

How the International Finance Corporation made an estimated total return of \$39 million from its equity investment in Rizal Commercial Banking Corporation

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Background

Between 2011 and 2013, the International Finance Corporation (IFC), the private-sector arm of the World Bank Group, and an IFC-controlled investment fund called the IFC Capitalization Fund invested approximately \$148 million to acquire a significant stake in Rizal Commercial Banking Corporation (RCBC), one of the largest commercial banks in the Philippines. IFC remained an RCBC shareholder until December 2025.

During IFC's investment, RCBC financed the construction and expansion of coal-fired power plants across the Philippines. In response to a complaint filed by affected communities in 2017, IFC's independent accountability mechanism, the Compliance Advisor Ombudsman (CAO), investigated IFC's investment and found that IFC had contributed to environmental, social and climate-related harms associated with 11 coal plants. The CAO concluded that IFC should contribute to remedying those harms.

In response to the CAO investigation, IFC adopted a Management Action Plan covering 10 of the coal plants¹ that included an independent assessment of the impacts associated with the RCBC-financed plants. That assessment confirmed that many of the harms reported by communities could be attributed to the power plants and identified 186 recommendations to address them. However, none of these recommendations have been implemented due to a lack of cooperation by RCBC, and IFC has since exited its investment without delivering any remedy to the affected communities.

Against this backdrop, Inclusive Development International analyzed publicly available information to estimate the financial return IFC generated from its investment in RCBC. As set out below, IFC and the IFC Capitalization Fund received an estimated **\$25.1 million in dividends** and realized approximately **\$13.69 million in capital gains**, producing an estimated total return of **\$38.79 million**, unadjusted for inflation.

¹ One of the sub-projects was excluded from the Management Action Plan because RCBC withdrew its financing.

Capital Gain

How many RCBC shares did IFC own and how much did it pay for them?

IFC paid \$148,323,002 between two transactions for a significant stake:

1. March 17, 2011: IFC invested \$48,574,650² for 73,448,275 RCBC shares, for 7.2% ownership.³ It paid Php29 per share.⁴
2. April 26, 2013: IFC Capitalization Fund invested \$99,748,352 (Php4.127 billion) for an additional 71,151,505 shares at P58 per share.⁵ This added 5.6% to the shares controlled by IFC.⁶

When did IFC sell its shares?

1. April 20, 2015: IFC sold 36,724,138 of its shares to Cathay Life Insurance Corp at Php64.00 per share.⁷ It still held 107,875,642 shares for 7.7% ownership.⁸ Cathay Life Insurance Corp, a wholly owned subsidiary of Cathay Financial Holding Co., Ltd., bought these shares under its equity investment deal for a 20% stake in RCBC.⁹
2. December 22, 2025: RCBC's annual report says IFC sold shares to Sumitomo Mitsui Banking Corporation (SMBC) but not when or how many or for what price.¹⁰ It does say that SMBC acquired an additional 4.46% stake "from an existing shareholder for P6,400 million"¹¹ on December 22, 2025.¹² The LESG Workspace shows SMBC acquired 107,875,641 shares in December 2025, which is almost exactly the same amount IFC held since 2015 (off by one share). It is a fair assumption that shareholder was IFC.

² All amounts converted from original currency to USD via Oanda per transaction date.

³ RCBC's 2015 Annual

Report pg 198: <https://www.rcbc.com/Content/Web/img/about/pdf/annual/RCBC2015ar20170917113559.pdf>

⁴ RCBC Form 17-A 2025 pg 139: [https://www.rcbc.com/uploads/media/RCBC-Annual-Report-\(SEC-Form17-A\)-2025.pdf](https://www.rcbc.com/uploads/media/RCBC-Annual-Report-(SEC-Form17-A)-2025.pdf)

⁵ RCBC's 2015 Annual

Report pg 198: <https://www.rcbc.com/Content/Web/img/about/pdf/annual/RCBC2015ar20170917113559.pdf>

⁶ RCBC's 2015 Annual Report pg 86:

<https://www.rcbc.com/Content/Web/img/about/pdf/annual/RCBC2015ar20170917113559.pdf>

⁷ RCBC's 2015 Annual Report pg 87:

<https://www.rcbc.com/Content/Web/img/about/pdf/annual/RCBC2015ar20170917113559.pdf>

⁸ RCBC's 2015 Annual Report pg 41:

<https://www.rcbc.com/Content/Web/img/about/pdf/annual/RCBC2015ar20170917113559.pdf>

⁹ RCBC's 2015 Annual Report pg 87:

<https://www.rcbc.com/Content/Web/img/about/pdf/annual/RCBC2015ar20170917113559.pdf>

¹⁰ RCBC Form 17-A 2025 pg 46: [https://www.rcbc.com/uploads/media/RCBC-Annual-Report-\(SEC-Form17-A\)-2025.pdf](https://www.rcbc.com/uploads/media/RCBC-Annual-Report-(SEC-Form17-A)-2025.pdf)

¹¹ RCBC Form 17-A 2025 pg 167: [https://www.rcbc.com/uploads/media/RCBC-Annual-Report-\(SEC-Form17-A\)-2025.pdf](https://www.rcbc.com/uploads/media/RCBC-Annual-Report-(SEC-Form17-A)-2025.pdf)

¹² RCBC Form 17-A 2025 pg 140: [https://www.rcbc.com/uploads/media/RCBC-Annual-Report-\(SEC-Form17-A\)-2025.pdf](https://www.rcbc.com/uploads/media/RCBC-Annual-Report-(SEC-Form17-A)-2025.pdf); see also date of disclosure to the Philippine Stock Exchange:

https://edge.pse.com.ph/openDiscViewer.do?edge_no=bab3ae443d20d77dec6e1601ccee8f59

How much did IFC sell its RCBC shares for?

Two transactions:

1. April 20, 2015: \$52,940,577 or Php2,350,344,832 = 36,724,138 shares x Php64
2. December 22, 2025: \$109,074,560 or Php 6,400 million

Total Sale Return: \$52,940,577 in 2015 + \$109,074,560 in 2025 = **\$162,015,137**
unadjusted for inflation

IFC's and the IFC Capitalization Fund's Capital Gain: \$162,015,137 - \$148,323,002 = **\$13,692,135** unadjusted for inflation

Dividends

How much did IFC and the IFC Capitalization Fund earn in dividends?

Total = (Annual dividend rate) x (# of shares IFC held at the annual record date) each year from 2011-2025

Record Date¹³	Dividend per share (PHP)	# of shares IFC held	Dividend paid (PHP)	Converted to USD¹⁴
16 April 2025	0.7 ¹⁵	107,875,642	₱ 75,512,949	\$ 1,328,665
12 April 2024	1.014 ¹⁶	107,875,642	₱ 109,385,901	\$ 1,936,251
13 April 2023	1.08 ¹⁷	107,875,642	₱ 116,505,693	\$ 2,111,165
11 April 2022	0.62	107,875,642	₱ 66,667,147	\$ 1,292,823
10 May 2021	0.49	107,875,642	₱ 52,319,686	\$ 1,091,399
09 June 2020	0.56	107,875,642	₱ 59,978,857	\$ 1,201,065
15 May 2019	0.45	107,875,642	₱ 48,112,536	\$ 917,848
20 April 2018	0.616 ¹⁸	107,875,642	₱ 66,451,395	\$ 1,274,365
12 May 2017	0.55 ¹⁹	107,875,642	₱ 59,547,354	\$ 1,192,215

¹³ Record dates and dividends per LSEG Workspace, RCBC>Events>Dividend Overview> Dividend List

¹⁴ Currency conversion from PHP to USD via Oanda per the annual record date

¹⁵ Second source. RCBC dividends on PSE Edge

https://edge.pse.com.ph/companyPage/dividends_and_rights_form.do?cmpr_id=232. Third source: Stock Analysis, "RCBC Dividend History," <https://stockanalysis.com/quote/pse/RCB/dividend/>

¹⁶ Second source. RCBC Disclosure Board Meeting from March 25, 2024, SEC FORM 17-C, pg 2. Available through PSE Edge: https://edge.pse.com.ph/openDiscViewer.do?edge_no=be31190da27be4c7abca0fa0c5b4e4d0.

¹⁷ RCBC Investor presentation 1Q2023 pg 17: <https://www.rcbc.com/uploads/media/RCBC-Investor-Presentation-1Q2023.pdf>

¹⁸ Second source for 2011 - 2018 (except 2014) dividends. RCBC Dividend History: https://www.rcbc.com/dividend-history#:~:text=Home%20Dividend%20History,Email:%20Investor_Relations@rcbc.com

¹⁹ Second source. RCBC investor presentation 2022 pg 21: <https://www.rcbc.com/uploads/media/RCBC-Investor-Presentation-1Q-2022-.pdf>

01 July 2016	0.7	107,875,642	₱ 77,670,462	\$ 1,648,385
27 May 2015	0.6	107,875,642	₱ 64,725,385	\$ 1,441,292
10 June 2014	1.0	144,599,780	₱ 144,599,780	\$ 3,313,952
21 May 2013	1.0	144,599,780	₱ 144,599,780	\$3,499,401
29 May 2012	0.9	73,448,275	₱ 66,103,448	\$ 1,497,666
18 May 2011	0.8	73,448,275	₱ 58,758,620	\$ 1,354,404

Total Dividends Paid to IFC = **\$25,100,896**

IFC and IFC Capitalization Fund's Estimated Total Return Based on the Public Record

Capital Gains (\$13,692,135) + Dividend (\$25,100,896) – Costs (No costs were published)

= **\$38,793,031** unadjusted for inflation

Conclusion

IFC and the IFC Capitalization Fund earned an estimated **total return of \$38.79 million** from its equity investment in RCBC. Yet, despite these substantial financial returns, IFC has not contributed any of those proceeds—or any of its own resources—to remedy the harms associated with the coal plants its investment enabled. The CAO concluded that IFC contributed to those harms and should contribute to remedy, but IFC has claimed that it has exhausted its options for addressing them through RCBC.

The fact that RCBC has failed to deliver remedy does not mean that IFC is powerless to act. IFC's Board-approved Remedial Action Framework provides a pathway for IFC itself to contribute financially to remedial action. Having earned approximately \$39 million from the investment that gave rise to these harms, IFC has both the means and a clear institutional mechanism to put those returns toward remedy for the affected communities.