

Cagamas



ISSUANCE OF RM500 MILLION CAGAMAS ISLAMIC MEDIUM TERM NOTES

Kuala Lumpur, 28 May 2013 – Cagamas Berhad (Cagamas), the National Mortgage Corporation, has successfully completed the sale of RM500 million dual-tenured Islamic Medium Term Notes (IMTNs). The IMTNs will be issued in 1 and 3-year tenures at profit rates of 3.23% and 3.40% respectively and are equivalent to a spread range of 18 basis points (bps) to 27 basis points (bps) over the Islamic Government bonds (GII). The proceeds from the issuance will be used to fund the purchase of Islamic financing from the financial system.

This new IMTNs issue will bring the total Cagamas debts securities issuances to a total of RM1.13 billion for 2013, which is more than double compared to the corresponding period last year. Cagamas is on the right course to achieve the RM6.0 billion debt securities target issuance for the year, said Mr Chung Chee Leong, President/Chief Executive Officer of Cagamas. He added that the issuance received an overwhelming demand from diverse investors as evidenced by the oversubscription rate of 2.1 times at yields close to Government Guaranteed issues, underscoring Cagamas position as a high-quality issuer.

The IMTNs, 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 and leading securitisation house, 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 and non-financial institutions. The provision of liquidity at a reasonable cost to the primary lenders of housing loans encourages further financing of 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 RM266.8 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.

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

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