



FULL SPEED AHEAD IN VIETNAM'S YOUNG & DYNAMIC WEALTH MANAGEMENT MARKET

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SUMMARY

Vietnam's wealth management sector is undergoing an impressive upswing, propelled by the nation's robust economy and resilient financial markets. In the last decade, personal financial assets in Vietnam have outstripped the growth seen in Asian peers, igniting a burgeoning need for tailored financial advisory services, with a particular emphasis on retail clients. As this landscape continues to evolve, financial institutions must navigate with precision to seize the abundant opportunities offered by Vietnam's burgeoning wealth market.

These are all topics that we seek to unravel at our upcoming Hubbis Vietnam Wealth Management Forum on Wednesday 8th November, which is dedicated to focusing on the evolution of wealth management in Vietnam's young but maturing, diversifying and also increasingly digital wealth market. The event will recognise the state of evolution of wealth management in Vietnam, erring on the side of advancing skills and knowledge amongst the incumbent competitors and new players coming in.

Be sure to [CLICK HERE](#) to find out more about the forum, and secure your place at the discussion.



» Setting the scene

By 2027, Vietnam is anticipated to emerge as a PFA (Personal Financial Assets) market approaching \$600 billion, experiencing an annual growth rate of 11 percent from a baseline PFA of approximately \$360 billion as of year-end 2022.

Managed wealth assets are expected to constitute a larger share of overall PFAs, with varying starting points among customer segments. The affluent segments are projected to grow nearly five-and-a-half times by 2027, while HNWI segments are expected to double within the same period. This translates to an estimated additional \$65 billion to \$75 billion of managed wealth assets available for institutions to capture.

A Closer Look at the Key Players

Banks, are capitalizing on their extensive customer base and distribution network to provide comprehensive wealth solutions. They are also making efforts to bolster their in-house investment capabilities, often involving collaborations with subsidiaries such as securities and fund management firms. Local commercial banks are emerging as leaders, despite their solution offerings being in early developmental stages. Meanwhile, global banks already established in Vietnam are swiftly catching

up by focusing on digital wealth solutions and facilitating cross-border connectivity.

Insurers are recognizing the substantial potential within the wealth management sphere and are actively devising strategies. While they have expanded their range of financial advisory offerings, their primary focus remains on insurance products. The significant opportunity for insurers lies in delivering integrated insurance and investment solutions as part of comprehensive wealth management services.

FinTechs are emerging but remain in their early stages of development. It's important to note that these archetypes could evolve as the wealth management sector continues to grow, as has similarly been witnessed in the more developed markets in the region.

In addition, there has been an emergence of fledgling private client practitioners and wealth solutions providers and advisors in Vietnam, reflecting a growing demand for financial services within this vibrant market.

What factors contribute to the underdevelopment of Vietnam's wealth management sector?

There are a number of factors that have constrained growth so far – the following are the priority concerns:

- » Lack of Trust in Financial Institutions - Many customers lack trust in financial institutions, and prefer to maintain wealth in traditional banking products with high liquidity, such as savings and term deposit accounts. Education of clients and a needs based financial services offering is vital to address this.
- » Limited Depth and Breadth of Wealth Management Products – Vietnam faces similar challenges to China in so far as foreign exchange controls are concerned, limiting the ability to diversify investments more broadly. This requires innovation in developing attractive and differentiated product in Vietnam's domestic market.
- » Unmet Customer Needs by Relationship Managers (RMs) – Due most likely to poor investment in training, RM's are failing to provide a systematic and professional service to clients.
- » Limited Multichannel Engagement – There has been insufficient adaption to a hybrid client facing and digital client engagement methodology. Investment in digital engagement methods is vital.

CONCLUDING THOUGHTS

Vietnam possess significant opportunities for banks, insurers, financial advisory firms and the Fintech community. As summarised above, whilst there are some challenging shortfalls, the opportunities for the financial services providers who bridge these gaps is significant.

At the [Hubbis Vietnam Wealth Management Forum 2023](#) on Wednesday 8th November, we will draw on the views of experts in the market to seek to decode just how one can go about accomplishing just that.