

Cagamas concludes issuance of RM1.63 billion worth of bonds and sukuk

KUALA LUMPUR: Cagamas Bhd has priced its RM1.63 billion of bonds and sukuk issuances and the proceeds will be used to fund the purchase of housing loans and financing from the financial system.

On the issuances breakdown, the national mortgage corporation of Malaysia said the issuances comprised RM560 million one-year Islamic Medium Term Notes (IMTNs), RM30 million one-year Conventional Medium Term Notes (CMTNs), RM40 million two-year CMTNs, RM30 million three-year CMTNs and an aggregate of SG\$300 million (SG\$1=RM3.23) one-year Fixed Rate Euro Medium Term Notes (EMTNs).

Cagamas president and chief executive officer Datuk Chung Chee Leong said amidst a raft of monetary policies tightening from major

central banks, followed by a hefty interest rate increase by the United States Federal Reserve, Cagamas successfully concluded the issuance of RM1.63 billion worth of bonds and sukuk from both domestic and international markets.

"Demand for Cagamas' foreign currency bonds remains resilient amid market volatility and was fully subscribed by foreign investors, which include asset managers, financial institutions and insurance companies.

"The SG dollar issuances also mark the company's third and fourth foreign currency issuance exercise for the year and brings the year-to-date SG dollar-denominated issuance to SG\$550 million," he said in a statement yesterday.

Chung also said that the corporation also raised a

total of RM660 million from the domestic market with the successful pricing of its CMTNs/IMTNs at 37 basis points (bps) to 46 bps above the corresponding Malaysian Government Securities (MGS)/Malaysian Government Investment Issue (MGII).

"The conclusion of the above transactions brings the company's year-to-date issuance amount to RM12.70 billion," he added.

The SG dollar-denominated bond and CMTNs/IMTNs issuances will be fully and unconditionally guaranteed by Cagamas and the issuance will be redeemed at their full nominal value upon maturity and are unsecured obligations of the company, ranking pari passu with all other existing unsecured obligations of the company. — Bernama