

## **CAGAMAS DOUBLED ITS VARIABLE RATE ISLAMIC MEDIUM TERM NOTES (IMTN) ISSUES**

Kuala Lumpur, 25 June 2014 – Cagamas Berhad (“Cagamas”), the National Mortgage Corporation of Malaysia, today concluded the pricing of its RM500 million Variable Rate IMTN. Proceeds from the issuance, which has a 1 year maturity, will be used to fund the purchase of Islamic financing from the financial system.

“The order book received a commendable bid to cover ratio of 2.62 times and was competitively priced at 5 basis points over the 3-Month KLIBOR. The strong demand evidenced investors’ acceptance to the Company’s initiative to issue low duration instruments such as the Variable Rate IMTN during challenging market conditions”, said Mr. Chung Chee Leong, President/Chief Executive Officer of Cagamas.

“The issuance which carries a floating rate, will increase the Company’s existing Islamic and Conventional floating rate debts issue size to RM910 million as at 25 June 2014. The larger issue size is expected to promote secondary liquidity for such instruments and consequently, widen investors acceptance. The Variable Rate IMTN which is the second issuance since the inclusion of the Company’s debt securities in the HSBC ALBI index on 1 April 2014, would increase investment options to investors as well as funding instruments to other issuers and contributes positively to the development and maturity of the domestic bond market,” he added.

The Variable Rate IMTN, 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 of Malaysia, 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 RM276.7 billion of conventional bonds 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. Cagamas is also well regarded internationally and has been assigned local and foreign currency long-term issuer ratings of A3 by Moody's Investors Service Inc. that are in line with Malaysian sovereign ratings.

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