

**CAGAMAS ISSUES FIRST MULTI-TENURED
ASEAN SUSTAINABILITY BONDS FOR SME SECTOR**

Kuala Lumpur, 27 October 2020 – Cagamas Berhad (“Cagamas” or “the Company”), the National Mortgage Corporation of Malaysia, announced the issuance of its first ASEAN Sustainability Bonds (“Sustainability Bonds”) totalling RM100 million, comprising RM35 million 1-year, RM20 million 2-year and RM45 million 2.5-year bonds. The bonds are issued under the Company’s existing RM60 billion Medium-Term Notes Programme. Proceeds from the issuance will be used to primarily fund the purchase of eligible non-carbon emitting industrial hire purchase receivables for Small and Medium Enterprises (SME) that contribute to environmental sustainability.

“Cagamas has a long-standing commitment to harnessing the capital market to strengthen liquidity in the financial markets and create opportunities. The successful conclusion of the Company’s first ever multi-tenured ASEAN Sustainability Bonds marks an important part of the solution to bring capital at scale to address critical challenges, and meet the growing demand of environmental and socially responsible investments,” said President/Chief Executive Officer of Cagamas Berhad, Datuk Chung Chee Leong.

The issuances received commendable response from investors and attracted a total order of RM240 million, with a combined final book-to-cover ratio of 2.4 times. Leveraging on the healthy demand for the bonds, the Company was able to finalise the price of each tranche at the lower end of the initial price guidance. The final prices of the issuances represent 43 to 45 basis points above the corresponding Malaysian Government Securities.

The Sustainability Bonds carry the highest social benefit ratings and environmental benefit (EB) ratings of Tier-1 respectively for employment generation via SME and renewable energy, and Tier-2 EB ratings for sustainable water and wastewater management by RAM Sustainability Sdn. Bhd. under Cagamas’ Sustainability Bond/Sukuk Framework.

“Cagamas hopes that its issuances of SRI sukuk and sustainability bonds would contribute to a further deepening of Malaysia’s sustainable finance markets and provide investors with a unique proposition that combines exceptional credit quality with social impact. The issuances of sustainability bonds/ sukuk is an important step in paving the way for other issuers to continue the momentum of issuing environmental and socially responsible bonds/ sukuk for a better and inclusive future for all,” added Datuk Chung.

The transaction marked the Company’s eighteenth issuance exercise for the year and brings the year-to-date issuance amount to RM6.78 billion.

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 RM334.6 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