

BIDV **R**eview

BIDV  A Newsletter of Bank for Investment and Development of Vietnam JSC • Issue **No.95** | July 2023



BIDV NAMED BEST FX BANK IN VIETNAM
BIDV AND JCB LAUNCH ULTIMATE CREDIT CARD



DOWNLOAD
BIDV REVIEW

BIDV AT A GLANCE

The Joint Stock Commercial Bank for Investment and Development of Vietnam (BIDV), founded on 26 April 1957, is the longest-established commercial bank in Vietnam. The bank's operations cover banking, insurance, securities, and financial investment, boasting a network of nearly 1,100 branches and transaction offices as well as presence in six countries and territories. BIDV is headquartered in Hanoi, the capital of Vietnam. The bank's stock (ticker: BID) is listed on Ho Chi Minh City Stock Exchange (HOSE).



VISION 2030

- ◆ To become a leading financial institution in Southeast Asia, have the best digital platform in Vietnam, and be among Top 100 largest banks in Asia.

MISSION

- ◆ To deliver the best interests and conveniences to customers, shareholders, employees and society.

CORE VALUES

- ◆ Intelligence
- ◆ Belief
- ◆ Integrity
- ◆ Detail orientation
- ◆ Vitality



EXECUTIVE PRODUCER

TRAN PHUONG

Senior Executive Vice President

EDITORIAL BOARD

BRANDING AND COMMUNICATION

DEPARTMENT

HEAD OFFICE

BIDV Tower, 194 Tran Quang Khai str.,

Hoan Kiem dist., Hanoi, Vietnam

Tel: (+84) 24 22205544

Fax: (+84) 24 22225316

Contact center: 19009247

Email: bidvreview@bidv.com.vn

Printed at Vietnam Book Printing
Joint Stock Company

License No.12/GP-XBBT dated 10 March 2023
by the Ministry of Information and Communications

Editor's Letter

Dear readers,

Below are some highlights in this issue:

Mr. Bounleua Sinxayvoravong, the Governor of the Bank of the Lao PDR (BOL) paid a working visit to BIDV. The working visit of the Governor of BOL is an encouragement for BIDV to continue its efforts to implement activities in the Laos market, well delivering the assigned tasks, and contributing to fostering the special relationship between the two countries Vietnam and Laos.

BIDV released its financial report for the second quarter of 2023 with positive results. The bank's total consolidated assets reached over USD90 billion - the largest among commercial banks in Vietnam. Consolidated pre-tax profit was VND13,902 billion (USD592 million), up over 26 percent over the same period last year.

BIDV and JCB - an international card organization - held the launching ceremony of BIDV JCB Ultimate Credit Card - the highest grade among JCB cards for individual customers. Cardholders of the BIDV JCB Ultimate Credit Card have access to JCB's acceptance network of approximately 43 million merchants worldwide. The launching of the credit card affirms the close partnership in developing card services between BIDV and JCB over the past 8 years. With outstanding digital transformation in foreign exchange,

BIDV was honored with "Best FX Bank in Vietnam 2022-2023" award for two straight years by The Asian Banker. The award is recognition of BIDV's pioneering efforts in the foreign exchange. BIDV has served hundreds of thousands of FX customers each year, including groups, corporations, and foreign-invested companies. BIDV not only provides diverse hedging solutions to adverse fluctuations in exchange rates and interest rates, but also launches preferential programs with flexible cross-selling product bundles.

InfoPlus and BIDV have launched InfoCMS, a solution for real-time cash flow management for Korean businesses in Vietnam. Banking services designed on InfoCMS will effectively support businesses in a new seamless, convenient, safe and secured way. When signing an agreement to use the InfoCMS platform, Korean businesses will receive various incentives and privileges.

BIDV Quang Trung branch and GSM signed a comprehensive cooperation agreement for the 2023 - 2028 period. Accordingly, BIDV and GSM will strengthen cooperation towards establishing comprehensive, long-term and sustainable partnership. BIDV is also the market leader in promoting green financing. The comprehensive cooperation agreement between the two demonstrates determination for implementing the green and sustainable business development strategy. 



BIDV HIGHLIGHTS

03. BOL governor pays working visit to BIDV



04. BIDV, JCB launch Ultimate credit card



06. BIDV, GSM forge comprehensive cooperation

07. Sustaining effective operation towards green growth

08. Effective cash flow management solution for businesses

10. BIDV finances Tien Thanh Industrial Zone project

11. BIDV named Best FX Bank in Vietnam



12. Deploying solutions to support businesses

13. Preventing financial crime, money laundering

INSIGHTS

14. Creating enabling environment for financial leasing



16. Rising to the challenges

PARTNERS

18. BSC profit nearly triples

19. Tapping opportunities to fulfill targets

20. Journey to the future

MARKET MOVEMENTS



22. Striving to fulfill banking tasks

POLICY UPDATE

24. New regulations effective July

LIFESTYLE

26. Mesmerizing emerald beach

CSR

28. Tribute to people with meritorious services

28. Honoring the sacrifice

KY NAM

BOL governor pays working visit to BIDV

On 24 July 2023, Mr. Bounleua Sinxayvoravong, Governor of the Bank of the Lao PDR (BOL) paid a working visit to BIDV.

In the Lao market, BIDV was the first Vietnamese credit institution to implement investment activities by cooperating with Banque Pour Le Commerce Extérieur Lao Public (BCEL) to establish Laos-Vietnam Joint Venture Bank (LaoVietBank) in 1999. To date, BIDV has 3 units operating in Laos including LaoVietBank, Lao-Viet Insurance and BIDV Representative Office. The bank's units in Laos all operated stably, fulfilled the assigned missions, goals and tasks, and established the position, branding, and created jobs for nearly 600 employees, contributing nearly LAK430 billion to Laos's state budget.

Mr. Phan Duc Tu - Chairman of the Board of Directors, BIDV said: BIDV plays an active role in promoting investment and trade cooperation between Vietnam and Laos; supporting the Laos's economy by providing modern banking and financial services to people in Laos.

"The results achieved after 24 years of operation in Laos are attributed to the support and direction of the leaders of the Party, State, Government, central bank, ministries and localities of Laos and we are always grateful for this". Addressing



BOL governor Bounleua Sinxayvoravong and the delegation in a photo with BIDV leadership in Hanoi

the meeting, Governor Bounleua Sinxayvoravong spoke highly of the bank's results and contributions to the socio-economic development of Laos. The governor wished BIDV to exchange experiences on promoting the Lao stock market as well as encouraging businesses to participate in the stock market. "On behalf of the Bank of the Lao PDR, the Government of Laos, I would like to thank BIDV for supporting us in all areas. I hope we will continue to foster this relationship and grow further together," said Governor Bounleua Sinxayvoravong.

The working visit of the Governor of the Bank of the Lao PDR is an

encouragement for BIDV to continue its efforts to implement activities in the Laos market, well delivering the assigned tasks, and contributing to fostering the special relationship between the two countries Vietnam and Laos.

In Laos, BIDV and its commercial presences finance many important projects to promote economic and political cooperation, ensuring national security and defense between the two countries as well as economic cooperation projects between Vietnamese and Laotian enterprises. To date, BIDV has directly financed 11 projects with a total committed capital of over USD480 million. 

THANH HUYEN

BIDV, JCB launch Ultimate credit card

On 17 July 2023, in Hanoi, the Joint Stock Commercial Bank for Investment and Development of Vietnam (BIDV) and JCB - an international card organization - held the launching ceremony of BIDV JCB Ultimate Credit Card – the highest grade among JCB cards for individual customers.

- ✦ **BIDV and JCB launched their first credit card with the Ultimate grade which is the JCB's highest grade.**
- ✦ **Cardholders of the BIDV JCB Ultimate Credit Card have access to JCB's acceptance network of approximately 43 million merchants worldwide.**
- ✦ **The launching of the credit card affirms the close partnership in developing card services between BIDV and JCB over the past 8 years.**

With the aspiration to bring the quintessential experience to individual customers, BIDV and JCB officially launched BIDV JCB Ultimate Card, which deeply embraces the culture and spirit of the land of the rising sun. BIDV JCB Ultimate Credit Card is the JCB's highest grade. The artwork design of this card is inspired by Mount Fuji - a sacred symbol of Japan with BIDV's new logo.

“The elegant design with BIDV’s yellow apricot flower along with the majestic Mount Fuji is a testament to the cooperation between the longest-established financial institution

in Vietnam and the leading card organization in Japan,” Mr. Le Ngoc Lam - CEO of BIDV said at the launching ceremony.

EXPERIENCE THE QUINTESSENCE OF JAPANESE CULTURE

Following the emerging trend of “earn and burn”, BIDV JCB Ultimate Credit Card owns the most outstanding dining incentive system in Vietnam, which is up to 20 percent of the restaurant bills in Vietnam and 15 percent of restaurant bills in Japan, with the total point values of up to VND9,600,000/year. Cardholders may



Participants at the launching of BIDV JCB Ultimate credit card



Representatives of BIDV and JCB at the launching of BIDV JCB Ultimate Credit Card

redeem points for cashback to credit cards, gift cards or hot shopping vouchers on BIDV SmartBanking app.

OFFERS AT EVERY TOUCH POINT

On the customer journey to discover the world, every service touch point

About BIDV

Established in 1957, BIDV is the longest-established financial institution in the banking-finance sector in Vietnam. Over 66 years of establishment and development with the leading position, BIDV realizes the mission of bringing the best benefits and conveniences to customers, shareholders, employees and society. With impressive business results and outstanding services for customers, BIDV has won awards from prestigious organizations both domestic and international. BIDV has been named Best Retail Bank in Vietnam for 8 consecutive years by The Asian Banker.

will be enhanced with BIDV JCB Ultimate Card: lounge access at international airports in Vietnam and foreign countries; special privileges at classy golf courses in Vietnam and Japan; free stays at the most luxurious hotels and resorts in Vietnam; and fine dining at the Diamond Dining JCB restaurant system.

The launching of BIDV JCB Ultimate Credit Card once again affirms the close companionship and cooperation in developing card services between BIDV and JCB over the past 8 years. The newly launched card product also becomes the perfect puzzle piece in BIDV's set of cards following the new brand identity with the message "Inspire your life". With the aspiration to become a companion of all customers, over the years BIDV has constantly developed and improved personal card products with many specialized features to meet the diverse needs of customer segments. At the same time, the bank has paid

special attention to refreshing its image, building a youthful and friendly BIDV card brand. Each user can easily find a BIDV card that suits their needs and lifestyle.

About JCB

JCB is a major global payment brand and a leading credit card issuer and acquirer in Japan. JCB launched its card business in Japan in 1961 and began expanding worldwide in 1981. By the end of 2022, JCB had cooperated with more than 400 global financial institutions, over 154 million cardholders and more than 43 million merchants in more than 190 countries and territories worldwide. As a comprehensive payment solution provider, JCB commits to providing responsive and high-quality service and products to all customers worldwide. In Vietnam, JCB has partnered with more than 17 banks and credit institutions with more than 4.4 million JCB cards issued. 

MINH NAM

BIDV, GSM forge comprehensive cooperation

On 18 July 2023 in Hanoi, representatives of BIDV Quang Trung branch and GSM signed a comprehensive cooperation agreement for the 2023 - 2028 period.

- ✦ **BIDV and GSM will strengthen cooperation towards establishing comprehensive, long-term and sustainable partnership.**
- ✦ **BIDV is also the market leader in promoting green financing, contributing to the successful implementation of the National Green Growth Strategy.**
- ✦ **The comprehensive cooperation agreement between the two demonstrates determination for implementing the green and sustainable business development strategy.**



Representatives of BIDV Quang Trung Branch and GSM sign the comprehensive cooperation agreement for the 2023-2028 period.

Under the signed agreement, the Joint Stock Commercial Bank for Investment and Development of Vietnam (BIDV) and Green and Smart Mobility Joint Stock Company (GSM) will strengthen cooperation towards establishing comprehensive, long-term and sustainable partnership, and jointly developing “green” projects and spreading the responsibility of building a “green” economy for the prosperity of the country.


Under the cooperation agreement, BIDV will provide comprehensive and modern financial solutions to meet the needs of GSM and bring the best experience to customers. Besides, BIDV also provides GSM

managers and employees with modern and convenient retail banking products and services with the most competitive pricing and fee policies.

GSM will prioritize to use BIDV’s products and services including credit, insurance, centralized cash flow management, card services, BIDV iBank, and encourage GSM employees to use BIDV’s retail banking products and services.

As the leading commercial bank in Vietnam, BIDV has always pioneered in implementing the guidelines and policies of the Government and the




State Bank of Vietnam. The bank is also the market leader in promoting green financing, contributing to the successful implementation of the National Green Growth Strategy.

The comprehensive cooperation agreement between BIDV and GSM demonstrates the joint determination for implementing the green and sustainable business development strategy of the two parties. This partnership not only brings mutual economic value but also creates values for the society. 

THAO MINH

Sustaining effective operation towards green growth

The Joint Stock Commercial Bank for Investment and Development of Vietnam (BIDV) has released its financial report for the second quarter of 2023 with stable, safe and effective results.

-  **Total consolidated assets reached over VND2.12 quadrillion (USD90 billion), a slight increase of 0.2 percent year to date.**
-  **Consolidated pre-tax profit was VND13,902 billion (USD592 million), up 26.3 percent over the same period last year, meeting 52 percent of the year plan.**
-  **As of 30 June 2023, BIDV had financed 1,718 projects, with a total loans of VND63,773 billion (USD2.7 billion).**



By the end of the second quarter of 2023, BIDV achieved positive business results, reflected in many aspects, particularly:

Total consolidated assets reached over VND2.12 quadrillion (USD90 billion), a slight increase of 0.2 percent year to date, continuing to maintain the position of the largest commercial bank by total assets in the market.

Mobilized capital fully met the needs of capital use, ensuring the system liquidity. As of 30 June 2023, customer deposits and issued valuable papers reached over VND1.7 quadrillion (USD72 billion), up 4.36 percent compared to the beginning of the year. Good deposit growth was in the retail segment, contributing to increasing the stability of the capital base. Credit activities recorded a quite high increase compared to the average of the banking

industry, customer loans reached nearly VND1.63 quadrillion (USD69 billion), up 7.02 percent compared to the beginning of the year.

Credit quality is controlled according to the target: The non-performing loan ratio according to Circular 11/2021/TT-NHNN was 1.25 percent (target: < 1.4 percent); Group 2 debt ratio according to Circular 11/2021/TT-NHNN was 1.92 percent (target: <3 percent); The bad debt coverage ratio of the banking business alone reached 161 percent. BIDV has made full provision for risks according to debt classification. Safety criteria are guaranteed according to regulations.

Business performance was positive in the first half: Consolidated difference between revenue and expenditure reached VND23,622 billion (USD1 billion). Consolidated pre-tax profit was VND13,902 billion (USD592 million), up 26.3 percent over the same period last year, meeting 52 percent of the year plan.




Given the inevitable trend of long-term sustainable development, as a leading financial institution in supporting the country's economic development, BIDV has pursued the goal of becoming a "green bank" in its business strategy for the period of 2021-2025 and a vision to 2030.

BIDV has comprehensively and effectively implemented solutions to realize this goal. The bank was the first joint stock commercial bank in Vietnam to launch the "Sustainable Loan Framework", which created a foundation for providing customers with sustainable financial products according to international standards. BIDV leads the market in green financing. As of 30 June 2023, BIDV had financed 1,718 projects, with a total loans of VND63,773 billion (USD2.7 billion), accounting for 4.3 percent of BIDV's total loans and 13 percent of total outstanding loans to the green sector of the entire economy. BIDV also actively joined seminars to promote sustainable development. 

MINH ANH

Effective cash flow management solution for businesses

Jointly developed by BIDV in collaboration with InfoPlus - a large Korean B2B Fintech, this solution aims to provide real-time cash flow management for Korean businesses in Vietnam.

-  **InfoPlus and BIDV have launched InfoCMS, which is jointly developed by a bank and a Fintech by fully integrating BIDV's services into InfoCMS platform.**
-  **Banking services designed on InfoCMS will effectively support businesses in a new seamless, convenient, safe and secured way.**
-  **When signing an agreement to use the InfoCMS platform, Korean businesses will receive various incentives and privileges.**



Mr. Pham Anh Tuan, Director General of the Payment Department, SBV speaks at the seminar.

real-time cash flow management and monitoring, and convenient historical data query and management.

According to Mr. Pham Anh Tuan - Director General of the SBV Payment Department, the cooperation between BIDV - a leading financial institution and a pioneer in digital transformation in Vietnam, and InfoPlus - a Korean enterprise specializing in advanced technology for businesses and financial institutions - will create a strong foundation for delivering new digital financial solutions to businesses, thereby contributing to promoting cashless payment in Vietnam.

“The State Bank of Vietnam is very pleased that this cooperation has brought a market-leading solution for cash flow management for businesses and we are committed to creating the most favorable conditions in terms of policies and legal framework for Korean businesses in particular as well as commercial banks in Vietnam in general,” emphasized Mr. Tuan.

Mr. Tran Long - Senior Executive Vice President of BIDV affirmed: Banking services designed on InfoCMS will effectively support businesses in a new seamless, convenient, safe and secured way. Businesses can accurately and efficiently manage

The solution was introduced at a Seminar “Real-time cash flow management solutions for Korean businesses in Vietnam” on 14 July 2023 in Hanoi.

Attending the Seminar were Mr. Pham Anh Tuan - Director General of the SBV Payment Department, Mr. Jang Ki Sung - Representative of the Embassy of the Republic of Korea in Vietnam, Mr. Hong Sun - Chairman of the Korean Chamber of Commerce and Industry in Vietnam (Kocham), Mr. Tran Long - Senior Executive Vice President of BIDV,

Mr. Kim Min Ho and Mr. Kim Jong Woo - CEOs of InfoPlus, together with representatives of more than 80 Korean businesses in Vietnam.

Given the pain points faced by businesses in cash flow management, InfoPlus and BIDV have launched InfoCMS, which is jointly developed by a bank and a Fintech by fully integrating BIDV’s services into InfoCMS platform. Accordingly, customers can use banking services such as payment, collection and payment, cash flow management right on their platforms, which enable easy

two important operations at the same time, which are customer information management and cash flow management. In addition, when signing an agreement to use the InfoCMS platform, Korean businesses will receive various incentives and privileges such as zero fee for account opening and management, preferential policies on exchange rates, fee reduction for international payment and trade finance services, preferential deposit interest rates, preferential lending interest rates for FDI customers which is up to 2 percent lower than the normal interest rates. In addition, businesses can experience the benefits of BIDV Visa Business Card and privileges of BIDV Premier Card for business leaders. According to Mr. Kim Jong Woo - CEO of InfoPlus, business digital transformation in Vietnam has grown quickly, yet the CMS market for



Mr. Tran Long, Senior Executive Vice President, BIDV addresses the seminar.

businesses through the connection between financial institutions and businesses is still at the early stage. The Seminar aims to offer the most practical solutions for businesses, and BIDV and InfoPlus will continue

to organize programs to quickly introduce InfoCMS to businesses.

On 23 May 2023, BIDV and InfoPlus officially signed a "Memorandum of Understanding on cooperation for development of BIDV banking services on InfoCMS digital platform", marking the cooperation between the two to launch the CMS for businesses that are fully integrated with banking services. At the signing ceremony, Mr. Song HyunDo - Director of the Korean Financial Services Commission emphasized: "Amidst the cashless society orientation of the State Bank of Vietnam, the successful business model between BIDV - the largest state-owned commercial joint stock bank in Vietnam and InfoPlus - a B2B Fintech in the Vietnamese market will become a role model for similar cooperation between the two countries in the future." **R**



Delegates at the Seminar on "Real-time cash flow management solutions for Korean businesses in Vietnam".

THANH HAI

BIDV finances Tien Thanh Industrial Zone Project

BIDV Hanoi Branch and Tien Thanh Investment Industrial Zone Joint Stock Company signed a credit agreement to finance Tien Thanh Industrial Zone construction and investment project.

Located in Tien Lang District, Hai Phong City, the Industrial Zone (IZ) Project - Phase I covers an area of nearly 150 hectares, focusing on three main sectors: consumer goods manufacturing; electronics assembly and manufacturing and mechanical product manufacturing, targeting FDI customers.

Under the agreement, BIDV will provide a medium and long-term credit facility of VND1,290 billion (USD55 million), accounting for 54.69 percent of the total project investment with a duration of 60 months. This enables the business to cover valid and legal expenses (including site clearance and compensation costs) to carry out project construction.

Tien Thanh Investment Industrial Zone Joint Stock Company is a member of Viet Phat Group. Before that, BIDV Hanoi and Viet Phat Group started partnership with a VND2,500 billion short-term credit facility for the thermal coal supply package of Song Hau Thermal Power Plant of Viet Phat Import Export Trading Investment JSC from May 2022.

Up to now, BIDV has granted short-term credit facilities totalling VND3,500 billion (USD149 million) and credit volume (guarantee, L/C and outstanding loans) up to VND5,000 billion (USD213 million) to Viet Phat Group, meeting credit demand



Representatives of BIDV Hanoi Branch and Viet Phat Group sign the agreement.

for the entire business activities of Viet Phat Import - Export Trading Investment JSC, contributing to the company's record high revenue of more than VND6,000 billion in 2022 and the overall profit growth of Viet Phat Group.

Building on the success of the modern industrial zone projects which have been deployed across the country, BIDV-financed Tien Thanh (Hai Phong) Industrial Zone project will not only become an important "spotlight" but also an attractive destination to domestic and foreign investors, a typical model of a smart, environmentally friendly, sustainable and modern industrial zone in line

with the development orientation of Vietnam in general and Hai Phong City in particular.

BIDV is currently the largest commercial bank in Vietnam's banking system in terms of total assets, boasting a wide network nationwide as well as in Hai Phong City. With vast experience in serving nearly 17 million individual customers and nearly 500,000 business customers, including more than 6,400 FDI enterprises nationwide and hundreds of FDI enterprises in Hai Phong City, BIDV is confident to provide modern banking and financial products and services to best meet the diverse needs of customers and partners. 

THAO NGUYEN

BIDV named Best FX Bank in Vietnam

With outstanding digital transformation in foreign exchange, BIDV was honored with “Best FX Bank in Vietnam 2022-2023” award for two straight years by The Asian Banker.

- ✦ The award is recognition of BIDV’s pioneering efforts in the foreign exchange.
- ✦ BIDV has served hundreds of thousands of FX customers each year, including groups, corporations, and foreign-invested companies.
- ✦ BIDV not only provides diverse hedging solutions to adverse fluctuations in exchange rates and interest rates, but also launches preferential programs with flexible cross-selling product bundles.

The award is recognition of BIDV’s pioneering efforts in the foreign exchange. The bank has made differentiation in development strategy, diversifying technological utilities, providing flexible trading and hedging products, as well as constantly improving the quality of tailored advisory products.

A well-established financial institution with a wide operating network, BIDV has affirmed its reputation and pioneering position in foreign exchange. That creates the firm ground for BIDV to meet the diverse needs for foreign exchange of individuals and businesses in challenging economic periods, even in times of liquidity crunch. Not only does BIDV provide diverse hedging solutions to adverse fluctuations in exchange rates and interest rates, it also launches preferential programs with flexible cross-selling product




BIDV representatives receive the “Best FX Bank in Vietnam” award from The Asian Banker

bundles, through combining foreign currency trading with various other products such as deposit, credit, trade finance, money transfer, etc.

Given the competitiveness among banks, BIDV continues the digital transformation to deploy outstanding innovative features such as Omni BIDV iBank. This is an ecosystem for institutional customers, offering a seamless experience on both website and mobile platforms when making foreign exchange transactions, together with a variety of other banking services. In addition, BIDV has also launched new features on BIDV SmartBanking to assist individual customers to buy and choose a suitable cash pick-up location. With BIDV’s two main




platforms, BIDV iBank and BIDV SmartBanking, institutional and individual customers can buy and sell a variety of foreign currencies in cash or transfer following their payment needs, through online simple transactions.

BIDV has served hundreds of thousands of FX customers each year, including groups, corporations, foreign-invested companies, etc., with a total volume of dozens of USD billions. The trust and solid partnership with customers has been a strong driver for BIDV to constantly improve the products and services, aiming to become a leading financial institution in Southeast Asia and the bank with the best digital platform in Vietnam. 

HAI VAN

Deploying solutions to support businesses

At the seminar on 'Enhancing Capital Absorption for Businesses,' Senior Executive Vice President Mr. Tran Long shared solutions to help businesses access loans efficiently.

-  **BIDV is one of the commercial banks actively implementing interest rate support programs.**
-  **As of 30 June 2023, the total outstanding loans restructured under Circular 02 at BIDV amounted to over USD850 million.**
-  **BIDV actively exempts/reduces service fees through programs for businesses.**

The seminar analyzed reasons for the decreased capital absorption capacity of businesses and of the economy. It also provided solutions to enhance the capital absorption ability of businesses, thereby promoting growth and ensuring the socio-economics development target of 2023. Although the banking sector implemented numerous measures, credit growth in the first six months was lower than previous years. As of 30 June 2023, the total credit to the economy reached over VND12.5 quadrillion (USD53 billion), an increase of 4.73 percent compared to end-2022. The shortage of orders, which was said to be the main reason, coupled with rising production costs diminished operational efficiency.

Addressing the seminar, Mr. Tran Long, BIDV's Senior Executive Vice President said: as one of the leading financial institutions, BIDV has always been at the forefront of implementing the government's policies and the State Bank of Vietnam's direction. Over the




Mr. Tran Long, BIDV's senior executive vice president (holding microphone) shares information at the seminar in Hanoi.

past period, BIDV has been actively implementing specific measures to support businesses, and enhance their capital absorption ability.

BIDV is one of the commercial banks actively implementing interest rate support programs. Following the State Bank's Circular 02/2023/TT-NHNN dated 23 April 2023, BIDV has rescheduled repayment terms to support customers to recover production and business activities. As of 30 June 2023, the total outstanding loans restructured under Circular 02 at BIDV amounted to over VND20 trillion (USD850 million).

In addition to lowering lending interest rates, BIDV actively exempts/reduces service fees with DigiUp program for businesses using BIDV iBank, BIDV iConnect with more than 12 types of fees reduced/waived. BIDV also

implemented Trade Booming program which offers preferential exchange rates and waiver of international money transfer fees for import-export businesses. BIDV is also actively digitizing to streamline procedures, actively developing credit products through digital channels such as websites, mobile apps, and SMS, making it easier for customers to access services. As of 30 June 2023, total outstanding loans of the entire BIDV system were more than USD1.6 quadrillion (USD69 billion) or a credit growth of 7 percent (higher than the industry average of 4.73 percent). In particular, credit to businesses witnessed a growth rate of 7.3 percent, with an absolute increase of VND60 trillion (USD2.6 billion). Outstanding loans to SMEs accounted for 40 percent of the total outstanding loans to businesses. BIDV continued to lead the market by share of SME loans. 

THANH MAI

Preventing financial crime, money laundering

Recently, Vietnam Banks Association (VNBA) held a seminar on "Financial crime/money laundering risks facing credit institutions, solutions and implementation experience". This activity aimed to increase the awareness of credit institutions and contribute to improving the capacity of credit institutions in money laundering risk management and financial crime prevention.

Opening the seminar, Mr. Tran Phuong, Senior Executive Vice President of BIDV, head of the VNBA Policy Committee, said: In recent years, the world and Vietnam in particular have been heavily affected by the pandemic, geopolitical fluctuations, and financial market instability. These fluctuations not only affect resources for traditional production and business activities but also create conditions for criminal activities to boom in many forms. Against that backdrop, the banking industry has been facing many challenges and risks of financial crime in general and money laundering in particular, such as compliance risk, financial risk, and reputational risk.

Discussing the role of state regulators in improving the quality of anti-money laundering in Vietnam, a representative of Techcombank said that it was a key factor covering main




Mr. Tran Phuong, Senior Executive Vice President of BIDV, head of the VNBA Policy Committee speaks at the seminar.

pillars such as consultation support, database, data mining, information sharing, and regulatory policies. The Techcombank representative also shared the journey of transforming anti-money laundering work with achievements in strategy, governance framework, operational model, processes, policies, people, culture, and information technology system.

Mrs. Do Thi Kien, head of Operational and Market Risk Management Department, BIDV shared her opinion about the importance of "know-your-customer - KYC" and experience in transaction screening and monitoring, risk management related to bank account buying/selling. She also emphasized KYC measures, application of technology and data to transaction monitoring as well as communication

to improve customer awareness in opening and using accounts. Mr. Pham Tien Phong - Director General of the Anti-Money Laundering Department, State Bank of Vietnam said: Given the strong development of science and technology, criminal methods and tricks in money laundering and terrorist financing have become more complicated. Over the past time, the State Bank has coordinated with relevant authorities to implement a number of professional measures to handle and support credit institutions, proposing the promulgation of the Anti-Money Laundering Law 2022 and guidance circular.

Deputy Governor of the State Bank of Vietnam Mr. Pham Tien Dung said: Anti-money laundering in the era of technology boom is a difficult but very important issue for banks' business activities, especially when the number of bank accounts increases. Currently, there are about 150 million accounts, of which more than 90 percent of transactions are made via banks' digital channels).

"Anti-money laundering is an important task, and banks need to pay special attention to that work. The State Bank will impose strict sanctions on banks which do not report about this issue seriously," said Mr. Pham Tien Dung. 

LE YEN

Creating enabling environment for financial leasing

At the conference "Creating an enabling environment for leasing industry development in Vietnam" organized by Vietnam Financial Leasing Association and the International Finance Corporation (IFC), BIDV-SuMi TRUST Leasing Company (BSL) presented on the financial leasing market in Vietnam and proposed solutions to promote this activity.



Mr. Nguyen Thieu Son, CEO of BSL speaks at the conference.

DIFFICULTIES IN FINANCIAL LEASING

The financial leasing market in Vietnam has been present for 30 years, but this service has not been well-known and used by businesses, and the market scale is still small compared to its potential and the demand of enterprises.

By the end of 2022, the total outstanding balance of financial leasing was only around VND40,000 billion, equivalent to only 0.33 percent of the total credit outstanding in the economy, and the number of businesses using this service was only about 0.4 percent of the total number of businesses. Therefore, financial leasing has not yet shared the burden of long-term capital with commercial

banks. There are few financial leasing companies, and the range of services they are allowed to provide is limited and does not meet the needs of businesses. Meanwhile, the global leasing revenue continues to grow, reaching around USD1,900 billion in 2022, an increase of 9.1 percent compared to 2021. The development of the financial leasing market in Vietnam has not been aligned with its potential and the needs of businesses. Some reasons include psychology, culture, and business practice, as well as inadequate communication and dissemination. According to BSL, an important reason is the legal barriers that hinder the development of this market. The legal barriers come from regulations related to the organization of companies. Article 34 of the Law on



Credit Institutions prohibits financial leasing companies from appointing managers from their parent banks to hold management positions in the company, making it difficult for these companies to implement strong business strategies in line with their parent banks' direction. Moreover, the Law on Credit Institutions currently does not allow financial leasing companies to contribute capital, purchase shares, establish subsidiaries or affiliated companies, which limits these companies' expansion in the value chain of financial leasing services.

In addition, there are many legal barriers and restrictions in the financial leasing business, including regulations related to the detailed and strict conditions for leasing, unclear regulations on assets for leasing, and limitations on financial leasing companies borrowing for more than one year from credit institutions (except for parent banks). Furthermore,

there are obstacles related to value-added tax (VAT) for businesses in export processing zones, VAT for businesses eligible for tax exemptions/reductions when leasing financial services, and difficulties related to taxes, fees, and registration of transport means when implementing financial leasing.

Therefore, there is a lack of policies to incentivize the development of financial leasing services, and in fact there are scattered regulations that are not consistent, leading to obstacles in the process of providing financial leasing services to customers. Propaganda, training, and dissemination of this type of service has not been given much attention, leading to businesses and people not knowing much about the financial leasing channel. This requires financial leasing companies to strengthen their promotion and introduction of their products to potential customers.

PROPOSING SOLUTIONS

Mr. Nguyen Thieu Son, CEO of BSL, proposed to review and amend the legal regulations related to financial leasing activities, including the Law on Credit Institutions, the government's Decree 39/2014/ND-CP, State Bank's Circular 30/2015/TT-NHNN, and other regulations, to ensure consistency and create a solid foundation for financial leasing companies to carry out their business safely and effectively.

Mr. Son also hoped that the State Bank of Vietnam will coordinate with other authorities to formulate a unified and strict legal framework. Additionally, he suggested reviewing the Joint Circular 08/2007/TTLT-NHNN-BCA-BTP and imposing sanctions for disposal of financial leasing assets of which value is equivalent to or higher than the pledged assets. He also emphasized the need to amend regulations on VAT and related fees and charges in financial leasing activities and to develop policies to incentivize the development of the financial leasing market.



According to the Vietnam Financial Leasing Association, the legal framework for the financial leasing has gradually been completed, including the Law on Credit Institutions, Decree 39/2014/ND-CP and the circulars from the State Bank of Vietnam.

Currently, there are 10 financial leasing companies in Vietnam with outstanding loans of nearly VND40 trillion for the entire economy. The non-performing loan ratio is controlled at a low level, about 1 percent. Customers are not required to mortgage assets for financial lease, and the loan to value can be up to 100 percent. Many businesses have been financed to invest in machinery, equipment, transportation, and production lines through the financial leasing channel. Some financial leasing companies also provide loans to customers for supplementing their working capital. **R**

Rising to the challenges

Despite challenges, Vietnam's economic growth in the first half of 2023 was 3.72 percent, lower than the target but still an encouraging result.

- ✦ **International organizations forecast that Vietnam's economic growth is 5.0 - 5.2 percent in 2023. According to BIDV Training and Research Institute, GDP growth of 2023 (base scenario) is about 5.0 - 5.5 percent.**
- ✦ **Full year inflation is expected to rise by 3.8 - 4.2 percent, lower than the target of 4.5 percent.**

In the second half of the year, effective support policies are required to ease challenges and difficulties for enterprises, helping Vietnam's economy to achieve its set growth target, which lays the foundations for future recovery and expansion.

POSITIVE PROGRESS

Given the adverse fluctuations and instability of the global economy such as high interest rates to curb inflation, sharply decreasing global demand for commodities, more risks in the financial and monetary market following the bankruptcy of certain banks, Vietnam's macroeconomy had positive results.

The government made efforts to address market problems, maintain macroeconomic stability, and stimulate growth. Various decisions were made to reduce difficulties

in the fields of health, real estate, capital markets, tourism, etc. A targeted expansionary fiscal policy and a more flexible, looser monetary policy had been implemented. Thanks to this, the business environment improved, national competitiveness strengthened, and international organizations affirmed and raised Vietnam's national credit rating.

The service sector saw good recovery, becoming the primary driver to economic growth, contributing 2.72 percentage points, accounting for 73.1 percent of overall GDP growth in the first six months. It was due to revenue increases in accommodation and food services (up 18.7 percent), passenger and freight transport (up 15.9 percent), financial, banking and insurance services (up 7.13 percent). Inflation progressively cooled down and was kept under control: the average 6-month CPI increased by

3.29 percent over the same period last year, while headline inflation increased by 4.74 percent - the lowest since the beginning of 2023. The gradual fall in the inflation rate was increasingly visible over time, partly due to the decreasing trend in global prices of goods and services. On the other hand, thanks to efforts in securing the supply of essential products, the price increase schedule for state-managed items was reasonably regulated, allowing more room for extending the fiscal and monetary policies.

Macroeconomic balances were maintained; interest rates were reduced, and exchange rate remained stable. Deposit interest rates fell sharply in the first six months, reducing by 1.5 - 2.5 percent compared to the end of 2022, as the State Bank had reduced the policy interest rates and short-term deposit

TABLE: VIETNAM'S GDP GROWTH FORECASTS FOR 2023 (% YOY)

F= Forecast

FIELD	2022	2023 forecasts					
		Q1	Q2	6M	Q3F	Q4F	2023F
Agriculture, forestry, fisheries	3.36	2.90	3.25	3.07	3-3.15	2.9-3.1	3-3.1
Manufacturing and construction	7.78	-0.35	2.50	1.13	6.2-6.5	5.5-5.7	3.5-3.8
- Manufacture	7.69	-0.75	1.56	0.44	5-5.2	4.5-5	2.8-3
- Construction	8.17	1.88	7.05	4.74	10-10.5	8.5-8.8	7.3-7.5
Service	9.99	6.56	6.11	6.33	9.8-10	9.5-9.8	8-8.3
GDP growth	8.02	3.28	4.14	3.72	7-7.2	6.8-7	5-5.5

Source: Forecast of BIDV Institute of Investment and Research (June 2023).

rate cap for 4 times. Exchange rate remained stable as the interbank rate fell by 0.3 percent while the central rate increased by 0.7 percent in comparison to the end of 2022.

Public investment disbursement had improved with budget disbursements in the first 6 months estimated at VND232.2 trillion (USD10 billion), equivalent to 33 percent of the year's budget and a 20.5 percent increase over the same period previous year (32.1 percent and an increase of 10.4 percent).

CHALLENGING GROWTH TARGETS

Vietnam's economy is likely to confront multiple challenges in the second half of 2023. GDP growth is lower than the target, despite the fact that the second quarter was better than the first (+4.14 percent vs. +3.32 percent). Total import-export turnover fell 15.2 percent and was significantly influenced by the global market, due to a reduction in global demand. The PMI index in June was 46.2 points, up from 45.3 points in May, although it was still the fourth straight month below the decreased threshold (50 points).

FDI attraction reduced due to foreign investors' cautious sentiment in the context of a less positive global economy. Businesses faced many challenges due to lack of orders and high inventory rate. Credit growth was modest in the first six months, increasing by only 3.58 percent due to weak demand and credit absorption regardless of lower lending interest rates. State budget revenue declined

due to slow economic development and enterprises' difficulties. International organizations anticipated that Vietnam's economic growth is 5.0 - 5.2 percent in 2023. Meanwhile, the government maintains the full-year growth target at 6.0 - 6.5 percent, despite the challenging target of 8 - 9 percent growth in the second half of the year.

According to BIDV Training and Research Institute's calculations, GDP growth for the entire year of 2023 (base scenario) is about 5.0 - 5.5 percent (lower than the March forecasts of 5.5 - 6.0 percent), with growth in the third quarter reaching 7.0 - 7.2 percent and the fourth quarter reaching 6.8 - 7.0 percent. R



BSC profit nearly triples

BIDV Securities Company (BSC) posted positive performance in the first half of the year with pre-tax profit reaching nearly VND276 billion, 2.82 times higher than that of the same period last year.

✪ BSC's pre-tax profit reached nearly VND276 billion (USD11.7 million), 2.82 times higher than that of the same period in 2022 and accomplished nearly 50 percent of the year plan.

✪ Total assets as of 30 June 2023 reached VND8,080 billion (USD344 million), 1.37 times higher than that of the same period in 2022.

BSC seized opportunities from the market developments to boost business activities and recorded positive results in the first 6 months of 2023. Profit before tax reached nearly VND276 billion (USD11.7 million), 2.82 times higher than that of the same period last year and completed nearly 50 percent of the year's plan.

Revenue from securities services was nearly VND327 billion (USD14 million), contributing nearly 54 percent to the company's total revenues. With positive growth in margin lending, outstanding loans as of 30 June 2023 were VND4,161 billion (USD177 million), an increase of 41 percent from the previous year. Investment activities also saw a remarkable growth in profit, reaching VND196.5 billion (USD8.4 million), 6.5 times higher than the same period last year. In addition to the impressive results, BSC also posted outstanding achievements.




As part of the re-branding strategy, BSC officially launched a new brand identity in January 2023, marking a strong transformation on a new path with its strategic partner Hana Securities. At the same time, BSC has officially changed its name to BIDV Securities Joint Stock Company with the goal of finalizing the ecosystem of financial products and services.

With a deep understanding of its mission and responsibility to the community, BSC implements social security programs, especially for children, in order to foster and nourish the dreams for the future generations of the country. In 2023, BSC implemented a series of activities, including the construction of a kindergarten in Na Sa, Tua Chua,

Dien Bien province, donation of bicycles to underprivileged students who overcome difficulties to go to school; support to hospitals and patients at the National Hospital of Traditional Medicine.

Outstanding business results

- Total assets at June 30, 2023 will reach VND 8,080 billion, 1.37 times higher than that of the same period in 2022.
- Profit before tax in 6 months of 2023 reached nearly VND 276 billion, 2.82 times higher than that of the same period in 2022.
- ROA and ROE reached 6.5%/year and 9.9%/year respectively, 1.9 times higher than the industry average. 

HAI YEN

Tapping opportunities to fulfill targets

On 18 July, the Board of Members (BOM) of BIDV-SuMi TRUST Financial Leasing Company (BSL) held a meeting to evaluate the business performance in the first 6 months and look ahead for the second half.

Leaders of Sumitomo Mitsui Trust Bank and Sumitomo Mitsui Trust Panasonic Finance awarded certificates of excellence to BSL for its positive contributions to the development of the group.

BSL believes that 2023 still has opportunities thanks to decisive measures to support businesses from the government and the State Bank of Vietnam.



BSL leaders receive a certificate of merit from Sumitomo Mitsui Trust Bank

According to statistics from the General Statistics Office, GDP in Q2/2023 increased 4.14 percent compared to 3.28 percent in Q1/2023. In the first 6 months of the year, GDP increased 3.72 percent. Many businesses had to reduce production due to a decrease in orders and an increase in production costs, especially in the textile and garment, leather and footwear, and wooden furniture industries, which recorded a sharp decline in orders.

Given the challenging economic situation, as of 15 June the credit growth of the entire economy reached 3.36 percent, equal to only 20 percent of the target set for the whole 2023. The goal of the banking industry is to promote credit growth, but it must be balanced with the bank's lending capacity and the economy's capital absorption capacity.

The BOM of BSL identified that 2023 is a challenging year and requires a great deal of effort to achieve the set business targets. Specifically, in the context of low credit growth for the entire banking industry and the increasing risk of bad debts, BSL always maintains stable growth while ensuring credit quality and efficiency. The company believes that 2023 still has opportunities thanks to decisive measures to support businesses from the government and the State Bank of Vietnam, including future interest rate cuts.

In addition, the government's support packages are expected to unlock capital flows and create conditions to promote the manufacturing and construction industries. Public investment is given priority

with a record-high total capital (over 25 percent higher than last year), providing motivation for the development of construction, transportation, and building material industries. As inflation decreases, the signs of economic recovery in the West and the demand for shopping at the end of the year will bring export orders back. BSL said it will continue to maintain stability and safety in credit growth operations, prepare available capital resources to anticipate positive signals of the economy, and achieve the set targets.

At the meeting, BSL was awarded a certificate of merit from Sumitomo Mitsui Trust Bank and Sumitomo Mitsui Trust Panasonic Finance Company for its positive contributions to the group. 

THANH HUYEN

Journey to the future

The achievements at BIDV So Giao Dich 3 branch over the past 21 years are great pieces in the 66-year development picture of BIDV.



BIDV So Giao Dich 3 branch honored at the closing workshop for VnSAT project

A RELIABLE PARTNER

BIDV So Giao Dich 3 was officially established on 15 July 2002 under Decision No. 39/QĐ-HHQTT by the Chairman of BIDV's Board of Directors. The branch's main task was to be a wholesale unit for Rural Finance Project I which had been transferred from the State Bank of Vietnam. This is considered an important milestone, marking the development of BIDV in the process of international integration.

With outstanding loan balance of more than VND900 billion handed over by the State Bank in July 2002 and with the first 44 staff, BIDV So

Giao Dich 3 made great efforts to successfully run the Rural Finance Project I. In the subsequent years, the branch mobilized successfully and was honored to be entrusted by the World Bank (WB) with the task of a wholesale bank for the Rural Finance Project II in 2003, Rural Finance Project III in 2009 and the Vietnam Sustainable Agriculture Transformation Project (VnSAT) in 2015.

As of July 2023, the outstanding loans of the three Rural Finance Projects and VnSAT had reached over VND7,200 billion (USD306 million), 8 times higher than the initial figure. A total of 37 financial institutions

participated in retail disbursement, with accumulated loan disbursement amounting to VND43 trillion (USD1.8 billion), contributing to a total investment of more than VND69 trillion (USD3 billion) for agricultural and rural development in Vietnam. The project funds were disbursed into 1.3 million loans to households and businesses, including over 600,000 small loans for poor and low-income households, creating over 500,000 new jobs in rural areas. Environmental protection and social safety has always complied with the donor's requirements.

This is a unique characteristic and also the pride of BIDV So Giao Dich

3 as it ensures safe and effective loan management towards the goal of poverty reduction, and new agricultural and rural development, contributing to changing the face of Vietnam's key agricultural products, namely rice and coffee.

With a total capital of up to USD653 million funded by the three Rural Finance Projects and VnSAT Project, until now BIDV has been the WB's largest partner in the loan program for agriculture and rural development in Vietnam. BIDV is also the only commercial bank in the Vietnamese banking system selected to act as a wholesale bank for ODA sources.

The positive results in the wholesale banking activities of BIDV So Giao Dich 3 have contributed to enhancing BIDV's position and reputation in the evaluation of government agencies and domestic and international organizations. Along with fulfilling the mission of a wholesale bank with ODA financed by the WB, since 2007 BIDV So Giao Dich 3 has developed commercial banking activities towards individual and business customers with the establishment of units: credit, appraisal, international payment, cash and vaults, transaction offices, and savings kiosks.

Implementing the orientation of BIDV's leadership, since 2015, the branch's resources have been focused on promoting commercial activities to all customer groups such as corporations, large businesses, small and medium-sized enterprises as well as individuals and households. The branch gradually consolidated its organizational structure towards better serving each customer segment. In the period of 2022 - 2023, the branch established two new units namely Premium Customers and FDI Banking.



An opening ceremony of a transaction office of BIDV So Giao Dich 3

Up to now, BIDV So Giao Dich 3 has 17 professional divisions and 4 transaction offices with a total of 170 employees. As of June 2023, the branch's commercial activities contributed 75 percent to the branch's total net income. Credit balance reached VND12 trillion (USD510 million); mobilized capital reached VND25 trillion (more than USD1 billion), and the bad debt ratio was less than 1.4 percent.

TOWARD THE FUTURE

In line with the strong rise of the entire BIDV system, over the past 21 years, BIDV So Giao Dich 3 has continuously developed to become a modern and multifunctional commercial bank, providing optimal services to customers.

In recognition of the efforts and dedication of BIDV So Giao Dich 3, the Party, State, Government, and the State Bank awarded the branch with First Class Labor Medal (2020), Second Class Labor Medal (2014), Third Class Labor Medal (2010) and many certificates of merit and emulation

flags for collectives and individuals. The Rural Finance Project II has been considered as the one with the fastest and most effective disbursements among the World Bank-financed projects in Vietnam. In June 2023, the Vietnam Sustainable Agricultural Transformation Project, led by BIDV So Giao Dich 3 as a wholesale bank, continued to receive the FY23 EAP Team Awards from the WB. BIDV So Giao Dich 3 is also the incubator for many officers of BIDV. They have grown up and been honored to be entrusted with key roles by the bank's leadership at units.

Though there are many difficulties ahead, with the achievements and experiences, along with flexibility and agility, BIDV So Giao Dich 3 always keep in mind the slogan "Accompanying - Aspiring - Thriving", maintaining the creativity, dynamism and enthusiasm to continue to successfully complete all assigned tasks, thereby bringing the branch to a new level of development while contributing to the overall success of the BIDV system.

Striving to fulfill banking tasks



On 15 July 2023, in Hanoi, the State Bank of Vietnam (SBV) organized a virtual conference to review the banking performance in the first half of 2023, and to re-disseminate the tasks of the banking sector for the remaining months of the year.

DETERMINED TO OVERCOME DIFFICULTIES

According to the State Bank Governor Mrs. Nguyen Thi Hong, after one year of various difficulties, obstacles and unprecedented events, the banking sector had entered the year of 2023 with a lot of difficulties and challenges, such as the complicated and unpredictable developments in the global and the domestic markets; the tightening of the monetary policies by central banks around the world to control the inflation; the high common interest rates around the world; the default of a number of banks in the U.S and Europe; the difficulties faced

by the domestic corporate bond and the real estate markets; etc.

Against that backdrop, the banking sector had been tasked to manage the monetary policy in order to control the inflation, maintain the macro-economic stability and stabilize the money and the forex markets, thereby helping to reduce the common interest rates while still maintaining the stability of the exchange rate, implementing measures to remove the difficulties for the economy. According to the SBV Governor, this was a difficult requirement, especially when there was a limited space for the monetary policy,

and the money and forex markets were under strong influence of the psychology of expectations. The SBV Governor also emphasized that the restructuring of the credit institutions in association with the resolution of non-performing loans had continued to be implemented strongly. The promotion of the digital services and the diversification of the banking products and services had received a lot of attention.

ENCOURAGING RESULTS IN THE FIRST HALF

Following the Resolutions of the National Assembly, the policy of the Government, and the macro-economic situations, in the first half of 2023, the SBV focused on the strong and consistent implementation of the monetary policy measures and the management of the banking operations.

Regarding the management of interest rate, in order to ease difficulties for the economy, businesses and the people, the SBV had reduced the key interest rates four times, by a total of 0.5 percent to 2 percent p.a. Thanks to the determination and the efforts of the entire banking sector, the common interest rates have been on a downward trend.

As of the end of June 2023, the deposit interest rates and the average lending interest rates applied to new transactions in VND had decreased by 1 percent p.a. as compared to those of the end of 2022. In addition, commercial banks had proactively adjusted and conducted preferential credit packages/programs to reduce the lending interest rates by a total of

0.5 percent to 3 percent p.a. applied to new loans.

The SBV had closely followed the market situations to operate the exchange rate in a flexible and appropriate manner in line with the monetary policy instruments in order to maintain the stability of forex market, contributing to controlling inflation and maintaining the macro-economic stability. The liquidity had been ensured for smooth operations and the legitimate demands for foreign currencies had been fully met. The SBV had bought foreign currencies from the credit institutions to supplement the state foreign currency reserve.

Right from the beginning of 2023, the SBV had assigned credit growth targets to the credit institutions and directed them to focus credit on production and business operations, priority areas and sectors in accordance with the Government's policy; strictly control credit to potentially risky areas; implement measures to create favorable conditions to facilitate the people's and businesses' access to bank loans; diversify the banking products and services; and streamline the lending procedures.


As of 30 June 2023, the loan outstanding of the whole economy reached VND12,490 trillion, up 4.73 percent compared to that of the end of 2022. The credit for the potentially risky areas had been controlled.

The digital transformation and the cashless payment had continued to be further enhanced. The legal frameworks for payment operations and the digital transformation had

been continuously improved. The whole banking sector had actively implemented the Scheme on Cashless Payment Promotion in the 2021-2025 period, and the Plan for the Digital Transformation of the banking sector by 2025, vision to 2030. The cashless payment had continued to achieve positive results.

Implementing the Prime Minister's Decision No. 06/QĐ-TTg dated 6 January 2022, the SBV had issued the Implementation Plan of the banking sector for 2023. The banking sector had also actively developed plans, connected and exploited the population information in the National Database on Population, the chip-based ID cards, the electronic identification (VN eID) in support of the public services, the provision of credit information, and the anti-money laundering, as well as to support the socio-economic development.

In addition, the SBV had continued to focus on improving the legal frameworks, the mechanisms and policies, contributing to ensuring the safety of the banking system, and gradually catching up with the international standards.

Representatives from Vietnam Banks' Association and several credit institutions expressed their agreement with the report on the banking performance in the first half of 2023, and the tasks of the banking sector during the remaining months of the year. Besides, they also raised a number of ideas and suggested several solutions for the implementation of the tasks of the banking sector in the remaining months of 2023. 

New regulations effective July



There are a number of regulations effective this July regarding value added tax, base salary, auction of car license plates, automobile registration fee, environmental protection fees for mineral exploitation and business registration.

VALUE ADDED TAX REDUCED TO 8 PERCENT

The Government issued Decree 44/2023/ND-CP stipulating the value-added tax reduction policy according to the National Assembly’s Resolution 101/2023/QH15 dated 24 June 2023.

For business units and establishments that are calculating value-added tax

by the deduction method, the value-added tax rate of 8 percent shall apply to the group of goods and services eligible for tax reduction under Decree 44.

For business units, establishments and individuals that are calculating value-added tax according to the percentage method on turnover, a reduction of 20 percent of the percentage rate shall be applied to calculate value-added tax when issuing invoices for groups of goods and services eligible for tax reduction under Decree 44.

BASE SALARY RAISED

The Government issued Decree No. 24/2023/ND-CP dated 14 May 2023 stipulating the base salary for cadres, civil servants, public employees, and members of the armed forces. Accordingly, from 1 July 2023,

the base salary of VND1.8 million (USD77)/month is applicable to 9 groups of subjects.

The Decree stipulates that the base salary is used as a basis for: Calculating salary level in the pay scale, allowance levels and other regimes as prescribed by law for the specified subjects; calculating activity and living costs in accordance with law; calculating deductions and benefits according to the base salary.

AUCTION OF CAR LICENSE PLATES PILOTED

The government’s Decree 39/2023/ND-CP dated 26 June 2023 details a number of articles of the National Assembly’s Resolution No.73/2022/QH15 dated 15 November 2022 on piloting the auction of car license plates.

According to Decree 39, auction participants are Vietnamese organizations and individuals who meet the eligibility criteria for engaging in license plate auctions for vehicles, as stipulated in this Decree and other relevant documents.

Auction of car license plates will be carried out online and must comply with the provisions of law on asset auction, network safety and security.

Notification about timing, auction regulations, and list of license plates of automobiles put for auction must be made public at least 30 days before the auction date.

Decree 39 is valid between 1 July 2023 and 1 July 2026.

DOMESTIC AUTOMOBILE REGISTRATION FEE REDUCED

The Government promulgates Decree No.41/2023/ND-CP stipulating the registration fee for automobiles, trailers or semi-trailers and similar vehicles which are domestically manufactured and assembled.

The Decree stipulates that, from 1 July 2023 to the end of 31 December 2023, the first registration fee for cars, trailers, or semi-trailers towed by cars, and similar vehicles domestically manufactured or assembled shall be entitled to a 50 percent reduction of the prescribed fee as stipulated in the Government's Decree No.10 dated 15 January 2022 on registration fees; current resolutions of People's Councils or decisions of People's Committees of provinces and centrally-run cities on the local registration fee rates and any amended/supplemented documents.

ADJUSTMENT TO ENVIRONMENTAL PROTECTION FEES FOR MINERAL EXPLOITATION

The Government issued Decree No.27/2023/ND-CP dated 31 May 2023 stipulating environmental protection fees for mineral exploitation, with effect from 15 July 2023 in replacement of Decree 164 dated 24 December 2016.

According to the regulations, the subjects of the environmental protection fees for mineral exploitation include the exploitation of crude oil, natural gas, coal gas; metallic and non-metallic minerals



as specified in the fee rate schedule issued together with this Decree. The organization that collects environmental protection fees for mineral exploitation is a tax authority in accordance with the law on tax administration.

The Decree stipulates that the environmental protection fee is VND100,000/ton for crude oil; VND50/m³ for natural gas, coal gas. In particular, natural gas obtained in the process of crude oil extraction (associated gas) is VND35/m³.

NEW REGULATIONS ON BUSINESS REGISTRATION

The Ministry of Planning and Investment issued Circular No. 02/2023/TT-BKHDT dated 18 April 2023 which amends and supplements a number of articles of Circular No. 01/2021/TT-BKHDT on business registration. It adds a regulation on business household registration via electronic information network. This Circular takes effect from 1 July 2023.

According to the Circular, business household registration via electronic network means that a business household carries out the procedures for business household registration in accordance with the provisions of Decree No.01/2021/ND-CP on the business household registration information portal through the National Business Registration Portal.

The applicant for household business registration shall declare information, upload e-documents, and use a digital signature to authenticate the business household registration dossiers according to the process on the information system on business household registration.

District-level business registration agencies shall return the receipt of the dossiers and registration settlement results to the applicants who submit the dossier through the electronic information network according to the process on the information system on business household registration. [\[5\]](#)

HUONG GIANG

Mesmerizing emerald beach

Ky Co is famous for its turquoise water and pristine sand. With two sides abutting the mountain and one side facing the sea, it is regarded as the most intriguing tourist attraction in Quy Nhon.

Ky Co is located more than 20 km southeast of Quy Nhon city center. Visitors may travel to Quy Nhon throughout the year due to its pleasant climate. But between February and August, when the area offers calmer waters, it is advised for the most convenience. This is the best time of year for outdoor activities because the weather is milder and less wet. Visitors can easily be overwhelmed by the majestic wild beauty and harmonious nature of the island. From a distance, magnificent mountains and shady coconut palm trees with their leaves swaying from the winds can be seen. Under the spell of nature, the sea water color changes depending on the time of



day, sometimes dark blue, sometimes jade green, sometimes fresh blue. Stepping away from the sandy beach are natural "pools" with crystal clear water, formed by waves and rocks.

One interesting thing about Ky Co that amazes many tourists is the low

water level. You can freely plunge yourself into the jade water and still be able to reach the surface after swimming 100 meters. If the sparkling water bores you, spend some time slowly strolling along the sandy beach. You can take some photos while walking barefoot under the coconut trees. Or unwind under the umbrella trees and drink some coconut water while sipping some coconut water while taking in the breathtaking scenery. Under the sun, the entire picture becomes incredibly shimmering. The beauty of Ky Co beach rivals a treasure trove of rare pearls. From afar, the sand grains shimmer like little diamonds and the sunshine creates a magical streak of glittering light across the water.

The tide in Ky Co island exposes the caves, allowing visitors to do some explorations, like prying milk oysters





on the cliffs, finding snails and sea cucumbers crammed in the cliffs. In the afternoon, watching the whole island covered in the golden sunset and flocks of birds flying back to their nests is healing for anyone who loves this lovely atmosphere. Let's

check out popular activities on this beautiful emerald:

CAMP ON THE BEACH


Overnight camping on the beach will undoubtedly be thrilling for people who value nature and are passionate about new adventures. Bringing tents and seafood for a BBQ party with family and friends is a perfect way to bond with the loved ones. Try out the local favorites like crown fish, oysters, and snails from Nhon Ly.

ENJOY KY CO CUISINE

When visiting Ky Co, you may indulge in delicious cuisine in addition to taking in the unspoiled beauty of nature. In order to preserve the freshness and flavor of the fish, the seafood dishes are prepared right after the fish are caught. Do not leave here without trying some exquisite seafood delicacies such as abalone, dried squid, fresh squid, sea urchin, and lobster.

VISIT NEARBY ATTRACTIONS

When visiting Ky Co beach, relaxing and checking in at Hang Yen bridge (also known as the "Love bridge") is a worthwhile experience. There is a colorful bridge with one side framed by mountains and the other side opening up to the sea. The metal bridge has hardwood planks along it, and a red heart-shaped pattern serves as its focal point.

While Ky Co is a unique island with one side embracing the sea, leaning against the majestic mountains with turquoise blue sea color, Eo Gio is more mysterious with a walkway between the hillside on one side and the sea on the other side. The distinctive and alluring feature of Eo Gio comes from stone and water. Over the years, as a result of water erosion and the weathering process of the sea wind, bird nest caves were formed, making the place the second largest bird nest cave in Vietnam. 

PHUOC THAO

Tribute to people with meritorious services

On 21 July 2023, BIDV Trade Union collaborated with BIDV Lam Son to visit and give gifts totaling VND100 million (USD4,300) to wounded soldiers and people with meritorious services at the Nursing center for people with meritorious services in Thanh Hoa province.

This is part of the BIDV Trade Union's activities on the occasion of the 76th anniversary of war invalids and martyrs' day (27 July 1947 - 27 July 2023) to pay tribute to wounded soldiers, people with meritorious services who are being cared in the provinces and cities including Ha Noi, Thai Binh, Bac Giang, Thanh Hoa, Quang Binh and Ba Ria - Vung Tau. The nursing center for people with meritorious services in Thanh Hoa is currently taking care of and nurturing 235 wounded soldiers and people with



BIDV union representatives present gifts to wounded soldiers and people with meritorious services in Thanh Hoa province

meritorious services, including 94 seriously wounded soldiers; injured soldiers with extremely difficult circumstances; lonely and elderly relatives of martyrs, martyrs' disabled

children and people infected with Agent Orange living with extremely difficult circumstances.

THANH BINH

Honoring the sacrifice

On the occasion of the 76th anniversary of war invalids and martyrs' day (27 July), BIDV Trade Union organized a trip to the origins (honoring the sacrifice) with the participation of 47 officers who were war invalids, martyrs' relatives, and Vietnamese heroic mothers.

On this trip, the delegation presented VND40 million (USD1.700) to the management boards of relics at Dong Loc T-junction, Thach Han River, Road 9 Martyrs Cemetery, Truong Son Martyrs Cemetery.

Mr. Pham Manh Hung, BIDV Bac Ninh, shared: "The annual trip to the origins organized by BIDV Trade Union is of profound humanistic significance. It promotes the tradition of "when drinking water, remember its source", "gratitude is the sign of noble souls; as well as educating today's young generation. The activity is also a source of encouragement for wounded soldiers and martyrs' relatives".



A trip to the origins organized by BIDV Trade Union



FULL OF JOY WITH BIDV PREPAID CARD



BIDV 

INSPIRE
Your life

BIDV
JCB
ULTIMATE



The quintessence of
JAPANESE CULTURE