

Cagamas records highest bond, sukuk issuances in a decade

KUALA LUMPUR: National mortgage corporation Cagamas Bhd recorded aggregate issuances totalling RM15.8 million last year, its highest in a decade, which comprised new Cagamas debt securities and five new Cagamas foreign currency issuance exercises.

The amount was slightly higher than the RM15.3 million achieved in 2017.

Cagamas' initiative to continue innovating new foreign currency

offerings were well received by investors, leading to successful issuances in Hong Kong dollars, Singapore dollars including an inaugural issuance of US dollar floating rate notes, its holding company Cagamas Holdings Bhd said in a statement yesterday.

Chairman Nik Mohd Hasyudeen Yusoff said its issuances were well subscribed at competitive levels, which showed continued resilience and strength of the domestic fixed income

markets as well as investor confidence in the company's credit rating profile.

"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' track record of consistent strong capital base, robust asset quality and stable profitability," he said.

For the financial year ended Dec 31, 2018, the group, which includes Cagamas, Cagamas MBS Bhd (CMBS) and Cagamas SRP Bhd (CSR), increased its profit to RM416.5 million from RM414.3 million in 2017. Cagamas and CMBS remained as key contributors to the results.

Nik Mohd Hasyudeen said Cagamas was well placed to carry through its mandate and social objectives of supporting government-driven home financing

schemes to ensure accessibility of financing to house borrowers in the lower middle 40 per cent group (M40) and bottom 40 per cent group (B40).

The company, he said, was currently exploring new business initiatives to address the gap of those in the M40 group with good credit standing but without enough savings for the required deposit in order to promote home ownership among Malaysians.

- Bernama