

CAGAMAS RECORDS POSITIVE BUSINESS GROWTH FOR 2021



From left: Datuk Chung Chee Leong, President/ Chief Executive Officer and Dato' Bakarudin Ishak, Chairman, Cagamas Holdings Berhad

Kuala Lumpur, 29 April 2022 – Cagamas Holdings Berhad (the Group) today announced its 2021 financial performance and business activities.

In a statement released after the Group's 15th Annual General Meeting, Chairman Dato' Bakarudin Ishak said, "Despite a challenging business environment, the Group's business activities remained commendable in 2021."

Main operating entity, Cagamas Berhad (Cagamas), recorded the largest asset purchase since 2017 at RM13.8 billion under the Purchase With Recourse ("PWR") scheme, reflecting pre-pandemic business momentum. Cagamas also successfully issued a total of RM19.2 billion bonds and sukuk in 2021, the highest since 2002. The issuances comprised RM11.9 billion in conventional debt issuances and RM7.3 billion in sukuk. Foreign currency issuances accounted for 13% or RM2.6 billion of total issuances. Cagamas remained one of the largest issuers of corporate bonds and sukuk in Malaysia with 4.1% of the total outstanding corporate bonds and sukuk, and 18.1% of outstanding AAA-rated bonds and sukuk.

Cagamas Holdings

Meanwhile, Cagamas SRP Berhad (CSRSP) continues to support the Government's Skim Rumah Pertamaku (SRP) to assist Malaysians own their first homes. For 2021, CSRSP recorded its highest total value of new loans/financings approved since inception at RM4.9 billion for 20,485 households compared to RM3.9 billion in 2020, a year-on-year increase of 28%. About 85% of approved loans/financings applications are valued at RM300,000 and below. From this, 89% of loans/financings approved are from the low-income segment and 92% are from youths aged 35 years and below.

As of 31 December 2021, cumulative guarantee exposure extended by CSRSP for SRP increased by about 54% at RM1,528.5 million as compared with RM992.8 million in 2020.

Dato' Bakarudin said, "We have seen great traction in SRP applications with increased public awareness and better collaboration with our 26 participating banks. SRP's participation in the Government's Malaysian Housing Financing Initiative (i-Biaya) will further expand our outreach to the B40 and M40 groups and is expected to benefit 25,000 households with an estimated value of RM5.9 billion loans/financings in 2022."

Launched with an initial fund of RM100 million, Skim Saraan Bercagar (SSB) received an encouraging response since applications opened in January 2022. Potential borrowers undergo an information and assessment session with the Employees Provident Fund followed by a financial counselling session with Agensi Kaunseling dan Pengurusan Kredit prior to submission of application to Cagamas. Thus far, Cagamas has received a steady flow of applications and inaugural approvals have commenced in early April.

"SSB was developed for a specific demographic group requiring a niche financial solution. Hence, the acceptance levels are within our expectations for now. Once launched nationwide, we anticipate an increased momentum due to greater coverage and awareness," added Dato' Bakarudin.

In 2021, Cagamas continued to issue ASEAN Sustainability Bonds and ASEAN Sustainability SRI Sukuk worth RM700.0 million to finance the purchase of eligible sustainable assets.

Dato' Bakarudin said, "For 2022, the Group will allocate more resources to embed elements of Environment, Social and Governance (ESG) further in our corporate strategy. This includes developing a green financing methodology for home financing."

On the Group's financial performance, Cagamas Holdings Berhad recorded a profit before tax of RM427.9 million for 2021. Cagamas and Cagamas MBS Berhad continued to be the main contributors to the Group's financial results.

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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 supports the growth of the capital markets, Islamic finance and other priority sectors through the issuance of innovative instruments. The provision of liquidity 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, the Group has cumulatively issued RM368.9 billion of bonds and sukuk, including RM12.9 billion equivalent foreign currency issuances and RM10.2 billion Residential Mortgage Backed Securities, inclusive of issuances by its wholly owned subsidiaries, Cagamas Global P.L.C. (“CGP”) and Cagamas Global Sukuk Berhad (“CGS”), that are guaranteed by Cagamas. CGP was incorporated on 4 April 2014 in Labuan as a conventional fund-raising vehicle to undertake the issuance of notes in foreign currency, whereas CGS was incorporated on 5 May 2014 as an Islamic fund-raising vehicle to undertake the issuance of sukuk in foreign currency.

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Cagamas' corporate bonds and sukuk continue to be assigned the highest ratings of AAA/Stable/P1 by RAM Rating Services Berhad and AAA/MARC-1 and AAAIS/MARC-1IS by Malaysian Rating Corporation Berhad, denoting its strong credit quality. Cagamas is also well regarded internationally and has been assigned foreign currency long-term issuer rating of A3 by Moody's Investors Service that is in line with Malaysian sovereign ratings.

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