



CAGAMAS ISSUES INAUGURAL RM1 BILLION 3-YEAR CAGAMAS SUKUK ALIm

KUALA LUMPUR, 19 August 2010 - Cagamas Berhad (Cagamas), the National Mortgage Corporation and leading securitisation house, has successfully issued Malaysia's first Sukuk al-Amanah Li al-Istithmar (Sukuk ALIm). With an issuance size of RM1 billion, the tradable Sukuk attracted strong demand from a wide and diverse investor base evidenced by an impressive book building exercise which registered a subscription rate of 2.7 times. Most notably, the Sukuk ALIm attracted strong interest of 43% from offshore investors, with 33% from Middle Eastern investors. Through the issuance of Sukuk ALIm, Cagamas has not only successfully increased and enhanced the diversity of its investor base but has made inroads in Shariah harmonisation. Issued out of Cagamas' RM5 billion Islamic Medium Term Note Programme, the Sukuk ALIm is priced at a yield of 3.48% for a tenure of 3 years.

Whilst there had been an emergence of more diversified Sukuk such as mixed asset Sukuk or Sukuk Istithmar, this new Sukuk ALIm structure is a type of Sukuk Istithmar but precludes the principles of Inah (sale and buyback), Bai' Dayn (trading of debt), Tawarruq Munazzam (pre-arranged transaction between multiple parties) and Wa'ad (undertaking).

The inaugural issuance of Sukuk ALIm reaffirms Cagamas' commitment to promoting the development of the Malaysian capital market and Malaysia as a premier global Islamic financial centre. The innovative Sukuk ALIm sets a new benchmark in Malaysia's Sukuk industry for future Sukuk issuances, particularly those targeting the Middle East markets, and widens investment options available to Islamic financial institutions and investors.

The issuance was jointly managed by Al Rajhi Banking & Investment Corporation (Malaysia) Bhd (Al Rajhi), RHB Investment Bank Berhad and The Royal Bank of Scotland Berhad. Al Rajhi and Amanie Business Solutions Sdn Bhd are the Shariah Advisers.



About Cagamas Berhad

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 a successful secondary mortgage liquidity facility. Cagamas is the leading issuer of AAA debt securities as well as one of the top Sukuk issuers in the world. Since incorporation in 1986, Cagamas has cumulatively issued RM245 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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