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Digital Financial Inclusion in Vietnam: Progress, Policies, and Challenges

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Abstract

Vietnam's journey toward financial inclusion has accelerated markedly in recent years through the adoption of digital finance. This article provides an academic analysis of how digital financial services are expanding access to financial systems in Vietnam, highlighting recent data and trends. We summarize the current state of financial inclusion—showing a sharp rise in account ownership and digital payment usage—and examine key government initiatives such as the National Financial Inclusion Strategy 2020–2025 and the national digital transformation program. Benchmarking Vietnam against international standards and regional peers, we find that Vietnam's financial inclusion rate has caught up with, and in some aspects surpassed, those of similar emerging economies. We discuss the critical

role of fintech innovations, mobile banking, and e-wallet platforms in reaching underserved populations, alongside supportive policies like regulatory sandboxes and mobile money pilots. At the same time, persistent challenges are analyzed, including gaps in digital literacy, cybersecurity risks, regulatory and infrastructure hurdles, and urban–rural disparities in access. The article draws on recent statistics from Vietnamese authorities and international organizations to ensure an up-to-date perspective. We conclude with policy implications emphasizing the need for continued public-private collaboration, strengthened digital literacy efforts, robust regulatory frameworks, and investments in digital infrastructure to sustain and deepen financial inclusion in Vietnam's digital era.

Keywords: Digital Finance, Government Policy, Vietnam

Introduction

Financial inclusion—commonly defined as the ability of individuals and businesses to access useful and affordable financial products and services—has gained worldwide recognition as a catalyst for economic development and poverty reduction. In recent years, **digital finance** has emerged as a key driver of financial inclusion globally, enabling broader reach through mobile technologies and innovative services. Vietnam presents a compelling case study of this digital-driven inclusion: once a largely cash-based economy with limited banking penetration, Vietnam is now witnessing a rapid transformation in how people engage with financial services.

Vietnam's economic reforms and growth since the Đổi Mới era have modernized its financial sector, yet for much of the 2010s the country lagged behind regional peers in access to formal finance. As recently as 2017, only about one-third of Vietnamese adults had an account at a financial institution. This low base underscored significant room for improvement. By 2021, however, account ownership had risen dramatically to 56%, reflecting Vietnam's fastest growth in financial access to date and signaling an inflection point in inclusion. Driving this progress is the expansion of **digital financial services**—from mobile banking apps and e-wallets to fintech lending platforms—which have lowered barriers to access for previously unbanked populations. Digital financial services are *“a key driver of financial inclusion in recent years”*, and Vietnam is exemplifying this trend.

More recent literature has started to examine **digital** channels in Vietnam's financial inclusion. **Fintech** (financial technology firms) and digital banking are highlighted as game-changers in several reports. For instance, an EY report (2022) noted that Vietnamese fintech companies are innovating products for unbanked populations, such as e-wallets that serve as quasi-bank accounts and alternative credit scoring to lend to those without credit history. Academic papers (Le *et al.*, 2022) have discussed the interplay of traditional and digital finance in rural Vietnam, observing that mobile money and agent banking can attract new users where conventional banks are absent. However, the literature also cautions about challenges: digital literacy rates in Vietnam, while improving, remain an obstacle for many citizens to fully utilize digital finance, and cybersecurity concerns

could undermine trust if not managed. Comparative studies (e.g. Wang *et al.*, 2023) position Vietnam as a mid-tier performer in Southeast Asia—better than some neighbors in digital payments uptake but still behind regional leaders in overall inclusion. They emphasize that **government policy** is a decisive factor; countries with coherent national strategies for financial inclusion (such as Indonesia, Philippines, Malaysia) tend to achieve faster progress. In this context, Vietnam's launch of a National Financial Inclusion Strategy in 2020 was a pivotal development, aligning with best practices that over 60 countries worldwide have adopted national strategies to coordinate efforts.

In summary, the literature suggests that Vietnam's experience fits into broader global and regional patterns: digital finance offers a powerful tool to advance financial inclusion, but its success depends on complementary factors like policy environment, literacy, and infrastructure. The gap in existing research that this article addresses is an up-to-date synthesis of Vietnam's progress *post-2020*, incorporating the flurry of developments during the COVID-19 pandemic and beyond (2021–2025). By bringing together data on account ownership, digital transactions, government programs, and comparing Vietnam's metrics with international benchmarks, we contribute a comprehensive overview relevant to both scholars and policymakers. This review provides the foundation for our analysis of how Vietnam's digital finance-led inclusion drive has unfolded and what challenges remain to be tackled.

Methodology

This study is a qualitative analysis based on **secondary data** and document review. We did not conduct primary surveys or statistical estimations; instead, we synthesized information from a variety of credible sources to evaluate Vietnam's digital financial inclusion progress. Key sources include Vietnamese government reports and press releases (for policy details and official statistics), data from international organizations such as the World Bank's Global Findex Database and IMF reports (for standardized financial inclusion indicators and cross-country comparisons), and academic and industry research (for interpretation and context). All data and assertions are referenced to their sources to ensure transparency and verifiability.

Our methodology involves several steps. First, we collected *recent data* (mostly 2019–2025) on Vietnam's financial inclusion indicators: for example, the percentage of adults with bank or mobile money accounts, volume of digital transactions, number of fintech firms, etc. This ensures our analysis reflects the current state, as financial inclusion is a fast-evolving domain (it was important to update beyond older figures given that as of 2025 Vietnam has seen rapid change). Next, we reviewed *government policy documents* – notably the National Financial Inclusion Strategy (Decision 149/QĐ-TTg, 2020) and the State Bank of Vietnam (SBV)'s digital transformation plan (Decision 810/QĐ-NHNN, 2021) – to identify the targets and measures officially being pursued. We also examined announcements on initiatives like the mobile money pilot and the fintech regulatory sandbox. Understanding these policies provided a framework to assess how aligned Vietnam is with global best practices and what steps are being taken to overcome inclusion barriers.

We then employed a **comparative approach** to benchmark

Vietnam's progress. Using data from sources like the World Bank's Findex and regional studies, we compare Vietnam's inclusion metrics against regional averages (e.g., East Asia & Pacific) and countries with similar emerging market characteristics (such as Indonesia and the Philippines). For example, if 56% of Vietnamese adults had accounts in 2021, how did that rank regionally and globally? Such benchmarking helps evaluate whether Vietnam is ahead or behind in certain aspects and highlights specific gaps.

Our analysis is organized thematically. In the discussion section, we break down the topic into sub-areas (current status, policy initiatives, digital innovation, international comparison, challenges). Within each sub-area, we triangulate data from multiple sources. For instance, when examining the **current state of financial inclusion**, we use SBV's reported account ownership rates and transaction data, corroborated by Global Findex survey results. When analyzing **challenges**, we cite evidence from surveys on digital literacy or reports on cybersecurity and regulatory issues. This method of cross-verification ensures a nuanced understanding that one source alone might not provide.

It should be noted that our study is largely descriptive and analytical, not hypothesis-testing. We aim to provide a narrative supported by data, rather than to establish causal relationships. This approach is appropriate given the objective: to compile a comprehensive overview and critical assessment of Vietnam's digital financial inclusion progress. Limitations of our methodology include reliance on the accuracy of external data (we assume official data is accurate, though in reality there could be issues like account dormancy that are not fully reflected in the headline numbers) and the lack of fieldwork, which means some qualitative nuances (such as user experiences or on-the-ground barriers) are drawn from existing studies rather than firsthand observation.

In summary, our approach combines data gathering, policy analysis, and comparative benchmarking. By integrating multiple reputable information sources and keeping the analysis grounded in empirical findings, we strive to produce a balanced and evidence-based account. The subsequent sections implement this methodology, with extensive citations to preserve academic rigor and allow readers to trace the sources of our information.

Analysis and Discussion

Current State of Financial Inclusion in Vietnam

Vietnam has made **remarkable strides** in financial inclusion over the past decade, particularly in the last five years with the advent of digital finance. Key indicators show substantial improvement. According to the World Bank's Global Findex surveys and Vietnamese authorities, the share of adults (aged 15 and above) with an account at a bank or regulated institution climbed from 31% in 2017 to 56% in 2021. This jump of 25 percentage points in four years is among the largest improvements globally during that period, highlighting Vietnam's rapid catch-up in basic account access. By 2022, the State Bank of Vietnam (SBV) reported that over 77% of adults had payment accounts at banks, and that figure has continued to rise. In fact, as of the end of 2024, SBV data indicated that **86.97% of Vietnamese adults now have bank accounts**. This suggests that Vietnam has essentially achieved and even exceeded the NFIS target (80% by 2025) ahead of schedule, a notable policy success. While data definitions may vary (SBV's

figures might include multiple accounts per individual or recently opened eKYC accounts), the trend is clearly one of vastly expanded financial access.

Accompanying the growth in account ownership is an explosion in **digital transactions**. Vietnam is traditionally a cash-centric society, but digital payments have gained significant traction. The SBV's Payment Department statistics reveal that non-cash payment transactions have been growing at double- or triple-digit rates annually. For example, in the first seven months of 2023, the number of cashless transactions nationwide was 51% higher than the same period in 2022. Mobile phone-based payment transactions increased by 63% in volume (and about 9% in value) year-on-year, and QR code payment usage jumped by an impressive 124% in number of transactions. By 2024, the total value of non-cash transactions reached **VND 295.2 quadrillion** (approximately US\$12 trillion), which is about 26 times Vietnam's GDP. This staggering figure indicates not only the scale of digital payments circulating in the economy but also the degree to which electronic payments have permeated daily commerce.

One of the driving forces behind these numbers is the **COVID-19 pandemic**, which accelerated the adoption of digital finance. During periods of social distancing, consumers and businesses increasingly turned to online banking, e-wallets, and QR code payments for transactions. Banks and fintech firms likewise fast-tracked their digital offerings. For instance, internet and mobile banking transactions in Vietnam surged by 80% and 119% respectively from 2021 to 2024. Many consumers who were initially hesitant to use cashless methods have now grown accustomed to them out of convenience and safety. The result is that by 2024, several major banks reported that **98% of their transactions were conducted through digital channels** (online or mobile), a dramatic shift away from branch-based and cash transactions.

Vietnam's demographic and technological landscape provides a strong foundation for this digital uptake. The country has a young, tech-savvy population: about 28 million Vietnamese are between 15–34 years old, a group highly receptive to new technologies. Internet penetration has reached approximately 88% of the population, and around 80% use smartphones as of 2024. These figures represent a huge leap from just a decade ago, reflecting expanded 4G/5G network coverage and more affordable devices. With connectivity no longer a luxury but a norm for most households, digital financial services have a ready user base. Indeed, the presence of inexpensive smartphones even in rural areas means that millions of previously unbanked people can be reached through mobile platforms.

Despite the overall progress, it is important to recognize the **distributional aspects** of financial inclusion. The headline that ~87% adults have accounts suggests near-universal inclusion, but within that statistic there are disparities. A significant proportion of adults may have opened a basic bank account (for example, to receive wages or government transfers) but remain "*underserved*", meaning they use only limited services. According to one analysis, **more than one-third of Vietnam's population remains underserved by formal financial services, particularly those in remote rural areas, farmers, and ethnic minority groups**. This implies that while accounts exist, their usage may be low or sporadic for certain demographics. The SBV's push for widespread account opening (notably through simplified

eKYC onboarding) has rapidly expanded access, but ensuring active usage (for savings, credit, insurance etc.) is the next challenge. Moreover, Vietnam has millions of *dormant* or low-balance accounts; in 2024 the banking sector even moved to close tens of millions of inactive accounts to clean up the system, indicating that having an account does not always equate to meaningful financial inclusion.

In summary, Vietnam's current state of financial inclusion is one of **fast improvements and high potential**, largely driven by digital finance. Account ownership is at an all-time high, and digital transaction volumes are soaring. The country stands at an inflection point: the basic infrastructure of inclusion (accounts, payment systems, connectivity) is falling into place. The focus now is increasingly on deepening the quality of inclusion – making sure those accounts are used actively for a range of financial needs and that benefits reach the last pockets of exclusion. Vietnam's experience thus far demonstrates the impact of digitization on inclusion, validating global observations that digital financial services can rapidly bring people into the formal financial system when the conditions are right.

Government Policies and Initiatives for Digital Financial Inclusion

The Vietnamese government's policy framework has been pivotal in promoting financial inclusion, especially through digital means. At the forefront is the **National Financial Inclusion Strategy (NFIS) 2020–2025**, approved by the Prime Minister in January 2020 (Decision No. 149/QĐ-TTg). This strategy explicitly recognizes financial inclusion as a national priority tied to socio-economic development and sets concrete targets to be achieved by 2025. Key NFIS targets include: *at least 80% of adults having bank accounts*; *at least 50% of Vietnam's communes (the lowest admin unit) having financial service points (e.g. bank branches or agents)*; *25–30% of adults saving at a financial institution*; *annual growth of 20–25% in the number of non-cash payment transactions*; *insurance penetration (premiums) of 3.5% of GDP*; and *250,000 SMEs access to bank loans*. These targets reflect a holistic approach – not just focusing on payments or accounts, but also credit, savings, insurance, and geographic outreach.

To achieve these goals, the NFIS outlines a series of measures. These include *streamlining the legal and regulatory framework* to enable financial inclusion (for instance, regulations for new digital services, consumer protection laws); *diversifying service providers* (encouraging not only banks but microfinance, fintech firms, and postal networks to provide services); *upgrading financial infrastructure* (like nationwide payments systems, credit information systems); and *reducing transaction costs and fees* to make services affordable. The strategy also emphasizes demand-side efforts such as financial education for citizens. Deputy Governor Nguyễn Kim Anh of SBV noted that Vietnam "*is in urgent need*" of a national strategy given half the population was unbanked and many in remote areas "*even have no idea about financial services*". By adopting the NFIS, Vietnam joined roughly 35 countries that had launched similar national strategies, learning from regional peers like Indonesia, the Philippines, and Malaysia where such strategies helped coordinate efforts.

Parallel to the NFIS, Vietnam has been pursuing a broader agenda of **digital transformation** that complements

financial inclusion objectives. The **National Digital Transformation Program through 2025, orientation to 2030** (approved by Decision No. 749/QĐ-TTg in June 2020) aims to digitize many aspects of the economy and society. In finance, this means creating a modern digital banking industry and promoting a “cashless economy.” The State Bank of Vietnam in 2021 issued **Decision No. 810/QĐ-NHNN** which is a specific plan for the banking sector’s digital transformation by 2025. According to this plan, by 2025: at least 50% of banking customers will conduct **50% or more of their transactions via digital channels**, and at least 70% of all customer transactions in the economy will be done through digital means. Moreover, at least 60% of credit institutions should have 30% or more of their revenue coming from digital services. These ambitious benchmarks effectively push banks to go digital or risk falling behind. The SBV itself committed to digitize much of its internal operations (e.g., 90% of its work records to be handled electronically) and to conduct at least half of its supervisory activities through digital systems by 2025. Such leadership by the central bank sends a strong signal to the industry about the importance of embracing technology.

Cashless payment promotion is a major policy thrust under this digital drive. The government has organized annual events like “Cashless Day” to raise public awareness. For instance, Cashless Day 2025 in Ho Chi Minh City featured festivals and tech showcases to encourage people to try e-payment solutions. Officials from SBV have stressed that *“non-cash payment is not just a transaction method but a strategic foundation connecting all components of the digital economy.”* Concretely, the SBV has implemented initiatives such as the introduction of **VietQR**, a national QR code standard to ensure interoperability across banks and e-wallets. It has also worked on instant payment systems and promoted contactless card infrastructure. The government, through various decisions, has set targets like reducing cash in circulation and increasing the share of e-payments in e-commerce and public services. The result of these policy efforts is visible in the rapid growth of cashless transactions described earlier, aligning with the NFIS goal of 20–25% annual growth in non-cash transaction volume (a goal which Vietnam has actually exceeded in recent years, with well over 40% growth in 2024–25).

A groundbreaking policy move was the **Mobile Money pilot**, which the government approved in March 2021 (PM Decision 316/QĐ-TTg). This two-year pilot allows telecom operators to provide mobile money services – essentially enabling phone-based accounts that can store small balances and be used for payments and transfers, targeted at the unbanked. The pilot explicitly prioritizes rural, remote, and underserved areas. Under this scheme, Vietnam’s three largest telecom providers (Viettel, VNPT, and MobiFone) launched mobile money services starting late 2021. Customers can now register for a mobile money account with just a basic phone and verified ID, without needing a bank account. Transactions like person-to-person transfers, bill payments, and merchant payments are allowed, with transaction limits (VND 10 million per month, roughly \$430) to manage risk. By the first quarter of 2025, **nearly 10.4 million mobile money accounts** had been opened, about one-third of which are in rural and remote areas. This indicates that the pilot is successfully reaching the target population. The government recently extended the mobile money pilot through 2024 to gather more data and

potentially pave the way for full licensing of these services. Mobile money is expected to complement banking by reaching people who live far from bank branches but have mobile phones – a bridging tool for inclusion in a country where mobile penetration far exceeds bank penetration.

Another significant policy initiative is the development of a **Fintech Regulatory Sandbox**. For a few years, Vietnam studied sandbox models (controlled environments to test new financial technology with regulatory waivers). In April 2025, the government finally issued **Decree No. 94/2025/ND-CP** establishing a sandbox for fintech in the banking sector. Effective from July 2025, this sandbox allows select fintech companies and banks to pilot innovative services under supervision, without needing full compliance with all regulations during the test phase. The decree specifies three types of solutions eligible for sandbox testing: *peer-to-peer lending, credit scoring, and open APIs for data sharing*. These areas were chosen because they are new in Vietnam and not fully covered by existing laws, yet they hold promise for inclusion (P2P lending can serve those who lack collateral for bank loans, credit scoring can help thin-file customers get credit, and Open APIs can foster partnerships that bring banking to new user bases). The sandbox’s objectives are to promote innovation and modernize the sector, while carefully evaluating risks and consumer protection issues in a contained setting. Over the sandbox duration (expected to run until 2027), regulators will use the insights to craft appropriate laws. This proactive stance by Vietnam aligns with international best practices and signals to entrepreneurs that Vietnam is open to fintech-driven inclusion, provided it’s under a watchful eye to limit potential downsides.

In addition to these, the government has rolled out supportive policies such as allowing **e-KYC (electronic Know-Your-Customer)** for remote account opening. In 2020, SBV issued Circular 16 permitting banks to verify customer identity online without face-to-face meetings. By March 2021, banks were officially allowed to onboard customers via e-KYC, which led to a surge in new accounts: by mid-2023, nearly **27 million payment accounts** had been opened using e-KYC processes. This regulatory change was crucial during COVID-19 and beyond, as it removed the need for people (especially in rural areas) to travel to a branch to open an account. It also spurred competition among banks and e-wallet providers to simplify onboarding via mobile apps.

Furthermore, Vietnam’s government recognizes the importance of **digital literacy and consumer protection** in making these initiatives work. The Ministry of Information and Communications (MIC) launched programs to enhance digital skills across the population, forming tens of thousands of “community digital technology groups” to train people in villages on using smartphones and online services. The goal is to universalize basic digital skills by 2025, so that citizens can confidently use e-government and e-finance platforms. On the legal side, Vietnam has enacted a Cybersecurity Law (effective 2019) and is drafting a Personal Data Protection decree, aiming to create a secure environment for digital transactions. Regulators have also updated rules for safe electronic transactions and asked financial institutions to strengthen IT security and data privacy measures. These efforts address the trust factor: as one World Bank blog noted, *“policies and regulations to protect and thereby promote trust among Internet users in*

the digital space must be established,” covering areas like cybersecurity and consumer protection. Indeed, consumer trust is vital for sustained usage of digital finance, and the government is aware that high-profile fraud or data breaches could set back inclusion gains.

In summary, Vietnam’s policy landscape for financial inclusion is comprehensive and forward-looking. Through the NFIS, the nation set clear inclusion targets and is monitoring progress. Through digital transformation initiatives, it is modernizing the financial sector and encouraging innovation. Specific programs like the mobile money pilot, e-KYC adoption, cashless payment campaigns, and the fintech sandbox show a willingness to embrace new solutions and adjust regulations accordingly. Vietnam’s approach can be characterized as **state-enabled, market-driven**: the government creates enabling conditions and infrastructure (and sometimes direct interventions like mobile money), while leveraging the creativity and reach of the private sector (banks, fintech, telcos) to deliver services on the ground. This collaborative approach is evidenced by the NFIS emphasis that success requires coordination between the Government and private sector. Early results – such as hitting the account ownership target early and the burgeoning fintech scene – suggest that these policies are bearing fruit. The next challenge will be to maintain this momentum, ensuring policies adapt as the market evolves and continuously addressing any gaps that prevent certain groups from benefiting equally.

The Role of Fintech, Mobile Banking, and Digital Innovation

Vietnam’s financial inclusion gains have been propelled not only by top-down policy but also by bottom-up innovation from **financial technology (fintech) companies**, banks’ digital transformation, and new digital financial products. Over the last decade, Vietnam has cultivated a vibrant fintech ecosystem primarily in payments, lending, and personal finance. By 2021, there were over **150 fintech firms** operating in Vietnam, a fourfold increase from about 40 firms in 2016. These include homegrown e-wallet providers, peer-to-peer lending platforms, digital investment apps, as well as regional players expanding into Vietnam. Fintech startups have been particularly effective at addressing the needs of the unbanked and underbanked segments, often leveraging the ubiquity of mobile phones.

Digital payments and e-wallets stand out as the most developed fintech segment. Companies like MoMo, ZaloPay, Moca, and VNPay have gained millions of users by offering convenient mobile wallet apps that allow users to store money, pay bills, transfer funds, and transact online without a bank card. MoMo, for example, reportedly has over 30 million users, many of whom use it as their primary transactional account for daily needs. By early 2025, Vietnam had **47 licensed e-wallet providers** and about **30.3 million active e-wallet accounts** linking consumers and merchants. These wallets have become a bridge to those without bank accounts – users can top-up wallets with cash through agents or link to a friend’s bank account, thereby participating in digital commerce. They are widely used for ride-hailing payments, e-commerce, and increasingly in brick-and-mortar retail via QR codes. The competitive e-wallet market in Vietnam has driven innovation such as cash-back rewards, integration with messaging apps, and

expansion of agent networks to rural areas, all of which encourage more people to go cashless.

Mobile banking by traditional banks is also a crucial piece of the inclusion puzzle. Virtually all Vietnamese commercial banks now offer mobile applications that provide full banking functionality, from account opening (with e-KYC) to deposits, fund transfers, loan applications, and even investment products. Banks have been aggressively migrating customers to digital channels. According to an SBV survey in 2020, 95% of banks either had or were developing a digital transformation strategy, and a significant share expected the majority of their customers to use digital channels within a few years. Large banks like Vietcombank, Techcombank, and MB Bank have reported millions of mobile app users and high double-digit growth in online transactions annually. The convenience of 24/7 banking on the phone has not only improved service for existing customers, but also attracted new customers who might not have bothered to maintain a bank relationship before. Notably, some banks launched entirely digital sub-brands or products (for instance, TPBank’s QuickPay, VPBank’s digital arm “Cake”, etc.) aiming to capture young, tech-oriented customers at low cost. Through these digital banks, an individual can open an account in minutes with just a smartphone and ID, illustrating how much friction has been removed from the onboarding process compared to a decade ago.

Fintech lending and alternative finance are emerging areas with direct relevance to inclusion. Traditional bank lending in Vietnam often requires collateral and a thorough credit history, which many small borrowers lack. Fintech firms are stepping in to fill this gap by using alternative data for credit scoring and offering quick, small loans via apps. P2P lending platforms, although awaiting formal regulation (to be addressed via the sandbox), have been operating by connecting individual lenders to borrowers. These platforms can provide small businesses or individuals with unsecured loans that banks might not approve. Moreover, new **digital credit scoring** services (some in collaboration with banks) analyze data such as mobile phone usage, e-commerce purchase history, or even psychometric data to assess creditworthiness of thin-file clients. This innovation is crucial in Vietnam where a large portion of the population has no formal credit history. By 2023, some fintech-based lenders and consumer finance companies had already reached millions of customers with micro-loans, though concerns about consumer protection and interest rates persist, underscoring why regulatory oversight is needed.

Another important innovation is the development of **agent banking and point-of-sale networks** to reach rural customers. Vietnam’s banks and mobile payment providers have been expanding their agent networks (e.g., local shops acting as bank agents for cash-in/cash-out and account opening). The postal network and the Vietnam Bank for Social Policies also serve far-flung communities. These physical touchpoints complement digital channels, since truly including a rural elderly customer might require an agent to assist them in using a mobile wallet or to convert cash to digital form. The **integrated ecosystem** approach promoted by SBV entails combining digital platforms with on-the-ground agents to maximize outreach. Early evidence suggests this model is making headway in restricting the prevalence of “black credit” (unofficial lending at very high

rates) by offering formal small loans and payment services in areas where they were previously absent.

Innovation is also visible in government-to-person (G2P) payments and financial services delivery. Vietnam has piloted paying social benefits via mobile wallets in remote provinces (in partnership with the World Bank), and during the pandemic, authorities disbursed relief funds through bank transfers and e-wallet credits to reduce delays. Linking social transfers to financial accounts both provides immediate efficiency and also brings recipients into the formal financial system (many opened accounts for the first time just to receive COVID relief). The IMF has specifically suggested that *linking digital IDs with bank or mobile money accounts* could further facilitate inclusion and better targeting of social programs. Vietnam is indeed moving in that direction by rolling out a national digital ID (VNeID) and encouraging its integration for e-KYC in banking. In 2023, the government launched an e-ID app which, among various uses, can help remotely verify customer identity across services including finance. Over time, this digital identity infrastructure will simplify customer due diligence and potentially allow more people to access services they were excluded from due to lack of proper documentation.

It's also worth noting the influence of **Big Tech and e-commerce** on digital finance. Vietnam's booming e-commerce market (projected to reach \$40+ billion by 2025) has indirectly pushed financial inclusion: platforms like Shopee or Lazada often require digital payments, thereby encouraging customers to obtain an e-wallet or bank card. Tech giants (Grab, Google, etc.) are either partnering with local fintechs or launching financial products (like Grab's pay later service) that expand the array of financial tools accessible to consumers and small merchants. These ecosystem players blur the lines between commerce and finance, but ultimately contribute to habituating people to formal financial tools.

The **impact of these digital innovations** on inclusion is significant. The rise of e-wallets and digital payments has directly contributed to more people having transactional accounts. The Global Findex 2021 data noted that only about 22% of Vietnamese adults had made or received a digital payment in 2017, but this shot up by 2021 as adoption grew. Fintech payment solutions have also helped bring down the cost of remittances and money transfers domestically, which benefits low-income and rural users who used to rely on expensive informal channels. Fintech credit, while nascent, is providing options beyond family borrowing or loan sharks. In aggregate, digital finance is enabling what traditional brick-and-mortar finance struggled with: reaching people widely and cheaply.

However, with innovation comes the need for caution. Regulators are rightly monitoring risks such as over-indebtedness from easy digital loans, fraud in online transactions, and data privacy issues. Some fintech practices (e.g., aggressive debt collection or misuse of personal data) have drawn scrutiny, leading to SBV issuing warnings and considering licensing requirements. The **regulatory sandbox** is a wise approach to let innovation continue in a controlled way. Furthermore, collaboration between banks and fintechs is being encouraged to combine strengths – banks bring trust and compliance, fintechs bring agility and user-centric design. Vietnam's model is shaping up to be one of **partnership** rather than disruption; many banks have invested in or formed alliances with fintech startups, and

conversely fintechs often leverage bank infrastructure (for example, using bank APIs or agent networks).

In conclusion, fintech and digital innovations function as the **engine of financial inclusion growth** in Vietnam. They provide the practical tools that allow the government's inclusion goals to be met on the ground. Mobile banking and wallets make financial access easy and intuitive, even fun, thereby drawing in users who might never set foot in a bank branch. Alternative lending and digital credit scoring unlock opportunities for those long deemed "uncreditworthy" by traditional metrics. And the overall digitization of financial services reduces costs, which is crucial for providers to serve low-balance customers sustainably. Vietnam's experience thus far shows that when regulation is enabling and innovation is vibrant, digital finance can rapidly extend the reach of formal finance. The continuing challenge is to ensure these digital financial services are used responsibly and inclusively – reaching not just the urban millennials but also women, the poor, the rural farmers, and other marginalized groups in Vietnam.

International Benchmarking: Vietnam in Regional and Global Context

To put Vietnam's progress in perspective, it is instructive to compare it against international benchmarks and peer economies. **Globally**, financial inclusion (measured by account ownership) reached 76% of adults by 2021, and new data suggests it rose to about 79% by 2024. Vietnam's 2021 level of 56% was below this global average, reflecting that Vietnam started from a comparatively lower base. However, the acceleration in Vietnam between 2017 and 2021 (a 25 percentage-point increase) was far higher than the global average increase. By end-2024, Vietnam's self-reported account ownership of ~87% would place it *above* the worldwide average of 78.7%. This, if confirmed by survey data, suggests Vietnam may have leaped into the ranks of better-performing countries in terms of basic access. It's a striking achievement for a lower-middle income country.

In the **East Asia and Pacific (EAP)** region, Vietnam's trajectory has been notable. The EAP region is diverse, including high-access countries like Singapore (virtually 100% inclusion) and developing ones like Cambodia (<30% in 2021). Excluding China (which has very high inclusion at 89% and skews the regional stats), about 59% of adults in EAP developing countries had accounts in 2021. Vietnam at 56% was slightly below that average, roughly on par with the Philippines and a bit higher than Indonesia at that time. Specifically, in 2021 the **Philippines** had around 51–56% inclusion (World Bank and central bank data vary, but BSP's survey put it at 56% for 2021 after a major surge). **Indonesia** was about 52% in 2021. Thus, Vietnam's 56% in 2021 placed it in the middle tier of ASEAN – behind Malaysia, Thailand, and certainly behind the developed financial systems of Singapore/Brunei, but ahead of Laos, Cambodia, and comparable to the Philippines/Indonesia. A Krungrsri Research assessment in 2024 ranked Vietnam fourth in ASEAN in financial inclusion (after Singapore, Thailand, Malaysia).

However, Vietnam's recent jump to ~77% in 2022 and ~87% in 2024 (if those SBV figures are taken as equivalent to account ownership) would mark a dramatic climb in the rankings. An **average of 83.3% inclusion for East Asia-Pacific in 2024** was reported (this includes high-income

countries and China). Vietnam at 87% would exceed the regional average and be closing in on Malaysia's territory (Malaysia was around 85–95% by 2021, likely higher now) and Thailand (which was ~82% in 2017 and likely over 90% by 2021 due to their own digital finance push). It is possible that Vietnam is now comparable with those countries in headline inclusion, though the *depth* of inclusion (e.g., usage frequency, access to credit) might still lag. For example, Malaysia and Thailand have more mature insurance and credit penetration.

Comparing Vietnam to its peers: **Indonesia**, a similarly large emerging economy, lags a bit in accounts (around 52% in 2021 and aiming for 90% by 2024, though likely did not reach that). **Philippines**, as of 2024, ironically had a slight dip to 50% (WB Findex 2025 data) after reaching ~51% in 2021 – perhaps due to definitional changes – highlighting volatility. The Philippines' 50.2% in 2024 is far below Vietnam's reported ~87%. Moreover, the Philippines significantly trails Vietnam in digital payment uptake and mobile wallet usage, despite similar account stats in 2021. This suggests Vietnam has outperformed at least one of its peers recently. On the other hand, **Bangladesh, India, Pakistan** – South Asian peers – have also made strides (India for instance is above 80% now after massive bank account drives, Bangladesh around 50%). Vietnam's new inclusion level would put it ahead of most South Asian countries except India, and above the average for its income group.

One area of international benchmarking is the **urban-rural gap and gender gap**. According to available data (e.g., Findex 2017 and some national surveys), Vietnam historically had a gender gap of only ~3-6% (men slightly more likely to have accounts than women) – which is narrower than the developing country average gap of 9%. That is a positive sign, though updated figures would be needed to confirm if the gap remains small. The **rural gap** is more pronounced: urban adults in Vietnam have higher access than rural ones. In some earlier surveys, urban account penetration was nearly double that of rural. With digital expansion, this gap should lessen, but likely still exists. For instance, in the Philippines' 2024 data for comparison, 46.5% of rural adults had accounts vs higher urban rates; Vietnam might show a similar pattern albeit at higher absolute levels (perhaps rural Vietnam now has, say, 70% accounts vs urban 95%, hypothetical). Additionally, wealth and education disparities persist in all countries: those with higher education/income are far more likely to be financially included. Vietnam likely mirrors this trend – while a farmer in a remote village might now have a mobile money account or basic bank account due to the outreach efforts, they may not be using as many services as an educated city dweller.

In terms of **digital finance usage**, Vietnam's performance is impressive regionally. A few metrics illustrate this: As of 2021, 64% of adults in Vietnam with an account had made a digital payment, according to Findex (this can be inferred from partial data; by 2023 it should be higher). Countries like Indonesia and the Philippines had fewer people making digital payments regularly. The surge in Vietnam's digital payments (evidenced by 26x GDP transaction value in 2024) is comparable to, if not exceeding, some neighbors. For example, Malaysia targeted becoming check-free and significantly cashless by 2020s; Thailand's PromptPay and QR systems also boosted usage (Thailand saw a huge uptick

in e-payments under its national e-payment plan). Vietnam now has a similar story with NAPAS (national payments switch) and QR interoperability fueling usage.

Another relevant comparison is with **global standards and initiatives**. Vietnam's NFIS aligns with guidelines from the World Bank and the Alliance for Financial Inclusion, hitting key points like having measurable targets, involving multiple stakeholders, and focusing on underserved groups. Vietnam is also a participant in global forums (e.g., the G20's Global Partnership for Financial Inclusion, APEC financial inclusion initiatives) and often cited microfinance and mobile banking examples from other countries when formulating its plans. This cross-pollination means Vietnam's strategy is consistent with international best practices. Now, outcomes-wise: by achieving ~80% inclusion, Vietnam is nearing the level considered necessary to maximize development impact (studies suggest benefits of inclusion significantly accrue as you approach universal access). Countries that have achieved 90%+ inclusion (like China or Thailand recently) often have had strong digital finance components – in China's case Alipay/WeChat Pay, in Thailand PromptPay. Vietnam's heavy involvement of e-wallets and mobile is its analog.

One area Vietnam still lags some peers is in **credit and insurance inclusion**. Account ownership is the first step, but usage of other services is also benchmarked. Vietnam's domestic credit to GDP ratio is relatively high (because of strong bank lending to firms), but SMEs still face a large financing gap (~22% of GDP financing shortfall by some World Bank estimates). In consumer credit, Vietnam's formal lending to individuals (per capita) is lower than in Malaysia or Thailand, and many people still rely on informal borrowing. Insurance penetration at ~2% of GDP is modest (target 3.5% by 2025), behind countries like Malaysia (~4% GDP) but similar to regional average for that income. So in broader inclusion (beyond payments), Vietnam has work to do to catch up in offering a full suite of financial services to most citizens.

Finally, looking at **lower-middle income country averages**: For lower-middle income countries globally, account ownership was ~70% in 2024. Vietnam is above its income peers on that metric now, since it recently graduated to upper-middle income inclusion levels while still being an LMIC economically. This reflects how Vietnam is something of an *outlier*—in a good way—demonstrating that a country at ~\$3700 GDP per capita (2023) can attain inclusion levels more typical of countries with double that income. International organizations like the IMF and World Bank often cite Vietnam as a case of successful financial development alongside strong economic growth. The IMF's 2025 Article IV consultation even noted Vietnam's progress in digital finance as a positive structural development (though cautioning on regulatory aspects).

In summary, **Vietnam's progress compares favorably on the international stage**, especially in recent years. From being an average performer in ASEAN, it is moving toward being a leader among its income peers in financial inclusion. It now stands closer to the more advanced emerging economies in Asia in terms of access, though still has gaps in usage depth and certain services. International benchmarking confirms that Vietnam's comprehensive approach (combining policy and technology) is yielding results that many other countries are striving for. Of course, sustaining these gains and ensuring equitable distribution of

inclusion benefits remain challenges. The experiences of countries like Kenya or India show that after big leaps, maintaining growth in inclusion requires addressing quality of services and trust issues. Vietnam can glean lessons from those countries (Kenya's agent networks, India's digital ID integration, etc.) as it continues to refine its model. Overall, Vietnam can be seen as joining the forefront of the **"digital finance for inclusion"** movement globally – an example of how an emerging economy can quickly align with global standards through political will and innovation.

Challenges and Barriers to Digital Financial Inclusion

Notwithstanding the impressive progress, Vietnam faces several **challenges** that could hinder the achievement of full financial inclusion and the sustainability of gains. These challenges range from human factors like literacy and trust to structural issues like infrastructure and regulatory gaps. Addressing them is crucial for Vietnam to ensure that its digital financial revolution is both inclusive and secure.

1. Digital Literacy and Consumer Awareness

A foundational challenge is that a significant segment of the population still lacks the knowledge or skills to use digital financial services effectively. According to a 2022 survey, about **27% of Vietnamese people had difficulties with digital connectivity and skills** – meaning over a quarter of the population struggles to get online or use digital tools. This problem is more acute in rural and remote areas, and among older generations. Many children (especially girls) in Vietnam do not have basic digital skills, and tellingly, *"nearly 90% of teachers in remote areas said they have never used a modern device in teaching"*. This digital literacy gap is a major hurdle to universal financial inclusion: having a mobile phone or bank account doesn't automatically translate to usage if people are not comfortable with technology. A farmer might have a bank account because a development program helped open one, but still withdraw all cash and never attempt an e-payment, due to lack of familiarity or mistrust of the digital interface. The government is actively promoting digital literacy (as noted earlier, with community training groups and e-learning platforms), but changing mindsets and improving skills is a gradual process. Without improvements in digital and financial literacy, certain groups—like the elderly, less-educated, or ethnic minorities with language barriers—may remain excluded or only passively included (e.g., an account exists but is seldom used, or they fall prey to fraud due to lack of awareness). Thus, scaling up education campaigns, possibly integrating them with the rollout of services (for example, training sessions when new mobile money agents sign up villagers), is essential.

2. Infrastructure Gaps and Urban–Rural Disparities

Vietnam's telecom and banking infrastructure has expanded, but pockets remain underserved. While internet coverage is generally high, some remote villages in mountainous or island areas have patchy signals or only 2G service. The digital divide can mirror existing socio-economic divides, thereby entrenching them if not proactively managed. For instance, high-speed mobile internet (4G/5G) is mostly available in urban centers; rural users might face connectivity issues that make using an app frustrating or impossible. Even electricity and smartphone ownership, prerequisites for digital finance, are not yet universal

(though Vietnam has high electrification, some remote homes may lack reliable power to charge phones). On the banking side, although SBV aimed for 50% of communes to have financial service points by 2025, that leaves half without local access. In remote communes with no bank or agent, the nearest access point could be hours away, which discourages regular use of financial services. Digital finance can overcome distance if there's connectivity, but where connectivity is lacking, these areas risk being left behind. The government's **Digital Infrastructure Strategy** aims for all households to access broadband by 2025, which if achieved will greatly mitigate this challenge. However, as of now, ensuring last-mile connectivity (mobile towers, fiber optic lines) to truly every community is still a work in progress. The disparity in service quality and availability contributes to usage gaps: for example, an urban resident can scan QR codes to pay for coffee, ride the metro with a contactless card, and trade stocks on a mobile app, while a rural farmer might only use their mobile phone for calls and prefer cash for transactions because local merchants aren't equipped for digital payments. Overcoming these disparities will require continued infrastructure investment and incentives for providers to serve low-density areas (perhaps through public-private partnerships or targeted subsidies).

3. Cybersecurity and Fraud Risks

As financial services move online, the risks of cyber attacks, scams, and data breaches increase. Vietnam, like many countries, has seen a rise in phishing schemes, fake banking apps, and SMS scams targeting financial customers. In 2022 and 2023, there were notable instances of fraud where customers unknowingly gave away OTP codes or clicked malicious links, resulting in theft from their accounts. High-profile cybersecurity incidents could erode trust in digital finance. Ensuring robust security is challenging because it involves both technical defenses and user vigilance. On the technical side, banks and fintechs need to continually update their security protocols, encrypt data, and monitor transactions for suspicious activity. The government's role is to establish regulations and standards for cybersecurity – which it has begun with the Cybersecurity Law and requiring compliance with international security standards for payment companies. The SBV has mandated measures like two-factor authentication for e-transactions and imposed liability on providers for certain security lapses. Still, as hackers get more sophisticated, Vietnam's financial sector (which may not have the same resources as a developed country's) could be tested. On the user side, many new digital finance users are not well-informed about cyber hygiene. There have been cases of rural folks sharing their ATM PINs or mobile banking passwords out of trust, or being tricked by calls from fraudsters posing as bank officers. Consumer education on fraud prevention is vital. If people perceive digital finance as unsafe, they will revert to cash. Thus, maintaining **trust** through security is non-negotiable. The World Bank has emphasized establishing *"policies and regulations to protect and thereby promote trust"* in the digital space, covering electronic transactions, data privacy, and consumer protection. Vietnam's regulators are indeed focusing on this, but it remains an ongoing race against evolving threats.

4. Regulatory Framework and Coordination

While Vietnam has made great strides in policy, some

regulatory areas still need clarity or modernization to fully support digital inclusion. Until 2025, the lack of a fintech sandbox or specific regulations meant some innovations were in a gray area (e.g., P2P lending was not officially regulated, raising concerns about loan shark behavior; crypto-assets and their intersection with finance are another grey zone). The introduction of the sandbox via Decree 94 is a positive development, but the success will depend on effective implementation and openness to expanding it to more areas (like insurtech or regtech) as needed. Another area is interoperability and competition policy: with 47 e-wallets, ensuring they can all connect to the national payment systems and to each other is important so consumers aren't siloed. SBV has pushed a national QR standard and integration via NAPAS, but continued oversight is needed to prevent dominant players from creating closed loops that exclude others. Additionally, there are regulatory challenges around data sharing – Open API frameworks are just emerging, and Vietnam will need to adopt something akin to open banking standards to allow fintechs to securely access bank data with customer consent (this is touched on in the sandbox, which includes Open API solutions). Moreover, as Vietnam's digital finance grows, regulators must keep up with **supervision capacity**. Ensuring that thousands of digital transactions and new types of providers are compliant with AML/CFT (anti-money laundering laws) and other regulations is resource-intensive. The SBV and other bodies will need training and tech tools (SupTech and RegTech) to monitor the sector effectively. Finally, inter-agency coordination is a challenge: financial inclusion spans central bank, telecom regulators (mobile money is under both SBV and Ministry of Information and Communications), finance ministry (for G2P payments), education ministry (for financial literacy), etc. A strong coordinating body or mechanism is required to avoid siloed approaches. The NFIS had a National Steering Committee involving multiple ministries, which is a good mechanism; its continued active role will be important to address cross-cutting issues swiftly.

5. Ensuring Inclusive Reach: The Last Mile Issues

Even with high overall inclusion, certain demographics risk being left behind. These include the poorest of the poor (for whom even maintaining a minimum balance or a mobile phone can be hard), ethnic minority communities in upland areas (who might face language and cultural barriers in dealing with formal institutions), people with disabilities (apps and services may not be fully accessible to them), and perhaps migrants/temporary workers who don't have local documents. For example, Vietnam's identification requirements for banking have eased with e-KYC, but fully remote onboarding might still exclude those who lack any formal ID or whose biometrics don't match records (a common issue with worn fingerprints of manual laborers). The government will need tailored solutions for these groups: perhaps design simplified products (no-frills accounts with zero fees), use vernacular languages in apps and support, and partner with social organizations to build trust in communities historically wary of banks. Vietnam's microfinance institutions and social policy banks play a role here too – they can reach some clients that fintechs or banks might find unprofitable. Integrating their work with digital systems (for example, enabling microfinance clients to repay via mobile wallets) can be beneficial.

6. Cultural Attitudes and Cash Preference

Despite trends changing, cash is still king for many Vietnamese, partly out of habit and partly due to the informal nature of the economy. Some small businesses and consumers prefer cash to avoid taxes or simply because it's tangible and universally accepted. Convincing these holdouts to adopt digital payments is an uphill task. The government's approach has been carrot-and-stick: carrots in the form of promotions for cashless transactions, and stick in the form of gradually mandating non-cash payments for things like large transactions, salary payments in state firms, etc. Overcoming the inertia and distrust (e.g., some elders feel keeping gold and cash is safer than money in bank) will take time. Demonstrating the convenience and reliability of digital finance consistently is key to culture change.

In essence, Vietnam's challenges are not unique – many countries on the path of digital financial inclusion face a similar mix of issues. The encouraging aspect is that the government and stakeholders are aware of them and are actively trying to address them. Continued investment in **human capital (literacy, skills), hard infrastructure (networks, devices), and institutional capacity (regulations, security)** will be needed. A holistic approach is required: for example, improving digital literacy ties into reducing fraud (an informed user is less likely to be tricked) and boosting usage (they understand the benefits). Likewise, strengthening cybersecurity boosts trust, which encourages adoption, which then incentivizes private sector to invest more in outreach, and so on in a virtuous cycle.

If Vietnam can navigate these challenges, it stands a strong chance of consolidating its financial inclusion gains and ensuring they are resilient. The window of opportunity is open – the public and private sectors are aligned in pushing digital finance, and user acceptance is at an all-time high post-pandemic. Addressing the weak links now will determine if Vietnam can achieve not just near-universal access, but also *effective* inclusion where people actively use a range of financial services to improve their lives.

Policy Implications

The analysis of Vietnam's digital financial inclusion journey yields several policy implications that can guide stakeholders – from government regulators to financial institutions and development partners – in sustaining and deepening inclusion. The overarching implication is that **continued proactive policy support and investment** are required to translate high access into high usage and broad-based benefits. Below, we outline key recommendations and considerations:

1. Strengthen Digital and Financial Literacy Programs

As identified, one of the fundamental bottlenecks is the population's uneven digital literacy. Policymakers should **institutionalize digital and financial education** as a long-term initiative. This could include integrating basic financial literacy into school curricula (so the next generation grows up fluent in digital finance), expanding community-based training for adults (leveraging the existing network of community digital technology groups and perhaps enlisting banks/fintechs in outreach), and running nationwide media campaigns on secure and effective use of digital finance. Public-private partnerships can be fruitful here: for example, e-wallet companies and banks could sponsor training workshops in rural areas, simultaneously marketing their

products and teaching people how to use them safely. Improved user competence will increase uptake of services and also reduce incidences of fraud or errors. Given the survey that 27% have difficulty with digital skills, setting a target (say, halving this percentage by 2025) and monitoring progress could be part of Vietnam's inclusion KPIs.

2. Enhance Consumer Protection and Cybersecurity Frameworks

Trust is the currency of digital finance. The government should continually update and enforce regulations around **consumer protection** – for instance, clear guidelines on liability in cases of unauthorized transactions, requirements for transparent pricing of digital financial services (to avoid hidden fees that could dissuade users), and accessible grievance redress mechanisms (perhaps a fintech ombudsman or a helpline for consumers facing issues with digital financial providers). Strengthening the legal framework for data privacy is also vital; finalizing the Personal Data Protection decree and ensuring financial service providers comply with it will help secure users' personal and financial data. On cybersecurity, regulators might consider mandating periodic security audits for fintech firms and smaller banks (which might be more vulnerable) and sharing threat intelligence within the industry. The SBV could facilitate a sector-wide simulation of cyber-attacks to test readiness. Given the cross-border nature of cyber threats, Vietnam could also collaborate with ASEAN neighbors on information sharing and capacity building for cyber defense in finance. The aim is to make the digital financial system **resilient** – because a major security incident could set back inclusion efforts by shattering public confidence.

3. Continue Regulatory Innovation and Fintech Enablement

The launch of the fintech sandbox (Decree 94) is commendable, and authorities should ensure its effective implementation. This means selecting a diverse set of pilot projects (including those specifically targeting inclusion, like fintech solutions for rural credit or platforms catering to female entrepreneurs), closely monitoring outcomes, and being prepared to quickly enact permanent regulations for successful models. Regulators should also remain flexible to expand the sandbox or similar mechanisms to new innovations (for example, if stablecoins or new forms of digital money become relevant to inclusion, they may need a regulatory testbed). Additionally, lowering any unnecessary regulatory barriers can help: for instance, simplifying licensing for non-bank payment service providers while maintaining prudential safeguards could encourage more entrants to serve niche markets. The success of mobile money should be evaluated at pilot's end and, if positive, promptly transitioned into a fully licensed regime, possibly allowing more providers or extending usage limits as appropriate. In sum, **regulation should not lag innovation**; rather, it should guide it such that consumer risks are managed but useful innovations are not stifled. This will keep Vietnam's digital finance ecosystem dynamic and competitive, ultimately benefiting consumers with better services.

4. Invest in Infrastructure and Expand Last-Mile Delivery

The government should accelerate efforts to achieve universal broadband and mobile coverage. Infrastructure investment can be incentivized through measures like providing tax breaks or subsidies to telecom companies for deploying base stations in remote areas, or exploring satellite internet solutions for the hardest-to-reach locales. Moreover, supporting the expansion of agent banking networks is a policy lever: authorities could relax restrictions or provide support for banks/fintechs to recruit agents in every commune (similar to how Vietnam's postal service has presence nationwide; leveraging post offices as financial agents is also a viable strategy). Mobile units or periodic banking "campus" in remote areas (like monthly market-day banking vans) could be encouraged to ensure even those in sparsely populated regions get at least occasional physical access. Bringing people online and giving them local touchpoints addresses the physical access issues that remain. Also, further development of the digital ID system (VNeID) is critical infrastructure for inclusion – the more robust and widely adopted the e-ID, the easier e-KYC will become, reducing onboarding friction to near zero. Policymakers should ensure the digital ID platform is user-friendly and seamlessly integrated with banking and fintech apps.

5. Targeted Approaches for Remaining Excluded Groups

As the net of inclusion widens, those still outside it may be the toughest to reach and often require **tailored solutions**. For example, to reach the elderly or those deeply set in cash habits, the government might work with mass organizations like the Women's Union or Farmer's Union to introduce community-based savings and credit groups that gradually link with formal institutions (building trust in a group setting). For ethnic minorities, providing interfaces in local languages and hiring local agents from those communities can reduce cultural barriers. Social security programs can be a vector: if welfare or pensions are paid digitally (with adequate training and support), it forces a shift to digital for populations like the elderly – but this must be done carefully with transition support to avoid hardship. Another group is micro-entrepreneurs and SMEs – they often fall between retail consumer finance and corporate banking. Policies that encourage lending to SMEs (like partial credit guarantees, or allowing fintech lenders to access credit bureau data to better evaluate SMEs) can improve their inclusion. Also, continuing to formalize the economy (e.g., digital payments for utilities, taxation) will gently push more individuals and small businesses into using accounts for transactions. Each subgroup that is under-included likely needs a champion either within government or via public-private initiatives to bring their inclusion indicators up.

6. Public-Private Collaboration and Coordination

The complexity of financial inclusion means no single entity can do it all. Vietnam should maintain and strengthen the multi-stakeholder coordination mechanism established by its NFIS. This includes regular monitoring and publishing of progress on NFIS targets – transparency can drive

accountability. The government can convene working groups with banks, fintechs, consumer advocacy groups, and researchers to address specific challenges, like a task force on digital fraud mitigation or a committee on rural financial services. Such dialogue helps policies stay grounded in reality and allows industry players to voice concerns or ideas. The theme of **effective coordination between Government and private sector** has been stressed as key to success, and Vietnam's experience thus far affirms that (e.g., Cashless Day events are jointly organized by SBV and private entities, demonstrating partnership in action). International partners (World Bank, ADB, etc.) can also be included for technical assistance or funding support in these collaborations – for instance, in designing literacy programs or sharing global best practices.

7. Monitoring and Adapting Strategy Beyond 2025

Since the NFIS is set to 2025, it will soon be time to draft a follow-up strategy (perhaps 2026–2030). The next strategy could transition from access targets to *usage and quality* targets. For example, targets might be set for the percentage of adults making at least one digital transaction per month, or percentage of small businesses with a credit history. It could also incorporate targets on narrowing gaps (like reducing rural-urban gap to under 10 percentage points, or ensuring women's inclusion is on par with men's). Policymakers should use data (like the upcoming Global Findex 2025 results) to identify remaining weak spots and address them in the new strategy. The environment is also changing – new technologies like central bank digital currencies (CBDC) are on the horizon (SBV is studying a CBDC issuance for cashless economy support). If a CBDC is introduced, policy must ensure it is implemented in a way that promotes inclusion (e.g., accessible offline functionality for those with intermittent internet, and strong privacy to encourage uptake). Thus, adaptability and forward-thinking will be key.

In conclusion, the policy implications center on **consolidation and inclusion deepening**. Vietnam's government has been proactive, and the recommendation is to maintain that momentum: keep refining policies, protect consumers, and involve all stakeholders in problem-solving. If Vietnam addresses the challenges outlined with thoughtful policies, it can not only achieve near-universal financial access but also ensure that such access translates into tangible improvements in people's financial health and economic opportunities. Moreover, Vietnam's approach and success can serve as a model for other emerging economies; sharing Vietnam's lessons on digital inclusion on international platforms could contribute to global knowledge and South-South learning.

Conclusion

Vietnam's experience in advancing financial inclusion through digital finance is a noteworthy example of how policy intent, technological innovation, and societal change can converge to bring millions of people into the formal financial system. Over roughly a decade, Vietnam has transitioned from a country with relatively low banking penetration to one where the majority of adults have access to an account and are increasingly utilizing digital financial services. This article has examined that journey in detail, highlighting both achievements and ongoing challenges. Several **key conclusions** emerge:

First, **digital finance has been the game-changer** in Vietnam's inclusion narrative. Traditional brick-and-mortar expansion alone could not have achieved the rapid increase in financial access witnessed. The widespread adoption of mobile payments, e-wallets, and online banking demonstrates the power of technology to overcome physical and cost barriers. The fact that digital transactions now form the bulk of payment activities at many banks and that nearly 87% of adults have accounts (as per SBV's latest data) underscores a dramatic shift towards a digitally-enabled financial ecosystem. These advances have aligned with the broader digital transformation of Vietnam's economy and society, reinforcing that financial inclusion is both a contributor to and a beneficiary of digital economic growth. Second, **government policy and strategy have been pivotal**. Vietnam's National Financial Inclusion Strategy provided a clear roadmap and targets, signaling political commitment from the highest level. Complementary policies, including the promotion of cashless payments, the mobile money pilot, and regulatory innovations like e-KYC and the fintech sandbox, created an enabling environment for inclusion to flourish. This proactive governance, coupled with collaboration with the private sector, has been a major success factor. As a result, Vietnam has either met or is on track to meet many of its 2025 inclusion goals ahead of time, validating the approach of using well-crafted national strategies to drive progress.

Third, **Vietnam's progress, while significant, is uneven**. There remain disparities and areas of concern. Urban and wealthier populations enjoy more comprehensive financial services, whereas rural, poorer, and less educated groups still lag in usage and access to advanced services. The challenges discussed – from digital literacy deficits to patchy infrastructure and cybersecurity threats – mean that inclusion is not yet universally secure or deep. In essence, Vietnam has largely solved the *access* problem (getting people basic accounts), but the *usage* problem (ensuring those accounts are actively used to improve lives) needs sustained effort. Similarly, inclusion should not be measured only by accounts, but by whether people can avail credit when needed, manage risks via insurance, and conveniently make payments – on these fronts, there is room for improvement.

Fourth, the **international benchmarking indicates that Vietnam is emerging as a regional leader** in financial inclusion among its income peers. It has leapfrogged from below-average to above-average inclusion rates in a short time thanks in part to learning from and keeping pace with global trends (like embracing mobile money and fintech). Vietnam's case reinforces a global lesson: that digital financial inclusion can advance very quickly in an emerging market given the right conditions. It also suggests that other countries can look to Vietnam's model of strong public-private partnership and digital focus as a reference. Conversely, Vietnam can continue to draw lessons from others – for example, ensuring last-mile inclusion as successfully as Kenya did with M-Pesa, or promoting financial health education as extensively as some Latin American countries have.

In conclusion, Vietnam stands at a hopeful juncture. With most of the foundational pieces in place, the next phase is about **consolidation and quality** – making sure that inclusion translates into tangible socio-economic benefits. For Vietnam, financial inclusion is not an end in itself, but a

means to broader goals: reducing poverty, empowering small businesses, and fostering equitable growth. Already, there are signs of positive impact: more farmers and MSMEs are accessing credit via formal channels, digital payments are supporting e-commerce booms, and government subsidies reach beneficiaries more efficiently. To amplify these outcomes, Vietnam will need to remain vigilant and responsive to emerging challenges (like new forms of digital fraud or economic shocks that test the resilience of the financial system).

From an academic perspective, Vietnam's rapid advancement offers a rich case for further research. Future studies could assess, for instance, the impact of financial inclusion on household welfare in Vietnam or evaluate which specific digital interventions (mobile money vs. e-banking vs. microcredit, etc.) have the greatest inclusion effect on marginalized communities. Additionally, as Vietnam approaches saturation in access, researchers may examine issues of financial **health** (whether having access leads to better financial stability and planning for individuals) – an area that extends the inclusion conversation beyond access and usage to outcomes.

In summary, Vietnam's development of financial inclusion in the digital finance era is a story of significant progress achieved through deliberate strategy and innovation, tempered by the recognition that some hurdles remain. If Vietnam can address its challenges by implementing the policy implications discussed – improving literacy, safeguarding users, fine-tuning regulations, and ensuring no group is left behind – it is well poised to achieve a fully inclusive financial system. Such a system would not only be a hallmark of Vietnam's modernization but also a driver of its aspirations to become a high-income economy in the coming decades. The Vietnamese proverb “*Đi một ngày đàng, học một sàng khôn*” – traveling one day, learning a basket of wisdom – seems apt: Vietnam's journey towards financial inclusion has imparted wisdom on what works, and with that knowledge, the country can continue to forge a path towards an inclusive and prosperous financial future.

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