

CAGAMAS RECORDS HIGHEST BONDS AND SUKUK ISSUANCES IN THE PAST DECADE, EXPLORES NEW INITIATIVES FOR SUSTAINABLE GROWTH



(Standing from left to right: Dato' Bakarudin Bin Ishak- Chairman of Cagamas Berhad, Encik Nik Mohd Hasyudeen Yusoff- Chairman of Cagamas Holdings Berhad and Datuk Chung Chee Leong- President/Chief Executive Officer of Cagamas Berhad)

Cagamas Holdings

Kuala Lumpur, 3 May 2019 – Cagamas Holdings Berhad (the Group) via its wholly owned subsidiary Cagamas Berhad (Cagamas/ the Company) today announced its highest total aggregate issuances since 2008 at RM15.8 billion, comprising twenty-two (22) new Cagamas debt securities and five (5) new Cagamas foreign currency issuance exercises.

In a statement released after the Group’s Twelfth Annual General Meeting, Chairman Encik Nik Mohd Hasyudeen bin Yusoff said, “The Company’s issuances were well subscribed at competitive levels which evidenced continued resilience and strength of the domestic fixed income markets as well as investor confidence in the Company’s credit rating profile.”

For the financial year ended 31 December 2018, the Group, which includes Cagamas, Cagamas MBS Berhad (CMBS) and Cagamas SRP Berhad (CSRP), achieved a profit of RM416.5 million, compared with RM414.3 million in 2017. Cagamas and CMBS remained as key contributors to the financial results of the Group.

Cagamas’ initiative to continue innovating new foreign currency offerings were well received by investors leading to successful issuances in Hong Kong Dollars, Singapore Dollars including an inaugural issuance of US Dollar Floating Rate Notes.

“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’ track record of consistent strong capital base, robust asset quality and stable profitability,” he added.

Nik Mohd Hasyudeen said Cagamas is well placed to carry through its mandate and social objectives of supporting Government-driven home financing schemes to ensure accessibility of financing to house borrowers in the lower Middle 40% group (M40) and Bottom 40% group (B40).

The Company is currently exploring new business initiatives to address the gap of those in the M40 group with good credit standing but without enough savings for the required deposit thus promoting homeownership among Malaysians.

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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.

Its wholly owned subsidiary, Cagamas Berhad (Cagamas), the National Mortgage Corporation of Malaysia, was established in 1986 to promote homeownership and contribute towards nation development. It contributes towards the growth of the capital markets, Islamic finance and other priority sectors through issuance of innovative instruments. 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. Cagamas MBS Berhad is a special purpose vehicle set up to facilitate asset-backed securitisation transactions while Cagamas SRP Berhad provides mortgage guarantee to primary lenders.

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 till end 2018, the Group has cumulatively issued RM327.8 billion of conventional bonds and sukuk including RM9.9 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 AAAIS/MARC-1IS 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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