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Securities Sector: 6M2025 Update

Buoyant Market Sentiment, Stronger Asset Recovery and Capital Raising to Support Sector Growth into 2026

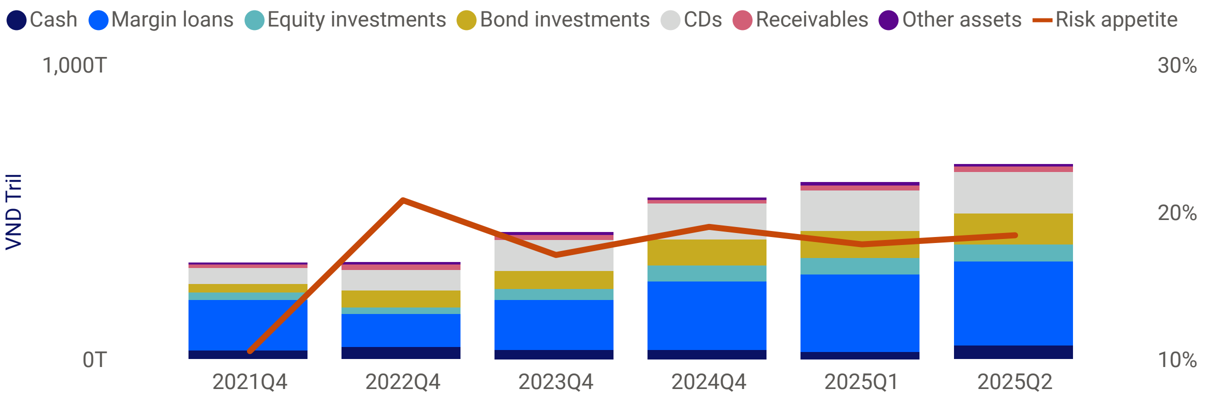
Vietnam's securities sector is gaining momentum in 2H2025, supported by improving asset quality, resilient profitability, and proactive capital management. Slower bond defaults and active asset recovery efforts are stabilizing asset risks, while strong collateral buffers continue to contain margin loan exposures. Profitability remains healthy, with firms managing credit losses and sustaining returns on capital. Leverage rose modestly in 2Q2025 due to increased short-term borrowings, but upcoming IPOs and equity issuances—potentially adding up to 25% of total equity for some large firms—are expected to support expansion and contain leverage. Liquidity remains adequate, with risks mitigated by increasing use of longer-term funding and good access to bank credit lines. Overall, buoyant market sentiment, active debt restructuring, and proactive capital raising are laying the groundwork for a more resilient and scalable sector heading into 2026.

Improved | Stable | Deteriorated

Factors	Trend	Key highlights
Asset Quality	Stable	**Slower bond defaults and debt restructuring efforts will help stabilize sector asset risk** • Sector exposure to higher-risk assets, such as unlisted shares and corporate bonds, increased to 20% in 2Q2025 from 19% in 1Q2025, driven by higher corporate bond investments from HDBS, TCBS, and BSI amid slower default rates • Firms with high exposure to defaulted bonds, such as VND (A- Stable) and TPS (BBB Stable), are actively accelerating bond recoveries and mitigate credit losses. Improved access to bank financing for bond issuers is also supporting asset risk stability • Asset risk for margin loans remains contained due to strong collateral buffers, although some private-bank-affiliated firms show higher concentration risk in large borrowers
Profitability	Improved	**Robust stock trading activity and investor sentiment will lift sector profitability** • Sector ROAA rose by 70 basis points quarter-on-quarter (QoQ) to 4.9% in 2Q2025, driven by stronger investment, bond advisory, and margin lending income amid improved investor sentiment • Firms with sizeable bond investments, such as TCBS and HDBS, recorded ROAA gains of 2 to 9.5 percentage points QoQ, supported by higher bond investment and advisory income. Rising stock trading volumes also boosted margin income for large firms like VPBANKS and SSI. • Profitability among equity-focused firms was mixed. Mid-sized firms such as VIX, SHS (A Stable), and CTS benefited from improved market valuations, while others – including VDS, VCI, FTS – incurred losses on their investment portfolios • We expect sector profitability to strengthen in 2H2025, as robust stock market sentiment and the anticipated upgrade of Vietnam to FTSE Russell's 'Secondary Emerging Market' status, which should drive growth in investment gains, margin lending, and advisory income
Leverage	Stable	**New capital raising will stabilize sector leverage** • Sector leverage ratio rose to 2.6x in 2Q2025 from 2.4x in 1Q2025, as bank-affiliated firms (e.g., SHS, TCBS, VPBANKS) increased short-term borrowings to support margin lending and corporate bond investment • Large firms, such as VPBANKS and VPSS, plan to raise equity through initial public offerings (IPO) over the next 2-3 quarters, with expected capital increases of up to 25% of total equity to support business expansion. In September, TCBS raised VND10.8 trillion from its IPO that was 2.5 times oversubscribed • Several firms nearing regulatory limits will require new capital to grow margin loans (e.g., HCM, MBS (A+ Stable)) and bond investments (e.g., VND) • If successfully executed, the capital raising will contain leverage growth as business expands into 2026. In contrast, a few firms (e.g., CTS) will remain reliant on external borrowings
Funding & Liquidity	Stable	**Sector liquidity remained broadly stable** • Sector liquidity inflows/outflows declined marginally to 100% in 2Q2025 from 102% in 1Q2025, reflecting increased short-term borrowings by bank-backed firms such as VPBANKS, TCBS, KAFI, and LPBS • We view liquidity risks will remain well-managed, as firms increase long-term funding (e.g., ACBS, SHS), proactively raise new capital (e.g., VPBANKS, TCBS, KAFI), and maintain good access to bank credit lines (e.g., CTS, LPBS)

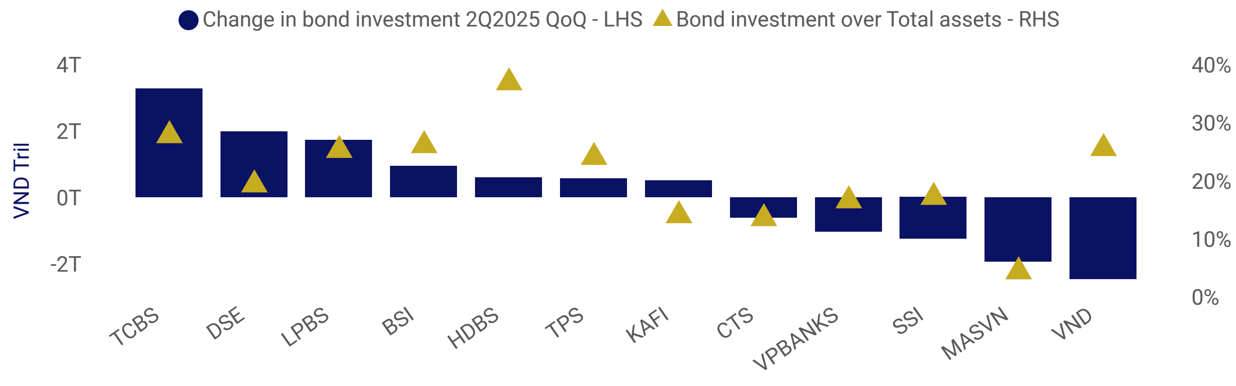
Slower bond defaults and debt restructuring efforts will help stabilize the sector's asset risk

Exhibit 1: The sector exposure to higher-risk assets increased...



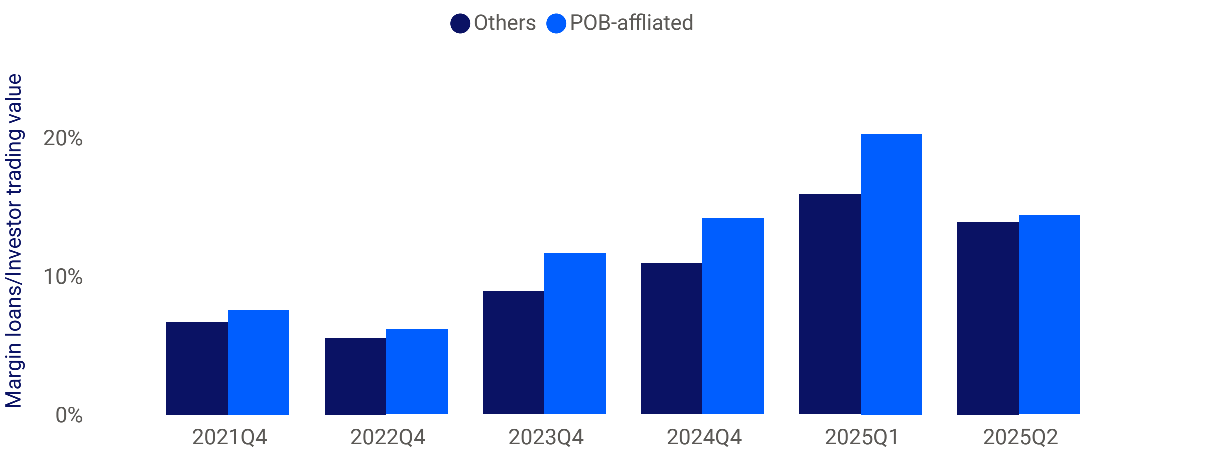
Note: Data includes top 30 securities firms by assets, covering around 90% of total sector assets
Risk appetite ratio is calculated as total higher-risk assets, including corporate bonds, unlisted shares, overdue margin loans and receivables, and off-balance sheet exposures, divided by tangible assets.
Source: Company data, VIS Rating

Exhibit 2: …driven by higher corporate bond investment amid slower bond defaults



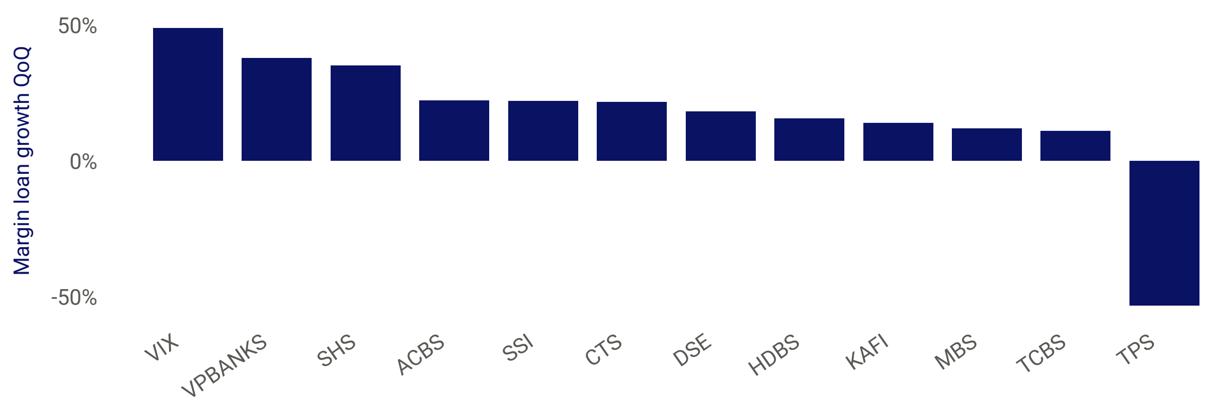
Note: Refer to the Appendix for the full name of securities firms
Source: Company data, VIS Rating

Exhibit 3: Some private-bank-affiliated exhibit exposure to large clients



Note: Data includes top 30 securities firms by assets, covering around 90% of total sector assets
Source: Company data, VIS Rating

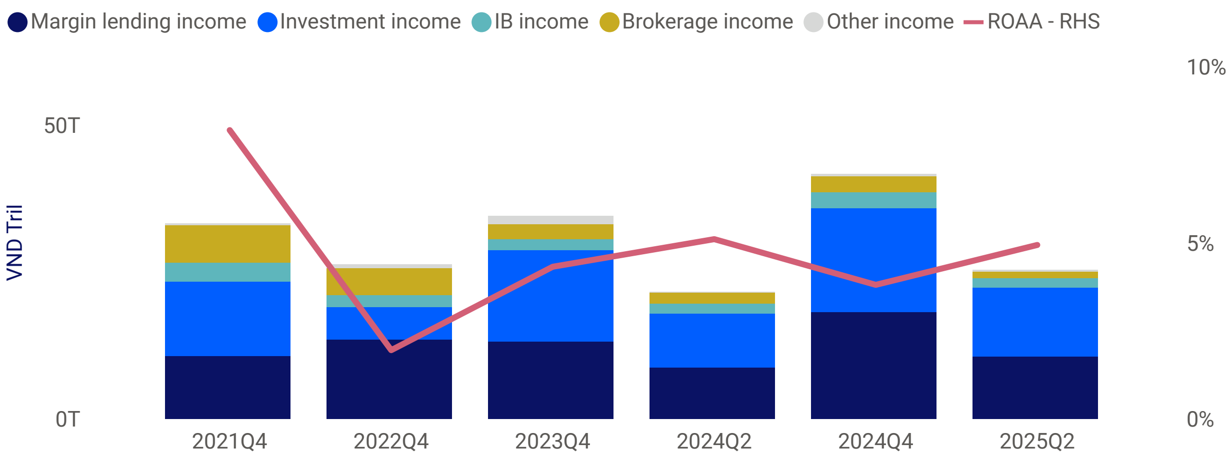
Exhibit 4: Margin lending growth led by private-bank-affiliated securities



Note: Refer to the Appendix for the full name of securities firms
Source: Company data, VIS Rating

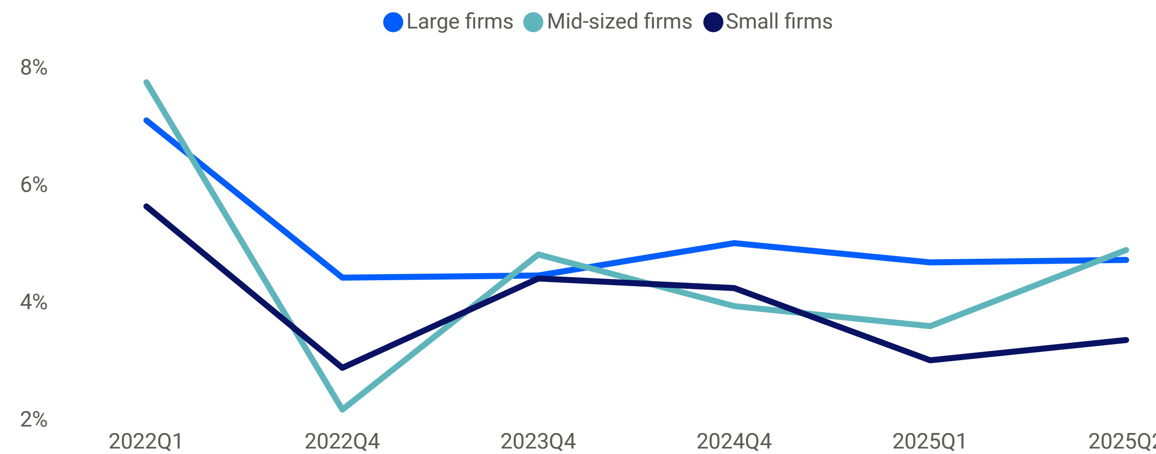
Robust stock trading activity and investor sentiment boosted sector profits

Exhibit 5: Sector profit improved driven by stronger investment, bond advisory, and margin lending income



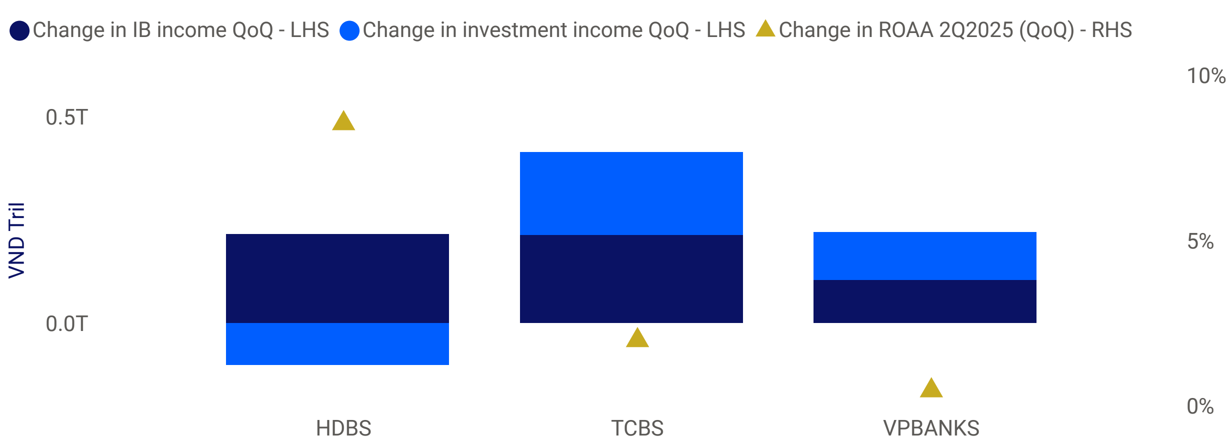
Note: Data includes top 30 securities firms by assets, covering around 90% of total sector assets
Source: Company data, VIS Rating

Exhibit 6: Mid-sized firms' profitability outperformed peers



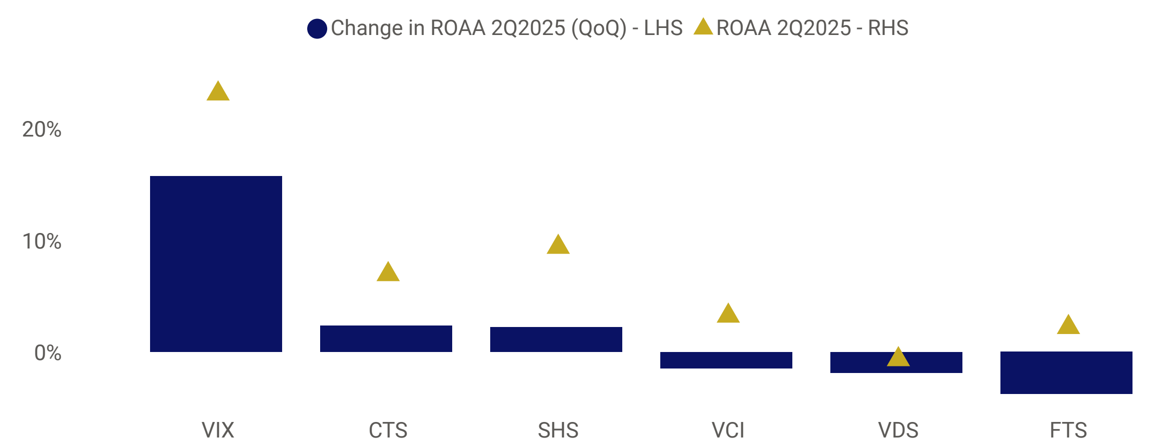
Note: Refer to the Appendix for the classification of securities firms
Source: Company data, VIS Rating

Exhibit 7: Bond-focused firms improved ROAA driven by higher bond investment and advisory income



Note: Refer to the Appendix for the full name of securities firms
Source: Company data, VIS Rating

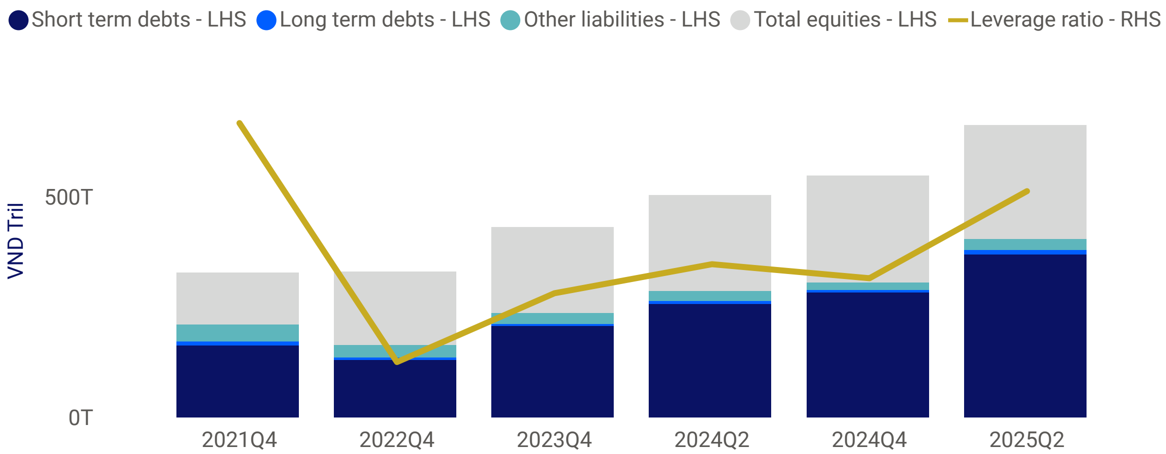
Exhibit 8: Profits among equity-focused firms were mixed



Note: Refer to the Appendix for the full name of securities firms
Source: Company data, VIS Rating

New capital raising plans will stabilize sector leverage

Exhibit 9: The sector leverage continued to increase in 2Q2025 …



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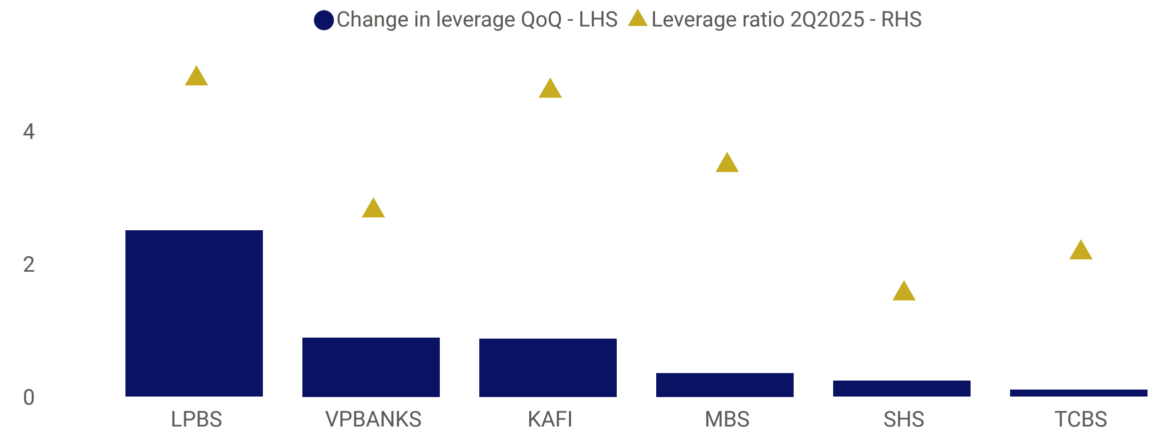
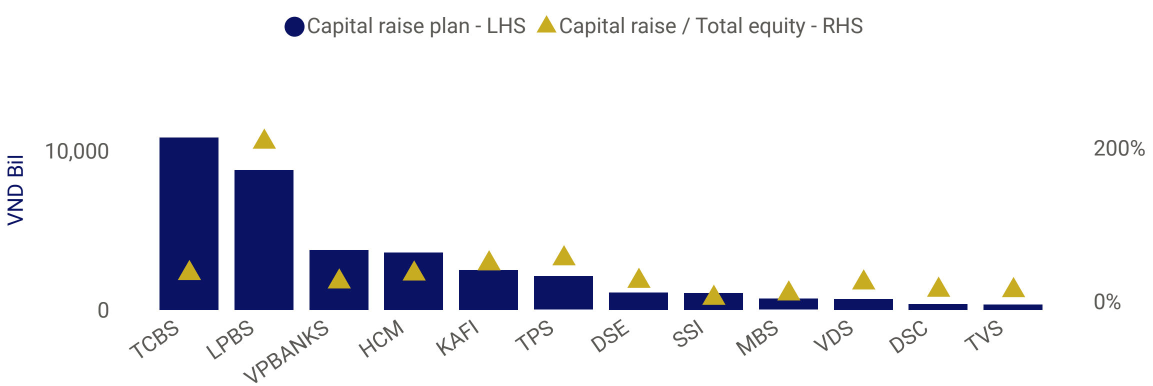
Source: Company data, VIS Rating

Exhibit 10: …led by bank-affiliated firms



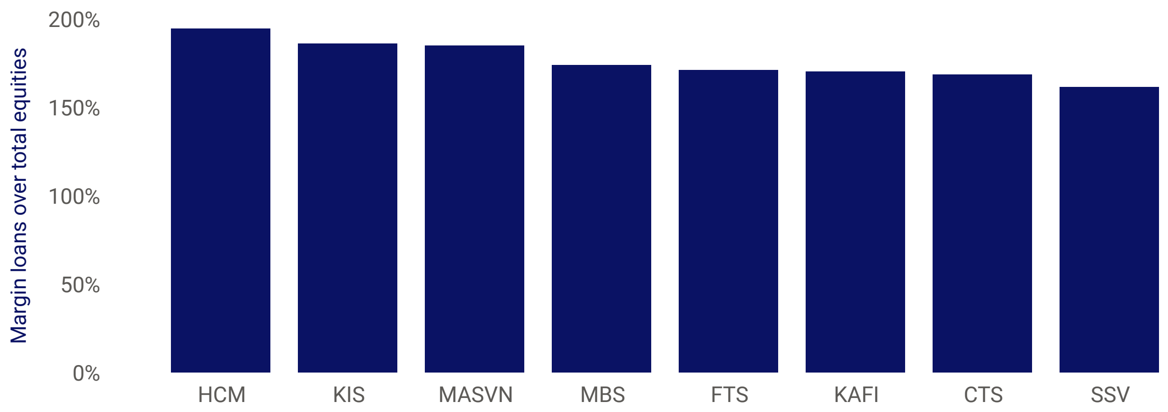
Note: Refer to the Appendix for the full name of securities firms
Source: Company data, VIS Rating

Exhibit 11: Large firms actively plan to raise new capital through initial public offerings



Note: Refer to the Appendix for the full name of securities firms
Total equities were as of 2Q2025; In September 2025, TCBS raised VND10.8 trillion from its IPO
Source: Company data, VIS Rating

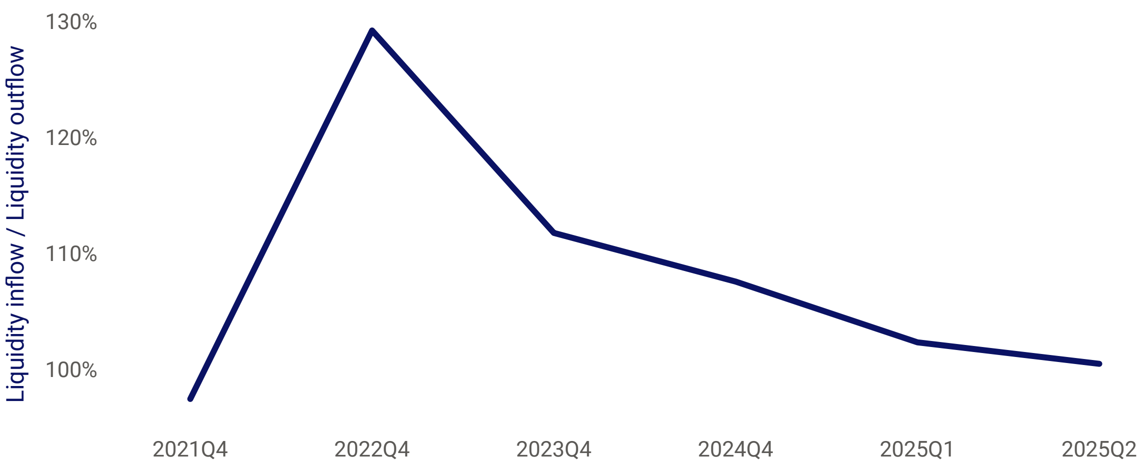
Exhibit 11: Several firms need new capital as they approach regulatory threshold



Note: Refer to the Appendix for the full name of securities firms
Source: Company data, VIS Rating

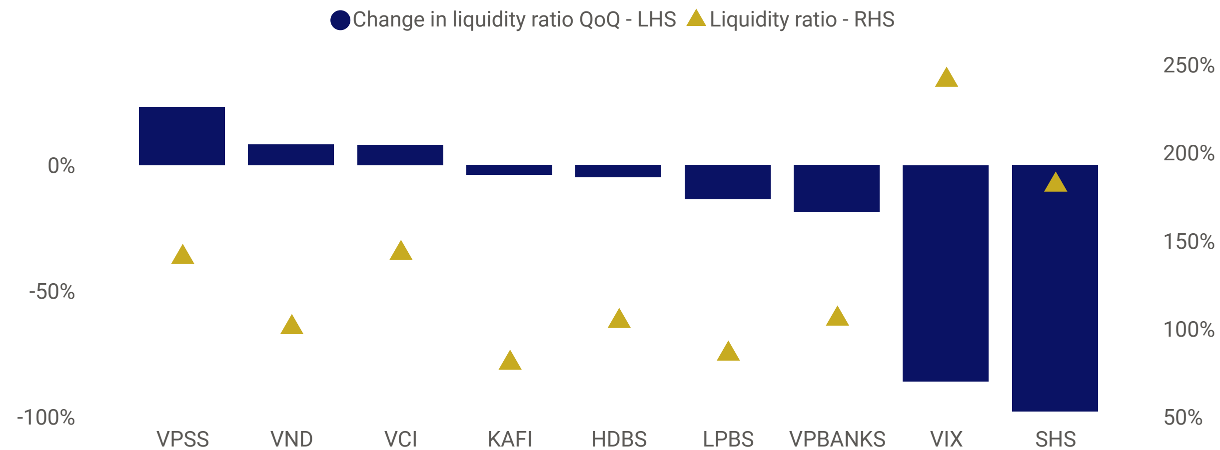
Sector liquidity remained broadly stable

Exhibit 13: Sector liquidity inflows/outflows continued to declined...



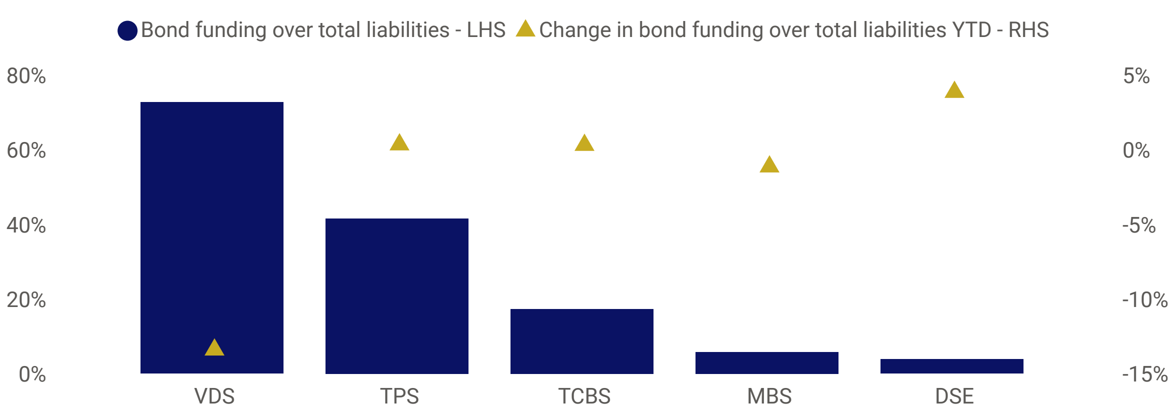
Note: Data includes top 30 securities firms by assets, covering around 90% of total sector assets
Source: Company data, VIS Rating

Exhibit 14: …due to higher short-term borrowings by firms affiliated with banks



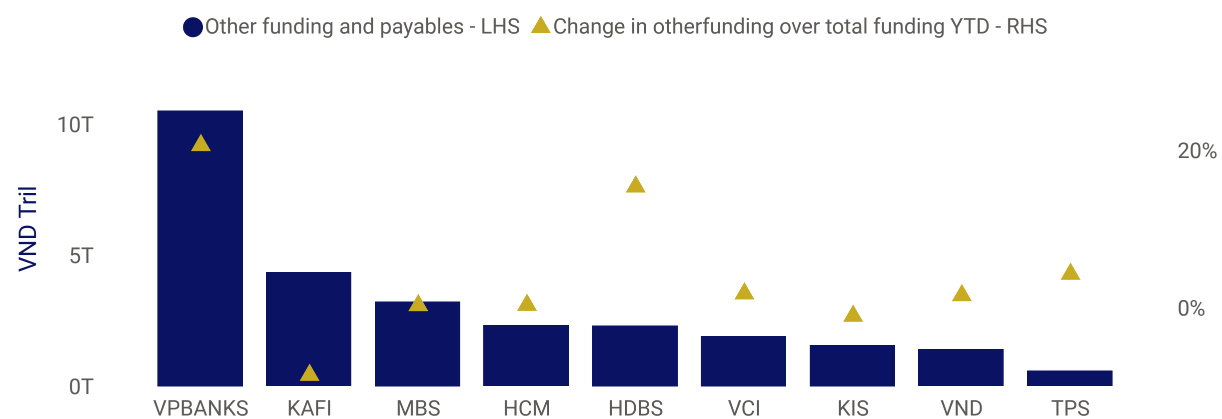
Note: Refer to the Appendix for the full name of securities firms
Source: Company data, VIS Rating

Exhibit 15: Firms improve their funding stability through higher long-term bond issuance



Note: Refer to the Appendix for the full name of securities firms
Data was as of 2025Q2
Source: Company data, VIS Rating

Exhibit 16: Several firms increased borrowings from customers



Note: Refer to the Appendix for the full name of securities firms
Data was as of 2025Q2
Source: Company data, VIS Rating

APPENDIX

The firms included in our analysis are as follows:

	Short name	Full name	Classification
1	SSI	SSI Securities Corporation	Large firm
2	TCBS	Techcom Securities JSC	Large firm
3	VND	VNDirect Securities Corporation	Large firm
4	HCM	Ho Chi Minh City Securities Corporation	Large firm
5	VPSS	VPS Securities JSC	Large firm
6	MASVN	Mirae Asset Securities (Vietnam) JSC	Large firm
7	VPBANKS	VPBank Securities JSC	Large firm
8	ACBS	ACB Securities Co., Ltd.	Large firm
9	VCI	VietCap Securities JSC	Large firm
10	MBS	MB Securities JSC	Large firm
11	VIX	VIX Securities JSC	Mid-sized firm
12	KIS	KIS Vietnam Securities Corporation	Mid-sized firm
13	SHS	Saigon - Hanoi Securities JSC	Mid-sized firm
14	KAFI	KAFI Securities JSC	Mid-sized firm
15	VCBS	Vietcombank Securities Co., Ltd.	Mid-sized firm
16	TPS	Tien Phong Securities Corporation	Mid-sized firm
17	BSI	BIDV Securities JSC	Mid-sized firm
18	DSE	DNSE Securities JSC	Mid-sized firm
19	KBSV	KB Securities Vietnam JSC	Mid-sized firm
20	CTS	Viet Nam Bank For Industry & Trade Securities JSC	Mid-sized firm
21	FTS	FPT Securities JSC	Small firm
22	HDBS	HD Securities Corporation	Small firm
23	SSV	Shinhan Securities VietNam Co., Ltd.	Small firm
24	TVS	Thien Viet Securities JSC	Small firm
25	VDS	Viet Dragon Securities Corporation	Small firm
26	YSVN	Yuanta Securities Vietnam Ltd Company	Small firm
27	MBKE	Maybank Securities Limited	Small firm
28	DSC	DSC Securities Corporation	Small firm
29	BVS	Baoviet Securities Company	Small firm
30	LVS	LPBank Security JSC	Small firm

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