

SUMMARY OF NEW CONCLUSIONS OF DOCTORAL THESIS

1. Topic: “*Loan portfolio governance in Joint Stock Commercial Bank for Foreign Trade of Vietnam*”

2. Major: Tài chính - ngân hàng

Code number: 09.34.02.01

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5. New conclusions of the thesis

5.1. In theoretical perspective

The thesis studies and affirms the strategy role of loan portfolio governance to commercial bank. The process of loan portfolio governance includes four steps: (i) Creating loan portfolio governance plan; (ii) Assigning loan portfolio implementation; (iii) Directing and supervising the operation of loan portfolio management; (iv) Adjusting loan portfolio.

The thesis clarifies basic theory of using Data Envelopment Analysis (DEA) model to assess the effect of commercial bank’s loan portfolio classified by economic sectors. DEA model which is proposed in the thesis consists of: (i) inputs include operation expense allocated to each loan and the number of credit officers in charge of each loan; (ii) outputs include average outstanding balance, credit ranking and present interest income. Using DEA model to assess the effect of commercial bank’s loan portfolio classified by economic sectors every year may help commercial bank to create effectively loan portfolio governance plan in the following year, concentrating on potential economic sectors and restricting risky or undevelopable economic sectors.

Besides subjective factors: (i) Commercial bank’s governance strategy; (ii) Credit culture and risk appetite of commercial bank; (iii) The quality of personnel; (iv) Financial potentiality of commercial bank; (v) Information technology level, the thesis also analyses objective factors: (i) Business environment; (ii) State management with the activities of commercial banks; (iii) Development level of domestic financial market; (iv) Possibility of international integration in the country's banking sector; (v) Financial transparency of borrowers and illustrates on the impact of each factor to bank portfolio governance in commercial bank. Following that, the situation of loan portfolio governance in Joint Stock Commercial Bank for Foreign Trade of Vietnam (Vietcombank) is analyzed.

5.2. In practical perspective

- Gini coefficient and Herfindahl-Hirschman Index (HHI) are used to measure loan portfolio risk of Vietcombank during study period. Accordingly, the Gini coefficient is less than 0.3 and HHI ranges from 0.15 to 0.25, which shows that the level of concentration risk in Vietcombank's loan portfolio is at an average level.

- To review and analyze the current status of Vietcombank's loan portfolio, the thesis uses three main groups of indicators: profitability indicators, operational safety indicators and growth indicator.

- During study period, Vietcombank only used debt trading to adjust loan portfolio, due to the lack of legal basis. It is now necessary for the government to establish a legal framework for credit derivatives trading, debt securitization and loan guarantees.

- Creating strategies, management information system for loan portfolio governance and loan portfolio measurement tools following international practices is crucial. Loan adjustment tools should be used flexibly and focusing on developing personnel for loan portfolio governance is important.

SUPERVISORS

THE FIRST SUPERVISOR THE SECOND SUPERVISOR

Hanoi, May 13th 2020

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