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## RHB DRAWS ATTENTION TO UNTAPPED OPPORTUNITIES IN SHARIAH-ESG INVESTING

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**Kuala Lumpur** – RHB Investment Bank Berhad (“RHB Investment Bank” or “RHB”) today hosted the second session of its When Shariah Meets Environment, Social and Governance (“ESG”) conference, in collaboration with Bursa Malaysia. Themed ‘The Next Level’, the conference highlights the increased global popularity of Shariah and ESG investing as well as its differentiated and untapped opportunities in Malaysia.

The conference nurtured investors’ understanding by presenting a wealth of insights on green and sustainable Islamic investment products and opportunities through a series of panel sessions with industry experts from the financial services industry. This year, the conference brought together close to 100 participants, including fund managers and analysts from government-linked investment companies, pension funds, insurance, unit trust and private asset management companies, financiers and institutional investors.

“We continue to see Shariah-ESG investments gain prominence amongst the local and global investing fraternity. Based on the Global Institutional Investor Survey 2021 conducted by Ernst & Young, it was found that 90% of investors are already factoring in ESG-performing companies in their investment considerations, while 74% of investors are divesting their investments from companies with poor ESG ratings. In addition, asset managers globally are generally expecting for ESG-related assets to increase to USD33.9 trillion by 2026, whereby 21.5% of total global assets under management (AUM) would be ESG-related in less than five years. From an Islamic finance perspective, Malaysia’s Islamic Capital Market has doubled in size over the past decade, with

latest reports indicating shariah-compliant assets standing at RM2.3 trillion as at the end of 2020. This underlines the potential of the combination of Shariah and ESG investing, which promises to perform better against the broader market.

Through RHB's "When Shariah Meets ESG" conference, we continue to promote deeper engagement amongst relevant stakeholders in line with the wider initiatives by relevant authorities, to further grow the Shariah-ESG investing industry. This brings greater focus on how Shariah investing, coupled with ESG integration, creates opportunities for investors to achieve sustainability targets while improving the potential for risk-adjusted investment returns," said Mohd Rashid Mohamad, Group Managing Director / Group Chief Executive Officer of RHB Banking Group.

RHB Banking Group is a strong proponent of ESG across its business and operations Group-wide. Since 2018, the Group has been actively integrating sustainability and Value-Based Intermediation (VBI) principles into its business practices and decision-making. This allows the Group to support economic sectors that are built upon shared values of integrity, inclusivity, and sustainability. RHB had also recently established its Board Sustainability Committee ("BSC"), in assisting the Board of Directors to drive the Group's Sustainability and climate-related agenda, as well as provide oversight of material ESG matters across the Group.

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