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VIETNAM

SUCCESS STORY

Bringing New Technology to Banks

Banks upgrade services, introduce modern conveniences like ATMs



Photo: USAID

This recently installed ATM is an important new technology for Vietnamese banks.

Vietnamese banks are modernizing, introducing services like ATMs and credit card technology. This makes it easier for both businesses and the overall economy to grow.

Vietnam's banks are playing a pivotal role in the country's impressive economic growth by helping small and medium-sized businesses access capital for investment and production. Yet outdated technologies and inefficient business processes limit the ability of many banks to offer all the products and services that clients would like. USAID is contributing to the banking sector's competitiveness and growth by helping joint stock banks improve operations by developing and implementing strategies to modernize their technology.

One bank participating in the program is Vietnam's Techcombank. In April 2004, USAID experts assessed the bank's information technology systems and recommended improvements. One idea was to integrate ATMs and credit and debit cards into existing services.

Since then, Techcombank has purchased and installed 30 ATMs. Through partnership agreements with other local banks, their clients can now access their accounts at any time through a network of over 400 ATMs. Customers have responded enthusiastically to this convenience, making over 20,000 ATM transactions per day. Since ATMs have lowered bank transaction costs, Techcombank's staff can spend more time developing new products and services. In 2004, the bank launched six new retail offerings. Techcombank has also purchased a credit card management system from an international supplier, bringing a new slice of banking technology to Vietnam.

Techcombank plans to rent its ATM software to other banks and is working with USAID to address data security and other technology issues. Encouraging the use of modern banking technology helps small businesses and entrepreneurs access the capital they need to grow and succeed. USAID aims to replicate its success with other banks that lend to small firms.