Early Warning System

IFC-41043

TPB Senior Loan

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Quick Facts

Countries	Vietnam
Specific Location	National-wide
Financial Institutions	International Finance Corporation (IFC)
Status	Proposed
Bank Risk Rating	B
Voting Date	2018-05-30
Borrower	TIEN PHONG COMMERCIAL JOINT STOCK BANK
Sectors	Finance
Ring Fence	Small & Medium Enterprises
Investment Type(s)	Loan
Investment Amount (USD)	$ 100.00 million
Project Cost (USD)	$ 100.00 million

Project Description

Tien Phong Commercial Joint Stock Bank (“TPBank” or the “Bank”). The investment aims to support the Bank to extend lending to SME and retail clients via its digital channels as:

- Increase access to finance by promoting technology innovation that motivates other banks to improve existing digital offerings.
- Enhance connectivity by building market capacity that opens new opportunities for digital banking products and services to help improve the Vietnamese banking sector's competitiveness and promote a cashless economy.

The Project's supported SMEs lending will mainly expose to the Bank's SME customers of wholesale and retail of automobiles, manufacturing, real estate and construction, warehouse and transportation sectors.

People Affected By This Project

(i) Increase access to finance: for underserved segments through market-wide adoption of digital banking solutions that enhance market participation by promoting technology innovation that motivates other banks to improve existing digital offerings.
(ii) Enhance connectivity by greater deepening of financial markets: by building market capacity that opens new market opportunities for digital banking products and services to help improve the Vietnamese banking sector's competitiveness and promote a cashless economy.

Investment Description

- International Finance Corporation (IFC)

IFC’s loan to TPBank is targeted for on-lending to small & medium enterprises (SME) and retail clients via its digital channels. The investment includes:

IFC's Loan from its own account: US$60 million

IFC acting in its capacity as implementing entity for the Managed Co-Lending Portfolio Program: US$22.5 million

Syndicated loan: US$17.5 million.

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.

- Tien Phong Commercial Joint Stock Bank (Financial Intermediary)
- Tien Phong Commercial Joint Stock Bank (Financial Intermediary) **is owned by** TPBank (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

It was founded on May 5th, 2008. The Bank provides a wide range of products and services to both retail and corporate clients throughout 64 branches and transaction offices, and more than 60 automated LiveBanks across Vietnam. The current main common shareholders of TPBank are: FPT Corporation (8.68%), DOJI Gold and Gems Group (7.60%), Vietnam National Reinsurance Corporation (VinaRe) (5.14%), SBI Ven Holdings (4.61%). TPBank currently has 18 institutional investors and 517 individual investors.

Contact Information

1/Project Contact:

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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/