

## **CAGAMAS KICKSTARTS FOREIGN CURRENCY ISSUANCE FOR THE YEAR**

**Kuala Lumpur, 29 February 2016** – Cagamas Berhad (“Cagamas” or “the Company”), the National Mortgage Corporation of Malaysia, announced its first Singapore Dollar (SGD) denominated issuance for 2016 under Cagamas Global P.L.C’s USD2.5 billion Conventional Multicurrency Medium Term Notes (EMTN) Programme. The issuance of SGD130.75 million SGD EMTN with a maturity of 1 year will be fully and unconditionally guaranteed by Cagamas Berhad.

“Being the first corporate foreign issuer within the South East Asia region tapping the SGD credit space this year, the Company managed to secure a fixed rate of 2.30%. This represents a competitive pricing of 48 basis points above the Singapore Swap Offer Rate via proactive engagement with investors globally,” said President/Chief Executive Officer, Mr Chung Chee Leong.

“The demand for investment grade papers remained strong despite current risk averse market conditions, resulting in more fixed income asset purchases including Cagamas’. This will bring the Company’s aggregate issuance for this year to MYR2.7 billion,” added Mr Chung.

The issuance managed to attract participation from a diverse set of international investors, which forms the majority of its subscribers. This signifies the strong value proposition of the bonds, which offer attractive yield pick up and is associated with Cagamas’ low risk profile. A small portion was allocated to Malaysian investors, made up of mainly asset managers.

The papers 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.

### **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 RM282 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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