



HLB, HLISB and Cagamas conclude RM300mil green assets transaction



BANKING

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Kevin Lam, Group Managing Director and CEO of HLB

KUALA LUMPUR: Hong Leong Bank and Hong Leong Islamic Bank (HLB) with Cagamas Bhd have concluded a RM300mil green housing loans and financing transaction.

In a joint statement, the parties said the transaction was funded by the issuance of Cagamas's one-year Asean Green Bond worth RM210 million and one-year Asean Green Sustainable and Responsible Investment (SRI)sukuk worth RM90mil under the national mortgage corporation's RM60bil conventional/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.

HLB group managing director and CEO Kevin Lam said there is a fundamental transformation in the way businesses operate where profitability must now align with the preservation of the environment.

"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," he said.

Cagamas president and CEO 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," he said.

He added that Cagamas looks forward to similar industry collaborations, which are aligned to Cagamas' sustainability agenda, to enhance accessibility to affordable green homes and strengthen the green finance ecosystem.

To date, Cagamas has cumulatively issued RM2.9bil worth of sustainability-related bonds and Sukuk under its RM60bil Conventional/Islamic Medium Term Notes programme.