

CAGAMAS YEAR-TO-DATE ISSUANCE SURPASSES RM11 BILLION MARK

Kuala Lumpur, 16 December 2020 – Cagamas Berhad (“Cagamas” or “the Company”), the National Mortgage Corporation of Malaysia, announced its aggregate issuances of RM1.9 billion equivalent - comprising SGD130 million 1-year Singapore Dollar denominated Fixed Rate Note (SGD EMTN), RM800 million 1-year Conventional Medium Term Notes (CMTNs) and RM700 million 6-month Conventional Commercial Papers (CCPs). Proceeds from the issuances will be used to fund the purchase of housing loans from the financial system.

“We are pleased with the successful conclusion of the SGD EMTN and Ringgit issuances which were concluded post- recent downgrade of Malaysia’s sovereign rating by one of the international credit rating agencies, Fitch Ratings. Despite some initial knee-jerk reactions from the market arising from the rating announcement, demand for Cagamas bonds remains resilient, underpinned by its strong credit fundamentals that led to the conclusion of the deal,” said President/Chief Executive Officer of Cagamas, Datuk Chung Chee Leong.

“The conclusion of the SGD issuance at 0.85% via the Company’s subsidiary, Cagamas Global P.L.C., which carries an issue rating of A3 represents the Company’s re-entry into the SGD market since October 2018 in addition to being Malaysia’s first SGD denominated issuance for the year 2020. The Company has once again demonstrated its capability to provide competitive funding rates to onshore financial institutions in a challenging environment through combined issuances of foreign currency and Ringgit denominated bonds,” added Datuk Chung.

The transaction marks the Company’s 21st issuance exercises for the year and brings the year-to-date issuance amount to RM11.2 billion. It also represented the Company’s first EMTN issuance for the year since 2018.

The SGD denominated bond issued will be fully and unconditionally guaranteed by Cagamas Berhad. The issuance, which will be redeemed at their full nominal value upon maturity, is unsecured obligations of the Company, ranking pari passu with all other existing unsecured obligations of the Company.

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 RM339.1 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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