

CAGAMAS WRAPS UP 2017 WITH SUCCESSFUL RM300 MILLION ISSUANCE

Kuala Lumpur, 29 December 2017 – Cagamas Berhad (“Cagamas” or “Company”), the National Mortgage Corporation of Malaysia, successfully concluded the issuance of its 5-year Conventional Medium Term Notes (CMTN) amounting to RM300 million, which was issued under the Company’s RM40 billion Medium Term Notes Programme. Proceeds from the issuance will be used to fund the purchase of mortgage loans from the financial system.

“Despite the recent increase in the United States Fed Funds rate by 25 bps in mid-December 2017 coupled with domestic market expectations of a looming potential hike in the Overnight Policy Rate (OPR)- the 5-year conventional bond was competitively priced at 4.25%, which represented 64 basis points above the corresponding 5-year Malaysian Government Securities benchmark curve,” said Datuk Chung Chee Leong, Chief Executive Officer of Cagamas.

“We are pleased to conclude the year with yet another successful issuance representing the Company’s 23rd issuance of the year, which brings the total year-to-date issuances, inclusive of foreign currency issuances to RM15.3 billion equivalent. It has been an eventful year whereby the Company’s total issuances more than doubled in comparison to 2016. We remain positive as we move towards 2018 and we are poised to continue fulfilling our intermediation role between the capital market and the housing sector,” 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 RM301.9 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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