



CAGAMAS ISSUES INNOVATIVE RM500 MILLION CAGAMAS SUKUK WAKALAH BIL ISTITHMAR

KUALA LUMPUR, 28 March 2012 - Cagamas Berhad (Cagamas), the National Mortgage Corporation, successfully issued a multi-tenured RM500 million Malaysia's first-of-its-kind Sukuk Wakalah Bil Istithmar (Sukuk Wakalah). The uniqueness of the Sukuk Wakalah structure arises from the commingling of debts (arising from a commodity murabahah transaction) with equity assets constituting an investment (istithmar) portfolio which meets the Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI) standards. Hence, the Sukuk Wakalah is deemed an investment instrument tradable at any price in the secondary market.

The innovative Sukuk Wakalah is expected to widen and diversify the Company's investor base by enhancing secondary market liquidity for Cagamas Sukuk through the increased participation of Shariah compliant investors who would normally hold Sukuk which is deemed as debt instrument until maturity. Issued out of Cagamas' RM60 billion Commercial Paper (CP) and Medium Term Note (MTN) Programmes, the Sukuk Wakalah was priced at competitive yields of 3.35%, 3.50% and 3.70% for 1, 3 and 5 year tenures respectively.

The inaugural issuance of Sukuk Wakalah widens the investment options available to Shariah compliant investors and reaffirms Cagamas commitment to promoting the development of the Malaysian capital market and Malaysia as a premier global Islamic financial center.

AmlInvestment Bank Berhad and RHB Investment Bank Berhad were appointed joint lead managers for the issuance



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 RM251.04 billion of conventional and Islamic debt securities.

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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