

Media Release

BLACKROCK AND THE MONETARY AUTHORITY OF SINGAPORE (MAS) SPEARHEAD COLLABORATION TO UNLOCK INVESTMENT OPPORTUNITIES IN DECARBONISATION IN ASIA

- BlackRock, MAS, International Finance Corporation (IFC), AIA Group (AIA), Mitsubishi UFJ Financial Group (MUFG), Nippon Export and Investment Insurance (NEXI) have signed a Statement of Intent (SOI) to collaborate on a project to develop an Industrial Transformation infrastructure debt programme, under the FAST-P initiative launched by MAS last year at COP28.
- Parties will explore ways to work together on a blended finance debt initiative to expand access for investors seeking opportunities in Asia with a focus on Southeast Asia, with an aim to mobilise capital for corporates' decarbonisation projects.

Singapore, 12 November 2024 – BlackRock, MAS, IFC, AIA, MUFG, and NEXI have signed an SOI at the 29th Conference of the Parties (COP29) to the United Nations Framework Convention on Climate Change to explore ways to work together on a blended finance debt initiative for global investors seeking opportunities to finance corporates' decarbonisation projects at scale in Asia with a focus on Southeast Asia.

The Industrial Transformation infrastructure debt programme is one of the programmes under MAS' Financing Asia's Transition Partnership (FAST-P), a blended finance initiative announced by the Singapore Government at COP28 that aims to mobilise up to US\$5 billion from public, private, and philanthropic partners to finance transition opportunities in Southeast Asia.

Southeast Asia faces a decarbonisation financing gap. According to a joint report by IFC and the International Energy Agency, annual investment (both public and private) in clean energy in Southeast Asia may need to increase more than eight-fold from US\$30 billion in 2022 to US\$208-244 billion a year by the early 2030s to meet rising energy needs⁽¹⁾. FAST-P's Industrial Transformation programme will explore financing solutions for investors to access decarbonisation projects mainly focusing on Southeast Asia, enabling countries, companies, investors, and philanthropies to pursue their decarbonisation objectives. The Industrial Transformation programme will also seek to catalyse additional concessional and commercial capital to support these projects.

Under the SOI, the parties will explore mutually beneficial opportunities to provide debt financing to private-sector borrowers seeking to decarbonise their businesses, including projects in the following sectors: a) in hard to abate sectors, b) technology solutions for the low-carbon transformation, and c) industrial opportunities.

BlackRock is an industry leader in infrastructure investing, with approximately US\$170 billion⁽²⁾ in AUM that spans all major infrastructure markets and sectors.

Mark Wiedman, Head of Global Client Business, BlackRock, said: "Emerging markets in Southeast Asia face hurdles in funding capital-intensive projects like decarbonisation. BlackRock is bringing our blended finance and transition investing expertise to public-private partnerships like FAST-P, benefitting our clients and the societies in which we invest."

Leong Sing Chiong, Deputy Managing Director, Markets and Development, MAS, said: “For Asia to transition to net zero, we must decarbonise sectors of the economy progressively, including carbon intensive or hard-to-abate sectors. Financing for businesses and sectors that seek to adopt cleaner technologies and processes, is an important enabler. The signing of the SOI is an important step towards accelerating the transition in Asia and we are delighted to have BlackRock, IFC, MUFG, NEXI and AIA as partners in FAST-P.”

Riccardo Puliti, Regional Vice President for Asia Pacific, IFC, said: “The stakes are high in Southeast Asia, where climate change poses major challenges to environmental stability, economic growth, and human development. We are delighted to collaborate with MAS, BlackRock and other partners on this important initiative, which will help investors channel the financing required into countries and projects that need it most to accelerate the transition to low-carbon, resilient, and inclusive economic growth in emerging and developing markets in the region.”

Mark Konyn, Group Chief Investment Officer, AIA, said: “As a leading pan-Asian asset owner AIA is pleased to collaborate with BlackRock, MAS and other partners on this decarbonisation initiative and to explore the blended finance opportunities this collaboration is expected to create. Our commitment to decarbonisation is reinforced through our near-term emissions reductions targets validated by the Science Based Targets initiative (SBTi) and this collaboration demonstrates our wider intent to fund appropriate transition opportunities in addition to achieving our SBTi targets.”

Fumitaka Nakahama, Chief Executive and Senior Managing Corporate Executive, Global Corporate and Investment Banking, MUFG, said: “We are excited to cooperate on FAST-P and delighted to be part of this initiative in order to support accelerating the sustainable development of Asia. FAST-P is a very significant platform for MUFG, and we would like to contribute to promoting an energy transition in the Asian region.”

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About AIA

AIA Group Limited and its subsidiaries (collectively “AIA” or the “Group”) comprise the largest independent publicly listed pan-Asian life insurance group. It has a presence in 18 markets – wholly-owned branches and subsidiaries in Mainland China, Hong Kong SAR⁽³⁾, Thailand, Singapore, Malaysia, Australia, Cambodia, Indonesia, Myanmar, New Zealand, the Philippines, South Korea, Sri Lanka, Taiwan (China), Vietnam, Brunei and Macau SAR⁽⁴⁾, and a 49 per cent joint venture in India. In addition, AIA has a 24.99 per cent shareholding in China Post Life Insurance Co., Ltd.

The business that is now AIA was first established in Shanghai more than a century ago in 1919. It is a market leader in Asia (ex-Japan) based on life insurance premiums and holds leading positions across the majority of its markets. It had total assets of US\$289 billion as of 30 June 2024.

AIA meets the long-term savings and protection needs of individuals by offering a range of products and services including life insurance, accident and health insurance and savings plans. The Group also provides employee benefits, credit life and pension services to corporate clients. Through an extensive network of agents, partners and employees across Asia, AIA serves the holders of more than 42 million individual policies and 16 million participating members of group insurance schemes.

AIA Group Limited is listed on the Main Board of The Stock Exchange of Hong Kong Limited under the stock codes “1299” for HKD counter and “81299” for RMB counter with American Depositary Receipts (Level 1) traded on the over-the-counter market under the ticker symbol “AAGIY”.

BlackRock and the Monetary Authority of Singapore (MAS) spearhead collaboration to unlock investment opportunities in decarbonisation in Asia

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Notes:

- (1) IEA and IFC, 'Scaling up Private Finance for Clean Energy in Emerging and Developing Economies', as at June 2023, p.12: <https://iea.blob.core.windows.net/assets/a48fd497-d479-4d21-8d76-10619ce0a982/ScalingupPrivateFinanceforCleanEnergyinEmergingandDevelopingEconomies.pdf>. Forecasts are not a guarantee.
- (2) BlackRock, 'BlackRock Completes Acquisition of Global Infrastructure Partners', as at 1 October 2024: <https://www.blackrock.com/corporate/newsroom/press-releases/article/corporate-one/press-releases/blackrock-completes-acquisition-of-global-infrastructure-partners>
- (3) Hong Kong SAR refers to the Hong Kong Special Administrative Region.
- (4) Macau SAR refers to the Macau Special Administrative Region.