

CAGAMAS CONCLUDES SECOND ISSUANCE IN ONE WEEK

Kuala Lumpur, 2 February 2016 – Cagamas Berhad (“Cagamas” or “the Company”), the National Mortgage Corporation of Malaysia, today announced the issuance of RM800 million Cagamas Conventional Medium Term Notes (CMTN) comprising RM300 million 1-Year Floating Rate Notes (FRN), RM200 million 2-Year Fixed Rate and RM300 million 3-Year Fixed Rate. Proceeds from the issuance will be used to fund the purchases of mortgage loans from the financial system.

“The continued strength and resilience of the domestic bond market contributed greatly to the success of our second issuance, despite the challenging environment in the global financial landscape. The issuance, which was priced one week after our first issuance for the year, brings the total issuance in January alone to RM2.32 billion,” said President/Chief Executive Officer, Mr. Chung Chee Leong.

“Lower yield of short-term Government securities, caused by strong investors’ demand as the market braces for lower auctions of short term MGS/GII, has enabled the Company to improve its funding cost on the 3-Year CMTN by 5 bps to 4.05 percent from the previous issuance of similar tenure,” added Mr Chung. The 1-Year floating rate CMTN was concluded at 3 months KLIBOR plus 5 bps while the 2-Year and 3-Year CMTN was priced 36 bps over the corresponding Swap level

“The Company’s continuous efforts to enhance the depth and breadth of the domestic market is demonstrated by the 1-year FRN issuance, which will consequently increase the Company’s outstanding floating rate instruments in the market to RM710 million,” said Mr. Chung.

The papers, which will be redeemed at their full nominal value on maturity, are unsecured obligations of the Company, ranking pari passu among themselves 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 house ownership and growth of the secondary mortgage market in Malaysia. It issues debt securities 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 debt securities in the market. Since incorporation in 1986, Cagamas has cumulatively issued RM281.5 billion of conventional bonds and Sukuk.

Cagamas' debt securities continue to be assigned the highest ratings of AAA and P1 by RAM Rating Services Berhad and AAA/AAAID and MARC-1/MARC-1ID 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.

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