



CAGAMAS SUCCESSFULLY CONCLUDES 11TH ISSUANCE OF THE YEAR

Kuala Lumpur, 16 June 2017 – Cagamas Berhad (“Cagamas” or “Company”), the National Mortgage Corporation of Malaysia, successfully concluded the issuance of 5-year Islamic Medium Term Notes (IMTN) amounting to RM350 million, which was issued under the Company’s RM40 billion Medium Term Notes Programme. Proceeds from the issuance will be used to fund the purchase of Islamic financing from the financial system.

“Despite a quiet start to the Ramadhan month with investors remaining sidelined ahead of upcoming global economic data, the issuance was competitively priced 38 basis points above the corresponding 5-year Malaysian Government Investment Issues (MGII). The heightened risk and uncertainty in global economies, evidenced by the 10-year US Treasury yields plunging to its lowest for the year at 2.15% leading to strong demand in higher quality papers, also contributed to the successful conclusion of the issuance.” said Datuk Chung Chee Leong, Chief Executive Officer of Cagamas.

“The Company’s previous issuance of 5-year RM500 million IMTN in April 2017 has also rallied by 14 basis points in the secondary market, evidencing continued demand by investors. In addition, healthy secondary market liquidity of Cagamas securities, which reached RM3.7 billion, equally contributed to the success of this issuance.” added Datuk Chung.

The new issuance will bring the Company’s aggregate issuance for the year to RM6.0 billion.

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. 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 RM292.5 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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