

**Immediate Release**

**CAGAMAS' DEBUT IN THE INTERNATIONAL BOND MARKET RECEIVES OVERWHELMING RESPONSE**

Kuala Lumpur, 17 September 2014 – Cagamas Berhad (“Cagamas”) the National Mortgage Corporation of Malaysia, through its wholly-owned subsidiary, Cagamas Global P.L.C., made its debut in the international bond market today by successfully printing the first and largest Chinese Renminbi (RMB) bond by a Malaysian issuer with a three (3)-year CNY 1.5 billion offering at a fixed coupon rate of 3.70% p.a. (“RMB Bond”). Proceeds from the issuance will be used to purchase mortgage loans from the financial system.

This landmark transaction represents a number of “firsts” for Cagamas, the Malaysian as well as the international bond markets. This is Cagamas’ first ever non-MYR denominated bond issuance, the largest RMB issue by a Malaysian issuer to-date, the largest RMB bond in Southeast Asia to-date and the world’s first RMB bond to be issued by a mortgage corporation. It also marks a significant milestone as the first RMB and non-MYR denominated bond to be settled via Malaysia’s Real-time Electronic Transfer of Funds and Securities System (“RENTAS”), operated and managed by Malaysian Electronic Clearing Corporation Sdn. Bhd. (“MyClear”).

Cagamas inaugural RMB Medium Term Notes issuance, which will also be listed on the Labuan International Financial Exchange, will carry the market name ‘Tiger Emas Bond’ to represent offshore RMB issuances by Malaysian corporates.

Commenting on Cagamas' debut issuance, the Governor of Bank Negara Malaysia, Tan Sri Dr. Zeti Akhtar Aziz said "The strength and diversity of demand for the Cagamas Tiger Emas Bond issuance affirms the potential of Malaysia's bond market. This is also the first RMB-denominated securities issuance which leverage on Malaysia's RMB Real Time Gross Settlement System and Central Securities Depository (RENTAS) as a platform for the depository and settlement of the securities. This also reaffirms the Malaysia's infrastructure readiness and effectiveness to serve as a platform for the issuance and depository of foreign currency bonds in the international markets."

The RMB Bond was issued under Cagamas' USD 2.5 billion Conventional Multicurrency Medium Term Note Programme ("Programme"), which gives Cagamas the ability to issue bonds under a host of international currencies.

The RMB Bond carries an issue rating of A3 by Moody's, similar to the rating of A3 positive and gA2(s) by Moody's and RAM respectively for the Programme. Maybank Investment Bank Berhad, The Hong Kong and Shanghai Banking Corporation Limited and Bank of China Limited are the Joint Lead Managers and Joint Bookrunners for the RMB Bond ("Joint Lead Managers/Joint Bookrunners").

After a series of roadshow meetings in Hong Kong and Singapore and against a backdrop of a potential heavy supply of competing issuances, the book was opened on 12 September 2014 with an initial price guidance of 3.85%. Cagamas attracted a very strong order book of more than CNY 4.6 billion, or an over-subscription rate of three point one (3.1) times the final issuance size of CNY 1.5 billion, via 87 orders from high quality global CNH investors. By geography, the issuance attracted strong orders from across Asia especially Hong Kong, Singapore and Taiwan whilst the rest were from Europe thus allowing Cagamas to build a strong order book and price significantly tighter than the initial price guidance.

“We are extremely pleased with this debut issuance. It is a milestone for Cagamas and adds to our list of landmark bond issuances. The overwhelming investor response we have received internationally is clear testament of the confidence the market has placed in us, and recognition of the Cagamas name” said Mr. Chung Chee Leong, President/Chief Executive Officer of Cagamas.

“At the onset of this transaction, we wanted to make our mark in the international arena by printing a sizeable deal and achieving maximum investor diversification with expansive participation across all global offshore RMB centres. We wish to thank all parties that assisted us in making this issuance the first-ever non-MYR issuance to be settled via RENTAS, which is testament to the capabilities of the settlement system and reflects the confidence of international investors” he added.

## **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 RM266.9 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/AAAID and MARC-1/MARC-1ID 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 positive by Moody's Investors Service Inc. that are in line with Malaysian sovereign ratings.

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