

Landmark 3-year Cagamas Tiger Emas Bond launched

KUALA LUMPUR: Maybank Investment Bank Bhd (Maybank IB), The Hongkong and Shanghai Banking Corp Limited (HSBC) and the Bank of China Ltd (BOC) have launched Cagamas Bhd's inaugural three-year 1.5 billion renminbi (RM799 million) Tiger Emas Bond with a fixed coupon rate of 3.70% a year.

Maybank IB, HSBC and BOC acted as the joint lead managers and joint bookrunners for this issuance.

The bonds were issued through Cagamas' newly established US\$2.5 billion conventional multicurrency medium term note programme which gives Cagamas the ability to issue bonds under a host of international currencies.

Cagamas' Tiger Emas Bond represents an important landmark deal for the Malaysian and international bond markets as it is the largest renminbi bond by a Malaysian and Southeast Asian issuer to date, the largest renminbi bond in Southeast Asia to date, the first renminbi bond from Malaysia in conventional format and the first renminbi bond in the world by a mortgage corporation.

The Tiger Emas Bond, which was issued through wholly-owned subsidiary, Cagamas Global PLC, carries an issue rating of A3 (positive) by Moody's, similar to the Programme's ratings of A3 and gA2(s) by Moody's and RAM respectively and is on par with Malaysia's sovereign rating.

In the first half of 2014 alone, primary issuances in the renminbi bond market hit a record of 371 billion renminbi.