

BANK ISLAM COMMITTED TO ETHICAL AND RESPONSIBLE SUSTAINABLE FINANCING AGENDA

Drives Green Financing for a Sustainable Future

KUALA LUMPUR, Thursday, 26 December 2024: Bank Islam Malaysia Berhad (Bank Islam or the Bank) continues to drive sustainable development with a commitment to environmental stewardship and responsible growth. As a leader in Shariah-compliant sustainable finance, the Bank is dedicated to accelerating Malaysia's green economy while generating lasting value for businesses, communities, and the environment.

Bank Islam's commitment to sustainability is evident in its achievements in green finance. In September 2024, the Bank surpassed its initial target of RM4 billion in green financing, achieving RM4.8 billion, well ahead of its 2025 goal. This milestone highlights the Bank's role in advancing Malaysia's green economy. Building on this success, Bank Islam has set an ambitious target to grow its sustainable finance portfolio to RM28 billion by the end of 2025.

A key element of Bank Islam's sustainability strategy is the Ihsan Sustainability Investment Account (ISIA), launched in 2023. ISIA represents a transformative approach to investing in a diversified portfolio of non-retail assets that contribute to the United Nations (UN) Sustainable Development Goals (SDGs) and align with Bank Negara Malaysia's (BNM) Climate Change and Principle-Based Taxonomy (CCPT). Through ISIA, the Bank is unlocking investment opportunities in critical sectors such as renewable energy, clean transportation, green financing, clean water and sanitation, and sustainable cities. This initiative connects investors to high-impact green assets, fosters a nature-positive economy, and ensures inclusivity across the ecosystem.

Another focus of Bank Islam's green finance efforts is its support for Malaysia's transition to clean energy. The Bank plays a central role in facilitating renewable energy projects such as solar and hydropower, directly contributing to the National Energy Transition Roadmap (NETR), which aims for net-zero emissions by 2050. Bank Islam's active involvement in financing renewable energy, alongside vital sectors like manufacturing and plantations, demonstrates its commitment to ensuring Malaysia's sustainable growth while adhering to global regulatory standards and industry best practices.

In addition to environmental sustainability, Bank Islam's green finance initiatives are a powerful driver of inclusive economic growth. The Bank fosters job creation, supporting micro, small, and medium-sized enterprises (MSMEs), agribusinesses, and underserved communities. These efforts drive rural development, enhance livelihoods, and promote Malaysia's more equitable and resilient economy.

At the core of Bank Islam's approach is its robust risk-assessment process, which ensures that every financing decision is aligned with Shariah-Environmental, Social, and Governance (ESG) principles. The Bank thoroughly evaluates customer profiles, management practices, and sustainability certifications before approving financing. This rigorous process guarantees that the Bank's investments mitigate environmental and social risks and contribute to long-term, responsible growth.

"Our commitment to green finance goes beyond mere regulatory compliance—it's about creating positive change that will shape Malaysia's economy for generations," said Dato' Mohd Muazzam Mohamed, Group CEO of Bank Islam. "By focusing on sustainable financing solutions, we are not just supporting industries essential to Malaysia's future, such as renewable energy and manufacturing, but also ensuring that we protect the environment for future generations."

Further reinforcing its commitment to sustainability, Bank Islam recently became the first bank in Malaysia to certify 86 Certified Green Finance Advisors (CGFAs) through a comprehensive training program developed in collaboration with the Asian Banking School (ABS).

As Malaysia embarks on its journey toward a more sustainable future, Bank Islam continues to advance green finance, responsible economic growth, and a clean energy transition.

About Bank Islam Malaysia Berhad (Registration No [198301002944(98127-X)])

Bank Islam is the first Islamic bank publicly listed on the Main Market of Bursa Malaysia. Established in July 1983, the bank has 135 branches and over 900 self-service terminals across Malaysia. As a pure-play Islamic bank, Bank Islam provides retail banking and corporate financial solutions that strictly adhere to Shariah rules and principles. The bank is committed to sustainable prosperity and ESG values and is an official participant of the UN Global Compact Malaysia and Brunei. Bank Islam's core subsidiaries, BIMB Investment and BIMB Securities, offer various Islamic financial services, including investment and stockbroking. For more information on the Group's products and services, please visit www.bankislam.com.

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