



**CAGAMAS TO PROMOTE MALAYSIA AS  
INTERNATIONAL ISLAMIC FINANCIAL CENTRE**  
*Cagamas to Develop Mortgage Guarantee Products  
for Islamic Housing Finance Markets*

**Kuala Lumpur, June 24, 2008** --- Cagamas Berhad (Cagamas), the National Mortgage Corporation and leading securitisation house, aims to actively contribute to the deepening and broadening of the domestic Islamic capital market. Cagamas will embark on new initiatives to promote Malaysia as the centre for global Islamic finance.

In a statement released after the Company's 21<sup>st</sup> Annual General Meeting, Cagamas' Chairman, Dato' Ooi Sang Kuang said, "Cagamas will do everything we can to strongly support and act as a catalyst to the Government's aspirations to promote Malaysia as an International Islamic Financial Centre. Capitalizing on our strengths, we will work on structuring Islamic financial solutions for the Islamic housing finance markets in Malaysia and in the Asian region."

Dato' Ooi said that Cagamas' efforts to increase the availability of Islamic finance instruments in 2007 had already produced results. "As at 31 December 2007, 43% of Cagamas' (or RM4.16 billion) outstanding residential mortgage-backed securities comprised Islamic residential mortgage-backed securities," he said.

Cagamas reported a profit before tax for the financial year ended 31 December 2007 of RM163 million, representing an increase of RM34 million from the previous year's profit before tax of RM129 million.

Consequently, the after-tax return per share at Company level increased from 62 sen in 2006 to 78 sen in 2007. Shareholders' funds increased by 6.5% from RM1,433 million in 2006 to RM1,527 million in 2007, while net tangible assets per share increased from RM9.45 at the end of 2006 to RM10.06 at the end of 2007.

Cagamas developed and launched several innovative products during 2007. These included Cagamas' PWOR scheme and Cagamas SME Berhad's (Cagamas SME) introduction of the award-winning securitisation of RM600 million Small Medium Enterprise (SME) loans which was the first synthetic securitisation in Malaysia as well as Asia ex-Japan. The awards garnered include The Thomson International Securitisation Report's (ISR) coveted inaugural Asian Deal of the Year 2007, The International Financing Review (IFR) Asia's Malaysia Capital Markets Deal of the Year 2007, The Asset Triple A House and Deal Awards 2007 for Best Domestic Securitisation and RAM Award of Distinction 2007 for New Structured Finance Benchmark Deal.

The Company launched a RM60 billion 40-year Conventional and Islamic Commercial Papers / Medium Term Notes (CP/MTN) programme, which is the longest and largest programme in South East Asia. Cagamas issued RM2.11 billion Sukuk Musyarakah Islamic Residential Mortgage-Backed Securities and RM2.41 billion Conventional Residential Mortgage-Backed Securities. The year 2007 also bore witness to Cagamas entering into a Joint Venture Agreement with the Hong Kong Mortgage Corporation Limited (HKMC) for the development of mortgage guarantee business.

These initiatives were aimed at progressing the Company towards becoming a leading securitisation house, and to provide opportunities for financial institutions to avail themselves of high grade assets in addition to risk and capital management tools.

The Company also successfully completed an internal restructuring exercise which resulted in Cagamas Holdings Berhad becoming the holding company of Cagamas, Cagamas MBS Berhad, Cagamas SME and BNM Sukuk Berhad effectively from 2 January 2008.

On Cagamas' outlook for 2008, Dato' Ooi said, "Building on the Company's brand and strong reputation, Cagamas will in 2008 continue to play a leading role in providing greater scope for financial institutions to manage their balance sheet and enhance and support the stabilisation of the financial market. We will continue to provide liquidity to; and enhance the depth and breath of the capital markets. In addition, we act as an effective intermediary for the efficient allocation of capital and to facilitate risk management for the financial system".

"Our regional cooperation with the HKMC is another building block in our shared vision to make mortgage financing more accessible in Malaysia through dynamic yet prudent financial innovation", added Dato' Ooi.

Bonds and notes issued by Cagamas in 2007 continued to receive the highest ratings of AAA and P1 by RAM Rating Services Berhad, and AAA/AAA<sub>ID</sub> and MARC-1/MARC-1<sub>ID</sub> by Malaysian Rating Corporation Berhad, denoting the highest safety in repayment capability. These credit ratings underscore Cagamas' high asset quality and the strength of the Company's balance sheet.

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