

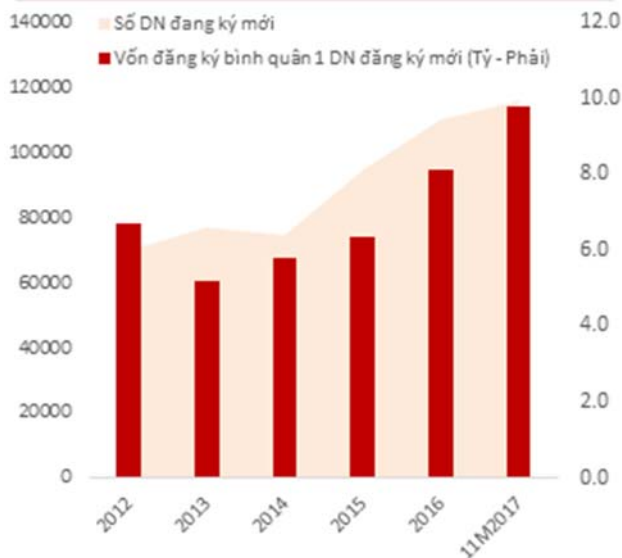
PROMISING ECONOMIC SITUATION WITH HUGE NUMBER OF NEW ENTERPRISES

The economic situation in Vietnam in the first two months of Q4 2017 showed stability and growth. Although the Markit PMI index fell slightly from previous month (51.4 points compared to 51.6 points), the trend of production and consumption growth is well-performed. Inflation was controlled (up 2.62% yoy and core inflation was at 1.28%), deposit and lending interest rates were stable. The trade surplus in 11 months was USD 2.8 billion (with growth of export and import was 21.1% and 21% respectively), registered FDI reached USD33 billion and disbursed USD16 billion. The stability and growth of the Vietnamese economy is also reflected in the number and the size of registered capital of new established enterprises. By the end of November, Vietnam has seen 116,045 newly-established enterprises (an increase of 14.1% compared to 2016) having average registered capital of VND9.8 billion per enterprise, making an increase of 41.9% in number compared to the same period in 2016. The number of enterprises returning to operation is 24,349, equal to the number of 2016. With government policies being implemented, the number of enterprises will continue to grow in the coming time.

INTERBANK INTEREST RATE MOVEMENT IS DIFFERENT FROM LAST YEAR DUE TO GOOD LIQUIDITY OF BANKING SYSTEM

Starting from the demand for payment of businesses at the end of Q4, which led to the liquidity tension in the interbank market, the seasonal trend of interest rates in the interbank market increases sharply in October, November and December. However, market movements are showing abnormal fluctuations in the interbank market interest rates in the fourth quarter of 2017. The interest rates on loans increased slightly during the mid-month (up 50 bps for overnight rates fell back in the last week of May, and the likelihood of a sharp increase in December 2017 is very low). The maintenance of the liquidity of the banking system through the purchase of USD by the State Bank of Vietnam (SBV) has worked well. After 11 months, the SBV has bought USD7 billion (enhanced foreign exchange reserves of about USD46 billion) and injected a net of VND124.4 trillion into the banking system. Buying dollars also supports exchange rate control. With the current situation of trade surplus, the flow of FDI and FII is disbursed well, maintaining good liquidity for the banking system will be strongly supported in the remaining month of 2017.

NEW ESTABLISHED ENTERPRISES AND AVERAGE CAPITAL REGISTRATION (Billion VND)



Source: GSO

MOVEMENT OF INTERBANK INTEREST RATES IN THE PERIOD 2015-2017 (%)



Source: Reuter

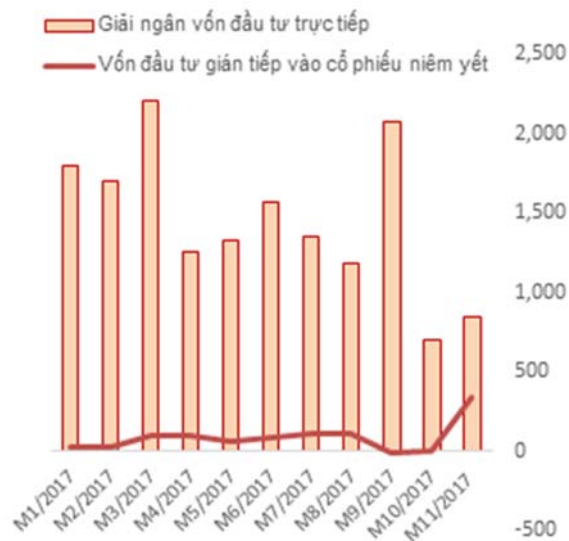
MONETARY POLICIES AND SECURITIES MARKET SUPPORTED BY FOREIGN CAPITAL INFLOW

The monetary policy is receiving great support from foreign cash flow. Specifically, controlling exchange rates and maintaining interest rate stability are subject to the stability and increase of direct and indirect investment flows into Vietnam. Political stability, changing image of Vietnam after APEC and the sale of state capital in enterprises are the main reasons for the sharp increase in foreign cash inflows in Q4 2017 and will continue to be maintained in 2018. After 10 months the amount of indirect investment in stocks on the stock market was up to 1.016 billion. In November, the amount of indirect investment mentioned above could reach USD1.5 billion with the participation of foreign investors in the sale of state capital in large enterprises. M&A activity is also expected to continue in 2017 after a sharp increase in 2016 (M&A totaled USD10.5 billion, up 95% 2015). Investment trends in large projects in Vietnam such as water supply, solar power and wind power will continue to be strong in 2018. The stability of exchange rates between VND and USD has been maintained thanks to (1) the evolution of export, (2) the weakening of the dollar and (3) the inflow of dollars to Vietnam from direct and indirect investment.

DRAMATIC GROWTH OF STOCK MARKET WAS NOT DERIVED FROM THE IMPACT OF CREDIT AND MONEY SUPPLY

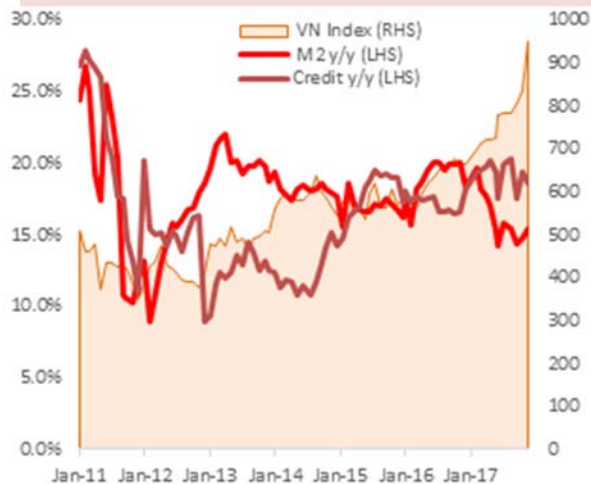
The stock market had an impressive growth in Q3 2017 and outstanding one in November 2017. At the end of November, the VN-Index reached 949.93 points, up 13.45% in the month and 42.87% since the beginning of the year. The substantial growth of the stock market was heavily influenced by foreign investment inflows into listed shares with a net buy in November of USD345 million (highest among months). The difference from the explosive growth period 2000-2016 is that this rise is not due to the significant growth of credit and money supply. Credit activities and money supplies are strictly controlled. After 11 months, credit growth increased 18.63% over the same period last year and up 15.3% over the beginning of this year. The money supply growth rate at the beginning of November was 10.99% year to date. The attraction of foreign capital will continue to promote the growth of VN-Index in the coming time. The main reasons for the increase in foreign capital inflows include: (i) Opportunities from the sale of state capital in enterprises and equitization; (ii) Newly listed enterprises; and (iii) Opportunities to upgrade the stock market of Vietnam in the basket of MSCI index.

FDI DISBURSEMENT AND FII FLOWS TO LISTED STOCK MARKET IN 2017 (Million USD)



Source: GSO

CREDIT AND MONEY SUPPLY GROWTH COMPARED TO VNINDEX GROWTH



Source: FIA