

Cagamas announces issuance of RM1 billion bonds and sukuk

KUALA LUMPUR: Cagamas Bhd has issued RM1 billion worth of bonds and sukuk comprising RM500 million two-year conventional medium term notes (CMTNs), RM300 million six-month Islamic commercial papers (ICPs) and RM200 million three-month conventional commercial papers (CCPs).

In a statement yesterday, the national mortgage corporation said proceeds from the respective issuances would be used to fund the purchases of mortgage loans or house financing from the financial system.

The transactions also

marked its fifth issuance exercise for the year and brings the year-to-date issuance amount to RM2.605 billion.

With these transactions, it has concluded a total of RM1.8 billion issuances within a month.

"This signals continued support from investors and demonstrates the strength and depth of the company's investor base in these challenging market conditions," said president and chief executive officer Datuk Chung Chee Leong.

He said Cagamas had strategised and opted for a public book building exercise

for its CMTNs issuance to entice wider participation from investors.

"The issuance received overwhelming response with an initial book-to-cover (BTC) ratio of 2.8 times, resulting in the company to upsize its issue size from the initial RM300 million to a final RM500 million.

"Cagamas was also able to tighten the yield from an initial price guidance of 3.15 per cent to the final 3.10 per cent with a final BTC of 1.7 times."

Both the ICPs and CCPs were concluded on a private placement basis, Chung added.
— Bernama