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DINH VAN CHUC

"DEVELOPMENT OF NON-INTEREST SERVICES FOR JOINT STOCK COMMERCIAL BANKS IN VIETNAM"

Major: Banking - Finance

Code : 9.34.02.01

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THESIS ABTRACT

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PREFACE

1. The necessity of the thesis

In recent years, along with changes in business environment, technology, demand for financial products and services of people, foreign investment capital, financial policy or restructuring in the banking system, the business model shift in the direction of reducing dependence on credit activities and increasing income from non-credit service activities of joint stock commercial banks in Vietnam has become an inevitable trend.

Starting from 2019, The Covid-19 epidemic has produced adverse impacts on the global economy and inhabitants' life and at the same time is also a driving force to accelerate the development of non-credit services at commercial banks, diversify and gradually digitize non-credit transactions. The reduction of credit growth is also a good opportunity for banks to adjust their loan portfolio towards a new safer and more sustainable risk appetite, reduce the proportion of credit, increase the proportion of non-credit services. .

In the context of fierce competition associated with the current financial integration and liberalization process, the development of non-credit services by state-owned commercial banks is facing many challenges. Therefore, the research and development of non-credit services is considered a competitive strategy and conditions for the existence and sustainable development of commercial banks. From aforementioned reasoning, I chose the topic: "DEVELOPMENT OF NON-INTEREST SERVICES FOR JOINT STOCK COMMERCIAL BANKS IN VIETNAM" for my doctoral disertation.

2. Literature Review

2.1. International Literature Review

- Reynold E. Byers, Phillip J. Federer (2015), *A Model of Traditional, Electronic, and Mixed Distribution Choices* [70] Research and design of strategy for developing banking services including traditional banking models, digital banks and the combination of traditional and digital banking plays an important role in the banking industry.

- Ilias Santouridis, Maria Kyritsi (2014) - *Investigating the Determinants of Internet Banking Adoption in Greece*. [60] The study focuses on Internet

application banking products and services and the fundamental changes that the Internet application makes in the way commercial banks do business.

- Chien-Chiang Lee, Shih-Jui Yang, Chi-Hung Chang (2014) - *Non-interest income, profitability, and risk in banking industry.* A cross-country analysis [52] The study was selected by the authors to perform on a relatively large sample of 967 joint stock commercial banks to show the relationship between income from non-credit services.

- Tiago Oliveira, Miguel Faria, Manoj Abraham Thomas, Ales Popovic (2014) - *Extending the understanding of mobile banking adoption: When UTAUT meets TTF and ITM* [76] The research of the authors focuses on the model of importance and the relationship between user perception of Mobile Banking (Mbanking), initial trust in Mbanking service, and the compatibility between technology and Mbanking.

- Valeria Arina Balaceanu (2011), *Promoting banking services and products, Economic doctoral thesis* [78] The author's thesis has analyzed the elements of banking services, the development of banking services and the banking market

- Cassy Glesson and Akua Soadwa (2008), *Survey of retail bank services in New York.* [50] The study surveyed 207 retails commercial banks in New York to understand more about the goods and services they provided.

- Brunner, A. Decressin, J. Hardy, D.Kudela (2004), *Germany's threepillar banking system: Cross-country perspectives in Europe* [49] The research clarified the concept of banking services and made quantitative studies on the contribution of this service to the growth of commercial banks.

2. Vietnam Literature Review.

2.2.1. Research on risks and risk management of commercial banks

- Nguyen Thi Hong Yen (2015), *Development of Banking Services at Joint Stock Commercial Bank for Investment and Development of Vietnam*, Doctoral thesis. [45] The thesis has analyzed in-depth the development of banking services in general at BIDV Bank.

- To Khanh Toan (2014), *Retail Banking Development at Vietnam Joint Stock Commercial Bank for Industry and Trade*, Doctoral thesis. [41] Research focuses on modern and traditional retail banking services.

- Nguyen Thanh Cong's doctoral thesis with the topic *"Quality of Banking and Financial Services at Vietnamese commercial banks"* (2017) [2] applied the SERVQUAL model to research. service quality at the Vietnamese commercial banking system.

- Dr. Nguyen Thi Hong Yen, MSc. Nguyen Chi Dung in their article "*Some experiences in developing banking services",* Review of Finance, April 2017 [46] The article based on the researches on experiences in sustainable development of some typical commercial banks in the country to point out the current situation of banking service development of some banks in Vietnam and draw lessons on service development of Vietnamese commercial banks.

2.2.2. Researches on the development of non-credit services by Commercial Banks.

- Phan Thi Linh (2015), Developing non-credit services at state-owned commercial banks, Doctoral thesis in economics [17] The thesis has comprehensively systematic theoretical basis and situation analysis of non-credit services of the state commercial banking system.

- Pham Anh Thuy (2013), Developing non-credit services in Vietnamese commercial banks, Doctoral thesis [40] The thesis has comprehensively systematized the theoretical basis of banking development services, analyzed the current situation of development of Vietnamese commercial banking system and used the qualititive model to measure customer satisfaction.

- Dr. Do Quang Tri in his the article "The trend of increasing the scale and the proportion of income from non-credit services in the total income of commercial banks in Vietnam", Banking Review No. 23/2018 [42] The articles clarified the development trend of modern and convenient banking services

- Author Doan Thi Hong Nga with the article "Researching the transformation of banking products and services in the period of the Industrial Revolution 4.0" [22], Review of Finance, July 2019. In this article, the author has pointed out the opportunities and challenges of the Industrial Revolution 4.0 to the banking product services of the banking sector.

2.**3. Reasearch Gaps and Research Question:**

2.3.1. The previous research results

- Firstly, the international researchs have shown the theoretical basis, the current status of non-credit services and the quality of non-credit services of commercial banks.

- Secondly, concerning Vietnamese research, most of the research studies in depth about non-credit service products and the correlation between non-credit products with operational efficiency and revenue, cost and profit of commercial banks.

2.3.2. Research gap

2.3.2.1. Theoretically

Most of the researches in the world give different concepts, according to different standard views on developing non-credit services. In Vietnam, most studies have not generalized a pure Vietnamese concept. This limits the system of evaluation criteria to measure the development level of non-credit services at commercial banks.

2.3.2.2. In practical terms

- Most of the research focuses on one or a group of banks such as the group of state-owned commercial banks, but there is no research according to the understanding of the author of the overall research on the entire Vietnamese banking market or research on 11 typical banks in the banking industry.

- The previous studies focused on analyzing the non-credit activities at commercial banks in the period before 2011.

Therefore, the topic " DEVELOPMENT OF NON-INTEREST SERVICES FOR JOINT STOCK COMMERCIAL BANKS IN VIETNAM " is carried out to supplement the research on the theoretical basis and practical basis , from which to propose solutions to develop non-credit services at Vietnam's joint-stock commercial banks for the period 2021-2025 with a vision to 2030.

3. Research objectives and research question

3.1. Research objectives

Proposing solutions to develop non-credit services of joint stock commercial banks in Vietnam.

4. Research subject and scope

- ***Research subjects***: theoretical and practical issues about the development of non-credit services of Vietnam Joint Stock Commercial Banks.

- ***Research scope:***

+ Regarding space: The thesis focuses on analyzing and evaluating the current status of the development of non-credit services of the system of Vietnam Joint Stock Commercial Banks; but specially focus is on 11 commercial banks in Vietnam.

+ Regarding time: The study is conducted in the period 2015-2019.

+ Regarding the content: The study focuses on typical development services in the system of commercial banks in Vietnam. The research is limited to the parent bank.

5. Research method

To achieve the research objectives and answer the aforementioned questions, the thesis uses a combination of the following methods:

+ Methods of analysis - synthesis

+ Method of comparison - comparison

+ Method of interview

+ Statistical analysis method

+ Methods of systematization

+ Logical method

7. Main achievements

New academic and theoretical contributions

The thesis contributes to clarify the concept of development of non-interest banking services, thereby building a full set of evaluation criteria, including qualitative and quantitative ones, to aid analysis process for joint stock commercial banks in Vietnam.

New proposals drawn from the research results

The thesis has analyzed and evaluated the current status of the development of non-interest services in Vietnam Joint Stock Commercial Banks in a comprehensive and scientific way.

+ The thesis has used the secondary data sources to analyze the current status of the development of non-interest services at 11 Vietnam Joint Stock Commercial

Banks in the period of 2015-2019. No previous studies has been touched on or they have been implemented to different and small set of commercial banks or other period of time, hence not comprehensive enough to further expand on this topic.

+ The thesis has researched not only a large number of commercial banks, but also drilled down an accomplished number of similar services provided by commercial banks in the market, in order to show the strengths and weaknesses in each subject, instead of just researching the entire non-interest services in general.

+ The thesis development is conducted based on a large survey with 550 customers (i.e. different types of individual and corporate customers) and an additional survey with 110 managing personnel in the 11 selected commercial banks. Therefore, the conclusions from the thesis are distinct and reliable instead of researching only on reported parameters from the commercial banks.

From analyzing the current situation, the thesis has proposed practical perspectives to generate overall solutions for the development of non-interest banking services in Vietnam commercial banks to 2030. On that basis, the thesis has built a system of solutions from scientific methods and practical study tied with the current research situation.

8. Structure of the thesis

In addition to the introduction, conclusion, the thesis is divided into three chapters:

Chapter 1: Theoretical basis on the development of non-credit services by commercial banks

Chapter 2: Current status on the development of non-credit services of Vietnam Joint Stock Commercial Banks

Chapter 3: Solutions to develop non-credit services of commercial banks in Vietnam

CHAPTER 1: THEORETICAL BASIS ON THE DEVELOPMENT OF NON-CREDIT SERVICES BY COMMERCIAL BANKS

1.1. THEORY OF THE CREDIT SERVICE OF COMMERCIALBANK

1.1.1. Banking services

1.1.1.1. Banking service concept

Banking services are banking operations that provide customers with utilities satisfying customers' needs such as receiving deposits, lending, payment, foreign exchange services, guarantee, consulting ...

1.1.1.2. Characteristics of banking products and services

Characteristics of banking products and services include: Invisibility, Inseparability, Uncertainty and difficult to determine, Heterogeneity, Two-way information flow, Diversity.

1.1.1.3. Classification of banking services by revenue nature

• Credit service: is the activity of granting credit to organizations in the forms of: lending, discount, guarantee, financial leasing and other forms.

• Non-credit services: are services provided by banks to customers to meet customers' financial and monetary needs in order to directly or indirectly generate fee incomes for commercial banks, excluding credit services.

1.1.2. Non-credit services

1.1.2.1. Non-credit service concept

Non-credit services are financial and monetary services provided by a bank to meet the needs of customers to directly or indirectly generate fee incomes, excluding credit services.

1.1.2.2. Types of non-credit services

Non-credit services include: Deposit services, current account and treasury, Card services, Electronic banking services, Foreign exchange business services, Guarantee service (fee charged), Trust service, Consulting service, Supervisory banking service, Money brokerage service, Other non-credit services.

1.2. CONCEPT ABOUT CREDIT SERVICES DEVELOPMENT

1.2.1. Non-credit service development concept

+ Develops both width and depth

+ Develop in accordance with control capacity and market demand

1.2.2. The role of non-credit service development in commercial banks

+ For banks

- Non-credit services have the ability to make high profits for banks due to low costs.

- Non-credit service does not require banks to use many sources of capital

- Non-credit service helps banks limit risks because it is relatively safe and low-risk

- Non-credit service helps banks pay attention to recruiting and retraining their staff

- Non-credit services help banks to promote their brands and survey market demand

- Development of non-credit services is in line with the development trend of the banking industry

- Non-credit service to help banks cooperate for development

+ For the economy:

- To meet the increasing demand for banking services of the economy

- Requirements for banking modernization to meet the requirements of building and developing a modern economy

1.2.3. Factors affecting the development of non-credit services

Factors affecting the development of non-credit services of commercial banks are divided into 2 groups:

+ Factors derived from the bank include factors: financial capacity, information technology infrastructure, management capacity and effective human resource strategy, distribution channels, customer policies, the bank's reputation.

+ Factors derived from the external environment include the following factors: legal basis, level of international economic integration and competition within the industry, economic growth and social environment,

the situation political and social order and safety, customer needs, government policy, competitors.

1.2.4. The indicators reflecting the development of non-credit services

The development of non-credit services is measured by the following criteria:

First, the group of indicators reflecting the development of non-credit services in terms of quantity which includes: the increase in sales and income for the bank, the increase in the number of customers and market share, the increase in the number of services, growth in the number of modern distribution channels.

Second, the group of indicators reflecting the development of non-credit services in terms of service quality includes increased utility and product safety, and the level of customer satisfaction.

1.4. EXPERIENCE IN THE DEVELOPMENT OF NON- CREDIT SERVICES OF SOME COMMERCIAL BANKING AND LESSONS FOR VIETNAM COMMERCIAL JOINT STOCK BANKING

The thesis analyzes the experience in developing non-credit services of Hang Seng Bank (Hong Kong), Standard Chartered Bank and Citibank (Japan), thereby drawing 5 lessons for Vietnamese commercial banks.

CONCLUSION OF CHAPTER 1

In chapter 1, the thesis has presented systematically the basic theories ON banking services, non-credit services of joint stock commercial banks, the experience of non-credit service development of some commercial banks in the world and lessons for Vietnam Joint Stock Commercial Banks.

CHAPTER 2

CURRENT STATUS ON THE DEVELOPMENT OF NON-CREDIT SERVICES OF VIETNAM JOINT STOCK COMMERCIAL BANKS

2.1. Overview of Joint stock commercial banks in Vietnam

In this content, the thesis summarizes the history of formation and development, organizational structure, operation network of the system of Vietnam Joint Stock Commercial Banks and business results of Vietnam Joint Stock Commercial Banks in the period of 2015 - 2019

2.2. Current status of non-credit service development in joint stock commercial banks in Vietnam in the period 2015 - 2019 according to quantitative criteria

2.2.1 Development status of each non-credit service

2.2.1.1 Deposit, payment, treasury account services

a. Deposit account service

The basic capital mobilization products of Vietnam's commercial banks are:

Table 2.11 Deposit Products of Vietnam Joint Stock Commercial Banks

Forms of mobilization	Individual customer	Corporate customer
1. Deposit	- Payment deposit (VND, USD), - Flexible payment deposit (VND, USD), - Floating-rate deposits - Online investment deposits, - Term deposits (VND and USD), - Escrow deposit to guarantee card payment.	- Payment deposit (VND and USD), - Flexible payment deposit (VND, USD), - Floating-rate deposits - Online investment deposits, - Term deposits (VND and USD), - Margin deposit - Specialized collection and payment accounts - Automatic investment account
2. Savings	- Non term Saving (VND, USD), - Term savings (VND, USD), - Online savings - Flexible term savings - Accumulation of remittances - Savings often	

	- Automatic savings - Savings with periodic interest payments - Savings with interest in advance - - Saving floating interest rates	
3. Valuable papers	- Debentures - Certificates of deposit - Bonds	- Debentures - Certificates of deposit - Bonds
4. Other forms of mobilization	- Monetary derivative financial instruments - Payable	- Monetary derivative financial instruments - Payable

- The utilities and service quality:

Along with the diversification of deposit types to meet the needs of different customers, Vietnam Joint stock commercial banks have continuously improved service quality and service utilities.

- Regarding the results of capital mobilization:

Vietnam Joint Stock Commercial Banks have always identified capital mobilization as one of the top key tasks throughout the year.

b. Payment service

In recent years, commercial banks have paid great attention to boosting revenue from payment services.

c. Treasury services

Table 2.14 Net profit from treasury services of 11 Vietnam joint stock commercial banks

Unit: billion VND

Content	Year				
	2015	**2016**	**2017**	**2018**	**2019**
Treasury service income	309	526	589	794	868
Cost of treasury service	90	220	217	218	228
Absolute profit on treasury services	219	306	372	576	640
Absolute profit / Treasury service income (%)	67.7	58.2	63.2	72.5	73.7
Absolute interest rate of treasury services compared to the previous year (%)		39.7	21.5	54.8	11.1

As shown in the table, the absolute profit from treasury services always brings a very high rate of return for commercial banks in Vietnam, reaching from 58% to 74%. On average over the period from 2015 to 2019, the absolute profit rate from treasury services of Vietnam's commercial banks reached 68.47%.

2.2.1.2. Card service

Vietnam is considered to be a potential payment card market, with a young population and advanced information technology application.

2.2.1.3. Electronic banking services

The digital trend is a global trend in the 4.0 scientific and technological revolution, investing and developing e-banking services is an indispensable requirement for all banks to take up their position in th interbank market and to attract a large number of customers who want to use modern banking services to save time and costs.

2.2.1.4. Guarantee service

The guarantee services currently provided by Vietnamese commercial banks are loan guarantee, payment guarantee, bid guarantee, contract performance guarantee, payment guarantee. taxes on import and export goods, guarantee of payment refund, guarantee of product quality under the contract, guarantee for specific purposes ...

2.2.1.5. Trust service

In recent years, commercial banks in Vietnam are racing to expand this service to individual customers. Trust products for individuals can be mentioned as: estate management, asset management under signed contracts, custodial trusts, representative services ... For corporate customers, trust products include: management of corporate retirement fund, fund management ...

2.2.1.6. Consulting service

Table 2.19 Absolute profit from consulting services of 11 Vietnam joint stock commercial banks

Unit: billion dong

Content	Year

	2015	2016	2017	2018	2019
Absolute profit	536	489	862	694	936
Cost of consultant service	515	461	776	629	813
Absolute profit of consultant service	21	28	86	65	123
Absolute profit/ Absolute profit (%)	3.9	5.7	9.9	9.3	13.1

In terms of scale, income from consulting services has not contributed much to the total income from non-credit activities of the bank. In the coming time, the need for consultant services tends to increase, Vietnam Joint Stock commercial banks should focus on fostering internal resources to develop consultant services.

2.2.1.7. Foreign exchange business services

+ Foreign exchange for spot transactions: fleetingly meeting the demand for foreign currency trading; Applicable to any convertible currency pair; the procedure is quick and simple; Unlimited transaction size.

+ Forward exchange transactions: help immediately fix the exchange rate, avoiding the risk of price fluctuations in the future; immediately calculate the expenses incurred; avoid the risk of scarcity of foreign currency in the market.

2.2.1.8. Other non-credit services

Other non-credit services include interest rate derivative products, portfolio management, securities services, fund management services, sales, acquisition and appraisal services, rental services, gold trading ...

2.2.2. Increase in sales, costs and income from non-credit services

Table 2.24 Sales of non-credit services of 11 Vietnam Joint Stock Commercial Banks

Unit: billion VND;%

Content/ year	2015	2016	2017	2018	2019	Growth rate (%)			
						16/15	17/16	18/17	19/18
Payment service	43.141	65.326	68.732	76.215	108.874	51,42	5,21	10,89	42,85
Tresury service	3.091	5.264	5.895	7.943	8.682	70,30	11,99	34,74	9,30
Card service	32.721	41.618	4.865	43.561	52.897	27,19	-88,31	795,40	21,43
Internet banking Service	847.321	1.209.610	2.136.237	2.615.732	3.028.951	42,76	76,61	22,45	15,80
Retail service	60.801	62.605	76.808	82.160	82.830	2,97	22,69	6,97	0,82

Trust service	6.578	7.389	8.296	10.816	10.798	12,33	12,28	30,38	-0,17
Consultant	5.369	4.898	8.628	10.694	9.366	-8,77	76,15	23,95	-12,42
Foreign exchange	67.289	96.120	93.616	116.292	131.594	42,85	-2,61	24,22	13,16
Forward Exchange	2.458	4.261	3.914	5.565	5.883	73,35	-8,14	42,18	5,71
Other services	8.965	9.492	10.374	11.987	10.476	5,88	9,29	15,55	-12,61
Total	1.077.734	1.506.583	2.417.365	2.980.965	3.450.351	39,79	60,45	23,31	15,75

The restructuring of operations as well as the general trend of the economy and the system of commercial banks in Vietnam is to increase the value of both credit and non-credit services. In the past, the proportion of income from non-credit services accounted for a modest rate in the total , but today sales and income from non-credit services is increasing and accounting for a higher percentage.

2.2.3. The increase in the number of customers and market share

In the period 2015 - 2019, the number of customers using development services of Vietnam commercial banks continues to increase rapidly, especially modern services with many utilities serving diverse tastes of customers.

2.2.4. The increase in the number of non-credit services and distribution channels

In the period 2015 - 2019, the number of non – credit services of Joint stock commercial banks continues to increase compared to the period 2010 - 2014. Many new products and services are provided with the application of advanced technologies.

2.3. The status of non-credit service development at joint stock commercial banks in Vietnam in the period 2015 - 2019 in terms of quality

2.3.1. Research models

In the thesis, the author uses the SERVQUAL model to measure the quality of non-credit services of Vietnam's commercial banks. According to this study, the service quality of non-credit under the SERVQUAL model consists of five components: reliability (TC), responsiveness (DU), service capacity (PV), empathy (DC) and tangible means (HH). "

• Some hypotheses are put forward for the model:

H1.1: The more trusted ingredient that is evaluated by the customer, the higher the customer satisfaction and vice versa. In other words, the trust component and customer satisfaction have a positive relationship.

H1.2: The higher the component that satisfies the customer, the higher the customer satisfaction and vice versa. In other words, the response and customer satisfaction components have a positive relationship.

H1.3: The higher the service capacity component is appreciated by the customer, the higher the customer satisfaction and vice versa. In other words, the service capacity and customer satisfaction components have a positive relationship.

H1.4: The higher the customer-rated empathy component, the higher the customer satisfaction and vice versa. In other words, the empathy and customer satisfaction components have a positive relationship.

H1.5: The higher the value of the tangible vehicle composition by the customer, the higher the customer satisfaction and vice versa. In other words, the tangible media composition and customer satisfaction are positively related.

2.3.2. Research process

Step 1: Preliminary research

Step 2: The questionnaire was designed with three parts

Step 3: Official questionnaire

Step 4: Formal research (quantitative research)

a. Methods of information collection and sample size

Data collection was carried out according to the convenient sampling method and according to the following criteria:

+ Subject of survey: Individual and business customers who are using services at a number of large-scale commercial banks in Vietnam, including 11 banks.

+ Survey area: Hanoi City and Ho Chi Minh City.

Sample size: To achieve the proposed sample size, 550 questionnaires were sent to the interview.

b. Time and form of survey

Survey time: From May 2019 to August 2019.

Form of survey: The survey is sent directly to customers and by post and email. The number of survey forms is 550 votes.

2.3.3. Survey results

2.3.3.1. Summary of survey

The total number of issued votes was 550, the total number of votes was 489, of which 426 votes met the criteria for analysis.

The results of analyzing statistical samples according to customer information are aggregated by customer gender, age, education level, income, occupation, customer type and time of using banking services.

- Cronbach's Alpha's reliability test results

The results of data analysis by SPSS software showed that Cronbach "s Alpha coefficients of all variables were greater than 0.7, so they were reliable enough to be the official scale. In terms of total variable correlation coefficient, in general the values of the scales are satisfactory (greater than 0.3). Therefore, from the above analysis results, it shows that all observed variables of the 5 components are sufficiently reliable and suitable for the EFA analysis in the next step.

- Results of factor analysis to discover EFA

Factor analysis by main components, reducing interrelated variables into quantities expressed in the form of a straight-line correlation with the appropriate standards are: Coefficient 0.5 <KMO < first; Sig <0.05, corresponding to the selection of the total variance extracted> 0.5 (50%) and Eigenvalues> 1, the factor loading factor Factor loading is less than 0.5, the type of factors that have differential value less than 0.3. Then, using the factors satisfying the above conditions for regression analysis.

First time EFA discovery factor analysis: includes 5 scales with 22 observed variables, there are 02 variables excluded from the model, namely PT2 and DC2 variables due to the differential value when analyzing is less than 0.3 (Appendix 3).

Analysis of exploratory factors EFA for the second time: Re-analysis of discovery factors EFA with the remaining 20 variables, shorten into 5

groups of 20 variables, at the coefficient KMO is 0.757; The Eigenvalues coefficient is 1,102; total variance explained is 89.84%, Bartlett's Test Sig test. 0,000 is statistically significant (Appendix 3).

Table 2.31: Results of the second factor analysis to discover EFA.

KMO	0.757
Sig.	0.000
Eigenvalues	1.102
Cumulative %	89.84

- Results of regression analysis

Table 2.32: Summary of model suitability coefficients Model Summaryb

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin- Watson
1	.971[a]	.894	.899	.206	1.665

a. Predictors: (Constant), DU, NL, PT, DC, TC

b. Dependent Variable: HL

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	380.398	5	76.089	1806.528	.000[b]
	Residual	21.671	516	.043		
	Total	402.069	521			

a. Dependent Variable: HL

b. Predictors: (Constant), DU, NL, PT, DC, TC

Adjusted R Square (R2) value is 0.899, showing the suitability of the model is 89.9%. The statistical value is 380,398; Significance level Sig.0,000 proves that the regression model is consistent with the research data set. The Durbin-Watson coefficient is 1.665; is close to 2, proving that the remainder has no first order series correlation. This means that there is a positive impact of factors on service quality in the research model.

From the multiple regression analysis results, it shows that 4 components in the service quality scale are Trust, Tangible means, Empathy, Response, which are statistically significant and have a positive impact on satisfaction. of customers with significance level Sig are all less than 0.05. Separate serving capacity component, significant level Sig> 0.05, so it is not meaningful in the regression model. Therefore, the impact level of each component of the service quality scale on customer satisfaction is as follows:

HL = 0.588 TC + 0.532 PT + 0.453 DC + 0.306 DU

2.4. Assessing the status of non-credit service development of Vietnam Joint Stock Commercial Banks

2.4.1. Achivements

First, Joint stock commercial banks in Vietnam are constantly increasing their financial potential to support the development of non-credit services.

Second, the quality of non-credit services is gradually improved based on the current technology platform to meet the increasing needs of customers.

Third, the profit from non-credit services brings low-risk income for commercial banks.

Finally, Vietnamese commercial banks continuously strengthen human resources and develop products and services and take care of customers.

2.4.2. Limitations and reasons

a. Limitations

First, the development of the non-credit service market has not been commensurate with its inherent potential and its competitiveness is not yet high.

Second, credit service is still the main service type of commercial banks in Vietnam.

Thirdly, types of non-credit services are monotonous, poor, of low quality, and still heavily traditional.

Fourth, the non-credit service pricing policy is not reasonable.

Fifth, the non-credit service distribution channel is not really effective. Sixth, banking technology has made progress, but it is not really synchronous, compatible and still has many gaps in security and confidentiality.

b. The main causes of the limitations

First, the country's economic potential is still unfulfiled

Second, there is no clear and complete legal corridor to create the best conditions for the development of non-credit services of banks.

Third, the interbank electronic payment system is not strong enough to change people's cash consumption habits.

Fourth, commercial banks have not focused properly on marketing solutions

Fifth, human resources limitation

CONCLUSION OF CHAPTER 2

In Chapter 2, on the basis of applying the theoretical framework built in Chapter 1, the thesis focuses on analyzing and evaluating the current status of the development of non-credit services at Vietnam's commercial banks. The thesis has conducted a survey and quantitative research on the quality of non-credit services of Vietnam's commercial banks. The thesis outlines the achieved results, limitations and limited reasons for the development of non-credit services by Vietnam Joint Stock Commercial Banks. The results achieved in Chapter 2 are the practical scientific basis for solutions and recommendations for the development of non-credit services at Vietnam's joint stock commercial banks mentioned in Chapter 3.

CHAPTER 3
SOLUTIONS TO DEVELOP CREDIT SERVICES OF VIETNAM COMMERCIAL JOINT STOCK BANKING

3.1. THE DEVELOPMENT ORIENTATION OF CREDIT SERVICES OF VIETNAM COMMERCIAL BANKING TO 2025 AND VISION 2030

3.1.1. Opportunities and challenges for development of non-credit services of Vietnamese commercial banks in the coming period

In this content, the thesis presents the economic context of the world and Vietnam , as well as analyzes opportunities and challenges in the development of non-credit services of Vietnamese commercial banks in the coming time.

3.1.2. Development orientation of non-credit services of commercial banks in Vietnam to 2025 and vision to 2030

In the current period, the development of non-credit services at Vietnamese commercial banks can be implemented in the following orientations: dynamic and creative in accessing non-credit services in accordance with the capabilities of each bank, developing technology, focusing on the development of non-bank financial services and human resources.

3.2. SOLUTIONS TO DEVELOP CREDIT SERVICES OF VIETNAM COMMERCIAL JOINT STOCK BANKING

3.2.1. Scaling up non-credit services

3.2.1.1. Diversifying and improving existing products and services

With each different bank, depending on the development strategy of non-credit services, on the characteristics and types of customers, the method of product and service development has its differences, however, basically can be done in the following directions:

Simplifying service delivery processes, equipping many means of transaction for traditional products and services.

Digitalizing existing non-credit products and services, especially online services based on financial technology platforms

3.2.1.2. Develop new non-credit services

+ *Deposit services, current account and treasury service*

- Develop multi-feature deposit service packages with integrated financial management consulting for individual customers.

- Development of tax, fee, charge and collection services for corporate customers

+ *Card services:* Develop some modern card payment applications such as contactless card payment, cash-by-code withdrawal.

+ *Develop e-banking services according to the model of integrated banking*

3.2.1.3. Enter the market and attract customers

The leading commercial joint stock banks must quickly set up projects to penetrate foreign markets. When expanding markets abroad, commercial banks need to pay attention to business conditions, laws, and business environment of the host country.

3.2.1.4. Increase the proportion of profit from non-credit services

Vietnamese commercial banks need to develop criteria for the allocation of operating expenses for non-credit services to promote profit from non-credit services.

3.2.1.5. Market expansion and customer care

3.2.2. Group of non-credit service development solutions for service quality to improve customer satisfaction

The thesis refers to solutions including: increased solutions "Responsibility, increased solutions" Empathy ", increased solutions" Tangible means ", the solution to increase "Confidence"

3.2.3. Overall measures to develop non-credit services

Overall measures to develop non-credit services include: enhancing financial capacity and competitiveness, improving management capacity and human resource quality, modernizing banking technology, and implementing good customer policies, develop Marketing strategies, diversify transaction forms and non-credit service distribution channels, standardize professional processes, Build and control the proportion of profit from non-credit services. credit, promoting scientific research

activities in Vietnamese commercial banks, promoting linkages and cooperation between banks.

3.2.4. Non-credit service development measures for each type of non-credit service

Measures to develop non-credit services for each type of non-credit service include measures for deposit account services, measures for card services, measures for e-banking services, measures for guarantee services, measures for trust services, measures for foreign exchange trading services

3.3. RECOMMENDATIONS FOR THE GOVERNMENT AND THE STATE BANK OF VIETNAM

To implement these solutions, the thesis has proposed a number of recommendations to the Government and the Statebank of Vietnam

CONCLUSION OF CHAPTER 3

In chapter 3, the thesis outlines the development strategy of non-credit services of Vietnam's commercial banks to 2025 and a vision to 2030, and the potential for development of non-credit services to 2030. On the basis of the achievements, limitations and reasons mentioned in Chapter 2, the thesis has proposed solutions to promote the development of non-credit services at commercial banks in Vietnam.

CONCLUSION

With the aim of developing non-credit services of Vietnam's commercial banks over the past time, by using a combination of research methods based on theory and practice, the thesis has solved the following problems. :

Firstly, the thesis has synthesized the basic theory of banking services, non-credit services of commercial banks.

Secondly, the dissertation analyzes the current situation of Vietnam commercial banks in general and analyzes and evaluates the current status of the development of non-credit services of Vietnam joint stock commercial banks. The thesis conducted a survey and quantitative research on the quality of non-credit services of Vietnamese commercial banks on the quality of non-credit services of Vietnamese commercial banks.

Thirdly, in Chapter 3, the thesis outlines the development orientation of banking services of Vietnam Joint Stock Commercial Banks to 2025 and vision of the year. 2030, at the same time, offer solutions to develop non-credit services at Vietnam's commercial banks in the coming time. Besides, the thesis raises some recommendations for the Government and the State Bank of Vietnam

Under the guidance of my instructors, I have completed this thesis in the most complete and meaningful way. However, due to inadequate research knowledge and experience, the thesis cannot avoid certain limitations, I am expected to receive suggestion from scientists and reader to improve the thesis. Sincerely thank you!

LIST OF SCIENTIFIC RESEARCH WORKS RELATED TO THE THESIS

1. Scientific articles published

Order	Article title	Name of the magazine	Episodes, numbers	Page
1	Some solutions to develop e-banking services in Vietnam in the coming time	Economic & Forecasting Magazine	03/2020	41-43
2	Application of information technology in developing banking products and services in Vietnam	Financial magazine	08/2020	35-37

2. Published scientific research topics

Order	Name of research topic/ Field of application	Classification	Managers	Completed year	Responsibility to participate in the topic
1	Completing the system of criteria for assessing the quality of international payment activities at Vietnamese commercial banks	Good	School level	2014	Member
2	Bad debt management at Bank for Agriculture and Rural Development of Vietnam	Good	School level	2015	Member
3	Improving the competitiveness of retail banking services at Military Commercial Joint Stock Bank.	Good	School level	2016	Member
4	The influence of the financing model on the bankruptcy of enterprises in the material industry listed on the Vietnam stock market	Good	School level	2017	Member
5	Preventing loss of tax revenue in the field of real estate business at Hanoi Tax Department	Good	School level	2018	Member
6	Completing capital structure of listed Electricity JSCs in Vietnam	Good	School level	2019	Chairman