



## **CAGAMAS LAUNCHES RM60 BILLION COMMERCIAL PAPERS / MEDIUM TERM NOTES PROGRAMME**

**Kuala Lumpur, June 22, 2007**

Cagamas Berhad, the National Mortgage Corporation, today announced the launch of its RM60 billion Conventional and Islamic Commercial Papers and Medium Term Notes (CP/MTN) Programme. This programme is not only the largest funding programme of its kind in Southeast Asia but with a 40 year tenure, the MTN programme represents the longest Programme tenure ever established in Malaysia.

The CP/MTN Programme comprises a RM20 billion Conventional / Islamic Commercial Papers (CP) Programme with a tenure of seven (7) years and a RM40 billion Conventional / Islamic Medium Term Notes (MTN) Programme with a tenure of 40 years. Providing a wide range of short term CPs and MTNs of up to 40 years, the CP/MTN Programme will cater for the varying needs of the investment community.

Speaking at the launch ceremony, Cagamas Berhad Chairman, Dato' Ooi Sang Kuang, said, "The establishment of this programme will further enhance Cagamas's role as a catalyst in the broadening and deepening of the bond market. Today's launch is another landmark in reinforcing Cagamas' position as leader in providing depth and liquidity in the capital market, as well as intermediary for efficient allocation and capital and facilitating risk management for the financial market."

The CP/MTN Programme will be a conduit to fund Cagamas' Purchase with Recourse (PWR) and Purchase WithOut Recourse (PWOR) schemes. The CP programme has received a P1, MARC-1 rating; while the MTN programme has received a AAA rating by Rating Agency Malaysia Berhad and Malaysian Rating Corporation Berhad, denoting the highest safety in repayment capability. These credit ratings underscore Cagamas's high asset quality and the strength of its balance sheet.

President/Chief Executive Officer of Cagamas Berhad, Mr. Steven Choy said that in fulfilling Cagamas' role of providing liquidity to the financial markets, the CP/MTN programme will enable Cagamas to issue conventional or Islamic debt securities more cost effectively. This will ensure that Cagamas will continue to provide competitively priced funding to the financial markets.

Mr. Choy also said that the CP/MTN programme not only demonstrates Cagamas' commitment to being a relevant and active participant in the financial and capital markets. It further serves the Financial Sector Master Plan objective of creating a well-diversified and competitive financial system that is vital for the long-term economic growth and development of the country and to ensure that risks in the economy are well distributed among the various sub-sectors.

Cagamas is the largest issuer of AAA Private Debt Securities accounting for approximately 24% of all AAA PDS outstanding in the market. It is the second largest issues of debt securities after the Government of Malaysia.

Aseambankers Malaysia Berhad, CIMB Investment Bank Berhad and HSBC Bank Malaysia Berhad are the Joint Lead Arrangers / Joint Principal Advisers for the programme, while Aseambankers

Malaysia Berhad, CIMB Investment Bank Berhad, HSBC Bank Malaysia Berhad, AmInvestment Bank Berhad, Hong Leong Bank Berhad, and Standard Chartered Bank Malaysia Berhad are the Joint Lead Managers.

### **About Cagamas**

Cagamas Berhad, the National Mortgage Corporation, was established in 1986 to promote the secondary mortgage market in Malaysia. Cagamas has, through the years, evolved and diversified its business model from that of a national mortgage corporation seeking to aid Malaysians with affordable housing, to becoming a leader in securitisation. It issues debt securities to finance the purchase of housing loans and other consumer receivables from financial institutions, selected corporations and the Government. The provision of liquidity at a reasonable cost to the primary lenders of housing loans encourages further financing of houses at an affordable cost.

Since incorporation in 1987, Cagamas has cumulatively issued RM208.2 billion of Conventional and Islamic debt securities to purchase housing loans, industrial property loans, hire-purchase, housing mortgages, industrial property loans, leasing debts and credit card receivables from the financial institutions on a full-recourse basis.

**Cagamas Berhad**  
**22 June 2007**