

# BIDV **R**eview

**BIDV**  A Newsletter of Bank for Investment and Development of Vietnam JSC • Issue **No.42** | September 2018

## BIDV goes live on **SWIFT gpi**

ADB's Leading Partner Bank  
in Vietnam





*BIDV headquarters in the centre of Hanoi, Vietnam*

#### **ABOUT BIDV**

Established in 1957, BIDV is the largest commercial bank in Vietnam by assets. The bank boasts subsidiaries in finance, banking, securities and insurance. BIDV has expanded its business to the international markets including Lao PDR, Cambodia, Myanmar, Czech Republic, Russian Federation and Taiwan (China). BIDV stock (BID) is listed on the Ho Chi Minh City Stock Exchange (HOSE). For more information, please visit [www.bidv.com.vn](http://www.bidv.com.vn)



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# Editor's Letter

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Dear readers,

In September BIDV inked a number of deals with important domestic partners while earning much international recognition from prestigious organisations following its outstanding performance over the year.

BIDV officially went live on SWIFT gpi, becoming the only bank in Vietnam to implement a full SWIFT gpi service. The SWIFT gpi implementation is one of BIDV's key projects in 2018, demonstrating the bank's efforts to improve the quality of payment services to best meet the needs of customers.


The bank also signed a cooperation agreement with banks Agribank and Vietinbank to upgrade a 24/7 bilateral electronic payment which is expected to go live in the middle of October this year. The event marks an important milestone in the long-term cooperation between the three and serves to improve the quality of payment operation in line with the global development trend.

On a business trip to Laos, BIDV's high ranking delegation led by Mr. Bui Quang Tien, member in charge of the board of directors, congratulated Mr. Sonexay Sitphaxay on his new role as acting governor of the Bank of the Lao PDR. Mr. Tien expressed his wish that in the new position Mr. Sonexay Sitphaxay would

continue to support BIDV's activities as well as its presences in Laos.

With endeavours in maintaining and strengthening operational capacity, expansion in trade finance as well as information transparency, BIDV has been recognised by ADB as a leading partner bank in Vietnam for the third year in a row.

BIDV was also awarded House of the Year, Vietnam 2018 by Asia Risk Magazine, marking the sixth time BIDV has received this prestigious award. The bank's outstanding results in providing derivative solutions to help customers hedge risks in foreign exchange rates met the strict criteria set by Asia Risk, prompting the magazine to select the bank for the prestigious award.

As a responsible bank, this month BIDV actively joined a number of community programmes. Scholarships were awarded to excellent students from the National Economics University (NEU) and life vest-convertible backpacks were presented to disadvantaged children living in flood-prone and rural areas. The programmes demonstrate BIDV's consistent support for national philanthropic and social welfare efforts and, more importantly, the bank's commitment to education in Vietnam. 



**BIDV HIGHLIGHTS**

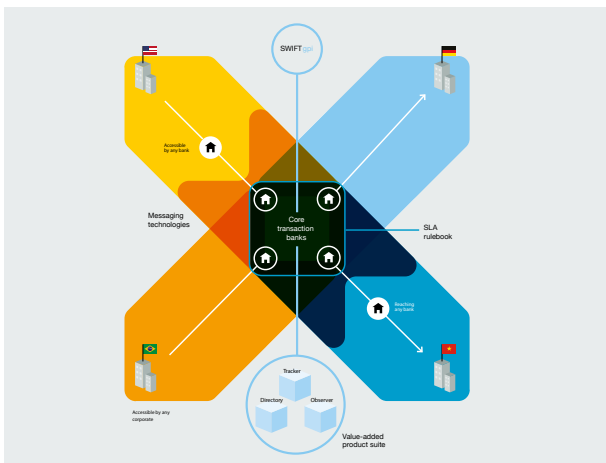
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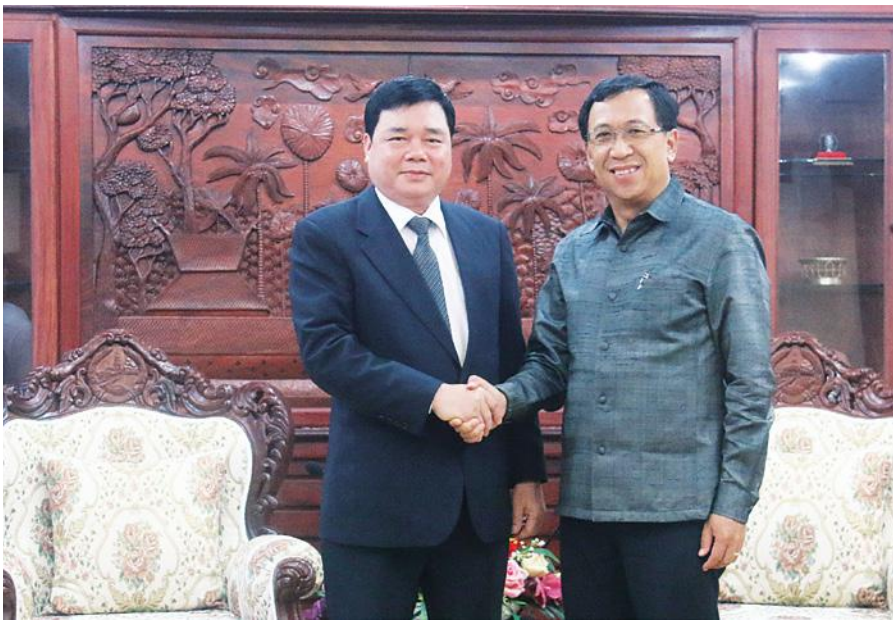
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**ANH DUC**

# BIDV congratulates Lao central bank acting governor



*Mr. Bui Quang Tien, member in charge of BIDV's board of directors (left), congratulated Mr. Sonexay Sitphaxay on his appointment as acting governor of the Bank of the Lao PDR.*

**BIDV's high ranking delegation led by Mr. Bui Quang Tien, member in charge of the board of directors, paid a visit to the Laos on 21 September, congratulating Mr. Sonexay Sitphaxay on his new role as acting governor of the Bank of the Lao PDR.**

**O**n behalf of BIDV's board of directors, Mr. Bui Quang Tien congratulated Mr. Sonexay

Sitphaxay on his appointment to the post of acting governor of the central bank of Laos.

Mr. Bui Quang Tien briefed Mr. Sonexay Sitphaxay on the performance of BIDV, highlighting the activities of the bank's presences in Laos (including Lao-Viet Bank, Lao-Viet Insurance and the BIDV Representative Office in Laos). Mr. Tien expressed his wish that in the new position Mr. Sonexay Sitphaxay would continue to support BIDV's activities as well as its presences in Laos.

Addressing the meeting, the acting governor Mr. Sonexay Sitphaxay congratulated BIDV on its achievements in recent years. He also praised the bank's efforts and its commercial presences in Laos, particularly their contribution to promoting Laos's socio-economic development.

The acting governor said that the Bank of the Lao PDR highly appreciated the activities of BIDV's presences for their legal compliance, efficiency and positive contributions to Laos' economic development. In addition to business activities, BIDV and its commercial presences actively promote social security activities, contributing to the Lao government's efforts on poverty reduction.

Mr. Sonexay Sitphaxay expressed his wish that BIDV and its presences in Laos would continue to operate more efficiently and achieve greater success, thereby contributing actively to the promotion of comprehensive cooperation friendship between the two countries. **B**

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The acting governor Sonexay Sitphaxay previously worked at Lao-Viet Bank - a joint venture between BIDV and the Banque Pour Le Commerce Extérieur Lao Public (BCEL) in the position of chief executive officer between June 2002 and March 2003.

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TUE MINH

# ADB again names BIDV as Vietnam's leading partner bank



*Ms. Truong Thi Thu Ba, deputy head of BIDV Financial Institutions Department, represents BIDV to receive the TFP award from ADB.*

The Asian Development Bank (ADB) recognised leading partner banks at its fourth annual Trade Finance Program (TFP) Awards held on 4 September in Singapore. BIDV was Vietnam's only bank to be honoured with the 'Leading Partner Bank in Vietnam 2018' award for the third year in a row.

Over 200 guests from banks and other financial institutions around the world attended the event. The TFP Awards recognised

23 partner banks from 15 countries. The award serves as recognition for BIDV's endeavors in maintaining and strengthening its operational capacity, expansion in trade finance as well as information transparency.

Since 2009, ADB's TFP has supported more than 12,000 small and medium-sized businesses across developing Asia—through over 16,600 transactions valued at over USD30 billion. TFP helps reduce market gaps for trade finance by providing loans and guarantees to financial institutions to support trade activities in the region. TFP currently operates in 21 ADB member countries, with the top five most active markets

including Armenia, Bangladesh, Pakistan, Sri Lanka, and Vietnam.

Backed by ADB's AAA credit rating, TFP provides guarantees and loans to over 200 partner banks to support trade, enabling more companies throughout Asia to engage in import and export activities.

Financial institutions in support of trade as well as SMEs play an important role in closing the global trade finance gap, which amounts to USD1.5 trillion globally, 40 percent of which is coming from the Asia and the Pacific region, according to ADB's latest Trade Finance Gap survey. Trade finance is also an important component for countries to achieve the Sustainable Development Goals, as identified by the United Nations' action agenda on financing for development.

In 2009, BIDV was one of the first Vietnamese partners selected by ADB to be granted credit limit and sign trade finance contracts in the framework of the TFP program. [\[5\]](#)

BIDV, established in 1957, is currently the largest commercial bank in Vietnam by assets. As of 30 June 2018, the bank's total assets had reached nearly VND1.3 quadrillion (USD56 billion). BIDV's operations cover banking, insurance, securities and investment with a wide network of over 1000 branches and transaction offices as well as overseas commercial presences.

# BIDV goes live on SWIFT gpi

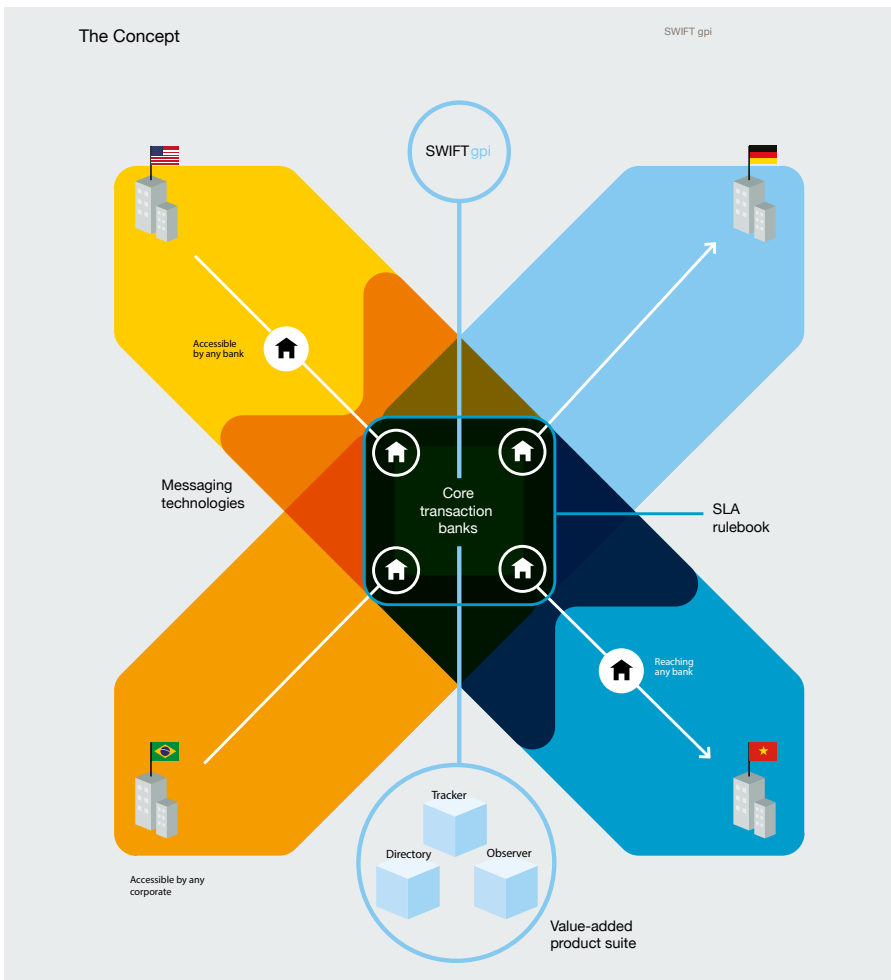
On 28 September 2018, the Joint Stock Commercial Bank for Investment and Development of Vietnam (BIDV) officially went live on SWIFT gpi (SWIFT global payments innovation initiative). BIDV is the only bank in Vietnam to implement all three roles of a gpi agent (instructing bank, intermediary bank, and instructed bank), using API connectivity.

SWIFT gpi is considered the biggest revolution in cross-border payment over the last 30 years. To date, 70 banks have deployed this service, including 49 out of 50 of the world's top banks. These include JP Morgan Chase Bank, Wells Fargo, Deutsche Bank and HSBC.

In line with the increasing growth of the economy and Industry 4.0, BIDV signed up to implement SWIFT gpi at the end of December 2017 to further improve its service quality. Nine months since joining the SWIFT gpi project, SWIFT and BIDV senior experts have introduced innovations to upgrade the bank's technology system to meet SWIFT standards, ensuring that the project is implemented effectively and on schedule at the bank.

SWIFT gpi service allows BIDV to track payments in real time faster and more transparently, helping the bank reduce tracking times and save costs and human resources and better customer service.

Application programming interface (API) is an advanced and most secure connection mode popularly used among partners. The API helps BIDV send/receive gpi information immediately while facilitating the implementation of the upcoming services of SWIFT gpi. This advantage equips BIDV with readiness to provide comprehensive solutions to meet the needs of customers in cross-border payments.







Ms. Le Dieu Hong, a representative from SWIFT in Vietnam (fifth from left), congratulates BIDV on going-live on SWIFT gpi

With modern IT infrastructure and advanced and highly automated processes, BIDV is helping its customers enjoy all the benefits that SWIFT gpi offers.

Some outstanding features include, first, faster use of funds when cross-border payments are credited quickly (63 percent of messages are credited within 30 minutes and 93 percent of messages are credited within 24 hours); second, better cash-flow management (transparency of crediting time, fees and exchange rates); third, indirect benefits of reduced costs and faster processing speed; and last but not least, corporates granted a SWIFT BEI code when deploying GPI4C (gpi standard for connected corporates) can manage and track transaction information immediately, thus improving the efficiency of the fund use.

The SWIFT gpi implementation is one of BIDV's key projects in 2018, demonstrating the bank's efforts to improve the quality of payment services. In the coming time, the bank

will continue to upgrade its system, further improving processes to meet all standards for new services offered by SWIFT gpi.

BIDV, founded in 1957, is the longest-established bank in Vietnam. The bank has maintained its position as the leading bank in the country in researching, developing and deploying new products and services, including cross-border payments. BIDV has been recognised for its cross-border payments through important awards such as Trade Award from Commerzbank; STP Awards from JP Morgan Chase, Bank of New York and Standard Chartered Bank.

With momentum and demand for SWIFT's global payments innovation service continuing to grow rapidly, SWIFT's community is to universally support the service – a move that will drive such significant take-up that by end of 2020 every bank on the SWIFT network will be able to offer same day end-to-end delivery with full tracking and transparency, throughout the

payment chain. In November 2018, as part of the annual SWIFT Standard MT Release, the gpi Tracker will be extended to all payment messages carried between all 11,000 customers on SWIFT across more than 200 countries and territories. **R**

#### SWIFT gpi in numbers

- Over USD 100 billion is being sent every day using SWIFT gpi.
- gpi payments are being sent over 220 international country corridors and new corridors are opening every day.
- Over 160 financial institutions around the world have already signed up to SWIFT gpi.
- Banks' enquiry-related costs are reduced by as much as 50 percent as gpi payments are faster and fully traceable.
- More than 50 payment market infrastructures are already exchanging gpi payments, enabling domestic exchange and tracking.

**CAO ANH**

# House of the Year six years running

BIDV was awarded House of the Year, Vietnam 2018 by Asia Risk Magazine at an event held in Singapore on 13 September 2018. The award recognises best practices in risk management and derivatives use by banks and financial institutions around the region. This is the sixth time BIDV has received this prestigious award.

Over 900 participants from 350 financial institutions in 20 countries in the Asian region attended the event. BIDV stood alone amongst Vietnamese banks in receiving the award this year. Many big names were also honoured in key categories including Citibank with Clearing Bank of the Year; Societe Generale with Structured Products House of the Year; and BNP Paribas with Commodities Derivatives House of the Year.

The Asia Risk awards were based on an evaluation of the performance of financial institutions in the field of derivatives. In 2018, BIDV hit nearly USD1 billion of cross-currency swap transaction volume (USD/VND) and was the first Vietnamese bank to offer a diesel price option in Vietnam's market. The bank's outstanding results in providing derivative solutions to help customers hedge risks in foreign exchange rates as well as price fluctuations met the strict criteria set by Asia Risk, prompting the magazine to select the bank for the prestigious award.



*Ms. Vo Dieu Thuy, deputy head of Treasury Department represents BIDV to receive the "House of the Year" award from Asia Risk*

The House of the Year, Vietnam 2018 award demonstrates BIDV's ability to pioneer as well as creativeness in applying modern international financial to provide customers with the most advanced and effective risk management solutions. The award affirms BIDV's prestige and leading position as well as customers' trust in the bank in supplying derivative products in Vietnam.

BIDV launched derivative products in 2006 and has maintained its leading position in Vietnam in derivatives research, development and implementation. The bank is currently offering diverse derivative products to customers in hedging risks in foreign exchange, interest rate and commodity

prices (agricultural products, fuels, energy and metal). **R**

As Asia's most respected risk management and financial derivative magazine, Asia Risk annually interviews candidates and solicits customer feedback from prominent financial institutions in countries such as Australia, China and Singapore to identify financial institutions who have made outstanding achievements in sales growth and business efficiency as well as innovation and diversification of financial derivative products and risk management to be selected for the House of the Year award.

NHAT NAM

# Leading position in cross-currency swaps

With a weakening currency, a cautious central bank and multiple restrictions on derivatives trading, Vietnam is not an easy market for a swaps dealer. BIDV has retained its leading position amid challenging market conditions, with record volumes in cross-currency swaps, interest rate swaps, structured products and commodity derivatives.

Against a backdrop of rising interest rates in the US and the strengthening of the dollar (USD), the State Bank of Vietnam has taken steps to control the dollarisation of its economy and limit the weakening of the Vietnamese dong (VND). Many banks have consequently struggled to attract onshore USD and have had to balance a deficit of dollars against a surplus of VND.

Given the record-low interest rate gap between VND and USD, Vietnamese corporates that have already borrowed in dollars would have the opportunity to hedge forex volatility at a very low cost or convert currency to pay out their loans.

By July, BIDV had increased the pool of clients using its cross-currency swaps and interest rate swaps to roughly 600, with a trading volume of USD520 million in USD/VND cross-currency swaps and

USD144 million in VND interest rate swaps between January and July.

In one landmark trade in April, BIDV arranged a cross-currency swap for a large state-owned corporation that needed USD100 million for its business operations, but was concerned about the impact of exchange rate volatility. With many banks willing to lend at competitive rates, BIDV structured a package that combined a traditional USD loan with a USD/VND cross-currency swap to mitigate the forex risk.

Another recent highlight for BIDV was the USD/VND banking book cross-currency swap, which is also aimed at managing the USD shortage and VND surplus in BIDV's banking book. The structure comprises a square

mechanism, whereby instead of BIDV using the interbank market to square client positions, the USD and VND cashflow payable to, or receivable from, the client is retained for the banking book.

Beyond the high turnover and product innovation in forex and interest rate derivatives, BIDV remains active in multiple-commodity derivatives and over the past year it has expanded its focus to petroleum. While Vietnam is a crude oil exporter, oil is also imported to meet domestic demand, and BIDV has started to offer hedging products to mitigate the risk of price fluctuations in gasoil. This extends its offering in the petroleum space, which introduced jet kerosene products in 2009 and liquid petroleum gas in 2016. 





Mr. Tran Phuong (right), senior executive vice president at BIDV, shakes hands with deputy CEO of Agribank at the signing ceremony

## Cooperating to improve payment convenience

On 25 September Vietnam's three top lenders, Agribank, BIDV and Vietinbank, signed a cooperation agreement to upgrade a 24/7 bilateral electronic payment system, expected to go live in mid-October this year.

The 24/7 bilateral electronic payment system between the three leading commercial banks in Vietnam marks an important milestone in their long-term cooperation, improving the quality of payment operation in line with the global development trend.

Along with the boom of e-commerce and cashless payment, customers are moving to electronic channels (internet banking, mobile banking, ATMs and electronic tax payment) with increasing


demand. The current bilateral payment system between the three banks handles transactions conducted on working days only and before the cut-off time as set by the interbank payment system (IBPS) of the State Bank of Vietnam. However, under the new cooperation deal, money transfers between the three banks will also be available on weekends and holidays.

In 2004, the three banks signed a cooperation agreement on developing a bilateral electronic payment system. After 14 years of stable and safe operation, the system has become the main payment channel of the three banks, ensuring payment transactions are processed safely and smoothly.

The system was upgraded in 2015 to further ensure payment safety and quality as well as meeting the increasing demand for the payment of

customers. The volume and number of transactions conducted through the system has grown continuously over the years, accounting for a large proportion of total interbank transfers.

According to statistics, in 2017 the bilateral electronic payment channel accounted for 36 percent of total interbank payment transactions. In the first eight months of 2018, the total number of inward and outward transfers of the three banks via the bilateral electronic payment system was 12.1 million, valued at VND1,822 trillion (USD79 billion).

Together with joining SWIFT gpi, BIDV reaffirms its pioneering position in the field of payment as well as banking services and products. 

HONG HANH

# Ha Thanh branch and endocrinology hospital sign agreement



Mr. Tran Long, head of Ha Thanh branch (left) and Dr. Tran Ngoc Luong, head of the National Hospital of Endocrinology shake hands after signing the cooperation agreement.

Recently in Hanoi, BIDV Ha Thanh branch and the National Hospital of Endocrinology (NHE) signed a comprehensive cooperation agreement for the period 2018-2023.


**D**r. Tran Ngoc Luong, head of the Hospital, and Mr. Tran Long, head of Ha Thanh branch, represented the two parties in signing the agreement.

Under the deal, BIDV Ha Thanh is committed to providing banking products and services according to the needs of the NHE, creating favourable conditions for the hospital and its

staff to access and maximise BIDV's services. The branch ensures the interest rate and service fee policy for the hospital and its staff is competitive against the market benchmark in accordance with BIDV's regulations.

At the signing ceremony, BIDV Ha Thanh funded the purchase of medical equipment for the hospital worth VND1 billion (USD300,000) as a gesture to show its gratitude to the hospital leadership and staff for their contributions to the community.

Addressing the ceremony, Mr. Le Ngoc Lam, senior executive vice president at BIDV, affirmed: "BIDV and the National Hospital of Endocrinology have always been important partners. BIDV will provide maximum support to the hospital through its credit packages with preferential rates to help boost the construction of the hospital's projects."

The agreement ensures the lasting and long-term cooperation between the two, helping promote the strengths of each side. It also demonstrates BIDV's commitment to the hospital under its slogan "share opportunities, share success." 

# Financial support for solar power users

Users of rooftop solar power will be insured for the first time in Vietnam under a deal among solar energy solution provider SolarBK Holdings, BIDV and BIDV Insurance Corporation (BIC).

On 20 September BIDV, BIDV Insurance Corporation (BIC) and Bach Khoa Energy Corporation (SolarBK) signed a cooperation agreement to guarantee financial support for a household rooftop solar power project.

The project, BigK, will support the development of clean energy by offering monetary support for customers who want to install rooftop solar panels.

Under the deal, households and businesses that use SolarBK Holdings' BigK solar power solutions will be insured by BIC. The insured power volume will be equal to 75 percent of the estimated volume that the system is expected to produce, in line with SolarBK Holdings' commitment, over a period of five years. As the quantity of power produced by rooftop solar panels largely relies on weather conditions, the insured will receive compensation if the quantity is lower than expected. If the actual volume of electricity produced is lower than 75 percent of the estimated



Representatives of BIDV, SolarBK, and BIC sign the cooperation agreement to support rooftop solar power development.


volume, clients will be reimbursed for the difference from the insurance company.

Customers will also be eligible for loans from BIDV for their purchases at preferential interest rates for up to 36 months, applicable until 31 October this year.

Nguyen Tan Loc, vice chairman and general secretary of the Vietnam Electrotechnical Industry Association, said these moves are expected to encourage local residents and businesses to invest in solar power. As a result, households and businesses could lower their electricity bills, while the State could reduce its investments

in thermal power, thereby protecting the environment.

The Ministry of Industry and Trade reported that as of July, 748 solar rooftop projects had been installed, with a total capacity of 11.55 megawatt-peak (MWp). The installed capacity connected to the grid is dominated by a small number of medium-sized roof-top systems.

Vietnam's potential for solar power generation is great, with 1,600-2,700 sunlight hours per year and an average direct normal irradiance of four-to-five kilowatt-hours (kWh) per square metre, comparable to Thailand, the Philippines, Spain, and Italy. 

HIEN TRAN

# BSC offers new optimal security solution

**BIDV Securities Company (BSC) is offering a brand new optimal security solution for online transactions and digital certificates for investors starting 1 September 2018.**

The launch follows Circular 134/2017 from the Ministry of Finance relating to electronic transactions on the stock market. The product is expected to provide investors with many user experiences and security benefits that differ from those of other products.

A digital certificate, much like a citizen identity card or passport, is used to confirm the identity of an object, such as software, an application or server, or represent an individual or organisation when they are participating in electronic transactions, to ensure safety in the process.

Offering fast and convenient registration, security enhancement and compatible with all browsers such as Google Chrome, Firefox, IE, and Safari, digital certificates are expected to quickly become the optimal method for investors in primary and derivative securities trading.

A pioneer in applying industry 4.0 in securities operations, with the successful implementation of the

digital certificate security solution, BSC is committed to providing investors with leading professional consulting services and support.

BSC, a subsidiary of BIDV, was founded in 1999 and was the first securities company of the banking sector to engage in trading securities. Thanks to good market forecasts and business opportunities, the company's profit increased sharply. In the first six months of the year, the company's revenue reached nearly VND600 billion (USD26 million), double that of the

previous year. BSC set a pre-tax profit target of VND200 billion (USD8.7 million) for 2018 yet hit VND229 billion (USD10 million) in the first six months, exceeding 14.6 percent of the year target.

BSC is now a market clearing member of the Vietnamese derivatives market, also offering covered warrants. The firm has invested significant resources in its IT backbone with a view to further expanding the range of its services in the future. [R](#)



# Bancassurance builds great successes for BIC



Banks and insurance companies in developed countries have invested significantly in distribution channels for selling insurance products through banks (referred to as bancassurance). Bancassurance emerged in Vietnam in the late 2000s and has seen tremendous development in the period since. BIDV and BIC have partnered to lead the trend, achieving great successes along the way.

## BROAD STRATEGY

This time 10 years ago marked a very special event in Vietnam's financial market when BIDV, a Vietnamese lender, purchased the shares of

QBE Insurance Group (Australia) to establish a wholly owned insurance company. With the birth of BIC in 2006, BIDV positioned insurance as its second business pillar, aiming to provide a full bundle for customers. Since the early days, leaders of BIDV and BIC have considered bancassurance a strategic business move towards robust development.

In 2008, BIDV and BIC introduced the very first bancassurance channel to the market. As a pioneer in bancassurance, BIC faced many challenges. BIDV and BIC joined hands to solve all early difficulties, turning them into business opportunities. BIDV specifically arranged convenient working locations for BIC employees to tie their business to the bank's activities. The bank also helped BIC to build an advanced IT system to maximise customers' potential values across BIDV's transaction points.

BIDV's base of millions of customers offers great advantage for the bancassurance business. Despite the small number of personnel, BIC staff diligently visited all transaction offices to educate bank employees about the superiorities of insurance products and their benefits when linked to banking products. BIDV and BIC also organised a series of contests





*The successful cooperation with BIDV in implementing bancassurance laid solid foundations for BIC to expand further*

to award employees with excellent sales performance, motivating more and more employees to implement bancassurance throughout the system.

The success of bancassurance can be attributed to 10 years of continuous dedication and efforts, overcoming endless challenges and difficulties, marking a significant milestone and affirming a strategic outlook of BIDV and BIC's leaders.

BIC's bancassurance revenues have risen 50 times compared to the first year of operation with average growth of 50 percent annually. The total customers the channel served reached an impressive figure of 300,000. BIDV has upgraded its IT system, integrating online insurance sale at the bank's transaction counters. Insurance products sold through the bancassurance system have been consistently improved not only for business purposes but also for the customers' benefits. For BIDV, BIC's insurance products have proven to be an effective risk management

tool, ensuring financial safety for the bank in the case of borrowers' failure to pay back their loans. Thanks to their outstanding features and convenience, BIC was honoured with the "Outstanding Product Award" as voted by Vietnam Industry and Trade magazine in 2008 and 2013.


The successful cooperation with BIDV in implementing bancassurance laid solid foundations for BIC to expand its distribution channels with other banks such as DongA Bank, SeABank, LienVietPostBank and VietABank, amongst others. Currently BIC is the non-life insurer with the largest bank-linked network in Vietnam.

### LOOKING FORWARD

The coming years are forecast to pose strong competition among companies implementing bancassurance. Facing these challenges, BIC has prepared fully to bring bancassurance to another level.

With great support from the strategic partners FairFax, the world's leading

insurer/reinsurer, and BIDV, BIC is set to focus on developing more new insurance products that are tailored to the needs of customers and closely linked to banking products, even devising a totally new market for the insurance products. The insurer also gives priority to enhancing its IT system in attempt to further improve customer experience.

BIC also continues to expand the implementation of bancassurance in its overseas joint ventures. Currently, Lao-Viet Insurance (LVI), a subsidiary of BIC in Laos, has successfully implemented bancassurance by cross-selling through 120 bank transaction offices in the country. 

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With the fervent support from strategic partners FairFax and BIDV, BIC will build new insurance products that are tailored to the needs of customers and closely linked to banking products.

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# Vietnam – Russia trade booms, with potential for further growth

While Vietnam and Russia have enjoyed booming bilateral trade, greater effort is needed if the true potential is to be reached.

According to the General Department of Vietnam Customs' data, Vietnam has recorded a trade surplus each year with Russia since 2011. Two-way trade turnover has risen and hit a record USD5.23 billion in 2017, up 36 percent on-year.

In the first seven months of this year, the trade surplus reached USD265 million, down 39 percent against the same period last year. The decline was thanks to stronger growth in imports compared to exports.

At the end of July, Vietnam had sold goods worth almost USD1.47 billion to Russia while spending USD1.2 billion on imports from the country. These figures represented growth of 21 percent in exports and 55 percent in imports year-on-year.

Russia was the 19th largest trading partner of Vietnam in the first seven months. It is a key market for Vietnam's main export products

such as telephones and components (USD710 million, up 15.6 percent), computers and electronic devices (USD120.6 million, up 81 percent) and coffee (USD113 million, up 64 percent).

On the opposite side, wheat was Vietnam's top import product with value of USD358.4 million, 32 times more than the same period of last year and accounting for nearly 30 percent of the total import value.

In the first seven months, Vietnam imported coal from Russia for the first time with value of USD145 million, making it the item with the second highest import value. Besides, iron and steel, fertiliser, machinery and spare





Moscow, Russia

parts and petroleum were among the main import items. These six products accounted for 75 percent of the total value of Vietnam's imports from this market.

Russia currently ranks 23rd among countries and territories investing in Vietnam with total registered capital of USD931.6 million (including projects valid as of August 20), according to the Foreign Investment Agency under the Ministry of Planning and Investment. Russia's projects are mostly in oil and gas, manufacturing, mining, transport, telecommunications, aquaculture and fishing.

Meanwhile, Vietnam has invested in

18 projects in Russia, with combined registered and added capital of USD2.4 billion as of the end of March 2018. Most of the investment comes from projects invested by Rusvietpetro joint venture, Hanoi-Moscow Trade Centre Investment JSC and a dairy cow breeding and milk processing in Moscow of TH Group.

To date, 17 projects are among the Vietnam-Russia prioritised projects approved at the 20th session of the Vietnam-Russia Intergovernmental Committee for Economic-Commercial and Scientific-Technological Cooperation in September 2017.

These projects are in oil and gas,

transport, agriculture, electricity, construction, industry and high technology. The two countries are currently working on a plan to implement the projects. Source: Vietnamnews [\[5\]](#)

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On 18 May 2016 BIDV inaugurated its representative office in Russia, becoming the sole Vietnamese bank to have established a commercial presence in the country. The establishment marked a new development for BIDV in the market. Along with its representative office in the Czech Republic, the Russian based office helps BIDV to expand its operation in Europe.

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THUAN AN

# Vietnam among outperforming emerging economies



Ho Chi Minh City, Vietnam

A recent report published by McKinsey Global Institute classifies Vietnam as an outperforming emerging economy, together with 17 others.

In “Outperformers: High-growth emerging economies and the companies that propel them”, the McKinsey Global Institute looks at the long-term track record of 71 developing economies to identify the outperformers—and finds two key factors that help explain their outperformance: a pro-growth policy agenda of productivity, income, and demand that has driven

exceptional economic growth, and the underappreciated but nonetheless standout role that large companies have played in driving that growth.

McKinsey found 18 of 71 major emerging economies analysed within the report had exceptional GDP per capita growth performance over the past 50 and 20 years and were classified as “outperformers”.

Among them, seven economies achieved or exceeded real annual per capita GDP growth of 3.5 percent for the entire 50-year period, including mainland China, Hong Kong, Indonesia, Malaysia, Singapore, South Korea, and Thailand.

A second group of 11 more recent, less heralded, and more geographically diverse outperformers achieving real average annual per capita GDP growth over the 20 years between 1995 and 2016 of at least 5 percent include Azerbaijan, Belarus, Cambodia, Ethiopia, India, Kazakhstan, Laos, Myanmar, Turkmenistan, Uzbekistan, and Vietnam.

According to McKinsey, the global economy will experience a bounce, growing at an average of 3.5 percent a year, compared with consensus forecasts of 2.8 percent. That growth could directly add USD11 trillion to global GDP by 2030. About USD8 trillion of that would come directly from the 53 hitherto middling and underperforming emerging economies.

The remaining USD3 trillion would come indirectly, as increased economic activity and income in the 53 nations affect global demand in advanced and outperforming emerging economies. The USD11 trillion boost to global output amounts to roughly 10 percent of the world’s economy and would be equivalent to adding another China.

In August 2018 August Moody’s Investors Service (Moody’s) upgraded the Vietnamese Government’s long-term issuer and senior unsecured ratings to Ba3 from B1 with stable outlook. Moody’s estimates that Vietnam’s growth potential is strong at around 6.5 percent, supported by increasingly efficient use of labour and capital in the economy. [R](#)

TUNG LAM

# More utilities with accounts linked to Moca e-wallet

BIDV is launching a service linking customers' accounts opened at BIDV to a Moca e-wallet mobile app, aiming to increase utility as well as diversifying products and services for customers.

Moca e-wallet was developed by Moca Technology and Service Joint Stock Company and meets Payment Card Industry

Data Security Standard (PCI DSS) - a set of international standards for card transaction security. The e-wallet supports users to make payments for goods and services directly via the app. Moca company is one of the pioneers to apply "Tokenization" technology to eliminate the risk of credit card information leakage.

Moca service offers the following features: Linking or delinking Moca e-wallet to BIDV account; topping up Moca e-wallet from the associated BIDV account; and withdrawing money from Moca e-wallet and transferring to the BIDV account. For each successful transaction, BIDV applies the fee on Moca as follows: 0.5 percent per transaction value, at least VND2,000 per transaction (excluding VAT).

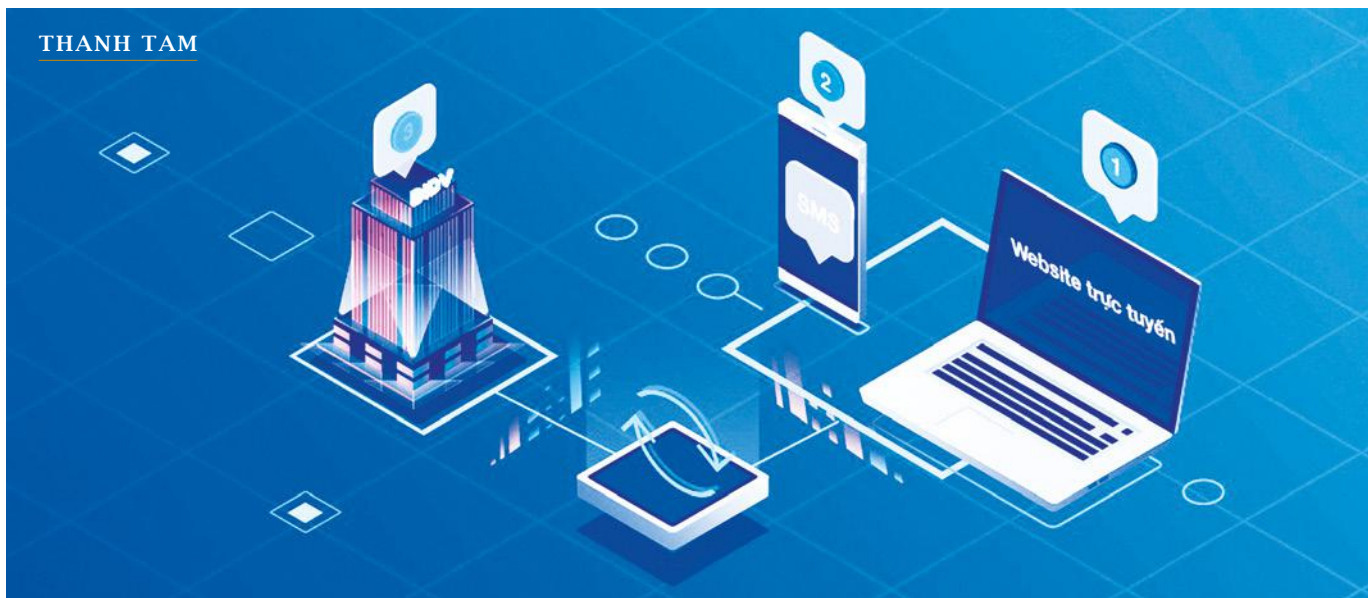
To register for the service, customers need to have a domestic card issued by BIDV and register for BIDV Online financial package with an SIBS phone number.

Moca Technology and Service Joint Stock Company was founded and operated by a team of experts on finance and banking technology with experience from Google, Microsoft and other leading banks in Vietnam. 



BIDV partners with Moca to offer more convenience to customers

THANH TAM



BIDV offers three different channels for customers to change their phone numbers

# BIDV supports transfer to new phone number system

According to Decision No.798 /QĐ-BTTTT of the Ministry of Information and Communications, 11-digit phone numbers will be switched to 10 digits with effect from 15 September 2018. BIDV has devised a solution to help customers switch their phone numbers from 11 to 10 digits conveniently and smoothly.

**B**IDV currently has millions of customers whose mobile numbers consist of 11 digits, which under the new Decision will need to be switched to 10. By offering three different channels, BIDV ensures that customers' phone numbers are updated in a fast, convenient and secure manner, helping minimise time and costs for customers.

Customers can choose one of the following three channels to switch their phone numbers:

**1. Via the BIDV website:** Customers can log in at <https://ebank.bidv.com.vn/> and choose the tap “change phone number”, entering their personal information (including name, ID card, the 11-digit phone number, OTP

phone number and email address (if applicable). BIDV will verify the information. If the information is correct, the bank's system will send a verification code to the customer. After the customers have entered the code, the system will confirm and change the customer's phone number accordingly.

**2. Via SMS:** Customers send an SMS from their 11-digit phone number which has been registered with BIDV with the text: BIDV CNMM [FullName] [ID card] to 8149 to change the information. For example: Text BIDV CNMM NguyenVanAnh 123456789 to 8149.

**3. At a BIDV branch:** Customers visit a BIDV branch or transaction office and request to change their phone number.

NGOC LINH

# VRB launches new mobile banking service



The Vietnam - Russia Joint Venture Bank (VRB) officially launched a new mobile banking service VRB mBanking, aiming to bring the best products and services to customers.

VRB mBanking is an online banking application installed on mobile devices (including phones and tablets) giving customers new experiences in a faster and more convenient manner. Via the app, customers can make transactions anywhere, anytime.

VRB mBanking features a friendly interface and offers modern services such as domestic and foreign currency transfer; 24/7 interbank money transfer; online deposits; utility bill payment and credit card payment, amongst others.

In addition to the financial features, the application gives customers an opportunity to experience non-financial utilities such as account/card transaction query; exchange rates; interest rates; and promotions.

VRB mBanking is compatible with most iOS and Android mobile phones that connect to the internet via 3G, 4G or Wi-Fi. Customers can download the application and activate the service easily at GooglePlay (for Android) and Appstore (for iOS) under the keyword "VRB Mobile Banking".

Please visit your nearest VRB's branch or transaction office or call the bank's hotline via 18006656 for more information. [R](#)

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VRB was established in 2006 as a joint venture between the two leading banks of Vietnam and the Russian Federation - BIDV and VTB.

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PHA LE

# Lang Son: a multi-cultural land

Lang Son is a northern mountainous province of Vietnam, with two international border gates leading to China. The province takes pride in its many natural and historical sites that reflect the diverse nature of its culture.



Tam Thanh pagoda

## KY LUA MARKET

Ky Lua market is situated in the centre of Lang Son. The market has been in operation for hundreds of years. It serves as a bustling trade centre for local people as well as visitors to Vietnam.

People visit the market not just to sell goods, but also to visit others and discuss business. The market is also a meeting place for young ethnic people. They gather in the market, buy goods, meet their friends and even find their partners through love songs.

Ky Lua market today has been

transformed and is open all day and night. Visitors to the market can take in the fresh air of the frontier mountain region, and rarely fail to be moved and impressed by the night scenes and shopping activity when traveling to Lang Son.

## TO THI MOUNTAIN

To Thi Mountain, also called Vong Phu Mountain, is shaped like a woman holding a child in her arms, waiting for her husband to return from battle in North Vietnam.

The mountain's name means "waiting for



her husband". Since ancient times, this human-shaped stone has been associated with the fairy Ms. To Thi. As the legend goes, To Thi stood holding her baby, waiting for her husband to return from the battlefield. Sadly, she never saw him return and finally she turned into a rock and later the mountain became known as To Thi in her honour.

Located on northwestern Tam Thanh Mount, the legend of To Thi persists in the minds of the Vietnamese.

## TAM THANH PAGODA

Tam Thanh Pagoda stands in a stone cave (also known as Tam Thanh Grotto) located in Tam Thanh Ward. The pagoda retains its inherent natural beauty, attracting visitors from near and far. In Tam Thanh Grotto, there is a white big Buddha Amitabha statue in the flexible soft art style of Le - Mac Dynasty. The statue is in a standing position in the shape of a Bodhi leaf. Standing 2.02m high and 0.65m wide, the statue has





*Bac Son Valley*

been carved into the cliffs. A Buddhist priest's dress is draped from the statue's shoulders to its heels.

Tam Thanh is a complex of three caves (Nhat Thanh, Nhi Thanh, and Thanh Tam) in Tam Thanh Pagoda. Tam Thanh Grotto lies halfway up the mountain and can be reached by 30 stone steps carved into the mountainside.

**BAC SON VALLEY**

Bac Son is a district in Lang Son. It lies 160km from Hanoi to the north. One of the interesting aspects of Bac Son valley is its high mountains, 500-1200 metres tall. These mountains, together with the valley's paddy fields, create a majestic scenic landscape that is best viewed by climbing to the peak.

Bac Son valley pathway leads you to the paddy fields where you'll get a chance to see the beautiful river that crosses the rice fields. Besides the



*To Thi mountain*

valley itself, Bac Son district's villages possess a beauty of their own.

Travelling by road through the town between the valleys, it's possible to miss how beautiful the surroundings are. It's well worth the effort of making your way up to the top of one of the high mountains and viewing the panorama of the valley to take in the

overwhelming beauty of the region.

Bac Son flat terrain is favourable for irrigation, so rice is planted in two seasons and is often harvested later than most other areas by half a month to a month. Rice is grown in Bac Son at different times, so some fields are harvested sooner and some later, creating a colourful scene. **R**

# Shoppers' paradise



Paris is known as the fashion capital of the world and the ideal place for a luxury shopping trip. As well as the actual goods on offer, the shopping streets, malls and shopping centres themselves are places of interest and worthwhile destinations for tourists to explore.

## GALERIES LAFAYETTE

Galeries Lafayette is one of the most popular, chic and distinguished shopping centres in Paris. Founded in 1893, Galeries Lafayette was the last-born of Paris' department stores. It started as a small boutique on Rue Lafayette and developed into the flagship store on Boulevard Haussmann.

Great artists from the École de Nancy were called upon to decorate this magnificent building in the style of Paris Art Nouveau. The banister of the

magnificent staircase, inspired by the Paris Opera House, was designed by Louis Majorelle, who is also credited with the ironwork featured on the balconies. Master glass-maker Jacques Gruber was responsible for designing the Neo-byzantine style stained glass windows. The dome, rising to a height of 43 metres, soon became the iconic symbol of Galeries Lafayette. The centre really comes to life during the festive season, when the sparkling decorations together with the luxury architecture bring some Christmas and New Year dazzle to visitors.



### LE BON MARCHÉ RIVE GAUCHE

Le Bon Marché Rive Gauche was the first department store in the world, opening in 1852 in Paris. A patron of the arts, the department store, located at 24 rue de Sèvres, is also an exhibition space where talent, curiosity, a love of beauty and a taste for discovery create a constant dialog.

A collection of over 80 pieces of contemporary art and furniture of the 20th and 21st centuries created by established and emerging artists is exhibited throughout the store. This collection offers the chance to enjoy an aesthetic and educational journey to the heart of contemporary creation.



### CHAMPS ELYSEES

Champs Elysees tops the list of the most beautiful avenues in the world. Lined on both sides with luxury stores, the Champs Elysees is also located close to many other famous places making it an ideal starting point for a sightseeing tour. This impressive

street stretches from the Place de la Concorde to the Place Charles de Gaulle, the site of the Arc de Triomphe. The street is bordered by the Jardins des Champs-Élysées, beautifully arranged gardens with fountains and some grand buildings including the Grand and Petit Palais at the southern side and the Elysée at its northern side.

The Champs-Élysées is used for all the major celebrations. Parisians celebrate New Year's Eve here and military parades are held on the 14th of July. Historic national events, like the Liberation at the end of the Second World War or the victory in the World Cup football were also celebrated on this wide avenue. 📍



Mr. Bui Quang Tien, member in charge of BIDV's board of directors (third from left) receives flowers from the NEU management board on 5 September 2018.

# Economics students get financial support from BIDV

BIDV awarded scholarships worth a total of VND300 million to students from the National Economics University (NEU) who have shown outstanding academic performance.

The presentation formed part of the NEU's 60th intake opening ceremony and was witnessed by Prof., Dr. Vuong Dinh Hue, deputy prime minister and Politburo member.

The bank hopes the scholarships will motivate the students to reach further academic success and utilize their knowledge to better serve the country.

On behalf of the university

management, Prof., Dr. Tran Tho Dat, president of the NEU, presented flowers to the sponsors to express the university's appreciation. Mr. Bui Quang Tien, member in charge of the board of directors of BIDV, represented the bank to receive the gesture of gratitude from the university students and faculty.

In 2015 BIDV signed a comprehensive cooperation agreement with the NEU for the period 2015-2019 to foster education, training and technology development as well as the provision of banking services. The agreement offers an opportunity for BIDV to work closely with the university to develop and enhance the bank's employee training programmes and boost macroeconomic and market

research, by incorporating theoretical teaching with hands-on training. At the event, BIDV committed to provide a scholarship package worth VND1.5 billion for five years (2015-2019) to be presented to outstanding NEU students within that time frame. The most recent scholarships awarded by BIDV were part of the total package.

As one of the leading financial institutions in Vietnam dedicated to the socio-economic development of the country, BIDV strives to support the development of education, research and technology in Vietnam. The bank has signed an agreement with the Ministry of Education and Training to facilitate partnerships with 163 colleges, universities, and educational facilities nationwide including the NEU. 

KIEU OANH

# BIDV awards Vietnamese women's rowing team

BIDV awarded VND100 million to the women's rowing team who earned the first gold medal for Vietnam at the 18th Asian Games - ASIAD 18.


The presentation took place on 4 September at a tribute ceremony for the Vietnamese women's rowing team and their coach held by Vietnam's General Department of Sports and Physical Training.

Speaking at the ceremony, Mr. Donnelly Joseph Ignatius, a specialist from Australia who guided the Vietnamese athletes to this achievement, shared "The team's victory came from not only their strong fighting spirit but also their love for sports and for their home country."

The incredible victory gained through many challenges served as motivation for the Vietnamese team to accomplish even more outstanding performances

in the Asian games. Vietnam earned a total of 38 medals (including four golds), ranking 17 out of 37, rising four places overall from ASIAD 17.

As soon as the Vietnamese anthem began playing at ASIAD 18, signifying the victory of the women's rowing team, BIDV announced the reward for the team's incredible performance.

In recent years, BIDV has always strongly supported the development of sport in Vietnam through awarding Vietnamese athletes with outstanding performances, including the national women's soccer team at ASIAD 17 and the national men's soccer team at AFC U-23 Championship, as well as funding the Anh Vien Foundation. 



Mr. Tran Phung, senior executive vice president of BIDV (in black) at the presentation of award to the national rowing team.

# Life vest-convertible backpacks secure students

BIDV presented 5000 life vest-convertible backpacks and VND100 million to procure school supplies for disadvantaged children living in flood-prone and rural areas.

As part of the “Taking kids to school” 2018 programme of the National Fund for Vietnamese Children, BIDV presented 5000 life vest-convertible backpacks and VND100 million (USD4,400) to procure school supplies for disadvantaged children living in flood-prone and rural areas of northern provinces of Bac Giang, Tuyen Quang, Hoa Binh, Hai Duong and Binh Duong, to a total value of VND900 million (USD39,000). This is the 9th consecutive year BIDV has participated in this social welfare programme.

The backpacks presented by BIDV can be used by the students in daily life for carrying books and other school equipment. They also have the dual purpose of enabling them to stay afloat on water if necessary in the event of a flood. The backpacks help keep the children safer and make parents feel more at ease about sending their children to school. The programme demonstrates BIDV’s consistent support for national philanthropic and social welfare efforts and, more importantly, the bank’s commitment to education in Vietnam.

Addressing the presentation ceremony in Bac Giang Province, Ms. Nguyen



Students in the northern province of Bac Giang receive life vest-convertible backpacks which help keep them safer

Thi Thu Hong, vice president of the Vietnam General Confederation of Labour cum president of the National Fund for Vietnamese Children (NFVC) extended her special thanks to BIDV Trade Union for supporting the programme over the years. Ms. Hong confirmed that the backpacks are valuable gifts for the children, bringing peace of mind to parents and teachers particularly during the flood season. She also noted that BIDV has been an active participant in a number of programmes organised by the NFVC’s including “Scholarships awarding”, “Tet gifts for the poor”, “Taking children to school” and “Presenting

gifts to child patients”, among others.

Mr. Phan Huy Hoang, senior vice president of BIDV Trade Union, said “Presenting life vest convertible backpacks to children in flood-prone areas is an annual joint effort between BIDV and the NFVC. Since 2009, BIDV has donated more than 30,000 backpacks valued at VND7 billion (USD300,000) to children across 35 provinces throughout the nation. BIDV hopes these gifts will motivate the children to strive to achieve the best results at school, meeting the expectations of their parents and teachers.”

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- 153** 4-day/3-night tour vouchers to Singapore for two  
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*From 26 September to 30 November 2018*

