Early Warning System

FMO-57138

HO CHI MINH CITY DEVELOPMENT JOINT

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Quick Facts

Countries	Vietnam
Financial Institutions	Netherlands Development Finance Company (FMO)
Status	Approved
Bank Risk Rating	A
Voting Date	2020-02-05
Borrower	Ho Chi Minh City Development Joint Stock Commercial Bank
Sectors	Finance
Ring Fence	Climate
Investment Type(s)	Loan
Investment Amount (USD)	$ 5.00 million
Loan Amount (USD)	$ 5.00 million
Project Cost (USD)	$ 5.00 million

Project Description

According to bank documents, "this trade finance facility will give Ho Chi Minh City Development Joint Stock Commercial Bank (HDBank) more capacity to grow their trade finance business especially in the renewable energy space."

Investment Description

- Netherlands Development Finance Company (FMO)

Financial Intermediary

Financial Intermediary: A commercial bank or financial institution that receives funds from a development bank. A financial intermediary then lends these funds to their clients (private actors) in the form of loans, bonds, guarantees and equity shares. Financial intermediaries include insurance, pension and equity funds. The direct financial relationship is between the development bank and the financial intermediary.

- HO CHI MINH CITY DEVELOPMENTJOINT STOCK COMMERCIAL BANK (Financial Intermediary) **is owned by** HDBank (Parent Company)

Private Actor Relationship

There is often limited information publicly available about what development banks are funding through financial intermediaries. In 2021, the Early Warning System partnered with Oxfam International to incorporate information on high-risk projects being funded by financial intermediaries receiving funding from the International Finance Corporation (IFC) and the Dutch Development Bank (FMO).

The information listed below describes the relationship between the different private actors linked to high-risk sectors and subprojects of IFC and FMO's financial intermediary investments and/or the financial intermediary's parent companies made from 2017 through 2020, including any associated ring fences.

The database, however, does not explicitly or implicitly imply that IFC or FMO have material exposure to or are contractually or legally accountable to the sub-projects financed by their financial intermediaries or the financial intermediary's parent companies. It only shows a seemingly financial relationship among the different private actors, the financial intermediaries, and IFC or FMO.

Private Actors Description

Ho Chi Minh City Development Joint Stock Commercial Bank (HDBank) is a 100% privately-owned commercial bank in Vietnam, with a total asset size of USD 9 billion and equity of ~USD 800 million as on June 2019. It has a market share of ~ 2% of both system assets and deposits. A largest shareholder with 13.34% stake is Sovico Holdings, a conglomerate with interest in aviation, banking, real estate and hydro power.

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	HDBank	Client	-
-	-	-	-	Sovico Holdings	Parent Company	-

Contact Information

No contact details at time of disclosure.

ACCOUNTABILITY MECHANISM OF FMO

Communities who believe they will be negatively affected by a project funded by the Dutch Development Bank (FMO) may be able to file a complaint with the Independent Complaints Mechanism, which is the joint independent accountability mechanism of the Dutch Development Bank (FMO) and the German Investment Corporation (KfW) . A complaint can be filed in writing, by email, post, or online. The complaint can be filed in English or any other language of the complainant. The Independent Complaints Mechanism is comprised of a three-member Independent Expert Panel and it can provide either problem-solving, compliance review or both, in either order. Additional information about this accountability mechanism, including a guide and template for filing a complaint, can be found at: https://www.fmo.nl/independent-complaints-mechanism