

CAGAMAS FOCUSING ON ACHIEVING SUSTAINABLE GROWTH AND DEVELOPMENTAL ROLE IN CAPITAL MARKET

Kuala Lumpur, 11 June 2010 --- Cagamas Holdings Berhad (Cagamas Holdings) today announced the Cagamas Group of Companies (the Group) pre-tax profit for the year 2009 of RM559.2 million, a slight decrease of approximately 1% from 2008. Its wholly-owned subsidiary, Cagamas Berhad, posted a record profit before tax of RM294.5 million, an increase of RM65.2 million or approximately 22% from the previous year, which was attributed to larger purchase of mortgage housing loans without recourse.

Meanwhile, Cagamas MBS Berhad (Cagamas MBS), posted a lower profit before tax of RM263.8 million due mainly to the rundown in the principal asset balances during the year.

In a statement released after Cagamas Holdings' third Annual General Meeting, its Chairman Dato' Ooi Sang Kuang said, "Capital preservation and liquidity were the main drivers of the bond market in 2009 as the impact of global financial crisis led investors to seek refuge in very liquid and high grade securities. As a result, investors reduced substantially their exposure in asset-backed securities (ABS) in favour of Government debt and selected triple-A issuers."

Dato' Ooi said, "Despite the difficult economic and financial environment in 2009, the Group rose to the challenges by providing Malaysian financial institutions with the channels to access liquidity and manage risks through its core business products of Purchase With Recourse (PWR) and Purchase Without Recourse (PWOR). In addition, its associate company, Cagamas HKMC Berhad (Cagamas HKMC) undertook its maiden transaction under the Mortgage Guarantee Programme (MGP) which provided the financial institutions with additional portfolio and risk management tools to better manage their credit risk exposure. The Group also continued to widen its investor base through the issuances of multi-tenured debt securities and innovative investment structures such as Sukuk Commodity Murabahah (SCM)."

For the year 2009, after tax return per share at the Cagamas Berhad level was 31.2 sen higher at 144 sen compared to 112.8 sen in 2008. Total shareholders' funds as at end 2009 for the Group increased to RM3 billion (2008: RM2.6 billion) out of which RM1.8 billion stood at Cagamas Berhad level whilst the balance is that of Cagamas MBS. Net tangible assets per share increased to RM20.21 and RM11.85 for the Group and Cagamas Berhad respectively, compared with RM17.36 and RM10.31 respectively in the previous year. For the financial year, the Board of Directors declared a total dividend amounting to 15 sen per share to the shareholders in respect of the dividends received from Cagamas Berhad.

In 2009, the Group purchased a total of RM10.8 billion loans and debts under the PWR and PWOR schemes and guaranteed mortgages totalling RM11.1 million under Cagamas HKMC. As at end December 2009, outstanding total loans and debts purchased by the Group stood at RM28.9 billion.

During the financial year, the Group successfully issued RM11.4 billion unsecured debt securities. Notable issuances included Cagamas Berhad's multi-tenured RM1,155 million Conventional Medium Term Notes (CMTN) and RM915 million Islamic Medium Term Notes (IMTN). Cumulatively, the Group had issued approximately RM240 billion unsecured private debt securities (PDS) and RM10.2 billion residential mortgage-backed securities (RMBS) since the inception of Cagamas Berhad in 1986. The Group remained the largest issuer of PDS and ABS, second only to the Malaysian Government, and accounted for approximately 11% of all outstanding debt securities and 32% of all outstanding AAA debt securities in Malaysia. Approximately 44% or RM13 billion of all outstanding Cagamas debt securities and Cagamas RMBS comprised Islamic debt securities as at end December 2009.

In 2009, Cagamas Berhad became one of the first institutions in the country to use Crude Palm Oil (CPO) as the underlying commodity in structuring SCM. The widely-accepted Shariah compliant and triple-A rated SCM established CPO as an alternative asset class in facilitating Sukuk and increased the trading of the commodity, and its derivatives, in the domestic and international markets. The SCM exemplified the Group's continuing commitment in contributing to the reaffirmation of Malaysia's position as the premier global Islamic financial centre. In recognition, Cagamas Berhad was accorded two awards by the Islamic Finance News namely the Most Innovative Deal of the Year and Tawarruq Deal of the Year.

During the year, Cagamas also had the distinction of being appointed a founding member of the multi-currency and multi-commodity platform, Bursa Suq Al Sila. Being a founding member not only provides an avenue for Cagamas Berhad to play a greater developmental role in deepening and broadening the Malaysian and international Sukuk market but also clearly demonstrates its capabilities as an innovator in structuring Islamic products using a wide and diverse asset base.

Cagamas MBS recorded a first in 2009 with the shelf listing on Bursa Malaysia of all its outstanding Islamic and conventional RMBS, totalling RM4 billion and RM6 billion respectively. The listings were aimed at increasing investor awareness and enhancing the liquidity of Cagamas' debt securities in the Malaysian capital market.

On Cagamas' outlook for 2010, Dato' Ooi said, "We have reinforced the foundations with the stabilisation of our asset base and strengthening of our internal processes, infrastructure and human capital capabilities. Moving forward, we will be focusing on achieving sustainable growth, while balancing our developmental role in the capital market."



About Cagamas Holdings Berhad

Incorporated in 2007, Cagamas Holdings Berhad is the holding company of Cagamas Berhad, Cagamas MBS Berhad, Cagamas SME Berhad and BNM Sukuk Berhad.

Its wholly-owned subsidiary, Cagamas Berhad, the National Mortgage Corporation and leading securitisation house, was established in 1986 to promote the secondary mortgage market in Malaysia. 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. In addition, Cagamas Berhad also securitizes mortgage loans / receivables and SME loans / receivables through its sister company, Cagamas MBS Berhad and Cagamas SME Berhad respectively.

The Cagamas Berhad model is well regarded by the World Bank as the most successful secondary mortgage liquidity facility. Cagamas Berhad is the leading issuer of debt instruments, second only to the Government of Malaysia, the largest issuer of AAA debt securities as well as one of the top Sukuk issuers in the world. Since incorporation in 1986, Cagamas Berhad has cumulatively issued RM242.76 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/AAAID and MARC-1/MARC-1ID by Malaysian Rating Corporation Berhad, denoting its strong credit quality.

Cagamas Holdings Berhad also provides mortgage guarantee to mortgage lenders through its associate company, Cagamas HKMC Berhad.

Cagamas Holdings Berhad (762047-P)

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