

CAGAMAS ISSUES SHORT-TERM PAPERS TOTALLING RM545 MILLION

Kuala Lumpur, 23 November 2020 – Cagamas Berhad (“Cagamas” or “the Company”), the National Mortgage Corporation of Malaysia, announced its combined issuances of RM545 million, comprising RM300 million 3-month Conventional Commercial Papers (CCPs) and RM245 million 3-month Islamic Commercial Papers (ICPs). Proceeds from the issuances will be used to fund the purchase of housing loans and house financing from the financial system.

“Global market players remain vigilant as early optimism boosted by the news of promising vaccine trials was tempered by the rising coronavirus cases and new shutdowns in many parts of the world - which may continue to threaten the recovery from the pandemic recession. On the local front, the recent announcement of an improved Malaysian economy that recorded a smaller contraction of 2.7% in the third quarter of 2020 and continued expectation of further improvements moving forward, will provide a positive catalyst to attract foreign inflows to the local capital markets,” said President/Chief Executive Officer of Cagamas, Datuk Chung Chee Leong.

“Despite the continued downside risks on the global outlook, the Company has successfully priced its CCPs and ICPs issuances competitively at 21 bps to 24 bps, above the respective Malaysian Government Securities/ Malaysian Government Investment Issues,” added Datuk Chung.

The transaction marked the Company’s nineteenth issuance exercise for the year and brings the year-to-date issuance amount to RM7.32 billion.

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 RM335.2 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_{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

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