

 Early Warning System

IFC-45749

Asialink Loan



### Quick Facts

Countries	Philippines
Financial Institutions	International Finance Corporation (IFC)
Status	Approved
Bank Risk Rating	B
Voting Date	2024-10-09
Borrower	Asialink Finance Corporation
Sectors	Finance, Industry and Trade
Investment Type(s)	Loan
Investment Amount (USD)	\$ 107.00 million
Project Cost (USD)	\$ 130.00 million



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### Project Description

According to the Bank's website, the proposed investment aims to support Asialink Finance Corporation (AFC) to expand its financing towards MSMEs, including WMSMEs, through a senior loan financing package of up to U\$130mn that includes IFC own account and B1 Loan/Parallel Loan mobilization. IFC will also provide a cross-currency swap to help AFC hedge the currency and interest rate risk from the IFC investment.



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## Early Warning System Project Analysis

The proposed project consists of a loan package to Asialink Finance Corporation (AFC) to support the expansion of its small and medium enterprise (SME) lending activities. The project will not support any higher-risk activities that involve (a) involuntary resettlement; (b) potential adverse impacts on Indigenous Peoples; (c) significant risks to or impacts on the environment, community health and safety, biodiversity, cultural heritage; (d) risk of significant retrenchment or (e) significant occupational health and safety risks. Coal-related activities will not be allowed for the project. The project has medium E&S risks and is therefore categorized as an FI-2 project in accordance with IFC's Environmental and Social Sustainability Policy. The primary E&S risks are associated with the SME activities financed by the project, which may include site -specific risks such as occupational health and safety, waste and wastewater discharge, and labor and working conditions.



### Investment Description

- International Finance Corporation (IFC)

IFC's proposed investment consists of a 4-year senior loan of up to US\$100 million from IFC's own account, and mobilization of up to US\$30 million from B1 Loan Participants/Parallel Lenders, and a cross-currency swap with it, to help the Company grow its portfolio of MSMEs, including WMSMEs.

IFC's Investment as Approved by the Board: Loan 100.0 million (USD) / Risk Management 7.0 million (USD)

### 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.

- [Asialink Finance Corporation](#) (Financial Intermediary)



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## Private Actors Description

Incorporated in 1997, AFC is one of the leading Non-Bank Financial Institutions (NBFI) in the country. It is part of the Asialink Group of Companies (the Group) which includes Global Dominion Financing Inc. (GDFI) and South Asialink Finance Corporation (SAFC). The Group focuses on providing vehicle-backed financing to MSMEs and retail clients.

It is expected that two of AFC's sister companies, Global Dominion Financing Inc (GDFI) and South Asialink Finance corporation (SAFC), will be integrated with AFC to form one business entity. Both GDFI and SAFC are NBFIs in the Philippines and are mainly involved in similar vehicle or vehicle-backed financing activities.



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## Contact Information

Asialink Finance Corporation

Eillen Mangubat

President and Chief Operating Officer

+639175775562

apples.mangubat@asialinkfinance.com.ph

Suite 210 AIC Gold Tower Emerald Avenue cor Garnet Road, Ortigas Center, Pasig City

<https://www.asialinkfinance.com.ph/>

## 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](mailto:CAO@worldbankgroup.org) You can learn more about the CAO and how to file a complaint at <http://www.cao-ombudsman.org>