



# **VBSP'S INCLUSIVE FINANCE RESULTS IN 2020 AND IMPLEMENTATION PLAN IN 2021**

## **1. VBSP'S INCLUSIVE FINANCE RESULTS AS OF DECEMBER 31<sup>ST</sup>, 2020**

### **Operational results:**



Total asset reached **VND 233,426 billion (US\$10,149 million)**, an increase of **VND 21,532 billion** compared to 2019.



Total outstanding loans reached **VND 226,197 billion**, an increase of **VND 19,391 billion (+9.4%)** compared to the end of 2019 with about **6.5 million** active customers. Overdue debt rate is **under 1%** in total loan portfolio.



VBSP has established a grassroot network and appropriate infrastructure with **10,426** mobile transaction points at the commune level and nearly **173,000** Savings and Credit groups at village and hamlet with the operation approach "Transaction right at home and disbursement right at commune" to provide inclusive financial services to the poor and other marginalized ones.











VBSP has been providing a set of various credit products, with more than **20** credit schemes in combination with the national target programs of the government with different types of lending needs, offered at preferential interest rates or close to the market rates.

The client segment served by VBSP are the poor, near-poor, households who have just escaped from poverty, disadvantaged students, ethnic minority, persons with disabilities, business households, entrepreneurs in disadvantaged areas, HIV carriers, rehabilitated drug addicts, reformed prostitutes, residents who met with land acquisition environmental disasters, rural households, rural laborers for vocational training, farm owners, MSMEs, cooperatives, enterprises using ethnic minority or PWD employees etc. Moreover, VBSP conducted some international cooperation projects i.e forestation development funded by WB, SME funded by KfW, rural finance funded by APEC, IFAD etc. Moreover, VBSP provides services of deposit, savings, payment, transfer, SMS banking, digital financial literacy, etc.

Currently VBSP has become a very important organization with its coverage throughout Vietnam, playing a key role in building a comprehensive financial system in Vietnam (World Bank 2020).

## Socio-economic impacts

By 2020, VBSP helped nearly 6.5 million the poor and other disadvantaged groups access inclusive financial services including:

-  Over **361,000** workers are attracted and created jobs
-  Over **5,200** workers work abroad for definite term
-  Nearly **44,600** disadvantaged students borrow loans to continue studying
-  Over **1.3 million** clean water and sanitation facilities for rural households
-  Over **17,300** houses for poor households
-  Nearly **43,500** houses against flood for households in the Central region and the Mekong River Delta
-  Nearly **6,200** social houses for low-income households
-  Disbursing VND **31.6 billion** for **207** enterprises to pay salaries for **8,529** employees; extending loan and adjusting loan term for **242,700** customers; providing additional loans for **122,900** customers and new loans for **1,942,586** customers.

Thanks to outstanding achievements over the years, VBSP was awarded the certificate of "Labor of Hero" in the renovation period by the President of the Socialist Republic of Vietnam on November 13, 2020.

## 2. VBSP'S IMPLEMENTATION PLAN IN 2021

Actively promote funding mobilization in the market, especially trust fund from local governments and focus on collecting due debts to promptly meet the borrowing needs of customers, fulfill 100% of the targets assigned by the Prime Minister and ensure the liquidity of the whole system.

Advising the Government, ministries and departments to continue implementing the Directive No. 40-CT/TW of the Secretariat and Decision No. 401/QĐ-TTg of the Prime Minister on promoting the concern of party committees and local authorities at all levels on mobilizing local resources for policy credit to support for multidimensional poverty reduction, ensuring social security and building the new rural areas



Constantly carrying out the Covid-19 pandemic prevention and control to ensure effective and safe operation of the whole system

Strengthening internal control and audit, focusing on self-inspection in each stage of implementing process

Constantly implementing synchronous solutions to consolidate and improve credit quality in the whole system

Strengthening the application of information technology, developing software to support the management, administration and operation of professional officers to ensure the safety and security of the system

Developing the green microfinance catalogue to scale up the flow of green finance to rural households and promote policy advocacy for adding green finance for rural households in the national strategy and action plan on green growth.

In the framework of project "Mobile banking Financial inclusion and economic empowerment for the low-income population and women in Vietnam", VBSP's Mobile Banking app will be launched in 2021



***The process of VBSP transferring policy credit to the poor and other last-mile populations***

**VIETNAM BANK FOR SOCIAL POLICIES**

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