

For Immediate Release

CAGAMAS GROUP 2010 PRE-TAX PROFIT UP
Continued Focus On Risk Management Solutions
For Financial Institutions

Kuala Lumpur, 13 May, 2011 -- Cagamas Holdings Berhad (Cagamas Holdings) today announced a Group pre-tax profit for the year 2010 of RM610.5 million, an increase of RM51.3 million from 2009. Its wholly-owned and main operating subsidiary, Cagamas Berhad, posted a higher profit before tax of RM324.1 million, an increase of RM29.6 million. Meanwhile, special purpose vehicle Cagamas MBS Berhad (Cagamas MBS), contributed a pre-tax profit of RM284.3 million in 2010, an increase of RM20.5 million.

After-tax return per share in 2010 at the Cagamas Berhad level was 16 sen higher at 160 sen compared with 144 sen in 2009. Total shareholders' funds as at end 2010 for the Group increased to RM3.5 billion from RM3 billion in 2009, of which RM1.9 billion stood at Cagamas Berhad level whilst the balance constituted that of Cagamas MBS. Net tangible assets per share increased to RM23.10 and RM13.29 for the Group and Cagamas Berhad respectively, compared with RM20.21 and RM11.85 respectively in the previous year. For the financial year, the Board declared a total dividend amounting to 15 sen per share to the shareholders.

During 2010, Cagamas placed greater emphasis on providing the banking system with options to manage interest rate risks of their asset book by encouraging the financial institutions to utilise Cagamas' Purchase With Recourse (PWR) facility; and for the Islamic banking system, by introducing innovative Islamic products.

The Group successfully issued RM7.6 billion unsecured debt securities during 2010 and remains the largest issuer of corporate debt securities in Malaysia, accounting for 10% of

all outstanding debt securities and 27% of all outstanding AAA debt securities in the country.

In 2010, the Group purchased RM6.1 billion housing loans and debts. Cagamas was particularly active during 2010 in providing hedging opportunities to the Islamic financial institutions. PWR from Islamic financial institutions accounted for 79% of total loans and debts purchased during the year. As at end 2010, PWR outstanding accounted for 44.4% or RM11.1 billion of our total assets. Cagamas' Sukuk issuances in 2010 increased in line with the rapid growth in Islamic finance. Approximately 50% or RM14 billion of the Group's outstanding debt securities are Sukuk. This represents a domestic market share of 9% of all outstanding Sukuk and 23% of all AAA Sukuks respectively. The Group is recognised as one of the world's top Sukuk issuers.

The Chairman of Cagamas, Dato' Ooi Sang Kuang said, "The outlook for 2011 remains challenging and yet provides opportunities for the Group to serve the capital market with a broader range of products and also to achieve balanced and sustainable growth. To this end, resources will continue to be aligned for business development, risk management, internal controls and oversight, enhanced corporate governance and training of staff. The Group will also continue to actively play its part in enhancing the depth of the Malaysian financial sector by introducing new products and actively promote best practices and industry standards. Included will be to provide a broader range of risk management solutions for financial institutions to manage their liquidity, interest rate and credit risks, and also enabling financial institutions to enhance balance sheet management."



About Cagamas Holdings Berhad

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

Its wholly-owned subsidiary, 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 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 companies, Cagamas MBS Berhad and Cagamas SME Berhad respectively.

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 in Malaysia as well as one of the top Sukuk issuers in the world. Since incorporation in 1986, Cagamas has cumulatively issued RM248.19 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.

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