

# Cagamas concludes third reopening for the year

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KUALA LUMPUR: Cagamas Bhd, the national mortgage corporation of Malaysia, yesterday announced the issuance of RM100 million Cagamas conventional medium-term notes (CMTNs) through the reopening of its existing CMTNs maturing in April 2017.

In a statement, Cagamas said the proceeds from the issuance will be used to fund the purchase of loan receivables from the financial system.

"The company's reopening initiative to promote the secondary liquidity for Cagamas debt papers has been well received by both domestic and international investors as reflected in the consistent demand for Cagamas bonds. Within two weeks, Cagamas has successfully reopened two existing

stocks with a total reopening size of RM475 million," said Cagamas president and chief executive officer Chung Chee Leong.

"The company's continuous proactive engagement with market participants has been effective and attracted aggressive bids, particularly from foreign investors looking for high-grade local currency bonds. As a result, the reopening was competitively priced at 63 basis points above the corresponding government bond and only two basis points above comparable government-guaranteed papers," he added.

To date, the national mortgage corporation has successfully issued a total of RM3.8 billion in the primary market and achieved a secondary trading volume of RM7.5 billion, making it the highest-traded private debt securities

in the local bond market thus far and second only to government papers.

The papers, which will be redeemed at full nominal value on maturity, are unsecured obligations of the company, ranking *pari passu* among themselves and with all other existing unsecured obligations of the company. They will be listed and tradable under the scripless securities trading system.

Cagamas is the second-largest issuer of debt instruments after the Malaysian government and the largest issuer of "AAA" debt securities in the market.

Its debt securities continue to be assigned the highest ratings of "AAA" and "P1" by RAM Rating Services Bhd, and "AAA/AAAID" and "MARC-1/MARC-1ID" by Malaysian Rating Corp Bhd, denoting its strong credit quality.