

Cagamas concludes RM500 mln bond issuance

KUALA LUMPUR: Cagamas Bhd has concluded the issuance of RM500 million bonds, comprising RM45 million two-year Asean social bonds, RM205 million two-year conventional medium term notes (CMTNs) and RM250 million three-year CMTNs.

Proceeds from the issuances will be used to fund the purchase of eligible assets from the financial system, the national mortgage corporation said in a statement.

President and chief executive officer Datuk Chung Chee Leong said the issuance marked the company's second sustainability-related transaction in the same month.

"To date, the company has concluded RM1.7 billion worth of sustainability-related bonds and sukuk since its inaugural issuance in 2020.

"This demonstrates the company's commitment to further catalyse the development of a deeper sustainable and responsible fixed income capital market," he said.

Chung said the company successfully priced its two-year social bonds at two basis points (bps) lower than the two-year CMTNs, recording competitive spreads of 40 to 42 bps above the corresponding Malaysian Government Securities.

"The social bonds for affordable housing were assigned the highest social benefit rating of tier-one by RAM Sustainability Sdn Bhd under the Cagamas' sustainability bond/sukuk framework," he added.

— Bernama