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## **RHB Islamic completes Malaysia's first sustainable SBBA transaction with HSBC Amanah and Standard Chartered Saadiq**

*New deal facilitates advancement in Islamic finance innovation*

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**Kuala Lumpur** – HSBC Amanah Malaysia Berhad (“HSBC Amanah”) and Standard Chartered Saadiq Malaysia have executed a sustainable Sale and Buy Back Agreement (“SBBA”) transaction for RHB Islamic Bank Berhad (“RHB Islamic”) under an enhanced Shariah-compliant framework. This deal, which is a first in the country, represents a significant achievement in Islamic sustainable finance innovation.

The official signing ceremony was held in Kuala Lumpur, witnessed by En. Adnan Zaylani, Deputy Governor of Bank Negara Malaysia, along with the Chief Executive Officers of the participating Islamic banks. This initiative highlights the strength of industry collaboration under the enabling regulatory environment fostered by Bank Negara Malaysia and reflects Malaysia’s commitment to supporting the development of the sustainable Islamic finance landscape.

An SBBA is an Islamic financial instrument used to source and provide funding for liquidity management in the Islamic Interbank Money Market (IIMM)<sup>1</sup> akin to a repurchase agreement (repo) in the conventional money market. The sustainable SBBA integrates positive impact to traditional financial instruments, demonstrating a strong commitment by businesses to sustainability goals. The proceeds from this financing facility will be earmarked for eligible shariah compliant sustainable assets such as green buildings, renewable energy and energy efficiency projects. This financing mechanism can also be utilised for other types of eligible green and social projects in tandem with RHB’s Sustainability Sukuk and Bond Framework.<sup>2</sup>

In April 2025, RHB Islamic Bank completed a RM120 million sustainable SBBA transaction with HSBC Amanah and Standard Chartered Saadiq Malaysia respectively, each for tenors of up to one year. These transactions enable RHB Islamic Bank to obtain efficient funding secured by high quality Shariah-compliant sovereign securities.

The sustainable SBBA is underpinned by an enhanced Master SBBA framework jointly adopted by RHB Islamic, HSBC Amanah and Standard Chartered Saadiq Malaysia, introducing a standardised approach to incorporating sustainability elements across all eligible SBBA

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<sup>1</sup> [https://www.bnm.gov.my/documents/20124/938039/pd\\_Islamic\\_Collateralised\\_Funding.pdf](https://www.bnm.gov.my/documents/20124/938039/pd_Islamic_Collateralised_Funding.pdf)

<sup>2</sup> [RHB-Sustainability-Sukuk-and-Bond-Framework.pdf](#)

transactions, moving beyond single-use sustainable deals toward a repeatable and scalable model.

Dato' Adissadikin Ali, Managing Director of RHB Islamic said, "This transaction sets a new benchmark for Islamic sustainable finance, showcasing how Shariah principles can be harmonised with global sustainability standards. Through this collaboration, we are unlocking new liquidity tools to fund green and social initiatives, and reinforcing our commitment to our new strategy, PROGRESS27, as we continue our journey as a purpose-driven Islamic bank."

Raja Amir Shah, Chief Executive Officer of HSBC Amanah said, "The collaboration among the three banks to establish a sustainable SBBA financing structure, showcases the Malaysian Islamic banking industry's commitment to crafting innovative Islamic financial market solutions, that cater to changing needs and evolutions within the sector. At HSBC, our deep understanding of client requirements and regulatory frameworks along with our global structuring capabilities, play a pivotal role in connecting clients to unique Islamic financing opportunities within a dynamic business environment".

Bilal Parvaiz, Chief Executive Officer of Standard Chartered Saadiq Malaysia, said, "Ethical banking is a key pillar of Saadiq, and with Islamic financing being rooted in ethical and sustainable principles, it offers a powerful vehicle for advancing the ESG movement. This landmark transaction fulfils our aspiration to provide banking solutions that adhere to the principles of Islamic finance by aligning Shariah principles with environmental stewardship for a more resilient and equitable future, while meeting the evolving needs of clients."

The sustainable SBBA also mirrors the structural rigour of the Global Master Repurchase Agreement ("GMRA") commonly used in conventional markets, while ensuring full Shariah compliance. By aligning Islamic finance instruments with global best practices in sustainability and risk management, the initiative demonstrates Malaysia's commitment to innovation and integrity.

With the execution of this transaction, RHB Islamic, HSBC Amanah and Standard Chartered Saadiq Malaysia are paving the way for broader adoption of sustainable liquidity solutions in Islamic finance, enabling institutions to efficiently allocate capital towards impactful sustainable outcomes, both locally and globally.