, many bond issuers had sufficient cash flow to fully redeem and repay their outstanding bonds ahead of the maturity dates; total redemption value was 97% higher than a year ago. For issuers with weak cash flows, debt restructuring through maturity extension remains a viable way to overcome refinancing risks. Improved liquidity in the bond market will allow support issuers to refinance existing bonds. Over 73% of VND 13.2 trillion worth of new bonds issued in 4M/2025 was for refinancing of bond obligations.

Around 60% of bonds maturing in 2025 are related to residential real estate sector. Stronger business growth and good access to new financing will allow these issuers to either repay their maturing bonds or obtain agreement from bondholders to extend principal repayment dates.

For the power sector, around 30% of the VND 4.1 trillion worth of bonds maturing in 2025 relate to transitional renewable projects and had already defaulted. We also noted that bond repayments, including early redemptions, doubled in 4M/2025. As more transitional projects finalize pricing schemes and begin commercial operation, we expect their operating cash flows and capacity to service debt obligations will gradually improve.

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In 2025, we expect bond issuance to stabilize and continue to be led by residential real estate developers

Exhibit 1: Bond issuance outlook of the main non-FI corporate sectors

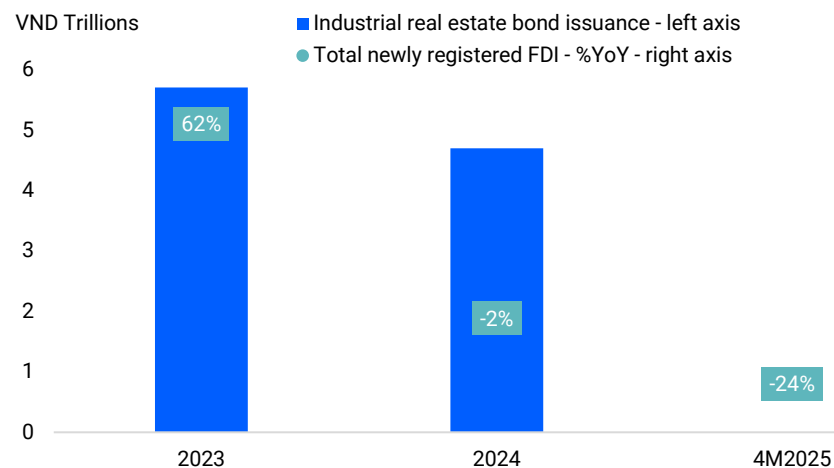
Sector	2023 – 2024 Summary			2025 Outlook	
	% of Total Non-FI Bond Issuance	Top 3 Issuers	% of Top 3 Issuers in the sector	2025 Issuance Trend	2025 Maturity
 All Non-FI Sectors	35% of total corporate bond issuance ¹	Vingroup, Masterise Group, Sovico Group	55%	Stable	VND 151 trillion (9% yoy)
 Residential Real Estate	60%	Vingroup, Vinhomes, Masterise Group	72%	Stable	VND 90 trillion (23% yoy)
 Transportation & Automotive	12%	Vietjet, Vinfast, Tasco	96%	Increase	VND 7.6 trillion (-44% yoy)
 Hospitality	6%	Vinpearl, Sun Group, Van Huong Investment and Tourist	75%	Stable	VND 18.5 trillion (25% yoy)
 Construction & Infrastructure	5%	CII, A&A Green Phoenix, Hoa Binh Xuan Mai Clean Water	44%	Stable	VND 11 trillion (-30% yoy)
 Industrial Real Estate	4%	Becamex, KinhBac City, Da Nang IT Park Development	100%	Decrease	VND 1.2 trillion (-48% yoy)
 Power	2%	Trung Nam Corporation, Thang Long Power Plant, An Khanh Thermal Power	93%	Increase	VND 4.1 trillion (121% yoy)

Source: HNX, VIS Rating

¹ Total corporate bond issuance includes FI and non-FI bonds
This publication does not announce a credit rating action

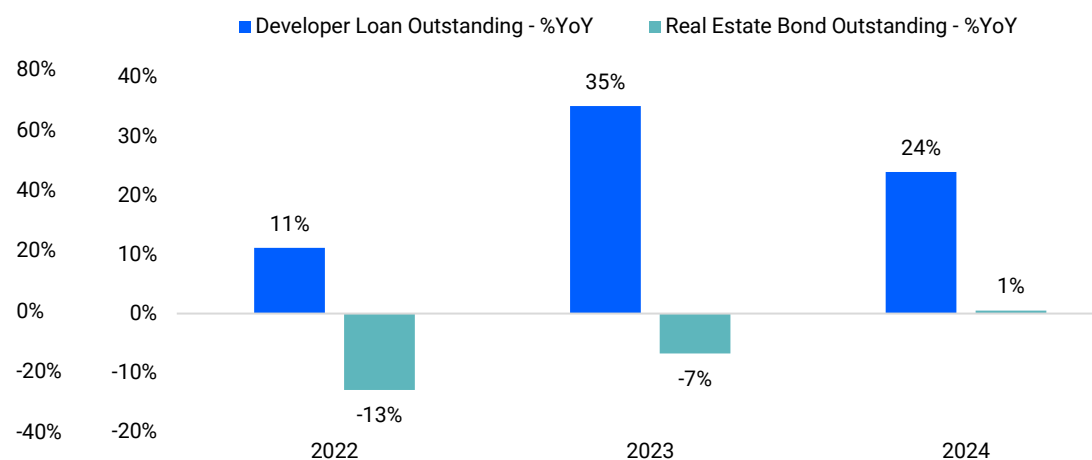
Tariff risks loom over business expansion, refinancing to dominate new bond issuances

Exhibit 2: Concerns and uncertainty around additional tariffs will weigh on new investment and development of industrial real estate, bond issuance will remain weak in 2025



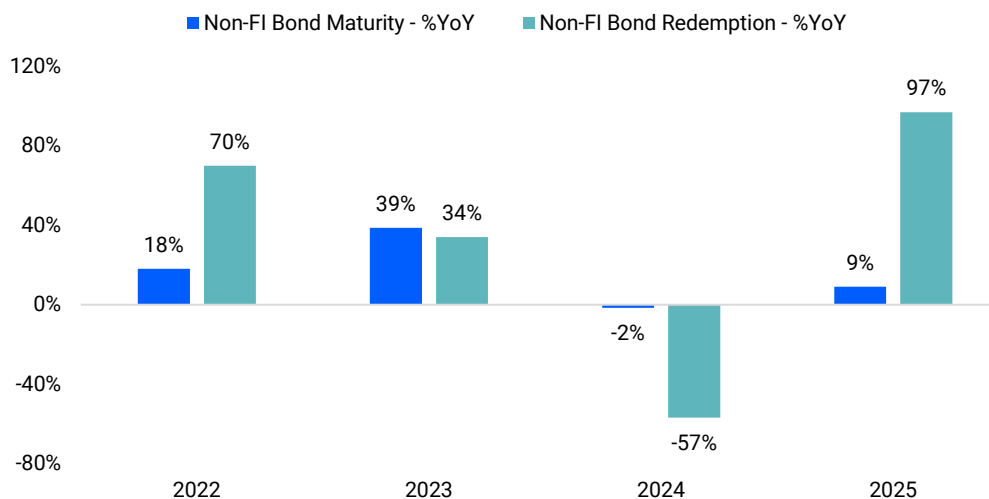
Source: General Statistics Office of Vietnam, HNX, VIS Rating

Exhibit 3: Residential real estate developers will continue to enjoy good access to new financing from banks, while bond issuances in 2025 will remain stable



Source: State Bank of Viet Nam, HNX, VIS Rating

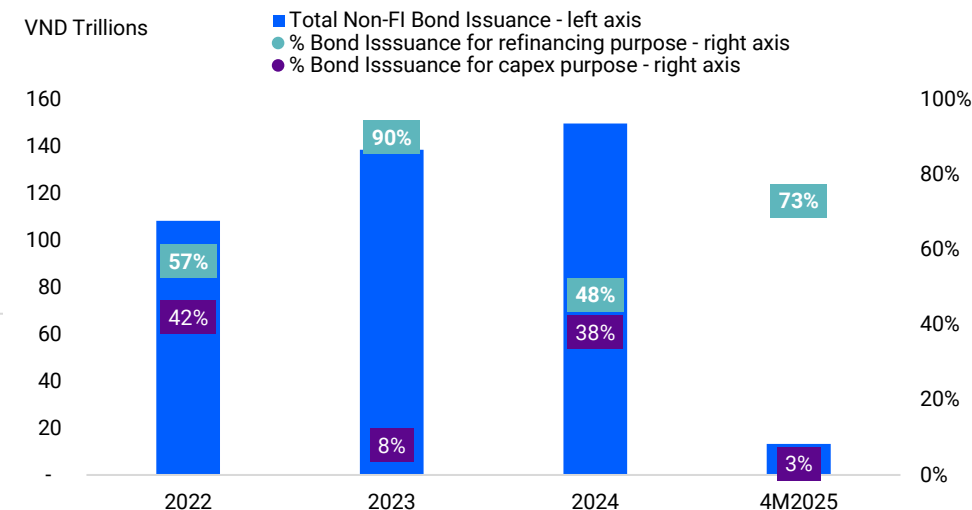
Exhibit 4: Refinancing risks will remain well-managed, indicated by increasing bond redemption in 2025



Source: HNX, VIS Rating

Note: 2025 redemption figures reflect 4M/2025 results

Exhibit 5: Most of non-FI bond issuances are for refinancing purposes



Source: HNX, VIS Rating

APPENDIX

Appendix 1: Non-FI Bond Issuance in 4M/2025

Name	Sector	Issuance Amount (VND billion)
Vingroup Joint Stock Company	Residential Real Estate	9000
TCO Real Estate Business and Consultancy Joint Stock Company	Residential Real Estate	3000
Xuan Mai – Hanoi Clean Water Transmission Limited Company	Water & Wastewater	317
Sun Way Investment Joint Stock Company	Services	250
Tasco Joint Stock Company	Automotive	190
Oleco - NQ Limited Company	Residential Real Estate	490

Appendix 2: Non-FI Bond Issuance plan announced in 4M/2025

Name	Sector	Planned Issuance Amount (VND billion)	Planned Issuance Period
Ho Chi Minh City Infrastructure Investment Joint Stock Company	Infrastructure	4500, convertible bonds	2025
SBT Production and Trading Joint Stock Company	Consumer Products	500, convertible bonds	2025
Ba Ria - Vung Tau House Development JSC	Residential Real Estate	1000	2025 – 2026
Tasco Joint Stock Company	Automotive	850	Q1 – Q2/2025
Vingroup Joint Stock Company	Residential Real Estate	17000	2025

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