

CAGAMAS CONCLUDES LARGEST RINGGIT BOND ISSUANCE EVER IN A SINGLE TENURE

Kuala Lumpur, 21 October 2015 – Cagamas Berhad (“Cagamas” or “Company”), the National Mortgage Corporation of Malaysia, today announced the issuance of a 3-year Cagamas’ Conventional Medium Term Notes (CMTN) amounting to RM1.5 billion. Proceeds from the issuance will be used to fund the purchases of loans from the financial system.

“The latest issuance represents the largest Ringgit bond issuance ever in a single tenure by the Company. The larger issue size is expected to promote liquidity in the secondary market and contribute positively to the price discovery of other domestic issues while increasing investors’ acceptance to Cagamas’ debt issuances” said President/Chief Executive Officer, Mr. Chung Chee Leong.

“Market participants were cautious over the current challenging market conditions with some choosing to remain on the sidelines for further development in both the domestic and international markets. Resulting from continuous engagement with investors, the Company succeeded in attracting competitive bids particularly from insurance companies with orders received from this market segment constituting around 20% of the issue size. The 3-year CMTN was successfully priced with a spread of 58 basis points above the corresponding Malaysian Government Securities (MGS)” he added.

The CMTN, 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 RM275.9 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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