

# BIDV **R**eview

**BIDV**  A Newsletter of Bank for Investment and Development of Vietnam JSC • Issue No.46 | Jan & Feb 2019

Happy Tet

Sustaining BIDV  
as a **flagship**  
**financial institution**





*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](http://www.bidv.com.vn).



Firework display in Ho Chi Minh City, Vietnam's largest economic hub



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# Editor's Letter

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Dear readers,

It is upon us once again, a time when millions of Vietnamese people celebrate the country's most important traditional festival of the year. While the nation hurries to prepare for Tet, BIDV Review received positive information about its business achievements.

In 2018, BIDV's total assets reached over USD55.7 billion, maintaining its position as the largest commercial bank by assets with profit before tax hitting over USD418 million. In this issue, readers will find more details of BIDV's achievements over the year in a story outlining 10 highlights of BIDV in 2018.

With such solid performance, State Bank Governor Le Minh Hung remarked upon BIDV's business over the past year, affirming the bank as a particularly important instrument of the State that is making significant contributions to the banking sector.

BIDV's subsidiaries and joint venture companies also reported growth. Specifically, BIC's consolidated profit reached over VND200 billion for the first time. BSC earned after tax profit of VND193.53 billion, up 10.6 percent year-on-year, while BSL continued to expand its network by partnering with 290 distributors, expanding its customer base to over 120. In foreign markets, BIDV Yangon Branch continues to grow in many

areas such as outstanding loans, revenues, M2 transactions and government bond investment.

On 15 January BIDV officially inaugurated its new Webportal at [www.bidv.com.vn](http://www.bidv.com.vn). Putting high priority on customer experience, the Webportal has both new design and features, helping foreign partners and readers to easily access the bank's information on its operation, products and services.

BIDV Review also brings you the overall picture of Vietnam's economy in 2018, as well as the forecast and direction for 2019, including the movements of its monetary market, macro economy, stock market and FDI attraction.

Every year at this time, BIDV Trade Union presents gifts to disadvantaged communities across the country, with the aim of spreading a little warmth at Tet. This year, the overall value of the gifts has increased to VND20 billion.

Last but not least, from all of us at BIDV Review we want to thank all our customers and readers for your support. May the New Year bring you joy, happiness and prosperity. 🍀



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*Prime Minister Nguyen Xuan Phuc delivers remarks at the banking sector conference 2019*

# Prime Minister lauds banking operations

Prime Minister Nguyen Xuan Phuc spoke at a conference on dissemination of the banking sector’s tasks in 2019 held on 9 January in Hanoi, praising the SBV and the banking sector as a whole for the significant contributions to economic growth that they have made.

## A SUCCESSFUL YEAR

The Prime Minister acknowledged the efforts of the State Bank of Vietnam (SBV) and the banking sector at the conference, commenting that, “the Government of Vietnam acknowledges the monetary policy management of the SBV and the banking operations in 2018.”

According to the Prime Minister, in 2018 despite the complicated global economic situation which impacted monetary policy management in Vietnam, the

latter’s performance was very good both in quantity and quality. In particular, the macroeconomic platform was well implemented and inflation was controlled at 3.54 percent in the context of fluctuations in other countries. In addition, Vietnam’s international credibility ranking was raised.

“The role of the banking system is very important for every country. Just as SBV Governor Le Minh Hung said, in the context of the unsustainable world economy, we have contributed much and completed many activities to share these difficulties with the economy, businesses and the people,” said the Prime Minister.

Over the year, the SBV managed the monetary policy in a proactive, flexible, skillful and efficient manner, in close coordination with the fiscal policy in order to control inflation, stabilise the macroeconomy, and promote economic growth, helping to maintain the stability of the monetary market and create

active room for market adjustments and the fiscal policy to enhance their effectiveness. The SBV also issued regulations and related legal documents to implement the assigned tasks. Given the complicated international context, the SBV’s achievements in maintaining stable foreign reserves, interest rates, exchange rates, creating favorable conditions for the business and investment activities, promoting growth, and especially achieving record high foreign exchange reserves of over USD60 billion last year were a great success.

Regarding the restructuring of credit institutions in association with the handling of bad debt, the current bad debt ratio is 1.89 percent. The management and handling of nearly VND900 trillion of bad debt was a great effort. “The blood clot is now getting smaller, and melting in many places, thank to the macroeconomy and practical management,” the Prime Minister said.

The Prime Minister also spoke highly of the SBV's efforts in reforming administrative procedures with a cut-down of one-third of the business conditions, contributing to significantly improve the credit access index for the public and businesses.

The Prime Minister noted that the restructuring of some credit institutions is still slow compared to the set targets, with some credit institutions still facing difficulties. The internal control and inspection should be done in a more timely manner, with strict penalties against violations. The Prime Minister also drew special attention toward the application of technologies in the banking sector.

### IMPLEMENTING NEW TASKS

Emphasising the desire for Vietnam to rise from a low middle income country to a high middle income and then high income country, the Prime Minister said that the SBV and the credit institutions should take responsibility for contributions to the development of the country. The Prime Minister requested the banking sector to focus on a number of tasks:

First, continue to operate the monetary policy in a flexible, cautious and effective manner; enhancing resilience to limit adverse external impacts, harmoniously combining with other macro and fiscal policies, steadily stabilising the macro-economy, controlling inflation, and promoting growth.

Second, come up with solutions for the banking sector in the context of Industry 4.0; creating a push for the whole economy, including: electronic payments; developing an action plan with the implementation of the



Mr. Le Minh Hung (standing), governor of the State Bank of Vietnam

strategic contents for each stage; guiding the monitoring and evaluation of the implementation of strategies in order to report to the Prime Minister; developing and submitting to the Prime Minister a plan on increasing the charter capital of commercial banks with more than 50 percent State ownership by 2020, in order to meet the capital requirements in accordance with Basel II standards and benchmarks; further improving the competitiveness and transparency of the management of the credit system in compliance with international standards and practices; controlling credit growth at a reasonable level in association with improving the quality and focusing on these priority areas of development.

Third, enhance the process of restructuring the system of credit institutions in association with handling with bad debts, striving to fulfill the set objectives and roadmap.

In addition, the banking sector must continue to improve all institutions; enhancing administrative reform; improving the business and investment environment; increasing competitiveness; and creating favorable conditions for businesses and the public to access banking services easily.

Further, to promote communication work regarding banking products and services that the public can understand and utilise banking products and services.

Regarding international integration, together with other ministries and agencies, the SBV should proactively participate in negotiations on the relevant contents, assessing the impact of integration on bank credits. The responsibilities of the commercial banks involved in offshore investments also need to be better controlled.

The SBV should also continue to tighten the disciplines and principles and enhance transparency throughout the banking system; focusing on the organisation of personnel and improving the quality of staff through good internal management, inspection and supervision.

On behalf of the whole banking sector, SBV Governor Le Minh Hung expressed his thanks for the compliments and remarks of the Prime Minister. He took note of the Prime Minister's directions and promised that in 2019 the banking sector would continue to make the best efforts to overcome shortcomings and limitations and successfully fulfill the Prime Minister's requirements for the banking sector. 

**VIET PHAN**

# Endeavouring to sustain BIDV as a flagship financial institution

Mr. Phan Duc Tu, chairman of BIDV's Board of Directors, talks with BIDV Review about the bank's performance and plan for 2019.

*Could you brief BIDV Review readers about BIDV's performance in 2018?*

BIDV's entire system has comprehensively fulfilled the 2018 business plan; well-performing the role of a primarily state-owned commercial bank in the implementation of the national monetary policy, contributing to ensuring macro-balances and serving the country's economic development. With VND1,283,000 billion (USD55.7 billion) in total assets, BIDV had the most impressive business results in 2018, continuing to be the largest commercial bank by assets in the banking sector.

Mobilised capital grew well, meeting the demand for economic development capital: total deposits reached VND1,202,000 billion (USD52.3 billion), an increase of 11 percent compared to 2017; Total outstanding loans and investments reached VND1,214,000 billion (USD52.8 billion), growing 6.8 percent year-on-year, of which, institutional and personal credit balance reached VND977,337 billion (USD42.5 billion), up 13.3 percent,

accounting for 13 percent of the entire sector's credits.

In particular, BIDV's operating and management structure shifted positively, with services and non-interest income strongly developed. Products and services have shifted to digitalisation, bringing more convenience and security for nearly 10 million domestic customers and more than 2,300 financial institutions across the globe.

BIDV also made great leaps in institutional development, formulating models and mechanisms in order to be well-prepared for the State Bank's new regulations under Basel II standards and able to meet the standards of international practice.

BIDV had a revenue-expenditure difference of VND27,187 billion (USD1.18 billion), an increase of 13 percent from 2017, and made adequate risk provisions according to regulation. Pre-tax profit of the banking business alone reached VND8,959 billion (USD389.5 million), growing 12 percent from the previous year.

*2018 was seen as a challenging year for BIDV. What are your thoughts on this?*

Over the past 61 years of development with many ups and downs, 2018 was

considered the longest year for BIDV, the longest-established financial institution in Vietnam, with many challenges.

Despite the difficulties, BIDV received the attention, direction and timely support of the leaders of the State, government, State Bank and competent authorities. During the year, BIDV also earned the loyal companionship of close to 265,000 corporate customers, nearly 10 million individual customers both local and international as well as the sympathy and encouragement of generations of the bank's leaders and officers.

The sharing, consensus and determination coupled with the steadfast vision and trust in the future of the employees across the bank's system formed a solid fulcrum and a firm belief for us to recognise the limitations and shortcomings; implementing uniform solutions and measures to overcome these shortcomings and limitations.

BIDV's leadership team acknowledged and thanked the system's more than 24,000 employees for their perseverance, hard work, creativity, solidarity and dedication throughout the past 365 days as well as those who have joined to help BIDV overcome challenges in order to stand firm and grow.



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

***What are BIDV's priorities for further development in 2019?***

2019 opens up many opportunities for the country's development. The government has clearly defined 2019 as a year for speeding up and making breakthroughs in all fields.

BIDV has set specific business targets, particularly: credit and deposits growing at 14 percent; revenue and expenditure difference being at VND30,000 billion (USD1.3 billion); profit before tax for the banking business alone reaching VND10,000 billion (USD434.8 million), consolidated profit before tax reaching VND10,500 billion (USD456.5 million); net service income hitting VND6,300 billion (USD274 million); and NPL ratio controlled at below 2 percent.

In order to successfully implement the above targets, BIDV identified eight key groups of solutions as follows: improving financial capacity with a focus on completing the sale of shares to foreign strategic shareholders; handling the limitations in asset quality, taking effective measures to handle bad debts; continuing to restructure the customer base and asset-liability structure; strengthening research and development in digital banking; ensuring good governance of branch network and member units; finalising the governance and management system; strengthening inspection and supervision; fostering corporate culture, improving the living conditions of employees and interest of shareholders and demonstrating community responsibility.

***What message would you convey to the bank's employees on the occasion of the Lunar New Year?***

In order to successfully complete the above-mentioned tasks, the bank's Board of Directors and management require all of the bank's system of more than 24,000 employees to render their consensus and support. Over 24,000 will feel the same heartbeat; more than 24,000 have the same mindset and vision: aiming to help BIDV continue to be the leading financial institution in Vietnam and its image, prestige and brand to expand farther in regional and international markets.

On the occasion of the Lunar New Year - The Year of the Pig, I would like to wish all employees and families peace, good health and success. 🐷



# Highlights of BIDV in 2018

In 2018, Vietnam's economy surpassed all 12 goals set by the National Assembly with GDP reaching 7.08 percent - the highest seen in the last 10 years. CPI averaged at 3.54 percent and total export-import turnovers hit USD482 billion, seeing a trade surplus of USD7.2 billion for the first time. FDI disbursements set a new record of USD19.1 billion and national foreign reserves stood at over USD60 billion.

Both the government and the State Bank of Vietnam maintained an effective monetary policy. As of end 2018, total means of payments increased by 12.5 percent; deposits saw an over 14 percent increase and credit growth was 14 percent. Non-performing loan ratio sharply fell to 1.89 percent.

Against that backdrop, BIDV fulfilled its business goals, aggressively shifting the operating model towards boosting retail, SME and FDI operations, maintaining a stable customer base, which laid solid foundations for the bank to complete its restructuring plan for the period 2016-2020. As of 31 December 2018, BIDV had completed all 13 targets, particularly:

- Total assets reached over VND1,283,000 billion, increasing 9.1 percent from 2017; maintaining the bank's position as the largest commercial bank in Vietnam by assets.
- Total deposits hit over VND1,202,000 billion, growing close to 9 percent, of which deposits from economic organisations and residents were over VND1,036,000 billion, gaining 11 percent and accounting for around 12.5 percent of total deposits of the banking sector.
- Total credits and investments reached over VND1,214,000 billion, rising 6.8 percent, of which loans to the economy were over VND977,000 billion,

up 13.3 percent and accounting for as much as 13 percent of the total credit of the banking sector.

- Difference between revenue and expenditure was more than VND27,000 billion, jumping 13 percent. Profit before tax for the banking business alone reached VND8,959 billion, equal to a 12 percent increase. Consolidated profit before tax reached over VND9,625 billion.
- Subsidiaries and joint ventures performed stably, contributing VND666 billion to the overall profits of the bank's system with a focus on the outstanding performance of Lao-Viet Bank, BIDV Securities Company and BIDV Insurance Corporation.

BIDV continued to be among the top highest tax-payers in the country.

The bank effectively implemented the socio-economic development policies formulated by the government as well as the monetary policies of the State Bank of Vietnam, contributing to stabilising both the national macro-economy and local economic development. The bank launched effective social security programmes which totalled over VND170 billion (USD418.5 million).

The bank's success is attributed to the efforts and determination of the whole system, with the 10 highlights outlined below.



Mr. Le Minh Hung, SBV governor (right), congratulates Mr. Phan Duc Tu on the new post

**1. ENHANCED GOVERNANCE CAPACITY, FOSTERING HUMAN RESOURCES**

BIDV fundamentally finalised its personnel for the Board of Directors; aggressively implementing advanced and modern governance and management

measures and uniformly implementing the Restructuring Plan for the period 2016-2020.

The bank prioritised professional development in human resources, organising over 500 in-depth training courses for nearly 60,000 turns of employees. Added to this, the bank organised a Creation Day; restructuring in order to improve labour efficiency while maintaining a professional working environment, ensuring jobs, income and promotion opportunities for its employees.

BIDV continued to transform its operating model to better serve customers. The bank completed the merger of units at branches across the nation, developing and implementing its development strategy in the Mekong Delta region and launching wholesale banking branches in the region.



BIDV successfully organises the Service Contest 2018 for service development

**2. BEST-EVER PERFORMANCE WITH SHIFTED INCOME STRUCTURE**

BIDV recorded the highest-ever difference in revenues and expenditures, at over VND27,000 billion, up 13 percent from 2017, of which net service income hit VND5,139 billion, up 20 percent, meaning the bank continued to maintain the leading position by net service income. Net service income to total income ratio improved and revenues from currency trading and derivatives reached VND1,010 billion.

The bank boosted the Plan on Service Development for the period 2018-2025 under the message “Together we bolster services - Change to continue leading”. An event ‘Service Contest 2018’ was successfully held that triggered a series of activities relevant to the Plan. The contest inspired the bank’s employees, motivating their determination and creating great changes in the general mindset around service development.



The bank upgraded and developed 103 new platforms, technological and digitalised programmes, applying IT to business activities to diversify products and services, with a focus put on high-tech products and services as well as modern distribution channels.

BIDV also completed the transformation of its webportal towards more friendliness, modernisation, security and inspiration.

The bank's progress towards digital transformation and employing an open business model in 2018 was evidenced by improved labour productivity, enhanced governance capacity and increased customer satisfaction with the bank's products and services.

### **3. BOLSTERED DIGITAL BANKING**

Defining 2018 as the year for boosting digital banking, BIDV aggressively

and uniformly developed policies, mechanisms, models, human resources, processes and technology in order to strengthen and improve the position of BIDV's technology in the market.



population. Total number of customers registering for e-banking service reached over 2 million, up 18 percent. Number of transactions conducted via e-banking channel hit over 82 million, almost doubling that of 2017. Number of interbank transfers via e-banking accounted for 45 percent of total outward transfers of the bank's system.

Retail products have been continuously upgraded and developed, employing modern technology such as AirPay e-wallet, Truemoney, Bao Kim and Moca; and more features have been added to BIDV SmartBanking. Card products have also been diversified through the application of new technology such as SamsungPay, BIDV Pay+, Mobile Cash and QR Code payment.

### **4. MARKET LEADER IN RETAIL BANKING**

Resident deposits reached VND571,000 billion, gaining 9 percent and accounting for 55 percent of total deposits. Retail credits hit VND308,337 billion, up 29 percent and accounting for 32 percent of the bank's total

outstanding loans. Net retail income reached VND14,586 billion (USD634 million), growing 28.7 percent; retail service income hit nearly VND1,500 billion, contributing 28.6 percent to the total service income of the bank's entire system.

Individual customer base hit close to 10 million or 10 percent of the country's

BIDV's retail business had been recognised by many international organisations with the awards "Best retail bank, Vietnam" for the fifth consecutive year (The Asian Banker), "Outstanding retail bank" for three years in a row (Vietnam Banks Associations - VNBA in collaboration with International Data Group - IDG), among others.



**5. OUTSTANDING BAD DEBT SETTLEMENT RESULTS**

BIDV employed uniform measures to handle and control credit quality,

boosting the collection of off-balance sheet debts and ones sold to Vietnam Asset Management Company (VAMC) according to the National Assembly's Resolution 42. Total on-balance sheet debts settled in 2018 were 2.5 times higher than the target set in the Restructuring Plan.

The bank proactively used its provisions to settle over VND14,000 billion, collected on-balance sheet debts of over VND4,000 billion and off-balance sheet ones of over VND4,000 billion. Debts repurchased from the VAMC reached nearly VND2,000 billion. On-balance sheet NPL ratio was controlled at under 1.5 percent.

BIDV also established loan work-out centres in regions to improve collection capacity.



**6. HIGH PERFORMANCE IN TREASURY OPERATION**

Treasure operations saw strong developments, achieving high performance. Total net income from this business hit VND2,200 billion for the first time, the highest figure in the last 10 years, significantly contributing to the total income of the bank's system. BIDV also maintained its position amongst the top three banks with the largest market share in currency trading.

With these impressive results, the bank's treasury was honoured by international organisations with "House of the Year, Vietnam" (Asia Risk) and "Best Foreign Exchange Provider in Vietnam" (Asian Banking & Finance) awards, to name a few.



**7. SUCCESSFUL ISSUANCE OF VND4,586 BILLION IN BONDS**

BIDV successfully issued bonds worth VND4,586 billion (USD199.4 million) in the fourth quarter of 2018 for capital increase, surpassing 14.65 percent of the set target. This was a major success for BIDV given the unfavourable market conditions, affirming the bank's great efforts and prestige. Previously, BIDV also issued private placements of over VND1,000 billion of bonds. Such sources of capital helped enhance the bank's Tier 2 own capital, a significant step towards meeting the requirements of the State Bank of Vietnam and alignment with international practice.

In addition, BIDV also made great moves to complete the strategic sale of shares to foreign investors which would lay foundations for the bank to fulfil its goal of improving financial capacity in 2019.



*BIDV and ADB sign a USD300 million facility agreement in December 2018 in Hanoi*

**8. SIGNING A USD300 MILLION FACILITY WITH ADB**

In December 2018, the Asian Development Bank (ADB) and BIDV officially signed a USD300 million medium and long-term facility agreement to support the development and efficiency of small and medium sized enterprises

in Vietnam. This was the largest commercial loan ADB has provided to an Asian commercial bank 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 loan symbolises the long-term cooperation between ADB and BIDV

for sustainable development in Vietnam, supporting poverty reduction, inclusive economic growth, regional integration and environment protection.

In the year, BIDV also upgraded more products and services to better meet the needs of major financial institutions.

International financial institutions and organisations continued to laud BIDV's business operations. The ADB honoured BIDV as the leading partner bank in Vietnam for the third consecutive year and the rating firm Moody's upgraded the bank's baseline credit assessment (BCA) from b3 to b2.

BIDV established new correspondent relationships with eight foreign banks, raising the number of financial institutions the bank has established relationships with to 2,300 in 177 countries and territories.



## 9. PROGRESS IN INSTITUTIONAL DEVELOPMENT

In 2018, BIDV outlined the shortcomings in its business operations, proactively and aggressively taking uniform measures to address the shortcomings and limitations. The results in 2018 demonstrated the

bank's determination as well as the trust and expectation of customers and partners both local and international.

BIDV shaped models and mechanisms and prepared to implement the new regulations of the State Bank of Vietnam according to standards under six key areas of business: credit risk, market

risk, operational risk, liquidity and banking book risk; ICAAP; whole bank integration, and information technology and data; thereby contributing to enhancing risk management capacity in accordance with international practice.

The bank continued to implement modern credit risk measurement projects (CTOM, RLOS, CLOS); completing the piloting of the capital calculation programme for market risk according to the State Bank's Circular 41.

BIDV employed measures to meet the requirements of the State Bank's Circular 13 on internal controls and Directive 07 on enhanced prevention and control of legal violations in the banking sector, tightening discipline and compliance with the law for the bank's employees.



## 10. OPERATIONS ALIGNED WITH INTERNATIONAL PRACTICE

BIDV upgraded its internal technology system in line with international standards and officially went live on

SWIFT gpi - the global payments innovation initiative. BIDV was the only bank in Vietnam to implement all three roles of a gpi agent: instructing bank, intermediary bank, and instructed bank. The bank's compliance with SWIFT gpi reached over 98 percent, putting it in the top highest group among 170 gpi banks globally.

BIDV pioneered in the research and piloting of a robotic application to export payment for trade finance and payroll services, opening new ways for robotic application to support the bank's operations.

In 2018, BIDV completed close to 40 million accurate and secure payment transfers and trade finance transactions, seeing growth of 27.5 percent.

The year 2018 closed. 2019 is expected to open new development opportunities for Vietnam. For BIDV, the year 2019 is of greater significance as the bank strives to complete the Restructuring Plan in association with handling of bad debt one year earlier than the plan. This will create momentum for the bank to make practical

breakthroughs and sustainable development from 2020.

Under the motto: 'Discipline - Accountability - Efficiency - Breakthrough', the year 2019 promises to be a successful one for BIDV. 📌

# BIDV continues to be the nation's largest bank

**B**IDV's total assets in 2018 reached over VND1,283,000 billion (USD55.7 billion), maintaining its position as the largest commercial bank by assets with profit before tax hitting over VND9,625 billion (USD418 million), according to information released at the bank's business conference held on 14 January in Hanoi.

BIDV fulfilled its business goals, shifting the operating model towards boosting retail, SME and FDI operations and maintaining a stable customer base. This laid solid foundations for the bank to complete its restructuring plan for the period 2016-2020.

Over the year, BIDV delivered outstanding performance in bad debt settlement and boosted its digital banking. The bank led the market in retail banking business; successfully issuing VND4,586 billion (USD199.4 million) of bonds, which helped improve its financial capacity. It also signed a USD300 million facility agreement with ADB - the largest commercial loan ADB has provided to an Asian commercial bank to date.

BIDV was honoured by ADB as the leading partner bank in Vietnam for the third year in a row. Moody's upgraded the bank's baseline credit assessment from b3 to b2. The bank established new correspondent relationships with eight foreign banks, raising the number of financial



*A meeting of BIDV on implementing 2019 business plan*

institutions the bank has established relationships with to 2300 in 177 countries and territories

Addressing the conference, the governor of the State Bank of Vietnam Mr. Le Minh Hung gave recognition to BIDV's performance over the past year, affirming the bank as a particularly important instrument of the State, pioneering in implementing the policies of the government and the State Bank, and making significant contributions to the banking sector.

The governor lauded BIDV's impressive business performance as well as support for local socio-economic development and social security

activities. He expressed his confidence that BIDV would successfully fulfill its tasks, contributing to the success of the banking sector in 2019.

Mr. Phan Duc Tu, chairman of BIDV's board of directors said, "BIDV is determined to fulfil the targets outlined in the restructuring plan one year earlier than planned which would lay solid foundations for the bank to make breakthroughs and sustainable development. The bank will enhance its financial capacity with a focus on the sale of stocks to foreign strategic shareholders. Digital banking will be boosted to strengthen the position of BIDV's technology in the market." 



Mr. Sonexay Sitphaxay, governor of the Bank of Lao PDR (centre) and his high-ranking delegation meet with BIDV

# Lao central bank governor pays working visit to BIDV

On 9 January the governor of the Bank of Lao PDR Sonexay Sitphaxay and his high-ranking delegation paid a working visit to the BIDV headquarters.

Speaking at the meeting, the governor congratulated the bank on its achievements over the past years while appreciating its efforts as well as those of its commercial presence in Laos in promoting the latter's socio-economic development.

Mr. Sonexay Sitphaxay said that the Bank of Lao PDR highly appreciates the operation of BIDV's presences in the country for their compliance with local laws, effectiveness and contributions to Laos' economic development. In

addition to its business activities, BIDV and its commercial presences actively organised social security activities, contributing to the poverty reduction efforts of the Lao government.

In 1999, BIDV became the first financial institution in Vietnam to implement direct investment activities, financial and credit cooperation through establishing commercial presences in the country, to finance Vietnamese enterprises investing in Laos.

To date, BIDV's commercial presences in Laos have been operating stably, well delivering the missions, objectives, and tasks, and establishing their position and brand in the market.

BIDV's commercial presences in

Laos including Laos-Vietnam Joint Venture Bank (LVB) and Lao-Vietnam Insurance Joint Venture Company (LVI) posted good business results. BIDV's representative office in the country continues to work closely with the bank's commercial presences to implement business tasks and deploy social security programs such as building schools and granting scholarships.

The governor of the central bank of Laos willed BIDV and its presences in Laos to overcome difficulties and challenges, operate more effectively and gain more successes; thereby contributing positively to promoting the good and comprehensive cooperation friendship between Vietnam and Laos. 

# BIDV donates Tet gifts to disadvantaged communities

On 10 January 2019, the Joint Stock Commercial Bank for Investment and Development of Vietnam (BIDV) announced its Tet gift program totalling VND20 billion (USD870,000) aimed at supporting disadvantaged communities. This is the 11th consecutive year BIDV has implemented the program.

With the aim of bringing disadvantaged communities a little warmth at Tet (Vietnamese New Year 2019), BIDV Trade Union advocated the donation of 40,000 Tet gifts worth VND20 billion to distribute to disadvantaged people across the country. Each Tet gift is worth an average of VND500,000.

The “Tet gifts for the disadvantaged communities” program targets people living in remote areas or regions affected by natural disasters, low income workers, hospital patients, needy elderly people and children.

The bank said the trade unions at its branches would work with competent provincial authorities to deliver the gifts to local communities.

At the announcement ceremony, BIDV directly presented VND1 billion



*Tet gifts from BIDV are presented to the disadvantaged people*

to the Golden Heart Fund under the Vietnam General Confederation of Labour as gifts for low-income workers in 63 provinces and cities across the country. The bank will cooperate with the Vietnam Journalists Association, Tien Phong Newspaper, People’s Police Newspaper as well as a number of other newspapers to distribute the Tet gifts.

Mr. Tran Xuan Hoang, senior executive vice president at BIDV, said: “BIDV wishes to shoulder with localities to support disadvantaged people,

especially at Tet. For the Tet gifts program, BIDV’s trade unions at its branches will actively cooperate with provincial labour unions to deliver the gifts to local families, low-income workers, and hospital patients. The presentation of Tet gifts to localities will be completed before Tet.”

BIDV has donated more than 600,000 sets of gifts worth over VND160 billion (USD7 million) to disadvantaged communities since 2009. 

THU CHI



BIDV leaders at the launch of the bank's new webportal

# BIDV inaugurates new webportal

On 15 January BIDV officially inaugurated its new Webportal at [www.bidv.com.vn](http://www.bidv.com.vn) in effort to enhance customer experience.

Putting high priority on customer experience, the Webportal has both new design and features, and prides itself on being a modern, friendly, secure and inspirational banking portal.

With consultancy provided by experienced international experts with in-user experience and employing the most advanced technology solution of IBM (IBM Websphere Portal), the Webportal brings customers a new experience and new utilities such as online calculation tools (interest rate calculator, exchange rate converter, personal and business financial plan formula), smart search and real-time interaction. BIDV's Webportal will meet the different banking services needs of both individuals and businesses.

The Webportal fully meets the

conditions and capabilities of an official information channel for the bank as well as a trading channel, integrating convenient online banking solutions such as account opening, money transfer, bill payment, credit card and debit card opening, amongst others.

BIDV Webportal is also equipped with security features, such as safeguarding transaction information and customer information.

The inauguration of the Webportal demonstrates BIDV's efforts in bringing greater utility and enhancing customer experience. It reflects the bank's determination to implement digital banking services in accordance with customers' needs and the trends of modern banks. 

# BIDV named Best Retail Bank in Vietnam five years running



*BIDV representatives receive the “Best Retail Bank, Vietnam 2019” and “Best Payment Merchant Services” awards from the Asian Banker*

BIDV has been awarded the title Best Retail Bank in Vietnam by the Asian Banker for the fifth consecutive year at the Future of Finance Vietnam 2019 conference held in Hanoi on 10 January 2019.

**B**IDV also received “The Best Payment Merchant Services 2019” award from the magazine. The two prestigious awards, judged by senior advisors through analysis of business data and in-depth interviews, honoured banks with excellent performance in the retail financial services.

BIDV pioneered in applying Industry 4.0, paying great attention to boosting its modern distribution channels. The bank offered high-tech products and services to meet the diverse needs of individual customers, including SmartBanking, QRPay, BIDV Pay+, QR Code and Samsung Pay.

The Vietnamese largest lender is among the leading banks in terms of card payment service. The bank developed a master solution structure and merchant and cash-flow management service, tailored to each customer segment. With this service, POS devices are integrated with bill data or directly connected to a payment system/sales management platform through LAN network, COM

portal or API - web services that help simplify cash-flow management, shorten turnaround time and mitigate risks.

To date, BIDV has launched over 100 products and services for individual customers including deposits, credits, cards, money transfers, e-banking, bill payment and insurance. In 2018 the bank further developed retail products and services as well as upgrading its e-banking, adding more friendly features to BIDV SmartBanking, BIDV Online and card products.

BIDV’s wide network covers over 1,000 branches and transaction offices, including internationally standardised ones and modern service experience zones across Vietnam. The bank has connected over 56,000 ATMs/POS, serving over 11 million customers both individual and corporate. 

BIDV is the first and only bank in Vietnam to receive the “Outstanding Retail Bank in Vietnam” award for three consecutive years (2016, 2017 & 2018) and “Outstanding Innovative Product/Service” award for BIDV Pay+ from Vietnam Banks Association in collaboration with International Data Group. BIDV also received “The Best Contact Centre of the Year” and “Best in-house Contact Centre 2018” awards from the Contact Centre Association of Singapore and Contact Centre Association of Vietnam.

THU THUY

# Memorable milestones for card services

In 1998, BIDV began applying banking technology in preparation for launching its new card service. During the past 20 years the bank's card development has achieved memorable milestones.

## FROM SCALE TO QUALITY

In 1998, BIDV issued a pilot domestic debit card and successfully installed the first two ATMs at the Transaction Centre 1.

In 2001 BIDV officially launched its card service to customers in Hanoi, Ho Chi Minh City, Da Nang, and Binh Duong. By the end of 2003, the bank's ATM network had widened to include 44 machines and 70,000 cards. The first card the bank issued was the eTrans 365+.

Between 2012 and 2017, BIDV developed new card features and card types. Besides domestic debit cards, BIDV issues international credit and debit cards branded by two major card organisations Visa and MasterCard. BIDV's card system is also connected to other major card organisations including Banknetvn and Smartlink (which were merged into NAPAS), Visa, MasterCard, and UnionPay (UPI). As a result, BIDV cardholders can use their BIDV cards both domestically and internationally at a wide range of POS. BIDV's card payment network also accepts cards of all domestic and international banks.

In 2013, fifteen years since the card system's inception, BIDV had 5.8 million domestic debit cards and 120 thousand international cards, making it among the top five banks with the



largest cardholders in Vietnam. The number of POS also increased to 9,000.

## BOOMING DEVELOPMENT

By the end of 30 September last year, the number of cards issued by BIDV had reached over 12 million, cementing the bank's position amongst the top three banks issuing the most number of cards. Of these, BIDV ranked first in terms of international credit card issuance.

The bank has quickly adopted the achievements of technology revolution 4.0 to create modern card products that serve a wide range of customers. High-tech products and services were launched such as 24/7 inter-bank money transfer at ATMs and encrypted domestic debit cards on mobile phones through Pay+ and SamsungPay services. BIDV's International card products can meet different customer segments from young customers (BIDV Smile, Young+ cards) to those with high wealth (Premier, Platinum, Infinite).

BIDV has also deployed a financial solution package aimed at businesses that includes products such as business credit cards - BIDV Visa Business, bill payment services and tuition fee collection. These products are tailored to the demands of different target customer segments.

As well as having a standardised ATM network, BIDV has also implemented new utilities for its ATMs. In 2018, BIDV's ATM network increased to 1,825. BIDV is one of the first banks in Vietnam to deploy an ATM withdrawal service for scanning QR Codes without the need for a physical card (BIDV Pay +). While offering multiple utilities, BIDV's focus was security and risk management enhancement. The bank officially implemented a 3D Secure solution for international cards, deploying EMV for the entire ATM system. The bank also promptly sent alerts and prevented fraud risk for both customers and banks. 

DUONG VU

# Accompanying SMEs on the path to success

BIDV achieved considerable success in the recognition it gained with customers, particularly small and medium enterprises (SMEs), for the companionship it provides to support their development.

## ENABLING BUSINESS GROWTH

Tonmat Group JSC., headquartered in Tien Son Industrial Zone in Bac Ninh province, was established and put into operation in July 2003. The company's main business is in manufacturing roof sheets for soundproofing and insulating. After more than 15 years of operation, Tonmat has nine factories, a nation-wide distribution network of over 2000 agents, and seven official distributors.

Back when the company was founded in 2003 it faced many difficulties, particularly in securing capital for production. Due to small scale capital and lack of management experience, its financial plan wasn't strong enough to secure bank loans and the company struggled to meet its borrowing requirements - a common predicament for SMEs. In addition, limited production capacity, a high-risk business plan, unstable output and limited collateral made it difficult to persuade banks to grant the company a loan.

Facing this situation, Tonmat focused

on improving its management and production capacity, and establishing a stable output. At the same time, the company actively sought banks with favourable supporting policies for SMEs, and suitable borrowing conditions for its management and business capabilities at that time. After some time, Tonmat decided to cooperate with BIDV. BIDV provided suitable loan conditions and offered various value-added services such as cash flow management, financial management, and specific business plan preparation consistent with the bank's borrowing conditions.

From the initial key product of roofing sheets, Tonmat has invested in expanding its production lines to other construction materials such as insulation panels and insulating tiles made with new technology. With more than 10 years of cooperation between Tonmat and BIDV, along with the bank's deep understanding of its business characteristics, Tonmat affirmed to continue to choose BIDV as a companion in the time to come.

Ms. Nguyen Thi Phuong, deputy general director of Tonmat Group, told us: "Thanks to our efforts and support from banks, especially BIDV, we have better managed the company's cash flow. As a result, with a more transparent financial management and business plan, it is easier to gain the trust of banks. Accordingly, banks will grant capital to meet our production and business expansion needs."

Established in 1996, Ngoc Diep Group JSC provided two main product lines: furniture and carton packaging. In 2010, it had a breakthrough development when inaugurating a factory producing aluminum doors, plastic doors and facade walls in Pho Noi A Industrial Zone, Hung Yen province. BIDV has accompanied Ngoc Diep Group on its 20-year-development path. According to the company's manager, one of the reasons they choose to work with BIDV is the reasonable interest rates the bank offers for SMEs. Additionally, BIDV regularly maintains various credit packages and programs suited to the needs of each business group according to their production industry.

"BIDV's support mechanisms are good. The interest rate for short-term loans is currently quite attractive compared to the average interest rate and lower than other credit institutions by about 1 percent per annum, thereby helping us reduce the pressure of financial costs. Moreover, the service of the bank staff is very friendly, they listen, understand and share," Ms. Hoang Thi Thai Hanh, chief financial officer of Ngoc Diep Group said.

With the positive and effective companionship of BIDV, Ngoc Diep has grown from a small enterprise into a corporation with four member companies producing furniture, packaging, aluminum doors, plastic doors, facade walls, industrial aluminum and constructional



*BIDV accompanies SMEs on their business development*

aluminum, and has established a strong market position.

### ACHIEVING SUCCESS

With the commitment “Accompanying small and medium enterprises”, BIDV has implemented many product mechanisms, promotion programs and solutions to provide positive and effective support for SMEs in different industries and regions. By the end of 2018, BIDV’s SME customers reached more than 263,000 - a 13 percent increase since 2017 and accounting for nearly 40 percent of total SMEs in the country. BIDV’s credit scale in 2018 reached nearly VND250,000 billion, growing nearly 21 percent compared to the previous year and helping BIDV to maintain its leading position in the scale of credit for SMEs in the country’s commercial banking system.

In order to achieve these impressive results, in 2018 BIDV issued new and upgraded credit products and diversified forms of credit for SMEs on the basis of managing cash flow and revenue efficiency. BIDV also implemented eight credit programs and packages with competitive interest rates and high efficiency. For example, VND40,000 billion short-term credit package, VND5,000 billion credit program for micro-enterprises/start-ups, medium and long-term credit package of VND10,000 billion for SME customers, amongst others.

BIDV’s other services for SME customers also saw high growth with high efficiency such as raising capital, fee collection, tuition payment, electricity and water fees payment and electronic tax payment services (which successfully connected 99 units). The

bank also provided online accounts for businesses in Hanoi and expanded the implementation of national public service fee collection service; officially launched an iBank programme for corporate customers with modern facilities and security features.

With strong policies together with the demonstration of effectiveness in the SME segment, BIDV has been and will continue to accompany Vietnamese SMEs on their development path. The bank contributes to the overall development of the business community not only by the tailor-made products and services offered for each type of business but also by being a committed and compassionate leading financial institution that always strives to support the country’s economic development. 

MANH HAI

# Building on successes for effective growth



While Vietnam’s non-life insurance market failed to hit the targeted growth in 2018, BIDV Insurance Corporation (BIC) delivered a significantly positive performance.

In 2018, Vietnam’s insurance market grew positively, yet non-life insurance companies still faced difficulties. The automobile market grew at very low level. According to Vietnam Automobile Manufacturers' Association (VAMA), in the first ten months of 2018

total sales across the whole automobile market increased by just 1 percent compared with the same period last year. This significantly affected the traditional insurance business which accounts for a large proportion in the total non-life insurance premium revenue of the market. The growth rate of the non-life insurance market in 2018 was around just 11 percent.

Despite the unfavourable market, BIC strived to innovate and improve on all aspects including its organisational model, business process, service quality, network and promotion of bancassurance, posting positive figures as a result.

## SPOTLIGHTS

Total premiums and consolidated pre-tax profits fulfilled 100 percent of the plan assigned at the company’s general meeting of shareholders. Particularly, total fee income of the parent company BIC was 2,1050 billion, growing by 16.3 percent from 2017. Consolidated pre-tax profit reached over VND202 billion,



A BIC representative receives the Excellent Brand award from Vietnam Economic Times

up 8.8 percent year-on-year.

During the year BIC's credit rating was upgraded by A.M. Best from B+ to B++. The company was also honored with prestigious awards such as Top 10 Most Prestigious Non-life Insurance Companies in Vietnam, Top 50 Highest Performing Companies in Vietnam, Top 100 Strongest Brands in Vietnam, Top 500 Largest Enterprises in Vietnam and Top 500 Vietnamese Most Prosperous Businesses.

2018 marked 10 years since BIC first implemented the distribution of insurance product through banks (Bancassurance). As one of the leading non-life insurers in bancassurance in Vietnam, BIC expanded its network of associated banks, signing a comprehensive cooperation agreement with Vietnam Cooperative Bank (Co-op Bank), and Vietnam - Russia Joint Venture Bank (VRB). BIC also continued to improve its products,

and services, focusing on settling customers' insurance claims as quickly as possible. Premium revenue through bancassurance is expected to grow at over 50 percent compared with 2017.

Over the past 10 years, BIC has shouldered responsibility to share risks with more than 1,300 borrowing businesses and households nationwide. For banks, BIC's insurance products have become an effective risk management tool, contributing to ensuring stable and safe operations.

### SIGNALS

Vietnam's economy is forecast to continue its positive growth in 2019. The country sets growth targets for 2019 at 6.6 to 6.8 percent, an increase of 0.1 percent compared to those of 2018. The prosperity of the economy signals optimism for the insurance market in general and non-life insurance in particular.

The automobile market, though falling throughout most of 2018, showed signs of recovery in the last months of the year and is expected to grow well in 2019. The number of projects tended to increase nationwide, and the general demand for health insurance is increasing. These are favourable factors for the non-life insurance market to develop. The growth rate of the non-life insurance market is expected to reach over 15 percent in 2019.

In 2019, BIC plans to continue to promote restructuring; improve governance, risk management and service quality, and focus on developing retail distribution channels, particularly bancassurance. The company will also employ advanced technology to respond quickly to the development of new products and modern distribution channels. BIC sets consolidated pre-tax profit at VND223 billion for 2019. 

HAI NGUYEN

# BIC inks agreement with VRB



Vietnam - Russia Joint Venture Bank (VRB) and BIDV Insurance Corporation (BIC) recently signed a comprehensive agreement on offering insurance packages for the bank's customers.

The packages include BIC Binh An (borrowers' insurance); BIC Bao An Doanh Nghiep (management insurance) and BIC Homecare and have been launched across VRB's network since 1 January.

Under the deal, BIC and VRB will strengthen cross-selling, offering customers a comprehensive package of financial products at preferential cost, with streamlined procedures and practical benefits.

Against the increasing development and growth of bancassurance in the

market, this handshake between VRB and BIC promises a modern one-stop financial and banking distribution channel.

BIC is one of the leading insurers in bancassurance in Vietnam. The company has improved its products and services and bancassurance revenues have continued to grow sharply by more than 50 percent compared to 2017.

VRB is a joint venture between BIDV and VTB (Russian Federation). The bank leads in trade finance and bilateral payment and investment between Vietnam and the Russian Federation, providing comprehensive financial and banking solutions to small and medium enterprises as well as individual customers. 

VAN DUONG

# BIC launches hospital fee insurance

BIDV Insurance Corporation (BIC) has recently launched a hospital fee insurance product for inpatient treatment available via the website: [www.baohiemtructuyen.com.vn](http://www.baohiemtructuyen.com.vn), and effective from 5 January 2019.

Through the product, customers can receive up to VND300 million in total or VND7 million per day of inpatient treatment. The insurance is valid in all hospitals and clinics across the country, but is not applicable for co-payment. Children aged seven or below may be named in the insurance facility without independent of their parents.

Mr. Pham Duc Hau, deputy CEO of BIC said: "The new hospital insurance product is the result of BIC's research on the needs of customers over the years. The product focuses on covering inpatient treatment for a reasonable insurance fee from just VND2,500 per day. BIC expresses its hope that the product will be a suitable financial solution that helps Vietnamese people access modern and advanced medical services. 

SON NGUYEN

# Laying foundations for sustainable development

Launched in 2017, BIDV-SuMi TRUST Leasing (BSL) has made positive moves, creating solid foundations for the company's development.

Finance leasing has been present in Vietnam for over 20 years yet has proved unpopular and made little contribution to the market due to its small scale (around VND100 trillion of outstanding loans). Determined to change this, BSL has actively promoted communication and education to affirm that finance leasing is an effective channel for mobilising medium and long-term resources for businesses.

In 2018, BSL pioneered in working with media agencies to release news stories on financial leasing products and to organise seminars to increase knowledge building within businesses. The company also promoted training for BIDV and BSL staff on financial leasing products.

Recognising both that corporate governance is key to safe and sustainable development and corporate culture is at the core of corporate development, since its launch, BSL has paid attention to improving and finalising its corporate governance and



*BSL leaders and employees at a teambuilding event*

culture, which are a blend of those of Vietnam and Japan.

BSL achieved positive results, partnering with 290 distributors, expanding its customer base to over 120, and meeting 70 percent of the target in terms of leasing balance. Although the number was modest, BSL saw positive points. The company's loan balance per customer reached the average level of five companies who are members of the Vietnam Leasing Association (VLA); and loan balance per sales staff increased rapidly, to about 50 percent of that of the five companies.

With active support from SMTDFC – a finance leasing company of SuMi TRUST, as well as its own determination, BSL launched a supply chain finance – a key product of the year which is expected to be a promising business development channel.

As a joint venture between BIDV and SuMi TRUST, BSL also delivers its mission of “bridging” the two major financial institutions of Vietnam and Japan, creating foundations for the two to tighten their comprehensive cooperation. [B](#)

ALEX DANG

# Positive performance in the Golden Land

After two years of establishment in Myanmar, BIDV Yangon was approved by the Central Bank of Myanmar (CBM) to approach local businesses within the country. The branch reached the break-even point during the year, laying solid foundations for further future development.

## A GROWING CUSTOMER BASE

In the terms of its initial operating license, Yangon Branch was only allowed to deal with foreign businesses. This hindered the branch's capacity to serve trade between Vietnam and Myanmar, which reached USD800-900 million per year.

In the first quarter of 2018, the CBM allowed foreign bank branches in Myanmar to deal with local exporters, and with all Myanmar businesses in November the same year. Barking on this opportunity, the branch actively approached potential Myanmar business customers.

Just one month after the permission to approach customers was granted, nearly 20 local enterprises had opened accounts as well as conducting money transfers, foreign currency trading and international payments, although the initial scale was modest.



Yangon Branch is located in HAGL Trade Centre Building

The year 2018 also witnessed the great development of the Vietnamese business community in the country. Viettel, a Vietnamese telecom giant, successfully launched its joint venture Mytel in Myanmar with the subscriber growth setting the record at regional and international levels. FastGo, a Vietnamese bike-hailing application was also launched in the country. They will be important customers and create a significant base for the branch to fly high in the future.

## SHARPENING IT

Employing an independent core-banking platform, the branch defines

investment in IT and the upgrading of its IT applications to support the deployment of products and services as being of great importance to meet the needs of customers.

In 2018, the branch successfully offered applications and products such as i-banking, BSMS, and collection services for Mytel. The collection service was supported by the bank headquarters in Hanoi and helped channel cashflow from all Mytel agencies across Myanmar to their accounts opened at BIDV Yangon through the network of Myanmar's three largest private banks.

Building on the initial success,



Yangon, Myanmar

the branch is cooperating with its headquarters to upgrade the collection program to better serve other businesses such as Mytel e-wallet, FastGo and Kangaroo. It also developed a number of applications including Ibanking, SWIFT gpi, and CBM-Net connection.

### SOLID PERFORMANCE

Given the limitations in its operating license and conditions, the branch has strived to implement its business activities actively and creatively. Credit operation, which faces the most limitations and barriers has been a focus for finding solutions.

Despite the first phase of slow growth, outstanding loans at the branch grew rapidly in the last six months of the year, fulfilling 120 percent of the target. Revenues from business operations such as international payment, trade finance, guarantees,

and foreign currency trading all achieved high growth compared to the size of the branch's loan balances. MM transactions and government bond investment were also deployed to improve capital efficiency.

Thanks to these great efforts, the branch's overall business efficiency has improved, with the break-even point being reached one year earlier than set out in the long term plan.

### BOLSTERING BIDV BRAND

BIDV Yangon continued its role of leading Vietnamese enterprises in Myanmar, providing advice to many Vietnamese enterprises on the procedures for business establishment or re-establishment, investment registration, market and sector information and partners. This input from the branch was greatly appreciated by the Vietnamese business community as a trusted

source of information for doing business in the country.

A member of BIDV Yangon's leadership confirmed that the branch continued to maintain and develop good relationships with Vietnam's diplomatic missions in the country as well as local related agencies, enabling it to achieve the goal of connecting business activities between Vietnam and Myanmar and create a customer base for the branch's operations.

Besides business activities, the branch is active in the activities of the Vietnamese community, such as successfully organising tennis and soccer tournaments for the Vietnamese business community. The branch's canteen has also become a hub for Vietnamese to meet and enjoy Vietnamese cuisine and celebrate cultural and sports events. 📍

DIEM MY

# A year of success with BSC

In 2018, BIDV Securities Company's (BSC) profit came mainly from brokerage, consulting and investment activities. All three sectors reported positive results while ensuring risk management.

Last year, BSC's total revenue reached VND911.96 billion, an increase of 60 percent year-on-year. The company earned an after tax profit of VND193.53 billion, up 10.6 percent. In the period 2014-2016, the company's CAGR was 20.75 percent.

BSC's total assets hit VND1,757.43 billion, of which owners' equity reached VND1,493.01 billion, equal to an on-year increase of 24 percent. The company's capital adequacy ratio (CAR) reached 664 percent, much higher than the State Securities Commission requirement of 180 percent.

Average brokerage market share of BSC was 3.04 percent, meaning the company continued to rank amongst the Top 10 on the HOSE index and Top 9 on the HNX index. In 2018, Vietnam's stock market was strongly affected by global negative movement. The number of trade-through deals increased significantly, affecting BSC's brokerage market share.



Total revenue from financial advisory, guarantee activities and issuance agents in 2018 reached VND7.86 billion. Through its experienced financial team, BSC provides a full range of financial advisory services, including equitisation consultancy, initial public offerings (IPO), M&A consultancy, amongst others.

The year 2018 marked an important development step for BSC's financial

advisory department, with the company accessing other bond investors as well as BIDV, opening a channel to sell capital to foreign investors. BSC successfully completed the issuance of convertible bonds of TNG Investment and Trading JSC to a Korean partner. The company also signed a number of potential contracts in 2018, creating the momentum for development in 2019.

Also in 2018, BSC successfully consulted IPO for Petrochemical Company (BSR). At the time of equitisation, BSR's charter capital was VND31,000 billion, making the company the largest state-owned enterprise in Vietnam ever to be equitised (higher than Vietnam Airlines, Petrolimex, Sabeco, Vietcombank and Becamex IDC). This deal contributed to raising BSC's position and reputation in the market.

During the year, BSC actively researched and implemented many new products in accordance with market trends such as covered warrant, bond products for individual customers and ETF fund certificate products. In 2018, BSC applied artificial intelligence (AI) in two products, Robo Advisor and iBroker, to support customers in their decision-making. This was considered a significant step, leading change in the field of financial consultancy. 

THUY DUONG

# BIDV bolsters relationship with Banking Academy

On 18 December 2018, the Banking Academy and BIDV signed a comprehensive cooperation agreement for the period 2018-2023.

Under the agreement, the two have committed to form comprehensive cooperation on key areas that include human resources training and development; research project and scientific seminars; scholarships and vocation programs; communication and brand development; and banking products and services.

Addressing the signing ceremony, Associate Prof. Mai Thanh Que - deputy director of the academy said: "The Banking Academy's leadership highly appreciates the cooperation between the two parties and looks forward to the continued and in-depth cooperation for mutual interests in the coming time."

Mr. Can Van Luc, chief economist and director of BIDV Training stated that "The Banking Academy is one of the leading universities in banking and finance training in Vietnam, BIDV has a great interest in education, training and scientific research activities that facilitate the country's socio-economic



Mr. Can Van Luc, chief economist at BIDV (left) and a representative of the Banking Academy shake hands after signing the agreement

development targets. At the same time, this is also a source of high quality human resources for units and enterprises, including BIDV."

The cooperation agreement was built on the basis of inheriting and promoting the implementation results of the cooperation program between BIDV and the Banking Academy in the period of 2013-2018. BIDV said it would continue to sponsor and grant annual scholarships to the Banking Academy while the Banking Academy committed to use BIDV's products and services such as accounts, payrolls, retail products/

services, and credit packages for its officials, lecturers, and students. 

In 2018, BIDV was honoured to receive many awards for the small and medium enterprises segment (SME), such as "Best SME Bank Vietnam 2018" by Global Banking and Finance Review (GBFR - UK); "Best SME Bank Vietnam 2018" by Alpha Southeast Asia Magazine (Hong Kong); "SME Bank of the Year" and "Corporate Client Initiative of the Year" by Asian Banking & Finance (Singapore).

HANH NGAN

# Vietnam tops ASEAN's IPO markets



Hanoi Stock Exchange

Vietnam has leapt to become Southeast Asia's top grossing market for initial public offerings in 2018 with total proceeds of USD2.6 billion.

Singapore, who lost its crown to Vietnam, retreated to fourth position this year with total IPO value of just USD500 million. Thailand ranked second with total proceeds of USD2.5 billion and Indonesia took third place with USD1.2 billion, according to data from global consultant firm Ernst and Young (EY).

Vietnam's rise was attributed to large IPO deals in the country as its government pushed ahead with equitisation of big state-owned corporations.

The five biggest IPOs of State-owned enterprises have raised more than VND19.2 trillion (USD821 million). They included PetroVietnam Power Corporation (PV Power), Binh Son Refining and Petrochemical Corp JSC (BSR),

PetroVietnam Oil Corp (PV Oil), Vietnam Rubber Group (VRG) and Vietnam Southern Food Corp (Vinafood II).

The IPO of PV Power was the biggest deal with proceeds of almost VND7 trillion; followed by BSR with VND5.57 trillion and PV Oil with VND4.2 trillion. VRG and Vinafood II each earned the Vietnamese Government over VND1 trillion for their IPOs.

The biggest deal, however, belonged to a private company - the USD1.35 billion IPO by Vinhomes, a real estate arm of Vingroup. This is also the

largest ever in Vietnam and Southeast Asia's second biggest deal in 2018.

Vietnam's rise is among several performers who all saw growth in their IPO activities. An estimated 1,359 IPOs were carried out globally, down 21 per cent year-on-year, however total proceeds still rose 6 per cent to USD204.8 billion thanks to mega deals such as the USD21.1 billion IPO by Japanese SoftBank, USD7.5 billion IPO by China Tower and USD5.4 billion IPO by China's mobile phone company Xiaomi.

According to experts, global trade wars, political tensions and volatile markets in the second half of this year have had an adverse impact on businesses, causing some delays in their listing schedules.

In the next three years, with more State-owned enterprises being equitised, Vietnam is expected to remain at the top of Southeast Asia's IPO league according to a report from Baker McKenzie and Oxford Economics compiled by CNBC.

Big IPOs expected in 2019 will include Mobifone, Vietnam Posts and Telecommunications Group (VNPT), EVNGenco 1 and 2 and Agribank. 

## Projections for Southeast Asia IPO proceeds (USD billion)

Country	2019	2020	2021
Vietnam	USD4.5	USD4.1	USD3.5
Thailand	USD4.3	USD2	USD3.1
Singapore	USD3.8	USD2	USD3.2
Philippines	USD0.5	USD0.4	USD0.6
Malaysia	USD1.7	USD1.3	USD2.1
Indonesia	USD1.9	USD1.3	USD2

Source: Baker McKenzie, Oxford Economics

# Moody's 2019 outlook for APAC banks

Moody's Investors Service has reported that its outlook for banks in Asia Pacific (APAC) over the next 12 months is stable.

“The banks' creditworthiness will stay broadly stable in 2019 because of the still-healthy economic fundamentals and good credit buffers,” said Eugene Tarzimanov, Moody's Vice President and Senior Credit Officer.

In particular, Moody's said that the APAC banks' capital, provisions and profit will provide sufficient loss-absorbing buffers, and funding and liquidity will remain stable.

“In addition, recent developments on bank resolution in APAC cement our view that government support for the banks will stay strong, and that senior creditors will not be required to pay for bank rescues; although Hong Kong remains an exception,” added Tarzimanov.

Moody's conclusions are contained in its just-released report titled “Banks - Asia Pacific: 2019 outlook remains stable as banks maintain sufficient buffers against growing headwinds,” authored by Tarzimanov.

But Moody's report also points out that APAC banks will face more challenging economic and market conditions in 2019.

Moody's says that GDP growth in APAC has peaked and will moderate, and



Ho Chi Minh City, Vietnam

credit expansion will continue to slow down, with the trade conflict between China and the US posing a risk for the banks.

Moody's also explains that private sector leverage remains high in many APAC economies, exposing the banks to the risk of asset quality impairment, as interest rates continue to rise. Nevertheless, growth in private sector credit has slowed, with some markets deleveraging.

In addition, the banks remain exposed to property-related risks, despite the fact that real estate prices are either falling or posting slower growth in APAC. Moody's says that loans for real estate investment purposes represent the greatest risk for banks in Australia, New Zealand, Korea and Malaysia.

Moreover, capital flows in and out of Asian financial markets have been volatile, and further tightening in US Dollar liquidity could have an adverse effect on corporate debt repayment capacity.

Overall, the banks will have sufficient buffers against growing risks.

Moody's also says that technological advancements will reshape the business models of APAC banks in the coming years, with digitisation helping the banks scale down their branch networks and lower costs.

Banks in APAC will also stay active issuers of green bonds, although growth in green financing has slowed in 2018. [B](#)

VAN LAM

# Vietnam's banking system supports economic growth



Headquarters of the State Bank of Vietnam, Hanoi

On 7 January the State Bank of Vietnam (SBV) organised a press conference on the results of the monetary policy management and banking operations in 2018, and orientations for 2019.

## BANKING RESULTS IN 2018

In 2018, the SBV conducted consistent monetary measures and banking operations in order to achieve the goals set at the beginning of the year, thereby contributing remarkably to inflation control, stabilising the macro-economy and supporting economic growth.

Specifically, the money and forex

markets were stabilised, contributing to inflation control at 3.54 percent and supporting the economic growth rate of 7.08 percent - the highest level over the past 11 years. By the end of 2018, the total means of payment increased by 12.5 percent year-on-year.

Credit growth was also managed in accordance with the macro balances, meeting the capital demands of the economy. Total outstanding loans to the market in 2018 increased by 14 percent compared to 2017. Credit quality was improved and credit structure continues to be adjusted, focusing on production, business and priority fields.

Domestic interest rates were maintained as stable in the context of

increasing rates in the international markets. Accordingly, the SBV maintained the inter-bank rate at a reasonable level; decreased the OMOs rates from 5 percent p.a. to 4.75 percent p.a. in order to help reduce the costs of the credit institutions; encouraged credit institutions to reduce lending rates and aimed at sharing difficulties with customers. Lending rates were commonly at 6-9 percent p.a. for short-term loans, and 9-11 percent p.a. for medium and long-term loans.

The exchange rates and the forex market were stable, liquidity was ensured, transactions in foreign currencies were conducted smoothly, and legitimate demands for buying and selling foreign currencies were met fully and promptly. The SBV continued to net-buy foreign currencies (USD 6 billion) to increase the state foreign exchange reserves. The domestic gold market continued to be stable and fluctuated narrowly in the context of complex fluctuations of the gold price in the international markets.





The financial capabilities of the credit institutions were strengthened with gradually increased charter capitals; and the quality of governance and management of the credit institutions were improved step by step in accordance with international practice.

Credit institution restructuring was implemented together with bad debt settlement. The inspection and supervision system was strengthened at all levels to prevent possible conflicts of interest and to limit cross ownership. It was estimated that, by the end of December 2018, across the whole banking sector VND142.22 trillion of bad debts had been settled, and the non-performing loan ratio was at 1.89 percent, lower than the figures of 2.46 percent at the end of 2016 and 1.99 percent at the end of 2017.

In the year, the banking sector was one of the leading sectors to take advantage of the achievements of the Fourth Industrial Revolution (Industry 4.0), and in doing so improving the service quality, increasing utilities for

customers and promoting non-cash payments in Vietnam.

A number of commercial banks have studied, cooperated and introduced new and modern technologies into their payment operations on mobile devices, with the application of biometrics (including fingerprints, face and voice recognition), using the Quick Response code (QR Code), card information encryption technology, contactless payment and mPOS technology, amongst others.

### LOOKING FORWARD

Based on the targets set out by the National Assembly and the government, as well as the 2019 assessment of the macroeconomic and monetary market, the SBV will proactively and flexibly implement the monetary policy in coordination with the fiscal policy and other macroeconomic policies, aiming at controlling inflation below 4 percent; stabilising the monetary and foreign exchange markets, and controlling

total payment and credit growth.

According to Ms. Nguyen Thi Hong, SBV deputy governor, the SBV will strictly control loans to potential high-risk sectors such as real estate and securities; enhance risk management for loans to the BOT, BT transport projects and consumer credits; and control loans in foreign currencies. The SBV will also create an appropriate roadmap to gradually reduce foreign currency loans.

Furthermore, the SBV will actively implement solutions to effectively manage the foreign currency and gold markets; continue to enhance the State's foreign exchange reserves; and actively implement measures to restrict dollarisation nationwide, while increasing the general confidence in the Vietnamese currency and contributing to the stabilisation of the foreign exchange market and the macro economy.

The SBV will focus on the restructuring of credit institutions in association with the handling of bad debts and completing the legal framework to support bad debt settlement and credit institutions restructuring.

In addition, the Vietnamese banking system will continue promoting card payments via point-of-sale (POS) devices; applying modern technologies and modern payment methods; deploying new payment models in the rural and remote areas and enhancing electronic payments in the public sector. **R**

# Foreign investment snapshots in 2018

Disbursed foreign direct investment (FDI) in Vietnam this year experienced a positive increase of 9.1 percent to USD19.1 billion.

According to a report recently released by the Foreign Investment Agency under the Ministry of Planning and Investment, the FDI sector's exports (including crude oil) reached USD175.5 billion, an increase of 12.9 percent compared to the previous year, accounting for close to 71.5 percent of total export turnover.

The sector's imports hit USD142.7 billion, growing by 11.6 percent from 2017 and accounting for 60.1 percent of total import turnover. In general, the sector saw a trade surplus of USD32.8 billion and USD30.5 billion with and without crude oil, respectively.

According to the report, during the reviewed period, FDI commitment for 3,046 newly-licensed projects reached nearly USD18 billion, equivalent to 85 percent of the same period last year. The

capital pledged for stake acquisitions rose by 59.8 percent year on year to USD9.89 billion, the report said.

Total registered and added FDI capital as well as stake acquisition capital in 2018 was USD35.46 billion, equivalent to 98.8 percent of 2017.

Eighteen sectors saw investment from foreign investors with the manufacturing and processing garnering the most interest in the period, accounting for USD16.58 billion, or 47 percent of the registered capital. The real estate sector ranked second with USD6.6 billion, or 18.6 percent, and the retail sector came third with USD3.67 billion, or 10.3 percent.

Statistics showed that 112 countries and territories invested in Vietnam from January to December. Among them, Japan took the lead with USD8.59 billion, making up 24 percent of the nation's total FDI. The Republic of Korea and Singapore were the runners-up with USD7.2 billion and USD5 billion, making up 24.2 percent and 14.2 percent of the nation's total FDI, respectively.



The capital city of Hanoi lured the largest share of FDI with USD7.5 billion or 21.2 percent of the total capital pledged in the country. It was followed by the southern economic hub of HCM City with USD5.9 billion or 17 percent, and the northern port city of Hai Phong with USD3.1 billion, or 8.7 percent.

In a wider scope, there have been 27,353 valid foreign-invested projects in Vietnam to date, with total registered capital of USD340 billion. Over half of the FDI has been disbursed thus far, according to the above-mentioned report.

The Republic of Korea was the leading source of FDI with USD62.5 billion at time of publishing, with Japan next at USD57 billion, then Singapore; Taiwan, China; the British Virgin Islands; and Hong Kong, China. 



### FDI by sector *(Valid projects as of 20 December 2018)*

No	Sector	No of projects	Total registered capital (USD million)
1	Manufacturing and processing	13,265	195,389
2	Real estate	757	57,896
3	Power, gas, water, air-conditioning	118	23,080
4	Accommodation and food	732	12,016
5	Construction	1,589	10,091
6	Retail and wholesale; automobile, motor repair	3,504	6,811
7	Transport and warehouse	736	4,945
8	Mineral mining	108	4,903
9	Education and training	455	4,340
10	Communication	1,879	3,583
11	Agriculture, forestry and fisheries	491	3,455
12	Art and amusement	133	3,419
13	Science and technology	2,790	3,302
14	Water supply and waste treatment	70	2,639
15	Healthcare and social support	140	1,970
16	Administrative and supporting services	386	951
17	Other services	137	715
18	Banking and finance	58	644
19	Housework	5	8
	<b>Total</b>	<b>27,353</b>	<b>340,159</b>

QUANG SON

# Vietnam's stock market in 2019 to reach over 1,000 points



*Ho Chi Minh City Stock Exchange*

Vietnam's stock market in 2018 had solid foundations to attract domestic and foreign investors. Despite the deceleration of key economies and the trade war, Vietnam's securities companies still made positive forecasts for the Vietnamese stock market in 2019.

## FLUCTUATING MARKET

Vietnam's stock market experienced a year of ups and downs. In the first four months, the market grew well, reaching a peak of 1,204.3 points in early April - the highest in the last few years. However, the market was greatly affected by global macro factors for the remainder of the year, falling to 888.82 points at the end of October.

In contrast with 2017, the two

indexes on the Ho Chi Minh City Stock Exchange (HSX) and Hanoi Stock Exchange (HNX) dropped by 9.3 percent and 10.8 percent, while trading value increased by 28.8 percent and 22.5 percent respectively year-on-year.

Foreign investors continued to be the leading force in Vietnam's stock market in 2018 with a net-bought amount of VND44 trillion (USD1.9 billion) on all three exchanges, equivalent to USD1,892 billion and up 108 percent year-on-year. While most of the regional markets witnessed strong withdrawal of capital, Vietnam continued to be a cash flow hub, retaining strong foreign cash flow attraction for the second year in a row.

Total market capitalisation of the three exchanges reached over VND4,005 trillion (USD174 billion), equivalent to on-year growth of 18.95 percent. UPCOM market capitalisation was



incredibly high compared to HNX, reaching over VND933.48 trillion (USD40.6 billion), up 38.68 percent. The trend of equitisation and State divestment continues to create a solid foundation for market capitalisation growth in Vietnam.

## 2019 SENTIMENT

Saigon Securities Inc. (SSI) expects the market to be weak in early 2019. Valuation could become more attractive over time, especially as the market overreacts to negative news. When that trough in negative sentiment reaches the bottom, it could be the right time to buy, as Vietnam's



Da Nang, Vietnam

underlying growth fundamentals are expected to be resilient and two important catalysts remain intact, with an impact felt for years to come.

2019 earnings growth is forecasted to be 18.3 percent year-on-year, lower than that of 2018 but still at a healthy level. The stock market is trading at 2018 and 2019 PERs of 15.2x and 12.8x based on the market prices at 20 December 2018.

Given a positive earnings outlook in 2019 amid weaker sentiment, SSI lowered their market PER expectation, forecasting that the stock market might edge up around 10 percent-15

percent in 2019 as compared with the levels in 2018. This translates to a market PER target of 13x, which could justify higher uncertainties amid a rising interest rate environment. However, it should be noted that during 2013-2016, Vietnam's market PER always traded under a 14x level.

According to BIDV Securities Company (BSC), VN-Index is forecast to fluctuate within a range of 800.3 - 1,265.6 points, and may close at around 1,050 points at the end of 2019. March to June is expected to be the most positive period.

Currently Vietnam is one of three

countries added onto FTSE Russell's watch list for a possible future upwards reclassification. This is an important driving force to attract new cash flow. Market capitalisation might reach USD202 billion and average market liquidity is forecast to reach USD310 million per session.

Based on Bao Viet Securities Company's (BVSC) observation since 2009, the movement of the Vn-Index has continually reflected expectations of GDP in the following year and reflected EPS growth (from about six months earlier). The Vn-Index normally sees positive movement if the exchange rate fluctuates within a range of 3 percent and CPI and deposit interest rates are below 10 percent. The Vn-Index will decline or grow at a slow pace when interest rates increase.

BVSC's forecast for macroeconomic indicators in 2019 predicts GDP growth at around 6.8 percent, down 0.3 percent compared to the 7.08 percent of 2018; CPI possibly increasing 3.5 percent; deposit interest rate at around 7.3 percent.

Thus, macro-economic indicators will have both negative and positive impacts on the stock market in 2019. BVSC believes that the overall impact of domestic macro-economic indicators on the stock market would be neutral.

The stock market will be little affected by domestic factors but will be influenced by foreign capital flow, which in turn will be affected by the global interest rate hike, the prospect of an inclusion to an emerging market index, state capital divestment and the adoption of the amended Securities Law. 

QUYNH CHI

# A warm Tet in Vietnam



Many overseas visitors choose to come to Vietnam during Tet to experience the atmosphere and traditions of Lunar New Year.

While all commercial buildings and recreation areas are closed on Tet holiday, there are still many places that will be open for festivities where people can go to enjoy the special traditions of Tet.

## NGUYEN HUE FLOWER STREET

Nguyen Hue Flower Street in Ho Chi Minh City opens to the public from December 28th on the lunar calendar to the fourth day of Lunar New Year, which falls on February 2nd and 8th, 2019.

In 2018, the flower street will be one of the key cultural and tourism events for city dwellers and international visitors. Since its debut in 2004, Nguyen Hue Flower Street has become one of the annual highlight events of Tet in Ho Chi Minh City, the nation's largest economic hub.



A number of special activities will be introduced to the public during the seven-day festival, such as flower displays and food stands set up along Nguyen Hue Boulevard.

## PHUNG HUNG STREET

Phung Hung has become a new destination for visitors since it was revived with beautiful mural paintings recalling Hanoi of yesteryear. The mural project was organised by Vietnamese and Korean artists, with paintings created on the arch walls



### HOI AN LANTERN FESTIVAL

Hoi An, the picturesque old town of Vietnam, never sleeps during the Tet holiday. The highlights of Hoi An's New Year's Eve celebrations are a lion dance, lantern parade and flower-adorned car parade, all of which tourists are invited to join to enjoy a special experience on their holiday. At the sacred moment of transferring from the old year to the new there will be a fireworks display at the provincial culture and sports centre in Tam Ky City, Hoai River Square, Cua Dai Beach and Cham Island in Hoi An City while temples, churches and pagodas will ring their bells and beat their drums at the same time to welcome the new year.



Visitors to Hoi An during the Tet holiday will sense the aroma and smoke of fragrant incense in the atmosphere as people express gratitude to their ancestors. In addition to decorating their houses and purchasing offerings for their ancestors, many Hoi An residents choose to decorate their houses and businesses with an apricot flower tree, the flower that reflects a beautiful spring. When heaven and earth meet, Hoi An's many pagodas and communal houses ring their bells to welcome the new year - a sacred moment of boundless connectivity between souls.

along Long Bien bridge. The paintings depict memories of Hanoi and old features that still linger in Hanoians' minds: Hang Ma street during the Mid-Autumn festival; the Trang Tien Department Store; and a street corner in the Old Quarters where

street vendors sell their wares and a schoolgirl makes her way to school. As well as these, other media such as photographs, 3D paintings, carvings, and interactive games attract crowds to this place.

As well as these special destinations, there are many places around the country that foreign tourists can visit during Tet such as the city centres, where firework displays mark the Lunar New Year's Eve; pagodas and temples, where people often go and pray for health and luck in the new year, and many beautiful flower parks that open especially for Tet. **R**

# Long Tong festival draws crowds

**L**ong Tong - or going to the field festival, is a unique agricultural festival typical of the Tay ethnic minority group, who make up a large proportion of the population in the locality.

Tens of thousands of locals in the northern mountainous province of Tuyen Quang as well as tourists flocked to Chiem Hoa district on

February 4 to join the Long Tong festival.

Celebrated annually between the 1st and 15th days of the lunar new year, the festival is a religious ritual dedicated to the god of agriculture, organised with the aim of winning his blessing and receiving verdant crops and prosperity for villagers throughout the year.





Held in a large harvested field in the middle of the village, Long Tong requires major preparations before the lunar new year. Families in the village are assigned different duties, the most

important of which is preparing the offering tray. The offerings include a boiled capon, boiled pig head, grilled fish, two plates of sticky rice dyed red and yellow, and two cons.

Con is a small ball made from pieces of colourful cloth sewn together and stuffed with puffed rice and cotton seeds. Con is also decorated with gaudy cloth tassels.

Long Tong consists of three main parts: the offering ritual which includes a water procession, ploughing ceremony and folk game playing.

The Tay ethnic community in Tuyen Quang comprises about 160,000 people, accounting for 24 percent of the province's population.

The Long Tong forms part of nearly 8,000 festivals held across the country over the year. Of the total, 88.36 percent are traditional festivals, while 6 percent are religious festivals and 4 percent are historical festivals.

The festival, which is also popular in other northern mountainous provinces such as Bac Kan, Thai Nguyen, Cao Bang, Lang Son and Ha Giang, has become a popular tourist attraction taking place every spring.

In addition to Long Tong festival, Tuyen Quang province boasts other national intangible cultural heritages, including Then singing of the Tay ethnic minority group, 'cap sac' (coming-of-age) and "Pao dung" singing of the Dao ethnic group. Source: VNA. 

# A brand for community

91 social welfare programs with total value of over VND200 billion were conducted in 2018 by BIDV to contribute for better life of community.

Implementing social security programs has become one of the key activities of BIDV for many years, focusing on education, health care, disaster relief, houses construction, Tet gifts for the poor, road and bridge construction.

In terms of education, in 2018, BIDV funded 52 programs with a total committed value of over VND129 billion. For many years, BIDV has spent most of its resources and efforts on education improvement. In the year 17 schools, 26 classrooms, boarding houses have been constructed, many school devices, training software, teaching equipment are provided by the bank's fund. Besides, thousands of scholarships from BIDV are presented to excellent students. BIDV has contributed positively and effectively in supporting localities to improve educational facilities, improve teaching and learning conditions for teachers and students.

Health care is also other focus of BIDV's social wealthfare program. In 2018, BIDV sponsored 16 social security programs with a total value of nearly VND31 billion. BIDV supports to build



*Pupils in rural areas receive life vest-convertible backpacks from BIDV*

two medical stations, three specialized medical vehicles, nearly 20 medical devices such as ultrasound machines, hemodialysis machines.

BIDV has contributed to equip, upgrade facilities for hospitals and clinics in localities, helping people to improve health examination conditions and improve their life quality.

In the past year, BIDV implemented 14 programs to support house construction for the poor all over the country. Total fund reached nearly VND9 billion. BIDV funds were used to

constructed 178 houses, helping poor people to stabilise life.

Especially in 2018, many provinces was suffered from natural disasters such as flash floods, storms. BIDV had timely bailed out VND13 billion, supporting to the local poor people to overcome damage.

Another meaningful annual social charity program is the Tet gift program for the poor. In 2018, BIDV continued to grant 40,000 Tet gifts, worth VND20 billion, aiming at contributing to the poor a warm Tet. **R**

Total Prizes  
VND **30**<sup>++</sup>  
billion

# The New Year Journey of Affection



DEPOSITS



MONEY TRANSFER



CARDS



E-BANKING

**2019**  
Kỷ Hợi

From December 2018 to February 2019



**BIDV**



**HAPPY  
NEW YEAR**



**Year of the Pig**

*May The New Year Bring You  
Joy, Happiness And Prosperity*

