



Cagamas Holdings Berhad Announces Record Pre-tax Profit

Kuala Lumpur, 25 April, 2014 -- Cagamas Holdings Berhad (the Group) today announced a new record pre-tax profit of RM703.2 million for the year 2013 compared with RM551.9 million from 2012, arising from robust financing growth and higher interest income. The year saw the Group, through the main operating subsidiary Cagamas Berhad (Cagamas) purchase a total of RM8.2 billion loans and financing, compared with RM3.2 billion in 2012. As at end December 2013, total outstanding loans and financing of the Group amounted to RM31.7 billion compared with RM28.6 billion as at end December 2012. In a statement released after the Company's Seventh Annual General Meeting, Chairman Dato' Ooi Sang Kuang said, "The year 2013 was a landmark year for the Group. Following a strategic review in 2012, Cagamas is repositioning itself and laying new foundations to sustain future growth."

Total fixed income securities issued rose 100% to RM9.9 billion, comprising RM7.1 billion Sukuk and RM2.8 billion conventional bonds. The Group's fixed income securities accounted for 9% of total outstanding corporate fixed income securities and 25% of all outstanding AAA fixed income securities in Malaysia. Dato Ooi added "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. 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 Group remained strongly capitalised during 2013 with Core Capital Ratio and Risk Weighted Capital Ratio (RWCR) standing at a high of 38.4% and 39.2% respectively. Total shareholders' funds for the Group increased to RM4.8 billion from RM4.3 billion while net tangible assets per share was higher at RM31.70, compared with RM28.35 in 2012. For the financial year, the Group declared a total dividend amounting to 15 sen per share to the shareholders.

At the subsidiary level, Cagamas posted a higher pre-tax profit of RM424.8 million in 2013, an increase of 45.0% from RM293.0 million in 2012, due mainly to higher purchases of assets and higher treasury income. Earnings per share of Cagamas were 212 sen in 2013, compared with 146 sen in 2012. Total shareholders' funds for Cagamas grew by 13.6% to RM2.5 billion while net tangible assets per share were higher at RM16.78. Cagamas' RWCR was strong at 24.3% as at end 2013.

During the financial year, the special purpose vehicle Cagamas MBS Berhad (CMBS), contributed a higher pre-tax profit of RM270.7 million compared with RM253.4 million in 2012 due to lower interest/ profit expense attributable to Residential Mortgage-Backed Securities (RMBS)/Islamic RMBS holders. For Cagamas SRP Berhad (CSRPE), pre-tax profit increased by 7.9% to RM3.9 million contributed mainly by investment returns from money market and available-for-sale investments. Guarantee activities however achieved a commendable pre-tax profit growth of 36.6% due to the rise of RM1.7 million in guarantees written.

Cagamas Holdings

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 (formerly known as Cagamas HKMC Berhad).

Its wholly owned subsidiary, Cagamas Berhad (Cagamas), the National Mortgage Corporation, was established in 1986 to promote the broader spread of house ownership and growth of the secondary mortgage market in Malaysia. It issues debt securities to finance the purchase of housing loans from financial institutions and non-financial institutions. The provision of liquidity at a reasonable cost to the primary lenders of housing loans encourages further financing of houses at an affordable cost. In addition, Cagamas Berhad also securitizes mortgage loans/receivables and SME loans/receivables through its sister companies, Cagamas MBS Berhad and Cagamas SME Berhad respectively. Cagamas Holdings Berhad also provides mortgage guarantee to mortgage lenders through Cagamas MGP Berhad (formerly known as Cagamas HKMC Berhad).

The Cagamas model is well regarded by the World Bank as a successful secondary mortgage liquidity facility. Cagamas is the leading issuer of AAA debt securities in Malaysia as well as one of the top Sukuk issuers in the world. Since incorporation in 1986 till end 2013, Cagamas has cumulatively issued RM275.5 billion of conventional bonds and Sukuk.

Cagamas' debt securities continue to be assigned the highest ratings of AAA and P1 by RAM Rating Services Berhad and AAA/AAA_{ID} and MARC-1/MARC-1_{ID} 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.

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