

CAGAMAS CONCLUDES PRICING FOR RM705 MILLION WORTH OF BONDS AND SUKUK

Kuala Lumpur, 22 May 2020 – Cagamas Berhad (“Cagamas” or “the Company”), the National Mortgage Corporation of Malaysia, announced its RM705 million combined issuances comprising RM305 million 3-month Islamic Commercial Papers (ICPs), RM300 million 3-month Conventional Commercial Papers (CCPs) and RM100 million dual tenure 1 and 2-year Conventional Medium Term Notes (CMTNs). Proceeds from the respective issuances will be used to fund the purchases of eligible assets including housing loans/house financing from the financial system.

“The widely expected Overnight Policy Rate (OPR) cut by Bank Negara Malaysia (BNM) recently, resulted in some housing loans originating institutions and others, to seek liquidity solutions from Cagamas and securing competitive funding rates given the continued low interest rate environment. This led to successful conclusion of the above deals which were conducted via private placement basis,” said President/ Chief Executive Officer, Datuk Chung Chee Leong.

“We are also pleased to see that the Company’s issuances continue to be supported by investors indicating improved sentiment in the domestic capital market. This is partly due to various measures undertaken by BNM in supporting the efficient functioning of the domestic financial markets coupled with the recovery in global crude oil prices. The transactions marked the Company’s sixth issuance exercise for the year and brings the year-to-date (YTD) issuance amount to RM3.31 billion,” added Datuk Chung.

The papers, which will be redeemed at their full nominal value upon maturity, are 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 RM331.2 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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