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## UOB Malaysia, Maybank IB support PBAPP's RM5bil sukuk for water infrastructure



From left: Maybank global banking group CEO Datuk John Chong, Maybank Investment Bank Bhd CEO Michael Oh-Lau, Perbadanan Bekalan Air Holdings Bhd group CEO Datuk Ir Pathmanathan K, Penang Chief Minister Chow Kon Yeow, UOB Malaysia CEO Ng Wei Wei and UOB Malaysia head of wholesale banking, northern area centre Teoh Soon Beng.

KUALA LUMPUR: United Overseas Bank (Malaysia) Bhd (UOB Malaysia) and Maybank Investment Bank Bhd (Maybank IB) have been appointed as joint principal advisers, joint lead arrangers, and joint lead managers for Perbadanan Bekalan Air Pulau Pinang Sdn Bhd (PBAPP)'s inaugural RM5bil Islamic Medium-Term Notes (IMTN) Programme (Sukuk Programme).

Maybank IB also served as the sole sustainability structuring adviser for PBAPP's new Sustainable Finance Framework, which follows guidelines from the Securities Commission and other regional and international sustainable finance standards.

In a joint statement, UOB Malaysia country head of wholesale banking Andy Cheah said the RM5bil sukuk programme will fund critical water projects to ensure long-term water security for Penang, addressing rising demand and challenges such as limited water resources and climate change.

"The sukuk programme also highlights the important role banks play in mobilising capital for sustainable financing and demonstrates how we leveraged our capabilities to deliver real change in public sector infrastructure," he added.

Maybank IB chief executive officer Michael Oh-Lau: "Maybank is honoured to support PBAPP for the simultaneous establishment of its sukuk programme and Sustainable Finance Framework — a historic first for Penang, and one that sets a strong precedent for other state government-linked companies."

“Malaysia’s debt capital markets remain one of the most developed and liquid in the region, with over RM120bil in private debt securities issued annually coupled with a steady growth of sustainability-labelled issuances year on year.

Through this sukuk programme, PBAPP is now well-positioned to benefit from deep and diverse investor liquidity, competitive pricing and greater funding flexibility over time.”

Proceeds from the sukuk will fund PBAPP’s Water Contingency Plan 2030 (WCP 2030), support capital and operational expenses including refinancing, and finance eligible green and social initiatives under its Sustainable Finance Framework.

PBAPP is the first Penang state agency to launch both a sukuk programme and a Sustainable Finance Framework. The shariah-compliant sukuk Wakalah structure allows it to raise sustainable, long-term funding from Malaysia’s capital markets.

PBAPP’s sukuk programme received a AAA/Stable rating from RAM Ratings Services Bhd, reflecting strong credit fundamentals. Its Sustainable Finance Framework also earned a Gold rating from RAM Sustainability for strong governance, transparency, and alignment with global standards.