

CAGAMAS CONCLUDES ISSUANCE OF SGD BONDS AND RINGGIT SHORT TERM NOTES

Kuala Lumpur, 19 October 2018 – Cagamas Berhad (“Cagamas” or “the Company”), the National Mortgage Corporation of Malaysia, announced its RM780.8 million equivalent dual currency issuances, comprising a 2-year SGD160 million Fixed Rate Note and 3-month RM300 million Conventional Commercial Papers (CCP). The EMTN was issued under the Company’s wholly-owned subsidiary Cagamas Global P.L.C’s USD2.5 billion Multicurrency Medium-Term Note Programme whilst the CCP will be issued under the Company’s RM20 billion Islamic and Conventional Commercial Paper Programmes.

“Despite the global headwinds, foreign investors continued to show strong interest in Cagamas’ debt securities which enabled the conclusion of its second SGD issuance of the year. The issuance was competitively priced at 2.79%, representing a spread of 58 basis points above the two-year Singapore Offer Rate (SOR). Continued efforts in monitoring the foreign currency space and proactive engagement with foreign investors contributed to the conclusion of this deal which was fully subscribed by foreign investors”, said Datuk Chung Chee Leong, President/Chief Executive Officer of Cagamas.

“The issuance marks the Company’s fifth and largest foreign currency issuance for the year which brings the total foreign currency issued year-to-date to an equivalent of RM1.13 billion. Cumulatively, the Company has issued RM13.05 billion of bonds and sukuk to date”, added Datuk Chung.

“Within the local currency space, investors continue to look ahead of the scheduled 2nd November tabling of Malaysia’s 2019 budget. Demand for short term investment grade bonds remained resilient and was even participated by foreign investors which made up 25% of the total RM300 million issued 3-month CCP. The commercial papers were priced via private placement at zero spread against the onshore 3-month KLIBOR benchmark rate”, added Datuk Chung.

The papers, which will be redeemed at their full nominal value upon maturity, are unsecured obligations of the Company, ranking pari passu among themselves and with all other existing unsecured obligations of the Company.

About Cagamas

Cagamas Berhad (Cagamas), the National Mortgage Corporation of Malaysia, was established in 1986 to promote the broader spread of home ownership and growth of the secondary mortgage market in Malaysia. It issues corporate bonds and sukuk 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 corporate bonds and sukuk in the market. Since incorporation in 1986, Cagamas has cumulatively issued circa RM314.9 billion worth of corporate bonds and Sukuk.

Cagamas' corporate bonds and sukuk continue to be assigned the highest ratings of AAA and P1 by RAM Rating Services Berhad and AAA/AAA_{IS} and MARC-1/MARC-1_{IS} 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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