



**TINH THUONG ONE MEMBER LIMITED LIABILITY  
MICROFINANCE INSTITUTION**

PERFORMANCE  
REPORT | **2020**



*Overcoming challenges*  
**PROVING RESILIENCE**

## TYM'S ACTIONS FOR THE SUSTAINABLE DEVELOPMENT GOALS

**1** NO  
POVERTY



**3** GOOD HEALTH  
AND WELL-BEING



**4** QUALITY  
EDUCATION



**5** GENDER  
EQUALITY



**13** CLIMATE  
ACTION



SCAN ME





04

## PREFACE

*Overcoming challenges, proving resilience*

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## INTRODUCTION ABOUT TYM

*History of establishment and development; Vision - Mission - Core values; Target customers; Products and services; Operation network; Organization structure; Achievements and Awards*

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## HIGHLIGHTS 2020

- Covid-19 and TYM's responses
- TYM's core banking system officially went live in the whole TYM
- Celebrating the 90th anniversary of the establishment of the VWU
- More than 63,000 TYM members and their families were trained about digital technology
- Some significant recognitions and awards for TYM organization and its staff's, members' efforts in 2020

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- TYM staffs are resilient, overcoming all challenges in 2020

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- MAIN ACTIVITIES 2021
- OPERATION RESULTS 2020



2020

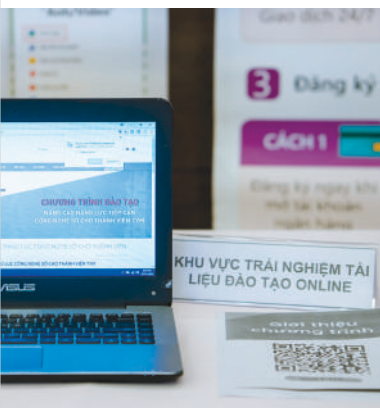
## Overcoming challenges SHOWING RESILIENCE

**2020** was a very challenging year for the world, for Vietnam in general and for TYM in particular due to the outbreak of Covid-19. In January 2020, Vietnam had its first two cases Covid 19 patients. At the end of March 2020, there were Covid 19 cases spreading in the community. As a result, Vietnam called for social distancing nationwide from April 1, 2020 to April 15, 2020. Then there was another wave of Covid outbreak in a number of provinces and cities. In this situation, the Vietnam Women's Union at all levels strengthened epidemic prevention activities, on the one hand, organized many practical activities to support women to overcome the epidemic and continue to develop in all aspects.

Following the direction of the Central Vietnam Women's Union, Tinh Thuong Microfinance Institution (TYM) has identified two tasks at the same time from the beginning: carrying out anti-epidemic activities to ensure absolute

safety while maintaining efficient operation. TYM took active, comprehensive, synchronous and drastic measures to perform both of these two tasks effectively. In addition to changing the way of organizing activities to implement the epidemic prevention work effectively and flexibly responding to the pandemic, in April 2020, TYM urgently decided to issue the support package "TYM providing support for members" in which TYM spent about VND 1,400 billion for new loans with lower interest rates. In 2020, together with the Women's Union at all levels, TYM has implemented a series of programs to support members and communities such as providing medical equipment to prevent epidemics for localities and members, providing rice to poor members, coordinating with Vietnam Women's Publishing House to sell books to fundraise to support members affected by the Covid-19 epidemic financially or to donate in kind, and to participate in prevention activities... By the end of 2020, the total number of TYM members and





customers was about 172 thousand; loan outstanding balance reached over VND 2,000 billion with the rate of repayment of 99.986%. These figures show that TYM's bravery and resilience have helped its members and organizations to firmly overcome challenges, contributing to the successful implementation of the overall goals of VWU, the safety of the national credit system and the dual target of the Government.

At the same time, TYM still adheres to the organization's 2020 focus: Applying technology, improving operational efficiency. TYM's core banking software has been successfully deployed across the organization. In order for this software to maximize efficiency, TYM plans to continue researching and developing new functions, improving operational efficiency and the quality of its products and services. In addition, TYM launched a program to improve the digital accessibility of its members and their families to help them gradually grasp and apply digital technology in their lives and business activities. TYM's goal is that in the 2 years 2020-2021 TYM will train nearly 65,000 members and their husbands / children.

In 2021, many important events of the country and the Vietnam Women's Union are going to take place, namely: the XIII National Congress of the Party, the election of deputies to the 10th National Assembly, the election of deputies to the People's Councils at all levels, and 2021 is the first year to implement the 10-year socio-economic development strategy 2021-2030. For the Vietnam Women's Union, this is also the first year implementing the Vietnam Women's Union development strategy until 2030 and the last year implementing the XII National Women's Congress Delegate Resolution. As a unit of the Vietnam Women's Union, TYM needs to make more efforts to contribute to the completion of the targets set by the Resolution of the 12th National Women's Congress. The year 2021 continues to be the year that socioeconomic predictions are still heavily affected by the Covid-19 epidemic, so TYM needs to assert more courage to overcome itself, overcome challenges to continue reaching out.

**GENERAL DIRECTOR**  
**Nguyen Thi Thu Hien**

# HISTORY OF FORMATION AND DEVELOPMENT



**Tinh Thuong One Member Limited Liability Microfinance Organization (TYM) is the first official microfinance institution in Vietnam established by the Vietnam Women's Union in 1992 to contribute to the hunger eradication and poverty reduction program of the government. After 29 years of establishment and development, TYM has supported more than 200,000 women, poor and low-income households, especially in rural Vietnam, and disadvantaged women through social and financial services.**

### 1992

Tinh Thuong Fund project (TYM) was established by VWU under the Department of Propaganda of Family and Life of VWU according to the governmental official letter No. 563/KTDN on February 20, 1992. TYM first operated in Soc Son district of Hanoi.

### 1995

TYM became an independent unit under the Presidium of VWU after being separated from the Department of Propaganda of Family and Life.

**1998**

TYM became an independent unit under the Presidium of VWU after being separated from the Department of Propaganda of Family and Life.

**2006**

TYM became an income-generating unit working for non-profit social purposes.

**2010**

**Now**

TYM was the first Microfinance Institution (MFI) licensed by the State Bank of Vietnam (SBV) according to Decrees 28 and 165. Its name was changed into "Tinh Thuong One-member Limited Liability Microfinance Institution" (TYM). The sole owner of TYM is VWU.



### CORE VALUES



**COMMITTED**



**CREATIVE**



**COMPETENT**

### VISION



Become a leading Microfinance Institution in Vietnam, by providing the best financial services available to poor and disadvantaged individuals and their families.

### MISSION



Improve quality of life for low-income women and their families, especially poor and marginalized ones, by providing them with financial and social services that create favorable conditions for their active participation in socio-economic activities and enhance their overall position in society.

## TARGET MEMBERS AND CLIENTS



### Members:

Women aged 18-65 years old when joining TYM, having full civil capacity, having permanent residence in the locality; voluntarily joining TYM, is called a member, belonging to one of the following groups:

- 1 Poor, near-poor households according to the Government's regulations;
- 2 Disabled women;
- 3 Women with HIV or women whose husbands or children with HIV;
- 4 Low-income households (with the average amount of income per person below the average amount of income announced by the Government)
- 5 Microenterprises.

### Clients:

- 1 Organizations and individuals (from 15 years old) in the locality;
- 2 TYM clients are only eligible for savings products according to TYM's regulations.



# PRODUCTS AND SERVICES

## Financial services



### Credit

With 29 years of experience, TYM understands the comprehensive financing of poverty reduction, where credit for the poor and low income is arguably one of TYM's core strategic products. In order to make the loan appropriate to the needs of each household, TYM designs various types of loans based on needs, ability to use and repay of its members. In Vietnam,

the maximum micro-loan amount prescribed by the State Bank of Vietnam is VND 50 million. In addition, microfinance institutions are allowed to provide larger loan size to microenterprise customers. Since 2016, TYM has started to provide MSE loans for TYM members who have had a more developed economic model with higher capital needs.

- No collateral
- Principal and loan interest is divided into small installments
- Stable and long-term loan
- There are no other costs
- Loan sizes increase gradually over time

<b>Micro loans</b> (from VND 1- 50 million)	<b>Policy loan</b> <b>Loan to support near-poor households</b> <b>Economic development loan</b> <b>Multi-purpose loan</b> <b>Housing loan</b> <b>Loan for disaster risk recovery</b>
<b>MSE loan</b> (from VND 51 to 100 million)	<b>Investment loans</b>



## Savings

Savings is an activity always associated with credit and contributes to the success of microfinance. Savings not only help organizations create a sustainable source, but more importantly help customers build a habit of saving, have reasonable

spending plans and help them accumulate assets. When joining TYM, a member who is financially educated to learn how to manage family's expenses appropriately can turn small saving amounts into valuable savings.

Only from VND 5,000/transaction

Diverse products

Easy, convenient deposit and withdrawal

Attractive interest rates

### Savings products for individuals

#### Compulsory savings

(VND 15,000 - 20,000/week)

#### Non-term savings

(from VND 5,000/time)

#### Term savings

(from VND 500,000/deposit)

#### Installment savings

(from VND 100,000/time)

### Savings product for organizations

# PRODUCTS AND SERVICES

## (Non-financial services)



**TYM's non-financial services are non-refundable, free support activities for members, customers, and localities where TYM operates.**

***Capacity building for women and communities***

***Community support***

Material support programs for members, family members, members of the Vietnam Women's Union, residents, organizations in the areas where TYM operates.

***Business development support***

Mainly supporting TYM members, individual business households to improve their capacity to manage business activities and help them to sell products in the market.



**ORGANIZING TRAINING COURSES**



**SEMINARS**



**EXPERIENCE SHARING  
AT MEETING CENTERS**



**CULTURAL AND  
SPORTS ACTIVITIES**



**GIVING SUBSIDIZED HOMES**



**FREE HEALTH-CHECK**



**GIVING GIFTS TO FAMILIES WITH DIFFICULTIES  
AND FAMILIES UNDER POVERTY LINE**



**AWARDING SCHOLARSHIPS TO CHILDREN  
OF POOR MEMBERS  
OVERCOMING DIFFICULTIES**



**SUPPORT FOR DISTRICT  
AND COMMUNE HEALTH CLINICS  
AND EDUCATION FACILITIES**



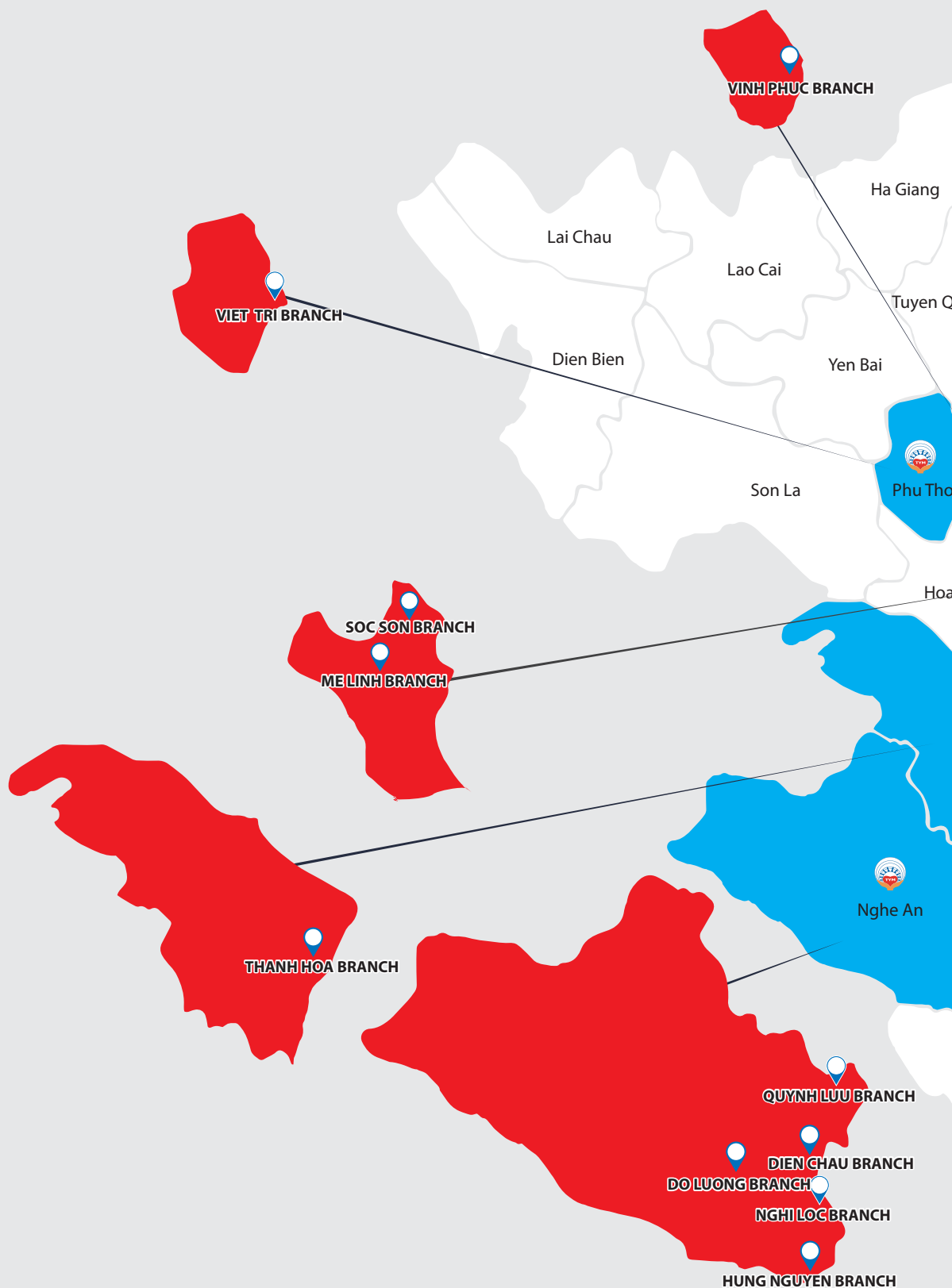
**VOLUNTEER ACTIVITIES AND SUPPORT  
ACTIVITIES LAUNCHED BY THE  
VIETNAM WOMEN'S UNION**

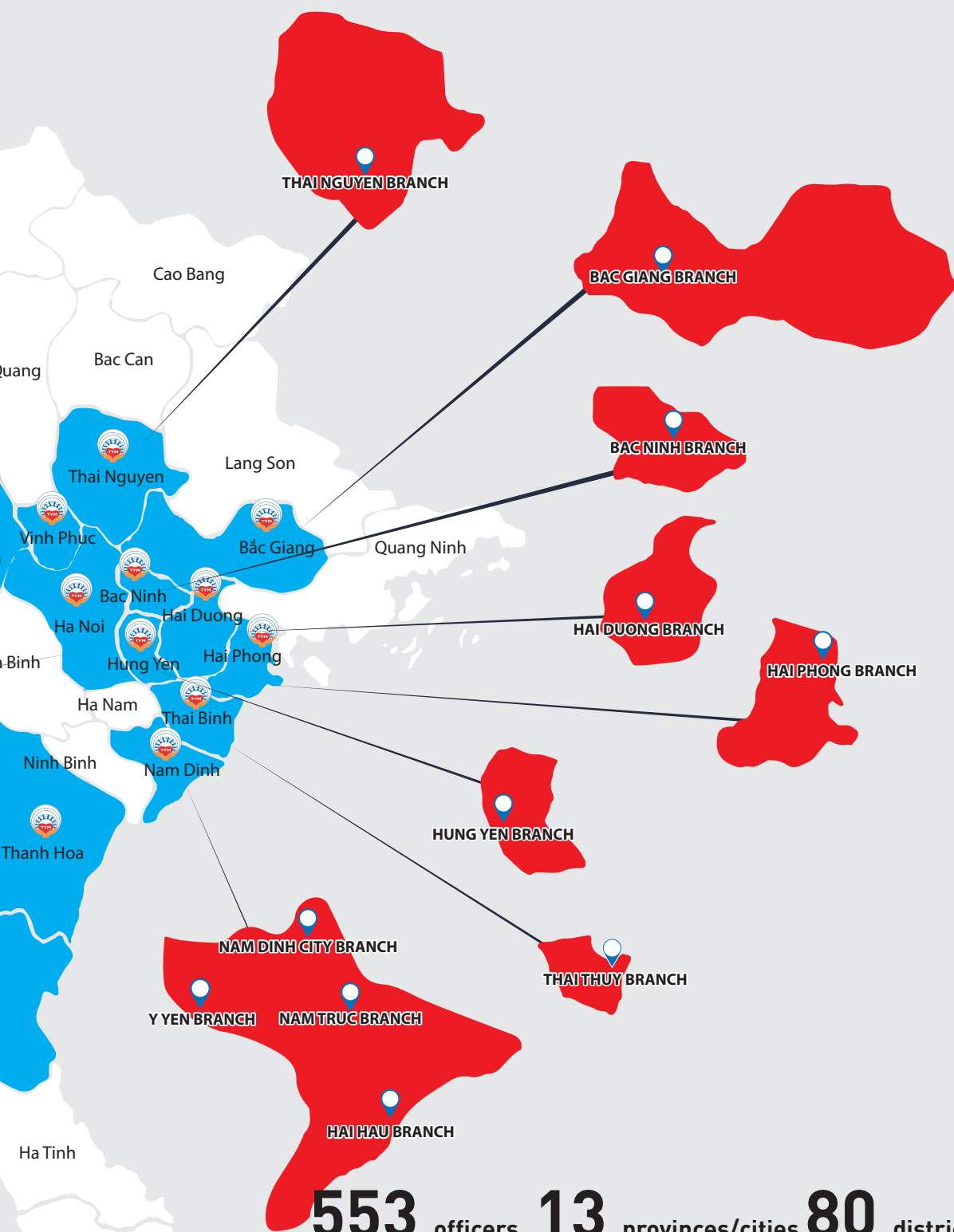


- Establishing groups operating in the same industry;
- Training in business and technical knowledge (production process, processing, packaging, etc.); improving operating skills, teamwork, etc.;
- Organizing or participating in production introduction and sale sessions to introduce and sell members' products; supporting marketing activities, promoting products;
- Developing a chain of stores to introduce products of members;
- Consulting, designing and introducing product packaging designs;
- Linking members with suppliers of input materials to ensure quality and prestige.



# OPERATION NETWORK





**553** officers **13** provinces/cities **80** districts/towns  
**21** branches **76** branches/transaction offices/areas  
**4,361** transaction points at **729** communes/wards/towns

# ORGANIZATION STRUCTURE



## BOARD OF DIRECTORS



**Ms. Do Thi Thu Thao**

Vice President of Vietnam Women's Union  
**Chairwoman (since Aug, 2020)**



**Ms. Ho Thi Quy**

Member of the VWU Presidium,  
Head of Department of Support  
for Women in Economic  
development of VWU  
**Member**



**Ms. Duong Thi Ngoc Linh**

Member of the VWU Presidium,  
Director of Center for Women  
and Development  
**Member**



**Ms. Pham Thi Huong Giang**

Member of the VWU Presidium,  
Head of Planning and Finance  
Department of VWU  
**Member**



**Ms. Nguyen Thi Thu Hien**

Member of the VWU Presidium,  
TYM's General Director  
**Member**

On August 25, 2020, the Vietnam Women's Union Presidium appointed Ms. Do Thi Thu Thao - Vice President of the Vietnam Women's Union as Chairwoman of the Board of Directors of TYM and Ms. Pham Thi Huong Giang, Member of the VWU Presidium, Head of Planning and Finance Department of VWU as a member of TYM's Board of Directors. Ms. Nguyen Thi Thu Ha resigned from the position of Chairwoman of the Board of Directors of TYM, and Ms. Nguyen Thi Tuyet resigned in the position of member of the Board of Directors of TYM in August 25, 2020.



## BOARD OF MANAGEMENT



**Ms. Nguyen Thi Thu Hien**  
Member of the VWU Presidium  
**TYM's General Director**



**Ms. Pham Thi Thuy Linh**  
Member of the VWU  
Steering Committee  
**Deputy General Director**

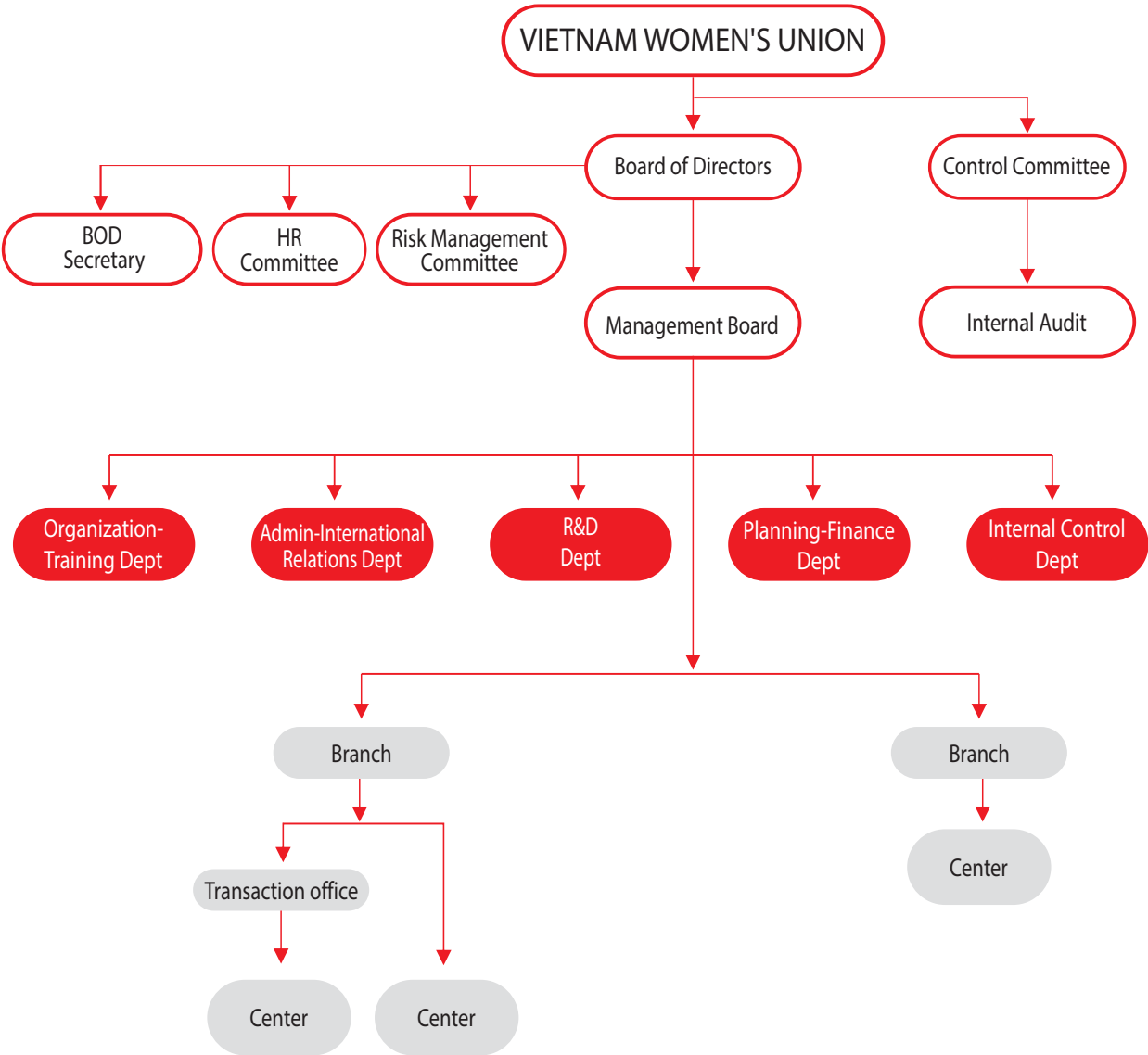


**Ms. Tran Thi Tuyet Nhung**  
**Deputy General Director**



**Ms. Dao Thanh Trang**  
**Deputy General Director**

# ORGANIZATION CHART



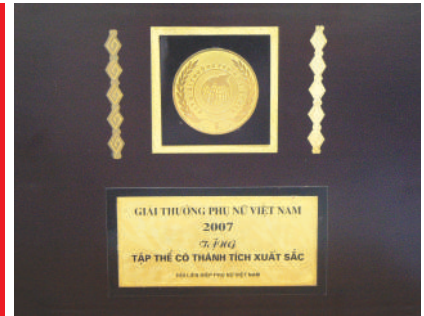
## ACHIEVEMENTS AND AWARDS

1999

Certificate of Merit from  
the Prime Minister

2007

Vietnam Women's  
Award presented by  
Vietnam Women's  
Union



2011

Certificate of Merit from the Prime  
Minister for achievements from 2008 to  
2010, contributing to the cause of building  
socialism and national defense



For many consecutive years, TYM was honored  
to receive the Certificate of Merit and  
Emulation Flag of Vietnam Women's Union



2012

First Order Labor Medal awarded by the  
President of Vietnam



### 2014

**"Outstanding microfinance institution with pro-poor focus" under CMA**



### 2017

**"Outstanding microfinance institution with client protection principles" award under CMA**

### 2018

**"Outstanding microfinance institution for efficient and sustainable operation" award recognized by Citi-Vietnam(CMA)**



### 2019

**Top 10 "Financial institutions in the world providing the most practical support for poor and disadvantaged customers to improve their ability to adapt to natural disasters and climate change" (EMA 2019)**

### 2007-2013, 2016, 2020

**TYM has received the award for Outstanding Microfinance Institution, the award jointly organized by Citi Foundation, Vietnam Microfinance Working Group (MFWG) and the State Bank of Vietnam**





# | 2020 HIGHLIGHTS







## COVID-19 AND TYM'S ACTIONS

**In 2020, the Covid-19 epidemic was serious, complex and unpredictable. The impact of this epidemic on microfinance activities was significant. Despite facing extremely great challenges, in 2020, TYM had many active, comprehensive, synchronous and drastic measures to effectively perform dual tasks: implementing anti-epidemic actions, to ensure absolute safety for members / clients and TYM staff while maintaining effective and continuous operations.**

For epidemic prevention and safety assurance for its members/clients and staff: since the first cases appeared in Vietnam from the end of January 2020, TYM had proactively implemented many epidemic prevention measures in all units under the guidance of the Ministry of Health. More than 4,000 TYM transaction offices in 13 provinces and cities (centers, transaction offices, branches) were equipped with masks and hand sanitizers.





More than 1,200 poor TYM members across 13 provinces and cities received rice during the Covid-19 epidemic

TYM staff and center leaders wore protective gears so that TYM's members/clients felt secure while attending TYM's activities. At the same time, TYM regularly propagated to its members how to prevent themselves from being infected on electronic communication channels and directly at centers. In particular, when the epidemic happened complicatedly in the period of April 2020, in accordance with the Directive 16/CT-TTg dated March 31, 2020 of the Prime Minister, TYM stopped collecting savings and loan repayment collection in all operating areas to prevent the spread of disease. During that time, TYM staff regularly contacted members to encourage them, instructed them to use their savings to cover difficult times, restore production when the epidemic was under control. In particular, in many units, TYM staff made financial contributions to buy additional masks for members and carry out pandemic control activities for the communities.

Realizing the impact of the epidemic was serious, in 2020 TYM had issued a policy to restructure the repayment period for members who had repayment difficulty due to the impact of the epidemic. In April 2020, TYM launched a credit package of VND 1,400 billion with preferential loan interest rates to help women access loans at lower costs. TYM provided emergency assistance of 10 kg of rice

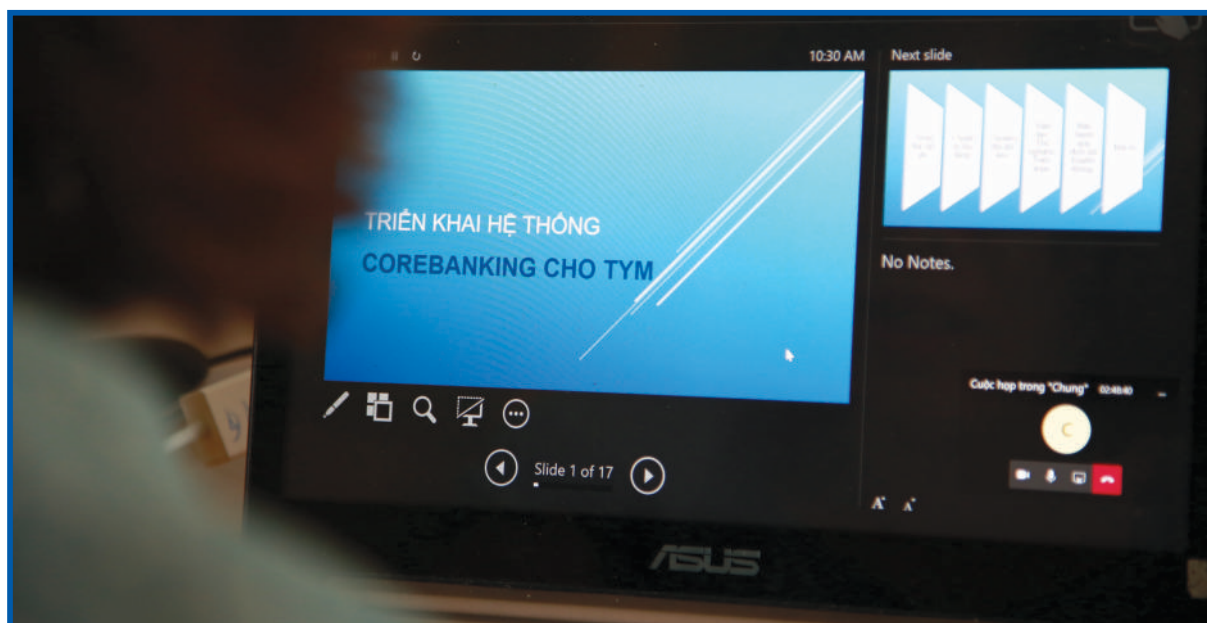


TYM staff and center leaders wore personal protective equipments while doing their tasks. TYM's core banking officially went live

per person to more than 1,200 poor women. At the same time, TYM cooperated with Vietnam Women's Publishing House to sell books to support 20 women who are members of TYM with the total amount of VND 66,870,000. In 2020, TYM also cut some operating costs to have more funding for emergency assistance for poor female borrowers.

These timely decisions have helped TYM members to minimize the negative effects of the Covid-19 epidemic, demonstrating TYM's sense of social responsibility to the community.

## **TYM'S CORE BANKING OFFICIALLY WENT LIVE**



**TYM started its core banking project in 2017. TYM has identified this as a major task with many challenges due to its complexity and resources. This is also a mandatory task that TYM must complete to meet the needs of customers as well as the development roadmap of the organization in the current technology boom.**

**In 2020, the software development process reached important milestones when TYM successively completed testing, data conversion, training, piloting and eventually implementing core banking software CorePlus in the whole TYM in October 2020.**

Along with software deployment, TYM also adjusted its policies, processes, and forms, thereby bringing more benefits to customers and improving the efficiency of the organization.





## **TYM achieved the following main goals:**

- CorePlus software manages data centrally, safely and securely to help improve work efficiency;
- CorePlus software meets the business requirements of TYM, creating a foundation for further expansion and development in the next stage;
- Meeting the requirements of strategic management of operations and requirements of government management agencies.

### **For customers:**

- CorePlus helps TYM improve its products and services both in quantity and in quality: flexible loan products in terms of loan amount, loan term, repayment period and accurate loan interest calculation in accordance with regulations of the State Bank, creating favorable conditions for customers. Deposits and withdrawal procedures are quick and convenient for customers.

Successful implementation of CorePlus helps TYM open up new opportunities in IT application to improve operational efficiency, improve and diversify products and services. In the following years, TYM will continue to gradually apply digital technology such as

developing applications for customers, and tablets for employees with the goal of bringing more and more benefits to customers.



The Core Plus system will help TYM upgrade its products and services in the upcoming time

# CELEBRATING 90<sup>th</sup> ANNIVERSARY OF VIETNAM WOMEN'S UNION



As a unit of Vietnam Women's Union, in 2020, TYM has responded to many activities implemented by Vietnam Women's Union to celebrate the 90th anniversary of founding of Vietnam Women's Union (October 20, 1930 - October 20 2020).



90 practical actions for women and children

- **"90 practical actions for women and children"** is a special emulation launched by the Central Vietnam Women's Union to celebrate the 90-year establishment of Vietnam Women's Union. Responding to the emulation movement, 100% of TYM staff in 13 provinces / cities voluntarily donated and actively and creatively participated in various activities from mid-March to the end of 2020. Activities included supporting families of members in extremely difficult circumstances,



members with disabilities, children of members at risk of dropping out of school because of poor families and poor patients by donating cash support, equipment for daily life, means of transport and necessities. TYM staff also joined VWU at all levels to propagandize for women and the community of Covid-19 epidemic prevention, participating in supporting the anti-epidemic forces. In addition, in 2020, TYM also responded to many other major activities of Vietnam Women's Union such as:



TYM works for the environment

- Responding to the campaign "Make the world cleaner 2020" and "Kindness for the environment" launched by Vietnam Women's Union: TYM has spent more than VND 1.2 billion implementing the activity **"TYM acts for the environment"** in 13 provinces / cities where TYM operates.



Two TYM members in Thai Nguyen (in the middle) won the competition "Women start-up 2020"

- Responding to the Women's Entrepreneurship Competition in 2020 held by Vietnam Women's Union, right from the beginning of the program TYM propagated and supported members to propose business ideas according to the criteria of the competition. As a result, two TYM members were honored in this competition.

With the above actions, TYM has contributed to concretize the practical programs launched by Vietnam Women's Union, helping women in particular and the community in general to build a safe living environment and develop sustainable livelihood models.

## MORE THAN 63,000 TYM MEMBERS AND THEIR RELATIVES ARE TRAINED IN DIGITAL TECHNOLOGY



Integrating with national digital transformation to promote the digital economy and expand business opportunities for disadvantaged communities, especially women-owned microenterprises and business households, from the end of 2019, TYM has cooperated with the Asia Foundation Representative Office in Vietnam to implement the program "Enhancing digital technology capacity for TYM members". The program is part of a regional project of the "Go Digital ASEAN" initiative supported by Google.org in 10 ASEAN countries. For women, the shift to digital technology will lead to many changes in life and business that many people cannot immediately adapt to. Therefore, it is essential to help them grasp new knowledge about digital technology, change their perception and apply them in life.

After completing the research, planning, and development of lectures, in 2020 TYM has implemented TOT training for 100% of TYM staff at the branches. Shortly thereafter, the program has approached and trained to improve skills in using digital technology for more than 63,000 members and their husbands and children. In which, TYM's customers accounted for 80%; TYM members' husbands and children accounted for 20%; household business accounted for 78%; young



TOT: Training for trainers so that they can re-train TYM members and their families.





Chairwoman of the Vietnam Women's Union Ha Thi Nga and other delegates at the conference.

people aged between 18 and 25 years old, without stable jobs was 22%. Through a number of training sessions, many women shared that they have applied their learned knowledge to introduce products and interact with customers, so their sales are better, especially during the epidemic. That is the motivation for TYM to research and implement other support programs for women to be confident and successful in the digital age.

On November 27, 2020, TYM cooperated with the Asia Foundation Representative Office in Vietnam to hold a seminar on “Improving the capacity to access digital technology for microfinance customers, contributing to expanding business opportunities and

employment for women” helping stakeholders to understand the need for and the importance of digital awareness among citizens, especially women-owned businesses and those who are vulnerable, narrowing the digital gap in Vietnam.

In the coming time, TYM will continue to promote training activities to provide and improve knowledge and skills in digital technology as well as facilitate women's access to digital technology to expand business opportunities and jobs for them at the same time actively contribute to promoting the country's digital transformation.



The delegates had a discussion about the necessity of providing training and application of digital technology for people, especially women to expand their business and create jobs for women.

**SOME OUTSTANDING RECOGNITION  
AND AWARDS FOR THE EFFORTS OF  
THE COLLECTIVE AND INDIVIDUAL  
STAFF AND MEMBERS OF TYM IN 2020**

**COLLECTIVE**

TYM was awarded the emulation flag by Vietnam Women's Union and recognized the title of "Excellent Labor Collective" in 2020.



TYM was honored by CMA as "Outstanding Microfinance Institution 2019"



**TYM STAFF**

Ms. Luong Thi Thuy, TYM technical officer in Nam Truc Branch, Nam Dinh was honored by Whole Planet Foundation to be the excellent credit officer in the Asia-Pacific region.





Ms. Dinh Thi Phuong, Head of Transaction 01, and Ms. Nguyen Thi Hong Van, credit officer in Vinh Phuc branch were honored to receive the Certificate of Merit from Vietnam Women's Union for their outstanding achievements in Covid - 19 pandemic prevention and control.



Ms. Dinh Thi Phuong (right) and Ms. Nguyen Thi Hong Van



### TYM MEMBER

Ms. Pham Thi Hong Nga and Ms. Nguyen Thi Thanh Phuong are two TYM members in Thai Nguyen honored to receive the award of the contest "Women Start-up 2020" organized by Vietnam Women's Union.



Ms. Nguyen Thi Thanh Phuong- the fifth woman from the right



Ms. Pham Thi Hong Nga – the second woman from the left

Ms. Dau Thi Trung, member of TYM - Dien Chau Branch, Nghe An and Ms. Hoang Thi Van, member of TYM - Thanh Hoa Branch were awarded the Outstanding Micro-entrepreneur Award under CMA 2019.



Ms. Dau Thi Trung



Ms. Hoang Thi Van





# OPERATION ACHIEVEMENTS

2020 was a year full of challenges for the activities of TYM and its members due to the impact of the Covid-19 epidemic. But also through that, the bravery and creativity of TYM and its members were shown, evidenced by significant results below.





## NETWORK EXPANSION, MEMBERSHIP DEVELOPMENT

### Expanding network

In 2020, TYM expanded operations in 3 new districts: Phu Cu district (Hung Yen), Gia Binh district (Bac Ninh), Kien Thuy district (Hai Phong). In addition, TYM has implemented additional activities of 29 communes/wards/towns, 358 new villages/hamlets.

**13**

Provinces/Cities

**80**

Districts  
Coverage<sup>1</sup> 43.7%

**729**

Communes/Wards/  
Towns  
Coverage 43.1%

**5,819**

Villages/Hamlets  
Coverage 61.2%

### Member/Client development

In 2020, with the implementation of many product policies to meet the needs and bring value to members/customers, TYM has attracted 28,697 new members.

In addition, 19,241 members exited mainly due to a number of reasons: they no longer needed to borrow more capital, or the regulations/policies of TYM no longer suited their circumstances.

As of December 31, 2020, the whole TYM had 169,321 members and 5,476 clients, the total number of members and clients increased by 8,827 people compared to the same period

**Number of members, clients**

**174,797**

**Met 101.1% of 2020 target**

in 2019. 7,219 members who are policy beneficiaries are poor households, near poor, members with disabilities, members infected with HIV and affected by HIV.

With the above number of members, currently 01 credit officer of TYM is managing an average of 588 people.

<sup>1</sup>Coverage rates are calculated on the total number of districts in 13 provinces and cities on the total communes of 80 districts, and on the total villages of 729 communes.



### CREDIT

In the context of the Covid-19 epidemic, TYM's credit activities in 2020 were heavily influenced. In addition to product research and development, TYM actively adjusted its regulations and policies: (1) Encouraged members to take out loans to restore production and business, (2) Provided members with low-cost loans, (3) Reduced repayment pressure, (4) Responded better to members' needs. Some outstanding policies that TYM has implemented are:

- Reduced interest rates for loans 7 times in 2020;
- Deployed the form of repayment every 4 weeks with a higher loan amount for some types of micro-loans;
- Restructuring the repayment period with TYM members affected by the Covid-19 epidemic;
- Suspension of debt collection and savings deposit collection during time of social distancing.

As of December 31, 2020, the total loan amount that TYM lent to members in the year reached nearly VND 3,835.8 billion, increasing by VND 344.1 billion over the same period in 2019. Total outstanding loans reached more than VND 2,053.3 billion. Thus, growth of credit balance reached 10.94% compared to 2019. The average loan amount is VND 12.1 million per member.

**Disbursement (VND billion)**

**3,835.8**

**Met 92.7% of 2020 target**

**Loan portfolio (VND billion)**

**2,053.3**

**Met 92.8% of 2020 target**

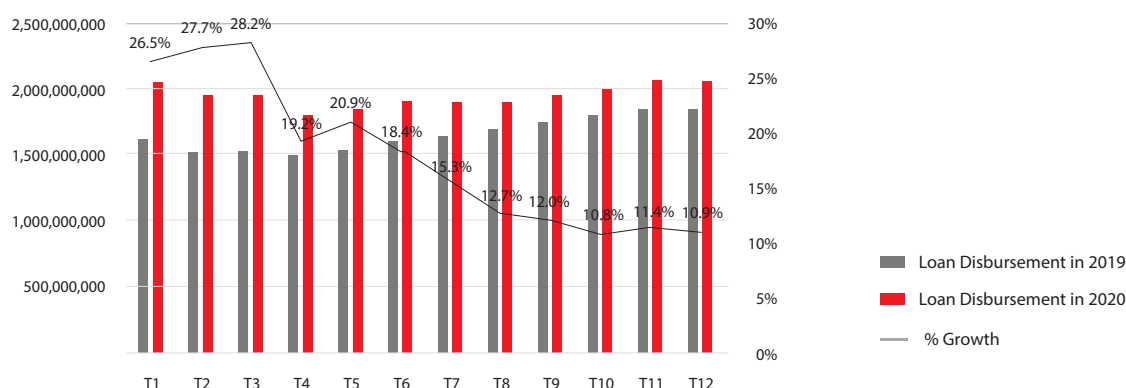
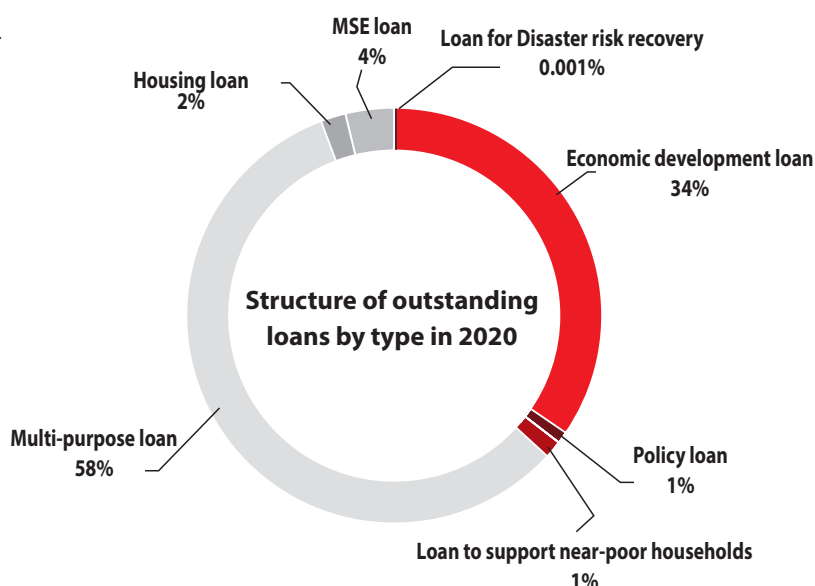
**Repayment rate (%)**

**99.986**

## Credit quality:

In 2020, TYM could look up credit information of members on the CIC<sup>2</sup> system to improve the quality of appraisal, thereby improving credit quality.

Under the influence of Covid-19, which heavily affected production and business lines, many TYM members experienced a decrease in income and some members had difficulties in repayment. Therefore, the rate of repayment in 2020 is 99.986%, decreasing by 0.004% compared to 2019.



**Growth of outstanding loans in 2020 compared to 2019**

## Micro insurance<sup>3</sup>:

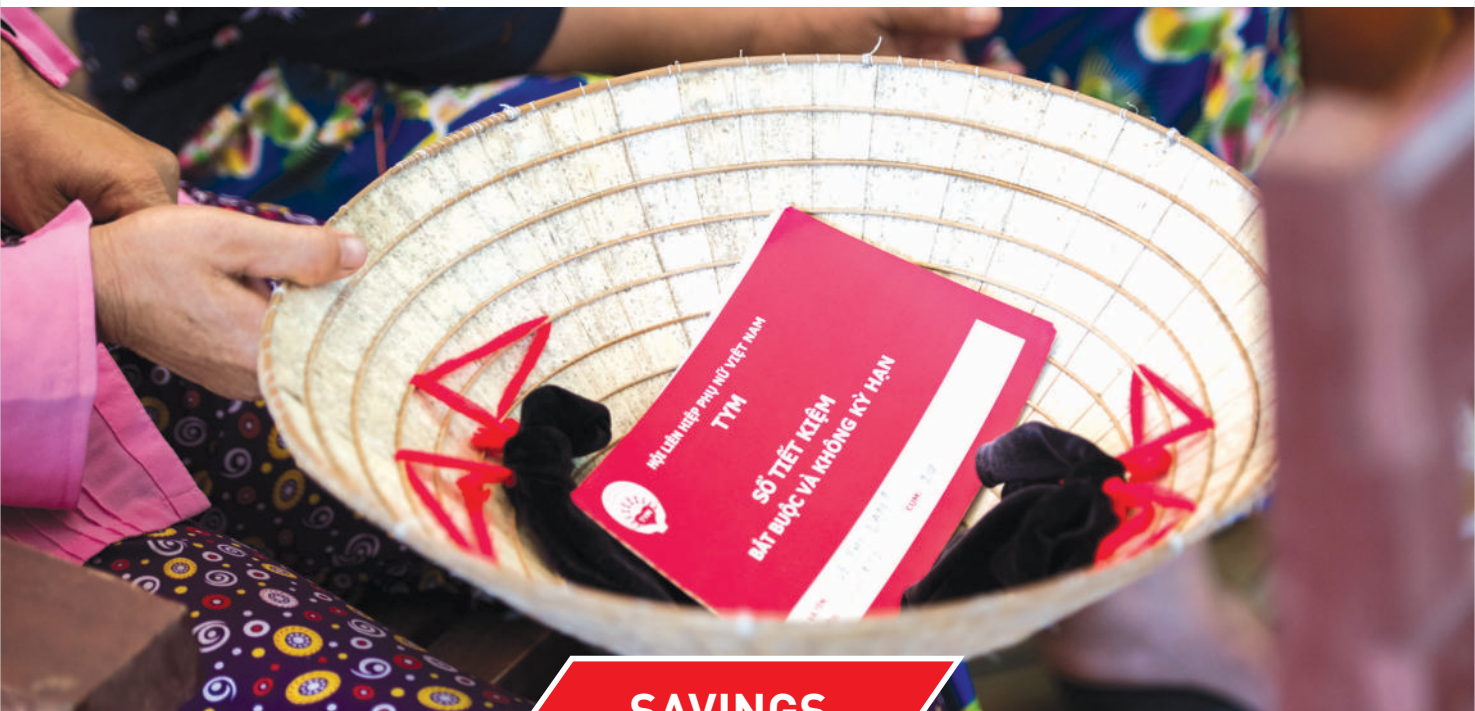
Currently, 100% of TYM members, when availing loans, agree to buy loan insurance from the Micro Insurance Fund (Vietnam Women's Union). In 2020, there were 99 cases of TYM members were paid with insurance compensation.

**CIC:** National Credit Information Center

**Micro insurance:** insurance product of the Micro Insurance Fund under the Vietnam Women's Union which TYM members can buy when having a loan at TYM. TYM members will only need to pay a small fee to buy insurance, and The Micro Insurance Fund pays back to members the full loan amount in the event of the member's death while the loan insurance period is in effect (except for exclusions).

Micro insurance has low insurance premium, basic benefits aimed at individuals belonging to poor, near-poor households, households recently escaped from poverty, households with average living standards, individuals with low income in order to meet the need for savings and protection against potential risks related to life, health and property.





## SAVINGS

Savings balance (vnd billion)

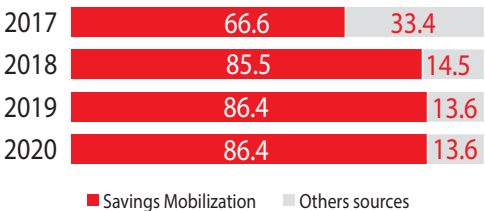
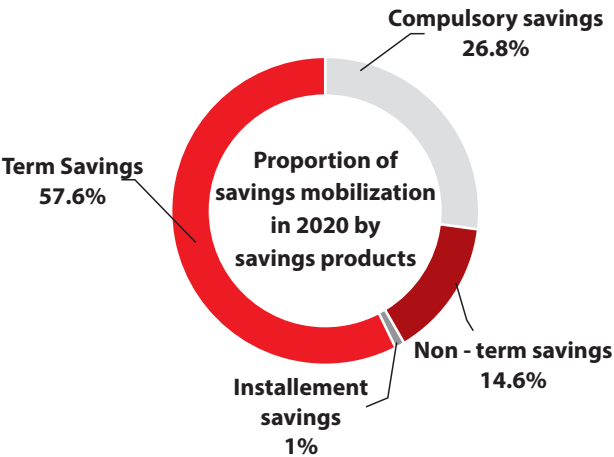
**1,774.8**

Met 96.6% plan

As of December 2020, the total savings balance has reached VND 1,774.7 billion, increasing by VND 174.3 billion over the same period in 2019.

During the year, TYM continued to maintain 4 savings products, namely compulsory savings, voluntary savings (products for TYM members) and installment and term savings. In terms of structure, the proportion of these savings does not change much compared with 2019.

Although it did not achieve the results of savings mobilization as planned, TYM still ensured that the ratio of savings/loan balance reached 86.4%, thereby creating a stable source of capital for TYM to meet the needs of its members.



Proportion of savings mobilization/outstanding loans for the year from 2017 to 2020



## COMMUNITY ACTIVITIES

2020 is a year TYM devoted many resources to the implementation of community activities: on one hand, TYM supported members to overcome difficulties caused by the Covid-19 epidemic; on the other hand, it cared for women members with many practical activities to celebrate the 90th anniversary of the establishment of Vietnam Women's Union (October 20, 1930 - October 20, 2020).

TYM has implemented a series of TYM

community activities that are meaningful to TYM members, VWU members and the community. These activities are closely coordinated with VWU at all levels, thereby contributing to the common goal of Vietnam Women's Union and social commitments. Through its operation, TYM is highly appreciated by the local authorities, Women's Union and the people for its contribution to social security in the locality.

## SUPPORT FOR THE "NEW COUNTRYSIDE" PROGRAM

Made donations to schools and healthcare facilities

TYM acts for the environment



**54**

schools and healthcare facilities were supported by TYM.



**5,200**

trash cans.



# OPERATION ACHIEVEMENTS IN 2020

## TYM acts for the environment



## DONATION OF SUBSIDIZED HOUSES



## FREE HEALTH EXAMINATIONS AND FREE MEDICINES FOR TYM MEMBERS



## CAPACITY BUILDING FOR MEMBERS





More than  
**63,000** members/husband  
s/children were trained on information  
technology.



**4,000** members were trained on  
financial knowledge,  
management skills and communication skills, ...



**52** seminars were organized for  
members.

## GIVING GIFTS



**1,765** gifts were given to poor and  
near-poor members under  
the program "Warm winter – Loving Tet".

## SUPPORT FOR EPIDEMIC PREVENTION



**VND 2.5 billion**  
for VWU members in the prevention of  
Covid-19 epidemic.



**14,118** gifts paid tribute to  
longtime members and center leaders.  
In addition, TYM also gave gifts to VWU  
leaders at all communes/wards/towns,  
districts, provinces/cities that have TYM's  
activities on the occasion of the 90th  
anniversary of the Vietnam Women's Union.



**TYM'S SCHOLARSHIPS**



**81** scholarships were given to children of members with difficult situations.  
**237** members' children were awarded for their achievements in competitions/contest.

**90 PRACTICAL ACTIONS FOR WOMEN AND CHILDREN**



**43** poor member families of TYM were supported.

Besides, with mutual support activities, in 2020, in response to the call of Vietnam Women's Union, TYM has spent VND 50 million to support the people of the Central part of Vietnam overcome natural disasters. In addition, TYM's units in 13 provinces and cities all have practical support activities to help people in the central part of Vietnam.



**ORGANIZED CULTURAL EXCHANGE ACTIVITIES – SINGING, PLAYING SPORTS**



**39** activities were held in collaboration with VWU.

**OTHER ACTIVITIES**

TYM cooperated with Vietnam Women's Publishing House to carry out a fundraising campaign to sell books to support 20 families of TYM members in difficult circumstances with the amount of VND 66,870,000;



TYM coordinated with Women's Union at all levels to vote and award 130 gifts with the amount of VND 65 million to members who have difficulties affected by Covid 19 epidemics under the program "Resilience in Vietnam" by Vietnam Women's Union.



## PEOPLE ARE THE DECIDING FACTOR AT TYM



### Personnel

With the goal of building a team of experienced, enthusiastic and qualified staff to meet its development goal, TYM has continued to have policies to attract and retain staff, especially during the time of Covid-19. By the end of 2020, the whole TYM has 553 employees, of which 51 are from Head Office in Hanoi and 402 branch staffs in the 13 provinces / cities.

The year 2020 is a year full of difficulties and

challenges for TYM staff when the complicated Covid-19 epidemic had a direct impact on the operation of TYM. However, this is also the year that TYM witnessed the consensus, determination and high sense of responsibility of each staff in realizing the overall goals of the organization. In addition, TYM has launched many supportive policies for local epidemic prevention staff. At the same time, TYM's leaders also recognized and rewarded staff who worked in the severely suffered areas.

### Recruitment

The epidemic situation in the past year has significantly affected TYM's plan to expand its network. However, TYM still recruited 34 staffs in 2020. Especially, for the first time, TYM applied the form of online interview for epidemic prevention. The internal recruitment and appointment were TYM focal points to create cohesion and encourage staff to strive at work.



A communication capacity building training session for TYM management staff



## PEOPLE ARE THE DECIDING FACTOR AT TYM

### Training

TYM always considers human resources as a valuable asset of the organization, making an important contribution to the development of TYM. Therefore, the capacity building for TYM staff is a regular activity and has been maintained and improved over the years.

In 2020, TYM organized 44 internal training courses for 888 turns of staffs. In particular, the training contents were based on the capacity of each title and the job requirements of each position. In addition, TYM also sent staff to participate in external training classes with many useful contents, meeting the needs of the staff's professional work. In the epidemic conditions, many classes had been converted to online training to help staff promptly be provided with knowledge / skills while ensuring epidemic prevention and saving costs for the organization.

In particular, in 2020, TYM sent 4 officers, namely Branch Director, Head, and Deputy Head of Head Office, to attend Intermediate political theory class.



"Culture of TYM" is an important topic that TYM trains new staff

## INTERNATIONAL RELATIONS 2020



Collaboration activity with Asia Foundation Representative Office in Vietnam has built capacity in digital technology for more than 63,000 people.



2020 was a special year with many challenges for TYM in general and its external affairs in particular. The epidemic of Covid-19 in the world and in Vietnam is still complicated and unpredictable, making the world seem "closed". In the new context, TYM has flexibly changed its operation form to ensure safety in disease prevention, at the same time maintaining cooperative relationships, and improving the effectiveness of international relations.



Some results of international activities in 2020:

**Cooperation in capital development:** Although partly affected by the Covid-19 epidemic, TYM has promptly adopted solutions to manage liquidity, ensuring to make repayment to borrowers on time. As a result, TYM continues to be a reliable partner of international organizations. In 2020, the total loan amount of TYM from international partners reached about VND 168 billion, meeting the demand for capital as planned.

**Capacity building cooperation:** Existing cooperative projects and activities including a Collaboration project to expand the regional microfinance network between Vietnam Women's Union, SBFIC and CARD MRI, Project "Supporting members to pilot a cooperative economic model", phase 3 funded by Rabobank Foundation, the project "Supporting TYM to expand operations in Thai Binh, Bac Giang"

funded by Whole Planet Foundation had continued to be implemented and achieved good results, bringing a lot of positive and meaningful support to the organization and TYM members. The program "Increasing digital capacity for members" in cooperation with Asia Foundation Representative Office in Vietnam has been implemented since the end of 2019, helping TYM members to have more knowledge and tools for their business activities, promptly adapting to the time of the Covid-19 epidemic.

During the year, TYM was honored to welcome the delegation of the German Ambassador to Vietnam to visit and learn about its impact on economic development and empowerment of Vietnamese women.



German Ambassador attended a training for TYM members and visited a member's house in Bac Ninh province.



## A THAI NGUYEN WOMAN SOWED DREAM IN THE ROSE FARM

Having grown fond of roses from a young age, Ms. Pham Thi Hong Nga (born in 1978, Dong Quang Ward, Thai Nguyen City, Thai Nguyen Province), after many years working as a teacher, has become the owner of a rose farm. In 2020, she was honored by Vietnam Women's Union with the award "Innovation to add values to the community" at the contest "Start-up women in 2020".

### **Nurturing the "rose dream"**

In the early 2000s, Nga was a lecturer at a college in Thai Nguyen province. The meager salary she earned as a teacher at that time could only help her family to make end meets.

Being a flower lover, Nga took advantage of her spare time to open a small flower shop to earn extra income. At that time, the amount of capital that Nga saved and borrowed was only VND 2.2 million. With that meager start, she had to make a detailed calculation for her capital turnover while having no experience. Therefore, Nga's income was not stable.

However, it somewhat helped her family economic status to improve and was also a premise for her to gradually nurture her dream of a rose farm in the future.

By 2010, when she truly realized the potential of the flower business market in Thai Nguyen, Nga decided to invest and professionalize her operations. From that point, each step she took for the development of the flower shop brought her closer to her "rose dream". That was when she heard of TYM's loans and since then, she has trusted TYM to accompany her in her path of economic development. She still remembers her first loan of VND 10 million from TYM, which she used to invest in expanding the store's operation to decoration services for conferences and events.

Nga does not remember exactly how many loan applications she has made at TYM so far. The amount ranges from VND 10 million to 50 million (the maximum capital amount for 1 microfinance client). The more the capital Nga



borrowed increase, the larger her flower shop was expanded. Finally, her flower shop became a prestigious supplier of flowers and flower services in Thai Nguyen city.

Once her business got big enough, it was time to fulfill her perennial dream of opening a rose farm. Today, Nga's rose farm, called UniRose Farm, in Cay Thi hamlet, Thinh Duc commune, Thai Nguyen city, has a total area of nearly 10,000 square meters with more than 20,000 roses of all kinds. She does not confine her business operation to trading flowers and seeds, but aims further at other forms that bring sustainable values to the farm such as extracting toner and developing ecotourism.

To make the products reputable and affirm their quality in the market, Nga set up a Rose Cooperative with 8 participants in March. Today their main product is toner extracted from organic rose essential oil. "I hope my roses beautify not only life but also people. In the near future, our cooperative will launch more new products made from roses."

Nga has been a member of TYM for 10 years and gone through various loan cycles. Nga realized that although the amount of capital there does not fully meet her current capital needs, it has become a convenient, long-term, and stable additional capital source that requires no collateral. Moreover, she does not feel pressure to repay the loan and its interest as they are divided into small portions to pay weekly or monthly. The most recent loan she borrowed from TYM was VND 50 million to buy machinery to increase the farm's productivity. Nga also hopes that TYM will soon develop more loan products as well as increase the amount of loans to make them more accessible sources of capital to manufacture and business facilities like hers.

Nga does not keep this life-changing experience to herself and her family, but she also creates jobs with stable income for many local workers. "Currently, there are about 3-5 part-time workers working in the farm, 6 people

working at the shop. They receive stable incomes ranging from VND 3 million to 10 million per month. Many of them are even trained for work and receive salaries ranging from 6 to 12 million per month", Nga said.

In addition to economic development opportunities, Nga was also offered training on business models. She has a chance to exhibit products regularly within the series of activities held under the Women's Innovative Start-up project, in which she has her products introduced and connects with women in other localities.

### Contribution to the community

Not only being the "owner" of a large flower shop in Thai Nguyen, the owner of a rose farm, currently, Nga is also proud to be a member of the Cooperative Union and the Thai Nguyen Provincial Women's Union. She also acted as the Chairwoman of the Thai Nguyen Thien Tam Club, working to support and provide donations for special circumstances.



Chairwoman of the Vietnam Women's Union visited the showcase of Ms. Hong Nga at the completion "Women start-up 2020".

*From Vietnam Women Newspaper*

## TYM STAFFS ARE RESILIENT, OVERCOMING ALL CHALLENGES IN 2020

Nelson Mandela once said, **"Everything seemed impossible until it was completed."** Indeed, looking back on a year full of difficulties and challenges for TYM and the results achieved only in 2020, TYM has turned the seemingly impossible into completion thanks to each staff's bravery and dedication.

By 2020, TYM aimed to complete the core banking software and convert the entire old information technology system to this new one. That was a big challenge, TYM was determined to overcome to ensure accurate and timely information, as the basis for later

adjustment of TYM's products and distribution channels to apply technology into operation and bring about convenience and safety for customers. Besides, during the Covid-19 epidemic year with complicated developments and floods in the central part of Vietnam, the jobs of TYM and its customers were many times more difficult. Determining the role of accompanying women on the path of development, each TYM staff is always ready to dismiss their own interests, not afraid of difficulties to both fulfill their assigned tasks and support their members in the most difficult times.

The image of **COMMITTED, CREATIVE, COMPETENT STAFF**



### CHALLENGES FROM THE COVID-19 PANDEMIC

In 2020, Vinh Phuc and Hai Duong were two hotspots of Covid-19 outbreaks. With the characteristics of providing essential services, TYM was active in the time of social distancing. To ensure the safety of its staff and members, TYM staff in Vinh Phuc and Hai Duong wore raincoats as a protective outfit to collect members' repayment and savings. During the time when the epidemic was not strictly controlled, some TYM staff were isolated from their families to complete their tasks. Some staffs were willing to assist separated members in purchasing basic necessities, encouraging members to feel secure in isolation.





### CHALLENGES FROM DIGITAL TRANSFORMATION

TYM staff in 13 provinces/cities worked overnight at their office to prepare the 2020 balance sheet on the new core banking software.



### CHALLENGES FROM NATURAL DISASTERS, STORMS AND FLOODS

TYM staff collected money during the rainy season and donated to support people in the flood and storm areas.



In order to meet people, there were times that TYM had to organize activities in the morning or evening, but TYM staffs were always available at field for their members.



## TYM CONTRIBUTES TO THE IMPLEMENTATION OF THE NATIONAL FINANCIAL INCLUSION STRATEGY

Financial inclusion is not only of great significance to socio-economic development, but also is an important prerequisite for sustainable national growth. In Vietnam, the National Financial Inclusion Strategy towards 2025, with a vision to 2030, approved by the Prime Minister in February 2020, is an important policy basis for the implementation of many related activities to comprehensive financial development in the coming time. Accordingly, in July 2020, the State Bank of Vietnam issued an action plan for the banking sector to implement the National financial inclusion strategy towards 2025, with a vision to 2030. Vietnam Women's Union, a socio-political organization that has contributed to microfinance in the past three decades, issued the Plan No. 961/KH-DCT on December 8, 2020 to organize the implementation of the National financial inclusion strategy.

### 1. What is financial inclusion?

According to the World Bank (World Bank 2017 - Financial Inclusion Overview), financial inclusion is the provision of appropriate and convenient financial services, especially for low-income and vulnerable people to promote access to finance, contributing to creating livelihood opportunities, rotating investment capital flows and saving in the society, thereby promoting economic growth. Financial inclusion is considered an important pillar of growth and sustainable development. The implementation of financial inclusion has contributed significantly to poverty reduction, job creation, increasing livelihoods for people

and business development, supporting financial stability and promoting business growth.

### 2. The role of microfinance institutions in implementing the national financial inclusion strategy

**“Develop a system of organizations, programs and projects of microfinance that operate safely and effectively, expand access to financial services for the poor, low-income people, women, and micro-businesses”**

— The action plan of the banking sector to implement the National Financial Inclusion Strategy towards 2025, with a vision to 2030 —

Over the past three decades, along with the innovation process, microfinance has affirmed the need and important role in supporting the poor and low-income people to access financial services and this is considered as an effective tool in the poverty reduction strategy. At the same time, the development of microfinance has supported the equitable development among regions, thereby contributing a significant part to the overall national financial development process. Microfinance and financial inclusion both play an important role in strengthening capacity, accessing finance and developing customer protection policies, thereby improving living conditions and eliminating the limitations that households, poor families, disadvantages are facing.

Over the past years, TYM, one of the largest and most sustainable microfinance institutions in Vietnam, has made a significant contribution to the national financial inclusion implementation, in particular:

- Network expansion to increase the number of people accessing microfinance services: Currently, TYM has operations in 13 provinces/cities nationwide with more than 170,000 members. TYM has supported about 300,000 turns of women to access social and community activities; disbursed more than VND 14,000 billion for more than 1 million loans.

- Diversify products, improve service quality in the direction of matching many types of customers and usage needs. Regarding credit products, women are poor, near poor, and low-income households; disabled women, HIV-infected women; TYM provides capital products with suitable loan purposes, interest rates and terms. For members with a larger business scale, TYM can provide MSE loans of up to VND 100 million / time. Especially, from 2019, TYM has loans to support borrowers in coping with natural disasters and climate change risks.

In terms of savings, TYM designs non-term savings products with deposits from 5,000 VND/time, periodical installment savings and term savings to help women easily choose the right product suitable with their circumstances.

- Strengthening financial capacity for women: This is one of the important content among the

non-financial activities that TYM provides to its members annually through intensive training classes such as Financial Education, Micro business games, Savings games, trainings for center leaders or other financial education programs via text messages.

- Protecting members/customers when joining TYM through measures such as information transparency, customer data protection, and a complaint settlement mechanism.

- 100% of TYM borrowers participate in micro insurance: Help protect TYM members - most of them are low-income people with very small costs in difficult circumstances.

### **TYM's goal is tied to the Plan of organizing the implementation of the national financial inclusion strategy of Vietnam Women's Union.**

In order to achieve the goals associated with the Implementation Plan for the national financial inclusion strategy, TYM has set long-term development goals focusing on three factors:

- Expanding geographic coverage to increase access to microfinance services for people, especially in rural and mountainous areas.

- Diversifying products, cooperate with credit and fintech institutions to increase access opportunities and convenience and reduce the cost of financial services for the people. TYM regularly researches and flexibly adjusts its products to better meet the needs of its members.

- Strengthening capacity building activities for members, especially in digital technology, helping people to access and use effectively digital financial services.

TYM believes that with the legal and policy framework that facilitates the development of microfinance and with determination, effort and dynamism, microfinance institutions in general and TYM in particular will maximize their potential and contribute positively to the development of financial inclusion in Vietnam.



# MAIN ACTIVITIES 2021

## Focused topic: Ensuring sustainable operation and development

Continuing to expand operating areas to new provinces, districts and communes, attracting more members, improving operational efficiency in existing areas. Some of the main goals are:

- Number of members, clients: 182,000
- Outstanding loans balance: VND 2,343 billion
- Improve technology-oriented products and services to improve labor productivity and service quality, and minimize cash transactions in the organization's operations;
- Renovate and improve the effectiveness of activities to support women in capacity building, business development, associated with activities organized by Vietnam Women's Union;
- Actively propagating to members and community about major activities in 2021 of the Party, the State and Vietnam

Women's Union;

- Arranging and consolidating the human resources organization according to the new model towards the maximum application of the core banking software to improve productivity and ensure safety in operations;
- Actively and strengthen risk management, internal control, ensure strict compliance in TYM's operations;
- Strengthen cooperation with domestic and international organizations to mobilize diverse resources, support women's development and capacity building, and reform activities of TYM;
- Actively implement business continuity plans, ensuring dual goals: prevention of epidemics and innovation, and development of microfinance activities.



# OPERATION RESULTS 2020

	2019	2020
Province	13	13
District	77	80
Commune	700	729
Center	4,172	4,361
No of branch/transaction office	72	76
No. of staff	538	553
No. technical officers	283	288
Total members and clients	165,970	174,797
Loan members	103,425	102,477
Poor, near poor and vulnerable members	7,550	7,219
No. of Members/technical officers	594	588
No. of members/center	38	39
Turns of borrowers	103,425	132,765
Total disbursement	3,491,783,737,000	3,835,813,000,000
Loan outstanding	1,850,910,891,500	2,053,344,411,000
Savings balance	1,600,485,975,000	1,774,758,578,000
Repayment rate	99.99%	99.986%
PAR	0.01%	0.041%
OSS	122%	121.64%
FSS	120%	120.38%

# PERFORMANCE REPORT | 2020



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