SECTOR COMMENT
18 September 2026

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Securities Sector: 6M2026 Update

Bank-Affiliated Firms Drive Business Expansion, Though Profitability Softens and Credit Concentration Builds

Vietnam's securities sector faced a challenging 1H2026 as high interest rates and geopolitical uncertainty weakened investor sentiment and stock trading activity despite the FTSE upgrade. Higher funding costs and weaker equity returns pressured sector profitability, particularly among smaller firms with significant equity investment exposures. Supported by capital raising, bank-affiliated firms expand core business faster than peers, but growth became increasingly concentrated in a few large margin borrowers and corporate bond issuers, increasing credit concentration risk. We expect leverage and concentration risks to increase further in 2H2026 as business growth continues, although improving access to offshore and long-term bond funding should support refinancing resilience.

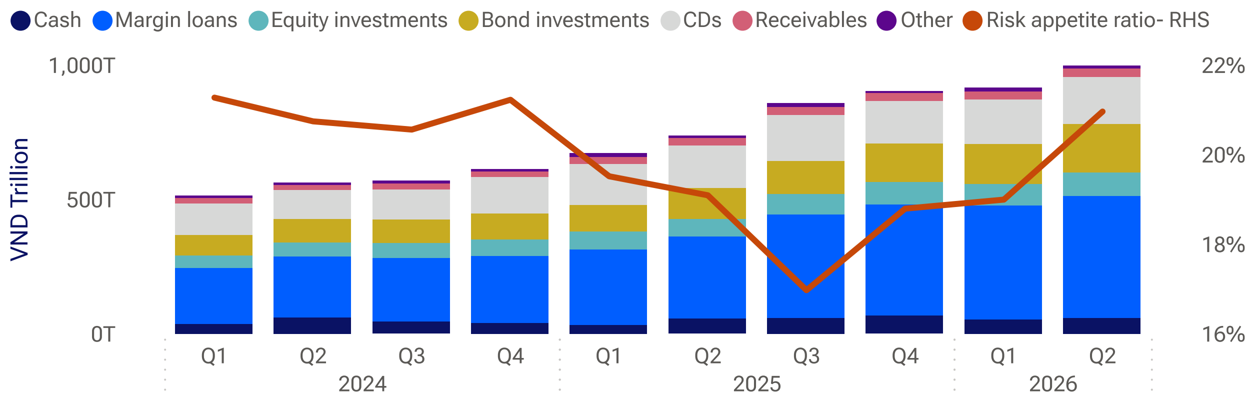
Improved **Stable** **Deteriorated**

Factors	Trend	Key highlights
Risk appetite		**Rising credit concentration will increase firms' vulnerability to large-borrower stress** • The sector's risk appetite ratio[1] rose to 21% in 2Q2026 from 19% in 2025, driven by higher bond investments in a few large property developers, mainly among private bank-affiliated firms (e.g., TCX, VPX, HDS, TPS). Firms exposed to distressed real estate and hospitality bonds (e.g., TPS, VND) face prolonged recoveries as high interest rates weaken issuer cash flows and constrain collateral liquidation. • Credit concentration in margin lending increased as weak retail demand prompted bank-affiliated firms to expand lending to large borrowers. • We expect sector credit concentration risk to rise further in 2H2026, as growing exposure to a few large bond issuers and margin borrowers heightens firms' vulnerability to borrower stress.
Profitability		**Higher funding costs and weaker equity returns outweigh stronger IB income, weighing most on smaller firms** • Sector ROAA declined to 4.3% in 1H2026 from 5.6% in 2025, as higher funding costs compressed margin-lending spreads, while weaker equity market valuations reduced proprietary trading returns. • Large firms, including several bank-affiliated firms, were more resilient, supported by stronger corporate bond advisory fees (e.g., HDS, TCX, VPX) and fixed-income gains (e.g., SSI, VCK), although these benefits only partly offset broader earnings pressure. • Small and mid-sized firms with larger equity investments (e.g. VIX, SHS, CTS, VDS) were hit hardest, pushing sector pre-tax earnings volatility to 145% from 140% and leaving 14 of 27 firms analyzed off track to meet their FY2026 profit targets. • We expect sector ROAA will remain at 4.2%-4.5% in 2026, below the 2025 level, as elevated funding costs compress core profits.
Leverage		**Significant capital raising supported stronger loss absorption buffers** • Sector leverage declined to 2.2x in 1H2026 from 2.4x in 2025, supported by VND40 trillion of capital raising by HDBS, LPS, VCBS, and VIX. • However, several fast-growing private bank-affiliated firms (e.g., TCX, VPX, SHS) increased short-term borrowing to fund margin lending and bond investments, supporting market-share expansion. • We expect sector leverage to rebound to 2.3x-2.4x in 2H2026, as continued balance-sheet growth increases borrowing needs while weak stock market conditions constrain capital raising activities. Without new capital in 2H2026, firms approaching regulatory limits on margin lending (e.g., BSI, CTS) and bond investments (TCX, HDS) will constrain core earnings growth.
Funding & Liquid Resources		**Funding diversification by bank-affiliated firms will strengthen refinancing resilience** • Capital raising reduced short-term funding reliance and lifted the sector's liquidity ratio to 107% in 2Q2026 from 105% at end-2025. • Offshore borrowings (e.g., TCX, VCI) and planned long-term bond issuance (e.g., TCX, SHS, TPS, LPS) will improve funding diversification and contain refinancing risk. • We expect sector liquidity to remain stable, supported by recent capital raising and adequate liquidity buffers.

[1] Risk appetite ratio is calculated as total higher-risk assets, such as corporate bonds, unlisted shares, overdue margin loans and receivables, and off-balance sheet exposures, divided by tangible assets

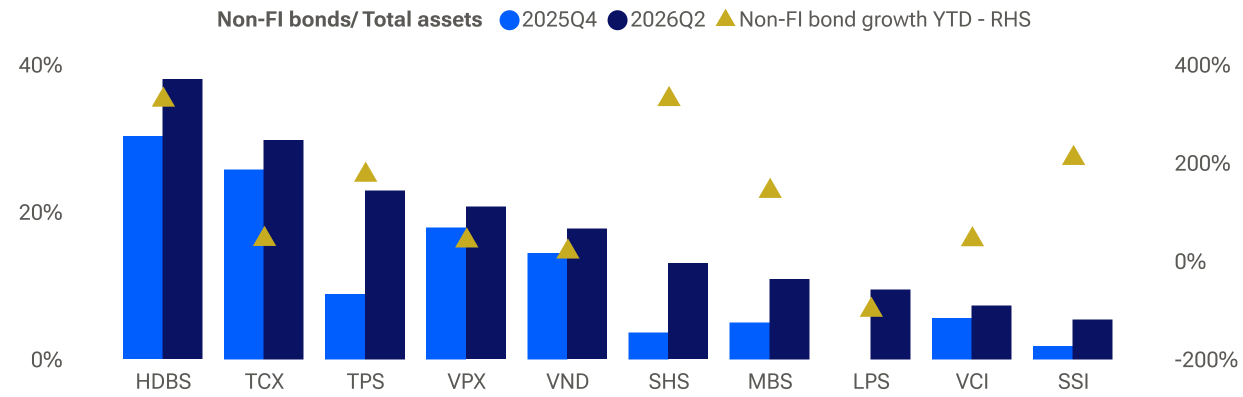
Rising credit concentration will increase firms' vulnerability to large-borrower stress

Exhibit 1: Sector risk appetite ratio increased, driven by higher bond investments



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: Non-FI bond investments increased across bank-affiliated firms, focusing on a few large developers



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

Exhibit 3: Slower margin loan growth amid weak retail demand...

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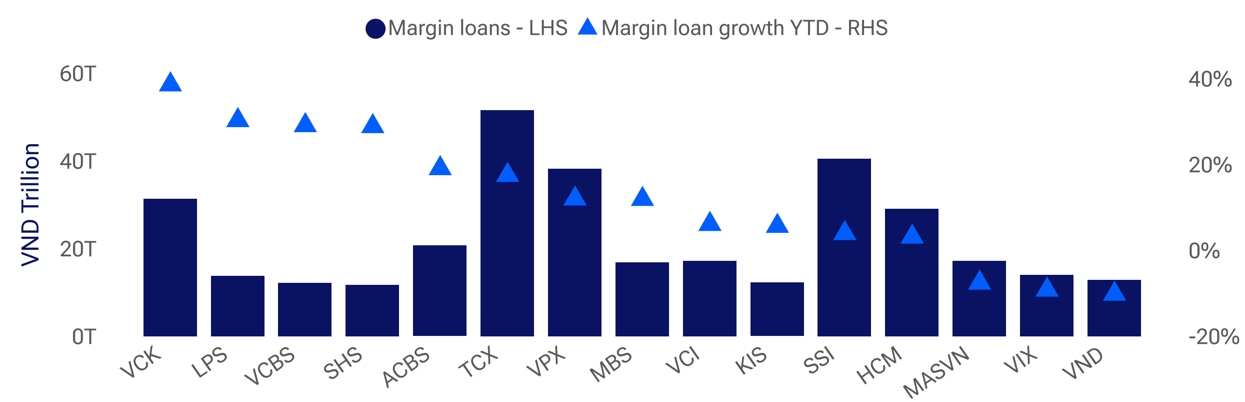
Source: Company data, VIS Rating

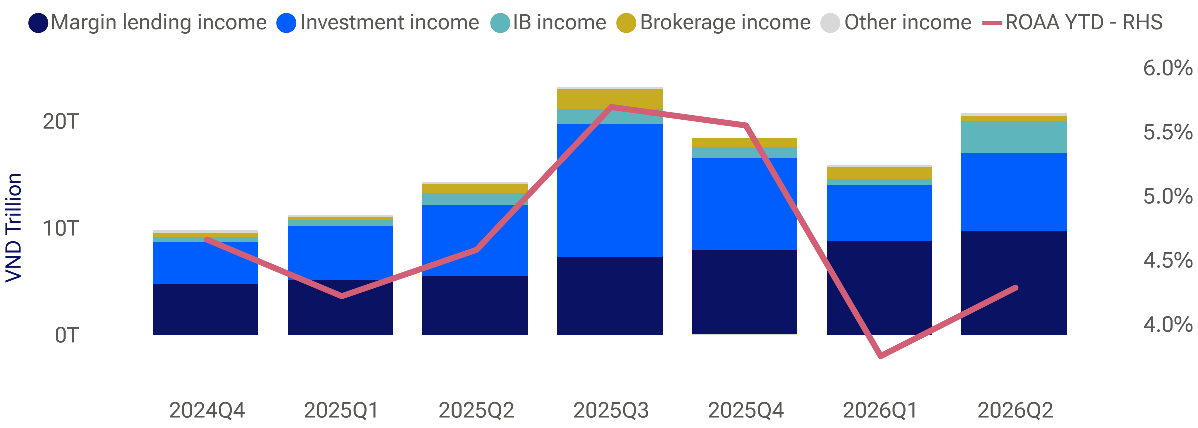
Exhibit 4: ...prompts bank-affiliated firms to expand lending to large borrowers



Note: Refer to the Appendix for the full name of securities firms
Data as of 2Q2026
Source: Company data, VIS Rating

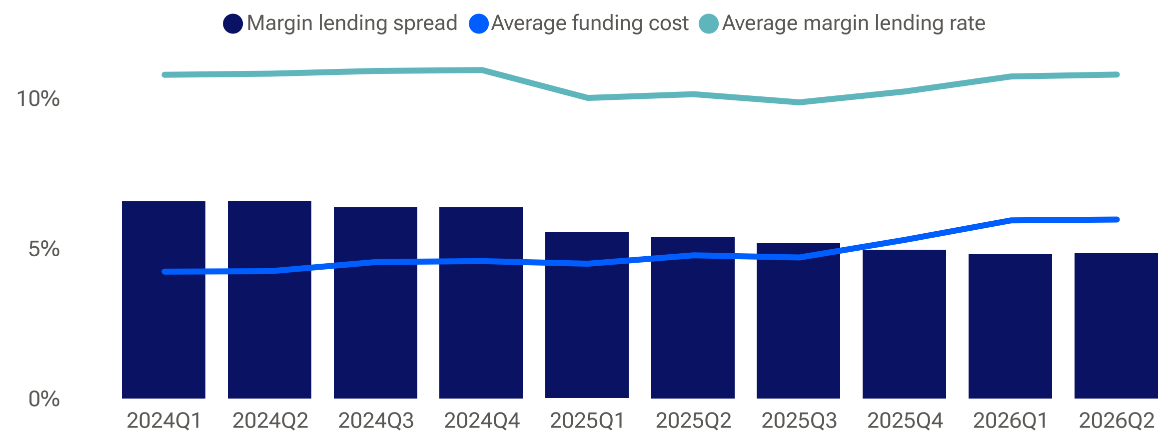
Higher funding costs and weaker equity returns outweigh stronger IB income, weighing most on smaller firms

Exhibit 5: Sector ROAA declined in 6M2026...



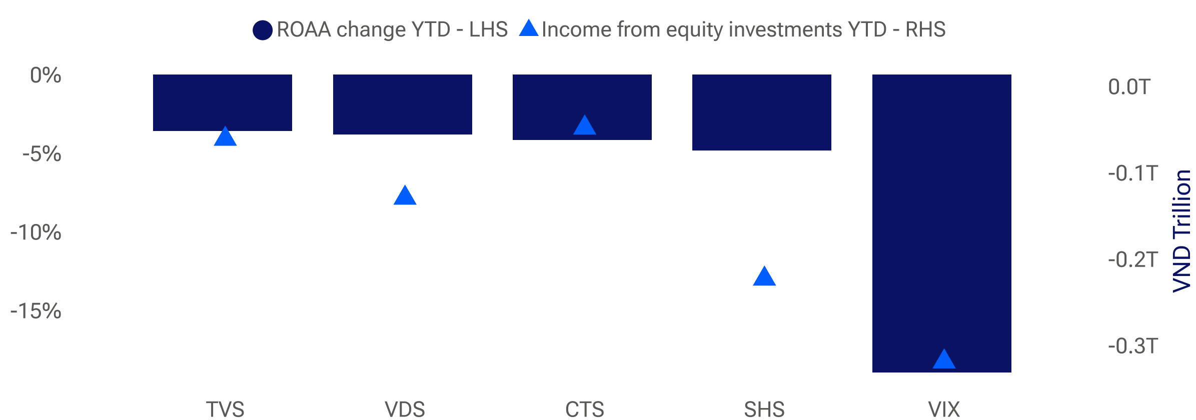
Note: Data includes top 30 securities firms by assets, covering around 90% of total sector assets
Source: Company data, VIS Rating

Exhibit 6: ... as higher funding costs compressed margin-lending spreads



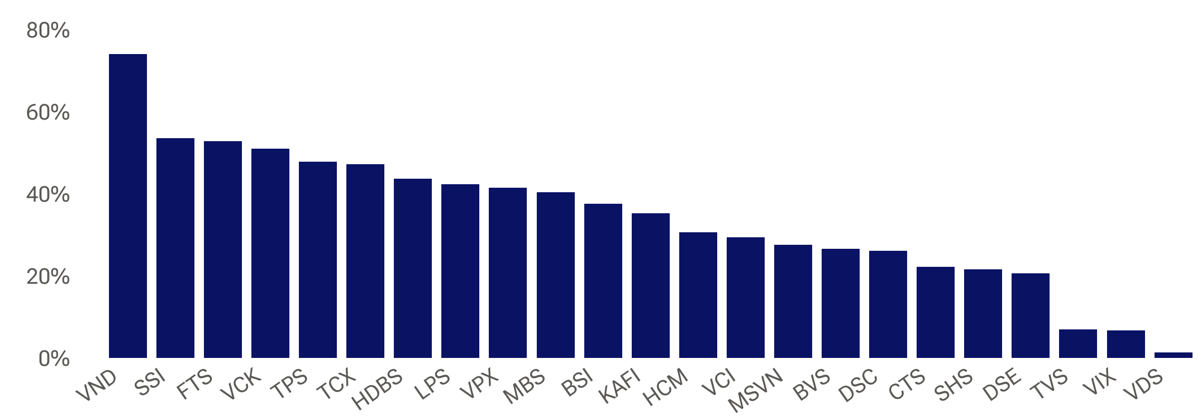
Note: Margin lending spread reflects the difference between average margin lending rate and funding cost; Average funding cost is calculated as financial expenses divided by total liabilities
Source: Company data, VIS Rating

Exhibit 7: Several small and mid-sized firms with larger equity investments were hit hardest



Note: Refer to the Appendix for the full name of securities firms; Data as of 2Q2026
Source: Company data, VIS Rating

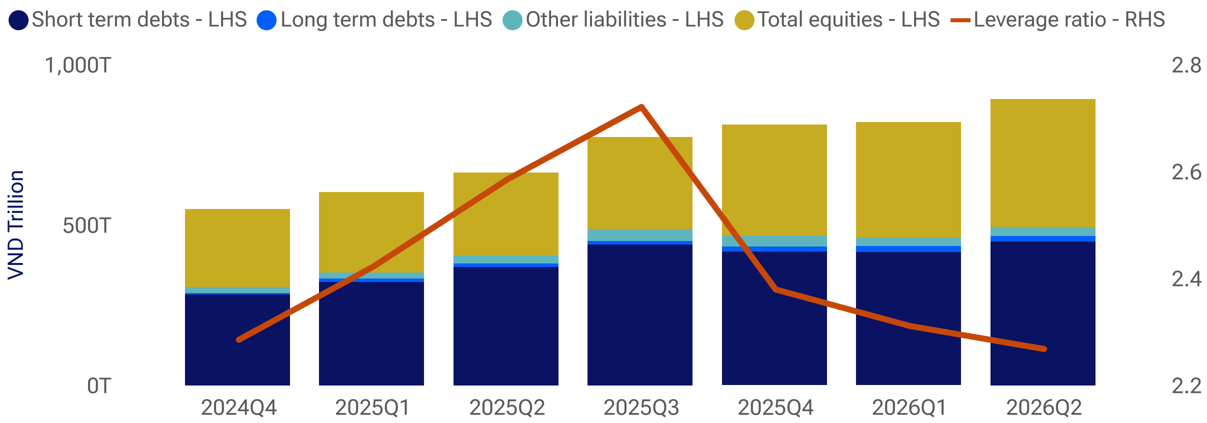
Exhibit 8: 14 of 27 firms off track to meet their FY2026 profit targets



Note: Data reflects PBT plan completion as of 2Q2026; Refer to the Appendix for the full name of securities firms
Source: Company data, VIS Rating

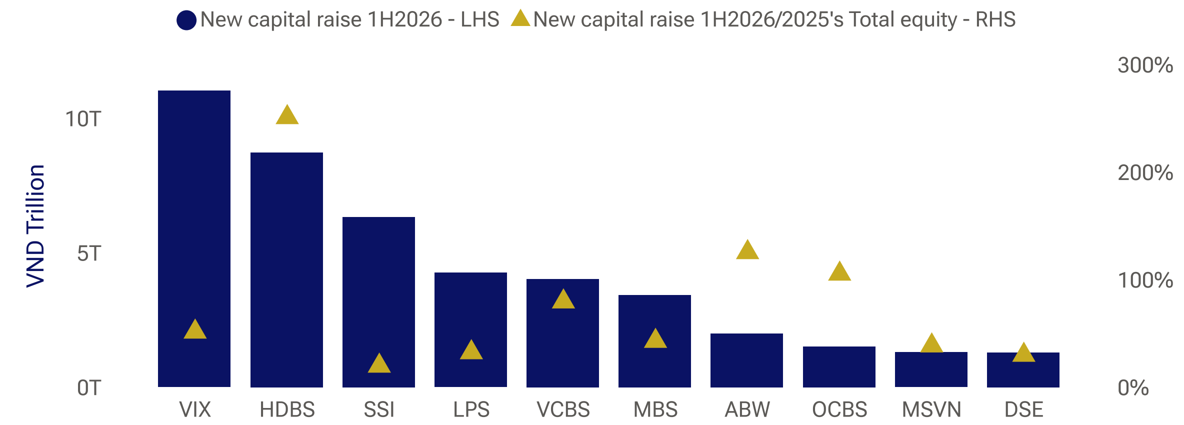
Significant capital raising supported stronger loss absorption buffers

Exhibit 9: The sector leverage ratio declined to 2.2x in 6M2026 ...



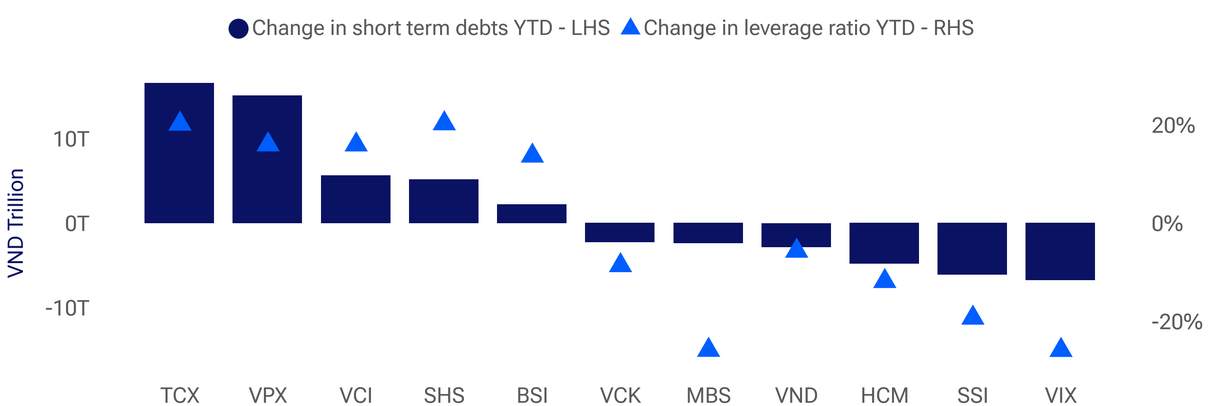
Note: Data includes top 30 securities firms by assets, covering around 90% of total sector assets
Leverage ratio is calculated as total of tangible assets and off- balance sheet exposures, divided by tangible common equity
Source: Company data, VIS Rating

Exhibit 10: ...supported by sizeable capital raising



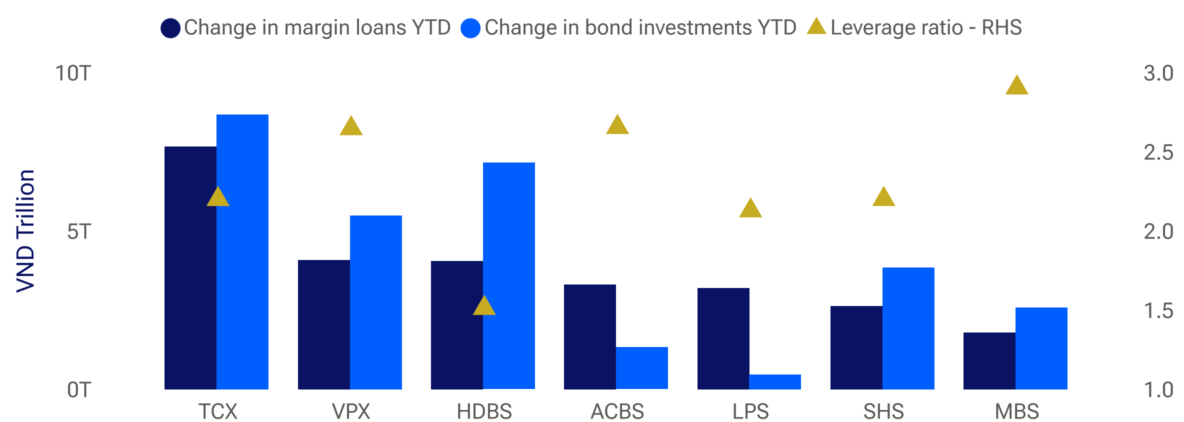
Note: Refer to the Appendix for the full name of securities firms; Data as of 2Q2026
Source: Company data, VIS Rating

Exhibit 11: Several fast-growing private bank-affiliated firms increased short-term borrowings ...



Note: Refer to the Appendix for the full name of securities firms; Data as of 2Q2026
Source: Company data, VIS Rating

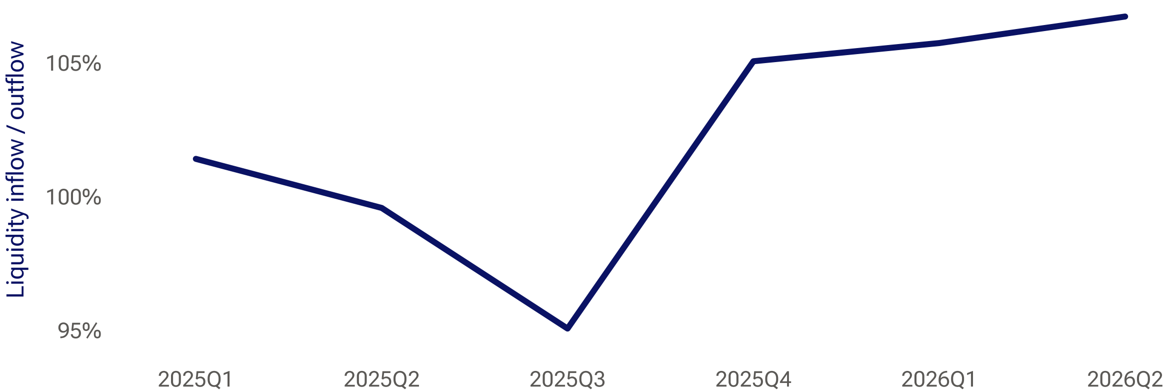
Exhibit 12: ... to fund margin lending and bond investments, thus market-share expansion



Note: Refer to the Appendix for the full name of securities firms; Data as of 2Q2026
Source: Company data, VIS Rating

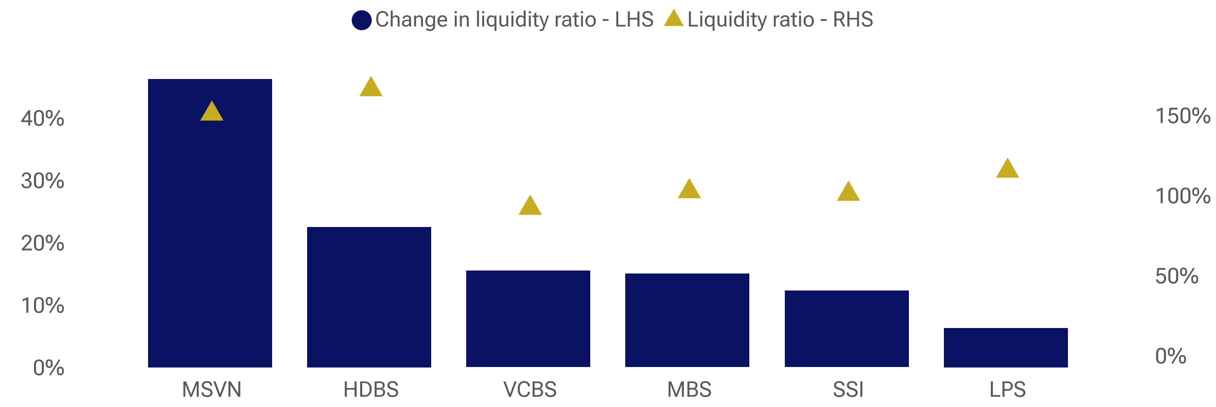
Funding diversification by bank-affiliated firms will strengthen refinancing resilience

Exhibit 13: Sector liquidity inflows/outflows improve to 107% ...



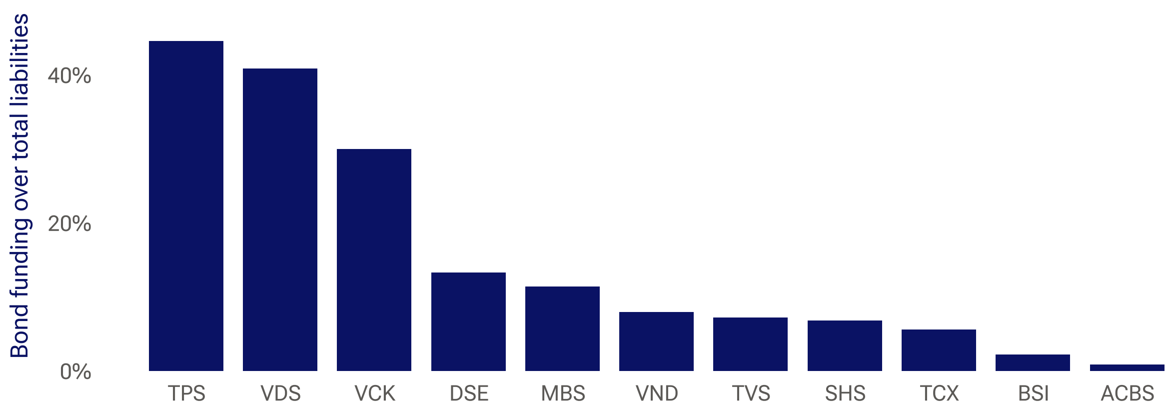
Note: Data includes top 30 securities firms by assets, covering around 90% of total sector assets
Source: Company data, VIS Rating

Exhibit 14: ... as new capital raises reduced firms' reliance on short-term borrowings



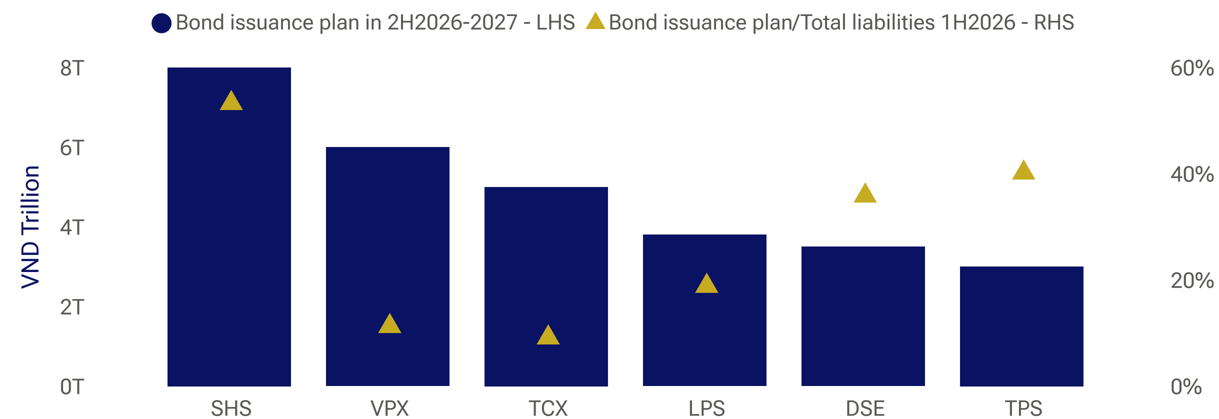
Note: Data includes top 30 securities firms by assets, covering around 90% of total sector assets
Source: Company data, VIS Rating

Exhibit 15: Offshore loans and planned long-term bond issuance across firms...



Note: Refer to the Appendix for the full name of securities firms; Data as of 2026Q2
Source: Company data, VIS Rating

Exhibit 16: ... will improve funding diversification and contain refinancing risk



Note: Refer to the Appendix for the full name of securities firms; Data as of 2026Q2
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 firms
2	TCX	Techcom Securities JSC	Large firms
3	VPX	VPBank Securities JSC	Large firms
4	VND	VNDirect Securities Corporation	Large firms
5	VCK	VPS Securities JSC	Large firms
6	HCM	Ho Chi Minh City Securities Corporation	Large firms
7	ACBS	ACB Securities Ltd., Co	Large firms
8	VCI	VietCap Securities JSC	Large firms
9	VIX	VIX Securities JSC	Large firms
10	MBS	MB Securities JSC	Large firms
11	LPS	LPBank Securities JSC	Mid-sized firms
12	KAFI	KAFI Securities JSC	Mid-sized firms
13	SHS	Saigon - Hanoi Securities JSC	Mid-sized firms
14	MASVN	Mirae Asset Securities (Vietnam) Joint Stock Company	Mid-sized firms
15	VCBS	Vietcombank Securities Company, Ltd.	Mid-sized firms
16	BSI	BIDV Securities JSC	Mid-sized firms
17	KIS	KIS Vietnam Securities Corporation	Mid-sized firms
18	DSE	DNSE Securities JSC	Mid-sized firms
19	TPS	Tien Phong Securities Corporation	Mid-sized firms
20	FTS	FPT Securities JSC	Mid-sized firms
21	KBSV	KB Securities Vietnam JSC	Small firms
22	CTS	VietinBank Securities JSC	Small firms
23	VDS	Viet Dragon Securities Corporation	Small firms
24	TVS	Thien Viet Securities JSC	Small firms
25	SSV	Shinhan Securities VietNam Co.,LTD	Small firms
26	DSC	DSC Securities Corporation	Small firms
27	BVS	Baoviet Securities Company	Small firms
28	MSVN	Maybank Securities Limited	Small firms
29	YSVN	Yuanta Securities Vietnam Ltd Company	Small firms
30	HDBS	HD Securities Corporation	Small firms

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