

Cagamas successfully concludes RM1.03b sukuk issuances



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CAGAMAS Bhd, the national mortgage corporation of Malaysia, has concluded a fundraising exercise, raising a total of RM1.03 billion.

The funds were raised through two issuances, which include RM300 million in three-month Islamic Commercial Papers (ICPs) and RM735 million in one-year Islamic Medium Term Notes (IMTNs).

In a statement today, Cagamas president and CEO, Datuk Chung Chee Leong (*picture*) said the company's fundraising efforts have been gaining momentum, benefiting from an improved domestic market condition.

The proceeds from these issuances will be used to finance the purchase of Islamic home financing from the domestic financial system, supporting liquidity provision to the domestic banking system.

The IMTNs were successfully issued through a book-building exercise, allowing Cagamas to tighten the pricing by five basis points from the initial price guidance of 3.79% to a final rate of 3.74%.

The final spread against the Malaysian Government Securities was 40 basis points, and the issuance received a favorable book-to-cover ratio of 1.89 times.

Chung noted that the issuances attracted diverse investors, including financial institutions, asset management firms, and insurance companies. Meanwhile, the ICPs were privately placed.

With the completion of these new issuances, Cagamas has achieved aggregate issuances of RM14.01 billion for the year.

The papers issued are unsecured obligations of the company, ranking pari passu with all other existing unsecured obligations, and they will be listed and tradable under the Scripless Securities Trading System. – **TMR / pic TMR FILE**