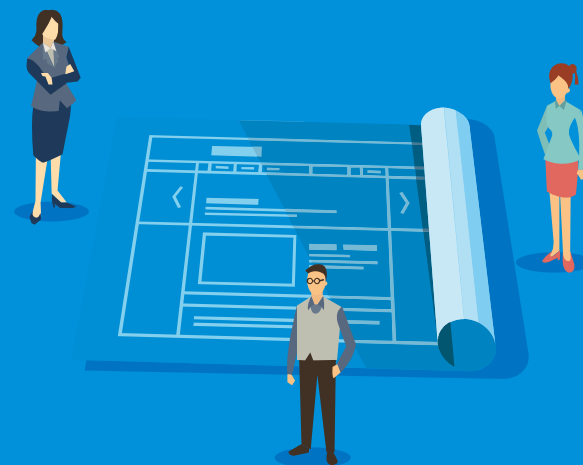




Vietnam



Situation in Vietnam

The Government command the implementation of the "dual goals": Prevention, control and control of Covid-19 disease and elimination of difficulties, boosting production and business, below is an overview of the current situation in Vietnam:

- Raise awareness and take initiative in implementing measures to prevent and control Covid-19 under the guidance of health authorities
- Restrict participation in meetings, gather people, travel to epidemic areas.
- Conduct a temperature test at airports, public area
- Face mask is obligatory in public area
- Adjust the schedule of schools, universities
- Compulsory isolation for people returning from abroad
- From 18-March, suspend the issuance of visas for foreigners entering Vietnam

Immediate impacts for Banks

- Banks took the initiative caring for its employees by distributing masks, antibacterial hand sanitizers, buying Covid-19 insurance, spraying disinfecting working areas ...
- Credit institutions, foreign banks' branches must perform regular disinfection, disinfection and hygiene at cash transaction centers, vault and automatic teller machines (ATMs). Measures for cleaning and disinfecting cash (bundles, bags) collected before stocking at the end of the day or before remitting to the State Bank of Vietnam.
- Credit institutions and foreign bank branches enhance online activities in processes and procedures of monetary and credit transactions, cut unnecessary procedures to restrict travel and customers direct transactions.
- Restructuring repayment term, exemption/reduction of loan interest, temporarily keeping the debt group for loans with outstanding principal and / or interest to maturity within the period from January 23, 2020 to March 31, 2020.
- Implementing a program to promote short-term credit growth with interest rates for customers
- Consider lending to new customers/continuing to borrow capital to maintain production and business activities on the basis of customers fully meeting the current regulations, implementing debt structure, interest rate exemption and reduction in accordance with the regulations of the State Bank of Vietnam (SBV).

Immediate impacts for KPMG

- Work in the office only when necessary.
- Work at client's premises when required - subject to client's safety measures, requirements and expectations.
- Work from home where possible and appropriate. Keep in close contact with engagement team and clients using approved KPMG technology such as Microsoft Teams.
- Seminars will be host via Webinar platform
- Significantly reduce the number of people working full time from our offices, allowing more ability to implement personal "social distancing" and thereby reducing risks for our people and our community.

Main measures adopted in the Vietnam Financial Sector



Circular 01/2020 / TT-NHNN dated 13/03/2020

- Circular No. 01/2020 / TT-NHNN of March 13, 2020, providing for credit institutions and foreign bank branches to restructure the repayment, exemption and reduction of interests and fees, and keep the debt group in order Customer support affected by Covid epidemic - 19



Create resources for commercial banks to support businesses to overcome difficulties

- The State Bank of Vietnam has adjusted down the executive interest rates, deposit and lending interest rates ceiling, and increased deposit interest rates in VND compulsory reserves of credit institutions (CIs) at the SBV by 0.2%/year, from 0.8%/year to 1%/year, while maintaining the required reserve ratio of 3%. The decision to reduce the State Bank's operating interest rates in a timely manner was evaluated by experts as timely, proactive and suitable to the situation of domestic and international markets, thereby creating favorable conditions for commercial banks to reduce lending rates, help businesses have access to cheaper capital, gradually overcome difficulties to overcome the pandemic.



Additional measures supporting business

- Accordingly, the State Bank has approved a credit package of 285,000 billion VND (12.2 Billion USD) with preferential interest rates reduced from 0.5-1% in order to support businesses and individuals who borrow money difficult due to epidemics.
- To date, many commercial banks, including state-owned and non-state sector, have offered preferential credit packages, applied support programs, and reduced interest rates for borrowers who suffered losses due to Covid-19.



Time to Pay adjusment

- The new circular also stipulates that credit institutions and branches of foreign banks will decide the exemption and reduction of interest rates for customers who are obliged to pay principals and / or interests due for payment within the period of time. from 23-Jan to 3 months after the Prime Minister announced the end of the epidemic. Internal regulations but must ensure the debt criteria arising from credit activities (except for activities of buying and investing in corporate bonds).