

## More Risks or More Opportunities?

# DOMESTIC AND INTERNATIONAL ENERGY TRANSITION IMPLICATIONS ON THE FIDUCIARY RESPONSIBILITIES OF CORPORATE DIRECTORS IN THE PHILIPPINES

20 AUGUST 2021 | 2:00 PM - 5:00 PM



## Transcript

### Paris Alignment Prospects for Leading Philippine Banking Institutions

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So basically, at least representing BDO, and I guess even representing the banks. Jo Ann will talk representing BPI, but the Philippines banks, regardless, are cognisant of you know the Sustainable Development Goals (SDG) and climate change. We're trying to do our best.

Admittedly, we were late in following, I guess, equator principles; well, it's not even officially launched; they're not followed formally. But in general, local banks have not been lending to coal. And then, I guess from BDO's perspective, we are the first Green Bond insurer nevertheless, and we are, you know, our SDG reports are being reported. The only challenge I see is what to do because there are not enough renewable energy proposals reaching our desk, so there is a shortfall. There are too many bottlenecks, and from the bank's perspective, it's more implementational already.

We are already strictly regulated by the Monetary Board and the Central Bank; we'll follow them if they issue more guidelines. We do a lot of project finance, analyse all the risks, and try to factor that in. The capital markets are also live, so we do our job there. But I note the comments on the coal plants risk analysis example, and maybe we'll try to learn from that.

I suppose it is up for discussion if the Philippines can do something where emissions reductions are conditional on lending. I think the bank's role should be more on the reporting or the compliance side.

In conclusion, the financial sector is very supported, especially in the Philippines, and the capital market is also alive. It is possible to consider working with the SEC or PSE because we do bonds for financing if rules need to be placed or maintained or mandate professional agencies to acquire such reports. We will welcome these steps to protect and enlighten the investors consequently.

Generally, there's much liquidity in the banks, loan growth is down, and our loan balances are shrinking. We're looking for new projects, and we see a dearth of projects, even if there's a looming power crisis.

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