

## **CAGAMAS CONCLUDES RM1.5 BILLION ISSUANCES OF BONDS**

**Kuala Lumpur, 24 May 2021** – Cagamas Berhad (“Cagamas” or “the Company”), the National Mortgage Corporation of Malaysia, announced its aggregate issuances of RM1.5 billion, comprising two tranches of 2-year Conventional Medium Term Notes (CMTNs) with an issue amount of RM700 million and RM800 million, respectively. Proceeds from the issuances will be used to fund the purchase of housing loans from the financial system.

Cagamas President/Chief Executive Officer, Datuk Chung Chee Leong said, “We are pleased with another successful conclusion of the Company’s latest issuances within two consecutive weeks, following the RM1.04 billion issuances last week. The pricing exercise of these latest issuances was concluded in a relatively muted market after the Eid holiday break and successfully received encouraging support from investors.”

“The RM700 million issuance was concluded via private placement while the second tranche of RM800 million was conducted via book building exercise, which was upsized to RM800 million from an initial size of RM500 million. The book building exercise attracted a book size of RM925 million from a diverse group of domestic and offshore investors which allowed the Company to close the final yield at 2.50% from the initial price guidance of 2.55%, registering a 44 basis points spread against the Malaysian Government Securities,” said Datuk Chung.

The new issuances bring the Company’s aggregate issuance for the year to RM5.9 billion. The papers, which will be redeemed at their full nominal value upon maturity, are unsecured obligations of the Company, ranking pari passu 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 RM345.5 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<sub>IS</sub>/MARC-1<sub>IS</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.

## **Cagamas Berhad**

Registration No. 198601008739 (157931-A)

Level 32, The Gardens North Tower

Mid Valley City, Lingkaran Syed Putra 59200 Kuala Lumpur

Tel: +603 - 2262 1800 | Fax: +603 - 2282 9125

[www.cagamas.com.my](http://www.cagamas.com.my)

## **Media Enquiries**

Leanne Susau

Tel: +603 - 2262 1719

communications@cagamas.com.my

Lucia Wee

Tel: +603 - 2262 1868

communications@cagamas.com.my