

## **CAGAMAS CONCLUDES ISSUANCE OF RM500 MILLION WORTH OF BONDS INCLUSIVE SOCIAL BONDS**

**Kuala Lumpur, 30 August 2022** – Cagamas Berhad (“Cagamas” or “the Company”), the National Mortgage Corporation of Malaysia, announced the successful pricing of its RM500 million bonds, comprising RM45 million 2-year ASEAN Social Bonds (Social Bonds), RM205 million 2-year Conventional Medium Term Notes (CMTNs) and RM250 million 3-year CMTNs. Proceeds from the issuances will be used to fund the purchase of eligible assets from the financial system.

“We are pleased with the successful conclusion of the above issuances, which includes Social Bonds, marking the Company’s second sustainability-related transaction in the same month. To date, the Company has concluded RM1.7 billion worth of sustainability-related bonds and sukuk since its inaugural issuance in 2020. This demonstrates the Company’s commitment to further catalyse the development of a deeper sustainable and responsible fixed income capital market,” said President/Chief Executive Officer, Datuk Chung Chee Leong.

“The Company successfully priced its 2-year Social Bonds at 2 basis points (bps) lower than the 2-year CMTNs, recording competitive spreads of 40 to 42 bps above the corresponding Malaysian Government Securities. The Social Bonds for affordable housing were assigned the highest Social Benefit rating of Tier-1 by RAM Sustainability Sdn Bhd, under the Cagamas’ Sustainability Bond/Sukuk Framework,” added Datuk Chung.

The conclusion of the above transactions brings the Company’s year-to-date issuance amount to RM10.55 billion, of which RM790 million were sustainability-related issuance. The issuance will be redeemed at their full nominal value upon maturity and are 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 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 RM369.3 billion worth of corporate bonds and Sukuk.

Cagamas' 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<sub>IS</sub>/MARC-1<sub>IS</sub> 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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