



## **CAGAMAS' DEBT SECURITIES ISSUANCE EXCEEDS TARGET FOR 2013**

**Kuala Lumpur, 18 November 2013** – Cagamas Berhad (Cagamas), the National Mortgage Corporation, has successfully completed the sale of its largest Conventional Medium Term Notes (CMTNs) for the year of RM2.2 billion.

The issuance received positive response from a diverse group of investors with subscription rate of 1.5 times. The tenures offered comprised 1-, 3-, 5-, 7-, 10-, 12- and 15-year CMTN and will be issued on 18 November 2013.

The order book attracted RM3.2 billion worth of bids despite growing market uncertainty due to renewed expectations that the U.S. Federal Reserve will soon taper its stimulus plan. The encouraging support from investors reflects the continued confidence in Cagamas' high credit quality. The new CMTN issue will bring Cagamas' total issuance for the year to RM9.3 billion, which exceeds our initial target of RM6 billion by 55%, said Mr. Chung Chee Leong, President/Chief Executive Officer of Cagamas.

Cagamas has recently been assigned local and foreign currency long-term issuer ratings of A3 by Moody's, which is at par with Malaysia's sovereign rating. The strong global rating will provide additional assurance, particularly to international investors on Cagamas' credit strength. It will also broaden the Company's funding options of tapping liquidity from the international bond market, he added.

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 RM275 billion of conventional and Sukuk.

Cagamas debt securities continue to be assigned the highest ratings of AAA and P1 by RAM Rating Services Berhad and AAA/AAA<sub>ID</sub> and MARC-1/MARC-1<sub>ID</sub> by Malaysian Rating Corporation Berhad, denoting its strong credit quality.

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