

CAGAMAS CONCLUDES PRICING OF RM450 MILLION BONDS AMID GLOBAL MARKET VOLATILITY

Kuala Lumpur, 20 March 2020 – Cagamas Berhad (“Cagamas” or “the Company”), the National Mortgage Corporation of Malaysia, announced its RM450 million issuance comprising RM300 million 2-year Conventional Medium Term Notes (CMTNs) and RM150 million 3-month Conventional Commercial Papers (CCPs). Proceeds from the respective issuances will be used to fund the purchase of mortgage loans from the financial system.

“The pricing of the bonds was concluded at a time of highly volatile global financial markets arising from the plunge in oil prices and threat of the Covid-19 pandemic. There is a risk-off and cautious sentiment in the market as evidenced by the broad-based selling activities in both global equity and fixed income markets including Malaysia. This is definitely a challenging time for the local and global economy,” said President/Chief Executive Officer, Datuk Chung Chee Leong.

“In this unprecedented period, Cagamas continues to play its role as a liquidity provider to the financial system with successful conclusion of CMTNs and CCPs via a private placement exercise,” added Datuk Chung.

The CMTNs were concluded and priced at 3.03%, 33 basis points (bps) above the Malaysian Government Securities whilst the CCPs were priced at 5 bps above the 3-month KLIBOR rate or equivalent to 2.83% on pricing date.

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 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 RM329.15 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_{IS}/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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