

CAGAMAS REOPENS SUKUK WITH ORDER BOOK OVER FIVE TIMES

Kuala Lumpur, 24 May 2016 – Cagamas Berhad (“Cagamas” or “the Company”), the National Mortgage Corporation of Malaysia, today announced its sixth issuance of the year, RM375 million comprising of 3-year Cagamas Islamic Medium Term Notes (IMTN). The IMTN represents the second Cagamas Sukuk reopening for the year. Proceeds from the issuance will be used to fund the purchases of Islamic house financing (IHF) from the financial system.

“Despite a half day offering, the issuance achieved order book of over RM2 billion with bid-to-cover ratio of 5.4 times. The final yield of 3.95% was competitively priced 62 basis points over Government securities with similar tenure.” said President/Chief Executive Officer, Mr. Chung Chee Leong.

“The reopening is part of the Company’s on-going initiative to promote secondary market liquidity. The day after the pricing date, When Issue (WI) was spotted and traded at a range of 3.93% to 3.88%. As at 18 May 2016, Cagamas secondary trading volume stood at RM7 billion, being the highest traded Private Debt Securities in the local market.” added Mr. Chung.

The issuance received strong demand from various market segments and attracted participation from new foreign investors which reflects the strength and diversity of the order book demonstrating continued market confidence in the Company’s credit strength.

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 RM282.9 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/AAA_{ID} and MARC-1/MARC-1_{ID} 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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