



## **ISSUANCE OF RM500 MILLION CAGAMAS ISLAMIC COMMERCIAL PAPERS**

**Kuala Lumpur, 26 December 2013** – Cagamas Berhad (Cagamas), the National Mortgage Corporation, announced its final issuance for year 2013, a 3-month Islamic Commercial Papers (ICPs) amounting RM500 million. The 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.

“Due to market jittery amid uncertain market condition over the outcome of the Federal Open Market Committee meeting on 19 December 2013 and year end book closing factor, response from investors on our proposed issuance was below our average subscription rate. Our proposed 3 months ICP issuance faced stiff competition from banking products that offer higher yields especially Fixed Deposits for the same tenure,” said Rafiza Ghazali, Relief Chief Executive Officer of Cagamas. The new ICPs issuance will bring Cagamas’ total issuance for the year to RM9.9 billion, approximately 100 pct. higher as compared to 2012.

The Cagamas 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 RM275.5 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<sub>ID</sub> and MARC-1/MARC-1<sub>ID</sub> 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 ~