

Cagamas records bond, sukuk issuances worth RM15.3b

KUALA LUMPUR: Cagamas Bhd has recorded another successful year in 2017 with 24 total issuances worth RM15.3 billion, comprising 18 ringgit debt securities and six foreign currency debt securities, representing its highest bond and sukuk issuances in a year since 2009.

The national mortgage corporation said its new ringgit issuance represented nine per cent of total corporate bond and sukuk issuances last year.

"Cagamas will continue to play an active role in facilitating intermediation in the Malaysian financial sector by providing liquidity, capital and risk management solutions to financial institutions," said its holding company, Cagamas Holdings Bhd in a statement here.

It added that Cagamas would also continue to adopt proactive initiatives to promote the secondary market liquidity to local and international investors via initiatives which included dual tranche reopenings of its bonds and sukuk, the first of its kind in Malaysia.

It has concluded its inaugural issuance

in Australian dollar amounting to A\$100 million (A\$1 = RM2.97) which also marked the company's first Foreign Currency Floating Rate Note (FRN) under its Multi-currency Medium Term Notes Programme.

"Our accomplishment in maintaining the international ratings of A3 by Moody's Investors Service and domestic ratings of AAA by both Malaysian Rating Corporation Bhd and RAM Rating Services Bhd is a testament to Cagamas' consistent track record of strong capital, high asset quality, stable profitability and a robust risk management system," said Cagamas Holdings Chairman Nik Mohd Hasyudeen Yusoff.

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

Cagamas SRP Bhd (CSRP), another subsidiary of the group, also contributed to the government's initiatives in affordable housing schemes by participating in the

Skim Rumah Pertamaku (My First Home Scheme) and Skim Perumahan Belia (Youth Housing Scheme), as the mortgage guarantee provider.

Currently, CSRP provides a 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.

Cagamas Holdings' Core Capital Ratio and Risk Weighted Capital Ratio stood at 33.6 per cent and 35.1 per cent whilst the same ratio, excluding CMBS, stood at 24.0 per cent and 25.4 per cent, respectively, as at end 2017.

The statement said the group shareholders' funds increased to RM6.1 billion, of which RM3.4 billion belonged to Cagamas.

Meanwhile, CSRP's shareholders funds grew to RM236 million as it recorded a commendable growth of 109 per cent in its guarantee business