



Cagamas Berhad

The National Mortgage Corporation

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Introducing Cagamas

- Cagamas stands for “**Perbadanan Cagaran Malaysia**” or the **National Mortgage Corporation**
- **The vision of Cagamas:**

To be the leading securitisation house in Malaysia and in the region and to actively support the further development of the capital market and financial sector in Malaysia

- Cagamas plays an important and active role as a catalyst for the Governments’ and Bank Negara Malaysia’s initiative for the economy and financial sector. Established in 1986, our **3 key objectives** are to:-

1 Alleviate the liquidity problem and reduce funding mismatch within the banking sector

2 Promote home ownership

3 Spearhead development of the private debt securities market

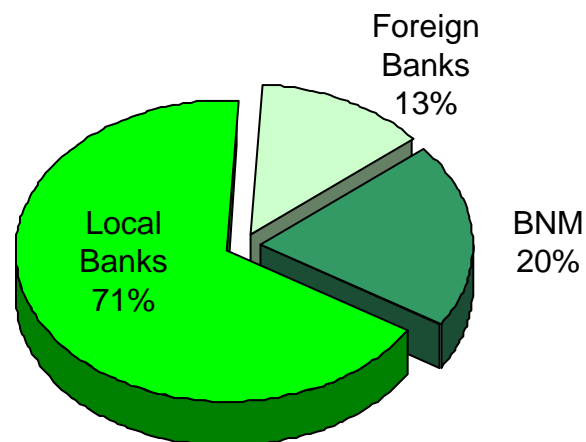
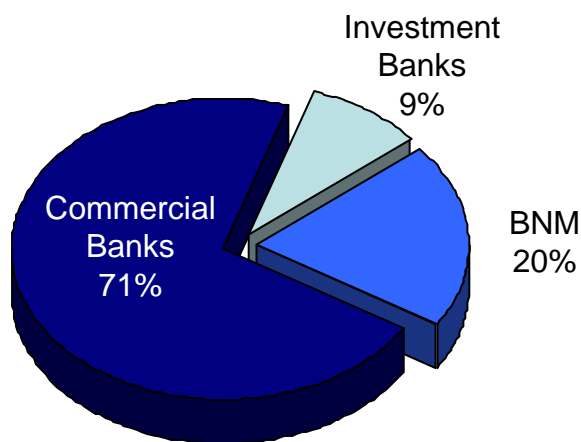


Corporate Profile

- Incorporated in December 1996
- Top 5 shareholders in Cagamas Holdings Berhad:-

Shareholders	No. of Shares	%
Bank Negara Malaysia	30,000,000	20.0
CIMB Bank Berhad	24,684,000	16.5
Maybank Group	21,279,000	14.2
RHB Bank Group	12,932,400	8.6
AmBank Group	12,066,000	8.1

- **Shareholders' demographics**





Facts & Figures as at October 2010

Key Financials

- Profit before tax : USD95 million*
- Asset size : USD7 billion
- Shareholder's funds : USD634 million
- Net profits per staff : USD0.6 million*
- Return on Assets : 0.9%*
- Return on Equity : 12.9%*
- Risk Weighted Capital Ratio : 18.4%*

Corporate Bond Issuance

- Issued USD78 billion Private Debt Securities (PDS) to date (Islamic Sukuk: USD6.4 billion)
- Outstanding bonds of USD6.6 billion (Islamic Sukuk: USD3.3 billion)
- 30.5% of Triple-A Outstanding PDS (24.9% of Islamic Triple-A Sukuk)

ABS Issuance

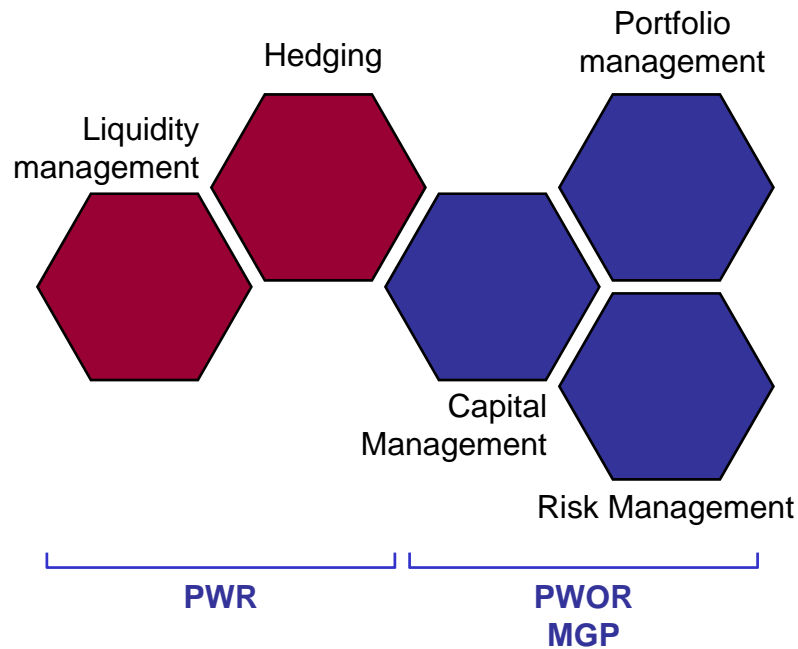
- RMBS Issued to date USD3.3 billion (Islamic RMBS issued USD1.3 billion)
- Outstanding RMBS of USD2.4 billion (Islamic RMBS: USD1.1 billion)
- 64.6% of Triple-A Outstanding ABS (81.3% of Triple-A Islamic ABS)

* As at 31 December 2009



What we do

- Cagamas offers the following tools to the financial institutions:-



- Purchases both conventional and Islamic loans / financing debt and funds it through the issuance of conventional and Islamic debt securities through the following facilities:

Purchase with Recourse (PWR)

Loans and debts are purchased **with recourse** to the originator whereby the latter is responsible for any loss arising from default by the borrower. PWR accounts for 51% of our outstanding purchases.

Purchase without Recourse (PWOR)

Loans and debts are purchase **without recourse** by the originator for default risk. The originator (seller) gets principal of the receivables up front and receives excess spread as servicer fee upon collection of loan / debt installment. POWR accounts for 49% of our outstanding purchases.

Mortgage Guarantee Programme (MGP)

Guarantees both conventional and Islamic mortgage loan



Our Investment Proposition

▪ Strong proven organization

- ✓ Proven track record
- ✓ Over USD95 billion of debt securities issued since inception
- ✓ Strong and healthy balance sheet
- ✓ Experienced and dedicated management team and strong shareholders

▪ High quality investments

- ✓ Rated Triple-A by both RAM Ratings and Malaysian Rating Corporation
- ✓ Cagamas' PDS comprises of over 30% of Triple-A outstanding PDS
- ✓ Cagamas' RMBS comprises of over 64% of Triple-A Outstanding ABS
- ✓ Has not defaulted in its 23 years in operation
- ✓ Award winning structures

▪ Islamic investment option

- ✓ Shariah acceptable structure that appeals to the most discerning investors
- ✓ Issuance of quality sukuk (Cagamas Sukuk comprises 25% of Islamic Triple-A Sukuk & 81% of Triple-A Islamic ABS)

▪ Tailor-made investment option

- ✓ Flexibility to structure our bonds / sukuk to meet the needs of investors

Some of the Bonds / Sukuk we issue:-

USD19.4 billion (40 year) CP / MTN Programme

- Short-term Discount Notes/ Commercial Papers (CPs) (Conventional and Islamic)
- Fixed Rate Bonds/ Medium Term Notes (MTNs) (Conventional and Islamic)

USD1.6 billion (30 year) Sukuk al-Amanah Li al-istithmar Programme

- Sukuk al-Amanah Li al-Istithmar (ALIm)

Asset Backed Securities Programme

- Residential Mortgage-Backed Securities
- Islamic Residential Mortgage-Backed Securities



What we value

As a key player in the Malaysian financial sector and leading issuer of private debt securities in Malaysia, we value and take great strides in upholding the **safety** and **security** of our stakeholders:-

Triple-A rating	Maintaining our triple-A rating is paramount to our business. Our entire business model is focused towards maintaining our triple-A ratings with both local rating agencies, RAM Ratings (RAM) and Malaysian Rating Corporation (MARC).
Stringent purchase criteria	Our asset purchases for both PWR and PWOR are subject to strict purchase criteria and counterparty limits to ensure the quality of assets.
Match funding policy	In Cagamas, we practice strict match-funding policy. All our bonds/sukuk are backed with corresponding quality assets and cash flows .
Strict investment policy	Our investment portfolio is limited to highly rated investments , primarily Government, or Government guaranteed papers to ensure the safety and liquidity of our investments.
Robust risk management & governance framework	Our risk management and governance framework are based on industry best practices and designed specifically to cater for our business requirements. We also voluntarily subject ourselves to relevant Central Bank regulations, such as the minimum risk weighted capital ratio (RWCR) required of the financial institution. We consciously maintain a RWCR above the regulatory limit of 8%.
Strong track record	As a testimonial of our strong commitment to our stakeholders, particularly our investors, we have not defaulted in our 23 years in operations



Awards & accolades

Cagamas has achieved many “**firsts**” for capital market transactions in Malaysia and beyond; garnering a number of impressive awards and accolades over the past years

Transaction	Awards Won
First rated Islamic Home Financing Backed Sukuk Musyarakah (USD663 million) transaction in the world (2005)	   <ul style="list-style-type: none"> • Best Malaysian Deal • Best Domestic Securitisation Deal • Best Islamic Finance Deal • Islamic Finance Deal of the Year • New Islamic Benchmark Deal of the Year
First residential mortgage backed securities (USD502 million) transaction in Malaysia (2004)	   <ul style="list-style-type: none"> • Best Local Currency Bond Deal of the Year • Best Local Currency Bond in Asia • Best Malaysian Ringgit Bond
First Synthetic Securitisation of SME Loans (USD194 million) transaction in the ASEAN region (2007)	    <ul style="list-style-type: none"> • Malaysia Capital Markets Deal of the Year • Asian Deal of the Year • Best Domestic Securitisation • New Structured Finance Benchmark Deal
Largest and longest dated corporate sukuk (Sukuk Commodity Murabahah) (USD652 million) transaction in Malaysia (2008)	  <ul style="list-style-type: none"> • Most Innovative Islamic Finance Deal • Tawarruq Deal of the Year • Most Innovative Deal

Other Achievements

- First Sukuk al-Amanah Li al-Istithmar (Sukuk ALIm) (USD324million) transaction in the world (2010)
- Largest funding programme of its kind (USD19.4 billion CP/MTN programme) in the ASEAN region (2007)
- First Sukuk Mudharabah (USD9.7 million) transaction in the world (1994)
- First Syariah-compliant securities that are widely accepted and tradable in the Middle East
- Longest programme tenure in Malaysia (40 year MTN programme)
- First Islamic security issued based on the principle of Mudharabah



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