



6<sup>th</sup> Annual Borrowers & Investors Forum, North Asia

# Offshore RMB – Cagamas Experience

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# Rationales for International Issuance

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- ❑ Diversification of funding sources
- ❑ Widening of investors base and network
- ❑ Achieve competitively priced funding from the larger international liquidity pool
- ❑ Mitigate over-reliance on a single benchmark yield curve for pricing of primary issuance
- ❑ Mitigate potential price distortion from overcrowding effect of competing with local issuers
- ❑ Establish funding platform for potential purchase of Non-Ringggit assets
- ❑ Promote Malaysian corporate participation in the regional and international bond markets



# Establishment of Multicurrency Funding Programme

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- ❑ Kick-start by setting up 2 funding programmes Conventional & Sukuk
- ❑ USD2.5 billion Multicurrency Conventional Medium Term Notes Programme (EMTN) in August 2014
- ❑ USD2.5 billion Multicurrency Sukuk Issuance Programme in November 2014

***Largest EMTN Programmes by Non-Bank Malaysian Issuer***



# Debut Non-Ringggit Issuance – Why Renminbi?

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## Reciprocal Value Propositions

### ➤ *Market Liquidity Growth*

- Tremendous growth in CNH bond markets since the first Dim Sum Bond worth CNH4 billion was issued in 2007, and it reached record volume of CNH450 billion in the first 3 quarter of 2014.
- 1237 issuers raised funds in CNH during 2014 of which 82% or 1019 issuers are from Mainland China and HK. Consequently, investors are pricing in concentration risk premium to issuers from both origins.

### ➤ *Cagamas Scarcity Value*

- Diversification opportunity into investment grade credit from South East Asia as well as the unique business model of Cagamas



# The TIGER EMAS Bond

## Cagamas' Inaugural Conventional Offshore RMB Issuance

Issuer/ Guarantor	Cagamas Global P.L.C / Cagamas Berhad
Issue Size	CNY 1,500,000,000
Programme Rating & Guarantor Rating	A3 Positive (Moody's), $gA_2(s)$ (RAM)
Issue Rating	A3 Positive (Moody's)
Tenure / Yield	3-year / 3.70% p.a.

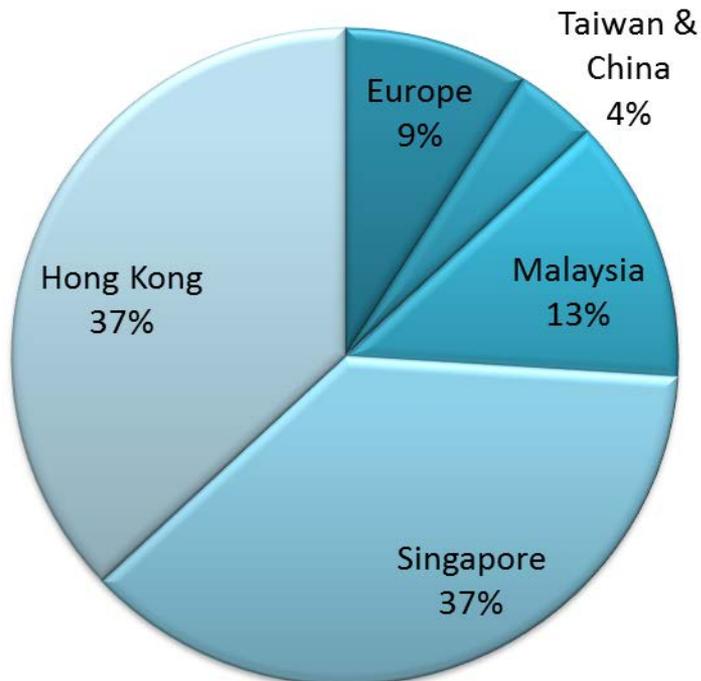
## Highlights of the RMB Issuance

Size	Upsized from 1,000mn to 1,500mn
Demand	RMB4.6 billion Final Order Book
Execution	Intra-day
Tightening of pricing	15 basis points

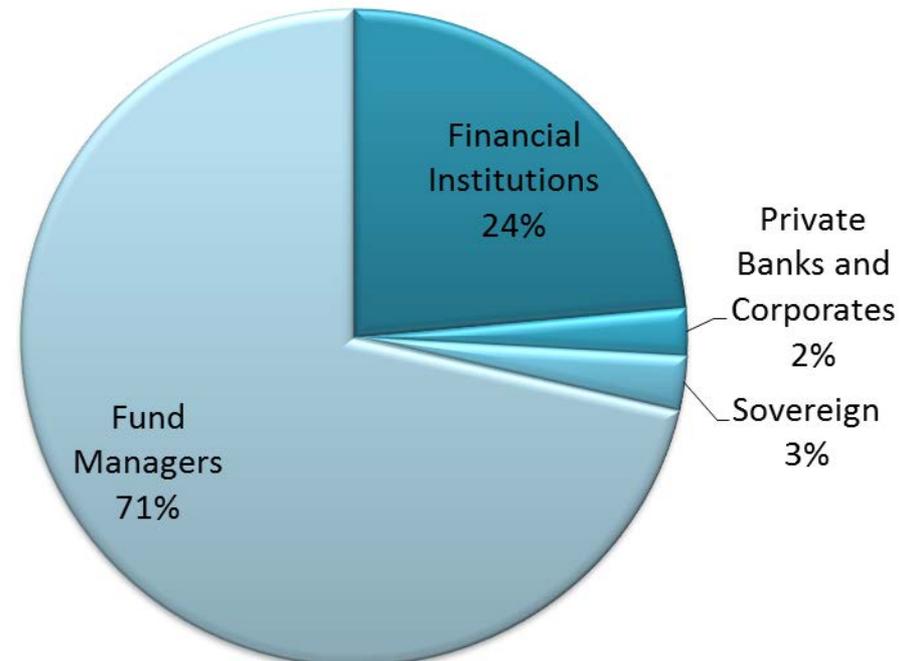


# Strong Demand & Well-diversified Investors Base

Geographical Distribution  
by Allocation



Distribution by Investors Type



The offering received an over-subscription rate of 3.1 times of the final issuance size of CNY1.5 billion.



# Transaction Landmarks

## DISTINCTIONS

- Largest RMB bond issuance from Southeast Asia to date
- World's largest offshore RMB bond by a mortgage corporation
- World's first ever Tiger Emas Offshore RMB Bond from Malaysia, to use and introduce alternative settlement and depository system for offshore RMB issuance
- Largest offshore RMB bond issuance from Malaysian issuer to date
- Bloomberg's most viewed Single-A3 Offshore Renminbi Issuance

## MARKET LIQUIDITY & DISTRIBUTION

### ➤ Secondary Trading Volume

- Highest secondary trading volume on 'When Issued' (WI) basis for Single-A3 Offshore RMB bond during pre-issuance period from 15 - 22/9/2014

### ➤ World Bond Index Listing

- The first RMB Bond issued by a mortgage corporation accepted in 5 widely followed global bond indices within 2 weeks of the issue date:
  - Barclays Capital Offshore Renminbi Bond Index
  - Citi - Dim Sum Bond Index
  - FTSE – BOCHK Offshore RMB Investment Grade Bond Index
  - FTSE – BOCHK Offshore RMB Bond Index Series
  - HSBC Offshore RMB Bond Index

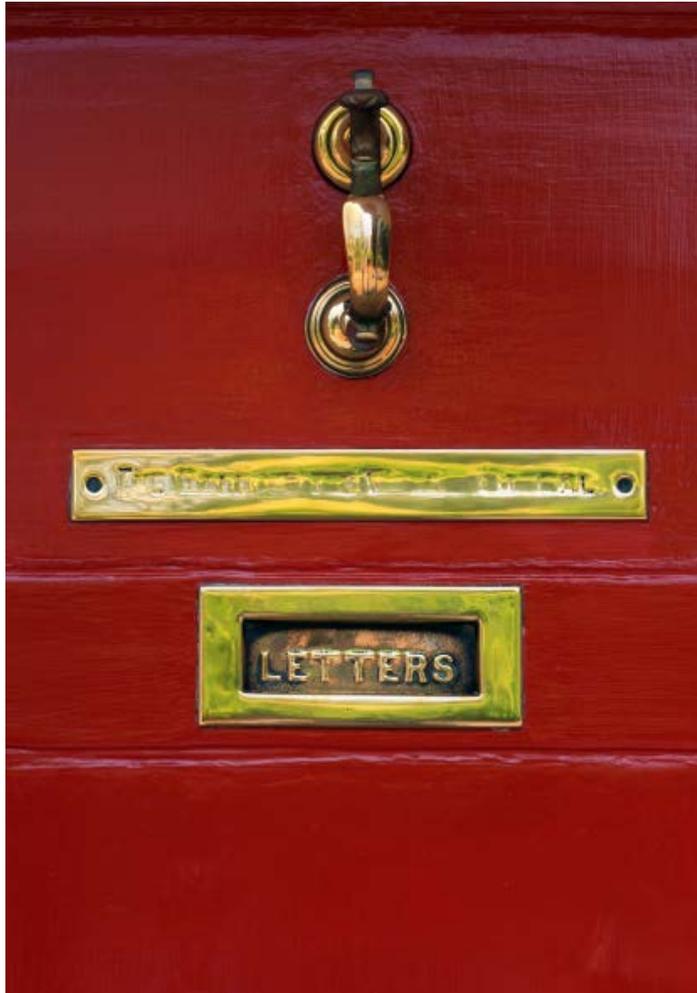
### ➤ Recognition

- The Best Offshore Renminbi offering for 2014 by Finance Asia
- The Best Foreign Currency Bond 2014 by Alpha South-East Asia



# Contact Us

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**Thank You**