



Issuance of RM500 Million of Cagamas Debt Securities Oversubscribed by More Than 2 Times

Cagamas Berhad ("Cagamas"), the National Mortgage Corporation, has successfully closed the book-building exercise for its debt securities on 17 May 2006. The issuance comprise 1-year discount notes of RM200 million, 2-year Cagamas Bithaman Ajil Islamic Securities ("BAIS") of RM190 million and 3-year BAIS of RM110 million. The issuance date is scheduled on 26 May 2006.

The issue was oversubscribed by more than 2 times reflecting onshore and offshore investors' staunch confidence in the credit strength of Cagamas and their positive outlook of the Malaysian capital market. At the closing of the book-building exercise, approximately 44% of the bids came from financial institution investors with the remaining from Government agencies (30%), insurance companies (21%) and others (5%).

The issue was priced at 3.99% p.a. for the 1-year discount notes, 4.40% p.a. for the 2-year BAIS and 4.65% p.a. for the 3-year BAIS or between 12 to 38 basis points above Malaysian Government Securities of equivalent maturities.

Aseambankers Malaysia Berhad, the sole Lead Manager/Book-Runner appointed for this transaction, managed the entire book-building exercise which commenced earlier this week.

About Cagamas

Cagamas was incorporated on 2 December 1986 with the primary objective of purchasing conventional housing loans, Islamic house financing debts, industrial property loans and hire purchase and leasing debts (conventional and Islamic) from financial institutions. Cagamas issues debt securities to finance the purchase of these loans and debts. Cagamas is rated AAA by both Rating Agency Malaysia Berhad and Malaysian Rating Corporation Berhad. With the above new issues of debt securities, the total amount of Cagamas bonds outstanding in the market is RM26,240 million.

Cagamas Berhad
19 May 2006