

## CAGAMAS RECORDS HIGHEST BONDS AND SUKUK ISSUANCES IN A SINGLE YEAR



**From Left to Right:**

*Datuk Chung Chee Leong, President/Chief Executive Officer of Cagamas Berhad  
Encik Nik Mohd Hasyudeen bin Yusoff, Chairman of Cagamas Holdings Berhad  
Puan Norazilla Tahir, Chief Financial Officer of Cagamas Berhad*

# Cagamas Holdings

**Kuala Lumpur, 26 April 2018** – Cagamas Holdings Berhad (the Group) via its wholly owned subsidiary Cagamas Berhad (Cagamas/ the Company), 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 Group’s Eleventh Annual General Meeting, Chairman Encik Nik Mohd Hasyudeen bin Yusoff said, “Cagamas had another successful year in 2017 with 24 total issuances worth RM15.3 billion comprising 18 ringgit debt securities and 6 foreign currency debt securities, representing the Company’s highest bonds and sukuk issuances in a year since 2009.”

The Company continued to adopt proactive initiatives to promote secondary market liquidity to local and international investors via initiatives which include dual tranche reopenings of its bonds and sukuk – the first of its kind in Malaysia. The Company’s new ringgit issuances represented 9% of total corporate bonds and sukuk issuances for 2017.

Cagamas successfully concluded its inaugural issuance in Australian Dollar amounting to AUD100 million which also marked the Company’s first Foreign Currency Floating Rate Note (FRN) under its Multicurrency Medium Term Notes Programme. This issuance not only saw the Company enlarging the currencies offerings but also reducing its cost of funding.

Encik Nik Mohd Hasyudeen 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 a robust risk management system.”

As at the end of 2017, both Cagamas and its sister company, Cagamas MBS (CMBS) have cumulatively refinanced housing loans and home financing in the secondary market equivalent to RM141 billion or 1.91 million houses. Cagamas SRP Berhad

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(CSRP), another subsidiary of the Group, also contributed to the Government's initiatives in affordable housing schemes by participating in the Skim Rumah Pertamaku (SRP) and Skim Perumahan Belia (SPB), as the mortgage guarantee provider. Thus far, CSRP has provided guarantee for housing loans and home financing totalling RM2.1 billion, enabling 9,860 individuals/households to own their first house.

For the financial year ended 2017, the Group achieved a pre-tax profit of RM548 million as compared with RM 574 million the year before. The three key subsidiaries, Cagamas, CSRP and the securitisation special purpose vehicle, CMBS continued to contribute positively to the results of the Group. At the Group level, the Core Capital Ratio (CCR) and Risk Weighted Capital Ratio (RWCR) stood at 33.6% and 35.1% whilst the same ratio, excluding CMBS, stood at 24.0% and 25.4% respectively as at end 2017. The total Group shareholders' funds increased to RM6.1 billion, of which RM3.4 billion belongs to Cagamas. CSRP's shareholders funds grew to RM236 million as it recorded a commendable growth of 109% in its guarantee business. Group wide, this translates into RM40.3 net tangible assets per share, compared with RM39.6 in 2016.

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## **About Cagamas Holdings Berhad**

Incorporated in 2007, Cagamas Holdings Berhad (the Group) 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 RM312.1 billion of conventional bonds and sukuk including RM8.8 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/Stable/P1 by RAM Rating Services Berhad and AAA/MARC-1 and AAA<sub>IS</sub>/MARC-1<sub>IS</sub> 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.

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