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DEPOSIT MOBILIZATION OF VIETNAM COMMERCIAL BANKS IN THE CONTEXT OF COVID-19 PANDEMIC: CURRENT SITUATION AND ISSUES

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The article discusses the current situation of deposit mobilization of Vietnamese commercial banks in the two years 2020 - 2021 (with comparison with the period before the COVID-19 pandemic) with considerations of growth rate and deposit structure, interest rates, products and mobilization channels. On the basis of assessing the current situation of deposit mobilization and the problems in deposit mobilization of Vietnamese commercial banks, the author of the article proposes some recommendations to commercial banks and regulatory agencies to improve deposit mobilization of Vietnamese commercial banks and meet the demand for capital use and safety of the banking system during the economic recovery period and in response to impacts from the COVID-19 pandemic.

Keywords: commercial banks, deposit mobilization, residential deposit mobilization, corporate deposit mobilization, demand deposits, term/time deposits, COVID-19 pandemic.

JEL Classifications: E52, G18, D04

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1. Introduction

The COVID-19 pandemic broke out in late December 2019 with the first outbreak in Wuhan city, China. In Vietnam, the first case of COVID-19 was confirmed in late January 2020. Due to the impact of the COVID-19 pandemic, from 2020 to now, Vietnamese commercial banks' deposit mobilization has been experiencing complicated developments. While residential deposits began to increase slowly from June 2020, deposits of businesses and economic organizations increased quite rapidly. Many enterprises which have large cash assets but do not have the opportunity to invest in expanding production and business with decreasing sales of their goods and service tend to deposit money in banks. Besides, the proportion of demand deposits (Current Account Saving Accounts

(CASA)) at Vietnamese commercial banks tends to increase rapidly compared to time deposits.

In addition to the benefits achieved by reducing the cost of raising demand deposits, the increasing proportion of CASA also brings about challenges to Vietnamese commercial banks to get the balance between capital source and capital use, meeting the regulations of the State Bank (SBV) on the ratio of short-term funds used for medium and long-term loans in accordance with Circular No. 22/2019/TT-NHNN, ensuring liquidity in banks.

To the best of the author's knowledge, there are not many published studies on deposit mobilization of Vietnamese commercial banks. Recently, there was a study by Nguyen Van Tho and Nguyen Ngoc Linh published in Banking Journal, issue 23/2019 "Growth in capital mobilization from customer

deposits at Vietnamese commercial banks” and some articles published in daily newspapers. Therefore, there has always been a practical need to study the current situation to propose recommendations and solutions to improve some limitations and obstacles in deposit mobilization of Vietnamese commercial banks in order to synchronously develop components of the financial market, meet the needs of capital and safety of the banking system during the economic recovery period and in response to the impacts of the COVID-19 pandemic.

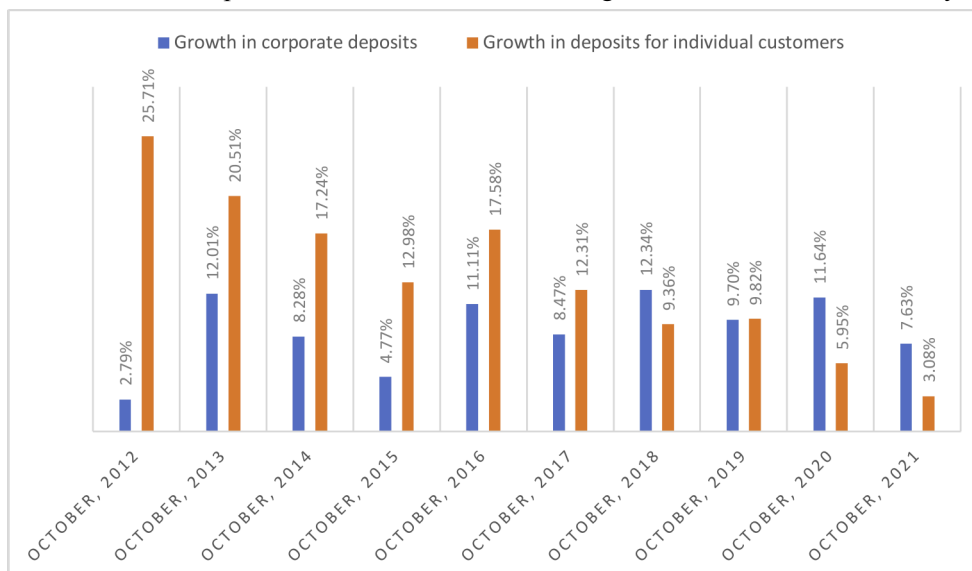
To assess the current situation and propose recommendations to improve deposit mobilization of Vietnamese commercial banks, the author uses primary information from expert interviews, combined with secondary data (reports of the State Bank and State Securities Commission; reports of the banking industry and reports on bond market prospects of some securities companies; reports on credit and capital mobilization activities of a number of Vietnamese commercial banks) and processes information and data by descriptive statistics and comparisons to answer the research questions.

2. Current situation of deposit mobilization of Vietnamese commercial banks

Between 2020 and 2021, due to Covid-19, the growth of residential deposits at Vietnamese

commercial banks was at the lowest level and not as high as a quarter of the average growth in the period from 2012 - 2021. Figure 1 shows that residential deposits once recorded a growth of 25.71% in October 2012 when deposit interest rates were attractive at 9%-12%/year. In 2018 - 2019, residential deposit growth fell below 10%. The residential deposits started to drop sharply in 2020 and the growth rate of residential deposit mobilization was only 3.08% in October 2021, which was lower than 1/8 of the mobilization in the same period in 2012 and only 1/ 3 in the same period in 2019 (COVID-19 pandemic had not broken out).

The structure of residential deposits and deposits of financial institutions/enterprises has seen mixed changes. In the period from October 2012 to October 2017, the growth rate of deposits from residents was usually much higher than that of corporate deposits. In 2018, residential deposit growth tended to be lower than that of financial institutions/enterprises and fell sharply in the last two years. In October 2021, residential deposit growth did not reach half of corporate deposit growth. According to analysts, the context of the COVID-19 pandemic limited the opportunity to develop enterprises' production and business, causing them to have idle money temporarily



Source: Compiled from reports of the State Bank, Vietcombank Securities, and MBSecurities

Figure 1: Growth in deposits of financial institutions/enterprises and residents in late October every year

deposited in commercial banks for interests, and this is the main reason for changes in the structure of growing commercial banks' deposits [1].

As for deposit terms, the rate of demand deposit mobilization of Vietnamese commercial banks is tending to increase, not only in state owned commercial banks like in the past but also in private ones. Table 1 shows that, in 2020, some banks had a relatively high demand deposit ratio (CASA ratio = Demand deposit/Total mobilized capital); they were Vietnam Technological and Commercial Joint Stock Bank. (Techcombank/TCB), Military Commercial Joint Stock Bank (MB) [2], Joint Stock Commercial Bank for Foreign Trade of Vietnam (Vietcombank/VCB), Maritime Commercial Joint

Stock Bank (MSB), etc. At the end of 2021, Techcombank was the bank with the highest CASA ratio in the system at 50.5%, of which residential CASA increased by 30.8% compared to the end of 2020; MB had a CASA ratio of 49%, a sharp increase from 37% at the end of 2020; MSB had a CASA rate of 36%; VCB had a CASA ratio of 32.2%.

Deposit interest rate

One of the main reasons for the low growth rate of deposit mobilization of commercial banks is the decrease in deposit interest rates in 2020 - 2021 (see Figure 2).

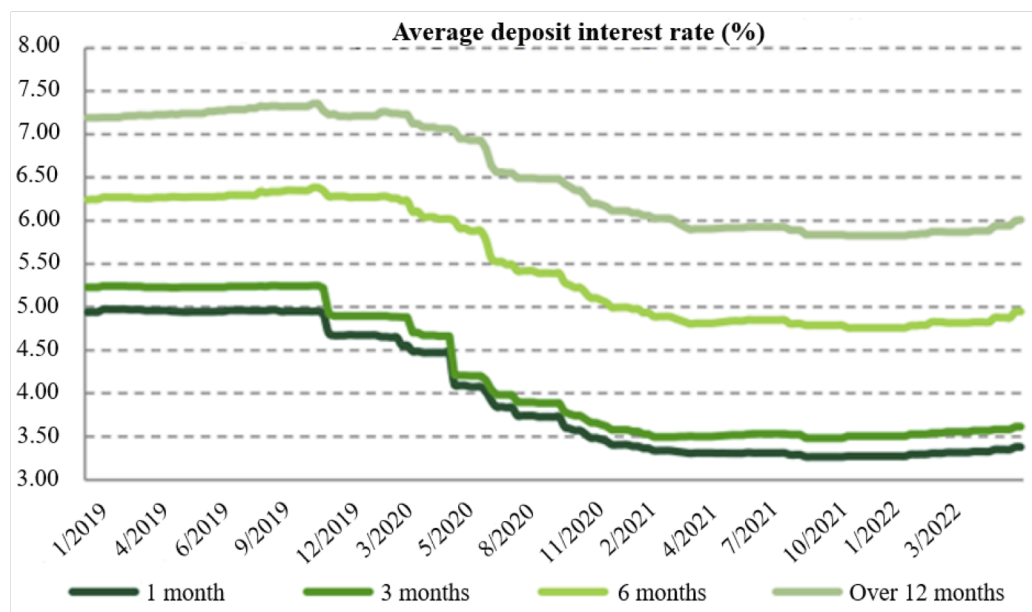
According to statistics of the State Bank, the capital mobilization interest rate in 2021 was at the lowest level in many years. Specifically, the annual

Table 1: CASA ratios of some Vietnamese commercial banks

Unit: %

Year	ACB	BID	CTG	HDB	MB	MSB	STB	TCB	TPB	VCB	VIB	VPB
2020	21.0	18.0	18.8	12.0	37.0	26.7	18.7	44.3	18.3	29.7	11.9	15.2
2021	21.0	19.0	20.0	11.0	49.0	36.0	21.5	50.5	20.3	32.2	11.0	21.0

Source: Compiled from MBS's Banking Industry Report 2022, Banking Industry Outlook 2022 by VCBS and Thuy Ha (2022)



Source: Compiled from GSO, Banking Industry Outlook 2022 by VCBS [3]

Figure 2: Average deposit interest rate of the whole banking system

average interest rate on demand deposits of Vietnamese commercial banks in the country was 0.1% - 0.2%, 3.3% - 3.5%, 4.2% - 5.7%, 5.4% - 6.8%/year, and 6.1% - 6.9% at the highest for different terms of less than 1 month, from 1 to less than 6 months, from 6 to 12 months, from over 12 months to 24 months, and over 24 months respectively.

counter, with a term of up to 0.75% rate. SCB's 1-month term interest rate was listed at the maximum rate prescribed by the State Bank of 4%/year (for online deposit) and 3.95%/year (for over-the-counter deposit). SCB's 6-month term interest rate when deposited at the counter is currently 5.7%/year, while online deposit is up to 6.45%/year. Interest rates for 12-month and 24-month terms are

Box 1: *BIDV case study*

The deposit interest rate for demand deposits from 2019 to 2021 was 0.1%. With the above interest rate, customers have almost no income from deposits. Compared with the inflation rate, the customer's assets after depositing in the bank are also reduced in price, especially in some areas affected by the epidemic with escalating price of commodity. In 2021, the interest rate for mobilizing residential time deposits decreased significantly at 3.1% - 3.4%/year for terms from 1-5 months compared to the rate of 4.5% - 5%/year in 2019.

Table 2: *BIDV's residential deposit interest rates*

Unit: %/year

Time Deposit (Term)	Year 2019	Year 2020	Year 2021
Demand Deposit (No Term)	0.1	0.1	0.1
1 month	4.5	4.3	3.1
2 months	4.5	4.3	3.1
3 months	5.0	4.75	3.4
5 months	5.0	4.75	3.4
6 months	5.5	5.3	4.0
9 months	5.5	5.3	4.0
12 months	6.9	6.8	5.5
13 months	6.8	6.8	5.5
18 months	6.8	6.8	5.5
24 months	6.9	6.8	5.5
36 months	6.9	6.8	5.5

Source: Compiled from BIDV's deposit interest rate list

Deposit interest rates of online and over-the-counter deposits are different. Interest rates for online deposits are usually higher than those for over-the-counter deposits and are strongly differentiated among banking groups. The banks with the highest interest rates are mainly small-sized banks with a low deposit market share. Meanwhile, big banks often list much lower interest rates. In 2020, SCB offered the highest deposit interest rate of all the 10 banks with the highest deposit balances (Agribank, BIDV, Vietcombank, VietinBank, SCB, Sacombank, ACB, MB, SHB and Vietcombank, and Techcombank). The bank listed a much higher interest rate for online deposits than that at the

6.8% and 6.95%/year, respectively, close to the highest in the market.

Deposit products

The deposits that Vietnamese commercial banks have mobilized from customers in the last two years include the following basic types:

- Payment deposit is a type of demand deposit mainly used for payment transactions via banks in the form of payment authorization, electronic money transfer, etc. The interest rate is calculated on the account balance at the end of the day, daily accumulated, and automatically calculated on the last day of the month (usually on the 25th every month).

- Deposits for securities trading are directly connected to customers' securities accounts at securities companies affiliated with banks for payment transactions for securities trading, receiving dividends, etc.

- Specialized deposits (direct and/or indirect investment deposits in Vietnam, direct investment deposits abroad...) have the deposit interest rate calculated as that of demand deposits based on the balance at the end of the day.

- Time deposits: The deposit interest rate depends on the deposit term. The bank pays interest at the end of the period or on a monthly basis in cash at the counter, or automatically transfers the interest to the current account (ATM card) of the account holder.

- Escrow deposit: Time or demand deposits of an enterprise at a bank to comply with a financial obligation of that enterprise to the bank or related parties. Deposit currency is VND or foreign currency, and the interest is paid at the end of the period or on real time of the deposit.

- Account Packages. Depending on its deposit mobilization policy, each commercial bank offers different account packages.

Deposit mobilization channels

In addition to the traditional deposit mobilization channel through branches and transaction offices, in the past two years, most banks have focused their resources on developing a modern deposit

mobilization channel based on digitalization and accelerating the progress of digital transformation in the following areas: (i) Building and synchronously developing modern distribution channels such as: Internet Banking, Mobile Banking, SMS Banking, Web Chat, Facebook, Youtube...; Simultaneous developing self-service channels (e-zone) at the transaction office; (ii) Changing the manual process at the counter into the automatic process for online transfer, payment, loan repayment, online deposit, credit card administration and repayment; (iii) Coordinating to deploy some innovative products such as: Samsung Pay, QR Pay, Chat-bot on Mobile banking application, Swift GPI, withdrawing money at ATM with withdrawal code generated from smartphone application; Developing Blockchain applications, new technologies in Robotics and artificial intelligence; (iv) Deploying and building big data models, unstructured data, applying analytical models to evaluate customer lifecycle value, marketing, cross-selling products to the right customers. Thanks to the comprehensive investment, the modern deposit mobilization channel plays an increasingly important role in mobilizing the deposit capital with an increasing proportion in the mobilized capital structure of banks.

From the above fact, in our opinion, the deposit mobilization of Vietnamese commercial banks in the past two years has achieved the following successes:

Box 2: BIDV case study

BIDV offers 3 types of account packages: B-free package, BIDV QR package and parallel account package.

B-free account package: Designed as 05 packages according to customers' increasing service needs, customers don't have to pay for all services when customers maintain account balance specified for each package. With the packages, customers can use banking services anytime and anywhere for their daily life (such as payment for electricity and water bills, phone top-ups, online payments, etc.) as well as for financial needs (salary loans, online savings).

BIDV QR package: The products in the package serve the needs of customers who are business households such as fashion, food, beauty stores, etc. with a large number of daily transactions with small transaction values. QR service BIDV supports businesses in receiving payments from customers and managing sales. QR service BIDV accepts payments for customers of over 50 banks and other payment intermediaries. Businesses receive payment as soon as the buyer scans the QR code on the banking application. They are simple services with no technical connection required.

Parallel account package: With the products in the package, customers can use banking services anytime and anywhere for basic payments such as deposit/withdrawal, transfer, bill payment, etc. Account balance fluctuations are notified via BSMS, international card management, bill payment (phone top-up, money transfer to stock account), shopping by QR code. It is possible to withdraw money at ATM with QR Code without using a physical card. Customers just need to capture/scan QR code to pay for goods and services at payment acceptance points [4].

Source: Compiled from BIDV's deposit product reports

Firstly, although deposit mobilization, especially for residential deposits, has grown slowly, due to the low credit growth rate, the mobilized capital of Vietnamese commercial banks still basically meets the needs of capital and liquidity safety.

Due to the impact of the COVID-19 pandemic, the capital demand for production and business in general, and for medium and long-term investment in particular is limited, so in the two years 2020-2021, capital mobilization growth may still meet the demand for credit growth and ensure liquidity safety. The difference between credit growth and deposit growth is insignificant. Credit growth and capital mobilization of the entire banking system in 2020 was 12.20% and 13.45%, respectively, and was about 8.7% and 7.63% by October 2021,.

the lending interest rate of Vietnamese commercial banks continued to decrease 0.82%/year; the average short-term lending interest rate in VND for some industries was at 4.3%/year, lower than the maximum short-term lending interest rate prescribed by the State Bank (4.5%/year).

Figure 3 shows that in the context of a decrease in average lending rates, thanks to a high CASA ratio, the average NIM of Vietnamese commercial banks remained above 3%. In 2020 and 2021, the average NIM of Vietnamese commercial banks was 3.33% and 3.7%.

In the Vietnamese commercial banks system, VPBank is the bank with the highest NIM, the only bank in many years whose NIM is always above 5%. Banks with NIMs from 3% to 5% are

Table 3: Credit growth and capital mobilization of Vietnamese commercial banks
Unit: %

	2019	2020	10/2021
Credit growth	13.60	12.20	8.70
Capital mobilization growth	13.16	13.45	7.63

Source: Compiled from reports of the State Bank, VCBS and MBS

According to statistics of the State Bank, as of September 30, 2021, the average ratio of short-term capital for medium and long-term loans of the whole system was 25.09%; the ratio of outstanding loans to total deposits is 72.23%.

Secondly, the increase in demand deposits helps banks reduce capital mobilization costs, thereby enabling the implementation of the Government's policy on reducing lending interest rates to support and promote production, business development while still maintaining the Net Interest Margin (NIM).

Among residential deposits, demand deposits have the lowest interest rates. A high CASA ratio means that the bank can mobilize a lot of cheap capital, thereby helping the bank to reduce the average cost of capital, maintaining its interest margin (NIM) despite the decrease in lending rates. In 2020, according to the policy of reducing lending interest rates to support and accompany businesses and people to overcome difficulties, the average lending interest rate of Vietnamese commercial banks decreased by 0.6% - 0.8 %/year compared to the end of 2019. In 2021, continuing to implement the policy of reducing loan interest rates to support and promote production and business development,

Techcombank, ACB, LVPB, MB, VCB, Agribank, etc. The remaining two banks (BIDV, Vietinbank) in the group of 4 big banks in Vietnam have fluctuating NIM of 2% - 3%.

3. Problems raised in deposit mobilization of Vietnamese commercial banks

In addition to the above-mentioned achievements, the deposit mobilization of Vietnamese commercial banks still has shortcomings and problems that need to be further studied to better meet the needs of capital and payment safety.

Firstly, about the deposit structure

Although the liquidity of the Vietnamese banking system is still guaranteed (mainly due to slow credit growth), the deposit structure is potentially risky for banks. In the 2020-2021 period, the growth in capital mobilization is mainly from corporate payment deposits (demand deposits), and residential deposits grew very slowly and only accounted for about half of the mobilized capital of banks. Although corporate deposits have increased rapidly, they can be withdrawn at any time to put into production and business when the epidemic is under control. This means that the capital source of



Source: FiinPro, Yuanta Vietnam

Figure 3: Average profit margin ratio of Vietnamese commercial banks

commercial banks is unsustainable, making it difficult for banks to manage the balance of capital sources and use of capital. These are significant challenges for banks with high CASA ratio in complying with regulations on the percentation of short-term capital being used for medium and long-term loans.

According to Circular No. 22/2019/TT-NHNN of the State Bank, the maximum percentage of short-term capital used for medium and long-term loans of commercial banks is 40%, 37%, 34%, and 30% in the periods from January 2019 to 30 September 2020, from 1 October 2020 to 30 September 2021, from 1 October, 2021 to 30 September 2022, and from 1 October 2022 respectively. The low proportion of medium and long-term capital in total mobilized capital is one of the reasons why many banks cannot meet the borrowing needs of enterprises, especially small and medium-sized enterprises since they mainly borrow medium and long-term capital to invest in expanding production and business. This also causes some large banks difficulties in financing projects of national scale. Especially, when the COVID-19 pandemic is under control, the demand for capital to invest in medium and long-term projects in the economy increases rapidly. If the deposit term structure is not improved, commercial banks will face many difficulties and challenges in credit development, compliance with SBV's regulations and liquidity safety.

Second, interest rate difference and the trend of shifting investment needs of individual investors

In the context of a sharp decline in deposit interest rates of commercial banks, a number of

other investment channels have high rate of returns, leading to a large part of the population tending to use idle money to invest in real estate, gold, digital currency, securities, especially bonds.

The reality shows that the COVID-19 pandemic has many adverse impacts on the business environment and business activities of enterprises, but the corporate bond market in Vietnam in the past 2 years has maintained an impressive two-digit growth rate. In the first nine months of 2021, credit institutions had the largest amount of privately issued bonds in the market, accounting for 37.9%, an increase of 67% over the same period in 2020; bonds issued by real estate enterprises accounted for 30.6%, an increase of 10.6% over the same period in 2020. Public bond issuance was insignificant due to strict issuance regulations. Although the interest rate of corporate bonds issued in 2021 decreased significantly, this interest rate was still more attractive than the that of medium and long-term savings deposits of commercial banks; therefore, corporate bonds attracted the attention of many individual investors. The average interest rate of corporate bonds issued privately in 2021 was 8.02%/year (it was 9.40% in 2020); in which, the interest rate of real estate corporate bonds was 10.51%/year (it was 10.77% in 2020), and the bond interest rate of credit institutions was 4.5%/year (it was 6.42%/year in 2020).

According to information from FiinGroup, the amount of corporate bonds purchased by securities companies in 2021 was distributed largely by companies, and individual investors were very interested and actively participating in the secondary corporate bond market. Data from the

Vietnam Securities Depository Center also shows that accumulated to October 2021, there were nearly 1.09 million new accounts opened by individual investors, nearly 3 times the number of new accounts opened of the whole year 2020, higher than the total number of accounts of individual investors opened in the 4 years 2017 - 2020 combined (2017: 206,000, 2018: 255,000, 2019: 186,600, 2020: 393,600 accounts).

However, the corporate bond market always implies certain risks for individual investors, especially in case the issuer has financial difficulties and cannot pay interest or principal when due. Inspections of the State Securities Commission and the Inspector of the Ministry of Finance recently showed that there are still cases where enterprises issue bonds in large quantities while their equity is small, resulting in business loss; or the contributed capital is advanced immediately after the capital contribution; the enterprise uses an asset to secure 2 transactions (issuing secured bonds and borrowing from banks).

That fact poses many challenges, not only for Vietnamese commercial banks in mobilizing deposits, but also for state management agencies in organizing and managing the corporate bond market to protect the rights and legitimate interests for investors and ensure the market's sustainable development.

Third, about capital mobilization products and service quality

Capital mobilization from residents by Vietnamese commercial banks shows that traditional products are still the mainstay, new products are still few, so they are not attractive to many individual customers to use the service. Although the risk is assessed much lower than other investment channels.

Recently, most banks have not designed many new products. With online deposit mobilization products, many customers, especially the elderly or those with too poor IT skills to understand how to register and use the service, but they have not been supported by the bank promptly. The professionalism, attitude and enthusiasm of bank staff sometimes do not satisfy customers. Some banks do not have a customer relations department in the field of deposit mobilization, so opening relationship with customers in the field is still quite passive. They mainly wait for customers to register for the deposit service. Customers have not seen the connection and proper attention of the bank, and they are still passive and confused in choosing the

right deposit product, the information provided by the bank is still quite general.

Fourth, banking technology and risk control

Due to the impact of the COVID-19 pandemic, people's behavior in using services has changed profoundly. Instead of using traditional services, many customers switched to using bankless services or e-banking services, digital banking on smartphones and computers. However, banking technology, especially of small banks, has not met customers' expectations; network quality, transmission speed, technical error or terminal equipment are not guaranteed; the e-banking system has developed independently without close and sustainable connection; the use of electronic signatures and electronic certificates has not been widely disseminated and has not shown an advantage over conventional signatures. This fact has affected commercial banks' deposit mobilization from customer account balances.

In addition, the risk control process related to the receipt and deposit of money at a few banks did not comply with regulations and there were problematic cases related to customer deposits. On the other hand, the rapid development in service provision scale with a large number of products different in nature, number of transactions, and complexity results in fraud and errors at a few banks.

In the context that foreign banks expand their operations in the Vietnamese market according to the roadmap to implement Vietnam's economic integration commitments, the level of competition in the market will become increasingly high.

If Vietnamese commercial banks do not strengthen internal control, upgrade technology, invest in technology, diversify products, and improve service quality to create trust for customers, there is a high risk of a decrease in market share and the scale of capital mobilization [5].

4. Policy Recommendations

To Vietnamese commercial banks

From the perspective of economic development in the period of 2021 - 2030 that the 13th National Assembly session set out: "Rapid and sustainable development relies mainly on science and technology, innovation and digital transformation.

It is necessary to renew thinking and action, proactively grasping opportunities promptly and effectively taking advantage of the Fourth Industrial Revolution in association with the process of international integration to restructure the economy, develop digital economy, digital society, consider this a decisive factor to improve productivity,

quality, efficiency and competitiveness”, to meet the needs of capital use and liquidity safety; Vietnamese commercial banks need to promote capital mobilization activities, towards the goal of constantly increasing the number of customers accessing and using digital banking channels. The deposit mobilization structure continues to shift towards: (i) increasing the number of individual customers to ensure a reasonable balance between deposit mobilization from residents and deposits from economic organizations/enterprises; (ii) accelerating the growth of highly stable capital sources (medium and long-term deposits) from organizations and individuals. It is important to proactively exploit capital sources at a reasonable cost based on information technology to deploy digital banking services.

Savings is always considered as an investment channel with higher benefits and safety for individuals when they have idle money. In addition to depositing money to make a profit for a group of customers, it is now considered a contemporary form of financial management by many young people with the desire to accumulate it for a long-term plan. A savings account or book is the guarantee in case of a sudden change or unexpected needs in life. Also, with diverse utilities of new technology, customers can experience very convenient savings products, allowing them to accumulate very small amounts of idle money instead of having to make a large deposit every time of depositing. With e-banking and digital banking service applications, customers find it more convenient to check deposits, deposit terms, and interest calculations; therefore, diverse needs of every individual customer can be optimally met. By constantly innovating and developing modern and convenient products and services, banks have been being a reliable capital mobilization channel and playing an effective role in regulating capital flow in society. Therefore, to realize the above deposit mobilization orientation, each bank can deploy capital mobilization strategies with specific methods and solutions to take advantage of strengths and overcome weaknesses, which can be suitable their own conditions. Here are some basic solutions.

Firstly, strengthening research on deposit needs to attract customers and provide products that better meet customers' expectations

In fact, in recent years, a number of banks such as TCB, MB, TPB, etc., which have a rapid increase in the number of regular customers, are those with

abundant mobilized capital and reduced capital costs in the long term. Currently, the percentage of Vietnamese residents with bank accounts is about 31%, which is lower than other countries in the region (Singapore 98%, Malaysia 85%, Thailand 82%, Indonesia 49%, Philippines 34%). This is a good condition for Vietnamese commercial banks to continue to encourage customers to open accounts at the bank. In order to attract customers, banks need to continue researching and completing their customer policies, actively approaching groups of customers with different deposit needs, building a civilized office culture, and improving the quality of their human resources and customer service quality. It is important to prevent an abnormal decrease in deposit capital on the basis of timely and fully meeting withdrawal needs in all situations and spreads of rumors and to have a plan to meet timely liquidity needs in response to incidents. In order to retain old customers and attract more customers, offering products with diverse utilities will provide customers with more choices to satisfy their individual needs. The diversified development of capital markets today results in shorter idle time of money and lower stability. Therefore, banks need to further diversify deposit terms, maybe weekly, ½ month, and others so that customers can feel assured and ready to deposit money in the bank if they have no need to use it, thereby helping the bank reach more customers and increasing the bank's mobilized deposits [6].

Second, developing interest rates and fees suitable for each product, each customer group (individuals and businesses) and interest rate fluctuations of the capital market

To attract customers, banks need to diversify methods of paying interest along with bonuses. When developing service fees and interest rates for each type of deposit, banks need to calculate such that the fee can cover costs, bring profits, and ensure competitiveness not only among banks, but also with other capital markets such as the corporate bond market. In fact, since 2016, Techcombank (the first bank) has implemented a zero dong e-banking program (free of charge for all electronic transactions) for individual customers, and since then the bank is continuing to expand this program to other customer segments.

Thanks to the zero dong e-banking policy, by 2021 TCB was the bank with the highest CASA percentage in the system (reaching 50.5%). Recently, major banks such as Vietcombank, BIDV, and VietinBank have also officially freed

services on digital banking applications such as account maintenance fees and internal and external money transfer fees. However, if all banks are free of charge for e-banking transactions, this policy will no longer be effective in attracting customers and increasing the CASA percentage as in the case of TCB. Therefore, each bank needs its own solutions, in which researching and improving products and technologies to increase convenience for customers when opening an account at a bank is a practical direction.

Third, closely combining deposit mobilization with modernization of banking services and development of a digital ecosystem

In the context of an increasing number of customers, products and services, the support of technology will contribute significantly to the development of the system, helping bank managers and employees be freed from meticulous, mechanical work to invest time in caring and finding new customers. Thanks to the application of modern technology, banks are able to meet the customer's experience needs, thereby promoting deposit mobilization through electronic and digital banking channels.

Therefore, in order to improve deposit mobilization, banks need to focus their resources on implementing breakthrough solutions on digital banking channels (Electronic Know Your Customer - eKYC, Automated Clearing House - ACH, online deposit mobilization, etc.); upgrading core banking system, transmission infrastructure, enhanced information technology security and customer information security; continuing to complete synchronously the IPCAS system (Interbank Payment and Customer Accounting System), ensuring that the system is connected smoothly, without network congestion, facilitating the transaction process; strengthening network and system administration to early detect and take prompt measures against violations and high-tech crimes; developing a digital ecosystem - an electronic payment environment by strengthening links with retail suppliers related to payments for electricity, water, television, internet, telecommunications, tuition, hospital fees, tax, movie tickets and a variety of other services.

Fourth, establishing an appropriate internal control environment

The internal control environment plays an important role in banking activities in general and deposit mobilization in particular. Depending on the conditions and development strategy, each bank

needs to build an appropriate internal control environment to support the management, administration and supervision of the system; provide relevant information to focus on transactions with signs of fraud, or problematic operations, helping to detect early signs of risks and quickly and effectively correct them but save maximum labor and cost; and well perform the functions of supporting the overall assessment of operations, assessing target completion of each branch and the whole system (increase/decrease in mobilized deposits, structure and changes in deposit balance, percentage of short-term capital used for medium- and long-term loans, minimum capital adequacy proportion, completion of targets assigned by the head office to the branch, etc.).

To the Government and state management agencies

In order to protect the legitimate rights and interests of investors, and the financial market to develop safely, effectively and sustainably, the Government needs to continue to improve the legal framework for the issuance of corporate bonds, especially regulations on private offerings, and standardize regulations on information disclosure by issuing enterprises, etc.

State management agencies need to strengthen management, supervision and examination of the issuance of individual corporate bonds and related services on, especially bonds of real estate enterprises, enterprises issuing a large amount of bonds with high interest rates, enterprises with business loss, and enterprises issuing bonds without collateral. They also need to publicize all violations of the law on issuance and trading of corporate bonds on various information channels so that people can easily and timely access full and accurate information.

To the public - individual investors

Saving money at commercial banks, investing in corporate bonds, or choosing other investment opportunities is the right of investors. To minimize possible risks, apart from the efforts of state management agencies, people - individual investors also need to take measures to protect themselves by constantly enriching knowledge and understanding about bond issuers, deposit mobilization banks, especially the information disclosure of these organizations on official information pages to select products and time to invest in accordance with their financial capacity and risk tolerance. ♦

5. Conclusion

The COVID-19 pandemic has been affecting many socio-economic activities, reducing investment opportunities and the ability to maintain and expand production and business. The number of people using electronic services, including banking services, has significantly increased. The growth rate of deposits at commercial banks, especially residential deposits has decreased sharply. There is a rapid shift from time to demand deposits and from bank deposits to other investment channels.

In order to meet the capital needs of the economy and secure the liquidity of the banking system, Vietnamese commercial banks need to continue to study and improve the deposit mobilization situation on the basis of ensuring a reasonable balance between residential deposits and corporate deposits, accelerate the growth of highly stable capital sources, develop diversified products and distribution channels, develop competitive fee and interest rates, improve service quality, modernize banking technology and strengthen risk control. In addition, another extremely important solution is banks continuing to improve the legal framework and strengthen the control of state management agencies over the issuance of private corporate bonds.

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Summary

Bài viết nghiên cứu thực trạng huy động tiền gửi của các ngân hàng thương mại Việt Nam trong 2 năm 2020 - 2021 (có so sánh với giai đoạn trước đại dịch Covid-19), theo các khía cạnh: tốc độ tăng

trường và cơ cấu huy động, lãi suất, sản phẩm và kênh huy động. Trên cơ sở đánh giá thực trạng huy động tiền gửi và những vấn đề đặt ra trong huy động tiền gửi của các ngân hàng thương mại Việt Nam, tác giả bài viết đề xuất một số khuyến nghị với NHTM, với các cơ quan quản lý nhà nước nhằm cải thiện tình hình huy động tiền gửi của NHTM Việt Nam, đáp ứng nhu cầu sử dụng vốn và an toàn hệ thống ngân hàng giai đoạn phục hồi kinh tế và trong bối cảnh ứng phó với các tác động từ đại dịch Covid-19.

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3. The magazines that published the author's papers

- Science and Commerce
- Economic Development
- Finance
- Communist
- Monetary and Financial Market
- Commerce
- Vietnam Economic News
- Accounting
- Journal of Trade Science