



For Immediate Release

CAGAMAS MAINTAINS POSITION AS THE LARGEST ISSUER OF CORPORATE DEBT SECURITIES

Kuala Lumpur, 24 April, 2012 -- Cagamas Holdings Berhad (Cagamas Holdings) today announced a Group pre-tax profit for the year 2011 of RM591.5 million, a decrease of RM19 million from 2010. Its wholly-owned and main operating subsidiary, Cagamas Berhad (Cagamas), posted a profit before tax of RM304 million, a decrease of RM19.8 million due to significantly lower purchases of Purchase with Recourse (PWR) assets, coupled with the run-down of PWR and Purchase without Recourse (PWOR) assets.

After tax return per share in 2011 at Cagamas Berhad level was 9 sen lower at 151 sen compared with 160 sen in 2010. Total shareholders' funds as at end 2011 for the Group increased to RM3.9 billion from RM3.5 billion in 2010, of which RM2.1 billion was at Cagamas and RM1.6 (RM1.7) billion at Cagamas MBS Berhad (CMBS). Net tangible assets per share increased to RM25.86 and RM13.96 for the Group and Cagamas respectively, compared with RM23.10 and RM12.63 respectively in the previous year. For the financial year ended 31 December 2011, the Board declared a total dividend amounting to 15 sen per share to the shareholders.

During 2011, the Group maintained very strong capital levels with the core capital ratio and risk weighted capital ratio (RWCR) at 34.8% and 35.7% respectively as at 31 December 2011. The Group decided to adopt and compute its capital based on Basel II (Pillar 1) during the year and Cagamas as an entity, maintained a higher RWCR of 25.1% compared with 20.8% in the previous year.

Cagamas remained the largest issuer of corporate debt securities in Malaysia. As at end 2011, Cagamas debt securities accounted for 9.5% of all outstanding corporate debt securities and 26.3% of all outstanding AAA debt securities in Malaysia.

The Chairman of Cagamas, Dato' Ooi Sang Kuang said, "The outlook for 2012 will be challenging as great uncertainties still prevail in the global economy. The structural sovereign debt problems in the Eurozone, US and Japan have imposed significant downside risks to the revival and sustainability of global growth while the flood of global liquidity continues to undermine the stability of the international financial system. Global financial institutions continue to deleverage to strengthen their balance sheet while orderly intermediation of global financial flows is a challenge. Domestically, Cagamas will face strong headwinds given continued pressure on bank margin and moderation in growth of housing loans. Notwithstanding any unforeseen circumstances, I am confident the Group will be able to capitalise on market opportunities present in 2012. The Group will continue to provide the capital market with innovative securities and suitable risk management solutions for financial institutions to manage their liquidity, interest rate and credit risk."



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 RM251.04 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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