Fintech Vietnam Market Map: Missing B2B Fintechs is a Chance for Swiss SMEs

Over the past year, Vietnam’s fintech industry has grown significantly on the back of rising adoption of digital transactions, a booming e-commerce industry and a broader push by the government to boost digital payments, according to Fintech News’ latest report on the domestic fintech landscape.

Investors continued to be bullish on the potential of fintech in Vietnam this year, pumping millions into local startups.

In 2019, Vietnam already ranked second in ASEAN in terms of fintech funding, attracting 36% of all of the region’s fintech investment. The optimism comes as Vietnam is experiencing a boom in digital payments and e-commerce activity amid COVID-19 restrictions and fear of contagion.

In Q1 2020, electronic payments increased by 76% with the total value of transactions jumping 124% compared to Q1’19. Players in the space recorded unprecedented growth, with payments on mobile wallet MoMo doubling since February.

E-commerce activity also significantly picked up this year, with overall visits to shopping apps reaching 12.7 billion in Q2 2020 and growing 43% quarter-on-quarter.

These new customer behaviors are in part driven by the government’s ongoing push for greater development and adoption of technology in the banking and financial sector. State Bank of Vietnam governor Le Minh Hung cited promoting non-cash payments, digital banking and green banking as the three top priorities for the industry for the 2020-2025 period.

Over the past couple of years, the Vietnamese fintech startup scene has grown from 44 companies in 2017 to now more than 120 companies.

These companies operate across a broad range of areas, though payments remain the dominant segment with companies in the space representing 30% of all fintechs in Vietnam.

Though it is apparent that the Vietnamese fintech industry is getting more and more crowded by the day, there are still gaps to fill. For one, the market is largely dominated by players operating under a business-to-consumer (B2C) model, leaving plenty of space for B2B players, notably those that leverage technology to help incumbent banks and financial institutions rapidly digitize, automate, and reduce their costs.

This represents a major opportunity of mature Swiss fintech companies that are internationally oriented to expand into the Southeast Asian country and help the local banking industry in their digital transformation.

Vietnamese banks have accelerated their digital push, partnering with fintech companies to ramp up effort. Vietnam’s Tien Phong Commercial Joint Stock Bank (TPBank), for example, recently partnered with digital-first banking platform Backbase to provide the bank’s customers with digital-first products and services.

Swiss fintech companies are particularly active in the B2B segment, and Swiss players such as Avaloq, Temenos and Adnovum have built a global reputation for creating trustworthy, reliable and innovative solutions for an international audience.
SWITZERLAND – WHERE FINTECH MEETS INNOVATION AND QUALITY.

Its rich heritage of financial security, strong privacy laws and a pragmatic regulatory approach have made Switzerland a vibrating hub for new business ideas in the field of fintech, ranging from blockchain to cybersecurity. The country fosters innovation while offering a secure regulatory framework.

Locate in Switzerland and grow your business.
Learn more about the Blockchain Hub Switzerland: s-ge.com/blockchain
VIETNAM AT A GLANCE

97.4 MILLION POPULATION

35.69 M URBAN
30.8% BANKED
81.19 M INSURED

45% SMARTPHONE PENETRATION
57% INTERNET PENETRATION
25.28 ATMS PER HUNDRED THOUSAND ADULTS

26.74% DEBIT CARD OWNERSHIP
4.12% CREDIT CARD OWNERSHIP
69% HAVE SAVINGS

Source: Global Findex, Statista, Nielsen Vietnam, UNDATA, Hanoi Times
There were 39 startups on the Vietnamese fintech scene in 2015. It was followed by an insubstantial increase to 44 startups within the next two years. Most of them (23 in 2015), like nowadays, belonged to the payments segment.

The number of fintech companies in Vietnamese market had almost tripled from 44 to 124 startups in 2 years from 2017 to 2019 with the most noticeable increase in P2P Lending startups, from 3 to 23 startups. New startups appeared in every sector of the fintech scene.

However, the current disposition has remained more or less steady since 2019 with new contenders in Payments and Insurtech sectors, as well as several P2P Lending, Blockchain, and POS startups that had to quit the market.
There is a total of 123 fintech startups in Vietnam. The representatives of the top 5 sectors have taken 75% of the total number (Payments, P2P Lending, Blockchain, POS, Wealth Management), while 36 Payments and 20 P2P Lending startups together make almost a half (47%) of all market players.

A number of unlicensed startups in mobile payment industry was not considered, see further Payment Suppliers.
Vietnam is now home to more than 120 fintech startups covering a broad range of services that include digital payments, alternative finance, wealth management and blockchain. But with the government working on new developments, including a regulatory sandbox, and new regulatory guidelines, notably in the field of P2P lending, among other initiatives, 2020 and the years ahead promise to be exciting for the Vietnamese fintech sector.
FUNDING

FUNDS RAISED BY FINTECH STARTUPS

Jan ‘19  Momo raised $100 million in the Series C funding round led by Warburg Pincus ($100 million)

Apr ‘19  Utop secured a $3 million investment from FPT and SBI Holdings

Jul ‘19  e-wallet VNPAY’s parent company raised $300 million from SoftBank’s Vision Fund and GIC

Nov ‘19  Axie Infinity raised $1.5 million from Pangea Blockchain Fund, Hashed, ConsenSys, and 500 Startups

Dec ‘19  Interloan secured $500,000 in investment from Phoenix Holdings

Apr ‘20  Finhay had secured a funding round led by Acorns co-founder Jeffrey Cruttenden and Thien Viet Securities

Sep ‘20  Fvndit raised $30 million for its Vietnamese peer-to-peer (P2P) lending firm. Kim An Group, which specializes in credit scoring technology, secured an undisclosed amount of Series A funding from Patamar Capital, Viet Capital Ventures, and East Ventures.
PAYMENT SUPPLIERS

LICENSED MOBILE PAYMENT PROVIDERS

In December 2014, the State Bank of Vietnam (SBV) issued the Circular No. 39/2014/TT-NHNN which sets a series of rules banks and non-bank organizations in Vietnam must follow in order to be permitted to offer intermediary payment services such as electronic payment portal, cash collection and payment services, electronic money transfer services, and e-wallet services.

As of October 2020, there are 39 licensed service providers.
Grab acquired a stake in a Vietnamese mobile payment startup Moca

VinID acquires payment firm People Care (MonPay digital wallet app)

Vimo Technology JSC and mPOS Technology JSC are merging into a combined entity named NextPay Holdings

Ant Financial acquired a substantial stake in e-wallet eMonkey. In November 2019, Lazada Vietnam integrated eMonkey into its platform.

Vietnam drops proposed 49% foreign ownership cap in e-payment firms

Indonesia’s Gojek has acquired controlling interest in WePay
BANKS IN FINTECH

2017 - **VIB** partnered with Vietnamese fintech **Weezi Digital** in 2017 to launch MyVIB Social Keyboard, an app that allows customers to transfer money on social networks.

2018 - “In Vietnam, 72 percent of financial technology firms choose to cooperate with banks in their business and service delivery, instead of entering a direct competition.” - according to an official from the State Bank of Vietnam (SBV)

2019 - In an interview to Vietnam Economic Times, Marc Djandji, Entrepreneur in Residence at VIISA’s Fintech Lab, shared his belief that more cooperation is a win-win for banks and fintechs.

2020 - In Vietnam, digital banking development is accelerating on the back of rapid fintech adoption, a booming e-commerce industry and the COVID-19 pandemic. Although multiple banks have chosen to partner with foreign fintechs, for example **VietinBank** and **Opportunity Network** (UK), **CIMB Bank Vietnam** and **Toss** (Korea), **VPBank** and **BE Group** (Sweden), **OCB** and **RippleNet** (US), and **TPBank** with **Backbase** (Netherlands), some other banks have joined forces with local startups.

After five years of operation, **Timo** dropped its initial banking partner **VP Bank** and switched to **Viet Capital Bank**. The digital banking platform was rebranded to **Timo Plus** and introduced a new website and mobile app.

**Shinhan Financial Group** announced on October 22, that it had signed a memorandum of understanding with the Vietnamese subsidiary of Singapore-based ride-hailing giant **Grab** to jointly develop new digital financial services.

“Considering the model of financial inclusion which is needed in Vietnam, the number of potential customers that are free and untouched is so huge, the potential is there for Vietnamese start-ups and Vietnamese banks, the question is who grows and by how much.” - Varun Mittal, EY ASEAN FinTech Leader¹.

Source:
¹ Driving growth through innovation in Vietnam - EY
In 2018 Grab and Moca announced strategic partnership to expand payments services more quickly and efficiently across Vietnam on Grab Platform. In November 2020 Grab Vietnam and Lazada Vietnam jointly announced a partnership that would see integrations of the two companies’ offerings on their respective platforms.

In April 2018, NganLuong, Vietnam’s largest payment gateway, entered into a partnership with VeriME, a Singapore-based fintech startup that offers blockchain-powered digital identity verification service (VaaS — Verification as a Service) that ensures that user authentication and verification process are done directly without any third party as a mediator.

In April 2019, Citi enters partnership with Vietnam-based fintech Payoo to facilitate consumer-to-business collections for corporate clients in the country.
In March 2018, Uber stopped its operation in several South-East Asian countries and sold its Vietnam business to Singapore based competitor Grab. Grab accounted for 73% of ride-share trips in Vietnam in first half of 2019.

In September 2018, Go-Jek announces full launch in Vietnam with partner Go-Viet.

In August 2020, GoViet officially rebrands as Gojek Vietnam.
According to local media citing statistics from the SBV, in 2019 there were estimates of 4.2 million e-wallet users out of the country’s nearly 100 million people, leaving plenty of opportunities for players.
**TOP E-WALLETS**

4 of the 5 following e-wallets along with a P2P Lending startup Tima have been recognized as the 5 fastest growing fintech companies in Vietnam within the scope of IDC’s FinTech Fast 101 research.

**MoMo** is an e-wallet and mobile payment app developed by Vietnamese company M_Service. MoMo enables users to pay online, make peer-to-peer transfers, buy games credit, top ups, as well as pay utility bills. MoMo currently supports payments to nearly 100 services providers and online businesses and is integrated with 24 domestic banks, as well as international payments networks including Visa, MasterCard and JCB. As of October 2018, the service had nearly 10 million users on both iOS and Android. MoMo was named one of the 2018 Fintech 100 Leading Global Fintech Innovators by H2 Ventures and KPMG.

**Payoo** has more than 10 years experiences in intermediary payment services. Having connected to more than 40 banks and 12,000 payment accepted points in Vietnam, Payoo offers multi – payment methods which help customers pay for anything on both offline and online.

**Moca** provides a free mobile payment application for Vietnamese consumers. The company was granted a license for payment services by the State Bank of Vietnam (SBV) in 2016 and has a network of 11 local banks as partners. In September, Moca signed a partnership with Grab to launch GrabPay by Moca, a mobile wallet integrated into Grab’s app in Vietnam. The deal seeks to leverage the strengths of both companies: Grab chose Moca for their local knowhow and access to licenses, while Moca will gain traction through its integration with Grab. Grab is an investor in Moca.

**Zalo Pay**, a service that lets users link a payment card to make P2P payments, pay via NFC, QR codes, as well as purchase products and services online, mobile topups, and pay their utility bills. Zalo Pay is integrated with Vietnam’s popular messaging platform Zalo and requires users to log in using their Zalo account.

**ViettelPay**, a digital banking service launched in June 2018 and developed by the Military Industry-Telecoms Group (Viettel) has offered various digital payment services. ViettelPay also offers a free money transfer service to 40 Vietnamese domestic banks via phone number, bank accounts, or ATM card numbers.
B2C VS B2B

A FEW STARTUPs IN THE B2B SECTOR

The market predominantly consists of startups that follow B2C model. There is a few fintech startups in Vietnam in the B2B sector cause most other startups overlook the underdeveloped B2B market, which remains that in the whole region with the exception of Singapore. Some of the Vietnamese B2B companies include Trusting Social, Kilimo Finance and VN Pay.

Founded in 2013, Trusting Social is a startup headquartered in Singapore but originally from Vietnam that uses big data technologies, advanced credit modeling and mobile data to provide alternative credit scoring for emerging markets. Trusting Social claims it currently covers more than 500 million consumers across India, Indonesia and Vietnam, and has raised US$44 million in funding so far, according to Crunchbase, from investors that include Sequoia Capital, 500 Startups, Kima Ventures and BeeNext.

Kilimo Finance has launched in 2018 and developed high potential agri-loan products on a digital platform in combination with the Kilimo App on the business-to-business (B2B) front.

VN Pay is a B2B financial services company that provides banking, payment and mobile phone recharge solutions for banks, telcos and e-commerce businesses. It recently expanded to provide QR-code payment gateways for e-commerce and traditional retail stores.
In July 2020, SBV warned domestic credit institutions and branches of foreign banks in Vietnam to be cautious about partnering with P2P lenders. According to the bank, some local P2P lending companies have misled investors and consumers into assuming that their activities are protected under current regulations and insured against risks.

The State Bank of Vietnam (SBV) is planning to apply on a pilot basis a regulatory sandbox allowing fintech companies to provide some banking services from 2021.
Top 10 countries by amount of remittances sent to Vietnam in 2017

Source: pewresearch.org
### 15 FINTECH FIRMS FROM VIETNAM

**Tima** is a P2P lending platform operating in Vietnam, founded in 2015. In addition to the basic lending platform, it also provides mortgage loan services and financial advisory services to customers.

**Vaymuon.vn** (also known as Lendmo.asia) is the first and largest P2P lending platform in Vietnam. It has disclosed that it has been profitable after 2 years of official operation, successfully connected more than 2 million borrowers to 400,000+ individual lenders.

**bePOS** is a startup founded in 2015 specializing in point-of-sale (POS) systems. bePOS provides an all-in-one, cloud-based POS software solution that allows merchants to easily run their daily operations, better engage with customers, manage staff and grow market share.

**Finhay** is a micro-investment platform targeted at millennials. The platform allows customers to start investing with as little as VND 50,000, or slightly more than US$2, in mutual funds in Vietnam. It has about 3,000 regular users with a total capital commitment of VND 3.7 billion (US$158,000).

**Finsify**, formerly ZooStudio, is the company behind Money Lover, a personal finance management app that consolidates all user bank accounts to allow users to better track their finances. In 2018 Money Lover was the number one app in personal finance in mobile app stores.

**Growth Wealth** is a P2P lending platform for SMEs in Vietnam. The platform allows them to obtain direct financing from individual and institutional investors.

**TheBank.vn** claims to be the first online financial advisory website in Vietnam. The platform compares products such as credit cards, loans, savings and insurance to provide free financial advice to consumers and also connects customers with thousands of experts and consultants around the country.

**TrueMoney Vietnam**, part of Southeast Asian fintech Ascend Money, operates the TrueMoney Wallet, which allows users to make online purchases, pay bills and top up their pre-paid mobile and gaming cards, as well as to transfer money from their bank accounts to the digital wallet and from their wallet to other wallets.

**Timo Plus** is the first bank in Vietnam without branches or traditional transaction offices. In partnership with Viet Capital Bank, Timo Plus promises a private banking experience you’d expect from other banks, but without the hassle of maintaining a huge balance.
## Startups to Watch

### 15 Fintech Firms from Vietnam

<table>
<thead>
<tr>
<th>Company</th>
<th>Description</th>
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<tbody>
<tr>
<td>Trusting Social</td>
<td>A fintech and AI company that provides alternative credit scoring for emerging markets using telecom data and other data sources. The company aims to provide 1 billion credit scores to the unbanked consumers without access to formal credit.</td>
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<tr>
<td>Interloan</td>
<td>A P2P lending platform for salaried professionals in Vietnam. The platform connects investors and borrowers who can avail an unsecured loan of up to VND 70 million (US$3,000) for a 6-month period. All transactions get done through Interloan’s partner bank’s system.</td>
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<td>Utop</td>
<td>A blockchain startup that has developed a decentralized gift exchange platform. Built on FPT Corporation’s enterprise blockchain platform akaChain. The platform helps improve discount and reward programs and enhances customer experience.</td>
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<td>Kilimo Finance</td>
<td>Vietnam’s first agricultural fintech startup. The startup’s mission is to become the preferred global platform to support financial institutions with digital agri-finance solutions for farmers and agribusinesses.</td>
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<tr>
<td>eMonkey</td>
<td>A multi-functional e-wallet developed by Hanoi-based M-Pay that aims to provide users with a smart non-cash payment method that’s easy and safe to use anywhere, anytime on their mobile phone.</td>
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<tr>
<td>TomoChain</td>
<td>A public blockchain promising faster and cheaper transactions designed to support decentralized applications. TomoChain relies on a system of 150 Masternodes with POSV consensus that can support near-zero fees and a two second transaction confirmation.</td>
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If we’ve missed you out in our fintech map or if you’d like to speak to us for media enquiries/advertising kindly reach out to:

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