

# Cagamas reopens notes scheme with RM500m issue

**PETALING JAYA:** Cagamas Bhd announced the reopening of its three-year remaining maturity conventional medium-term notes (CMTN) amounting to RM500 million.

The issuance marks the first reopening exercise under Cagamas' RM40 billion medium-term notes programme.

"Proceeds from the issuance will be used to fund the purchase of loans from the financial system," the national mortgage corporation of Malaysia said in a statement yesterday.

"The enlarged tranche size of outstanding bonds would encourage trading activity of the reopened stock and promote secondary market liquidity for the paper. This strong value proposition would serve as a trade-off for the higher capital charge required by financial institutions (FIs) to invest in private debt securities (PDS) and is evidenced by 63% of orders to-date coming from FIs," its president and

CEO Chung Chee Leong said.

"The increased issue size post-reopening is expected to meet the prerequisite minimum size for inclusion into some of the widely-followed local currency bond indexes and would promote greater visibility for the company's debt securities particularly among international investors," he added.

Cagamas said the issuance received encouraging demand from various market segments and was competitively priced at 57 basis points above the corresponding Malaysian Government Securities.

The CMTN, which will be redeemed at their full nominal value upon maturity, are unsecured obligations of the company, ranking pari passu among themselves and with all other existing unsecured obligations of the company.

Cagamas said the CMTN will be listed and tradable under the Scripless Securities Trading System.