

## **CAGAMAS CONCLUDES THIRD REOPENING FOR THE YEAR**

**Kuala Lumpur, 8th June 2016** – Cagamas Berhad (“Cagamas” or “the Company”), the National Mortgage Corporation of Malaysia, today announced the issuance of RM100 million Cagamas Conventional Medium Term Notes (CMTN) through the reopening of its existing CMTN maturing in April 2017. Proceeds from the issuance will be used to fund the purchase of loans receivables from the financial system.

“The Company’s reopening initiative to promote the secondary liquidity for Cagamas debt papers have been well received by both domestic and international investors as reflected in the consistent demand for Cagamas bonds. Within 2 weeks, Cagamas has successfully reopened two existing stocks with a total reopening size of RM475 million.” said President/Chief Executive Officer, Mr. Chung Chee Leong.

“The Company’s continuous proactive engagement with market participants has been effective and attracted aggressive bids particularly from foreign investors looking for high grade local currency bond. As a result, the reopening was competitively priced at 63 basis points (bps) above the corresponding Government bond and only 2 bps above comparable Government guaranteed papers.” added Mr. Chung.

To-date, Cagamas has successfully issued a total of RM3.8 billion in the primary market and achieved secondary trading volume of RM7.5 billion, making it the highest traded PDS in the local bond market thus far and second only to Government papers.

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 debt securities 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 debt securities in the market. Since incorporation in 1986, Cagamas has cumulatively issued RM283 billion of conventional bonds and Sukuk.

Cagamas' debt securities continue to be assigned the highest ratings of AAA and P1 by RAM Rating Services Berhad and AAA/AAA<sub>ID</sub> and MARC-1/MARC-1<sub>ID</sub> 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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