



E-Banking 4 the poor in Vietnam

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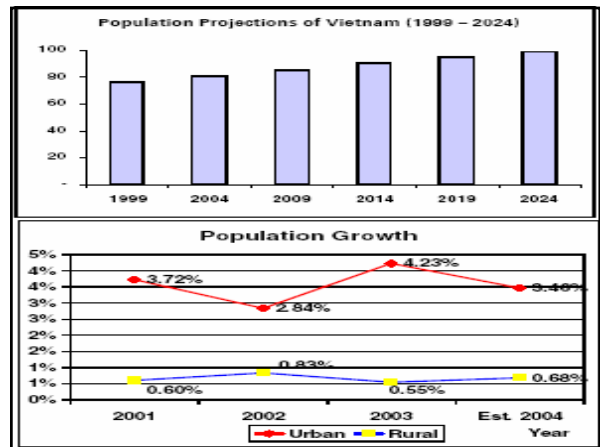
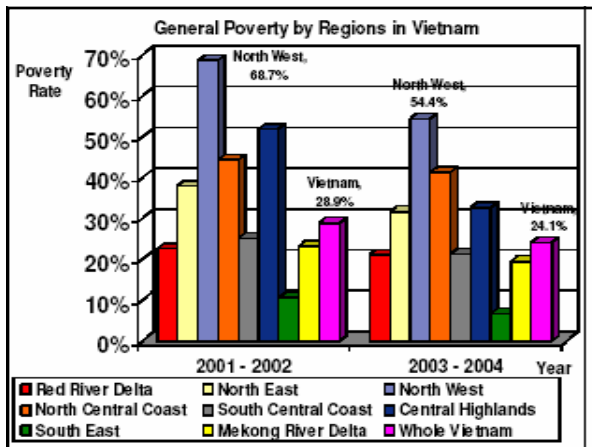
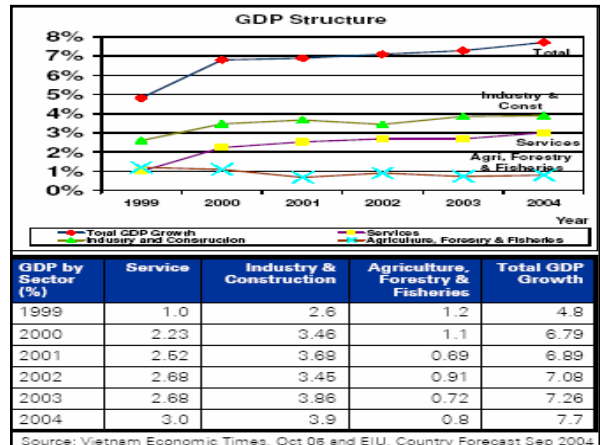
Agenda

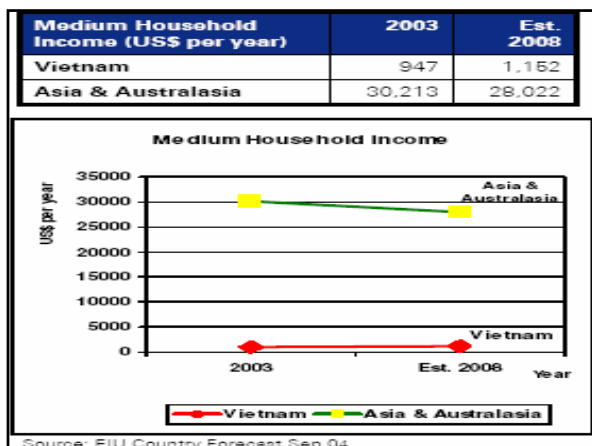
1. Background
2. The micro-finance sector in Viet Nam
3. Potential demand for electronic banking for the poor
4. Technological Developments in Banking Industry
5. Electronic banking services provided by banking industry
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Background

Viet Nam has been known as an agricultural, poor and populous country but, under the “Doi moi” period, its economy is growing with a relatively high rate.

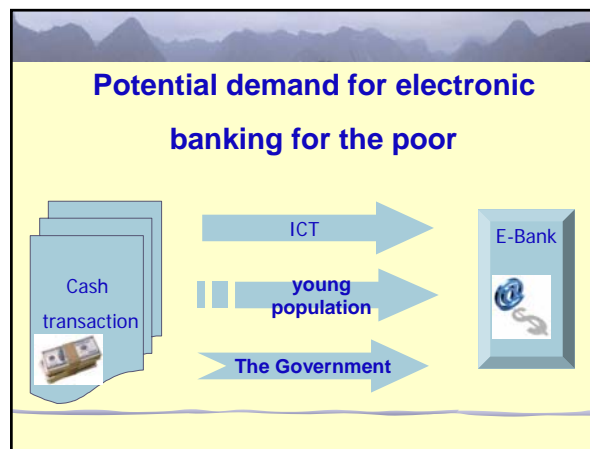
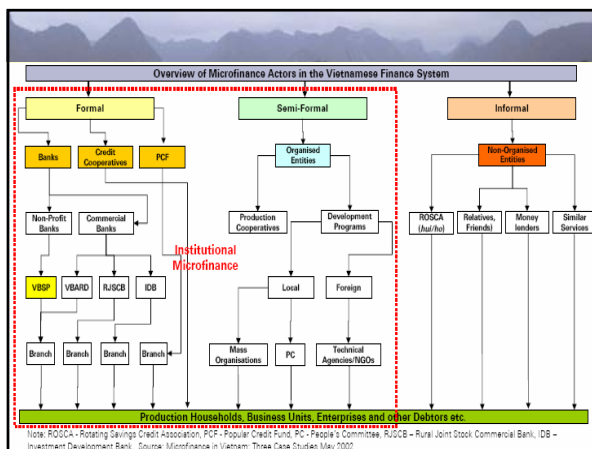
The Vietnamese are benefited from such economic growth that is why the poverty rate in Viet Nam is reduced rapidly.





The micro-finance sector in Viet Nam

Formal	Semiformal	Informal
<ul style="list-style-type: none"> - Viet Nam Bank for Social Policies - Viet Nam Bank for Agriculture and Rural development - Viet Nam Postal Saving Company 	<ul style="list-style-type: none"> - 7 international non-government organizations - 4 government - recognized micro-finance organizations 	<ul style="list-style-type: none"> - "Ho/Hui" (a popular form of rotating savings and credit associations (ROSCA)) - Relatives, friends, neighbours



Internet Users

Number of	2003	2004	Est. 2005	Est. 2006	Est. 2007	Est. 2008
Internet users (per 100 people)	4.2	6.0	8.0	10.0	11.5	12.3

E-commerce in Vietnam is developing .

- According to a Ministry of Trade survey in 2003, only 30% enterprises are noted to have Internet access, while less than 10% have a registered Internet website. At the end of 2005 those figures are 82% and 25%
- The government intends to invest approximately US\$16m in an effort to support and promote the development of e-commerce in Vietnam, however progress is expected to be slow

Telecommunication

Number of	2003	2004	Est. 2005	Est. 2006	Est. 2007	Est. 2008
Fixed-lines (per 100 people)	5.7	6.3	6.8	7.3	7.6	7.8
Mobile subscribers (per 100 people)	3.2	4.2	5.3	6.5	7.5	8.7

Technological Developments in Banking Industry

- Vietnam's bank clearing infrastructure has improved on many aspects in recent times. Most

Corporate users have come to recognize that banks' transfers are a more effective means of payment, and is fast becoming the preferred method for businesses.

- A key milestone was passed in May 2002 when Vietnam's first centralized electronic payment system, the World Bank-funded Inter-bank Payment System (IBPS), was launched. With the development of the local banks' electronic banking systems and IBPS, most payments within the Country can now be processed within one to two working days.

Electronic banking services provided

by banking industry

Vietcombank
Incombank
Agribank
MekongHousingBank

2107 ATMs
6.201 Mil Accounts
1.1 ATM cards
Home banking
Phone banking
Internet banking
Remittance

The Rich

The Poor

Electronic banking services provided

by banking industry (cont..)



MIS

Mobile units using laptops

MFI's

Not yet

Legal framework and regulations

- Article No 49 in Commercial Law recognizes the validity of *electronic transaction*

- Decision 196/TTg dated 01/04/1997 by the Government, which laid a foundation for the recognition of *electronic documents*

- Decision No 44/2002/QD-TTg dated 21/03/2002 issued by the Government recognized the legality of a wider range of electronic documents used for accounting purposes in banks and financial institutions

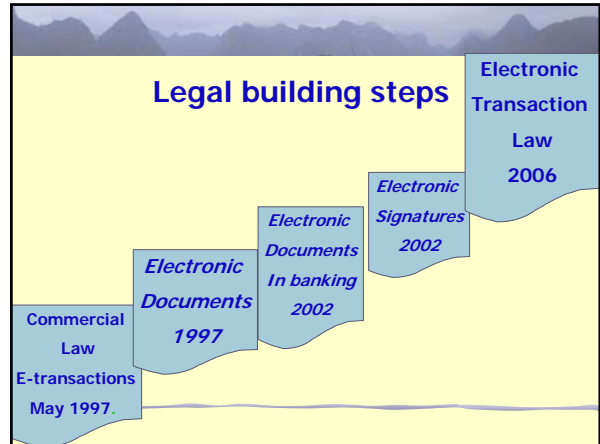
Legal framework and regulation (Cont...)

- Decision No 543/2002/QD-NHNN dated 29/05/2002 recognizes the legality and specifies the usage and monitoring of *electronic signatures* on electronic documents in inter-bank electronic payment

- Article 34 of the Civil Code regulates *information privacy and data processing* states that the collection, storage, usage and disclosures of personal information of a person must be agreed upon by that person

Legal framework and regulation (Cont...)

- State Bank of Vietnam is considering imposing ceiling on cash payments
- The Electronic Transaction Law has just approved by the National Assembly. It will take effect on 1st March 2006. It recognizes the legal status of e-transactions, data messages and e-signals



Summary and Findings

- Legal framework and regulations are slowly issued
- Poor services are available
- Unawareness of the people

Thank You