

## **CAGAMAS CONCLUDES SIXTH ISSUANCES IN SEVEN WEEKS**

**Kuala Lumpur, 7 December 2015** – Cagamas Berhad (“Cagamas” or “the Company”), the National Mortgage Corporation of Malaysia, today announced the issuance of 7-year Islamic Medium Term Notes (IMTN) amounting to RM435 million. Proceeds from the issuance will be used to fund the purchases of Islamic house financing from the financial system.

“The sudden surge in new primary issuances of private debt securities (PDS) over the last two months amounting to RM29 billion, which includes the Company’s RM4.4 billion bonds and sukuk, contributed to the overcrowding of the domestic bond market which resulted in supply tension and widening of the credit spread. Notwithstanding the challenges, recent strengthening of the MYR coupled with support from the Chinese government to increase China’s participation in the Malaysian bond market provided the window of opportunity for us to undertake another public issuance. The relatively strong domestic liquidity positions and continuous support from local investors for MYR PDS issuances reduced the impact of price volatility and contributed significantly to the success of this issuance, which was tightened from its initial price guidance and will be issued at a profit rate of 4.70%,” said President/Chief Executive Officer, Mr. Chung Chee Leong.

“The new IMTN offering has brought the Company’s year-to-date issuance to over the RM7 billion mark that surpassed the year’s target of RM6 billion and has attracted participation from diverse investors including from Singapore and sovereign wealth funds,” Mr Chung added.

The IMTN, 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 RM279.1 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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