Cagamas to continue diversifying funding sources and investor base

by NUR HANANI AZMAN

CAGAMAS Holdings Bhd through its wholly-owned subsidiary Cagamas Bhd will diversify its funding sources and investor base to attract a wider range of foreign institutional investors.

Cagamas chairman Datuk Bakarudin Ishak said the group, as one of the largest issuers of corporate bonds and sukuk in Malaysia, concluded 2019 with issuance worth RM10.2 billion that marked its third consecutive year of surpassing RM10 billion worth of issuances.

"A critical underpinning of investor confidence in our issuances is the 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 Inc and AAA domestic ratings by both RAM Rating Services Bhd and Malaysian Rating Corp Bhd.

"Cagamas will continue to adopt proactive initiatives to facilitate intermediation by promoting secondary market liquidity in the Malaysian financial sector," he said in a statement.

The company sustained its financial performance despite the challenging economic environment with profit and revenue comprising Cagamas, Cagamas MBS Bhd and Cagamas SRP Bhd stood at RM410.9 million and RM2.3 billion respectively, compared to RM416.5 million and RM2.35 billion in 2018.

Cagamas SRP continues to support the government's agenda to promote affordable housing to the nation through "My First Home Scheme" and "Youth Housing Scheme", which 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.

Cagamas SRP provided guarantees for housing loans/financing totalling RM6.9 billion, enabling about 33,236 individuals/households to own their first homes, of which 33% are from the bottom 40% income segment.

Moving forward the company will seek to navigate 2020 diligently and prudently, while acknowledging Malaysia's GDP growth projection of between -2% and +0.5% in 2020 in addition to great uncertainties post-Covid-19 pandemic.