

CAGAMAS CONCLUDES PRICING FOR RM150 MILLION OF CONVENTIONAL COMMERCIAL PAPERS

Kuala Lumpur, 22 June 2020 – Cagamas Berhad (“Cagamas” or “the Company”), the National Mortgage Corporation of Malaysia, announced its issuance of RM150 million 3-month Conventional Commercial Papers (CCPs). Proceeds from the issuance will be used to fund the purchase of housing loans from the financial system.

“The successful pricing of the CCPs evidenced investors’ continued strong demand for the Company’s short term debt securities despite global financial markets bracing for uncertainty due to economic reopening, coupled with the increasing geopolitical tension, which affected investor sentiment locally,” said President/Chief Executive Officer, Datuk Chung Chee Leong.

“The CCPs were competitively priced at the corresponding 3-month KLIBOR benchmark rate plus 3 bps or equivalent to 2.31% based on KLIBOR fixing on the pricing date. The pricing of the CCPs represented 28 bps above Malaysian Treasury Bills, which was concluded via private placement basis,” added Datuk Chung.

The transaction marked the Company’s seventh issuance exercise for the year and brings the year-to-date (YTD) issuance amount to RM3.46 billion.

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. 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 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 RM331.3 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_{IS}/MARC-1_{IS} 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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