

BIDV **R** eview

BIDV  A Newsletter of Bank for Investment and Development of Vietnam JSC • Issue **No.86** | September 2022

**Strengthening
financial capacity
through strategic alliance**

**Moody's upgrades
BIDV's ratings**



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BIDV REVIEW

BIDV AT A GLANCE

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



PILLARS OF DEVELOPMENT

- ◆ Customer centricity
- ◆ Human resources and corporate culture
- ◆ Technology and digital banking

PRIORITIES 2021 - 2025

- ◆ Sustainable operations
- ◆ Sound financial capacity
- ◆ Transparent and effective governance
- ◆ Positive shift in the structure of customer base
- ◆ People development, fostering corporate culture
- ◆ Leading in IT application and digital banking in Vietnam

VISION 2030

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

MISSION

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

CORE VALUES

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



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Editor's Letter

Dear readers,

Here are some highlights of the September publication.

Mr. Bounluea Sinxayvoravong - Governor of the Bank of the Lao P.D.R. (BOL) led a delegation to pay a working visit to BIDV. He acknowledged and spoke highly of the results and positive contributions of BIDV and its presence in Laos. The Governor expressed his wish that BIDV and its presence in Laos will continue to fulfill their tasks, provide practical solutions to implement effective and sustainable business activities in Laos.

The global rating agency Moody's announced the ratings of BIDV. Accordingly, Moody's has upgraded the long-term local (LC) and foreign currency (FC) deposit and issuer ratings as well as the LC and FC Counterparty Risk Ratings and Counterparty Risk Assessment of BIDV by one notch to Ba2 from Ba3. The outlook for BIDV is stable. Earlier, Moody's upgraded the Government of Vietnam's long-term issuer and senior unsecured ratings to Ba2 from Ba3.

BIDV has gone live with its DOKA™ and allNETT™ solutions to fully digitize trade finance processing. Supported by local partner, CMC Technology and Solution (CMC TS) in Vietnam, Surecomp was selected by BIDV to deliver its

next generation trade finance platform as part of a broader digitization strategy.

Brand Finance announced the list of Top 50 most valuable brands in Vietnam. BIDV ranked 13th in the list with brand value worth USD831 million, marking its seventh consecutive year presence in the list. According to Brand Finance, Vietnam's top 50 brands achieved an aggregate increase in brand value of 36 percent year-on-year.

Private Banking is a service for high net worth individuals (HNWI), popular in developed countries. Realizing the potential for deployment in Vietnam, BIDV launched the Private Banking service in October 2021. With a strong potential, long-established reputation, professional experience in serving customers and the companionship of major global partners, BIDV aims to be No.1 private banking brand in Vietnamese market, meeting all the needs of HNWIs for sustainable wealth management and development.

With 367 islets, more than 300 beaches, and a diverse and rich ecosystem, Cat Ba archipelago in Cat Hai district, Hai Phong city, is an attractive destination to both domestic and foreign tourists all year round. Let's discover the island and experience the landscapes there.



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NHAT NAM

BOL governor pays a visit to BIDV

Mr. Bounluea Sinxayvoravong - Governor of the Bank of the Lao P.D.R. (BOL) led a delegation to pay a working visit to BIDV.

Addressing at the meeting, Mr. Bounluea Sinxayvoravong acknowledged and spoke highly of the results and positive contributions of BIDV and its presence in Laos. The Governor expressed his wish that BIDV and its presence in Laos would continue to fulfill their tasks, provide practical solutions to implement effective and sustainable business activities in compliance with the law, as well as establishing close relationships with partners, businesses and the people in Laos.


As the first Vietnamese financial institution implementing comprehensive cooperation activities with partners in Laos, with 23 years of presence in Laos, BIDV currently has 1 representative office and 2 commercial presences which are Lao Viet Joint Venture Bank (LVB), and Lao Viet Insurance Joint Venture Company (LVI). Over the years, BIDV has supported the development of the presences, expanded market share, enhanced its position and become one of the leading banking and financial service providers in Laos (Top 3 largest commercial banks, Top 2 largest insurance companies in Laos), making significant contribution to the national budget of Laos. BIDV



The governor of Bank of Lao PDR and the delegation in a photo with BIDV leadership

and its commercial presences in Laos have strengthened and arranged cooperation programs, exchanging professional and IT training with partners in Laos; actively participated in social security activities with a total value of nearly VND315 billion (~USD13.4 million), focusing on priority areas and goals of the Lao government such as school construction, historical and cultural relic restoration, etc.

Earlier, within the framework of the Bilateral Conference between the State Bank of Vietnam and the Bank of the Lao P.D.R. taking place on 29 August 2022 in Quang Binh province, the two governors chaired a dialogue session with Vietnamese commercial banks operating in Laos. At the meeting, representatives of Vietnamese

commercial banks reported their performance and proposed a number of recommendations to the two governors such as allowing the expansion of the operation network, completing the legal corridor for the professional activities of the commercial banks, taking measures to encourage the use of local currencies, researching and implementing real-time payment systems connection between Laos and Vietnam to facilitate payment and trade activities between the two countries. 

MINH THANH

Partnering to streamline trade finance



Leaders of BIDV, Surecomp and CMC TS pose for a photo after a closing ceremony of the new trade finance system project at BIDV.

BIDV has gone live with its DOKA™ and allNETT™ solutions to fully digitize trade finance processing.

Supported by local partner, CMC Technology and Solution (CMC TS) in Vietnam, Surecomp was selected by BIDV to deliver its next generation trade finance platform as part of a broader digitization strategy. Trade finance and bank guarantees being one of the bank's most important service offerings, the implementation will now enable BIDV to meet current and future demand.


Hosted on their own servers in Hanoi, the solutions were deployed and supported by Surecomp's local teams in Asia and Europe. Through improved efficiency and faster response times,

the newly digitized operation will help BIDV maintain competitive edge and deliver an enhanced customer service. This in turn will allow customers to better manage their import and export activities. Taking a pioneering approach to digital innovation, the flexibility of the solutions will also allow the bank to amend and customize their trade finance instruments as their requirements evolve.

"Thanks to a comprehensive collaboration between BIDV, Surecomp and CMC, we are delighted to be in live production with our new digital trade finance operation. Given its high priority, we believe in the value and competitive edge this digitalization path brings BIDV," says Mr. Le Trung Thanh, Senior Executive Vice President of BIDV. "We would like to express our congratulations to BIDV on successfully deploying this new trade

finance platform. CMC Technology and Solution is proud to be BIDV's technology partner in this project, together with Surecomp delivering a best-in-class solution. We will strive to provide BIDV with industry-leading services and solutions to support them in remaining at the industry forefront," adds Mr. Ho Thanh Tung, CEO of CMC Corporation and CMC TS.

"BIDV is Surecomp's leading customer in Vietnam joining a stronghold of other home-grown Asian banks. We believe that our trade finance solutions will bring BIDV all the business benefits associated with a digital trade platform and will enable the bank to better serve its corporate customers," states Yaron Hupert, Surecomp's SVP of Account Management. "We are looking forward to a long and fruitful relationship with BIDV and are wholeheartedly committed to ensuring their success." Established in 1957, BIDV is the bank with the longest history of operation in Vietnam, with leading-the-industry total assets of more than USD80 billion (as of June 2022). BIDV has an extensive network of more than 1,000 domestic and foreign branches and transaction offices, establishing partnerships with 2,300 financial institutions worldwide.

Surecomp® is the market leader in digital trade finance solutions for banks and corporations. An industry pioneer for over thirty years, it provides an innovative portfolio of cloud and on-premises solutions to streamline the trade finance transaction lifecycle, enhance operational efficiency, ensure compliance and drive growth. 

TUAN HO

Moody's upgrades long-term ratings of BIDV



BIDV headquarters in Hanoi

On 7 September 2022, the global rating agency Moody's announced the ratings of the Joint Stock Commercial Bank for Investment and Development of Vietnam (BIDV).


Moody's has upgraded the long-term local (LC) and foreign currency (FC) deposit and issuer ratings as well as the LC and FC Counterparty Risk Ratings and Counterparty Risk Assessment of BIDV by one notch to Ba2 from Ba3. The outlook for BIDV is stable.

The rating action follows Moody's upgrade of Vietnam's sovereign rating to Ba2 from Ba3. Moody's said Vietnam's credit strength is a key input in Moody's deposit and debt ratings for financial institutions in the country. The upgrade in BIDV's ratings reflects the stronger ability of the government to provide support to BIDV in times of stress.

2022 marks the 17th consecutive year that BIDV is reviewed by Moody's and

the bank is also a pioneer in this field. This confirms BIDV's commitment to financial transparency as well as compliance with international standards.

Amid the complex international situation leading to over 30 rating downgrades globally over the past eight months, Vietnam is the only country in the Asia-Pacific and one of the four

in the world to record a rating upgrade by Moody's since the beginning of 2022. The Ministry of Finance said the upgrade of Vietnam's sovereign rating to Ba2 shows the Moody's recognition of the country's increasing economic strength and better resilience to external macroeconomic shocks compared to others with the same rating. 



A transaction office of BIDV

NGOC MINH

BIDV among Top 50 most valuable brands in Vietnam

BIDV ranked 13th in the list of Top 50 most valuable brands in Vietnam with brand value worth USD831 million, marking its seventh consecutive year presence in the list.

According to Brand Finance, Vietnam's top 50 brands achieved an aggregate increase in brand value of 36 percent year-on-year. Despite the negative consequences of Covid-19, the nation's biggest brands were able to deliver commendable results and brand value growth. Since the Vietnamese economy is dependent on exports to nations including USA, China and Japan, supply chain issues continue to affect the growth of Vietnamese brands.

Alex Haigh, Managing Director Brand Finance Asia Pacific, commented: "Despite the pandemic, Vietnam has maintained its economic stability and is rapidly developing with the help of technology. However, to continue to grow in brand value and help the country move from being product-oriented to marketing and brand oriented, Vietnamese brands need to be open to change, react quickly, diversify and become more visible. In this way they would be better positioned to all stakeholders."

Given the strong post-pandemic economic recovery, BIDV continued to maintain stable and effective performance. As of 30 June 2022, BIDV's total consolidated assets



reached over VND1.98 quadrillion (USD85 billion), up 12.4 percent year to date and consolidated pre-tax profit of VND11,084 billion (USD470 million), up 37.5 percent over the same period last year. BIDV has constantly improved the quality of its products and services, increased the content of technology and diversified its digital ecosystem to serve 14 million customers both corporate and individual. All of these have contributed to the prestige and brand value of BIDV.

In 2022, prestigious international and domestic organizations have honoured BIDV for its positive performance with many awards and accolades such as Top 2,000 largest public companies in the world (Forbes) for 8 consecutive years; SME Bank of the year (Alpha Southeast Asia); Best Retail Bank in Vietnam 2022

for the seventh time (The Asian Banker); Top 10 largest banks in Vietnam; Vietnam National Brand (Vietnam Value) award for the seventh time. This is recognition of the role, value and contribution of BIDV brand to the country's socio-economic development.

Headquartered in London, Brand Finance is the world's leading brand valuation consultancy. Bridging the gap between marketing and finance, Brand Finance evaluates the strength of brands and quantifies their financial value to help organizations of all kinds make strategic decisions. Brand Finance was the first to be certified by independent auditors as compliant with both ISO 10668 and ISO 20671, and has received the official endorsement of the Marketing Accountability Standards Board (MASB) in the United States. 

HUYEN TRUC

Non-financial services key to sustainable growth of SMEs

Though accounting for more than 96 percent of businesses nationwide, small and medium enterprises (SMEs) face challenges in competitive capacity and capital sources. Comprehensive non-financial solutions will help them improve and grow sustainably.

Given the rapid economic recovery, many SMEs are "thirsty for capital" to implement projects and expand production and business. In addition, they also face challenges in labor qualifications, market fluctuations, corporate governance, digital technology, and business connection opportunities.


According to a survey conducted by the International Finance Corporation (IFC), non-financial solutions are a new trend being deployed at international credit institutions, aimed at supporting to improve the health of corporate customers. Through solutions on training, consulting, business connection, digital transformation, and market development, the credit institutions will help SMEs find answers to their problems in business governance, improving competitiveness, sustainable development, thereby contributing to reducing loan risks, maintaining long-term relationships with credit institutions.



In the context of the fourth Industrial Revolution, non-financial services are also comprehensively digitalized through online training and business connection courses, digital transformation support programs, etc. Along with modern banking services, the digitalization of non-financial services will create a complete digital ecosystem for SME customers.

BIDV has pioneered in the digital transformation process, through the development of modern digital products and services that integrate multi-utility features, providing customers with a system of comprehensive financial and non-financial solutions. The bank is set to launch SMEASY digital platform for SMEs, which is expected to be a base for businesses to grow sustainably. This is the first digital

platform in Vietnam designed for SMEs, especially women-led SMEs, with same experience on both Mobile App and Website. SMEs will have access to various non-financial solutions including: digital transformation, business connection, product communication, webinars, skills and corporate governance capacity building through online free-of-charge training courses; industry research reports, money market, commodity market; business manual, etc.

Along with promoting digital banking services, the SMEASY digital platform is a breakthrough boasting a comprehensive set of solutions for the SMEs in Vietnam, demonstrating BIDV's creativity in constantly bringing added values to customers for dynamic and sustainable development. 

PHUONG HUYEN

Strengthening financial capacity through strategic alliance

Hana Securities completed the payment for over 65 million shares, officially becoming a strategic shareholder of BSC, owning 35 percent of stake at the company.

Recently, the Vietnamese market has seen the race for capital increase among securities companies. Not staying out of “the race”, BIDV Securities Company (BSC) has been poured nearly VND2,700 billion by the foreign shareholder Hana Securities (Korea) that raises the company owner’s equity to VND4,500 billion (more than USD191 million).

The strategic deal between BSC and Hana Securities is one of the key transactions, continuing to affirm the deep and sustainable strategic partnership between the two leading financial institutions of Vietnam and Korea - The Joint stock Commercial Bank for Investment and Development of Vietnam (BIDV) and Hana Financial Group (HFG).

For a capital-intensive sector like securities, financial strength is a key factor that determines success. With the payment of the subscribed shares under the Share Subscription Agreement by Hana Securities on 26 September (Total subscription price nearly VND2,700 billion for



65,730,042 shares, equivalent to a price of VND41,000 (USD1.74)/share), BSC will be “added wings” to boost business activities, invest in information technology systems, digital transformation and develop a comprehensive financial service ecosystem. It is known that when officially becoming a strategic shareholder of BSC, along with the major shareholder BIDV, Hana Securities will cooperate with BSC to establish strategies and business plans, with a focus on developing information technology system and digital products, improving asset management function by expanding business activities into fund management, as well as consulting

on risk management according to international practices and standards towards sustainable development and maximizing enterprise value. Currently, the two parties are quickly finalizing the operating apparatus and initially implementing the cooperation activities.

To be well-prepared for the long-term cooperation plan, Hana Securities sent experts to work at BSC to survey information technology system, product characteristics and business environment in Vietnam. In the coming time, the two parties will strengthen cooperation on the following activities: first, providing software solutions, technology



BSC and Hana Securities forged the strategic alliance in August 2022 in Hanoi

systems to develop digital products; second, realizing investment opportunities in Vietnamese enterprises with flexible needs in the fields of IPO, M&A, investment in fixed income, investment consultation, etc.; third, expanding and developing the customer base, promoting cross-selling, expanding the market, sharing market information and referring investment opportunities to institutional and VIP individual customers...

Given the available potential coupled with the companionship of the parent bank, BIDV and the strategic partner Hana Securities, BSC is set to significantly increase its competitiveness in the stock market in the areas of brokerage, margin loan, investment banking,... BSC will have the opportunity to approach and exploit the big foreign customer

base from Hana Securities, diversify products and services, increase revenue, and build its reputation in the international market.

Earlier on 3 August 2022, in Hanoi, BIDV Securities (BSC) and Hana Securities (HSC) signed a strategic cooperation agreement. Becoming a strategic partner and implementing cooperation agreements between BIDV and Hana Bank as well as between BSC and HSC in the near future will be a model for the extensive cooperation relationship between the two financial institutions in Vietnam and South Korea; creating a positive effect for the development of the Vietnamese stock market as well as the wave of investment in the Vietnamese financial market.

Hana Securities Company Limited, formerly known as Hana Financial

Investment Company Limited (HFI) is a member of the Hana Financial Group – one of the three largest financial groups in Korea, boasting the largest global network with 208 branches in 25 countries. Hana Securities provides a full range of services including retail, wholesale, investment banking and securities trading services to more than 1.4 million customers.

BIDV Securities Joint Stock Company (BSC) is one of the two first securities companies in Vietnam. After 23 years of establishment and development, BSC has cemented its position as one of the leading prestigious securities companies in Vietnam, specializing in providing financial services and investment products to institutional investors as well as individuals, funds and investment banks at home and abroad. [B](#)

Improving strength with SCF solutions



The complicated development of the Covid-19 pandemic posed the risk of supply chain disruption while demand for products and services to support businesses in the chain has increased. Many businesses have chosen BIDV's "Supply Chain Finance" or SCF product to optimize costs and operate more efficiently.

ACCOMPANYING BUSINESSES

BIDV is one of the pioneering banks to implement and develop appropriate solutions to meet the needs of businesses in different chains, quickly providing capital to help them connect networks and stabilize production.

BIDV's SCF product includes supplier financing, distributor financing, and domestic factoring. Accordingly, BIDV provides solutions to finance working capital for businesses based on the relationship, purchase and sale

and payment policies, commitments of enterprises in order to promote business operations of the supply chains. Thereby, this solution will help increase sales and optimize cash flow in the distribution chain; supporting businesses to form sustainable supply chains; optimize the payment time for buyers; as well as supporting sellers to cut costs, administrative procedures, and access capital with a flexible collateral policy in the supply chain.

FrieslandCampina Company (FCV), an enterprise with more than 20 years of experience in manufacturing and distributing leading dairy products in Vietnam, assessed that the Covid-19 pandemic has caused tremendous harm to Vietnam's economy in particular and the world in general. For the fast-moving consumer goods industry, due to declining purchasing power and supply chain disruptions in

both production and circulation, the negative impact of Covid-19 was the earliest and most obvious. "It can be said that the solution from BIDV is a win-win one for the two sides, helping all parties to overcome the difficulties caused by the pandemic and create solid foundations for stronger and more sustainable growth in the long term", said Mr. Le Quoc Trung - Finance Director of FCV.

According to Isuzu Vietnam Automobile Company Limited (IVC), a leading enterprise in the field of importing, assembling and distributing commercial vehicle and automobile products in Vietnam, the lockdown due to Covid-19 in Vietnam and other countries had seriously affected the production and sales volume of IVC. BIDV's SCF product has positively supported both IVC and its distributors.

"BIDV's provision of credit to IVC's dealers has helped the dealers to pay IVC's car purchases on time, contributing to increasing sales and reducing IVC's inventory. In addition, BIDV's credit products for Isuzu dealers as well as Isuzu car buyers such as loans and payment guarantees have contributed to solving cash flow difficulties for dealers and customers when buying cars" said IVC representative.

This product has drawn the attraction of many businesses. As of 30 June 2022, BIDV had developed 12 additional new chains including 6 supply chains and 6 distribution chains, attracting nearly 300 more corporate customers to participate in the supply chain financing.



Isuzu Vietnam

GREAT POTENTIAL

At the 2022 Business Forum held by Forbes Vietnam in early August, experts said that when the Covid-19 pandemic impact gradually eases, Vietnam's economy is likely to start returning to the pre-pandemic growth momentum and is expected to be a "rising star" in the global supply chain. The global supply chain has shifted to regions with abundant low-cost labor resources, in which Vietnam is the destination of many large supply chains. Maybank data shows that both FDI inflows into Vietnam and exports in the past 10 years have always been greater than those of other Southeast Asian countries. Against that backdrop, supply chain financing service is considered a new trend and will develop strongly in the future.


Mr. Le Quoc Trung - Finance Director of FCV said that Vietnam would continue to be a potential market for milk and nutritional products. "We believe that there is great potential for cooperation between FrieslandCampina Vietnam and BIDV that provides more financial

strength to our entire supply chain to grow faster and stronger. Providing convenient and efficient payment solutions not only to distributors but also to retailers and customers will support FrieslandCampina Vietnam to deliver its mission of bringing quality nutrition to all consumers in Vietnam".

According to Isuzu, the market potential for importing, assembling and distributing commercial vehicles and automobiles in Vietnam is still quite large thanks to the post-pandemic recovery of the Vietnamese economy and the strong development of ecommerce. IVC hopes that BIDV will bolster cooperation with IVC in providing credit for dealers and Isuzu buyers. With efforts in developing SCF products, BIDV is the only bank in Vietnam selected and financed by the Asian Development Bank (ADB) for the Technical Assistance project on building, designing and implementing a SCF business model. BIDV has been provided consultancy on solutions ranging from business models, products, tracking solutions, sales, risk management and capacity building.

This creates a favorable condition for BIDV to finalize and roll out the product in the time to come.

Understanding the market trends and customer needs, BIDV has been promoting the digitalization of the SCF process to facilitate businesses. The bank has built an online platform that helps speed up processing, increase customer experience, shorten processes and procedures for customers, and promptly meet the needs for supply chain financing.

In addition to the SCF solution, BIDV has also launched programs to support businesses more actively such as launching Omni BIDV iBank for corporate customers; online loan registration feature for corporate customers; promotion programs for new and existing corporate customers such as free-of-charge account management, bank account number choice, money transfer fee waiver, payroll, international money transfer, trade finance, and other incentives on exchange rates when transacting via BIDV iBank. 

Standardizing customer service under international practices

BIDV Hoan Kiem Branch launched its FDI Desk, a specialized unit to better meet the needs of financial institutions and FDI customers.

In recent years, Vietnam has continuously achieved positive development, among top fast-developing countries and has strengthened its position in the world. The Foreign Direct Investment (FDI) sector always posts a higher growth rate than that of the GDP in Vietnam. Statistics showed that in the first half of 2022, the total newly registered, adjusted and contributed investment capital by foreign investors reached USD14.03 billion,

with a focus on production and manufacturing projects of high-tech and electromagnetic products with large-scale capital increase.

At present, BIDV has a growing scale and market share in transactions with FDI customers. The bank is also a pioneer in connecting FDI enterprises with domestic ones and state regulators, actively contributing to promoting business activities of the FDI sector in Vietnam.

With the close direction by BIDV leadership on the establishment of a desk dedicated to serving FDI customers under professional and specialized criteria to better meet the needs of customers in accordance with international standards and practices, on 1 September 2022, FDI

Desk under BIDV Hoan Kiem Branch was officially launched.

Mrs. Pham Thi Ngoc Anh - Head of Financial Institutions Department believed this activity has enormous potential for the branch to develop FI and FDI customer segments. She said that the financial institution segment is mainly located in key areas such as Hanoi and Ho Chi Minh City. Recently, very large transactions have been conducted by the financial institutions. With a good location, right at the headquarters of BIDV, Hoan Kiem Branch will be able to cooperate with the bank's head office to handle work more easily and conveniently. The branch has successfully performed transactions with major financial institutions, contributing significantly to the operation of BIDV. Mrs. Ngoc Anh believed that with a team of qualified and professional staffs, the FDI Desk in particular and Hoan Kiem branch in general will approach and establish relationships with potential FI customers effectively.

Mr. Vuong Thanh Long - Head of the FDI Banking Department assessed that BIDV Hoan Kiem is one of the pioneering branches in developing new customer segments in the system. The bank leadership always emphasizes the importance of approaching international practices, and strengthening the collaboration between Head Office and branches. According to Mr. Long, the potential of FDI customer segment is growing.



Representatives of units at BIDV congratulate the launch of FDI Desk at BIDV Hoan Kiem



Business in the FDI sector will not only bring opportunities but will also create motivation and pressure for BIDV to change for the better, develop its market share in import and export and contribute to the globalization process. "BIDV Hoan Kiem Branch has favorable conditions to work closely with the secondees from Hana Bank in approaching and serving FDI customers from Korea. The establishment of the FDI Desk at BIDV Hoan Kiem Branch will contribute to the development of the entire BIDV's system", said Mr. Long.

Addressing the launching ceremony, Mr. Bui Quang Thai - Head of BIDV Hoan Kiem said that in order to

establish the FDI Desk, BIDV Hoan Kiem Branch has selected a team to carry out preparation for facilities, standardization of professional processes, development of functions and tasks as well as a coordination mechanism between the branch and the Head Office.

With more than 65 years of establishment and operation, BIDV is proud to be a prestigious and reliable partner of FDI customers. The leadership of BIDV Hoan Kiem believes the establishment of a specialized unit for FDI customers will contribute to the development of the branch in particular as well as to the performance of the whole BIDV system

in general. This will be an important progress, turning BIDV Hoan Kiem into one of the key units of BIDV system leading in serving financial institutions and FDI customers.

Mr. Thai expressed his hope that in the coming time, BIDV Hoan Kiem Branch will continue receiving the guidance from the Head Office, the support and cooperation of financial institutions and FDI customers. He committed that the branch will continue bringing customers with more professional products and services with a thoughtful and dedicated attitude to deserve the trust of customers. 📌

MINH ANH

New regulations on corporate bonds

On 16 September 2022, the government of Vietnam issued Decree 65/2022/ND-CP (Decree 65) amending and supplementing a number of articles of Decree 153/2020/ND-CP on private placement of corporate bonds in the domestic market and offering corporate bonds to the international market.

Decree 65/2022/ND-CP stipulates that the purpose of issuing bonds is: to implement investment programs and projects; to restructure debts of the issuer or to issue bonds according to provisions of specialized law.

Enterprises must specify the issuance purpose and disclose information to investors who register to buy the bonds. The use of capital raised from the bond issuance by the enterprise must ensure the correct purposes according to the issuance plan and the information disclosed to investors. Below are some highlights of the new Decree.

Under the new Decree, the par value of the bond is revised to increase from VND100,000 or multiples of VND100,000 to VND100 million or multiples of VND100 million (USD4,250). The Decree has additional regulations to increase



the professionalism of individual investors. The identification of a professional securities investor through a securities portfolio must ensure that the portfolio has an average value of at least VND2 billion (USD85,000) within 180 days, excluding the investors' loans. Investors are not allowed to sell or contribute capital to invest in bonds with non-professional investors.

The Decree amends the time limit and content of information disclosure in order to address some shortcomings, and enhance the transparency of bond issuers and the use of proceeds from the issuance. In particular, the time limit for disclosing information about the private placement results

is shortened from 10 days to 5 days. The Decree stipulates: Within 5 working days from the date of completion of the private placement, the issuer must disclose information about the results of the offering to bondholders and send the disclosed information to the Stock Exchange. In case a issuer fails or cancels the private placement, within 5 working days from the end of the bond distribution, the issuer must disclose information and send the disclosed information to the Stock Exchange.

Decree 65 also increases the financial targets of bond issuers for 3 years immediately preceding the year of issuance and the change after the issuance (if any). [R](#)

LE HANG

Speeding up interest rate support program

On 6 September 2022, the State Bank of Vietnam issued Document No. 6221/NHNN-TD directing the credit institutions to accelerate the implementation of the interest rate support program under the government's Decree No. 31/2022/ND-CP.

Earlier on 20 May 2022, the Government issued Decree No. 31/2022/ND-CP on the interest rate support package from the state budget applicable to loans of enterprises, cooperatives and household businesses. The central bank also issued Circular No. 03/2022/TT-NHNN directing the commercial banks to implement the interest rate support package as required in Decree 31.

In order to speed up the implementation of the interest rate support program as directed by the National Assembly, the Government and the Prime Minister, the SBV Governor has requested the Chairpersons of the Boards of Directors/Boards of Members, the General Directors of the commercial banks, the Directors of the SBV municipal and provincial branches, to urgently and drastically direct the affiliated units, the branches and transaction offices of the commercial banks to focus on implementing the following tasks:

The commercial banks are requested to: Review the lists of all existing customers who are eligible for the interest rate support; notify and




provide guidance to those customers on the required dossiers and procedures to access the interest rate support in line with the regulations.

Review their internal regulations and guidelines to ensure compliance with the requirements stated in the government's Decree No. 31/2022/ND-CP and State Bank's Circular No. 03/2022/TT-NHNN; not to issue any additional conditions and procedures other than those prescribed in the Government's Decree and the SBV's Circular.

Strengthen the communication on the interest rate support policy through the media, local authorities, business associations, helping enterprises, cooperatives, household businesses understand thoroughly and fully the policy, and have the necessary

information and means to access the interest rate support package through the commercial banks.

Proactively and promptly address any emerging difficulties and obstacles; promptly report to the SBV, relevant ministries and agencies on any difficulties and obstacles beyond their authority; come up with proposals and recommendations during the implementation.

Continue to effectively implement the tasks as stated in Directive No. 03/CT-NHNN dated 16 August 2022 by the SBV on the implementation of the 2 percent interest rate support program from the State budget worth VND40,000 billion in line with the government's Decree 31 and the State Bank's Circular 03/2022. 

NGUYET VU

M&A remains resilient in 2022

Despite major geopolitical and financial headwinds, global M&A activity in the first half of 2022 (H1 2022) has been resilient, according to an analysis of M&A data by EY. With 2,274 deals of a total value of USD2.02 trillion, M&A in H1 2022 may have seen a drop compared to this time last year (down 27 percent by value and 18 percent by volume), but activity is up compared to the average of the last M&A cycle (up 35 percent and 13 percent respectively).

According to the analysis by EY, the nature of cross-border deals is changing to reflect geopolitical tensions on the world stage. While cross-border transaction levels in H1 have decreased (24 percent in 2022 vs. an average of 30 percent over 2015-19), the share of cross-border deals among closely affiliated countries has increased (51 percent in 2022 compared to an average of 42 percent over 2015-19). The analysis finds that investment from China into the US has fallen from USD27b at the high point in H1 2016 to USD1.9b, while North American investment into Europe has increased from USD60b to USD149b over the same period.

Mr. Andrea Guerzoni, EY Global Vice Chair - Strategy and Transactions, says: "Coming off the SPAC-induced highs of the first half of 2021, M&A activity was always going to go

through a correction. But what we see is that unlike when COVID-19 hit and deal activity came to a standstill, CEOs are still trying to look through the fog and are pursuing transactions that will help position their organizations for future growth. On the global stage, while there is still a strong appetite for cross-border

deals, CEOs are more selective in whom they do deals with, preferring to 'friend-shore' their operations and pursue transactions within friendly pockets rather than applying a truly global approach."

Mr. Tran Vinh Du, EY Indochina Strategy and Transactions Leader




says: “In the Vietnamese market, we still observed a strong growth of PE and VC investments during the first half of the year despite some turbulence in equity and debt markets. According to our research, the total deal value transacted in H1 2022 in the country was almost the same as the total deal value

transacted in the whole of 2021 (USD4.97 billion).

However, deal activities may slow down a bit in H2 2022 as investors become more conservative about several macro trends impacting Vietnam’s economy. While the country’s fundamentals are still

strong, we are not immune from such negative movements as the downturn in the capital flow from developed countries to emerging markets, geopolitical tensions, and high inflation. Those trends cast doubt on investors’ confidence in Vietnam and many other markets”.

Despite the widespread uncertainty, a fragile global economy and increased regulatory intervention, M&A is continuing apace, with a particularly strong flow of private capital driving activity. Even though capital market conditions have tightened sharply through the first half of 2022, private equity (PE) firms still have large amounts of cash that will need to be deployed in the latter half of the year.

Guerzoni says: “While global M&A activity has proved remarkably resilient in the face of major geopolitical headwinds, it is uncertain whether it could sustain further shocks, whether that is further lockdowns, heightened geopolitical tensions or a recession.” 



QUANG LIEM

Vietnam's ratings upgraded



Ho Chi Minh City, Vietnam

Moody's on 6 September 2022 upgraded the Government of Vietnam's long-term issuer and senior unsecured ratings to Ba2 from Ba3.

The upgrade to Ba2 reflects Vietnam's growing economic strengths relative to peers and greater resilience to external macroeconomic shocks that are indicative of improved policy effectiveness, and which Moody's expects to continue as the economy benefits from supply chain reconfiguration, export diversification and continued inbound investment in manufacturing. The rating also reflects a sounder fiscal footing backed by contained borrowing costs, a conservative approach to fiscal policy and improved government liquidity, driven by the ongoing transition from external concessional borrowing

toward longer-dated, low-cost domestic market financing. The stable outlook reflects a balance of risks to the rating. On the positive side, Moody's expects continued improvements in economic competitiveness to support rising incomes and advancements in fiscal prudence demonstrated through the execution of a more systematic, long-term debt management strategy and an increasing emphasis in fiscal policy on long-term challenges, including improving worker productivity and mitigating against physical climate risks.

The increasing demand for Vietnamese exports through the coronavirus pandemic underpins the growing competitiveness of Vietnam's manufacturing sector, which has outperformed regional peers in the attraction of foreign direct investment (FDI) and has driven a rapid rise in per capita income. Moody's expects Vietnam's centrality to multiple regional and bilateral trade agreements

to affirm its entrenched position in global value chains. Vietnam is a party to the Regional Comprehensive Economic Partnership (RCEP) and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and bilateral Free Trade Agreements (FTAs) with Korea, and more recently, with the European Union and the United Kingdom. These trade agreements will strengthen Vietnam's competitive position in lower-value products such as footwear, garments and agricultural goods, while placing it firmly in higher-value-added regional tech supply chains for smartphones, computers and other electronic products.

Fiscal policy effectiveness has improved, including a greater emphasis on medium-term budget planning and the deepening of domestic, low-cost financing sources. Fiscal strength will be further supported by improved government liquidity and debt affordability, which has been well-anchored by lower domestic borrowing costs brought on by capital inflows and high domestic savings that have allowed the government to increasingly source budget financing from domestic institutional investors at longer tenors.

According to the International Monetary Fund (IMF), Vietnam's upbeat growth outlook is bucking the slowing trend elsewhere in Asia. IMF recently raised Vietnam growth forecast to 7 percent this year, lifting it by a full percentage point from three months earlier and the only significant upward revision among major Asian economies. 

OANH OANH

BIDV Private Banking: Empowering boundless achievements

BIDV Private Banking service has provided customers with specialized and sustainable financial solutions, especially in wealth management.

Private Banking is a service for high net worth individuals (HNWI), popular in developed countries. Realizing the potential for deployment in Vietnam, in October 2021, BIDV launched the Private Banking service with core values: Reliable Consulting, Global Opportunity Connection, Specialized Service, and Unlimited Privileges.

BUSINESS MODEL FOLLOWING INTERNATIONAL STANDARD

BIDV is the first state-owned joint stock commercial bank to build a private banking model according to international standards. Private clients are served by a team of highly qualified wealth management officers and investment consultants, well-trained by a leading international consulting partner.

DIVERSE PRODUCTS, SPECIALIZED UTILITIES

Besides tailoring the traditional banking services to the needs of customers (BIDV Private Banking card, Privilege deposit, credit policy, special interest and fee incentives for Private customers, BIDV SmartBanking with customized interface), BIDV has continuously expanded and fine-tuned its diversified product and service portfolio, making a difference in the


market such as protection solutions (one-time fee insurance products); from basic investment channels such as bonds - Smart Bond, open-end fund certificates - Smart Fund to specialized investments such as investment entrustment - Smart Investment; specialized consulting services and wealth management solutions.

AN ECOSYSTEM OF GLOBAL PARTNERS

In order to secure and increase assets for customers, BIDV has connected with domestic and international partners to design optimal wealth management solutions for customers at home and abroad. The ecosystem of global partners brings in-depth advice from leading experts in the world so that customers can make plans in their journey to expand their wealth in a variety of fields such as wealth planning and inheritance consulting, educational consulting; immigration consulting, tax consulting, healthcare, etc.

PRIVILEGES ABOVE AND BEYOND

BIDV Private Banking not only promises an above-and-beyond experience, but also is a comprehensive care and attention for family and loved ones with exclusive privileges: family doctor; professional personal assistant providing information and support for consulting and connecting services globally; outstanding lifestyle privileges (golf, airport lounge, fasttrack, spa, dining, resort...)

With a strong potential, long-established reputation, professional experience in serving customers and the companionship of major global partners, BIDV aims to be No.1 private banking brand in Vietnamese market and reach out to the Asian market, meeting all the needs of HNWIs for sustainable wealth management and development. 



Cat Ba – an attractive destination



With 367 islets, more than 300 beaches, and a diverse and rich ecosystem, Cat Ba archipelago in Cat Hai district, Hai Phong city, is an attractive destination to both domestic and foreign tourists all year round.

Cat Ba has been included in the bucket list of many nature-lovers who wish to explore its variety of natural ecosystems. Endowed with diverse and rich ecological resources, trekking has also thrived and attracted many tourists, especially young ones, to Cat Ba. The routes that they favour are mainly those passing low mountain terrain or valleys with beautiful, unspoiled natural landscapes and cultural-historical heritage sites.

LAN HA BAY

Located south of Halong Bay, Lan Ha Bay is by far the smallest of the three

primary bays in the area. The bay covers the total area of about 7,000 hectares with hundreds of different small islands and private beaches, which are deserved to come and relax. The bay is home to mounts whose names are called after the shapes based on the imagination such as Hon Guoc (Wooden Shoe Islet), Hon Doi (Bat Cave), etc.

Different from islands of Ha Long Bay, all islands of Lan Ha Bay are surrounded densely by trees. The appearance of Lan Ha Bay is identical to the stunning Halong Bay, but the islets and rock formations are




considerably smaller. The unique things at Lan Ha Bay are small beaches situated between two stone mountains, suitable for kayaking, swimming and sunbathing on isolated places.

CAI BEO FISHING VILLAGE

Cai Beo fishing village near Ben Beo harbor is one of the largest and famous ancient villages of Vietnam. This floating village attracts thousands of tourists come to visit each year not only by the peaceful atmosphere but also by the charming

landscape and the life itself of the fishing village.

The village is about 1 km south of Cat Ba Island. Nowadays, local people in Cai Beo live in actual fishing boats, or on simple rafts made of mostly wood that float on platforms similar to pontoon boats. The houses are small, having only one or two bedrooms. Some have their own squid fishing and clam and mussel farms. It is wonderful to observe life in the village. Some households have offered kayaks for rent or guest houses overnight. 



VI HUYEN

The M'ngong legend of the elephant

For the M'ngong ethnic people as well as other ethnic groups in Vietnam's Central Highlands, elephants hold a very important position in their spiritual life.

As legend has it, a long time ago there was a large lake located at the peak of Nam Kar mountain, which is home to a wide range of fish, plants and bushes. Out of necessity, a young man residing in the area came and caught fish from the lake for food without knowing that the fish inhabiting the lake were raised by the God of the Mountain.

Upon eating the fish, which had been roasted, the young man felt itchy all over his body and his face and limbs rapidly began to change shape. All



of a sudden, his ears spread out as wide as a paper fan. His nose grew up to a metre. His belly grew so big that he could no longer walk on his

two feet and he eventually turned into a giant animal, which is now known as the elephant.



The elephant ate so much that the people in the village could not afford to feed it. After much deliberation, the patriarch in the village finally had an idea. Led by him, the villagers made a compound of sticky rice, corn, and cassava which were well cooked and then mixed together before being hung on a small bamboo plant. This compound was used to lure the elephant to come and eat.

While the elephant was eating the compound, the patriarch said some magic words to make the elephant think and remember that their food should actually be tree leaves. The elephant then became accustomed to




eating leaves and fruit and trekked deep into the jungle to live.

Though living in the wild, the elephant still frequently came back to his old village to play and protect the villagers from evil powers. When the elephant grew older and eventually passed away, Nguach Ngual, the God that kept control of the elephant, took his tusks and gave them to those who had shown themselves to be good people and were in need.

As the M'ngong people believe the elephants have their origins in human beings and are under the control of the God Nguach Ngual, a system of rites has been performed for the elephants since the time they were born or brought back from the jungle to be domesticated. Even when the elephants mature and have long tusks, the cutting of their tusks is done only after their owners or someone with prestige in the village has made offerings to the Gods. The rite of

making elephant-related offerings can be performed in various situations such as before buying and bringing elephants home, admitting them to the villages, naming them and praying for the elephants' good health.

Nowadays, according to the beliefs and culture of M'ngong people, elephants are still considered a symbol of the

strength and wealth of the villages. It is customary for M'ngong people to tell their offspring about the legend of the elephant as a way of reminding them to avoid causing damage to natural resources and keep maintaining ecological balance. 




PHUONG LOAN

Books and scholarships for students

In early September, BIDV Phu My collaborated with BIDV MetLife to donate books and scholarships to students at Phu My, Hac Dich and Tran Hung Dao High Schools in Phu My town, Ba Ria - Vung Tau province, with a total value of VND100 million (USD4,300).

This activity is not only of humane significance to develop the reading movement at schools, raise students' awareness of the importance of reading, but also connects the relationship between BIDV Phu My, BIDV MetLife and the schools in the area. Mr. Gaurav Sharma, Chief

Executive Officer of BIDV MetLife, said that he was very pleased to hand over the books to the students. He was touched by the image of students excitedly receiving the books. He hoped that such events would be replicated to spread the reading culture to the young generation of Vietnam. 




BIDV and BIDV MetLife present books to students in Ba Ria – Vung Tau province.

Lifesaver backpacks for children



BIDV donates lifesaver backpacks to students in Vinh Long province

BIDV's Trade Union presented 500 lifesaver backpacks to students at 5 primary schools in Tra On, Long Ho and Mang Thit districts, Vinh Long province, with 100 backpacks to each school. These are multi-purpose backpacks, serving as a buoy to save children from drowning. As a bank for community,

BIDV has devoted efforts to social security activities to share difficulties with the disadvantaged communities. In the period of 2016 - 2020, through the Children Protection Fund (now the Golden Heart Fund under Vietnam General Confederation of Labor), BIDV has committed to donate 25,000 lifesaver backpacks for children totaling nearly VND5 billion (USD212,000). 



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