



Vietnam Bank for Social Policies

PRESS RELEASE

Project Launch

“Mobile Banking – Financial Inclusion and Economic Empowerment for Low Income People and Women in Vietnam” – Phase 2 (Mobile banking 2)

On September 6, 2019 in Hanoi, Vietnam Bank for Social Policies (VBSP) will organize the Launch of the Project: “Mobile Banking – Financial Inclusion and Economic Empowerment for Low Income People and Women in Vietnam” – Phase 2 (Mobile Banking 2). The Project is funded by the Australian Foreign Affairs and Trade Department (DFAT) under the framework of Business Partnerships Platform and aims at enhancing and improving access to financial services for poor, low-income households, especially women-run micro-enterprises. Mobile Banking 2 will continue in cooperation between VBSP, Mastercard and The Asia Foundation (TAF) for 2019-2022 in 10 provinces: Ninh Binh, Hoa Binh, Ha Giang, Lao Cai, Nghe An, Quang Tri, Binh Dinh, Dak Lak, Ho Chi Minh city and Can Tho.

As a special and biggest financial institution providing micro-financial services in Vietnam, over the past 17 years, the policy credit activities of VBSP have significantly contributed to the effective implementation of policies, mechanisms, objectives and tasks of the State under the National Target Program for Sustainable Poverty Reduction and New Rural Development, focusing on human resource development and social security to prevent and reduce negative impacts of informal credit to poor households and other policy targets, contributing to financial inclusion in Vietnam. With a wide network of 11,000 commune transaction points under 63 branches all over the country, the strength of VBSP is the transaction network covering all cities and provinces, down to village and commune level providing services to every household. By August 15, 2019 the total fund for policy credit program had reached 198,968 billion VND with more than 6.6 million customers with outstanding loans.

With the trend of digital banking which will further be developed in the era of Industrial Revolution 4.0, the Government of Vietnam is encouraging IT application to financial inclusion in Vietnam to gradually replace cash transactions. Electronic transactions, such as mobile banking have been deployed by banks all over Vietnam. However, in reality, the use of mobile technology in financial transactions is still limited, especially in rural, remote areas where cash transactions are still the primary method of payment.

Following the trend of the banking sector IT application under the Banking Strategy of Vietnam to 2025, VBSP has been developing the Plan for IT Development in VBSP to 2025 to enhance IT application in technical operations, especially payment services for poor households and other policy targets.

In order to support VBSP in enhancing its capacity for digital payment services for customers, since the beginning of 2017, VBSP has been collaborating with TAF and Mastercard to implement the Project: “Mobile Banking – Financial Inclusion and Economic Empowerment for Low Income People and Women in Vietnam” – Phase 1 (Mobile Banking 1). The project aimed at enhancing VBSP’s capacity of providing diversified and convenient digital payment services to customers of the Bank, including poor people, and students with difficult circumstances, people with disability, ethnic minority people, overseas workers, etc. across the country, especially in rural, remote and mountainous areas. The Project also aims at implementing the Plan for IT Development in VBSP to 2025 with the objective of developing the IT system towards technology renovation, product diversification, modern and safe banking services with high level of knowledge and technology to enhance customers’ access to banking services, and enhance and modernize governance of VBSP.

Mobile Banking 1 (2017-2018) produced positive results reflected through enhanced capacity and awareness of VBSP in terms of orientation, development and implementation of the Strategy/Plan for Developing Digital IT Platform to provide digital financial services to customers in the long run. After Phase 1, VBSP has been successful in piloting and expanding regular SMS services for customers in 10 project provinces. Then, VBSP has sent SMS to customers nationwide to provide information about their account balance, savings and payment due dates and information. By the end of 2018, VBSP had sent SMS on regular basis to 5.1 million customers across 63 cities and provinces, who have registered their mobile phone numbers with the Bank. The successful implementation of regular SMS services for customers is highly significant in enhancing the transparency and efficiency of operations, providing timely information to customers. Besides, SMS services is also a step for customers to get familiar with using mobile phones to access information about financial services, which serves as the basis for other mobile banking services of VBSP.

Based on the results of Mobile Banking 1, VBSP will continue to collaborate with TAF and Mastercard to implement Mobile Banking 2 for 2019-2022, aiming at supporting VBSP in developing a digital financial platform for poor and disadvantaged people; enhancing the efficiency and quality of service provision; expanding the scope of financial services (e.g. payment services), and developing partnerships in financial service provision.

To achieve the above-mentioned objective, Mobile Banking 2 will continue to improve SMS service to VBSP’s customers to ensure that 100% of customers register their mobile phone numbers with the Bank, receive and understand the content of SMS and can provide feedback to the Bank. Phase 2 will focus on supporting VBSP to develop the digital financial platform for the Bank with the development of technology solutions for mobile banking services. It is expected that towards the end of the Project, VBSP can start providing mobile banking services to borrowing and savings groups and piloting payment services for customers (collection, payment, money transfer and card services, etc.) to help customers access financial inclusion services and improve service quality and achieve higher cost effectiveness for both the customers and VBSP.

Another important point is that, Mobile Banking 2 will continue to implement the results of gender-based assessment among customers of VBSP in terms of access to technology and digital banking services so that the Bank can mainstream gender issues in the planning and implementation of their programs. Mobile Banking 2 will continue to support VBSP in gender mainstreaming into banking activities for economic empowerment of women. Among more than 6.6 million customers, who are poor households and other policy

target populations of VBSP, women account for 60% and up to 90% of female customers participate in production and business in both agricultural and non-farming activities. In this period, the Project will prioritize female customers who are facing difficulties in accessing technology and financial services to contribute to ensuring social security and inclusion of poor households and other policy targets to access financial, banking services and technology application.



For more information, please contact:

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