

Cagamas issues RM1.52b three-year bonds

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KUALA LUMPUR: Cagamas Bhd has issued a RM1.52 billion three-year bonds, of which proceeds from the first issuance of the year will be used to fund the purchase of mortgage loans and Islamic house financing from the financial system.

The bonds comprise RM1.12 billion conventional medium-term notes and RM400 million Islamic medium-term notes (IMTNs).

In a statement yesterday, the national mortgage corporation said the IMTNs also represent the first private debt securities (PDS) sukuk reopening for the year.

Cagamas president and chief executive officer Chung Chee Leong said the issuance has an order book of over RM1 billion and bid-to-cover ratio of 2.7 times.

"Excluding government-guaranteed issuances, this issuance represents the first PDS public deal for the year," Chung said.

He added that the company tightened the yield by five basis points (bps) to 4.1%, and upsized the issuance from the initial size of RM600 million to RM1.52 billion, due to the overwhelming response.

"The final yield was priced at a spread of 34bps over the three-year IRS," Chung noted.