

CAGAMAS ACHIEVES HIGHEST SECONDARY MARKET VOLUME IN THE FIXED INCOME MARKET

Kuala Lumpur, 5 May 2017 – The Cagamas group via its wholly owned subsidiary Cagamas Berhad (Cagamas), continued to play an active role in facilitating intermediation in the Malaysian financial sector by providing liquidity, capital and risk management solutions to financial institutions. In a statement released after the Company's Tenth Annual General Meeting, Chairman Dato' Ooi Sang Kuang said, "Cagamas has repositioned itself over the past few years and has added capacity to offer a broader range of financial solutions to sustain future growth. We achieved the highest secondary market volume in the fixed income market and among AAA rated papers, with a total turnover of RM17.1 billion, surpassing the RM5.3 billion achieved in 2015."

Cagamas recorded larger bonds and sukuk issuances of RM7.4 billion in 2016 as compared with RM7.1 billion in 2015. The issuances in 2016 comprised RM4.9 billion bonds and RM2.5 billion sukuk. Of the total issuances, 81% or RM6.0 billion were issued locally while the remaining balance internationally. Cagamas' fixed income securities accounted for 5% of total outstanding corporate bonds and sukuk, and 19% of all outstanding AAA corporate bonds and sukuk in Malaysia. This reaffirms Cagamas' position as the second largest issuer of debt instruments after the Government of Malaysia and the largest issuer of AAA corporate bonds and sukuk in the market. Dato' Ooi commented, "Our accomplishment in maintaining the international ratings of A3 by Moody's Investors Service and domestic ratings of AAA by both Malaysian Rating Corporation Berhad and RAM Rating Services Berhad is testament to Cagamas' consistent track record of strong capital, high asset quality, stable profitability and robust risk management system."

Cagamas Holdings

For the financial year ended 2016, the Group achieved a higher pre-tax profit of RM574.2 million as compared with RM558.3 million in 2015. The growth in profit was driven by the higher profit contribution from Cagamas MBS Berhad (CMBS). The Group's Core Capital Ratio (CCR) and Risk Weighted Capital Ratio (RWCR) stood at a high of 36.3% and 38% respectively as at end 2016. The Group's CCR and RWCR, excluding CMBS, stood at 26% and 27.8% respectively. Total shareholders' funds for the Group increased to RM5.9 billion from RM5.6 billion while net tangible asset per share was higher at RM39.6, compared with RM37.1 in 2015.

Cagamas Holdings

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, Cagamas SRP Berhad and Cagamas MGP Berhad (formerly known as Cagamas HKMC Berhad).

Its wholly owned subsidiary, Cagamas Berhad (Cagamas), the National Mortgage Corporation of Malaysia, was established in 1986 to promote the broader spread of house ownership and growth of the secondary mortgage market in Malaysia. It issues corporate bonds and sukuk to finance the purchase of housing loans and receivables from financial institutions, selected corporations and the public sector. The provision of liquidity at a reasonable cost to the primary lenders of housing loans encourages further financing of houses at an affordable cost.

The Cagamas model is well regarded by the World Bank as the most successful secondary mortgage liquidity facility. Cagamas is the largest issuer of debt instruments in the Malaysian capital market. Since incorporation in 1986 till end 2016, the Group has cumulatively issued RM296.7 billion of conventional bonds and sukuk including RM5.7 billion Ringgit equivalent foreign currency issuances and RM10.2 billion Residential Mortgage Backed Securities.

Cagamas' corporate bonds and sukuk continue to be assigned the highest ratings of AAA and P1 by RAM Rating Services Berhad and AAA/AAA_{ID} and MARC-1/MARC-1_{ID} by Malaysian Rating Corporation Berhad, denoting its strong credit quality. Cagamas is also well regarded internationally and has been assigned local and foreign currency long-term issuer ratings of A3 by Moody's Investors Service Inc. that are in line with Malaysian sovereign ratings.

Cagamas Holdings

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