

# Cagamas year-to-date issuance surpasses RM11 bln mark

**KUALA LUMPUR:** Cagamas Bhd (Cagamas), the National Mortgage Corporation of Malaysia, has announced its aggregate issuances of RM1.9 billion equivalent – comprising S\$130 million one-year Singapore dollar denominated Fixed Rate Note (EMTN), RM800 million one-year Conventional Medium Term Notes (CMTNs) and RM700 million six-month Conventional Commercial Papers (CCPs).

Proceeds from the issuances will be used to fund the purchase of housing loans from the financial system.

"We are pleased with the successful conclusion of the Singapore dollar EMTN and ringgit issuances which were concluded post-recent downgrade of Malaysia's sovereign rating by one of the international credit rating agencies, Fitch Ratings," Cagamas president/chief executive officer Datuk Chung Chee Leong said.

"Despite some initial knee-



Datuk  
Chung Chee  
Leong

jerk reactions from the market arising from the rating announcement, demand for Cagamas bonds remains resilient, underpinned by its strong credit fundamentals that led to the conclusion of the deal.

"The conclusion of the Singapore dollar issuance at 0.85 per cent via the company's subsidiary, Cagamas Global PLC, which carries an issue rating of A3 represents the company's re-entry into the Singapore dollar market since October 2018 in addition to being Malaysia's first

Singapore dollar denominated issuance for the year 2020.

"The company has once again demonstrated its capability to provide competitive funding rates to onshore financial institutions in a challenging environment through combined issuances of foreign currency and ringgit denominated bonds."

The transaction marks the company's 21st issuance exercises for the year and brings the year-to-date issuance amount to RM11.2 billion. It also represented the company's first EMTN issuance for the year since 2018.

The Singapore dollar denominated bond issued will be fully and unconditionally guaranteed by Cagamas.

The issuance, which will be redeemed at their full nominal value upon maturity, is unsecured obligations of the company, ranking pari passu with all other existing unsecured obligations of the company.