

HLB, Cagamas in RM300mil green asset transaction

KUALA LUMPUR: Hong Leong Bank (HLB) and its subsidiary Hong Leong Islamic Bank, together with Cagamas Bhd, have successfully concluded their RM300mil green housing loans and financing (green assets) transaction.

The transaction was funded by the issuance of Cagamas's one-year Asean Green Bond worth RM210mil and one-year Asean Green Sustainable and Responsible Investment Sukuk worth RM90mil under the national mortgage corporation's RM60bil conventional and Islamic medium-term notes (MTN) programme.

The issuances of the Asean Green MTNs by Cagamas are Malaysia's first corporate issuances relating to green housing loans and financing, the parties said in a joint statement yesterday, as reported by *Bernama*.

"The increasing demand for green asset financing highlights the urgency of addressing climate impact and sustainability concerns.

"It also reflects a growing awareness that sustainable business practices are not just the right thing to do but also essential for long-term economic viability and environmental stewardship," HLB group managing director and chief executive officer Kevin Lam said.

President and chief executive officer of Cagamas Kameel Abdul Halim said the purchase of these green assets not only contributes positively to the environment but also fortifies its essential role in the facilitation of liquidity within a developing green capital market.

"This practical step underlines our continued efforts as an intermediary in the secondary market, helping to support industry-led green initiatives to achieve their sustainability agenda," Kameel noted.

Therefore, he hopes to broaden Cagamas' involvement in the green bond and sukuk market and anticipates a sustained momentum to pave the way for more impactful and continued supply issuances.