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UBS, Bursa Malaysia, and Union Bank of the Philippines (UnionBank) join Singapore fintech STACS and Deutsche Bank as industry collaborators of ‘bond in a box’ proof-of-concept on the use of DLT for digital assets and sustainability-linked bonds

Deutsche Bank and STACS announced the completion of their Project Benja earlier (18 May 2021)

UBS, Bursa Malaysia, and Union Bank of the Philippines (‘UnionBank’) join Hashstacs Pte Ltd (‘STACS’) and Deutsche Bank as industry collaborators in their proof-of-concept (‘POC’) known as “Project Benja”. The three industry participants contributed their various domain expertise towards the final Environmental, Social, and Governance (ESG)-enabling and interoperable end-to-end Distributed Ledger Technology (‘DLT’)-enabled bonds lifecycle management solution for the financial industry.

Sharing its perspective as a bond arranger and investor, UBS provided insight into primary market workflows, ESG and green bond formats including sustainability-linked bonds, and ESG-focused investor preferences. UBS also

focused on payment interoperability and explored the viability of a range of digital payment and settlement modes.

In order to achieve an effective end-to-end DLT-enabled capital market, Bursa Malaysia's expertise was to consider the possibilities of a blockchain-powered Central Securities Depository ('CSD') that allows for efficient and orderly maintenance of records, which could unlock massive value and opportunities for the industry, bearing in mind that fragmentation in information stemming from different legacy systems used in the financial industry has been raised by all collaborators as a major pain point.

As a premier financial institution in the Philippines and a leader in the digital space, UnionBank shared its expertise as a cross-border Bond Issuer, covering current pain points that issuers face in the traditional capital markets financial infrastructure, requirements for cross-border issuances, as well as social inclusion and Micro, Small and Medium Enterprises ('MSME') financing.

With the inputs of the various industry collaborators, the practicality, interoperability, relevancy, sustainability, and effectiveness of the solution created by STACS and Deutsche Bank to simplify global markets in a sustainable and inclusive manner, are validated and reinforced.

Hugo van Kattendijke, Head of Financial Intermediaries, APAC at UBS Wealth Management, said: "Not only does this Proof-of-Concept outline a basic ecosystem for DLT bond issuance and lifecycle management but it also serves an accessible template for the industry in the development of concepts into live commercial transactions. Its focus on ESG, an area in which DLT uniquely enables data-rich products such as sustainability-linked bonds, to deliver significant additional value for clients is particularly exciting."

Muhamad Umar Swift, Chief Executive Officer at Bursa Malaysia, said: "We welcome this opportunity to collaborate with Deutsche Bank and STACS and contribute to this POC from a perspective of a central depository. This would create new opportunities for many players in a DLT-enabled capital market. Such collaborations are part of Bursa Malaysia's focus on technology-driven innovation to accelerate the adoption of new technologies that can benefit the wider industry and drive the growth of our markets."

Catherine Casas, First Vice President and Head of the Blockchain Center of Excellence at UnionBank, said: "DLT is the foundation to building capital markets that are for everyone. It enables smaller businesses to borrow, instills investor confidence through transparency, and provides real-time asset trading and settlement across borders so that everyone, be it an investor or a borrower, can

access opportunities from across the globe through capital markets which are truly inclusive.”

Benjamin Soh, Managing Director at STACS, said: “We were able to successfully achieve the project’s goals in a fast few months thanks to the great collaboration and inputs from the team at Deutsche Bank, as well as industry leaders at UBS, UnionBank of the Philippines, and Bursa Malaysia. These esteemed industry collaborators allowed us to truly approach the project from a lens of interoperability, ecosystem-wide roles and impacts of DLT digitalisation on the traditional processes of securities markets, including the enablement of better ESG and sustainable financing. We are thrilled to have delivered a functional industry-wide platform through this collaboration, and look forward to achieving more and building better together, to unlock value for the entire industry.”

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About STACS

STACS (Hashstacs Pte Ltd) is a Singapore FinTech company providing Transformative Technology for the Financial Industry, with its complete infrastructure of live institutional green and ESG-enabling platforms that make global markets simpler. STACS is leading the way forward by digitalizing assets, processes, and documents using its STACS Blockchain technology. Its clients and partners include global banks, national stock exchanges and asset managers. STACS is The Asset Triple A Digital Awards FinTech Start-Up of 2021, an Award Winner of the Monetary Authority of Singapore (MAS) Global FinTech Innovation Challenge Awards 2020, and also a two-times awardee of the Financial Sector Technology and Innovation (FSTI) Proof of Concept (POC) grant, under the Financial Sector Development Fund administered by MAS.

About Bursa Malaysia

Bursa Malaysia is an approved Exchange holding company under Section 15 of the Capital Markets and Services Act 2007. A public company limited by shares under the Companies Act 2016, Bursa Malaysia operates a fully-integrated exchange, offering equities, derivatives, offshore, bonds as well as Islamic products, and provides a diverse range of investment choices globally.

For more information on Bursa Malaysia, visit www.bursamalaysia.com

About UBS

UBS provides financial advice and solutions to wealthy, institutional and corporate clients worldwide, as well as private clients in Switzerland. UBS is the largest truly global wealth manager, and a leading personal and corporate bank in Switzerland, with a large-scale and diversified global asset manager and a focused investment bank. The bank focuses on businesses that have a strong competitive position in their targeted markets, are capital efficient, and have an attractive long-term structural growth or profitability outlook. For more information on UBS, visit www.ubs.com

About Union Bank of the Philippines

Union Bank of the Philippines (UnionBank) has always been among the first to embrace technological innovations to empower its customers. It embraces the future of banking and is committed to be the Philippines' leading digital bank to best serve the growing needs of Filipinos everywhere.

It has consistently been recognized as one of Asia's leading companies, ranking among the country's top universal banks in terms of profitability and efficiency.

Determined to be an enabler of the Philippines' bid to be a G20 country by 2050, UnionBank stands firm in its promise to power the future of banking by pioneering innovations for its customers and for a better world.