

CAGAMAS GROUP PRIORITISES SUSTAINABILITY AND STRATEGIC GROWTH IN 2024



From left: Abdul Hakim Amir Zainol, Chief Financial Officer of Cagamas Berhad, Dato' Bakarudin Ishak, Chairman of Cagamas Holdings Berhad and Kameel Abdul Halim, President/Chief Executive Officer, Cagamas Berhad.



From left: Kameel Abdul Halim, President/Chief Executive Officer, Cagamas Berhad, Dato' Bakarudin Ishak, Chairman of Cagamas Holdings Berhad and Abdul Hakim Amir Zainol, Chief Financial Officer.

Kuala Lumpur, 30 April 2024 – The Cagamas Holdings Berhad (“the Group”) affirmed its commitment towards meeting sustainability and environmental, social, and governance (“ESG”) principles. It outlined a strategic direction that will continue to sustain its leadership in sustainable housing finance at its 17th Annual General Meeting. The Group’s financial achievements for 2023 were also announced, demonstrating a healthy performance and resilience in a challenging economic climate.

The Group recorded a pre-tax profit of RM447.8 million for 2023. This achievement is backed by the Group’s proactive investment and fundraising strategies, which saw its Purchase with Recourse asset portfolio grow by 6.1%, totalling RM20.5 billion from financial institutions. The Group raised RM29.3 billion in total funds in 2023, marking a record 17.7% growth over the previous year.

Following the discontinuation of Skim Rumah Pertamaku (“SRP”) in April 2023, the Group has introduced a new innovative product known as the ‘First Home Mortgage Guarantee Programme’ (“FHMGP”). Aimed at expanding home financing accessibility to a wider range of Malaysians, the FHMGP represents several enhanced features as compared with the SRP product and is expected to contribute to the Group’s future revenue streams and market positioning.

The Group’s commitment to ESG principles was evident in its continued progress towards achieving its sustainability goals. This includes the development of the Cagamas Green Home Standard (“CGHS”) in collaboration with the Asian Development Bank which is a step towards facilitating the growth of green and energy-efficient residential mortgages in Malaysia. The Group also succeeded in adding RM1.2 billion to its green/sustainability assets, in tandem with its objective to increase green/sustainable assets to 10% of total assets by 2030.

Reflecting on the Group’s forward-looking initiatives, Group Chairman Dato’ Bakarudin remarked, “As we embrace our role in advocating green and affordable housing, we hope that the introduction of CGHS will pave the way for a new benchmark to harmonise the

various green energy-efficient rating assessments of different residential properties. This will facilitate the growth of green and energy-efficient mortgages in the housing finance sector.”

“The development of the CGHS and FHMGP underscores our dedication to expanding our core businesses and bringing innovation in green housing finance. These efforts underline our role as a national mortgage corporation to promote home ownership through sustainable housing finance and as a preferred liquidity provider in the market,” he further added.

Looking to the future, the Cagamas Group is focused on enhancing its sustainability framework and ESG capabilities. The Group’s strategic direction, led by its five-year strategic plan, aims to position Cagamas as a centre of excellence in the home financing ecosystem and articulates its aspiration to drive progress in sustainable housing finance.

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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 the 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 (CMBS) is a special purpose vehicle set up to facilitate asset-backed securitisation transactions while Cagamas SRP Berhad provides mortgage guarantees 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 2023, the Group has cumulatively raised funds circa RM423.8 worth of corporate bonds and sukuk and other funding avenues including RM19.9 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 (RAM), and AAA/MARC-1 and AAAS/MARC-1_{IS} by Malaysian Rating Corporation Berhad (MARC), 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 that are in line with Malaysian sovereign ratings. Similarly, issuances by CMBS continue to be rated AAA/Stable by RAM and MARC respectively, reflecting the superior quality of the underlying assets.

Cagamas Holdings Berhad

Registration No. 200701004048 (762047-P)

Level 32, the Gardens North Tower

Mid Valley City, Lingkaran Syed Putra 59200 Kuala Lumpur

Tel: +603 - 2262 1800 | Fax: +603 - 2282 9125

www.cagamas.com.my

Media Enquiries

Leanne Susau

Tel: +603 - 2262 1719

Lucia Wee

Tel: +603 - 2262 1868

Email: communications@cagamas.com.my