

CAGAMAS CONCLUDES TWO ISSUANCES WITHIN ONE WEEK

Kuala Lumpur, 12 August 2016 – Cagamas Berhad (“Cagamas” or “the Company”), the National Mortgage Corporation of Malaysia, today announced its ninth issuance of the year, RM200 million comprising 3-year Cagamas Conventional Medium Term Notes (CMTNs). Proceeds from the issuance will be used to fund the purchase of mortgage loans from the financial system.

“The CMTNs represent Cagamas’ second issuance in a week, signifying continuous demand for Cagamas bonds which underscores investors confidence in Cagamas’ strong credit profile and highly resilient secondary market liquidity. The issuance was priced at 29 bps over the corresponding Swap level,” said President/Chief Executive Officer, Mr Chung Chee Leong.

“Cagamas’ initiatives in promoting secondary market liquidity has shown fruition evidenced by the growth in year-to-date traded volume over the past 1 year, from RM2.4 billion to RM10.5 billion in July 2016 i.e. a surge in volume of over 4 times. To-date, Cagamas is still leading the corporate bond market within the domestic secondary market liquidity space,” he added.

The new issuance will bring the Company’s aggregate issuance for the year to RM4.4 billion. The CMTNs, 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 RM283.6 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 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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