



ISSUANCE OF CAGAMAS CONVENTIONAL MEDIUM TERM NOTES (CMTN)

Kuala Lumpur, 6 June 2014 – Cagamas Berhad (Cagamas), the National Mortgage Corporation of Malaysia, has concluded the issuance of RM40 million 2-year CMTN. Proceeds from the issuance will be used to finance the purchase of conventional loans from the financial system.

The anticipated hike in Overnight Policy Rate (OPR) by at least 25 basis points this year had softened the market as most of the players preferred to stay on the sideline. Nonetheless, the issuance which is the first since the inclusion of Cagamas in the HSBC ALBI index on 1 April 2014 managed to achieve a commendable bid to cover ratio of 3.50 times and was competitively priced at 46 basis points above the corresponding Malaysian Government Securities. This is reflective of investors confidence in Cagamas papers, despite the difficult market environment.

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 RM276.2 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 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

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