



ISSUANCE OF CAGAMAS CONVENTIONAL MEDIUM TERM NOTES

Kuala Lumpur, 17 September 2013 – Cagamas Berhad (Cagamas), the National Mortgage Corporation, has successfully completed the sale of RM235 million Conventional Medium Term Notes (CMTNs). Proceeds from the issuance will be used to finance the purchase of conventional financing from the financial system.

“Growing expectation of the US Federal Reserve scaling back its bond purchases coupled with recent hikes in domestic fuel prices contributed to a very challenging bond market environment. Nonetheless, investors also view current normalisation in interest rates as an opportunity to look for relative value in terms of risk, liquidity and yield pick-up which can be achieved in Cagamas debt securities as evidenced by an oversubscription rate of almost 3 times”, said Mr. Chung Chee Leong, President/ Chief Executive Officer of Cagamas.

He added that the CMTNs will be issued in tenures of 1, 2 & 3 years and priced competitively close to Government Guaranteed issues.

The Cagamas 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, 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 RM268 billion of Conventional and Islamic debt securities.

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.

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