

Maybank IB, HSBC and Bank of China launch Cagamas Tiger Emas Bond

KUALA LUMPUR: Maybank Investment Bank Bhd (Maybank IB), the Hongkong and Shanghai Banking Corp Ltd (HSBC) and the Bank of China Ltd (BOC) have launched Cagamas Bhd's inaugural three-year 1.5 billion yuan Tiger Emas Bond with a fixed coupon rate of 3.70% per annum.

The bonds were issued through Cagamas' newly established US\$2.5bil Conventional Multicurrency Medium Term Note Programme, which gives Cagamas the ability to issue bonds under a host of international currencies.

Maybank IB, HSBC and BOC acted as the joint lead managers and

joint bookrunners for this issuance.

HSBC Bank Malaysia Bhd group general manager, deputy chairman and chief executive officer Mukhtar Hussain said the deal marked a milestone in the Malaysian debt market as the first-ever non-ringgit issuance to be settled via real-time electronic transfer of funds and securities system.

"We are very pleased that Cagamas was able to debut strongly and successfully launched the bond issuance amid expectations of a continued robust September supply of yuan bonds particularly from other regular high-grade issuers,"

he said in a joint statement yesterday.

The Cagamas sale drew a strong orderbook of more than 4.6 billion yuan or an over-subscription rate of 3.1 times over the final issuance size of 1.5 billion yuan.

By geographical distribution, Asia collectively made up 91% of the subscription, comprising Hong Kong (35%), Singapore (29%) and Malaysia (25%), with the remaining from Europe.

By investor type, the issuance was allocated to fund managers (72%), banks (24%), sovereigns (3%) and others comprising private banks and corporates. - Bernama