

CAGAMAS CONCLUDES RM1 BILLION COMBINED ISSUANCES OF ASEAN SUSTAINABILITY BONDS AND MEDIUM TERM NOTES

Kuala Lumpur, 29 October 2021 – Cagamas Berhad (“Cagamas” or “the Company”), the National Mortgage Corporation of Malaysia, announced its aggregate issuances of RM1 billion comprising RM300 million 2-year ASEAN Sustainability Bonds (Sustainability Bonds) and RM700 million 3-year Conventional Medium Term Notes (CMTNs). Proceeds from the issuances will be used to fund the purchase of eligible sustainability assets and housing loans from the financial system.

Datuk Chung Chee Leong, President/Chief Executive Officer said, “Cagamas is pleased with the conclusion of the Company’s second transaction of Sustainability Bonds for the year, which brings the total year-to-date of sustainability related issuances to RM600 million. The positive conclusion of this issuance is a strong testament of Cagamas’ continued commitment to support sustainable product offerings in the market such as affordable housing loans.”

“The deals were priced amid a challenging market condition through a public book building exercise which successfully enticed participation from a diverse investor base comprising financial institutions, insurance companies, asset managers and statutory body. Demands for the Company’s papers were overwhelming, resulting in tightening of the 2-year Sustainability Bonds from an initial price guidance of 2.57% to 2.52% while the 3-year CMTNs was upsized from an initial RM500 million to a final RM700 million. Both issuances registered competitive spreads of 40 to 43 basis points against Malaysian Government Securities,” added Datuk Chung.

The above transactions represent the Company’s 25th issuance exercise for the year and brings total issuances year-to-date to RM13.25 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 RM352.8 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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