



Kameel Abdul Halim, President/ Chief Executive Officer of Cagamas. Image courtesy: Cagamas

SUKUK

Cagamas remains upbeat with successful issuance of RM960mIn bonds and sukuk

The bonds and sukuk were priced competitively at a spread of 35 bps over the Malaysian Government Securities

Press Release

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Kuala Lumpur – Cagamas Berhad (“Cagamas” or “the Company”), the National Mortgage Corporation of Malaysia, announced the successful conclusion of RM960 million worth of bonds and sukuk comprising RM460 million 1-year Conventional Medium Term Notes, RM200 million 2-year CMTNs and RM300 million Islamic Medium Term Notes (IMTNs).

President/ Chief Executive Officer of Cagamas, Kameel Abdul Halim said, “The Company successfully issued RM960 million worth of bonds and sukuk through its first public book building exercise this year.”

“The order book received overwhelming response, oversubscribed by 2.3 times which attracted subscription from a diverse pool of investors including financial institutions, pension funds, insurance companies, foreign investors and asset managers. This allowed the Company to successfully tighten the yield by 5 basis points (bps) from the initial price guidance. The bonds and sukuk were priced competitively at a spread of 35 bps over the Malaysian Government Securities. This demonstrated the strength and resilience of the domestic fixed income market. Proceeds raised from the issuances will be used to fund the purchase of Islamic home financings and housing loans from the domestic financial system, reflecting continued provision of liquidity by Cagamas to the domestic banking system,” said Kameel.

The new issuance will bring the Company’s aggregate funds raised for the year to RM2.08 billion. 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 issued circa RM425.85 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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