



# Corporate Day 2024

## Building the Future of ASEAN

### Capturing Connectivity Flows and Driving Sustainability Adoption

14 August 2024  
Kuala Lumpur, Malaysia

Private and Confidential

# One Bank For ASEAN

As the One Bank for ASEAN, we focus on sustainable growth by connecting businesses, big and small, to be part of UOB's trade network.

UOB is ASEAN's most extensive trade network backed by a global footprint, coverage, sector expertise and integrated supply chain platform.

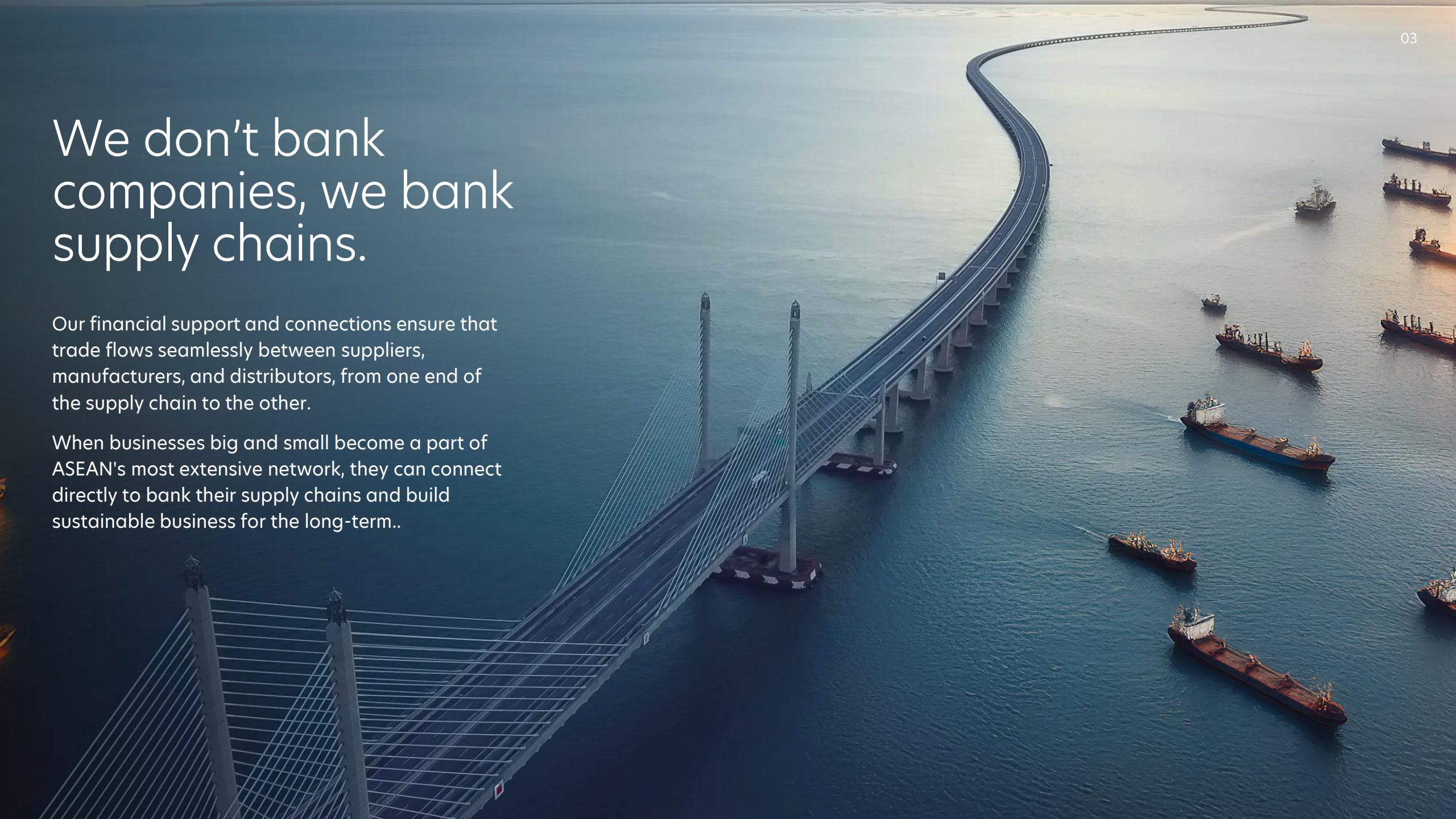




# We don't bank companies, we bank supply chains.

Our financial support and connections ensure that trade flows seamlessly between suppliers, manufacturers, and distributors, from one end of the supply chain to the other.

When businesses big and small become a part of ASEAN's most extensive network, they can connect directly to bank their supply chains and build sustainable business for the long-term..







Our  
Ambition

#1 Cross-Border Trade Bank in ASEAN

Strategic  
Focus

Banking supply chains with and within ASEAN,  
Greater China and beyond

Through

Connectivity

Sustainability



Connectivity



# ASEAN trade flows have grown faster than global trade

- Total trade between key economic blocs rose significantly (+27%) from 2020 to 2023
- Growth in ASEAN-related trade flows led the way. Total trade with and within the region rose 31% over the same period
- Most of the pickup in ASEAN-related trade flows happened in the Intra-ASEAN (+34%) and China-ASEAN corridors (+34%)

## 2020 vs. 2023: Trade flows between economic blocs

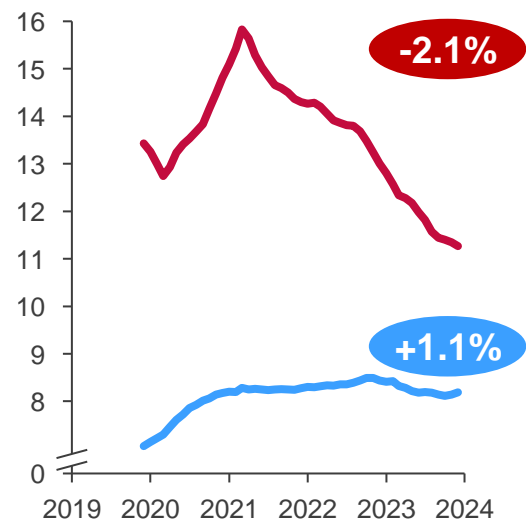
US\$b	2020	2023	US\$b change	% change
Intra-ASEAN	567	759	192	34%
China-ASEAN	519	697	178	34%
US-ASEAN	309	396	87	28%
EUR-ASEAN	227	280	53	23%
<b>Trade within and with ASEAN</b>	<b>1,622</b>	<b>2,132</b>	<b>510</b>	<b>31%</b>
China-EUR	672	800	128	19%
US-China	557	575	18	3%
US-EUR	648	944	296	46%
<b>Trade between US, China and EUR region</b>	<b>1,877</b>	<b>2,319</b>	<b>442</b>	<b>24%</b>
<b>Total trade</b>	<b>3,499</b>	<b>4,451</b>	<b>952</b>	<b>27%</b>

# Global geopolitical and economic trends offer ASEAN numerous opportunities

ASEAN benefits from decoupling of China and US

**% Share of US Trade**

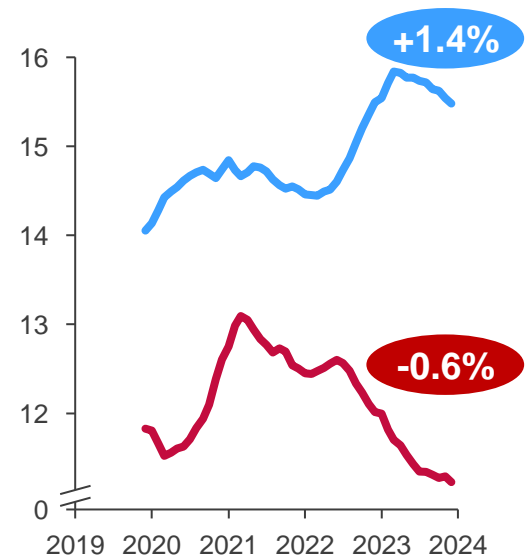
% total trade (import + export)



— China - US  
— ASEAN - US

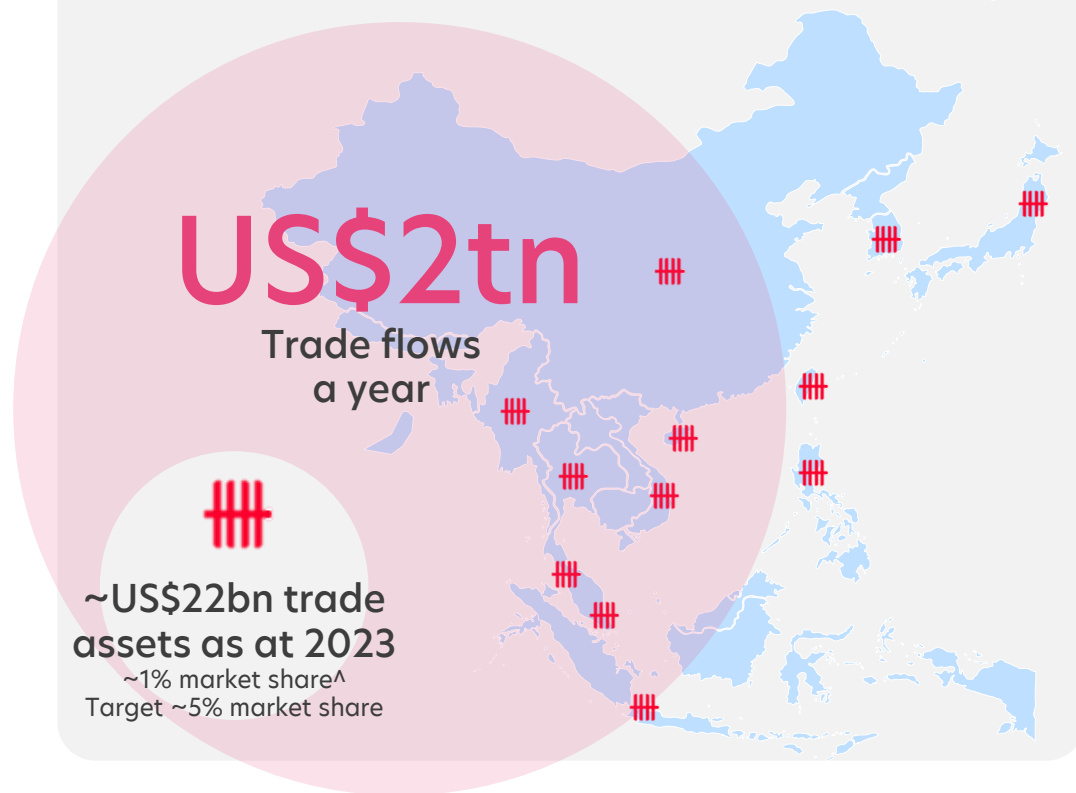
**% Share of China Trade**

% total trade (import + export)



— US - China  
— ASEAN - China

**We aim to become the No.1 trade bank in ASEAN**



\*On balance sheet trade loans as at Dec-23  
<sup>^</sup>Assumes trade assets have an average tenure of 6 months  
 Source: China customs, US census, ASEANstats, Eurostats, UOB Research

# UOB is well-placed to capture opportunities from inward FDI flows



- US\$229.8b of inward FDI flows into ASEAN in 2023
- >90% of inward ASEAN FDI flows into UOB's key markets of Singapore, Malaysia, Thailand, Indonesia and Vietnam
- UOB has a dedicated FDI Advisory team to help customers diversifying into the region

## 2020 vs. 2023: FDI inflows into ASEAN

US\$b	2020	2023
Singapore	74.9	159.6
Indonesia	18.6	21.6
Vietnam	15.8	18.5
Philippines	6.8	8.9
Malaysia	3.2	8.8
Thailand	(6.3)	4.5
Cambodia	3.6	4.0
Myanmar	2.2	2.2
Lao PDR	1.0	1.8
Brunei	0.6	(0.1)
<b>Inward FDI intro ASEAN</b>	<b>120.4</b>	<b>229.8</b>



# Riding on mega sector trends



## Drive ASEAN franchise



### Sector diversification - Ride on Megatrends

US\$2tn trade flow in ASEAN

Shift of value chain

China +1 strategy

Connectivity & Sustainability focus to capture trade & investments



### Widen & deepen our wallet share

#### Building key enablers

Platform

Infinity, API/H2H,  
Trade/FSCM,  
Payment

Process

Speed to  
market

People

Capability  
Building



### Reshape & scale

#### Sustainability & connectivity as differentiator

Transition  
financing

Digital  
economy

Cross-border trade

Regional corps



# Momentum building up as platform was gradually rolled out



Our major platforms are rolled out in UOB key markets



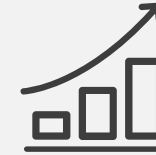
**Infinity Cash**

A digital banking platform that manages your cash flows efficiently with real-time account information and supports a comprehensive range of payments and collections features including remittance tracking with SWIFT gpi



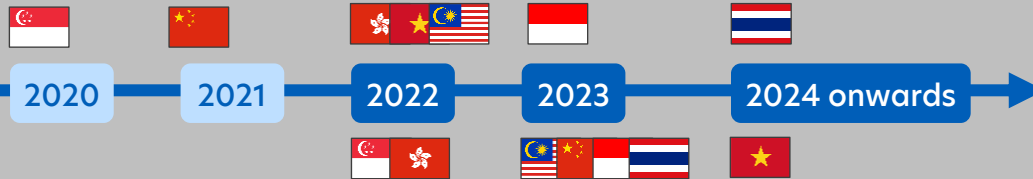
**+11%pt**  
since 2020

**81% Penetration Rate**  
2023



**+49%**  
since 2020

**Transaction Volume**  
2023



**Infinity FSCM**

The same platform enables digital connection of suppliers, buyers and distributors to streamline trade and financial supply chain processes as well as facilitate financing



**+168%**  
since 2020

**# of FSCM Anchors**  
2023



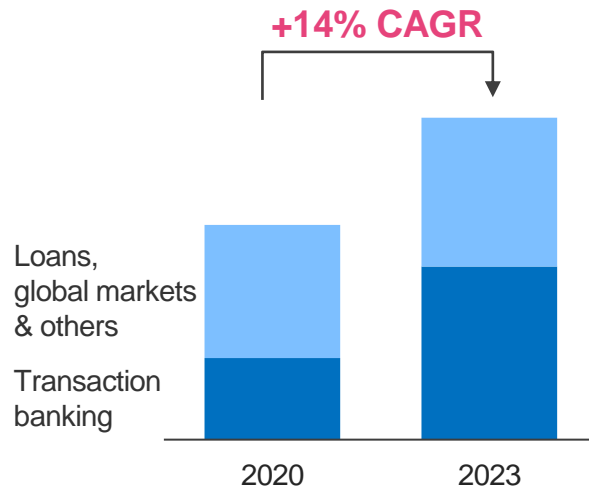
**+49%**  
since 2020

**# of FSCM Spokes**  
2023

# Early wins as our strategy takes shape

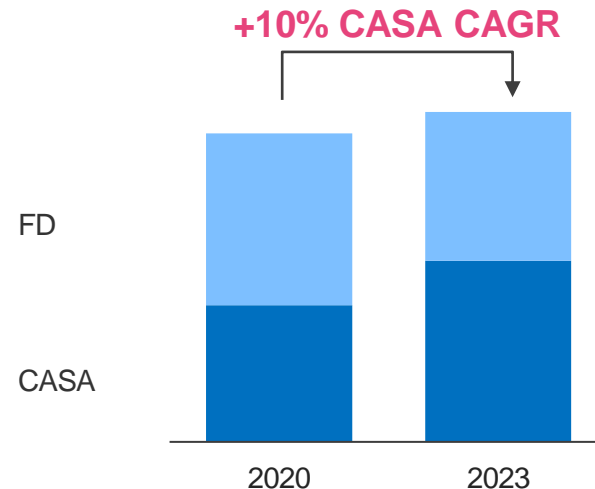
Transaction banking now contributes to 54% of 2023 GWB Revenue (2020: 38%)

## GWB revenue



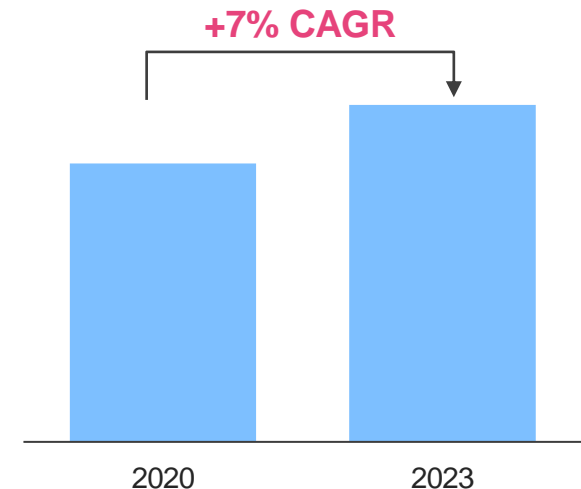
CASA deposits now make up 51% of 2023 GWB deposits (2020: 41%)

## GWB average deposits



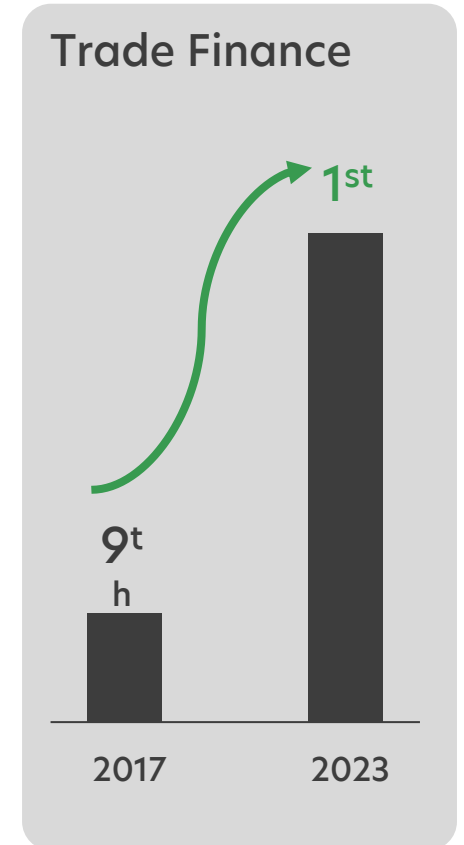
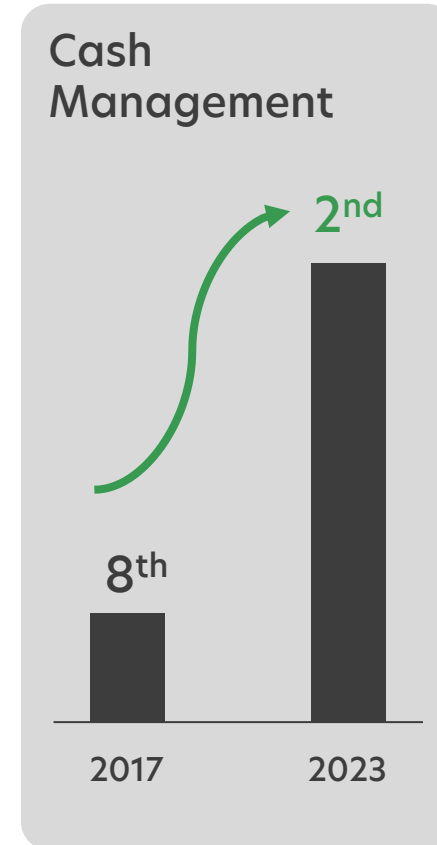
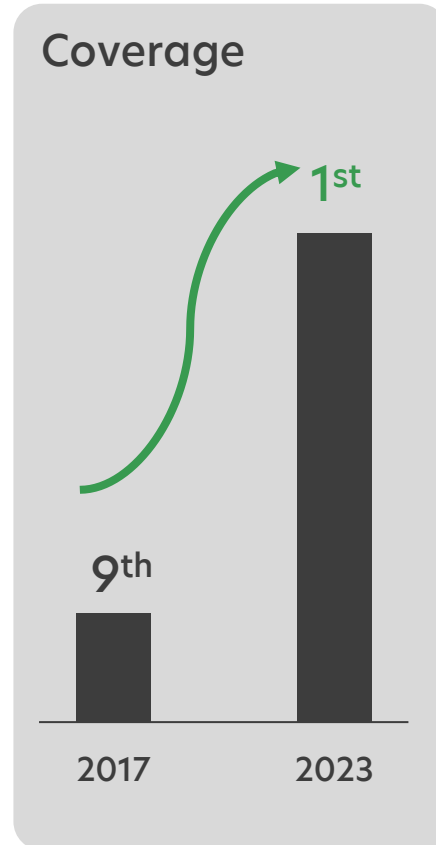
Healthy loan & trade related fee growth

## Loan & trade related fees





# Significant improvement in customer rankings within ASEAN



Source: Coalition Greenwich Large Corporate survey (ASEAN region)

Coverage refers to market penetration in terms of committed and uncommitted credit to respondents



# Case studies

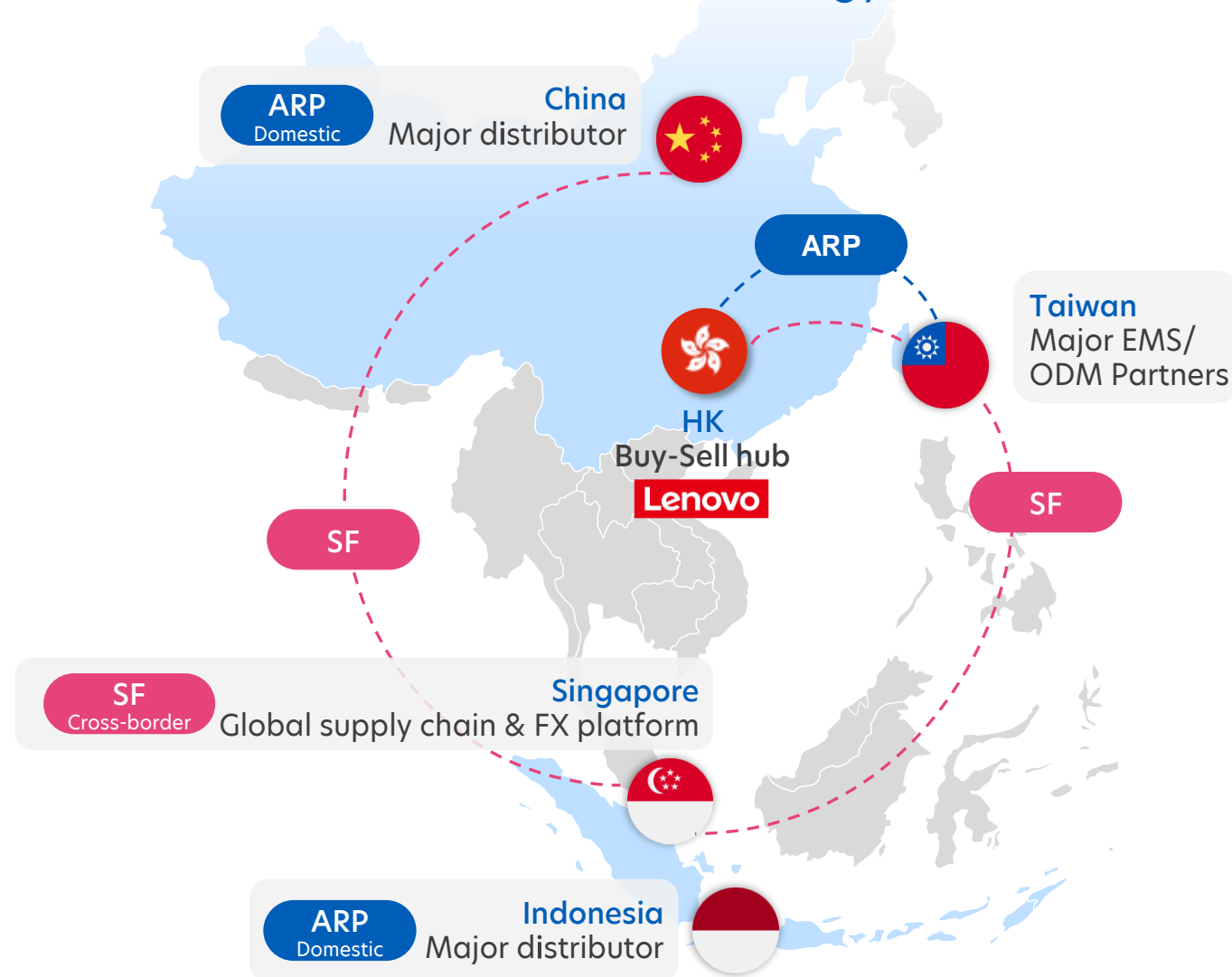


### Lenovo

The world's largest PC company with a pocket-to cloud portfolio of AI-enabled, AI-ready and AI-optimized devices, infrastructure, software, solutions, and services

UOB FSCM solutions enhanced Lenovo's supply chain management

## Trade flow in ASEAN & China +1 Strategy

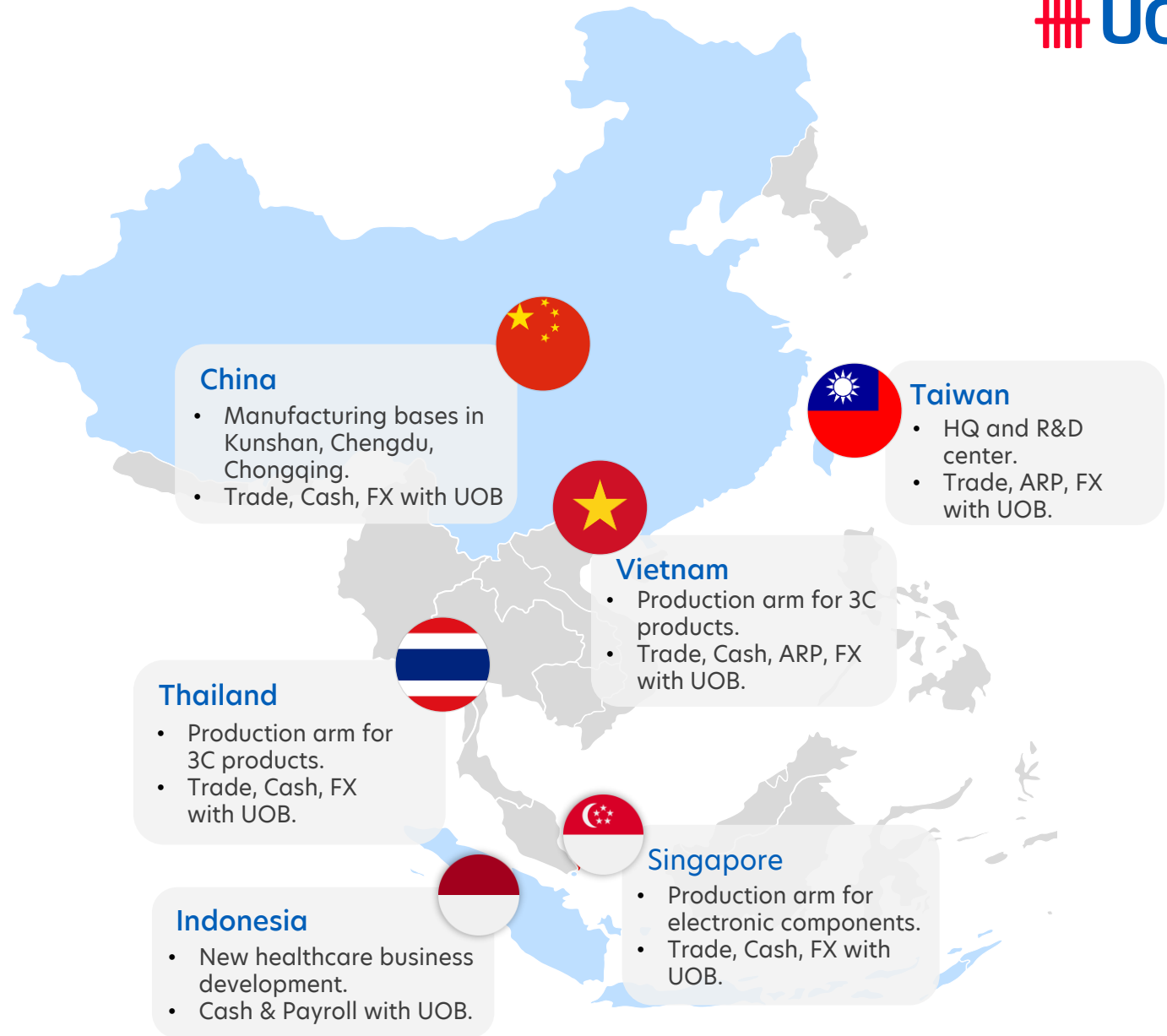


ARP: Accounts Receivables Purchasing; SF: Supplier Financing

North Asian contract manufacturer expands its business footprint into ASEAN as part of their China-plus strategy with aim to strengthen their supply chain resilience and create value to their customers.



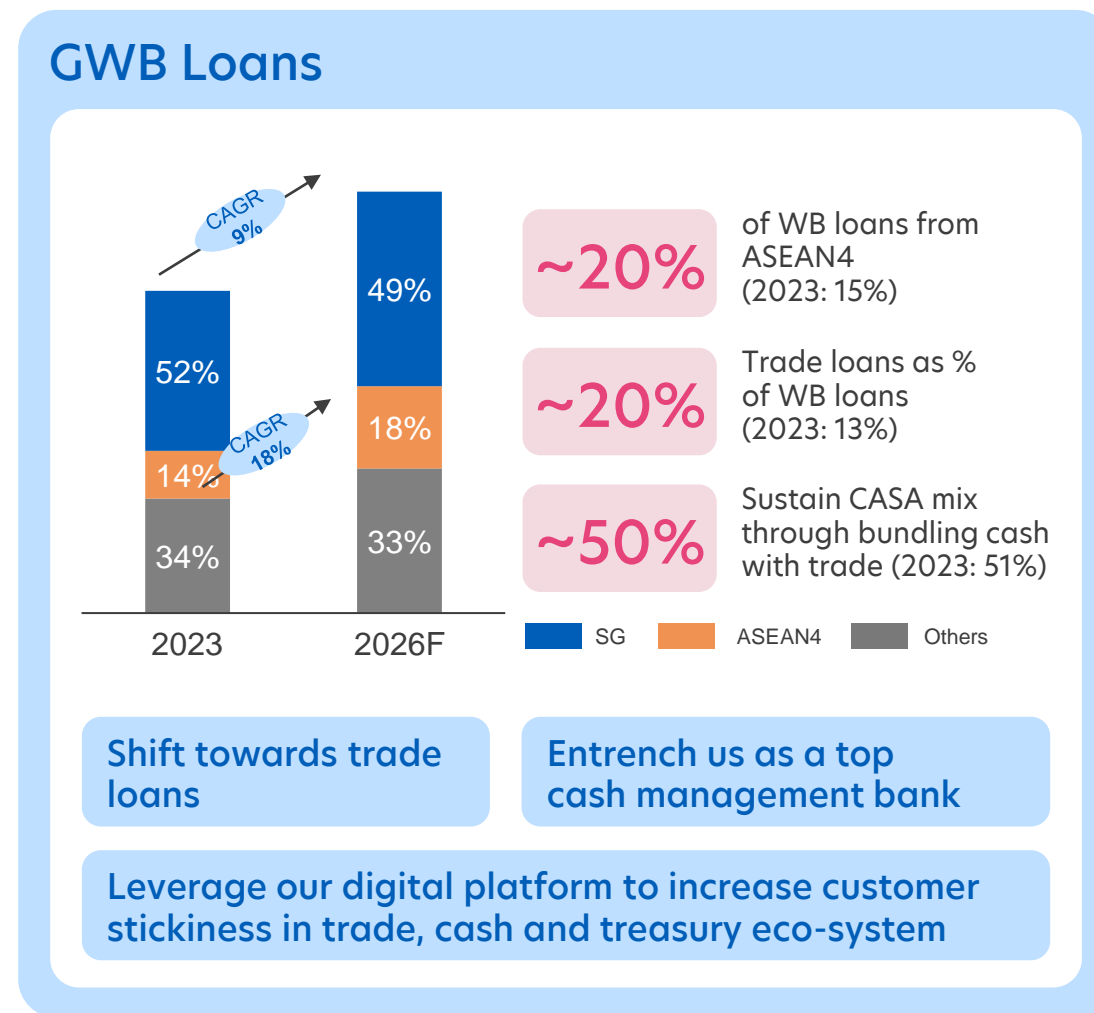
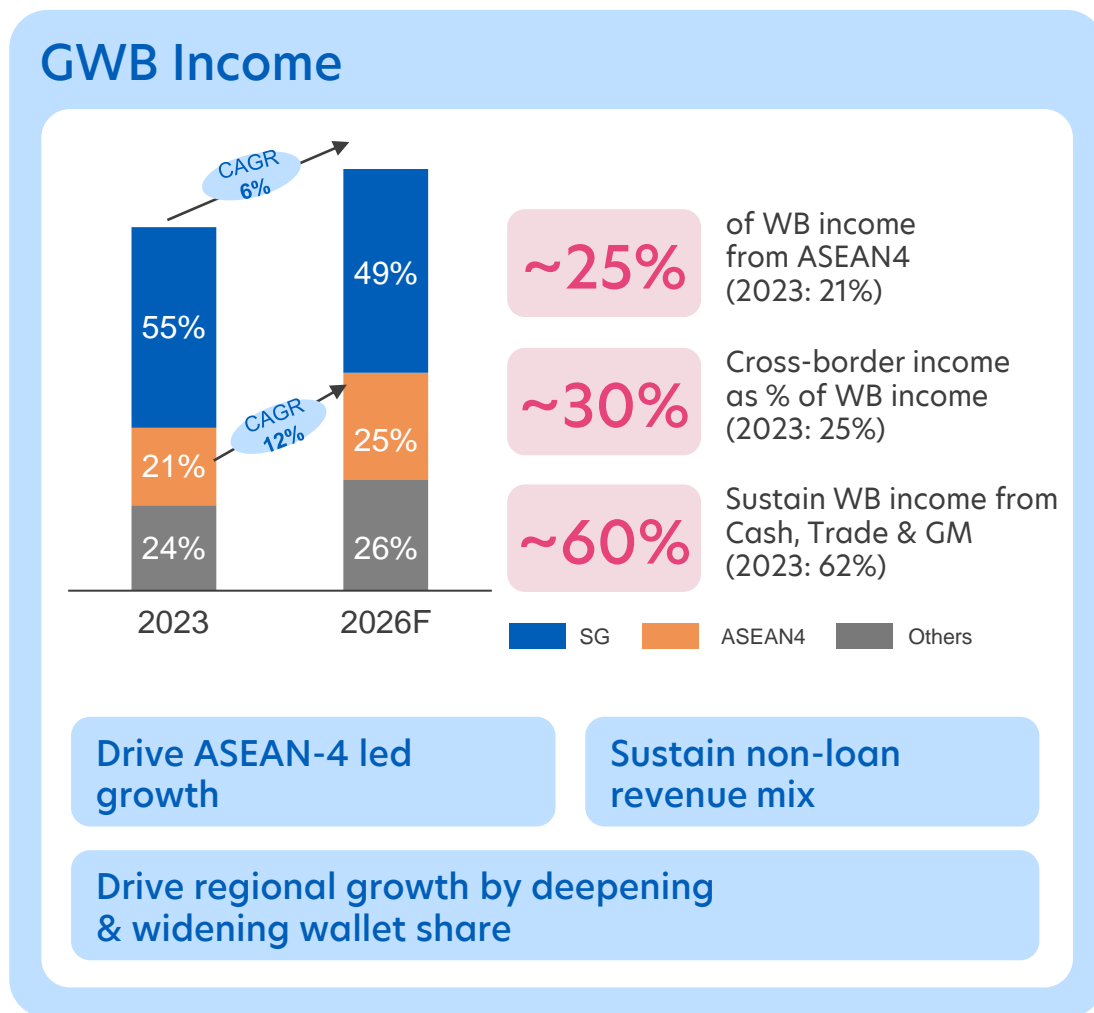
UOB is well-placed to support the company's business operation in Greater China (Taiwan & China) and in ASEAN to support their various business expansion in Singapore, Vietnam, Thailand and Indonesia.



# The journey ahead



# We aim to be the top cross-border trade bank in ASEAN



WB: Wholesale bank      GM: Global markets  
 Notes: 1. ASEAN4 comprises Indonesia, Malaysia, Thailand & Vietnam 2. Assumes constant currencies from 2023

# We connect companies directly to the source of goods.

Direct access to goods allows companies to better manage and streamline their supply chains. Our presence in ASEAN provides an extensive network that connects companies end-to-end and builds sustainable business for the long-term.





# Sustainability





# Southeast Asia plays a critical role in global climate action and decarbonization

Major contributor to global GHG emissions, with many levers ready to drive impactful decarbonization

4th

largest energy consumer in the world

~7%

increase in GDP vs global increase of 4%

~75%

of electricity derived from fossil fuels

\$1.5tn

investment opportunity to fund Southeast Asia's transition by 2030, which translates to..

USD 300bn

in annual revenue potential by 2030

Power



~USD 90bn

Transport



~USD 70bn

Nature & Agriculture



~USD 60bn

Building



~USD 40bn

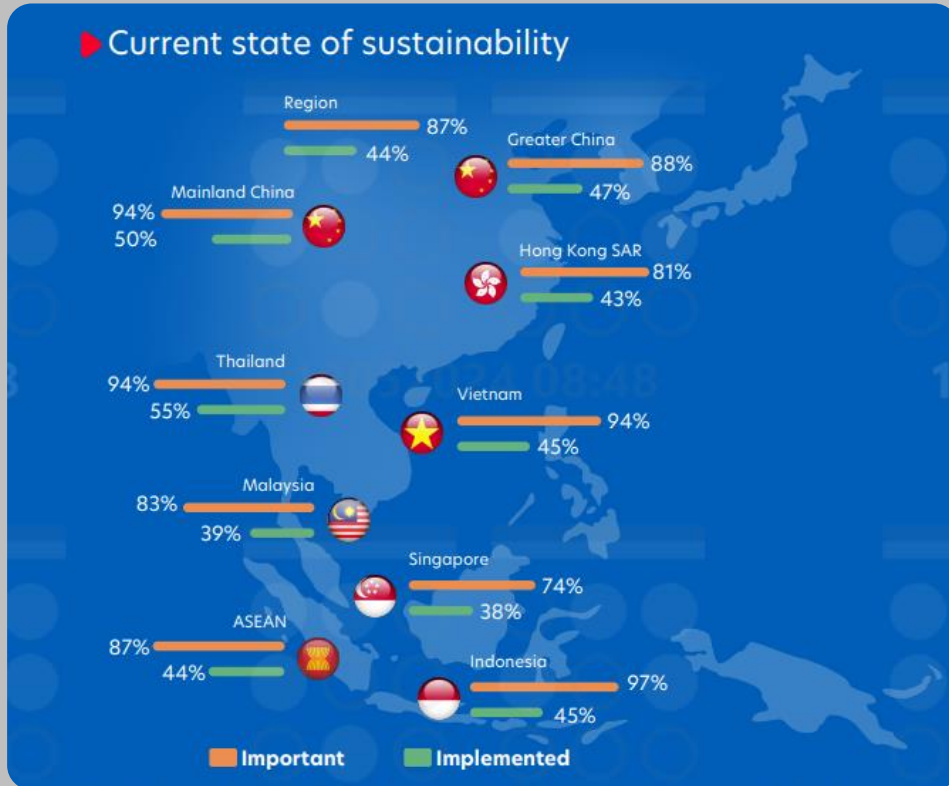
Industrial & Waste



~USD 30bn

# Enterprises in the region believe sustainability is important, however most have not adopted sustainable practices<sup>1</sup>

## Disconnect on importance of sustainability & actual adoption<sup>1</sup>



7 out of 10 are aware but only 4 out of 10 have taken the necessary action to implement sustainable practices

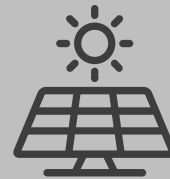
## Key barriers to sustainability for enterprises<sup>1</sup>



Insufficient knowledge to identify and execute the right initiatives



Increase in cost of products & services provided<sup>1</sup> and possible impact to profits & revenues



Lack of proper infrastructure for renewable energy

Note: 1. UOB Business Outlook Study 2024 (SMEs & Large Enterprises)



Driving the ASEAN  
franchise through  
industry firsts,  
frameworks and  
innovative  
solutions




# Our ESG Approach: Solution innovation & collaboration to scale adoption across industries



Partnerships to scale

Commercial collaboration with key industry players



National & Regional Commitment

- National commitments & priorities
- Industry transformation roadmaps, policies and programs
- Singapore & regional taxonomy
- UOB Net-Zero commitment & pathways



Simplifying access to solutions

UOB Sustainability Foundations

- Sector-specific frameworks
- Industry benchmarks - 53 eligible Green Product Certifications
- Sector Specific Solutions for large corporates, SMEs and institutions

# Simplifying ESG with Sector-specific Sustainable Finance Frameworks

We are currently aligning our frameworks to the SG-Asia Taxonomy for Sustainable Finance

<b>Green Building Developers and Owners Framework</b>	<b>Smart City Framework</b>	<b>Food and Agribusiness Framework</b>	<b>Circular Economy Framework</b>	<b>Sustainable Trade Finance Framework</b>	<b>Transition Finance Framework</b>	<b>Sustainability-Linked Finance Framework</b>
<p>Framework validated by <b>Carbon Trust</b></p>	<p>Framework validated by <b>Carbon Trust</b></p>	<p>Framework validated by <b>Sustainalytics</b></p>	<p>Framework validated by <b>Moody's</b></p>	<p>Framework validated by <b>Moody's</b></p>	<p>Framework validated by <b>ISS</b></p>	<p>Framework validated by <b>ERM</b></p>
<p>Supports green building developers and owners across asset classes.</p>	<p>Supports green assets, projects and activities relating to sustainable cities.</p>	<p>Supports food and agribusiness companies and their full spectrum of food production activities.</p>	<p>Supports green assets, projects and activities relating to circular economy.</p>	<p>Supports trade financing of recognised green products and industry certifications.</p>	<p>Supports the transition of energy intensive and "hard-to-abate" sectors.</p>	<p>Supports companies with financial incentives linked to achievement of sustainability targets.</p>
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United Nations Sustainable Development Goals (UN SDGs) Index:



# Simplifying the Sustainability journey with dedicated sector specialists across industries:

Packaging UOB Sustainable Finance & Partners Commercial Solutions for SMEs



The UOB Sustainability Compass is a sector-based diagnostic tool

- helps companies to determine their sustainability maturity
- provides clear & actionable next steps

In partnership with: Enterprise Singapore



SAGE streamlines the ESG capability-building journey for SMEs

- Up to 85% of costs can be defrayed with support from EnterpriseSG
- Connect them with trusted sustainability service partners & provide ready-made SPTs
- Our partners offer specialised guidance for SMEs



## U-Solar

ASEAN's award-winning one-stop solar ecosystem financing platform

## U-Build

Real estate green loans & sustainable-linked loans for green buildings development

## U-Energy

Asia's first integrated energy efficiency platform

## U-Drive

EV end-to-end provision of sustainable banking facilities.



# Our GWB Sustainable Finance Portfolio as it takes shape

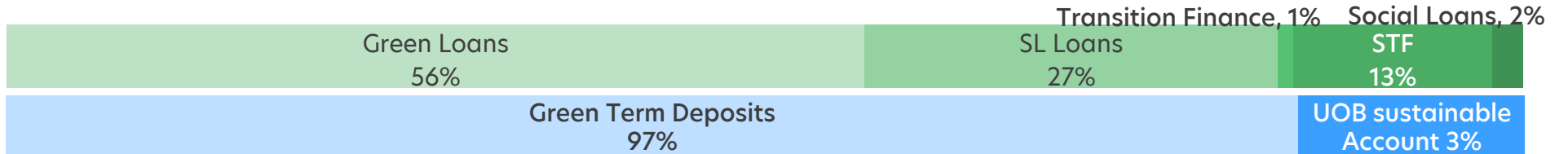


SGD billion  
**50** ↑ 81% YOY  
 Sustainable loans as of Jun'24

- Sustainable finance is 21%<sup>1</sup> of overall GWB portfolio
- Diversified geographic composition across developed & developing economies:



## Product Mix

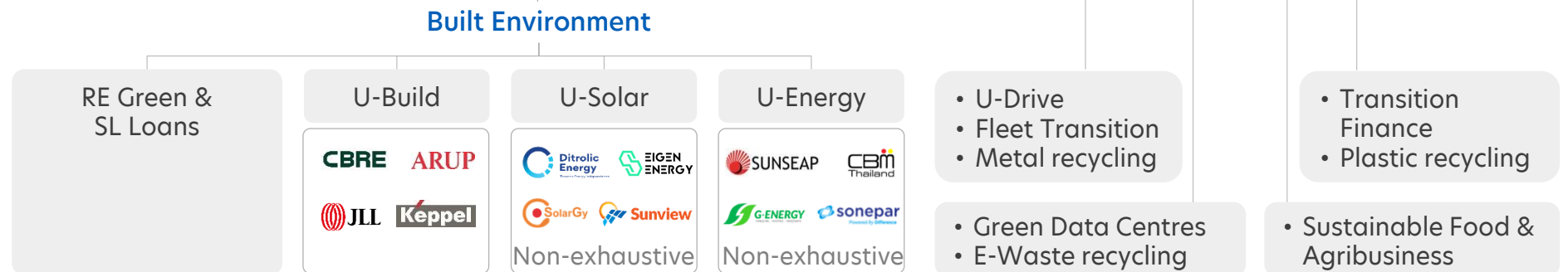


Our Sustainable Finance solutions are also complemented with Green Deposits solutions

## Sector Mix



## Solutions



Note:

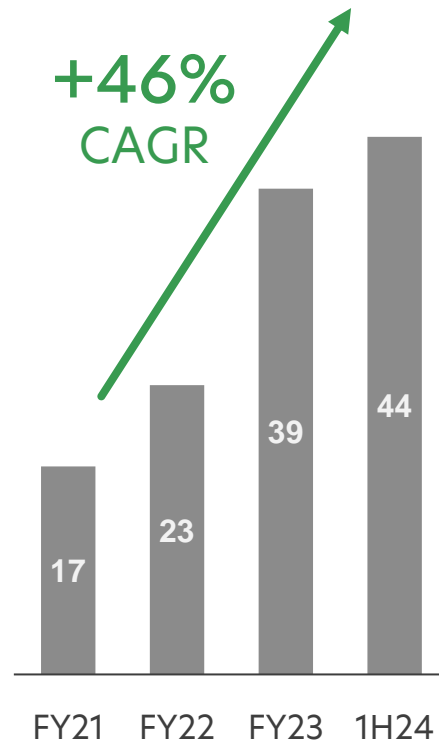
1. Sustainable Finance Approved Limits / GWB assets (as of Jun-24)
2. REH: Real Estate & Hospitality, C&I: Construction & Infrastructure, IND: Industrials, TMT: Technology, Media & Telecommunications, CGH: Consumer Goods & Healthcare, ENC: Energy & Chemicals

# Strong growth across our Sustainable Banking Solutions

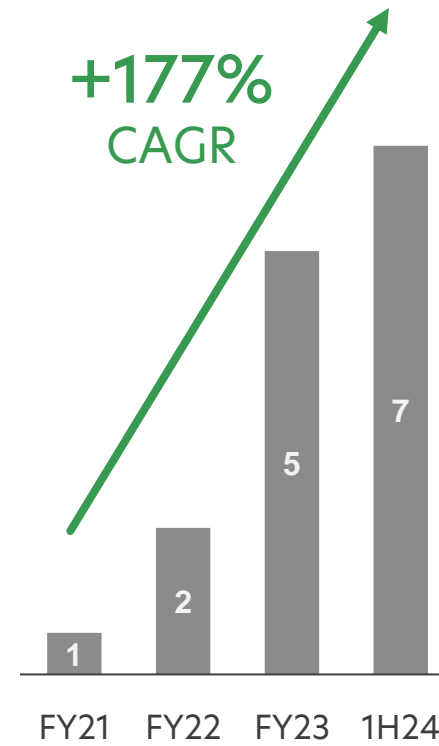


SGD bn<sup>1</sup>

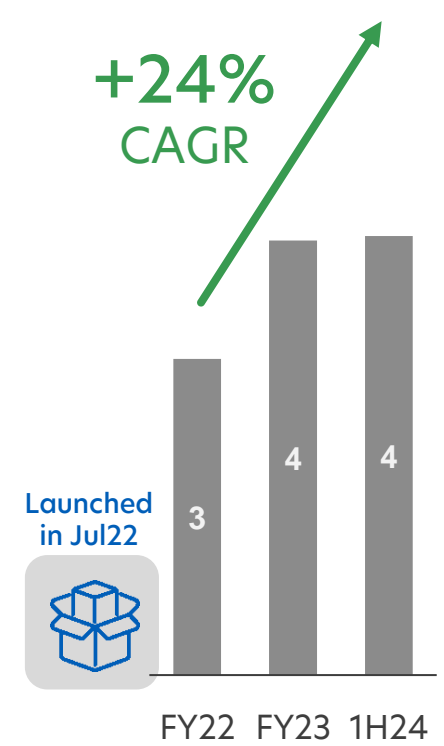
## Loans



## Trade



## Deposits



Note:

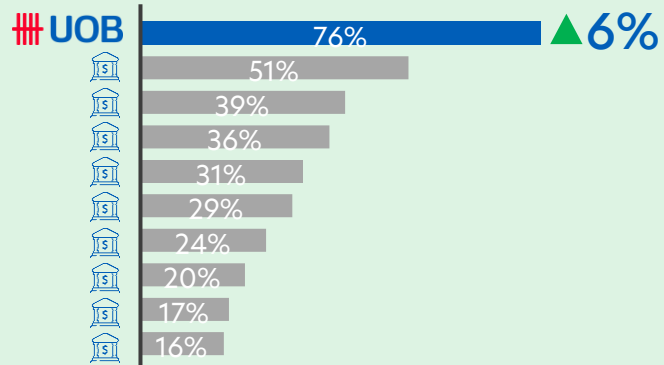
1. Loans: Total Sustainable Financing (Cumulative) which was the reported methodology throughout these reporting periods; Trade & Deposits: Year end balances

# We are leading the way in guiding customers on their sustainability journeys

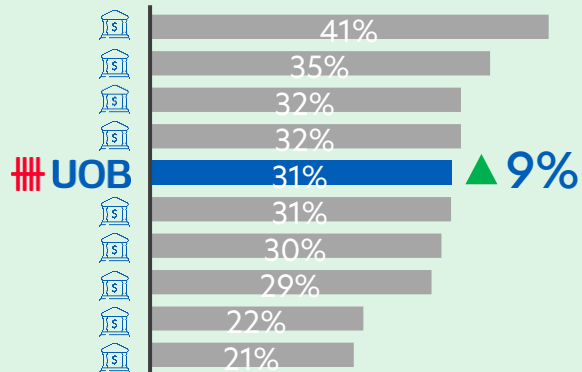


“Most Active” in engaging customers on Sustainability

Commercial Banking



Large Corporates



ESG awards across our core markets



**The Asset Triple A ESG Corporate Awards 2023**  
Jade Award for Excellence



**The Asset Triple A Awards**  
U-Solar Renewable Energy Deal of the Year 2023 (Vietnam, Thailand, Malaysia)



**Triple A Sustainable Infrastructure Awards 2024**  
Logistics Deal of the Year - ESR Kwai Chung Data Centre



**Triple A Sustainable Infrastructure Awards 2024**  
Energy Transition Deal of the Year - Medco E&PO Grissik Limited



**Triple A Sustainable Infrastructure Awards 2024**  
Digital Infrastructure Deal of the Year - Global Vision Logistics



**ESGBusiness Awards 2023**  
Singapore: Net-Zero Banking Award



**Asiamoney Best Bank Awards**  
2023 Best Bank for ESG (Thailand)



**MGTC National Energy Awards**  
Special Award for Sustainable Energy Financing under Foreign Bank Category





# ESG Showcase

## Princeton Digital Group

Internet Infrastructure

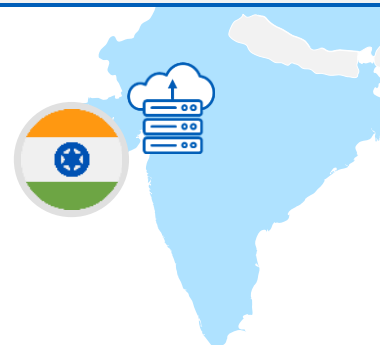
Asia's leading (Warburg Pincus backed) data centre developer and operator with >700 MW across 21 data centres in APAC

### PDG's Four Pillars of Sustainability



UOB's sustainable finance solutions & sector expertise supported PDG's maiden venture into Malaysia

## GEN AI will drive demand for Green Digital Infrastructure across APAC



### Landmark US\$280mn Green Loan for PDG's AI-Ready Data Centre Campus In Johor, Malaysia

- As part of PDG's SG+ strategy, 52MW AI-ready JH1 campus in Sedenak Tech Park (STeP), Johor, Malaysia
- UOB appointed as Joint Green Loan Coordinators Mandated Lead Arranger and Bookrunner



**Singapore**  
Headquartered

PDG Data Center locations

Markets where UOB has supported PDG's growth



# One Bank for ASEAN.

## Best Bank in Asia Pacific

## World's Best Bank for SMEs



- UOB banks the fifth-largest economy and the world's fastest-growing trade bloc - ASEAN
- Commended for strength in the Bank's clear strategy and focus on ASEAN, whilst having an international presence globally
- Has one of the most comprehensive ranges of banking products, services and experience, guided by the philosophy of making business simple for SMEs
- Strategy supported through three strategic themes around connectivity, digitalisation and sustainability







**Right By You**