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## RHB NURTURES INVESTORS' UNDERSTANDING ON THE CONVERGENCE OF SHARIAH AND ESG

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**Kuala Lumpur** – RHB Investment Bank Berhad (“RHB Investment Bank”) today hosted the virtual RHB ESG Thematic Conference “When Shariah Meets ESG” focusing on ‘Convergence’, providing industry experts and selected investors a platform to share knowledge on the integration of Environment, Social, and Governance (“ESG”) investing into Shariah funds.

The virtual conference caters to the growing awareness among global investors of the synergy between ESG investing and Islamic finance, featuring prominent industry experts. The event brought together over 80 local and foreign fund managers, analysts and institutional investors to discuss and iterate the need for Malaysia to strategically position itself in leveraging the growth potential of the massive global Islamic market.

Global ESG assets are on track to exceed US\$53 trillion by 2025, representing more than a third of the US\$140.5 trillion in projected total asset under management (“AUM”). Whereas in the Islamic finance industry, Shariah mutual funds are now a key growth driver in the fund management industry in the Southeast Asia, recording a CAGR of 12.4% between 2016 to 2020 with overall expectation of Shariah funds growing beyond the current 20% of total mutual fund AUM.

“In recent years, we have witnessed Shariah as well as Environmental, Social and Governance, or ESG, funds growing and gaining prominence translating into tremendous growth in assets under management (AUM). ESG investing and shariah-compliant investing share similar objectives and principles, both promoting stewardship and societal value creation. We are now seeing a more pronounced shift in mindset, bringing into focus the various opportunities that lie within the convergence of Shariah and ESG,” said Dato’ Khairussaleh Ramli, Group Managing Director and Chief Executive Officer of RHB Banking Group in his opening remarks.

In the first half of 2021, RHB Banking Group (“RHB” or the “Group”) has launched three ESG SRI Funds with total AUM of RM812million, and the issuance of Malaysia’s first Sustainability sukuk for Development Financial Institution (DFI) amounting RM500 million, further driving the Shariah and ESG convergence agenda.

“Malaysia is on the right track towards meeting the financial community’s sustainable investment needs and we believe that this makes it an opportune time for us to facilitate deeper engagement between relevant stakeholders - regulators, practitioners and investors in bringing to light how Malaysia can leverage in capturing the strong growth potential for ESG-I and help them navigate towards the most optimal risk-rewards decisions,” said Dato’ Khairussaleh.

RHB began its sustainability journey in 2018 and shortly after, the Group established the RHB Sustainability Framework in 2019, which outlines and embeds sustainable practices into its business and operations in line with its sustainability vision of Building a Sustainable Future. ESG investing is echoed under Pillar 1 of the RHB Sustainability Framework, with Sustainable and Responsible Banking as its key focus area.

The Group continues to take an active role in driving 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 from the previous year, and has since been named a constituent in the FTSE4Good Bursa Malaysia Index as of June 2021. In terms of ESG ratings, the Group is in the top 25% of public listed companies in the FTSE Bursa EMAS Index and has maintained an AA rating in the MSCI ESG Ratings.

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