

**CAGAMAS BUCKS MARKET SENTIMENTS WITH RM2 BILLION COMBINED ISSUANCES OF BONDS AND SUKUK**

**Kuala Lumpur, 3 December 2020** – Cagamas Berhad (“Cagamas” or “the Company”), the National Mortgage Corporation of Malaysia, announced its combined issuances of RM2 billion - comprising RM700 million 3-month Conventional Commercial Papers (CCPs), RM300 million Islamic Commercial Papers (ICPs), RM500 million 1-year Islamic Medium Term Notes (IMTNs) and RM500 million 1-year Conventional Medium Term Notes (MTNs). Proceeds from the issuances will be used to fund the purchase of housing loans and house financing from the financial system.

“We are pleased with the successful conclusion of the issuances despite growing caution on the domestic front, arising from the parliamentary voting of Budget 2021 coupled with potential risk-on sentiments as global markets were buoyed by news of imminent COVID-19 vaccines,” said President/Chief Executive Officer of Cagamas, Datuk Chung Chee Leong.

“While mixed sentiments slowly descended into the fixed income space, the Company managed to price its RM2 billion combined deal with its ICPs, CCPs, IMTNs and MTNs issuances competitively at 30 bps to 45 bps, above the respective Malaysian Government Securities/ Malaysian Government Investment Issues,” added Datuk Chung.

The transaction marks the Company’s twentieth issuance exercise for the year and brings the year-to-date issuance amount to RM9.32 billion. It also represented the largest amount priced by the Company in a single day since November 2013.

The papers, which will be redeemed at their full nominal value upon maturity, are unsecured obligations of the Company, ranking pari passu 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 RM337.2 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<sub>IS</sub>/MARC-1<sub>IS</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.

## **Cagamas Berhad**

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