

## **CAGAMAS CONTINUES TAPPING IN FOREIGN CURRENCY**

**Kuala Lumpur, 2 August 2018** – Cagamas Berhad (“Cagamas” or “the Company”), the National Mortgage Corporation of Malaysia, announced its two-year Singapore Dollar 65 million (SGD) foreign currency Conventional Medium Term Notes (MTN) issuance. The SGD was issued through the Company’s wholly-owned subsidiary, Cagamas Global P.L.C under Cagamas’ USD2.5 billion Conventional Multicurrency Medium Term Note (EMTN) Programme which marked the Company’s fourth successive foreign currency issuance priced within the same month.

“Despite an increase in short term yields, as evidenced by the increase in 2-year US Treasury Yields marking a high of 2.6815% on 26 July 2018, the SGD denominated bond was competitively priced at a fixed rate of 2.52%. This represented a spread of 60 basis points above the corresponding 2-year Singapore Offer Rate (SOR). Demand for Cagamas bonds remains resilient across diverse investor profiles as the issuance was fully subscribed by foreign investors, which included asset managers, financial institutions and insurance companies,” said President/Chief Executive Officer, Datuk Chung Chee Leong.

“We are pleased with the conclusion of the SGD issuance which carries an issue rating of A3 representing the Company and Malaysia’s first SGD denominated issuance for the year. Through issuance of foreign currency denominated bonds, Cagamas has successfully purchased RM650 million equivalent of domestic mortgages and has consistently provided competitive funding rates to onshore financial institutions. The conclusion of the deal brings the Company’ foreign currency funding for the year to 8% of its total year-to-date issuances of RM8.5 billion,” added Datuk Chung.

The SGD denominated bond issued will be fully and unconditionally guaranteed by Cagamas Berhad. The issuance, which will be redeemed at their full nominal value upon maturity, is 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 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 RM310.4 billion worth of corporate bonds and Sukuk.

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