

Cagamas concludes bonds for affordable housing

KUALA LUMPUR: Cagamas Bhd has concluded its first double issuance of the Asean sustainability SRI sukuk (SRI sukuk) and the Asean sustainability bonds (sustainability bonds) totalling RM300mil, issued under the existing RM60bil Islamic/conventional medium-term notes programme.

The national mortgage corporation said the issuances comprised a three-year RM100mil SRI sukuk and RM200mil sustainability bonds and were issued to fund the purchase of eligible Islamic financing and housing loans for affordable housing.

“After the success of our inaugural sustainability issuances last year, Cagamas continues

its efforts to facilitate the mobilisation of its issuance proceeds towards the development of sustainability financing.

“We are glad to see the increasing awareness and support given by investors on sustainability financing and issuances of such nature which would allow investors to deploy capital towards essential social needs,” said Cagamas president/chief executive officer Datuk Chung Chee Leong in a statement.

The issuances, conducted via private placement exercise, were priced at 38 to 43 basis points above the corresponding three-year Malaysian Government Investment Issue/Malaysian Government Securities.

The SRI sukuk and sustainability bonds for affordable housing were assigned the highest social benefit rating of tier-one by RAM Sustainability Sdn Bhd under Cagamas’ sustainability bond/sukuk framework.

The transactions marked the company’s 18th issuance exercise for the year and brings the year-to-date issuance amount to RM8.95bil.

The papers, which will be redeemed at their full nominal value upon maturity, are unsecured obligations of the company.

They will be listed and tradable under the Scripless Securities Trading System. — Bernama