

**CAGAMAS COMMITTED TO BROADENING RANGE
OF RISK AND CAPITAL MANAGEMENT TOOLS**

Kuala Lumpur, 23 June 2009 --- Cagamas Holdings Berhad (Cagamas Holdings) today announced a group pre-tax profit for the year 2008 of RM564.3 million, an increase of RM22.6 million from the previous year. The higher profit for the Cagamas group of companies (the Group) was contributed by wholly-owned subsidiary Cagamas Berhad, which posted a profit before tax of RM229.3 million, an increase of RM66 million from the previous year on the strength of higher loan/debt growth. Meanwhile, Cagamas MBS Berhad, another wholly-owned subsidiary, posted a profit before tax of RM335 million.

In a statement released after Cagamas Holdings' second Annual General Meeting, its Chairman Dato' Ooi Sang Kuang said, "2008 was another successful year for the Group. With the foundations for the Group's transformation firmly laid and a strengthened management team, the Group placed greater focus on expanding business volume in secondary housing refinancing and securitisation. Despite the deepening global financial crisis and heightened economic uncertainties, the Group successfully navigated the difficult environment and was able to convert challenges into opportunities by providing the Malaysian financial community with a broader range of risk and capital management products."

After-tax return per share at Group level rose to 279.8 sen in 2008, whereas at the Cagamas Berhad level, it was 34.4 sen higher at 112.8 sen compared to 78.4 sen in 2007.

Total shareholders' funds as at end December 2008 was RM2.6 billion for the Group and RM1.6 billion at Cagamas Berhad level, while RM1.0 billion was at Cagamas MBS Berhad level. Net tangible asset per share was RM17.36 and RM10.31 for the Group and Cagamas Berhad respectively, compared with RM15.08 and RM10.06 respectively in the previous year.

In 2008, Cagamas Berhad expanded its Islamic business under its Purchase With Recourse Programme to include the purchase of Rahn financing and Islamic personal financing with the signing of the first Islamic financing facility arrangement with Bank Kerjasama Rakyat Malaysia Berhad. The Group also focused on expanding the Purchase Without Recourse (PWOR) Programme which provides an additional risk and capital management tool for mortgage originators in Malaysia. Outstanding PWOR loans/debts amounted to RM7 billion as at end December 2008, a growth of 169.2% from RM2.6 billion in 2007.

Cagamas Holdings' partnership with The Hong Kong Mortgage Corporation Limited progressed further with the incorporation of a joint venture company, Cagamas HKMC Berhad (Cagamas HKMC) to develop new secondary mortgage guarantee products for the Malaysian market. In July 2008, Cagamas HKMC launched its Mortgage Guarantee Programme which covers both conventional and Shariah-compliant mortgage financing, making it the first Islamic secondary mortgage guarantee programme in the region.

In August 2008, Cagamas Berhad issued its first Gulf Cooperation Council (GCC) compliant Sukuk Commodity Murabahah (SCM). At an amount of RM2.015 billion, the SCM was the largest offering for the year and the largest SCM ever issued in the Malaysian capital market. In recognition, Cagamas Berhad was awarded Islamic Issuer of the Year and Most Innovative Islamic Finance Deal by The Asset Triple A Awards. During the year, Cagamas Berhad became a member of the Islamic Financial Services Board (IFSB).

For the financial year 2008, Cagamas Holdings declared a total dividend amounting to 11.1 sen per share to the shareholders in respect of the dividends received from Cagamas Berhad.

Dato' Ooi said that in support of the Government's aspiration to promote Malaysia as an International Islamic Financial Centre, the Group has actively promoted the issuance of Islamic bonds or Sukuk. "As at 31 December 2008, 40% of the Group's RM31 billion outstanding unsecured debt securities and residential mortgage-backed securities comprised Sukuk. We are pleased to note that Cagamas Berhad was named Islamic Issuer of the Year by The Asset in the

Triple A Islamic Finance Awards 2009 in recognition of its outstanding Sukuk transactions amongst other prominent global issuers,” he said.

On Cagamas’ outlook for 2009, Dato’ Ooi said, “The Group is in a strong position to play a proactive role in contributing to the greater breadth and depth of the Malaysian financial system. At the same time, the Group will continue to seek opportunities in the regional markets”.

Bonds and notes issued by the Group in 2008 continued 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 the highest safety in repayment capability. These credit ratings underscore the Group’s high asset quality and the strength of its balance sheet.

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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. Cagamas Berhad 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 Berhad model is well regarded by the World Bank as the most successful secondary mortgage liquidity facility. Since the incorporation of Cagamas Berhad up to end May 2009, the Group has issued approximately RM234.5 billion unsecured securities and RM10 billion residential mortgage-backed securities. The Group remains the largest issuer of private debt securities (PDS) in the domestic market as at end December 2008. The Group's 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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