

MUFG Bank, Ltd.

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For Immediate Release

MUFG seals landmark USD 1.1 billion social loan for affordable housing with HDFC in India

India, 8 August 2022 – MUFG Bank, Ltd. (MUFG) announced the completion of a USD 1.1bn Syndicated Social Loan Facility for the social financing of affordable housing in India for HDFC Ltd. (HDFC), one of the country's leading housing finance providers. This syndicated transaction marks several milestones, including the largest social loan globally. It is also the largest ECB deal from a public/private non-banking financial company (NBFC) in India.

MUFG Bank, Ltd. (MUFG) is one of the Mandated Lead Arranger and Bookrunners (MLAB) and the Lead Social Loan Coordinator for this transaction. This transaction also marks MUFG's first social loan in India.

As Lead Social Loan Coordinator, MUFG worked with HDFC on publishing its Social Financing Framework, underpinning the current deal and any other similar transactions that HDFC may choose to undertake in the future. This framework is in line with the LMA / APLMA / LSTA Social Loan Principles 2021, a globally-recognised methodology designed for participants in the sustainability financing market to consistently certify, track and monitor the social impact of financing assets. The annual reporting for the allocation of social loan proceeds will also be in line with Reserve Bank of India (RBI) guidelines.

This landmark financing further reaffirms HDFC's longstanding mission to be the leading provider of housing finance in India. Proceeds from the social loan would go towards financing affordable housing loans as referenced by RBI guidelines¹. Since its inception in 1977, HDFC has financed 9.5 million housing units and has a gross loan book of INR 6.7 trillion. HDFC has been considered a role model for housing finance for countries with nascent mortgage markets.

Mr. Colin Chen, MUFG's Head of ESG Finance for Asia Pacific, said: "This is a tremendous milestone for MUFG in India. We have long established ourselves as a leading player in the country's renewables and clean energy sectors, but this social loan further demonstrates our ability to tailor ESG solutions across different industries to effect meaningful change. HDFC has set a new benchmark for the Indian corporate community, and MUFG is privileged to have played a role in taking HDFC's sustainability commitment to the next level."

¹ *The Harmonised Master List of Infrastructure sub-sectors approved by Government of India vide Notification F. No. 13/06/2009- INF as amended / updated from time to time defines "Affordable Housing" as a housing project using at least 50% of the Floor Area Ratio (FAR)/Floor Space Index (FSI) for dwelling units with carpet area @ of not more than 60 square meters.*

In line with its sustainability mission, MUFG has publicly committed to investing a cumulative total of JPY35 trillion into sustainability related financing globally by 2030, of which close to 30% of this target, or JPY10.4 trillion, has already been achieved (FY2019 to FY2021 1H).

In May 2021, MUFG announced its commitment to achieve net-zero emissions in its finance portfolio by 2050 and its own operations by 2030. The Bank is also leading the transition finance taskforce within the Net Zero Banking Alliance (NZBA), convened by the United Nations to rally global financial institutions towards supporting net zero carbon emissions. NZBA currently has over 100 FIs as members.

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About MUFG

Mitsubishi UFJ Financial Group, Inc. (MUFG) is one of the world's leading financial groups. Headquartered in Tokyo and with over 360 years of history, MUFG has a global network with approximately 2,400 locations in more than 50 markets. The Group has about 170,000 employees and offers services including commercial banking, trust banking, securities, credit cards, consumer finance, asset management, and leasing.

The Group aims to “be the world's most trusted financial group” through close collaboration among our operating companies and flexibly respond to all of the financial needs of our customers, serving society, and fostering shared and sustainable growth for a better world. MUFG's shares trade on the Tokyo, Nagoya, and New York stock exchanges.

MUFG Bank, Ltd. is Japan's premier bank, with a global network spanning more than 50 markets. Outside of Japan, the bank offers an extensive scope of commercial and investment banking products and services to businesses, governments and individuals worldwide.

In Asia, MUFG has a presence across 20 markets – Australia, Bangladesh, Cambodia, China, Hong Kong, Indonesia, India, South Korea, Laos, Malaysia, Mongolia, Myanmar, New Zealand, Pakistan, Philippines, Singapore, Sri Lanka, Taiwan, Thailand and Vietnam.

It has also formed strategic partnerships with some of the most prominent banks in Southeast Asia, further augmenting its unrivalled network across the region – VietinBank in Vietnam, Krungsri in Thailand, Security Bank in the Philippines and Bank Danamon in Indonesia.

For media enquiries, please contact:

Karl Ho
Corporate Communications, Asia
MUFG Bank
DID: +65 93864956
Email: karl_ho@sg.mufg.jp

Heather Chua
Corporate Communications, Asia
MUFG Bank
DID: +65 69183843
Email: heather_chua@sg.mufg.jp