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CIMB launches sustainability-linked treasury programme

KUALA LUMPUR: CIMB Bank Bhd (CIMB) announced that it has launched a landmark sustainability-linked treasury programme, spearheaded by Farm Fresh Bhd (Farm Fresh) and Sunway Bhd (Sunway) acting through its subsidiary Sunway Treasury Sdn Bhd, as its pioneering clients.

These are the first two in a new series of bespoke Treasury product offerings by CIMB that allow clients to embed their environmental, social and governance (ESG) aspirations into thematic Treasury risk management solutions.

A first-of-its-kind in Malaysia, the Programme encompasses recurring flow transactions for customers' business activity conversion cycles, as well as more episodic balance sheet hedging.

In order to receive a sustainability-linked rebate, the Programme requires ongoing commitment from clients to achieve their sustainability performance. This is measured through pre-agreed Sustainability Performance Targets (SPTs), which are unique for each client's business profile and subjected to stringent independent third party verification.

Chu Kok Wei, co-chief executive officer, group wholesale banking and group treasurer at CIMB Group said, "By combining our market leadership positions in both Treasury and sustainable finance, we are proud to walk the journey with our customers from the one-off transactions that the market has seen, into this recurring business-as-usual flow programme, reflecting the maturity of both ESG Treasury

solutioning as well as customers' acceptance.

"CIMB is honoured to partner with Farm Fresh in its corporate journey, from its IPO in March 2022, where CIMB was appointed as the sole principal advisor, joint global co-ordinator, joint managing underwriter and joint underwriter, to today's ESG progress.

"We are also pleased to continue our long-standing commitment in providing innovative solutions to Sunway Berhad, as well as being a strategic partner to drive their sustainable development agenda and initiatives.

"Together, the Programme will bring CIMB closer to achieving its sustainable finance targets and creating positive impacts, guided by our Green, Social, Sustainable Impact Products and Services (GSSIPS) Framework," added Chu.

As a purpose driven organisation and in line with its Forward23+ strategic plan, CIMB Group is continuously stepping up on sustainability innovation, in order to achieve its ambition to become a leading focused Asean bank and a sustainability leader. Over the past two years, CIMB has executed several significant sustainable financing transactions including its landmark sustainability-linked derivative (SLD) in October 2021, the world's first Malaysian ringgit denominated SLD transaction and Asia's largest by notional value.

Most recently, the group raised its sustainable finance target to RM60 billion after having met its original target of RM30 billion two years ahead of schedule.