Weekly information on banking operations (October 26 -30, 2015)

**1. Mobilizing and lending rates:**

**1.1. Mobilizing rates:**

- The VND mobilizing rates continued to be stable. The rates were commonly 0.8 - 1% p.a for demand and below 1 month terms, 4.5 - 5.4% p.a for 1 to below 6 month terms, 5.4 - 6.5% p.a for 6 month to below 12 month terms; and 6.4 – 7.2% p.a for 12 month plus terms.

- The USD mobilizing rates were commonly 0.25% p.a for individuals and 0% p.a for economic institutions**.**

**1.2. Lending rates:**

- The VND lending rates continued to be stable. The average rates were commonly 6- 7% p.a for short-term loans for priority fields, and state-owned joint-stock commercial banks continued offering the rates of 9 - 10 % p.a for medium and long-term loans for priority fields; and the rates were commonly 6.8% - 9% p.a for short-term and 9.3 – 11% p.a for medium and long-term ordinary loans.

- The USD lending rates were stable and commonly ranged from 3 – 6.7% p.a. The rates were 3 – 5.5% p.a for short term and 5.5 – 6.7% p.a for medium and long terms.

The specific lending rates were as follows:

|  |  |  |  |
| --- | --- | --- | --- |
| Groups of commercial banks | Currency | Short term  (% p.a) | Medium and long terms  (% p.a) |
| Group of state-owned commercial banks | - VND applicable to ordinary loans | 6.8-8.8 | 9.3-10.5 |
| - VND applicable to loans for agricultural and rural development, exporters,supporting industries, SMEs and hi-tech enterprises | 6.0-7.0 | 9.0-10.0 |
|  | USD | 3.0-4.5 | 5.5-6.5 |
| Group of joint-stockcommercial banks | - VND applicable to ordinary loans | 7.8-9.0 | 10.0-11.0 |
| - VND applicable to loans for agricultural and rural development, exporters, supporting industries, SMEs and hi-tech enterprises | 7.0 | 10.0-10.5 |
|  | USD | 4.5-5.5 | 6.0-6.7 |

**2. Inter-bank transaction turnover:**

**2.1. Transactions:**

According to the reports of credit institutions and foreign bank branches, the total amount of transactions in the inter-bank market reached about VND 142,433 billion (up by VND 39,456 billion as compared to the week of October 19 -23, 2015) and USD amount equivalent to VND 43,641 billion (up by VND 2,544 billion as compared to the previous week), i.e VND 28,487 billion and VND 8,728 billion per day averagely.

Most VND transactions were overnight and 1 week terms (accounting for 36% and 21% of the total amount of VND transactions respectively). Transactions in USD were mostly overnight and 1 week terms which accounted for 61% and 21% of the total amount of USD transactions respectively.

**2.2. The average inter-bank interest rates:**

For  VND transactions: The inter-bank interest rates for most key terms of 1 month and below continued to decrease as compared to the rates of the previous week. Specifically, the average interest rates of overnight, 1 week and 1 month terms decreased by 0.87 percentage point p.a; 0.72 percentage point p.a and 0.72 percentage point p.a respectively.

For USD transactions: The average interest rates decreased for most key terms of 1 month and below. Specifically, the average interest rates for overnight and 1 month decreased to 0.16% p.a and 0.36% p.a respectively.

The specific average inter-bank interest rates were as follows:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Term | Over night | 1 week | 2 weeks | 1 month | 3 months | 6 months | 9 months |
| VND | 1.58 | 2.15 | 2.49 | 3.40 | 4.66 | 4.87 | - |
| USD | 0.16 | 0.21 | 0.18 | 0.36 | 1.03 | 2.00 | - |

**3. Forex market:**

The buying and selling VND/USD exchange rate quoted by Vietcombank slightly increased as compared to the previous week, and fluctuated around VND/USD 22,270/22,350 (on the 4 first day of the week). The exchange rate reduced to VND/USD 22,265/22,345 on the last day of the week (up by VND/USD 05 as compared to that of the last day of the previous week).

In the coming time, the SBV will continue to conduct consistent measures and monetary policies, and sell foreign currencies in order to ensure the balance of foreign currency supply and demand for stabilizing forex market.

Translated by MH