

## **CAGAMAS ADVANCES INTO INTERNATIONAL SUKUK MARKET**

Kuala Lumpur, 25 September 2015 – Cagamas Berhad (“Cagamas” or “Company”), the National Mortgage Corporation of Malaysia, today announced its entry into the international Sukuk market with its maiden Singapore Dollar (SGD) denominated Sukuk EMTN issuance under Cagamas USD2.5 billion Multicurrency Sukuk Programme. The SGD162.75 million 1-year Sukuk is issued through its wholly-owned subsidiary, Cagamas Global Sukuk Berhad, and will be fully and unconditionally guaranteed by Cagamas Berhad. The issuance marks the first Sukuk to be denominated in Singapore Dollar for 2015 thus far and proceeds from the issuance will be used to fund the purchase of Islamic home financing from the financial system.

“As a frequent issuer, Cagamas continues to monitor the comparative funding cost and distribution advantage in the international market against our domestic bond issues. The Company's debut Conventional EMTN issuance in the SGD bond market in July 2015 has generated greater interest from a number of investors that led to the conclusion of the deal,” said President/Chief Executive Officer, Mr Chung Chee Leong.

“The Islamic principle used for the Sukuk is based on the Shariah principle of Wakala; a structure which is widely acceptable among international Sukuk investors. We acknowledge the increasingly challenging market environment and to this end, the Company continues to assess market dynamics and identify changes in trends through proactive engagement with investors and market participants” added Mr. Chung.

The SGD162.75 million 1-year Sukuk issuance carries an issue rating of A3 by Moody's Investor Service and was competitively priced at a spread of 36 bps over the corresponding Singapore's Swap Offer Rates (SOR). The issuer's principal activity is to carry on the business of a fund raising vehicle.

## **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 RM274.4 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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