

CAGAMAS SUKUK OVERSUBSCRIBES BY 2.16 TIMES

Kuala Lumpur, 31 January 2022 – Cagamas Berhad (“Cagamas” or “the Company”), the National Mortgage Corporation of Malaysia, announced its aggregate issuances of RM1.03 billion, comprising RM100 million 1-year Islamic Medium Term Notes (IMTNs) and RM930 million 3-year IMTNs. Proceeds from the issuances will be used to fund the purchase of Islamic financing from the domestic financial system.

Cagamas President/ Chief Executive Officer, Datuk Chung Chee Leong said, “We are pleased with the successful conclusion of the Company’s latest issuances, supported by encouraging demand from investors amid challenging market conditions arising from the stronger indication of liquidity tapering and interest rate hike by the United States Federal Reserve.”

“The IMTNs were priced through a public book building exercise which successfully enticed participation from a diverse investor base; including financial institutions, insurance companies, asset managers, pension funds and statutory bodies. Demand for the Company’s papers were overwhelming, resulting in price tightening for the 3-year tranche from an initial price guidance of 3.33% to 3.31% and upsized from an initial RM500 million to a final issue size of RM930 million. The IMTNs registered spreads of 42 basis points (bps) against Malaysian Government Investment Issues,” added Datuk Chung.

The new issuances bring the Company’s aggregate issuances for the year to RM1.33 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 RM360 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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