



NGÂN HÀNG CHÍNH SÁCH XÃ HỘI VIỆT NAM

VIETNAM BANK FOR SOCIAL POLICIES

www.vbsp.org.vn; www.vbsp.vn



LENDING TO BUSINESSES IN DISADVANTAGED AREAS

VBSPP

- * Target clients
- * Conditions for lending
- * Loan purposes
- * Loan amount
- * Lending interest rate
- * Loan Duration
- * Lending Method
- * Loan process

Address: Building CC5, Ban Dao Linh Dam, Hoang Mai, Hanoi
Tel: 84 - 4 - 36147184 * Fax: 84 - 4 - 36417194
Website: www.vbsp.org.vn ; www.vbsp.vn
Email: vbp@fpt.vn ; pr.vbsp@gmail.vn

LENDING TO BUSINESSES IN DISADVANTAGED AREAS



Results as of 30/06/2016
Total loan outstanding: VND
244.8 billion
Total number of customers: 7,441
Non - performing loan: VND 3.3
billion

1. TARGET CLIENTS

Businesses (the borrowers) comprise economic entities legally established and businesspeople doing business independently, regularly, having business registration, and carrying out commercial activities frequently in disadvantaged regions as prescribe by Decision 1049/QĐ-TTg dated 26/6/2014 of the Prime Minister.

1.1. Economic entities

State enterprises, private enterprises, Partnerships, Limited Liability Company, Corporation, Cooperative have their own name, assets, stable transaction bases, and business registration as prescribed by law for the purpose of doing business activities.

1.2. Businesspeople:

- Businesspeople who does not open accounting books and pay presumptive tax as regulated by tax authorities;
- Businesspeople who opens accounting books and declare and pay tax in accordance with law.

2. LOAN CONDITIONS

- Must have own capital at least equal to 20% of total demand for a loan for commercial activities in disadvantaged areas (in kind as materials, seedlings, assets, labor etc, or in cash and valuable papers);

- Borrowers borrowing over VND 30 million must perform loan security as prescribed by regulations.

2.1. Businesspeople:

Have business registration and certification of having regular commercial activities in the area issued by local Commune People's Committee.

2.2. Economic entities:

Have business registration and certification of having regular commercial activities in the area issued by local Commune People's Committee. In case such economic entities open representative offices or branches in disadvantaged areas, operating licenses are required

3. LOAN PURPOSES

- Investment in construction of offices, shops, warehouses and other assets.

- Procurement of goods including machinery, equipment, raw materials, fuel, materials, consumer goods and other movables which are permitted to be circulated on the market

- Contribution of capital to other organizations and individuals to carry out production and business projects in disadvantaged areas.

4. LOAN AMOUNT

- Businesspeople who does not open accounting books and pay presumptive tax as regulated by tax authorities: maximum VND 30 million.

- Businesspeople who opens accounting books and declare and pay tax in accordance with law: maximum VND 100 million.

- Economic entities legally established: maximum VND 500 million.

5. LENDING INTEREST RATE

- Lending rate shall comply with the decision of the Prime Minister; the current rate is 0.75% / month.

- Overdue debt rate is 130% of the lending interest rate.

6. LOAN DURATION

Maximum loan term do not exceed the remaining term of operation in accordance with the business' operation license (if any).

- Short term: Up to 12 months.

- Medium term: From 12 to 60 months

7. LENDING METHOD

- For businesspeople, VBSP lends directly to the borrowers through entrusting some steps in the lending process to mass organizations.

- For economic entities, VBSP lends directly to the borrowers at the bank's provincial or district offices.

8. LENDING PROCESS

- Borrower shall fill in the loan application form with certification of local Commune's People Committees and prepare loan files as instructed by VBSP. The documents shall be submitted directly to the lending VBSP.

- The lending VBSP shall take loan appraisal after receiving loan documents from the borrower.

- Basing on appraisal results of credit officers, Manager or Head of Credit unit shall be responsible for checking legality and validity of the loan documents or take reappraisal (if necessary) to send to the Director for approval.

- In case of loan approval, an assigned credit officer shall instruct the borrower to complete Loan security contract as regulated. In case the loan application is denied, VBSP shall inform the borrower.

- After completion of loan security, the borrower and VBSP signs a Credit contract in which the borrower can choose to borrow one loan for each credit contract or borrow under a credit line.