Early Warning System

IFC-37418

Producers Savings Bank Corporation

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Quick Facts

Countries	Philippines
Financial Institutions	International Finance Corporation (IFC)
Status	Proposed
Bank Risk Rating	B
Voting Date	2016-05-25
Borrower	PRODUCERS SAVINGS BANK CORPORATION
Sectors	Finance
Investment Type(s)	Equity
Investment Amount (USD)	$ 10.87 million
Project Cost (USD)	$ 11.10 million

Project Description

The proposed project aims to provide an equity investment in Producers Savings Bank Corporation (“Producers Bank” or the “Bank”) through subscription in newly issued common equity shares of up to PHP510 million (approximately US$11.1 million) or a 19.99% stake to support its expansion strategy to provide more financing and services to SMEs and agriculture sector in the rural areas of the Philippines through organic growth and acquisitions.

Expected Development Impacts
- Agri-Finance: Producers Bank is one of the few banks in the country who has a strong platform to reach the agri-sector. The Bank has strong reach in the rural areas and is planning to expand into the underserved areas of the country. The Bank's strategy is in line with the strategy of WBG and the local government.
- SME: Increased access to finance is indispensable to grow the competitiveness of SMEs. The proposed investment will help Producers Bank accelerate its plans to address the funding gap to SMEs.

Investment Description

- International Finance Corporation (IFC)

Producers Savings Bank Corporation (formerly Producers Rural Banking Corporation) was founded on November 1995, then known as Producers Rural Bank of San Jose City (N.E.). The Bank became a thrift bank in September 2010. As of end-2015, it has 126 operating branches strategically located in key cities and municipalities all over the country (in Metro Manila and 30 provinces). The Bank's main shareholder is Mr. Andres M. Cornejo, Founder, Chairman and CEO, who has a 94.2% ownership of the Bank. The remaining 5.8% is owned by other nominees and directors of the Bank.

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.

- Producers Savings Bank Corporation (Financial Intermediary)

Private Actors Description

Producers Savings Bank Corporation provides products and services to SMEs and farmers. The company’s deposit and loan products include savings accounts, ATM savings accounts, current accounts, and time deposits; and SME, crop, livestock, car, and housing loans. Producers Savings Bank Corporation was formerly known as Producers Rural Banking Corporation and changed its name to Producers Savings Bank Corporation in September 2010. The company was founded in 1995 and is based in Pasig City, the Philippines.

Contact Information

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. You can learn more about the CAO and how to file a complaint at http://www.cao-ombudsman.org/