

CAGAMAS ISSUANCES REACH RM8.0 BILLION MARK FOR THE YEAR

Kuala Lumpur, 18 July 2018 – Cagamas Berhad (“Cagamas” or “the Company”), the National Mortgage Corporation of Malaysia, announced the issuance of its 3-month Conventional Commercial Papers (CCP) amounting to RM300 million. Proceeds from the issuance will be used to fund the purchase of mortgages from the financial system.

“We are pleased with the conclusion of this transaction which was priced immediately after Bank Negara Malaysia’s announcement on the maintenance of Malaysia’s Overnight Policy Rate (OPR) during the 4th Monetary Policy Committee (MPC) meeting this year. The concluded deal marks the Company’s 13th issuance exercise for the year and brings the total issuance year-to-date to RM8.0 billion, whereby approximately 28% of the Company’s issuances have originated from the existing RM20 billion local currency CP/ICP Programme,” said President/Chief Executive Officer, Datuk Chung Chee Leong.

“The CCP was issued via private placement and was priced competitively at a flat spread against the domestic 3-month benchmark KLIBOR rate, which also represented a spread of 41 basis points above the corresponding Malaysian Treasury Bills (MTB). Cagamas has continued to supply short term, high grade investment instruments every month since February 2018 within the domestic market which serves as an alternative investment option for Ringgit investors. The Company will continue to explore the issuance of short term notes as demand for the notes remain sturdy,” 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. 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 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 RM309.9 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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