

Public Information Summary

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| Host Country | Socialist Republic of Vietnam |
| Name of Borrower/Guaranteed Party | Vietnam Prosperity Joint Stock Commercial Bank (“VPBank”) |
| Project Description | To support VPBank’s lending to small- and medium-sized enterprises (“SMEs”) throughout Vietnam with, at initial deployment, at least 35% of proceeds allocated exclusively to eligible SME women borrowers and at least 5% of proceeds allocated to climate-linked SME loans. |
| Proposed DFC Loan/Guaranty | \$300,000,000 (7 years) |
| All-Source Funding Total | \$375,000,000 |
| Policy Review | |
| Developmental Objectives | The Project is expected to have a positive development impact in Vietnam by helping to address the country’s SME financing gap, which is estimated to be approximately \$21.7 billion, or 11% of GDP. More specifically, the Project will seek to facilitate women’s entrepreneurship by allocating, at initial deployment, at least of 35% of proceeds to improve access to finance to 2X eligible SMEs. Additionally, the Project seeks to contribute to the country’s climate mitigation strategies by initially allocating an estimated 5% of proceeds to climate-linked SME loans to enterprises seeking to make investments in but not limited to distributed renewable energy installations, energy efficiency improvements, renovation of transportation fleets, and sustainable agriculture practices. |
| Environment and Social Assessment | The Project has been reviewed against the DFC’s 2020 Environmental and Social Policies and Procedures manual (“ESPP”) and has been determined to be categorically eligible. DFC direct loans to financial institutions for the expansion of lending to micro, small, and medium enterprises are screened as a Financial Intermediary C (FI-C) for environmental and social assessment. These downstream investments are expected to result in minimal adverse environmental and social impacts. Therefore, all those downstream investments have been pre-screened as low risk and further review and consent is not required for these investments. |

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| | <p>To ensure that VPBank’s investments are consistent with the DFC’s statutory and policy requirements, the DFC loan will be subject to conditions regarding the use of proceeds. The primary environmental and social issues identified in this transaction relate to the need for an Environmental and Social Policy (“ESP”) that meets the 2012 IFC Performance Standards.</p> <p>Under the DFC’s ESPP, VPBank is required to comply with applicable local and national laws and regulations related to environmental and social performance and applicable provisions of the 2012 International Finance Corporation’s Performance Standard (“PS”) 1 and 2. A desk-review based due diligence assessment indicates that because the Project will use DFC support for the expansion of SME lending in Vietnam, significant adverse impacts concerning community health and safety, biodiversity, land acquisition and resettlement, indigenous people, and cultural heritage are not anticipated; therefore, PS 3, 5, 6, 7, and 8 are not triggered at this time. VPBank does utilize private security and, therefore, relevant aspects to IFC PS 4, Community Health, Safety, and Security are triggered.</p> <p>VPBank has a formal Environmental and Social Management System as described in IFC PS 1 and human resources policies aligned with requirements found within IFC PS 2. VPBank provided sufficient evidence that the private security meets requirements found within IFC PS 4.</p> |
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