

Cagamas



STRONG DEMAND FOR CAGAMAS' NEW ISLAMIC COMMERCIAL PAPERS ISSUANCE

Kuala Lumpur, 25 September 2013 – Cagamas Berhad (Cagamas), the National Mortgage Corporation, announced the issuance of RM500 million 3-month Islamic Commercial Papers (ICPs). The Cagamas ICPs will be issued under the Islamic Commodity Murabahah structure and the proceeds from the issuance will be used to fund the purchase of Islamic financing from the financial system.

“Although market sentiment remained cautious over the outcome of the Federal Open Market Committee (FOMC) meeting in September, our ICPs received strong demand from investors as it was two times oversubscribed,” said Mr Chung Chee Leong, President/Chief Executive Officer of Cagamas which was recently named Most Outstanding Securitisation House at the 10th Kuala Lumpur Islamic Finance Forum (KLIFF). The investors’ confidence in Cagamas’ credit profile were evident as the papers were fully taken up at a very competitive pricing despite the volatile market condition, added Mr Chung. The new ICPs issuance will bring Cagamas’ total issuance for the year to almost RM3.0 billion, 8 pct. higher as compared to the corresponding period last year.

The ICPs, 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 RM268.5 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_{ID} and MARC-1/MARC-1_{ID} by Malaysian Rating Corporation Berhad, denoting its strong credit quality.

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