

# Cagamas



## **CAGAMAS DEBT SECURITIES ISSUANCE DOUBLES**

**Kuala Lumpur, 19 October 2012** – Cagamas Berhad has successfully completed the sale of RM630 million multi-tenured conventional Medium Term Notes (MTN). The MTN will be issued in 1, 3, 5, 10 & 15-year tenures at yields of 3.30%, 3.45%, 3.63%, 3.91% and 4.17% respectively and equivalent to a spread range of 30 basis points (bps) to 39 bps over Malaysian Government Securities (MGS). Proceeds from the issuance will be used to finance housing loans from the financial system.

This new MTN issue will bring Cagamas debt securities issuance to RM3.35 billion for 2012 and represents a two fold increase over the same period last year. Total Cagamas debt securities issuance is expected to exceed RM5.0 billion in 2012.

The issuance of multi-tenured bonds at competitive yields demonstrates the strong value proposition of Cagamas debt securities to a diverse investor base across the yield curve and the pivotal role being played by the company in providing competitively priced liquidity and hedging to the financial system, said Chief Executive Officer, Mr Chung Chee Leong.

The Cagamas model is well regarded by the World Bank as the most successful secondary mortgage liquidity facility. Cagamas is the largest issuer of AAA debt securities accounting for 23% of outstanding AAA corporate debt securities. Since commencing operations 25 years ago, Cagamas has cumulatively issued RM264 billion Conventional and Islamic debt securities, he added.

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.

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 Berhad (157931-A)**

Level 32, The Gardens North Tower

Mid Valley City, Lingkaran Syed Putra 59200 Kuala Lumpur

Tel : +603 - 2262 1800 | Fax: +603 - 2282 8125 / 9125

[www.cagamas.com.my](http://www.cagamas.com.my)

~ end ~