

**CAGAMAS CONCLUDES PRICING OF RM500 MILLION COMBINED MULTI-TENURED BONDS AND SUKUK WITHIN A WEEK**

**Kuala Lumpur, 20 March 2019** – Cagamas Berhad (“Cagamas” or “the Company”), the National Mortgage Corporation of Malaysia, announced the combined issuances of its Islamic Medium Term Notes (IMTN), Conventional Medium Term Notes (CMTN) and Conventional Commercial Papers (CCP) totaling RM500 million - comprising a 3-year RM50 million IMTN, a multi-tenured 1, 2 and 3-year CMTN with a combined amount of RM100 million and 3-month RM350 million CCP. Proceeds from the issuances will be used to fund the purchase of Islamic financing and housing loans from the financial system.

“Despite a similar amount of primary supply amounting to RM21 billion in the domestic corporate bonds and sukuk market for 2019 to-date as compared to 2018, secondary liquidity of corporate bonds and sukuk showed an aggregate increase of RM10.5 billion within the corresponding period. This indicates sustained demand for Ringgit denominated securities. The RM150 million combined Islamic and Conventional MTNs were priced at competitive spreads against the Malaysian Government Securities (MGS) and were aggressively bid by local financial institutions,” said President/Chief Executive Officer, Datuk Chung Chee Leong.

“With heightened uncertainty in the global interest rate environment, demand for short term fixed income instruments continues to remain robust as evidenced by the strong foreign participation in the Company’s CCP issuance. To-date, the Company has recorded a higher issuance size of CCP totaling RM950 million in comparison to RM500 million issued within the corresponding period in 2018. The commercial papers were priced competitively at 3.69% which is on par with the onshore benchmark 3-month KLIBOR rate,” added Datuk Chung.

The conclusion of the deals brings the Company's total issuance size year-to-date to RM1.5 billion. The papers, which will be redeemed at their full nominal value upon 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 homeownership and contribute towards nation development. It contributes towards the growth of the capital markets, Islamic finance and other priority sectors through issuance of innovative instruments. 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 RM319.1 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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