

TYM, Vietnam

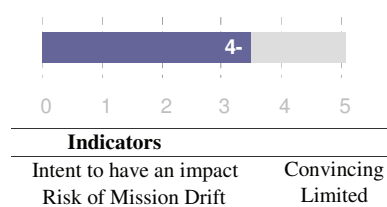
TYM was founded in 1992 by the Vietnam Women's Union (VWU) as a replication of the Grameen Bank model. In 1998 it became as an official department of the VWU before obtaining its own legal identity in 2006 as an income generating unit under the VWU. TYM's social mission is "to improve the quality of life and status of poor and low income women and their families by providing credit, savings, and insurance services". TYM operates in the peri-urban and rural areas of ten provinces around Hanoi in Northern Vietnam. It offers business, investment and consumption/emergency loans, savings and insurance services. As of April 2010 TYM operates through 43 branches and has 46,347 clients with an outstanding loan portfolio of 237 billion VND (12.7M USD).

Social Performance Rating

May 2010

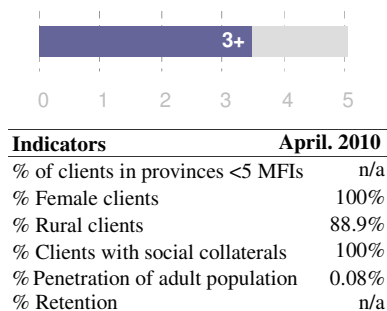
Overall, TYM's Social Performance is rated "4-"

Social Performance Management 4-	Financial Inclusion 3+	Client Protection 3+	HR Policy 4-	Social Change ***
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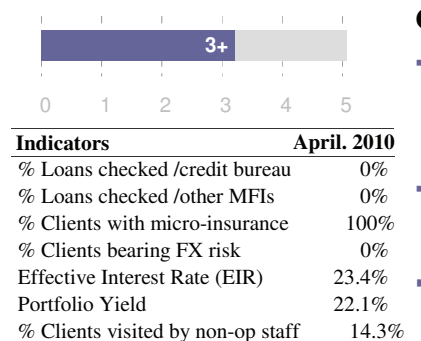
Social Performance Management

- With a strong intent to achieve a social impact, TYM follows a clear social mission detailed into general goals, shared among all decision-makers, and largely taken into account in the strategic planning. While using a number of relevant social performance monitoring tools such as client drop-out surveys, impact assessments, client satisfaction surveys, among others, TYM has yet to define and consistently track a set of clearly defined and measurable social performance indicators.



Financial Inclusion

- While it does not use individual targeting tools to select its clients, through rigorous market surveys and well suited financial services, TYM's outreach exclusively focuses on financial excluded low income women, in provinces whose level of poverty incidence is slightly higher than the national level (11.5% vs. 11.3%).
- The range of products offered by TYM has been diversifying over the years. Thanks to the hard work of the competent research unit, TYM shifted from the Grameen to the ASA methodology, introduced voluntary savings, as well as micro-insurance services through the set up of a Mutual Benefit Association.
- The cost of services supported by TYM's clients is reasonable, thanks to competitive pricing and low transaction costs. As of December 2009, CCSF's wholesale activities' effective interest rate stood at 23.4%.



Client protection & Ethical finance

- Given the absence of credit bureau in Vietnam, TYM is making efforts to prevent client's over-indebtedness by taking into account existing debts in the repayment capacity calculation, offering compulsory loan insurance products and conducting informal cross checks through interviews within the community.
- While contracts and repayment schedules are well detailed and clear, TYM has not yet implemented best social performance practices in terms of transparency as like its national peers, only the flat interest rate is mentioned in the contract.
- TYM has taken good steps to foster ethical staff behavior and appropriate loan collection, as well as to create vehicles for clients to voice their complaints. While aware of the issue, TYM has yet to design a comprehensive Anti-Money Laundering policy.