Early Warning System

# IFC-41890

## VP Bank Green Loan

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### Quick Facts

| | |
|---|---|
| **Countries** | Vietnam |
| **Specific Location** | Nation-wide |
| **Financial Institutions** | International Finance Corporation (IFC) |
| **Status** | Active |
| **Bank Risk Rating** | B |
| **Voting Date** | 2019-12-02 |
| **Borrower** | VIETNAM PROSPERITY JOINT STOCK COMMERCIAL BANK |
| **Sectors** | Finance |
| **Investment Type(s)** | Loan |
| **Investment Amount (USD)** | $ 50.00 million |
| **Loan Amount (USD)** | $ 50.00 million |
| **Project Cost (USD)** | $ 150.00 million |

## Project Description

According to the bank document, the proposed project is delivered through

(i) improved access to finance for climate businesses and local SMEs,

(ii) capacity building through parallel advisory support,

(iii) expected reduction in GHG emissions, and

(iv) promotion of climate financing standards and best practices.

The investment is for a 5-year senior loan of up to US$150 million, consisting of (i) up to US$50 million IFC A Loan from its own account,

(ii) up to US$37.5 million from IFC acting in its capacity as implementing entity for the Managed Co-Lending Portfolio Program, and

(iii) up to US$62.5 million B1 and Parallel Loans including a green-shoe option to Vietnam Prosperity Joint Stock Commercial Bank (“VP Bank” or “the Bank”).

The investment aims to support the Bank to grow its eligible climate-related projects and SME portfolio.

VP Bank is headquartered in Hanoi, Vietnam. As of June 30, 2019, the Bank had 226 branches, 84 SME hubs, 137 household centers, and 4 Corporate branches across Vietnam. The investment can be made throughout the country.

## Investment Description

- International Finance Corporation (IFC)

According to IFC, The total project cost is up to US$150 million, consisting of (i) an up to US$50 million IFC A Loan from its own account, and (ii) up to US$37.5 million Trust Loans from IFC acting in its capacity as implementing entity for the Managed Co-Lending Portfolio Program, and (iii) up to US$62.5 million B1 and Parallel Loan including a green-shoe option. IFC's loan to VPBank described in this SII is targeted for on-lending to eligible climate-related projects and SMEs.

### Private Actors Description

VP Bank was established in 1993 with its headquarter in Hanoi, Vietnam. The Bank provides a wide range of commercial banking products and services to both retail and commercial clients through a nation-wide network of 226 branches, 84 SME hubs, 137 Household centers, 4 Corporate, and 649 branded ATMs and CDMs. The current main common shareholders as of June 30, 2019 are: Chairman Ngo Chi Dung and his related persons (14.96%), Vice Chairman Lo Bang Giang and his related persons (7.5%), and Vice Chairman Bui Hai Quan and his related persons (6.68%). According to its annual report 2018, VP Bank has 176 institutional and 18,571 individual investors.

| Private Actor 1 | Private Actor 1 Role | Private Actor 1 Sector | Relation | Private Actor 2 | Private Actor 2 Role | Private Actor 2 Sector |
|---|---|---|---|---|---|---|
| - | - | - | - | Vietnam Prosperity Joint-Stock Commercial Bank (VP Bank) | Client | - |

## Contact Information

**1/ The Project Contact**

**Vietnam Prosperity Joint Stock Commercial Bank**

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**2/ IFC 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/