

CONTINUED FOREIGN INTEREST LEADS TO SUCCESSFUL U.S DOLLAR AND HONG KONG DOLLAR ISSUANCES

Kuala Lumpur, 26 July 2018 – Cagamas Berhad (“Cagamas” or “the Company”), the National Mortgage Corporation of Malaysia, announced its dual currency issuance, comprising 2-year Hong Kong Dollar (HKD) fixed rate Medium Term Notes (MTN) amounting to HKD351 million and 3-year U.S Dollar (USD) Floating Rate Notes (FRN) amounting to USD28 million. The foreign currency denominated bonds were issued through the Company’s wholly-owned subsidiary, Cagamas Global P.L.C. from Cagamas’ USD 2.5 billion Conventional Multicurrency Medium Term Note (EMTN) Programme.

“Foreign investors remained positive and continued to show interest in Cagamas’ securities which enabled the Company to conclude its second HKD issuance within the same month. The HKD 351 million MTN, which has a maturity of two years was priced competitively at a fixed rate of 3.10% and was fully subscribed by a diversified group of foreign investors, which includes participation from top global asset management firms,” said President/Chief Executive Officer, Datuk Chung Chee Leong.

“Aside from the HKD bond issuance, we are pleased to have concluded our first USD denominated FRN through reverse inquiry initiatives where feedback received from foreign investors indicated a greater preference for FRN due to heightened uncertainty in global interest rates moving forward. The three-year tenured USD FRN was priced competitively at a spread of 70 basis points over the 3-month London Interbank Offered Rate (LIBOR) and was subscribed by foreign investors,” added Datuk Chung.

Conclusion of the dual currency deal evidenced continued foreign investor confidence in the Company’s credit as well as acceptance towards investment in Malaysian corporates. Year-to-date, Cagamas has concluded an aggregate issuance of RM8.3 billion equivalent.



The HKD and USD denominated bonds issued carry an issue rating of A3 by Moody's and will be fully and unconditionally guaranteed by Cagamas Berhad. Both issuances, 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 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 RM310.2 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_{IS} and MARC-1/MARC-1_{IS} 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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