



National Mortgage Corporation of Malaysia

GREEN SOCIAL SUSTAINABLE BONDS (GSSB) SERIES 2: WEBINAR FOR ISSUERS, UNDERWRITERS, ARRANGERS AND ADVISORS

DATUK CHUNG CHEE LEONG
PRESIDENT/CEO, CAGAMAS BERHAD

MARCH 24, 2021
WEDNESDAY | 12:00 – 2:30 PM



CAGAMAS BACKGROUND

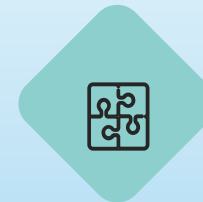
Entity Name	Cagamas Berhad
Shareholders	100% by Cagamas Holdings Berhad, which is 20% owned by Central Bank of Malaysia (BNM), and 80% by local commercial and investment banks
Credit Rating (International and local rating)	<ul style="list-style-type: none">• A3 (Moody's)• AAA/P1 (RAM Rating Services Berhad)• AAA/MARC-1 (Malaysian Rating Corporation Berhad)
Date of Incorporation	2 December 1986
Objectives	<ul style="list-style-type: none">• Established by BNM to support the national agenda of increasing home ownership and promoting the development of Malaysia's capital markets• Development and promotion of Islamic finance within Malaysia
Business Model	<ul style="list-style-type: none">• Through the issuance of conventional and Islamic securities, Cagamas funds the purchase of housing loans and house financings through its Purchase With Recourse (PWR) and Purchase Without Recourse (PWOR) schemes• Based on this business model, Cagamas is able to provide liquidity to financial institutions at a competitive cost, encouraging them to provide additional housing loans and house financings to new applicants at an affordable price• The World Bank has regarded Cagamas Berhad as the largest and most successful liquidity facility in its publication entitled "Housing Finance Policy in Emerging Markets" in 2009



WHY EMBARK ON THE JOURNEY?



Broader impact in the Environment, Social and Governance (ESG) ecosystem



Incorporated Bond/Sukuk Sustainability Framework into existing RM60 billion MTN/IMTN programme



Provide socially responsible investors avenues to invest in ESG compliant asset classes

CAGAMAS SUSTAINABLE BOND/SUKUK FRAMEWORK



Reaffirming and deepening the Company's mission ~ sustainable development



Support and promote the 17 Sustainable Development Goals (SDGs)

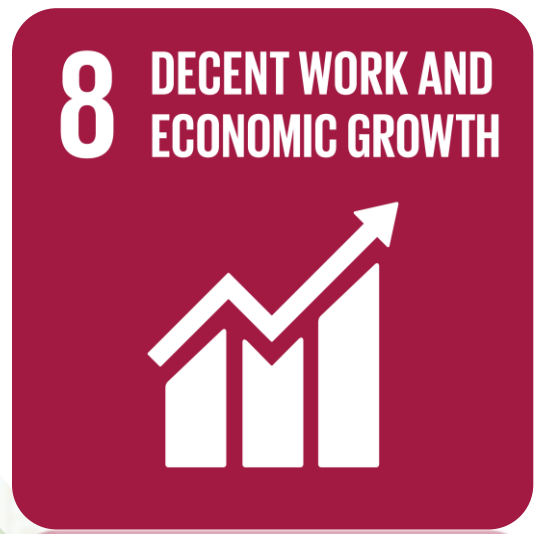


Issuance proceeds used to purchase loans/ financing/ assets aligned with SDGs



SUSTAINABLE DEVELOPMENT GOALS

CAGAMAS SUSTAINABLE BOND/SUKUK FRAMEWORK



CAGAMAS SUSTAINABLE BOND/SUKUK FRAMEWORK

Aligned with local and international principles, standards and guidelines



International Capital Market Association

- 2018 Green Bond Principles
- 2018 Social Bond Principles
- 2018 Sustainability Bond Guidelines



Asean Capital Markets Forum

- ASEAN Green Bond Standards (Oct 2018)
- ASEAN Social Bond Standards (Oct 2018)
- ASEAN Sustainability Bond Standards (2018)



Securities Commission Malaysia

Sustainable and Responsible Investment Sukuk framework

Use of proceeds to purchase loans/financing/assets related to:



Renewable energy



Energy efficiency



Green Buildings



Low carbon and low emission transportation



Sustainable water and wastewater management



Affordable housing



Employment generation

RATIONALE:

ASEAN SUSTAINABILITY SRI SUKUK ISSUANCE

UN SDG Goals 2030



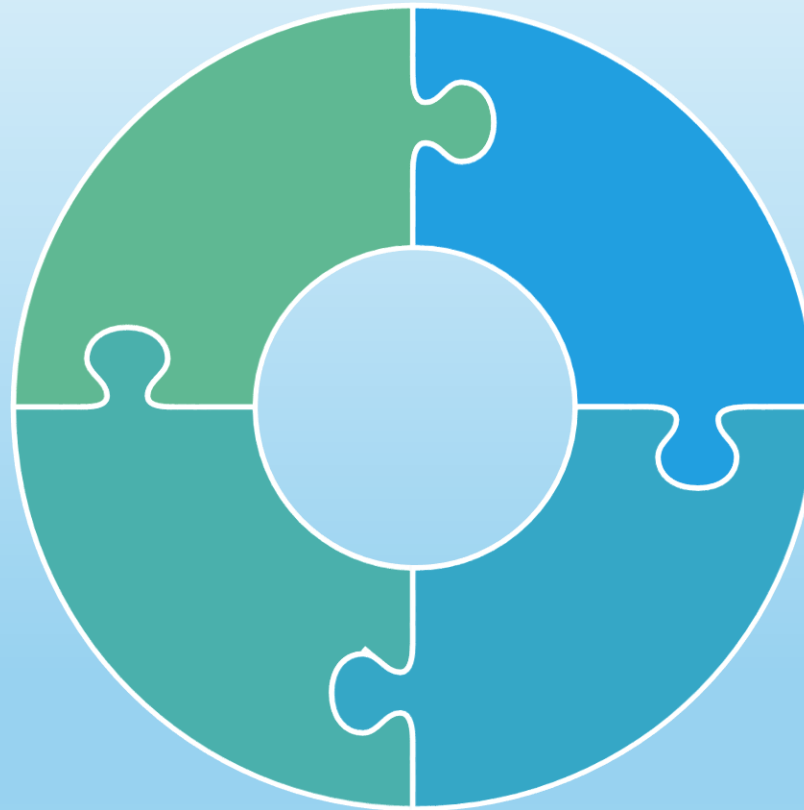
Supporting sustainable development based on four goals – SDG6, SDG 7, SDG 8 & SDG 11

Regulatory initiatives



Securities Commission Malaysia
Sustainable and Responsible Investment

Bank Negara Malaysia
Value-Based Intermediation



Cagamas Vision & Mission

To promote homeownership and contribute towards nation development



11th Malaysia Plan

Sustainability Agenda

Cagamas ASEAN Sustainability SRI Sukuk

Malaysia's first for
Affordable Housing

ISSUANCE DETAILS

Issuer	Cagamas Berhad
Tenor	3-year
Type	ASEAN Sustainability SRI Sukuk
Issue Size	MYR100,000,000
Programme Description	MYR60 billion Islamic/Conventional Medium Term Note Programme (IMTN/CMTN)
Issue Date	26 October 2020
Maturity Date	26 October 2023
Profit Rate	2.23%
Mode of issuance	Book Building
Structure	Murabahah
Sole Lead Manager	RHB Investment Berhad
Governing Law	Malaysia Law
Syariah Advisors	CIMB Islamic Shariah Committee, Maybank Shariah Committee, HSBC Bank Malaysia Berhad Shariah Committee and Amanie Advisors Sdn Bhd
Clearing System	RENTAS



ISSUANCE SUMMARY

ASEAN Sustainability SRI Sukuk



Issuance

- 3-year MYR100 million SRI Sukuk
- Based on the Islamic principle of Murabahah
- Under existing MYR60 billion Islamic Medium-Term Notes



Price Strategy

- Conducive market conditions
- Priced alongside 3-year Islamic IMTN.

Conducted via

- Book building exercise
- Total order close to RM2 billion at initial price guidance



Use of proceeds

- SRI Sukuk - Eligible Islamic financing for affordable housing
- IMTNs - Islamic house financing



Final price

- SRI Sukuk – 2.23% p.a.
- IMTNs - 2.25% p.a.
- Combined final book-to-cover ratio of 3.3 times
- 39 and 41 basis points above corresponding 3-year Malaysian Government Investment Issue



Investor profile

- Statutory body
- Sovereign wealth funds
- Pension funds
- Financial institutions
- Asset managers
- Insurance companies



Rating

- Tier 1 - Social Benefit rating by RAM Sustainability Sdn Bhd

Cagamas ASEAN Sustainability Bond

For SME sector

ISSUANCE DETAILS

Issuer	Cagamas Berhad		
Tenor	1-year	2-year	2.5-year
Issue Size	MYR35,000,000	MYR20,000,000	MYR45,000,000
Type	ASEAN Sustainability Bonds		
Programme Description	MYR60 billion Islamic/Conventional Medium Term Note Programme (IMTN/CMTN)		
Issue Date	27 October 2020		
Maturity Date	28 October 2021	27 October 2022	27 October 2023
Coupon Rate	2.00%	2.13%	2.18%
Mode of issuance	Private Placement		
Sole Lead Manager	CIMB Investment Berhad		
Governing Law	Malaysia Law		
Clearing System	RENTAS		



ISSUANCE SUMMARY

ASEAN Sustainability Bonds



Issuance

MYR100 million sustainability bonds comprising:

- MYR35 million 1-year
- MYR20 million 2-year
- MYR45 million 2.5 year



Use of proceeds

Eligible noncarbon emitting industrial hire purchase receivables for Small and Medium Enterprises (SME) that contribute to environmental sustainability



Final price

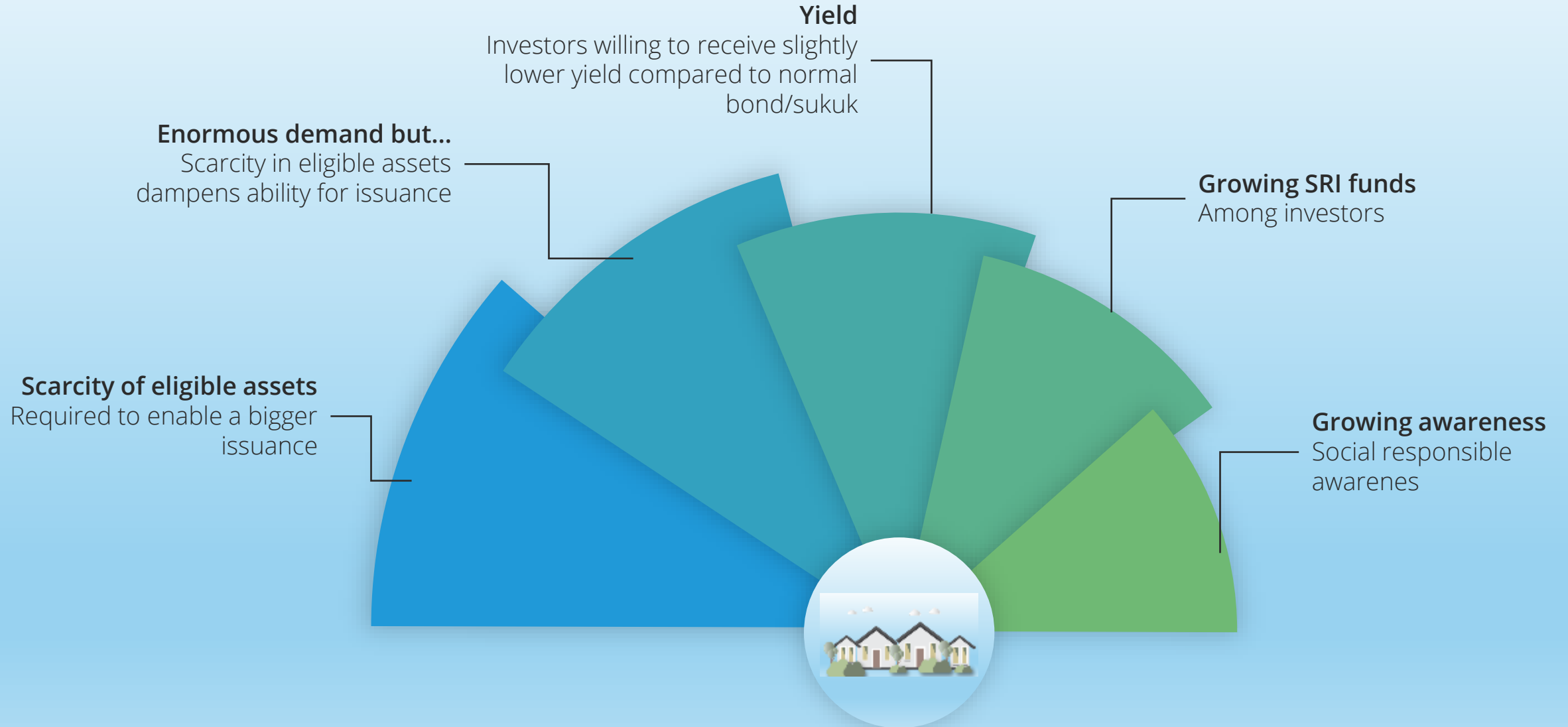
- Total order: MYR **240 million**
- Combined final book-to-cover ratio of **2.4 times**
- **43 to 45 basis points** above corresponding Malaysian Government Securities



Rating

- Tier 1 - Social Benefit and Environmental rating for employment generation via SME and renewable energy
- Tier 2 - Environmental rating for sustainable water and wastewater management

CHALLENGES AND KEY EXPERIENCE



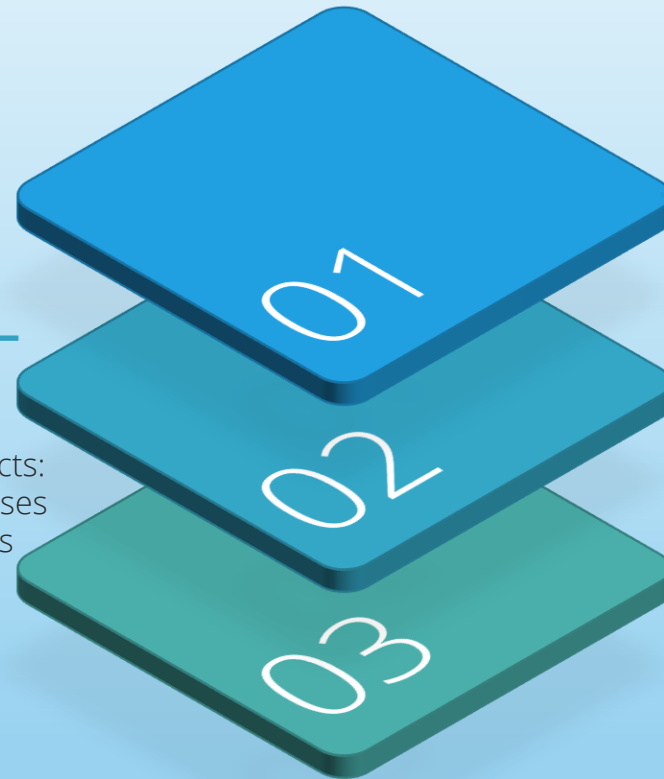
INITIATIVES BY MALAYSIA'S REGULATOR



Securities Commission of Malaysia (SC)

Introduced SRI Sukuk and Bond Scheme to incentivize and encourage more issuers to finance green, social and sustainability projects:

- Grant allow issuers to claim certain expenses
- Tax incentives in a form of tax exemptions



SRI Centre & Bond+Sukuk Information Exchange (BIX)



SRI Centre is a one stop resource centre on SRI Sukuk and ASEAN-labelled bonds in Malaysia for greater transparency and access to information by various stakeholders

Centre of Excellence (COEs) on sustainability



Through Capital Markets Malaysia (CMM) to build up sustainable practices amongst private sector companies and to ensure the manner these companies raise financing is sustainable



Disclaimer

This presentation was prepared exclusively for the benefit and internal use of the recipient. This presentation does not carry any right of publication or disclosure to any other party. Neither this presentation nor its content may be used for any other purpose without prior written consent of Cagamas Berhad (“Cagamas”).

The information in this presentation reflects prevailing conditions and our views as of this date, all of which are accordingly subject to change. In preparing this presentation, we have relied upon and assumed, without independent verification, the accuracy and completeness of any information available from public sources.

Except as required by law, Cagamas and their officers, employees, agents and advisers do not accept any responsibility for or liability whatsoever in respect of any loss, liability, claim, damage, cost or expense arising as a consequence (whether directly or indirectly) of reliance upon any information or any statement or opinion contained in this document, nor do they make any representation or warranty (whether expressed or implied) as to the accuracy or completeness of this documents or its contents. This presentation is not an offer documents and cannot give rise to any contract.

THANK YOU

QUESTIONS?



Cagamas Berhad
Registration No. 198601008739 (157931-A)
Level 32, The Gardens North Tower
Mid Valley City, Lingkaran Syed Putra
59200 Kuala Lumpur
Malaysia



+603 - 2262 1800



www.cagamas.com.my



fb.com/CagamasOfficial



[@CagamasOfficial](https://www.instagram.com/CagamasOfficial)



[@CagamasOfficial](https://www.twitter.com/CagamasOfficial)

