

CONTINUED STRONG DEMAND LED TO COMPETITIVE PRICING FOR CAGAMAS ISSUANCE

Kuala Lumpur, 20 March 2015 – Cagamas Berhad ('Cagamas' or 'Company'), the National Mortgage Corporation of Malaysia, today announced the issuance of Conventional Medium Term Notes (CMTN) amounting to RM500 million comprising 1- and 3-year tenures. Proceeds from the issuance will be used to fund the purchases of loans from the financial system.

“The market operating environment is overshadowed by aggressive bidding for liquidity from the financial institutions as implementation of the liquidity coverage ratio requirement draws closer, which has caused widening of the credit spread over corresponding Malaysia Government Securities (MGS)”, said Mr Chung Chee Leong, President/Chief Executive Officer.

“Notwithstanding, the order book received bid to cover ratio of 3.1 times which includes orders from international investors, and priced 54 basis points (bps) above the corresponding MGS; 11bps tighter than the initial price guidance.” added Mr Chung.

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 RM272.6 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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