

**CAGAMAS KICKS OFF 2022 WITH RM300 MILLION ISSUANCE OF ISLAMIC COMMERCIAL PAPERS**

**Kuala Lumpur, 14 January 2022** – Cagamas Berhad (“Cagamas” or “the Company”), the National Mortgage Corporation of Malaysia, announced its first issuance for the year - RM300 million 3-month Islamic Commercial Papers (ICPs) which was printed from its RM20 billion Islamic and Conventional Commercial Paper Programme. Proceeds from the issuance will be used to fund the purchase of house financing from the domestic financial system.

“We are delighted to start the year on a positive note with the successful issuance of the Company’s short-term papers amid a hawkish tone in raising interest rates in the United States in response to a surging inflation which is expected to keep the pressure on global fixed income markets, including Malaysia,” said Datuk Chung Chee Leong, President/Chief Executive Officer of Cagamas.

The CCPs were priced at the corresponding 3-month Kuala Lumpur Interbank Offer Rate (KLIBOR) benchmark based on KLIBOR fixing on the pricing date, representing a spread of 23 bps above the corresponding Malaysian Islamic Treasury Bills.

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 RM359 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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