

OVERWHELMING RESPONSE TO CAGAMAS' ISSUANCE OF MALAYSIA'S FIRST ASEAN SUSTAINABILITY SRI SUKUK FOR AFFORDABLE HOUSING

Kuala Lumpur, 22 October 2020 – Cagamas Berhad (“Cagamas” or “the Company”), the National Mortgage Corporation of Malaysia, announced that the Company had successfully priced a combined issuance of its inaugural ASEAN Sustainability SRI Sukuk (“SRI Sukuk”) and Islamic Medium Term Notes (“IMTNs”) totalling RM450 million. The issuance, comprising a 3-year RM100 million SRI Sukuk and RM350 million IMTNs will be issued based on the Islamic principle of Murabahah under the Company’s existing RM60 billion Islamic Medium-Term Notes Programme. The proceeds from the SRI Sukuk will be used to fund specifically the purchase of eligible Islamic financing for affordable housing whilst the proceeds from the IMTNs will be used to fund Islamic house financing.

Datuk Chung Chee Leong, President/Chief Executive Officer said, “We are pleased with the overwhelming response to Cagamas’ issuance of the Company’s inaugural ASEAN Sustainability SRI Sukuk to fund Islamic financing related to affordable housing, subscribed by socially responsible investors and executed at a competitive rate.”

The issuance, conducted via a public book building exercise led solely by RHB Investment Bank, received an overwhelming response from investors and achieved a total order close to RM2 billion at initial price guidance. This enabled the Company to progressively improve the price guidance, leveraging on the demand momentum to close at a final price of 2.23% p.a. for the SRI Sukuk and 2.25% p.a. for the IMTNs, with a combined final book-to-cover ratio of 3.3 times. The final prices for the issuance represent 39 and 41 basis points above the corresponding 3-year Malaysian Government Investment Issue.

“Cagamas is encouraged by the exceptionally strong level of support from investors as evidenced by the lower yield recorded on the SRI Sukuk compared to the IMTNs. We had participation from a diversified pool of investors, including a statutory body, sovereign wealth funds, pension funds, financial institutions, asset managers and insurance companies. We would like to thank the many stakeholders who have helped to make Cagamas’ maiden SRI Sukuk issuance so successful and would like to express our appreciation for the effort and contribution by the RHB Group in this collaboration,” continued Datuk Chung.

The SRI Sukuk for affordable housing is assigned the highest Social Benefit rating of Tier-1 by RAM Sustainability Sdn Bhd under Cagamas' Sustainability Bond/Sukuk Framework ("The Framework"). The Framework comprises two social solutions namely affordable housing and employment generation via Small and Medium Enterprises; and five green solutions which include renewable energy, energy efficiency, green buildings, low-carbon transportation and sustainable water and wastewater management.

"The positive conclusion of this issuance is a strong testament of Cagamas' commitment to support the development of industry-led sustainable product offerings such as affordable housing loans and financings. It is indeed a meaningful milestone for Cagamas amidst current challenging market conditions," added Datuk Chung.

The transaction marks the Company's seventeenth issuance exercise for the year and will bring the year-to-date issuance amount to RM6.68 billion.

The papers, which will be redeemed at their full nominal value upon maturity, will be unsecured obligations of the Company, ranking pari passu 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 RM334.5 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.

Cagamas Berhad

Registration No. 198601008739 (157931-A)

Level 32, The Gardens North Tower

Mid Valley City, Lingkaran Syed Putra 59200 Kuala Lumpur

Tel: +603 - 2262 1800 | Fax: +603 - 2282 9125

www.cagamas.com.my

Media Enquiries

Leanne Susau

Tel: +603 - 2262 1719

communications@cagamas.com.my

Lucia Wee

Tel: +603 - 2262 1868

communications@cagamas.com.my