

# BIDV **R**evue



A Newsletter of Bank for Investment and Development of Vietnam JSC

Issue **No. 21** | Oct 2016

## **BIDV TOPS** VIETNAMESE BANKS BY ASSETS

### MORE LENDING RATE CUTS





*Cua Lo beach, Nghe An province*

## **ABOUT BIDV**

Established in 1957, BIDV has grown to become one of the leading commercial banks in Vietnam. 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, Russia 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)



## **EXECUTIVE PRODUCER**

**QUACH HUNG HIEP**

Senior Executive Vice President

## **EDITORIAL BOARD**

**BRANDING AND PUBLIC RELATIONS DEPARTMENT**

## **HEAD OFFICE:**

BIDV Tower, 35 Hang Voi str., Hoan Kiem dist., Hanoi, Vietnam

Tel: (+84) 4 22205544

Fax: (+84) 4 22225316

Contact center: 19009247 – (+84) 4 22200588

Email: [bidvreview@bidv.com.vn](mailto:bidvreview@bidv.com.vn)

 [BIDVbankvietnam](https://www.facebook.com/BIDVbankvietnam)

License No. 03/GP-XBBT dated 4 January 2016  
by the Ministry of Information and Communications

Printed at Vietnam Book Printing Joint Stock Company



# Editor's Letter

---

Dear readers,

*A*utumn has arrived, bringing clement weather as a welcome relief from the summer heat. However, the market has become hotter with the closing of the third quarter, triggering the start of the last quarter of the year.

In the framework of the official visit to Vietnam, the Myanmar President Mr. Htin Kyaw received senior leaders of BIDV. The president appreciated the bank's efforts and business performance, expressing his hope that BIDV's efficient operations in Myanmar will boost the development of the two countries.

This month, BIDV held its extraordinary general meeting of shareholders where important information was given to shareholders. The most notable change is that the bank's chief executive officer is the legal representative. The bank reported positive business results, with profit before tax fulfilling 71 percent of the

year's business plan and a dividend payout ratio of 8.5 percent paid in cash.

Another significant event in this month was the bank's lending rate cut of one percent to support enterprises and households, including customers affected by the recent floods in the central provinces of Vietnam.

Separately, BIDV granted aid of VND2.9 billion to affected central provinces and families to support them in managing the aftermath of the floods and financing rehabilitation operations.

As well as information relating to BIDV's current operation, this issue provides an updated analysis of the market including a broad view of macro-economy from the BIDV Research Centre, ADB and the World Bank. ♦



## BIDV HIGHLIGHTS

### 4. Myanmar president receives BIDV leaders



### 5. Cambodian delegation commends BIDV

### 6. BIDV tops Vietnamese banks by assets



### 8. BIDV cuts lending rates

### 9. Largest taxpayers in Vietnam

### 10. Commitment to financial transparency

## OVERSEAS OPERATIONS

### 11. Intent on reaching new heights

### 12. Yangon branch facilitates smooth transfers



## PARTNERS

### 13. 26th MOU inked with Japanese banks



### 14. SMEs targeted for preferential loans



### 15. REP enables BIDV in human resources

## ACHIEVEMENTS AND AWARDS

### 16. Top local taxpayers in non-life insurance



### 17. HNX lists outstanding securities companies



## MARKET MOVEMENTS

**18.** A glance at the macro-economy

**20.** Upturn in Southeast Asian economies



**22.** Secure forecast for exchange rate



**23.** Myanmar to open up to foreign insurers in 2017

## PRODUCTS & SERVICES

**24.** Financing automobile supply chain

**25.** WU remittance “Giving love”



**25.** Put your trust in us

## LIFESTYLE

**26.** Glory of the Champa culture



**28.** Love without boundaries

## CSR

**30.** Immediate assistance for flood relief



**31.** Enabling locals in new house construction



**32.** Kindergarten extension helps raise standards

**PHAN ANH**



*BIDV senior leaders in a meeting with Myanmar president (first, R-L) in Hanoi*

# Myanmar president receives BIDV leaders

During an official visit to Vietnam in October the President of Myanmar Mr. Htin Kyaw received senior leaders of BIDV.

**A**t the meeting, Mr. Tran Anh Tuan, board member in charge, briefed the president on the bank's development and achievements over its 60 year history. The board member emphasised the bank's activities in Myanmar, particularly the grand opening of BIDV Yangon branch, whereby BIDV became the first Vietnamese bank to open a branch in the country. Mr. Tran Anh Tuan also mentioned the role of BIDV in the Association of Vietnamese Investors in Myanmar (AVIM), thus contributing to promote trade and investment cooperation between the two countries.

BIDV confirmed it will actively support

BIDV Yangon to operate effectively and act as a bridge to better support Vietnamese enterprises investing in Myanmar, contributing to strengthen the cooperation relations between the two countries. The BIDV representative also willed the president, government and relevant ministries and agencies of Myanmar to continue supporting BIDV, particularly BIDV Yangon.

Speaking at the meeting, Mr. Htin Kyaw noted his appreciation of the bank's efforts and business performance in Myanmar as well as the contribution it has made to the trade and investment growth and tourism cooperation between the two.

The president also shared information about a number of areas Myanmar is prioritizing for investment, including finance, banking, insurance and agriculture, amongst others.

The president expressed his hope that BIDV's efficient operations in Myanmar will boost the development of both countries. "Vietnam is among the top countries with trade and investment links in Myanmar. In the near future, more opportunities will arise for Vietnamese enterprises to conduct business and investment in Myanmar. BIDV will be the best support for this trade promotion," said the president. ♦



**TUE MINH**

# Cambodian delegation commends BIDV

On 29 September a delegation of the National Bank of Cambodia (NBC) headed by Mr. Kim Vada, director general of banking supervision, paid a working visit to BIDV.

The meeting between BIDV and NBC revealed positive results. Mr. Le Kim Hoa, BIDV senior EVP and chairman of the Bank for Investment and Development of Cambodia Plc (BIDC) reported on the outstanding results gained by BIDV and BIDC as well as their joint future business direction. BIDV is currently the leading bank in Vietnam by assets with a wide network of over 1,000 transaction points locally and abroad.

BIDV has established five commercial presences in Cambodia since 2009. These have been operating effectively in compliance with local laws and the central bank's regulations, contributing significantly to the socio-economic development and social security of Cambodia.

On behalf of the delegation, Mr. Kim Vada praised the achievements of BIDV, particularly its investments in Cambodia. He also gave a picture of Cambodia's socio-economic development. He applauded BIDC for its compliance with the laws of Cambodia while expressing his hope that it would soon become one of the



*BIDV leaders receive a delegation from National Bank of Cambodia in Hanoi*

largest banks in Cambodia.

Speaking at the meeting, Mr. Phan Duc Tu, BIDV chief executive officer noted his appreciation of the immense support the National Bank of Cambodia has given to BIDV's commercial presences in Cambodia over the past seven years. The chief executive expressed his hope that NBC would continue to support and instruct the bank's commercial presences to operate in accordance with the country's laws, contributing to the economic development of Cambodia in particular and the friendly relations between the two countries.

Over the past ten years, Cambodia has seen a strong development in banking in terms of both volume

and quality of transactions. As of the end of August 2016, Cambodia has 36 commercial banks, 13 specialised banks, 8 representative offices and 64 micro-finance companies. Five Vietnamese banks have established their presence in the country including BIDV, Agribank, Sacombank, Saigon-Hanoi Bank, and Military Bank. ♦

BIDV's five commercial presences in Cambodia include the Bank for Investment and Development of Cambodia Plc (BIDC); International Investment and Development of Cambodia (IDCC); Cambodia-Vietnam Insurance (CVI); Cambodia-Vietnam Securities (CVS); and BIDV Representative Office.

HOANG ANH

# BIDV tops Vietnamese banks by assets

BIDV's extraordinary general meeting of shareholders on 22 October approved proposals on changes to the bank's charter and regulations on organisation and operation of the board of directors. The most notable change is that the bank's chief executive officer was named as legal representative.



*Mr. Phan Duc Tu, BIDV chief executive officer speaks at the bank's extraordinary GMS 2016*



As of the end of the third quarter of this year, BIDV had achieved positive results, closely following the policies of the Government and the State Bank of Vietnam, and fulfilling the set business targets, particularly:

As of 30 September, total assets reached VND956 trillion (USD42.9 billion), up 11.5 percent year-to-date, making BIDV the largest bank in Vietnam by total assets.

Total deposits were over VND887 trillion (USD39.8 billion), of which capital mobilised from economic organisations and individuals reached VND754 trillion (USD33.8 billion), up 14.22 percent year-to-date. Deposits from residents reached more than VND427 trillion (USD19.1 billion), up





*BIDV headquarters in Hanoi*

20 percent year-to-date, representing 57 percent of total deposits.

Total credit and investment reached over VND912 trillion (USD40.9 billion), up 14.2 percent year-to-date, of which outstanding loans were over VND698 trillion (USD31.3 billion), up 12.7 percent year-to-date. The bank's credit market share accounted for 13.6 percent, up 0.4 percent year-on-year.

Profit before tax improved, reaching VND5,623 billion (USD252.2 million), up 6.9 percent compared to the same period last year, fulfilling 71 percent of the year's business plan; of which net service income was VND2,685 billion (USD120.4 million), up 13.3 percent year-on-year. Provisions were made in accordance with regulations, with NPL ratio being 1.72 percent.

In the year BIDV has received prestigious awards from several organisations. These included highest taxpayer in Vietnam; TOP global 2,000 largest public companies as voted by Forbes; 11 fixed income poll awards from Asiamoney; Best Retail Bank in Vietnam 2016 as voted by The Asian Banker; Highly commended award: Excellence in Social Media – Customer Relations & Brand Engagement as voted by Retail Banker International and the Vietnam Excellent Brand awarded by Vietnam Economic Times.

Following the policy of the Government and the State Bank regarding supporting businesses, BIDV has been taking active measures to support enterprises to access bank loans through offering preferential credit packages and more short-term lending

rate cuts for prioritised sectors.

BIDV affirmed that it expects to meet the 2016 business plan as approved by the 2016 annual general shareholders meeting, specifically: credit growth at 18 percent, deposit growth at 19 percent and profit before tax at VND7,900 billion (USD354.3 million).

Also, BIDV's board of directors released information on 21 October 2016 relating to the dividend payment for the previous year. Accordingly, the dividend payout ratio is 8.5 percent per share and will be paid in cash. The record date is 4 November 2016 and payments will be made on 21 November 2016. ♦





*More lending rate cuts are expected to support businesses in the government's prioritized sectors*

# BIDV cuts lending rates

On 17 October BIDV announced more short-term lending rate cuts for prioritised sectors to support businesses and households.

The lending rate cut is 1 percent against the current lending rate. Maximum lending rates for the five prioritised sectors will be 6 percent per year. These include agriculture and rural development; exports; small and medium-sized enterprises; supporting industries; and high-tech enterprises.

Maximum short-term VND-denominated lending rates for startups, environmental enterprises, and companies that have had good financial status and credit ties with BIDV for more than three years will be 6 percent per year.

BIDV is also offering a lower lending rate of 5.5 percent per year for firms, individuals and households affected by the recent floods in the central provinces of Vietnam.

Other preferential credit packages with lending rates from 4.5 percent - 6 percent per year are being offered to importers and exporters to and from Russia, Myanmar, Laos, Cambodia and countries joining the Eurasian Customs Union.

A short-term VND-denominated credit package valued at VND40,000 billion (USD1.8 billion) with a lending rate from 5.5 percent per year is also applicable to new customers of certain status including SMEs, FDIs, importers, exporters and micro-enterprises.

Other major banks including Vietcombank, Agribank and Vietinbank also announced cuts in lending rates for sectors prioritised by the government and the State Bank of Vietnam. ♦



NGUYEN QUANG

# Largest taxpayers in Vietnam

A recent report listing 1000 companies currently making the largest contributions of corporate income tax in Vietnam names BIDV first amongst banks and sixth overall.

Other banks to make the top 100 include VietinBank (7th), Vietcombank (8th), Agribank (15th), Military Bank (18th), VPBank (21st), Sacombank (22nd), Techcombank (58th) and SHB (99th). Three foreign banks made the list, namely HSBC (33th), Shinhan Vietnam (47th) and ANZ (69th).

This year's top 1000 companies together paid more than VND90 trillion (USD4 billion) in tax to the state budget, up 11.87 percent against 2015. The sum accounted for 10.41 percent of the total state budget revenue last year. The top 100 firms alone contribute almost 75 percent of the corporate income tax value in the rankings.

State-owned enterprises continue to be the main source for the state budget, contributing 60 percent of the total tax payments from the list, an increase of 45 percent from last year.

Private businesses contributed around 27 percent of the total value, a slight growth from previous years. Notably, the list included Vinamilk for the first time – a private firm now amongst the top five taxpayers.

While 30 percent of the tax is paid by mining and petroleum companies, those in the telecom, computer and IT industries contribute 15 percent, with finance-related firms contributing 11 percent.

Although construction, building material and real estate sectors all have the greatest number of firms in the list, they currently contribute only 8 percent of the total tax payment.

This is the seventh year that the V1000 ranking list has been compiled, aiming to encourage, honour, and acknowledge the country's top 1,000 corporate tax contributors. The ranking is based on the amount of taxes paid in 2014. ♦



*Taxpayers list names BIDV first amongst banks and sixth overall*



THAO MINH

*Moody's affirmed BIDV high ratings amongst banks in Vietnam*

# Commitment to financial transparency

On 19 October the global rating firm Moody's released its review of eight Vietnamese banks, affirming BIDV's high ratings.

Moody's has affirmed the long-term B1 local currency deposit and issuer ratings of BIDV. The outlook on the bank's ratings remains stable. BIDV's foreign currency deposit rating is positioned at B2, in line with Vietnam's foreign currency deposit ceiling.

According to Moody's, BIDV's ratings reflect its business franchise as the largest bank in Vietnam by total assets. BIDV's funding and liquidity profile benefits from its large deposit market share as well as depositary relationships with corporate customers. Moody's also expects a very high level of support for BIDV in times of need from the Government of Vietnam.

2016 marks the 11th consecutive year that BIDV has been reviewed by Moody's. The bank has also been rated by Standard & Poor's for seven consecutive years. This confirms BIDV's commitment to financial transparency as well as compliance with international standards.

Regarding factors that could cause the Vietnamese banks' ratings to alter, Moody's said substantial improvements in the asset quality and core capital levels of Vietnamese banks could result in a positive shift. However, the ratings could be downgraded if problem loan ratios — as adjusted by Moody's — increase to in excess of 10 percent of gross loans, or if core capital buffers drop well below 8 percent. ♦





Mr. Dao Minh Tu, SBV deputy governor (centre, 1st row) in a group photo with LaoVietBank management

## Intent on reaching new heights

On September 19 during a working visit to Laos, the working delegation of the State Bank of Vietnam, led by State Bank deputy governor Dao Minh Tu, paid a visit to Lao-Viet Joint Venture Bank (LaoVietBank).

Deputy Governor Dao Minh Tu remarked upon the achievements of LaoVietBank during its 17 years of operation in Laos. The bank's successes have contributed to the socio-economic development of this neighbouring country. In addition, the bank has actively supported Vietnamese investors in Laos as well as Lao enterprises in their business transactions.

The deputy governor believed that

LaoVietBank will continue to develop, contributing more to trade and investment promotion between the two countries.

LaoVietBank chairman Tran Luc Lang

emphasised the determination shown by LaoVietBank employees to achieve more, by accomplishing assigned tasks, meeting business goals and strengthening the special relationship between Laos and Vietnam. ♦



The meeting between SBV delegation and LaoVietBank in Laos

QUANG KHANH

# Yangon branch facilitates smooth transfers

**B**IDV is among 13 foreign banks in Myanmar and the only Vietnamese bank to be licensed for banking operation in Myanmar. The bank's presence is expected to contribute to connecting and promoting economic cooperation, trade and investment between Vietnam and Myanmar.

After just three months of operation, BIDV Yangon branch has successfully provided many products and services to customers. The fast money transfer channel it provides between Vietnam and Myanmar has proved particularly valuable.

Previously, due to embargoes imposed by the US and the EU on Myanmar, channelling payments for exports and imports between Myanmar businesses and foreign enterprises (including Vietnamese) was challenging. With the opening of foreign bank branches in Myanmar since the end of 2014, international transfers between Myanmar and other countries in the world have expanded in both payment scope and volume. Previously, payment between Myanmar and foreign countries had to channel through banks in Singapore.

BIDV Yangon Branch provides payment services between Vietnam and Myanmar with reduced time compared with traditional transactions in the



*A transaction counter of BIDV Yangon branch in Myanmar*

country. International money transfers can be processed as quickly as domestic transfers and are more cost effective than the previous method of making transfers through intermediary banks in Singapore.

The branch has opened Nostro accounts at partner banks in Myanmar, including MICB, MFTB, CB Bank, AYA and KBZ. The BIDV Yangon branch has also been working with a number of banks in the country for account opening to serve money transfers.

Thanks to the lifting of the US embargo on Myanmar in October 2016, Myanmar can become a potential market for business development and an attractive destination for foreign investors.

It is expected that the Yangon Branch will serve as the main intermediary payment channel for corporate customers in Vietnam for investment in and payment to the Myanmar market. ♦



NGUYEN TRAN

# 26<sup>th</sup> MOU inked with Japanese banks

BIDV and The Yachiyo Bank signed a memorandum of understanding (MOU) on 17 October regarding cooperation to support Japanese firms with their business dealings in Vietnam. This is the 26th Japanese bank that BIDV has signed an MOU with in this field.

In the terms of the MOU, BIDV and Yachiyo Bank will cooperate to provide banking services and products to Yachiyo's Japanese customers for their business dealings in Vietnam. The two banks will coordinate to meet the needs of their customers for various financial and banking products and services including account opening and management, deposits, loans, guarantees, domestic and international payment, currency trading and derivatives.

The two banks will also cooperate to provide support and consultancy to customers relating to Vietnam's business and investment environment, Vietnamese laws for foreign investors in the fields of banking and finance, and business matching, amongst other things.



Mr. Le Ngoc Lam, BIDV Senior EVP (left) and Mr. Hirokazu Tahara, President of Yachiyo Bank shake hands after the MOU signing

The Yachiyo Bank, Limited was established on 6 December 1924 and is a regional bank headquartered in Tokyo, Japan. The Yachiyo Bank's total assets and owner's equity as of 31 March 2016 were USD20.7 billion and USD987 million respectively. The bank has a network of 84 branches and is the 87th largest bank in Japan. On 31 March 2014 it was ranked 694th in the world by assets.

BIDV is a primarily state-run bank. As of 30 June 2016 the bank ranked

first among joint stock commercial banks in Vietnam with total assets of VND930,500 billion (approx. USD42.5 billion). BIDV operates in various fields including banking, insurance, securities and investment. The bank is well-positioned, with a network of more than 1,000 branches and transaction points across Vietnam, representative offices and commercial presences in foreign countries, and partnerships established with more than 1,700 banks and bank branches in 122 countries and territories. ♦

**BINH AN**



*A seminar in Ho Chi Minh city discussed ways to support SMEs*

## SMEs targeted for preferential loans

**BIDV in collaboration with the Small and Medium Enterprises Development Fund (SMEDF) under the Ministry of Planning and Investment organised a recent seminar in Ho Chi Minh City on providing financial support for small and medium enterprises (SMEs).**

Addressing the seminar, Mr. Tran Trung Kien, deputy head of BIDV's SME Banking, introduced guidelines for a programme of entrusted loans, including guidance on deployment of the loans, the benefits available to customers participating in the programme and guidance for preparing loan applications.

BIDV has years of experience in implementing enterprise support programmes according to the government's directions, such as the VND30,000 billion (USD1.35 billion) package to support the real estate market, Decree 67 relating to supporting offshore fishing, and credit packages for the health sector. Having shown commitment to supporting customers to access loans from the fund, BIDV was selected as one of three banks to receive the entrusted funds from the SMEDF. Currently, BIDV plays an active role in the implementation of these support programmes.

The programme applies to small and medium-sized enterprises operating in the fields of agriculture, forestry and fisheries; manufacturing and

processing; water supply, waste management and treatment; and innovation. The programme is rolled out across the country through three entrusted banks - BIDV, Vietcombank, and HDBank - with lending rate fixed at 7 percent per year during the loan term (up to seven years). The programme's total credit limit is set at VND560 billion (USD25.1 million). ♦

The Small and Medium Enterprises Development Fund was founded in 2013 under the direction of the Prime Minister, aiming at supporting SMEs with feasible projects prioritised by the State in order to improve the competitive capacity of the enterprises, raising incomes and creating more jobs.



QUYNH CHI

# REP enables BIDV in human resources

BIDV has just become a recognised employer partner (REP) of Certified Practising Accountants Australia (CPA). BIDV is among the first two Vietnamese banks to be awarded the certificate.

CPA Australia is one of the world's largest accounting bodies, with more than 155,000 members across 118 countries. REP was established to create competitive advantage in talent recruitment and retention for organisations and financial institutions.

Earning REP status puts BIDV in front of thousands of candidates. The bank will be able to connect directly with the REP network which includes prestigious domestic and international CPA members. BIDV can access high quality human resources at CPA's events, expanding its expert employee base to include those holding CPA certificate.

The bank can provide professional development in skills, competitiveness and international integration capabilities for its employees by participation in the human resources quality improvement programme. Also, BIDV employees can apply for CPA Australia certificate



*Mr. Can Van Luc (centre), BIDV senior EVP, Head of BIDV Training School receives the REP certificate from CPA*

without needing to take the full course. In addition, BIDV employees receive free entry to management and professional development events held by CPA Australia.

At the REP certificate presentation ceremony held on 25 October, BIDV's senior executive vice president Can Van Luc emphasised the significance of the event for BIDV, marking an important step in the bank's international standard training and

human resource development given the worldwide economic integration.

According to Adam Awty, deputy chief executive of CPA Australia, one of the most important reasons for the recognition of BIDV is that the bank provides excellent training and support for their staff. Employees are provided ongoing support for the learning development. The commitment of BIDV is a good match between CPA and BIDV brand. ♦

MANH HAI

## Top local taxpayers in non-life insurance

**B**IDV Insurance Corporation (BIC) has been listed in the top 1000 highest taxpayers in Vietnam (V1000) for the seventh consecutive year. BIC, a member company of BIDV, ranks third among the six highest taxpayers in the non-life insurance sector.

The V1000 list was collaboratively released by Vietnam Report Joint Stock Company, Vietnamnet news site under the Ministry of Information and Communications and the Tax Magazine under the General Statistics Office, with the aim of honouring 1000 enterprises making the most significant contributions to the state budget. The businesses listed in the 2016 V1000 are those who paid the highest corporate income tax in the four years from 2012 to 2015 and complied with the laws and policies of the State, especially the laws on tax.

BIC is currently amongst eight insurance companies having the leading market share and ranks among the top five insurers with the highest



*BIC ranks third amongst the six highest taxpayers in the non-life insurance sector*

rate of return in the market. BIC has seen continued growth in both scale and efficiency, as well as fulfilling its social responsibility and making a significant contribution to the state budget.

The company's presence in the V1000 confirms the progress BIC has made in Vietnam's non-life insurance market over the past seven years, as well as the recognition of the growing contribution of BIC to the country's development. ♦





BSC representative (3rd, L-R) and other 14 securities companies receive the recognition from HNX

# HNX lists outstanding securities companies

Hanoi Stock Exchange (HNX) recently named BSC as an outstanding member securities company in the period 2015 - 2016 for its endeavours and contributions to HNX and the Vietnamese stock market.

**H**NX's annual member conference was held in October in Hanoi, together with the 25th ASEAN Exchanges CEOs Meeting and third ASEAN Broker Networking 2016. The top 15 securities companies were honoured at the conference.

According to HNX's report, as of 30 September 2016, member securities companies numbered 76, plunging from

102 in 2010 as a result of restructuring.

In 2015, total profits after tax of HNX's 76 securities companies reached VND2,697 billion (USD121 million), down 14 percent from 2014. In the first half of 2016, profit after tax of the 76 companies totaled VND1,203 billion (USD54 million), up 4 percent year-on-year. 51 securities companies made profits totaling VND1,814 billion (USD81.3 million) while 25 suffered losses of VND611 billion (USD27.4 million).

HNX's evaluation of its member securities companies is based on four criteria: financial security, brokerage market share, coordination with HNX and compliance with the obligations of a member company.

HNX also announced the top ten securities companies having the largest brokerage market share in the third quarter of 2016. The new names to make the list included Tan Viet Securities (4.31 percent), FPT Securities (3.78 percent) and BIDV Securities (3.46 percent).

For government bond brokerage alone, BSC, VCBS and HSC are the top three companies with the largest brokerage market share, each accounting for more than 10 percent.

BSC is a member of BIDV and was established in November 1999. It became the first securities company of the banking sector trading securities and among the first two securities companies in Vietnam. ♦

TAM TRUNG

# A glance at the macro-economy

BIDV Research Centre has released its recent report detailing Vietnam's macro-economy over the last nine months and outlining the forecast for 2017.

## HIGHLIGHTS

Though severely affected by natural disasters and environmental incidents, Vietnam's economy in the past nine months achieved encouraging results. GDP rose 5.93 percent compared to the same period last year. 81,451 enterprises were newly established, a 19.2 percent increase year-on-year, while 8,365 firms were dissolved or terminated.

According to the General Statistics Office, the consumer price index (CPI) in September had risen by 3.14 percent since the start of the year. According to experts, inflation continues to be at a low level, creating more room for further loosening of monetary policies at the year-end.

Export turnover in the first three quarters is estimated at USD128.2 billion, while import is estimated at USD125.4 billion, up 6.7 percent and 1.3 percent respectively compared to the same period last year.

FDI continued its positive trend with total registered capital in the first nine months reaching USD16.43 billion, and realised FDI reaching USD11.02 billion, up 12.4 percent year-on-year.

As of September 12 this year credit of the entire banking and financial system reached over VND5.1 million billion, an increase of nearly 9.8 percent over the end of 2015. Total mobilised deposits of

the system stood at more than VND5.7 million billion, up more than 11 percent.

However, the macro-economy also experienced some notable problems: GDP growth slowed down, was lower than the same period last year and is unlikely to fulfill the year's growth target of 6.7 percent. The quality of growth was low, heavily depending on scale-based investment. The State budget deficit and public debts rose significantly, narrowing the fiscal room and putting pressure on the macro-economy in the medium and long term. Both the restructuring of underperforming credit institutions and dealing with non-performing loans was slow.

## FORECASTS

According to a new study published by the World Bank, Vietnam's GDP growth rate in 2016 is expected to be around 6 percent. The growth rate has slowed due to lower export growth, decreased consumption and low investment in addition to severe drought, natural disasters and environmental pollution, yet the medium-term economic outlook for Vietnam is still positive.

As a result of contractions in the agriculture and mining sectors in the first half of the year, the Asian Development Outlook Update (ADOU) 2016 released on September 26 forecast a decline in Vietnam's economic growth to 6 percent in 2016 and 6.3 percent in 2017.

Based on an assessment of the growth factors, BIDV Research Centre provided forecasts of the country's macro-economy.

The GDP growth rate at the year-end is



expected to be between 6.1 percent and 6.3 percent and between 6.3 percent and 6.5 percent in 2017. CPI is likely to increase sharply in the last months of 2016 due to the adjusted prices of medical services and education and the increased credit growth in the first months of 2016. Given the current CPI, CPI is forecast to reach between 4 percent and 4.5 percent by the end of





*Vietnam's exports in 2016 are expected to reach USD175-185 billion*

2016. Inflation in 2017 is projected to remain stable at 5 percent.

Given the effective bilateral agreements with South Korea, Eurasian Economic Union, AEC, TPP, and Vietnam - EU FTA and the global decline in commercial trends, Vietnam's exports and imports in 2016 are forecast to reach USD175-185 billion and USD172-182 billion

respectively, with a trade surplus of around VND3 billion.

FDI in 2016 is estimated at USD22.5-24 billion, with disbursed FDI estimated at USD14.8-15 billion. Vietnam's economic growth is expected to increase in 2017 thanks to the positive impact from the government's policies on economic restructuring, institutional reform, and

improvements in the investment climate. Furthermore, with benefits from the FTAs, FDI is projected to remain stable at USD24-25 billion, with realised FDI reaching USD14.5 to 15 billion.

In the banking sector, credit is forecast to continue positive growth until the end of the year with a growth rate of 16-18 percent. ♦

TRANG TRINH



*The third quarter has seen progress in the Southeast Asian countries*

# Upturn in Southeast Asian economies

The third quarter of this year has seen progress in Southeast Asian countries, including the countries in which BIDV has a commercial presence. Asian Development Bank (ADB) projects economic growth to reach 4.5 percent by the end of 2016, marking a return to an upward growth trend following three years of deceleration.

## CAMBODIA

Economic developments so far in 2016 have unfolded broadly. According to recent figures from the World Bank, real growth is projected to reach 7.0 percent in 2016, and 6.9 percent in 2017 and 2018, propelled by exports, construction, and government consumption. Although the after effects of the severe drought caused by El Nino remains a challenge, poverty reduction in Cambodia has been resilient and further reduction of poverty is expected for both urban and rural households throughout 2016. In addition, improved weather since

June following an extended period of drought suggests a modest recovery will be seen in agriculture this year.

Like other economies, demand is the key driver of growth in this country. ADB calculated growth in credit to the private sector had decreased to 28.1 percent year-on-year by June 2016 from 33.9 percent in June 2015, indicating buoyant domestic demand. In addition, Cambodia is steadily improving its connectivity with its neighbouring countries through better logistics, infrastructure, and reduced transportation costs. The country aims to position itself as a regional logistics



hub, enhancing its competitiveness within the region.

### LAO PDR

The World Bank stated that Laos's economic growth is projected to moderate this year, remaining robust at around 7 percent. Growth will be driven by the power sector, some recovery in agriculture as well as continued dynamism in manufacturing offsetting lower output from mining. Growing electricity exports have helped improve the external balance; however, low commodity prices negatively affected fiscal revenues and widened the deficit. While Laos's past growth pattern was weakly linked to poverty reduction, the recent expansion of manufacturing and low price pressures may strengthening this link during 2016.

The country's economic prospects continue to be favourable overall. GDP growth is projected to remain at around 7 percent in 2017 and 2018, supported by a healthy pipeline of power projects and growing opportunities for the non-resource sector resulting from closer ASEAN integration and efforts to improve the investment climate. Higher power exports and continuation of recent trends in agriculture and manufacturing is expected to improve the external balance.

### MYANMAR

Real GDP growth in Myanmar is projected to rise to 7.8 percent



*A garment factory in Cambodia*

in 2016–17, and average 8.2 percent per year over the medium-term. The agricultural sector is expected to bounce back, though there are downside risks from recent flooding. Investor demand for services (transportation, distribution, information technology, communications, and logistics) is expected to be the main driver of growth over the short to medium-term.

ADB anticipates slightly higher increases, forecasting Myanmar's GDP growth to pick up to 8.4 percent in FY2016 from 7.2 percent in FY2015, though the bank emphasised that GDP is at risk from the impact of the floods and sluggish global growth. The bank forecasts GDP growth in 2017 to reach 8.3 percent.

According to ADB, flooding has caused considerable damage to agriculture again this year; however the economy is expected to record solid growth overall due largely to wide-ranging reform and expansionary fiscal and monetary policies. ♦

BIDV has commercial presences in Cambodia, Lao PDR and Myanmar. The most recently opened is the BIDV Yangon Branch, which was put into operation at the end of July. Improvements in Myanmar's economy and business environment are expected to bring more business opportunities for BIDV Yangon Branch, enabling it to expand its operation.

TRANG TRINH

# Secure forecast for exchange rate



*Exchange rate is expected to continue the stable trend*

The foreign exchange market remained stable during the first nine months of this year, with the exchange rate increasing by 0.9 percent and fluctuating around VND22,230-22,480 per dollar. It is expected to continue this stability for the rest of the year.

In its latest macro report, BIDV Research Centre stated that catalysts for forex market stability include increased disbursed FDI, a large difference between VND and USD deposit rates and the current trend for residents to convert USD to VND.

Over the first nine months of the year FDI has continued to grow. Registered FDI reached USD16.43 billion and

disbursed FDI reached USD11.02 billion, an increase of 12.4 percent year-on-year. While the USD deposit rate has been restricted at 0 percent since the end of 2015, the VND rate ranges between 5-7 percent in the short term (less than 1 year). This difference means saving in USD is less attractive than that in VND.

BIDV Research Centre projects that, in 2017, thanks to the positive impact of the economic restructuring process, improvements in the investment and business environment, as well as benefits from free trade agreements, FDI could reach USD24-25 billion, with disbursed FDI at USD14.5-15 billion.

Other factors that have helped create a

solid foundation for the forex market are forex reserves and an increasing remittance volume flowing to Vietnam. So far this year the State Bank of Vietnam has bought over USD10 billion in foreign exchange, increasing the country's reserves to a record high of USD40 billion. This figure is a sharp rise from last year's USD28.6 billion (equivalent to 1.9 months of imports). The increased purchase of foreign exchange can be partly attributed to the high liquidity of the banks. During this period, bank deposits rose 11 percent while lending grew by only 9.2 percent.

Remittances to Vietnam also increased over time, helping balance the demand and supply of foreign currencies. In the last five years (2011-2015), remittance to Vietnam accelerated 10-12 percent. Considering the difficult global economy, this growth is significant. In 1991, remittances to Vietnam reached USD35 million. In 2015, this figure hit USD12.25 billion, a growth rate of 38 percent compared to 1991. Experts predict that remittance at the end of this year could reach USD13-15 billion in total.

While BIDV Research Centre forecasts continued stability of the forex market, factors exist that could result in market movements. These include a light trade deficit, repayment of foreign currency loans at the end of the fourth quarter, and a lack of sudden fluctuations in the international market. Therefore, slight rises in the exchange rate could still be seen, in the region of VND22,300-22,500 per dollar. ♦



# Myanmar to open up to foreign insurers in 2017

The Myanmar government is planning to open the country's fledgling insurance industry to foreign companies early next year as well as eliminate restrictions on local firms.

The moves will be part of a coordinated push to speed up liberalisation in a sector crucial to economic development, a senior government official told The Myanmar Times.

This liberalisation will require the government to decide whether to allow wholly foreign-owned insurers to operate in the country or to require foreign investors to form joint ventures with local firms. The government will also need to determine which sectors foreign insurers will be permitted to compete in.

The country's previous government made liberalising Myanmar's

insurance sector a priority. In 2012, they broke state-owned company Myanmar Insurance's monopoly on the sector, allowing local firms to enter the market in 2013, with foreign businesses following in 2015. Since this announcement 12 local firms have established an oligopoly over the sector. Although more than 20 foreign businesses have established representative offices in Myanmar, they are still awaiting permission to commence operations.

Local firms are eager to see restrictions on products and prices lifted. The government has approved the establishment of an industry association that will be consulted on the liberalisation process. The association should be in place in the next few months, according to U Thuang Han, director of CB Insurance.

Private insurers have watched their businesses grow, but progress has remained slow. Myanmar Insurance is still allowed to offer a far larger range of products than other companies, and private firms complain that around half of the policies they are permitted to offer are not popular.

The sectors where insurance liberalisation is most important are life and health insurance, but these services are intertwined with the health sector, the structure of Myanmar's population and many other market factors, he said.

In 2015 BIC established its representative office in Yangon, a step that helps BIC gain access to Myanmar's insurance market. The company hoped to establish an insurance company in the country at an appropriate time in the future. ♦



Myanmar plans to open its insurance industry to foreign insurers

HUNG NAM

# Financing automobile supply chain

**B**IDV has collaborated with Hyundai Thanh Cong Vietnam Company (HTC) to finance an automobile distribution chain, with special offers for agencies and enterprises wishing to purchase Hyundai cars.

Agencies can receive finance for up to 95 percent of the car's value and enjoy preferential lending rates and attractive guarantee fees. The agencies will also be entitled to flexible collateral mechanisms, whereby the assets created from the borrowed loans can be accepted as collateral. BIDV is offering six months of no-fee money transfers to agencies to pay for car purchases from Hyundai Thanh Cong Vietnam.

Business customers borrowing loans to purchase cars will be financed up to 85 percent of the car's value with preferential lending rates from 7.8 percent per year and flexible collateral mechanisms, simplified and quick procedures and other attractive incentives.

The financing programme, rolled out from the third quarter of 2016, applies to all business customers who have signed contracts as agencies for HTC, as well as those wishing to purchase cars from HTC's agencies to serve their business or travel needs.

For more information, please contact your nearest BIDV branch nationwide or call the bank's 24/7 hotline on 19009247. ♦





# WU remittance “Giving love”

From October 10 to December 2, 2016, BIDV is running a promotional Western Union remittance programme titled “Giving love 2016” for individual customers in 18 southern provinces.

For each eligible transaction made through Western Union, customers will receive a gift worth between VND30,000 and VND50,000.

With a wide network of over 1,000 branches across the country, BIDV’s Western Union remittance service has become one of the most efficient in

handling international money transfers and pick-ups, providing a simple, convenient, safe and fast service. With the application of high technology and a globally standardised processing system, BIDV’s WU money transfer service has continually satisfied customers.

To pick up money instantly via WU, customers need only visit their nearest branch or agency of BIDV that offers the Western Union service, complete the required information and provide valid identification to the bank officers. ♦



## Put your trust in us

From 5 October until 31 December 2016 BIDV is running its annual certificate of deposit programme entitled Put your trust in us.

Because of the fluctuating economy, many economic and financial organisations and individual customers with large capital seek a safe, flexible and effective investment method. Offering various terms and high profitability, BIDV’s certificates of deposit are a competitive and effective financial tool for investors.

In addition to the standard benefits of the product, customers will receive bonus gifts when making deposits as well as being entered into lucky draws organised at the bank’s branches, giving them the opportunity to win a 190 Wave RSX motorbike.

The lucky draw that will be held at the end of the programme will offer fantastic prizes including a Hyundai Grand i10 Sedan car worth VND500 million (USD22,400), Vespa GTS motorbike worth VND100 million (USD4,500), and LVX Vespa motorbike worth VND75 million amongst others, totalling more than VND19 billion (USD850,000).

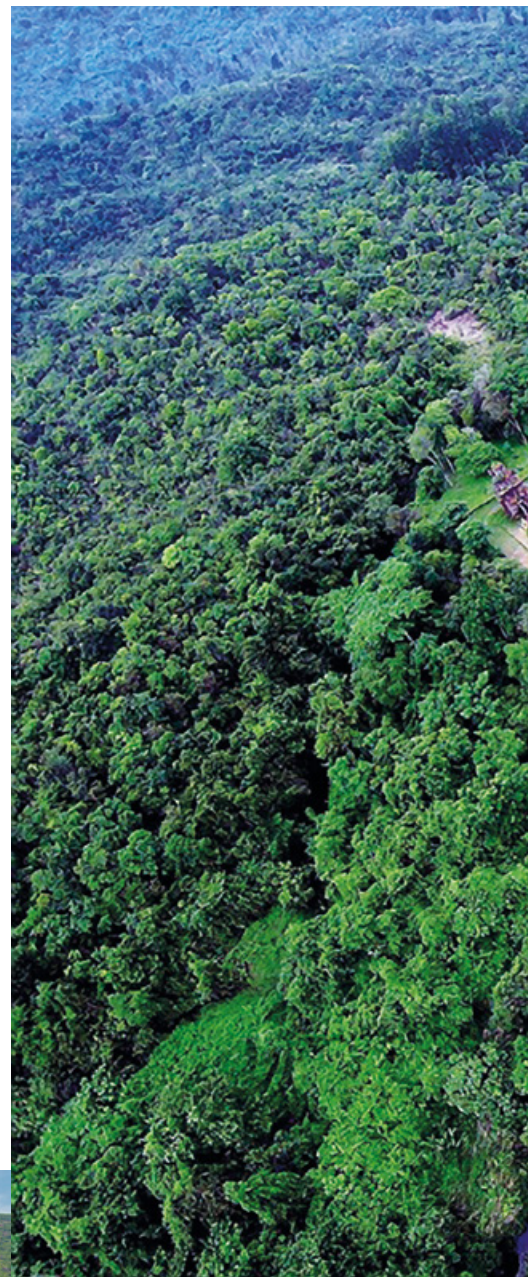
Contact the bank’s nearest branch or call the bank’s 24/7 hotline on 19009247. ♦

# Glory of the Champa culture

Lying in a valley surrounded by mountains and forest, the temple remains of My Son Sanctuary in Quang Nam province offer a fascinating insight into the ancient Champa culture. My Son Sanctuary is a serene site, with temples revered as remarkable feats of architecture standing majestically under the blazing sun.



*My Son Sanctuary in Quang Nam province*



From the 4th to the 14th century AD, the valley at My Son was a site of religious ceremony for kings of the ruling dynasties of Champa, as well as a burial place for Cham royalty and national heroes. The sanctuary comprises more than 70 architectural works including temples and towers connected to each other with complicated red brick designs. Bricks are the main construction material of the Cham Towers, with only one made of





*Aerial view of the sanctuary complex*

stone. The construction techniques used are still not fully understood, and experts are still trying to determine exactly how and at what stage the bricks were fired, the type of mortar used and at what point the carvings were made.

My Son Sanctuary was designated as a World Heritage Site in 1999 for its impressive tower temples of Indian Hindu design belonging to the Champa Kingdom. My Son includes the remains of 71 monuments and 32 epitaphs of

centuries past.

Although the passage of time and Vietnam's major wars have destroyed some towers, the remaining sculptural and architectural remnants still reflect the style, art and worship habits of the Cham people. The masterpieces mark a glorious time for the architecture and culture of the Cham, as well as of Southeast Asia.

The remains display the typical sculptural work and cultural values

of the Cham people. They are also important historical evidence of a nationality living within the Vietnamese community with a rich cultural tradition. Local authorities have made concerted efforts to restore and preserve the temples.

Despite the damage, My Son is a fascinating place to spend a couple of hours and learn about the country's history and architecture. Remnants of the relics can be seen and touched, bringing history to life. ♦



THU HOAI

# Love without boundaries

Khau Vai love market, the largest of its kind, is held on a hill in Khau Vai village in Vietnam's northernmost province Ha Giang. The market opens for only one day every year - on the 27th day of the third lunar month.



*Ethnic traditional dance*

Over the past one hundred years, the annual market has been a popular meeting point for ethnic groups in the area, particularly those who are in love or seeking love. Though given the moniker 'market', Khau Vai is more like a festival, featuring food and drink culture, song performances and folk games. Ethnic costumes, cultural and art publications, ethnic musical instruments and folk dance performances are all on display.

According to legend, Khau Vai love market came about due to the poignant love story of a man named Chang Ba and his lover Nang Ut. Ba was from the Nung ethnic group, born to a poor household in Khau Vai. Ut was from a rich and noble family. Despite their different backgrounds, the two fell deeply in love with each other, but their marriage was forbidden by Ut's family. Ba and Ut escaped their homes and fled up a mountain in order to live together. Ut's family organised a search party to find her and ask her to return home. A violent







An aerial photo of Khau Vai



conflict later occurred between the two families. To stop the fierce battle, the couple sorrowfully decided to abandon their union with broken hearts. They promised that one day their souls would meet and live happily together. The date they parted was the 27th day of the third lunar month, and so to honour their love, the people of Khau Vai chose that date for the annual love market.

Married couples can attend the market together, individually seeking out their ex-lovers. If the wife or the husband cannot go to the market, she or he will not be angry or jealous because they respect the other and the temporary

meeting does not influence their normal life. The market also attracts those who are looking to find a partner for the first time.

In recent years, Khau Vai love market has become a popular tourist attraction for both domestic and foreign visitors. Activities at the market include a performance of the ritual of rain-worship of the Lo Lo ethnic people, folk games such as shuttlecock and tug of war, ethnic trumpet playing and cock-fighting. Local cuisine and the beautiful highland girls in their traditional costumes are an added beauty. ♦

# Immediate assistance for flood relief

On 19 October BIDV provided immediate cash assistance worth nearly VND2.9 billion (USD130,000) to provinces and families affected by the recent floods in the central provinces of Quang Binh, Quang Tri, Ha Tinh and Nghe An.

**M**rs. Le Thi Kim Khuyen, BIDV board member and chairman of BIDV Trade Union, said: "BIDV sent teams to visit the affected provinces and offer cash assistance worth VND10 million to each household with missing or deceased family members. To assist in overcoming the aftermath of the floods and financing rehabilitation operations, BIDV donated VND600 million to Quang Binh Province, VND500 million to Quang Tri Province, and VND300 million each to Nghe An and Ha Tinh."

BIDV hopes that the financial support from the bank as well as donations from people throughout the country will help ease the difficulties and



*Immediate assistance for flood relief*

devastation caused by flooding for communities in the north central provinces.

In March, BIDV granted financial assistance worth VND23 billion (over USD1 million) for drought and salinisation relief in the south central provinces and highlands regions.

Also, in response to the mass fish

deaths caused by Formosa in May, BIDV offered support to the affected communities and businesses in the central provinces by launching a credit package of VND1,500 billion (USD67.3 million) with preferential rates. The bank also offered six months' interest waiver and debt rescheduling to fishermen borrowing loans for shipbuilding under the Government Decree 67. ♦



THU TRANG

# Enabling locals in new house construction

As part of the Vietnam Big Build event organised by Habitat for Humanity, BIDV MetLife Life Insurance Company Limited (BIDV MetLife) joined more than 200 international volunteers from October 3 – 7 to build homes in Phu Tho Province.

**M**etLife Foundation is a Silver Sponsor, supporting the construction of three houses in the province. Volunteers from BIDV MetLife and BIDV began the building project, finishing the first stage of the construction after five days hard toil and handing the houses over to local people.

Other attendants at the construction event include representatives of the Vietnam Union of Friendship Organisation, People's Aid Coordinating Committee and Phu Tho Provincial People's Committee; US Embassy; representatives from MetLife Foundation and Habitat for Humanity, as well as international volunteers from Japan, Singapore, New Zealand, Australia, Hong Kong and the U.S.

Speaking at the event, Gaurav Sharma, CEO of BIDV MetLife noted "I am very impressed that within a short time, with the support of hundreds of volunteers, we have built these houses. These are not just houses for the families. They are a symbol of partnership between communities.

They are a symbol of goodness that exists within each of the volunteers present here and in the background of the event. These houses are a symbol of hope and respectful living for the families who make them a home."

MetLife Foundation has supported Habitat's mission of building strong and stable communities for nearly 30 years. In 2013, MetLife Foundation became a global Habitat sponsor and, since then, has supported Habitat projects with MetLife volunteers building homes and revitalising community spaces in parts of Asia, Europe, the Middle East, Africa and Latin America. Since 2013, MetLife Foundation has made four grants in Vietnam valued at over USD2.5 million that collectively hold the potential

to impact 240,000 low-income households.

Habitat for Humanity Vietnam, a branch office of Habitat for Humanity International, began operation in 2001. Habitat Vietnam works with low-income families in new house construction, home repairs, clean water access, safe sanitation, technical assistance as well as them to obtain secure tenure. Habitat has enabled more than 12,800 low-income Vietnamese families to improve their living conditions through decent homes, clean water and safe sanitation. Habitat for Humanity Vietnam has also provided training in areas such as disaster preparedness, financial education, and hygiene practices to more than 62,700 individuals. ♦



*BIDV MetLife and international volunteers in the project*

# Kindergarten extension helps raise standards

On October 10, BIDV Thai Nguyen Branch and the People's Committee of Phu Binh District held an inauguration and handover ceremony of a two-floor kindergarten classroom building to Luong Phu kindergarten.

The completed classroom building is expected to facilitate Luong Phu kindergarten on its path to becoming a national standard school.

The building, which was added to the existing campus, was constructed in accordance with Vietnam's construction standards with two floors and six rooms. Each room has an area of 51.5 square metres and features a closed ancillary area. The total investment for the project was VND5 billion (USD224,000), of which BIDV Thai Nguyen branch sponsored VND3 billion (VND135,000), with the remainder coming from the State budget and other sources.

Luong Phu Kindergarten is the fourth of five kindergarten projects BIDV has part-funded in Thai Nguyen Province.



*BIDV Thai Nguyen branch joins the inauguration of the kindergarten in the locality*

At the ceremony the chairman of Phu Binh District expressed the gratitude of the locality to BIDV for its contribution. The bank's support is of great significance as the project not only helps the school to achieve national standards in the coming academic year 2017 - 2018, but also helps the commune to achieve the national standards of a new rural commune. The district leaders hope that BIDV will extend its support to other social security activities

across the province, helping local communities to have access to better education and healthcare services. ♦

Thai Nguyen Branch is located at 653 Luong Ngoc Quyen Road, Phan Dinh Phung Ward, Thai Nguyen City, Thai Nguyen Province. The branch now has a total of eight transaction offices in the area.



# Offers for Micro-businesses and Startups with introductory rate of **6.5%/p.a.**

Effective from **11 August to 31 December 2016**

**VND3,000 billion (USD134.5 million) credit package**  
**"Accompanying Micro-businesses"**  
introductory rate of **6.8%/p.a. (\*)**

**VND500 billion (USD22.4 million) credit package**  
**"Successful Startups"**  
introductory rate of **6.5%/p.a. (\*)**

(\*) Actual lending rates are subject to the individual bank branches' discretion



# Remittance Pick-up



## Giving love 2016<sup>7</sup>

*From 10 October to 2 December 2016*

For each eligible money pick-up made through Western Union, customers will receive a gift, specifically:

Minimum pick-up amount (USD equivalent)	Gift value
USD20 =< pick-up amount < USD500	VND30,000
Pick-up amount >= USD500	VND50,000

