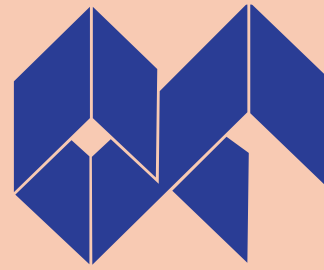


Cagamas



National Mortgage Corporation of Malaysia

Asian Secondary Mortgage Market Association

Virtual Meeting
11 December 2020



Current Status of Covid-19

STATUS TERKINI COVID-19 MALAYSIA 10.12.2020



Kes baharu
New cases

2,234

Kes tempatan
2,229 Kes import
5

Jumlah kes aktif
Total active cases

11,867

Jumlah kes ICU
Total ICU cases

124

Termasuk

60

Bantuan Alat
Pernafasan

15.1%

78,499

Jumlah kes keseluruhan
Total confirmed cases

**Kes sembuh
baharu**
New recovered cases

1,112

Jumlah kes sembuh
Total recovered cases

66,236

84.4%

Kematian baharu
New death

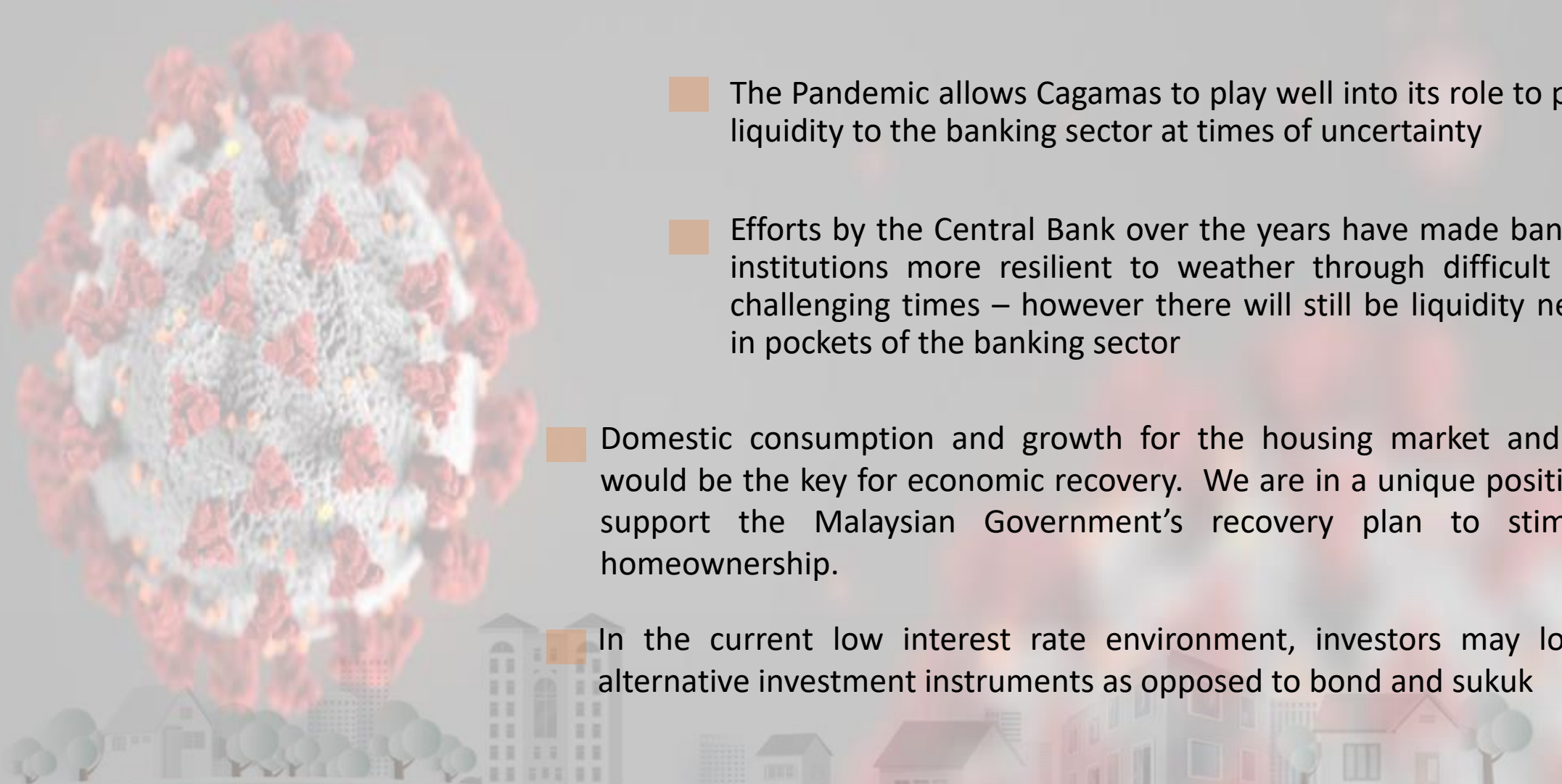
3

Jumlah Kematian
Total death

396

0.5%

Impact of Covid-19

- 
- The Pandemic allows Cagamas to play well into its role to provide liquidity to the banking sector at times of uncertainty
 - Efforts by the Central Bank over the years have made banking institutions more resilient to weather through difficult and challenging times – however there will still be liquidity needs in pockets of the banking sector
 - Domestic consumption and growth for the housing market and SME would be the key for economic recovery. We are in a unique position to support the Malaysian Government's recovery plan to stimulate homeownership.
 - In the current low interest rate environment, investors may look for alternative investment instruments as opposed to bond and sukuk

Government Responses for Covid-19

REDUCTION IN OVERNIGHT POLICY RATE (OPR)

FOUR OPR CUTS IN 2020, TOTALING 125 BPS ARISING FROM THE OIL CRISIS AND COVID-19 PANDEMIC

-25BPS

-25BPS

-50BPS

-25BPS

22 JAN 2020

3 MARCH 2020

5 MAY 2020

7 JULY 2020

OPR DOWN FROM **3.00%** TO **1.75%**

REDUCTION IN STATUTORY RESERVE REQUIREMENT (SRR)

SRR : 2.0%

THE SRR WAS REDUCED FROM 3.0% TO 2.0% EFFECTIVE 20 MARCH 2020

EACH PRINCIPAL DEALER IS ABLE TO RECOGNISE MALAYSIAN GOVERNMENT SECURITIES (MGS) AND MALAYSIAN GOVERNMENT INVESTMENT ISSUES (MGII) OF UP TO USD250 MILLION AS PART OF THE SRR COMPLIANCE

IN MAY 2020, BANK NEGARA MALAYSIA ANNOUNCED THAT ALL FINANCIAL INSTITUTIONS MAY USE MGS AND MGII TO FULLY MEET THE SRR COMPLIANCE

THESE COMBINED MEASURES HAS RELEASED APPROXIMATELY USD12 BILLION WORTH OF LIQUIDITY INTO THE BANKING SYSTEM.

Government Responses for Covid-19

MORATORIUM ON LOAN / FINANCING REPAYMENT



TO EASE THE CASH FLOW OF INDIVIDUALS, SMALL & MEDIUM ENTERPRISES AND THE SELF-EMPLOYED AFFECTED BY COVID-19, FINANCIAL INSTITUTIONS HAS PROVIDED AN AUTOMATIC DEFERMENT OF ALL LOAN / FINANCING REPAYMENTS FOR A PERIOD OF 6 MONTHS, WITH EFFECT FROM 1 APRIL 2020 UNTIL 30 SEPT 2020

THE GOVERNMENT HAS RECENTLY ANNOUNCED A TARGETED EXTENSION FOR THE MORATORIUM ON BANK LOANS FOR THOSE WHO EITHER LOST THEIR JOBS OR HAD PAY CUTS THIS YEAR AS A RESULT OF THE COVID-19 PANDEMIC.

FURTHER ANNOUNCEMENT MADE FOR BLANKET MORATORIUM FOR BORROWER'S IN THE B40 CATEGORY

DRAWDOWN OF PRUDENTIAL BUFFERS

During the 6 months period of the moratorium, financial institutions were allowed to:



- DRAWDOWN THE CAPITAL CONSERVATION BUFFER OF 2.5%
- OPERATE BELOW THE MINIMUM LCR OF 100%
- REDUCE THE REGULATORY RESERVES HELD AGAINST EXPECTED LOSSES TO 0%



THE MINIMUM NSFR HAS BEEN LOWERED TO 80% AND FINANCIAL INSTITUTIONS WILL BE REQUIRED TO COMPLY WITH THE REQUIREMENT OF 100% FROM 30 SEPTEMBER 2021

Government Responses for Covid-19

GOVERNMENT STIMULUS PACKAGE ALLEVIATES PANDEMIC'S IMPACT ON PROPERTY MARKET

Government measures on a series of economic stimulus measures totaling USD75 billion entailing fiscal and non-fiscal measures

01

Home Ownership Campaign (HOC) 2020

- minimum 10% discount on residential properties
- Stamp duty exemption for instruments of transfer for properties priced between USD70k to USD600k. Exemption on the instrument of transfer is limited to the first USD250k of the property price.

02

Removal of 70% loan-to-value ratio on third housing loan for property priced USD35k and above

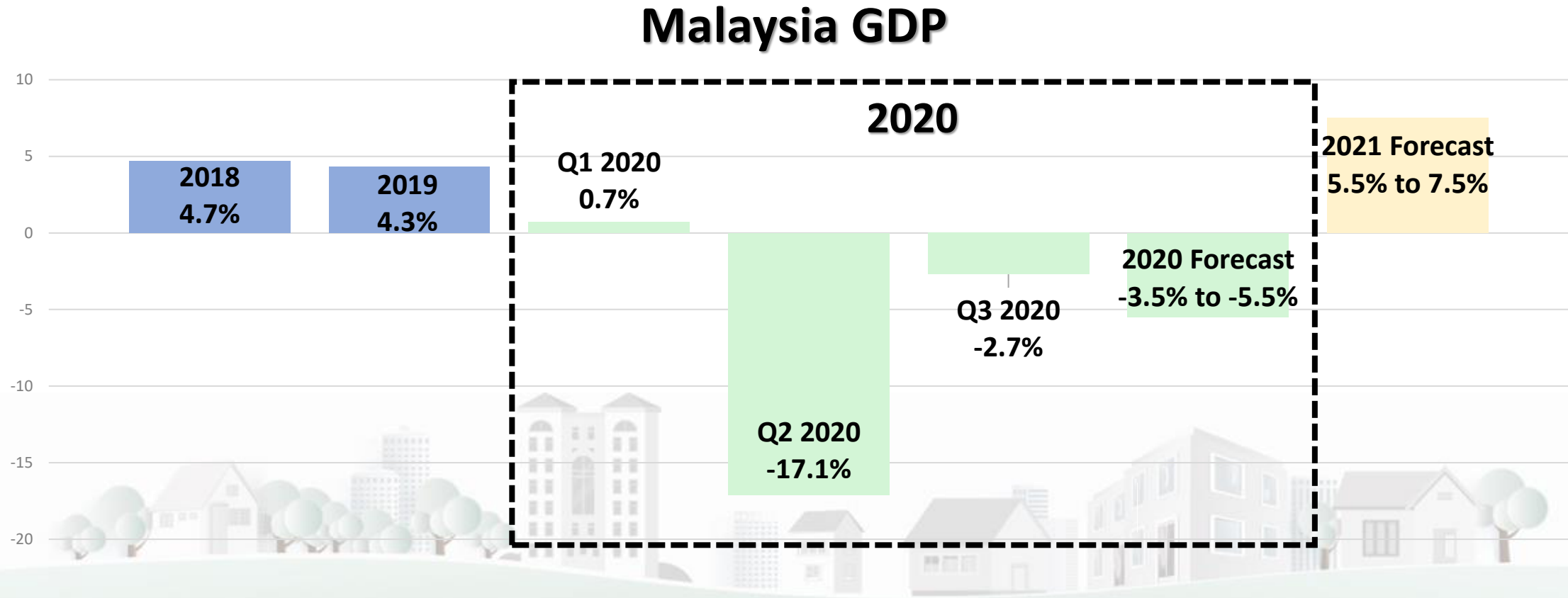
03

Real property gains tax (RPGT) exemption

Neptune is the furthest planet from the Sun and it is the fourth-largest planet by diameter

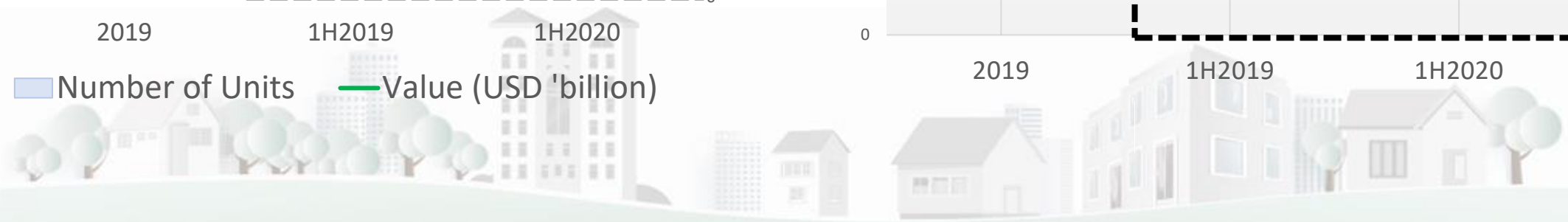
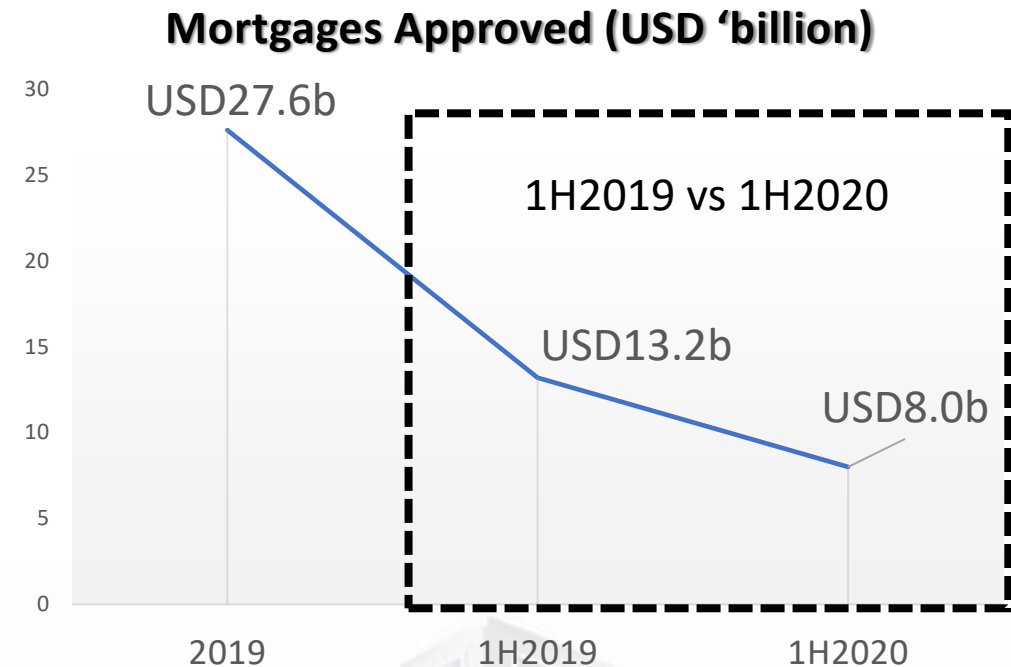
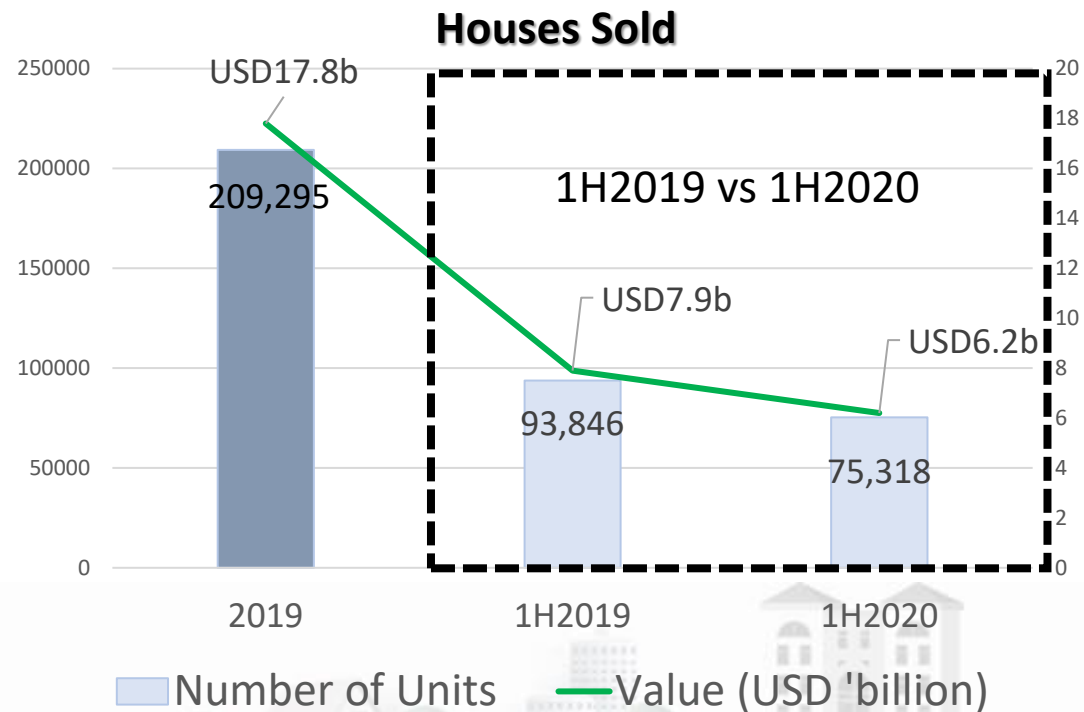
Malaysian GDP Trend in 2020

GROWTH IN 2021 IS EXPECTED TO RECOVER



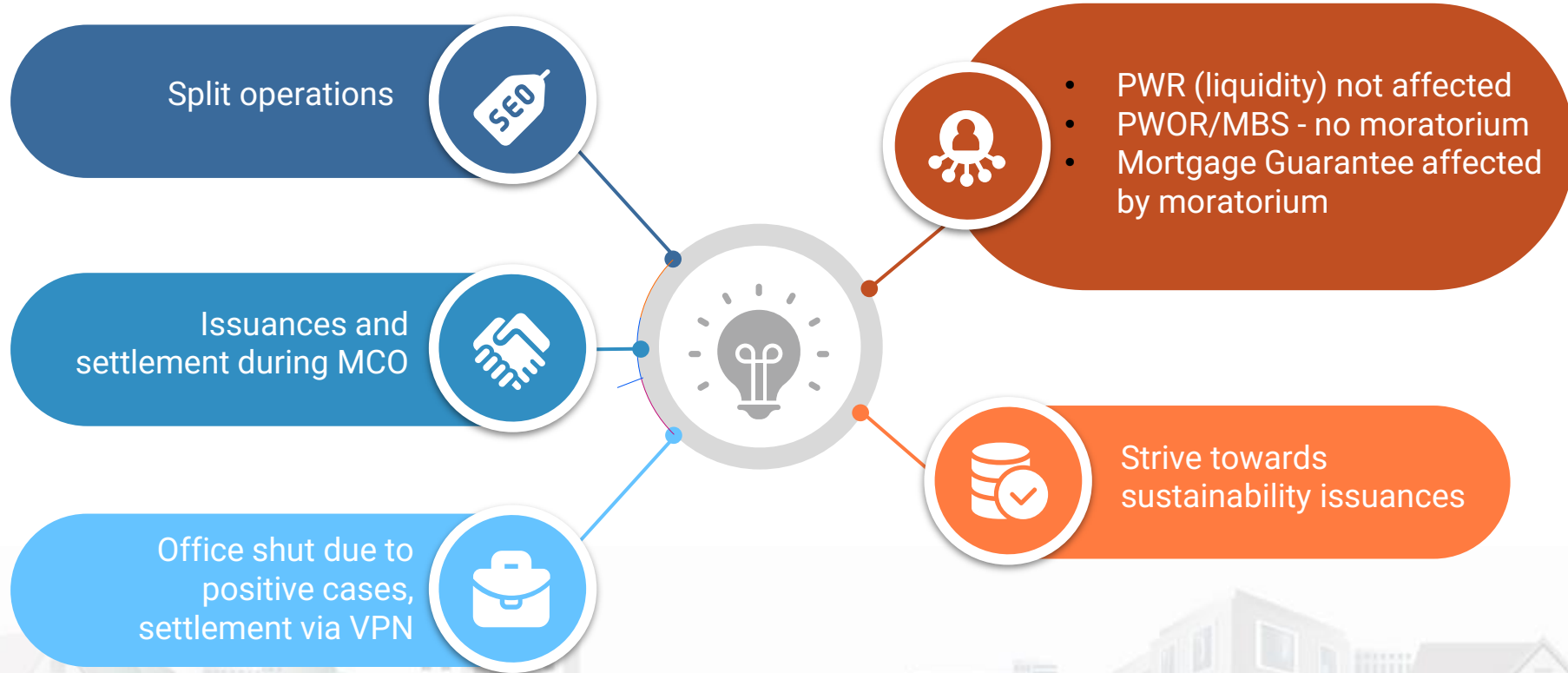
Properties Sold and Mortgages

PROPERTY MARKET CONTINUED TO BE INFLUENCED BY THE HIGH LEVEL OF UNCERTAINTIES



Cagamas During Pandemic

BUSINESS AS USUAL



THE END

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