

EXIM Thailand Responds to Ministry of Finance Policy
with Offering of First THB Blue Bond to Raise Funds
for Support of Marine Resource Conservation Business and Blue Economy,
Aiming to Develop Sustainable Ecosystem and Low Carbon Society

Dr. Paopoom Rojanasakul, Deputy Minister of Finance, congratulated Mr. Bundit Sapianchai, Chairman of the Board of Executive Directors, Export-Import Bank of Thailand (EXIM Thailand); Dr. Warotai Kosolpisitkul, Chairman of EXIM Thailand's Risk Oversight Committee; and Dr. Rak Vorrakitpokatorn, EXIM Thailand's President; along with Mr. Kenichi Yamato, President and Chief Executive Officer of Bank of Ayudhya Public Company Limited (BAY); Ms. Paphakorn Ratanasate, Senior Executive Vice President, Investment and Financial Management Group, Government Savings Bank (GSB); Mr. Kosintr Puongsophol, Financial Sector Specialist, Economic Research and Regional Cooperation Department, Asian Development Bank (ADB); and representatives of investors and customers of EXIM Thailand at a press conference to announce the notable success of EXIM Thailand's issue and offering of a Blue Bond, with BAY and GSB as lead underwriters at EXIM Thailand's Head Office on July 26, 2024. As the first THB Blue Bond ever issued by a Thai financial institution, this Blue Bond carries a 3-year tenor, issue size of 3,000 million baht and a fixed coupon rate of 2.78% per annum under the sustainable finance framework worked out by the ADB as the Advisor, certified by DNV (Thailand) Co., Ltd. which is a world leading standard certification organization, and with credit ratings assigned by Fitch Ratings at AAA. This has reflected EXIM Thailand's strong and healthy financial standing. The Blue Bond aims to raise funds for the Bank's lending to businesses dedicated to protection of marine and coastal resources, and embracing the "IGNITE THAILAND" vision and government policy to drive sustainable development in economic, social, and environmental dimensions.

The Deputy Minister of Finance said that the existing environmental pressure and climate change have intensified and prompted countries around the world, including Thailand, to realize the urgent need to address these challenges concretely. This is with the aim of achieving Thailand's target of carbon neutrality by 2050 and net zero emissions by 2065. Collaborative efforts have been put on working toward comprehensive, multi-dimensional solutions to save the natural environment, including seas and oceans which are home to a diversity of marine life and resources and the main source of oxygen. Thus, to advance toward the green economy, the development of the blue economy should not be overlooked in order to conserve habitats for a global community of more than 3,000 million people and create job opportunities for as high as 820 million people in the fishing and related industries. In the

meantime, 80% of international trade volume is carried by maritime transport. UNCTAD has estimated the export value in ocean-based industries (blue economy) at around 2.5 trillion US dollars. Meanwhile, attainment of UN Sustainable Development Goal 14 (SDG 14) - conservation and sustainable use of the oceans, seas and marine resources is forecast by World Economic Forum to require an approximate investment value (blue finance) of as high as 175 billion US dollars per year. However, over the period of 2015-2019, actual investment value did not exceed 10 billion US dollars per year, hence a large investment value gap of nearly 165 billion US dollars per year.

Dr. Paopoom further said that, according to the ADB, Thailand's marine and related economic value is as high as 30% of its GDP, covering multiple industries and contributing to 26% of total workforce employment. As such, the government has given priority to conservation and sustainable use of marine resources by integrating cooperation among relevant agencies. The Blue Bond issue of EXIM Thailand is regarded as a green financial innovation which would help fulfill the green economy in conjunction with the blue economy to drive economic growth in parallel with ecosystem conservation. This would pave the way for development of the society and the environment on an inclusive and sustainable basis and in line with the "IGNITE THAILAND" vision under collaboration among financial institutions to enhance Thailand's advancement toward the financial hub for sustainability.

Dr. Rak Vorrakitpokatorn, EXIM Thailand President, said that as a state-owned specialized financial institution under the Ministry of Finance's supervision, EXIM Thailand has vigorously moved ahead toward the role of Green Development Bank to foster Thailand's international trade and investment ecosystem in response to requirements for eco-friendliness end-to-end from upstream to downstream throughout the supply chain and covering marine and coastal economy as well as related ecosystems to transition Thailand to a low carbon society and sustainable development. EXIM Thailand has consistently issued bonds for environmental sustainability worth 11,500 million baht in total since 2022. The 3,000-million-baht Blue Bond issue this time has been well responded by institutional investors and large investors until that it has been fully subscribed and sold with the subscription amount of as high as 2.5 times the issue amount. The funds raised aim to be used for promoting and supporting business sectors and entrepreneurs with marine and coastal environmental concerns taken into account, such as hotel and marine tourism, fishing including marine aquaculture, waste management and treatment, marine waste recycling, merchant marine, etc.

Besides, EXIM Thailand has developed new financial tools like green and blue economy financing under the Sustainability Linked Loan (SLL) scheme, offering revolving and long-term credit facilities for entrepreneurs of all business sizes with lowest interest rate of 3.85% per annum and maximum credit line of 200 million baht per entrepreneur. The Bank has targeted to increase the proportion of green loans in its loan portfolio from around 37% of total loans at present to 50% by 2027.

“This Blue Bond represents more than just a financial instrument. It actually is a mechanism incorporating the collaboration and unwavering commitment of EXIM Thailand with the Ministry of Finance and relevant alliance agencies from public and private sectors to preserve our natural resources, from land to seas and oceans. Together, we aim to tackle the current global boiling threats and build an ecosystem conducive to business operations within the environmental, social, and governance frameworks to ensure a healthier planet for us all,” added Dr. Rak.

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Corporate Branding and Communication Department