

## **CAGAMAS MAKES FIRST ENTRANCE INTO SGD BOND MARKET**

Kuala Lumpur, 29 July 2015 – Cagamas Berhad (“Cagamas” or “Company”), the National Mortgage Corporation of Malaysia, announced its inaugural SGD denominated issuance under Cagamas USD2.5 billion Conventional Multicurrency Medium Term Notes (EMTN) Programme. The SGD denominated paper, with a maturity of 3 years, is issued through its wholly-owned subsidiary, Cagamas Global P.L.C. and will be fully and unconditionally guaranteed by Cagamas Berhad.

“The Company’s investor engagements and reverse enquiry initiatives generated interest from a number of Singapore Dollar investors for its papers and led to the conclusion of this deal at attractive pricing,” said President/Chief Executive Officer, Mr Chung Chee Leong.

Carrying an issue rating of A3 by Moody’s Investor Service, the 3-year SGD100 million issuance was competitively closed at a spread of 50 bps over the corresponding Singapore’s Swap Offer Rates (SOR).

Domestically, the Company concluded its RM115 million CMTN which will be issued via its existing RM40 billion Islamic and Conventional Medium Term Notes Programme. Proceeds from the issuance will be used to fund the purchases of loans from the financial system.

“Demand for Cagamas’ papers remained strong as evidenced by a commendable bid-to-cover ratio of 4.2 times, despite market participants remaining on the side lines ahead of the festive break and an announcement of Malaysia’s June CPI figure which rose to 2.5% year-on-year against market consensus of 2.4%. The 1- and 3-year CMTN was competitively priced with the spread of 53 basis points and 57 basis points respectively above the corresponding Malaysian Government Securities (MGS).” added Mr. Chung.

The CMTN, 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 RM274 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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