

For Immediate Release

BPAM Launches Malaysia's First ESG Bond Index Series

Index to monitor a Total Market Capitalization of RM4.05 Billion

KUALA LUMPUR, 25 July 2019 – Bond Pricing Agency Malaysia (BPAM), a registered bond pricing agency accredited by Securities Commission of Malaysia, today announced Malaysia's first Environmental, Social and Governance (ESG) Bond Index Series.

The BPAM ESG Bond Index Series covers Malaysia Ringgit denominated, long term conventional and Islamic bonds (sukuk), classified within the Environmental, Social and Governance (ESG) principles.

“BPAM ESG Bond Index Series aims to be the first point of reference for ESG investments in the fixed income segment. We are proud to share that it is the first of its kind in Malaysia, as no specific index covers bonds and ESG principles at the same time.

The index series highlights bond issuers issuing under ESG principles, and tracks their performance. The index series could be used as benchmark, to compare its returns with other investments, ESG themed or otherwise; and in the future could be the base of index funds,” explained Mr. Meor Amri Meor Ayob, Chief Executive Officer (CEO) of BPAM.

BPAM ESG Bond Index Series is backfilled from January 2018 and monitors a total of 111 bonds from 9 issuers with the total market capitalization of RM 4.05 billion as of June 2019. The BPAM ESG Bond Index Series consists of bonds that were issued under or aligned with Securities Commission Malaysia's (SC) Sustainable and Responsible Investment (SRI) Sukuk framework, ASEAN Green Bond Standard, ASEAN Social Bond Standard, ASEAN Sustainability Bond Standard and United Nation (UN) Sustainable Development Goals (SDG). Index calculation uses BPAM's evaluated mid prices.

“The index series has the potential to introduce ESG bonds to a wider audience who have been looking for sustainable investment options. The index series also highlights the issuance principles related to ESG themes for more issuers to participate in the market,” shared Ms. Noor Bazlina Sharifmuddin, Head of Financial Engineering and Research of BPAM.

ESG investments are not a profit driven market. The awareness of the implicit value-proposition of socially responsible investing (SRI) is still at its early stage in Malaysia compared to more mature markets that trade these bonds.

“We are far from our full capacity in ESG-related investments. The launch of the ESG Index Series by BPAM as a benchmark for SRI, will hopefully improve SRI awareness and support the Government’s initiatives amongst local fixed income investors to support these bonds in the long run,” concluded Mr. Meor.

The BPAM ESG Bond Index is available to all BPAM subscribers via BPAM’s data dissemination service Bondstream.

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About Bond Pricing Agency Malaysia (BPAM)

Established in 2004 under the name Bondweb Malaysia Sdn Bhd, Bond Pricing Agency Malaysia (BPAM) (667403-U) is currently the only registered bond pricing agency as accredited by the Securities Commission of Malaysia. We are the market leader in delivering evaluated pricing and bond data services on the Malaysian Fixed Income market and currently serve over 120 local and international financial institutions. BPAM works with a wide range of strategic partners ranging from financial institutions and intermediaries, academia, global information vendors, research houses, media organizations and training providers. Visit us at <https://www.bpam.com.my>