Early Warning System

IFC-46453

VPB SrLoan2022

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Quick Facts

Countries	Vietnam
Financial Institutions	International Finance Corporation (IFC)
Status	Approved
Bank Risk Rating	B
Voting Date	2022-06-29
Borrower	VIETNAM PROSPERITY JOINT STOCK COMMERCIAL BANK
Sectors	Finance, Industry and Trade
Investment Type(s)	Loan
Investment Amount (USD)	$ 150.00 million
Loan Amount (USD)	$ 150.00 million
Project Cost (USD)	$ 225.00 million

Project Description

According to the bank's website, "the proposed project (the “Project”) consists of a 5-year senior loan package of up to US$200 million comprising of: (i) an A Loan of up to US$100 million from IFC’s own account, and (ii) mobilization of up to up to US$100 million, to Vietnam Prosperity Joint Stock Commercial Bank (VPBank, or the “Bank”) to support the growth of the Bank’s SME portfolio, with relevant focus on women-led/owned SMEs (WSME) financing and eligible climate-related projects with focus on projects financed by SMEs."

Early Warning System Project Analysis

The IFC categorized the project risk as FI-2.

People Affected By This Project

The development impact of the proposed project is expected to be delivered through: (i) Increased access to finance for SMEs and WSMEs, (ii) Increased access to climate finance with a focus on SMEs access to green finance, thereby promoting green finance products by SMEs, (iii) expected reduction in GHG emissions, and (iv) promotion of international green lending principles in Vietnam.

Investment Description

- International Finance Corporation (IFC)

According to the IFC, the total project cost is of up to US$225 million comprising of: (i) an up to US$150 million A Loan for IFC's own account, and (ii) up to US$75 million mobilization from various sources through B1 loan(s). IFC's senior loan to VPBank described in this SII is targeted to support the Bank in growing its portfolio to SMEs and WSMEs, as well as and eligible climate-related projects with focus on projects financed by SMEs.

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 Prosperity Joint Stock Commercial Bank (Financial Intermediary)

Private Actors Description

According to the IFC, VPBank is a Hanoi-headquartered commercial bank that provides a full range of banking services across all consumer groups including retail, SME, corporate, and institutional clients through a branch network of 235 branches and transaction points.

The Bank is listed on the Ho Chi Minh Stock Exchange with a market capitalization of US$6.9 billion as of January 28, 2022. The main common shareholders, as of December 31, 2021, are the Chairman Ngo Chi Dung and related persons (20.0%), Vice Chairman Lo Bang Giang and his related persons (7.4%), and Vice Chairman Bui Hai Quan and his related persons (6.6%). According to VPBank's Annual Report 2021, VPBank investor base consists of individual investors with 73.6% holding and institutional investors with 26.4% holding.

Contact Information

Financial Intermediary - Vietnam Prosperity Joint Stock Commercial Bank:

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ACCESS TO INFORMATION

You can submit a request for information disclosure at: https://disclosures.ifc.org/#/inquiries

If you believe that your request for information from IFC has been unreasonably denied, or that this Policy has been interpreted incorrectly, you can submit a complaint at the link above to IFC's Access to Information Policy Advisor, who reports directly to IFC's Executive Vice President.

ACCOUNTABILITY MECHANISM OF IFC/MIGA

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