

CAGAMAS CONCLUDES PRICING OF RM300 MILLION CONVENTIONAL COMMERCIAL PAPERS

Kuala Lumpur, 1 March 2019 – Cagamas Berhad (“Cagamas” or “the Company”), the National Mortgage Corporation of Malaysia, today announced the issuance of its 3-month Conventional Commercial Papers (CCPs) amounting to RM300 million. The CCPs will be issued from the Company’s existing RM20 billion Commercial Paper/Islamic Commercial Paper programme where proceeds from the issuance will be used to fund the purchase of mortgage loans from the financial system.

“The CCPs represent the Company’s fourth issuance for the year which brings the total issuance to RM1 billion year-to-date. As the onshore market continues to see sustained demand for local currency bonds across tenures, opportunities arise for the Company to source competitive funding which enables the purchase of more housing loans,” said Datuk Chung Chee Leong, President/Chief Executive Officer of Cagamas.

“The CCPs were concluded via private placement and priced competitively at a spread of 38 basis points (bps) above the Malaysian Treasury Bills. The pricing of the CCPs matches the corresponding 3-month onshore benchmark Kuala Lumpur Interbank Offered Rate, which was last referenced at 3.69%,” added Datuk Chung.

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.

About Cagamas

Cagamas Berhad (Cagamas), the National Mortgage Corporation of Malaysia, was established in 1986 to promote the broader spread of home ownership and growth of the secondary mortgage market in Malaysia. It issues corporate bonds and sukuk to finance the purchase of housing loans from financial institutions and non-financial institutions. The provision of liquidity to financial institutions at a reasonable cost to the primary lenders of housing loans encourages further expansion of financing for houses at an affordable cost.

The Cagamas model is well regarded by the World Bank as the most successful secondary mortgage liquidity facility. Cagamas is the second largest issuer of debt instruments after the Government of Malaysia and the largest issuer of AAA corporate bonds and sukuk in the market. Since incorporation in 1986, Cagamas has cumulatively issued circa RM318.6 billion worth of corporate bonds and sukuk.

Cagamas' corporate bonds and sukuk continue to be assigned the highest ratings of AAA/Stable/P1 by RAM Rating Services Berhad and AAA/MARC-1 and AAA_{IS}/MARC-1_{IS} by Malaysian Rating Corporation Berhad, denoting its strong credit quality. Cagamas is also well regarded internationally and has been assigned local and foreign currency long-term issuer ratings of A3 by Moody's Investors Service Inc. that are in line with Malaysian sovereign ratings.

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