Early Warning System

# IFC-40081

## ABBank Sr Loan

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## Quick Facts

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| **Countries** | Vietnam |
| **Financial Institutions** | International Finance Corporation (IFC) |
| **Status** | Approved |
| **Bank Risk Rating** | B |
| **Voting Date** | 2017-10-06 |
| **Borrower** | AN BINH COMMERCIAL JOINT STOCK BANK |
| **Sectors** | Finance |
| **Ring Fence** | Small & Medium Enterprises |
| **Investment Type(s)** | Loan |
| **Project Cost (USD)** | $ 150.00 million |

## Project Description

According to IFC website, IFC is considering an investment in the form of senior loans of up to US$150 million, consisting of (i) an A Loan of up to US$40 million; and (ii) a B Loan and/or Parallel Loan of up to US$60 million with a greenshoe option of up to US$50 million to An Binh Commercial Joint Stock Bank Through the investment, IFC will support the Bank's growth strategy to expand its financial products and services to small and medium enterprise (SME) and micro SME borrowers, including women-owned SMEs, which will in turn increase financial inclusion, create jobs and reduce poverty in Vietnam. This project will be potentially supported by IFC's Women Entrepreneur Opportunity Facility (WEOF).

The project aims to support the Bank's lending programs to MSMEs and SMEs, especially women-owned SMEs.

### Investment Description

- International Finance Corporation (IFC)

### 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.

- An Binh Commercial Joint Stock Bank (Financial Intermediary)
- An Binh Commercial Joint Stock Bank (Financial Intermediary) **is owned by** ABBank (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

ABBank was established in the early 1990s as a rural commercial bank and was transformed into an urban commercial bank in August 2005. The Bank provides a wide range of banking products and services to both corporate and retail clients. As of December 31, 2016, ABBank expanded its geography coverage to  159 branches  and transaction offices nationwide. The current main shareholders of ABBank are: (i) Malayan Banking Berhah (Maybank) with a 20% shareholding; (ii) Hanoi General Export Import Corporation (Geleximco) with a 12.99% shareholding; (iii) IFC with a 10% shareholding, and (iv) institutional and individual investors with a 57.01% shareholding.

## Contact Information

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ACCOUNTABILITY MECHANISM OF IFC

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org. You can learn more about the CAO and how to file a complaint at http://www.cao-ombudsman.org/