

CAGAMAS CONCLUDES ITS FIRST ISSUANCE OF THE YEAR WITH COMPETITIVE PRICING

Kuala Lumpur, 5 March 2015 – Cagamas Berhad (“Cagamas” or “Company”), the National Mortgage Corporation of Malaysia, had today announced the issuance of Conventional Medium Term Notes (CMTN) amounting to RM80 million comprising 1- and 3-year tenures, its first debt securities issuance of 2015. Proceeds from the issuance will be used to fund the purchases of loans from the financial system.

“Attractive rates on banking products recently offered by the financial institutions have resulted in investors demanding for higher yield return. Amidst the challenge, appetite from investors over Cagamas’ strong credit remains appealing as the Company’s first issuance of the year was successfully priced at competitive level within expected spread over the Malaysian Government Securities (MGS) together with strong investors’ demand,” said Mr Chung Chee Leong, President/Chief Executive Officer.

“The issuance was concluded with spreads of 49 and 54 basis points above corresponding MGS for the 1- and 3-year tenures at a commendable bid-to-cover ratio of 4.1 times,” Mr Chung further added.

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 RM272.1 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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