

NEWS RELEASE

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RHB INKS MALAYSIA'S FIRST LOW CARBON TRANSITION FACILITY (LCTF) PORTFOLIO GUARANTEE AGREEMENT WITH CGC

RM400 Million Financing Package Launched to Support SMEs, with RM100 Million Committed to Low-Carbon Transition.

The LCTF guarantee, a first-of-its-kind in Malaysia, signifies a significant step towards supporting SMEs in adopting sustainable business practices.

Kuala Lumpur – The RHB Banking Group (“RHB” or the “Group”) announces a significant milestone in its commitment to sustainable finance with the signing of a RM400 million portfolio guarantee with Credit Guarantee Corporation Malaysia Berhad (“CGC”). This landmark agreement includes a RM100 million allocation to the Low Carbon Transition Facility (“LCTF”)¹, marking Malaysia’s first LCTF Portfolio Guarantee aimed at assisting Small and Medium Enterprises (“SMEs”) in transitioning to a low-carbon economy.

This initiative aligns with RHB’s Together We Progress 2024 (“TWP24”) corporate strategy and represents a significant commitment to sustainability. As Malaysia’s first bank to sign a LCTF Portfolio Guarantee with CGC, RHB demonstrates its dedication to providing comprehensive green financing solutions. Under this agreement, SMEs will benefit from up to 80% guarantee coverage from CGC, with LCTF financing options available up to RM5 million across four pillars: SME Green Renewable Energy Financing, SME Green Commercial Property Financing, SME Green Working Capital Financing, and SME Green CAPEX Financing for Equipment and Machinery. As of June 2024, the Group has approved more than RM411 million to SMEs under Bank Negara Malaysia’s LCTF.

Dato’ Mohd Rashid Mohamad, Group Managing Director/Group Chief Executive Officer of RHB Banking Group, said, “Our partnership with CGC represents a major step forward in empowering SMEs to embrace sustainability. By providing essential financial support and risk coverage, we enable SMEs to adopt green

¹ The LCTF is a financing facility by Bank Negara Malaysia to encourage and support SMEs to adopt sustainable practices for business resilience.

practices and contribute to Malaysia's green growth agenda. This collaboration is vital to achieving our goal of delivering RM1.6 billion in green financing to our customers by year-end, of which we have achieved 59% as at June 2024. We are also proud to have successfully engaged over 600 SMEs in the second quarter of 2024 to promote ESG awareness and nurture a sustainable business ecosystem."

President and Chief Executive Officer of CGC Datuk Mohd Zamree Mohd Ishak, said, "Financial Institutions (FIs) and Development Financial Institutions (DFIs) play a critical role in supporting the Low Carbon Transition Facility by providing financing at competitive rates, whilst CGC provides support by offering its guarantee thus reducing the risk for FIs and DFIs which in turn will enable them to have greater outreach to Malaysian MSMEs. By joining forces, FIs, DFIs and CGC make it easier for MSMEs to secure the funding needed to adopt sustainable practices and contribute to Malaysia's economic growth. By transitioning to low-carbon operations, MSMEs can reduce their environmental impact, enhance competitiveness, and ensure long-term resilience."

RHB's approach extends beyond financing, focusing on nurturing and facilitating SMEs' sustainability journeys. Recognising the crucial role of businesses in driving economic growth and their significant environmental impact, RHB's Green Financing Scheme provides SMEs with opportunities to invest in green and energy-efficient solutions. Through this strategic partnership with CGC, RHB is committed to accelerating the adoption of sustainable practices and advancing Malaysia towards a greener, more sustainable future.