



PRESS STATEMENT ON THE REGULATORY FRAMEWORK FOR CAGAMAS DEBT SECURITIES

Cagamas Berhad, the National Mortgage Corporation, was established in 1986 to support the national home ownership policy and to spearhead the development of the private debt securities market in Malaysia. To spur Cagamas' business in its initial stages, Bank Negara Malaysia accorded customised regulatory framework for Cagamas debt securities enabling Cagamas to establish itself as a primary player in the capital market over a period of 17 years.

Today, Cagamas has emerged as the nation's single largest issuer of private debt securities. The Company has diversified its products from housing loans to include industrial property loans, hire purchase and leasing debts, credit card receivables and Islamic house financing debts and hire purchase debts. The revised regulatory framework provides greater opportunities and flexibility to Cagamas to widen its investor base and develop new products.

Moving forward, the Company foresees growing from strength to strength given its considerable shareholders' fund of RM1.1 billion from a mere RM50 million capital injection since incorporation, shareholders' quality, excellent credit quality of loans purchased with full recourse to the sellers and the highest rating of AAA assigned by Rating Agency Malaysia Berhad and Malaysian Rating Corporation Berhad.

Cagamas is of the view that the review of regulatory framework reflects recognition of Cagamas' success and confidence in its ability to continue to play a pivotal role in the development of the capital market on a more competitive basis, in line with the liberalisation of the financial and capital markets.

Cagamas looks forward to this new phase and will continue to strive for excellence in providing accessibility to housing loans and other financial products at an affordable cost.

Cagamas Berhad
3 September 2004