

Trade & Supply Chain Finance Recent Development

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Trade & Supply Chain Finance Recent Development

Asia leads the way to recovery

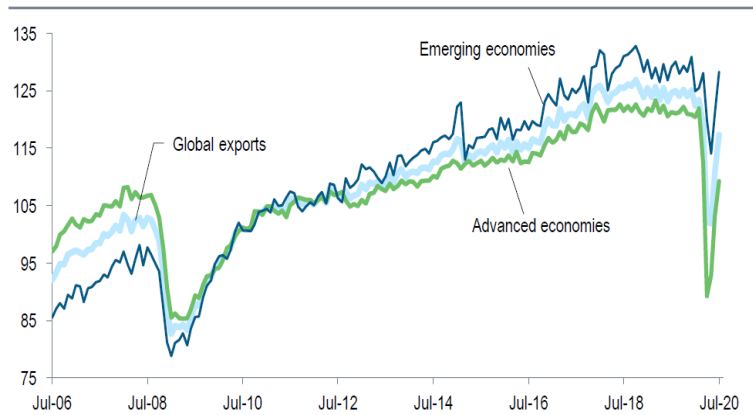
- **Global trade has rebounded faster than during the global financial crisis**
 - Global trade collapsed in March and April as major economies went into lockdown. Export volumes fell by 17.4% between February and May, slightly less than the 20% peak-to-trough decline at the time of the global financial crisis. Exports bounced back in June as lockdown restrictions eased and continued to recover in Q3.
- **Asian exports are back at pre-COVID levels. Pick-up in US and China demand has helped Asian and Latam exports.**
 - Strong Asian exports have been driven by the electronics sector, helped by the rise in people working from home (WFH). Non-electronics exports started to revive in June and recently turned positive year over year (except commodities).
 - Asian exports account for around two thirds of the EM category. China accounts for half of total Asian exports and has recorded strong growth: in value terms, its exports were up 9.5% year over year in September and only 2.3% lower YTD.

Improvement in emerging market trade

- The latest Asia data implies that growth in non-electronics exports may make up for potentially slower growth in electronics exports in the quarters ahead. In terms of non-electronics sectors, car exports from countries such as Thailand and Korea have been weak, but may pick up in the coming months. For example, Korean vehicle exports rebounded strongly in September year over year, albeit from a low base.

Figure 1: Export volumes have recovered faster than after the GFC

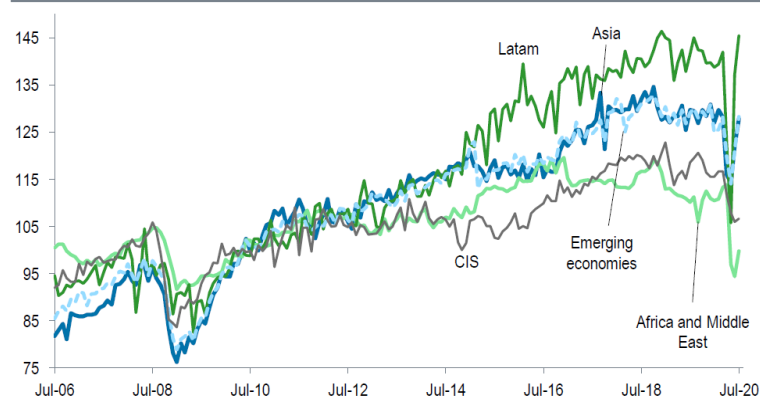
Merchandise export volumes, 2010 = 100



Source: CPB, Standard Chartered Research

Figure 2: Latam and Asia lead the recovery in exports; energy exporters lag

Merchandise export volumes, 2010=100



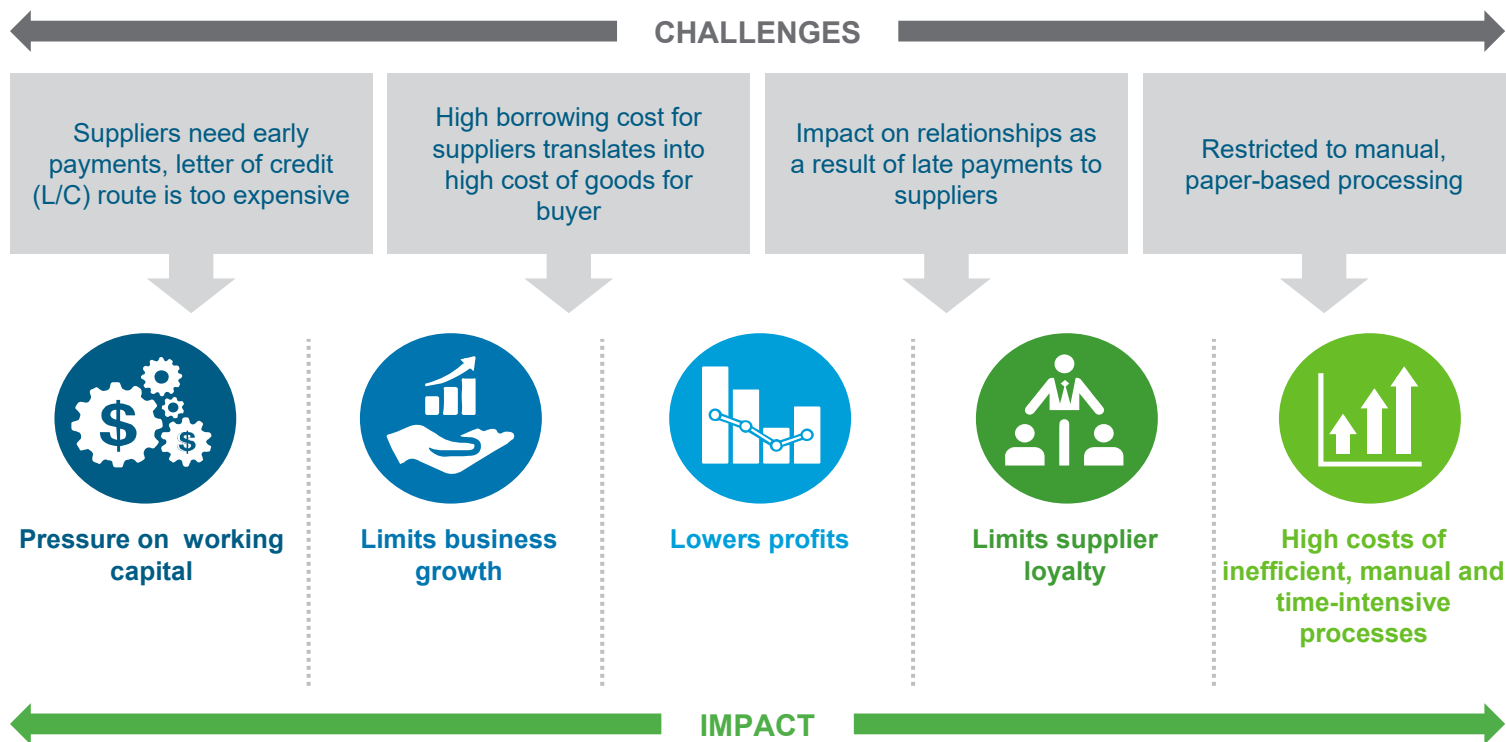
Source: CPB, Standard Chartered Research

Cope with Covid-19 difficulties - the new norm

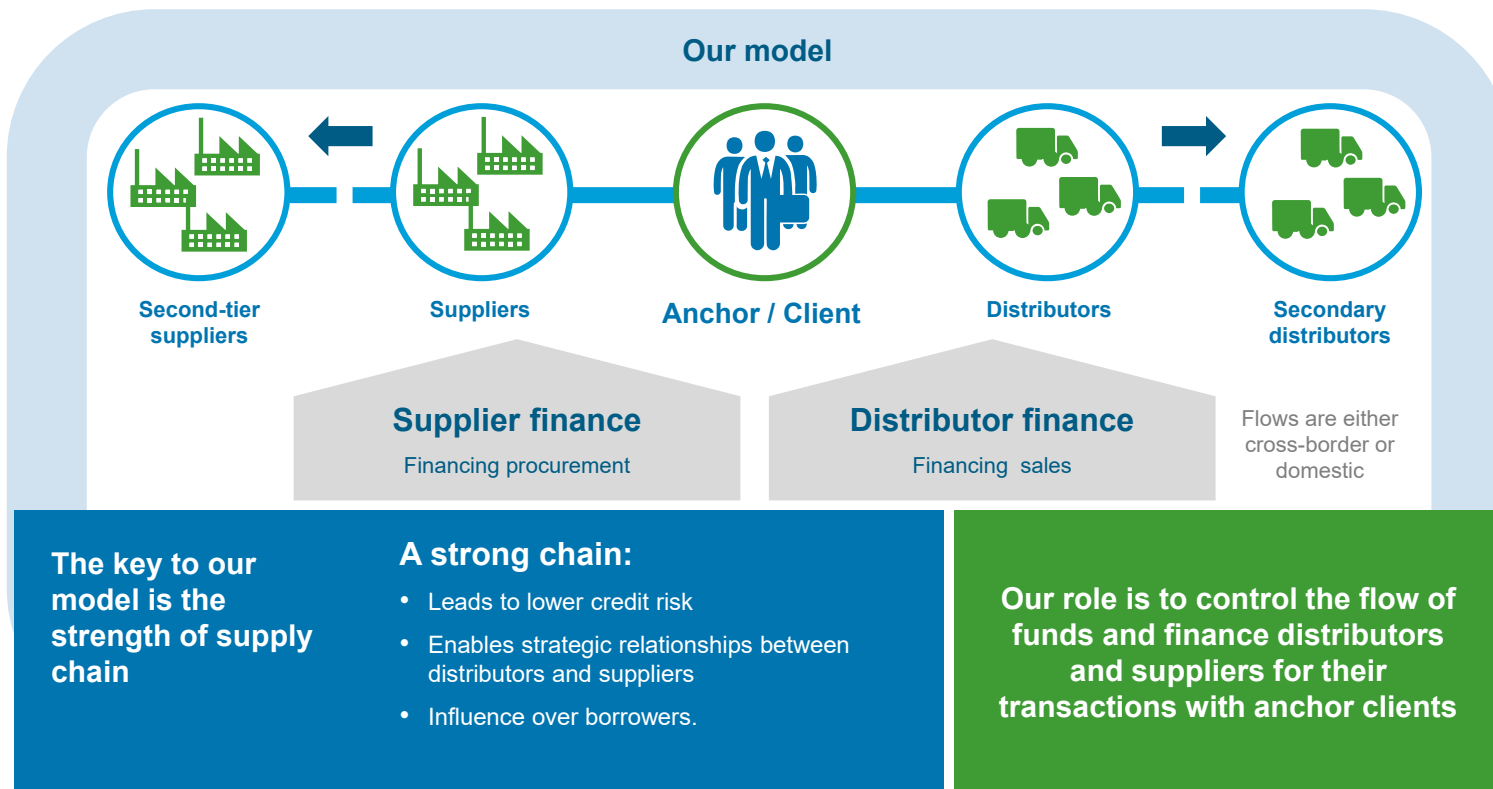
	From	To
Business Model	<ul style="list-style-type: none"> ▪ Demand driven with reduced inventory ▪ Rationalize # of suppliers ▪ BCP plan a nice to have 	<ul style="list-style-type: none"> ▪ Build more supply chain management flexibility ▪ Agile processes with resilient business model ▪ Improved capability to deal with changes in supply and demand ▪ BCP part of the strategy
Digitalization	<ul style="list-style-type: none"> ▪ Nice to have with no urgency ▪ Lower adoption rate ▪ Limited application and usage 	<ul style="list-style-type: none"> ▪ Key strategy to deal with changes ▪ Higher adoption rate ▪ A number of new digital applications emerge with new category leaders
Finance	<ul style="list-style-type: none"> ▪ Good cash flow in normal business environment ▪ Limited sense of urgency for working capital management ▪ Conventional finance approach 	<ul style="list-style-type: none"> ▪ Disruption caused negative cash flow ▪ Proper working capital management key to business survival ▪ All financing options are explored
Sustainability	<ul style="list-style-type: none"> ▪ A concept adopted by some ▪ Limited partnership and innovation ▪ Limited solution for “Deep Tier” SME suppliers 	<ul style="list-style-type: none"> ▪ Wider awareness and adoption ▪ Strengthened partnership and culture ▪ Financing for SME in deep tier a reality in selected markets
Government & Multilateral Organization	<ul style="list-style-type: none"> ▪ General support ▪ In varied stages of policy and regulatory guideline development to support trade & supply chain 	<ul style="list-style-type: none"> ▪ Comprehensive and intensive support ▪ Issuance of new regulatory guideline seen in multiple markets focusing on trade and supply chain as well as deployment of technology to meet future needs

Standard Chartered Practice

Hurdles for better supply chain management – observation



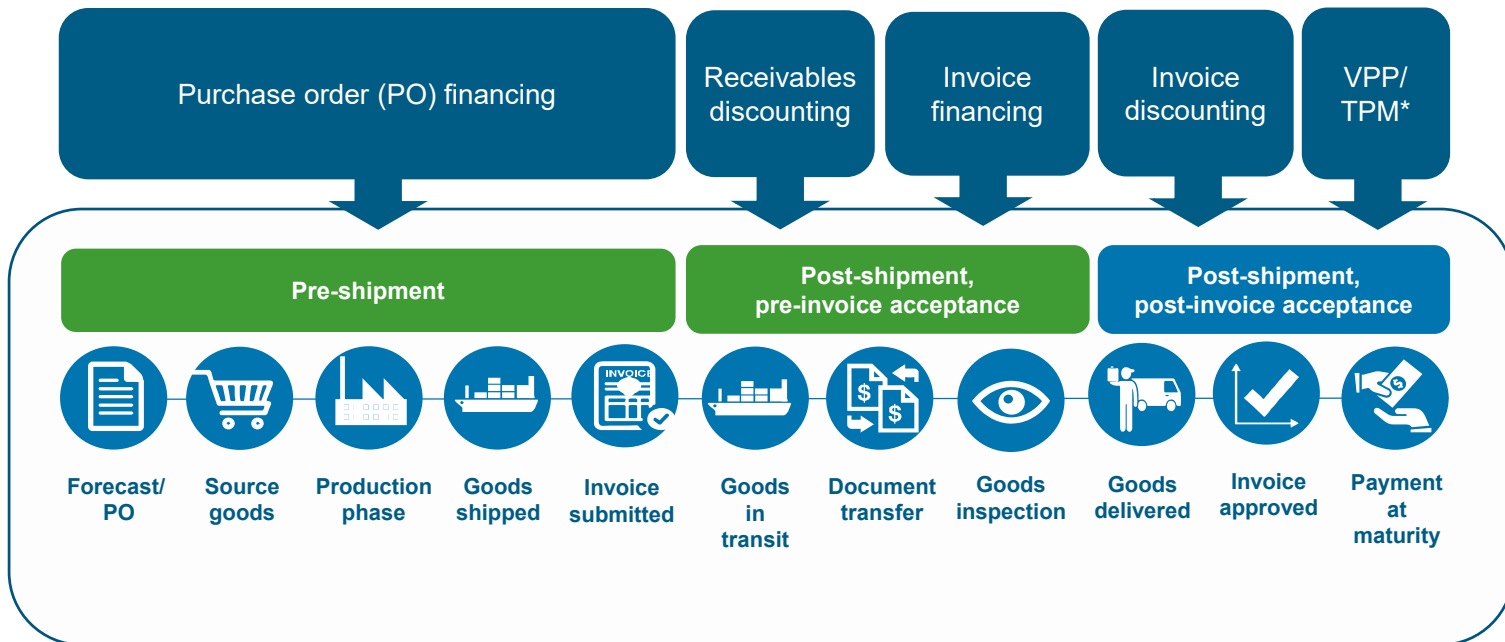
Our solution and supply chain finance model



Combining purchase order and post-shipment financing

Our end-to-end coverage is driven by supply chain trigger events

We are one of few banks to offer **integrated financing solutions** in the **pre-shipment** and the **post-shipment, pre-acceptance** phases (most focus only on the post-acceptance phase)



*VPP = Vendor Prepay

TPM = Trade Payables Management

Supply Chain Finance – New Development

- Partner with 3rd party platform and key ERP service providers
- Launched a number of block chain / API based solutions to meet with client needs and improve efficiency
- Global solution with country variance
- Strengthened supplier enablement and offering
 - Dedicated team to take care of suppliers with easy and straight forward enrolment process
 - Ability to support suppliers in more than 80 markets, in some cases, supplier's supplier
 - One stop shopping – flexibility to raise financing anytime, anywhere and be able to choose preferred remittance currencies
 - Capability for in-house program as well as FI partners

We've joined forces with SAP Ariba to bring financial supply chain solutions to the world's largest digital business network

21 August 2019

SAP Ariba Live, Singapore
collaboration to make the Asia Pacific region the most efficient and accurate for buyers and suppliers with more than 4.2 million suppliers.

By the end of 2019, buyers will be able to access supply chain finance solutions to financing and forecasting, intended to accelerate and accuracy for buyers and suppliers.

We've made a strategic investment into Linklogis

9 January 2020

Hong Kong – Standard Chartered
leading supply chain financial solutions provider, provide suppliers with access to investment in a supply chain financing platform, purchase of the equity stake which started in February 2019 and deliver a supply chain financing transactions.

Standard Chartered will continue to work with corporate buyers with great as cheaper and easier access capabilities to onshore customers of these solutions to support their business.

We've completed our first cross-bank Letter of Credit blockchain transaction between Vietnam and Thailand

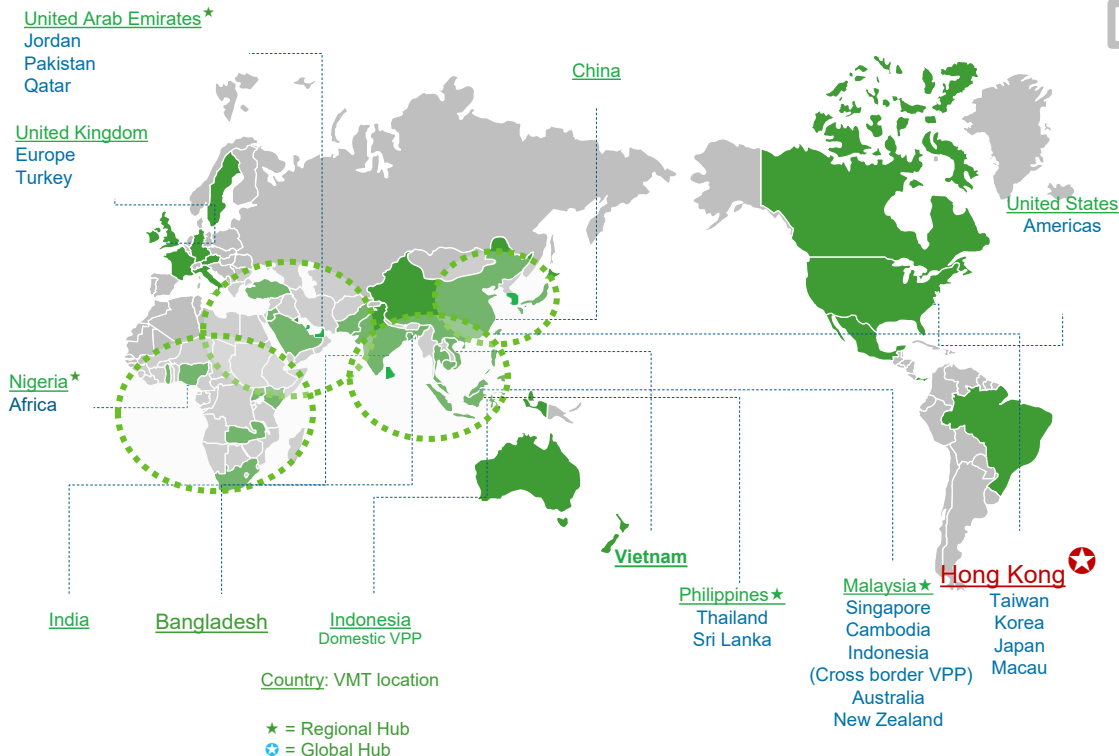
11 September 2020

Singapore – Standard Chartered announced the successful completion of the first cross-bank Letter of Credit (LC) transaction between Vietnam and Thailand conducted over blockchain, in partnership with Asian Development Bank (ADB), Bank for Investment and Development of Vietnam and Standard Chartered Bank (Thai).

The transaction was completed over the Contour network, a blockchain-based open industry platform focused on digitising trade finance, and involved a US\$50,000 shipment of plastics from Thailand's SCG Plastics Co., Ltd. to Vietnam's Opec Plastics Joint Stock Company. Compared to the paper-intensive and time-consuming processes involved in the traditional methods of trade finance, by digitising the end-to-end exchange of information and streamlining the process of LC issuance and

Global Supplier Enablement & Support (Vendor Prepay)

- Suppliers are supported by dedicated vendor management team




Global Vendor Management

- Focus**
 - Dedicated resources
- One-stop service**
 - Analysis and strategy
 - Marketing
 - Enrolment
 - Ongoing management.
- Global support**
 - Hub support model
- Client service**
 - Experienced
 - Multilingual.


Support “Green” recovery & lead in sustainability

- At Standard Chartered Bank, we assist our clients in designing Green and Sustainable Product Frameworks by acting as your dedicated **Green or Sustainability Coordinator**
- We provide thematic and bespoke advice on environmental and social issues across topics such as ESG ratings advisory, framework development, and investor engagement
- We are involved in industry initiatives to instill sustainability and good ESG practices within the financial sector:
 - LMA developing Green and Sustainability Linked Loan principals
 - Current Chair of the Equator Principals
 - Member of Round table of Sustainable Palm Oil
 - Member of the Sustainable Shipping Initiative
 - Co-Leader of the Green Investment Principals for the Belt and Road


Industry Recognized Leadership Position




World's Best for Sustainable Finance




Green Financing House of the Year 2019




Africa's Best Bank for Sustainable Finance 2018




Green Bond Pioneer Award 2019 Rep. of Seychelles' Blue Bond



Deal of the Year 2018 Asia Pacific Green/SRI Bond





Green Finance Deal of the year 2019 Middle East –DP World




Renewable Energy Deal of the year – Solar - 2019


Thought Leadership











Green Belt and Road Principles























Select Recent Green / Sustainability Bonds & Loan Deals

 <p>USD300 million</p> <p>5.750% Senior Notes due 2023</p> <p>Joint Global Coordinator, Joint Lead Manager & Joint Bookrunner</p> <p>Standard Chartered November 2019</p>	 <p>CNH5.5 billion</p> <p>3.18% Senior Green Bonds due 2022 / 3.40% Senior Bonds due 2024</p> <p>Joint Global Coordinator, Joint Lead Manager & Joint Bookrunner</p> <p>Standard Chartered October 2019</p>	 <p>USD375 million</p> <p>Floating Rate Senior Unsecured Green Bond due 2024</p> <p>Joint Green Bond Structurer & Joint Lead Manager</p> <p>Standard Chartered October 2019</p>
 <p>USD1.0bn & EUR500m</p> <p>3Mt+66bps USD Senior Green Notes due 2022 / 0.05% EUR Senior Green Notes due 2022</p> <p>Joint Global Coordinator, Joint Lead Manager & Joint Bookrunner</p> <p>Standard Chartered October 2019</p>	 <p>USD392.5 million</p> <p>4.625% 20yr WAL 3.47yr 144A Reg S Senior Secured Fixed Rate Notes</p> <p>Standard Chartered October 2019</p>	 <p>USD500 million</p> <p>2.750% 144A/Reg S Senior Unsecured Sustainability Bond due July 2024</p> <p>Joint Bookrunner and Joint Lead Manager</p> <p>Standard Chartered July 2019</p>
 <p>EUR4.0 billion</p> <p>Sustainability-Linked Revolving Credit Facility</p> <p>Bookrunner and Mandated Lead Arranger</p> <p>Standard Chartered December 2019</p>	 <p>USD525 million</p> <p>Sustainability-Linked Revolving Credit Facility</p> <p>Mandated Lead Arranger</p> <p>Standard Chartered September 2019</p>	 <p>USD 35 million</p> <p>SLL</p> <p>Sustainability-Coordinator, Arranger, Agent, Security Agent, Account Bank and Lender</p> <p>Standard Chartered January 2020</p>
 <p>GBP411.7 million</p> <p>Green Building Loan</p> <p>Green loan Coordinator, Arranger, Lender, Facility & Security Agent</p> <p>Standard Chartered April 2020</p>	 <p>SGD 945 million</p> <p>Green Term Loan Facility</p> <p>Joint Green Loan Advisors, Joint Mandated Lead Arrangers, Underwriters, Bookrunners</p> <p>Standard Chartered Dec 2019</p>	 <p>USD185 Million</p> <p>Green Term Loan Facility</p> <p>Mandated Lead Arranger and Bookrunner, Underwriter, Facility Agent</p> <p>Standard Chartered May 2020</p>

Bonds

Loans

* For selected SCF programs, suppliers meeting desired ESG standards also enjoy financing in favorable rate

Standard Chartered Bank Vietnam

Standard Chartered in Vietnam

Profile

- Started in Vietnam in 1904
- 4 branches across Hanoi and Ho Chi Minh City complemented by over 3,000 partner bank branches and 8,000 agents
- Named “Best International Bank” in Vietnam for the second consecutive year by Asiamoney
- Named “Best E-Solutions Partner” in Vietnam by The Asset in 2020
- Named “Best Bank for Cash Management” in Vietnam by Global Finance in 2020

Our relationship and service model

- Seamless delivery of products and services to our clients, enhancing productivity and efficiency
- Delivering complete cash and trade solution via our award-winning Straight2Bank platform that is uniform across all markets



Recent development - highlights

- Support economic recovery
 - Under our global 'USD1bn financing program', we have been working very closely with our clients and stakeholders to tackle the virus and restore economic activity.
 - To date, SCBVL has provided total US\$22.5m credit limit supporting 8 companies locally. by doing so, we have been able to provide the financial support these clients needed in their efforts to combat Covid-19, while at the same time demonstrating bank's commitment to be **here for good** for our clients and the community.
 - Providing support to community to fight COVID-19 pandemic by donating to local hospitals and not for profit organization
- Aim at sustainable growth
 - In 2020, we entered a Memorandum of Understanding (MoU) with Vietnam Women Entrepreneurs Council (VWEC) under Vietnam Chamber of Commerce and Industry (VCCI) to launch a financial support programme for women-owned enterprises.

We financed Bac Giang LGG Garment's personal protective equipment production

11 August 2020

Hanoi – Standard Chartered Bank (LGG) has provided a USD1 billion COVID-19 financing programme for women-owned businesses in the province.

The Bank extended the credit limit for the production of personal protective equipment (PPE) for women-owned enterprises.

Nirukt Sapru, CEO of Standard Chartered Bank, said that this is a part of our ongoing USD1 billion financing programme for women-owned enterprises. Chartered, we are committed to supporting women-owned enterprises.

Joining hands with Vietnam Women Entrepreneurs Council to support women-owned enterprises

Posted by Tran Minh Cong in Vietnam homepage on 16-Jun-2020 07:49:00

We have entered a Memorandum of Understanding (MoU) with Vietnam Women Entrepreneurs Council (VWEC) under Vietnam Chamber of Commerce and Industry (VCCI) to launch a financial support programme for women-owned enterprises.

Accordingly, we will provide US\$22.5 million credit facilities with tenor of up to 12 months to support the growth ambitions of women-owned enterprises. Particularly, the programme will be made in the period from 8 June 2020 to 31 December 2020, at a preferential interest rate of 10% per annum. The programme will be made in the period from 8 June 2020 to 31 December 2020, at an earlier date when the credit limit is available.

In addition to the credit facilities, we will also support women-owned businesses with our complete range of financial services.

Speaking at the MoU signing ceremony, Nirukt Sapru, CEO of Standard Chartered Bank, said that this is a part of our ongoing USD1 billion financing programme for women-owned enterprises.

LE KY KHUAT THUAN HOI TAC
GE A HOI BINH HOANG MIEN SEU VIETNAM

Ads by Google Vietnam Export Textile Waste Skull PPE Mask

Garment 10 receives US\$4.3 million financing

Update: August, 25/2020 - 12:23

Facebook Twitter YouTube Email



A face mask production line at Garment 10 Joint Stock Company. — Photo vnanel.vn

HCM CITY — Standard Chartered Vietnam on Monday announced that Garment 10 Joint Stock Company (Garco 10) has become the latest to make a drawdown from the bank's US\$1 billion COVID-19 financing commitment.

Earlier, the bank in March gave its commitment to provide not-for-profit financing to companies that provide goods and services to help combat the pandemic. The bank extended Garco 10 a credit limit of VND100 billion (\$4.3 million) as working capital for the production of medical and cloth masks to meet the increasing global demand for personal protective equipment (PPE).

Supporting Supply Chain and Cash Management in Vietnam



Receivables	Liquidity	Payables
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Cash collections

- Cash pickup via partner banks
- Cash payment at partner bank counters (3,000+), MoMo agent touchpoints (5,000 Independent Agents & 3,000 Chained Agents) and our branches

Electronic (non-cash) collections

- Funds transfer from any bank
- Book transfer via partner banks
- Mobile POS (mPOS)/POS/Online gateway card payments via partner bank
- Straight2Bank Wallet Collection via MoMo
- Straight2Bank Pay*

Reporting

- Near real-time information
- 'Slice & dice' reporting capability.

Aggregation/concentration

- Single entity/single currency
- Optimum use of net pool funds**
- Balance sharing for cross border pool
 - Higher tiered interest rate for net pool balance for LCY accounts with Standard Chartered

24/7 instant interbank transfers

- 24/7 book transfers
- Electronic fund transfers to local banks
- Payroll & General and customs tax payments
- Local bank cheques (not widely used)
- Standing instructions
- Payment to e-Wallets via MoMo
- Electronic transfers to international banks
- Real time transfers between live corridors – Hong Kong, Singapore, United Arab Emirates, Bahrain, Oman, Qatar, Botswana and Vietnam.

← Enabled through **Straight2Bank platform** →

Digitization - connectivity options for clients

Straight2Bank

	Connectivity options	Benefits for Client
Web	Global internet banking platform	<ul style="list-style-type: none"> • Comprehensive transaction and reporting capabilities across products • Interoperable with Host-to-Host and SWIFT Net.
Host-to-Host	Flexible, end-to-end connectivity for large-volume processing	<ul style="list-style-type: none"> • Seamless integration with SAP and other enterprise resource planning (ERP) systems • Fully-automated processing • Enhanced controls and security.
SWIFT Net	Single, standardised multi-bank gateway	<ul style="list-style-type: none"> • Bank neutral platform • Standardised processes across banking partners • Fully automated and centralised processes.
API	Client/channel partners integrate with us, in a simple and low-cost process	<ul style="list-style-type: none"> • Convenient • Low cost • Faster
Blockchain	Distributed ledger technology	<ul style="list-style-type: none"> • Convenient • Secure and safe • Faster

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