

Cagamas concludes RM1.03bil equivalent sukuk issuances



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Cagamas president/chief executive officer Datuk Chung Chee Leong

KUALA LUMPUR: Cagamas Bhd has successfully concluded an aggregate RM1.03 billion equivalent worth of funds raised, comprising RM300 million three-month Islamic Commercial Papers (ICPs) and RM735 million one-year Islamic Medium Term Notes (IMTNs).

In a statement today, its president/chief executive officer, Datuk Chung Chee Leong, said Cagamas' fund-raising activities has continued to gain momentum with the successful conclusion of the funding exercises in an improved domestic market condition.

"Proceeds raised from the issuances will be used to fund the purchase of Islamic home financings from the domestic financial system, reflecting continued provision of liquidity by the company to the domestic banking system.

"The IMTNs were successfully concluded via a book building exercise that allowed Cagamas to tighten the pricing by 5.0 basis points (bps) from an initial price guidance of 3.79 per cent to the final 3.74 per cent, which registered a 40 bps spread against the Malaysian Government Securities with a final book-to-cover ratio of 1.89 times," he said.

Chung said the issuance attracted subscription from a diversified range of investors including financial institutions, asset management and insurance companies, while the ICPs were privately placed out.

The new issuances bring the company's aggregate issuances for the year to RM14.01 billion.

"The papers, which will be redeemed at their full nominal value upon maturity, are unsecured obligations of the company, ranking pari passu with all other existing unsecured obligations of the company. They will be listed and tradable under the Scripless Securities Trading System," said Cagamas. - Bernama