



President/Chief Executive Officer, Datuk Chung Chee Leong. Image courtesy: Cagamas

#### SUKUK

## Cagamas concluded aggregate issuances of RM1.4bIn amid market uncertainties

Proceeds from the issuances will be used to fund the purchase of housing loans and eligible assets from the domestic financial system.

#### Press Release

March 29, 2023

**Kuala Lumpur** – Cagamas Berhad (“Cagamas” or “the Company”), the National Mortgage Corporation of Malaysia, announced the successful conclusion of a combined RM1.4 billion worth of issuances, comprising RM300 million 3-month Conventional Commercial Papers (CCPs), RM100s million 3-month Islamic Commercial Papers (ICPs), RM600 million 2-year Conventional Medium Term

Notes (CMTNs) and RM400 million 3-year CMTNs. Proceeds from the issuances will be used to fund the purchase of housing loans and eligible assets from the domestic financial system.

“We are pleased with the successful conclusion of the issuances ahead of the US Federal Reserve’s second consecutive increase of 25 basis points (bps) at its recently scheduled meeting, while market continued to remain cautious on further banking turmoil in the global scene,” said President/Chief Executive Officer, Datuk Chung Chee Leong.

“The CCPs and ICPs were priced at 5 bps to 8 bps below the 3-month Kuala Lumpur Interbank Offered Rate (KLIBOR). The 2- and 3-year CMTNs were priced at 3.78% and 3.88% respectively, with spreads of 47 bps above the corresponding Malaysian Government Securities,” said Datuk Chung.

“The concluded issuances were priced via a private placement exercise, which brings the Company’s total funds raised for the year to RM4.14 billion,” added Datuk Chung.

The papers will be redeemed at their full nominal value upon maturity, are unsecured obligations of the Company, ranking pari passu 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 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 Group has cumulatively raised funds circa RM397.99 billion worth of corporate bonds and Sukuk.

Cagamas’ bonds and sukuk continue to be assigned the highest ratings of AAA/Stable/P1 by RAM Rating Services Berhad and AAA/MARC-1 and AAAIS/MARC-1IS 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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