

## TYM Fund, Vietnam

TYM Fund was founded in 1992 by the Vietnam Women's Union (VWU) as a replication of the Grameen Bank model. In 1998 it became an official department of the VWU before obtaining its own legal entity in 2006 as an income generating unit under the VWU. TYM Fund operates in the peri-urban and rural areas of nine provinces around Hanoi in Northern Vietnam. It offers business and consumption loans, savings and insurance services. As of June 2008 TYM operates through 26 branches and has 31,379 members with an outstanding loan portfolio of 106 billion VND (6.4 M USD).

### GIRAFE Rating

#### Rating

**B**

The GIRAFE methodology has been revised in January 2008. Changes do not affect the meaning of the grade. More info at [www.planetrating.com](http://www.planetrating.com)

#### Outlook

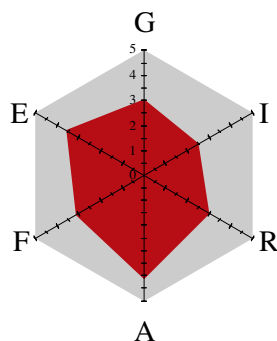
**Positive**

#### Date of the rating

**September 2008**

Valid until August 2009

#### Rating per evaluation area



Governance – Information – Risk –  
Activities – Funding – Efficiency

#### Planet Rating Contact

Otto Wormgoor  
[owormgoor@planetrating.com](mailto:owormgoor@planetrating.com)  
+33 1 49 21 26 30

#### MFI Contact

Ms. Ho Thi Quy  
20 Thuy Khue, Hanoi  
+84 4 3728 1070  
[tymfund@vnn.vn](mailto:tymfund@vnn.vn)

REF: OW / 141008

#### Rating highlights

- TYM Fund has shown strong profitability with ROA above 5% since 2004; the declining trend is likely to be stabilized as an increase in interest rates and further economies of scale should compensate higher staff and funding costs.
- Low credit risk as a result of excellent portfolio quality with PAR 30 < 0.5% for all years under review.
- TYM Fund enjoys a relatively high level of autonomy within the VWU and the liaison with the VWU has been beneficial in its operations, although having politically appointed BOD members remains an inherent risk for TYM's governance.
- The management team in place demonstrates adequate skills for the current operations of TYM but will need further strengthening with the increasing complexities of the institution as TYM further expands its operations.
- The main challenges of TYM will be to strengthen its governance, become regulated under the new law and source sufficient debt to finance its growth.

#### Outlook

The Positive outlook reflects Planet Rating's opinion that TYM will solidify its governance through expansion of its board of directors and spin-off into an LLC; further operationalize its MIS for reporting to management; and strengthen its internal audit function through the set-up of a control committee.

#### Performance indicators

USD	Dec. 2003	Dec. 2004	Dec. 2005	Dec. 2006	Dec. 2007	Jun. 2008
Assets	2,301,537	3,076,739	3,893,528	4,495,065	5,494,169	6,640,505
Growth	17.8%	34.8%	27.6%	17.0%	22.4%	23.9%
Loan portfolio	2,146,397	2,492,597	3,239,549	3,322,504	4,346,325	6,424,712
Growth	49.2%	17.1%	31.1%	4.0%	31.0%	51.5%
Outstanding deposits	746,100	1,140,544	1,531,545	1,813,218	2,022,487	1,972,885
Growth	37.5%	54.2%	35.4%	20.0%	11.7%	(0.0%)
Active borrowers	17,965	18,924	20,238	21,355	25,429	31,113
Active savers	18,911	19,920	21,303	22,479	26,767	31,379
Staff	130	129	137	145	157	178
ROE	10.8%	14.9%	14.8%	12.0%	11.1%	**22.8%
ROA	3.7%	9.1%	8.7%	6.7%	5.8%	**10.8%
Liabilities / Equity	0.60x	0.66x	0.74x	0.82x	0.97x	1.22x
Portfolio Yield	20.8%	21.5%	22.5%	22.9%	22.2%	20.1%
Operating expense ratio	13.7%	8.9%	9.4%	11.9%	12.3%	**7.8%
PAR 31-365*	n/a	n/a	n/a	0.12%	0.02%	0.02%
PAR > 365*	n/a	n/a	n/a	0.05%	0.10%	0.05%
Write-off ratio	0.00%	0.00%	0.00%	0.06%	0.00%	0.00%

\* Until 2006 no detailed ageing of the portfolio was prepared. PAR 30 was below 0.5% in all years.

\*\* June 2008 financial statements do not include all HR costs (see Information).