

CAGAMAS' FIRST LOCAL ISSUANCE POST OFFSHORE RMB ISSUANCE WAS AGGRESSIVELY BIDDED

Kuala Lumpur, 1 October 2014 – Cagamas Berhad (“Cagamas” or “Company”), the National Mortgage Corporation of Malaysia, had today announced the issuance of Medium Term Notes (MTN) amounting to RM115 million, comprised of RM25 million Islamic MTN and RM90 million Conventional MTN. Proceeds from the issuance will be used to fund the purchase of Islamic and conventional financing from the financial system.

The issuance was the first for the Company in the local market post its inaugural Offshore RMB issuance on 22 September 2014. The issuance was successfully priced between 45 to 48 basis points for 1 to 5 years tenures.

“Our recent Conventional Offshore Renminbi (RMB) issuance reinforced demand for our papers among local investors. The order book received a bid-to-cover ratio of 2.6 times.” Mr Chung Chee Leong, President/Chief Executive Officer said.

“Investors were very supportive of the spread based pricing initiative as it was competitively priced, with weighted average yield of 11 bps and 46 bps above Government Investment Issues and Malaysian Government Securities respectively.” Mr Chung further added.

The MTN, 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 RM267.8 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.

Cagamas Berhad (157931-A)

Level 32, The Gardens North Tower

Mid Valley City, Lingkaran Syed Putra 59200 Kuala Lumpur

Tel : +603 - 2262 1800 | Fax: +603 - 2282 8125 / 9125

www.cagamas.com.my

Media Enquiries

Sarah Abdul Aziz

Tel : +603 - 2262 1866

csc@cagamas.com.my

Lucia Wee

Tel : +603 - 2262 1868

csc@cagamas.com.my

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