



CAGAMAS CONTINUES TO FACILITATE INTERMEDIATION IN THE MALAYSIAN FINANCIAL SECTOR

Kuala Lumpur, 3 June 2020 – The Cagamas Group of Companies (“Group”) through its wholly owned subsidiary Cagamas Berhad (“Cagamas” or “the Company”) continues to diversify its funding sources and investor base to include a wider range of foreign institutional investors. In a statement released after the Group’s Thirteenth Annual General Meeting, Chairman Dato’ Bakarudin bin Ishak said, “As one of the largest issuer of corporate bonds and sukuk in Malaysia, we are pleased to conclude the year with aggregate issuances of RM10.2 billion, marking the Company’s third consecutive year surpassing RM10 billion worth of issuances.”

Dato’ Bakarudin added, “A critical underpinning of investor confidence in our issuances is the Company’s consistent track record of strong capitalisation, resilient asset quality, stable profitability and robust risk management system as evidenced by the continued recognition of A3 international credit ratings by Moody’s Investors Service and AAA domestic ratings by both RAM Rating Services Berhad and Malaysian Rating Corporation Berhad. Cagamas will continue to adopt proactive initiatives to facilitate intermediation by promoting secondary market liquidity in the Malaysian financial sector.”

In 2019, the global economy expanded at its slowest pace since the global financial crisis a decade ago. It was a year marked by rising trade tensions and related uncertainties that weighed on business confidence and investment globally. However, the company managed to sustain its financial performance despite this challenging economic environment. The Group’s profit and revenue for 2019, comprising of Cagamas, Cagamas MBS Berhad (“CMBS”) and Cagamas SRP Berhad (“CSR”) remained steady at RM410.9 million and RM2,313.7 million respectively, as compared with RM416.5 million and RM2,351.9 million in 2018. Both Cagamas and CMBS remained key contributors to the results of the Group.

Cagamas Holdings

CSRP as one of the Group's subsidiary, continues to support the Government's agenda to promote affordable housing to the nation through the Skim Rumah Pertamaku ("My First Home Scheme", "SRP") and Skim Perumahan Belia ("Youth Housing Scheme", "SPB").

As at December 2019, CSRP saw an impressive increase in total loans approved at 15,493 compared to 7,881 in 2018. due to greater public awareness of the schemes. CSRP provided guarantees for housing loans/financing totaling RM6.9 billion, enabling about 33,236 individuals/households to own their first homes, of which 33% are from the B40 segment.

With the growth of Malaysia's gross domestic product projected to be between -2.0% and +0.5% in 2020 in addition to great uncertainties post the onset of COVID-19 pandemic, Cagamas will seek to navigate this challenging year diligently and prudently. The Company will focus on its mandate as a cost-efficient secondary housing mortgage provider and play a proactive role in helping Malaysians gain access to affordable house financing through an expansion of Cagamas' product offerings.

"The Company will seek to strengthen its culture of innovation, building on our solid foundation, and paving the way for new business initiatives as well as enhancements to our current product offerings through employment of available digital levers. Anchored by strong fundamentals with a view of long-term resilience and reinforced by our commitment to good governance, Cagamas endeavours to effectively position itself to give value to our stakeholders."



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 2019, the Group has cumulatively issued RM338 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 AAA_{IS}/MARC-1_{IS} 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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