

# TYM: Specialised Financial and Non-Financial Services to Improve the Lives of Low-Income Women in Vietnam



Photo provided by Tinh Thuong One Member Limited Liability Microfinance Institution (TYM)

## Preamble

This case study was developed in conjunction with the 2023 Financial Inclusion study "*Financial Inclusion in Post-COVID Southeast Asia: Accelerating Impact Beyond Access*".<sup>1</sup> It is part of a collection of stories of how financial services providers (FSPs) in Southeast Asia have gone beyond the provision of financial services to make conscious efforts to address underserved markets. These case studies reveal how these FSPs have done so by assessing their contributions to the financial health of their customers and monitoring the impact of their services.

These case studies were prepared by the Centre for Impact Investing and Practices (CIIP) in partnership with the eight FSPs featured: Amartha (Indonesia), BPI Direct Banko (The

Philippines), Funding Societies (Southeast Asia), Growsari (The Philippines), KoinWorks (Indonesia), Noburo (Thailand), TYM (Vietnam), and Vui App (Vietnam).

It is intended as an accompaniment to the 2023 Financial Inclusion study, which had contributions from 60 organisations, including industry associations and investors, 31 FSPs and over 8,500<sup>2</sup> customers across six markets in Southeast Asia (Cambodia, Indonesia, Myanmar, the Philippines, Thailand and Vietnam).

The 2023 study went beyond examining how FSPs enable access to financial services to offer insights into the impact of access to credit on FSP customers' business and livelihoods, quality of life and household well-being, and other financial health

outcomes such as resilience and agency. These insights were drawn not just from the accumulation of qualitative interviews but also quantitative survey results and loan book data, which allowed us to come to a holistic view of the state of financial inclusion in Southeast Asia amid the changes brought by large-scale digitalisation in the region.

You can find our 2023 Financial Inclusion study titled "*Financial Inclusion in Post-COVID Southeast Asia: Accelerating Impact Beyond Access*" on CIIP's website and by scanning the QR code below.



1 This study was conducted by the Centre for Impact Investing and Practices (CIIP), in collaboration with the United Nations Capital Development Fund (UNCDF) and Helicap, supported by 60 Decibels (60dB).  
2 Additional data points were available after the publication of the 2023 Financial Inclusion study. This is available in the Southeast Asia Financial Service Providers 2023 Impact Report, an addendum prepared by 60 Decibels.

## Tinh Thuong Microfinance Institution (TYM)

### HEADQUARTERS

Vietnam

### GEOGRAPHY FOCUS

Vietnam

### SECTORS

Consumer

### FOUNDING YEAR

1992

### KEY MILESTONES

- 1992: The Affectionate Fund Project established by the Vietnam Women's Union (VWU) to contribute to the implementation of the Government's poverty reduction program.
- 1995: The Central Committee of the VWU decides to expand activities of the Affectionate Fund Project to new areas.
- 1998: TYM becomes an independent unit under the central VWU.
- 1999: Certificate of Merit from the Prime Minister for TYM's outstanding achievements in hunger eradication and poverty alleviation.
- 2006: TYM becomes an income generating unit operating for non-profit social purposes.
- 2007-2009: In 3 consecutive years, TYM wins the Citi - Vietnam Micro-entrepreneurship Awards' (CMA) Typical Microfinance Institution Award.
- 2010: TYM is the first organization in Vietnam to be licensed by the State Bank for microfinance activities.
- 2012: First-class Labor Medal.
- 2019: Top 10 of the European Microfinance Award "Strengthening Resilience to Climate Change" (EMA 2019).
- 2010- 2019: 9 years of winning the Outstanding Microfinance Institution Award under the CMA.
- 2020: Government Emulation Flag; Certificate of Merit and Emulation Flag of the Vietnam Women's Union
- 2022: Certificate of Merit from the Prime Minister; Certificate of Merit from the Governor of the State Bank of Vietnam; Top 10 financial institutions in the world honored in the framework of the European Microfinance Awards 2022 with the theme "Financial Inclusion that works for Women".
- 2023: Top Impact Award for Asia in the 60 Decibels 2023 Microfinance Index.

### MISSION

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

## Introduction

- Tinh Thuong One Member Limited Liability Microfinance Institution (TYM) was established in 1992 by the Central Vietnam Women's Union (VWU).
- TYM's mission is to improve the quality of life of low-income individuals and households, with priority given to poor and disadvantaged women, through appropriate, convenient, and responsible microfinance products and services.
- Over 30 years, TYM has contributed to the VWU's mission to eradicate hunger, reduce poverty, and empower women, growing into one of Vietnam's largest MFIs.

## The challenge and impact thesis

### Challenge

- In 1992, the VWU established TYM with the long-term goals of eradicating hunger and poverty.

### Impact thesis

- With 30 years of experience, TYM has identified that helping women break out of the poverty cycle requires appropriate, safe and responsible financial solutions.
- TYM's methods of delivering financial inclusion are through **financial services** and **social services** provided to **poor, near-poor, and low-income women**. TYM strongly believes that sustainable human development can only be achieved using a combination of social and economic tools.
- TYM posits that savings programmes are linked to successful microfinance programmes as they allow households to accumulate wealth, develop new savings habits, and achieve their goals.
- Since its establishment, TYM has focused on enhancing the capabilities of women by training and nurturing them in a wide range of basic knowledge and skills, extending to specialised training content. This empowers women, fostering greater confidence and providing enhanced opportunities to elevate the quality of family life.
- TYM provides educational, social, and health services to poor, minority ethnic, disabled, and rural women in Vietnam, helping to address disparities in access to such services.

### Who

- Women between 18 to 65 years old voluntarily become TYM's members.
- In particular, TYM targets:
  - Poor, near-poor and low-income households
  - Disabled women.
  - HIV infected/affected women.
  - Microenterprises

### How

- TYM's loans were initially designed with principles inspired by the Grameen Bank model and have been adapted to meet the needs of Vietnamese women.
- These specific characteristics include the loans being:
  - Collateral-free
  - Repayable in small weekly / monthly / 04 weekly<sup>3</sup> (every 4 weeks) instalments
  - Simple to access, application and repayment procedures
  - Based on strict credit discipline
  - Diversified products
  - Stable and long-term funding
- TYM's savings products are designed to be
  - Secure, being insured according to the Law on Deposit Insurance
  - Flexible, with some deposits being as little as VND 5,000 (USD 0.21 as of April 2024) per transaction
  - Convenient, with collection near clients' homes
  - Simple, with fast transactions and minimal paperwork
  - Diversified products
  - Competitive, with market-based interest rates

### Business Model

- TYM offers tailor-made products and services for its customers, allowing them to access products and services that are affordable, accessible, have lower barriers to entry, and are served at their own villages.
- Clients face no charges, transaction, or administration fees.
- TYM operates across three key services: credit, savings, and social services to comprehensively enhance the quality of life and empower women in their multifaceted roles.

3 In-house terminology used by TYM



## Credit

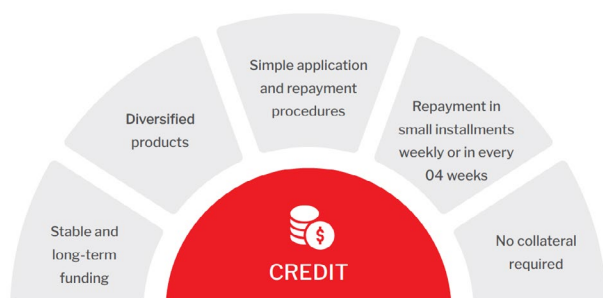


Diagram adapted from Tinh Thuong One Member Limited Liability Microfinance Institution (TYM) Performance Report 2022

- The majority of TYM’s clients take loans for productive purposes, particularly for small farming, livestock, fishery, forestry, and trading businesses.
- TYM’s loans have been categorised as microloans for microclients, and loans for other clients
  - Micro-loans (VND 1-50 million)
    - Policy loans
    - Loan to support near-poor households
    - Economic development loan
    - Multi-purpose loan
    - Housing loan
    - Loan for disaster risk recovery
    - Loan supporting members affected by the pandemic
    - Salary-based loan (piloting)
    - Credit limit loan (piloting)
  - Loans for other clients (VND 51-100 million)
    - Investment loan: Working capital and small investments for MSMEs.
    - Loan for job creation: loan for clients with production and business activities and using at least 3 outsourced workers.
- Repayment frequency: weekly / 04 weekly / monthly.
- Rates range from 0.07% to 0.18% per week (for weekly repayment) and from 0.28% to 0.78% per every 4 weeks (for 04 weekly repayment), depending on the type of loan.
  - TYM operates closely within the local community through a network of branches, transaction offices, and centers or transaction points. Centres represent the smallest transaction units of TYM, established directly in the localities where customers reside. The majority of TYM’s transactional activities with clients are carried out at these centers.

## Savings



Diagram adapted from Tinh Thuong One Member Limited Liability Microfinance Institution (TYM) Performance Report 2022

- TYM offers a variety of savings products:
  - Compulsory savings: From VND 10,000–20,000 per week
  - Voluntary savings: From VND 5,000 per transaction
  - Installment savings: From VND 100,000 per transaction
  - Term deposits: From VND 500,000 per transaction
- TYM applies competitive deposit interest rates based on market conditions.

## Social and non-financial services



- Capacity building for women and support for the community:
- Seminar;
  - Training, coaching, consulting;
  - Experience sharing;
  - Cultural and sports exchange activities;
  - Subsidized houses;

- Business development support
- Scholarship – Giving wings to your dream;
  - Gifts to disadvantaged families;
  - Health care for members;
  - Support for local health and education facilities;
  - Other charity activities;

Diagram adapted from Tinh Thuong One Member Limited Liability Microfinance Institution (TYM) Performance Report 2022

- **Capacity building**
  - TYM provides basic training on financial and household management skills, covering essential skills such as literacy, numeracy, and soft skills for women.

- o Additionally, TYM regularly conducts in-depth training sessions to enhance women's knowledge and skills in areas such as healthcare, agricultural techniques, gender and business, and business management.
  - o In recent years, as TYM has shifted its focus towards supporting business activities for its members, a new training approach has been introduced. This involves organising field visits for members to explore exemplary economic models implemented by successful members. This practical approach has provided many members with the opportunity to learn practical models that they can apply within their own households.
  - o Some of TYM's members become centre leaders for service provision, having been trained in centre management and credit disciplines.
- **Consultancy and business development services**
    - o TYM's consultancy services build business capacity and provide technical support.
    - o TYM seeks to provide market access for members and their products via its officers, VWU staff, physical stores and online channels.
  - **Additional services**
    - o Apart from the various financial, social, and business development service TYM provides, it also provides additional services in line with the holistic view it takes toward achieving sustainable human development and delivering financial inclusion.
    - o TYM provides annual health checks for all members and gives free medicine to low-income members, promoting initiatives for reproductive health, gynaecological disease prevention, sanitation, and hygiene.
    - o TYM supports the program 'New Countryside' by contributing to improve and provide equipments to local schools, medical stations, and roads etc. This assistance aims to enhance the quality of social services for residents.
    - o TYM provides assistance to women living in precarious housing via its subsidised housing initiative.
    - o TYM offers scholarships to members' children to cover tuition fees through its 'Wings of Dreams' program. This initiative aims to recognize the academic achievements of members' children, particularly in financially challenged families, providing wings for their dreams to attend school.
  - o TYM assists families in need by giving gifts during Tet (Lunar New Year), Veterans' Day, and other significant events

## TYM's Impact SDGs Addressed



### No Poverty

- More than 120,000 TYM members have successfully achieved sustainable poverty alleviation, with 7,000 women transforming into micro-entrepreneurs
- 91.4% of loans helped borrowers increase profits and incomes
- 100% of members with deposit savings.



### Gender Equality

- 100% of TYM's borrowing clients are female.
- 170,000+ women and their families trained to improve knowledge and skills.



### Decent Work and Economic Growth

- 66% of members have started new lines of business, production and business activities with TYM's loans.



### Reduced Inequalities

- 81% of TYM's customers are accessing financial services for the first time.
- 88% of TYM's customers have no access to a good alternative.



### Good Health and Well-Being

- 44,558 women received free health checkups and medicines
- 380 local health and education facilities sponsored.



**Quality Education**

- Almost 3,000 scholarships and rewards given to children of poor members
- More than 330,000 training sessions designed specifically for women organised.



**Sustainable Cities and Communities**

- 231 subsidised houses for disadvantaged women provided

**Business Success**

Over the past 30 years, TYM has supported more than 300,000 women in engaging with community and social activities, disbursing over VND 28,000 billion (USD 1.1 billion) in loans to 1.8 million transactions. In 2022 alone, TYM mobilised nearly VND 2,000 billion (USD 80.6 million) in savings from its clients.

To date, TYM has consistently maintained an approximate 100% repayment rate for the majority of its operational periods.

**What's Next**

- TYM plans to:
  - Promote the application of digital technology to its activities. This builds on the development and launch of TYM's mobile application in 2022, helping users manage financial information, send and process loan requests, make loan repayments, and open savings books easily and conveniently. As of December 2022, 6,685 clients and 100% of its technical officers and branch members installed have and used the application.
  - Increase non-cash payment for financial transactions between TYM and its clients.
  - Diversify products and services to fully and promptly meet customer needs while ensuring safety in operations.
  - Continue to proactively and flexibly manage business operations, closely tied to enhancing efficiency and productivity.
  - Intensify activities that support women, aiming towards the development of sustainable businesses.

**References**

- Tinh Thuong Microfinance Institution (TYM) (2023): TYM Fund
- Tinh Thuong Microfinance Institution (TYM) (2023): 2022 performance report



Photo provided by Tinh Thuong One Member Limited Liability Microfinance Institution (TYM)

## About the Centre for Impact Investing and Practices (CIIP)

The Centre for Impact Investing and Practices (“CIIP”) fosters the growth of impact investing and practices in Asia and beyond by building and sharing knowledge, bringing together stakeholders in the community, and bringing about positive action that accelerates the adoption of impact investing. Based in Singapore, CIIP was established in 2022 as a non-profit centre by Temasek Trust, a steward of philanthropic endowments and gifts. Temasek and ABC Impact are our strategic partners.

To achieve a sustainable future for all mankind, the world needs companies that can drive positive changes at scale through products and services. Impact investing can spur the growth of such companies and help advance solutions to address the challenges

that the world faces today. We believe that sustainable companies are those who pursue social and environmental impact as avidly as they pursue profits and shareholder value. By striving to generate positive and measurable social and environmental returns alongside a financial return, both impact investors and companies can achieve returns with purpose.

We are SDG Impact’s anchor partner for Asia. SDG Impact is the United Nations Development Programme initiative tasked to develop resources that accelerate investments towards achieving the United Nations Sustainable Development Goals by 2030.

For more information, please visit [www.ciip.com.sg](http://www.ciip.com.sg) or contact [info@ciip.com.sg](mailto:info@ciip.com.sg).



