

IIMA Webinar

How to Accelerate Decarbonization in Asia

5 November, 2024
MUFG Bank, Ltd.



MUFG Credentials

2024 MUFG Green, Sustainability-Linked Loan Credentials in Asia



Royal Golden Eagle
USD 1,000 Million
Sustainability-Linked
Credit Facility

Sustainable Finance
Advisor, Bookrunner &
MLA
January 2024,
Singapore



ThaiBev
THB 10,000 Million
Sustainability-Linked
Loan Facility

Sustainability
Coordinator and Lender
March 2024, Thailand



**PT IMG Sejahtera
Langgeng**
USD 450 Million Loan
(green tranche of
USD 225.8mn)

MLAB, Green Loan
Coordinator

May 2024, Indonesia



Wisdom Leasing
CNY 1.12 Billion
Sustainability-Linked
Loan

MLAB, Sustainability
Coordinator
February 2024, China



DFI Group
HKD 1.8 Billion
Sustainability-Linked
Loan

MLAB, Sustainability
Coordinator
March 2024, Hong Kong



**Adani Green Energy
Limited**
USD 400 Million
Green Loan

MLA, Green Loan
Coordinator

May 2024, India



Super Record
EUR 3,800 Million
Sustainability-Linked
RCF

MLA
March 2024, Hong Kong



**PT Federal
International Finance**
USD 60 Million
Sustainability Loan

Sustainability
Coordinator
April 2024, Indonesia



**Republic of Indonesia
Limited**
USD 2.35 Billion Sukuk
(1 green tranche of
USD 600million)

Joint Bookrunner, Joint
Green Structuring Advisor

June 2024, Indonesia



Trafigura
JPY 123,900 Million
Sustainability-Linked
Samurai Term Loan

Bookrunner & MLA
March 2024, Singapore



AdaniConnex
USD 875 Million
Sustainability-Linked
Loan

MLA, Sustainability
Coordinator
April 2024, India

APAC SUSTAINABLE FINANCE LOAN MANDATED ARRANGER LEAGUE TABLES 1H24

Rank	Bookrunner & MLA	# Deals	Volume (USDm)
1	Mizuho	45	6,360
2	MUFG	40	3,680
3	OCBC	30	3,391
4	SMBC	33	2,780
5	DBS	28	2,617
6	State Bank of India	5	2,505
7	Bank of China	32	2,120
8	Hua Nan Financial Holdings	24	1,833
9	Standard Chartered	14	1,759
10	UOB	17	1,755

MUFG NAMED BEST SOCIAL IMPACT ADVISOR & SUSTAINABLE BANK



Best Social Impact Advisor
The Asset Triple A Sustainable Capital Markets Award 2023



Best Sustainable Finance Advisor
The Asset Triple A Sustainable Capital Markets Award 2022



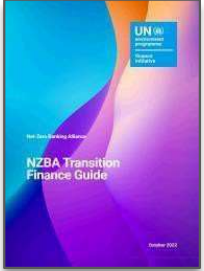
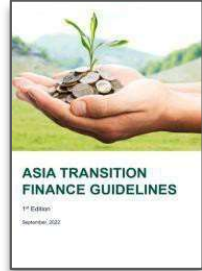
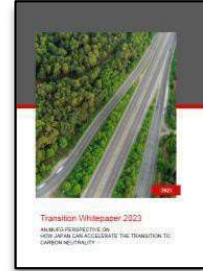

Best Sustainable Bank
Indonesia, Singapore, Malaysia, Thailand



Best Sustainable Bank
Hong Kong, India, Indonesia, Singapore, Taiwan, Thailand

Source: MUFG, LoanConnector, Bloomberg, The Asset, FinanceAsia

MUFG's Rulemaking & Advocacy - Transition Finance

	Net Zero Banking Alliance (NZBA)	Asia Transition Finance Study Group(ATFSG)	MUFG Transition Whitepaper	MUFG Asia Transition Whitepaper 2023
What	Global banking alliance	Regional initiative by financial institutions	In-depth analysis of Japan's climate strategy	Analysis on ways to mobilize financing towards Asia's power sector decarbonization
Who	145 banks from 44 countries	over 30 members (mainly banks) and observers	MUFG	MUFG
Publishment on Transition Finance	Principles to establish bank-specific transition finance framework	Practical guidelines to assess individual cases for financing	An MUFG perspective on how Japanese companies are moving towards carbon neutrality	An MUFG analysis on how to support the decarbonization efforts in Asia's power sector (with case studies on Indonesia and Thailand)
				

MUFG Transition Whitepaper Series

Whitepaper 1.0 (2022)



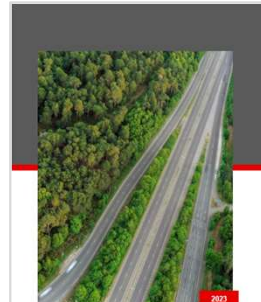
Transition Whitepaper 2022
AN MUFG PERSPECTIVE ON HOW
JAPANESE COMPANIES ARE MOVING
TOWARDS CARBON NEUTRALITY

"Difference" in regional characteristics

CN drivers across industries

Different path to carbon neutrality (CN) by country due to regional characteristics

Whitepaper 2.0 (2023)



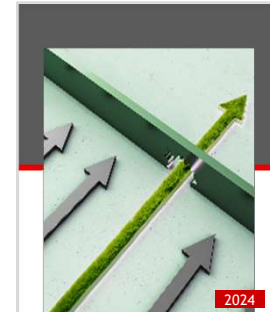
Transition Whitepaper 2023
AN MUFG PERSPECTIVE ON
HOW JAPAN CAN ACCELERATE THE TRANSITION TO
CARBON NEUTRALITY

"Difference" in policy support approach

Electricity and heat (list of positive technologies)

Different approaches and policy structures to CN promoted by each country

Whitepaper 3.0 (2024)



Transition Whitepaper 2024

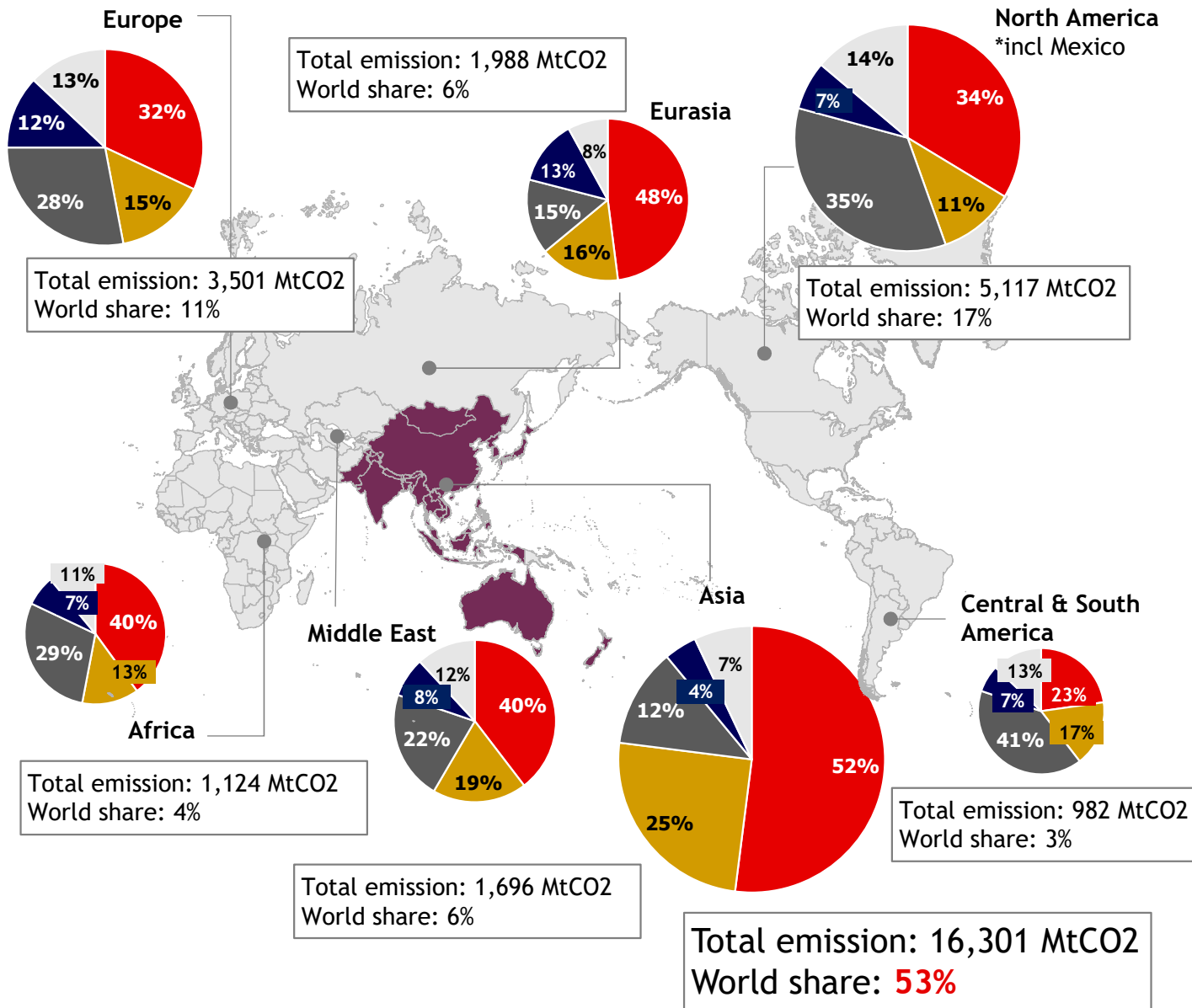
Price pass-through/global collaboration

Technology options expansion & assessment/
Ensuring the economic viability of technology

Common challenges in price pass-through of CN technologies, faced by Europe, U.S. and Japan

CO2 emissions globally by region and by source, Mt (2020)

Electricity and heat producers Industry Transport Residential Others



APAC region has a significant role to play in the pursuit of net-zero emissions:

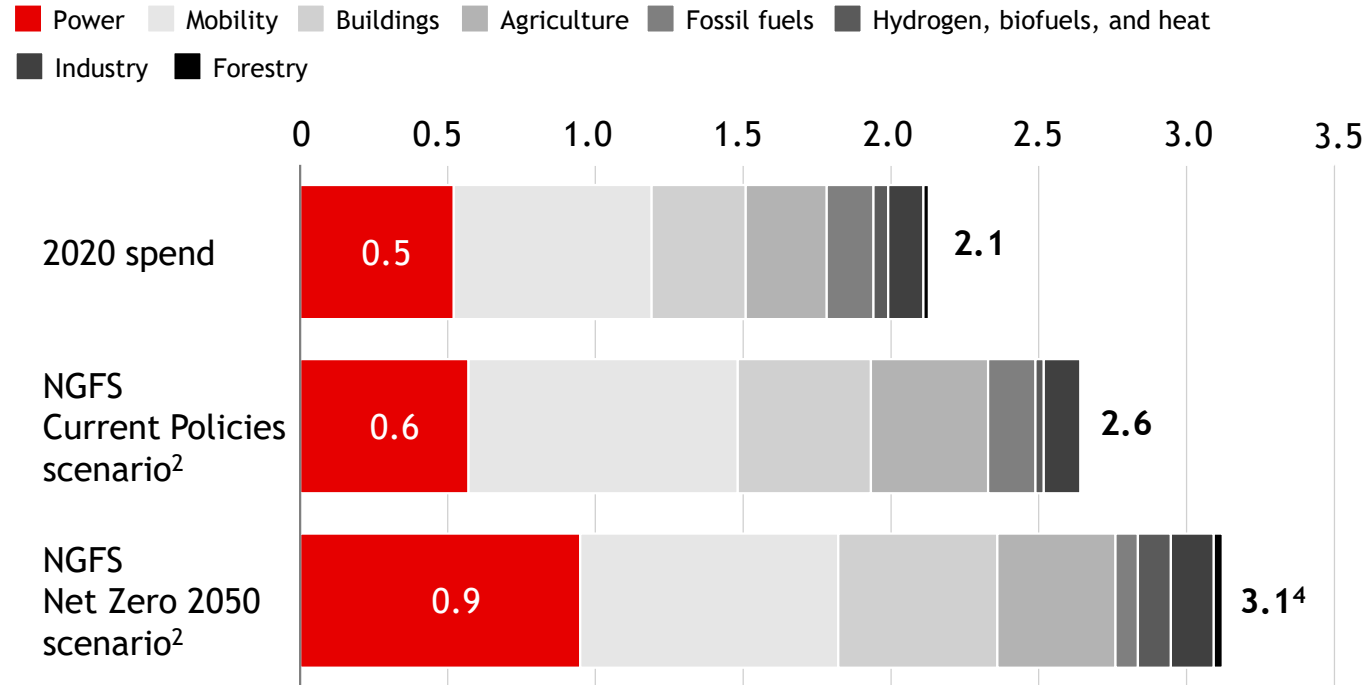
- Contributes >50% of the world's GHG emissions
- Emissions from power sector represents >50% of total emissions in APAC
- 80% of APAC countries committed to Net Zero
- Home to 60% of global population

Power sector in APAC accounts for >25% of global CO2 emissions

APAC¹: Average annual spend on physical assets for energy and land-use systems

AS OF JANUARY 2022

2021-50, USD trillion



Cumulative spend, 2021-50:

~ USD 80 trillion
~ USD 95 trillion

1. All countries in Asia Pacific region excluding Australia and New Zealand
2. The Network of Central Banks and Supervisors for Greening the Financial System (NGFS)
3. Multi-lateral Development Banks
4. USD 1.7 trillion p.a. required for APAC (excl. China)

Source: The net-zero transition: What it would cost, what it could bring, McKinsey Global Institute, 2022. Based on the NGFS Net Zero 2050 scenario, a hypothetical scenario and not a projection.

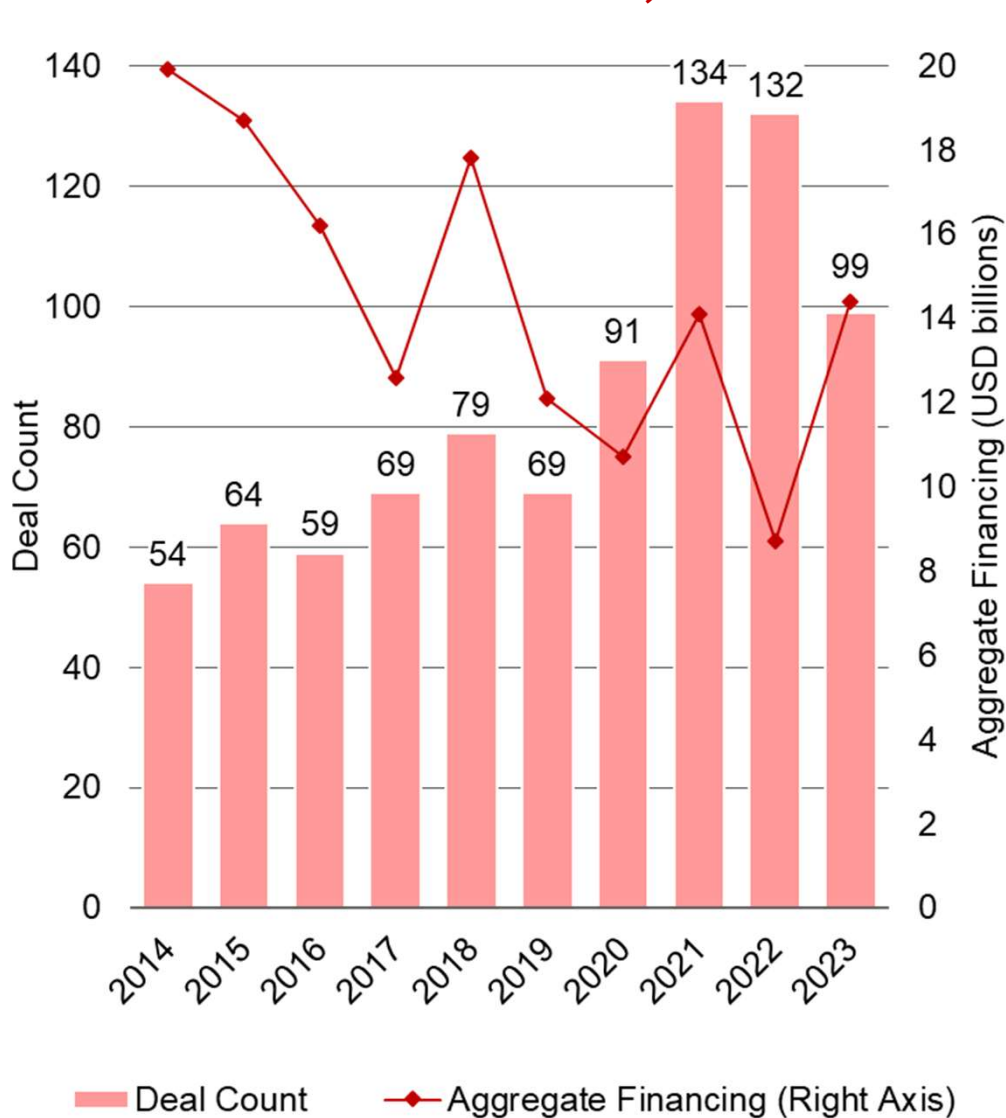
MUFG Asia Transition White paper 2023

Annual spending on physical assets in APAC would rise to **USD 3.1 trillion** under a Net Zero 2050 scenario

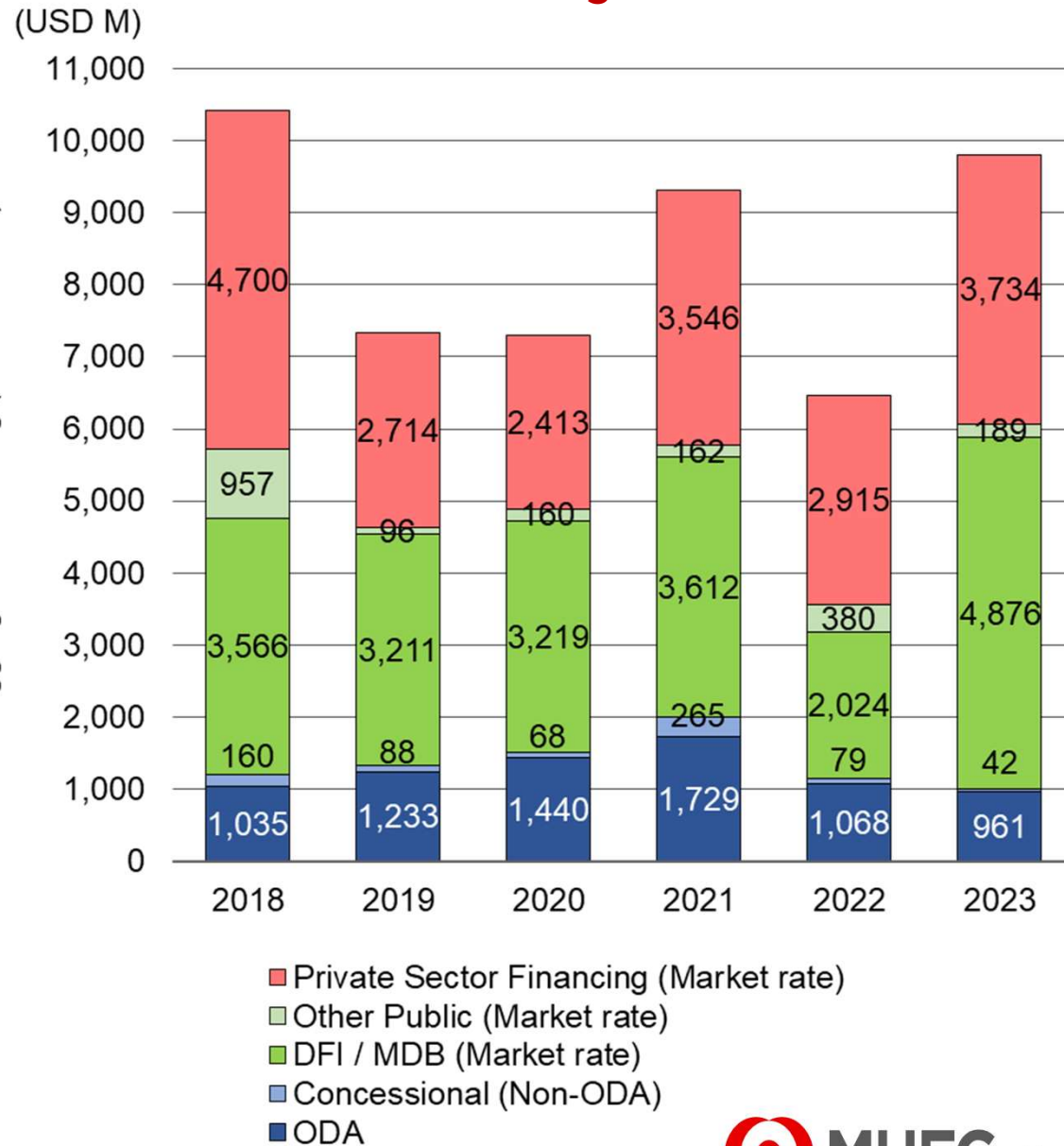
Financial institutions (including MDBs³) will play a critical role in meeting the USD 3.1 trillion annual investment gap to meet Net Zero

Trends of Blended Finance

Blended finance market, 2014-2023



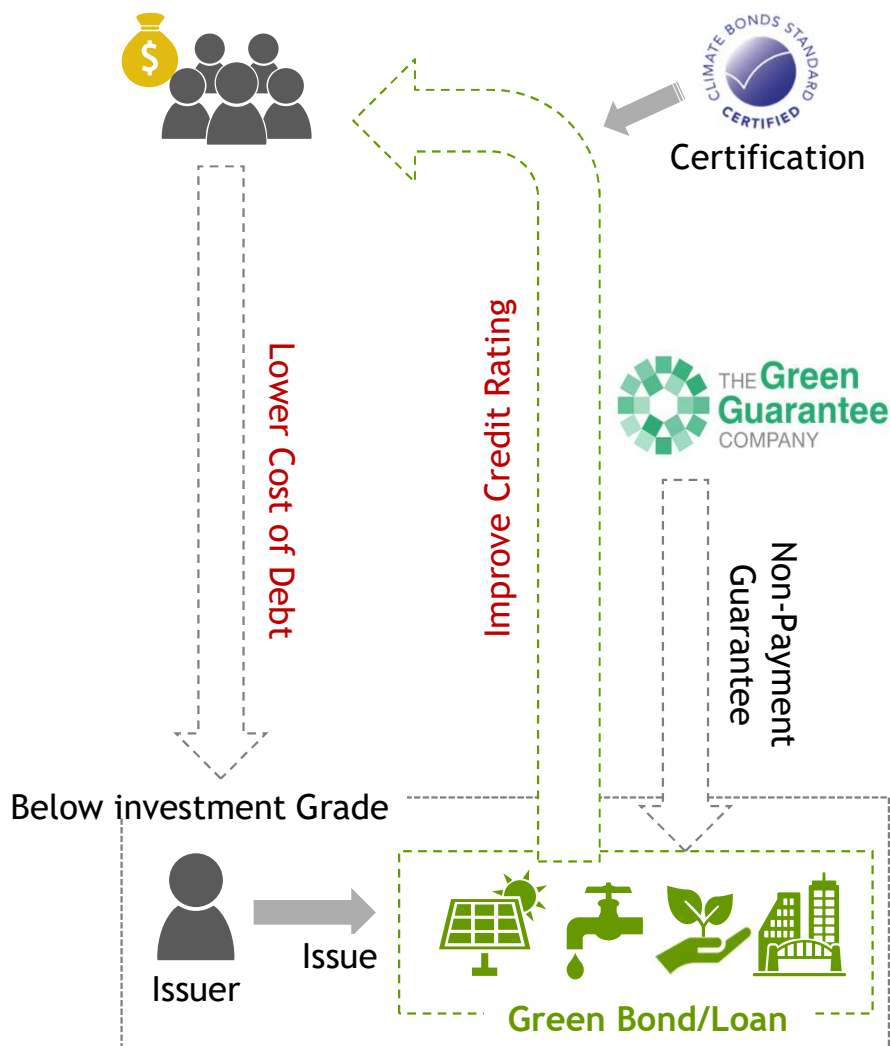
Sources of Financing to Blended Finance



Source: "State of Blended Finance 2024", published by Convergence

– The Green Guarantee Company (“GGC”) is the first ever global institution dedicated to **providing guarantees for climate bonds in Emerging and Developing Economies**

Global Capital Market



■ GGC’s shareholder

GCF (\$40mn), UK FCDO, the Nigeria Sovereign Investment Authority, USAID with Prosper Africa, and Norfund.

GGC will leverage an initial \$100 million from these investors to **provide up to \$1 billion of guarantees**

■ GGC’s role

100% cover (principle) up to \$50mm per transaction

■ GGC’s international credit rating

BBB (Fitch) allows it to provide investment grade guarantees

■ Target Sectors

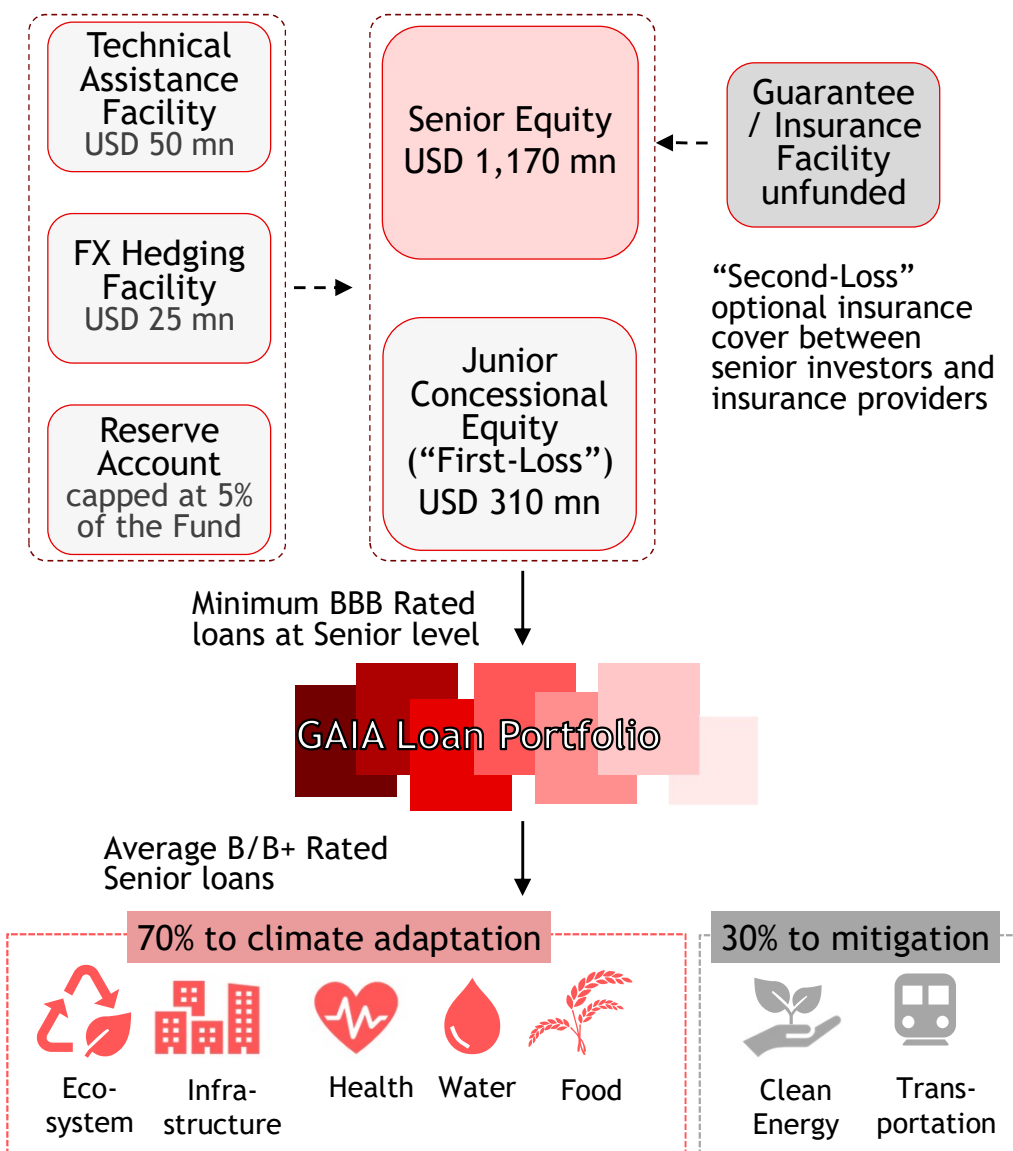
Energy, Transport, Water & Nature Based Solutions, Energy Efficient Buildings, and Waste & Pollution Control

■ MUFG role

Placement Agent

MUFG Climate Finance Initiative - Project GAIA

– GAIA is a **private debt blended finance platform** with focus on financing quasi-sovereign entities for climate adaptation projects in emerging markets



GAIA's purpose

Mobilize private capital at scale for emerging market **climate adaptation and mitigation** projects focusing on Small Island Developing States and Least Developed Countries

Fund size and schedule

Total size up to **USD1.48bn**. Fund launch expected Q3 2024

MUFG's role

The Originating Bank

Target countries

25 emerging market countries in Africa, LAC¹ and Asia. Minimum 25% of portfolio allocation to SIDS² and LDCs³

Impacts

GAIA will seek to deliver key impact objectives, making significant contributions to at least 7 SDGs



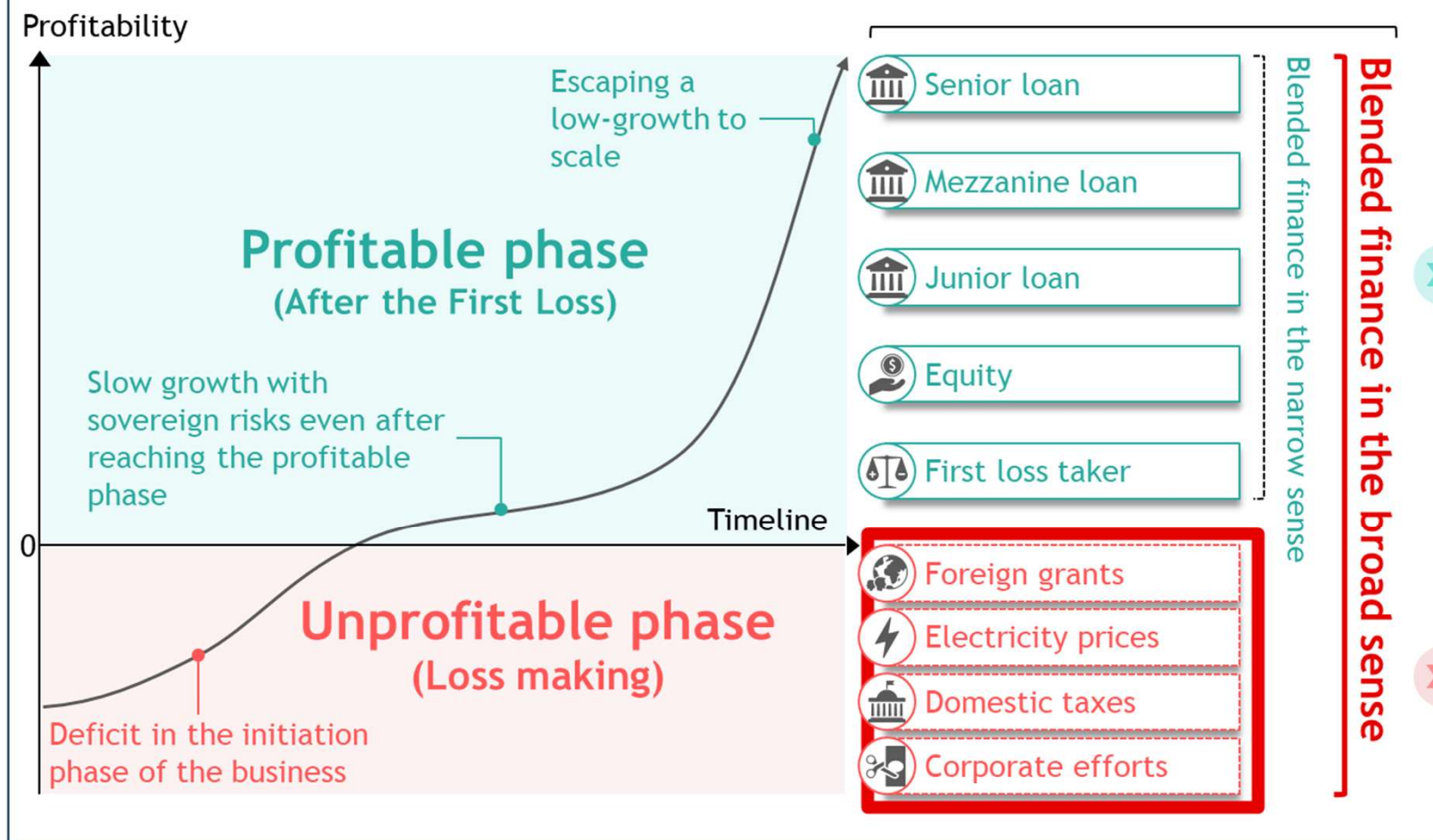
¹LAC: Latin America and Caribbean

²SIDS: Small Island Developing States

³LDCs: Least Developed Countries

Issues related to Blended finance

Financing approaches for each business stage of CN technology



Financing businesses in the profitable phase is under discussion in the international financial sector...

...Discussions on how to support the businesses in the unprofitable phase should be proceeded over others

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