Early Warning System

IFC-40089

VIB Senior Loan

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Quick Facts

Countries	Vietnam
Financial Institutions	International Finance Corporation (IFC)
Status	Proposed
Bank Risk Rating	U
Borrower	VIETNAM INTERNATIONAL COMMERCIAL JOINT STOCK BANK
Sectors	Finance
Ring Fence	Small & Medium Enterprises
Project Cost (USD)	$ 200.00 million

Project Description

International Finance Corporation (IFC) is considering an investment in the form of senior loan of up to US$200 million, consisting of an anchor-level A Loan and a B Loan and/or Parallel Loan to Vietnam International Commercial Joint Stock Bank (VIB or the Bank). Through the investment, IFC will support VIB's growth of its small and medium enterprises (SMEs), micro SMEs and affordable housing loan portfolio, which in turn increase financial inclusion, create jobs and reduce poverty in Vietnam.

Investment Description

- International Finance Corporation (IFC)

Vietnam International Commercial Joint Stock Bank, abbreviated as Vietnam International Bank (VIB), was founded on 18th September, 1996 with its head office based at 16 Phan Chu Trinh, Hoan Kiem District, Hanoi. As of June 30, 2017, the Bank had 160 branches and transaction offices in Vietnam. The Bank provides to both corporate and retail clients through those branches and transaction offices. The current main shareholders of VIB are:
(i) Commonwealth Bank of Australia (CBA) with a 20% shareholding,
(ii) 10 institutional investors with a 4.2% shareholding, and
(iii) 1,305 individual investors with a 75.8% shareholding.
The total project cost is estimated at up to US$200 million. The project aims to support the Bank's lending to SMEs, micro SMEs and affordable housing.

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.

- VIETNAM INTERNATIONAL COMMERCIAL JOINT STOCK BANK (Financial Intermediary) **is owned by** Vietnam International Bank (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.

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/