

Key Takeaways from the Forum:

Green Bonds: Costs, Benefits and Role in the Future of Vietnam

The analyses and perspectives presented in this report are synthesized from the panel discussion titled “Green Bonds: Costs, Benefits and Role in the Future of Vietnam” in the Vietnam Bond Market Forum 2026, co-organized by FiinRatings, FiinGroup, and S&P Global Ratings in Hanoi on April 2, 2026. The speakers included:

- *Mr. Erik Christianto, Director, Head of Core Business & New Product Innovation, S&P Global Ratings*
- *Ms. Dinh Thuy Hang, Manager & Green Bond Specialist, Sustainable Finance, FiinRatings*
- *Ms. Dao Yen Nhung, Senior Analyst, Research & Sustainable Finance Services, FiinRatings*

May 02, 2026

This report does not constitute a credit rating action.

Key Highlights:

- **The regional GSS market is diverging — Vietnam must position itself early to avoid being left behind:** Japan, South Korea, and China already account for three-quarters of total GSS issuance in Asia-Pacific and have developed distinct expertise such as transition bonds in Japan, social bonds in South Korea, and green bonds for China. Meanwhile the majority of Southeast Asian markets — including Vietnam — remain in the foundation-building stage. Pressure from national Net Zero commitments, rising transparency requirements, and the shifting of global ESG capital flows are creating a limited window of opportunity: issuers that build capability and credibility early will hold a significant competitive advantage in accessing long-term international capital.
- **Vietnam's green bond market is accelerating with substantial room to grow:** Total issuance reached a historic high in 2024 (VND 10,325 billion), with meaningful diversification into water infrastructure, recycling industries, and banking. Nevertheless, green bonds still account for less than 2.2% of total market outstanding value in total, indicating enormous growth potential.
- **The tangible benefits of green bonds extend well beyond brand value:** Longer tenors (up to 20 years), competitive interest rates, and access to an international investor base are quantifiable advantages. In the context of Vietnam's need for USD 670–700 billion in green transition financing, the Net Zero 2050 commitment and Decision 21 are transforming green bonds from a voluntary option into a strategic necessity
- **Capability and process readiness are prerequisites for successful issuance:** Issuing green bonds requires comprehensive preparation — from an independently reviewed green finance framework and environmental risk governance systems to internal ESG capacity and post-issuance impact reporting. The domestic market is also gradually expanding into new sustainable finance instruments linked to KPIs and SPTs, catering to the more diverse financing needs of different economic sectors.

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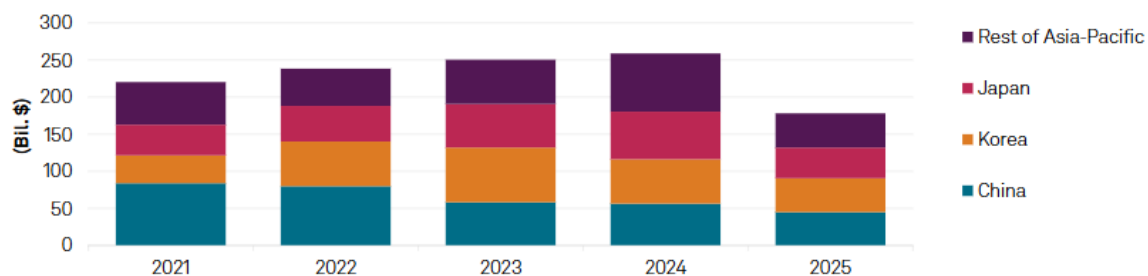
Context: Vietnam is entering a pivotal phase of its green transition, shaped by the Government's Net Zero 2050 commitment and its Nationally Determined Contribution (NDC 3.0). Realizing these ambitious targets demands an enormous volume of financing — and green bonds alongside other sustainable finance instruments will play a central role in mobilizing capital from the private sector.

Although green bond issuance showed signs of moderation in 2025, looking back over the past two years the market has recorded meaningful progress in both scale and depth. A notable highlight is the strong diversification of issuer sectors, with the emergence of organizations in water infrastructure, aquaculture, and paper and plastics recycling industries — alongside the financial and banking sector that has traditionally led the market.

This is a trend that cannot be reversed. Vietnam's sustainable finance market is gradually moving toward greater product diversification, meeting the increasingly varied and sector-specific demands for green capital across different parts of the economy.

1. Vietnam's green bond issuance trends are moving in step with regional and global issuance momentum.

Exhibit 1: APAC issuance follows global trends with China, Korea, and Japan accounting for three-quarters of regional issuance



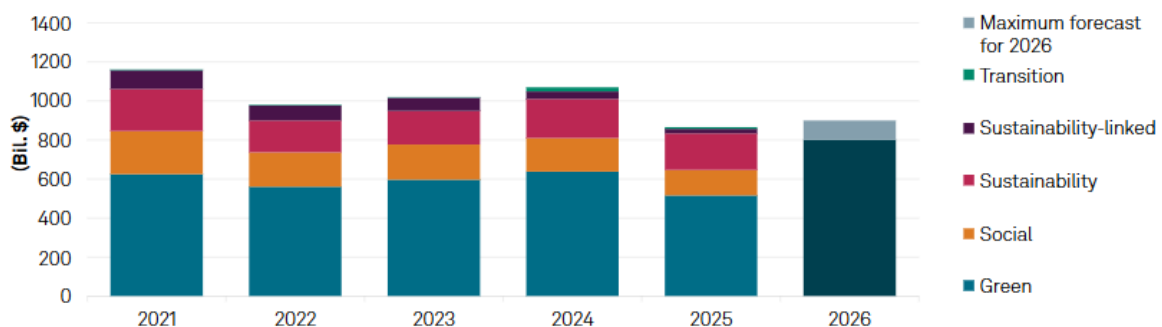
Source: Environmental Finance Bond Database, S&P Global Ratings ([link](#))

Global sustainable bond issuance fell 19% to USD 866 billion in 2025, and we expect the volume to remain flat in 2026. Over the same period, the overall bond market grew by nearly 11% to surpass USD 10 trillion. This signals the decoupling of the sustainable bond issuance market from the overall bond market which hints at increasing uncertainty for the sustainable bond market. ([Source: S&P Global](#))

Within Asia-Pacific, Japan, South Korea, and China remained the largest market, accounting for three-quarters of regional sustainable issuance of USD 178 billion. Notably, each market emphasized different bond types: Japan focused on transition bonds, South Korea on social bonds, and China on green bonds. This divergence underscores the unique policy priorities, market structures, and sustainability drivers shaping each market. Southeast Asia makes up about 10% of the Asia-Pacific volume. Singapore, Thailand, and the Philippines continues to be the top 3 leading issuance market. ([Source: S&P Global](#))

Vietnam remains small in absolute terms but is growing steadily. Vietnam is still building foundational capacity. The window of opportunity is time-limited: issuers that build credibility early will have a significant competitive advantage in accessing long-term international capital.

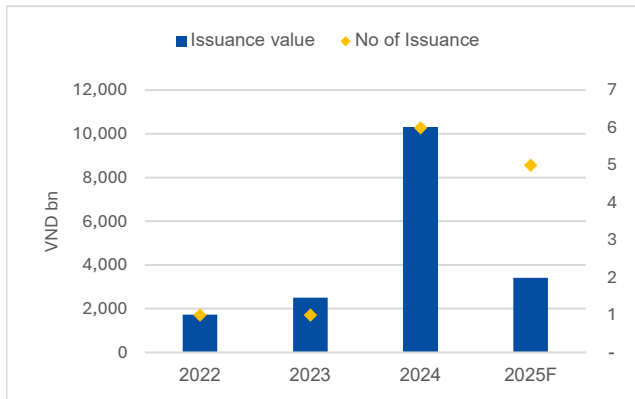
Exhibit 2: Global sustainable bond issuance to trend flat in 2026



Source: Environmental Finance Bond Database, S&P Global Ratings, ([link](#))

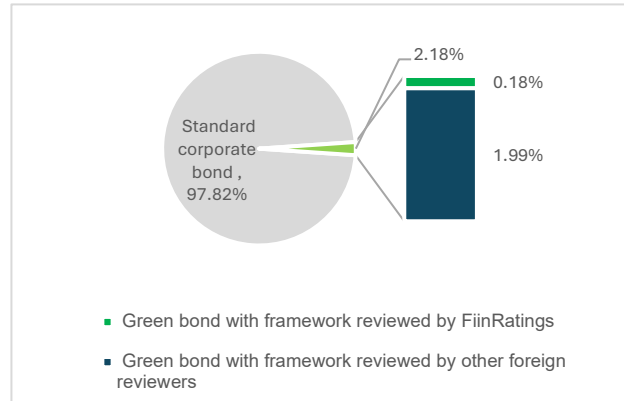
The green bond market remains at an early stage but is accelerating at a clearly visible pace. Total green bond issuance reached approximately VND 10,325 billion in 2024 — a historic high — across 6 issuances. However, green bonds still represent a very modest share of the market: approximately 0.2% (for bonds with green frameworks independently reviewed by FiinRatings) and nearly 2% (for bonds reviewed by international organizations) of the total corporate bond market, which currently stands at over VND 1.4 quadrillion. This is a clear indication that the growth potential of this market remains enormous.

Exhibit 3: Green & Sustainability bonds issuance value by LCY



Source: FiinRatings

Exhibit 4: Structure of the outstanding value of Green & Sustainability bonds as of December 31, 2025



Source: FiinRatings calculated based on the data updated on 2 Feb 2026

2. Issuer sectors have diversified beyond banking

2025 recorded 5 green and sustainable bond issuances totaling VND 3,407 billion, comprising 3 enterprises in the infrastructure and industrial manufacturing sectors and 2 banks. This is a positive signal that the market is gradually moving beyond the banking toward real economic sectors with substantial green capital needs. Particularly notable is the 20-year green bond issued by Xuan Mai – Hanoi Clean Water Transmission Co., Ltd.—the longest tenor recorded in the domestic market in over a decade and a clear testament to the market's growing maturity.

Table 01: Green and Sustainable Bonds (LCY) Issued in 2025

No.	Issuer	Bond Type	Bond Value (VND billion)	Tenor	Announcement Date	Applicable Principles	Independent External Reviewer	Domestic Credit Rating Result
1	Xuan Mai – Hanoi Clean Water Transmission Company Limited	Green Bond	317.2	20-year	08/04/2025	ICMA	 FiinRatings A Strategic Partner of S&P Global	Issuer credit rating: BB ; Bond rating: AAA , assigned by FiinRatings
2	Vietnam Maritime Commercial Joint Stock Bank (MSB)	Sustainability Bond	680	5-year	11/07/2025	ICMA	 S&P Global Ratings	Issuer credit rating: A , assigned by FiinRatings
3	Miza Nghi Son Company Limited	Green Bond	150	7-year	26/12/2025	ICMA	 FiinRatings A Strategic Partner of S&P Global	Issuer credit rating: BBB- , assigned by Thien Minh Rating
4	Binh Thuan Plastics Group Joint Stock Company	Green Bond	260	7-year	05/12/2025	ICMA	 FiinRatings A Strategic Partner of S&P Global	Issuer credit rating: BBB- ; Bond rating: AAA , assigned by FiinRatings
5	Joint Stock Commercial Bank for Foreign Trade of Viet Nam (Vietcombank)	Sustainability Bond	2,000	2-year	18/12/2025	ICMA	 Sustainable Fitch	Issuer credit rating: AAA ; Bond rating: AAA , assigned by FiinRatings
Total			3,407.2					

Source: FiinRatings

3. Beyond the marketing message: The real costs and benefits for green bond issuers and investors.

The benefits of green bonds extend well beyond brand value. Three substantive advantages stand out: (i) long tenors of up to 10–20 years, significantly exceeding the market average of 3 years; (ii) access to a broader domestic and international investor base; and (iii) enhanced credibility through measurable and verifiable ESG commitments. Although consistent data on greenium remains limited across much of Asia and Vietnam, the existing green bond issuance rates in Vietnam typically range from 5.75% to 6.7%, reflecting reasonable competitiveness for long-dated instruments.

Insights from the issuer perspective paint a relatively clear real-world picture. Ms. Hoang Thi Hang, Deputy General Director of Binh Thuan Plastics Group JSC — one of the pioneering industrial enterprises to issue green bonds in 2025 — shared that the decision to choose green bonds stemmed from the company's strategy to diversify its long-term funding sources. While upfront preparation costs — including green framework development, independent review, advisory services, and the establishment of reporting systems — are somewhat higher than for conventional bond issuances, the long-term benefits are tangible: the company proactively avoids future ESG compliance costs while broadening its access to institutional investors with longer investment horizons and increasingly stringent sustainability requirements. This also lays the foundation for more sustainable operations as environmental regulations — both domestic and international — continue to tighten.

Vietnam's Net Zero 2050 commitment and Decision 21 (seven priority sector categories) are key supporting factors that strengthen Vietnam's sustainable bond standards — and are bringing Vietnam's framework closer to international practice.

Over the longer term, the global ESG wave is opening up opportunities to raise international capital at lower costs and longer tenors — particularly critical given Vietnam's need for approximately USD 670–700 billion to finance its green transition.

4. The outlook for green bonds and what comes next for Vietnam's sustainable finance market

According to [research by S&P Global Ratings](#), the global sustainable bond market recorded a steady growth from 2022 before registering a sharp decline in 2025. Aside from this recent pullback, sustainable bonds have consistently accounted for more than 10% of total global bond issuance, representing a meaningful share of the fixed income market and underscoring that sustainable finance is here to stay.

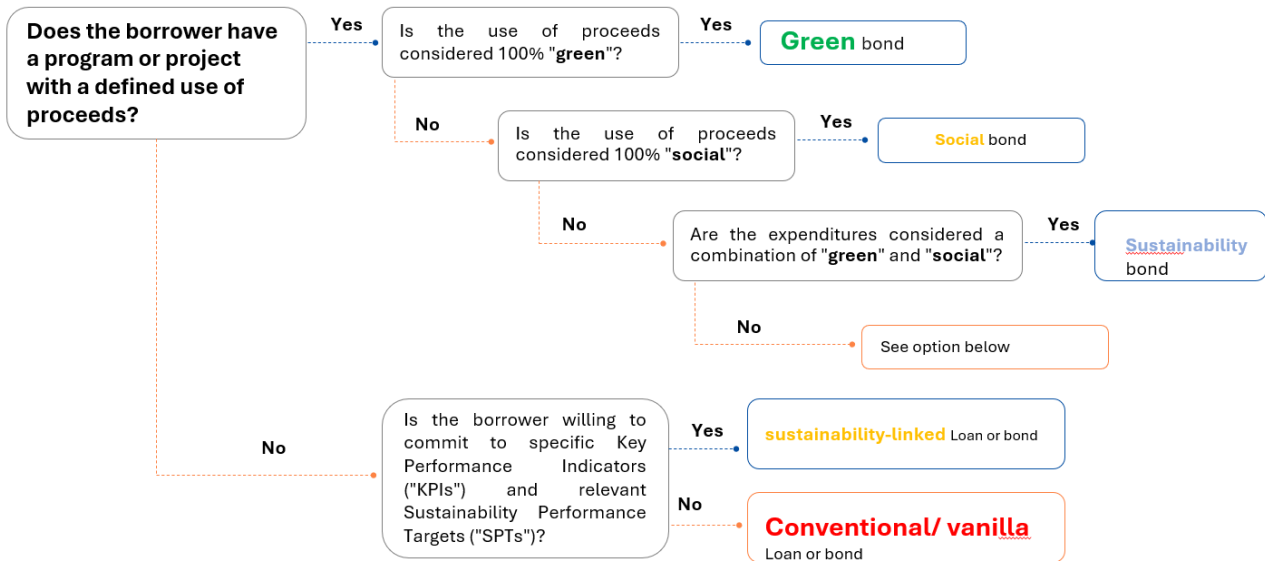
The Southeast Asia gap remains large, but the growth trajectory is durable. Quality matters: issuances need to meet at least one recognized international standard (ICMA Green Bond Principles or CBI Climate Bonds Standard), with a focus on eligible project selection, impact assessment, and independent verification.

For Vietnamese issuers, three key challenges must be overcome: a lack of specific implementation guidance for green taxonomy categories; limited internal ESG capacity; and the demands of cross-functional coordination spanning finance, engineering, environmental science, and legal compliance.

The green bond issuance journey differs meaningfully from conventional bonds in its pre- and post-issuance requirements. Prior to issuance, the issuer must clearly define the Use of Proceeds, the process for selecting eligible projects, mechanisms for managing and allocating funds, and the reporting framework. Post-issuance, continuous monitoring and allocation of proceeds to designated projects is required, along with periodic publication of an Impact Report to sustain investor confidence and mitigate greenwashing risk.

Looking ahead, Vietnam's sustainable finance instrument market will see considerably greater diversity beyond green bonds alone. In addition to instruments that directly finance green, social, sustainability, and transition assets and projects, the market will introduce instruments linked to Key Performance Indicators (KPIs) and Sustainability Performance Targets (SPTs) — designed to finance emissions reductions embedded in the ordinary business operations of enterprises.

Exhibit 05: A decision framework for selecting sustainable finance instruments beyond Green Bonds



Source: FiinRatings

Speakers' presentations from the Forum are available at: [THIS LINK](#)

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