

Cagamas to utilise bonds, sukuk proceeds to fund loans purchase, house financing

KUALA LUMPUR: National mortgage corporation Cagamas Bhd will utilise the RM1.045 billion proceeds from bonds and sukuk issuances to fund the purchase of house financing and housing loans from the financial system.

In a statement yesterday, Cagamas announced an aggregate issuance of RM1.045 billion, comprising RM345 million three-month Islamic Commercial Papers (ICPs), RM300 million three-month Conventional Commercial Papers (CCPs), and RM400 million three-year Islamic Medium Term Notes (IMTN).

"The new issuances bring the company's aggregate issuance for the year to RM4.4 billion," it said.

Cagamas said it is encouraged by the strong support as

evidenced by the overwhelming response with a final overall book-to-cover ratio of 2.26 times, allowing the company to tighten its IMTN yield from an initial price guidance of 2.85 per cent to 2.78 per cent and registering a 42 basis points (bps) spread against the Malaysian Government Investment Issue (MGII).

President/chief executive officer Datuk Chung Chee Leong said the ICPs and CCPs were priced at the corresponding three-month Kuala Lumpur Interbank Offered Rate (KLIBOR) plus five bps or equivalent to 1.99 per cent based on KLIBOR fixing on the pricing date.

"The spread was 19 bps above the corresponding Malaysian Islamic Treasury Bills/Malaysian Treasury Bills," he said. — Bernama