

**CAGAMAS UPBEAT ON ITS ISSUANCES WITH SUCCESSFUL PRICING OF RM1 BILLION WORTH OF BONDS AND SUKUK**

**Kuala Lumpur, 16 April 2020** – Cagamas Berhad (“Cagamas” or “the Company”), the National Mortgage Corporation of Malaysia, announced its RM1 billion combined issuances comprising RM500 million 2-year Conventional Medium Term Notes (CMTNs), RM300 million 6-month Islamic Commercial Papers (ICPs) and RM200 million 3-month Conventional Commercial Papers (CCPs). Proceeds from the respective issuances will be used to fund the purchases of mortgage loans/house financing from the financial system.

“The transactions marked the Company’s fifth issuance exercise for the year and brings the year-to-date (YTD) issuance amount to RM2.605 billion. With these transactions, the Company has concluded a total of RM1.8 billion issuances within a month. This signals continued support from investors and demonstrates the strength and depth of the Company’s investor base in these challenging market conditions,” said President/Chief Executive Officer, Datuk Chung Chee Leong.

“Despite the cautious market outlook during this period with demand predominantly centred on Government papers, the Company had strategised and opted for a public book building exercise for its CMTNs issuance to entice wider participation from investors. The issuance received overwhelming response with an initial book-to-cover (BTC) ratio of 2.8 times, resulting in the Company to upsize its issue size from the initial RM300 million to a final RM500 million. The Company was also able to tighten the yield from an initial price guidance of 3.15% to the final 3.10% with a final BTC of 1.7 times. Both the ICPs and CCPs were concluded on a private placement basis,” added Datuk Chung.

The papers, which will be redeemed at their full nominal value upon maturity, are unsecured obligations of the Company, ranking pari passu 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 home ownership and growth of the secondary mortgage market in Malaysia. It issues corporate bonds and sukuk 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 corporate bonds and sukuk in the market. Since incorporation in 1986, Cagamas has cumulatively issued circa RM330.5 billion worth of corporate bonds and Sukuk.

Cagamas' corporate bonds and sukuk continue to be assigned the highest ratings of AAA/Stable/P1 by RAM Rating Services Berhad and AAA/MARC-1 and AAA<sub>IS</sub>/MARC-1<sub>IS</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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