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RHB ISLAMIC BANK PARTNERS TNB TO POWER A GREENER FUTURE WITH 29.99 MW SOLAR FARM IN KEDAH

Bank provides Commodity Murabahah Term Financing-i Facility of RM133.5 million to support renewable energy under the Corporate Green Power Programme

Kuala Lumpur – RHB Islamic Bank Berhad (“RHB” or “RHB Islamic Bank”) has partnered with Tenaga Nasional Berhad (“TNB”) to advance Malaysia’s renewable energy goals through the development of a 29.99 MW greenfield solar farm in Kulim, Kedah. A RM133.5 million Commodity Murabahah Term Financing-i facility has been extended to TNB Bukit Sidim Kulim Solar Sdn. Bhd., a subsidiary of TNB Renewables Sdn. Bhd., under the Malaysian government’s Corporate Green Power Programme (“CGPP”).

The CGPP is a pivotal initiative enabling corporate consumers to purchase solar power virtually from developers, driving Malaysia’s transition to a low-carbon economy while fostering sustainable growth.

“This agreement underscores the pivotal role of strategic partnerships in catalysing transformative change and advancing renewable energy agenda,” said Dato’ Adissadikin Ali, Managing Director of RHB Islamic Bank. “By leveraging our expertise in Islamic finance and delivering innovative sustainable financing solutions, such as the Commodity Murabahah Term Financing-i facility, we are creating lasting value for our stakeholders while contributing to Malaysia’s low-carbon transition. Projects such as TNB Bukit Sidim Kulim Solar farm epitomise our shared vision of fostering sustainable growth, strengthening economic resilience, empowering communities, and safeguarding the environment for future generations.”

TNB Bukit Sidim Kulim Solar will supply clean energy to SanDisk Storage Malaysia Sdn. Bhd. and WD Media (Malaysia) Sdn, under the Corporate Green Power Agreement (“CGPA”), a framework established by the Malaysian Energy Commission as part of the New Enhanced Dispatch Arrangement (“NEDA”).

This partnership builds on a long-standing collaboration between RHB Banking Group and TNB. In 2023, the two organisations formalised a two-year agreement to drive renewable energy adoption among SMEs, providing tailored green financing solutions for green initiatives such as solar rooftop systems. Building on this commitment, RHB and TNB held a series of engagement sessions throughout 2024 to equip businesses with the knowledge and support needed to adopt energy-efficient technologies.

As a leader in sustainable finance, RHB Banking Group has made sustainability a core driver of its business strategy. The Group has mobilised RM37.3 billion in sustainable finance as at November 2024. Recent initiatives include Malaysia's first Low Carbon Transition Facility ("LCTF") Portfolio Guarantee and a RM1 billion Sustainable Trade Finance Programme/-I, supporting projects like renewable energy and energy-efficient solutions. Through its 5-Year Sustainability Strategy and Roadmap, RHB aims to empower clients, businesses, and communities to transition toward a low-carbon future, driving positive environmental, economic, and social impact.

This solar farm project represents a step forward in Malaysia's renewable energy transformation, demonstrating the power of partnerships to unlock value and catalyse sustainable change.