



NEWS RELEASE
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DANAJAMIN PROVIDES INAUGURAL DROP OFF GUARANTEE FOR A ‘LIVE’ BOND BY DRB-HICOM’S SUBSIDIARY

Kuala Lumpur - Danajamin Nasional Berhad (Danajamin), the country’s first Financial Guarantee Insurer, today announced that it is guaranteeing a 19-year RM340 million Medium Term Note Programme (MTN Programme) issued by Northern Gateway Infrastructure Sdn Bhd (NGISB).

This transaction marks Danajamin’s inaugural drop off guarantee for a ‘live’ bond which was established by NGISB in 2013.

According to Mohamed Nazri Omar, Chief Executive Officer of Danajamin, “This transaction is something new for Danajamin because typically, we guarantee bonds that are issued from an entirely new bond programme. However, in this instance, NGISB needed us to participate in this guarantee during the construction phase.”

Successfully issued and subscribed today, the funds raised from the MTN programme will be used primarily to part finance the construction cost of the Immigration, Customs, Quarantine and Security complex in Bukit Kayu Hitam, Kedah.

NGISB, a subsidiary of DRB-HICOM Berhad, was awarded a concession by the Government of Malaysia (GOM) through the Ministry of Home Affairs for the development of the Complex back in 2011.

The MTN Programme is rated AA1/stable by RAM Rating Services Berhad premised on the support from Danajamin’s irrevocable and unconditional financial guarantee during the construction period. This means that the guarantee will not be required once the project has been completed.

“In line with Danajamin’s mandate and strategy to develop the capital market and economy, we will be innovative in how we apply our financial guarantee to create rating diversity and eventually bring back market confidence in lower rated investment papers,” added Mohamed Nazri.

Partnering with Danajamin as the Principal Adviser/ Lead Arranger and Lead Manager for this transaction is Hong Leong Investment Bank Berhad.

Danajamin's foray into this transaction marks the company's contribution towards bolstering homeland security. Danajamin has provided its guarantee for bond/sukuk programmes issued by 31 viable Malaysian corporations across various sectors. To date Danajamin has brought about a market impact of approximately RM 16 billion.

For more information about Danajamin, its services as well as its leadership, kindly visit our website at www.danajamin.com

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ABOUT DANAJAMIN

Danajamin Nasional Berhad (Danajamin) is Malaysia's first and only Financial Guarantee Insurer. Established in May 2009, Danajamin's objective is to ensure that financially viable corporates continue to be able to access the bond market for their long term financing needs and at the same time, be an enabler to further develop the domestic bond and sukuk market.

To date, Danajamin has provided its guarantee for RM9 billion bond/sukuk programmes issued by 31 companies across various sectors; and brought about a market impact of RM16 billion through its risk sharing collaboration with partner banks.

Danajamin has been accorded the highest rating 'AAA' by both RAM Rating Services Berhad (RAM) and Malaysia Rating Corporation Berhad (MARC). It is regulated and supervised by Bank Negara Malaysia under the Financial Services Act 2013. Danajamin is equally owned by Minister of Finance Incorporated and Credit Guarantee Corporation Malaysia Berhad.

Today, Danajamin is well positioned to further enable the development of Malaysia's capital market. Growing from strength to strength, Danajamin's total assets and shareholders' equity stands at RM2.1 billion and RM1.6 billion respectively (as at 30 June 2017).