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RHB LAUNCHES MALAYSIA'S FIRST SUSTAINABLE CROSS CURRENCY REPURCHASE TRANSACTION

Pioneering Deal Sets New Standard for Sustainable Finance in Malaysia and the Region, Supporting Business Transition to Sustainability

Kuala Lumpur – The RHB Banking Group (“RHB” or the “Group”) today successfully launched Malaysia’s first Sustainable Use of Proceeds (“UOP”) Cross Currency Repurchase (“Repo”) transaction. This landmark transaction, a cross currency Australian Dollar (“AUD”) for Malaysian Ringgit (“MYR”) bonds repo, represents a significant advancement in sustainable finance, specifically designed to support the transition of businesses towards sustainability. The MYR proceeds will be allocated to eligible SME loans that meet the approved sustainability criteria.

The Sustainable UOP Cross Currency Repo transaction was made possible through RHB's collaboration with BNP Paribas Malaysia Berhad to develop Malaysia’s first Sustainable UOP Annex. This Annex, a milestone in sustainable finance, was incorporated into the Global Master Repurchase Agreement.

Setting a New Standard in Sustainable Finance

By leveraging sovereign and sovereign-related securities from Sukuk and Bond Portfolios, RHB and BNP Paribas can generate competitively priced liquidity to support sustainable lending initiatives, both within Malaysia and internationally. This transaction sets a benchmark for other financial institutions, showcasing the viability of integrating sustainability into complex financial instruments.

Dato’ Fad’l Mohamed, Managing Director of RHB’s Group Wholesale Banking, commented, “RHB is committed to driving innovation in Sustainable and Transition Finance, as these are crucial for supporting our clients' shift towards a more sustainable future. The launch of Malaysia’s first Sustainable Cross Currency UOP transaction, in collaboration with BNP Paribas, underscores our dedication to creating meaningful financial solutions that align with our sustainability objectives. This initiative is a key step towards achieving our ambition of mobilising RM50 billion in sustainable financial services, advancing our Net Zero 2050 aspirations, and making a positive impact on the communities we serve.”

Angus Salim Amran, Head of Sustainable Finance at RHB, said, “This pioneering Sustainable UOP Cross Currency Repo transaction and the development of the UOP Annex further solidify RHB’s leadership in Sustainable Finance. These initiatives not only broaden the range of instruments available to us but also play a crucial role in bridging the gap between the sources and applications of sustainable finance.

By providing innovative financial solutions, we are empowering our clients to integrate sustainability into their business models and contribute to building a more resilient and sustainable financial ecosystem.”

Chaoni Huang, Head of Sustainable Capital Markets for Asia Pacific BNP Paribas, said, “Supporting our clients' sustainability journeys is a priority for BNP Paribas, and we are thrilled to collaborate with RHB on this innovative green financial instrument. This landmark partnership has provided an additional funding source to drive sustainable finance in Malaysia and underscores our commitment to advancing sustainable finance solutions through strategic collaboration.”

Anthony Lo, Head of Territory and CEO for BNP Paribas Malaysia, said, “We are pleased to have successfully executed this innovative and landmark transaction and grateful for this opportunity to partner with RHB in fulfilling their sustainability targets. This transaction reflects our strong commitment to Malaysia, in supporting our clients to achieve their sustainability ambitions.”

RHB has made significant progress towards its RM50 billion sustainable financial services goal by 2026, highlighting its commitment to supporting businesses' transition to sustainable, low-carbon practices. Having mobilised over RM31.0 billion to date, representing 62% of its 2026 target, RHB is positioned as a key catalyst for sustainable business practices and a leader in advancing a low-carbon future.