Early Warning System

IFC-44900

DCM UBP Social Bond

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Quick Facts

Countries	Philippines
Financial Institutions	International Finance Corporation (IFC)
Status	Active
Bank Risk Rating	B
Voting Date	2021-04-30
Borrower	UNION BANK OF THE PHILIPPINES
Sectors	Finance
Investment Type(s)	Loan
Investment Amount (USD)	$ 150.00 million
Loan Amount (USD)	$ 150.00 million

Project Description

According to bank's website, "the proposed project comprises an IFC investment of up to US$150 million for up to seven years in a COVID response social bond to be issued by the Union Bank of the Philippines. The investment is expected to support the Bank in growing its micro, small and medium enterprise (MSME) portfolio including SMEs in the supply chain finance and those impacted by disasters with significant consequences on public health, infrastructure or the economy such as but not limited to COVID-19. This will be the first Social Bond to be issued by the Bank under its recently issued Sustainable Finance Framework".

Investment Description

- International Finance Corporation (IFC)

According to bank's website, "the proposed IFC social bond investment consists of up to US$150 million for a tenor of up to 7 years. The investment is expected to support the Bank in growing its micro, small and medium enterprise (MSME) portfolio and get much needed funding to this sector which is disproportionately affected by the COVID-19 crisis".

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.

- UNION BANK OF THE PHILIPPINES (Financial Intermediary)

Private Actors Description

From bank's website:

Union Bank of the Philippines (UnionBank or the Bank) is the sixth largest private bank and eighth largest universal bank in the Philippines with total assets, loans, and deposits of approximately US$16.1 billion, US$7.1 billion, and US$11.0 billion respectively as of end 2020. The Bank provides various financial products and services such as deposit products, corporate, middle market, consumer lending, investment, treasury and capital market services, trust and fund management, as well as remittance services. The Bank was incorporated in 1968 and operates as a universal bank through its license granted in 1992. The Bank is listed in the Philippine Stock Exchange. The Bank has over 380 branches across the country as well as digital banking platform.

The Aboitiz Group owns 49.3 percent of UnionBank and is one of the largest conglomerates in the country with interests in power distribution and generation, infrastructure and industrial materials, food manufacturing, real estate, and financial services. The Aboitiz Group has total assets and total equity of US$12.7 billion and US$3.8 billion respectively. The Bank is also owned by the Social Security System of the Philippines (SSS), who holds a 15.29 percent stake. SSS is a government owned and controlled corporation that provides social security to works in the private sector. Insular Life Assurance Company (Insular Life) is one of the largest Filipino-owned life insurance companies and owns 16.3 percent of UnionBank.

Contact Information

Contact Information

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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