

MINISTRY OF EDUCATION & TRAINING MINISTRY OF FINANCE
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**DEVELOPING CONSUMER CREDIT PRODUCTS AT VIETNAM
BANK FOR AGRICULTURE AND RURAL DEVELOPMENT**

Major: Banking and Finance

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SUMMARY OF DOCTORAL THESIS IN ECONOMICS

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**The doctoral thesis shall be completed
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***Reviewer 3:***
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**The thesis will be defended at the Council of thesis
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INTRODUCTION

1. The urgency of the thesis

Consumer credit is a popular credit activity in many countries, especially in developed countries. In Vietnam with a population of over 90 million people, of which 51.6% are young people in working age, the potential of Vietnam's consumer credit market is huge. In developed countries, consumer credit accounts for 17% - 18% of GDP while in Vietnam it is only about 6%.

It is predicted that in the coming time, along with the recovery of the economy, Vietnam's consumer credit debt balance may reach 10% of GDP and higher. This promises an explosion of consumer credit products in the coming time and creates pressure on credit institutions that want to penetrate and dominate this market. To further exploit the consumer credit market at Agribank, one of the important issues is the need to develop consumer credit products at Agribank.

Stemming from the above reason, the author has chosen the issue of "*Developing consumer credit products at Vietnam Bank of Agriculture and Rural Development*" as author's doctoral thesis.

2. Overview of research situation related to the thesis topic.

2.1 Overview of domestic research works.

2.1.1 Product development in commercial banks.

According to V.I.Lênin: Complete (2005) "Dialectics, that is the theory of development, ...". In Philosophy curriculum of Assoc. Doan Quang Tho (2007) presented important contents about the development category, following the basic content of dialectical dialectic in philosophy, "Development is used to generalize the process of upward movement from low. to high, from simple to complex, from less complete to more complete". Development follows the "spiral" line, the new seems to repeat some characteristics and characteristics of the old but on a higher basis; Demonstrating crookedness, complexity, there may be relative setbacks in development. Development is a special case of movement. In the process of development, things and phenomena convert to new, higher and more complex substances; make the organization structure, mode of movement and function of things more and more complete. Objective and popular development is diversified. From the principle of development, people derive their views and principles leading to cognitive and practical activities.

Developing perspectives on Development of banking products, from the most recent financial perspective, there are a number of perspectives on Development of banking products that have been defined by the authors and methods. Develop banking products as follows:

Viewpoint 1: Development of banking products is an increase in the number, scaling up and improving the quality of banking products to meet the needs of

members in the economy. This approach was also Vu Ngoc Dung (2009), "Development of retail activities in Vietnamese commercial banks", PhD thesis; Hoang Thi Ngoc Hue (2018), "Development of banking services for high-class customers at commercial banks in Vietnam", PhD thesis; Nguyen Thi Bich Cham (2008), "Development solutions products and services of Industrial and Commercial Bank Hoang Mai ", Banking magazine; Ngu Long (2005), "Vietcombank - Developing products and services for the benefit of customers", Foreign Trade Bank, carried out in his research.

Viewpoint 2: Development of a banking product is to create a partial new banking product and a completely new banking product to meet the needs of customers in the financial market. This view is expressed in the research of the authors: the thesis of Le Cong (2013), the study has given the basic content of product and service development at commercial banks; Nguyen Thanh Phuong (2012), "Agribank Sustainable Development", PhD thesis. The thesis has given important contents about the sustainable development of activities and products and services at Agribank. According to Pham Minh Dien (2010), "Developing non-credit services at Agribank", PhD thesis; Phan Thi Linh (2015), "Developing non-credit services of Vietnamese state-owned commercial banks", PhD thesis; According to Hoang Tuan Linh (2009), "Solutions to develop card services at Vietnamese state-owned commercial banks", PhD thesis. The authors gave the basic content of research product development. However, the criteria for evaluating research service development have not been formulated clearly, so the thesis has mainly stopped at the content of proposing solutions to implement research product development on the basis of analyze the current situation of the research subject's movement.

2.1.2 Overview of research on consumer credit, development of consumer credit products in banks.

According to TS. Pham Thai Ha (2017) in her research "Expanding consumer lending at military joint stock commercial banks", Hanoi National University Press. The author gave basic contents about consumer credit, viewpoints on expanding consumer credit, criteria for evaluating the results of expanding consumer loans, including indicators reflecting the size of consumer credit. , indicators reflect consumer credit quality, factors affecting the expansion of consumer credit at commercial banks, including subjective and objective factors; experiences in expanding consumer credit of some commercial banks and lessons for Military Commercial Joint Stock Bank. However, the work did not mention the evaluation criteria for expanding the development of responsible consumer credit, stability, sustainability and safety. Therefore, the evaluation criteria are just limited to economic figures. In terms of assessing the benefits of community and society, we have not paid much attention to research.

According to Dr. Vu Van Thuc (2014) with the study "Developing consumer loans at Agribank". According to the study, Agribank is the largest commercial bank in Vietnam in terms of capital, assets and operational network. Agribank has made significant progress in consumer credit and consumer credit products both. In terms of outstanding loans, the number of customers and operational efficiency, however, is not commensurate with the inherent potential of Agribank. The work analyzed the limitations and presented the limited causes and proposed important content on the solution to develop consumer credit at Agribank. However, the work has not been in-depth research on consumer credit products and developed consumer credit products at Agribank so the solution has not been implemented deeply in researching and developing consumer credit products at Agribank.

2.2 Overview of foreign research works.

According to the research works of foreign scientists over the years, there are many approaches to the problem of "product development" science depending on the field of research. This problem helps the problem be seen more deeply and comprehensively.

Anil Mital, et al (2008), in his scientific work, "Product development: a structured approach to consumer product development, design, and manufacture," gave important content about product development. According to the author of this work, product development is product innovation and creation of new products. This study also focused on researching products in general, not conducting research on products in specific fields. Therefore, the project has a general reference value and an overview of banking product development.

Mynott, Colin (2012), in the study "Lean Product Development - A Manager's Guide". This book also provides important content in the organization's product development process. This book explains what needs to be done to successfully complete the complex task of product development. However, the work has only focused on researching a number of ways to implement the product development process in the manufacturing industry. Content such as the impact of product development or product development evaluation has not been focused on detailed research.

In addition, consumer credit studies in the world have shown multidimensional aspects of consumer credit. Although there are no specific and in-depth research studies on the development of consumer credit products in Vietnam, the worldwide diversity of consumer credit research has helped the author obtain the Comprehensive viewpoint in the research and development of consumer credit products at Agribank.

According to Thomas A. Durkin, Gregory Elliehausen, Michael E. Staten, Todd J. Zywicki (2014) "Consumer Credit and the American Economy". Consumer credit

and the US economy examine the economy, behavioral science, sociology, history, institutions, laws and regulations on consumer credit in the United States.

According to Jacqueline Botterill (2010) "Consumer Culture and Personal Finance: Money Goes to Market". This book explores savings and personal credit around British postwar consumer culture.

Harabara V (2009) "Method of the estimation of credit status of the borrower in mechanism of consumer". The study deals with estimating methods for borrowers' credit status in consumer credit mechanisms.

Shevchuk (2008), "Modern development of consumer crediting market as advantage and dis." The study addresses the advantages and disadvantages of developing a modern consumer credit market.

Fabio Wendling Muniz de Andrade, Lyn Thomas (2007), "Structural models in consumer credit". The study deals with the structural model of consumer credit.

Maja Šušteršič, Dušan Mramor, Jure Zupan (2000), "Consumer credit scoring models with limited data". The study refers to a consumer credit scoring model with limited data.

Anastasios Savvopoulos (2010), "Consumer Credit Models: Pricing, Profit and Portfolios". The study deals with the consumer credit model: Prices, profits and portfolios.

2.3 Research gaps

The author identifies research gaps in the content of consumer credit product development including the following issues:

Firstly, the published studies have just stopped at studying consumer credit activities of commercial banks from which to draw conclusions about consumer credit in general. There has not been a comprehensive and comprehensive study on the role and position of consumer credit products and the development of consumer credit products at commercial banks and credit markets.

Second, the results of published studies focused on researching, surveying and measuring consumer credit content at a commercial bank or a specific area but so far there has not been a research project. intensive, comprehensive and specific research on developing consumer credit products at Agribank. Especially, so far, there is a lack of research combining both qualitative and quantitative research to provide scientific evidence to offer solutions and recommendations to develop consumer credit products at Agribank. associated with the current socio-economic development conditions.

Thirdly, from different perspectives, previous studies have built models of factors affecting credit product development in general, studies have applied qualitative research methods. or quantitative studies in collecting and analyzing data to test the model, thereby identifying factors affecting the ability to develop credit products in general in different locations and times. Therefore, the direction and

impact level of the factors in previous studies may not be appropriate when conducting research on the development of consumer credit products of Agribank. The impact factors and solutions for developing consumer credit products have not been published by the studies in the research model for verification.

Thus, through the systematization of the contents of published works on consumer credit, the author determined that the research results of the thesis are not identical to those published in and foreign.

3. Research objectives and missions

The research objective of the thesis is based on the results of theoretical and practical research on consumer credit in general and the development of consumer credit products in particular, thereby proposing solutions and recommendations to implement Currently developing consumer credit products at Agribank.

To achieve the research objectives, the specific tasks of the thesis include:

Firstly, clarifying and supplementing a number of theoretical issues on consumer credit products, developing consumer credit products, factors affecting the development of consumer credit products, and evaluation methods. effective development of consumer credit products; study experiences of a number of countries on consumer credit, then draw lessons for Agribank.

Secondly, analyze and evaluate the current situation of developing consumer credit products at Agribank for the period 2010-2017. Analyzing activities of developing consumer credit products of Vietnamese commercial banks, Agribank. At the same time, analyzing, discovering and testing the factors affecting the development of consumer credit products at Agribank, pointing out the shortcomings and limitations, clarifying the shortcomings in credit product development activities. Agribank's consumption and cause and effect analysis of those problems.

Thirdly, propose solutions, recommendations and conditions to complete and develop consumer credit products at Agribank.

4. Research questions of the thesis

The research's research questions include:

What is a consumer credit product, how to develop a consumer credit product, and evaluate the effectiveness of consumer credit product development? What are the factors affecting the development of consumer credit products? What are some lessons learned about developing consumer credit products for Agribank?

How is the ability to develop consumer credit products at Agribank? Which factors are affected by the ability to develop consumer credit products at Agribank?

What do Agribank need to do to implement well the development of consumer credit products? consumer spending at the bank?

5. Research object and scope of the thesis

5.1. Research subjects

The object of the thesis research is the theoretical and practical issues about the development of consumer credit products at commercial banks.

5.2. Research scope

The thesis studies theoretical and practical issues on developing consumer credit products at Agribank in the trend of sustainable development.

- Content scope:

The thesis studies issues of developing consumer credit products at commercial banks.

- Scope of space:

The thesis carries out research at Agribank in general and its branches. At the same time, the thesis also investigates research results as well as consumer credit experience, developing consumer credit products in a number of countries, commercial banks in the world and some commercial banks of Vietnam.

Typical sampling of 50 branches are branches of Agribank in all three regions, the North and the Central of the South. The questionnaire was sent to customers and staff at Agribank and its branches during the author's research.

- Time range:

The analysis data of the thesis concentrated in the period of 2010 - 2017, analyzing survey data from June 2017 to September 2017. In 2018, the author aggregates data and documents to conduct analysis and evaluation of research issues. Orientation and solutions, proposals proposed to 2030.

6. Design, hypothesis and research methods

6.1. Research design

Research hypotheses.

Based on the relevant economic theories and inheritance of published empirical studies, along with the qualitative research findings of the author, the hypothesis has been formulated to test the relationship between the six factors. Ability to develop consumer credit products at Agribank in the research model:

- H1: Market research of consumer credit products at banks.
- H2: Comprehensive consumer credit research.
- H3: Researching on consumer credit products
- H4: Researching marketing, advertising and marketing consumer credit products.
- H5: Regarding technical facilities, equipment, banking technology.
- H6: Development of consumer credit human resources.

Research Methods.

The thesis approaches the research object based on the use of dialectical materialism and historical materialism as a general methodology. The thesis uses a combination of qualitative research methods and quantitative research methods, in which the focus is quantitative research with the objectives:

The author conducts surveys and collects information for customers and bank staff. However, the author analyzes the survey results by 02 separate methods.

(1) With customer survey questionnaire: The author uses descriptive statistical method to investigate customer assessment of factors affecting the development of consumer credit products at Agribank branches.

(2) With the questionnaire of bank officials and employees, the author uses the Statistical Software for Social Sciences (SPSS) method to assess the perception of bank staff about the role position of factors affecting the development of consumer credit products in the process of developing consumer credit products at Agribank with the following content:

6.3.1. Qualitative research methods

For qualitative research method, the author uses desk research method and in-depth interview. Qualitative research results are used as a premise for the survey questionnaire design before conducting quantitative research and formal verification of the model.

6.3.2. Quantitative research method.

Quantitative research is conducted through two steps: preliminary quantitative research and formal quantitative research.

6.3.2.1. Preliminary quantitative research

In order to carry out preliminary quantitative research, the author conducted an interview through a survey in 50 Agribank branches using a convenient random sampling method.

6.3.2.2. Official quantitative research

a. The object of the thesis

The object of the thesis survey is officials and employees of Agribank branches.

b. Sample size

The author applied the stratified random sampling method in 3 regions: North, Central and South; then continue to use convenient sampling methods in each area to conduct the survey; In each area, if the collected samples do not ensure diversification, the author will select and conduct additional surveys to ensure the best possible representation of the sample. During the investigation process, the author collected and filtered out 300 valid questionnaires, according to the provisions of the method of eligible eligible representative sample for the whole.

The author uses the EFA (Exploratory Fact Analysis) model to identify factors affecting the development of consumer credit products at Agribank. After collecting and removing unsatisfactory survey questionnaires, the author conducted coding (Appendix 14) and processed the data using SPSS 20 software to assess the reliability of the scale and tissue verification. Research forms as well as research hypotheses from which to draw overall conclusions of the research.

7. New contributions of the thesis

From the results of theoretical and practical research on the development of consumer credit products of Vietnam Bank for Agriculture and Rural Development, the thesis has the following new conclusions:

7.1. New contributions on theory

Firstly, systematizing and analyzing contribute to clarify some theoretical issues on developing consumer credit products at commercial banks; The thesis proposes a system of criteria to evaluate the effectiveness of development of consumer credit products, including: Indicators of market share of consumer credit and consumer credit products; Sales targets of consumer credit products; Debt balance of consumer credit products; Income targets of consumer credit products; Expenditure targets for consumer credit products; Criteria on bad debt risk of consumer credit products; Target number of customers of consumer credit products; Indicators of community benefits, social responsibility of consumer credit products.

Secondly, the thesis proposes a system of determinants affecting the development of consumer credit products at banks, including: Factors of consumer credit market research; Factors for developing human resources of consumer credit at banks; Research factors of comprehensive consumer credit products at banks; Researching customers using consumer credit products; Factors promoting products, marketing consumer credit products; Material and technical factors of the bank; Some lessons for Agribank to develop consumer credit products at banks.

Thirdly, the thesis has built a quantitative research model including factors affecting the development of consumer credit products at Agribank. New results of the model include:

(1) The research results show that there is a positive influence of the following factors: Consumer credit market research factors; Factors for developing human resources of consumer credit at banks; Research factors of comprehensive consumer credit products at banks; Researching customers using consumer credit products; Factors promoting products, marketing consumer credit products; Material and technical factors of the bank; positive impact on the development of consumer credit products at Agribank.

(2) The conclusions of the thesis are consistent with the theory as well as the results of domestic and foreign studies published on credit products in general, but the extent and order of influence have changed a lot for with consumer credit products, among which the previous research shows that the customer research factor of credit products is the factor that has the greatest impact on credit extension in general, but for With consumer credit product development, comprehensive market research is the most influential factor in developing consumer credit products at Agribank.

(3) The thesis has provided quantitative evidence proving the causes of existence and limitations in developing consumer credit products at Agribank today, which is closely related to the factors affecting develop consumer credit products at banks.

(4) The thesis has also provided quantitative evidence to show that in order to develop consumer credit products effectively, it is necessary to implement effective solutions that are closely related to the image factors. affecting the development of consumer credit products at banks.

7.2. New contributions in practice

Firstly, the thesis has provided a lot of important and meaningful information about the current situation of development of consumer credit products of Agribank in the period of 2010-2017 through the interpretation of data tables, mathematical graphs. study, analyze indicators, ...

Secondly, the thesis has proposed solutions for Agribank. In addition, the thesis also proposes recommendations to the Government and the State Bank to apply in the formulation and implementation of mechanisms and policies to support the development of consumer credit products.

8. The structure of the thesis

In addition to the introduction, conclusion, list of references, list of published works of the author and appendices, structures of the thesis include 3 chapters:

Chapter 1: Rationale for developing consumer credit products of commercial banks.

Chapter 2: Current situation of developing consumer credit products at Agribank.

Chapter 3: Solutions to develop consumer credit products at Agribank.

Chapter 1

RATIONALE OF DEVELOPING CONSUMER CREDIT PRODUCTS OF COMMERCIAL BANKS

1.1 CONSUMER CREDIT AND CONSUMER CREDIT PRODUCTS OF COMMERCIAL BANKS.

1.1.1 Consumer credit of commercial banks

1.1.1.1 Consumer credit concept

Consumer credit is a form of credit through which banks lend a certain amount of money to individual customers or households to purchase goods or services used for consumption purposes (Prof. Dr. Nguyen Van Tién (2011) NH Credit Curriculum, Tr 317. Statistical Publishing House)

1.1.1.2 Consumer credit characteristics

Consumer credit is on the bank's loan portfolio, so it is generally full of the characteristics of lending in general. In addition, consumer credit also has its own characteristics: The object of consumer credit is individuals, households; The purpose of the loan is to serve the needs of individuals; The size of consumer credits is small but the number of loans is large; Consumer credit interest rates are often higher than commercial lending rates; Consumer credit demand of each customer often depends on income.

1.1.1.3 Benefits of consumer credit: Consumer credit plays an important role for the stakeholders: Bank; customers and the entire economy - society.

1.1.1.4 Types of consumer credit:

Based on different classification criteria, consumer credit is classified into different categories.

-Based on the purpose of borrowing, consumer credit includes: resident consumer credit; non-resident consumer credit.

-Based on the repayment method, consumer credit includes: installment consumer credit; non-installment consumer credit; circulating consumer credit.

-Based on the origin of debt, consumer credit includes: indirect consumer credit; direct consumer credit.

1.1.2 Consumer credit products of commercial banks

1.1.2.1 Concept of consumer credit products

Banking products and services are a set of characteristics, features and utilities created by the bank to satisfy certain needs and desires of customers in the financial market. From the above concept from the author's point of view, "The consumer credit product of a bank is a collection of characteristics, features and utilities created by the bank to satisfy the demand and desire for consumer credit. of customers in financial markets "

1.1.2.2 Characteristics of consumer credit products: Invisibility; Inseparability; Unstable and difficult to determine.

1.1.2.3 Life cycle of consumer credit products: Market penetration; Growth - development; Mature - saturated; Depression

1.1.2.4 Basic consumer credit products: (i) Lending for mortgage purchase; (ii) Loans to officials and employees; (iii) Loan to study abroad; (iv) Car loan

1.2 DEVELOPING CONSUMER CREDIT PRODUCTS OF COMMERCIAL BANKS.

1.2.1 Concept of consumer credit product development.

From the research contents, it is possible to draw conclusions from the author's point of view on the category of consumer credit product development: "Developing consumer credit products is an increase in scale, quality of consumer credit products associated with improving financial and economic efficiency and socio-economic efficiency of banks and the national economy"

1.2.2 Criteria for evaluating and developing consumer credit products.

1.2.2.1 Group of criteria for evaluating and developing consumer credit products on a scale.

- (1) Target on market share of consumer credit.
- (2) Indicators of quantity of product_product.
- (3) Targets on the number of loans and borrowers.
- (4) Indicators of credit outstanding loans.

1.2.2.2 Group of criteria for evaluating and developing consumer credit products in terms of quality.

- (1) Target of overdue debt, bad debt of consumer credit products.
- (2) Items of income from consumer credit and consumer credit products.

1.2.2.3. Group of criteria for evaluating and developing consumer credit products on socio-economic efficiency.

- (1) The level of meeting customer demand of consumer credit products.
- (2) The level of assurance of safety, benefits and community responsibility.

1.2.3 Factors affecting the development of consumer credit products.

(1) Subjective factor group: Development orientation of the bank; Consumer credit policy of the bank; Capital size and potential of the bank; Credit information system and distribution network; Capital mobilization situation of the bank; Quality of personnel and technical facilities at the bank; The level of investment in product development research.

(2) Group of objective factors: Economic environment; Political, cultural and social environment; Regulatory environment; Competitors; Customer factors

1.3 EXPERIENCE FOR DEVELOPING CONSUMER CREDIT PRODUCTS AND LESSONS FOR AGRIBANK.

1.3.1 Experience in some commercial banks in the world.

1.3.1.1 Experience at some US commercial banks

1.3.1.2 Experience at some Chinese commercial banks

1.3.2 Experience at some Vietnamese commercial banks.

1.3.2.1. Asia Commercial Bank (ACB):

1.3.2.2. Vietnam Technological and Commercial Joint Stock Bank (Techcombank):

1.3.3 Lessons for developing consumer credit products for Agribank.

Chapter 2

DEVELOPMENT STATUS

CONSUMER CREDIT PRODUCTS AT AGRIBANK

2.1. OVERVIEW OF AGRIBANK.

2.1.1. A brief history of Agribank's establishment and development.

2.1.2 Management model and management structure of Agribank

2.1.3. Overview of business results of Agribank 2010-2017

Regarding the assets of the bank from 2010 to 2017:

Through the general balance sheet over the years 2010 to 2017, it can be seen that Agribank's total assets increased over the years, 2010 was VND 534,978,152 million, in 2011 was VND 562,245,075 million, in 2012 was 617,212.560 million VND, 2013 was 697,036,787 million VND, 2014 was 763,589,797 million VND, 2015 was 874.807,327 million VND, 2016 was 1,001,204,753 million VND, 2017 was 1,151,974,758 million VND.

Regarding the capital source of Agribank 2010 - 2017:

Through the summary table 2.2, the total liabilities of the bank increased over the years from 2010 to 2017: In 2011, it was VND 530,356,965 million, up from VND 24,065,984 million, equivalent to 4.75%, in 2012 was VND 580,030,411 million, an

increase from VND 49,673,446 million compared to 2011, equivalent to 9.37%, in 2013 was VND 659,269,784 million, up from VND 79,239,373 million, respectively, respectively 13 , 66%, 2014 was VND 722,408,638 million, an increase from VND 63,138,854 million compared to 2013, equivalent to 9.58%, VND 832,299,260 million in 2015, an increase compared to VND 109,890,622 million in 2014. VND corresponds to 15.21%, in 2016 it was VND 951,974,052 million, up from VND 119,674,792 million in 2015, equivalent to 14.38%. In 2017, liabilities were VND 1,098,256,688 million.

Through the summary table 2.2, we see that the bank's equity item increased over the years from 2010 to 2017: In 2011, it was VND 31,888,110 million, up from VND 3,191,939 million in 2010, accounting for 11.12%, in 2012 was VND 37,182,149 million, an increase from VND 5,294,039 million compared to 2011, reaching 16.60%, in 2013 was VND 37,767,003 million, an increase compared to VND 584,854 million in 2012, reaching 1.57%, in 2014 it was VND 41,181,159 million. VND, increased compared to 2013 was 3,414,156 million VND reached 9.04%, 2015 was 42,508,067 million VND, an increase compared to 2014 was 1,326,908 million VND reached 3.22%, 2016 was 49,230,701 million VND, an increase compared to 2015 was VND 6,722,634 million reached 15.81%. In 2017, the equity of Agribank reached VND 53,691,070 million.

The equity capital of the bank has been growing stably and sustainably in the right direction, making an important contribution to the bank's stable and stable development; The capital structure continued to be positively transformed, in line with the objectives of the Restructuring Scheme, increasing the proportion of stable capital, capital and funds to improve the efficiency of the bank's operations and increase its financial capacity. for the bank's business activities, creating favorable conditions for the bank to develop stably and sustainably.

About business results of Agribank 2010 - 2017:

To ensure the completion of growth targets and business efficiency, Agribank has applied many positive solutions such as flexible management of capital mobilization targets in line with credit growth and capital balance. reduce pressure to raise deposit rates; manage interest rates and fees flexibly, comply with the regulations of the State Bank and in accordance with the actual situation; rise to play a leading role in the market, reducing interest rate ground; directing branches to intensify the exploitation of cheap capital sources, keeping stable capital mobilized from people and economic organizations, reducing input interest rates; review, evaluate and implement measures to consolidate and expand cooperation with major corporations, corporations and customers. Continuing to exploit investment trust projects, trade finance capital in foreign currencies; regularly supervise and strictly manage the receipt of deposits and

loans from credit institutions and financial institutions; standardize and promulgate synchronous documents on products associated with the transaction process; adjust and effectively implement capital mobilization programs; issuing more valuable papers to supplement long-term capital and increase own capital, thereby helping the bank achieve important results that contribute to its development and stable growth through year in the period of 2010 - 2017.

Table 2.2 Agribank's balance of accounting for 2010-2017

(Unit: VND 1,000,000)

TARGETS	2010	2011	2012	2013	2014	2015	2016	2017
TOTAL ASSET	534.987.152	562.245.075	617.212.560	697.036.787	763.589.797	874.807.327	1.001.204.753	1.151.947.758
TOTAL LIABILITIES	506.290.981	530.356.965	580.030.411	659.269.784	722.408.638	832.299.260	951.974.052	1.098.256.688
TOTAL OWNERS' CAPITAL	28.696.171	31.888.110	37.182.149	37.767.003	41.181.159	42.508.067	49.203.701	53.691.070
TOTAL FUNDING	534.987.152	562.245.075	617.212.560	697.036.787	763.589.797	874.807.327	1.001.204.753	1.151.974.758

Nguồn: Báo cáo thường niên của Agribank

Report of Agribank's business results:

Table 2.5 Report of Agribank's business results 2010-2017

(Unit: VND 1,000,000)

TARGETS	2010	2011	2012	2013	2014	2015	2016	2017
Net interest income	16,859,279	24,763,218	25,392,437	20,661,115	21,418,784	24,652,693	28,511,198	34,115,300
Total profit before tax	2,217,666	6,008,659	4,104,596	2,456,780	2,528,406	3,183,278	4,211,819	5,006,265
Profit after tax	1,300,237	4,851,321	2,479,398	1,678,685	1,786,995	2,372,751	3,387,834	4,060,583

Nguồn: Báo cáo thường niên của Agribank

2.2. CURRENT SITUATION OF DEVELOPMENT OF CONSUMER CREDIT PRODUCTS AT AGRIBANK

2.2.1 Current situation of development of consumer credit products in terms of scale

2.2.1.1 About product quantity

In order to meet customers' needs and increase competitiveness, Vietnam Bank for Agriculture and Rural Development (Agribank) has researched and launched many consumer credit products and services with many utilities. to meet customers' needs.

Lending for new construction, repair, renovation, upgrade, purchase of houses for residents

Lending for buying vehicles

Lending for financial compensation

Loans to support study abroad

Lending workers to work abroad

Lending by credit line

Lending in the form of account overdraft

Mortgage loan of valuable papers

2.2.1.2 About the scale of consumer credit products

(1) About consumer credit balance

Along with the strong development of other banking operations, consumer credit at Agribank has grown significantly in recent years, this is clearly shown that outstanding loans have grown. rather. The expanded loan balance has met customers' demand for loans, as well as gradually affirmed the prestige and position of Agribank, one of the leading banks in Vietnam.

The reason for the increase in consumer credit outstanding over the years is that the economy has shown signs of recovery, the demand for loans to purchase assets to serve family activities has increased.

On the other hand, Agribank has launched many practical solutions such as marketing, customer care ... to meet customer needs, so the loan balance has made significant developments in recent years.

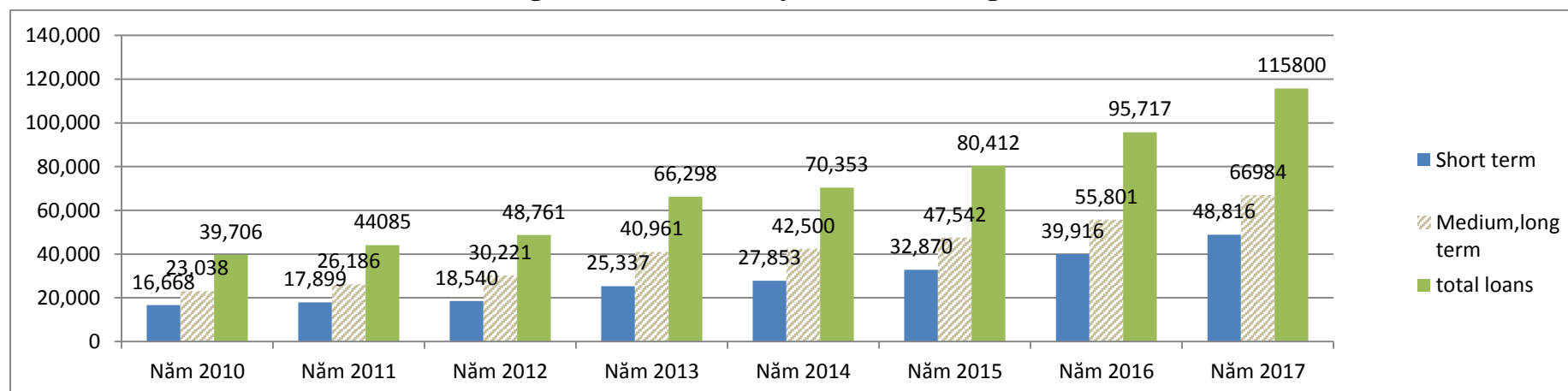
Table 2.7 Outstanding consumer credit by loan term of Agribank 2010-2017

(Unit: Billion VND)

Targets	2010	2011		2012		2013		2014		2015		2016		2017								
	Dư nợ	Dư nợ	Mức tăng, giảm	Tỷ lệ tăng, giảm (%)	Dư nợ	Mức tăng, giảm	Tỷ lệ tăng, giảm (%)	Dư nợ	Mức tăng, giảm	Tỷ lệ tăng, giảm (%)	Dư nợ	Mức tăng, giảm	Tỷ lệ tăng, giảm (%)	Dư nợ	Mức tăng, giảm	Tỷ lệ tăng, giảm (%)						
Short term	16.668	17.899	1.231	7,4	18.54	641	3,6	25337	6.797	36,7	27853	2516	9,9	32870	5017	18,0	39916	7046	21,4	48816	8900	22,3
Medium, long term	23.038	26.186	3.148	13,7	30.221	4.035	15,4	40961	10.740	35,5	42500	1539	3,8	47542	5042	11,9	55801	8259	17,4	66984	11183	20,0
total loans	39.706	44.085	4.379	11,0	48.761	4.676	10,6	66298	17.537	36,0	70353	4055	6,1	80412	10059	14,3	95717	15305	19,0	115800	20083	21,0

Source: Agribank's products and services summary report

Chart 2.5 Outstanding consumer credit by loan term of Agribank 2010-2017



(2) Regarding the number of customers using consumer credit products at Agribank

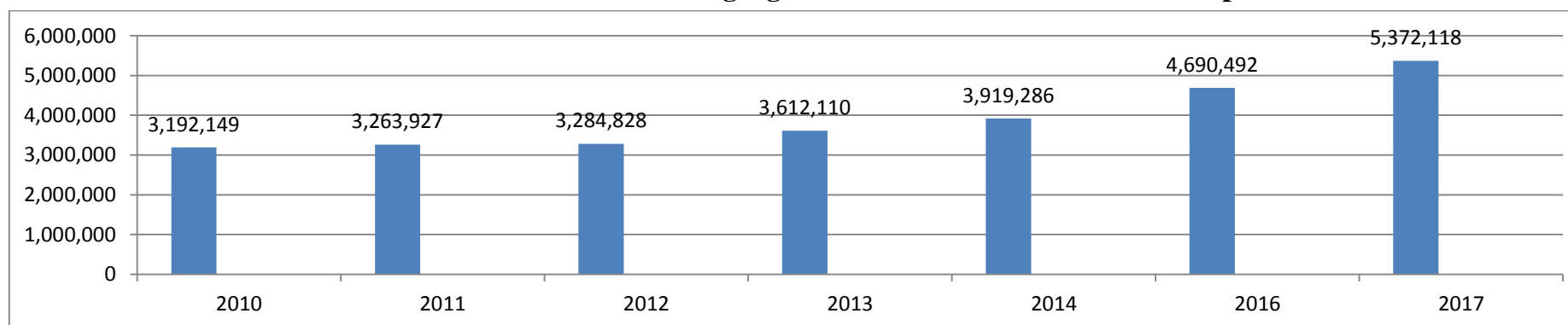
The aggregate data shows that the number of customers using consumer credit products at Agribank tends to grow well, specifically. thể:

Table 2.9 Number of consumer credit customers of Agribank Vietnam in the period of 2010-2017

2010	2011			2012			2013			2014			2015			2016			2017		
Number of customers (people)	Number of customers (people)	The increase or decrease	Ratio (%)	Number of customers (people)	The increase or decrease	Ratio (%)	Number of customers (people)	The increase or decrease	Ratio (%)	Number of customers (people)	The increase or decrease	Ratio (%)	Number of customers (people)	The increase or decrease	Ratio (%)	Number of customers (people)	The increase or decrease	Ratio (%)	Number of customers (people)	The increase or decrease	Ratio (%)
3.192.149	3.263.927	71.778	2,2	3.284.828	20.901	0,64	3.612.110	327.282	9,96	3.919.286	307.176	8,5	4.690.492	771.206	19,7	5.372.118	681.626	14,5	6.269.262	897.144	16,7

Source: Agribank's products and services summary report

Chart 2.6 Number of customers using Agribank 2010-2017 consumer credit products



2.2.2 Regarding the quality and economic benefits of consumer credit products

2.2.2.1 About income from consumer credit products by credit term

Chart 2.11 Consumer credit income by term of Agribank 2010-2017

(Unit: Billion VND)

Targets	Năm 2010	Năm 2011			Năm 2012			Năm 2013			Năm 2014			Năm 2015			Năm 2016			Năm 2017		
	Consumer credit income	Consumer credit income	up and down	(%)	Consumer credit income	up and down	(%)	Consumer credit income	up and down	(%)	Consumer credit income	up and down	(%)	Consumer credit income	up and down	(%)	Consumer credit income	up and down	(%)	Consumer credit income	up and down	(%)
Short term	2177	2475	298	13.7	2662	187	7.6	2678	16	0.6	2782	104	3.9	2836	54	1.9	3180	344	12.1	3407	227	7.1
Medium, long term	859	1012	153	17.8	1021	9	0.9	1026	5	0.5	1061	35	3.4	1079	18	1.7	1327	248	23.0	1402	75	5.7
total income	3036	3487	451	14.9	3683	196	5.6	3704	21	0.6	3843	139	3.8	3915	72	1.9	4507	592	15.1	4809	302	6.7

Source: Agribank's products and services summary report

Chart 2.7 Consumer credit income by term of Agribank 2010-2017

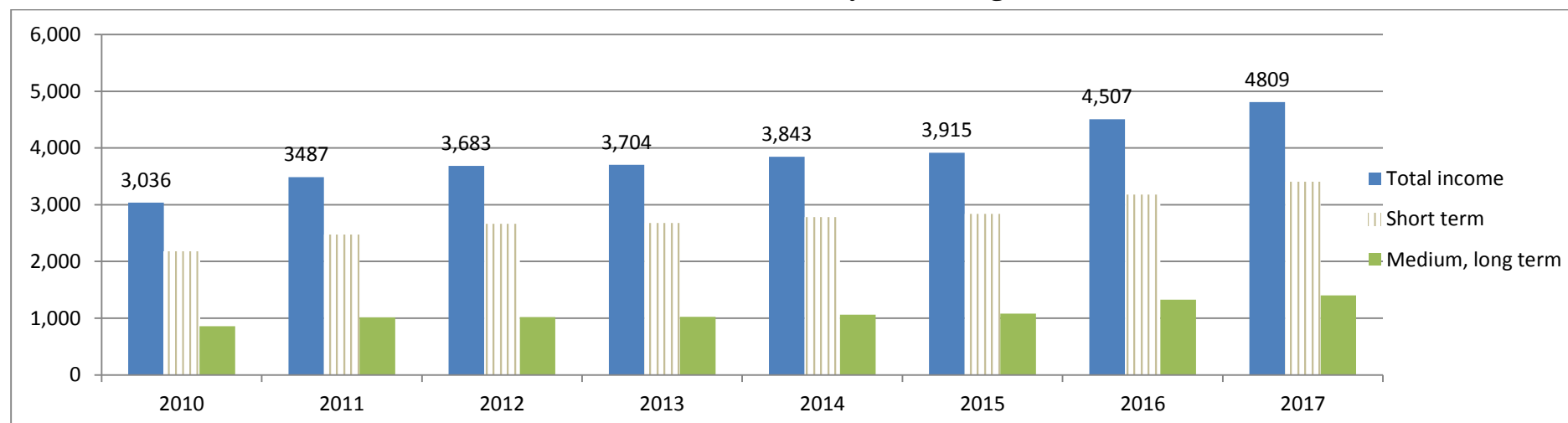


Table 2.13 Share of Agribank consumer credit income 2010-201*(Unit: Billion VND)*

Targets	2010	2011	2012	2013	2014	2015	2016	2017
<i>Income from consumer credit (A)</i>	3036	3487	3683	3704	3843	3915	4507	4809
<i>Full Agribank Income (B)</i>	55.139,865	76.868,459	72.510,098	58.976,961	57.616,105	57.570,547	68.001,928	79.995,896
<i>Proportion (A / B)%</i>	5.50	4.54	5.08	6.28	6.67	6.71	6.77	6.89

Source: Agribank's products and services summary report

Through the data table, we see that income from consumer credit products has continuously grown over the years both in terms of amount and proportion of income to total income of Agribank. This proves that the development of Agribank's consumer credit products is quite good

2.2.2.2 About bad debt from consumer credit products

It can be said that credit risk is an indispensable factor and like other lenders, consumer credit bad debt arising in the period of 2010-2017 is listed in the above data table.

The statistics show that, in absolute terms, consumer credit NPLs by credit terms fluctuate in both directions of increase and decrease in the period of 2010-2017, namely: total of non-performing consumer bad debts used in the whole Agribank system in 2010 was 1328 billion dong, of which short-term bad debt is 618 billion dong, medium and long-term bad debt is 710 billion dong.

Table 2.16 Share of Agribank consumer credit bad debt 2010-2017

Targets	2010	2011	2012	2013	2014	2015	2016	2017
<i>Bad debt from consumer credit (A)</i>	1328	1413	1358	1601	1732	1972	2137	2364
<i>Outstanding consumer credit (B)</i>	39706	44085	48761	66298	70353	80412	95717	115800
<i>Proportion (A / B)%</i>	3.34	3.21	2.79	2.41	2.46	2.45	2.23	2.04

Source: Agribank's products and services summary report

Through the data table, we see that bad debt from consumer credit products has fluctuated over the years in terms of amount, but the ratio of bad debt to total outstanding loans of Agribank has tended to decrease. Development of consumer credit products of Agribank on credit risk control is quite good.

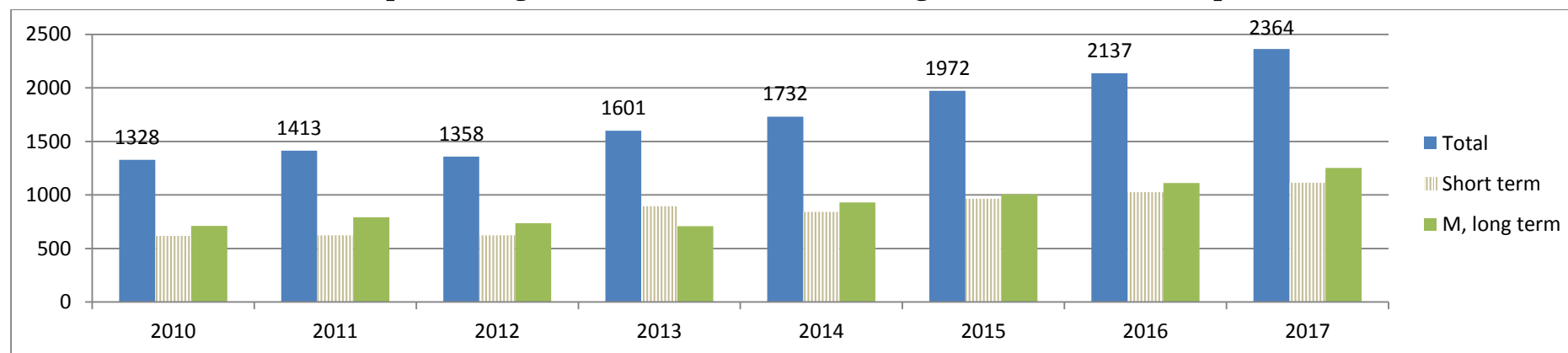
Table 2.14 Non-performing consumer credit bad debt of Agribank 2010-2017

(Unit: Billion VND)

Targets	2010	2011			2012			2013			2014			2015			2016			2017		
	Debt	Debt	up and down	(%)	Debt	up and down	(%)	Debt	up and down	(%)	Debt	up and down	(%)	Debt	up and down	(%)	Debt	up and down	(%)	Debt	up and down	(%)
Short term	618	622	4	0.6	623	1	0.2	894	271	43.5	842	-52	-5.8	966	124	14.7	1025	59	6.1	1113	88	8.6
M, long term	710	791	81	11.4	735	-56	-7.1	707	-28	-3.8	930	223	31.5	1006	76	8.2	1112	106	10.5	1251	139	12.5
Total	1328	1413	85	6.4	1358	-55	-3.9	1601	243	17.9	1732	131	8.2	1972	240	13.9	2137	165	8.4	2364	227	10.6

Source: Agribank's products and services summary report

Chart 2.8 Non-performing consumer credit bad debt of Agribank Vietnam in the period of 2010-2017



2.2.3 About the social benefits of consumer credit products

2.2.3.1 Regarding customer satisfaction, safety and benefits of consumer credit products

Through the results of the consumer credit product survey at Agribank, customers have shown a good level of satisfaction with the benefits and safety of consumer credit products at Agribank.

2.2.3.2 Regarding the assurance of social benefits, associated with community responsibility.

- Contribute to replacing black credit.
- Improve the understanding of consumer credit for consumers and the community.
- Implementation of social responsibility.

2.3. General assessment of Agribank's consumer credit product development

2.3.1. Achievements and causes

The socio-economic advantages and policies have created favorable conditions for the development of banking activities in general and the development of consumer credit products in particular.

The development of consumer credit products at Agribank has achieved positive results, contributing significantly to the growth of both outstanding loans and revenue for Agribank.

Firstly, the growth rate of Agribank's consumer credit products has been increasing continuously in recent years.

Secondly, income from consumer credit is constantly increasing, income from consumer credit accounts for a relatively high proportion of Agribank's total income and grows rapidly over the years.

Thirdly, consumer credit products contribute to improving the competitiveness of banks in the market.

Fourthly, consumer credit products have contributed to improving the efficiency of risk dispersion for Agribank.

Fifthly, in the process of developing consumer credit products, Agribank has significantly increased its extensive and intimate relationship with customers.

Sixthly, the development of consumer credit products contributes to gradually improving the professional qualifications and skills of bank officials.

2.3.2. Shortcomings, limitations and causes.

Firstly, research activities of consumer credit market at banks have not really been paid attention and given proper attention.

Secondly, consumer credit products have not been focused on comprehensively, so they have not been able to ensure competitiveness and have not identified a worthy position in the business strategy of the bank.

Thirdly, the bank has not focused on effectively performing customer research

activities of consumer credit products but has not focused on optimizing the benefits for customers associated with developing consumer credit products.

Fourthly, marketing and promotion of consumer credit products at banks have not been taken into consideration, optimization of marketing activities of consumer credit products has not been implemented to ensure development of consumer credit products. Lasting.

Fifthly, Banking facilities are limited, banking technology has not met the requirements to effectively implement the objective of optimizing the benefits and convenience of consumer credit products.

Sixthly, The qualifications of officials, bank staff have not been focused on development. The implementation of human resource development, optimization of methods to improve the quality and efficiency of human resources is still limited.

Chapter 3

SOLUTIONS FOR DEVELOPING CONSUMER CREDIT PRODUCTS AT AGRIBANK

3.1. AGRIBANK'S DEVELOPMENT STRATEGIC ORIENTATIONS TILL 2030

3.2. ORIENTATIONS FOR DEVELOPING CONSUMER CREDIT PRODUCTS OF AGRIBANK

3.3. SOLUTIONS FOR DEVELOPING CONSUMER CREDIT PRODUCTS AT AGRIBANK

3.3.1 Develop and implement a comprehensive consumer credit product market strategy to develop consumer credit products in the direction of optimally meeting the current and future consumer credit market needs.

Expanding market for consumer credit products: At present, Agribank's consumer credit market mainly focuses on a number of big cities and other provinces in the country. small percentage, while demand for loans for consumption purposes in the provinces is still very large. Therefore, Agribank researches to expand consumer credit market in other markets throughout the country, especially markets in rural areas.

3.3.2 Develop and implement a comprehensive consumer credit product strategy to better meet the current and future needs of the consumer credit market.

The consumer credit product strategy focuses on the following:

- (1) Identify the product portfolio and attributes of each consumer credit product*
- (2) Improve consumer credit products*
- (3) Forming new consumer credit products*
- (4) Studying factors affecting the strategy of banks' consumer credit products*

3.3.3 Develop and implement a comprehensive customer strategy for developing and optimizing consumer credit products.

The development and implementation of a comprehensive customer strategy by the consumer credit product development department usually focuses on the following:

- (1) Research consumer needs of consumer credit products
- (2) Researching factors affecting consumer demand for consumer credit products
- (3) Research customer behavior

3.3.4 Promote marketing, information and advertising activities to implement the purpose of optimal development of consumer credit products.

The consumer credit product marketing strategy is an important tool of developing consumer credit products, which banks use to influence the market. It includes a set of activities aimed at stimulating the use of existing consumer credit products and new consumer credit products while increasing the level of loyalty of existing customers, attracting similar customers. hybrid, especially to increase the reputation, image of the bank in the market.

Strategic activities of developing consumer credit products of development of consumer credit products usually include a system of activities of information and communication on consumer credit products to customers. These activities aim to expand customers' thinking and understanding of consumer credit products and banks, persuade them to use consumer credit products and maintain relationships between customers and banks.

3.3.5 Innovating banking technical and technological facilities to create modern consumer credit products to maximize benefits and convenience for customers, thereby optimizing the competitiveness of products. consumer credit bank.

Due to the importance, potential and the strong impact of science and technology on banking activities, Agribank has actively implemented many activities of the Industry in order to concretize the tasks under Directive No. 16 / CT -TTg on 4/5/2017 of the Prime Minister on strengthening the capacity to access Industry 4.0.

On August 8, 2018, the Prime Minister officially approved the Development Strategy of Vietnam's Banking Industry to 2025, with orientations to 2030. In this strategy, the focus on developing and applying science Banking technology and the development of modern consumer credit products, enhancing access to banking services are identified as two of the key tasks and solutions in the strategy. Banking industry in the coming years.

Applying 4.0 technology will help banks improve their profitability and ensure the system's high availability in meeting customers' needs of using electronic banking services. As transparency becomes more evident, consumers have more opportunities to access leading domestic and foreign financial services,

thereby creating an incentive for the bank to reach a new height, develop and Compete with advanced banks in the region and in the world.

3.3.6 Improving the quality of human resources to implement solutions on governance, organization and training to implement optimal development of bank credit products.

- (1) Improve the quality of human resource recruitment
- (2) Implement training and retraining to improve the capacity of human resources
- (3) Make arrangements for using human resources
- (4) Implementation of motivation for human resource development
- (5) Carry out assessment and control of the development of human resources
- (6) Building a team in charge of developing human resources At Consumer Credit Division - Agribank

3.4. SOME RECOMMENDATIONS

3.4.1. Recommendations to the Government

3.4.2. Recommendations to the State Bank of Vietnam

CONCLUSION

The author's research results will be an important empirical evidence for Agribank to have a specific strategy in developing consumer credit products and functional agencies to understand the difficulties of the bank to take measures. timely support measures.

In addition to the achieved results, the thesis also has certain limitations, namely: Firstly, because the thesis's subjects are officers, employees and customers of Agribank, so it is possible has ignored other employees and other customers as potential customers of the bank. Secondly, although the author's research process has consulted experts from banks and a number of state management agencies, the survey process has just stopped at banks. perform credit bridge investigation. Third, how to build each specific consumer credit product of the bank, perform specific tasks to create an effective consumer credit product in banking business and the level of High relevance to the tastes, customer needs is still a research gap. However, these limitations are not in the objectives and research questions of the thesis, these limitations can be considered as suggestions for further studies.

LIST OF PUBLISHED WORKS BY AUTHOR RELATED TO THE THESIS

1. Development of consumer lending services: The inevitable trend of commercial banks, Tr.65-Tr.67, Finance Magazine, period 1-July 2015 (612)
2. Improving consumer lending services through interest rates, Tr.35-Tr.36, Finance Magazine, period 2-July 2015 (613)
3. Enhancing customer protection for the sustainable development of the credit market, Tr.34-Tr.37, Journal of Socio-Economic Information and Forecast-September 2018 (153).
4. Sustainable consumer credit development and some recommendations, pp.15-Tr.17, Journal of Financial-Accounting Research, May 2019 (190).
5. Trend of consumer credit development under the impact of revolution 4.0, Tr.62-Tr.65, Journal of Financial-Accounting Research, July 2019 (192).