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## **RHB and MRL activate 360° ESG FINANCE ECOSYSTEM**

*First-of-its-kind sustainable financial value chain transition roadmap sees MRL place funds in RHB ESG Deposit to finance green and social projects.*

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**Putrajaya** - RHB Banking Group (“RHB” or the “Group”) and Malaysia Rail Link Sdn Bhd (“MRL”) today signed a Transition Completion Statement (TCS) signifying the activation of RHB-MRL 360° ESG Finance Ecosystem, a bespoke sustainable financial value chain transition roadmap for MRL. The signing was witnessed by Tan Sri Shamsul Azri bin Abu Bakar, *Ketua Setiausaha Negara*, Malaysia and Chairman of MRL, as well as Tan Sri Ahmad Badri Mohd Zahir, Chairman of RHB.

The 360° ESG Finance Ecosystem applies circular sustainable finance, where funds placed by customers such as MRL’s Green Sukuk proceeds are channelled into ESG deposits to finance impactful Environmental and Social activities prior disbursement, for sustainable expenditure under MRL’s SDG Sukuk Framework. It redefines how government linked companies (GLCs) and private institutions manage surplus fund by integrating sustainability into financial operations, from end to end. RHB is the first Malaysian Bank to develop and introduce ESG deposits where placements are fully dedicated to verifiable climate and socio-economic activities.

“With ESG Deposits, we are embedding sustainability into the core of banking, ensuring that financial flows, actively support climate resilience and inclusive economic growth,” said Tan Sri Ahmad Badri Mohd Zahir, Chairman of RHB.

MRL is the first GLC in Malaysia to establish a sustainable financial value chain transition roadmap, placing proceeds from its Green Sukuk issuance into RHB ESG Deposits while awaiting disbursement for the East Coast Rail Link (ECRL) construction. This ensures that idle funds are not only preserved, but also contribute to national decarbonisation through the use of capital, within a transparent circular sustainable financial model to support broader climate goals.

RHB ESG deposits will be allocated to projects aligned with national priorities such as renewable energy, clean transportation, low-carbon infrastructure, and social inclusion. All financing activities are guided by RHB’s ESG Business Activity Guidelines (EBAG), Bank Negara Malaysia’s Climate Change and Principle-based Taxonomy (CCPT), as well as the ASEAN Taxonomy for Sustainable Finance.

Earlier this year, MRL successfully issued its Green SDG Sukuk, setting a national record by achieving the lowest credit spread ever for a government-guaranteed (GG) infrastructure issuance in Malaysia, signaling strong investor confidence in both MRL and the ECRL project. The proceeds are earmarked to support the development of clean, electrified public transportation systems, reinforcing the ECRL’s role in advancing climate resilience.

“We are placing our funds in RHB ESG deposits as part of a longer-term commitment to sustainable finance. This ensures that every ringgit we invest today delivers measurable environmental and social returns across our operations,” said Tan Sri Shamsul Azri, *Ketua Setiausaha Negara*, Malaysia and Chairman of MRL. “The ecosystem is transparent, accountable, and creates a virtuous cycle of positive impact, one we hope to see replicated across GLCs.”

As the custodian of Malaysia's largest sustainable infrastructure project, MRL is reinforcing the public sector's credibility in sustainability. This initiative demonstrates the pivotal role that Minister of Finance (Incorporated) owned companies can play, in advancing national climate agenda, including those outlined in the MADANI Economy Framework, Capital Market Masterplan 3 (CMP3), and the National Energy Transition Roadmap (NETR).

For RHB, this is part of its broader ambition to drive a just and responsible transition by helping businesses decarbonise and adopt sustainability practices, at a pace consistent with their sustainability capacities.

Funds from RHB ESG Deposits will support a wide range of eligible activities including solar farms, electric vehicle infrastructure, low-carbon buildings, inclusive healthcare and other socio-economic initiatives aligned with Malaysia's net-zero ambitions by 2050.

Tan Sri Ahmad Badri added, "Through the innovation behind ESG Deposits, and structuring the sustainable financial value chain transition roadmap for MRL, RHB is proud to contribute meaningfully to Malaysia's transition towards mainstream sustainable finance, ensuring responsible capital allocation, impact transparency, and long-term value creation."

As ESG expectations grow among regulators, investors and the public, financial instruments like RHB ESG Deposits provide organisations with a practical and credible way to demonstrate climate and social impact while building resilience for the future.

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