



STANDARDIZED IMPACT SURVEY – MFU VIETNAM

FEBRUARY 2023

MICRO-FINANCE UNIT

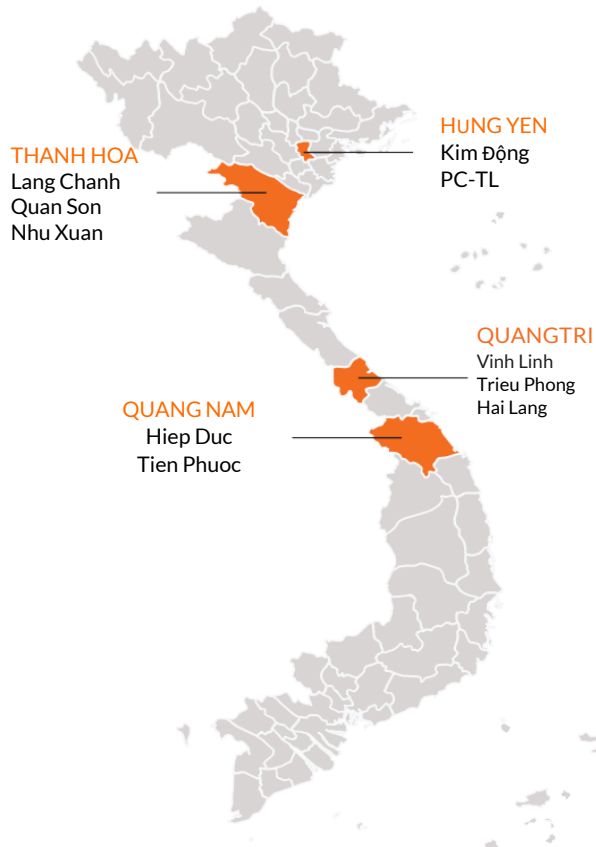


World Vision is a leading child-focused organization, dedicated to serving the most vulnerable children and communities and helping them overcome poverty. Each year in Vietnam, about 200,000 vulnerable children are positively impacted through World Vision's integrated intervention.

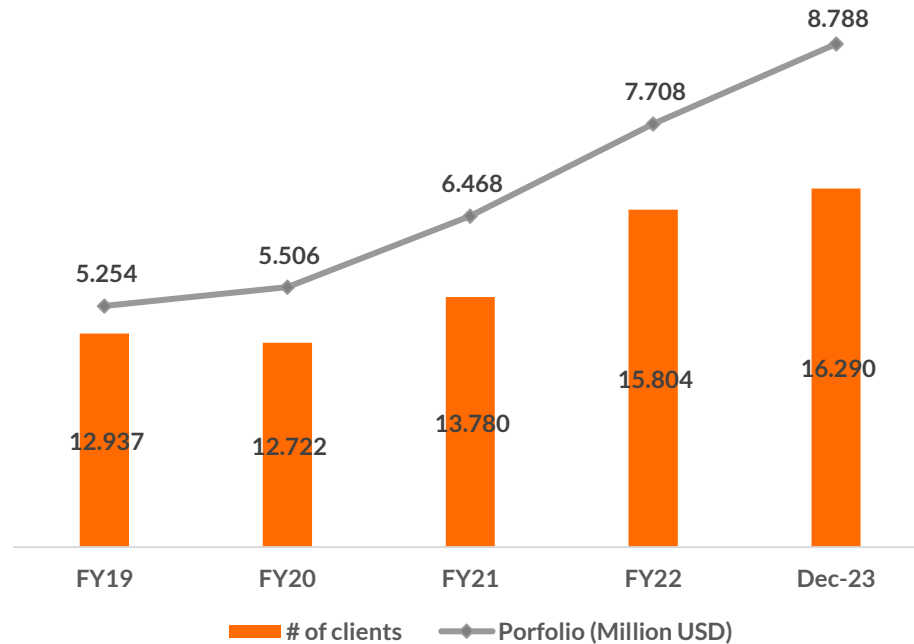
In 2006, World Vision established Micro-Finance Unit in Vietnam to boost the livelihood development process of the poor, the near-poor, and households with low income* through increased access to financial services, with a special focus on women empowerment and child well-being.

* Poor and near-poor households are identified by local authorities according to the poverty line defined by the Ministry of Labor, Invalids, and Social Affairs.

Our Presence



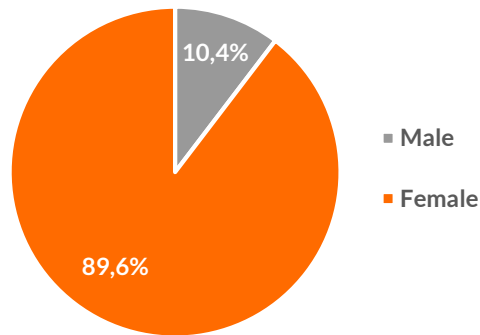
Operation Performance



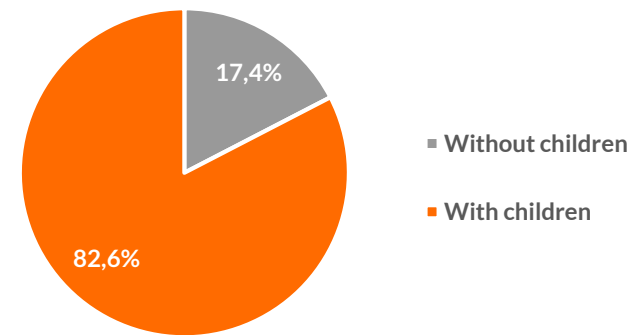
RESPONDENT'S PROFILE

In order to understand the impact of loans in clients' lives and in their children's lives; to improve products, services, and scope; to broaden the number of partnerships, and to listen attentively to clients' voices, MFU - Vietnam piloted the Standardized Impact Survey (270 qualified respondents) in December 2022. The sample was determined at a 90% confidence level and a 5% margin of error. The survey was conducted via phone calls in all 10 Branches of MFU.

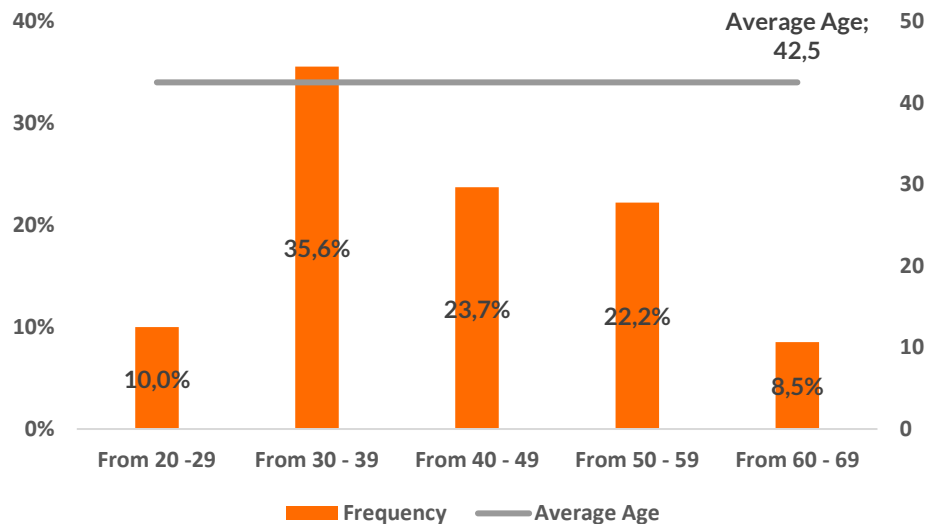
Female clients



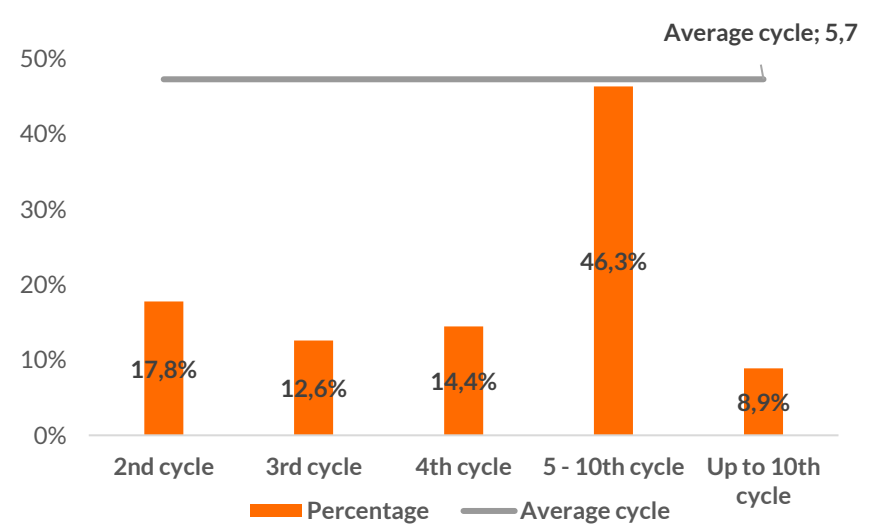
% of clients with children



Client's Age

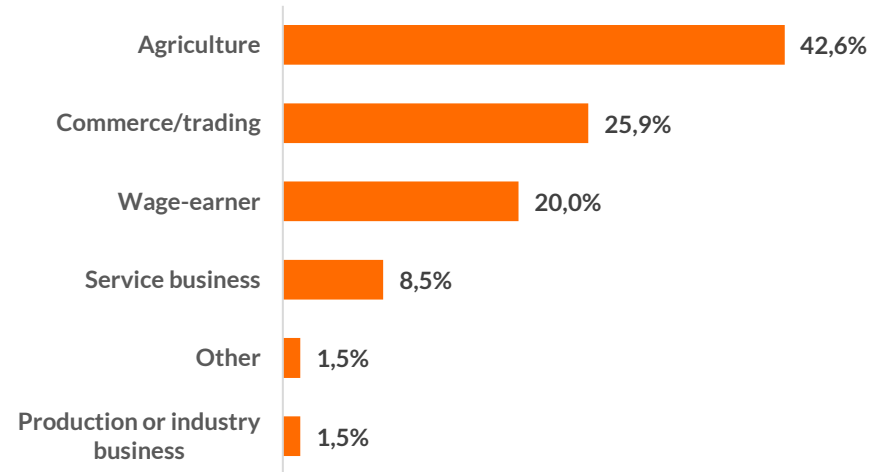


Loan cycle

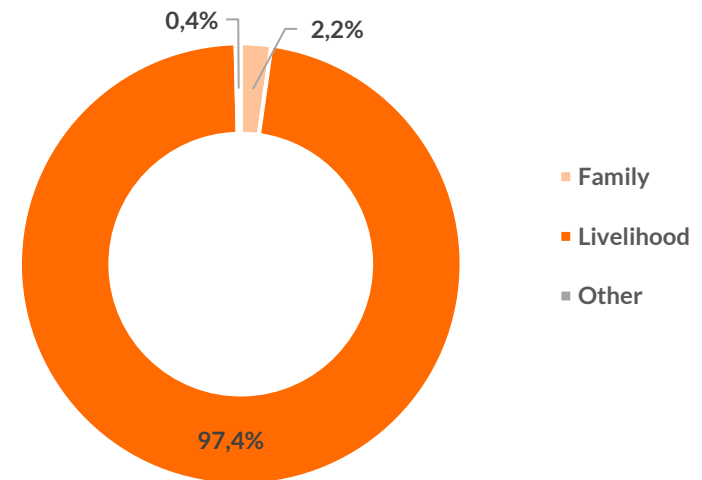




MAIN SOURCE OF CLIENT'S INCOME



MAIN GOAL FOR TAKING MFU LOAN



- **71.1%** of clients fully achieved their goals for taking the loan
- **28.9%** of clients partly achieved their goals for taking the loan

CHILD WELL-BEING

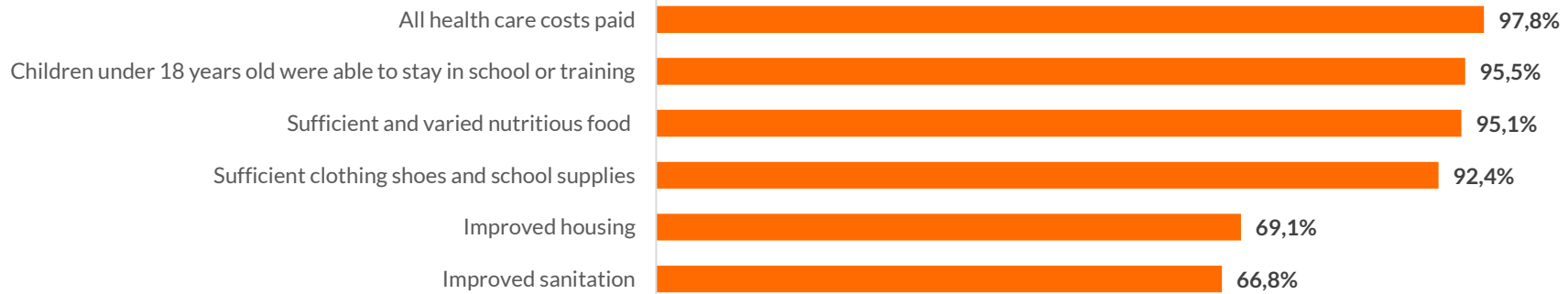


223/270 (82,6%) clients are supporting children

388 children supported by 270 clients benefited from the loan

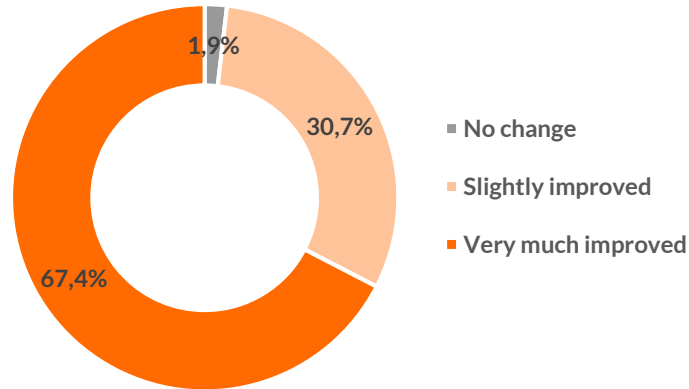
1,4 children per household

100% of clients reported an improvement in their child's well-being

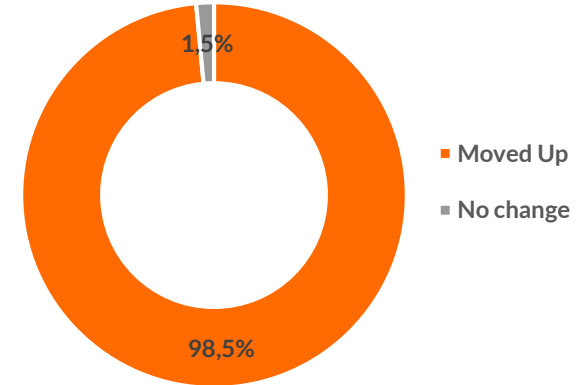


CLIENT'S INCOME

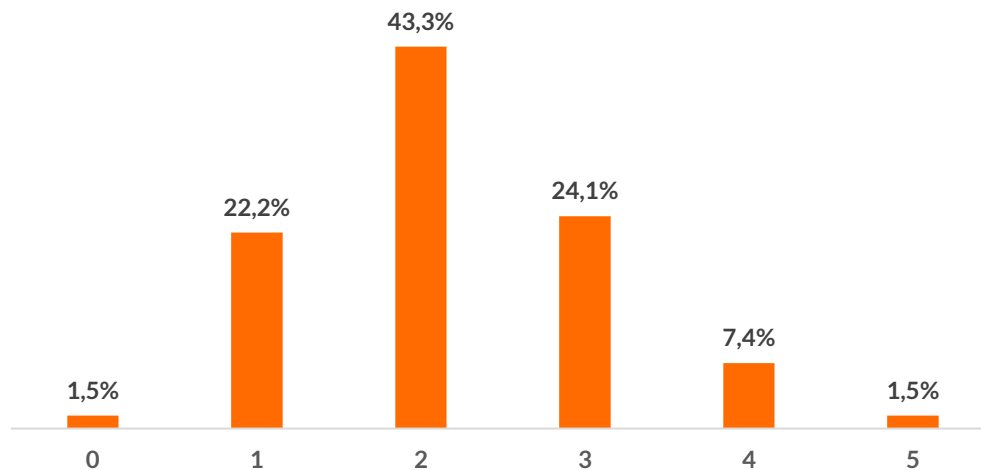
Improvement in income because of the MFU loan



Change in quality of life after the MFU loan



How change of rank?

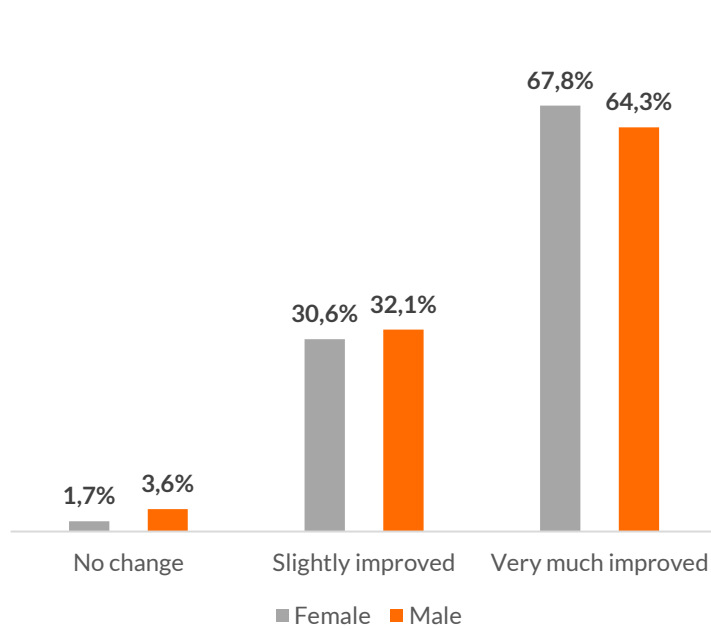


Clients were asked to imagine a ladder with steps numbered from zero at the bottom to ten at the top. The top of the ladder represents the best possible life and the bottom presents the worst possible life. **89,6%** of clients reported an improvement in their quality of life by 1- 3 steps.

8,9% of clients reported an improvement in their quality of life by 4 – 5 steps and only **1,5%** reported they remained in the same situation.

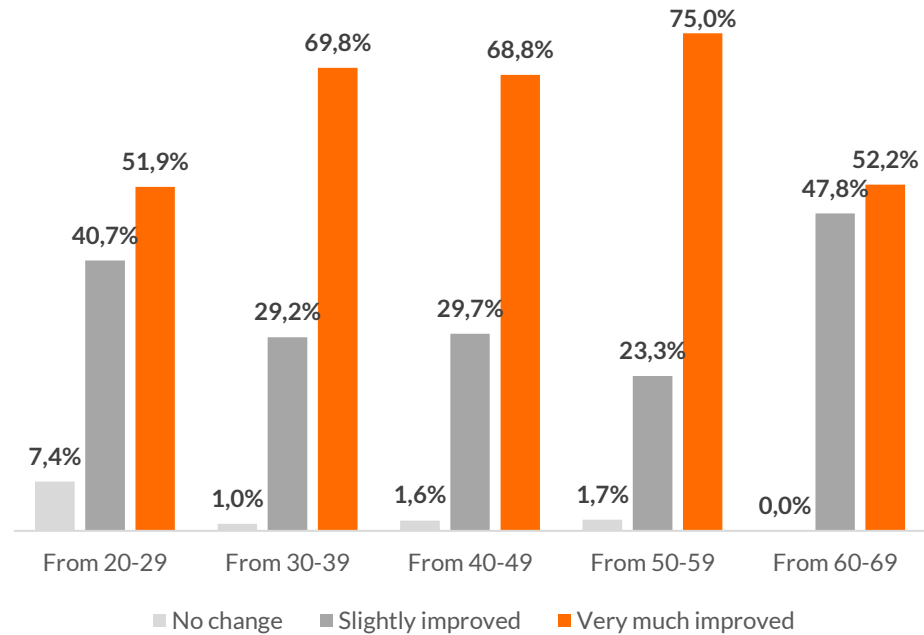
CLIENT'S INCOME

Income change by gender



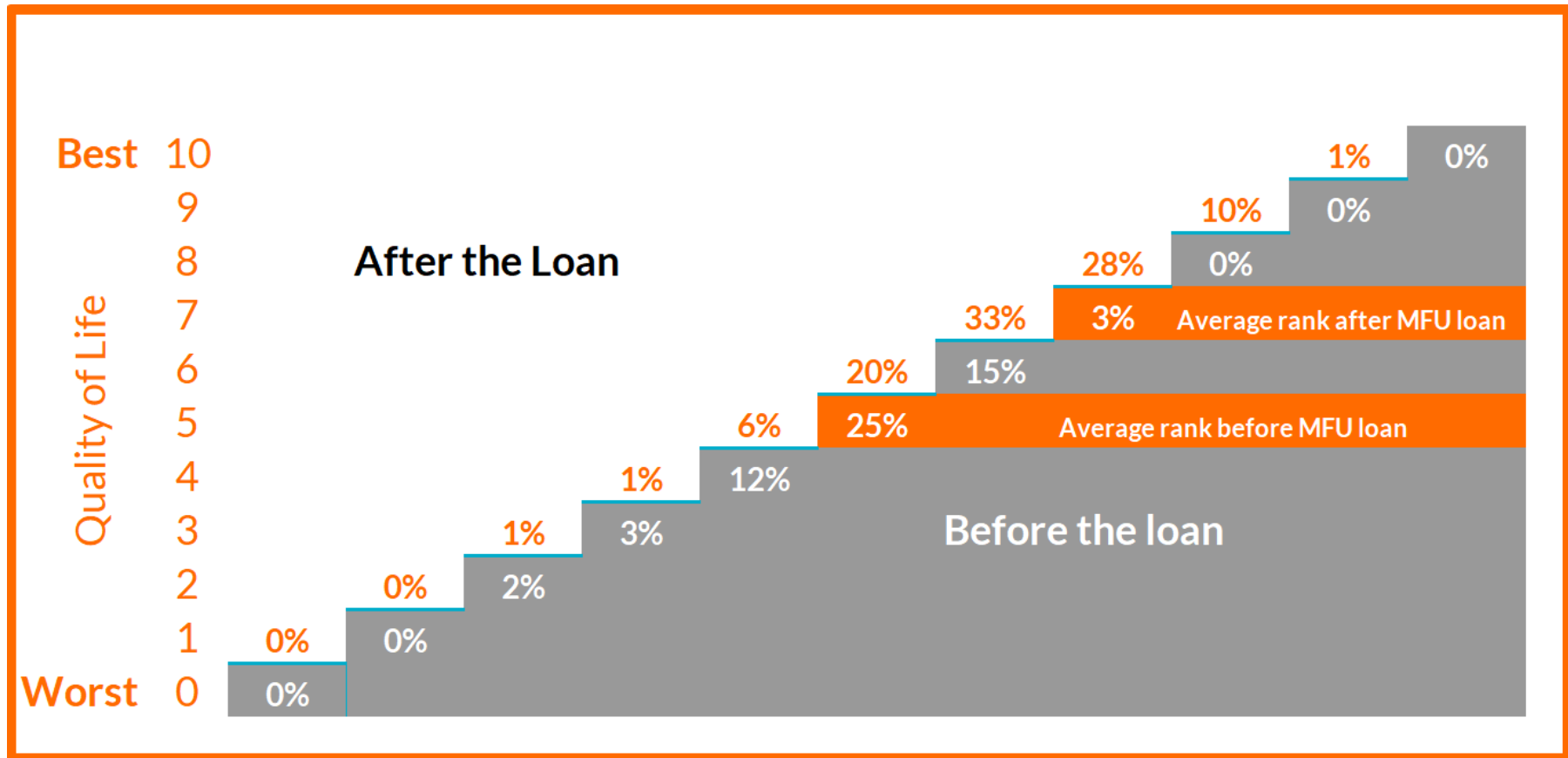
The figure shows that there is no significant difference in income change by gender. 64% of male clients agreed that their income has much improved after taking the loan from MFU while 67.8% of female clients gave the same opinion.

Income change by age



More than 68% of clients aged from 30 to 59 reported that their income has much improved while 52% of clients aged from 20 – 29 and 60 – 69 reported their income has much improved.

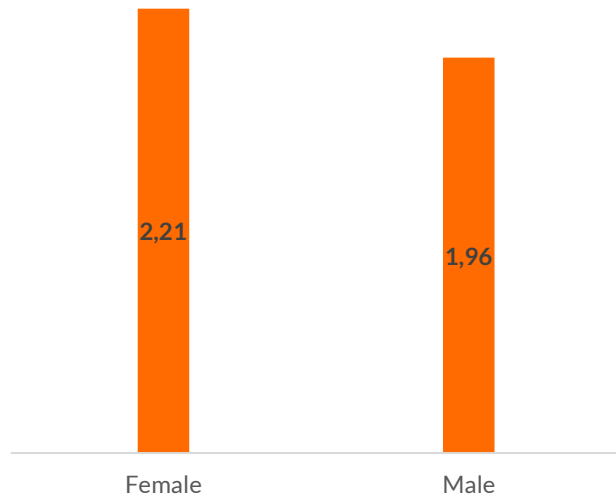
CLIENT'S LIFE LADDER



- Before taking the loan, MFU clients were on average in level 5 in the quality of life ladder. 17% were in level 4 and below and no one client was above level 8.
- After taking the loan from MFU, the life condition of clients has improved significantly. The average level of the clients in their life ladder is 7, which has increased by 2 steps. There are only 2% of clients having a rank from 3 – 4, and 39% of clients have a rank from 8 – 10.
- *“My previous loan cycles were for raising pigs and chickens, thanks to those husbandry models, I could save around USD 450 per year. I used my saving and the current loan for upgrading my house, and my children are very happy about it.”* Shared a client of MFU

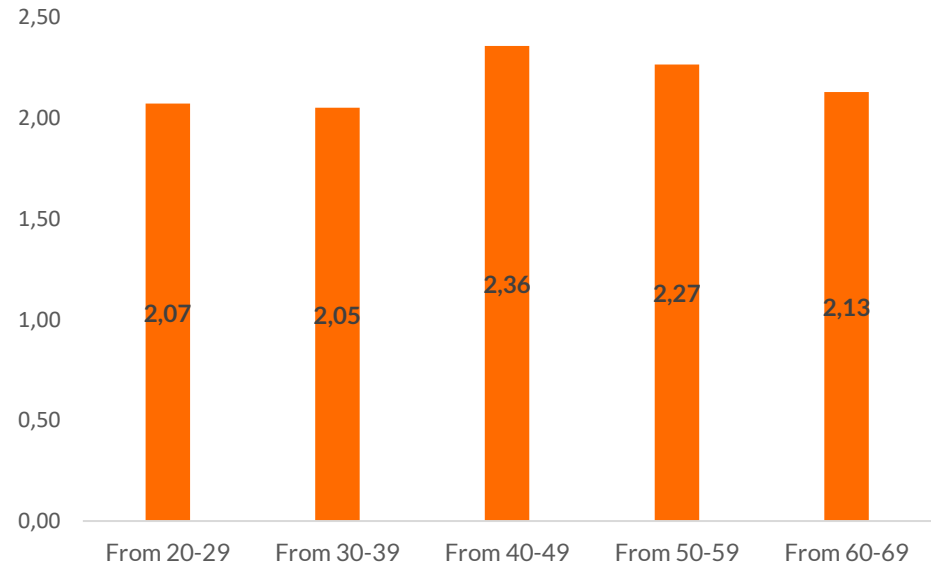
CLIENT'S LIFE LADDER

Life ladder change by gender



Female clients have increased their life ladder better than male clients, which has increased by 2.2 while the life ladder of male clients has increased by 1.96

Life ladder change by age



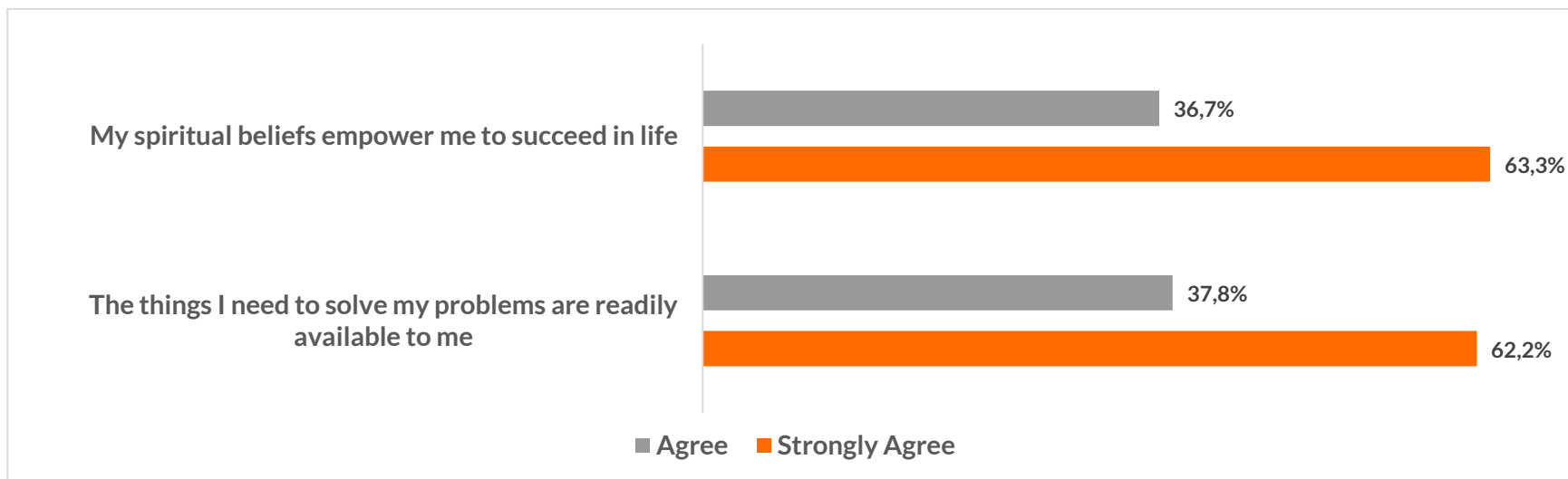
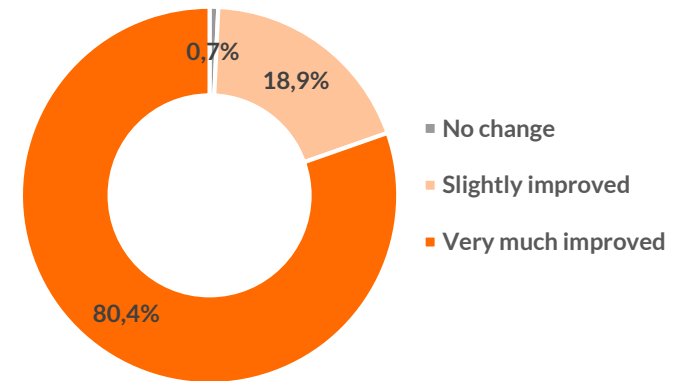
The average level of the clients in their life ladder has increased from 2 to 2.36 by the client's age, the clients aging from 40 - 49 have the biggest increase in life ladder by 2.36 steps.

CLIENT'S EMPOWERMENT

Clients highly appreciated the payment method of MFU which helps them to control their finance better. 80.4% of clients believed that MFU improved their financial control very much.

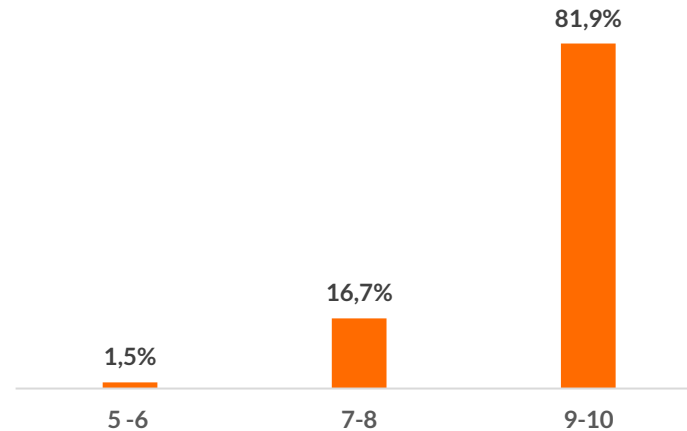
"I think it's good to repay monthly. Other banks lend money with a big amount and the principal amount is maintained until the end of the loan period, therefore we feel quite stressed to pay off the principal. Microfinance program helps us to create a saving habit monthly and reduce the risk of bad debt." N.T.M, a cluster leader in Tien Phuoc, Quang Nam

Client's feeling of financial control



CLIENT'S LOYALTY

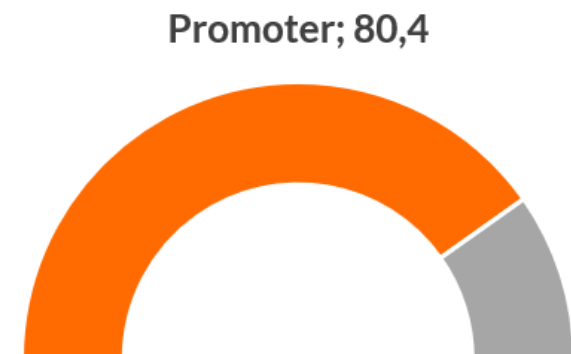
How likely are clients to recommend MFU to friends, relatives



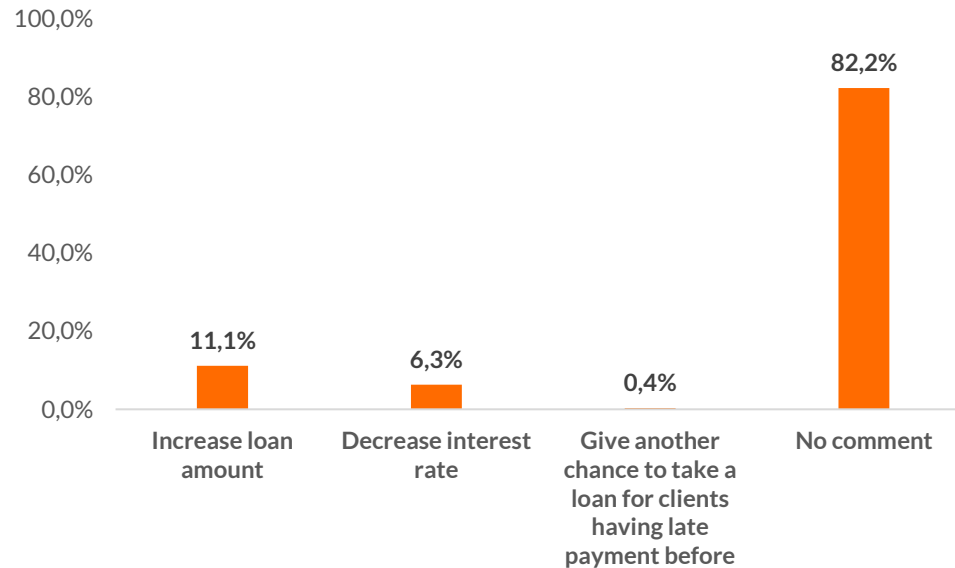
81,9% of clients are very ready to recommend MFU to their friends and relatives. They are very satisfied with MFU services in both terms of financial and non-financial products.

Only 1,5% of clients keep their neutral opinion when they were being asked about how likely are they to recommend MFU to their friends and relatives.

Net Promoter Score (NPS) is a measure used to gauge client loyalty, satisfaction, and enthusiasm with an organization. The MFU's Net Promoter Score of 80,4 reaches world-class.



CLIENT'S COMMENTS



82,2% of clients don't have any comments because they are satisfied with MFU products and services. From FY21, MFU has increased the maximum loan amount from 25 million to 30 million. Some products such as parallel loans and supplemental loans are designed to better meet the needs of clients to do business and support their well-being. However, with the non-stop demands for production and business, **11,1%** of clients expected to get a higher loan amount of 40 or 50 million dong

"In my point of view, it is necessary to increase the loan amount for households with an amount to 50 million dong. Prices for all agriculture inputs have increased, especially for animal food, which has increased by 40% compared to this price last year, so the current loan amount does not meet our needs." A client in Kim Dong Branch in Hung Yen.

On the other hand, instead of lowering interest rates, **6,3%** of clients showed their desire to change interest calculation methods. *"I hope MFU calculates the interest fee based on the current outstanding balance"*

FINDINGS

- ❖ MFU's target clients are female (89,6%) and clients with children (82,6%); 59% of clients are aged between 30 - 49 years old, and the average age of MFU clients is 42 and the average loan cycle is 5,7;
- ❖ After taking loan from MFU, the average quality of life increased from 5 to 7, an increase of 2 steps compared to where they were before the MFU loan;
- ❖ MFU loans have contributed significantly to improving the client's child well-being such as sufficient and varied nutritious food, sufficient clothing shoes and school supplies, and all healthcare costs are paid, children under 18 years old are able to stay in school or training because the fees are paid, ...
- ❖ Some clients have a desire that MFU gives them a higher loan amount with an amount of up to 50 million dong (USD 2.130) and apply another interest calculation method which bases on the current outstanding balance.

The logo for VisionFund features the word "VisionFund" in a bold, black, sans-serif font. A curved orange line arches over the word "Vision".

The logo for World Vision features the words "World Vision" in a bold, black, sans-serif font. To the right of the text is an orange square containing a white four-pointed star.