

**CAGAMAS COMMENCES YEAR 2020 WITH RM200 MILLION ISSUANCE OF  
CONVENTIONAL COMMERCIAL PAPERS**

**Kuala Lumpur, 20 January 2020** – Cagamas Berhad (“Cagamas” or “the Company”), the National Mortgage Corporation of Malaysia, announced the issuance of a RM200 million 3-month Conventional Commercial Papers (CCPs) - its first for the year. The issuance was printed from its RM20 billion Islamic and Conventional Commercial Paper Programme. Proceeds from the issuance will be used to fund the purchase of housing loans from the domestic financial system.

“The new year saw improved investors sentiment on the back of growing optimism from the trade deal between the United States (US) and China. Strengthening of the Malaysian Ringgit (MYR) and strong foreign portfolio inflows, anchored by a relatively dovish US Federal Reserve as well as the continued global low-rate environment have contributed to the improved momentum in the local bond market. These positive sentiments assisted to pave the way for the Company to price its CCPs at a competitive yield,” said President/Chief Executive Officer, Datuk Chung Chee Leong.

“The CCPs was priced ahead of the Monetary Policy Meeting (MPC) scheduled on 22 January 2020 and competitively priced at the corresponding 3-month KLIBOR (Kuala Lumpur Interbank Offered Rate) benchmark rate, minus 3 bps based on KLIBOR fixing on the pricing date. The pricing of the CCPs represented 31 bps above Malaysian Treasury Bills,” 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 RM328.1 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<sub>IS</sub>/MARC-1<sub>IS</sub> 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.

## **Cagamas Berhad**

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