

CAGAMAS CELEBRATES THREE DECADES OF SUCCESS



From left to right: Tan Sri Dato' Sri Tay Ah Lek, Dato' Ahmad Fairuz Zainol Abidin, Tan Sri Ahmad Mohd Don, Encik Nik Mohd Hasyudeen Yusoff, Tan Sri Muhammad Ibrahim (Governor of Bank Negara Malaysia), Encik Abdul Rasheed Ghafour, Dato' Ooi Sang Kuang and Datuk Chung Chee Leong.



From left to right: Tan Sri Dato' Sri Tay Ah Lek, Dato' Ahmad Fairuz Zainol Abidin, Encik Abdul Rasheed Ghafour, Encik Nik Mohd Hasyudeen Yusoff, Dato' Ooi Sang Kuang, Tan Sri Muhammad Ibrahim (Governor of Bank Negara Malaysia), Tan Sri Ahmad Mohd Don and Datuk Chung Chee Leong.



Kuala Lumpur, 6 October 2017 – Cagamas Berhad (Cagamas), the National Mortgage Corporation of Malaysia marked its 30th anniversary celebrations at a ceremony held in Kuala Lumpur recently. The event was graced by the Governor of Bank Negara Malaysia, Tan Sri Muhammad Ibrahim.

Cagamas commenced operations in 1987, as part of Bank Negara Malaysia's initiative to establish an intermediary to facilitate financial institutions in expanding their housing mortgage finance. Commercial banks then were facing maturity and interest rate mismatches in their books. Cagamas was established to mobilise competitive long term funding at fixed interest rates to lend to financial institutions that would in turn promote home ownership. An added mandate was to help Malaysia develop its debt markets by expanding the availability of high quality and liquid corporate bonds and sukuk across the yield curve.

“Over the past 30 years, Cagamas has cumulatively refinanced housing loans in the secondary market equivalent to RM134 billion, or the financing of 1.9 million houses, which has enabled Malaysians to own their dream homes,” said Datuk Chung Chee Leong, Chief Executive Officer of Cagamas Berhad.

“We are glad to have played a role in increasing the breadth and depth of the Malaysian bond market. Cagamas' contribution to the depth of the Malaysian capital market is reflected in the cumulative issuance of RM304.2 billion corporate bonds and sukuk and today, Cagamas remains the largest issuer of corporate debt securities in Malaysia,” he added.

In the area of mortgage guarantee; Cagamas also participated in the Skim Rumah Pertamaku (SRP) and Skim Perumahan Belia (SPB), initiatives taken by the Government to help young adults to own their first home. With Cagamas' participation in the schemes, first time home buyers are able to obtain 100% financing from financial institutions, enabling them to own a home without having the need to pay a 10% down payment.

Cagamas is now the second largest issuer of bonds and sukuk after the government and the largest corporate bond and sukuk issuer in the country. Cagamas' bonds and sukuk continue to be assigned a strong, Malaysia sovereign equivalent credit rating of A3 by Moody's Investors Service and AAA by both RAM Rating Services Bhd and Malaysian Rating Corp Bhd.

About Cagamas

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 from financial institutions and non-financial institutions. The provision of liquidity to financial institutions at a reasonable cost to the primary lenders of housing loans encourages further expansion of financing for 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 second largest issuer of debt instruments after the Government of Malaysia and the largest issuer of AAA corporate bonds and sukuk in the market. Since incorporation in 1986, Cagamas has cumulatively issued RM295.7 billion of corporate bonds and Sukuk.

Cagamas' corporate bonds and sukuk 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 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 Berhad (157931-A)

Level 32, The Gardens North Tower
Mid Valley City, Lingkaran Syed Putra 59200 Kuala Lumpur
Tel : +603 - 2262 1800 | Fax: +603 - 2282 8125 / 9125
www.cagamas.com.my

Media Enquiries

Sarah Abdul Aziz
Tel : +603 - 2262 1866
csc@cagamas.com.my

Lucia Wee
Tel : +603 - 2262 1868
csc@cagamas.com.my