

VIETNAM CORPORATE BOND MARKET UPDATE 1H2022

07/2022

Bespoke

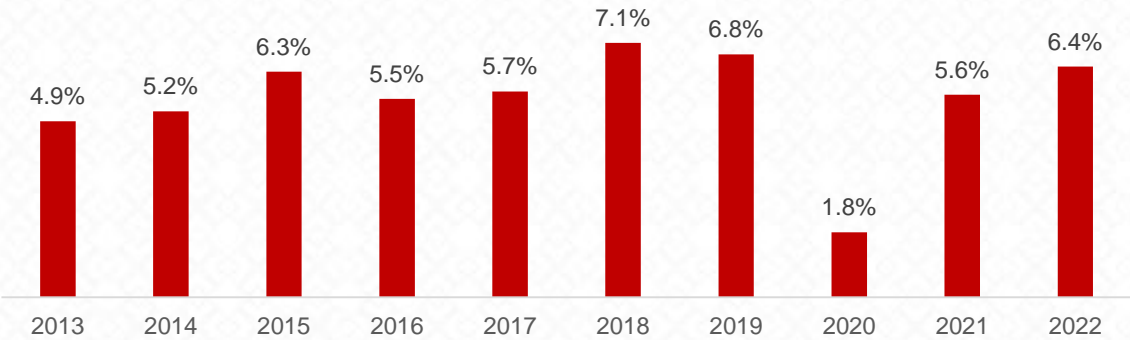
Executive Summary

- Vietnam's economy gradually regained its growth momentum to the level prior to the Covid-19 pandemic, GDP in QII/2022 rose by 7.7%, the highest rate ever recorded for QII since 2011, contributing to the cumulative growth of 6.4% in 1H2022
- In the surge of inflation across the globe, Vietnam's inflation level remained well under control, with an average CPI in 1H2022 increasing by 2.44% compared to 1H2021
- The total issuance value of corporate bonds in 1H2022 decreased compared to 1H2021, recorded at 182 trillion VND (-34% yoy)
- Coupons for primary corporate bond issuance (excluding bank bonds) vary between 8% - 11% during the first half of 2022
- Banking and real estate continues to be the sectors with the highest bond issuance values; however, real estate show signs of stagnating in QII/2022
- The Ministry of Finance (MoF) is seeking market participants' opinions on (i) the draft Decree amending Decree 153/2020/ND-CP regulating private placement issuance of corporate bonds and (ii) the draft Circular regulating trading activities of private placement corporate bonds
- On April 28th, the MoF promulgated Circular No. 25/2022/TT-BTC stipulating the collection rates, methods of collection, payment, management, usage and fees in the securities sector, effective since 01/07/2022

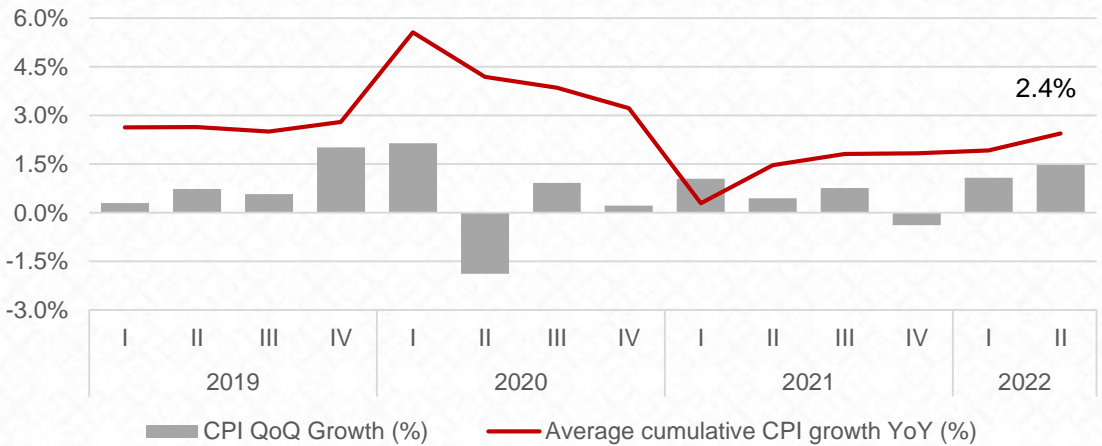
GDP accelerates in the second quarter of 2022, the economy is expected to regain its growth momentum in 2022

GDP in QII/2022 increased by 7.7% yoy, the highest rate ever recorded in QII since 2011, thereby contributing to the 6.4% GDP growth in 1H2022.

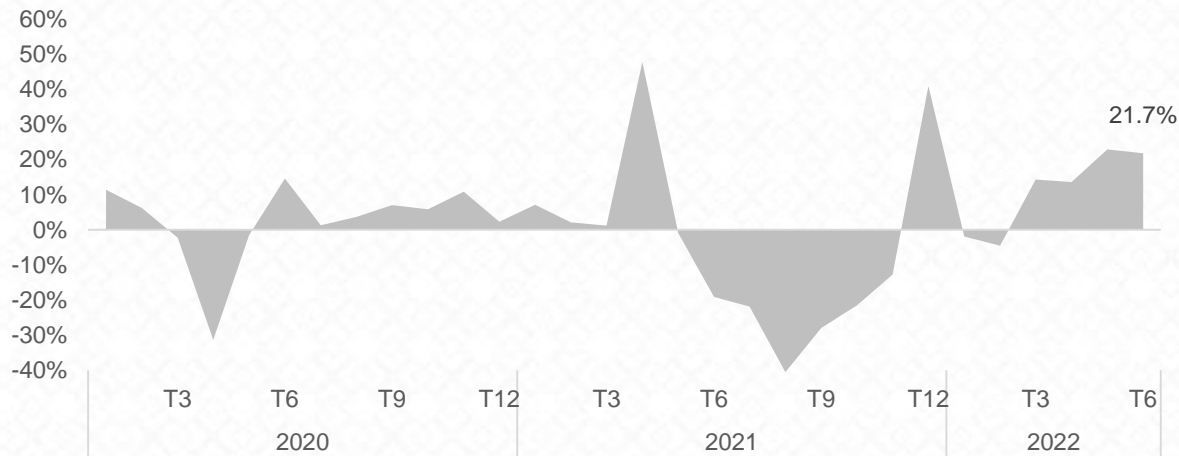
CPI started showing an accelerating trend, however, the inflation rate in the first half of the year was still under control at 2.4%.



(*) The chart shows 1H cumulative GDP growth from 2013-2022

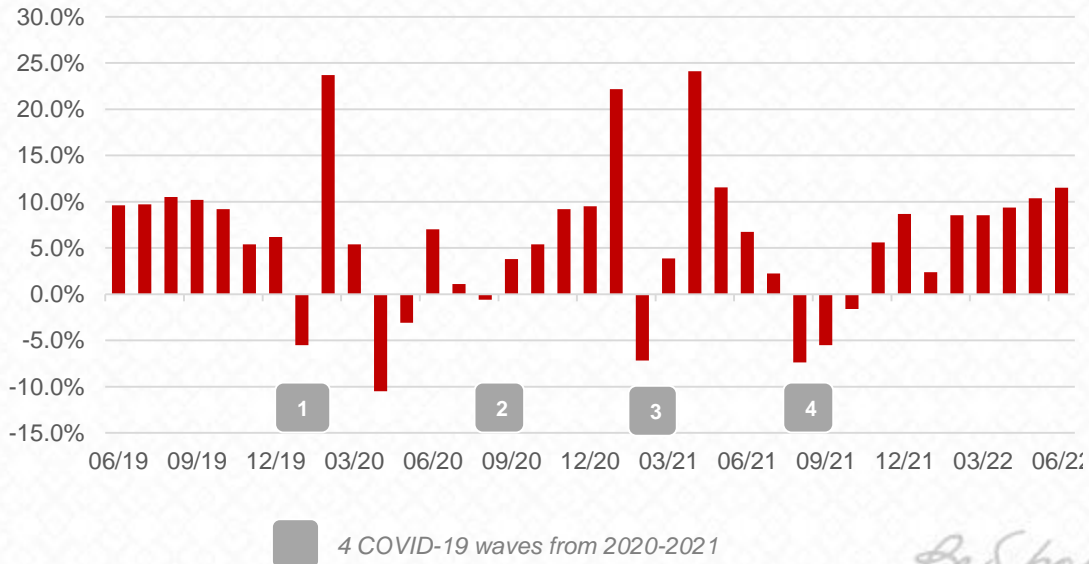


After 2 years of being heavily affected by the Covid-19 pandemic, the retail sales growth in the first half of 2022 has shown a positive increase...



Sources: GSO, Fiiin, TCBS

... similar findings on Index of Industrial Production (IIP).



4 COVID-19 waves from 2020-2021



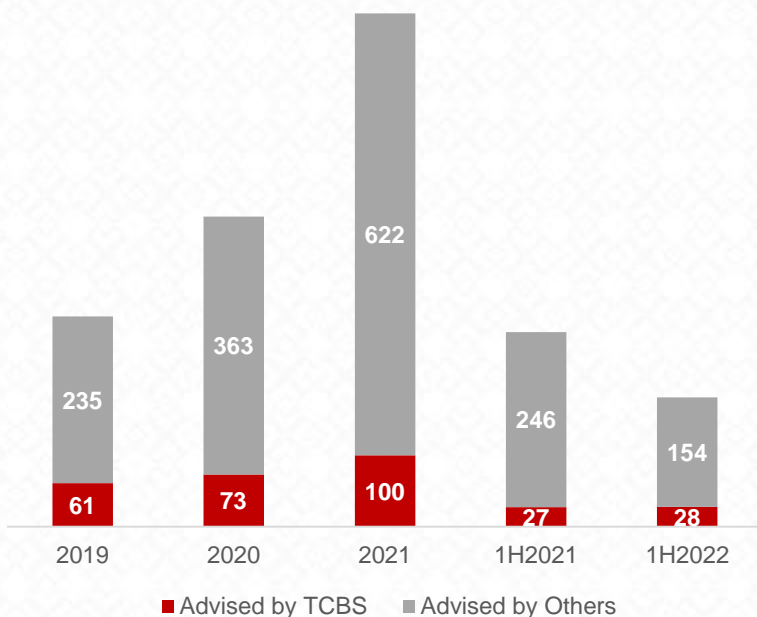
Total issuance value of corporate bonds in 1H2022 decreased over the same period

A total of **122 companies** issued corporate bonds with a total value of **~182 trillion VND** in 1H2022, **down 34% yoy**, of which **~9 trillion VND** was issued to the public (PO) and **~14 trillion VND** was issued to foreign investors.

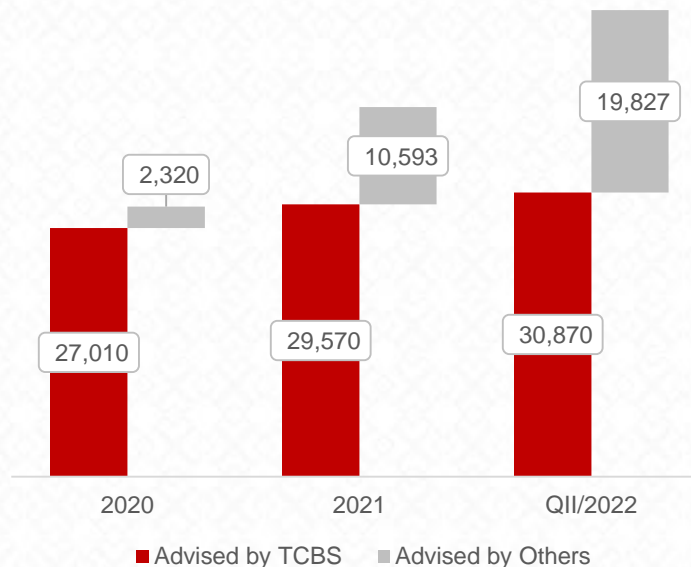
In 1H2022, there were **~11,400 billion VND** of newly listed corporate bonds, while only **~1,400 billion VND** matured or were delisted, hence the ending balance was recorded at **~50,700 billion VND, +26% ytd.**

The increase in newly listed corporate bonds also improved the HNX market liquidity significantly, averaging at **~7,300 billion VND/month** in 1H2022, **up ~90%** compared to 1H2021, mostly contributed by put-through transactions.

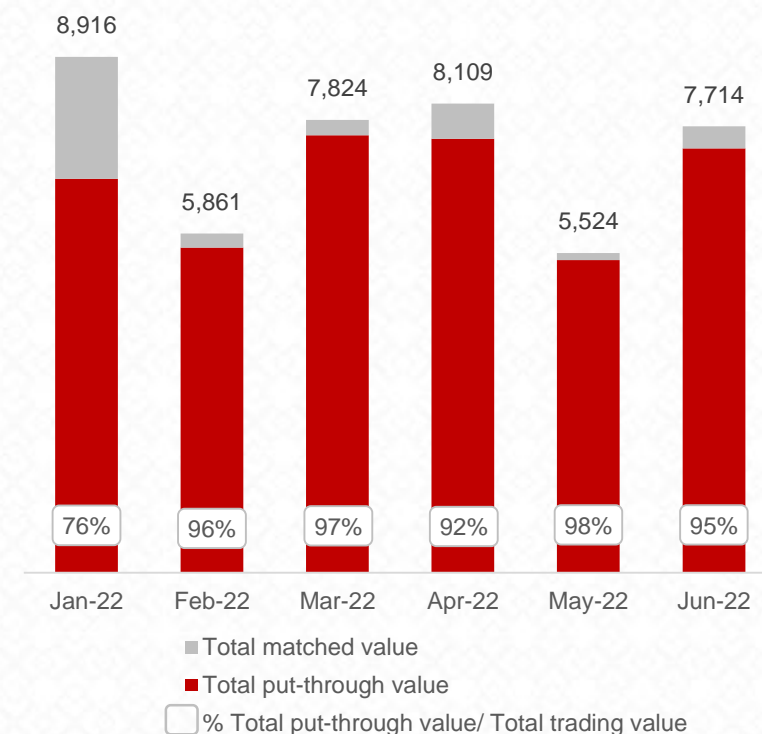
Total value of corporate bonds issued in 1H2022 (trillion VND)



Value of listed corporate bonds at the end of 1H2022 (Trillion VND)



Total trading value of HNX in 1H2022 (billion VND)

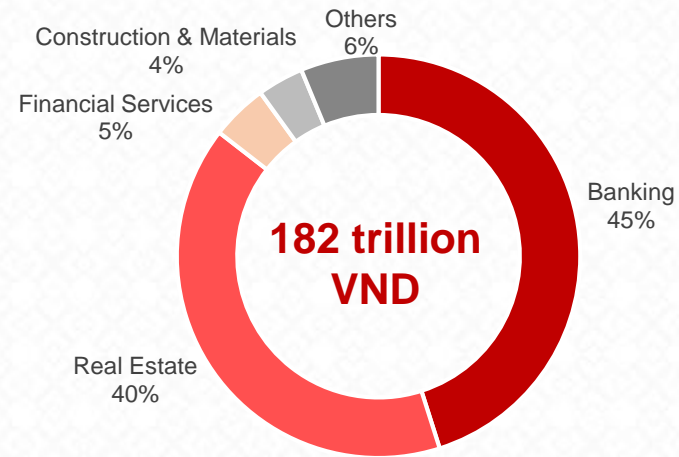


Sources: HNX, TCBS, BTC

(*) Figure for 1H2022 is estimated and includes public offerings (PO)

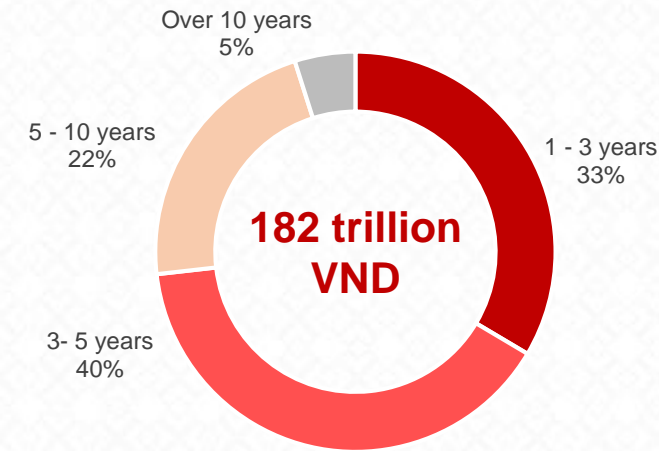
Banking and real estate remained the two largest issuers of corporate bonds...

Corporate bond issuance value by industry



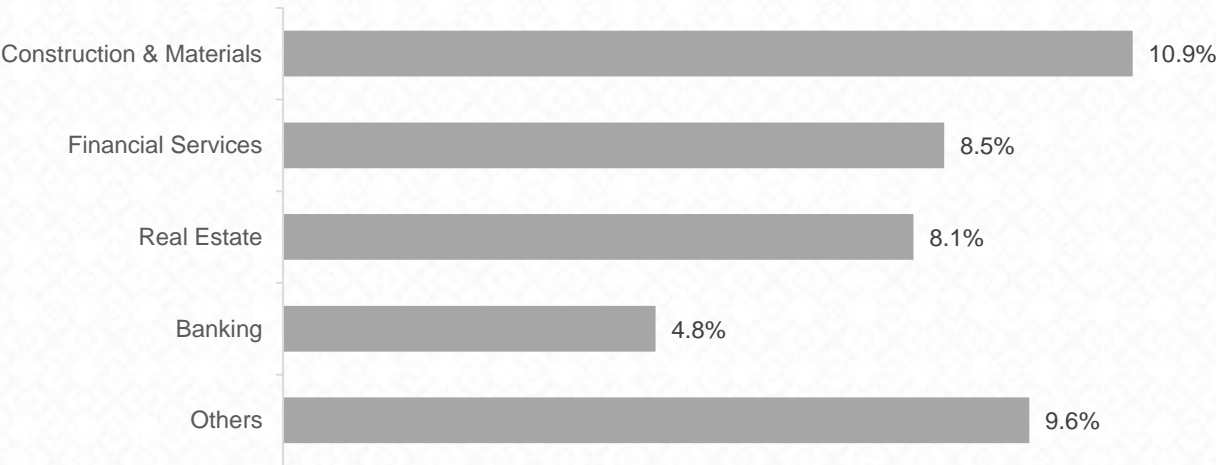
Sources: Fiinpro, HNX, TCBS

Corporate bond issuance value by term to maturity



Sources: Fiinpro, HNX, TCBS

Average primary interest rates of corporate bonds (%)



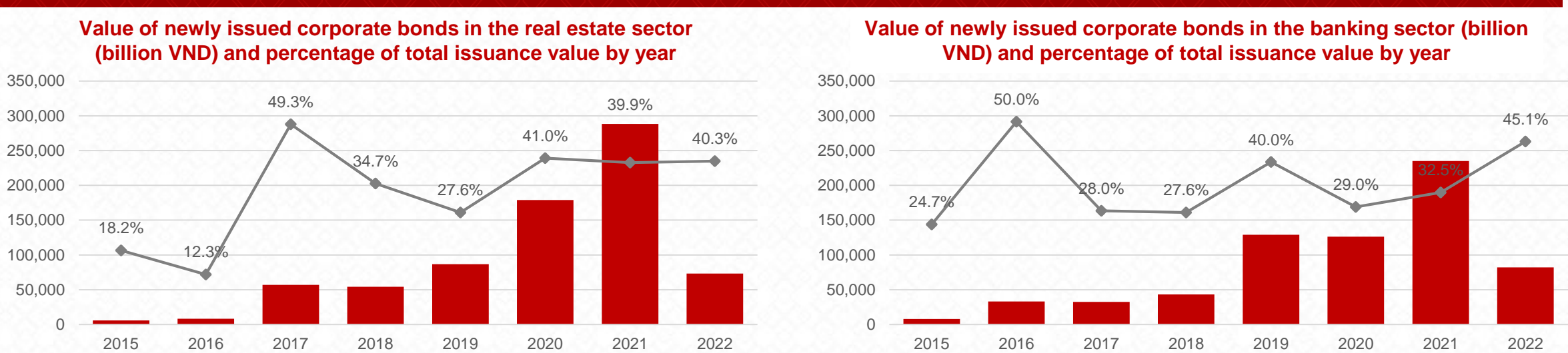
Sources: Fiinpro, HNX, VBMA, TCBS

Average term to maturity of corporate bonds (years)

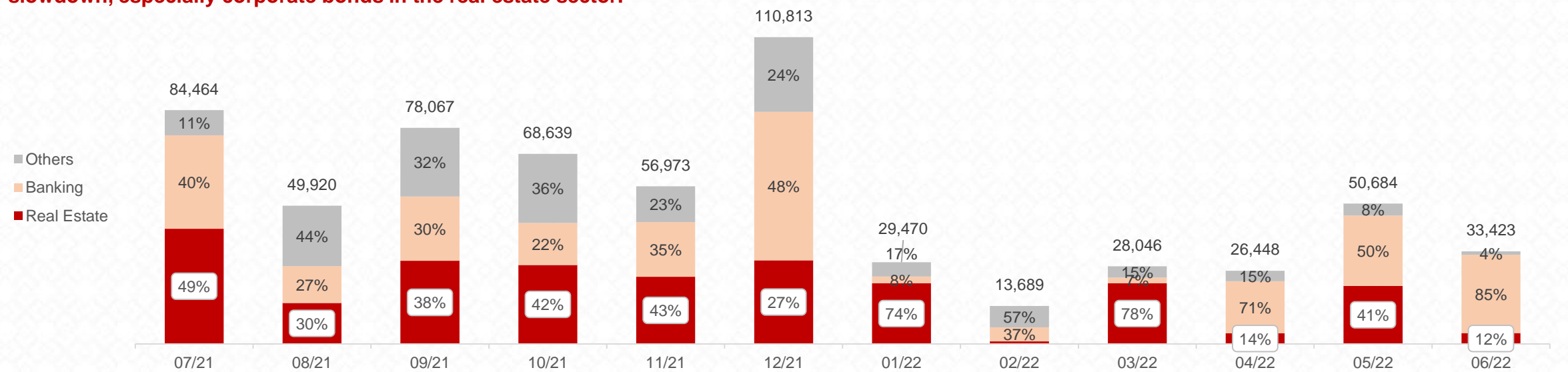


Sources: Fiinpro, HNX, VBMA, TCBS

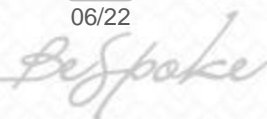
... however, the issuance value of real estate sector has slowed down significantly in QII/2022



After the State Securities Commission canceled 9 bond offerings of certain issuers in early April 2022, the corporate bond market showed a significant slowdown, especially corporate bonds in the real estate sector.

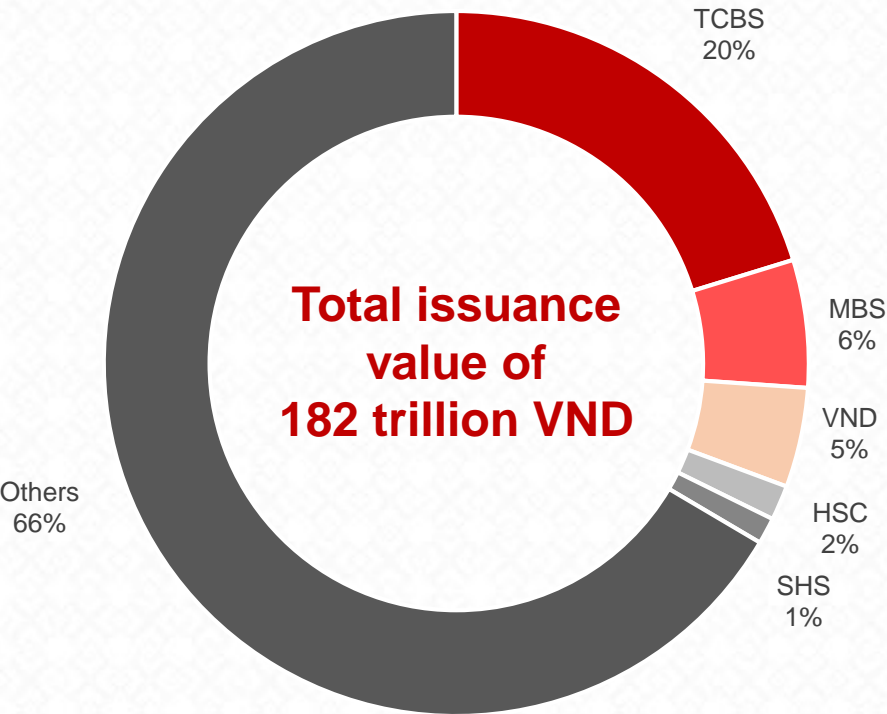


Source: VBMA, TCBS tổng hợp

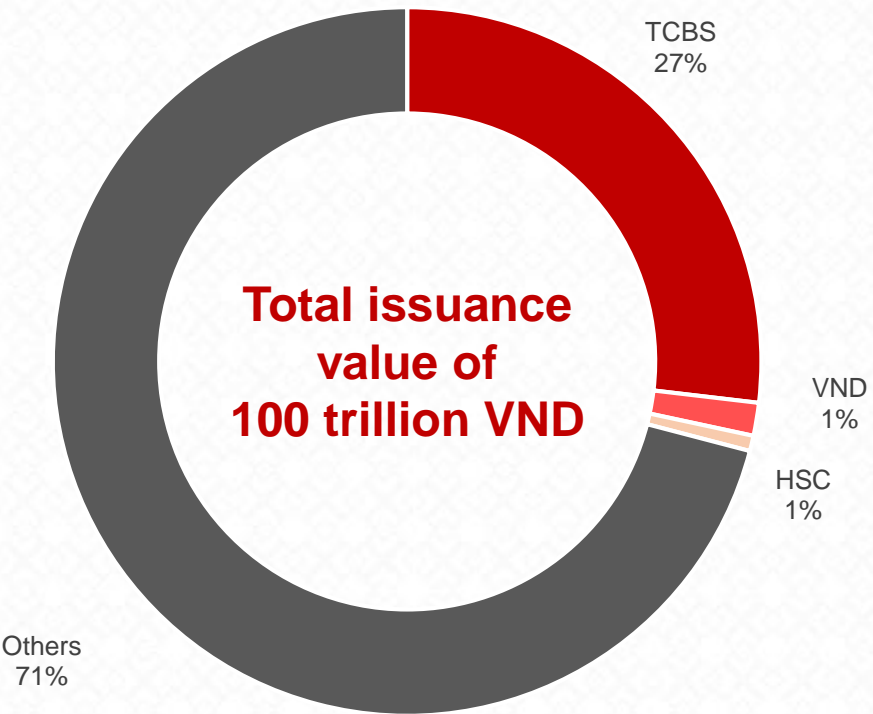


The bond issuance advisory concentrated in well-established organizations, namely TCBS, MBS, VND, HSC...

Corporate bond issuance advisory market share in 1H2022



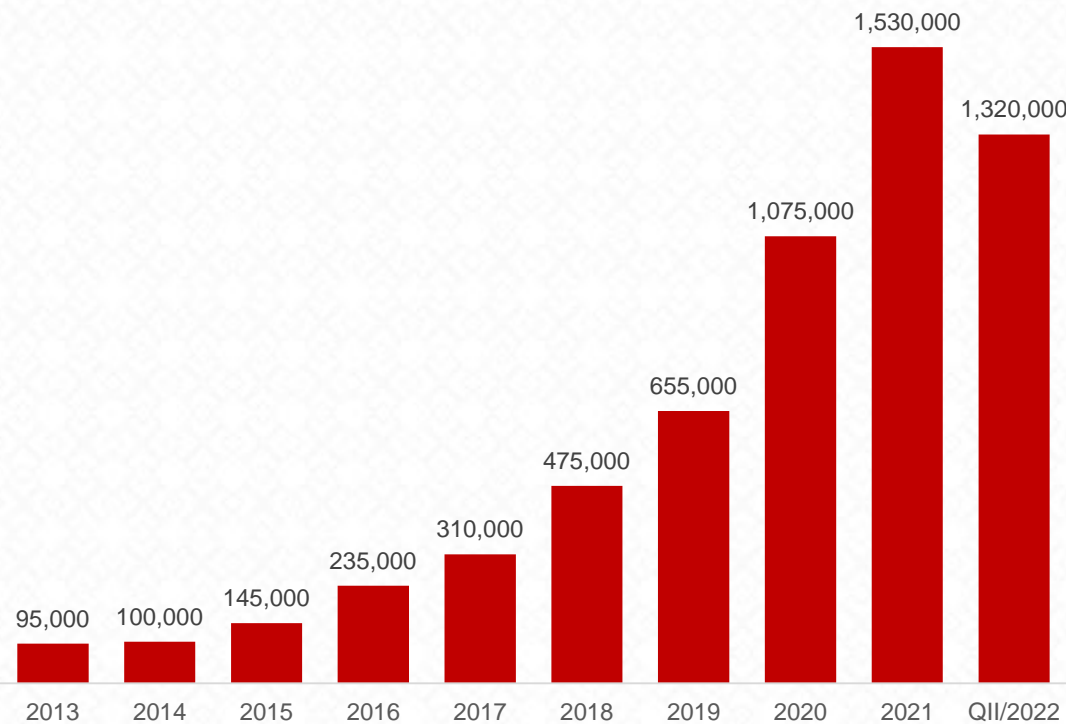
Corporate bond issuance advisory market share in 1H2022 (excluding bank bonds)



Sources: FiinPro, HNX, TCBS
(*) Issuance advisory market share is aggregated based on information disclosures on HNX as of 30/06/2022

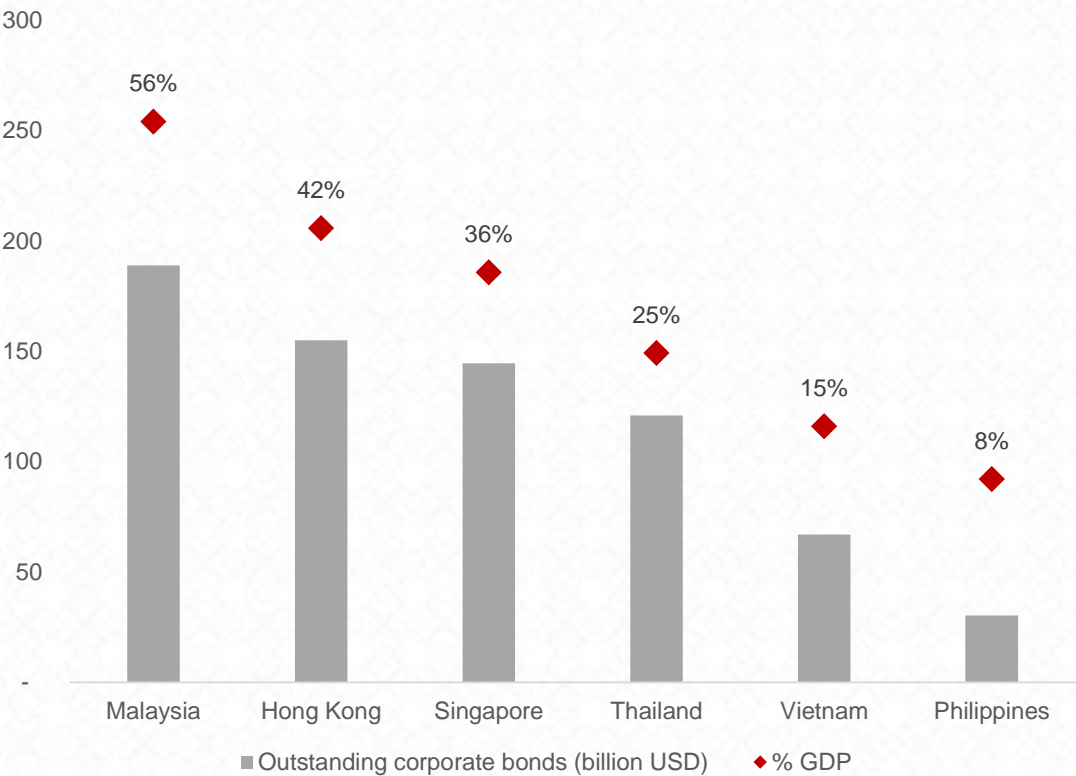
Debt capital market size to GDP remained modest versus regional peers

The outstanding corporate bonds in Vietnam (billion VND) has increased sharply in recent years; nonetheless, it has slowed down in 1H2022 when the estimated balance at the end of 2nd quarter decreased by ~14% ytd



Sources: ADB, VBMA, TCBS est

With outstanding balance of corporate bonds to GDP(*) continues to be significantly lower than other countries in the same region, the Vietnamese corporate bond market still has ample room for growth.

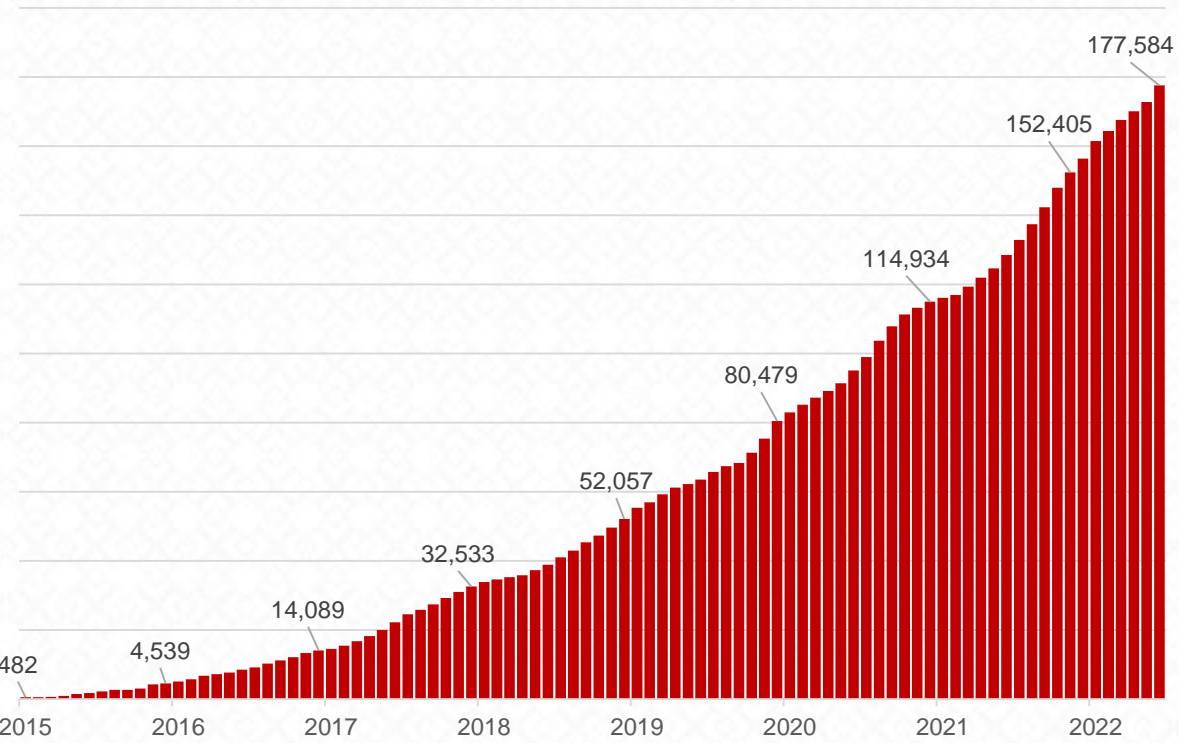


Sources: ADB, VBMA, TCBS est

(*) Figures are estimated at the end of Q1/2022

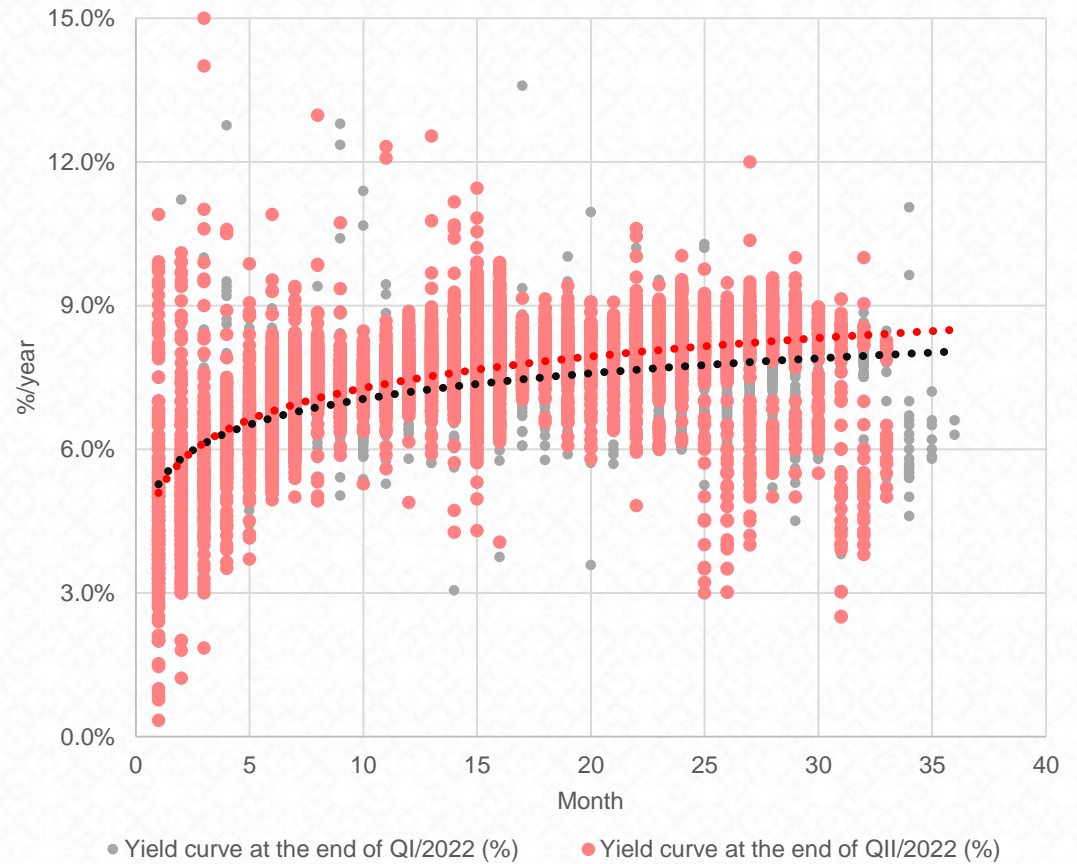
Value of corporate bonds distributed by TCBS continued to increase with diverse interest rates and terms

Cumulative iBond value distributed by TCBS at the end of QII/2022 (billion VND)



Sources: TCBS

Actual yields on iConnect(*) in QII have slightly increased compared with QI/2022



Sources: TCBS

(*) Market platform developed by TCBS for institutional and retail bond investors



List of issued bonds in QII/2022

Issue Date	Issuer	Issue Size (billion VND)	Coupon rate	Term	Adviser	Date	Issuer	Issue Size (billion VND)	Coupon rate	Term	Adviser
Public Offerings						Private Placements					
5/2022	TNG Investment & Trading Joint Stock Company	1,602	7.4%	7 Years	SHS	6/2022	Vietnam International Commercial Joint Stock Bank	1,000	4.4%	3 Years	Other
Private Placements						6/2022	Vietnam Joint Stock Commercial Bank for Industry and Trade	1,000	4.2%	3 Years	TCBS
5/2022	Vingroup Joint Stock Company	11,967	4.0%	5 Years	Credit Suisse	6/2022	Bank for Investment and Development of Vietnam	1,000	4.2%	2 Years	Other
5/2022	Novaland Investment Group Corporation	5,543	10.0%	10 Years	Other	6/2022	Vietnam Maritime Commercial Joint Stock Bank	1,000	4.3%	3 Years	Other
6/2022	Military Commercial Joint Stock Bank	2,500	4.0%	3 Years	MBS	6/2022	Vietnam Joint Stock Commercial Bank for Industry and Trade	1,000	4.2%	3 Years	TCBS
6/2022	Vingroup Joint Stock Company	2,303	4.0%	5 Years	Credit Suisse	6/2022	Orient Commercial Joint Stock Bank	1,000	4.4%	3 Years	Other
6/2022	Bank for Investment and Development of Vietnam	2,300	3.8%	15 Months	Other	6/2022	Bank for Investment and Development of Vietnam	1,000	(*)	8 Years	Other
4/2022	Trung Nam Construction Investment Corporation	2,000	10.0%	2 Years	Other	6/2022	Bao Viet Joint Stock Commercial Bank	1,000	7.6%	7 Years	TCBS
4/2022	Military Commercial Joint Stock Bank	2,000	3.8%	3 Years	MBS	5/2022	Tien Phong Commercial Joint Stock Bank.	999	4.3%	3 Years	Other
4/2022	Asia Commercial Joint Stock Bank	2,000	(*)	2 Years	Other	6/2022	Phu Quoc Tourism Development & Investment Joint Stock	820	10.0%	5 Years	TCBS
5/2022	Orient Commercial Joint Stock Bank	2,000	(*)	3 Years	Other	5/2022	Shinhan Bank Vietnam Limited	800	(*)	2 Years	Other
6/2022	Bank for Investment and Development of Vietnam	2,000	6.5%	8 Years	VND	5/2022	Phu Quoc Tourism Development & Investment Joint Stock	717	(*)	5 Years	TCBS
6/2022	Bank for Investment and Development of Vietnam	1,981	6.5%	8 Years	VND	4/2022	Military Commercial Joint Stock Bank	700	3.8%	3 Years	MBS
6/2022	Bank for Investment and Development of Vietnam	1,700	3.8%	15 Months	Other	4/2022	Military Commercial Joint Stock Bank	700	3.8%	3 Years	MBS
4/2022	Bac A Commercial Joint Stock Bank	1,500	(*)	3 Years	Other	5/2022	My Phu Real Estate Trading & Investment Company Limited	700	10.0%	4 Years	Other
5/2022	Asia Commercial Joint Stock Bank	1,500	4.0%	18 Months	Other	4/2022	Hoa Phat Hai Duong Steel JSC	682	(*)	1 Years	Other
5/2022	Ho Chi Minh City Development Joint Stock Commercial Bank	1,500	4.2%	3 Years	Other	4/2022	Goldsun Printing and Packaging Joint Stock Company	680	(*)	3 Years	Other
6/2022	Vietnam Joint Stock Commercial Bank for Industry and Trade	1,500	4.3%	3 Years	TCBS	5/2022	Orient Commercial Joint Stock Bank	600	(*)	3 Years	Other
6/2022	Vietnam Joint Stock Commercial Bank for Industry and Trade	1,500	4.3%	3 Years	TCBS	6/2022	Vietnam International Commercial Joint Stock Bank	600	4.4%	3 Years	Other
6/2022	Vietnam Joint Stock Commercial Bank for Industry and Trade	1,500	4.2%	3 Years	TCBS	5/2022	Phu Quoc Tourism Development & Investment Joint Stock	513	10.0%	5 Years	TCBS
5/2022	Military Commercial Joint Stock Bank	1,300	4.1%	3 Years	MBS	4/2022	Bac A Commercial Joint Stock Bank	500	(*)	3 Years	Other
5/2022	Bank for Investment and Development of Vietnam	1,150	6.4%	8 Years	VND	4/2022	Sai Gon Thuong Tin Commercial Joint Stock Bank	500	(*)	3 Years	Other
4/2022	Vietnam Bank for Agriculture and Rural Development	1,140	(*)	7 Years	Other	4/2022	Bank for Investment and Development of Vietnam	500	6.4%	8 Years	VND
5/2022	Ho Chi Minh City Development Joint Stock Commercial Bank	1,100	4.2%	3 Years	Other	4/2022	Vietnam Joint Stock Commercial Bank for Industry and Trade	500	3.8%	3 Years	TCBS
5/2022	Military Commercial Joint Stock Bank	1,010	6.8%	7 Years	MBS	4/2022	Sai Gon Thuong Tin Commercial Joint Stock Bank	500	(*)	3 Years	Other
4/2022	Asia Commercial Joint Stock Bank	1,000	(*)	2 Years	Other	5/2022	Southeast Asia Commercial Joint Stock Bank	500	(*)	3 Years	Other
4/2022	Military Commercial Joint Stock Bank	1,000	3.8%	3 Years	MBS	5/2022	An Binh Joint Stock Commercial Bank	500	(*)	3 Years	Other
4/2022	Bac A Commercial Joint Stock Bank	1,000	(*)	3 Years	Other	5/2022	Bank for Investment and Development of Vietnam	500	6.4%	8 Years	VND
4/2022	Vietnam Maritime Commercial Joint Stock Bank	1,000	(*)	3 Years	Other	5/2022	Tien Phong Commercial Joint Stock Bank.	500	4.0%	3 Years	Other
4/2022	Sai Gon Thuong Tin Commercial Joint Stock Bank	1,000	(*)	3 Years	Other	5/2022	Tien Phong Securities Joint Stock Company	500	9.2%	5 Years	Other
4/2022	Sai Gon Thuong Tin Commercial Joint Stock Bank	1,000	(*)	3 Years	Other	5/2022	Tien Phong Commercial Joint Stock Bank.	500	4.0%	3 Years	Other
4/2022	Shinhan Bank Vietnam Limited	1,000	(*)	2 Years	Other	5/2022	Nui Phao Mining and Mineral Processing Co., Ltd	500	9.3%	5 Years	ASC
5/2022	Shinhan Bank Vietnam Limited	1,000	(*)	2 Years	Other	5/2022	Lien Viet Post Joint Stock Commercial Bank	500	4.0%	3 Years	Other
5/2022	Vietnam Joint Stock Commercial Bank for Industry and Trade	1,000	3.5%	3 Years	TCBS	5/2022	Vietnam Joint Stock Commercial Bank for Industry and Trade	500	3.8%	3 Years	TCBS
5/2022	Vietnam Maritime Commercial Joint Stock Bank	1,000	(*)	3 Years	Other	5/2022	Tien Phong Commercial Joint Stock Bank.	500	4.0%	3 Years	Other
5/2022	Asia Commercial Joint Stock Bank	1,000	(*)	1 Years	Other	5/2022	Tien Phong Commercial Joint Stock Bank.	500	4.0%	3 Years	Other
5/2022	Asia Commercial Joint Stock Bank	1,000	(*)	1 Years	Other	5/2022	Tien Phong Commercial Joint Stock Bank.	500	4.0%	3 Years	Other
5/2022	Tien Phong Commercial Joint Stock Bank.	1,000	4.0%	3 Years	Other	5/2022	Vinfast Trading & Production Joint Stock Company	500	9.3%	3 Years	Other
5/2022	Vietnam International Commercial Joint Stock Bank	1,000	4.0%	3 Years	Other						

Sources: HNX, TCBS

(*) Interest rates not disclosed

(**) Exchangeable bond issued in international market

List of issued bonds in QII/2022

Issue Date	Issuer	Issue Size (billion VND)	Coupon Rate	Term	Adviser	Issue Date	Issuer	Issue Size (billion VND)	Coupon Rate	Term	Adviser
Private Placements						Private Placements					
5/2022	Tien Phong Comercial Joint Stock Bank.	500	4.0%	3 Years	Other	4/2022	Mb Shinsei Finance Limited Liability Company	200	(*)	3 Years	Other
5/2022	Vpbank SMBC Finance Company Limited Company	500	6.8%	2 Years	Other	5/2022	An Gia Real Estate Investment And Development Corporation	200	6.7%	2 Years	Other
5/2022	Vinfast Trading & Production Joint Stock Company	500	9.3%	3 Years	Other	5/2022	Sunbay Ninh Thuan Joint Stock Company	200	9.5%	5 Years	Other
5/2022	Vinfast Trading & Production Joint Stock Company	500	9.3%	3 Years	Other	6/2022	ASG Group Joint Stock Company	200	6.8%	3 Years	Other
5/2022	Vinfast Trading & Production Joint Stock Company	500	9.3%	3 Years	Other	6/2022	Southeast Asia Commercial Joint Stock Bank	200	(*)	3 Years	Other
6/2022	Orient Commercial Joint Stock Bank	500	4.4%	3 Years	Other	5/2022	Vpbank SMBC Finance Company Limited Company	199	(*)	2 Years	Other
6/2022	Nam Long Investment Joint Stock Company	500	9.4%	7 Years	HCM	5/2022	Vpbank SMBC Finance Company Limited Company	180	(*)	2 Years	Other
6/2022	Orient Commercial Joint Stock Bank	500	4.4%	3 Years	Other	4/2022	Orient Commercial Joint Stock Bank	170	11.5%	3 Years	Other
6/2022	Bac A Commercial Joint Stock Bank	500	4.7%	3 Years	Other	4/2022	Van Phu Investment Joint Stock Company	150	(*)	3 Years	Other
6/2022	Vietnam Joint Stock Commercial Bank for Industry and Trade	500	4.2%	3 Years	TCBS	5/2022	Goldsun Printing and Packaging Joint Stock Company	130	(*)	5 Years	Other
6/2022	Orient Commercial Joint Stock Bank	500	4.4%	3 Years	Other	4/2022	Novaland Investment Group Corporation	120	12.0%	10 Years	Other
6/2022	Bank for Investment and Development of Vietnam	460	6.5%	8 Years	VND	6/2022	Petrovietnam Securities Incorporated	120	11.0%	18 Months	Other
4/2022	Hoi An Investment Joint Stock Company	450	(*)	3 Years	Other	4/2022	Vietnam Prosperity Joint Stock Comercial Bank	100	9.0%	3 Years	Other
4/2022	South Song Hau Petroleum Investment Trading Joint Stock Company	400	11.5%	2 Years	Other	4/2022	Viet Capital Commercial Joint Stock Bank	100	8.6%	7 Years	ACBS
4/2022	IDICO Corporation - JSC	400	(*)	3 Years	Other	5/2022	Military Comercial Joint Stock Bank	100	6.8%	3 Years	MBS
5/2022	Sunbay Ninh Thuan Joint Stock Company	400	9.5%	6 Years	Other	5/2022	Nam A comercial Join Stock Bank	100	4.4%	3 Years	Other
6/2022	Vpbank SMBC Finance Company Limited Company	400	6.8%	2 Years	Other	5/2022	Vpbank SMBC Finance Company Limited Company	100	(*)	2 Years	Other
6/2022	Vietnam International Commercial Joint Stock Bank	400	4.3%	3 Years	Other	6/2022	Hoi An Investment Joint Stock Company	100	6.8%	2 Years	Other
4/2022	Military Comercial Joint Stock Bank	360	7.0%	5 Years	MBS	6/2022	Bank for Investment and Development of Vietnam	100	(*)	15 Years	VND
4/2022	Vpbank SMBC Finance Company Limited Company	300	(*)	2 Years	Other	6/2022	Sunbay Ninh Thuan Joint Stock Company	100	6.5%	3 Years	Other
4/2022	Hoi An Investment Joint Stock Company	300	(*)	42 Months	Other	6/2022	Vietnam Joint Stock Commercial Bank For Industry And Trade	100	11.0%	15 Years	Other
4/2022	Vpbank SMBC Finance Company Limited Company	300	(*)	2 Years	Other	6/2022	Bank for Investment and Development of Vietnam	100	8.5%	8 Years	Other
4/2022	Tien Phong Comercial Joint Stock Bank.	300	(*)	3 Years	Other	4/2022	Southeast Asia Commercial Joint Stock Bank	84	10.5%	2 Years	Other
5/2022	Vpbank SMBC Finance Company Limited Company	300	11.0%	2 Years	Other	5/2022	Ho Chi Minh City Development Joint Stock Commercial Bank	55	9.5%	8 Years	Other
5/2022	Vinfast Trading & Production Joint Stock Company	300	9.5%	3 Years	Other	4/2022	Hoang Gia Investment & Production., JSC	50	(*)	2 Years	Other
5/2022	Vinfast Trading & Production Joint Stock Company	300	9.5%	3 Years	Other	4/2022	Toan Hai Van Joint Stock Company	50	(*)	7 Years	Other
6/2022	Vinfast Trading & Production Joint Stock Company	300	4.7%	3 Years	Other	5/2022	Encapital Holdings Joint Stock Company	50	7.0%	1 Years	Other
6/2022	Orient Commercial Joint Stock Bank	300	6.8%	3 Years	Other	5/2022	MST . Investment Joint Stock Company	50	(*)	1 Years	Other
6/2022	Nam Long Investment Joint Stock Company	300	6.8%	7 Years	HCM	5/2022	TASECO Group Joint Stock Company	50	10.5%	1 Years	Other
6/2022	Orient Commercial Joint Stock Bank	300	4.4%	3 Years	Other	6/2022	Petrovietnam Securities Incorporated	50	7.0%	1 Years	Other
4/2022	Bac A Commercial Joint Stock Bank	250	10.5%	3 Years	Other	6/2022	Viet Capital Commercial Joint Stock Bank	50	7.1%	7 Years	ACBS
4/2022	Vietnam Joint Stock Commercial Bank for Industry and Trade	240	(*)	3 Years	TCBS	6/2022	Military Comercial Joint Stock Bank	50	11.5%	7 Years	MBS
5/2022	Orient Commercial Joint Stock Bank	231	8.0%	3 Years	Other	6/2022	Nam A comercial Join Stock Bank	45	10.0%	3 Years	Other
4/2022	Bank for Investment and Development of Vietnam	200	9.5%	8 Years	VND	5/2022	Ho Chi Minh City Development Joint Stock Commercial Bank	40	(*)	10 Years	Other
4/2022	Hoi An Investment Joint Stock Company	200	(*)	3 Years	Other	6/2022	Military Comercial Joint Stock Bank	30	6.9%	7 Years	MBS
4/2022	South Song Hau Petroleum Investment Trading Joint Stock Company	200	8.6%	2 Years	Other	4/2022	Vietnam Joint Stock Commercial Bank For Industry And Trade	23	(*)	15 Years	Other
4/2022	IDICO Corporation - JSC	200	3.8%	3 Years	Other	6/2022	Mb Shinsei Finance Limited Liability Company	14	6.6%	2 Years	Other
4/2022	Sunbay Ninh Thuan Joint Stock Company	200	(*)	6 Years	Other						
4/2022	Vpbank SMBC Finance Company Limited Company	200	(*)	2 Years	Other						

Sources: HNX, TCBS

(*) Interest rates not disclosed

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