VIETNAM DAILY NEWS

JAPAN SECURITIES INC.

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Market Analysis

1. Shares end lower at the end of choppy week

Shares settled down on the last trading day of the week as investors returned to profit-taking activities, while foreign investors continued to net sell on the market.

The VN-Index on the Ho Chi Minh Stock Exchange (HoSE) plummeted 24.84 points, or 1.92 per cent, to 1,268.83 points. The fall took back all recovery efforts of Thursday's trade which gained nearly 23 points.

The market's breadth was negative as 282 stocks declining while 97 climbed and 38 ended flat.

Meanwhile, the liquidity was higher with nearly 582.3 million shares traded on the southern bourse, worth more than VND19.3 trillion (US$839.4 million).

The index fell sharply due to a strong division of large-cap stocks in all sectors. The 30 biggest stocks tracker VN30-Index dropped 26.95 points, or 1.89 per cent, to 1,401.53 points. In the VN30 basket, 26 stocks decreased while only four rose.

The drop went against expectations from Saigon-Hanoi Securities JSC (SHS)'s analysts. In a daily report, the securities firm projected that the market would continue to recover with a target of around 1,300 points, which is an important resistance level as well as a psychological level.

Stocks in attractive sectors including banking, real estate and material still led the market's downward trend. Of which, Vietcombank (VCB) lost the most in market capitalisation, down 3.29 per cent, followed by Vinhomes JSC (VHM), down 3.06 per cent.

Vingroup JSC (VIC), Hoa Phat Group (HPG), Techcombank (TCB), VPBank (VPB), Vietinbank (CTG) and Masan Group (MSN) also posted big losses, down at least 2 per cent.

Many other large-cap stocks fell more than 1 per cent like Vietnam Rubber Group (GVR), JSC Bank For Investment and Development of Vietnam (BID), PetroVietnam Gas JSC (PVGas, GAS) and Novaland.

However, there were still some stocks witnessing positive performance. Of which, Vinamilk was the biggest gainer, up 0.92 per cent. It was followed by Sacombank (STB), Duc Giang Chemicals Group JSC (DGC) and FPT Corporation (FPT) with DGC even hitting the maximum daily gain of 7 per cent.

On the Ha Noi Stock Exchange (HNX), the HNX-Index also posted a decrease of 1.37 per cent to 301.77 points.

Investors poured nearly VND2.28 trillion into the northern bourse, equivalent to a trading volume of over 101.5 million shares.

Meanwhile, foreign investors continued to flee from the market with a net value of VND172.46 billion. Of which, they net sold a value of VND204.16 billion on HoSE, and net bought a value of VND14.18 billion on HNX.

Macro & Policies

2. Economic growth at 3.5-4 percent this year in adverse scenario

At the seminar held on the afternoon of July 21 in Hanoi, Vietnam's macroeconomic report for the second quarter and the first six months of this year was released by a research team of the VEPR.

According to the report, Vietnam's economy grew by 6.61 percent in the second quarter of this year. Agriculture, forestry, fishery, industry, construction, and services all increased in the first six months of the year. The FDI sector continues to be the main contributor to growth through exports.

However, in the first six months of this year, besides the impact of the Covid-19 pandemic, enterprises in Vietnam have to carry additional production costs because raw material prices, transportation costs, and land rents climbed. The trade balance was in deficit due to the demand to import raw materials to restore the production of enterprises. Interbank interest rates have unexpectedly surged again since February.

Noticeably, in the first six months of this year, 70,200 enterprises suspended operations for a definite time, ceased operations to wait for dissolution procedures, and completed dissolution procedures, an increase of 24.9 percent over the same period last year.

Forecasting the economic outlook for 2021, VEPR lowered its growth forecast to 4.5-5.1 percent, 1.2 to 1.5 percentage points lower than the previous forecast.

The economic outlook in the last months of the year largely depends on the speed and scale of vaccination, effectiveness, side effects of prevention measures, support packages, and growth stimulus packages in the country, according to the report.

The VEPR research team presented three growth scenarios.

Base scenario: The pandemic is controlled by the end of the third quarter of this year. Vaccination is deployed quickly, and herd immunity is achieved in the second quarter of 2022. The macro-economy remains stable. Economic growth for the whole year is forecasted at 4.5-5.1 percent.

Favorable scenario: The pandemic is controlled in August 2021. Vaccination is accelerated, and herd immunity is achieved in the first quarter of 2022. The macro-economy remains stable. Economic growth for the whole year is forecasted at 5.4–6.1 percent.

Adverse scenario: The pandemic cannot be controlled, and economic activities cannot return to normal until the fourth quarter. The vaccination process is implemented slowly due to a lack of supply. Policies to support people and enterprises and the process of restructuring and digital transformation are promoted, but services, trade, and FDI attraction recover slowly. At that time, Vietnam's economy can only grow from 3.5-4 percent in 2021.

3. Worrisome issues camouflaged by optimism

These are some facts that were stated in the report. However, it is to be seen in actuality what worrisome issues exactly lie behind such an optimistic picture.

Unreal indicators

Behind these impressive indicators is the development investment spending of VND 133,900 bn, which is only 28.1% of the annual budget estimate. Low development investment spending is the reason that the total state budget expenditure in six months is only 41.2% of the yearly estimate of VND 775,000 bn. In the first six months of the year, the pandemic situation still raged on in all regions, while the total revenue was equal to 57.7% of the yearly estimate. Revenue exceeded the estimate and spending on investment developed slowly, causing the budget surplus to reach VND 81,000 bn in the first six months of the year.

This is a paradox in that the economy desperately needs resources to promote growth and stimulate economic development. It shows even more urgency if placed in the context that the proportion for development investment spending accounts for only approximately 25% of the total budget expenditure. This proportion is already low, and disbursement and spending rates are slow, obviously not being able to best support economic development and create the foundation for development in coming years.

In the first few months of the year, development investment spending is often slower because ministries, branches, and localities are in the process of distributing and announcing investment capital plans to investors, and also due to the influence of the Tet Lunar New Year. However, by the end of the second quarter, the slow disbursement of investment capital for development is really worrisome.

According to calculations by Economica Vietnam, if development investment spending in the first six months of the year were on schedule as estimated, an additional VND 105,000 bn would have been injected into the economy and GDP of the first six months would not stop at 5.64%. Notably, this amount was injected into the economy without creating any impact on pressure on public finance or risks on fiscal policy. With this disbursed capital and the volume of works, necessary infrastructure of equivalent value has been formed, and may have been or will be put into use in the near future.

Obviously, before discussing stimulus packages or packages to support economic growth, it is necessary to take into account that it is accompanied by many potential risks in public finances. This requires reviewing available spaces and making the most effective use of them. Accelerating the progress of development investment spending is the clearest, most feasible, least risky space from the perspective of fiscal policy, to continue maintaining the economic growth rate in the last months of the year, and also creating a stronger foundation for economic development in coming years.

Change in mindset

During the first week of July, a support package of VND 26,000 bn was announced. This was a timely and necessary support package for affected workers, especially in the context that many localities have had to implement social distancing under Directive 16. In particular, the sharp increase in budget revenue and the amount not fully disbursed from the support package of VND 62,000 bn in 2020, poses a problem of continuing to deploy support packages for employees at a higher level, with a wider range of beneficiaries. Regardless of the size or number of support packages, reality calls for the most efficient use of this scarce resource, both socially and economically. There is a need for a change in mindset about support packages and how support packages are used.

The support packages not only help workers but also stimulate consumption and economic development, and indirectly support businesses to produce consumer goods and provide basic services for employees. With this dual benefit, ministries, sectors, and localities will be stronger in their decision to open their purses in order to raise the level of support and expand the beneficiaries of support, including employees with low income, or those who are receiving social protection. Here arises the question of how quickly or slowly the support money reaches the beneficiaries, depending on the disbursement mechanism and the preparation work of disbursing units.

In fact, with the current regulations, many localities, especially those facing many difficulties in budget balance, will have to complete several procedures to have money to spend for the group of free lance workers. Except for some localities that have been relatively well prepared, such as Ho Chi Minh City, completing the procedures to form a source of expenditure and make a list of beneficiaries will take a long time for many other localities.

Even if the procedures are simplified for businesses who lend, there is no one who will bear the risk of bad debts when lending to businesses that are laying off or temporarily suspending workers. From a banking perspective, businesses that are laying off workers are in the high credit risk group. There is no one taking on the liabilities for bad debt risks when disbursing funds to struggling businesses.

Reforms in administrative procedures for the disbursement of the VND 26,000 bn package are really worth noting. This is where the population database comes into play with added value of public services. This is also the time when banks and telecommunication carriers show social responsibility and step in to expand payments to beneficiaries via bank accounts, ATM accounts, mobile money, and expand financial and banking products for the poor in need.

4. Authorities clamour for travel passes

National flag carrier Vietnam Airlines last week announced that it would restart international flights to several destinations in Asia and the European Union from July to October to meet the demand among passengers, especially labourers, overseas students, and expatriates.

The move was made following a trial run of the International Air Transport Association (IATA) Travel Pass mobile application on flights from Narita Airport in Japan to the central city of Danang. The app was being made available for use on flights on July 15 and July 23. Vietnam Airlines hopes that the success of the trial will be the foundation for the government to consider wider recognition, thus enabling airlines to resume more cross-border flights.

Like Vietnam Airlines, Vietjet also announced a similar pilot.

However, industry insiders still wonder whether the pass can truly help Vietnam Airlines and Vietjet achieve their goal to shelter from the financial storm.

The northeastern province of Quang Ninh has been piloting a quarantine of seven days for entrants, who have already been vaccinated against COVID-19, since July 1.

Previously, international business associations like the Korea Chamber of Business in Vietnam had called for loosened requirements for expats – but now, with the pandemic situation worse than ever in the country, more tightened restrictions are being applied in affected areas, especially Ho Chi Minh City.

Experts said that the IATA Travel Pass is a solution that could take time for airlines to utilise correctly because it depends on the readiness of other countries. But Vietnam is on the right track in preparing for this.

In addition, the airlines' financial situations are getting worse. According to the Ministry of Planning and Investment, Vietnam Airlines was estimated to have lost VND10 trillion ($435 million) in the first half of 2021 and is at risk of bankruptcy. Moreover, it would appear that total new loans to date have been less than $100 million at a time when quarterly losses are running at double that amount.

Experts said that the progress of financial support has also been slow. Part of the government's rescue plan that has been approved is the purchase of about VND8 trillion ($348 million) of new equity by State Capital Investment Corporation. However, the latest expectation is that this will not be implemented until the last quarter.

Vietjet and Bamboo Airways are in a similar situation. While the Vietnam Aviation Business Association has proposed a similar refinancing package for them, no signal of approval is on the horizon.

"Airlines need more supporting policies to survive these challenging times, as COVID-19 continues to rage more seriously. Countries have big bailouts to support liquidity and solvency in low-interest loans to help cover the labour costs and pay short-term debts," Nguyen Tien Lap from law firm NHQuang&Associates told VIR. "And it is not only airlines – other air carriers are also in need of more support."

The IATA Travel Pass is a mobile app that helps travellers to store and manage their verified certifications for COVID-19 tests and in future vaccinations. At present, the pass is being trialled by many airlines worldwide, such as those in Singapore, Panama, and Estonia. Meanwhile, over 30 air carriers announced trial runs, including Qatar Airways, Etihad, Singapore Airlines, Royal Brunei and more.

Nick Careen, IATA's senior vice president of Airports, Passengers, Cargo, and Security, said, "We look forward to working with Vietjet to trial the

IATA Travel Pass and demonstrate that digital health apps can securely, conveniently, and efficiently help manage passenger travel health credentials. This is a positive step forward towards restarting international aviation."

5. Basa exporters' journey through troubled waters

Vinh Hoan Corporation, Vietnam's leading basa processing and exporting company, has just issued its June business report. Its total revenues of the month increased by 15 per cent over the same period, reaching VND713 billion ($31.1 million). The main contributor to the increase are basa products with a growth of 16 per cent on-year, reaching VND478 billion (20.8 million) in revenue.

Export to the US market improved significantly due to the reopening of restaurants and food services, but was partly offset by a decrease in Europe and China due to the risks of a reemergence of the pandemic. On June 28, Vinh Hoan received a review from the US' Department of Commerce on Vietnamese basa shipments imported into the US market from August 2018 to July 2019.

With the official result, Vinh Hoan, together with Nam Viet Corporation, is not subject to arrears of tax on the volume of goods exported to the United States during the review period. Moreover, the absence of tax is an opportunity for them to promote their basa exports to the US with the existing customer base.

In the first months of the year, some other seafood companies also recorded a high growth of basa exports. Specifically, Saigon Aquatic Products Trading JSC revealed that the company's export of basa and catfish in the first five months increased 10 per cent on-year. In addition, Can Tho Import Export Seafood JSC also recorded in the same period an increase of basa exports to the US by 1.5 times compared to the end of 2020.

According to data from the Vietnam Association of Seafood Exporters and Producers (VASEP), Vietnam's basa exports in the first half of 2021 hit $788 million, up 18 per cent over the same period last year.

Specifically, basa exports to the US have been increasing by over 170 per cent. Other markets such as Mexico, Brazil, the UK, and Thailand achieved growth from 100-450 per cent. Each of these markets accounts for about 2.5-4 per cent of Vietnam's basa export value, while the US makes up 21 per cent of this. Meanwhile, exports to China decreased by up to 7 per cent despite its highest proportion with 26 per cent in Vietnam's basa.

To Tuong Lan, deputy secretary general of VASEP, stated that the stability of the US market, along with the recovery of other markets, helped the industry recover.

"The pandemic control in key markets has been quite optimistic so far. The reopening of these markets has led to the restoration of the main distribution channels for basa products. Exporting companies had the opportunity to expand their retail channels as people buy fish for home cooking, in parallel with traditional distribution channels and wholesale," Lan said.

However, a representative of Fresh Studio, an agriculture consultancy firm covering Asia and Europe, claimed that the growth is not significant as it is an on-year comparison with 2020 during which the pandemic had a strong influence on the industry.

"The increase we observe is simply the illustration of the market recovery compared to last year. However, both in terms of volume and value, the export of basa remains very low compared to a normal year. Most markets have recovered in terms of volume this year, especially China and the US, however the value per unit remains extremely low," the representative elaborated.

Basa exporters have been facing rising raw material prices and logistics costs, causing profits to erode.

Lan pointed out that the price of raw materials increased 4-5 times from the middle of last year. Essential products – especially gloves and protective equipment – all increased by up to 25 per cent, while aquatic feed increased by up to 20 per cent.

Export prices did not increase due to the impact of the pandemic, which rendered the profits of suppliers even less than anticipated. But they are forced to operate to keep customers, waiting for the market to fully recover.

While recovery remains unpredictable, Lan of VASEP stated that basa exports will mainly depend on the US and China, while the negative growth rate of 30 per cent in the first quarter makes the EU unable to rise up in the second quarter.

Meanwhile, it is hard to calculate with the Chinese market due to its unpredictable import and export policies. Lan hoped that in the fourth quarter, exports will be able to recover to meet the increased demand for year-end holidays in the global market.

On the other hand, the representative of Fresh Studio stated, "We will continue to see better performances than last year. Maybe the unit price will rise from October, when demand from China peaks. But I would not speak of growth. Last year, the export volume declined compared to 2019. This year, we expect it to be the same as last year.

6. VN workforce skills to rise commensurate with FDI inflows: analysts

"The Covid-19 pandemic will continue to be more complicated in 2021 and the world is still in the 'new normal' phase," Bui Ton Hien, director of the Institute of Labour and Social Affairs, told a webinar on July 22.

"Businesses have to optimise their operation and production to be both more effective and safer.

"Foreign-invested firms in manufacturing will lean more towards automation, and will thus influence demand for labour skills and skilled jobs in the market in the next two to three years."

The webinar heard the results of a comprehensive survey of over 200 foreign enterprises in manufacturing and processing done by ManpowerGroup Vietnam and the institute between October to December last year, which forecast employment and skill trends in 2021 – 23.

It found that they use high to very high level technologies (32 per cent) or medium level technologies (63 per cent).

Only 5 per cent use low or very low level stuff.

Nearly half their workers (46 per cent) perform unskilled or simple jobs, with the ratio being especially high in motorbike and automobile manufacturing, textile and electronics.

Around a third of the workers have medium to low skills (office workers/ services and sales, assembly technicians and equipment operators).

Work ethics, discipline at work and professional/technical skills are rated as very important by the companies.

Foreign language skills also play a critical role.

The skills that businesses find most difficult to find are professional/technical, foreign language, analytical, logical and critical thinking, creativity, initiative, leadership/ management, decision making, problem solving, and conflict management.

Simon Matthews, regional manager of ManpowerGroup Vietnam, Thailand & Middle East, said: "Viet Nam has steadily turned into a manufacturing hotspot in Asia due to its relatively large and cost-competitive workforce, attractive tax regime, stable political environment, geographical advantages, and open trade policies.

"Foreign firms plan to expand manufacturing operations in Viet Nam in an effort to diversify supply chains. This will bring about great opportunities for Viet Nam to develop manufacturing to the next level, creating thousands of meaningful jobs for its workforce.

"Due to the technological disruption, employers need to develop an effective and holistic workforce strategy. As the world of work is changing fast and it becomes more and more challenging to find workers with suitable skills, organisations must build, bridge and borrow the skill sets they need.

"That will be critical for their success…, especially in the digital age."

The manufacturing sector achieved a higher growth momentum in the fourth quarter of 2020 than previous quarters, brightening prospects for an economic recovery.

With its international integration and young and abundant workforce, Viet Nam continued to strongly attract FDI.

The businesses participating in the survey are in motorbike or automobile manufacturing, electrical and electronics production, textiles, leather and footwear, food and beverages, chemicals, and interior decoration.

They are located in six provinces or cities with high rates of foreign investment: Bac Ninh, Ha Noi, Hai Duong, Da Nang, Binh Duong, and HCM City.

7. Crucial foreign groups attempt to stabilise business activities

Japanese-backed Brother Vietnam Co., Ltd. has suspended operations at its manufacturing plant in Tan Truong Industrial Zone (IZ) in the northern province of Hai Duong for one year starting this month.

The plant, representing the total investment of $73 million, has been making industrial sewing machines and accessories for the textile and apparel industry.

"COVID-19 has dealt a strong blow to the industry. We have to temporarily cease operations as the demand has abated," a company representative told the media.

In the immediate future, the company's manufacturing plant in China will take over fulfilling orders. The representative also noted that before suspending operations, the company has fulfilled all welfare benefits for its 300 employees.

Meanwhile, Brother Industries Co., Ltd., which produces and trades in printers, fax machines, and electric equipment, reported unclear prospects in some areas. With five operating plants in Hai Duong worth $180 million in total, one of which was inaugurated at the beginning of this year, Brother Industries has successfully maintained stable operations.

However, a company representative unveiled that they are facing a critical shortage of workers. "Our plants are using a huge number of workers from the nearby provinces of Bac Ninh and Bac Giang, which were the epicentres of COVID-19 outbreaks a few months ago," the source said.

Brother Industries' five plants employ 12,000 labourers. The company has requested support from the province to deal with the shortage of hands but the situation has not improved.

Meanwhile, US-backed Cargill Vietnam has been facing multiple hardships as COVID-19 is plaguing localities in southern Vietnam where many of its animal feed production facilities are located. While receiving tailwind from increasing market demand, the company has been facing sharply-rising input costs in the past few months.

According to John Fering, regional managing director of Cargill Animal Nutrition South East Asia, soaring input costs are a challenge shared by the global industry. This is driving up animal feed prices, impacting the margins of farmers.

Foreign-invested enterprises (FIEs) in Bac Giang have gradually stabilised production since the worst outbreaks there began to be controlled.

So far, 263 businesses based in the province's IZs with nearly 78,000 workers have resumed operations. Many enterprises have welcomed back workers in droves. For instance, more than 17,200 employees have returned to work at Foxconn, nearly 15,000 at Luxshare, and more than 4,000 at Crystal Martin. Labour shortages, however, remain the greatest concern for other manufacturers.

FIEs in the province's IZs, including Luxshare, Newwing, and Lens Vietnam, are also looking to recruit 42,000 workers as many of their labourers still cannot return to work.

As soon as such FIEs based in northern locations have gradually stabilised business, those in southern locations, particularly in Ho Chi Minh City, were hit next. Over 33,000 workers at Taiwan-backed PouYuen Vietnam in Ho Chi Minh City had to suspend work. Of those, nearly 10,000 people from the southern province of Long An could not return due to travel restrictions put in place by Ho Chi Minh City authorities. In Tien Giang and Ben Tre provinces in the Mekong Delta, more than 3,500 workers of PouYuen Vietnam faced similar difficulties.

Corporate News

8. VHC: Vinh Hoan seafood processor leads investment into cell-based meat startup

↓ -1.97%

Vietnamese seafood exporter Vinh Hoan and South Korea's leading food giants Woowa Brothers Asia Holdings and CJ CheilJedang Corporation announced a US$30-million bridge funding round into Shiok Meats, a cell-based crustacean meat company.

A representative from Vinh Hoan Corporation has confirmed with The Hanoi Times about the fresh investment on July 23.

This bridge round also includes further investment from existing investors such as IRONGREY (Korean family office investing in global tech companies), Big Idea Ventures (the US/Singapore), Twynam Investments (Australia), Henry Soesanto (CEO of Monde Nissin).

Vinh Hoan is a shareholder in Hong Kong-based Avant after agreeing to acquire Vinh Technology Pte Ltd, a Singapore-registered entity that owns a minority stake in the startup. Avant and Vinh Hoan will establish a partnership to accelerate commercialization of the Hong Kong startup's 'lab-grown' seafood products.

Vinh Hoan CEO Tam Nguyen suggested that cultured seafood products like those being developed by Avant could sit side-by-side with traditional aquaculture.

"Avant offers a unique opportunity for us to diversify our future product portfolio and provide customers with additional choices," she said.

Dr. Sandhya Sriram, CEO & Co-founder of Shiok Meats, said the next 12-18 months are crucial for the firm. The funds will allow them to advance their research & development efforts and build a state-of-the-art production facility in Singapore.

"We will expand operations, collaborations and also work on vertical and/or horizontal integration within the alternative protein industry," she said.

The startup is committed to bringing this novel technology to the forefront of global food systems so they are robust enough to feed 10 billion people by 2050.

Founded in 2018, Shiok Meats launched their first cell-based shrimp and lobster prototypes in exclusive tasting sessions in 2019 and 2020, respectively.

The company employs more than 30 scientists, engineers, food technologists, and business professionals and intends to launch in Singapore latest by 2023.

9. VPB: VPBank sees profit up 37 per cent in 6 months

↓ -3.78%

Of the estimate, branches of banks contributed 88 per cent to the profit. With this result, VPBank's return on assets (ROA) reached 3.3 per cent for the first time, and its return on equity (ROE) reached 25.7 per cent, which are the leading performance indicators in the system of Vietnamese commercial banks at present.

By the end of the second quarter of 2021, VPBank continued to maintain its capital adequacy ratio (CAR) at a high level of 12.3 per cent, according to Basel II standards. Consolidated provision expenses in the first half of the year increased sharply by 35 per cent against 2020 thanks to the promotion of bad debt handling and the improvement of provision for risks.

Loan to Deposit Ratio by the end of the second quarter stayed at 77 per cent, the ratio of funds for medium and long-term loans was at 26 per cent.

VPBank's consolidated operating expenses (OPEX) in the first six months decreased by 7.4 per cent compared to 2020, mainly thanks to cost optimisation and the application of digitisation and automation in various stages.

The consolidated cost income ratio (CIR) continued to be at the lowest level in the system with 23.4 per cent in the first half of 2021, down sharply from 31 per cent in the same period of 2020.

As of June 30, 2021, VPBank's non performing loan ratio (NPL) was controlled at 2.94 per cent. Bad debt handling achieved positive results in the first six months with consolidated risk-resolved debt income reaching VND1.38 trillion, up 34 per cent over the same period last year.

The bank said that in the first six months of 2021, the COVID-19 pandemic continued to significantly affect the economy. Therefore, VPBank actively reduced interest rates for more than 107,000 customers to minimise the impact of the pandemic, corresponding to total outstanding loans of nearly VND140 trillion.

These support measures were offered to both existing and new customers, both mortgages and unsecured loans, both individual and corporate customers in various fields.

VPBank also assisted ministries, branches and localities in pandemic prevention and control, such as donating 715 specialised ventilators worth nearly VND150 billion, sponsoring five mobile container labs for COVID-19 testing that meet World Health Organization (WHO) standards, and donating VND60 billion to the Vaccine Fund.

The bank's digital transformation strategy continued to be conducted on a large scale, with the launch of a series of products designed specifically for each distinct customer segment. This helps customers easily access banking services through suitable products, as well as rich and diverse access channels.

VPBank's customer file accordingly continued to expand, reaching nearly 19 million customers. The rate of new customers opening accounts through digital channels reached 73 per cent, double that of the same period last year. The number of online transactions increased by 200 per cent over the same period in 2020.

The rate of new lending contracts through digitised channels by the end of the second quarter has reached over 80 per cent. Total online deposits have tripled compared to the same period last year.

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