**Weekly information on banking operations (October 3-7, 2016)**

**1. Mobilizing and lending rates:**

**1.1. Mobilizing rates:**

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

**1.2. Lending rates:**

- The VND lending rates: The average rates were commonly 6-7% p.a for short-term loans for priority fields, and state-owned commercial banks continued offering the rates of 9 – 10% p.a for medium and long-term loans for priority fields. The rates were commonly 6.8% - 9.0% p.a for short-term and 9.3% – 11.0% p.a for medium and long-term ordinary loans. The lending rate for short term loans was 4-5% p.a applied to those customers who have good loan repayment track record, strong and transparent finance.

- The USD lending rates were relatively stable. The USD lending rates were commonly 2.8% – 6.0% p.a. The rates were 2.8 – 5.0% p.a for short term and 5.0 – 6.0% p.a for medium and long term loans.

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 | 6.8-8.5 | 9.3-10.3 |
| - VND applicable to loans for 5 priority sectors | 6.0-7.0 | 9.0-10.0 |
|  | USD | 2.8-4.3 | 5.0-6.0 |
| Group of joint stock commercial  banks | - VND applicable to ordinary loans | 7.8-9.0 | 10.0-11.0 |
| - VND applicable to loans for 5 priority sectors | 7.0 | 10.0-10.5 |
|  | USD | 4.2-5.0 | 5.1-6.0 |

**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 108,438billion, decreased by VND 43,193 billion as compared to the week of September 26 - 30; and USD amount equivalent to VND 85,659 billion, decreased by VND 3,001 billion in comparison to the previous week.

Most VND transactions were 1 week terms and overnight (accounting 39% and 35% of the total amount of VND transactions respectively). Transactions in USD were mostly overnight and 1 week terms which accounted for 54% and 11% of the total amount of USD transactions respectively.

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

For  VND transactions: As compared to the week of September 26-30, the inter-bank interest rates increased for most key terms below one month. Specifically, the rate for overnight, 1 week and 1 month terms rose by 0.16%, 0.13% and 0.10% percentage point p.a to 0.62%, 0.68% and 1.75% p.a respectively.

For USD transactions: The average inter – bank interest rates fluctuated for most key terms, specifically the average inter – bank interest rates of overnight, one month terms increased to 0.47% p.a, and 0.94% p.a respectively, the average inter – bank interest rate for 1 week term remained at 0.54% p.a; the average inter – bank interest rate for 2 week term slightly decreased to 0.55% p.a.

The specific average inter-bank interest rates were as follows for October 3-7, 2016:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Term | Over night | 1 week | 2 weeks | 1 month | 3 months | 6 months | 9 months |
| VND | 0.62 | 0.68 | 0.84 | 1.75 | 3.03 | 4.20 | 6.65 |
| USD | 0.47 | 0.54 | 0.55 | 0.94 | 1.31 | 1.87 | - |

**3. Forex market:**

The buying and selling VND/USD exchange rate quoted by the Vietcombank was on a slight upward trend to 22,270/22,340 VND/USD in the middle of the week (on October 5-6, 2016), the VND/USD exchange rate was stable at 22,265/22,335 on the first and last days of the week (unchanged as compared to the last day of previous week).

The SBV will continue to conduct synchronous measures and tools of monetary policy to stabilize forex market and foreign exchange rate within the set band.

The State Bank of Vietnam

**Translated by Le Hang**