

## **CAGAMAS ENTERS 2016 WITH RM1.52 BILLION 3-YEAR ISSUANCE**

**Kuala Lumpur, 27 January 2016** – Cagamas Berhad (“Cagamas” or “the Company”), the National Mortgage Corporation of Malaysia, today announced its first issuance of the year, the RM1.52 billion 3-year Cagamas bonds comprising RM1.12 billion Conventional Medium Term Notes (CMTN) and RM400 million Islamic Medium Term Notes (IMTN). The IMTN represents the first private debt securities (PDS) Sukuk reopening for the year. Proceeds from the issuance will be used to fund the purchases of mortgage loans and Islamic house financing from the financial system.

“We are indeed pleased that the Company has concluded its first issuance of the year with order book of over RM1 billion and bid-to-cover ratio of 2.7 times. Excluding Government-guaranteed issuances, this issuance represents the first PDS public deal for the year,” said President/Chief Executive Officer, Mr. Chung Chee Leong.

“The order book received overwhelming response that the Company successfully tightened the yield by 5 bps to 4.10 percent and upsized the issuance from initial size of RM600 million to RM1.52 billion, demonstrating the strength and resilience of the domestic market. The final yield was priced at a spread of 34 bps over the 3-year IRS,” added Mr. Chung. Response from Singapore-based investor indicates confidence in the Company’s name amid a challenging market backdrop.

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. 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 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 RM280.7 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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