

CAGAMAS CONTINUES REOPENING INITIATIVE IN SUKUK MARKET

Kuala Lumpur, Malaysia, 9 November 2015 – Cagamas Berhad (“Cagamas” or “Company”), the National Mortgage Corporation of Malaysia, today announced the reopening of the Company’s 3-year remaining maturity Islamic Medium Term Notes (IMTN) amounting to RM500 million. The latest issuance, fresh from the Company’s first Conventional reopening on 28 October 2015, represents the first reopening of a Sukuk under its RM40 billion Medium Term Notes Programme. Proceeds from the issuance will be used to fund the purchases of loans from the financial system.

“It has been one of our objectives to reopen the existing tranches to increase trading activity and promote secondary market liquidity of our papers hence our second reopening within a two week time span. The response to our initiative was encouraging as the Company managed to raise another RM500 million of 3-year tenure from the market despite raising a total of RM2.0 billion in a single tenure within the past two weeks,” said President/Chief Executive Officer, Mr. Chung Chee Leong.

“The reopening issuance was concluded at an absolute yield of 4.19 percent, 1 bps lower than the Company’s first reopening the previous week. In terms of spread, it was competitively priced at 21 bps over Mid-Swap Rate,” added Mr. Chung. With the latest issue, the Company’s total issuance for the past three weeks jumped to RM2.5 billion which underscores the credit strength of the Company and its ability to raise funds within a short time span. Consequently, total issuances for the year-to-date increased to RM4.8 billion.

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 RM276.9 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_{ID} and MARC-1/MARC-1_{ID} 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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