

Cagamas issues RM300 mln conventional commercial papers

KUALA LUMPUR: National mortgage corporation, Cagamas Bhd, on Monday announced the issuance of a RM300 million three-month Conventional Commercial Papers (CCP) to fund the purchase of housing loans from the financial system.

In a statement on Monday, it said with the issuance concluded, the company's outstanding conventional corporate paper has increased to RM1.05 billion, which represents 16 per cent of its overall short-term local currency bond

market, domestically.

President and chief executive officer Datuk Chung Chee Leong said the CCP was priced via a public offering representing the company's first book building exercise for the year, which received overwhelming response evidenced by a commendable bid-to-cover (BTC) ratio of over three times.

"The CCP was competitively priced at the lower end of the initial price guidance and was seven basis points lower than the three-month Kuala

Lumpur Interbank Offered Rate (KLIBOR).

"Orders were received from a diversified pool of investors including financial institutions and insurance companies," he added.

The papers, 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. —Bernama