

 Early Warning System

IFC-44006

WCS COVID VPB



## Quick Facts

|                         |                                                                                      |
|-------------------------|--------------------------------------------------------------------------------------|
| Countries               | Vietnam                                                                              |
| Financial Institutions  | Asian Infrastructure Investment Bank (AIIB), International Finance Corporation (IFC) |
| Status                  | Approved                                                                             |
| Bank Risk Rating        | B                                                                                    |
| Voting Date             | 2020-06-26                                                                           |
| Borrower                | VIETNAM PROSPERITY JOINT STOCK COMMERCIAL BANK                                       |
| Sectors                 | Finance                                                                              |
| Investment Type(s)      | Loan                                                                                 |
| Investment Amount (USD) | \$ 100.00 million                                                                    |
| Loan Amount (USD)       | \$ 100.00 million                                                                    |



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## Project Description

According to the bank document, "the proposed investment consists of a one-year, renewable senior loan of up to US\$150 million to Vietnam Prosperity Joint Stock Commercial Bank ("VP Bank" or "the Bank") under the FIG COVID-19 Emergency Response Working Capital Solutions (WCS) Envelope. The investment aims to support VP Bank's working capital and trade-related lending program to enterprises in Vietnam, including SMEs affected by the COVID-19 pandemic.

The Project is expected to be supported by the Women Entrepreneurs Opportunity Facility ("WEOF") to incentivize on-lending of the proposed working capital loans to women and women-owned/women-led enterprises. WEOF is an initiative launched by IFC in partnership with the Goldman Sachs Foundation to help expand access to capital for women entrepreneurs in developing countries and demonstrate the commercial viability of investing in women.

The development impact of the proposed project is delivered through

- (i) improved access to finance/liquidity to relevant stakeholders (VP Bank, and through them, their customers) which will support their capacity to sustain operations and to expedite post-crisis recover; and
- (ii) promotion of trade finance markets and broader stability in Vietnam."



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## Investment Description

- Asian Infrastructure Investment Bank (AIIB)
- International Finance Corporation (IFC)

The total project cost is up to US\$150 million, consisting of:

- (i) up to US\$100 million IFC A Loan from its own account; and
- (ii) up to US\$50 million B1 Loan and/or Parallel Loan including a green-shoe option.

IFC's loan to VP Bank described in this SII is targeted for working capital and trade-related lending program to enterprises in Vietnam, including SMEs affected by the COVID-19 pandemic.

AIIB: up to USD100 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.

- [Women Entrepreneurs Opportunity Facility](#) (Financial Intermediary)



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### Private Actors Description

VP Bank was established in 1993 with its headquarter in Hanoi, Vietnam. The Bank provides commercial banking products and services to both retail and commercial clients through a nation-wide network of 227 branches, 84 SME hubs, 137 Household centers, 4 Corporate, and 649 branded ATMs and CDMs.

The current main common shareholders as of December 31, 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%). As a publicly listed entity, VP Bank has a diversified pool of more than 18,600 shareholders.



| 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               | -                      |



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## Contact Information

### 1/ Project Contact

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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](mailto:CAO@worldbankgroup.org). You can learn more about the CAO and how to file a complaint at <http://www.cao-ombudsman.org/>



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## Other Related Projects

- AIIB-000407 Vietnam: VP Bank COVID-19 Response Facility