

CAGAMAS CONCLUDES PRICING OF RM110 MILLION OF BONDS AND SUKUK

Kuala Lumpur, 10 August 2020 – Cagamas Berhad (“Cagamas” or “the Company”), the National Mortgage Corporation of Malaysia, announced its issuances of RM110 million comprising 1-year Conventional Medium Term Notes (CMTNs) and Islamic Medium Term Notes (IMTNs). Proceeds from the issuances will be used to fund the purchase of housing loans and house financing from the financial system.

“The resurgence of COVID-19 infection cases globally coupled with renewed US-China tension dominating headlines, resulted in safe-haven assets continuing to be highly sought after. On the domestic front, demand for fixed income instruments remain supportive due to the easing of monetary policy and fiscal stimulus packages coupled with benign inflation outlook,” said President/Chief Executive Officer of Cagamas Berhad, Datuk Chung Chee Leong.

“The issuances were competitively priced at 2.15%, 37 bps and 35 bps above respective Malaysian Government Securities (MGS)/Malaysian Government Investment Issues (MGII),” added Datuk Chung.

The transaction marked the Company’s tenth issuance exercise for the year and brings the year-to-date issuance amount to RM4.22 billion.

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 RM332 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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