

## **CAGAMAS CONCLUDES SECOND ISSUANCE IN TWO WEEKS**

**Kuala Lumpur, 19 October 2016** – Cagamas Berhad (“Cagamas” or “the Company”), the National Mortgage Corporation of Malaysia, announced the issuance of its 3-year Conventional Medium Term Notes (CMTN) amounting to RM580 million. Proceeds from the issuance will be used to fund the purchase of housing loans from the financial system.

“Despite other competing issuances tapping the market on the same day, a lower supply of short-dated high grade credit in the domestic space spurred investors demand from diverse market segments to participate in the Company’s issuance. The issuance was successfully priced at a final yield of 3.75%, representing 13 bps over the 12-months Kuala Lumpur Interbank Offered Rate (KLIBOR)” said Chief Executive Officer, Mr Chung Chee Leong.

“The issuance managed to attract a well diversified investor base and foreign accounts consisting of sovereign wealth funds, pension funds, financial institutions, insurance groups and asset management companies, which include both new domestic and foreign accounts,” added Mr Chung.

Year to-date, Cagamas has successfully issued a total of RM6.9 billion in the primary market consisting of RM5.5 billion in domestic currency and RM1.4 billion MYR equivalent in foreign currencies.

The CMTN, 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. They will be listed and tradable under the Scripless Securities Trading System.

## **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 RM285.7 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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