

BIDV Review



A Newsletter of Bank for Investment and Development of Vietnam JSC • Issue No.45 | December 2018

Happy New Year

2019
2018



ADB and BIDV

INK AGREEMENT TO SUPPORT SMES

**BIDV named
Outstanding Retail Bank
three years running**



BIDV headquarters seen from Hoan Kiem Lake

ABOUT BIDV

Founded in 1957, BIDV is the largest commercial bank in Vietnam by assets. The bank boasts subsidiaries in finance, banking, securities and insurance. It has a wide network of more than 1000 branches and transaction offices as well as commercial presences in six countries and territories. BIDV stock (BID) is listed on Ho Chi Minh City Stock Exchange (HOSE). For more information, please visit www.bidv.com.vn.



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Editor's Letter

Dear readers,

The year 2018 has been one of growth and now the New Year holiday is upon us. As BIDV Review 45 reaches readers, all BIDV units are urgently fulfilling the year's business targets. December saw many improvements as well as the high appreciation of BIDV's partners of its performance.

The Asian Development Bank (ADB) and BIDV signed a USD300 million loan agreement to support the growth and productivity of small and medium-sized enterprises (SMEs) in Vietnam. This is the largest commercial loan ADB has provided to an Asian commercial bank to date, affirming the bank's trust in BIDV.

Along with this recognition from an international organisation, BIDV was also honoured with awards in many areas of operation. Specifically, the bank received the "Outstanding Retail Bank" award for the third consecutive year (2016, 2017 and 2018) and "Innovative Product/Service 2018" for its BIDV Pay+ product. These awards were given by the Vietnam Banks Association (VNBA) and International Data Group (IDG).

The bank also received the award "Employer of the Year 2018" from the Vietnam General Confederation of Labour, Ministry of Labour, Invalids and Social Affairs and Vietnam Chamber of Commerce and Industry. The award honours enterprises who have shown sustained efforts to improve their work environment, properly balancing enterprises' interests, employees' benefits and social welfare.

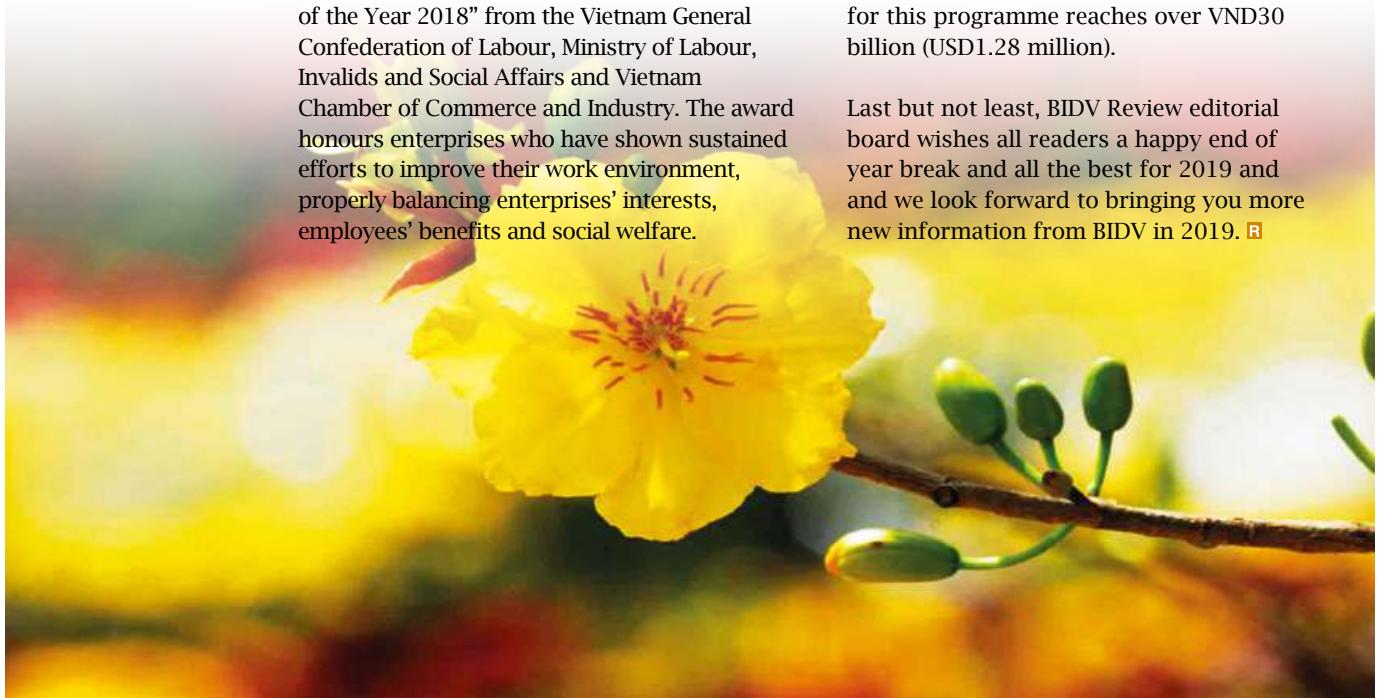
BIDV continued to be among the Top 10 largest enterprises in Vietnam for 2018 in the VNR500 rankings, released by Vietnam Report JSC and Vietnamnet newspaper.

This publication also brings to readers an overall view of Vietnam's economic growth in 2018 and forecast for 2019, assessed by prestigious international organisations including the World Bank, ADB and Moody's.

International organisations continue to have a positive forecast of Vietnam's economic growth. However, the expectation of growth in the following years has been adjusted downwards due to the impact of the world economy and internal challenges.

As well as bringing happiness to all BIDV employees, the bank also brought luck to customers using BIDV's products and services. To welcome the New Year 2019, BIDV launched the promotion program "Journey of Love 2019" with fabulous offers to show its gratitude to customers who have trusted to use BIDV products and services over the year. The total gift value for this programme reaches over VND30 billion (USD1.28 million).

Last but not least, BIDV Review editorial board wishes all readers a happy end of year break and all the best for 2019 and we look forward to bringing you more new information from BIDV in 2019. **R**



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NGUYEN TRAN

ADB provides USD300 million loan to BIDV to support SMEs

On 12 December The Asian Development Bank (ADB) and Joint Stock Commercial Bank for Investment and Development of Vietnam (BIDV) signed a USD300 million loan agreement in Hanoi to support the growth and productivity of small and medium-sized enterprises (SMEs) in Vietnam.

The agreement was signed by director general of ADB's Private Sector Operations Department Mr. Michael Barrow and BIDV's senior executive vice president in charge of the Board of Management, Mr. Le Ngoc Lam.

Mr. Phan Duc Tu, BIDV's chairman of the Board of Directors said: "The facility is comprised of a USD200 million loan provided by ADB and a USD100 million loan arranged by ADB from 12 commercial lenders. This is the largest commercial loan ADB has provided to an Asian commercial bank

“The loan symbolises the long-term cooperation between ADB and BIDV for sustainable development in Vietnam", Mr. Phan Duc Tu, board chairman of BIDV.

to date, affirming the development finance institutions' positive evaluation on Vietnam's stability and economic growth as well as the trust in Vietnam's banking operations in general and BIDV in particular.

"The facility will support SMEs in Vietnam and also reaffirms our



Mr. Phan Duc Tu, chairman of the Board of Directors, BIDV

partnership with ADB in achieving poverty reduction, economic growth, regional integration and environmental protection. The loan symbolises the long-term cooperation between ADB and BIDV for sustainable development in Vietnam", said Mr. Tu.

"ADB's partnering with BIDV, the



Mr. Le Ngoc Lam, BIDV's senior executive vice president in charge of the Board of Management (left) and Mr. Michael Barrow, director general of ADB's Private Sector Operations Department sign the facility agreement

largest lender to the country's SME sector, will boost lending to businesses, which often find it challenging to gain access to finance," said Mr. Barrow. "BIDV's effort to make SME lending a key strategic priority is aligned with ongoing endeavours by ADB and the Government of Vietnam to improve access to finance for SMEs, thereby contributing to inclusive economic growth.

The loan demonstrates ADB's ability to catalyze long-term lending from commercial institutions to channel investments for development impact," said Mr. Barrow. "Twelve commercial lenders from different countries have joined with ADB to provide the long-term lending facility."

Addressing the signing ceremony, H.E. Mdm. Nguyen Thi Hong, deputy governor of the State Bank of Vietnam, congratulated the success of the facility and called for new deeper and more effective cooperative opportunities for ADB, BIDV and commercial banks.

SMEs account for most of Vietnam's businesses, contributing around half of the total employment and 40 percent of gross domestic product. Despite their significant contribution to the economy, SMEs still encounter numerous obstacles that inhibit their economic potential, including lack of access to the finance needed to expand.

In recent years, BIDV has increasingly served the SME segment with positive results. BIDV had around 250,000 SME customers—almost 40 percent of total SME customers in Vietnam. Its lending portfolio to SMEs reached over VND240 trillion (approximately USD10.4 billion), giving it the largest share of SME lending among the country's banks.

The loan will make ADB the first development finance institution to provide long-term commercial lending to BIDV. ADB will work with BIDV to maximise the positive social and environmental impacts of the assistance by implementing an environmental and social management

Founded in 1957, BIDV is the largest commercial bank in Vietnam by total assets. As of November 2018, the bank's total assets reached over VND1.25 quadrillion (equivalent to USD55 billion) with a network of over 1000 branches and transaction offices in Vietnam and worldwide. For the three consecutive years since 2016, BIDV has been the only bank in Vietnam to be honoured with the award 'ADB's Leading Partner Bank in Vietnam'. The Bank has also been awarded "Best SME Bank Vietnam 2018" by Global Banking and Finance Review (UK), "SME Bank of the Year" by Asian Banking & Finance (Singapore) and "Best SME Bank Vietnam 2018" by Alpha Southeast Asia.

ADB is committed to achieving a prosperous, inclusive, resilient, and sustainable Asia and the Pacific, while sustaining its efforts to eradicate extreme poverty. Established in 1966, it is owned by 67 members—48 from the region. In 2017, ADB operations totaled USD32.2 billion, including USD11.9 billion in co-financing.

Outstanding Retail Bank three years running

BIDV received the "Outstanding Retail Bank" award for the third consecutive year during the Vietnam Retail Banking Forum 2018 co-organised by the Vietnam Banks Association (VNBA) and International Data Group (IDG) in Ho Chi Minh city.

BIDV was also awarded the "Innovative Product/Service 2018" for BIDV Pay+.

The two awards were among the important categories of the Vietnam Outstanding Banking Awards (VOBA). The VOBA awards were evaluated objectively on strict criteria by experts from governmental agencies, ministries and associations in the finance and banking sector. The prestigious awards are recognition of BIDV's efforts over the past 10 years in improving its retail banking size, efficiency and quality.

BIDV has a wide network of over 1,000 branches and transaction offices with many internationally standardised retail outlets, over 56,000 ATMs/POSS and more than 11 million customers including corporations, businesses, organisations and individuals.

In the past five years, BIDV has led commercial banks in Vietnam by market share of retail deposits and credits with annual average growth rate of 30 percent and 50 percent, respectively.

To better serve customers, BIDV has focused on promoting modern distribution channels toward safety and



BIDV receives the "Outstanding Retail Bank" award for three consecutive years

efficiency while increasing interaction with customers through Internet Banking, Mobile Banking, a 24/7 Contact Centre and Social Media Centre.

The bank also launched BIDV Pay+ app, a smart platform installed on mobile devices with connection to GPRS/3G/4G/WiFi. The app allows users to withdraw money at ATMs without using cards or QR codes. With outstanding and user-friendly features, BIDV Pay+ was named Outstanding Innovative Product/Service 2018. To date, BIDV has been deploying more than 100 products and services for individual customers.

BIDV aims to maintain its position as the best retail bank and the leading

retail brand in Vietnam. Accordingly, the bank continues to expand its operations, modernise its distribution channels, develop professional retail staff forces, strengthen its IT application as well as cooperate with Fintech companies. □

BIDV is also the first and only bank in Vietnam to receive the "Best Retail Bank in Vietnam" award for four consecutive years from 2015 to 2018" by The Asian Banker; and "The Best Contact Centre of the Year and Best in-house Contact Centre 2018" awards by the Contact Centre Association of Singapore and Contact Centre Association of Vietnam.

VAN PHAM

Employer of the Year 2018

On 15 November BIDV was honored to receive the "Employer of the Year 2018" award from the Vietnam Chamber of Commerce and Industry (VCCI) in Hanoi. The bank was among 10 outstanding enterprises who received this Certificate of Merit.

The award recognises enterprises who are making sustained efforts to improve their work environment in compliance with Vietnamese labour laws while maintaining international standards and balancing the interests of enterprises, employees' benefits and social welfare. By adhering to these standards, the enterprises are contributing to improving the reputation of Vietnam's workplaces in the international arena.

According to the Organising Committee, this year's candidates have consistently strived to improve the material and spiritual welfare of their workers, as well as focusing on trade union activities, strengthening social dialogue and continuously enhance working conditions.

BIDV has prioritised human resources as a key factor for sustainable growth with remarkable successes. With its ceaseless efforts and determination over the year, BIDV has built outstanding professional human resources in comparison with other



A representative from BIDV receives the "Employer of the Year" certificate

commercial banks in Vietnam.

The bank is a leader amongst commercial banks in terms of human resource training. Various professional training courses for all employees nationwide have been organised annually at the BIDV Training School.

A competitive performance-based compensation policy has also been established, through which an employee's salary, bonuses and promotion opportunities will be decided based upon their performance and contribution, offering a great chance for talented young employees to be recognised for their dedication and skills. In addition, BIDV has

focused on the personal growth of its employees, ensuring material and spiritual benefits based on their contribution to the bank's successes in compliance with the relevant laws.

BIDV's Trade Union has been recognised each year by the Vietnam National Union of Bank Workers as a leading trade union which properly implements the resolutions and plans of the Vietnam General Confederation of Labour and Vietnam National Union of Bank Workers, actively contributing to the completion of political tasks and business plans of both the bank itself and the banking sector in general. ■

EMDDI - technology solution for taxi firms

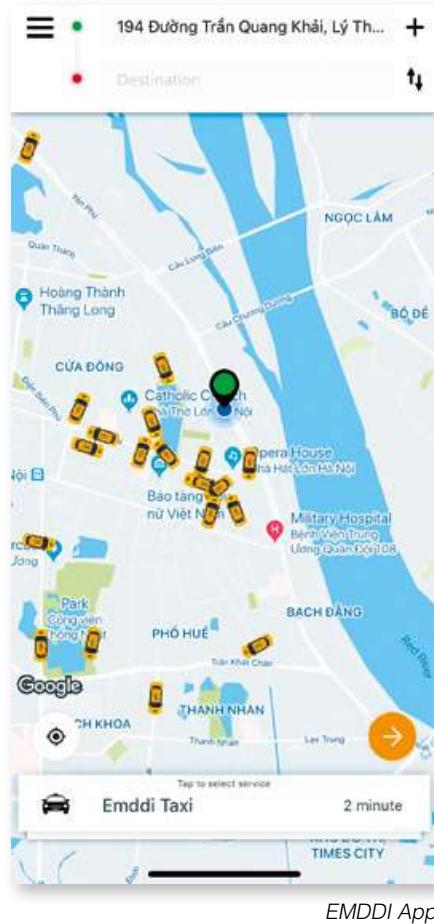
Traditionally operated taxi companies are facing fierce competition from the new wave of taxi firms that operate through technology and are gradually losing their position in the market.

As a result, several firms have allied, invested in technology and created an online ride-hailing platform - EMDDI, aiming to provide a better user experience. BIDV is the main payment solution for EMDDI.

FIRST STEPS

An alliance between 17 domestic taxi companies, called the Vietnam Alliance of Taxi Transportation Businesses (or Vietnam Taxi Alliance for short), has begun using the mobile app EMMDI to operate their taxi system. By the beginning of November 2018, nearly 12,000 vehicles nationwide had joined.

EMDDI is a transport technology solution developed by the Vietnam



National University, Hanoi. It is the world's first system designed for thousands of taxis operating simultaneously without losing their initiative. The product is highly regarded by domestic and foreign experts.

Since June 2018, more than 600,000 taxi passes have been successfully placed through EMDDI. The rate of using EMDDI to hail a ride and operate taxis across the country has since reached over 40,000 passes per day without experiencing any network congestion or program crashes.

Taxi companies using EMDDI can self-configure their systems independently from each other, including setting up services (motorbike, 4-seater cab, 7-seater cab, long-haul, taxi, and delivery), fare calculation, route selection and promotions.

EMDDI allows customers to compare and select suitable transportation services of high quality and at competitive price. Customers do not need to do any research before departing. On the go, EMDDI will automatically



Representatives of BIDV, Vietnam Taxi Alliance and EMDDI sign a cooperation agreement on online payment solutions

show services provided by reliable local transport services for customers to choose from.

The system will also offer special discounts for students, and people on low incomes and policy beneficiaries.

In Hanoi, Vietnam Taxi Alliance started with six member taxi firms - Thanh Nga, Van Xuan, Thang Long, Sao Mai, Long Bien and Que Lam. Others plan to join, such as Taxi Open99 and Taxi VIC. In December, the alliance and EMDDI will launch in Nam Dinh, Ha Tinh and Quang Binh provinces. In the Central and Southern regions Vietnam Taxi Alliance is simultaneously acquiring new members.

In 2019, Vietnam Taxi Alliance plans to expand to 63 provinces and increase its number of members. It is estimated that the number of vehicles joining the alliance could reach 20,000.

ADDED CONVENIENCE WITH BIDV SMARTBANKING

BIDV provides online payment solutions,

integration services and banking facilities for Vietnam Taxi Alliance through the EMDDI platform, thereby making payment simple yet convenient for both customers and taxi firms.

BIDV's payment solution supports account holders at BIDV as well as other banks. In addition, BIDV customers can hail a taxi directly from BIDV SmartBanking since the EMDDI function has been integrated into this app.

In addition, BIDV also provides payment services, loans, overdrafts, deposits, bill payments, e-banking, mobile phone messaging services BSMS, ATM cards, credit cards and other banking, finance and insurance services for employees of Vietnam Taxi Alliance, EMDDI and partners in the process of expansion.

This collaboration brings benefits to all parties as well as being in line with the orientation of the government and the State Bank towards the industry 4.0 and the system of making non-cash payment easier.

This cooperation and payment solution demonstrates BIDV's strong commitment to working with small and medium enterprises (SMEs). Over the past few years, given the development of SMEs and preferential policies for this segment, BIDV has achieved a great deal of positive results. By 30 September 2018, BIDV maintained its leading position among commercial banks in Vietnam in terms of credit volume for SMEs, with a growing rate at over 10 percent, reaching over 255,200 customers. Furthermore, outstanding loans grew to nearly VND240,000 billion and many other impressive business results were seen. ■

On 10 December 2018, Vietnam Taxi Alliance officially launched in Hanoi and implemented the EMDDI platform across the country. The Alliance pledges: "Customers will be connected to a driver within a minute or two, and prices shall not increase during peak hours."

Top 10 largest companies in Vietnam

Vietnam Report JSC and Vietnamnet newspaper recently announced the VNR500 rankings 2018 (the Top 500 largest enterprises in Vietnam). BIDV continues to be among the Top 10 largest enterprises in Vietnam for 2018.

This is the second consecutive year that BIDV has been listed in the Top 10 and the bank has been among the Top 20 largest enterprises since 2014.

The five sectors that contributed the most revenue within the 500 largest companies were finance (15.1 percent); food, beverages and cigarettes (14.3 percent); construction, building materials and real estate (13.9 percent); steel (11.7 percent) and telecommunications and information technology (9.2 percent). These five sectors accounted for 64.2 percent of total revenue and 75.5 percent of the net profit of the 500 enterprises on the list.

The ranking also saw a positive change in the economic structure. Over the past few years, the proportion of revenue from large enterprises in the service and industrial sectors has increased significantly.



BIDV Tower, Hanoi

According to the Profit 500 rankings 2018, BIDV ranked 11th among the 500 most profitable enterprises in Vietnam.

BIDV is currently the largest commercial bank in Vietnam by assets. By the end of November 2018, the bank's total assets reached over VND1.25 trillion (USD55 billion). In 2018, BIDV was recognised by many national and international organisations including Top 2,000 world's largest public companies (Forbes); Top 15 most valuable brands in Vietnam for the third time in a row (Forbes Vietnam); ADB's leading partner in Vietnam for three years running since 2016; Best Retail Bank

in Vietnam for the fourth straight year since 2015 (Asian Banker); and other prestigious awards.

The VNR500 rankings have been announced annually since 2007 to honour the largest enterprises in Vietnam with remarkable achievements in production and business performance. The VNR500 report is conducted independently and annually. It covers the economic sector and private business blocks. The report also publishes other lists of the Top 500 Fastest Growing Companies (Fast500), Top 500 Most Profitable Companies (Profit500), and Top 500 Best Prosperity (BP500).

HUONG THAO

BIDV receives “Youth Creation” award

On 16 December within the framework of the national Youth Creation 2018 award ceremony in Hanoi, BIDV Youth Union's project "Standardisation solution for FATCA declaration and customer information enrichment in BIDV Core Banking system" was among 28 projects to be honored.

The national Youth Creation award is organised by the Ho Chi Minh Communist Youth Union Central Committee to honour young individuals and teams whose innovative works and products are applied in learning, working and production.

The award aims to enhance the potential and creativity of Vietnamese youth by promoting innovative ideas, patents, scientific research and technical improvements, streamlining production processes, reforming administrative procedures and mastering and applying modern science and technology. In 2018, the Organising Committee received 255 nominations from 57 youth unions across the country. Based on the nomination dossiers, the assessment panel selected



A BIDV project is honoured at "Youth Creation" award ceremony

28 outstanding innovative works and products for awards.

As the only project in the banking sector to receive the Youth Creation award 2018, the "Standardisation solution for FATCA declaration and customer information enrichment in BIDV Core Banking system" project put together by members of BIDV's MIS.ALCO Department and IT Centre demonstrates the creativity, passion, enthusiasm, responsibility and determination of BIDV's Youth Union members in applying

scientific research to increase labour productivity, quality and efficiency.

In the coming time, BIDV's Youth Union members will continue to promote creativity and master modern technology, contributing to increase labour productivity and taking a pioneering position in emulating and innovating movements in order to launch more and more effective projects and solutions, thereby contributing to the development of BIDV in particular and the banking industry in general. ■

SmartBanking honoured at “Trust and Use” awards



BIDV outperformed to be among the Top 10 enterprises most trusted by consumers at the “Trust and Use 2018” award programme recently held in Ho Chi Minh City.

BIDV SmartBanking app was honored to be named an ‘excellent product’ in the category of digital banking.

The modern app that allows customers to conduct transactions and manage their finances safely and quickly anytime, anywhere, for example through 24/7 money transfers, bill payment, hotel booking, tuition fee payment, phone top-up, online deposits/withdrawals, online and QR Pay payments and card services, among others. BIDV aims to develop BIDV SmartBanking as a financial ecosystem through cooperation with Fintech

partners to maximise the financial and payment needs of customers.

The BIDV SmartBanking is a core product of BIDV's digital ecosystem. In 2017, the total number of newly registered customers for e-banking services reached over 2 million, showing growth of over 35 percent annually. The number of transactions via e-banking reached 44 million, of which inter-bank transfers accounted for 45 percent of the total outward transfers across the BIDV system.

BIDV ranked first in terms of transaction volume and value, accounting for 22.25 percent of total transactions through NAPAS in the Vietnamese market. By the end of June 2018, BIDV had conducted more than 14 million bill payment transactions via e-banking channels, notably BIDV SmartBanking.

With outstanding features that are highly appreciated by customers and high growth of customer registration, BIDV SmartBanking was honoured to be named in the Top 100 trusted products organised by Vietnam Economic Times.

In 2017, BIDV SmartBanking was also awarded the “Outstanding Innovative Product” as voted by the Vietnam Banks Association (VNBA) and International Data Group (IDG). ■

THUAN HOA

(Delivery of credit commitments by

Commercial banks to businesses with investment into Cao Bang

Cao Bằng, ngày 25 tháng 11 năm 2018



Mr. Le Minh Hung, governor of the State Bank of Vietnam (6th from left) presents flowers to BIDV and other bank representatives

Supporting development in Cao Bang

BIDV committed grant credit for Cao Bang's development as well as for the provincial social community at the Cao Bang Investment Promotion Conference 2018 recently held in the northern province.

The conference was themed "Cao Bang - Investment and sustainable development opportunities" and saw the attendance of Prime Minister Nguyen Xuan Phuc.

Cao Bang has great potential for tourism development, boasting imposing mountains and beautiful natural landscapes such as Ban Gioc Waterfall, Nguom Ngao Cave, Pac Bo Cave, Lenin Spring, and Thang Hen Lake. Notably, its Non Nuoc Cao Bang Geopark was recently recognised as a global geopark by UNESCO. The

province is also home to eight ethnic groups with diverse cultures, further increasing its tourism attraction.

Cao Bang borders the Chinese province of Guangxi - a relatively developed region with a population of nearly 50 million. If cross-border trade and connectivity are further facilitated, it will be a point of transit for goods from Vietnam and elsewhere in Southeast Asian to enter China.

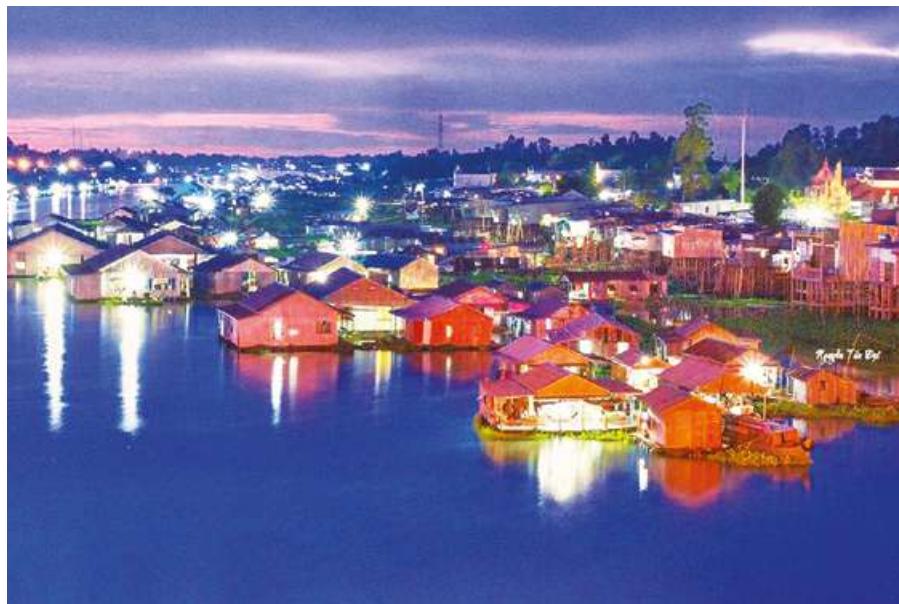
The province's local land, water and weather conditions are ideal for agriculture and as such it has been chosen by a number of well-known farm producers such as Trung Khanh chestnut and Xuan Truong glutinous rice. Though having a bustling investment and trade climate, Cao Bang still has a high percentage

of low income households and underdeveloped transport connectivity.

At the conference, Cao Bang local authorities presented investment certificates to 14 projects worth over 3.5 trillion VND (USD149.5 million). It also inked memoranda of understanding on cooperation with 16 domestic and foreign investors in many areas with total investment value of VND25 trillion (USD1.1 billion). Commercial banks committed to fund seven projects to serve the province's socio-economic development, of which BIDV committed nearly VND600 billion (USD26 million) in finance.

Also at the conference, BIDV announced to spend VND5 billion (USD217,000) on social security projects in Cao Bang province. ■

An Giang - The Mekong Delta investment hub



Chau Doc floating village, An Giang

The An Giang Investment Promotion Conference was held successfully in Long Xuyen with the participation of Prime Minister Nguyen Xuan Phuc and more than 500 delegates. This is the first time An Giang has organised such a large scale event. At the conference, BIDV committed to finance a number of local investment projects.

THE CALL FOR INVESTMENT

Under the theme An Giang - Connecting Opportunities for Successful Cooperation, the province highlighted its advantages to investors. An Giang is located in the Mekong Delta region and is home to numerous paddy fields and mountainous areas with beautiful landscapes. It borders Cambodia and benefits from convenient waterways and highways.

The province boasts favourable natural conditions which are deemed important factors for its agricultural development, with the annual volume

of rice and freshwater produced in the province being in the highest-capacity group nationwide. The rice paddy fields cover an area of over 250,000 hectares with three main crops and some 35 varieties of rice. Aquaculture is the spearhead economic sector of An Giang with a total farming area of 2,700 hectares and an output of over 379,000 tonnes of different kinds of fish and shrimp each year.

The province also has great potential for tourism development with the mysterious Seven Mountains range, the spiritual Ba Chua Xu temple festival, the Khmer's Dolta ceremony and Ox Racing festival, and the High-water Season festival, all of which have proven popular with local and foreign visitors. In 2017, An Giang welcomed 7.3 million visitor arrivals, with revenue from tourism reaching VND3.7 trillion (USD160.9 million). These natural resources are deemed as the basis for the province to call for investment in agriculture and tourism.

Speaking at the conference, Prime Minister Nguyen Xuan Phuc said that An Giang is one of the most attractive areas in the Mekong Delta and Vietnam. According to the Prime Minister, with the Tien and Hau rivers flowing parallel for nearly 100km, An Giang is the most fertile province in the country. The province therefore has the potential to attract large enterprises and develop global brands of Vietnamese agricultural products.



Long Xuyen, An Giang

The Prime Minister also noted that seven mountains in An Giang contain Oriental spiritual values of interest to tourists and investors. The PM called for more investors to An Giang to contribute to the socioeconomic development of the province and create jobs through gainful business activities.

At the conference, leaders of An Giang handed over in-principle approvals to 25 projects with total registered investment capital of VND27 trillion (USD1.15 billion), in areas including agriculture, commerce, services, tourism, industry, urban construction and health.

Local authorities also awarded certificates for investment commitments to nine investors, with total capital of some VND104 trillion (USD4.4 billion). Commercial banks also committed to continue funding to

other projects in the province.

BIDV ACCOMPANIES THE DEVELOPMENT OF AN GIANG

Over the past 10 years, BIDV has provided more than VND20 trillion to the province's socio-economic development. At the conference BIDV committed to finance the new Southwest Urban Area project - Long Xuyen with total capital value of over VND1,100 billion, aiming to establish closer cohesion.

The project is expected to form a new and modern urban area with a synchronous infrastructure to meet the housing and commercial needs of people in the region and serving the economic development of local and neighbouring regions.

Over years, BIDV branches in An Giang province have implemented many

activities aiming to connect banks and enterprises. In the coming time, BIDV will continue to provide modern diversified financial products and services, meeting the demand of both individual and corporate customers in An Giang.

In terms of social welfare activities, BIDV is the pioneer bank in An Giang to contribute to raising the living standards of local people. From 2015 until now, the bank has funded more than VND20 billion to conduct social securities in the province, focusing on education, health, poverty and disaster relief. This funding has helped construct 100 houses for residents of Thoi Son commune (Tinh Bien district); construct Long Son Kindergarten (Tan Chau Town); provided ambulances to Chau Phu, Cho Moi, Phu Tan and Thoai Son districts and teaching facilities for remote schools as well as thousands of Tet gifts for disadvantaged families. ■

VAN LAM

Optimistic outlook for Vietnam's economy

International organisations continue to report positive forecasts of Vietnam's economic growth, although the expectation of growth in the years to follow has been adjusted downwards due to the impact of the world economy and internal challenges.

ECONOMIC GROWTH NO LESS THAN 6.7 PERCENT

According to Asian Development Outlook (ADO) 2018 of Asian Development Bank (ADB), Vietnam's economic growth is expected to reach 6.9 percent in 2018 and 6.8 percent in 2019.

This growth is slightly lower than the 7.1 percent projected in April as exports, agriculture, construction, and mining are expected to moderate in the second half of the year.

According to Mr. Eric Sidgwick, ADB country director for Vietnam, economic performance has been broad-based, driven by vigorous

manufacturing expansion, bumper agriculture production, robust performance of services sector, resilient domestic consumption, and strong investment fueled by FDI and domestic enterprises.

Economic growth will likely hold up well in the near term buoyed by resilient domestic demand, improved business conditions, and a stable macroeconomic environment. An anticipated increase in public capital expenditure in the second half of the year is expected to boost the growth in investment.

The World Bank's bi-annual economic report on Vietnam released in December forecast the pace of expansion to remain at 6.8 percent this year, higher than the projected figure of 6.3 percent for emerging markets in East Asia and the Pacific. Economic growth in Vietnam has proven resilient despite weakening external conditions, driven mainly by strong domestic demand and a dynamic export-oriented manufacturing sector.

Over the medium term, in line with global trends, Vietnam should expect to see a slower pace, at 6.6 and 6.5



percent in 2019 and 2020, respectively.

According to Mr. Ousmane Dione, World Bank Country Director for Vietnam, despite a challenging global context, Vietnam continues to achieve robust growth accompanied by moderate inflation and a relatively stable exchange rate.

Previously, international ratings firms have assessed that Vietnam's economic growth will be no less than 6.7 percent.

In November, Moody's changed its outlook on Vietnam's banking system to stable from positive thanks to support from strong economic growth. Moody's expects Vietnam's real GDP growth to remain one of the strongest in ASEAN, at 6.7 percent in 2018 and 6.5 percent in 2019, driven by improved economic competitiveness, exports and domestic consumption. Domestic credit growth will moderate to about 16 percent in 2018 from 20 percent in 2017, as the Vietnamese



Ho Chi Minh City, Vietnam

government seeks to control inflation in the country to less than 4 percent.

In the middle of this year, Fitch has upgraded Vietnam's sovereign rating to BB from BB- based on rising foreign-exchange reserves and strong economic growth. GDP growth is expected to be 6.7 percent in 2018, making Vietnam one of the fastest growing economies in the Asia-Pacific region, and fastest among "BB" rated peers.

IMPACT FROM GLOBAL ECONOMIC CONDITIONS

According to ADB, Vietnam's economy remains vulnerable to external and domestic challenges. Growth moderation in major economies such as the People's Republic of China, European Union, and Japan may dampen the aggregate demand of global trade. The escalating trade frictions seen around the world could adversely impact export performance and FDI inflow to Vietnam. Inflationary

pressure is likely to persist over the near term due to increases in international oil prices and an upsurge in food prices. Therefore, ADB has revised Vietnam's inflation to 4.0 percent in 2018 and 4.5 percent for 2019, up from the April estimates of 3.7 percent and 4.0 percent, respectively.

Besides these advantages, the World Bank also highlights the increased risks for the country. Given its high trade openness and limited fiscal and monetary policy buffers, Vietnam remains susceptible to external volatilities.

Specifically, escalating global trade tensions could cause a falloff in export demands while tightening global liquidity could reduce capital inflows and foreign investment. Domestically, a slowdown in reforming state-owned enterprises could undermine growth prospects and create public sector liabilities.

Mr. Sebastian Eckardt, World Bank Lead Economist for Vietnam said that as an open economy, Vietnam needs to maintain a responsive monetary policy, exchange rate flexibility and low fiscal deficits to enhance its resilience against potential shocks. ■

| Indicators | 2018 | 2019 |
|---------------------------------|---------------|---------------|
| GDP | 6.5 – 6.7% | 6.6 – 6.8% |
| CPI | ~4% | ~4% |
| Export | 7 – 8% | 7 – 8% |
| Trade deficit | Less than 3% | Less than 3% |
| Total social investment capital | ~33 - 34% GDP | ~33 - 34% GDP |

MINH VAN

Moody's adjusts outlook on Vietnam's banking system

According to a report released recently by Moody's, Moody's Investors Service has changed its 12-18 month outlook on the banking system in Vietnam (Ba3 stable) to stable.

"Economic growth in Vietnam will remain robust, and the banks' asset quality will improve, helping to strengthen their profitability," says Eugene Tarzimanov, a Moody's Vice President and Senior Credit Officer.

"But asset risks are still evident after years of rapid credit growth, and negative spillovers from the escalating trade tensions between the US and China will see Vietnam vulnerable to slower trade growth," says Rebaca Tan, a Moody's Analyst.

Moody's conclusions are contained in its just-released report on Vietnamese



banks titled "Banking System Outlook - Vietnam: Economic growth and improving asset quality support stable outlook," co-authored by Tarzimanov and Tan.

The stable outlook is based on Moody's assessment of six drivers: operating

environment (stable); asset risk (improving), capital (stable); funding and liquidity (stable); profitability and efficiency (improving); and government support (stable).

With the operating environment, Moody's says that strong economic



growth in Vietnam will support the banks' operating environment.

Moody's expects Vietnam's real GDP growth to remain one of the strongest in ASEAN, at 6.7 percent in 2018 and 6.5 percent in 2019, driven by improved economic competitiveness, exports and domestic consumption. Domestic credit growth will moderate to about 16 percent in 2018 from 20 percent in 2017, as the Vietnamese government seeks to control inflation in the country to less than 4 percent.

In terms of asset quality, Moody's predicts that Vietnamese banks will show improved asset quality over the next 12-18 months, as strong economic growth will translate into improvements in borrower repayment capabilities and enable the banks to accelerate the write-offs of legacy problem assets.

However, the rapid credit growth experienced in recent years can result in a deterioration of asset quality

as new loans mature, although this situation is unlikely to occur during Moody's outlook period of the next 12-18 months.

The banks' capitalisation will prove broadly stable. A moderation in asset growth will ease pressure on the banks' capitalisation, while internal capital generation will continue to improve, along with profitability at most rated banks.

Funding will stay stable as loan growth slows. In particular, Moody's points out that the banks' deposit growth has been strong, reducing their reliance on market-sensitive funding sources, such as interbank borrowing. As loan growth moderates to the pace of deposit expansion, the banks' loan-to-deposit ratios will remain largely stable.

As for profitability, the banks will show better profitability because interest margins will continue to improve, as the banks boost loans in

the higher-yielding retail and small and medium-sized enterprise segments. At the same time, credit costs will decline, as more banks resolve their legacy problem assets.

With government support, Moody's says that the Vietnamese government will continue to support the country's banks when needed, mainly in the form of liquidity assistance and forbearance from the central bank.

Moody's rates 16 banks in Vietnam, which together accounted for 61 percent of the total banking system assets at the end of 2017. The firm upgraded BIDV's baseline credit assessment (BCA) to b2 from b3, affirming the bank's long-term local and foreign-currency deposit and long-term issuer ratings. The outlook for the bank remains stable. Long term local/foreign currency bank deposit ratings were at Ba3/B1; local and foreign currency long term issuer rating at Ba3; and baseline credit assessment at b2. ■

NGUYEN QUANG

Measures to boost Vietnam's supporting industries



A conference on "Solutions for Promoting the Development of the Supporting Industry in Vietnam" was held this month, aimed at boosting the growth of this potential industry. BIDV was the co-sponsor of the event.

The meeting gathered 300 delegates from ministries, departments, localities, associations, businesses and auxiliary industry entrepreneurs. Prime Minister Nguyen Xuan Phuc was in attendance.

Vietnam currently has more than 3,000 businesses in the supporting sector, of which 4.5 percent are in processing

and manufacturing and together employ more than 550,000 people.

However, Vietnam lacks enterprises capable of leading the industry's growth. According to the Ministry of Industry and Trade, last year although the supporting industry accounted for 90 percent of the net revenue of the economy, it contributed less than 15 percent of GDP, less than the average in other countries in the region.

The supporting industry in Vietnam remains weak, with nearly 90 percent of raw materials, spare parts and components needed for production needing to be imported.

The Prime Minister pointed to a lack of highly qualified manpower and the country's technological level, which is lower than the regional average, as the factors that are hindering the development of Vietnam's supporting industries.

Furthermore, the linkages between domestic and foreign enterprises are relatively weak, with foreign investors paying inadequate attention to tapping into domestic suppliers.

He urged firms to pay more attention to research and development, while the Ministry of Planning and Investment and the Ministry of Finance must allocate capital to build three technical centres to support industry development. Vietnam should take advantage of investors' reorientation in order to transform Vietnam into a manufacturing base of multinational companies.

The Prime Minister said that by 2030 Vietnam's supporting industry must meet 70 percent of domestic production and consumption needs, account for 14 percent of the overall industrial production, and have 2,000 businesses capable of supplying products to assembly enterprises and multinational corporations in Vietnam. ■

TRANG HUYEN

The Tet Journey of Affection 2019

To welcome the New Year 2019, BIDV has launched a promotion program "The Tet Journey of Affection 2019", with fabulous offers.

The program is held annually for individual customers to enhance added value to customers. It also serves as special thanks from BIDV to customers who trust to use BIDV products and services over the year. The total gift value reaches over VND30 billion (USD1.28 million).

With the name "The Tet Journey of Affection", BIDV wishes to bring happiness and good luck to all BIDV customers in all regions of the country. This is BIDV's largest and most valuable promotion program. Customers have the opportunity to receive gifts by using the wide range of products and services such as term deposits, remittance (Western Union, Swift), BIDV SmartBanking, card (domestic, international), and online deposits.

The prize structure is flexible and diversified and includes many valuable gifts. Specifically, from 10 December 2018 to 28 February 2019, customers joining the program will have three chances to win gifts. These include



direct cash bonuses, lucky scratch cards with the chance to win cash prizes and a lucky draw.

There are 500,000 scratch cards available with total gifts worth VND5 billion (USD214,000). Customers can also join the lucky draw for the chance to win a Hyundai Accent car or a savings books worth VND500 million (USD21,400), two Giant sports bikes

worth VND200 million (USD8,600).

Moreover, customers wishing to make new deposits will receive instant cash gifts and deposit rate incentives with an additional 0.6 percent. Customers will receive expert consultations regarding optimal financial options from experienced staff at BIDV transaction offices. ■

QUYNH CHI



Countdown to the New Year in Times Square

New Year's Eve in Times Square is an unforgettable event. An estimated one million people fill the streets with millions more nationwide and over a billion throughout the world watching on screen, excited to see the ball drop - the key moment of the night.

New Year's Eve at the symbolic centre of New York City has become more than just a celebration - it's a global tradition that dazzles people with the fantastic light displays and bustling energy of Times Square.

The celebration features star-studded musical performances, balloons, confetti and a colourful pyrotechnic display

The world cheers and celebrates as the

clocks strike twelve, the old year is bid farewell and everybody expresses joy and hope for the year ahead.

The famous New Year's Eve Ball descends from a 77-foot flagpole set atop One Times Square (at 43rd Street and Broadway). Viewing spots for the ball are best found along Broadway, from 43rd Street to 50th Street, and along Seventh Avenue, from 43rd Street to 59th Street. Performance stages assembled around Times Square provide entertainment throughout the evening.



At the stroke of midnight, the Ball's lights are turned on and off as the number of the New Year is illuminated high above Times Square. The world-famous New Year's Eve confetti is

released from the rooftops of buildings throughout Times Square and the sight of 30,000,000 tiny pieces of coloured paper fluttering down symbolises the start of the New Year.

Visitors comment that the countdown party is the most memorable thing they have done in New York. "Many people told me countdown in Times Square is crazy but we still decided to go because we were already in New York and this is the biggest event in the city. We went to Time Square at 2:30, stood very close to the stage and time raced by. The sight of millions of people counting down together, dancing and kissing is incredible and you can only see it in New York."

In recent years, Vietnam has begun holding countdown parties in the centres of major cities such as Hanoi and Ho Chi Minh City, the most famous being the Heineken party. This event attracts hundreds of people with its sparkling lights, music and party atmosphere. ■

Special facts about the Ball:

The NYE ball weighs 11,875 pounds - a pretty staggering increase from first 700-pound ball introduced in 1907. The ball has also grown in diameter from 5 feet to its current 12 feet.

According to organisers, when taking into account both the materials and the labour required to construct the ball, its creation is priceless - though they say if they had to put a value on it, it would be over USD1 million.

THUY HANH

Colorful costumes of Son La's ethnic women



Son La province has 18 ethnic groups all with their own unique customs and lifestyles. Traditional clothes are an important component of a culture, identifying which group a wearer belongs to and reflecting aspects of their society, production, and history.

Throughout time, Thai women have retained their traditional clothes which include short vests, long black skirts, waistbands, headscarves, and silver ornaments.

Young Thai girls learn from their grandmothers and mothers how to

tighten their waists with cloth bands to keep their figures slim. Thai women learn the craft of weaving and making their own clothes from the time they are small, creating colourful garments featuring embroidery of floral images and patterns on indigo or black fabric.

The clothing worn by Muong women is not as colourful as that of other groups. The plain and elegant garments are believed to reflect the characteristics of Muong people - quietness and honesty, with the two dominant colour tones being black and white.

Muong women wear a white top tied around their bodies, inside a waist-long blouse that opens at the



front. The upper hem of the pants is embroidered, displaying the skill and creativity of the owner while still maintaining a level of sophistication.



On special occasions, the women wear additional silver accessories such as chains, bracelets, and necklaces. Muong women wear white headscarves as they

believe that white represents purity, nobility, the sky, and heaven. Of the 18 ethnic groups in Son La, the clothing of Muong women are the most colorful

and eye-catching. Besides differences in the clothes of each Muong branch, they typically feature V-neck blouses with embroidery on both sleeves. On indigo fabric, they sew colorful patches and embroider images, creating skirts that are as beautiful as flowers.

The Kho Mu's clothes are strongly influenced by those of the Thai, comprising of a Pieu headscarf, black vest, a waistband, and a long black dress. Embroidered images on their clothes commonly represent the sun, the moon, animals, birds, and flowers.

The traditional clothes of each group are beautiful in their own way. Each pattern and image tells a story, reflecting the views and aspirations of the makers.

The rich history and tradition of embroidery and weaving has given the northwestern region and Son La province a wide breadth of cultural diversity. ■

BIDV MetLife granted CSR award

BIDV MetLife is among a number of enterprises to receive CSR award recognition for their contribution to community development in Vietnam.

At the Annual Meeting of American Chamber of Commerce, BIDV MetLife was honoured along with a number of US enterprises with CSR Award Recognition for a commitment to community development. The

company's CEO Mr. Gaurav Sharma was at the event to receive the award recognition from US Ambassador to Vietnam Daniel J. Kritenbrink.

The CSR award goes to MetLife Foundation's projects in Vietnam in 2018. BIDV MetLife is proud to be the representative in Vietnam supporting grant partners who are helping low income people and businesses to gain access to safe, affordable, and effective financial services through different projects.

These include the Project on Empowering Poor Women and Youth through Economic Integration in Kon Tum province, partnered with Plan International and Trickle Up; and the 'Room to Reads' Program to support girls with life skills and education funded by MetLife Foundation over three years in three nations - Bangladesh, Nepal and Vietnam. MetLife has also participated for the second time in the initiative 'building quality homes for low income families' in Dong Thap province as part of the Vietnam Big Build 2018 by Habitat for Humanity Vietnam. □



HOAI AN

BIDV MetLife joins hands to help low-middle income people

A pilot financial program named 'i3 program Vietnam' was launched to improve financial health through digital innovation for low to moderate income communities across Vietnam.

The program was implemented by Microsave and the United Nations Capital Development Fund over 36 months in partnership with the State Bank of Vietnam, the Vietnam Bank for Social policies and MoMo (M Service JSC) and fully sponsored by MetLife Foundation through its representative in Vietnam, BIDV MetLife.

Vietnam has seen continuous social and economic growth over the years. While the financial industry has made tremendous efforts to develop, access to financial services and products remains a challenge for low-moderate income communities, especially in the further regions of Vietnam.

Families in less fortunate communities do not have access to services and tools to manage finances for themselves and their families, often struggle with cash flow and find it hard to build a long term plan related to borrowing, saving and protecting their finances. With this in mind, the i3 program was created aiming to design new financial products and services meeting the needs of low and moderate income people and to deliver these products to



them in a fast and user-friendly way, leveraging digital technologies.

The i3 program expects to directly help 400,000 under-deserved Vietnamese individuals while creating ripple effects and impacting over 2 million low-moderate income people.

"Vietnam is undergoing a historic and exciting growth phase. Ensuring sustainable social and economic growth and building stronger, more resilient and financially healthy communities have always been goals for MetLife Foundation and MetLife in all the markets that we operate in," said Mr.

Gaurav Sharma, CEO, BIDV MetLife. "BIDV MetLife is honored to share the opportunity of launching the i3 program to support those goals with the assistance of Vietnam's government."

MetLife Foundation and BIDV MetLife have been assisting underserved communities in Vietnam for over five years, with USD5 million invested in helping over 300,000 families across the nation. This is another initiative to showcase BIDV MetLife's and MetLife's commitment to the development of Vietnam, helping local people reach financial security and plan for better lives and happier futures. ■

Spreading warmth to the stone plateau



Recently BIDV's MIS.ALCO and SME departments organised a charity program at Sung Thai and Na Khe Kindergartens in Yen Minh, a district in the northern mountainous province of Ha Giang.

Yen Minh is one of the poorest districts in Ha Giang province with at least 15 communes experiencing high poverty rates.

Na Khe Kindergarten has 14 satellite schools with 23 teachers in charge of caring for and teaching 412 children.

Sung Thai Kindergarten has one main school and 12 satellite schools where 54 teachers are in charge of more than 850 children. The schools are located across communes in challenging areas, making it difficult for teachers and children to go to school.

The two departments presented Na Khe Kindergarten with an industrial cooker capable of cooking up to 40 kg of rice within 50-60 minutes, enabling them to serve meals for about 200-250 children. It also has a function for keeping food warm, ensuring nourishing meals for children in the cold season. **R**

BIDV Quang Trung donates dialysis machines

BIDV Quang Trung handed over two dialysis machines to the National Hospital of Tropical Diseases worth over VND3.2 billion.

According to the hospital director Nguyen Van Kinh, the hospital often receives and treats patients with septic shock and complicated intoxication requiring emergency dialysis. However, they struggle to meet these patients' needs due to the shortage of medical equipment.

Professor Kinh noted the hospital's appreciation of the compassion shown by BIDV Quang Trung branch. The machines will help ensure better care and protect and improve the health of patients.

The National Hospital of Tropical Diseases is the centre with the highest examination and treatment for the rehabilitation of patients with infectious tropical diseases, providing health worker training, mentoring, disease prevention and scientific research, application and the deployment of science, technology and modern engineering specialties for treating patients with infectious and tropical diseases. **R**

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02
CRUISE TOURS IN
JAPAN AND S. KOREA
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VND56,000,000



06
TOURS TO S. KOREA
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18
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BIDV

Total
Prizes
VND **30⁺⁺**
billion

The New Year Journey of Affection



DEPOSITS



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CARDS



From December 2018 to February 2019

2019
Kỷ Hợi



BIDV