

Cagamas declares record profit of RM703m for 2013

ROBUST financing growth and higher interest income saw Cagamas Holdings Bhd declare a record pretax profit of RM703.2 million for financial year ended Dec 31, 2013 (FY13), a 27.4% increase from the pretax profit of RM551.9 million recorded a year ago.

The national mortgage corporation declared a dividend of 15 sen per share for the financial year. Its operating subsidiary, Cagamas Bhd, had purchased RM8.2 billion of loans and financing in FY13, bringing total outstanding

loans and financing to RM31.7 billion from RM28.6 billion a year ago.

"Following a strategic review in 2012, Cagamas is repositioning itself and laying new foundations to sustain future growth," said chairman Datuk Ooi Sang Kuang in a statement last Friday.

Total fixed income securities issued in 2013 rose 100% to RM9.9 billion, comprising RM7.1 billion worth of sukuk and RM2.8 billion of conventional bonds. Fixed income securities accounted for 9% of

total outstanding corporate fixed income securities and 25% of all outstanding AAA fixed income securities in Malaysia.

"Cagamas will continue to enhance its Islamic product portfolios and introduce more globally accepted sukuk structures to attract a larger pool of international and regional investors," said Ooi.

Cagamas has embarked on the establishment of a Multi-Currency Issuance Programme to raise its presence in the regional and global

fixed income market.

The year saw its total shareholders' funds increase to RM4.8 billion from RM4.3 billion while net tangible assets per share was higher at RM31.70, compared to RM28.35 in 2012, the statement said.

Its earnings per share was 212 sen in 2013, compared to 146 sen in 2012.

Its special-purpose vehicle Cagamas MBS Bhd contributed a higher pretax profit of RM270.7 million in 2013 as compared to RM253.4 million in 2012 due to lower interest/

profit expense attributable to Residential Mortgage-Backed Securities (RMBS)/Islamic RMBS holders.

Cagamas SRP Bhd meanwhile posted a pretax profit increase of 7.9% to RM3.9 million due mainly to investment returns from the money market and available-for-sale investments.

Lastly, guarantee activities achieved a commendable pre-tax profit growth of 36.6% due to the rise of RM1.7 million in guarantees written, said Cagamas. — by AZLI JAMIL