

CAGAMAS STAYS UPBEAT ON LOCAL BOND MARKET WITH CONCLUSION OF RM400 MILLION BONDS ISSUANCE

Kuala Lumpur, 28 February 2022 – Cagamas Berhad (“Cagamas” or “the Company”), the National Mortgage Corporation of Malaysia, announced its issuance of RM400 million 2-year Conventional Medium Term Notes (CMTNs). Proceeds from the issuance will be used to fund the purchase of housing loans from the domestic financial system.

Cagamas President/ Chief Executive Officer, Datuk Chung Chee Leong said, “We are pleased with yet another successful conclusion of the Company’s 2-year CMTNs. The issuances were priced amid a volatile market condition due to the continued market concerns on geo-political events and the upcoming Federal Reserve’s policy move in tackling rising inflation.”

“The CMTNs were priced through a public book building exercise which successfully enticed participation from a diverse investor base, comprising financial institutions, asset managers and a statutory body. The order book received a healthy bid-to-cover ratio of 1.3 times, that enabled the Company to upsize the 2-year CMTNs from an initial size of RM200 million, to a final size RM400 million. This brings the Company’s aggregate issuances for the year to RM2.93 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 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 RM361.7 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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