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## RHB SUCCESSFULLY COMPLETES MALAYSIA'S FIRST ESG-LINKED CROSS CURRENCY INTEREST RATE SWAP

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**Kuala Lumpur** – RHB Banking Group (“RHB” or the “Group”) has successfully structured Malaysia’s first Green Cross Currency Interest Rate Swap transaction set against Environmental, Social and Governance (“ESG”) Linked Key Performance Indicators (KPIs) to hedge a USD100 million 2-year Sustainable Loan.

This landmark Green Cross Currency Interest Rate Swap transaction further solidifies RHB’s commitment towards enhancing the growth of the rapidly evolving ESG landscape within the Malaysian banking sector. KPIs for the Green Cross Currency Interest Rate Swap is linked to RHB’s Green Financing Commitment of RM5 billion in support of green financing by 2025, which entails the Group’s core business activities of lending, capital markets and advisory as well as investment.

“The structuring and successful execution of Malaysia’s first Green Cross Currency Interest Rate Swap transaction drives sustainable value creation for our stakeholders and underlines RHB’s position as a leader within the ESG derivatives market. With the growth in sustainable investing, we are also seeing increasing demands for derivative products, specifically linked to ESG KPIs and where returns are linked to sustainability performance and targets. This first in market transaction marks the beginning of our journey in developing customizable sustainability linked derivative transactions using measurable KPIs. This will promote climate action and the adoption of sustainable practices leading to the realisation of actual impact and change in the real economy,” said Dato’ Khairussaleh Ramli, Group Managing Director and Group CEO of RHB Banking Group.

“Pioneering the hedging of a Sustainable Loan with a green Cross Currency Swap is testament to RHB’s commitment towards the adoption of green considerations across our Financial Services supply chain. This also provides our customers with expedient access to Sustainable hedging solutions to manage their financing activities more effectively and further contributes to our vision to create positive impact through our business activities as a responsible financial services provider,” Dato’ Khairussaleh added.

Completion of the Green Cross Currency Interest Rate Swap, executed with Standard Chartered Bank, exemplifies RHB’s commitment to support the growth of the green economy by encouraging its stakeholders, including customers and business partners, to adopt more sustainable business practices. A total of RM3.79 billion has been extended to green activities by the Group, of which 19% is attributed to renewable energy projects as at September 2021.

“We are honoured to be working with RHB to provide such a solution to Malaysia’s financial market. Supporting sustainable and responsible growth, including delivering the United Nation’s Sustainable Development Goals and the transition to net zero, represents a significant opportunity to us. Collaborations with like-minded partners such as RHB will help to push the adoption of sustainable practices in the industry,” said Abrar A. Anwar, Managing Director and Chief Executive Officer of Standard Chartered Malaysia.

RHB Banking Group is committed in supporting Malaysia’s aspiration to transition to a low-carbon and climate-resilient economy, and had previously announced its target of RM5 billion in support of green financing by 2025 through lending, capital markets advisory and fundraising, as well as investments.

RHB continues to take an active role in driving the integrations of ESG across its business and operations. In 2020, RHB had obtained an S&P Global ESG Score of 43/100, recording a +20-point improvement as compared to the previous year. It has also been named a constituent in the FTSE4Good Bursa Malaysia Index where the Group is also in the top 25% of public listed companies in the FTSE Bursa EMAS Index. In addition to this, RHB has also maintained an AA rating in the MSCI ESG Ratings since September 2019.

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