

**SIGNING OF MEMORANDUM OF UNDERSTANDING BETWEEN CAGAMAS BERHAD
AND PT SARANA MULTIGRIYA FINANSIAL (PERSERO), INDONESIA**



From left to right: Mr. Iskandar Saleh - President Commissioner of PT Sarana Multigriya Finansial (Persero), Datuk Chung Chee Leong - President/Chief Executive Officer of Cagamas Berhad, Mr. Ananta Wiyogo - President Director of PT Sarana Multigriya Finansial (Persero) and Mr. Isa Rachmatarwata - Director General of State Asset, Ministry of Finance, Republic of Indonesia

Yogyakarta, Indonesia 19 March 2018 – Cagamas Berhad (“Cagamas” or “the Company”), the National Mortgage Corporation of Malaysia signed a Memorandum of Understanding (MoU) with PT Sarana Multigriya Finansial [PERSERO] (SMF) of Indonesia today at a ceremony which was held in Yogyakarta, Indonesia.

President/Chief Executive Officer of Cagamas, Datuk Chung Chee Leong and President Director of SMF, Mr. Ananta Wiyogo signed the MoU which aims to enhance the mutually beneficial development of the secondary mortgage finance market in both countries. The ceremony was witnessed by the Directorate General of State Asset Management of Indonesia and representatives from the Ministry of Finance of the Republic of Indonesia and the Ministry of Public Works & Housing Indonesia, as well as senior officials of both organisations.

“The MoU marks an important milestone in the collaboration between Cagamas and SMF. Cagamas welcomes this initiative which aims to enhance the strategic cooperation between Malaysia and Indonesia, which includes amongst others, research and knowledge sharing related to housing finance. This initiative is in line with both institutions’ mandate to develop the secondary mortgage finance market,” said Datuk Chung.

Meanwhile, Mr. Wiyogo said, “This cooperation is a synergetic effort from both parties in conjunction with the cooperation between the members of the Asian Secondary Mortgage Market Association (ASMMA), especially in the development of the home mortgage financing market.”

The MoU encompasses the following initiatives:

- Arrangements relating to financial instruments that can increase the stability of housing finance market.
- Mortgage Backed Securities (MBS) and other funding instruments to increase the funding flows from the capital market to the housing market.
- Monitoring of house prices as well as its implication towards housing finance.
- Risk management programs to ensure the soundness of the MBS market.
- Islamic finance and its regulatory and supervisory framework that facilitates cross border cooperation.
- Comparison of housing finance as well as the investor activities in Indonesia and Malaysia.

- Identification and reduction of obstacles for both private as well as public investment in securities issued by secondary mortgage finance companies.

The implementation of the MoU is aimed at paving the way for greater collaboration as well as enhancing interlinkages and business opportunities between both countries.

Both Cagamas and SMF are members of ASMMA which was inaugurated in September 2014. SMF has held the Chairmanship of ASMMA since 1 January 2018.

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 RM304.2 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.

About ASMMA

The Asian Secondary Mortgage Market Association (ASMMA) is an informal association of Asian secondary mortgage institutions formed to share knowledge, expertise and product innovations. The ASMMA was inaugurated in September 2014 with the mission to provide a basis and a platform for exchange of ideas, views and experiences with a view of promoting the housing finance market to enable the citizens in the economies of its member countries to have better access to home financing support which will ultimately lead towards a better quality of life. Members of the ASMMA include Hong Kong, Indonesia, Japan, Korea, Malaysia, Thailand, the Philippines and Mongolia.

The ASMMA's chair rotates annually among its members. Datuk Chung Chee Leong of Cagamas Berhad served as the first Chairman in 2015.

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