

## **UOB extends first three green loans to SMEs under its new Real Estate Sustainable Finance Framework**

*First lending framework by a Singapore bank dedicated to supporting sustainability-related projects in  
Asia's real estate sector*

**Singapore, 31 October 2019** – United Overseas Bank (UOB) today announced that it has extended its first green loans<sup>1</sup> under its new UOB Real Estate Sustainable Finance Framework, the first lending framework for the sector<sup>2</sup> established by a Singapore bank. First to use the financing framework are Lucrum Capital and Teambuild Engineering & Construction, which together have secured S\$140 million to finance the construction and operation of their green buildings in Singapore.

The Bank developed its UOB Real Estate Sustainable Finance Framework specifically for companies that own or manage real estate assets, such as data centres, hotels, industrial and residential properties, offices, restaurants and retail spaces.

The financing framework sets out the eligibility criteria, including sustainability strategy, objectives, ratings and performance targets, for companies to meet when applying for green loans or sustainability-linked loans. This makes it easier for small- and medium-sized enterprises (SMEs), which often have limited resources, in particular to apply for sustainability-linked or green loans. Under the framework, UOB will record and monitor the borrower's management of loan proceeds, as well as track the sustainability metrics as agreed with the company.

Mr Eric Tham, Head of Group Commercial Banking, UOB, said, "In Singapore, the Building Construction Authority (BCA) has set a target for 80 per cent of buildings to be certified green by 2030<sup>3</sup>. In providing green or sustainability-linked financing under the UOB Real Estate Sustainable Finance Framework, we will be able to help more clients, particularly SMEs in this sector, develop sustainable buildings. Together, we hope to achieve positive outcomes in our sustainability journey."

<sup>1</sup> The loans were converted to green loans under the UOB Real Estate Sustainable Finance Framework.

<sup>2</sup> Buildings construction and operations contributed the largest share of total global energy-related carbon dioxide (CO<sub>2</sub>) emissions in 2017, accounting for 36 per cent of global final energy use and nearly 40 per cent of energy-related CO<sub>2</sub> emissions. Source: [2018 Global Status Report](#), Global Alliance for Buildings and Construction.

<sup>3</sup> Source: [Leading the way for green buildings in the tropics](#), Building and Construction Authority

Mr Lam Li Min, Head of Real Estate and Hospitality, Sector Solutions Group, UOB, said, “At UOB, we are committed to working with our clients to help them embed sustainable practices within their businesses. The UOB Real Estate Sustainable Finance Framework is one of the ways in which we encourage and assist more companies to do so. We will continue to roll out similar frameworks for other sectors as part of our commitment to partnering customers in our support of the United Nations Sustainable Development Goals.”

KPMG in Singapore advised UOB in the development of the UOB Real Estate Sustainable Finance Framework, which is in line with the Green Loan Principles and the Sustainability Linked Loan Principles issued by the Loan Market Association in 2018 and 2019 respectively.

### **Supporting green building development in Singapore**

Lucrum Capital will use two green loans under the UOB Real Estate Sustainable Finance Framework for the construction of a six-storey hotel at 110/112 Killiney Road. The building’s design will include climate-responsive features to help mitigate its contribution to the urban heat island effect<sup>4</sup>, energy-efficient air conditioning and lighting, water-efficient fittings, as well as energy and water monitoring and management systems. These green features are expected to lead to 30 per cent in cost savings. Lucrum Capital has already made a provisional application for the BCA Green Mark Platinum Award Target Rating for the building upon completion.

Mr David Lawrence Batchelor, Director of Lucrum Capital, said, “The conversion of our two loans into green loans under the UOB Real Estate Sustainable Finance Framework is a significant step as we continue to ensure the environmental sustainability of our properties. Our logo, which is in green, symbolises life and growth, and we are grateful for UOB’s support in helping us to pursue growth opportunities while making a positive impact on the environment.”

Ms Boo Pei Fang, Financial Controller of Teambuild Engineering & Construction, said, “The UOB Real Estate Sustainable Finance Framework is aligned with our sustainability strategy and commitment to

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<sup>4</sup> The urban heat island effect refers to the higher temperatures that are experienced in urban environments compared with the temperatures of surrounding rural areas. The phenomenon is caused primarily by the replacement of natural surfaces with hard impervious surfaces that absorb more solar radiation.



social responsibility. It gives SMEs such as us opportunities to tap into green or sustainability-linked loans. The converted loan from UOB marks our first green loan and we look forward to working with UOB more closely as we grow our business in a sustainable manner.”

Teambuild Engineering & Construction will use its green term loan for its new integrated construction and prefabrication hub (ICPH). Located at 9 Defu South Street 1, the building is equipped with green walls and rooftop solar panels with a total solar capacity of 58.9 megawatt-peak. The company has also implemented an energy management system to track energy consumption.

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#### **About United Overseas Bank**

United Overseas Bank Limited (UOB) is a leading bank in Asia with a global network of more than 500 offices in 19 countries and territories in Asia Pacific, Europe and North America. Since its incorporation in 1935, UOB has grown organically and through a series of strategic acquisitions. UOB is rated among the world’s top banks: Aa1 by Moody’s and AA- by both Standard & Poor’s and Fitch Rating. In Asia, UOB operates through its head office in Singapore and banking subsidiaries in China, Indonesia, Malaysia, Thailand and Vietnam, as well as branches and representative offices across the region.

Over more than eight decades, generations of UOB employees have carried through the entrepreneurial spirit, the focus on long-term value creation and an unwavering commitment to do what is right for our customers and our colleagues.

We believe in being a responsible financial services provider and we are committed to making a difference in the lives of our stakeholders and in the communities in which we operate. Just as we are dedicated to helping our customers manage their finances wisely and to grow their businesses, UOB is steadfast in our support of social development, particularly in the areas of art, children and education.

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