



CAGAMAS CONCLUDED FIRST CONVENTIONAL MEDIUM TERM NOTES ISSUANCE FOR 2014

Kuala Lumpur, 27 January 2014 – Cagamas Berhad (Cagamas), National Mortgage Corporation of Malaysia, has successfully completed the sale of RM120 million 1 and 2 years Conventional Medium Term Notes (CMTNs). Proceeds from the issuance will be used to finance the purchase of conventional financing from the financial system.

“The issue marked our first issuance for the year amid growing expectation interest rates will continue to move with strong trajectory. Uncertainty over the timing and impact of the next QE tapering raised concern that current level will not hold for long. Investors are increasingly becoming more price sensitive ahead of the upcoming domestic Monetary Policy Committee and the US Federal Open Market Committee meetings later the month”, said Mr. Chung Chee Leong, President/ Chief Executive Officer of Cagamas.

“Notwithstanding the lingering concerns, the issuance managed to attract bid to cover ratio of 2.5 times and competitively priced at 39 bps and 46 bps above the corresponding Malaysian Government Securities levels”, he added.

The Cagamas 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, 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 RM275.7 billion of conventional 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.

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