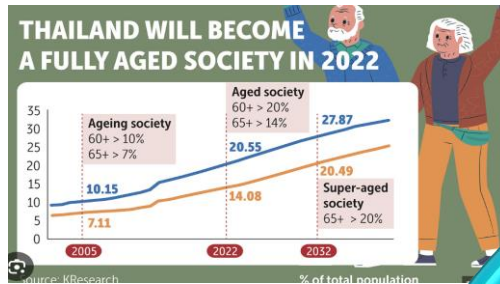


Navigating ESG Challenges: How the Financial Sector Drives Sustainable Change



Immense Challenges to Sustainable Development

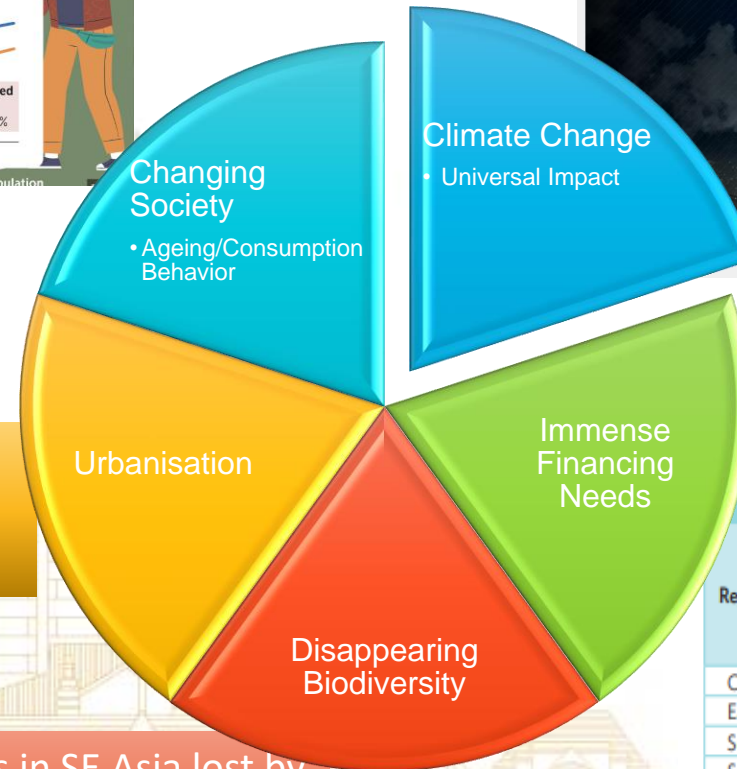
Across Asia Pacific Region



Cities in the region expected to grow in population by more than 550 million in the next decade

42% of all species in SE Asia lost by end of century ?

Asia Pacific: 99 of top 100 cities facing largest environmental risks



ASIA AND THE PACIFIC IS CURRENTLY RESPONSIBLE FOR OVER 50% OF GLOBAL CARBON DIOXIDE EMISSIONS.

64 MILLION ASIANS WILL BE PUSHED INTO POVERTY FOR EVERY 10% RISE IN FOOD PRICES DUE TO CLIMATE CHANGE.

THE BATTLE AGAINST CLIMATE CHANGE WILL BE WON OR LOST IN ASIA AND THE PACIFIC.

OVER 60% OF ASIA AND THE PACIFIC'S POPULATION WORK IN SECTORS MOST AT-RISK FROM CLIMATE CHANGE IMPACTS.

Table 1: Estimated Infrastructure Investment Needs by Region, 45 DMCs, 2016–2030
(\$ billion in 2015 prices)

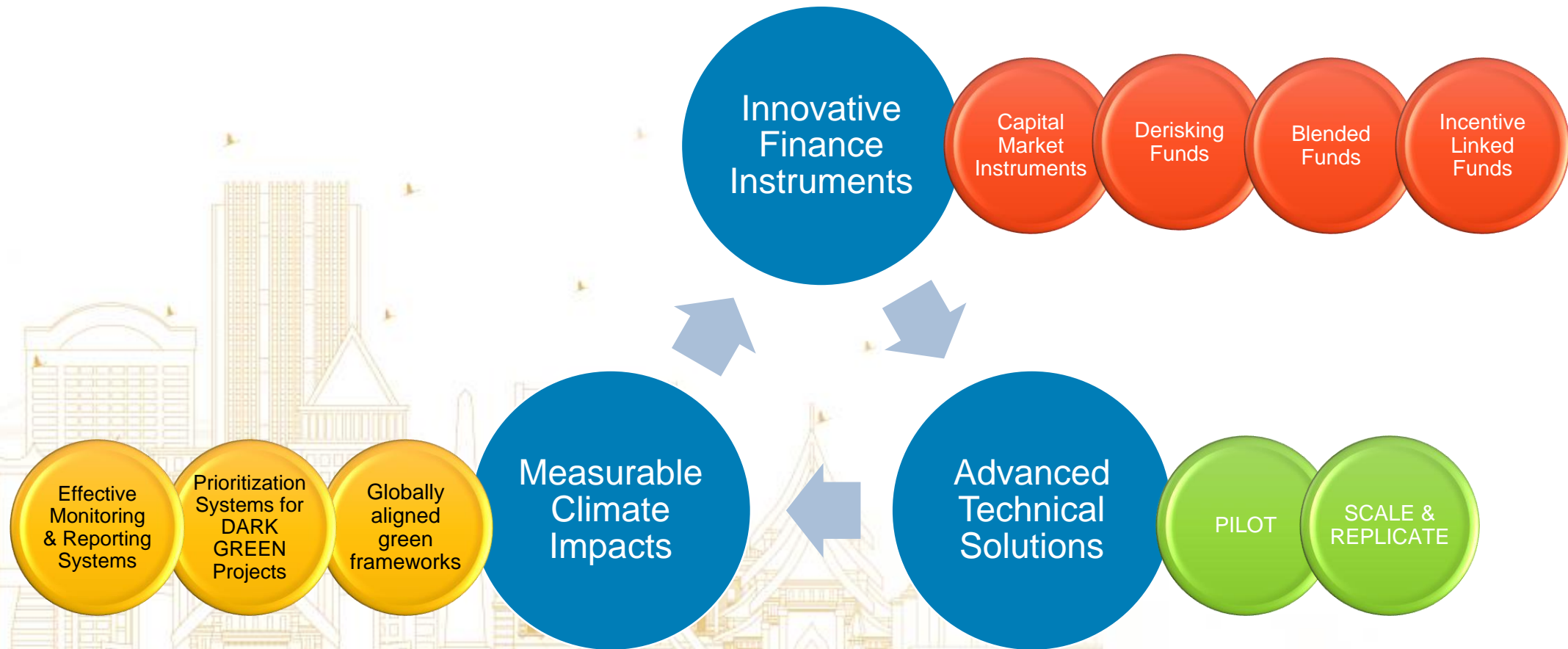
Region/Subregion	Projected Annual GDP Growth	2030 UN Population Projection (billion)	2030 Projected GDP Per Capita (2015 \$)	Baseline Estimates		Climate-adjusted Estimates**		
				Investment Needs	Annual Average	Investment Needs as % of GDP	Investment Needs	Annual Average
Central Asia	3.1	0.096	6,202	492	33	6.8	565	38
East Asia	5.1	1.503	18,602	13,781	919	4.5	16,062	1,071
South Asia*	6.5	2.059	3,446	5,477	365	7.6	6,347	423
Southeast Asia	5.1	0.723	7,040	2,759	184	5.0	3,147	210
The Pacific	3.1	0.014	2,889	42	2.8	8.2	46	3.1
Asia and the Pacific	5.3	4.396	9,277	22,551	1,503	5.1	26,166	1,744

\$711 billion needed annually to reverse biodiversity loss by 2030

Catalyze Finance From ALL Sources

In Time !

“Leverage Development Funds + Technical Solutions + Institutional Solutions”



ADB Initiatives Underway

In Thailand and SEA Region

Finance Instruments Development: Capital Markets

GSS + Bonds Initiative: \$ 2 bn catalyzed

Finance Instruments Development: Catalytic / Blending Funds

SDG Indonesia One: Green Finance Facility

Finance Instruments Development: Derisking Funds

ACGF
ASEAN CATALYTIC GREEN FINANCE FACILITY

ASEAN Catalytic Green Finance Facility

ADB

MOBILIZING CAPITAL MARKETS FOR A CLIMATE-RESPONSIVE AND INCLUSIVE SOUTHEAST ASIA

Catalyzing Sustainable Bond Issuances In Southeast Asia

The ASEAN Catalytic Green Finance Facility (ACGF) Green, Social, Sustainable and Other Labeled (GSS+) Bonds Initiative provides advisory support to sovereign, municipal, and state-owned enterprise issuers while ASEAN's 7 Asian Bond Markets Initiative (ABMI) focuses on supporting corporate issuers to catalyze signature GSS+ bond issuances and creates enabling environments for growth.

Key Activity Pillars

- Signature GSS+ Bond Issuances: We provide hands-on support to potential issuers.
- Enabling Ecosystem: Sustainable finance enabled through the development of a bond taxonomy, sustainability disclosure requirements, and the promotion of local venues.
- Talent Pool Development: We offer capacity building and knowledge support on green and sustainable finance.
- In-House Experts: A core team of ADB in-house experts provides on-the-ground support to ensure successful sustainable bond issuance.

We Support

- Sovereigns
- Municipalities
- State-owned enterprises
- Nonfinancial corporates

Bond Types

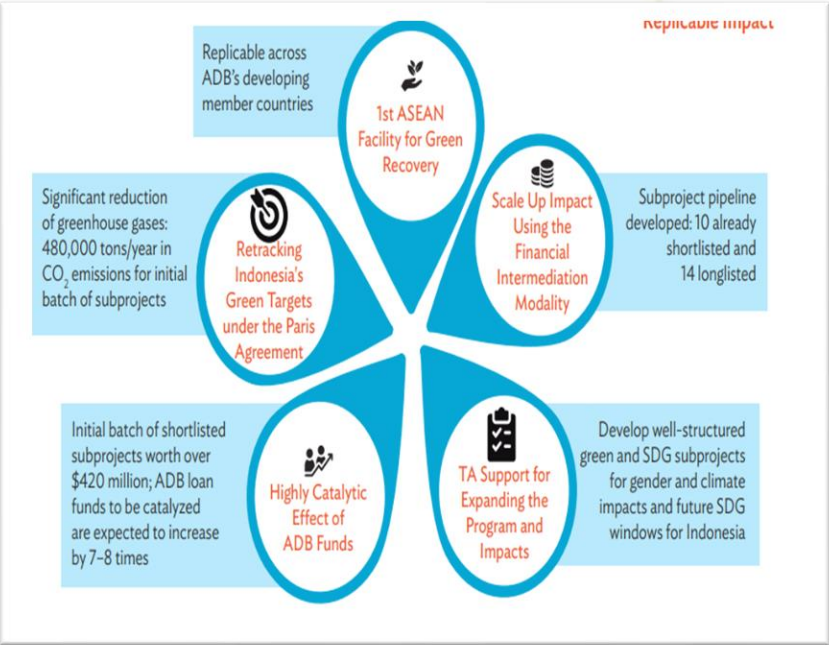
- Green bonds
- Sustainability-linked bonds
- Social bonds
- Blue bonds
- Sustainability bonds
- Other labeled bonds

Significant amounts of public and private funds must be mobilized to invest in climate-responsive infrastructure and social development. Capital markets have the potential to quickly mobilize large amounts of capital for a number of projects.

About \$210 billion of annual investment was needed for climate-responsive infrastructure in Southeast Asia even before the pandemic.

Sustainable bond markets in Southeast Asia only account for 3% of the region's total bonds outstanding.

Over \$2.1 billion in sustainable bonds were catalyzed by the Asian Development Bank's (ADB) knowledge and advisory support, with nearly \$12 billion in subsequent issuances between 2020 and 2023. Association of Southeast Asian Nations (ASEAN) capital markets have shown the potential to quickly mobilize large amounts of capital for climate-smart infrastructure and social development.



Recent Issuer Support*

2020	2020	2021	2021	2022	2022	2022
Public Debt Management Office (THA), sustainability bond, \$964 million raised and \$6 billion in subsequent issuances. ASEAN's first sovereign sustainability bond.	National Housing Authority (THA), social bond, \$200 million raised. Thailand's first social bond.	National Housing Authority (THA), sustainability bond, \$70 million raised.	Thaifoods Group (THA), social bond, \$30 million raised.	Government Savings Bank (THA), social bond, \$295 million raised.	Central Pattana (THA), social bond, \$30 million raised.	SL Agritech (PHI), social bond, \$35 million raised.
Export-Import Bank of Thailand (THA), green bond, \$150 million raised.	Golden Tree (CAM), green bond, \$1.3 million raised. Cambodia's first green bond.	Government Housing Bank (THA), sustainability bond, \$244 million raised.	ASA Philippines Foundation (PHI), social (gender) bond, \$90 million raised. The Philippines' first gender bond.	WHA Corporation (THA), sustainability-linked bond, \$30 million raised. The first sustainability-linked bond under the ASEAN Sustainability-Linked	PT. Sarana Multi Griya Finansial (INO), social bond, \$32.4 million raised, and social sukuk (Islamic bonds), \$13 million raised. Indonesia's first social bond and sukuk.	

CAM = Cambodia, INO = Indonesia, PHI = Philippines, THA = Thailand.
*Local currency equivalent.



ADB Initiatives Underway

In Thailand and SEA Region

Replicable
Projects
Development

Thematic
Programs
Development

ADB Private Sector Financing Supports Two New Bangkok Metro Lines



News Release | 0
Read time: 1 min

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BANGKOK, THAILAND (4 June 2019) — The Asian Development Bank (ADB) signed an agreement with a financing package of 9.9 billion Thai baht (\$311 million equivalent) for the construction of the Pink and Yellow lines of Bangkok's mass rapid transit (MRT) system.

ADB, BANPU Sign 2.4 Billion Thai Baht Deal to Support Electric Tuktuks in Thailand and Battery Production in PRC



Electric vehicle adoption into the public transport sector is a powerful game changer that can help to cut emissions at densely populated urban centres right across the region.

News from Country Offices | 23
January 2024
Read time: 1 min

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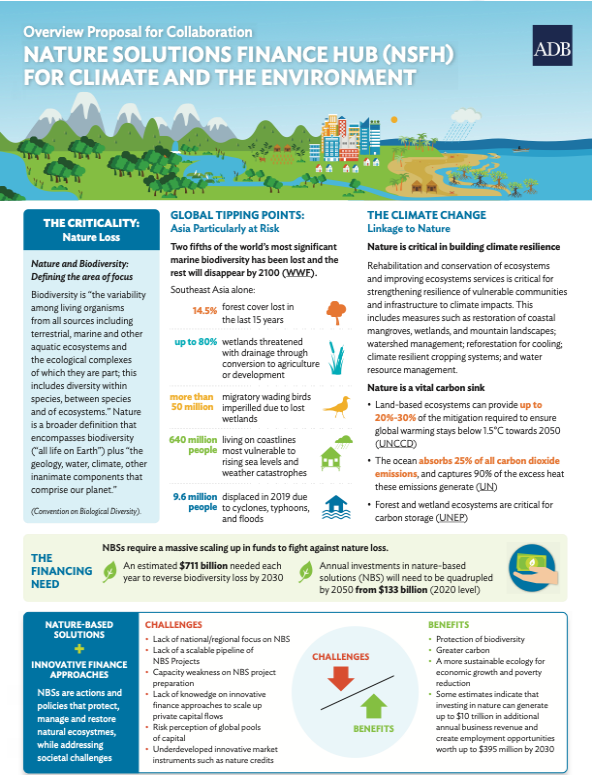


ADB to Help Build 100-MW Solar Park in Cambodia

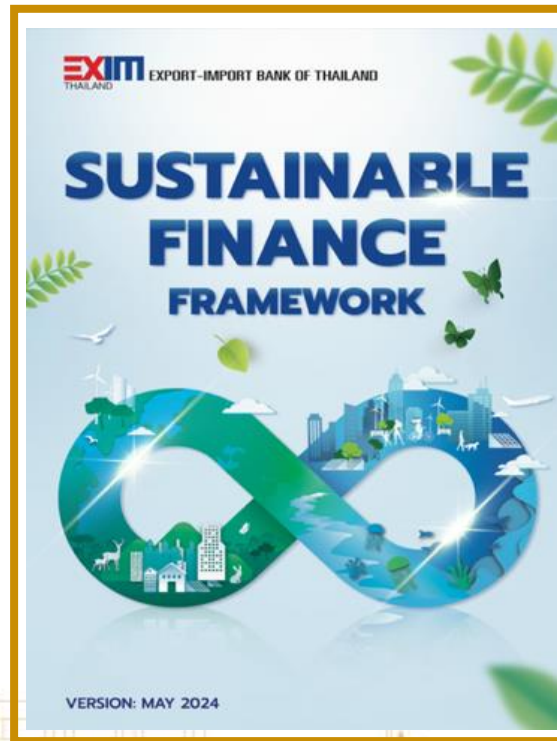
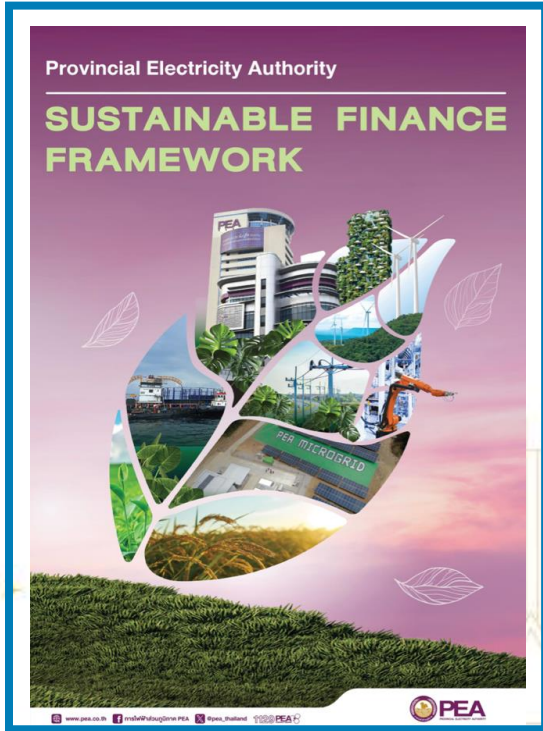
News from Country Offices | 24 May 2019
Read time: 3 mins



PHNOM PENH, CAMBODIA (24 May 2019) — The Asian Development Bank (ADB) has approved a \$7.64 million loan to support the construction of a 100-megawatt (MW) solar power park in Cambodia, which will help the country develop renewable energy resources, diversify its energy mix, and improve the



GSS+ Bonds Initiative



- First sustainability bond by a utility operator in Thailand
- THB 1 billion (\$35 million), 5 years maturity
- Listing on 21 August 2024
- Aligned with ASEAN Taxonomy for Sustainable Finance
- The first DFI to develop a sustainable finance framework covering blue projects
- The framework extended from green and social projects in 2022 to include eligible blue projects such as:
 - marine renewable energy,
 - sustainable fisheries, aquaculture and marine value chain,
 - sustainable marine transportation and ports
 - sustainable coastal and marine tourism

ADB

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MOBILIZING CAPITAL MARKETS FOR A CLIMATE-RESPONSIVE AND INCLUSIVE SOUTHEAST ASIA

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CAM = Cambodia, BGD = Indonesia, PHI = Philippines, THA = Thailand
* Local currency requires

Major Highlights

- Over \$2.1 billion of sustainable bonds catalyzed
- Almost \$12 billion in subsequent issuances
- Invest internationally awarded sustainable bond transactions

CONTACT FOR INFORMATION:
Anand Mehta, Country Director for Thailand, amehta@adb.org

FOCAL POINTS:
Kusint Puangphong, Senior Financial Sector Specialist, Economic Research and Development Impact Department and Thailand Resident Mission, kpuangphong@adb.org
Chitchanok Amornjarn, Associate Economics Officer, Thailand Resident Mission, camornjarn@adb.org
Dan Haglund, Senior Infrastructure Specialist (Innovation and Green Finance) Southeast Asia Department, dhaglund@adb.org

Mobilizing Capital Markets for a Climate-Responsive and Inclusive Southeast Asia (adb.org)

ADB

GSS+ Bonds Initiative

- Over **\$2 billion** of sustainable bonds catalyzed
- Over **\$12 billion** in subsequent issuances
- **Seven internationally-awarded** sustainable bond transactions



Krungsri: Join Forces to Support Thailand's Net Zero Transition

DEMAND

- **Involvement in Sustainable Finance Development in ASEAN and Thailand**

- Working Group on Strengthening Demand and Supply for Sustainable Finance



- **Funding support from MDBs**



- **Thailand ESG Fund**



- **Financing the Transition (Brown to Less-brown Business)**

SUPPLY

- **Knowledge sharing from MUFG on international ESG case studies**



- **Collaboration with ADB to build quality supply**

- MOF Sustainability Bond
- EXIM Blue Bond



- **Krungsri's Sustainable Finance products**

REGULATION/ GUIDELINES

- **Industry Handbook**



- **Thailand Taxonomy**

- **Phase 1** Energy and Transportation
- **Phase 2:** Manufacturing, Agriculture, Real Estate and Construction, and Waste Management sector.



- **MUFG Asia Transition White Paper**

- **Climate Change Act (in progress)**

Krungsri as Your Strategic Partner to Reach Net Zero Targets

CORPORATE & INVESTMENT BANKING CLIENTS

SME CLIENTS



GREEN



SUSTAINABILITY



SOCIAL



SUSTAINABILITY-
LINKED

TRANSITION



SUSTAINABILITY-LINKED LOANS/
BONDS/ FX/ DERIVATIVES



To be further explored under Thailand Taxonomy and Thai SEC Guideline



LOAN FOR GREEN
BUSINESSES



LOAN FOR PPA
OPERATOR



WOMEN-LED SMES
(WSMES)



LOAN FOR GREEN
ACTIVITIES AND
TRANSITION LOANS



Embark on Your Transition Finance Journey

- Begin **NOW** with data collection, developing ESG corporate strategy & pathway towards net zero, and addressing investment requirements.
- **Krungsri** is ready to support your Transition Finance requirement and be partner of choice.

1 CORPORATE'S TRANSITION PLAN PREPARATION



2 SUSTAINABLE FINANCE SUPPORT



- **Due Diligence**
- Ensure alignment with **Best Market Practices and Standards**
- **Financing support through Sustainable Finance initiatives**

