

Deutsche Bank  
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# The Network Forum 2022 – Keynote

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# Disruptor-in-Charge



Who led your digital transformation?

A. CEO

B. CIO

C. COVID-19

Extracted from:  
Forbes Magazine, Who led your digital transformation? Your CIO or COVID-19 (May 26, 2020)  
<https://www.forbes.com/sites/peterhigh/2020/05/26/who-led-your-digital-transformation-your-cio-or-covid-19/?sh=271993e35323>

# Asia's Decade



MACROECONOMIC PULSE

1

MEGA TRENDS IN APAC

2

WHAT IT ALL MEANS

3

# Interest Rates



**Some ASEAN central banks starting to hike in larger increments to defend FX**

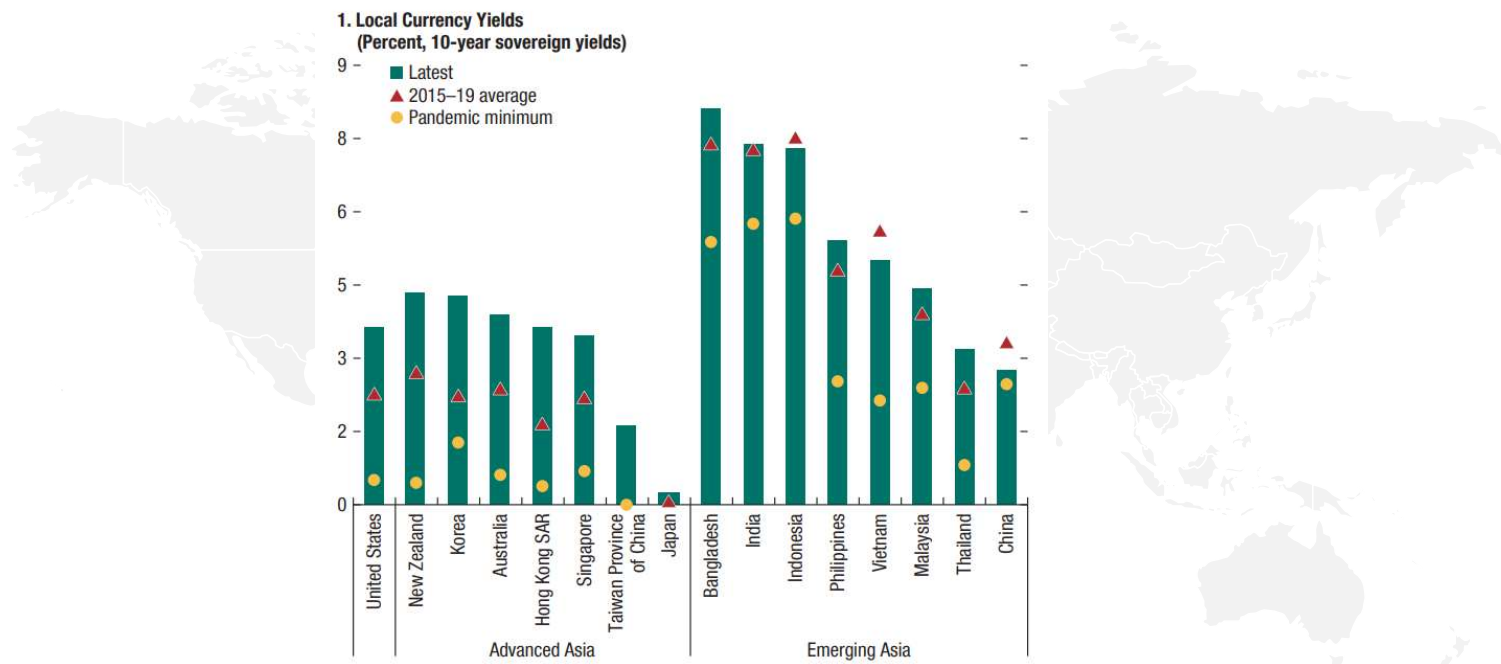
|                    | Policy Rate before Lift Off (%) | Current Policy Rate (%) | Hikes Delivered (bps) | Terminal Rate - Mkt Pricing | Terminal Rate - DB Forecast | Hikes to Go - DB Forecast |
|--------------------|---------------------------------|-------------------------|-----------------------|-----------------------------|-----------------------------|---------------------------|
| <b>US</b>          | 0.25                            | 3.25                    | 300                   | 4.90                        | 5.00                        | 175                       |
| <b>Korea</b>       | 0.50                            | 3.00                    | 250                   | 4.76                        | 3.50                        | 50                        |
| <b>Philippines</b> | 2.00                            | 4.25                    | 225                   | 4.26                        | 5.25                        | 100                       |
| <b>ECB</b>         | -0.50                           | 1.50                    | 200                   | 2.84                        | 3.00                        | 150                       |
| <b>Vietnam</b>     | 4.00                            | 6.00                    | 200                   | N/A                         | 6.00                        | 0                         |
| <b>India</b>       | 4.00                            | 5.90                    | 190                   | 6.98                        | 6.25                        | 35                        |
| <b>Indonesia</b>   | 3.50                            | 4.75                    | 125                   | 4.98                        | 6.25                        | 150                       |
| <b>Malaysia</b>    | 1.75                            | 2.50                    | 75                    | 4.01                        | 3.50                        | 100                       |
| <b>Taiwan</b>      | 1.13                            | 1.63                    | 50                    | 2.31                        | 2.00                        | 38                        |
| <b>Thailand</b>    | 0.50                            | 1.00                    | 50                    | 3.24                        | 2.00                        | 100                       |
| <b>China</b>       | 2.85                            | 2.75                    | -10                   | 3.15                        | 2.75                        | 0                         |

Extracted from:  
Deutsche Bank Research, Asia Corporate Newsletter, Q4 2022: Peaks, pivots and polarization (October, 2022)

# Local Currency Yields



**Figure 1.7. Sovereign Borrowing Costs**



Sources: Bloomberg Finance L.P.; and IMF staff calculations.

Extracted from:  
International Monetary Fund, Regional Economic Outlook Asia and Pacific, Sailing into Headwinds, (22 October, 2022)  
<https://www.imf.org/en/Publications/REO/APAC/Issues/2022/10/13/regional-economic-outlook-for-asia-and-pacific-october-2022>

# APAC AuM



**Global ESG AuM (US\$tn)**

|                 | 2015 | 2020 | 2021 | 2026<br>Low | 2026<br>Base | 2026<br>Best |
|-----------------|------|------|------|-------------|--------------|--------------|
| Mandates        | 0.0  | 4.8  | 10.4 | 12.8        | 16.9         | 22.4         |
| Mutual funds    | 1.6  | 3.6  | 6.9  | 10.1        | 14.3         | 20.7         |
| Private markets | 0.6  | 1.0  | 1.1  | 1.6         | 2.7          | 4.5          |
| Total           | 2.2  | 9.4  | 18.4 | 24.4        | 33.9         | 47.6         |

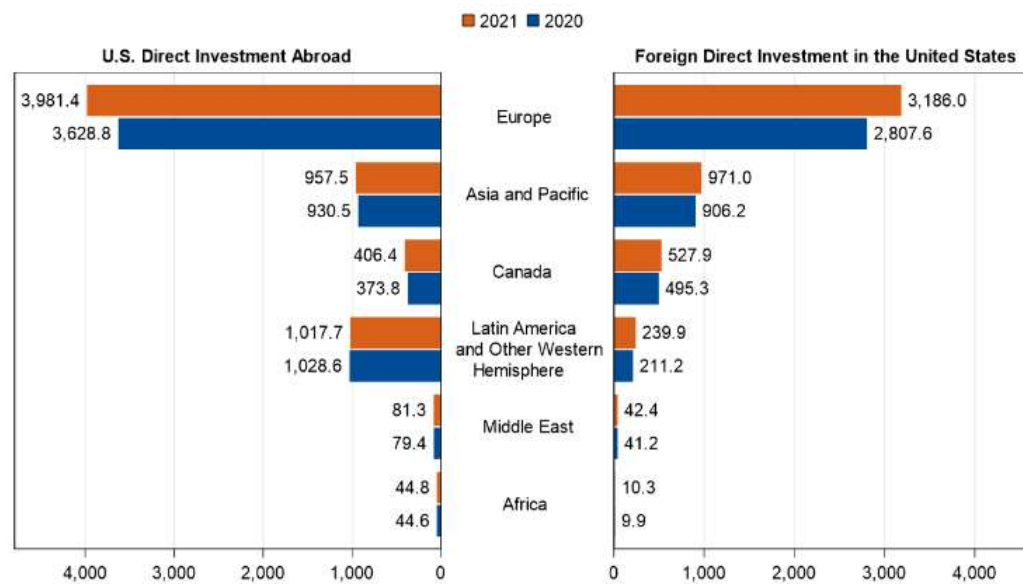
Forecast →

Extracted from:  
PwC, Asset and wealth management revolution 2022: Exponential expectations for ESG (2022)  
<https://www.pwc.com/gx/en/financial-services/assets/pdf/pwc-awm-revolution-2022.pdf>

# APAC #2 Investor in the U.S.



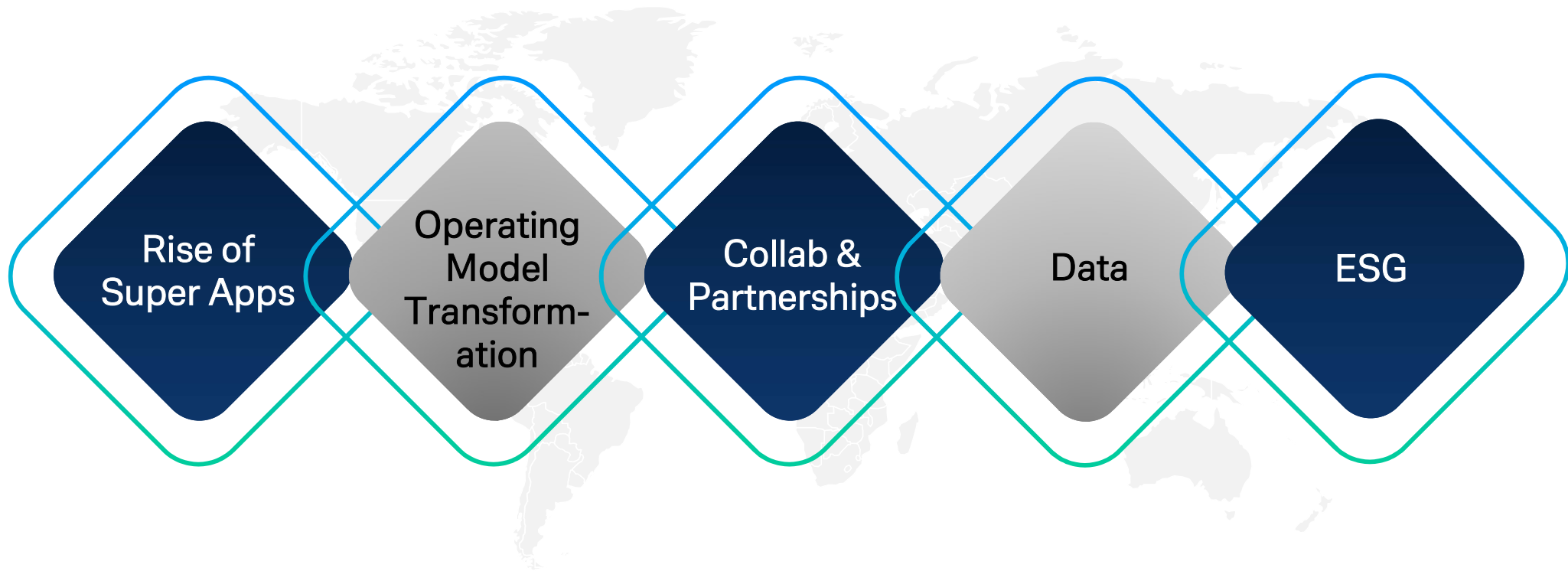
**Direct Investment Positions, 2020–2021**  
Billion \$



Source: U.S. Bureau of Economic Analysis

Extracted from:  
U.S. Bureau of Economic Analysis, Direct Investment by Country and Industry, 2021 (21 July, 2022)  
<https://www.bea.gov/news/2022/direct-investment-country-and-industry-2021>

# APAC Mega Trends





# The Future is Already Here



Citywire: APAC Fund Assets to More than Double to \$8tn by 2025  
(18 November, 2021)

TechCrunch: Investors are Doubling Down on Southeast Asia's Digital Economy  
(10 September, 2021)

McKinsey & Company: A Digital Future for Asia's Capital Markets  
(26 September, 2019)

Analytics Insight: Big Data Analytics in the Asia-Pacific Region is Estimated to Reach US\$37.1 Billion by 2023  
(3 January, 2022)

Eco-Business: ESG Investing in Asia: From Niche to Mainstream  
(28 April, 2022)

Ernst & Young: How APAC Financial Services Leaders can Accelerate Tech Transformation  
(9 September, 2022)

AsianInvestor: Seizing Asia's Moment: Investing in the Fourth Growth Wave  
(27 October, 2022)

Microsoft: From 'Made in Asia' to 'Born in Asia' – How Asia's New Tech Vanguard will Fuel Societal Progress  
(29 November, 2021)

Extracted from:  
Citywire:  
<https://citywire.com/asia/news/apac-fund-assets-to-more-than-double-to-8tn-by-2025/a1584048>

Extracted from:  
TechCrunch  
<https://techcrunch.com/2021/09/09/investors-are-doubling-down-on-southeast-asias-digital-economy/>

Extracted from:  
McKinsey & Company  
<https://www.mckinsey.com/industries/financial-services/our-insights/banking-matters/a-digital-future-for-asias-capital-markets>

Extracted from:  
Analytics Insight:  
<https://www.analyticsinsight.net/big-data-analytics-in-the-asia-pacific-region-is-estimated-to-reach-us37-1-billion-by-2023/>

Extracted from:  
Eco-Business  
<https://www.eco-business.com/news/esg-investing-in-asia-from-niche-to-mainstream/>

Extracted from:  
Ernst & Young  
[https://www.ey.com/en\\_gl/consulting/apac-financial-services-tech-horizon-survey](https://www.ey.com/en_gl/consulting/apac-financial-services-tech-horizon-survey)

Extracted from:  
AsianInvestor  
<https://www.asianinvestor.net/article/seizing-asias-moment-investing-in-the-fourth-growth-wave/473529>

Extracted from:  
Microsoft  
<https://news.microsoft.com/apac/2021/11/29/from-made-in-asia-to-born-in-asia-how-asias-new-tech-vanguard-will-fuel-societal-progress/>

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