

2026

FOSSIL FUEL DIVESTMENT SCORECARD



2026 Fossil Fuel Divestment Scorecard

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EXECUTIVE SUMMARY

As the world chokes from an energy crisis brought by United States and Israel's war on Iran, the ramifications of a restricted Strait of Hormuz reaches the shores of the Philippines as a tidal wave; effectively drowning millions of vulnerable Filipinos from the deluge of high prices of oil, transportation, food, and electricity, among other necessities.

The Philippine economy runs on oil and gas supplied by Middle East countries amid laggard efforts to transition to renewable energy. With oil-producing states in the area unable to ship off supply, and sans energy price cap and government subsidy, Filipinos bear the full cost of more expensive and limited fuel.

This crisis is a reckoning of the country's decades-long dependence on foreign energy. Corporates pushing for fossil fuel buildout, government policies incentivizing these, and, more importantly, financiers enabling the breaking ground of these facilities submerged the country's energy security and accessibility.

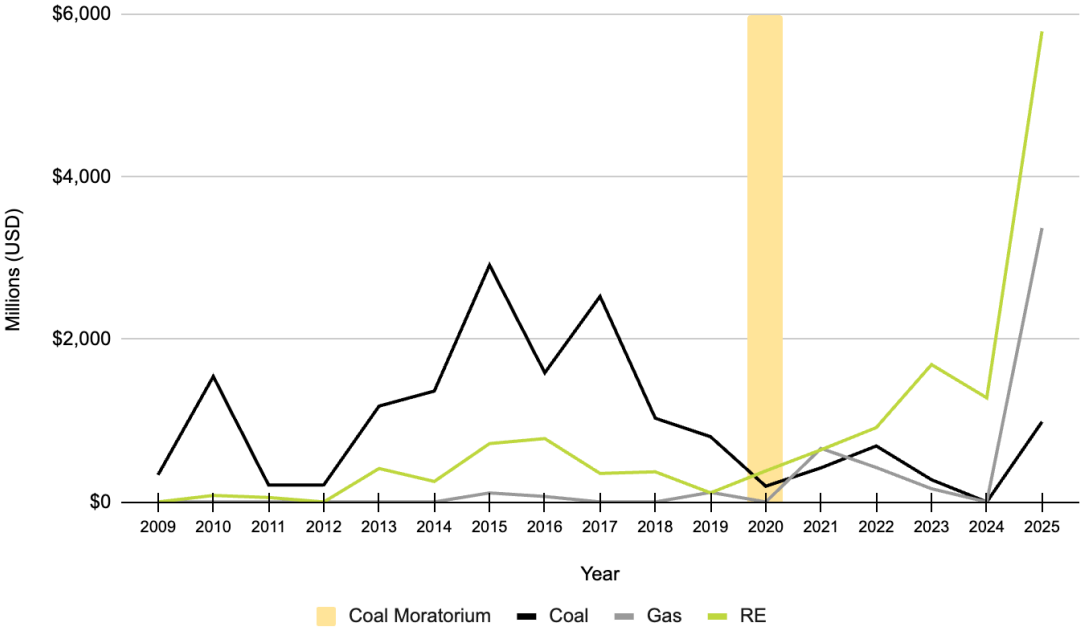
For one, just as 2025 began, the President signed a bill that promotes the development of the fossil gas industry in the Philippines. A few months later, the Department of Energy released an advisory that essentially expands exempted power plants from the coal moratorium. These policies are clearly not aligned with limiting global warming below 1.5°C, and violate the State's obligation to take measures to mitigate climate change.

This year’s *Scorecard* shows that fossil fuel financing from tracked domestic banks had reached new heights in the past year— entirely to refinance existing power plants, or support equity acquisitions among energy giants. That financing continues despite coal policies and glaring risk investments for gas plants that mainly source from overseas indicate the need to close loopholes in policies and finally initiate gas financing restrictions, not only to mitigate environmental and social impacts of the assets themselves, but to also shield consumers from volatile global markets.

Here are the key results from this year’s report:

-  Financing for renewables, coal, and gas all achieved record-highs in 2025.
 -  The 2025 financing for renewable energy (RE) quadrupled from 2024, amounting to USD 5.79 billion, marking the highest financing for renewables since 2009.
 -  Funding for gas also reached its highest in 2025, amounting to USD 3.37 billion.
 -  Coal marked its highest financing since 2019 and the 2020 Coal Moratorium, amounting to USD 985 million.
 -  Summing up all financing from 2009 to 2025 shows that funding for coal and gas, which totals USD 21.18 billion, covers more than half (60.5%) of the total energy financing.

Figure ES-1. Annual Coal, Gas, and RE Financing, 2009-2025 (Millions USD)






 In 2025, only Security Bank was able to meet the ideal annual investment ratio of fossil fuels to renewables. The International Energy Agency stated that for every dollar spent on fossil fuels, six dollars must be spent on clean energy supply, and four dollars on energy efficiency and end-uses to align with the Net-Zero Emissions Scenario.


Table ES-1. Total Financing and Cumulative Percentage of Energy Financing by Domestic Banks, Coal and Gas vs RE, 2025 (Millions USD)

Bank	For every 1 USD spent on fossil fuels, banks spent the following on RE in 2025
Security Bank	8.57
Philippine National Bank (PNB)	2.21
China Bank	1.92
Metrobank	1.61
Bank of the Philippine Islands (BPI)	1.14
Banco de Oro (BDO)	1.07
Development Bank of the Philippines (DBP)	0.25
Bank of Commerce	0.17
Union Bank	0.04
Land Bank of the Philippines (Land Bank)	0.01
Asia United Bank (AUB)	0.00

Note: Banks East West and the Philippine Bank of Commerce (PBComm) did not finance renewable energy in 2025, based on our tracking. Meanwhile, Rizal Commercial Banking Corporation (RCBC) did not finance any fossil fuels last year.

 Five years after the 2020 coal moratorium, coal reached its highest financing yet since 2019, funding the expansion project of an existing plant, and refinancing of previous securities.

 Nine banks were found to have new coal financing in the past year, totalling USD 985 million.

 Five of these banks have existing coal restriction policies, albeit in varying degrees: the Philippine National Bank (PNB), Bank of Commerce (BOC), Development Bank of the Philippines (DBP), Banco de Oro (BDO), Security Bank, and Metrobank.


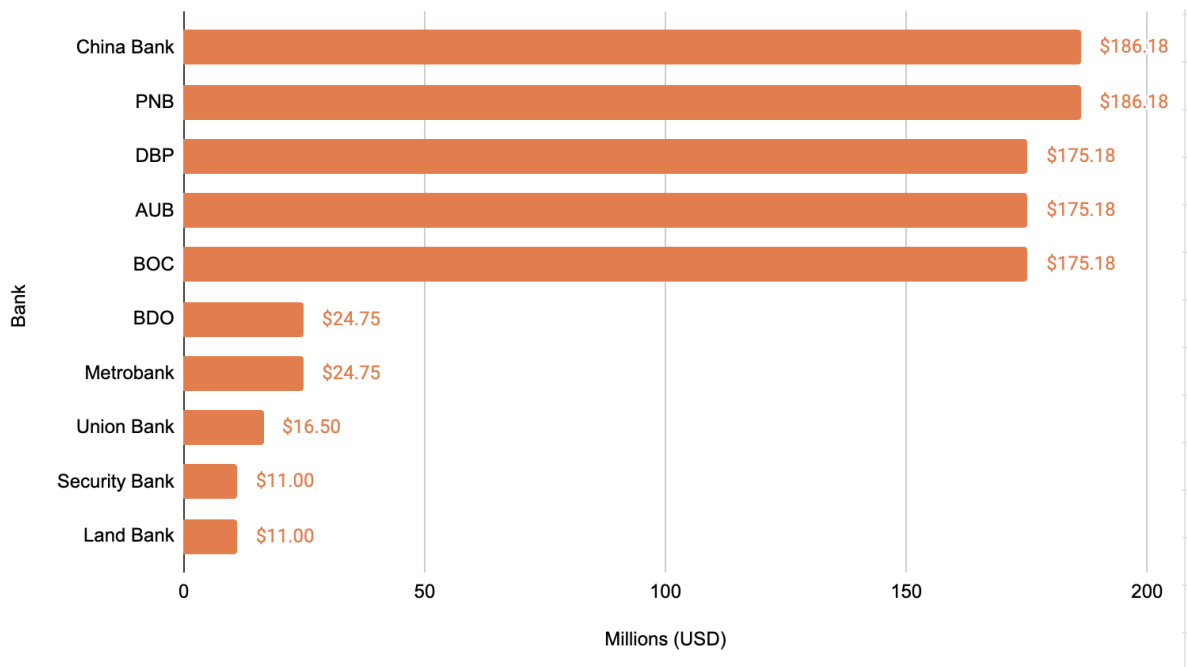



 While reaching record-financing, however, all transactions were for the purpose of refinancing previous loans, rather than for new coal capacities. The nearly billion-dollar support for coal last year was only appropriated to two deals: San Miguel Corp.'s (SMC) Mariveles Power Generation Corp. sought out a loan to upgrade and expand its 600-MW Bataan power plant, and Aboitiz Power Corp. issued a bond to refinance its old securities, which were used to support its coal companies GN Power Dinginin and Therma Power Inc.

Figure ES-2. Coal Financing per Bank, 2025 (Millions USD)



 The 2025 gas financing by the 14 top domestic banks was the highest since 2009, amounting USD 3.37 billion.

 Nine Philippine banks were involved in gas deals in the past year.

 The over USD 3-billion financing was only allocated among five deals, most of which were used for acquisitions: Aboitiz and Meralco’s acquisition of SMC’s gas assets in Batangas, and Prime Infra’s acquisition of First Gen’s gas assets in the same province.


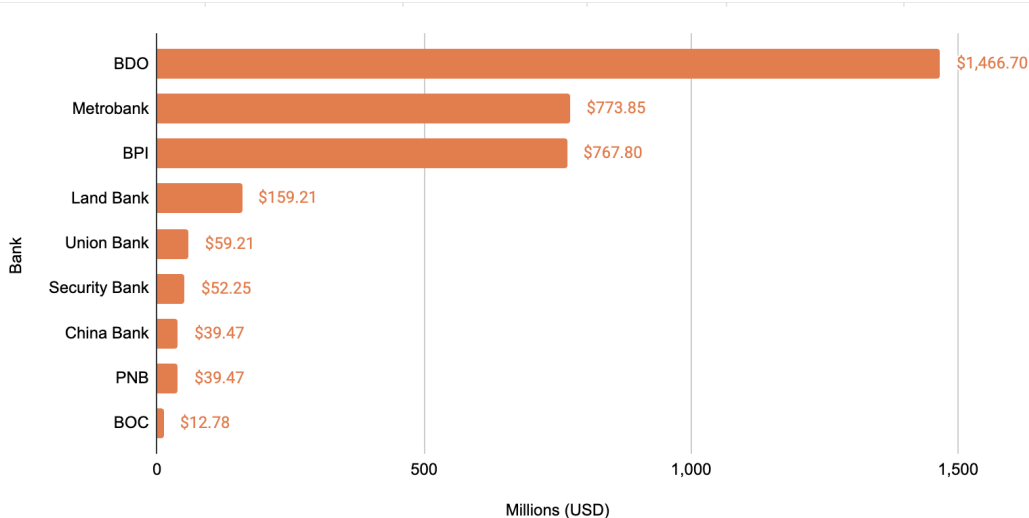
 Despite record-financing in the past year, about 2,600-MW of gas power capacity was cancelled in 2025. The cancellation of these gas facilities expose the increasing risks in the industry. The current energy crisis also doubles down on this—increasing reliance on imported and volatile fossil fuels runs counter to securing energy supply.

Figure ES-3. Total Gas Financing per Domestic Bank, 2025 (Millions USD)




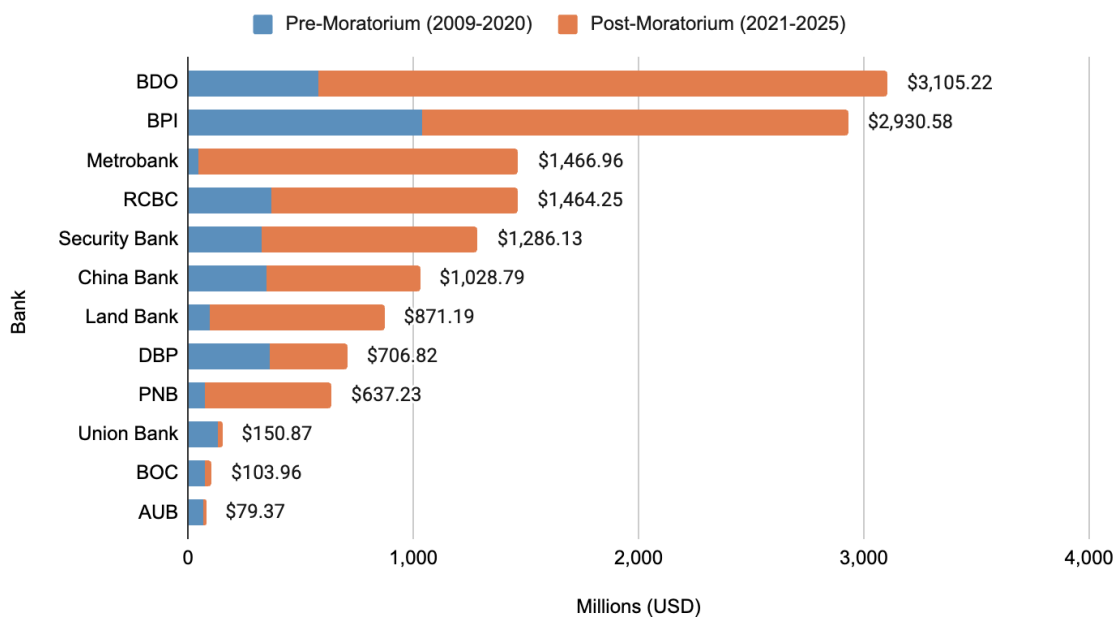
 The past year also saw the biggest funding for renewables, amounting to USD 5.79 billion, ever since the Renewable Energy Act of 2008.

Figure ES-4. Total RE Financing per Domestic Bank, 2009 to 2025 (Millions USD)




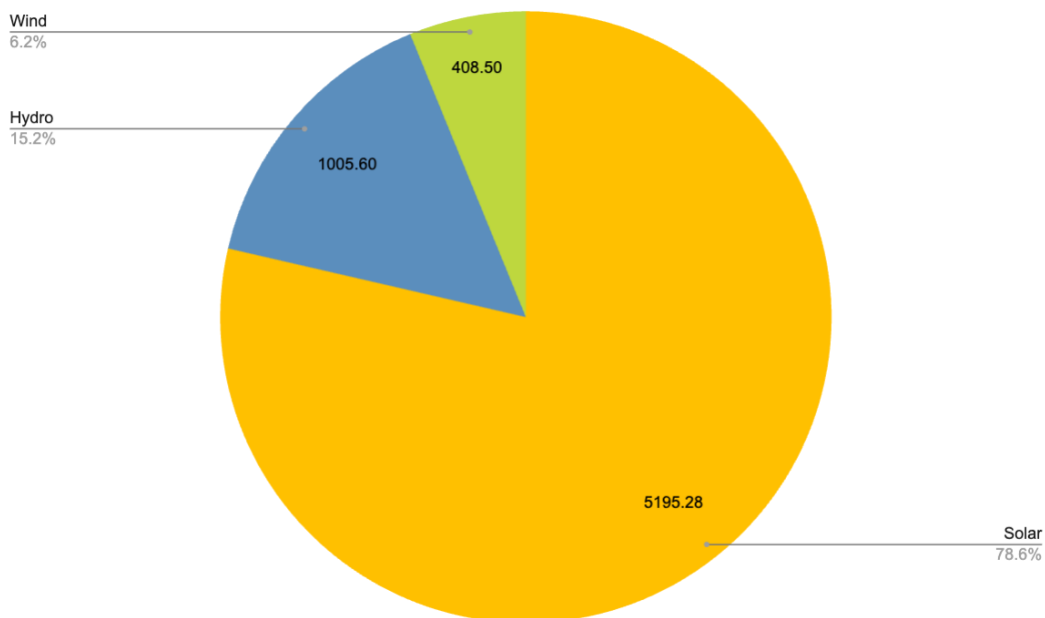
 Much of the RE support from tracked banks in this *Scorecard* went to solar energy, where a total of USD 3.1 billion was funnelled to about 5,000 MW-worth of projects last year.

Figure ES-5. Percentage and Capacity per RE Type Financed, 2025 (MW)





Compared to that of coal and gas, financing for renewables is relatively diversified among different corporations. Aside from SMC, Aboitiz, and Meralco, other firms such as Citicore, Rizal Green Energy Corp., Alsons, and Alternergy also availed of loans or issued bonds to fund their renewables projects last year, signifying a relatively more competitive market.



Loopholes still exist allowing for continued coal support, and no bank is restricting gas financing.



That some banks that declared restrictions financed coal last year shows a glaring gap in these banks' existing policies: They are still able to provide funding by underwriting securities issued by coal firms.



As for fossil gas, no domestic bank included in this *Scorecard* has announced an exclusion policy. Dialogues with some banks reveal reluctance to put in place such a policy, given the apparent government push for fossil gas.



For the first time since the inception of the report in 2020, BDO takes the top rank in the 2026 *Scorecard* for its massive support for gas last year, which effectively offset its renewables funding.



China Bank, despite having less fossil fuel exposure in 2025 than BDO, BPI, and Metrobank, remains high in the number two spot due to its total fossil fuel financing post-moratorium and having not yet made any divestment policy for coal and gas.



BPI and AUB switch places due to the former's relatively bigger role in fossil fuel financing in 2025, despite having an increased sustainability policy score this year. Union Bank also moves up from last place due to its coal and gas financing in the same period.



PBComm and East West remain without records of energy financing since the 2020 Coal Moratorium. PBComm, Bank of Commerce, and China Bank are the remaining banks this report is tracking that have yet to release any form of divestment policy or fossil fuel financing disclosure.

Table ES-2. 2026 Fossil Fuel Divestment Scorecard

Rank	Bank	Financing Pre-moratorium ¹	Financing Post-moratorium	Divestment Policy	Sustainability Policies	Overall Score
1	BDO	2.14	4.58	0.2949	2.2833	2.56
2	China Bank	1.97	2.57	0.0000	1.0000	2.07
3	BPI	2.00	2.57	0.4872	2.3083	1.89
4	AUB	2.30	0.78	0.0481	0.0667	1.82
5	LBP	2.56	0.55	0.7222	1.9000	1.68
6	Metrobank	1.21	2.57	0.2500	0.9833	1.53
7	SB	1.71	0.55	0.3419	1.0000	1.26
8	PNB	1.21	1.56	0.4701	0.6750	1.23
9	DBP	1.44	0.55	0.4562	3.3167	0.97
10	RCBC	1.07	0.55	0.6496	2.4667	0.77
11	Bank of Commerce	0.60	0.78	0.0000	1.0083	0.63
12	UB	0.60	0.32	0.0940	1.1750	0.49
13	PBComm	0.64	0.00	0.0000	0.3167	0.43
14	EastWest	0.64	0.00	0.0192	1.0333	0.42

Legend: The arrows indicate whether the 2026 score or rank increased or decreased relative to the 2025 score or rank. A **red arrow** indicates a worse score, while a **green arrow** indicates a better score. Banks should aim to lower their score for Financing Post-Moratorium and increase their score for Divestment Policy and Sustainability Policies to achieve better overall scores. For red gradients, a high score is a negative indicator. The banks in the darkest red shade are performing the worst and should aim to lower their score.

Recommendations

Common but differentiated goals toward climate action dictates that the Philippines, hand-in-hand, must show significant action to contribute to the 2015 Paris Agreement. As key movers, local banks must lead efforts within their sector to align with this. The following are recommended benchmarks for a bank to be considered a leader in coal and fossil gas divestment, renewable energy financing, and sustainability efforts. While banks' scores are telling of how they are faring in terms of exerting climate-aligned energy and sustainability policies and efforts and where key areas of improvement are, the following recommendations intend to provide banks with key elements necessary in formulating Paris-aligned policies:



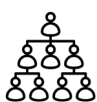
Banks that have made or will make public pronouncements that they will no longer fund or support coal and fossil gas projects should ensure that they do not finance these projects through loopholes in their own policies, such as through underwriting or selling securities intended for coal or fossil gas projects, related facilities, and developers. Participation in these types of securities in any form is counterintuitive and render useless the divestment policies of these banks which ultimately still enable financing to flow into the coal and fossil gas industries, and in the process profit from these transactions through issue

¹ Financing Pre-moratorium scores have been updated from last year's report to exclude bank-issued bonds as an additional scoping limitation to avoid double counting with project financing, to reflect the BPI and Robinsons Bank merger, and to correct minor computational and rounding errors. Refer to the Methodology section for full details.

management and underwriting fees and selling commissions. They must also ensure that their policies do not regress into allowing some forms of financing to flow back into these industries.



Banks' exclusion policies should prohibit financing of all technologies related to coal power projects such as, but not limited to, ultra supercritical, super critical, and circulating fluidized bed technologies, and financing of false carbon-based solutions and retrofitting technologies.



Similarly, banks that have made or will make public pronouncements on divestment should ensure that the same policy is cascaded and aptly applied by their subsidiaries, such as their investment banking arms.



Banks that have not so far made any pronouncements on their coal exposure, meanwhile, are lagging behind and must immediately come up with clear policies and timelines to divest from existing exposure and prohibit new financing.



Domestic banks are similarly called to divest from financing fossil gas and LNG projects and companies, which would only prolong the country's reliance on fossil fuels. This should form part of a long-term strategy to divest from other carbon-intensive and environmentally destructive projects.



Banks that have made or will make public pronouncements that they will no longer fund or support coal and/or fossil gas and LNG projects should also develop and disclose a comprehensive framework, strategy, and timeline to execute these pronouncements. Broadstroke pronouncements serve as a market signal to the dying viability of coal and the increasing risks of gas, yet offer little ability for shareholders and stakeholders alike to determine how their banks are faring in contributing to meet climate and energy transition deadlines and targets.



Banks that have either made pronouncements and/or are currently developing their framework should develop criteria for divesting from companies that are contributing to the coal or fossil gas expansion. Furthermore, they should develop engagement strategies with clear targets and thresholds to encourage their clients to withdraw from coal and other fossil fuel projects.



Banks that have or will engage in coal retirement mechanisms should adopt the Ten Guiding Principles for Financing Coal Retirement Mechanisms² principles to ensure that renewables are priorities, false carbon-based solutions and retrofitting delays are avoided, concessional financing is provided especially for distributed, small-scale, and community renewable energy systems, and local communities are protected from the impacts of early coal retirement.

² "Ten Guiding Principles for Financing Coal Retirement Mechanisms," Reclaim Finance, December 1, 2023, <https://reclaimfinance.org/site/en/2023/12/01/ten-guiding-principles-for-financing-coal-retirement-mechanisms/>.



Banks should continue to scale up their renewable energy ambitions at an unprecedented scale to support the country's commitment to the Global Renewables Pledge that seeks to triple the world's renewable energy capacity and double energy efficiency by 2030, achieve the renewable energy targets under the 1.5°C-aligned Philippine power sector pathway, and finance the 22 GW renewable energy projects and future projects under the GEAP.



Banks should also develop policies and financing mechanisms in support of distributed, merchant, and small-scale renewable energy systems, especially at the household and community-levels. As banks step up to do their part in the sustainable development of the Philippines, they are well-positioned to enable better access to clean, affordable, and reliable renewable energy.



In light of the International Court of Justice's Advisory Opinion on the role of States in relation to climate change, the Bangko Sentral ng Pilipinas, as regulator of financial institutions, should use all available levers at their disposal to align with climate goals. Such levers could include excluding fossil fuels from asset purchases, or using prudential regulations to limit risky fossil fuel finance.



At this time of energy crisis, financial institutions should extend relief to households and small businesses experiencing hardships. For one, financial institutions, especially state development banks, could offer zero- to low-interest loans to households and small businesses that are looking to install their own solar systems to minimize electricity costs. Should the crisis worsen and create widespread impact on livelihood, as what happened during the COVID-19 pandemic, banks could also defer principal and interest payments, or offer restructuring to existing debt made in relation to cope with the energy crisis. To ensure the stability of these financial institutions, the government could also act as guarantors of the funds released for deploying renewable energy systems.

INTRODUCTION

As the world chokes from an energy crisis brought by United States and Israel's war on Iran, the ramifications of a restricted Strait of Hormuz reaches the shores of the Philippines as a tidal wave; effectively drowning millions of vulnerable Filipinos from the deluge of high prices of oil, transportation, food, and electricity, among other necessities.

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This crisis is a reckoning of the country's decades-long dependence on foreign energy. Corporates pushing for fossil fuel buildout, government policies incentivizing these, and, more importantly, financiers enabling the breaking ground of these facilities submerged the country's energy security and accessibility.

After half a decade of engaging domestic financial institutions to withdraw from fossil fuels, the previous edition of the *Scorecard* showed—for the first time since the 2015 Paris Agreement—that no coal or gas financing by the biggest local banks was recorded for the year 2024.

While it was a significant development, we remained cautious as, just as 2025 began, President Ferdinand Marcos Jr. signed Republic Act No. 12120, which promotes the development of the fossil gas industry in the Philippines. This move runs contrary to the country's international commitment to keep global warming below 1.5°C. Projections by Climate Analytics indicate that the Philippines must phase out its coal and gas power by 2030 to 2040 to align with the 1.5°C commitment.³ Per the International Court of Justice's (ICJ) Advisory Opinion in respect of climate change, the government's promotion of fossil gas also contravenes the obligation of the State to take climate mitigation and adaptation measures, which includes the regulation of private actors, such as financial institutions that enable the buildout of fossil fuel infrastructures.⁴

The world is now on track for a 2.6°C increase in temperature as countries fail to make significant climate targets.⁵ The International Panel on Climate Change has warned that every additional increment of global warming heightens risks and extremes, such as agricultural and ecological droughts.⁶ Exceeding 1.5°C triggers multiple climate tipping points, including the collapse of tropical coral reef systems.⁷

For the Philippines, an archipelago located in the Pacific Typhoon Belt,⁸ this could mean more frequent and intense storms on one end and extreme heat and drought on the other, along with rising sea levels. All these are certain to heavily impact the livelihood, well-being, and even sustenance of the majority of the population.

Already Filipinos are experiencing the impacts of the climate emergency. In previous years, every onslaught of typhoons would inundate cities and provinces, destroying crops and livestock, displacing residents, and even causing casualties to human life. It does not help that government institutions fail—at times deliberately—to properly equip the country with adaptation and resilience measures.

During his 2025 State of the Nation Address, Marcos Jr. himself laid bare the corruption happening in the Department of Public Works and Highways (DPWH), particularly involving ghost flood-control projects, which the president seemed to blame for recurring floods every time it rains. In 2024, the national government boasted its Php 520-billion climate change expenditures, where around Php 308 billion was from DPWH,⁹ and 54% of the total expenses were identified as being for water sufficiency.¹⁰ A closer look at programs tagged under water sufficiency, however, reveals that, since 2015, about 97% of the projects were dedicated to flood risk management and resiliency, which is primarily due to the DPWH.¹¹

3 Climate Analytics, "A 1.5C Future Is Possible: Getting Fossil Fuels out of the Philippine Power Sector," November 2023, <https://ceedphilippines.com/1-5c-philippine-power-sector/>.

4 International Court of Justice, "Obligations of States in Respect of Climate Change," Advisory Opinion, International Court of Justice, July 23, 2025, <https://www.icj-cij.org/sites/default/files/case-related/187/187-20250723-adv-01-00-en.pdf>.

5 Climate Action Tracker, Warming Projections Global Update (Climate Action Tracker, 2025), https://climateactiontracker.org/documents/1348/CAT_2025-11-13_GlobalUpdate_COP30.pdf.

6 Climate Change 2021: The Physical Science Basis : Summary for Policymakers : Working Group I Contribution to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC, 2021).

7 David I. Armstrong McKay et al., "Exceeding 1.5°C Global Warming Could Trigger Multiple Climate Tipping Points," *Science* 377, no. 6611 (2022): eabn7950, <https://doi.org/10.1126/science.abn7950>.

8 "About Tropical Cyclones," DOST - Philippine Atmospheric, Geophysical and Astronomical Services Administration, accessed February 26, 2026, <https://www.pagasa.dost.gov.ph/information/about-tropical-cyclone>.

9 "Climate Change Expenditures, by Department and Special Purpose Fund, FYs 2022-2024," Department of Budget and Management, n.d., accessed February 26, 2026, <https://www.dbm.gov.ph/wp-content/uploads/BESF/BESF2024/B21.pdf>.

10 Sean Marcus Ingalla, "Lopsided Budget Allocations Reflect PH Government's Incoherent Climate Plans," *Features, Philippine Collegian*, December 10, 2023, <https://phkule.org/article/1056/lopsided-budget-allocations-reflect-ph-governments-incoherent-climate-plans>.

11 Toby C. Monsod, "The National Climate Budget and the First Nationally Determined Contribution to the Paris Agreement: To What Degree Are They Aligned?," UPSE Discussion Paper (Quezon City), no. No. 2022-04 (2022).

In the following months, the corruption scandal scorched not only the DPWH but also other government agencies and politicians, including the Energy Regulatory Commission (ERC), and Batangas Rep. Leandro Leviste's solar energy company, which was slapped with a Php 24-billion fine for failing to provide the power it committed under more than 30 service contracts with the government.¹²

Amid the mounting corruption issues, many Filipinos continued to suffer from the impacts of climate change coupled with government failure. Just a month after a 6.9-magnitude earthquake jarred Cebu, two subsequent typhoons hit Visayas, which affected six million people,¹³ with nearly 300 casualties.¹⁴

The increasing intensity of weather events and their impacts on the economy and welfare of Filipinos should be a strong enough signal to take significant climate actions, particularly curbing and phasing out fossil fuels, which have been proven to be a major driver of the climate emergency. The impact of US and Israel's attacks on Iran, that has resulted in a global energy crisis, exposed the necessity to shift away from volatile imported fossil fuels, and toward cleaner, more affordable, and distributed renewable energy systems. Doing so would protect Filipinos from insecure and expensive electricity and energy costs.

The Philippine government's response to the crisis has, so far, focused on cushioning the price impacts of the crisis. For one, the state has moved to exempt indigenous fossil gas and related power generation from value-added tax, and has rolled out fuel subsidies to impacted agriculture and transport sectors. While immediate relief for Filipinos is critical at this point, there is also a need to reckon with the fact that relying on foreign fossil fuels at a time of teetering geopolitics makes the country more vulnerable to energy problems.

Despite the glaring signals for an energy transition, policy developments from 2025 hint at a rather senseless body of policymakers.

Aside from the passage of the gas industry development bill, in October, the Department of Energy (DOE) released an advisory on the Coal Moratorium, which effectively widened the exempted coal power plants. While the DOE has stated that these assets must transition to renewables, the 2060 deadline for this shift is too late, especially when the 1.5°C limit could be breached by 2030.¹⁵

It is in this context of backwardness in policies—which is not only present in the Philippines but also in other parts of the world, especially the United States—and the urgency for significant climate action that financial institutions, the lifeblood of the fossil fuel industry, take a massive step in mitigating ecological destruction. These institutions are urged not to be complacent with following government-set limits and thresholds for climate action, especially when reaching climate tipping points poses physical risks for assets and investments.

12 Lisbet K. Esmael, "Leviste's Solar Energy Firm Slapped with P24-B Fine," *Philippine Daily Inquirer*, January 14, 2026, <https://newsinfo.inquirer.net/2167583/levistes-solar-energy-firm-slapped-with-p24-b-fine>.

13 Philippines Typhoons Tino and Uwan - DREF Operation (MDRPH057) (The International Federation of Red Cross and Red Crescent Societies, 2025), <https://reliefweb.int/report/philippines/philippines-typhoons-tino-and-uwana-dref-operation-mdrph057>.

14 Priam Nepomuceno, "Combined Deaths Due to Tino, Uwan near 300," *Philippine News Agency (Manila)*, November 17, 2025, <https://www.pna.gov.ph/articles/1263405>.

15 Mia Hunt, "Global Warming Could Breach 1.5°C More than a Decade Earlier than Predicted, Scientists Warn - Global Government Forum," *Global Government Forum*, January 1, 2026, <https://www.globalgovernmentforum.com/global-warming-could-breach-1-5c-more-than-a-decade-earlier-than-predicted-scientists-warn/>.

This year's *Scorecard* shows that fossil fuel financing had reached new heights in the past year. Coal financing was at its highest in 2025 since 2019 and the 2020 Coal Moratorium, with some deals involving banks that had previously declared coal policies. Gas financing also recorded its highest last year after rival power corporations acquired each other's assets. All the while, renewables financing also reached its highest since we started tracking, showing banks' keenness on clean energy investment. The results of the 2026 *Scorecard* highlight the importance of closing gaps in the existing coal policies of banks that declared restrictions, and the need for a first-mover in declaring a gas-financing restriction.

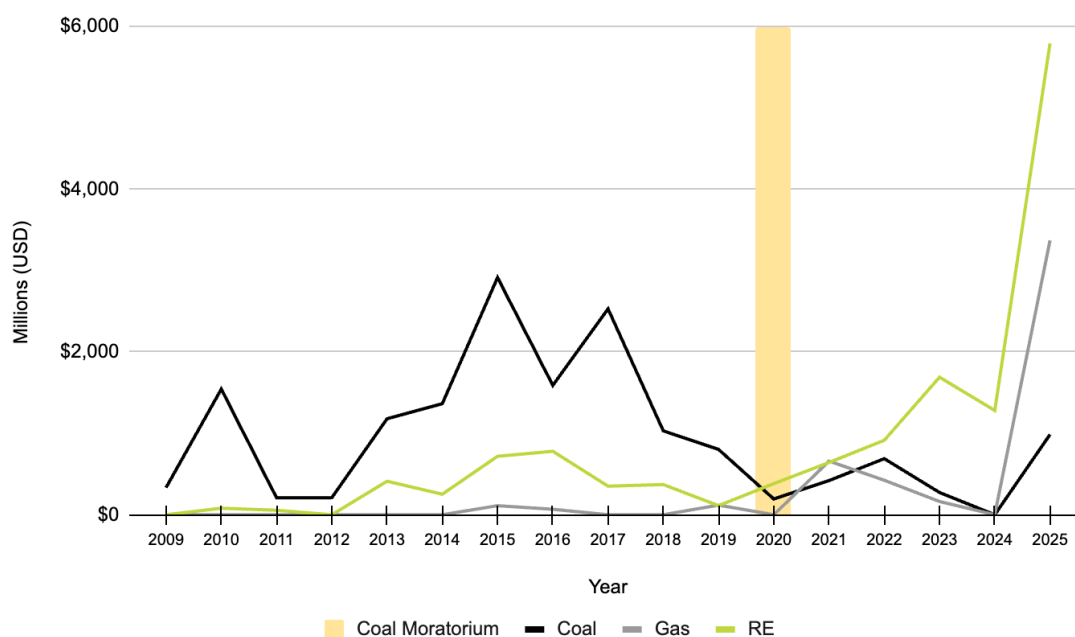
ENERGY FINANCING TRENDS

In 2024, coal, gas, and renewable energy (RE) all had dipped in financing, with fossil fuels receiving zero funding from the 14 banks the *Scorecard* is tracking. By 2025, however, energy financing bounced back to record-highs.

The 2025 financing for RE quadrupled from 2024, amounting to USD 5.79 billion, marking the highest financing for renewables since 2009. Funding for gas also reached its highest in 2025, amounting to USD 3.37 billion. Likewise, coal financing, which has seen a generally steady decline since 2017, marked its highest financing since 2019 and the 2020 Coal Moratorium, amounting to USD 985 million.

Despite the jump in energy financing, the DOE reported that only 956 megawatts (MW) of installed capacity have been added to the Luzon, Visayas, and Mindanao grids last year,¹⁶ a far cry from the initial 6,841-MW forecast of the agency at the start of 2025. It is worth noting that project financing for coal, which were mostly for expansion of existing plants or refinancing, was only 14.28% of the total funding for coal. Meanwhile, over 85% of funding for renewables were for projects. Fossil gas received no project financing last year.

¹⁶ Emmanuel John B. Abris, "Philippine Grids Gain 956MW New Power Capacity," *Philippine Daily Inquirer*, November 29, 2025, <https://business.inquirer.net/560754/ph-grids-gain-956mw-new-power-capacity>.

Figure 1. Annual Coal, Gas, and RE Financing, 2009-2025 (Millions USD)

Summing up all financing from 2009 to 2025 shows that funding for coal and gas, which totals USD 21.18 billion, covers more than half (60.5%) of the total energy financing, amounting USD 35.01 billion, by the banks included in this report.

While, since 2023, annual financing for RE has been greater than the combined funding for coal and gas, support for renewables does not necessarily and totally offset support for fossil fuels. This, especially if supporting the latter means allowing coal and gas projects to operate, possibly, beyond the timeline needed to limit global warming to 1.5°C.

How much did banks spend on renewables for every dollar spent on fossil fuels?

Reports by the International Energy Agency (IEA) state that achieving net-zero emissions (NZE) by 2050 necessitates significant financial investment in clean energy. Aligning with the NZE Scenario requires the ratio of investment in fossil fuels to clean energy to rise to more than 1:10, where, for every dollar spent on fossil fuels annually, six dollars must be spent on clean energy supply (1:6) and four dollars on energy efficiency and end-uses (1:4).^{17 18}

In 2025, only Security Bank was able to meet the ideal annual investment ratio, spending roughly USD 8.57 on clean energy supply for every dollar spent on fossil fuels.

¹⁷ International Energy Agency, Net Zero Roadmap: A Global Pathway to Keep the 1.5 °C Goal in Reach - 2023 Update (2023), <https://www.iea.org/reports/net-zero-roadmap-a-global-pathway-to-keep-the-15-0c-goal-in-reach>.

¹⁸ "6:1, a Ratio to Successfully Transform Our Energy System," Reclaim Finance, February 6, 2024, <https://reclaimfinance.org/site/en/2024/02/06/61-a-ratio-to-successfully-transform-our-energy-system/>.

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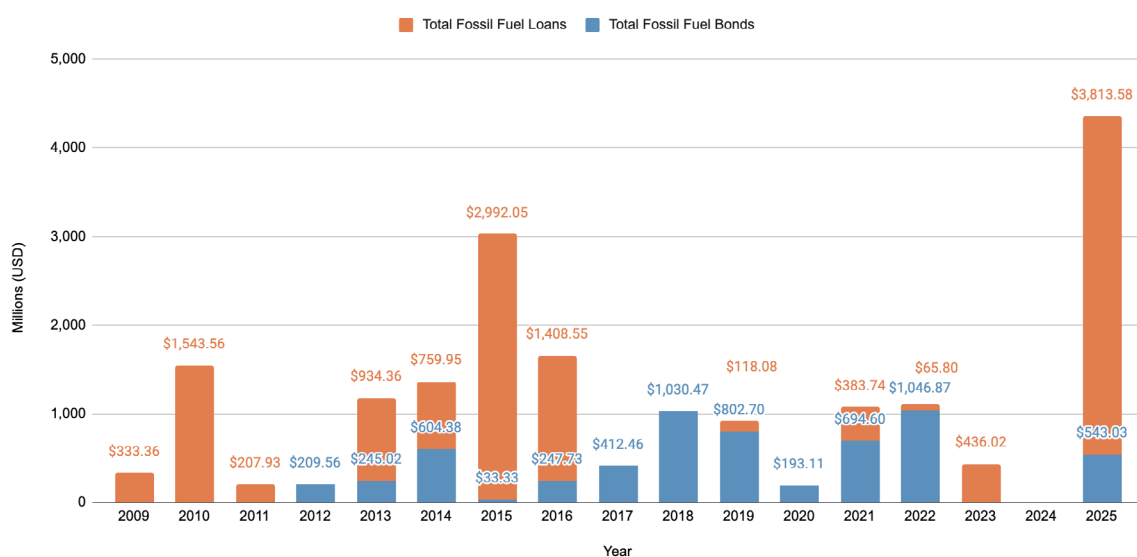
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Note: Banks East West and the Philippine Bank of Commerce (PBCComm) did not finance renewable energy in 2025, based on our tracking. Meanwhile, Rizal Commercial Banking Corporation (RCBC) did not finance any fossil fuels last year.

The bond market as loophole for fossil fuel-financing

Data also shows that bonds remain an important lifeline for fossil fuel companies—this type of financing also enables financial institutions to skirt around their own coal restrictions.

From 2017 to 2022, the bond market had been a significant support for coal and gas assets in the country. In 2025, bonds only made up 14.23% of the total financing. We note, however, that bond financing for the past year, particularly for coal, involved investment subsidiaries of banks that had declared restrictions on coal plant loans. Those banks were Banco de Oro (BDO), Security Bank, and Philippine National Bank (PNB).

Figure 2. Annual Fossil Fuel Financing per Type of Financing, 2009-2025 (Millions USD)

Through bonds, financial institutions may not necessarily be the ones financing fossil fuels directly. They, however, have a significant role in getting projects and companies funded through the bond market.

When a firm decides to issue bonds to finance its projects, loans, old securities, or other corporate expenses, financial institutions can take on different roles: managing, bookrunning, or underwriting—all either jointly with other banks, or as sole lead, and receive fees for their services.

Underwriters act as intermediaries between the firm issuer and the investors. They assess the risk of financial transactions and purchase the bonds sold through the initial public offering, hence assuming the risks of purchasing the securities at an agreed price with the firm, and then sell the bonds to the public or investors. If not all the securities are sold to the public, underwriters are left with unsold shares and bear the losses.¹⁹ A lead underwriter, also called lead manager, is assigned if there are more than one managing underwriters. The lead manager is responsible for facilitating the initial public offering (IPO) of the issued bonds; they focus on marketing the security and finding potential buyers for the IPO.²⁰

Bookrunners, typically the lead underwriters of the bonds, are responsible for overseeing and coordinating the underwriting process. Bookrunners set the offering price, market the bonds, and manage how the securities are divided among investors. Banks with this role usually have a greater stake in the offering.²¹

19 Irina Balalaeva, "Bookrunner Role in Finance: Key to Successful Bond Issuances," Cbonds, June 26, 2024, <https://cbonds.com/glossary/bookrunner/>.

20 Balalaeva, "Bookrunner Role in Finance."

21 Balalaeva, "Bookrunner Role in Finance."

COAL FINANCING TRENDS

Five years after the 2020 Coal Moratorium, coal reached its highest financing yet since 2019. While reaching record-financing, however, all transactions were for the purpose of refinancing previous loans, rather than for new coal capacities.

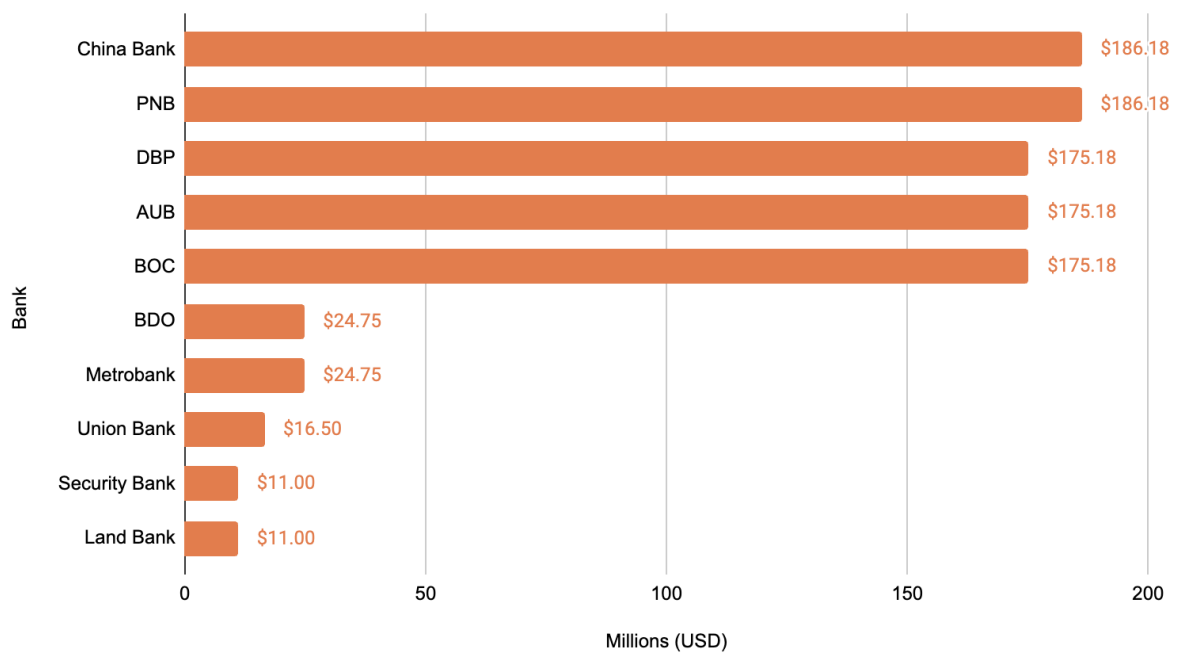
Nine banks were found to have new coal financing in the past year, totalling USD 985 million, with five of them having existing coal restriction policies, albeit in varying degrees: the PNB, Bank of Commerce (BOC), Development Bank of the Philippines (DBP), BDO, Security Bank, and Metrobank.

In 2025, PNB committed to no longer accepting new coal-related projects to finance, except for those using ultrasuper critical and super critical coal, and circulating fluidized beds. Metrobank, which also released its coal policy last year, stated that it will limit its overall term loan exposure to no more than 3% by 2033, and no more than 2% by 2037. It should be noted that upon conferring with the bank, they clarified that their policy does not cover deals undertaken by First Metro Investment Corporation, of which Metrobank has 99.28 of effective percentage of ownership.

In 2022, BDO and Security Bank both committed to ceasing financing for new coal capacity and power plants, respectively. In 2024, Security Bank stated that its policy includes underwriting for coal plants. During a meeting with the bank in the same year, they said that the policy will be applicable to their subsidiary investment arm, which is the one involved in the transaction, starting in 2024. During a 2024 discussion with BDO, the bank said that it had plans to expand its policy to other types of financing, as well as other subsidiaries. There remains no update on this, however.

The DBP has also committed to restricting its coal financing. In 2017, long before the Coal Moratorium, the bank stated that it had issued an internal policy placing coal power facilities in its negative list.

Figure 3. Coal Financing per Bank, 2025 (Millions USD)



The nearly billion-dollar support for coal last year was only appropriated to two deals: San Miguel Corp.'s (SMC) Mariveles Power Generation Corp. (MPGC) sought out a loan to upgrade and expand its 600-MW Bataan power plant, and Aboitiz Power Corp. issued a bond to refinance its old securities, which were used to support its coal companies GN Power Dinginin (GNPD) and Therma Power Inc. (TPI). GNPD operates a 2x725-MW coal plant in Mariveles, Bataan, while Aboitiz's investments and interests in thermal energy projects are held through TPI, its wholly-owned subsidiary. TPI's coal plants include Therma Luzon Inc.'s 2x350-MW coal plant in Pagbilao, Quezon, Pagbilao Energy Corporation's 400-MW unit in Pagbilao, Therma South Inc.'s 300-MW coal plant in Davao, as well as Therma Visayas Inc.'s 300-MW power plant in Toledo, Cebu.²²

²² Aboitiz Power Corporation, SEC Form 17-A (2024 Annual Report), Annual Report no. OST10415202583171403 (Securities and Exchange Commission, 2025).

Table 2. Coal Financing Deals Recorded in 2025

Parent	Recipient / Issuer	Type	Purpose (Coal)	Amount (Millions USD)	Banks Involved	Role	Commitment (Millions USD)
San Miguel Corporation	Mariveles Power Generation Corporation	Loan	To repay vendor or supplier financing and outstanding short-term obligations used to fund other remaining costs and expenses in relation to the design, construction, development, procurement, engineering, construction, installation, testing, commissioning, operation and maintenance of Mariveles Power Generation Corp. (MPGC) 600 MW coal-fired power plant in Bataan	875.89	Asia United Bank Corporation	Lender	175.18**
					Bank of Commerce	Lender	175.18**
					China Banking Corporation	Lender	175.18**
					Development Bank of the Philippines	Lender	175.18**
					Philippine National Bank	Lender	175.18**
Aboitiz Equity Ventures Inc	Aboitiz Power Corporation	Bond	Refinancing 2021 Series B: Refinancing of 2020 Series E bonds for AboitizPower's equity contributions to GNPD in relation to the construction of its 2x668 MW supercritical coal-fired power plant located in Mariveles, Bataan; and for general corporate purposes Early redemption of 2018 Series C: (i) refinancing of the medium-term loan of Therma Power, Inc., (ii) repayment of its short-term loan obligations; and (iii) general corporate purposes	109.99*	First Metro Investment Corporation	Joint Issue Manager, Joint Lead Underwriter, Joint Bookrunner	24.75***
					BDO Capital		24.75***
					Unionbank		16.50***
					Chinabank Capital	Joint Lead Underwriter, Joint Bookrunner	11.00***
					Landbank		11.00***
					PNB Capital		11.00***
					Security Bank Capital		11.00***

* Assumed proceed allocation for coal using adjusters based on 2025 and 2021 Series Bonds prospectus use of proceeds

** Assumed equal allocation per bank due to lack of public information

*** Assumed underwriting allocation per bank based on 2025 Series Bonds prospectus plan of distribution

The 2020 Coal Moratorium banned the development of greenfield power plants, but financing for the fossil fuel persisted. This is especially so as the DOE's policy still allowed for new capacities considered committed power projects or those of existing complexes with firm expansion plans.

Box 1: Slipping through the Coal Moratorium

Among those declared exempted to the coal policy are Meralco PowerGen's (MGen) Atimonan One Energy's (A1E) 1,200-MW coal plant in Quezon, and Aboitiz's Therma Visayas Inc.'s (TVI) 150-MW expansion of its power station in Toledo, Cebu.

The A1E coal plant started its pre-development process way back in 2015. However, after roughly nine years of persistent community opposition and failure to secure financing and a power supply agreement (PSA), the company in 2023 decided to construct a 2,400-MW gas plant instead.²³ Just a year later, still lacking a PSA, the firm pivoted back to using coal.²⁴

In 2025, despite a decade of anti-coal protest from impacted residents, Energy Secretary Sharon Garin re-issued a committed capacity status to the 1,200-MW coal plant.²⁵ Church leaders, residents, and environmental advocates then filed a criminal and administrative complaint versus Garin for exempting the project despite not meeting requirements.²⁶

Similarly, DOE's go-ahead for TVI's expansion to its 340-MW coal plant in Toledo, Cebu, has resulted in a graft complaint against then-Secretary Raphael Lotilla.²⁷ Complainants state that the expansion of the complex was only approved by Aboitiz in 2023, three years after the moratorium, which supposedly violated the policy that only those with firm expansion plants before the moratorium are allowed to proceed with development.

DOE Undersecretary Rowena Guevara said that about 20 GW of coal is not covered by the Moratorium.²⁸ CEED estimates that about 3,100 MW of coal capacity had been shelved, while 1,200 MW had been delisted, as of July 2021. Around 7,578-MW more of capacity should have been shelved under the provisions of the Coal Moratorium.²⁹

The agency's most recent advisory on the moratorium could further invite more investment in the fossil fuel that should have been on its way to phaseout.

The clarification, released on October 14, 2025, expands the projects not covered by the moratorium.³⁰ This includes industrial parks, mining, and firms processing critical minerals that will build coal plants for their own use, as well as power plants located in off-grid areas. Most importantly, the DOE will allow new capacity from on-grid power plants under "exceptional circumstances," such as during a declared or imminent power crisis or electricity supply shortage.

23 Alena Mae S. Flores, "Atimonan Switches to 2,400-MW LNG Plant," Manila Standard, April 16, 2023, <https://manilastandard.net/?p=314321964>.

24 Lenie Lectura, "A1E Seeks DOE Certification for Planned Coal Power Plant | Lenie Lectura," Companies, BusinessMirror, September 10, 2024, <https://businessmirror.com.ph/2024/09/10/a1e-seeks-doe-certification-for-planned-coal-power-plant/>.

25 Myrna M. Velasco, "It's on! MGen's Atimonan Coal Plant Back in Business after DOE Nod," Business, Manila Bulletin, July 26, 2025, <https://mb.com.ph/2025/07/26/mgens-atimonan-coal-plant-officially-back-on-track-with-doe-reinstatement>.

26 Agatha Gregorio, "Graft Complaint Filed vs. Energy Chief Garin over Power Plant Project Approval | ABS-CBN News," ABS-CBN, November 3, 2025, <https://www.abs-cbn.com/news/nation/2025/11/3/graft-complaint-filed-vs-energy-chief-garin-over-power-plant-project-approval-1912>.

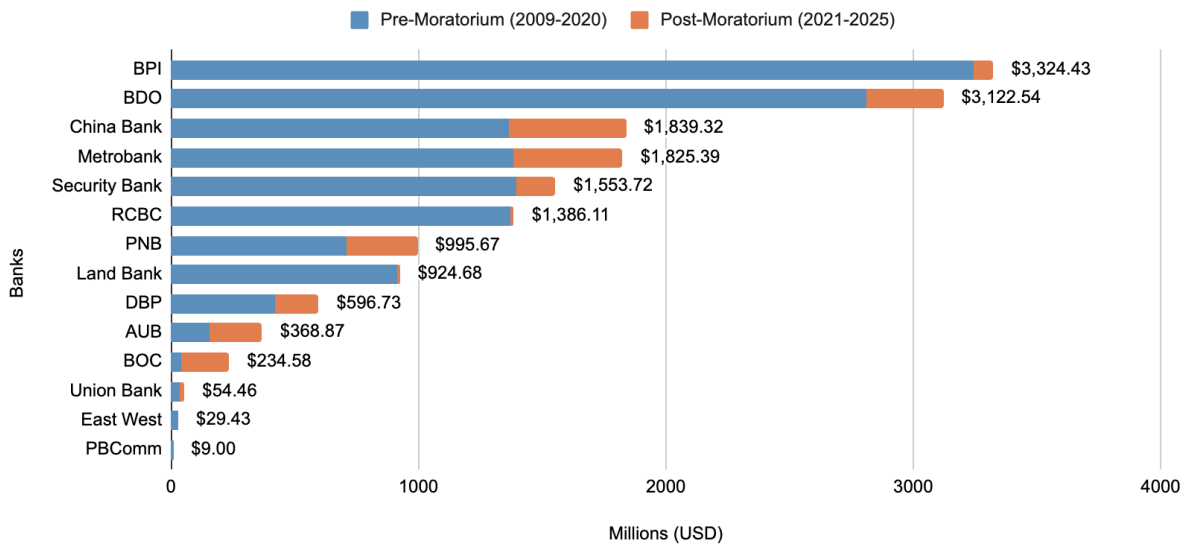
27 Faith Argosino, "Groups File Graft Charges vs Energy Chief Lotilla," INQUIRER.Net, July 18, 2024, <https://business.inquirer.net/469270/groups-on-filing-graft-raps-vs-energy-sec-lotilla>.

28 Myrna M. Velasco, "Which Banks Will Blink on Coal Financing?," Business, Manila Bulletin, August 18, 2025, <https://mb.com.ph/2025/08/18/which-banks-will-blink-on-coal-financing>.

29 Switching on Transformative Energy (Center for Energy, Ecology, and Development, 2021), <https://ceedphilippines.com/wp-content/uploads/2021/07/wp-1627044153411.pdf>.

30 "Clarification on the Non-Coverage to the Coal Moratorium Policy," Department of Energy, October 14, 2025, <https://prod-cms.doe.gov.ph/documents/d/guest/advisory>.

Figure 4. Total Coal Financing per Domestic Bank, 2009 to 2025 (Millions USD)



While DOE stated that about 20 GW of coal are not covered by the Moratorium, in May 2025, then-DOE Secretary Lotilla said that insurance premiums have “significantly increased” for coal power plants, and that insurers are reluctant to renew coverage for these assets.³¹

Some projects are also having difficulty securing loans from banks.³² This statement can also be observed by the nature of coal-related transactions by banks tracked by this report. Since the Moratorium in 2020, most coal deals were for the refinancing of old loans or for corporate purposes, rather than to fund new capacities. It is critical that no additional cent is funnelled to new coal units, but aligning with the 1.5°C limit means phasing out coal power by 2035. This means that banks should be ceasing all coal funding, including refinancing, before then.

31 Sheldeen Joy Talavera, “Coal-Fired Power Plants Facing Higher Insurance Costs — DoE,” BusinessWorld Online, May 15, 2025, <https://www.bworldonline.com/economy/2025/05/15/672902/coal-fired-power-plants-facing-higher-insurance-costs-doe/>.

32 Velasco, “Which Banks Will Blink on Coal Financing?”

Box 2. Early coal retirement mechanisms in limbo

At the end of the year in 2025, the Coordinating Minister for Economic Affairs confirmed that the Indonesian government has cancelled the planned early retirement of the 600-MW Cirebon coal plant under the Asian Development Bank's (ADB) Energy Transition Mechanism.³³ Under the agreement with ADB made in 2023, Cirebon would have to be shut down seven years earlier compared to its original lifespan.

PLN, the country's state-owned electricity company which controls Cirebon, said that retiring the unit earlier by five years could result in Rp 60 trillion in compensation. Penalties from power purchase agreement and the cost of replacing the asset with renewables could bring total costs to about Rp 130 trillion.³⁴

The Philippines has a similar agreement with ADB, which targets to retire the STEAG plant in Mindanao before 2030, but there has been no new update on the project since 2024 when news outlets reported that the state-owned Power Sector Assets and Liabilities Management Corp. is preparing for the early retirement or repurposing of the 210-MW power plant in Misamis Oriental.

Meanwhile, another coal retirement mechanism is being employed for ACEN's 270-MW SLTEC coal plant in Batangas. Unlike the earlier mentioned projects, SLTEC's early retirement is being driven primarily by private firms. The costs of the early shutdown are planned to be paid for using transition credits.

Research by Reclaim Finance on the said retirement mechanisms highlight doubt on additionality and emissions quantification of the programs.³⁵ For one, ADB's plan to retire STEAG before 2030 requires no selling of offsets or transition credits, questioning the need for such in retiring other plants. It should be noted though the ADB would withdraw from scarce public funds to buy-out the existing power agreements of STEAG to shutdown the plant early.

Programs using offset mechanisms are also prone to overestimating the amount of emissions that would have been avoided sans early retirement. Assumptions on SLTEC's early retirement, for one, include the coal plant operating consistently between 2030 and 2040, at a capacity factor higher than other coal plants in the Philippines. This does not consider the increasing downtime of the asset as it ages, nor the decrease in demand for the asset as more renewables augment supply.

33 Fransiska Nangoy and Gayatri Suroyo, "Indonesia Backpedals on Retiring Cirebon Coal Power Plant Early," Energy, Reuters, December 5, 2025, <https://www.reuters.com/business/energy/indonesia-backpedals-retiring-cirebon-coal-power-plant-early-2025-12-05/>.

34 Calvin Purba, "Airlangga Confirms Cirebon-1 Early Retirement Canceled, ADB Funds to Be Shifted," Petromindo, December 5, 2025, <https://www.petromindo.com/news/article/airlangga-confirms-cirebon-1-early-retirement-canceled-adb-funds-to-be-shifted>.

35 Patrick McCully, Not This Way: Why Coal Transition Offsets Are a Dead End (Reclaim Finance, 2025).

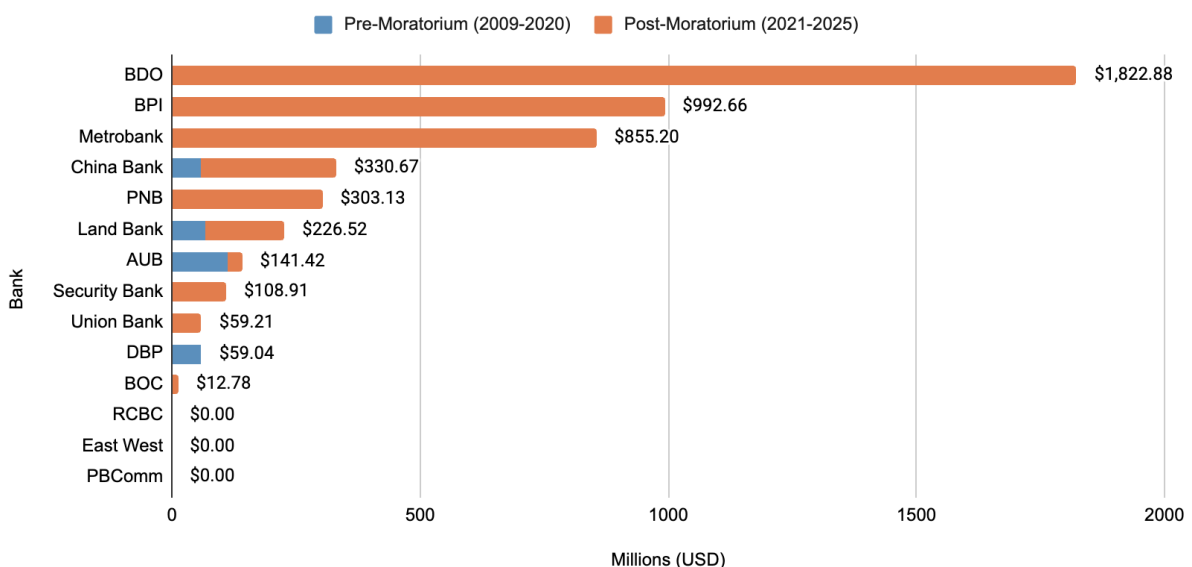
GAS FINANCING TRENDS

The 2025 gas financing by the 14 top domestic banks was the highest since 2009, amounting USD 3.37 billion. This comes after Marcos Jr. signed the Philippine Natural Gas Development Act at the start of last year.

Ultimately, the law promotes the use of fossil gas by establishing the Philippine Downstream Natural Gas Industry, and hastens the exploration and development of indigenous gas, prioritizing its use over imported gas and other conventional fuels such as coal or oil. While the law calls gas a “transition fuel,” it does not provide any restriction on capacity or emissions. It also does not provide a sunset clause, which would ensure the eventual phase out of gas. Moreover, there have been research findings that show gas facilities leak significant amounts of methane—a greenhouse gas 84 times more potent in trapping heat than carbon over a 20-year period—throughout its extraction, transportation, and other supply chain processes.³⁶

³⁶ Mark Radka, “Is Natural Gas Really the Bridge Fuel the World Needs?,” UN Environment Programme, January 12, 2023, <https://www.unep.org/news-and-stories/story/natural-gas-really-bridge-fuel-world-needs>.

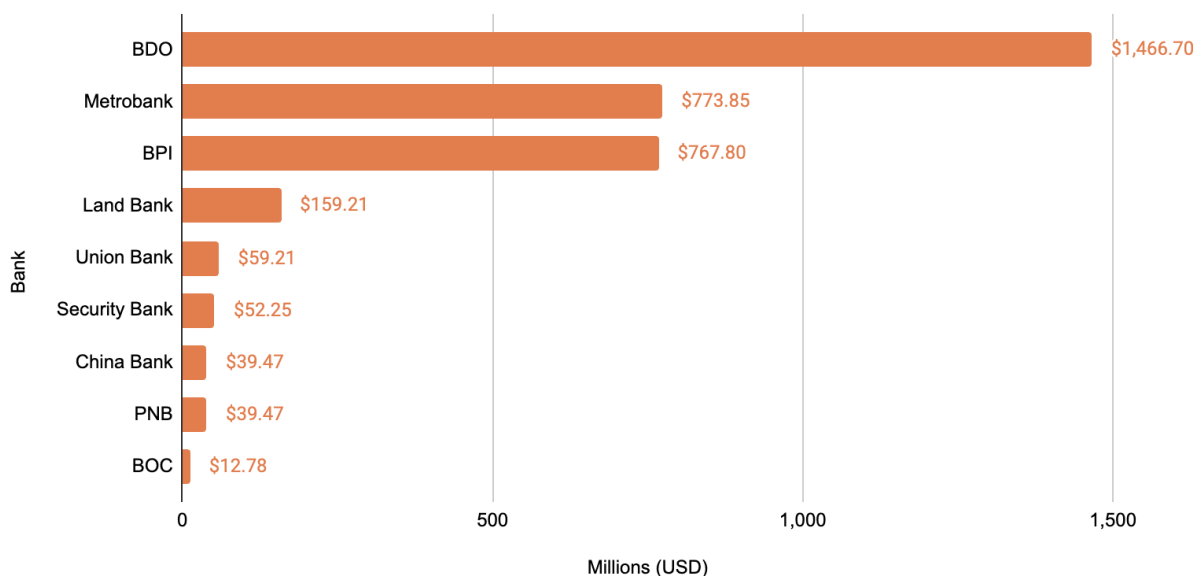
Figure 5. Total Gas Financing per Domestic Bank, 2009 to 2025 (Millions USD)



Nine Philippine banks were involved in gas deals in the past year. Despite a record-breaking high, the over USD 3-billion financing was only allocated among five deals, most of which were used for acquisitions.

BDO, Metrobank, and BPI provided the most financing to fossil gas in 2025. These three banks were also responsible for the biggest gas deal in the same year, funding Meralco’s acquisition of Chromite Gas Holdings Inc. (CGHI). Likewise, Metrobank, BDO, Land Bank, Union Bank, China Bank, PNB, and Security Bank helped Aboitiz also acquire 40% of Chromite Gas.

Figure 6. Total Gas Financing per Domestic Bank, 2025 (Millions USD)



The CGHI is a joint venture by MGen and Aboitiz’s Therma Natgas Power Inc. (Therma), with the former holding a 60% equity. The CGHI was used to acquire a 67% stake in SMC’s gas assets in Batangas, specifically its South Premier Power Corp. (SPPC) gas plant, Excellent Energy Resources

Inc. (EERI) gas plant, and Ilijan Primeline Industrial Estate Corp., which owns the parcel of land where EERI and the Linseed Field Corp. (Linseed) gas terminal are situated.^{37, 38} Jointly, Chromite Gas and San Miguel also acquired in end-2024 Linseed’s liquified natural gas (LNG) import and regasification terminal.

In 2025, Prime Infra also acquired the gas plants of First Gen Corp. in Batangas. Prime Infra effectively bought 60% stakes in the 1,000-MW Sta. Rita plant, 500-MW San Lorenzo Plant, 450-MW San Gabriel plant, 97-MW Avion Plant, as well as the proposed 1,200-MW Santa Maria gas plant.³⁹ BPI and BDO aided in Prime Infra’s acquisition.

Table 3. Gas Financing Deals Recorded in 2025

Parent	Recipient / Issuer	Type	Purpose (Gas)	Supply Chain	Amount (Millions USD)	Banks Involved	Role	Commitment (Millions USD)
MERALCO	MERALCO	Loan	Acquisition of Chromite Gas Holdings, Inc. (60%)	Midstream & Downstream	1,285.35	Metropolitan Bank & Trust Co	Lender	428.45***
						BDO Unibank Inc	Lender	428.45***
						Bank of the Philippine Islands	Lender	428.45***
Aboitiz Equity Ventures Inc	Aboitiz Power - Therma NatGas	Loan	Acquisition of Chromite Gas Holdings, Inc. (40%)	Midstream & Downstream	803.98	Metropolitan Bank & Trust Co	Lender	256.59
						BDO Unibank Inc	Lender	427.65
						Land Bank of the Philippines	Lender	119.74
Prime Infrastructure Capital Inc	Prime Infrastructure Capital Inc	Loan	60% Acquisition of First Gen Gas Assets	Midstream & Downstream	848.36	Bank of the Philippine Islands	Lender	339.35
						BDO Unibank Inc	Lender	509.02
Aboitiz Equity Ventures Inc	Aboitiz Power Corporation	Bond	Series A: Refinance short-term loans related to Project Chromite	Midstream & Downstream	394.72 (including 175.13 oversubscription)	First Metro Investment Corporation	Joint Issue Manager, Joint Lead Underwriter, Joint Bookrunner	88.81*
						BDO Capital	Joint Bookrunner	88.81*
						Union Bank	Joint Bookrunner	59.21*
						China Bank Capital	Joint Lead Underwriter, Joint Bookrunner	39.47*
						Land Bank	Joint Bookrunner	39.47*
						PNB Capital	Joint Bookrunner	39.47*
San Miguel Corporation	San Miguel Global Power Holdings Corp	Bond (Fixed Notes)	Refinancing of existing obligations and for general corporate purposes	Midstream & Downstream	51.1**	Bank of Commerce	Joint Issue Manager, Joint Lead Arranger	12.78***
						BDO Capital	Joint Lead Arranger	12.78***
						PCCI Capital	Joint Lead Arranger	12.78***
						Security Bank Capital	Joint Lead Arranger	12.78***

* Assumed underwriting allocation per bank based on 2025 Series Bonds prospectus plan of distribution share

** Assumed proceeds allocation for gas based on % of revenue of SMGP from gas

*** Assumed equal allocation per bank due to lack of public information on distribution

That most of the financing deals were for the acquisition by rival power giants of each other’s assets shows increasing collaboration among these firms to jointly bear the possibly swelling risk of gas

37 Aboitiz Power Corporation, “Re: Additional Information on AboitizPower’s Disclosure on Chromite Gas’s Intention to Acquire SMGP’s Gas-Fired Power Plants,” Disclosure, Philippine Stock Exchange, n.d., <https://aboitizpower.com/static-assets/uploads/media/ap-letter-030824-pse-re-response-to-exchange-s-query.pdf>.

38 Benise Balaoing, “Aboitiz, Ang, Pangilinan Power Firms Finish Deal for Integrated LNG Facility,” ABS-CBN, January 28, 2025, <https://www.abs-cbn.com/news/business/2025/1/28/aboitiz-ang-pangilinan-power-firms-finish-deal-for-integrated-lng-facility-1453>.

39 Ashley Erika Jose, “Prime Infra Completes P50-B Gas Asset Acquisition from First Gen,” BusinessWorld Online, November 17, 2025, <https://www.bworldonline.com/corporate/2025/11/18/712809/prime-infra-completes-p50-b-gas-asset-acquisition-from-first-gen/>.

investment, despite having a policy that incentivizes gas development. Such could be the case especially for Aboitiz and Meralco helping out San Miguel, whose gas assets have recorded losses and faced regulatory barriers in the past. This might be true given the cost of power supplied by gas plants: Meralco's 2025 generation rate data shows that the average generation rate for gas does not fall below Php 8 per kilowatt-hour (kWh). Meanwhile, the 2025 average generation cost of coal was Php 6.20/kWh, with renewable energy's being Php 4.92/kWh.

Banks that supported and enabled the acquisition deals essentially facilitated the entry of new players in the gas industry, thereby making it easier for the fossil fuel to expand.

Box 3. LNG's legacy of risks

The history of SMC's gas plants illustrates the heavy risks of gas power investment in the Philippines.

In 2019, the ERC approved a PSA between Meralco and SPPC, under a fixed price of Php 4.1496/kWh. Under a fixed-price contract, SPPC bears the costs of changing fuel costs. In 2022, amid the Russian-Ukrainian War, which pushed global energy prices, SMC reported losing Php 15 billion after bearing the higher cost of fuel, and requested an increase in the PSA price.

The ERC denied the application at first, but the Court of Appeals reversed the decision and allowed Meralco and SMC to renegotiate their deals. In 2023, SPPC contracted a separate emergency one-year deal with Meralco, costing Php 7.80/kWh, and with consumers bearing changes in fuel costs.

Another one of SMC's gas assets faced the same experience. In 2021, EERI was able to contract a PSA with Meralco, three years before the plant's expected completion. EERI was to provide power for Php 4.1462/kWh, and the variation in fuel costs will only be passed to consumers after 10 years.

When LNG prices soared in 2022, SMC terminated the PSA.

Likewise, SMC, Aboitiz, and Meralco's newly acquired Linseed terminal faced probes from the Japan Bank for International Cooperation (JBIC), an investor of AG&P, Linseed's former parent company. Communities called for JBIC's investigation over possible violation by the terminal of the bank's environmental guidelines.⁴⁰ Some time after the investigation, AG&P sold its equity of Linseed to the three domestic energy companies.

As SMC's gas plants continue to be hounded by risks over time, financial institutions always came to its rescue, particularly those that have supported the projects since the beginning.

In 2021, BDO, Chinabank, and PNB served as underwriters for SMC's bonds whose proceeds went to the investments in the firm's Batangas gas power plant. In the following year, the same banks, with the addition of AUB, once again underwrote bonds for SMC's investments in its power-related assets, including EERI.

A number of foreign banks also enabled SMC's gas buildout. In 2020, DBS, Credit Suisse, HSBC, Standard Chartered, and UBS underwrote a senior perpetual capital security (SPCS) for the company's fossil gas assets. In 2021, DBS, Credit Suisse, Mizuho, Standard Chartered, and UBS again underwrote an SPCS for SMC's Batangas gas power plant.

Roughly three years later, amid mounting risks, UBS would help arrange Meralco and Aboitiz's acquisition of SMC's gas assets. BDO, Chinabank, and PNB, along with other domestic banks, would also financially support the acquisition. On the other hand, while Standard Chartered continued to underwrite SPCS for San Miguel, these securities are ringfenced so that no proceeds would go to coal or fossil gas.

⁴⁰ Gaea Katreena Cabico, "Japan Bank Probes Environmental Concerns over LNG Terminal in Batangas," Philstar.Com (Manila), February 8, 2024, <https://www.philstar.com/headlines/climate-and-environment/2024/02/08/2331883/japan-bank-probes-environmental-concerns-over-lng-terminal-batangas>.

The high risks of the gas industry translate to higher prices of electricity sourced from this fossil fuel. For one, higher premiums for the insurance of LNG tankers due to increased risks of vessel damage, piracy, and being impacted by geopolitical tensions. A market research report has already projected the global maritime fuel tanker insurance market to reach USD 13.8 billion by 2032, from USD 7.2 billion in 2025.⁴¹

Despite record-financing in the past year, about 2,600-MW of gas power capacity was cancelled in 2025. In June, GN Power Limited Company cancelled its planned 600-MW LNG facility in Lanao Del Norte after facing opposition from community and environmental groups.⁴² In November, the Ayala Group announced that it will be scrapping its 1,100-MW gas plant in Batangas after failing to secure an offtake contract and a third investor.⁴³ Then, in December, A Brown Company suspended the pre-development activities of its 900-MW LNG project in Batangas due to difficulties in securing gas supply and grid connection capacity.⁴⁴ This, after the firm also cancelled its planned LNG terminal in the same province in 2024.⁴⁵

The cancellation of these gas facilities expose the increasing risks in the industry. The current energy crisis also doubles down on this—increasing reliance on imported and volatile fossil fuels runs counter to securing energy supply.

41 Genivi Verdejo, "Fuel Tanker Insurance Seen to Hit \$13.8 Billion," Business, The Manila Times, March 25, 2026, <https://www.manilatimes.net/2026/03/25/business/maritime/fuel-tanker-insurance-seen-to-hit-138-billion/2306171>.

42 Franck Dick Rosete, "Firm Scraps Power Plant Project in Lanao Del Norte amid Opposition," RAPPLER, June 25, 2025, <https://www.rappler.com/philippines/mindanao/gnpower-limited-scraps-power-plant-project-lanao-del-norte/>.

43 Brix Lelis, "Ayala Axing Gas Project amid Offtake Woes," Philstar.Com, November 17, 2025, <https://www.philstar.com/business/2025/11/17/2487684/ayala-axing-gas-project-amid-offtake-woes>.

44 Alena Mae S. Flores, "A Brown Suspends 900-Megawatt Batangas LNG Project," Manila Standard, December 23, 2025, <https://manilastandard.net/business/314683803/a-brown-suspends-900-megawatt-batangas-lng-project.html>.

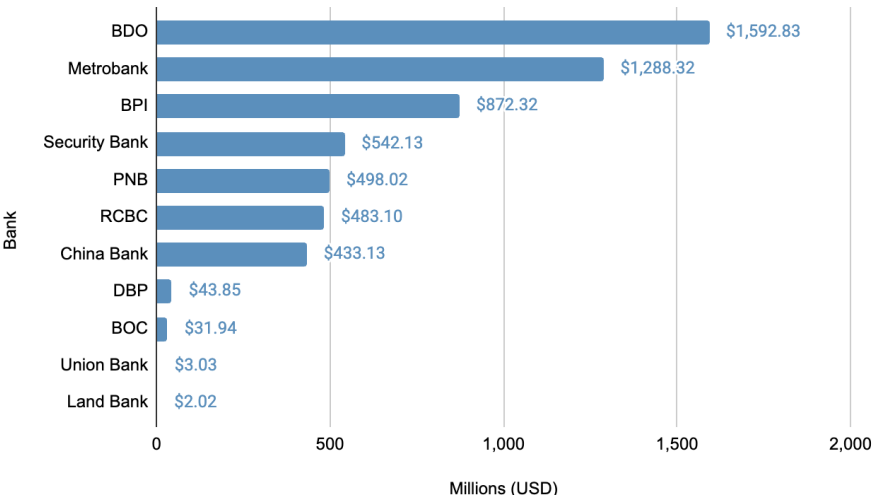
45 Brix Lelis, "A Brown Scraps Plan to Develop LNG Terminal in Batangas," Philstar.Com, August 31, 2024, <https://www.philstar.com/business/2024/08/31/2381706/brown-scraps-plan-develop-lng-terminal-batangas>.

RENEWABLE ENERGY FINANCING TRENDS

Amid relatively high financing for coal and gas in 2025, the past year also saw the biggest funding for renewables, amounting to USD 5.79 billion, ever since the Renewable Energy Law was passed in 2008. This is 4.5 times higher than that of 2024, and over three times larger compared to the previous peak of RE financing back in 2023.

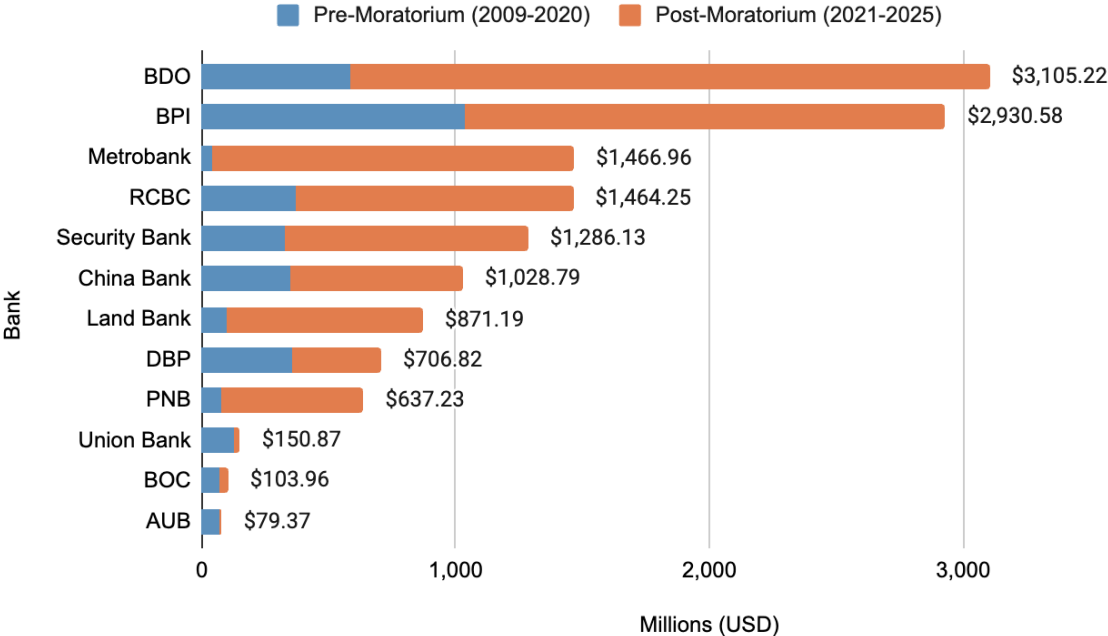
The biggest support for renewables last year came from BDO, which funnelled USD 1.6 billion. It is followed by Metrobank, which funded a total of USD 1.3 billion in 2025, while BPI trails with USD 872 million.

Figure 7. Total RE Financing per Domestic Bank, 2025 (Millions USD)



While BDO tops gas financing post the Coal Moratorium in 2020, the bank also leads domestic banks in RE financing. Meanwhile, publicly available data shows EastWest and PBComm have had no renewables financing since 2009.

Figure 8. Total RE Financing per Domestic Bank, 2009 to 2025 (Millions USD)



Much of the RE support from the tracked banks in this *Scorecard* went to solar energy, where a total of USD 3.1 billion was funnelled to about 5,000 MW-worth of projects last year. Meanwhile, USD 1.5 billion was used to support an estimated 1,006 MW-worth of hydro projects including three large hydro⁴⁶ projects totaling 997 MW and one 9-MW mini-hydro⁴⁷ project. In the same period, a combined USD 684 million was funnelled for two onshore wind projects totalling 408 MW.

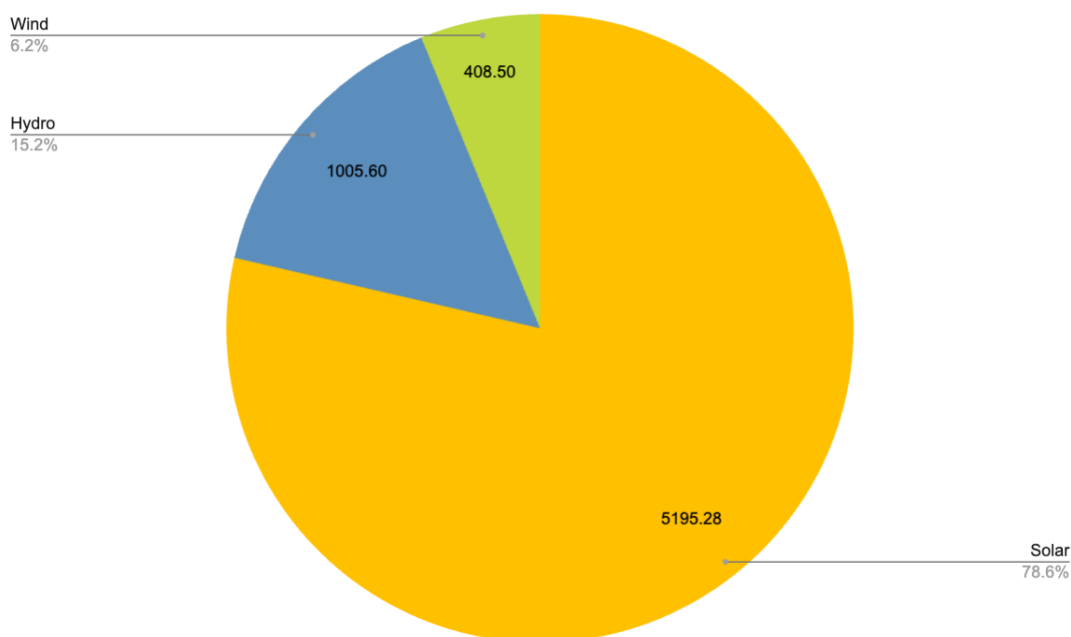
The biggest recorded deal last year was for Meralco’s 3,500-MW Terra Solar project in Nueva Ecija. Banks BDO, Security Bank, China Bank, PNB, Metrobank, and BPI provided a 15-year syndicated loan worth Php 150 billion to support the world’s largest solar facility. The first phase of the project, with 2,500-MW capacity, is poised to be completed by 2026, while the remaining 1,000-MW capacity is eyed to go online by 2027.⁴⁸

46 “Clarification on the Non-Coverage to the Coal Moratorium Policy.” <https://legacy.doe.gov.ph/hydropower>.

47 Ibid.

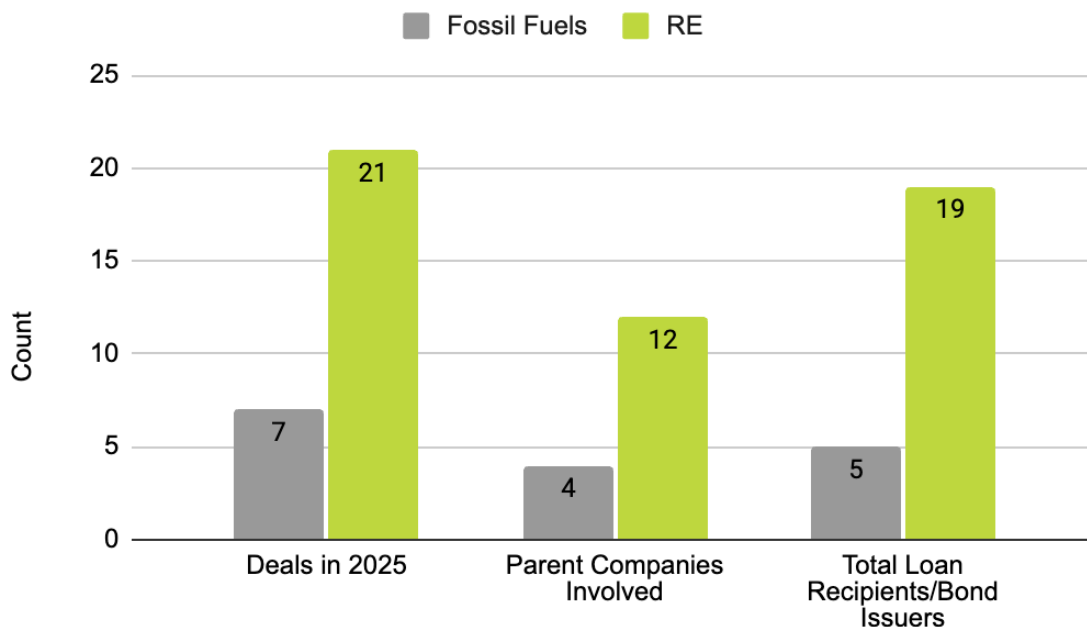
48 Lisbet K. Esmael, “Meralco PowerGen Closes P150-B Loan for Terra Solar Project,” *Philippine Daily Inquirer*, April 23, 2025, <https://business.inquirer.net/521099/mgen-closes-p150-b-loan-for-terra-solar-devt>.

Figure 9. Percentage and Capacity per RE Type Financed, 2025 (MW)



Compared to that of coal and gas, financing for renewables is relatively diversified among different corporations. Aside from SMC, Aboitiz, and Meralco, other firms such as Citicore, Rizal Green Energy Corp., Alsons, and Alternergy also availed of loans or issued bonds to fund their renewables projects last year, signifying a relatively more competitive market.

Figure 10. Number of Deals, Parent Companies Involved, and Loan Recipients/Bond Issuers Recorded per Energy Type, 2025



The record-high financing for RE last year shows willingness by banks, as well as investors, to support renewable energy projects and firms. This, despite hurdles and delays in actually installing capacity amid existing government programs such as the Green Energy Auction (GEA).

For one, in December 2025, about 1,350-MW worth of winning RE projects in GEA have been reportedly cancelled following the failure of firms to deliver according to agreed-upon timelines.⁴⁹ Among the firms facing cancellation of contracts include those of Batangas Rep. Leandro Leviste, who has gone under fire for failing to generate power committed under more than 30 government contracts.⁵⁰

In January 2026, the DOE fined Solar Philippines, which Leviste founded, Php 24 billion for failing in its production commitments.⁵¹ Afterwards, the Batangas Representative resigned from his position as director of Terra Solar and SP New Energy Corp.⁵² Both companies were founded by Leviste, but Meralco soon acquired the majority of the firms' equity. As the lawmaker was withdrawing his stakes from the firms, it was reported that Japanese firm Mitsui & Co. Ltd. has set its sights on buying out Leviste's shares.⁵³

To keep investments alive in renewables, the government must ensure that its contracted projects through GEA are actually installed.

Amid the energy crisis brought by US and Israel's attacks on Iran, transitioning to renewable energy is securing future energy supply. It is a protection against possible supply shocks amid rising geopolitical tension in the Gulf, and protection from volatile and expensive fossil fuels.

49 Maria Bernadette Romero, "Stalled Projects to Free up 1,350-MW RE Capacity," Business, Latest, Daily Tribune, December 10, 2025, <https://tribune.net.ph/2025/12/10/stalled-projects-to-free-up-1350-mw-re-capacity>.

50 Delon Porcalla, "Lawmaker Slams Leviste for 'Ghost' Solar Projects," The Philippine Star, January 19, 2026, <https://www.philstar.com/headlines/2026/01/19/2501917/lawmaker-slams-leviste-ghost-solar-projects>.

51 JON VIKTOR D. CABUENAS News GMA Integrated, "Leviste-Founded Solar Philippines Fined P24B for Commitment Failure —DOE," GMA News Online, January 13, 2026, <https://www.gmanetwork.com/news/money/companies/972637/solar-philippines-fined-p24b-for-commitment-failure-doe/story/>.

52 Lisbet K. Esmael, "Leviste Leaves Board Seats in SPNEC, MTerra Solar," Philippine Daily Inquirer, January 24, 2026, <https://business.inquirer.net/570332/leviste-leaves-board-seats-in-spniec-mterra-solar>.

53 Myrna M. Velasco, "Japanese Giant Mitsui Moves to Buy out Leviste's SPNEC Interest," Business, Manila Bulletin, February 27, 2026, <https://mb.com.ph/2026/02/27/japanese-giant-mitsui-moves-to-buy-out-levistes-spniec-interest>.

DIVESTMENT AND SUSTAINABILITY POLICIES

Last year marked the Catholic Church’s deadline for financial institutions to adopt fossil fuel-restriction policies, or otherwise face divestment from dioceses and other religious groups. It was back in 2022 when the Catholic Bishops’ Conference of the Philippines (CBCP) released a pastoral statement committing to divest from coal and other destructive activities, to examine financial institutions where they are stakeholders of, and to assess the social and environmental implications of their financing activities.⁵⁴

Since the Church made this commitment—and since CEED and other like-minded organizations started campaigning to push banks to shift financing to clean and sustainable energy in 2020—nine banks have released their own coal restriction policies. Albeit in varying degrees, this development, coupled with the increasing financing towards RE, shows a positive step towards the much-needed energy transition in the Philippines.

⁵⁴ Catholic Bishops’ Conference of the Philippines, “A Call for Unity and Action amid a Climate Emergency and Planetary Crisis,” Pastoral Statement, 2022, <https://cbcnews.net/cbcnews/wp-content/uploads/2022/01/2022-CBCP-Pastoral-Statement-on-Ecology.pdf>.

Table 4. Domestic Banks with Coal Exclusion Policies

Bank	Year	Scope of Pronouncement
BDO	2022	No new coal capacity, and lower total coal exposure by 50%, while ensuring that its coal exposure does not exceed 2% of its total loan portfolio by 2033.
BPI	2021	No additional commitments to finance greenfield coal power generation projects. Outstanding loans to coal power generation shall also be reduced to 50% of current exposure by 2026, and zero by 2032.
	2023	During their Annual Stockholders' Meeting in 2023, the bank also clarified that the policy also covers other capital market activities, such as underwriting.
DBP	2017	DBP issued an internal policy placing coal power facilities on the negative list of projects to be financed by the bank. "Power generation using coal as fuel" is included in the negative list regardless of the project proponent.
Land Bank	2023	The bank in 2023 included power plants with greenfield status and those that will be newly constructed in its negative/exclusion list. According to their letter on the policy, "the Board-approved policy provides the list of projects/activities excluded from financing and/or investment, which shall be adopted as a guide/reference of the concerned Bank units. However, the Bank will continue to honor existing loan/investment agreements executed prior to the approval of the said guidelines but will no longer renew/expand those projects."
	2024	Land Bank stated that its board approved the "Guidelines on the Transition Policy on Coal-Fired Power Plant Financing and Investment," which follows the parameters of DOE's coal moratorium. In the same letter, Land Bank said it has set conditions borrowers must comply with, including using "supercritical" technology, and submission of a commitment/plan to transition to RE.
RCBC	2020	Committed to cease funding of the construction of new coal power plants in the country or anywhere else in the world. In 2021, the bank also disclosed its plan to zero its remaining exposure to coal-fired power projects by 2031.
*Robinsons Bank	2022	Disclosed in the 2022 Annual Report that they will 100% divest from coal exposures by 2035.
Security Bank	2022	Committed to no longer finance new coal generation plants and to completely wind down existing exposures by 2033.
	2024	Security Bank stated during a dialogue that its policy includes underwriting for coal-fired power plants. While they also added that the policy will be applicable to their subsidiary investment arm starting 2024, they have yet to release a written policy stating this.
	2025	A sensitivity analysis affirmed their commitment to exit from coal financing by 2033.
Metrobank	2025	Metrobank has set its position to limit its overall term loan exposure to coal-fired power projects to no more than 3% of its total loan portfolio by 2033, and to further reduce this to no more than 2% by 2037.
PNB	2025	The Bank will only be servicing existing clients until maturity and is no longer accepting new coal-related projects to finance or support, except for coal-fired power projects such as Ultrasuper Critical, Super Critical, and Circulating Fluidized Bed with complete technical validation and complete regulatory requirements.

*Merged with BPI in 2024

However, the particular uptick in coal and gas financing in the past year, amid a worsening climate emergency, clearly shows the need for financial institutions to do more. None of the banks tracked in this report has shown significant improvement when it comes to their divestment and sustainability policies.

Metrobank had a slight increase in its divestment policy score this year for disclosing the amount of coal and gas-related financing in its portfolio. The bank also increased its sustainability policy score for committing to expand its renewables financing, although no specific targets were announced. BPI also increased its sustainability policy score for extending its Sustainable Development Finance to small-scale renewable energy merchants, as well as for initiating programs targeted at households, such as its Solar Mortgage, which allows secured financing for solar modules.

As mentioned in the previous section, some of the financial institutions that backed coal in 2025 were investment subsidiaries of banks that have declared coal restriction policies: Metrobank, BDO, PNB, and Security Bank. This shows a glaring gap in these banks' existing policies: They are still able to provide funding by underwriting securities issued by coal firms. It is in this way that coal projects remain alive, and proposed coal assets are continuously developed and constructed.

Although nine banks have committed to restrict their coal financing, most of these institutions are mum regarding their treatment of refinancing loans and corporate securities, which are also the nature of the recorded coal transactions in the past year. Hence, while there is a growing number of financiers that are ceasing or reducing financing for new coal capacities, most of them are still left with exposures to existing coal plants through refinancing of previous loans and securities.

The banks included in this report are also yet to disclose of any engagement strategies with fossil fuel firms. While the central bank is mandating banks to come up with their own environmental and social risk management systems, financial institutions are not required to create transition pathways to permanently move away from fossil fuels.

Ultimately, as long as a coal plant stands and operates, there would be refinancing for it. One step to closing the gap in refinancing is by requiring clients to come up with a phasedown or transition plan for their fossil fuel assets, and, therefore, ensuring that bank refinancing does not enable power plants to operate way beyond the deadlines set by the 1.5°C-limit.

Other banks around the world have recognized these loopholes in their policies, and expanded their initial coal restriction policies to include not only project finance, but also all types of financing and activities to ensure no financial support goes to coal. For one, French bank Credit Mutuel has excluded coal mines, coal plants, and other coal infrastructure, including expansions in its financing activities.⁵⁵ The bank has also excluded lending to companies that generate more than 10% of their revenues or power generation from coal, as well as firms that produce above 10 metric tons of coal annually or that have more than five gigawatts of coal power capacity. Aside from implementing a full phaseout strategy, Credit Mutuel is also requiring thermal coal companies to provide an asset-by-asset closure plan by 2030.

As for fossil gas, no domestic bank included in this *Scorecard* has announced an exclusion policy. Dialogues with some banks reveal reluctance to put in place such a policy, given the apparent government push for fossil gas. Marcos Jr., even before signing the bill developing the gas industry, had referred to gas as a "transition fuel" as far back as 2022.⁵⁶

⁵⁵ Reclaim Finance, "Coal Policy Tracker," Coal Policy Tracker, 2025, <https://coalpolicytool.org/>.

⁵⁶ Anna Felicia Bajo, "Natural Gas Discovered at Malampaya East 1 — Marcos," GMA News Online, January 19, 2026, <https://www.gmanetwork.com/news/money/economy/973311/marcos-says-discovery-of-malampaya-east-1-to-strengthens-domestic-gas-supply/story/>.

Alarming, in a press release announcing its financing of Prime Infra's acquisition, BDO stated that the gas complex in Batangas "contributes over 2,000 megawatts of generation capacity, helping in the country's push to achieve a 35% renewable energy mix by 2030 and 50% by 2040."⁵⁷ Asia United Bank, in its 2024 Sustainability Report, had reported its lending to LNG as contribution to the United Nations sustainable development goals on clean energy.⁵⁸

While domestic banks are yet to pick up on gas financing restrictions, some foreign banks have put in place policies to reduce their exposure to the fossil fuel. For one, French bank La Banque Postale has excluded services for oil & gas upstream and midstream projects and has a phase-out strategy for the sector by 2030.⁵⁹

In terms of sustainability policies, we highlight that only BPI, BDO, DBP, LandBank, and Metrobank have mechanisms to make renewable energy more accessible for households, communities or local government units. Their policies range from offering customers low-interest loans for the installation of solar panels, to offering capital for small and medium enterprises to adapt to renewable energy technologies.

At a time of energy crisis, support for households switching to renewables is critical to cushion the impacts of the supply shock to electricity rates. Financial institutions play an important role in making such opportunities available to common Filipinos by, for one, extending low- to zero-interest loans especially in this time of crisis.

57 Banco De Oro, "BDO Drives PH's Clean Energy Shift, Backs Prime Infra's Acquisition of First Gen's 60% Gas Assets," January 9, 2026, <https://www.bdo.com.ph/about-bdo/learn/news-and-features/bdo-prime-infra-first-gen-clean-energy-shift>.

58 Asia United Bank, AUB 2024 Sustainability Report (2025), <https://www.aub.com.ph/investorRelationsServlet?fileDir=/aubph/InvestorRelations/SEC/Annual/&fileName=2024%20AUB%20SEC%2017A%20Sustainability%20report.pdf>.

59 Reclaim Finance, "Oil & Gas Policy Tracker," Oil & Gas Policy Tracker, January 2026, <https://oilgaspolicytracker.org/>.

Box 4. The Catholic Church's role in a fossil-free finance

In a 2019 pastoral statement, the CBCP called for an ecological conversion amid the climate emergency, noting, among others, the country's reliance on fossil-fuel based energy as cause of the destruction of our "Common Home." The Church committed then to pursuing ecological actions, including pushing for an immediate just energy transition, and not allowing their financial resources to be used for coal power plants, mining, and other destructive activities.⁶⁰

The Philippine Catholic Church owns significant shareholding in various industries and corporations in the country, and, hence, have sizable potential in pushing firms to shift to more sustainable investments. Recognizing their position, the CBCP, three years later, released another pastoral statement—this time with stronger pronouncements. The Catholic Church was urged to move away from extractive industries, and committed to divest from banks they are shareholders of if these institutions fail to have clear commitments and policies to withdraw from fossil fuels by 2025.

As shareholders of banks and companies, the Catholic Church are considered part owners of these firms, and hence, have the legal right to engage regarding corporate policies, especially on environmental, social, or governance matters. Moreover, company owners have a fiduciary duty to shareholders, ensuring that all actions and decisions are in good faith, and done for the best interest of the company. Hence, if the corporation fails to consider climate-related risks in its policies and investment decisions, it could result in the firm being held liable for breaching their fiduciary duty.

60 Catholic Bishops' Conference of the Philippines, "An Urgent Call for Ecological Conversion, Hope in the Face of Climate Emergency," Pastoral Statement, July 16, 2019, <https://cbcnews.net/cbcnews/wp-content/uploads/2019/07/CBCP-Pastoral-Letter-on-Ecology-July-2019.pdf>.

OVERALL RANKINGS

For the first time since the inception of the report in 2020, BDO takes the top rank in the 2026 *Scorecard*. This, after hovering in second or third place in the past years. BDO's placement comes from its massive support for gas last year, which effectively offsetted its renewables funding.

China Bank, despite having less fossil fuel exposure in 2025 than BDO, BPI, and Metrobank, remains high in the number two spot due to its total fossil fuel financing post-moratorium and having not yet made any divestment policy for coal and gas.

BPI and AUB switch places due to the former's relatively bigger role in fossil fuel financing in 2025 despite having an increased sustainability policy score this year. Union Bank also moves up from last place due to its coal and gas financing in the same period.

Table 5. 2026 Fossil Fuel Divestment Scorecard

Rank	Bank	Financing Pre-moratorium ⁶¹	Financing Post-moratorium	Divestment Policy	Sustainability Policies	Overall Score
1	BDO	2.14	4.58	0.2949	2.2833	2.56
2	China Bank	1.97	2.57	0.0000	1.0000	2.07
3	BPI	2.00	2.57	0.4872	2.3083	1.89
4	AUB	2.30	0.78	0.0481	0.0667	1.82
5	LBP	2.56	0.55	0.7222	1.9000	1.68
6	Metrobank	1.21	2.57	0.2500	0.9833	1.53
7	SB	1.71	0.55	0.3419	1.0000	1.26
8	PNB	1.21	1.56	0.4701	0.6750	1.23
9	DBP	1.44	0.55	0.4562	3.3167	0.97
10	RCBC	1.07	0.55	0.6496	2.4667	0.77
11	Bank of Commerce	0.60	0.78	0.0000	1.0083	0.63
12	UB	0.60	0.32	0.0940	1.1750	0.49
13	PBComm	0.64	0.00	0.0000	0.3167	0.43
14	EastWest	0.64	0.00	0.0192	1.0333	0.42

Legend: The arrows indicate whether the 2026 score or rank increased or decreased relative to the 2025 score or rank. A **red arrow** indicates a worse score, while a **green arrow** indicates a better score. Banks should aim to lower their score for Financing Post-Moratorium and increase their score for Divestment Policy and Sustainability Policies to achieve better overall scores. For red gradients, a high score is a negative indicator. The banks in the darkest red shade are performing the worst and should aim to lower their score.

PBComm and East West remain without records of energy financing since the 2020 Coal Moratorium. PBComm, Bank of Commerce, and China Bank are the remaining banks this report is tracking that have yet to release any form of divestment policy or fossil fuel financing disclosure.

It should be noted that since Robinsons Bank merger and acquisition with BPI, this report aggregated the exposure and policy scores of the former with those of the surviving entity, which is BPI.

Results from the *Scorecard* shows the continuing support of the biggest domestic banks toward fossil fuels despite some of them having existing coal restriction policies. The climate emergency, and recent geopolitical tensions, however, are increasingly proving the necessity to shift to cleaner, more sustainable, and affordable sources of energy. Towards this end, aligning with the 2035 and 2040 phase out deadline of coal and gas, respectively, to limit global warming below 1.5°C requires that financial institutions not only increase funding for renewables, but also cease support for fossil fuels even earlier than the set timelines to prevent new capacities from being installed.

⁶¹ Financing Pre-moratorium scores have been updated from last year's report to exclude bank-issued bonds as an additional scoping limitation to avoid double counting with project financing, to reflect the BPI and Robinsons Bank merger, and to correct minor computational and rounding errors. Refer to the Methodology section for full details.

Box 5. What can central banks do to stem fossil fuel financing?

In line with the ICJ’s Opinion that States are obligated to regulate private actors—which include financial institutions—to mitigate climate change, the Bangko Sentral ng Pilipinas (BSP), which regulates banks in the country, should also take more significant steps in ushering banks to initiate more impactful climate actions.

The BSP, in its Sustainable Central Banking Framework, recognizes the impact of climate and environmental risks in its dual mandate of price and financial stability. So far, the central bank has mandated that banks create their own environmental and social risk management framework to assess and manage their risk exposures, and to set environmental and social objectives, including progressively increasing loan allocations for green or sustainable projects.⁶² The BSP also developed its sustainable finance taxonomy and framework to guide banks in the adoption of sustainability principles.

Beyond moves to increase transparency, awareness, and investment of banks in sustainable projects, the BSP can also do more to address fossil fuel financing.

A report by Oil Change International outlines several initiatives central banks can take to shift financing flows away from coal, oil, and gas.⁶³ For one, central banks can exclude fossil fuels from its asset purchases, discouraging fossil fuel finance by commercial banks through increasing reserve requirements for such activities, or setting quotas and limits of private banks’ lending for fossil fuels. Central banks can also use prudential regulation—which governs the amount of capital and liquidity banks must hold to support their portfolio—to raise the cost of fossil fuel finance, through increasing the risk weights of fossil fuel assets. In this way, commercial banks would be required to hold more readily-available funds if they have big fossil exposure.

⁶² Bangko Sentral ng Pilipinas, “Bangko Sentral Ng Pilipinas Sustainable Central Banking,” accessed March 9, 2026, <https://www.bsp.gov.ph/SitePages/StrategicPrograms/Sustainable-Central-Banking.aspx#section2>.

⁶³ David Tong and Simon Pirani, *Unused Tools: How Central Banks Are Fueling the Climate Crisis* (Oil Change International, 2021), https://oilchange.org/wp-content/uploads/2021/08/central_bank_report_A4_v08-1.pdf.

RECOMMENDATIONS

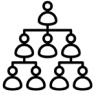
Common but differentiated goals toward climate action dictate that the Philippines, hand in hand, must show significant action to contribute to the Paris Agreement. As key movers, local banks should lead efforts within their sector to align with this. The following are recommended benchmarks for a bank to be considered a leader in coal and fossil gas divestment, renewable energy financing, and sustainability efforts. While banks' scores are telling of how they are faring in terms of exerting climate-aligned energy and sustainability policies and efforts and where key areas of improvement are, the following recommendations intend to provide banks with key elements necessary in formulating Paris-aligned policies:



Banks that have made or will make public pronouncements that they will no longer fund or support coal and fossil gas projects should ensure that they do not finance these projects through loopholes in their own policies, such as through underwriting or selling securities intended for coal or fossil gas projects, related facilities, and developers. Participation in these types of securities in any form is counterintuitive and render useless the divestment policies of these banks which ultimately still enable financing to flow into the coal and fossil gas industries, and in the process profit from these transactions through issue management and underwriting fees and selling commissions. They must also ensure that their policies don't regress into allowing some forms of financing to flow back into these industries.



Banks' exclusion policies should prohibit financing of all technologies related to coal power projects such as, but not limited to, ultra supercritical, super critical, and circulating fluidized bed technologies, and financing of false carbon-based solutions and retrofitting technologies.



Similarly, banks that have made or will make public pronouncements on divestment should ensure that the same policy is cascaded and aptly applied by their subsidiaries, such as their investment banking arms.



Banks that have not so far made any pronouncements on their coal exposure, meanwhile, are lagging behind and must immediately come up with clear policies and timelines to divest from existing exposure and prohibit new financing.



Domestic banks are similarly called to divest from financing fossil gas and LNG projects and companies, which would only prolong the country's reliance on fossil fuels. This should form part of a long-term strategy to divest from other carbon-intensive and environmentally destructive projects.



Banks that have made or will make public pronouncements that they will no longer fund or support coal and/or fossil gas and LNG projects should also develop and disclose a comprehensive framework, strategy, and timeline to execute these pronouncements. Broadstroke pronouncements serve as a market signal to the dying viability of coal and the increasing risks of gas, yet offer little ability for shareholders and stakeholders alike to determine how their banks are faring in contributing to meet climate and energy transition deadlines and targets.



Banks that have either made pronouncements and/or are currently developing their framework should develop criteria for divesting from companies that are contributing to the coal or fossil gas expansion. Furthermore, they should develop engagement strategies with clear targets and thresholds to encourage their clients to withdraw from coal and other fossil fuel projects.



Banks that have or will engage in coal retirement mechanisms should adopt the Ten Guiding Principles for Financing Coal Retirement Mechanisms⁶⁴ principles to ensure that renewables are priorities, false carbon-based solutions and retrofitting delays are avoided, concessional financing is provided especially for distributed, small-scale, and community renewable energy systems, and local communities are protected from the impacts of early coal retirement.



Banks should continue to scale up their renewable energy ambitions at an unprecedented scale to support the country's commitment to the Global Renewables Pledge that seeks to triple the world's renewable energy capacity and double energy efficiency by 2030, achieve the renewable energy targets under the 1.5°C-aligned Philippine power sector pathway, and finance the 22 GW renewable energy projects and future projects under the Green Energy Auction Program (GEAP).

64 Reclaim Finance, "Ten Guiding Principles for Financing Coal Retirement Mechanisms."



Banks should also develop policies and financing mechanisms in support of distributed, merchant, and small-scale renewable energy systems, especially at the household and community-levels. As banks step up to do their part in the sustainable development of the Philippines, they are well-positioned to enable better access to clean, affordable, and reliable renewable energy.



In light of the International Court of Justice's Advisory Opinion on the role of States in relation to climate change, the Bangko Sentral ng Pilipinas, as regulator of financial institutions, should use all available levers at their disposal to align with climate goals. Such levers could include excluding fossil fuels from asset purchases, or using prudential regulations to limit risky fossil fuel finance.



At this time of energy crisis, financial institutions should extend relief to households and small businesses experiencing hardships. For one, financial institutions, especially state development banks, could offer zero- to low-interest loans to households and small businesses that are looking to install their own solar systems to minimize electricity costs. Should the crisis worsen and create widespread impact on livelihood, as what happened during the COVID-19 pandemic, banks could also defer principal and interest payments, or offer restructuring to existing debt made in relation to cope with the energy crisis. To ensure the stability of these financial institutions, the government could also act as guarantors of the funds released for deploying renewable energy systems.

ANNEX: METHODOLOGY

CEED's annual *Fossil Fuel Divestment Scorecard* for the Philippines was first developed as a Coal Divestment Scorecard in 2020 with the support of civil society and environmental groups under the Withdraw from Coal network to assess the coal-related financing activities of the largest domestic banks.

With the rapid expansion of gas since the coal moratorium, the scorecard and its criteria expanded to include gas exposure and policies in 2023. The criteria expanded further to include renewable energy exposure in the *2024 Fossil Fuel Divestment Scorecard* to capture how banks are or are not redirecting financial flows to renewable energy, and to evaluate their climate action policies with renewable energy as one of the key elements.

This year's *2026 Fossil Fuel Divestment Scorecard* methodology keeps the same exposure and policy criteria from the previous year, but with newly recorded financing deals from January to December 2025, greater weight assigned to financing post-coal moratorium, and clarifications to its scope and limitations. CEED releases this *2026 Scorecard Report* to continue assisting banks and their stakeholders in keeping the Paris Agreement's 1.5°C goal a reality.

The *2026 Fossil Fuel Divestment Scorecard* uses data from the following resources and channels:

- Final Prospectuses and Offer Supplements for the Issuance of Financial Instruments
- Philippine Dealing Systems Holdings (PDS) Group
- Thomson Reuters Project Finance International (PFI)
- London Stock Exchange Group (LSEG) Data & Analytics
- Urgewald Coal and Gas Financiers Databases
- Global Energy Monitor (GEM)
- Company and Bank Websites and Reports
- News Articles
- Engagements with banks to disclose financial activities and relevant policies

The following 14 banks were included in this year's report:

- Asia United Bank (AUB)
- Bank of Commerce (BOC)
- Bank of the Philippine Islands (BPI)
- BDO Unibank (BDO)
- China Bank Corporation (China Bank)
- Development Bank of the Philippines (DBP)
- East West Banking Corporation (East West Bank)
- Land Bank of the Philippines (Land Bank)
- Metropolitan Bank & Trust Company (Metrobank)
- Philippine Bank of Communication (PBComm)
- Philippine National Bank (PNB)
- Rizal Commercial Banking Corporation (RCBC)
- Security Bank (Security Bank)
- Union Bank of the Philippines (Union Bank)

When assessing the banks' efforts, any financing activities of the commercial bank and the investment bank belonging to the same parent group were added together, and its policies were assumed to be the same between the two unless otherwise stated through public disclosures or direct engagements with the banks. For this year's report, Robinsons Bank was also no longer treated as a separate entity from BPI and any previous financing has been subsumed under BPI to reflect its merger with Robinsons Bank.⁶⁵

The 14 banks are assessed based on a two-part methodology: first, their financial exposure to coal, fossil gas, and RE-related activities on both the project and corporate level; and second, an assessment of their fossil fuel divestment and sustainability policies. The exposure and policy scores are then combined to arrive at an overall score which is then used to rank the 14 banks from relative dirtiest to relative cleanest. The methodologies for exposure scoring, policy scoring, and overall scoring are described below.

Exposure Scoring

The *Scorecard* assesses the fossil fuel exposure of each bank based on its share of the total value of financing and underwriting of securities provided for coal and fossil gas-related activities (coal and fossil gas development, operations, and other related projects) and for the general corporate financing of corporations with such activities before and after the declaration of the coal moratorium in October 2020. The same assessment is applied for a bank's renewable energy exposure from the enactment of the Renewable Energy Act of 2008 until the declaration of the coal moratorium in October 2020, and transactions entered after, respectively. The bank's exposure score is the weighted average of its coal and fossil gas exposure scores offset by its renewable energy exposure score and is computed using the following formula:

Table A1 lists the exposure scoring components which are given scores of 0 to 5 depending on the amount of financial exposure recorded for the bank relative to the total financing of all the banks per energy type and per period. Table A2 details the weights assigned to the different components to appropriately reflect each energy type and period's relative share to their respective totals.

⁶⁵ Bank of the Philippine Islands, "BPI and Robinsons Bank Notice of Merger". n.d. <https://www.bpi.com.ph/announcements/rbank-merger>.

Table A1. Exposure formula scoring

Term	Description	Formula and Criteria
C	The coal score pre-moratorium. A bank's score is based on its share of the total financing provided by banks covered in this report for all coal-related activities from 2009 to 2020.	$\frac{\text{Bank's coal pre-moratorium financing}}{\text{All banks total coal pre-moratorium financing}}$ <p>0: 0% 1: >0 - <5% 2: 5 - <10% 3: 10 - <20% 4: 20 - <30% 5: >=30%</p>
G	The gas score pre-moratorium. A bank's score is based on its share of the total financing provided by banks covered in this report for all gas-related activities for projects still in the pipeline from 2009 to 2020.	$\frac{\text{Bank's gas pre-moratorium financing}}{\text{All banks total gas pre-moratorium financing}}$ <p>0: 0% 1: >0 - <5% 2: 5 - <10% 3: 10 - <20% 4: 20 - <30% 5: >=30%</p>
REa	The renewable energy score pre-moratorium. A bank's score is based on its share of the total financing provided by banks covered in this report for all renewable energy-related activities from 2009 to 2020.	$\frac{\text{Bank's RE pre-moratorium financing}}{\text{All banks total RE pre-moratorium financing}}$ <p>0: 0% 1: >0 - <5% 2: 5 - <10% 3: 10 - <20% 4: 20 - <30% 5: >=30%</p>
FF	The combined coal and gas score post-moratorium. A bank's score is based on its share of the total financing provided by banks covered in this report for all coal and gas-related activities from 2021 to 2025.	$\frac{\text{Bank's Coal+Gas post-moratorium financing}}{\text{All banks total Coal+Gas post-moratorium financing}}$ <p>0: 0% 1: >0 - <5% 2: 5 - <10% 3: 10 - <20% 4: 20 - <30% 5: >=30%</p>
REz	The renewable energy score post-moratorium. Unlike the other scores, this is derived based on the share of renewable energy in the bank's overall (2009-2025) power portfolio to highlight the importance of displacing coal and gas.	$\frac{\text{Bank's total RE financing 2009-2025}}{\text{Bank's total Coal+Gas+RE financing 2009-2025}}$ <p>0: 0% 1: >0 - <30% 2: 30 - <55% 3: 55 - <75% 4: 75 - <90% 5: 90 - 100%</p>

Table A2. Exposure formula weights

Weight	Description	Formula
0.69	The weight assigned to the overall financing score pre-moratorium (2009-2020).	$\frac{\textit{Pre-moratorium years}}{\textit{Total years}}$
0.31	The weight assigned to the overall financing score post-moratorium (2021-2025).	$\frac{\textit{Post-moratorium years}}{\textit{Total years}}$
0.64	The weight of coal financing pre-moratorium. This figure is based on the average coal share in the coal and gas power mix from 2009 to 2020.	$\frac{\textit{PH Coal generation pre-moratorium}}{\textit{PH Coal + Gas generation pre-moratorium}}$
0.36	The weight of gas financing pre-moratorium. This figure is based on the average gas share in the coal and gas power mix from 2009 to 2020.	$\frac{\textit{PH Gas generation pre-moratorium}}{\textit{PH Coal + Gas generation pre-moratorium}}$
0.27	The weight of renewable energy financing pre-moratorium. This figure is based on the average renewable energy share of the overall generation mix from 2009 to 2020.	$\frac{\textit{PH RE generation pre-moratorium}}{\textit{Total PH generation pre-moratorium}}$
0.23	The weight of renewable energy post-moratorium. This figure is based on the average renewable energy share to the overall generation mix from 2021 to 2025.	$\frac{\textit{PH RE generation post-moratorium}}{\textit{Total PH generation post-moratorium}}$

The exposure formula was crafted to integrate and reflect local banks' contribution to coal, gas, and renewable energy financing. Coal and gas financing were separately taken into account to reflect banks' activities pre- and post-coal moratorium in October 2020. These variables aim to factor in the historical contribution of these banks to the development of coal and gas industries, and the direct and indirect harm inflicted upon affected communities and electricity consumers. Similarly, renewable energy financing before and after the coal moratorium pronouncement is accounted for separately to reflect each bank's response to the coal moratorium and what should have been a leap towards renewable energy growth instead of a diversion to fossil gas.

The criteria for after the coal moratorium imposition reflects the banks' response to the landmark national policy. As a major market signal across the finance and energy industries, the coal moratorium serves as a juncture between banks continuing in their dirty energy ways or steering the country towards greater renewable energy reliance, thereby reflecting each bank's progress in crowding out fossil fuel financing through funneling greater resources in renewable energy. The scores on coal, gas, and renewable energy financing are therefore treated separately according to whether the transaction occurred before or after the coal moratorium, which the financing data has reflected to be a crucial market signal.

Table A3. Pre-coal moratorium and post-coal moratorium formula components

$0.69(0.64C + 0.36G)(1 - 0.27\frac{REa}{5})$	<p>This portion of the overall formula reflects the pre-coal moratorium period. It seeks to capture the contribution of banks to the massive expansion of coal power and the initial fossil gas power projects built in the previous decade. Varying weights for coal and gas were applied to illustrate the graver impact of coal projects to the health, environment, and climate of communities and the cost of electricity, compared to fossil gas. The overall coal and gas exposure is tempered by a bank’s renewable energy exposure during the same period. Considering that financing in renewable energy cannot eradicate or prevent the negative impacts of operating coal and/or gas projects that the same bank financed, the formula limits the offsetting ability of renewable energy exposure to a factor of 0.27.</p> <p>An overall heftier weight of 0.69 was assigned to the premoratorium score as the 12 year period from 2009 to 2020 saw the massive expansion of coal and the establishment of the first few gas power plants. This weight also seeks to highlight the health, climate, and economic harms that these historical financial transactions continue to cause today.</p>
$0.31(FF - 0.23REz)$	<p>This portion meanwhile reflects the post-coal moratorium period. It seeks to capture how the banks have or continue to contribute to the intention of the coal moratorium. The moratorium should signal a renewable energy transition, and prevent a crowding out of renewables by fossil gas or any other false solutions. Considering this, coal and gas exposure are now given equal weight, and are likewise tempered by renewable energy with a limiting factor of 0.22. This in turn indicates that coal and gas investments do not have equal weights with renewable energy investments.</p> <p>The weight of 0.31 is assigned to the post-moratorium period as it has only been several years since it began. This weight has increased from the previous report and will continue to increase with the passing years as decisive climate action to divest away from coal and gas while ramping up renewable energy is crucial in this decade to keep global temperature increase below 1.5°C.</p>

Only loan financing by domestic banks for domestic energy projects, loan financing for general corporate purposes of domestic companies involved in energy projects, and securities issued by domestic companies involved in energy projects underwritten by domestic banks are included in the scorecard analysis. Any financing by banks for projects or companies outside the Philippines, as well as financing by foreign banks for domestic projects and companies, are not included in this report.

This report included coal financing recorded from 2009 to cover a decade of coal financing from the release of the first scorecard in 2020 as this decade saw a massive expansion of coal projects in the country. For fossil gas, post-moratorium deals concerning the expansion of upstream, midstream, and downstream fossil gas projects, LNG purchases, and related corporate financing were considered, in addition to any deals closed pre-moratorium concerning gas projects commissioned after 2020. For renewable energy, financing deals from 2009 were also included to determine the financing efforts for more RE projects in the country to displace fossil fuels since the enactment of the RE Law in 2009.

Bank shares for each deal were recorded and used to determine banks' contribution to overall coal, fossil gas and RE financing. In cases where bank shares were not disclosed, the total amount was divided equally among the participating banks. Similarly, if a bond has an oversubscription option, the oversubscription amount was divided equally among the banks involved.

For loans or underwriting provided by domestic banks for a power generation company's "general corporate purposes" without further information on its activity distribution, the company's latest revenue percentages from coal, gas, and renewable energy generation were used to distribute the total amount raised into the respective energy financing categories. Doing so acknowledges that any financing used for the company's general corporate purposes also supports the operation and growth of its energy generation activities. The company's revenue percentages per energy generation type were taken from Urgewald's 2025 Global Coal and Gas Exit Lists which reference publicly available annual reports, financial statements, and investor presentations of companies involved in coal and gas energy generation. It should be noted that financing or underwriting provided by domestic banks for "general corporate purposes" of the ultimate parent of the power generation company are not included in this analysis unless allocation is specified for use by its power generation subsidiary/es. This is due to the broader assumptions needed to account for the ultimate parent company's non-energy related subsidiaries if information on specific distribution is not available, which reduces confidence in the accuracy of analysis.

Bonds issued and underwritten in 2025 that are used to refinance older bonds are also included in this analysis. These are allocated to a bank's respective coal, gas, or renewable energy financing depending on the breakdown of the use of proceeds of the older bonds to be refinanced. Including underwriting for bond refinancing acknowledges the continuous support for business-as-usual or growth of the respective energy generation activities.

Additionally, any funds raised by a bank through its own issuance of green bonds or sustainability-linked bonds are not counted toward the bank's financing. This is to avoid double-counting with the same funds used for project financing of past or future RE projects, as these are recorded under the projects' respective recipient companies instead. However, sustainable financing programs of a bank such as green bonds and sustainability-linked bonds are still assessed as part of the bank's sustainability program scoring instead of its financial exposure scoring.

Lastly, the US Dollar amounts of all deals recorded were used for the *Scorecard's* analysis. If the respective US Dollar amount of the deal is not available on the official data sources listed previously in this methodology, then the Philippine Peso amount of the deal is converted to US Dollar by using the corresponding BSP's Daily Philippine Peso per US Dollar Rate listing for the date the deal was closed in 2025.

Policy Scoring

The banks included in this year's report were engaged to disclose their financial activities and relevant policies including, but not limited to:

- Policies restricting financing for coal and coal-related companies, projects, and operations;
- Policies restricting financing for fossil gas and fossil gas-related companies, projects, and operations;
- Specifics regarding the above policies, such as the restrictions imposed (in terms of amount, type, etc.) and the coal and fossil gas-related companies, projects, and operations covered;
- Policies regarding thresholds for exclusion of coal and fossil gas companies from investments or underwriting;

- Policies regarding the phase-out of coal and fossil gas investments, including a timeline, conditions, and other parts of the phase-out plan;
- Any commitment or policy that commits the bank’s business practices intending to limit global warming to 1.5°C;
- Engagement strategies applying to energy companies that detail how the bank influences or assists these companies to shift toward renewable energy sources;
- Publicly stated goals or policies that increase the bank’s renewable energy investments and underwriting, and financing of climate adaptation efforts;
- Financing targets for renewable energy;
- Financing mechanisms that would incentivize and support the development of small-scale or merchant renewable energy facilities and distributed renewable energy facilities, making them more accessible for households, communities, or local government units;
- Endorsements of the recommendations of the Task Force on Climate-related Financial Disclosures;
- Application of Bangko Sentral ng Pilipinas’ Sustainable Finance Taxonomy Guidelines, and compliance with the BSP’s requirements for Sustainable Finance Framework and Environmental and Social Risk and Management Systems; and
- Other relevant environmental pronouncements and policies, especially those regarding climate action and energy investments.

Out of the 14 banks that were sent written inquiries, only four responded to the queries: BPI, Metrobank, RCBC, and Asia United Bank. As to the responses, only policies and transactions that have been approved or implemented in 2025 were taken into account. Pronouncements and deals that were included in the response but are beyond the scope of this report will be considered for the next edition.

Requests for meetings with the banks were also made. The scores for banks that did not respond to requests for disclosures and meetings were based on available data from third party data providers and other sources previously mentioned such as annual reports, sustainability reports, policies, and other publicly available documents.

Banks were then scored from 0-5 depending on the assessment of the bank’s divestment and sustainability policies reviewed against a list of criteria found in Tables A4 and A5 at the end of the annex. The scores for its divestment and its sustainability policies are each averaged and included in the formula below as D and SP respectively in order to arrive at a final score, termed here as the Policy Factor. 0.4 and 0.2 were the weights assigned to the divestment and sustainability scores respectively, with the heavier weight given to the bank’s divestment policies for greater emphasis on proactive efforts to transition away from fossil fuels.

$$\text{Policy Factor} = 1 - 0.4 \frac{D}{5} - 0.2 \frac{SP}{5}$$

Scores for these criteria were updated from last year’s scoring based on new information obtained from various documents, such as the banks’ web pages, definitive or preliminary information statements (depending on the availability on the Philippine Dealing System Holdings Corporation website), reports, press releases, news articles, annual reports, Sustainability Finance Frameworks, and Environmental and Social Risk Management Systems.

These issuances were obtained through a data-restricted search, limited to results from January 2025 to December 2025, using a pool of predefined keywords. The search was iterated over each bank's full name and acronym. The first 30 results for each bank were subjected to an initial review for relevance to the scorecard criteria. This process resulted in multiple documents which were then individually reviewed for relevant information. The longer documents were subjected to a keyword search using predefined keywords, while the shorter ones were read in full. Any relevant information was extracted and tabulated under the pertinent criterion in both cases.

In assessing the engagement strategy of banks with fossil fuel companies, we emphasize that these financial institutions must be influencing companies to align with the Paris Agreement. Furthermore, this engagement strategy must at least have a public pronouncement sans written, board-approved policy. Without any of these, we grade the banks a zero.

Overall Scoring

A bank's Overall Score is calculated by multiplying its Exposure Score by its Policy Factor. The result is a comparative assessment of the 14 banks' fossil fuel exposures weighed against their renewable energy exposures and assessment of their fossil fuel divestment and sustainability policies. The Overall Score is as follows:

$$\text{Overall Score} = [0.69(0.64C + 0.36G)(1 - 0.27\frac{REa}{5}) + 0.31(FF - 0.23REz)](1 - 0.4\frac{D}{5} - 0.2\frac{SP}{5})$$

Overall, the scorecard tool emphasizes the importance of ending coal financing, not contributing to fossil gas expansion, and contributing to 100% renewable energy and sustainable development, without diminishing the historical and current contribution of each of the banks to fossil fuel expansion in the country. Its use is guided by the practice of similar pioneering international coal divestment initiatives such as Unfriend Coal in the insurance sector, and Banking on Climate Chaos in the banking sector.

Table A4. Divestment Policy Scoring Criteria

Assessment	Scoring and Criteria
Does the bank have a clear and public policy restricting financing for coal?	<p>5.0 - has adopted an official written policy, framework, interim targets and currently in the implementation stage for coal</p> <p>4.0 - has adopted an official written policy, framework, and interim targets for coal</p> <p>3.0 - has adopted an official written policy and comprehensive framework for coal</p> <p>2.0 - has adopted an official written policy or resolution for coal</p> <p>1.0 - made an oral public pronouncement for coal</p> <p>0 - no pronouncement or policy in this regard</p>
Does the bank have a clear and public policy restricting financing for fossil gas?	<p>5.0 - has adopted an official written policy, framework, interim targets and currently in the implementation stage for fossil gas</p> <p>4.0 - has adopted an official written policy, framework, and interim targets for fossil gas</p> <p>3.0 - has adopted an official written policy and comprehensive framework for fossil gas</p> <p>2.0 - has adopted an official written policy or resolution for fossil gas</p> <p>1.0 - made an oral public pronouncement for fossil gas</p> <p>0.0 - no pronouncement or policy in this regard</p>

Does the policy impose restrictions on the financing for any of the following coal-related operations, projects, or companies?	Average of the scores below
Coal mining special purpose vehicle	<p>5.0 - Policy applies to all types of possible financing & prohibits any amount therefore.</p> <p>4.0 - Policy applies to all types of financing but for at least 1 type of financing, allows a limited amount with additional restrictions.</p> <p>3.0 - 1 type of financing is still allowed, without restriction, while other types covered have limitations. Some exceptions in restriction also exist based on size, revenue, etc. of the coal ops.</p> <p>2.0 - 2 types of financing are still allowed, w/o restriction, while other covered types allow a limited amount. Many exceptions in restriction also exist based on size, revenue, etc. of the coal ops.</p> <p>1.0 - All types of financing are still allowed but subject to certain loose restrictions depending on project specifics. Many exceptions in restriction also exist based on size, revenue, etc. of the coal ops.</p> <p>0 - No DP exists for the operation in question.</p>
Coal exploration	
Coal development and production	
Import, export or local transport of coal	
Coal mining engineering, procurement, and construction	
Coal plant engineering, procurement, and construction	
Coal plant operations and management	
Coal plant special purpose vehicle	
Holding and mother companies involved in coal development	
Does the policy impose restrictions on the financing for any of the following gas-related operations, projects, or companies?	Average of the scores below
Fossil gas exploration, development and production special purpose vehicle	<p>5.0 - Policy applies to all types of possible financing & prohibits any amount therefore.</p> <p>4.0 - Policy applies to all types of financing but for at least 1 type of financing, allows a limited amount with additional restrictions.</p> <p>3.0 - 1 type of financing is still allowed, without restriction, while other types covered have limitations. Some exceptions in restriction also exist based on size, revenue, etc. of the fossil gas ops.</p> <p>2.0 - 2 types of financing are still allowed, w/o restriction, while other covered types allow a limited amount. Many exceptions in restriction also exist based on size, revenue, etc. of the fossil gas ops.</p> <p>1.0 - All types of financing are still allowed but subject to certain loose restrictions depending on project specifics. Many exceptions in restriction also exist based on size, revenue, etc. of the coal ops.</p> <p>0 - No DP exists for the operation in question</p>
Fossil gas exploration	
Fossil gas development and production	
Import, export or local transport of fossil gas	
Fossil gas upstream engineering, procurement, and construction	
Fossil gas plant engineering, procurement, and construction	
Fossil gas plant operations and management	
Fossil gas plant special purpose vehicle	
Holding and mother companies involved in fossil gas development	
What policy thresholds are used to define companies that are subject to divestment?	Average of the scores below

Coal share of revenue exceeds 40% of its total revenue	5.0 - Thresholds are even more stringent than those prescribed in this briefier. 4.0 - Thresholds are identical to those prescribed by this* briefier. 3.0 - Threshold exists but are less stringent than those prescribed. 2.0 - Threshold exists but are vague and loose so as to exempt major coal companies from exclusion. 1.0 - Some guidelines exist as to how companies can be considered for divestment but are vague & do not automatically classify the company in question as subject for divestment. 0 - No exclusion threshold exists at all nor similar guidelines.
Coal share of installed capacity exceeds 40% of its total capacity	
Annual coal production exceeds 1.657 MMt	
Coal-fired capacity exceeds 1.059 GW	
Plans for coal mining expansion	
Plans for coal power expansion	
Plans for coal infrastructure expansion	
Other less stringent threshold	
What policy thresholds are used to define fossil gas companies that are subject to divestment?	Average of the scores below
Fossil gas share of installed capacity exceeds 40% of its total capacity	5.0 - Thresholds are even more stringent than those prescribed in this briefier. 4.0 - Thresholds are identical to those prescribed by this* briefier. 3.0 - Thresholds exists but are less stringent than those prescribed. 2.0 - Threshold exists but are vague and loose so as to exempt major coal companies from exclusion. 1.0 - Some guidelines exist as to how companies can be considered for divestment but are vague & do not automatically classify the company in question as subject for divestment. 0 - No exclusion threshold exists at all nor similar guidelines.
Annual fossil gas production exceeds 942 mcm (1.657 MMt)	
Fossil gas-fired capacity exceeds 1.059 GW	
Plans for fossil gas upstream expansion	
Plans for fossil gas power expansion	
Plans for fossil gas infrastructure (including import/export, transmission, distribution, transport, pipeline) expansion or conversion	
Other less stringent threshold	
Does the bank have a comprehensive no-expansion policy (NEP) for coal projects?	Average of the scores below
Does the policy include a commitment to refrain from investments in and financing of expansions of existing coal operations/projects?	5.0 - No expansion policy (NEP) completely prohibits any & all types of financing of any amount for expansion projects of coal projects. 4.0 - NEP exists, covering all types of coal financing but allows for limited funding of EPs for some type of finance. 3.0 - NEP exists but does not cover 1 kind of financing; some covered financing types are still allowed but with limitations for coal. 2.0 - NEP exists but does not cover 2 kinds of financing for coal; some of the covered types are also allowed but subject to limitations; some loopholes and exceptions are also present. 1.0 - NEP exists but allows for 3 or more types of financing without restriction for both coal; those types of financing covered are not completely prohibited, with only certain limitations; Numerous loopholes and exceptions are also allowed. 0 - NEP does not exist.
Does the policy cover all types of coal projects and operations?	
Does the bank have a comprehensive no-expansion policy (NEP) for fossil gas projects?	Average of the scores below

<p>Does the policy include a commitment to refrain from investments in and financing of expansions of existing fossil gas operations/projects?</p>	<p>5.0 - No expansion policy (NEP) completely prohibits any & all types of financing of any amount for expansion projects of fossil gas projects.</p> <p>4.0 - NEP exists, covering all types of fossil gas financing but allows for limited funding of EPs for some type of finance.</p>
<p>Does the policy cover all types of fossil gas projects and operations?</p>	<p>3.0 - NEP exists but does not cover 1 kind of financing; some covered financing types are still allowed but with limitations for fossil gas.</p> <p>2.0 - NEP exists but does not cover 2 kinds of financing for fossil gas; some of the covered types are also allowed but subject to limitations; some loopholes and exceptions are also present.</p> <p>1.0 - NEP exists but allows for 3 or more types of financing without restriction for fossil gas; those types of financing covered are not completely prohibited, with only certain limitations; Numerous loopholes and exceptions are also allowed.</p> <p>0 - NEP does not exist.</p>
<p>Does the policy include a full phase-out of all investments and financing of coal and/or fossil gas?</p>	<p>5.0 - Phase-out policy exists, covering all types of financing and investments in coal and fossil gas.</p> <p>4.5 - Phase-out policy exists, covering all types of financing and investments either in coal or fossil gas.</p> <p>4.0 - Phase-out policy exists, covering all types of financing and investments in both coal and fossil gas, however some covered types only diminish the size of financing and/or investment.</p> <p>3.5 - Phase-out policy exists, covering all types of financing and investments in either coal or fossil gas, however some covered types only diminish the size of financing and/or investment.</p> <p>3.0 - Phase-out policy exists but does not cover one (1) type of financing or investments for both coal and fossil gas; other covered types may only be diminished in terms of size and/or other terms;</p> <p>2.5 - Phase-out policy exists but does not cover one (1) type of financing or investments for either coal or fossil gas; other covered types may only be diminished in terms of size and/or other terms;</p> <p>2.0 - Phase-out policy exists but does not cover two (2) types of financing or investments in both coal and fossil gas; other covered types may only be diminished in terms of size and/or other terms. Some exceptions to the phase out policy coverage.</p> <p>1.5 - Phase-out policy exists but does not cover two (2) types of financing or investments in either coal or fossil gas; other covered types may only be diminished in terms of size and/or other terms. Some exceptions to the phase out policy coverage.</p> <p>1.0 - Phase-out policy exists but allows for three (3) or more types of financing or investment for both coal and fossil gas, with loose limitations on the amount of finance for covered types. Numerous loopholes and exceptions are also allowed.</p> <p>.5 - Phase-out policy exists but allows for three (3) or more types of financing or investment for either coal or fossil gas, with loose limitations on the amount of finance for covered types. Numerous loopholes and exceptions are also allowed.</p> <p>0.0 - No phase-out policy exists</p>

<p>Does the phase-out policy cover all types of coal and fossil gas projects and operations?</p>	<p>5.0 - Phase-out policy covers all kinds of coal and fossil gas operations and includes a phase-out of investments from parent companies indirectly involved in coal or fossil gas development</p> <p>4.5 - Phase-out policy covers all kinds of either coal or fossil gas operations and includes a phase-out of investments from parent companies indirectly involved in coal or fossil gas development</p> <p>4.0 - Phase-out policy exists, covering all types of both coal and fossil gas operations and projects but does not include a phase-out from mother companies indirectly involved in coal or fossil gas development</p> <p>3.5 - Phase-out policy exists, covering all types of either coal or fossil gas operations and projects but does not include a phase-out from mother companies indirectly involved in coal or fossil gas development</p> <p>3.0 - Phase-out policy exists but does not cover at most two (2) types of both coal and fossil gas operations or projects; neither does it cover companies indirectly involved in coal or fossil gas development; some covered types of coal or fossil gas operations only involve a partial phase out.</p> <p>2.5 - Phase-out policy exists but does not cover at most two (2) types of either coal or fossil gas operations or projects; neither does it cover companies indirectly involved in coal or fossil gas development; some covered types of coal or fossil gas operations only involve a partial phase out.</p> <p>2.0 - Phase-out policy exists but leaves out three (3) types of both coal and fossil gas operations, projects; neither does it cover companies indirectly involved in coal or fossil gas development; all covered types of coal or fossil gas operations only involve a partial phase out. Some significant exceptions are present to the phase out policy coverage.</p> <p>1.5 - Phase-out policy exists but leaves out three (3) types of either coal or fossil gas operations, projects; neither does it cover companies indirectly involved in coal or fossil gas development; all covered types of coal or fossil gas operations only involve a partial phase out. Some significant exceptions are present to the phase out policy coverage.</p> <p>1.0 - Phase-out policy exists but leaves out at least three (3) types of coal and fossil gas operations, projects; neither does it cover companies indirectly involved in coal development; all covered types of coal or fossil gas operations only involve a partial phase out. Some significant exceptions are present to the phase of policy coverage. Numerous loopholes and exceptions are also allowed.</p> <p>.5 - Phase-out policy exists but leaves out at least three (3) types of either coal or fossil gas operations, projects; neither does it cover companies indirectly involved in coal development; all covered types of coal operations only involve a partial phase out. Some significant exceptions are present to the phase of policy coverage. Numerous loopholes and exceptions are also allowed.</p> <p>0.0 - No phase-out policy exists</p>
<p>Does the bank commit to gradually tighten its exclusion threshold and has a timeline of implementation in order to achieve a full phase-out by Paris compliant science-based deadlines?</p>	<p>5.0 - Bank has binding commitment to tighten exclusion thresholds to achieve a full phase out together with a timeline of implementing related policies thereof so as to achieve a full phase out by Paris compliant science-based deadlines</p> <p>2.5 - Bank has some plan to tighten exclusion thresholds and implement other related policies but its timeline is not consistent with Paris compliant science based deadlines and/or will not achieve a full phase out of coal by then</p> <p>0 - No commitment exists to gradually tighten thresholds nor have a phase-out policy timeline</p>

<p>Does the bank require from other coal and/or fossil gas companies or companies engaged in coal or fossil gas operations and/or projects that do not fit into the exclusion threshold to adopt a coal or fossil gas phase-out plan by Paris compliant science-based deadlines?</p>	<p>5.0 - Requirements exist and compel both coal and fossil gas companies to adopt a phase-out plan.</p> <p>4.0 - Requirements exist and compel either coal or fossil gas companies to adopt a phase-out plan.</p> <p>3.0 - Some requirements exist covering some coal and fossil gas companies but may not include a complete phase out.</p> <p>2.0 - Some requirements exist covering some coal or some fossil gas companies but may not include a complete phase out.</p> <p>1.0 - Some requirements exist covering some companies but may not include a complete phase out.</p> <p>0 - No requirements exist</p>
<p>Does the bank disclose any of the following information?</p>	<p>Average of the scores below</p>
<p>Amount invested in coal and fossil gas companies or companies engaged in coal or fossil gas-related operations OR commits to disclose it</p>	<p>5.0 - Complete & swift disclosure.</p> <p>2.5 - Partial disclosure w/ limited accessibility.</p> <p>0 - Refused disclosure.</p>
<p>Amount invested in coal or fossil gas related operations or projects OR commits to disclose it</p>	
<p>Amount divested from coal or fossil gas companies or companies engaged in coal-related operations OR commits to disclose it</p>	
<p>Amount divested from coal or fossil gas-related operations or projects OR commits to disclose it</p>	

Table A5. Sustainability Policy Scoring Criteria

Assessment	Scoring and Criteria
Has the bank committed to align its business practices with the objective of limiting global warming to 1.5°C?	<p>5.0 - Bank has a comprehensive program to fund climate initiatives, incentivize financing for projects and change internal and external business activities which help achieve the target of limiting global warming to 1.5 °C</p> <p>2.5 - Bank has some program or initiative that indirectly helps in the achievement of the global warming target</p> <p>0 - Bank has no commitment in this regard</p>
Does the bank have an engagement strategy that applies to any of the following coal or fossil gas companies or investments towards Paris alignment?	Average of the scores below
Companies that it invests in	<p>5.0 - Bank has a comprehensive policies and a systematic strategy to actively influence all coal or fossil gas companies it services or invests in</p> <p>4.0 - Bank has some policies and a general strategy to influence and engage selected coal and fossil gas companies it services or invested in</p> <p>3.0 - Bank has some policies and a general strategy to influence and engage selected coal or fossil gas companies it services or invested in</p> <p>2.0 - Bank has an indirect, informal or non-binding initiative when engaging all coal or fossil gas companies it services or invested in</p> <p>1.0 - Bank is planning to formulate and implement an engagement strategy for serviced/invested coal or fossil gas companies</p> <p>0 - Bank has no initiative in this regard</p>
Companies that it underwrites	
Companies with assets that it manages	
Has set public demands for its engagements	<p>5.0 - Bank has systematically included public demands regarding climate action, health and environmental concerns in all engagement strategies</p> <p>2.5 - Bank has included some public demands regarding climate, health and environment in some of its engagement strategies</p> <p>0 - Bank has not included public demands at all</p>
The demands are time-bound	<p>5.0 - Bank engagement strategy is time-bound, aligned with the time frame of limiting global warming by 2030 and 2050</p> <p>2.5 - Bank's strategy is time bound but is not aligned with the timeframe of limiting global warming by 2030 and 2050</p> <p>0 - Bank has no timeframe in this regard</p>
The bank publishes the result of its engagements.	<p>5.0 - Bank engagement strategy is published and is publicly accessible</p> <p>2.5 - Bank's strategy is published albeit not immediately publicly accessible or is only an internal document</p> <p>0 - Bank does not publish results of its engagement</p>
Does the bank have an engagement strategy or financing framework that incentivizes and aids projects related to climate, environment or renewable energy?	Average of the scores below

Climate adaptation, mitigation or resiliency	5.0 - Bank has comprehensive policies and a systematic engagement strategy or framework which increases, incentivizes, and eases funding for climate adaptation, mitigation, or resilience
Environment: pollution, waste, rehabilitation, etc.	4.0 - Bank provides for some incentives for such projects but this is neither systematic or comprehensive
Renewable energy	3.0 - Bank has a strategy or framework which promotes these initiatives and influences project proponents but does not effectively increase allocation of funds therein nor provide financial incentives therefor 2.0 - Bank has an indirect, informal or non-binding initiative when engaging project proponents in this regard 1.0 - Bank is planning to formulate and implement an engagement strategy for serviced/invested companies 0 - Bank has no initiative in this regard
Does the bank have any of the following publicly-stated goals on renewable energy?	Average of the scores below
Increase renewable energy investments (debt and equity)	5.0 - Bank has a publicly stated and binding resolution along with a concrete plan to systematically increase their renewable energy financing by 30% in 10 years
Increase renewable energy underwriting	4.0 - Bank has publicly stated resolution to systematically increase their renewable energy financing by 30% in 10 years but is non-binding
Increase other types of financing for renewable energy	3.0 - Bank has a publicly stated resolution to increase renewable energy financing but is non-binding and does not give specific targets as to the increase 2.0 - Bank has made public pronouncements to increase renewable energy financing with a target increase and timeline 1.0 - Bank has made some public pronouncement to increase renewable energy financing but is vague on the targets and timeframe 0 - Bank has no initiative in this regard
Does the bank have any of the following publicly-stated goals on climate adaptation?	Average of the scores below
Increase climate adaptation investments (debt and equity)	5.0 - Bank has a publicly stated and binding resolution along with a concrete plan to systematically increase their climate adaptation financing by 30% in 10 years
Increase climate adaptation underwriting	4.0 - Bank has publicly stated resolution to systematically increase their climate adaptation financing by 30% in 10 years but is non-binding
Increase other types of financing for climate adaptation	3.0 - Bank has a publicly stated resolution to increase climate adaptation financing but is non-binding and does not give specific targets as to the increase 2.0 - Bank has made public pronouncements to increase climate adaptation financing with a target increase and timeline 1.0 - Bank has made some public pronouncement to increase climate adaptation financing but is vague on the targets and timeframe 0 - Bank has no initiative in this regard
Does the bank have policies or mechanisms for small-scale and/or merchant renewable energy facilities?	5.0 - Bank has a comprehensive program or financing mechanism for small scale and/or merchant renewable energy facilities 2.5 - Bank has some program or initiative that indirectly supports for small scale and/or merchant renewable energy facilities 0 - Bank has no commitment in this regard
Does the bank have policies or mechanisms to make renewable energy more accessible for DRE, households, communities or local government units?	5.0 - Bank has a comprehensive program or financing mechanism for small scale renewable energy facilities or to make renewable energy more accessible for households, communities or local government units 2.5 - Bank has some program or initiative that indirectly supports small scale renewable energy facilities or makes renewable energy more accessible for households, communities or local government units 0 - Bank has no commitment in this regard

Does the bank consider recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and disclose scope 3 emissions?	Average of the scores below
Has the bank endorsed the final recommendations of the TCFD and incorporated them into existing financial reports, or in the bank's next financial report?	5.0 - Bank has endorsed and adopted TCFD recommendations, incorporating them into all financial reports and disclosures 2.5 - Bank has endorsed some recommendations but does not disclose all needed information in all reports 0 - Bank has not endorsed any TCFD recommendations
Does this reporting include or will include the disclosure of scope 3 emissions?	5.0 - Bank includes disclosure of Scope 3 emissions from all possible sources in all reports 2.5 - Bank includes some disclosure of Scope 3 emissions in some reports 0 - Bank does not disclose Scope 3 emissions
Does the bank have comprehensive policies that address ecological or climate-related needs?	Average of the scores below
Does the bank have any environmental policies which help contribute to making its business practices more ecologically sound?	5.0 - Bank has a systematic and comprehensive environmental policies which address practices regarding energy, emissions, waste, etc. 2.5 - Bank has some policies in this regard but is not comprehensive 0 - Bank has no policy at all in this regard
Does the bank have any sustainability policies which help respond to ecological or climate-related needs?	
Has the bank complied with BSP's Sustainable Finance Framework and Environmental and Social Risk Management System Requirements, and incorporated them into existing financial reports?	Average of the scores below
Minimum supervisory expectations on the ESRM system	5.0 - The bank has published a Sustainable Finance Framework and Environmental and Social Risk Management System and was able to meet all expectations and/or requirements.
Disclosure Requirements	4.0 - The bank has published a Sustainable Finance Framework and Environmental and Social Risk Management System but has only met the majority of the expectations or disclosure requirements. 3.0 - The bank has published a Sustainable Finance Framework and Environmental and Social Risk Management System, and has complied with some of the expectations or disclosure requirements. 2.0 - The bank has published a Sustainable Finance Framework and/or Environmental and Social Risk Management System, but was only able to meet some of the expectations. 1.0 - The bank has published a Sustainable Finance Framework and/or Environmental and Social Risk Management System, but was not able to meet any of the expectations or disclosure requirements. 0 - Bank has not published a Sustainable Finance Framework and/or Environmental and Social Risk Management Systems at all.

