



Vietcombank

Together for the future

**JOINT STOCK COMMERCIAL BANK FOR
FOREIGN TRADE OF VIETNAM
(VIETCOMBANK)**

GREEN CREDIT AT VIETCOMBANK

NOVEMBER 2022

OUTLINE

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Overview of Vietcombank

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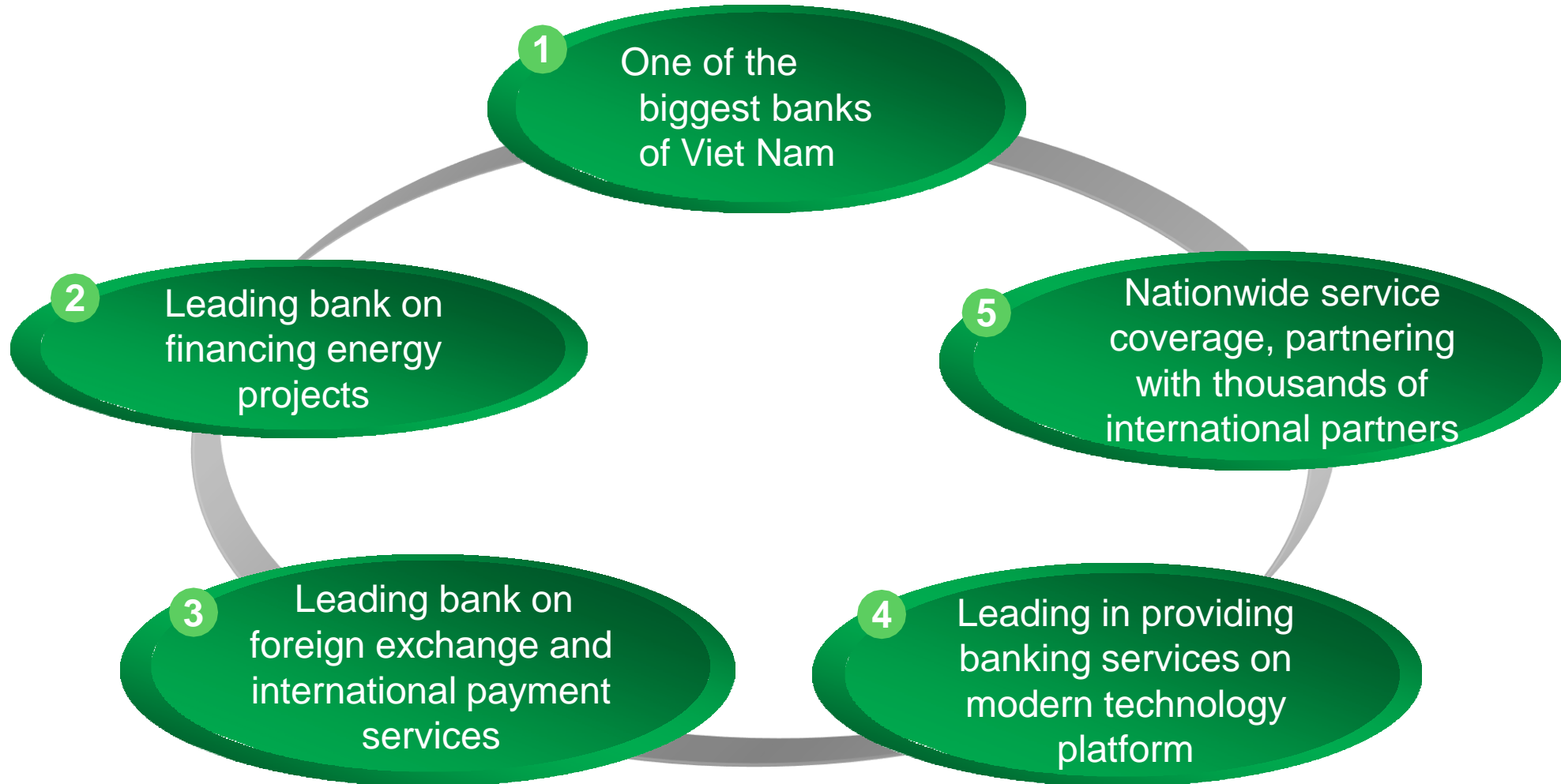
Green Credit at Vietcombank

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Introduction of loans for energy efficiency



1. Overview of Vietcombank



1. Overview of Vietcombank

Vietcombank is present in almost all provinces and cities across the country

- ❖ 111 Branches
- ❖ 441 Transaction Offices
- ❖ 04 Subsidiaries in Viet Nam
- ❖ 01 Representative Office in Singapore
- ❖ 01 Representative Office in U.S.A
- ❖ 03 Oversea Subsidiaries
- ❖ 03 Non-business Units
- ❖ 04 Joint Venture/ Associated Companies
- ❖ Autobank system with over 2,536 ATMs and over 60,000 card acquirers across the country
- ❖ A network of more than 1,856 agent banks in 176 countries and territories over the world



Green credit in banking system

- ❖ Green credit in the entire banking system:
 - 30/6/2022: Green credit balance reached VND 474,000 billion (~ USD 19.5 billion), accounting for 4.1% of the outstanding balance of the whole economy:
 - Clean and Renewable Energy: 47%
 - Green Agriculture: 32%
 - Credit balance that has been assessed social and environmental risks reaches VND 2,200 thousand billion (~ USD 75 billion), representing 20% of the outstanding balance of the whole economy with 1.1 million loans.

- Green credit balance tends to rise rapidly year by year; however, its scale remains relatively small compared to the total system credit:

The proportion of green credit balance also increases from 1.55% in 2015 to 3.69% in 2020.

- The green credit balance is mainly sourced from green agriculture sector (40%); clean and renewable energy sector (30%).
- Mid-term and long-term outstanding balance accounts for 76% of the green credit balance.

2. Green credit at Vietcombank

❖ Realising the Government's orientations:

- To implement the National Action Plan on Green Growth in the period 2014-2020, Vietcombank has introduced a guiding document applicable to its entire system to seriously implement and take measures to promote green credit growth and socio-environmental risk management in credit granting in line with the bank's sustainable development objectives.

2. Green credit at Vietcombank

- ❖ To proactively study and develop socio-environmental risk management system in credit granting activities through enhancing guidelines on credit policies, resources, credit granting process and procedures to strengthen the coordination in socio-environment protection and effective/adequate credit management with quality ensured.
- ❖ To proactively stick to green growth action plans of Ministries, departments/sectors and provincial/municipal People's Committees; to actively access to green growth-targeted projects and schemes/plans for investment consideration and decision.

2. Green credit at Vietcombank

- ❖ To take initiative in studying and designing credit products which encourage and prioritize customers who implement socio-environmentally friendly projects, business production options and business models; focus on prioritizing granting credit to projects on resource efficiency, application of scientific achievements and advanced technologies, energy efficiency, clean and renewable energy, application of environmentally friendly technologies and equipment, and production of environmentally friendly products.

2. Green credit at Vietcombank

- ❖ To enhance the access to national and international institutions' credit funds/programs for green growth goals to provide concessional loans for Vietcombank's green credit portfolio.
- ❖ To continuously improve quality of services, facilitate green credit growth, promote environmentally friendly visibility of Vietcombank

2. Green credit at Vietcombank

❖ Results achieved:

unit: billion VND

Indicator	30 September 2022
Total outstanding green credit	~ 40.000
% growth compared to 2018	562%

2. Green credit at Vietcombank

- ❖ Vietcombank implemented a number of noticeable programs/products as follows:
 - A funding program for Renewable Energy Development Project (REDP) financed by the World Bank: aims to support the development of RE sources (such as solar and wind power, etc.) feeding low-cost electricity to the national power grid, ensuring social and environmental sustainability;
 - On-lending for green energy projects financed by the Japan Bank for International Cooperation (JBIC): aims to finance environmental conservation projects, global warming combat, and green energy projects;

2. Green credit at Vietcombank

- Vietnam Energy Efficiency for Industrial Enterprises Project (VEEIE) financed by the World Bank.
- A financing scheme for rooftop solar projects for retail customers: aimst to finance SME customers and private customers who wish to invest in rooftop solar systems with a capacity of ≤ 1 MW/each.

2. Green credit at Vietcombank

- Preferential credit programs/policies for a number of projects on residential clean water supply, and renovating and developing processing plants' wastewater treatment systems meeting Viet Nam National Standard on industrial wastewater;
- Investment projects in machinery, application of modern technology, application of environmentally friendly scientific and technical achievements, reduction of pollution emissions; prioritization of projects in green industrial and agriculture sectors, etc.

2. Green credit at Vietcombank

❖ Constraints and difficulties:

1. Shortage of long-term financing for green projects.
2. Shortage of concessional loans incentivizing green credit.
3. Difficulties in acquiring in-depth knowledge of green credit verification.

Contact information

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- ❖ Customers can also contact Customer Service of our branches in all provinces and cities

(All information in this document is for reference only and is not used in connection with trading, investing, buying or selling any financial products.*

Thank You !

