

Sector Brief | Vietnam Securities Sector

# Navigating a Retail-Dominated Markets: Strategic Considerations for Foreign Investors

---

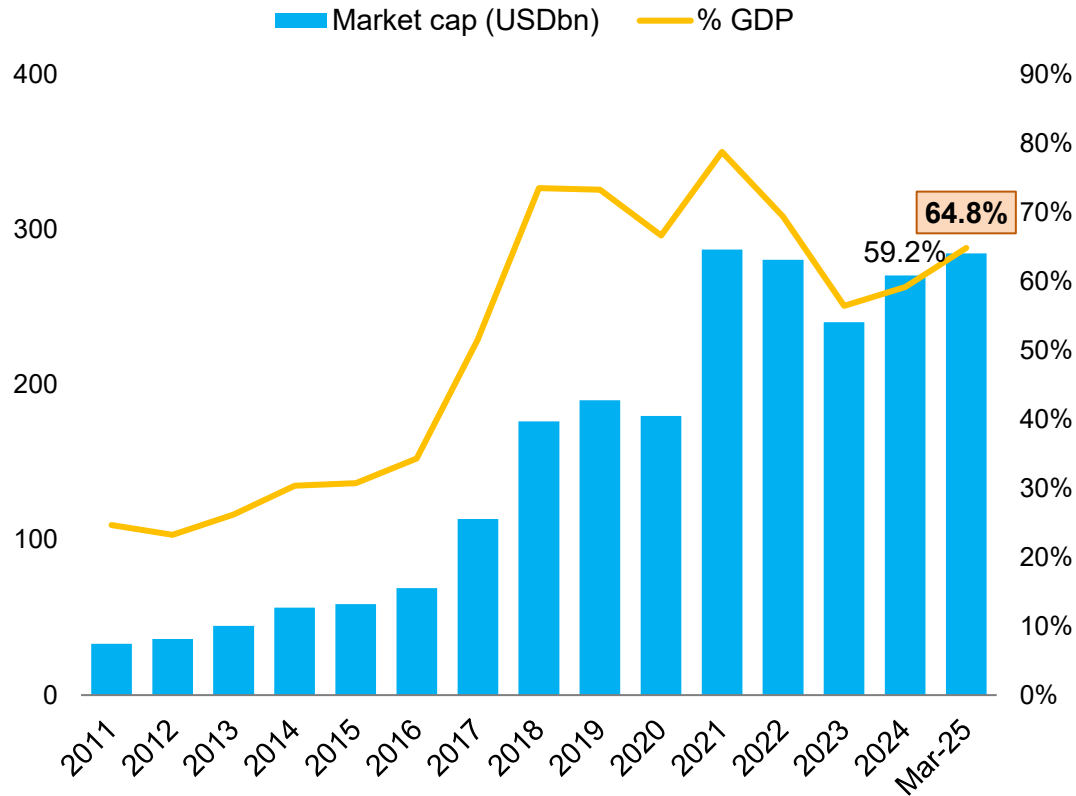
For publication | Date of issue: April 2025



# Vietnam Stock Market Landscape I Market capitalization and Penetration

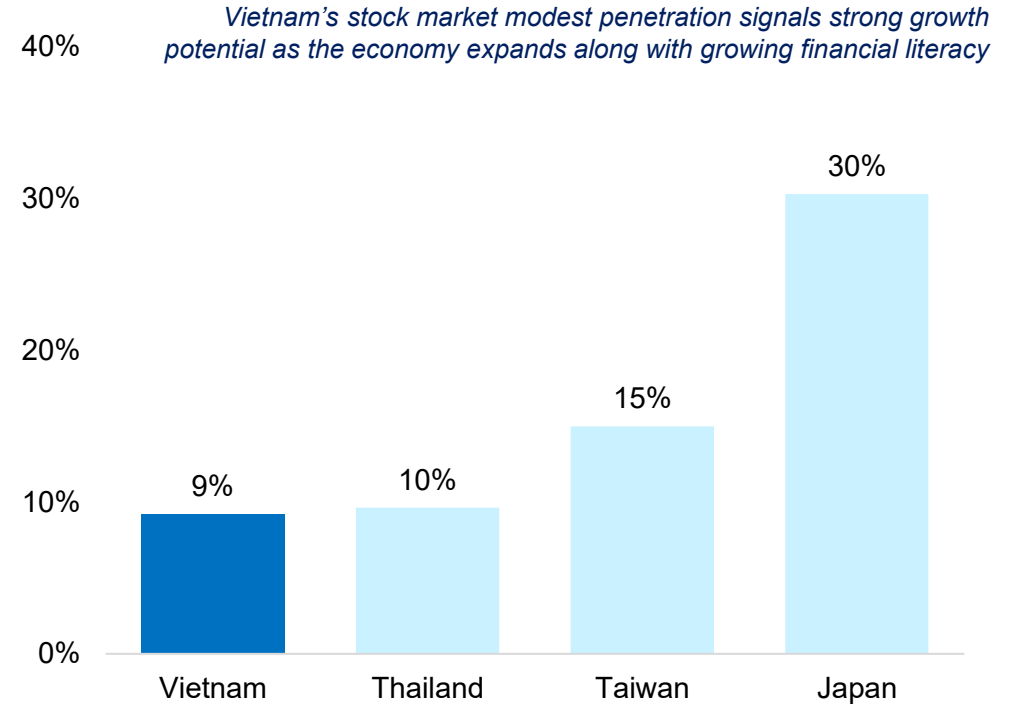
*Vietnam's securities market is on a robust growth path, with strong fundamentals and high future potential*

Figure 1: Vietnam's Equity Market Capitalization to GDP



Source: FiinGroup

Figure 2: Stock Market Penetration (Number of trading accounts as % of population), Vietnam vs selected regional markets



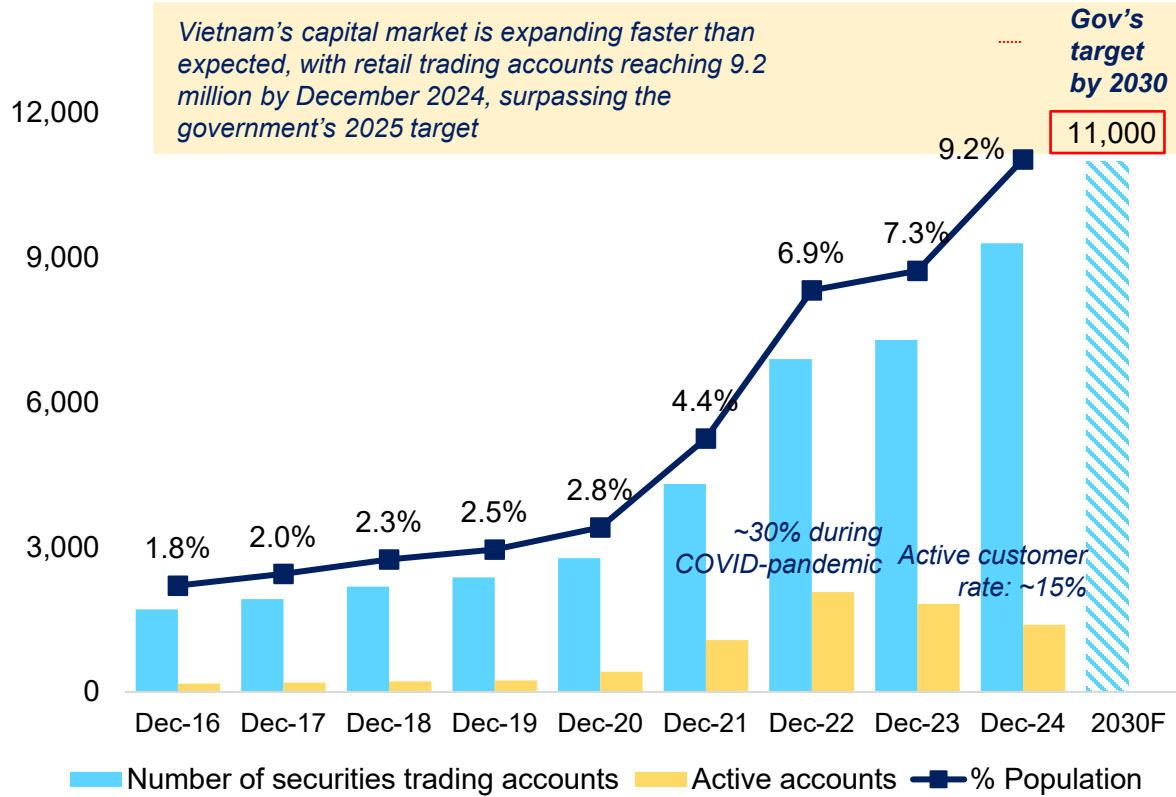
Source: FiinGroup

- Supported by strong economic fundamentals, rising financial literacy, and regulatory improvements, Vietnam's stock market is well-positioned to deepen and broaden its role in capital formation.

# Vietnam Stock Market Landscape | A “Retail Investor-Based” Market

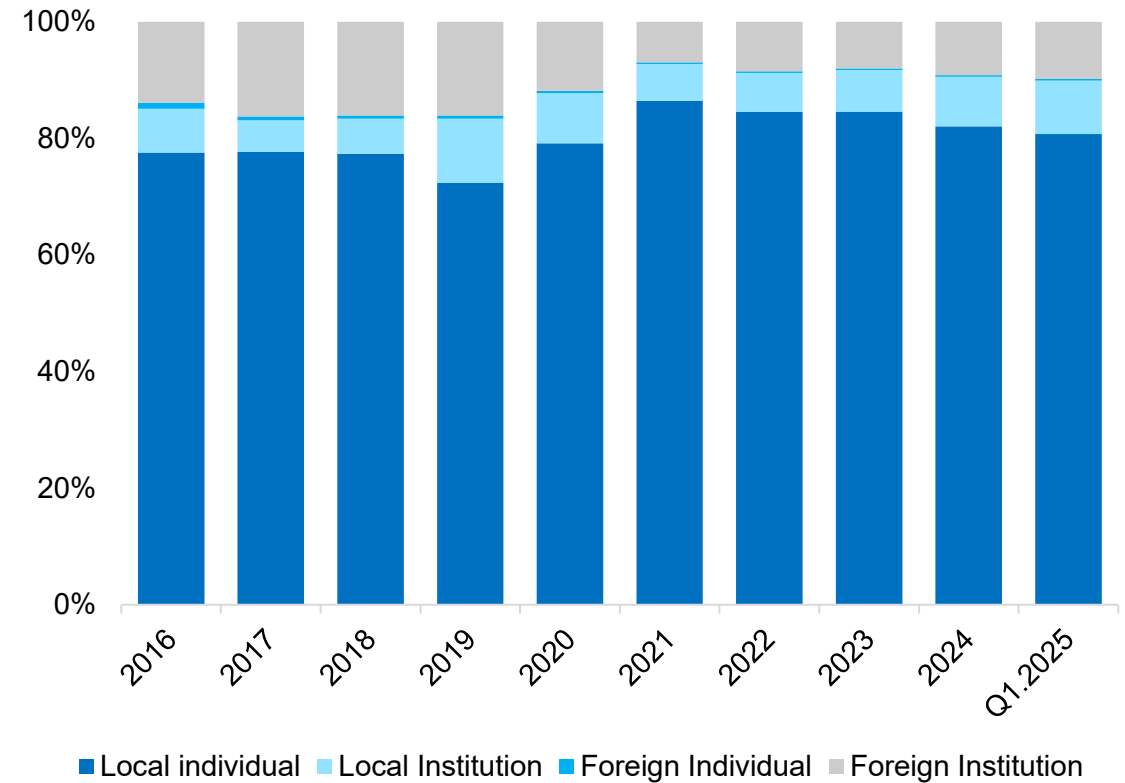
Retail investors are the backbone of Vietnam’s capital market, consistently contributing over 80% of trading value

Figure 3: Number of securities trading accounts in Vietnam (in million)



Source: FiinGroup

Figure 4: Trading value by types of stock investors



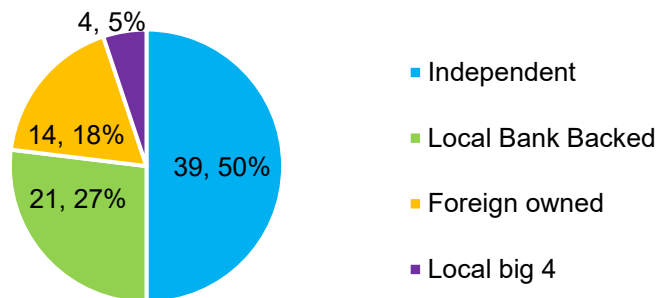
Source: FiinGroup

- By end-2024, Vietnam reached 9.2M trading accounts—surpassing its 2025 goal. Market penetration climbed five-fold from 1.8% in 2016 to 9.2%, with 11 million investors expected by 2030.
- Since 2016, local individual investors have consistently accounted for over 80% of market trading value, reflecting a short-term, momentum-driven market. The limited participation of institutional and foreign investors presents a clear opportunity to attract long-term capital, broaden the investor base, and enhance market stability.

# Vietnam Stock Market Landscape I Market segmentation

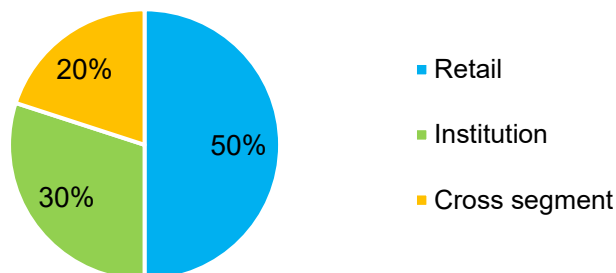
*Bank-backed firms dominate, but digital disruption and retail growth are reshaping the market*

**Figure 5: Securities Firms classified by Ownership**

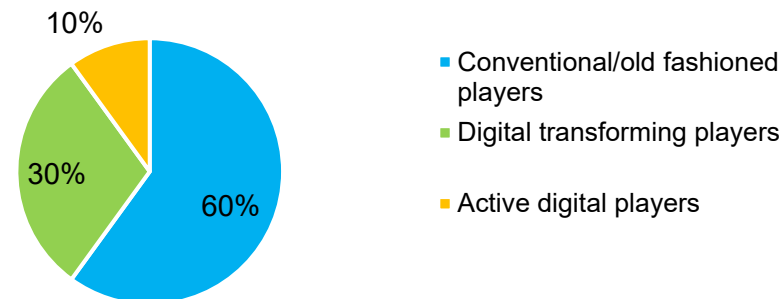


Source: FiinGroup, (based on 78 securities firms with valid business registration)

**Figure 6: Top 10 Securities Firms classified by investor-based (target customer)**



**Figure 7: Top 10 Securities Firms classified by distribution models**



Source: FiinGroup classification of the top 10 securities firms by brokerage market share

## **Bank-backed vs. Non-bank-backed firms:**

- Half of Vietnam's securities firms are independently owned (DNSE, VIX Securities, Kafi Securities, FPT Securities,...)
- However, bank-backed firms (27%), including those affiliated with major banks like Vietcombank and Vietinbank, hold dominant market positions thanks to better funding and service integration.

## **Retail vs institutional investor base:**

- 50% of Vietnam's top 10 securities firms by brokerage market share (VPS, TCBS, VND, MBS, FPT) primarily target retail investors, aligning with the market's retail dominance and emphasizing accessibility and digital engagement.
- 30% of firms (SSI, Vietcap, HSC) focus on institutional clients, catering to a smaller but more sophisticated investor segment with tailored investment solutions, research support, and asset management services
- The remaining 20% (MAS and KIS) serve both retail and institutional clients, enabling broader reach and adaptability as investor needs evolve

## **Digital vs conventional distribution model**

- Among the top 10 securities firms by brokerage market share, most operate under a conventional or traditional distribution model, including VPS, Vietcap, HSC, FPT,...
- In contrast, TCBS stands out as a purely digital broker, while several others—such as SSI, VND, and MBS—are in the process of digital transformation, integrating technology to modernize their distribution strategies.

# Vietnam Stock Market Landscape | Key market trends

*Zero-commission trading and digital platforms are transforming brokerage models*



## Zero Fees

Brokers are increasingly moving towards **zero or ultra-low commission trading** to attract retail investors, driven by competition, customer demand, and the rise of digital platforms that reduce operational costs.



## Digital Broker Platforms

The rise of **fully digital brokers** – offering seamless onboarding, AI-driven investment tools, and app-based trading—without the need for traditional sales teams or branches, driven by cost-efficiency, scalability, and a better fit for younger, tech-savvy investors.

Brokerage revenue ('24)  
Interest margin

642 bil VND  
12-14%



2,288 bil VND  
12-13%



Brokerage Model	Fully <b>digital broker</b> model	<b>Conventional hybrid</b> model (digital + sales force)
Client Onboarding	100% online via eKYC	Mostly online, but often with RM or sales support
Fee Structure	Zero commission on standard accounts (iTCInvest)	Low fee but not zero, still uses margin/spread
Revenue Focus	Mainly from margin lending, structured products, and digital upsell	Spread across margin lending, broker commissions, advisory
Sales Force	No sales team, purely app-driven	Large network of brokers and agents
Cost Structure	Lean, tech-based	Higher due to human resources and branches
Target Segment	Tech-savvy, DIY investors	Mass retail and guided investors



## Takeaways

- **TCBS** represents the **new wave of digital brokers**: zero fees, lean operations, tech-first strategy.
- **VPS** illustrates the **traditional brokerage evolution**: still strong but facing pressure to digitize and reduce costs.

# Key considerations when investing in securities companies in Vietnam

*Scaled, tech-led firms may justify higher valuations due to growth potential, margin resilience, and efficiency*

## 1 Economy of scale

- Brokerage is a **scale game** - firms with larger client bases can generate recurring revenue from margin lending, proprietary trading, and cross-selling.
- **2% market share threshold** - Those above 2% can better leverage scale, supporting stronger earnings and premium valuations.

## 2 Revenue Shifting Toward Lending & Trading

- Fee income is shrinking; focus has moved to margin lending and proprietary trading—boosting returns but also increasing volatility exposure.

## 3 Digital Capability

- Digital brokers like **TCBS, Finhay, Entrade X** are leaner and more scalable.
- Strong platforms reduce CAC (customer acquisition cost), boost retention, and enhance cross-sell potential (e.g., from stocks to bonds to structured products).

## 4 Funding Capacity & Leverage

- Brokers need strong balance sheets to expand margin lending.
- Watch **equity-to-debt ratio, leverage caps, and parent backing** (e.g., TCBS backed by Techcombank).

## 5 Regulatory Environment

- Margin caps, license restrictions, or capital requirements can restrict growth.
- Regulatory shifts (e.g., pushing for more transparency, client asset segregation) can hurt traditional players more.

Figure 8: Market Share & Scale

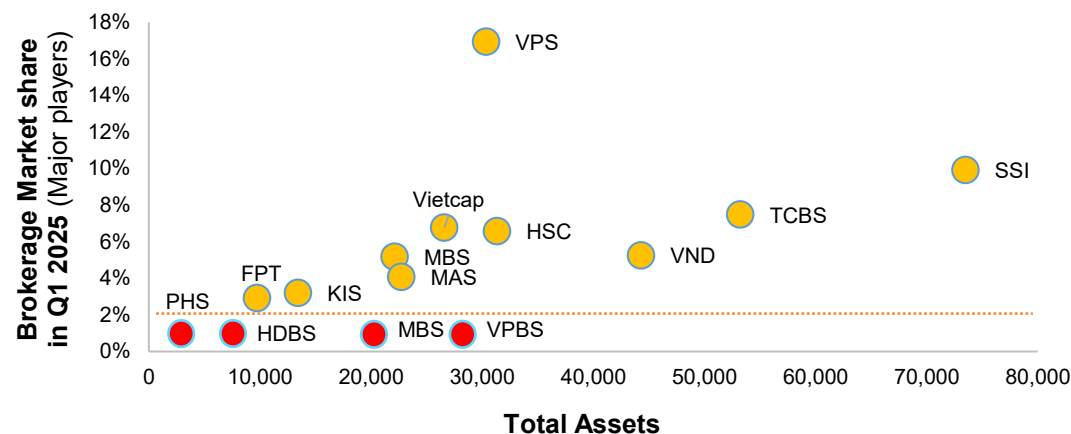
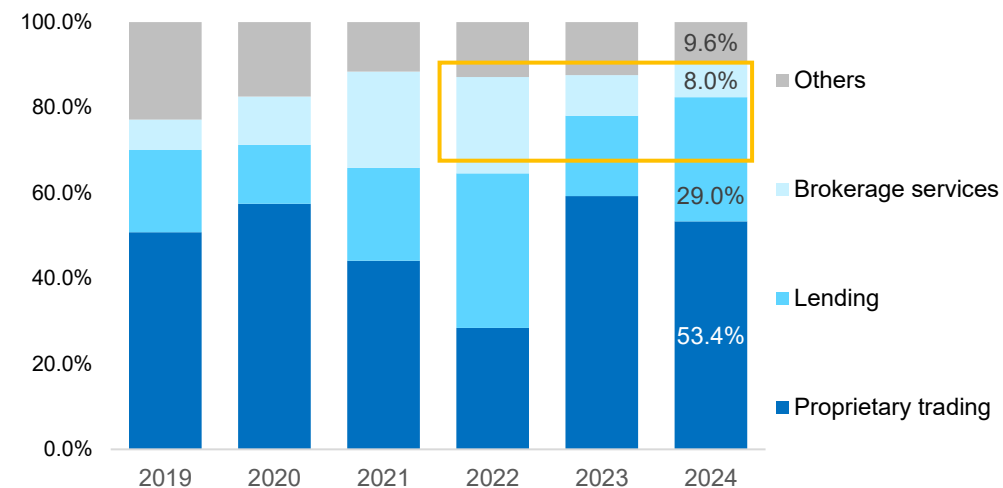


Figure 9: Gross profit structure



Source: FiinGroup



**FiinGroup**<sup>®</sup>  
ENLIGHTEN THE MARKET

**How can we assist potential investors in unlocking the potential of the Vietnam Securities Market?**





## Integrated provider of financial data, industry research and credit rating services





# Investor Services/ *How can we assist potential investors in unlocking the potential of the Vietnamese market?*

We support our clients to penetrate or expand their business in Vietnam, looking for investment targets or trusted trading partners via comprehensive and in-depth expertise

## 1 Industry Report

On-the-shelf industry reports providing clients with comprehensive information and in-depth analysis about market size, historical and forecasted growth, market share, market segmentation, competitive landscape, regulatory and policy framework, key growth drivers and key development trends, key player in-depth analysis to help assess the market's attractiveness and growth potentials.

## 2 Customized Market Research

Customized market study upon specific requirements by clients in addition to value-added services including investment target sourcing, company visits, and/or business matching.

## 3 Commercial Due Diligence

In-depth analysis of target company's market environment, competitive landscaping, its business attractiveness, and market positioning in M&A transaction. Thorough assessments of business risks and their impacts on the target's assumptions and business plans

## 4 Market Entry Advisory

Support of investors and/or entrepreneurs to explore investment or trading opportunities and develop optimal market entry strategies (i.e. M&A, Joint Venture, Minority Equity Investments, Foreign Direct Investments, Trading or any other partnership structure with local partners) with actionable recommendations for all stages in their business journey in Vietnam.

## 5 Merger Filing Support

Comprehensive merger filing support services to clients throughout a merger process, focusing on economic concentration and anti-competitive effect assessment.

### Main Clients:

- Foreign and local corporate clients
- Institutional investors
- Financial Institutions

### Usage:

- Market potential assessment
- Business intelligence review
- Investment target screening
- Trade connection/Business Matching



## Service Offerings & Sector Coverage



### Service Offerings

- Industry Report
- Customized Market Research
- Commercial Due Diligence
- Market Entry Advisory
- Merger Filing Services

A selection of sectors we cover:

#### Financial Services

- Banking
- Consumer Finance
- Payment Services
- Leasing
- Insurance

#### Food & Beverages

- Food Processing
- Food Services
- Beverage

#### Utilities

- Water Supply
- Energy

#### Consumer Retail

- ICT Retail
- Fashion Retail
- Convenience Store
- Health & Beauty Store

#### Construction & Construction Materials

- Cement
- Additives and Concrete
- Admixtures
- Steel & Other Metals
- Construction

#### Healthcare

- Hospital and Clinics
- Medical Equipment
- Pharmaceuticals

#### Industrial Goods

- Containers & Packaging
- Flexible Packaging

#### Logistics

- Warehouse (incl. cold chain logistics)
- Port Operation

#### Information & Communication Technology

#### Automobiles & Auto Parts

## Client Portfolio

### Japanese



### Korean



### Domestic



### International





# FiinGroup®

ENLIGHTEN THE MARKET

## Contact us

### **Oanh Tran**

#### **Manager, Market Research & Consulting**

T: +84 (024) 3562 6962 (ext.: 105)

M: +84 915390520

E: [oanh.trankieu@fiingroup.vn](mailto:oanh.trankieu@fiingroup.vn)

### **Lam Pham**

#### **Business Development Executive, Market Research & Consulting**

T: +84 (024) 3562 6962 (ext.: 105)

M: +84 93 181 9009

E: [lam.pham@fiingroup.vn](mailto:lam.pham@fiingroup.vn)

### Head Office

Level 10, Peakview Tower, 36 Hoang Cau Street, O Cho Dua Ward,  
Dong Da District, Hanoi, Vietnam

T: +84 (024) 3562 6962

E: [info@fiingroup.vn](mailto:info@fiingroup.vn)

W: <https://fiingroup.vn>

W: <https://fiinresearch.vn>

### Ho Chi Minh City Branch

Level 16, Bitexco Financial Tower, 2 Hai Trieu Street, Ben Nghe  
Ward, District 1, Ho Chi Minh City, Vietnam

T: +84 (028) 3933 3586/ 85

E: [info@fiingroup.vn](mailto:info@fiingroup.vn)

