

CAGAMAS SURPASSES ISSUANCE TARGET

Kuala Lumpur, Malaysia, 19 November 2015 – Cagamas Berhad (“Cagamas” or “the Company”), the National Mortgage Corporation of Malaysia, today announced the issuance of RM1.5 billion multiple tranches comprising Conventional Commercial Papers (CPs), Islamic Medium Term Notes (IMTNs) and Conventional Medium Term Notes (CMTNs) for tenures ranging from 3 months to 20 years. Proceeds from the issuance will be used to fund the purchases of mortgage loans and Islamic house financing from the financial system.

“The release of strong US job data on 6 November increased the market expectation of a policy rate hike in the US and resulted in higher Malaysian Government Securities (MGS) yields across tenures. Moreover, growing anticipation of the emergence in primary deals heading into year-end added to investors’ price sensitivity and exacerbated the already difficult market environment. Notwithstanding the challenges, we believe in the strong domestic liquidity positions and the continued support from domestic investors for local currency corporate issuances; hence we decided to open the order book on 13 November 2015,” said President/Chief Executive Officer, Mr Chung Chee Leong. The order book received strong demand from investors and the Company was able to increase the issuance from the initial size of RM1 billion to RM1.5 billion.

The issuance brought the Company’s total issuances over the last four weeks to RM4 billion, which were successfully priced in a difficult market environment against other primary deals worth RM13 billion during the same period. Consequently, year-to-date issuances jumped to RM6.4 billion, surpassing the 2015 issuance target of RM6 billion.

“The multi-tranche issuance, which was competitively priced and on a consolidated basis, was concluded at 52 bps above the corresponding MGS with orders received from various market segments including foreign investors from the UK and Singapore,” added 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 RM278.4 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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