

## CURRENT SITUATION OF THE STATE BANK'S MANAGEMENT OF BAD DEBTS IN THE SOUTH OF THAI NGUYEN CITY, VIET NAM

Pham Minh Hoang<sup>1\*</sup>, Pham Thuy Duong<sup>2</sup>, Ha Giap Minh Ngoc<sup>3</sup>,  
Bui Thi Thuy Duong<sup>4</sup>, Nguyen Khanh Linh<sup>5</sup>

*University of Economics and Business Administration, TNU*

Corresponding Author: Pham Minh Hoang;

### I. Introduction

Along with the operation of Vietnam's commercial banking system, commercial banks in the south of Thai Nguyen city also control bad debts well under the management of the state bank. From 2016 to now, the bad debt of commercial banks in the South of Thai Nguyen city has gradually come into orbit thanks to the successful implementation of restructuring the commercial banking system and the establishment of a VAMC model to focus on handling and purchasing bad debts in the system of the State Bank. However, credit activities are one of the main income-generating activities of commercial banks in general and banks in the South of Thai Nguyen city in particular, so bad debt always necessarily exists and has a negative impact, strongly affecting the whole industry. Especially in 2020 when the Covid-19 epidemic broke out, spreading globally and nationally, the issuance of Circular 01/2020 of the State Bank of Vietnam on debt restructuring, debt rescheduling, and change in repayment time for organizations Credit institutions have caused bad debts at commercial banks in the South of Thai Nguyen city to increase sharply.

Faced with this situation, the State Bank needs to further promote bad debt management measures, pay attention to control bad debts before, during and after bad debts arise, not just focus on solving at the last stage of debt settlement. bad as it is now. Therefore, the author conducts a study on the management status of the State Bank of Vietnam for bad debts of banks in the South of Thai Nguyen city.

### II. Research Methods

#### 2.1. Secondary information gathering

Secondary data is the type of data that is already available, not collected by the researcher, that has been published so it is easy to collect. This type of data is rich, diverse, and comes from many different sources. In this study, the author's secondary data is collected from books, newspapers, scientific reports, domestic and foreign researches related to the management of the State Bank of bad debts.

Besides, another important source of secondary data for this study is the current legal documents in Vietnam related to bad debt management of Vietnamese commercial banks. These documents include: Decision No. 493/2005/QĐ-NHNN promulgating regulations on debt classification, setting up and use of provisions to deal with credit risks in banking activities of credit institutions; Decision No. 254/QĐ-TTg dated March 1, 2012 approving the Scheme on restructuring the system of credit institutions for the period 2011-2015; Decision No. 843/QĐ-TTg dated May 31, 2013 on approving the Project on handling of bad debts of the system of credit institutions and the Project on Establishing the Asset Management Company of Vietnam Credit Institutions - VAMC; Resolution No. 42/2017/QH14 on piloting bad debt settlement of credit institutions; Law on Credit Institutions 2017, ... This is a useful secondary data source, providing important information on current regulations on the management of the State Bank of Vietnam on bad debts of commercial banks in Vietnam.

In addition, to serve the research process, the author also conducts statistics and studies documents that are documents of relevant ministries, departments, and the General Statistics Office about the data collected in the past time and summaries and reports on the operation of banks in the South of Thai Nguyen city.

#### 2.2 Primary information gathering

To collect primary information for the study, the author conducted a survey to investigate the questionnaire on the state of the State Bank's management of bad debts of banks in the South of Thai Nguyen

city. Subjects participating in the survey are managers and leaders of banks in the South of Thai Nguyen city related to credit activities holding the following positions: Director, Deputy Director, Truong Department, Deputy risk management room; Head of Credit Department, Deputy Head of Credit Department, Officer and member of Credit Control Board. The scale of the survey includes 36 branches of commercial banks in the South of Thai Nguyen city. The total sample size is 364 people.

**Table 2.1: Survey sample**

No.	Branches of Commercial Bank	Number of questionnaires	Number of valid questionnaires
1	Bank for Agriculture and Rural Development of Vietnam	45	45
2	Global Petroleum One Member Limited Liability Bank	15	15
3	Joint Stock Commercial Bank for Investment and Development of Vietnam	49	48
4	Joint Stock Commercial Bank for Foreign Trade of Vietnam	35	34
5	Joint Stock Commercial Bank for Industry and Trade of Vietnam	52	51
6	Vietnam Technological and Commercial Joint Stock Bank	19	19
7	An Binh Commercial Joint Stock Bank	13	13
8	Prosperous Vietnam Joint Stock Commercial Bank	14	14
9	Vietnam International Commercial Joint Stock Bank	15	13
10	Saigon Commercial Joint Stock Bank	13	13
11	Asia Commercial Joint Stock Bank	15	15
12	Military Commercial Joint Stock Bank	18	18
13	Dong A Commercial Joint Stock Bank	19	18
14	Saigon – Hanoi Commercial Joint Stock Bank	16	16
15	Phuong Dong Commercial Joint Stock Bank	11	11
16	Kien Long Commercial Joint Stock Bank	15	15
17	Tổng cộng	364	358

(Source: the author)

Distributing questionnaires to 364 leaders and managers related to credit activities at 36 branches of commercial banks in the South of Thai Nguyen city, the author obtained 358 valid votes.

The survey survey questionnaire was built with 03 main parts: (i) information about survey participants; (ii) assessment of the State Bank's management of bad debts of banks in the southern region of Thai Nguyen city; (iii) the opinion of the surveyor to improve the efficiency of the State Bank's management of bad debts. The questionnaire is designed to evaluate the respondents by choosing the appropriate points according to the 5-point Likert scale (1 – Completely disagree and 5 – Completely agree). To help analyze and interpret the data, the author uses the following rating scale:

**Table 2.2: Rating conventions according to Likert scale**

Score	Range	Meaning
5	4.1 - 5.00	Totally agree
4	3.50 - 4.0	Agree
3	2.51 - 3.49	Average
2	1.80 - 2.50	Disagree
1	1.00 - 1.79	Totally disagree

### 2.3 Methods of synthesizing information

In the thesis, the author uses the method of synthesizing and processing data collected on the computer using Excel software. On the basis of analyzing the criteria to evaluate the management of the SBV for bad debts of commercial banks, find out the causes and propose solutions to improve the management of the SBV for bad debts at commercial banks in the South of Thai Nguyen city.

### 2.4 Methods of data analysis

- Statistical method: This method is used to investigate and collect documents related to the process of monitoring, preventing and handling bad debts at commercial banks, then systematize the documents. This method is used in the research sections on the investigation and research on the bad debt ratio and the solutions applied by banks today, assessing the relevance of the guiding decision documents. handling bad debts of the whole system of the State bank for commercial banks in the southern region of Thai Nguyen city.

In addition, the author also uses descriptive statistical methods to calculate the average score for evaluating the management activities of the State Bank of Vietnam for NPLs in the southern region of Thai Nguyen city.

*The formula for calculating the average score is as follows:  $XTB = \sum Xi * Ki / n$*

*Let X be the average score ( $1 \leq X \leq 5$ )*

*$X_i$  is a point at degree  $i$*

*$K_i$  is the number of participants rated at  $X_i$  level*

*$n$ : is the number of people participating in the assessment*

After calculating the average score, the author bases on the significance levels to analyze the respondents' feelings about the contents related to CIC's credit information exploitation activities.

- Charting method: Build tables and charts based on time series variables. Use tables and tables to reflect the current state of the State Bank's management of bad debts of banks in the South of Thai Nguyen city.
- Method of comparison and comparison: The content of this method is to use two indicators to compare with each other, thereby drawing conclusions about the difference between those two indicators. In this topic, the author uses the method of contrast and comparison to identify bad debts arising in commercial banks, the role of the state bank in managing bad debts for commercial banks in the South of Thai Nguyen City.

## III. Current situation of the State Bank's management of bad debts of banks in the South of Thai Nguyen city.

### 3.1. Overview of banks in the South of Thai Nguyen city

The Vietnamese commercial banking system in general and the banks in the South of Thai Nguyen city in particular were established on the basis of the Banking Ordinance, issued by the State Council. By the end of 2020, the number of branches of commercial banks in the South of Thai Nguyen city is 36, specifically as follows:

*Table 3.1: Banks in the South of Thai Nguyen City*

Type of commercial bank	Branches of commercial bank	Number of branches
State-owned commercial banks	Bank for Agriculture and Rural Development of Vietnam	5
	Global Petroleum One Member Limited Liability Bank	1
Commercial banks with private capital account for the majority	Joint Stock Commercial Bank for Investment and Development of Vietnam	6
	Joint Stock Commercial Bank for Foreign Trade of Vietnam	3
	Joint Stock Commercial Bank for Industry and Trade of Vietnam	8
State-owned commercial banks hold more than 50% of the shares	Vietnam Technological and Commercial Joint Stock Bank	2
	An Binh Commercial Joint Stock Bank	1
	Prosperous Vietnam Joint Stock Commercial Bank	2

Type of commercial bank	Branches of commercial bank	Number of branches
	Vietnam International Commercial Joint Stock Bank	1
	Saigon Commercial Joint Stock Bank	1
	Asia Commercial Joint Stock Bank	1
	Military Commercial Joint Stock Bank	1
	Dong A Commercial Joint Stock Bank	1
	Saigon – Hanoi Commercial Joint Stock Bank	1
	Phuong Dong Commercial Joint Stock Bank	1
	Kien Long Commercial Joint Stock Bank	1
<b>Total</b>		<b>36</b>

(Source: State Bank of Vietnam, Thai Nguyen branch)

Thus, in the South of Thai Nguyen city, there are currently 6 branches of state-owned commercial banks; 17 branches of state-owned commercial banks hold controlling shares and 13 branches of private commercial banks.

### 3.2 The State Bank's management of bad debts of banks in the South of Thai Nguyen city

#### 3.2.1. Management method of the State Bank of Vietnam in Thai Nguyen branch for bad debt of banks in the South of Thai Nguyen city

Table 3.2: Survey on bad debt management methods of the State Bank, Thai Nguyen branch

Survey question	1	2	3	4	5	Average
Thai Nguyen State Bank applies a variety of bad debt management methods of the bank	45	51	84	112	66	3.29
The methods of bad debt management are combined with Thai Nguyen State Bank to bring high efficiency	53	63	82	89	71	3.17
For each type of commercial bank, the State Bank of Thai Nguyen applies its own appropriate management method	56	73	79	68	82	3.13

(Source: The author)

In general, the State Bank of Thai Nguyen has not applied a variety of bad debt management methods to ensure the safe operation of commercial banks in the southern area of Thai Nguyen city. For each bank, the State Bank of the province has not yet had detailed analysis and evaluation to provide a management method for each application, suitable to the characteristics of its operations. This is considered a limitation in bad debt management of Thai Nguyen State Bank for banks in the area in recent years.

### 3.2.2. Management tool of the State Bank of Vietnam Thai Nguyen branch for bad debt of banks in the South of Thai Nguyen city

*Table 3.3: Survey on bad debt management tools of Thai Nguyen State Bank*

Survey question	1	2	3	4	5	Average
Thai Nguyen State Bank applies a variety of management tools to control the bank's bad debt	43	44	86	102	83	3.39
The operational development plans, strategies and programs are in line with the bank's operational situation	45	67	82	86	78	3.24
Thai Nguyen State Bank flexibly uses tools in bad debt management of commercial banks	58	71	86	68	75	3.09

(Source: The author)

The flexible use of bad debt management tools is a positive basis to promote the State Bank of Thai Nguyen province to effectively implement measures to control bad debts of commercial banks in the South of Thai Nguyen city. However, from the survey results, it is shown that the use of bad debt management tools of Thai Nguyen State Bank is still limited, all survey contents are not appreciated, the score ranges from 3.09 to 3.39 points.

### 3.2.3. Contents of management of the State Bank of Vietnam Thai Nguyen branch for bad debts of banks in the South of Thai Nguyen city

#### 3.2.3.1 Current status of the legal environment on credit activities and bad debt management of banks in the South of Thai Nguyen city

*Table 3.4: Survey results on the legal environment of state management activities with bad debt*

Survey question	1	2	3	4	5	Average
The legal documents were quickly deployed by the State Bank, ensuring to meet the actual situation of banks in the South of Thai Nguyen city.	51	56	65	85	101	3.36
Develop feasible strategies, master plans, plans and programs for the development of activities related to credit activities of commercial banks.	26	31	58	85	158	3.89
Develop operational development orientations of banks in accordance with the local development situation	31	54	56	62	155	3.72

(Source: The author)

#### 3.2.2.2 The current situation of the State Bank of Thai Nguyen's management and implementation of bad debts of banks in the South of Thai Nguyen city

##### a. Debt classification

*Table 3.5: Debt classification of banks in the South of Thai Nguyen city*

Unit: Billion VND

Debt classification	2017		2018		2019		2020	
	Value	%	Value	%	Value	%	Value	%
total debt	133,984	100	154,985	100	187,432	100	213,978	100
Debt group 1	79,775	59.54	91,504	59.04	105,748	56.42	120,394	56.26
Debt group 2	50,967	38.04	59,505	38.39	76,791	40.97	87,897	41.08

Debt group 3	1,787	1.33	2,193	1.41	2,394	1.28	3,009	1.41
Debt group 4	983	0.73	1,029	0.66	1,374	0.73	1,393	0.64
Debt group 4	472	0.35	754	0.49	1,125	0.60	1,285	0.61
Bad debt	3,242	2.42	3,976	2.57	4,893	2.61	5,687	2.66
Bad debt ratio	2.42		2.57		2.61		2.66	

(Source: State Bank of Vietnam, Thai Nguyen branch)

The results of classification of outstanding loans by debt group showed that group 1 (standard debt group) outstanding loans at banks in the South of Thai Nguyen city always accounted for a high proportion and reached VND 120,394 billion, accounting for 56.26%. 2020 (decreased in proportion compared to previous years).

**Table 3.6: Bad debts by banking type of banks in the South of Thai Nguyen city**

Unit: Billion VND

Types of commercial banks	2017		2018		2019		2020	
	Value	%	Value	%	Value	%	Value	%
State-owned commercial banks	728	22.46	892	22.43	987	20.17	1,192	20.96
State-owned commercial banks hold more than 50% of the shares	1,194	36.83	1,320	33.20	1,627	33.25	1,785	31.39
Commercial banks with private capital account for the majority	1,320	40.72	1,764	44.37	2,279	46.58	2,710	47.65
<b>Total bad debt</b>	<b>3,242</b>	<b>100</b>	<b>3,976</b>	<b>100</b>	<b>4,893</b>	<b>100</b>	<b>5,687</b>	<b>100</b>

(Source: State Bank of Vietnam, Thai Nguyen branch)

#### b. Risk measurement

Based on the results of the bank's credit risk rating and measurement, the State Bank will take appropriate management measures to ensure that the bad debt of the banking business is minimized. In the period 2017-2020, the results of credit risk measurement of banks in the southern region of Thai Nguyen city are as follows:

**Table 3.7: Measurement of credit risk of banks in the South of Thai Nguyen city**

Level of credit risk	2017	2018	2019	2020	Difference between years (%)		
					2018/2017	2019/2018	2020/2019
Level A (Good)	19	18	19	17	-5.26	5.56	-10.53
Level B (Good)	9	11	11	12	22.22	0.00	9.09
Level C (Average)	3	2	3	4	-33.33	50.00	33.33
Level D (Weak)	1	1	2	2	0.00	100.00	0.00
Level E (Poor)	1	2	1	1	100.00	-50.00	0.00
<b>Total number of branches, banks</b>	<b>33</b>	<b>34</b>	<b>36</b>	<b>36</b>	<b>3.03</b>	<b>5.88</b>	<b>0.00</b>

(Source: State Bank of Vietnam, Thai Nguyen branch)

In general, most of the banks in the South of Thai Nguyen city are ranked at a good level. Particularly in 2020, among 36 commercial banks operating in the southern area of Thai Nguyen city, 17 banks are lined up for good operation; 12 banks performed at a good level, 4 banks performed at an average level; the number of weak and underperforming banks is 2 and 1, respectively.

#### c. Provision for risks

Regulations on provisioning for banks are as follows: Specific provisioning rates for 5 debt groups are as follows: Group 1: 0%; Group 2: 5%; Group 3: 20%; Group 4: 50%; Group 5: 100%. In the period of 2017-2020,

the situation of setting up risk provisions of banks in the southern region of Thai Nguyen city is as follows:

**Table 3.8 Provisions for risks of banks in the South of Thai Nguyen city**

Unit: Billion VND

Provisions for risks	2017	2018	2019	2020	Difference between years (%)		
					2018/ 2017	2019/ 2018	2020/ 2019
Provision2	2,548	2,975	3,840	4,395	16.75	29.05	14.46
Provision 3	357	439	479	602	22.72	9.17	25.69
Provision4	492	515	687	697	4.68	33.53	1.38
Provision5	472	754	1,125	1,285	59.75	49.20	14.22
General provision	1,005	1,162	1,406	1,605	15.67	20.94	14.16
<b>Total provision</b>	<b>4,874</b>	<b>5,845</b>	<b>7,536</b>	<b>8,583</b>	<b>19.91</b>	<b>28.94</b>	<b>13.89</b>

(Source: State Bank of Vietnam, Thai Nguyen branch)

#### d. Survey on the implementation of bad debt management by the State Bank of Vietnam for banks in the South of Thai Nguyen city

When surveying the organization and implementation of bad debt management of the State Bank for banks in the South of Thai Nguyen city, the author obtained the following results:

**Table 3.9: Survey on the implementation of bad debt management at banks in the South of Thai Nguyen city**

Survey question	1	2	3	4	5	Average
Debt classification management at commercial banks	13	29	59	112	145	3.97
Credit risk management and measurement at commercial banks	28	41	56	75	158	3.82
Management of provision for credit risks at commercial banks	31	52	61	63	151	3.70
Managing compliance with bad debt standards (limited) at commercial banks	45	69	87	98	59	3.16

(Source: The author)

From the survey results, the highest rated content is "Debt classification management at commercial banks" with 3.97/5 points. Most of the survey respondents said that the State Bank of Vietnam has clearly and reasonably defined debt classification and the State Bank of Thai Nguyen has closely monitored the classification of debts at banks in the South of Thai Nguyen city. according to Circular 02/2013/TT-NHNN.

#### 3.2.3.3 The current situation of inspection and supervision by the State bank of bad debts of banks in the South of Thai Nguyen city

In the period 2017-2020, the number of inspections and supervision performed at banks in the southern region of Thai Nguyen city is as follows:

**Table 3.10: Results of inspection and supervision at banks in the South of Thai Nguyen city**

Inspection and supervision activities	2017	2018	2019	2020	Difference between years (%)		
					2018/ 2017	2019/ 2018	2020/ 2019
<b>Number of checks</b>	<b>132</b>	<b>146</b>	<b>162</b>	<b>168</b>	<b>10.61</b>	<b>10.96</b>	<b>3.70</b>
Number of decisions on sanctioning administrative violations	16	18	21	22	12.50	16.67	4.76
State-owned commercial banks hold more than 50% of the shares each year	32	26	35	33	-18.75	34.62	-5.71
Commercial banks with private capital account for the majority	84	102	106	113	21.43	3.92	6.60

Inspection and supervision activities	2017	2018	2019	2020	Difference between years (%)		
					2018/2017	2019/2018	2020/2019
Number of checks	132	146	162	168	10.61	10.96	3.70
Number of decisions on sanctioning administrative violations	13	12	15	16	-7.69	25.00	6.67
State-owned commercial banks	0	1	1	0	0	0,00	-100.0
State-owned commercial banks hold more than 50% of the shares each year	3	2	4	3	-33.33	100.00	-25.00
Commercial banks with private capital account for the majority	10	9	10	13	-10.00	11.11	30.00

(Source: State Bank of Vietnam, Thai Nguyen branch)

There are three important tasks that the State Bank of Thai Nguyen must perform in the inspection and supervision of bad debts with banks in the South of Thai Nguyen city, including: first, checking compliance and implementation. according to the bad debt standards issued for commercial banks.

**Table 3.11: Survey on inspection and supervision at banks in the South of Thai Nguyen city**

Survey question	1	2	3	4	5	Average
Check and evaluate the regulations on bad debt standards of commercial banks, the level of compliance and the quality of implementation to meet these standards	24	31	52	87	164	3.94
Inspect and evaluate the implementation of credit extension, loan management and risk provisions policies of commercial banks in accordance with the standards and credit granting process.	45	65	73	86	89	3.30
Inspect, inspect, supervise and urge the implementation of debt classification, provisioning and use of provision money in dealing with credit risks of commercial banks.	28	37	64	68	161	3.83
Coordinate with other state management agencies in inspecting and supervising credit activities of commercial banks.	43	71	89	104	51	3.14

(Source: The author)

According to the survey results, in recent years, the State Bank of Thai Nguyen province has done a very good job in examining and evaluating the regulations on bad debt standards of banks in the South of the city, compliance and quality of performance meet these standards.

#### **3.2.3.4 The state bank's handling of banks in the South of Thai Nguyen city with bad debts exceeding the permissible threshold**

Along with the inspection and supervision of bad debts of commercial banks, the State Bank is responsible for promptly handling violations of commercial banks when bad debts exceed the threshold in credit activities. The handling of violations by commercial banks is always done in a timely manner, overcoming possible consequences, and at the same time preventing similar mistakes that may occur in credit activities of commercial banks in general and banks in the southern region of Thai Nguyen city in particular. Currently, in compliance with the direction of the Central State Bank, the State Bank of Thai Nguyen province is taking a number of measures commonly applied to violations of banks in the area when there are bad debts exceeding the threshold in operations. credit, including: administrative sanctions for violations of the law on credit granting and bad debt management, proposals to restructure the commercial banking system, support commercial banks to improve financial capacity, governance and operation.



**Table 3.12: Results of handling violations at banks in the South of Thai Nguyen city**

Criteria	2017	2018	2019	2020	Difference between years (%)		
					2018/ 2017	2019/ 2018	2020/ 2019
Fines for collection and payment of state budget for violations (million VND)	139	205	277	314	47.48	35.12	13.36
Proposing the central bank to issue a restructuring decision	0	0	1	1			0.0
Supporting commercial banks to improve management capacity	3	2	1	2	-33.33	-50.00	100.00

(Source: State Bank of Vietnam, Thai Nguyen branch)

With the errors discovered through the process of inspecting and monitoring the bad debt situation at banks in the southern region of Thai Nguyen city, the State Bank of Thailand branch has taken appropriate measures to handle violations, corresponding to the seriousness of each violation. Accordingly, in 2020, the State Bank of Thai Nguyen province has issued many administrative sanctioning decisions, the amount of state budget collection and payment reached VND 314 million, an increase of 13.36% compared to 2019. At the same time, the State Bank of Thai Nguyen Province also proposed the Central Bank to issue a decision on restructuring for 1 bank branch and support to improve governance capacity with 2 commercial banks. The results of handling violations at banks in the south of Thai Nguyen city show that the State Bank has seriously implemented and promoted the responsibility of the State Bank's management role in credit and bad debt activities of commercial banks. In 2019, the SBV issued Decision No. 1178/QD-NHNN on the issuance of action plans to contribute to limiting black credit. The State Bank agencies coordinate with ministries, branches and political organizations to promote them. State management role in credit activities and bad debt handling of Vietnamese commercial banks. As a result of implementation, the program was assessed to have safe, effective operation and timely detect and handle violations of credit extension and bad debt management at commercial banks.

**Table 3.13: Survey results on banking handling activities in the South of Thai Nguyen city**

Survey question	1	2	3	4	5	Average
Administrative sanctions for commercial banks that violate the law on credit extension and bad debt management	21	37	42	86	172	3.98
Proposing the decision to restructure the system of commercial banks	32	46	54	89	137	3.71
Supporting to improve the financial capacity, management and administration of commercial banks	46	56	79	85	92	3.34

(source: The author)

The survey results show that, in recent years, Thai Nguyen State Bank has seriously implemented the handling of violations against banks in the southern region of the city when there are violations of the law on credit extension, and debt management, (the bank exceeds the bad debt threshold). The handling of violations has been a deterrent for individuals and units in the bank when the State Bank of the province has strictly proposed restructuring for inefficient banks.

The handling of violations has been highly deterrent, contributing to reducing violations for banks in the South of Thai Nguyen city. However, through handling violations, the provincial State Bank has not yet had solutions to improve the financial capacity, management and administration of commercial banks. The survey content "Supporting to improve financial capacity, governance and administration of commercial banks" was not appreciated, only 3.34 points.

#### IV. Conclusion

After more than 30 years of implementing the renovation process, the activities of Vietnamese commercial banks in general and banks in the South of Thai Nguyen city in particular have made significant contributions to the process of promoting economic growth. providing more and more diversified and modern services to customers. In the face of deepening globalization trend, volatile business environment, banks' operations face many difficulties and high risks. In such a situation, the management of bad debts of banks by the State Bank is an extremely important task that needs to be focused on to ensure safe, profitable and sustainable banking operations. Strengthening the SBV's bad debt management for banks in the South of Thai Nguyen city is a rather broad and complicated issue, the thesis has tried to show the main contents, but still There are also certain shortcomings due to limited research time. However, from the above specific bases, the author hopes that this study will make an important contribution to improving the efficiency of bad debt management of the State Bank for banks in the South of Thai Nguyen city and is the driving force to push the banking system forward quickly and firmly on the path of integration.

#### REFERENCES

- [1]. Pham Thi Kim Anh (2019), *Bad debt settlement and credit growth at Vietnamese commercial banks*, Financial Review.
- [2]. Nguyen Le Nguyen Dung (2019), *Current status of bad debt settlement associated with restructuring credit institutions in Vietnam and some recommendations*, Journal of Banking Science & Training.
- [3]. Phan Thi Thu Ha (2009), *Commercial Banking Administration*, National Economics University, Transport Publishing House.
- [4]. Nguyen Huu Hai (2014), *Theoretical and practical basis of state administration*, National Political Publishing House.
- [5]. Phan Trung Hien (2009), *Textbook of Vietnamese Administrative Law*, Can Tho University.
- [6]. Bhattarai S. (2016), *Determinants of Non-Performing Loans: Perception of Nepali Bankers*, Economic Journal of Development Issues.
- [7]. Nguyen Thi Thieu Quang, Gan Christopher, Li Zhaohua (2019), *Bank capital regulation: How do Asian banks respond*, Pacific-Basin Finance Journal.