



Building Foundations for a Modern Capital Market:

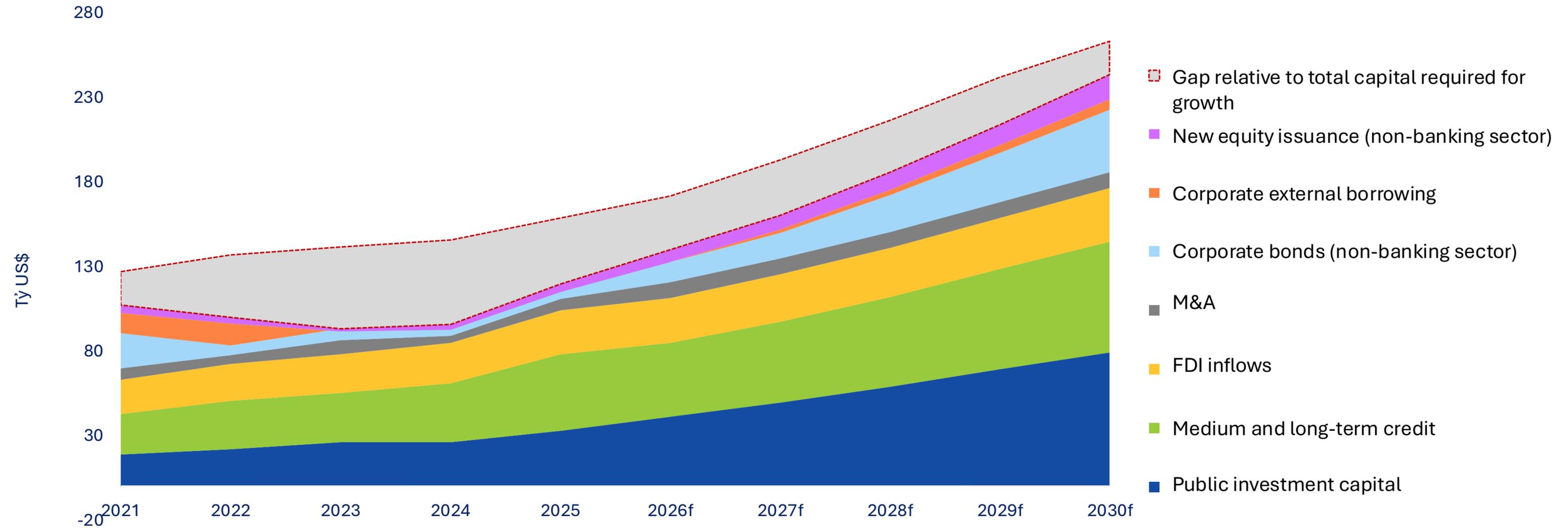
# Developing Vietnam's Debt Capital Market

Hanoi | 20 March 2026

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Chairman of FiinGroup and FiinRatings



## Gap between Medium and Long-term Funding Sources vs. Planned Total Investment

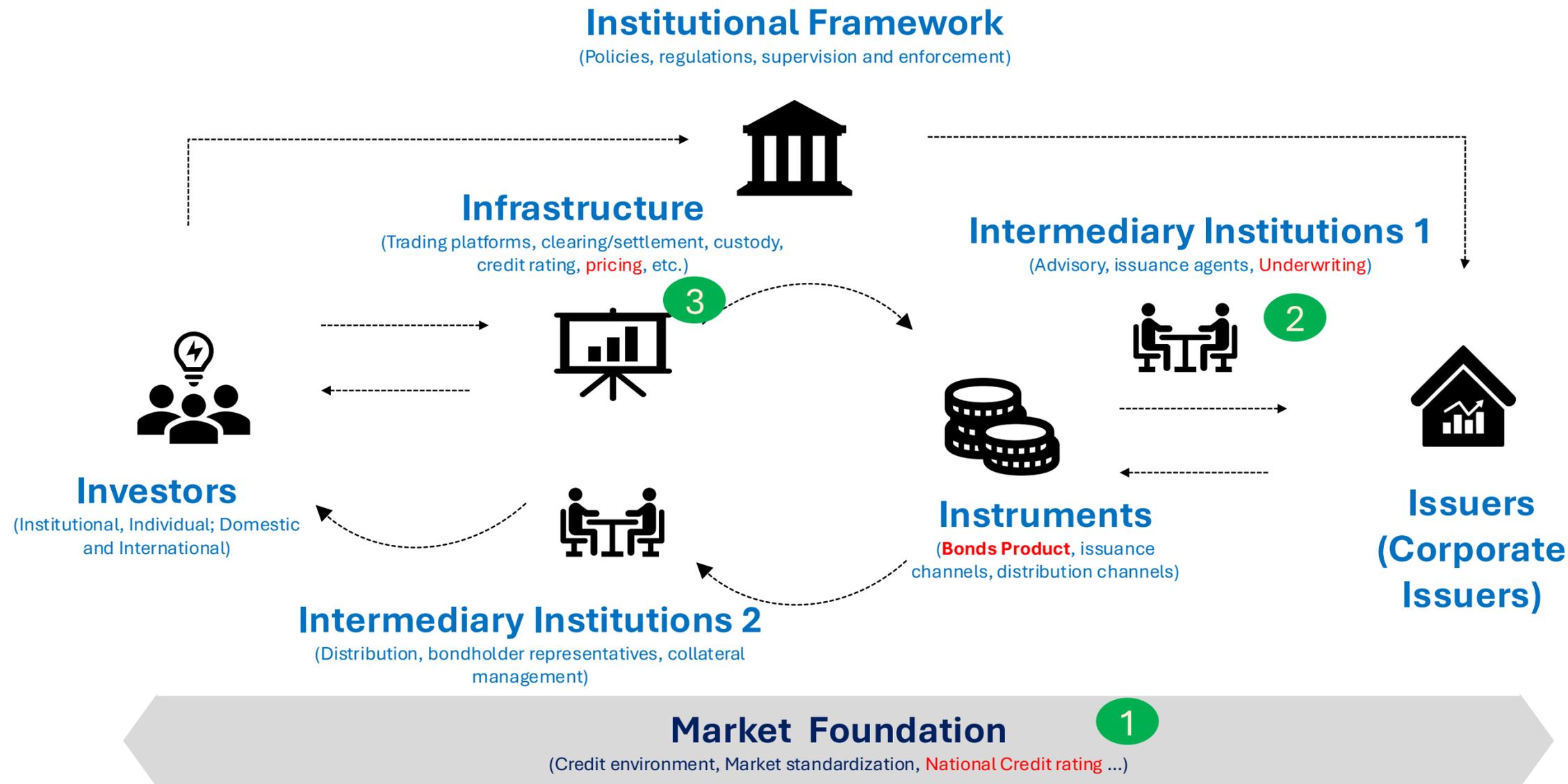


Source: FiinGroup.

- Notes:
- The assumptions and underlying bases for the above projections include that (1) capital required for growth is defined as total investment based on an assumed GDP growth rate of 10% per annum during the 2026–2030 period; (2) the ratio of total social investment to GDP gradually increases, approaching 40% by 2030; (3) public investment is disbursed in line with planned schedules, with a high completion rate maintained at over 90%; (4) credit growth is expected to stabilize at approximately 15–18% per annum, with the structure of medium- and long-term credit remaining broadly unchanged; (5) the non-bank corporate bond market is projected to recover from 2026 onward and gradually increase its share in the overall capital structure; and (6) disbursed FDI is expected to grow steadily at around 7–8% per annum, while M&A activities are anticipated to improve compared to the previous low base.
  - The analysis in this report focuses only on medium- and long-term funding flows and excludes short-term funding channels used for working capital purposes.

# 03 Selected Suggestions For Developing Vietnam's Debt Capital Market / Corporate Bond Market

## Corporate Bond Market Operating Model:



- 1 Improve Sovereign Credit Rating
- 2 Develop a Bond Guarantee Fund Model
- 3 Develop a Bond Pricing Framework

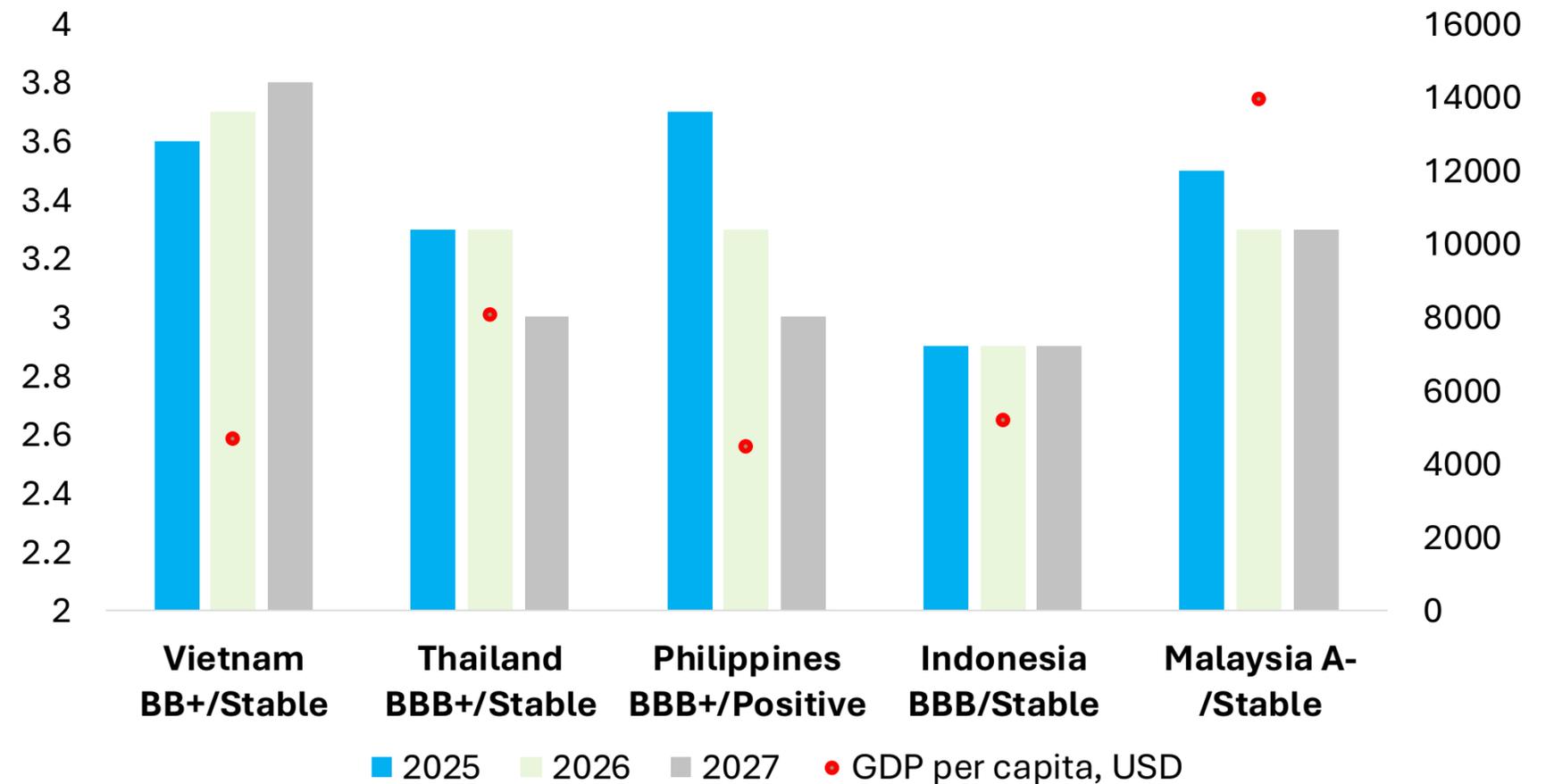
Sources: FiinRatings

Note: This model is developed by FiinRatings for illustrative and simulation purposes and may not fully reflect all operational structures of Vietnam's corporate bond market.

- Vietnam aims to upgrade its sovereign credit rating to Investment Grade (minimum BBB-) by 2030 (Decision No. 412/QĐ-TTg dated March 31, 2022 issued by the Prime Minister).
- Vietnam’s current sovereign credit rating is BB+ (by S&P), which is lower than that of several ASEAN peer countries with comparable competitiveness.
- Achieving this target ahead of schedule would facilitate:
  - Mobilization of government and corporate debt capital in international markets.
  - Enhancement of the domestic capital market through improved access for foreign institutional investors.
  - Reduction in financial costs associated with trade finance (import-export financing).
- In the current context and timing, alongside progress toward upgrading to Emerging Market (EM) status (in the equity market), an improvement in sovereign credit rating (which is broader in scope and more directly linked to debt markets) would represent a significant step forward for Vietnam in strengthening its capacity to mobilize capital for economic growth.

## Vietnam’s Sovereign Credit Rating vs. Peer Countries

Changes in net public debt (% of GDP) and GDP per capita across ASEAN countries



Source: FiinRatings; estimates based on S&P Global Ratings for 2026 and 2027.

**Red** = Indicates areas of concern, with a high volume of questions/comments raised during discussions with analysts and in CRA rating reports. These may represent aspects requiring further clarification or proactive external engagement.

**Yellow** = Indicates a moderate level of questions/comments. These areas may be of secondary importance.

**Green** = Indicates fewer questions/comments raised. These may represent areas of strength or lower material.

S&P Global	Implied Weight (%) (1)
Institutional and governance effectiveness	25.0
• Qualitative assessment of institutional and governance effectiveness	
Economic score	25.0
• GDP per capita	
• 10Y average growth in real GDP/capita	
• Economic diversity and volatility	
External score	16.7
• Currency status in international transactions	
• External liquidity	
• External indebtedness	
Fiscal score	16.7
• Fiscal performance and flexibility	
• Debt burden and contingent liabilities	
Monetary score	16.7
• Exchange rate regime	
• Monetary policy's credibility and effectiveness and inflation trends	

MOODY'S
Institutional Strength
• Quality of institutions
• Policy effectiveness – fiscal and monetary policy
Economic Strength
• Growth dynamics
• Scale of the economy
• National income / capita
Fiscal strength
• Debt burden
• Debt affordability
Susceptibility to event risk
• Banking sector risk
• External vulnerability risk
• Government liquidity risk
• Political risk

FitchRatings	Implied Weight (%) (1)
Structural features	52.8
• Composite governance indicator	20.0
• GDP per capita	13.3
• Share in world GDP	12.8
• Years since default	5.4
• Money supply	1.3
Public finances	18.2
• Budget balance	2.5
• Gross debt	8.3
• Interest payments	4.9
• Public foreign currency debt	2.5
External finance	17.9
• Reserve currency flexibility	7.6
• Commodity dependence	1.1
• Official international reserves	1.5
• Sovereign net foreign assets	7.1
• Current account balance + FDI	0.1
• External interest service	0.4
Macroeconomic performance	11.1
• Consumer price inflation	3.0
• Real GDP growth	2.6
• Real GDP growth volatility	5.5

Source: FiinGroup compilation.

Note: (1) The figures on Implied Weights are not officially disclosed in the published Methodologies and Rating Criteria of the aforementioned international credit rating agencies. These estimates are derived by Standard Chartered (Credit Rating Advisory Division).

# 1

## Improving Sovereign Credit Rating Comparison with Peer Countries

In terms of economic outlook and fiscal position, Vietnam is broadly comparable to countries in the same peer group rated **Investment Grade (median: BBB)** within the region; however, there remains **room for improvement in structural and institutional factors**.

2026F or latest available	Vietnam (BB+)	BB Median	BBB Median	India (BBB-)	Philippines (BBB)	Indonesia (BBB)	Thailand (BBB+)
<b>Economic</b>							
GDP (USD) bn	503.6	-	-	4,583.5	556.8	1,542.4	620.6
Real GDP Growth (% Change)	7.5	3.8	2.3	7.4	5.1	4.9	2.1
Consumer Prices (% Change)	3.3	3.5	2.1	2.3	1.7	1.9	-0.1
GDP per capita (USD)	5,030.5	8,553.6	17,462.0	2,843.1	4,275.2	5,002.3	8,173.1
Unemployment (%)	2.2	8.4	4.7	6.0	4.0	4.9	1.0
GDP volatility	2.0	3.1	3.6	4.4	5.0	2.2	2.9
Gross Domestic Investment (% GDP)	32.3	23.1	22.9	30.6	22.8	29.7	21.3
Gross Domestic Savings (% GDP)	37.5	19.1	25.9	29.2	9.3	39.5	25.7
<b>Fiscal</b>							
General Government Balance (% of GDP)	-3.3	-3.0	-3.2	-7.3	-4.2	-2.8	-4.6
General Government Debt (% of GDP)	32.6	51.4	57.9	81.1	55.4	41.0	61.0
General Government Interest Payments (% of Revenue)	5.1	11.7	8.8	23.4	12.8	17.1	5.7
<b>External</b>							
Current Account Balance (% of GDP)	4.1	-2.5	0.2	-1.2	-3.1	-0.3	2.8
Net External Debt (% of GDP)	-14.9	11.9	-0.6	-5.8	2.1	0.5	-46.8
Gross External Debt (% of GDP)	22.6	50.8	54.1	18.1	45.0	30.0	34.2
Public FC Debt (% of Total Debt)	21.2	53.4	30.3	3.2	33.7	29.5	1.1
Reserves (months of imports, CXP)	2.2	5.3	4.8	7.4	7.1	5.1	8.2
<b>Institutional</b>							
WGI Average (Percentile)	40.7	45.5	55.8	45.2	38.5	43.6	42.1
Human Development Index (Percentile)	51.5	52.3	68.7	32.2	38.5	41.6	60.4

 = Vietnam performs relatively above peers

 = Vietnam performs relatively below peers

Source: FiinGroup analysis and estimates, based on materials from Standard Chartered Bank at the National Credit Rating Conference, January 2026.

The following points have been synthesized by FiinGroup based on analytical reports, stakeholder engagements, and FiinGroup's own assessments (*and do not represent the views of S&P Global Ratings or any other rating agencies*):

- 1. Institutional Strength:** Including fiscal transparency and predictability, as well as the stability of the financial system, given its critical role in capital intermediation.
- 2. FC Reserve Position:** In terms of scale and adequacy relative to import coverage (measured in months of imports) and net external creditor position.
- 3. Banking Sector Health:** Through strengthening capital buffers, improving asset quality, and advancing capital market development.
- 4. External Disclosure and Transparency:** Alignment with international best practices in data disclosure and dissemination.
- 5. Improvement in World Governance Indicators (WGI):** Through more proactive engagement and reform efforts.

# 1

## Improving Sovereign Credit Rating

# Delivering Cost of Capital Benefits for the Government and Corporates

In general, countries with higher sovereign credit ratings tend to have lower cost of capital. This relationship is reflected in CDS (Credit Default Swap) spreads as shown below. However, this relationship does not always hold strictly in all cases; for example, although Indonesia has a higher credit rating, its CDS spreads are not significantly lower than Vietnam's across different maturities.

### Sovereign CDS\* levels<sup>3</sup>

Country	1-Yr	3-Yr	5-Yr	10-Yr	Ratings**
China	22	35	46	65	A+ / A1
Korea	15	19	23	34	AA / Aa2
Thailand	12	27	43	68	BBB+ / Baa1
Malaysia	16	27	42	69	A- / A3
Philippines	23	40	63	107	BBB+ / Baa2
Indonesia	31	51	75	124	BBB / Baa2
India	12	27	43	74	BBB / Baa3
Viet Nam	34	58	90	150	BB+ / Ba2
Kazakhstan	24	57	89	129	BBB- / Baa2
Pakistan	372	390	416	475	B- / Caa1
Mongolia	199	215	236	304	B+ / B2

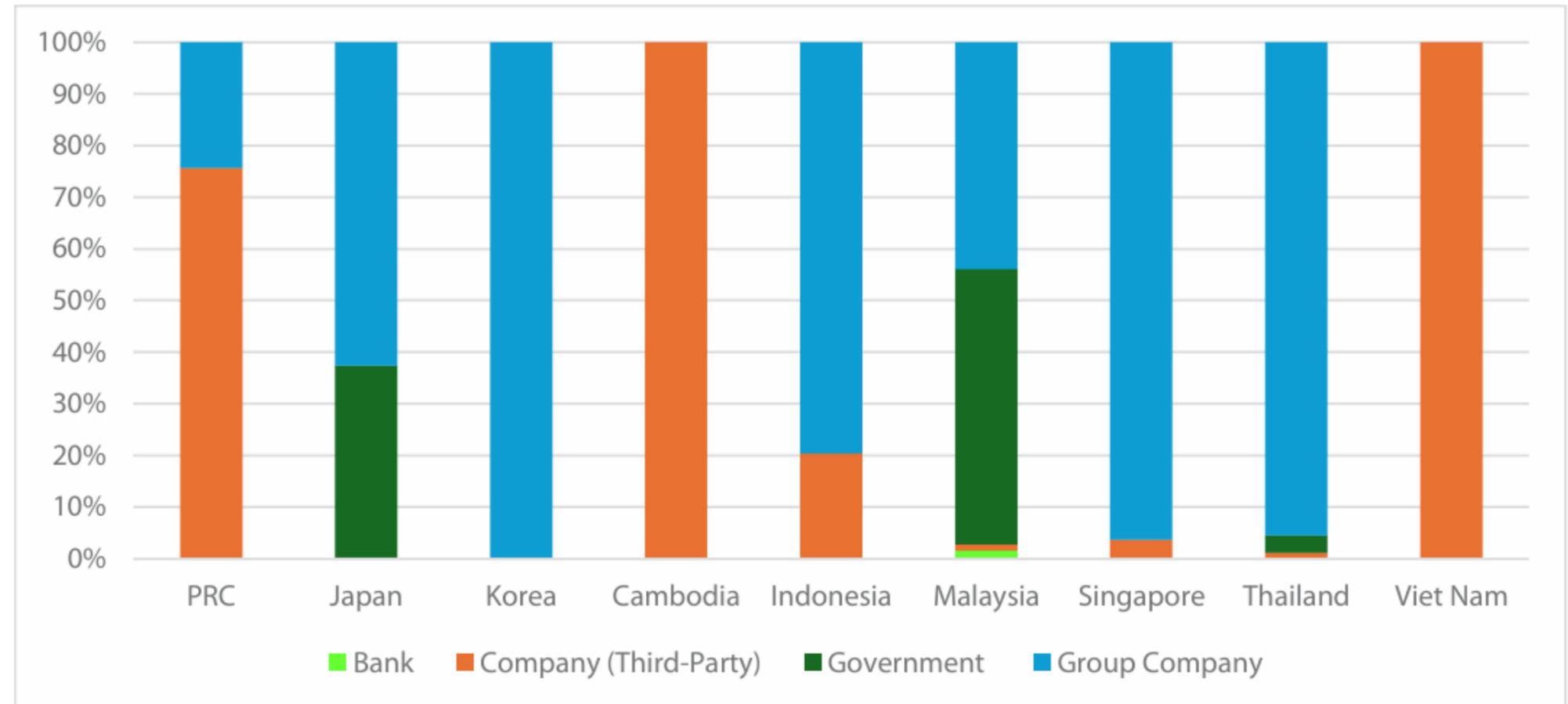
Source: Bloomberg, 20 Nov 2025

\*\* Ratings are from S&P and Moody's.

CDS (Credit Default Swap) is a credit derivative instrument that allows a protection buyer to hedge against the risk of default by a reference entity (which may be a corporate or a sovereign).

- This model provides mechanisms to mitigate credit risk for bond investors through payment guarantee services.
- Regionally, entities participating in corporate bond guarantees include: government-related institutions (similar to Vietnam’s SME credit guarantee funds), commercial banks, corporates/groups, and third-party private guarantors. Refer to the ASEAN+3 model in the adjacent Graph.
- **In Vietnam**, beyond commercial banks providing guarantees for corporate bonds and corporates offering cross-guarantees within group structures, participation from private-sector guarantors remains limited, with only a few institutions such as GuarantCo (PIDG) and CGIF (ADB) actively engaged.
- There is also growing interest from international financial institutions in this segment in Vietnam; however, their activities are primarily focused on cross-border/offshore structures.

Structure of Guaranteed Corporate Bonds in ASEAN+3 (as of end-2023)



ASEAN+3 = Association of Southeast Asian Nations plus the People’s Republic of China, Japan, and Republic of Korea

Notes:

1. “Group Company” refers to parent companies and/or subsidiaries. “Company” refers to third-party guarantors.
2. The Philippines is not included in the figure because it has no guaranteed PHP-denominated corporate bond issued in 2023.

Sources: Bloomberg and Author’s calculations.

Source: CGIF. Original Report: [ASEAN3-corporate-bond-market-research-final-v2.pdf](#)

#### Role and Significance of the Bond Guarantee Fund Model:

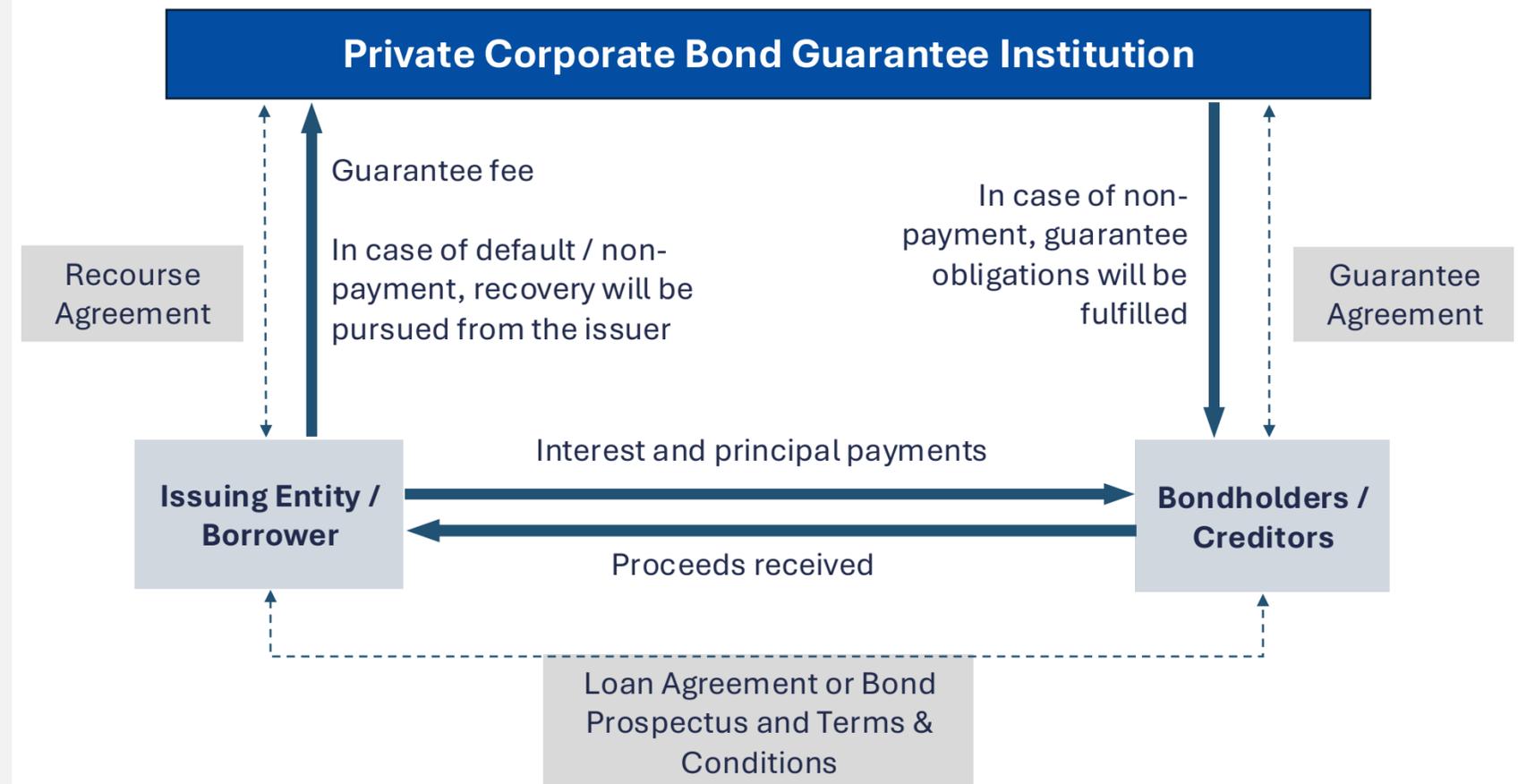
- **Reducing cost of funding:** By mitigating risk, particularly in a volatile interest rate environment.
- **Broadening the investor base:** Especially attracting institutional investors such as insurance companies.
- **Enhancing long-term capital mobilization:** Strengthening market confidence, particularly among bond investors.
- **Supporting issuers without high credit ratings:** (typically below A– according to FiinRatings’ scale).
- **Facilitating the development of Green Bonds**

**Rationale for Developing a Domestic Model:** Offshore guarantee models such as GuarantCo and CGIF are subject to country allocation limits; Vietnamese issuers must comply with international procedures, limiting accessibility to domestic capital sources.

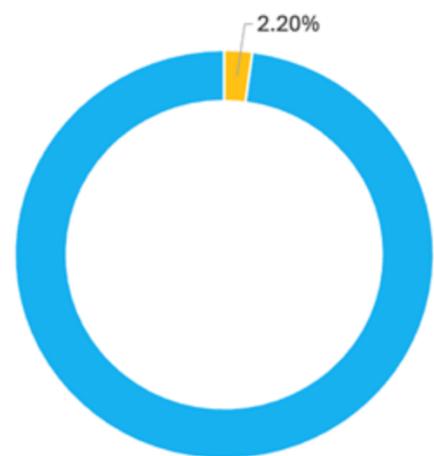
#### Challenges

- The legal and regulatory framework for private-sector guarantee institutions remains underdeveloped, outside existing regulations governing credit institutions and state-backed SME credit guarantee funds.
- The model may not achieve optimal effectiveness if the mechanism is not properly designed or if market scale remains insufficient.

#### Operating Model of a Private Bond Guarantee Fund



**Outstanding Guaranteed Corporate Bonds (%) vs. Total Outstanding Corporate Bonds**  
(as of December 31, 2025 – CGIF & GuarantCo)



■ % of guaranteed corporate bonds relative to total outstanding corporate bonds  
■ Outstanding non-financial corporate bonds

Source: FiinRatings

Note: Excludes bank bonds from total outstanding corporate bonds

**Selected Guaranteed Bond Transactions by CGIF and GuarantCo (2024–2025)**

No	Issuers	Sector	Bond value (VND bn)	Year	Tenor (years) (year)	Coupon (%)	Guarantor	Guarantee Type	Issuer Credit Rating	Bond Credit Rating
1	Binh Thuan Plastics	Industrials	260.0	2025	7	5.85%	GuarantCo/PIDG	Full Guarantee	BBB-	AAA
2	CMC Technology	Technology	1,250.0	2025	10	5.50%	CGIF/ADB	Full Guarantee		
3	Hoa Binh – Xuan Mai Clean Water	Infrastructure	875.1	2024	20	5.75%	GuarantCo/PIDG	Full Guarantee	BB	AAA
4	Hoa Binh – Xuan Mai Clean Water Transmission	Infrastructure	317.2	2025	20	5.75%	GuarantCo/PIDG	Full Guarantee	BB	AAA
5	IDI - Sao Mai	Food	1,000.0	2024	8	5.58%	GuarantCo/PIDG	Full Guarantee		
6	BIWASE Long An	Infrastructure	700.0	2024	10	5.50%	CGIF/ADB	Full Guarantee	BBB	AAA

Source: FiinRatings

Note

1/ The coupon rates presented are nominal coupon rates; actual cost of funds may be higher when including guarantee fees, transaction fees, and other related costs.

2/ Credit ratings are issuer credit ratings as assessed by FiinRatings.

3/ The data does not cover all transactions conducted by these two guarantors and excludes transactions guaranteed by other entities such as banks, government guarantee funds, affiliated corporates, and other international organizations.



## Legal Compliance & Financial Transparency

- **Alignment with international standards (IFRS):** Reflects asset values in line with market conditions and establishes fair value measurement standards.
- **Ensuring independence:** Enhances objectivity in valuation, mitigating conflicts of interest compared to internal portfolio valuation practices.
- **Data standardization:** Establishes a unified reference pricing source that reflects credit risk and ensures consistent valuation across the market.



## Addressing Liquidity & Technical Challenges

- **Pricing illiquid bonds:** Application of advanced valuation models (*Mark-to-Model*), DCF, and yield curve interpolation for thinly traded instruments.
- **Valuation of complex instruments:** Segmentation and accurate pricing of structured products such as callable bonds, convertible bonds, and floating-rate notes.
- **Supporting OTC & Repo transactions:** Provision of reliable reference pricing to narrow bid-ask spreads and establish a sound basis for haircut determination.



## Investor Protection & Enhanced Risk Management

- **Accurate NAV calculation:** Provides a robust valuation framework for investment funds, insurance companies, and financial institutions holding bond portfolios.
- **Early risk warning system:** Continuous monitoring of credit spread movements and core market indicators to detect early signs of credit deterioration.
- **Advanced risk analytics tools:** Provision of portfolio risk metrics and comprehensive risk management tools (*Duration, Convexity, VaR*).

Country	Bond Pricing Agency (BPA)	Operating Model	Core Functions
<b>Japan</b>	Japan Securities Dealers Association NRI	Industry association / Private sector	Provision of daily reference prices and benchmark yield curves
<b>South Korea</b>	Korea Asset Pricing (KAP) KIS Pricing, an affiliate of Moody's NICE P&I FnPricing	Private sector	Pricing of complex bonds, derivatives, and repo instruments
<b>China</b>	ChinaBond Pricing Center Co. Ltd. China Securities Index Company	State-owned	Establishment of standardized pricing benchmarks across the market
<b>Malaysia</b>	BPAM	Private sector	Centralized bond pricing; mandatory NAV valuation
<b>Thailand</b>	ThaiBMA	Industry association	Centralized information hub and mandatory reference pricing
<b>Indonesia</b>	PT Penilai Harga Efek Indonesia (PHEI) (PHEI)	State-owned enterprise	Debt instrument pricing and haircut determination
<b>Philippines</b>	Philippine Dealing Exchange PDEX/BVAL	Exchange-linked / quasi-regulatory entity	Provision of yield curves and reference pricing

### Developed Markets (East Asia)

- Strong **firm-price availability**, enabling accurate price discovery across standardized bond markets.
- Narrow **bid-ask spreads**, comparable to those observed in developed global markets.
- Active participation of **primary dealers and pricing agencies (IPAs)**, particularly in less liquid market segments.

### Developing Markets (ASEAN)

Rapid growth of sustainable bonds (Green/Social bonds). Increasing adoption of ESG disclosure requirements and ACMF standards to quantify greenium (green premium).

### Vietnam

Initial pricing infrastructure is emerging, with pricing data currently provided by VBMA and FiinGroup, primarily to meet requirements from governance bodies or foreign parent companies.

Regulatory frameworks and standards relating to financial reporting, operational reporting, and fair value measurement could be further developed and adopted.



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