



AmBank aims to raise green financing facility

CEO: Reducing greenhouse gas emissions important

FINANCE

KUALA LUMPUR: AmBank Group aims to double its green financial facility this year from RM2bil in 2022.

Group chief executive officer Datuk Sulaiman Mohd Tahir said the take-up rate for the green financing facility is not very high, as there is still a lack of awareness among businesses, particularly in measuring and reducing their greenhouse gas emissions.

"The financial facility includes real estate, residential projects, electric vehicles and the warehouse sectors.

"The low carbon transition finance is relevant to businesses and manufacturers who want to invest in machinery and equipment that lowers emissions.

"Hence, if we can double or triple it within this year, it will be very good for us," he told reporters after the signing ceremony between AmBank and Persada Mentari Sdn Bhd (PMSB).

AmBank granted a RM130mil green financing facility to PMSB to facilitate the development of Arica@Andaman Island, as well as future projects on the island.

PMSB is an indirect subsidiary of Eastern & Oriental Bhd (E&O), which was established as a special purpose company with KWEST Sdn Bhd for the development of the Andaman Island township project, which was awarded the provisional GreenRE Platinum Certification this year.

On this note, Sulaiman said the signing further demonstrated the financial institution's commitment in promoting and optimising sustainable financing.

"We also want businesses to be more sensitive in wanting to do this."

Datuk Sulaiman Mohd Tahir

"We are pleased to support PMSB in providing green financing facilities for this environmentally friendly project.

"We believe through this partnership, we can make a real difference not only in making a positive impact on the environment, but also to create a brighter future for generations to come," he said.

Sulaiman added that the real estate sector has a significant impact on climate change, as buildings account for about one-third of global greenhouse gas emissions and consume about 40% of the world's energy.

"Real estate developers, investors and stakeholders must now recognise that they have a clear fiduciary duty to understand and actively manage environmental, social and governance and climate-related risks, as a routine component of their business thinking practices and management processes," he said.

Sulaiman noted that other than only preventing climate-related losses, real estate professionals are shifting their focus on how to generate profits using a more responsible approach, like E&O.

"We are all mandated to meet the country's 2050 commitment to have net-zero emissions in terms of carbon and while we

still have some time, it is something that we want to do more of.

"However, we also want businesses to be more sensitive in wanting to do this," he said.

E&O executive chairman Datuk Tee Eng Ho said the green financing facility offered by AmBank is a testament to its commitment towards sustainable developments.

He said the facility came at an opportune time, adding that Arica is expected to be on track for completion by the end of 2026.

"Arica is E&O's second serviced residence project, which is developed after the success of our first residential development, known as The Meg.

"Designed to meet green building certification standards, the development is in line with our sustainability principles and has recently received the GreenRE Platinum Provisional Certification under the residential category from Malaysia's Real Estate and Housing Developers Association," he said.

Located in Penang, Arica has units ranging from 947 sq ft to 1,259 sq ft.

In addition to financing the project, AmBank will also be providing a total limit of RM77mil worth of end financing for the residential units.