Early Warning System

IFC-42040

HDBank GreenLoan

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Quick Facts

Countries	Vietnam
Financial Institutions	International Finance Corporation (IFC)
Status	Approved
Bank Risk Rating	B
Voting Date	2021-06-14
Borrower	HO CHI MINH CITY DEVELOPMENT COMMERCIAL JOINT STOCK BANK FINANCE LTD
Sectors	Energy, Finance
Investment Type(s)	Loan
Investment Amount (USD)	$ 70.00 million
Loan Amount (USD)	$ 70.00 million
Project Cost (USD)	$ 70.00 million

Project Description

According to the bank document, "International Finance Corporation (“IFC”) is considering providing a 5-year loan of up to US$70 million to Ho Chi Minh City Joint Stock Commercial Bank (“HDBank” or the “Bank”). Through the investment, IFC will support HDBank in raising long-term funding for its lending program to eligible solar power plants and solar rooftop projects in Vietnam (the “Project”).

In addition, IFC is considering establishing a trade finance guarantee facility for the Bank in the amount of US$40 million under the IFC Global Trade Finance Program (“GTFP”)".

The Bank is headquartered in Ho Chi Minh City, Vietnam. As of 31 December 2020, the Bank has 308 branches transaction points across Vietnam. Investments can be made throughout the country.

Early Warning System Project Analysis

The IFC categorized the project risk as FI-2.

Investment Description

- International Finance Corporation (IFC)

The total project cost is up to US$70 million. IFC's loan to HDBank described in this SII is targeted for on-lending to eligible solar power plants and solar rooftop projects.

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.

- Sovico Holdings (Investor) **invests in** HDBank (Financial Intermediary)

Private Actors Description

As stated by the IFC, HDBank was incorporated in Ho Chi Minh City (HCMC) in Vietnam in 1989, originally as Housing Development Bank of HCMC. It is listed on the Ho Chi Minh City Stock Exchange with a market capitalization of VND 44 trillion (US$1.9 billion equivalent) as of April 12, 2021. The Bank provides a wide range of banking and financial products and services which focus on SME, retail and consumer financing. HDBank is the 8th largest private sector bank in Vietnam in terms of asset size as of December 31, 2020. The current main shareholders of HDBank are: (i) Sovico Holdings and related parties with a 18.2% shareholding, (ii) 213 institutional investors with a 47.0% shareholding, and (iii) 15,664 individual investors with a 34.8% shareholding.

Contact Information

1/ Project Contact

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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

Bank Documents

- Minutes of a Virtual Meeting of the Executive Directors of the Bank and IDA and the Boards of Direct