



**31 March - 2 April 2009**

**Saigon Exhibition & Convention Centre (SECC) • Ho Chi Minh City, Vietnam**

## INDUSTRY NEWS UPDATE

### Big Brands to be Equitised

Just four days after the initial public offering (IPO) of the Vietnam Industrial and Commercial Bank of Vietnam (VietInbank) on December 29, 2009, Prime Minister Nguyen Tan Dung signed a decision to fix the time for assessing business value of the Bank for Investment and Development of Vietnam (BIDV) for equalization.

Based on this decision, it is almost sure that BIDV will be equitised in 2009. Previously, BIDV and VietInbank signed contracts to choose equalization consultants just one day from each other. BIDV selected Morgan Stanley and their contract was signed one day before that of VietInbank.

The remaining banks of the four big state commercial banks, the Bank for Agriculture and Rural Development (Agribank), does not have a specific schedule on IPO but it is conducting IPO for its subsidiaries.

Apart from BIDV and Agribank, investors are waiting for equitisation of MobiFone and Viettel, the two biggest mobile networks in Vietnam.

MobiFone has chosen Credit Suisse as its equalization consultant and the firm is designing its equalization plan. Viettel stated to conduct equalizing its subsidiaries before making IPO of the parent company, similar to Agribank's strategy.

Under the Prime Minister's decision, December 31, 2008 was the deadline for assessing BIDV's value. In 2008, BIDV cut down its lending interest rates ten times to share difficulties with enterprises but the move affected its business. Meanwhile, state commercial banks like the Bank for Foreign Trade of Vietnam (Vietcombank) and VietInbank rarely reduced their lending interest rates.

For MobiFone, it had strong growth for the number of its 30 million subscribers and revenues, estimated at VND 6 trillion or US \$352.9 million in 2008. According to a source from MobiFone, Credit Suisse assessed the firm's value of more than US \$2 billion.

MobiFone's director Le Ngoc Minh said if his company completes equalization in 2009, it would open a new stage of development for this company.

"We want to speed up the equalization process and are ready for IPO, trying not to delay because of the fluctuation of the stock market. But the final decision is made by the higher authorities," Minh said.

2008 was also a good year for Viettel. It is estimated that the firm's revenue doubled that of 2007, reaching VND 32 trillion (US \$1.88 billion). The company entered the financial investment industry by becoming the strategic partner of the Military Joint Stock Bank (MHB) and contributing capital to the Vinaconex-Viettel Financial Joint Stock Company.

*(Source: TP/TN, VietNamNet Bridge - Hanoi, Vietnam, Dated 5<sup>th</sup> January 2009)*