

CAGAMAS ISSUES MYR 2.3 BILLION EQUIVALENT IN USD & MYR BONDS/SUKUK WITHIN 3 DAYS

Kuala Lumpur, 26 April 2017 – Cagamas Berhad (“Cagamas” or “Company”), the National Mortgage Corporation of Malaysia, announced its RM2.3 billion equivalent dual currency issuance, comprising a 3-year USD350 million Senior Unsecured Notes, 5-year RM500 million Islamic Medium Term Notes (IMTN) and 5-year RM225 million Conventional Medium Term Note (CMTN). The USD conventional bond was issued through the Company’s wholly-owned subsidiary, Cagamas Global P.L.C. under Cagamas’ USD2.5 billion Multicurrency Medium Term Note Programme while the Ringgit bonds and sukuk were issued under Cagamas’ existing RM40 billion IMTN/MTN Programmes.

“Our 3-year tenured USD issuance will further strengthen Cagamas’ established position in the international bond market as the Company increases its USD bond outstanding amount by 48% from USD730 million to USD1.08 billion. Despite a challenging backdrop that included global geopolitical uncertainty and the surprise announcement of a snap election in the United Kingdom (UK) coupled with an active USD primary issuance pipeline within Asia, the issuance was competitively priced at 115 bps over the 3-year US Treasury (UST) bonds yielding 2.53%. The issuance attracted investors from Luxembourg, United Kingdom, Switzerland, the United Arab Emirates as well as countries across Asia,” said Datuk Chung Chee Leong, Chief Executive Officer of Cagamas. The Notes carry an issue rating of A3 by Moody’s, which are on par with the rating for the Programme of (P)A3.

On the local front, the Ringgit deal of a combined 5-year tenured RM725 million Islamic and Conventional Medium Term Notes was competitively priced at 4.25%, representing a weighted average spread of 40bps over the respective 5-year local currency Government benchmark curve.

“The RM500 million Islamic notes were issued through a public offering and gained participation from a diversified group of investors including sovereign wealth funds and foreign asset managers. The Conventional notes of RM225 million were priced via private placement the following day which evidenced continued demand and confidence in the Company’s credit strength,” added Datuk Chung.



The issuances bring the Company's aggregate issuance for the year to RM5.6 billion representing more than 50% of the targeted issuance for the year. The papers, which will be redeemed at their full nominal value on 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 house 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 RM292.2 billion of corporate bonds and Sukuk.

Cagamas' corporate bonds and sukuk continue to be assigned the highest ratings of AAA and P1 by RAM Rating Services Berhad and AAA/AAAID and MARC-1/MARC-1ID 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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