

The 6th ASIAN Secondary Mortgage Market Association Meeting
4th September 2019, Busan Korea



Corporate Update Presentation **CAGAMAS BERHAD**



Datuk Chung Chee Leong
President/Chief Executive Officer



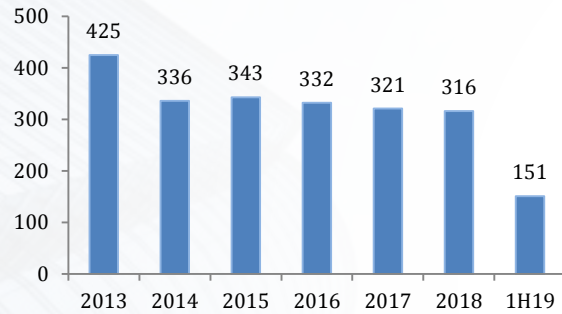
Updates

- **Financial Highlights**
 - **Asset Purchase**
 - **Issuances**
- **Mortgage Guarantee Programme**

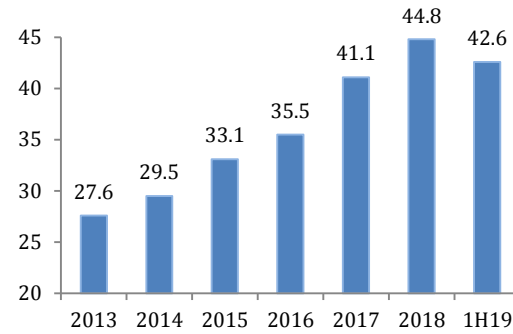
FINANCIAL HIGHLIGHTS

Healthy asset growth with sustained profitability

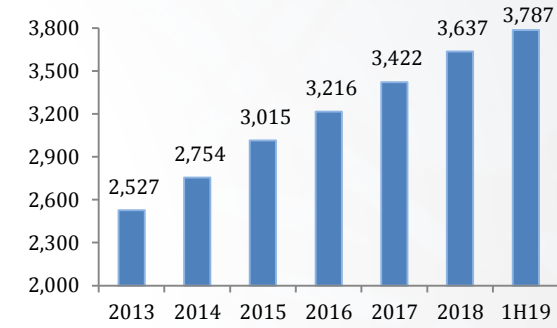
Profit Before Tax



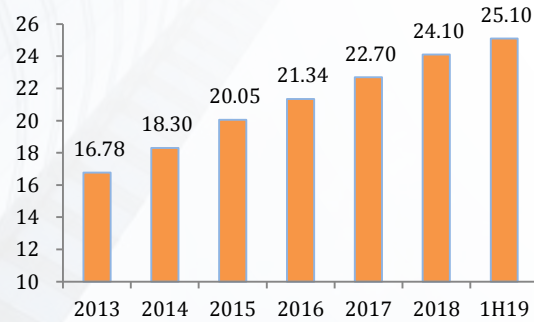
Asset Size



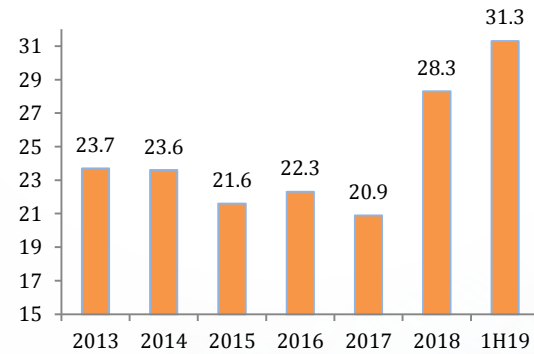
Shareholders' Fund



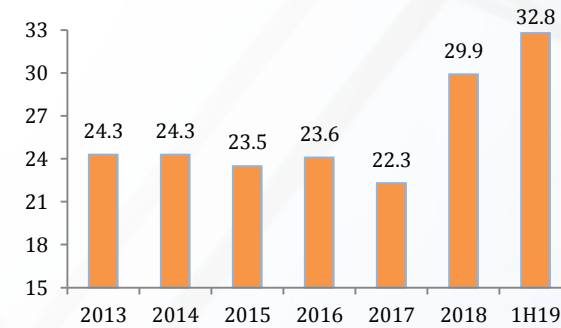
Net Tangible Asset per share



Core Capital Ratio



Risk Weighted Capital Ratio

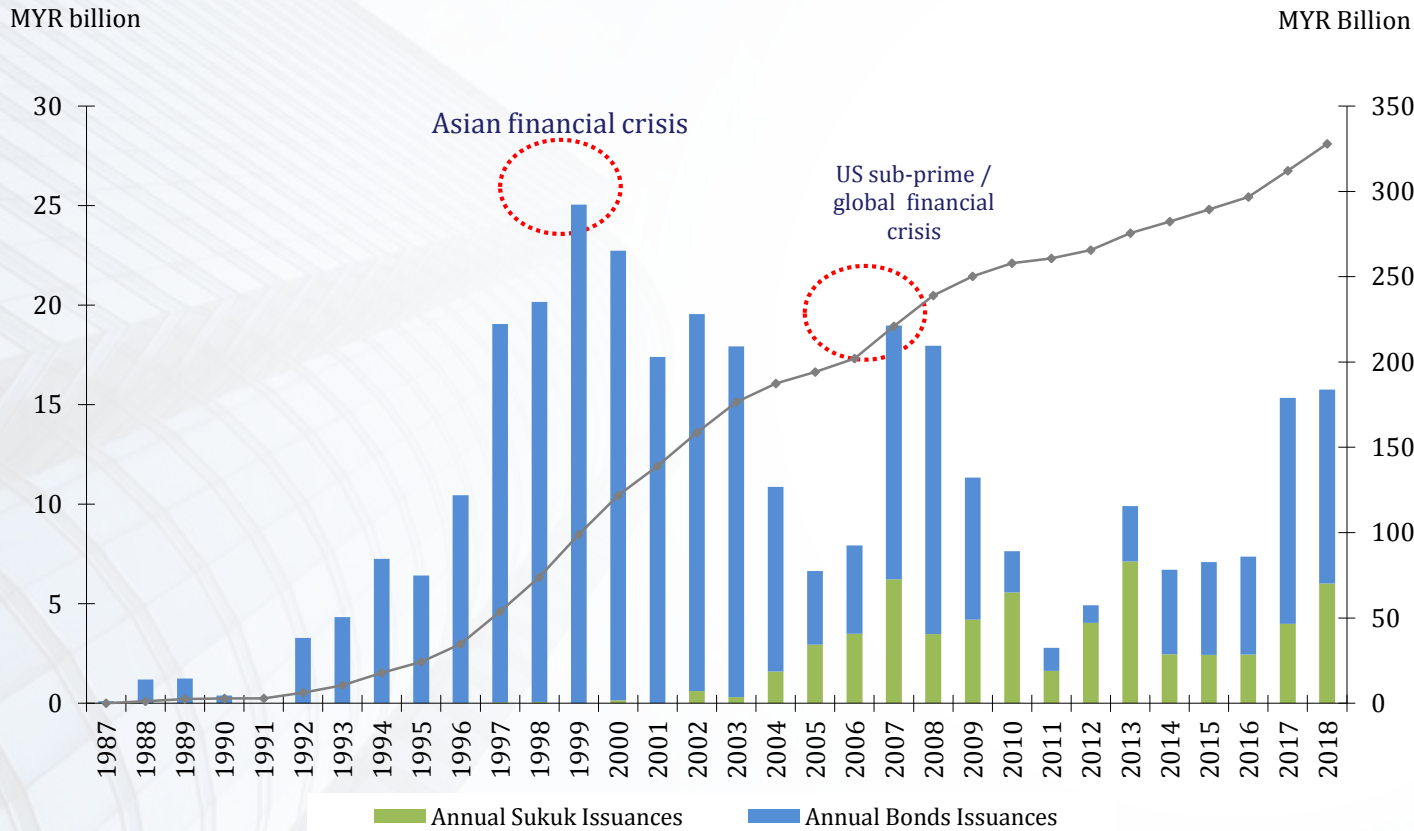


ASSET PURCHASE



- As at 31 December 2018, Cagamas has cumulatively refinanced housing loans in the secondary market equivalent to MYR153 billion or around 1.97 million houses mainly through 2 schemes – Purchase with Recourse (PWR) and Purchase Without Recourse (PWOR)
- In 2018, total asset purchase was MYR12.1 billion (2017 : MYR14.1 billion) , mainly comprised Conventional and Islamic mortgages on PWR basis
- The expected full implementation of the net stable funding ratio (NSFR) under Basel III in 2020 has boosted PWR asset growth for Cagamas in 2018. As at August 2019, total asset purchase stands at RM1.8 billion

BOND AND SUKUK ISSUANCES



- In 2018, Cagamas has achieved highest total aggregate issuances since 2008 at MYR15.8 billion (2017 : MYR 15.3 billion), comprising twenty-two (22) new Cagamas debt securities and five (5) new Cagamas foreign currency issuance exercises. Total Group’s issuance since 1987 currently stands at MYR327.8 billion. As at August 2019, total issuance stands at MYR5.59 billion
- Concluded 1st USD denominated FRN with the issuance of the Company’s inaugural 3-year USD FRN due to continued foreign investor confidence in the Company’s credit as well as acceptance towards investment in Malaysian corporates
- Received approval from the Malaysia’s Securities Commission for the upsizing of the existing RM40.0 billion Medium-Term Notes (MTN) Programme to RM60.0 billion as well as extending the tenure of the programme by 20 years to 60 years

CAGAMAS BOND YIELD

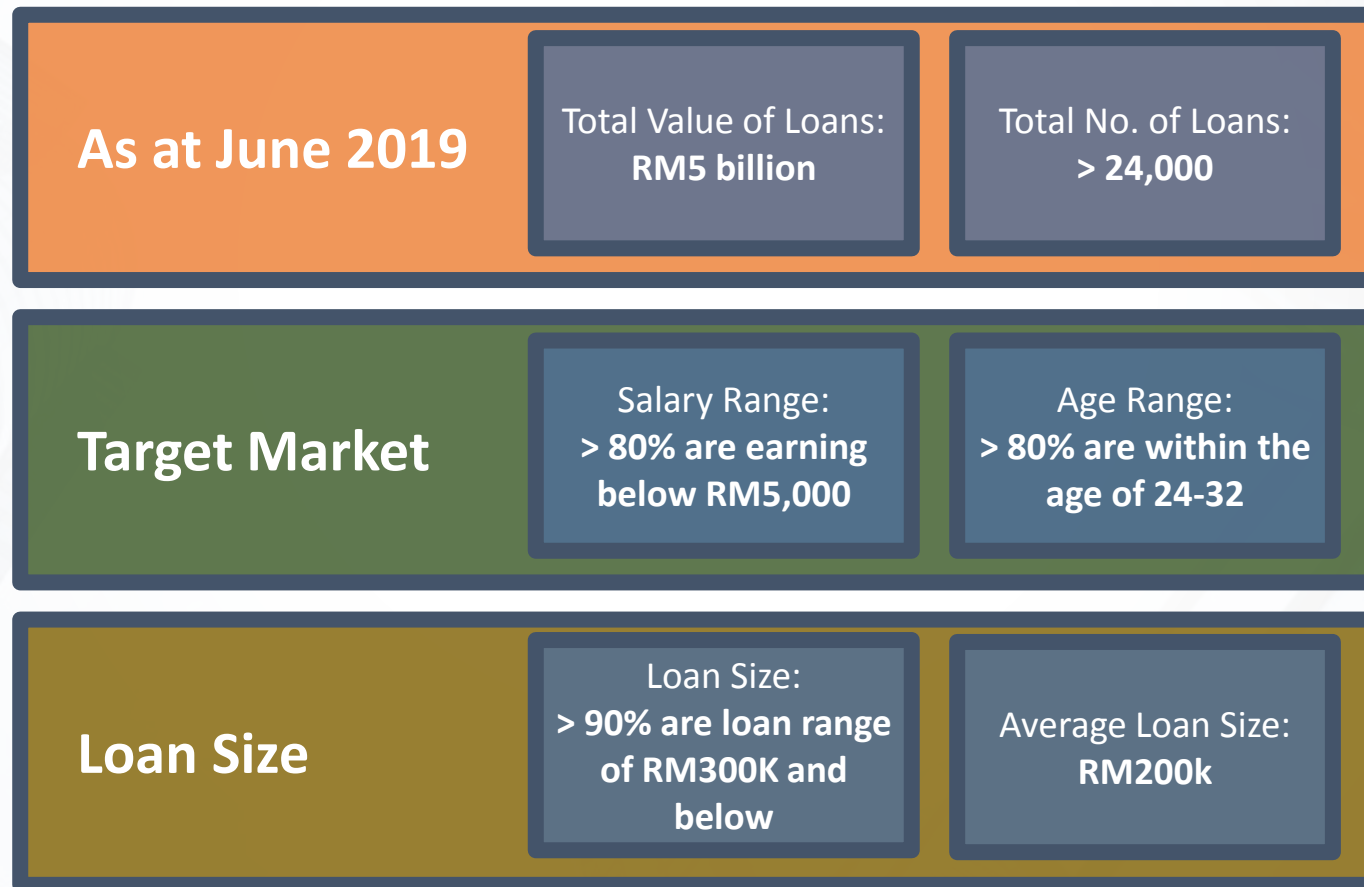
Cagamas bond yield comparison against Malaysian Government Securities (MGS), Government Guaranteed, AAA, AA1 and A1 Corporate Bonds & Sukuk (CBS)*



*Source: Bond Pricing Agency Malaysia (BPAM) as at 27 August 2019

MORTGAGE GUARANTEE PROGRAMME

In line with Malaysia's Government priority to promote affordable housing to the nation, Cagamas SRP Berhad (CSRP) provides mortgage guarantee to primary lenders through 2 affordable housing schemes - Skim Rumah Pertamaku (My First Home Scheme; SRP) and Skim Perumahan Belia (Youth Housing Scheme; SPB).



MORTGAGE GUARANTEE PROGRAMME

In 2018, the CSRP was expanded to include wider group of the first time home buyers. The criteria of the enhanced SRP home financing are as follows :

Eligibility	<ul style="list-style-type: none"> • Malaysia citizen • Salaried worker or self-employed • Single or joint applicants • No record of impaired financing for the past 12 months
Property Type	Residential properties in primary and secondary market
Property Price ("PP")	Up to MYR500,000
Gross Monthly Household Income	<ul style="list-style-type: none"> • For property priced up to MYR500,000 Gross monthly household income must not be more than MYR5,000 for single applicant or not more than MYR10,000 for joint applicants (subject to maximum gross monthly household income of MYR5,000 per applicant) • For property priced up to MYR300,000 Gross monthly household income must not be more than MYR5,000 for single or joint applicants
Maximum Financing to Value ("FTV")	Up to 110%
Guarantee by CSRP	Up to 1st 20% (for FTV > 90% to 110%)
Debt Service Ratio ("DSR")	Based on the FI's underwriting policy
Financing Tenure	35 years or up to age 70, whichever is shorter
Applicant's Age	Age limit is subject to financing tenure
Financial Education*	<ul style="list-style-type: none"> • Mandatory online financial education module provided by AKPK to assist potential applicants to understand their financial commitments prior to purchasing a home • Module can be accessed from AKPK's RumahKu portal at learn.akpk.org.my
Moratorium (for sale of property)*	5 years (* Financial education and moratorium period are only applicable to applicants with gross monthly household income of not more than RM5,000 and to buy property priced at RM300,000 and below)



New Initiative

- **Home Equity Scheme**

Home Equity Scheme

Objective :

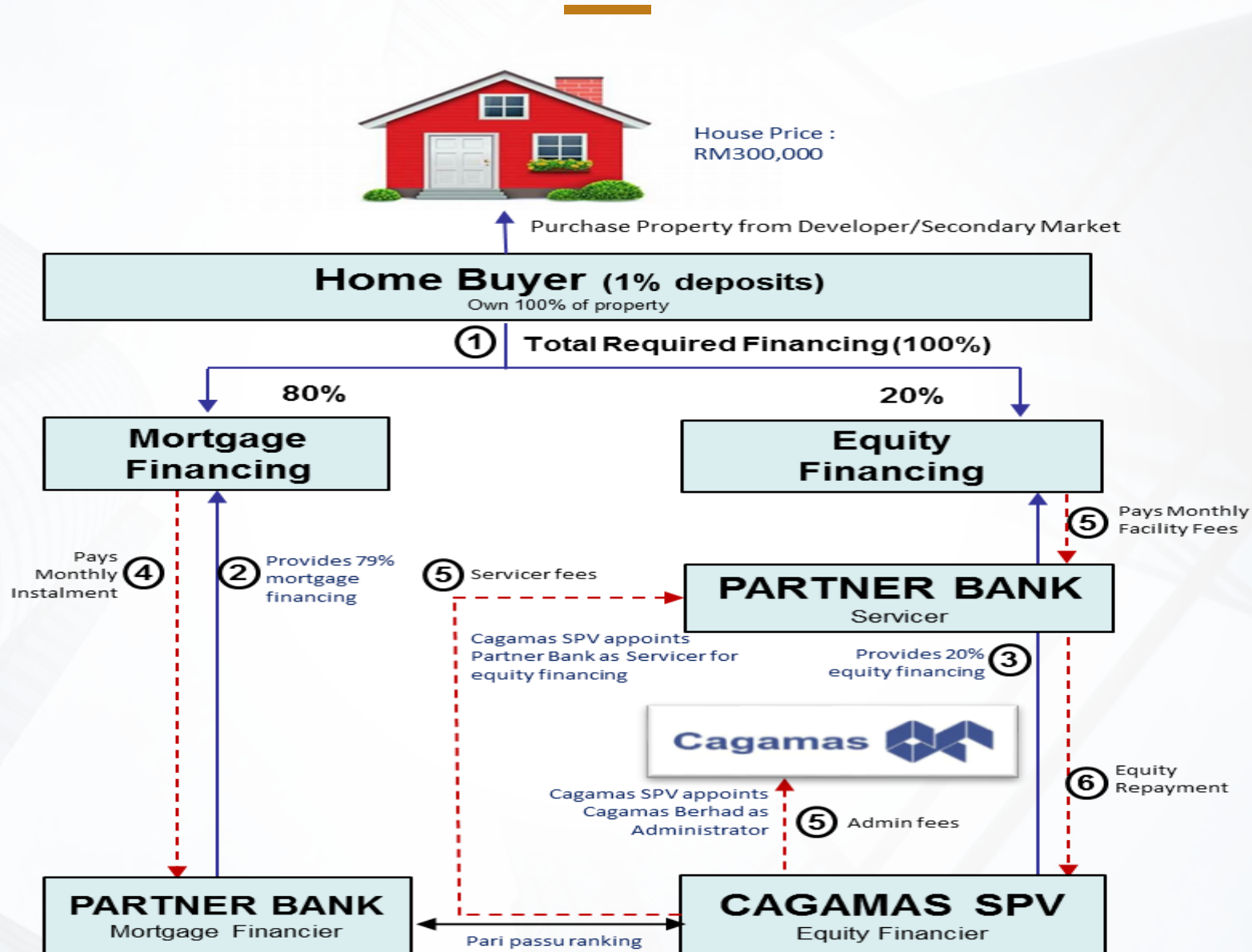
- Facilitate homebuyers to own homes today and allows them to have sufficient time to fully transition into the regular banking system.
- Addresses homebuyers who qualifies for a mortgage but lacks the savings to come up with the down payment.



How it works :

- Homebuyer purchases the property and obtains financing from Bank and Cagamas/SPV under Cagamas Home Equity Scheme whereby:
 - ✓ Homebuyer purchases property and pays at least 1% deposits.
 - ✓ Homebuyer obtains at least 80% of total required financing from Bank and
 - ✓ Up to 20% of total required financing from Cagamas SPV under Cagamas Home Equity Scheme

Proposed Structure : Home Equity Scheme





Highlights

2019

Highlights in 2019

- **Affordable Housing Conference** : Joint collaboration between Cagamas and the World Bank Group, the conference were held on 2nd to 3rd April 2019 with a theme “Constructing & Financing Affordable Housing across Asia”. Attended by more than 450 participants from over 30 countries, supported by 40 high-calibre speakers from public and private sectors, academia and Non- Government Organisations around the world.
- **Inaugural International Secondary Mortgage Market Association (ISMMA) Meeting** : The meeting was held on 1st April 2019 in conjunction with Affordable Housing Conference, attended by 34 participants from 13 countries globally.
- **Memorandum of Understanding (MOUs)** : Sealed MOUs with Korea Housing Finance Corporation (KHFC) and National Home Mortgage Finance Corporation (NHMFC) of Philippines to jointly explore housing financing methods to promote homeownership in respective countries.
- **Awards** :
 - ❑ Top Issuance 2018 (All) and Top Traded Amount 2018 (Conventional) by Bond Pricing Agency Malaysia
 - ❑ Islamic Issuer of the Year – Quasi-sovereign and Best Local Currency Sukuk, for 1.5 billion Ringgit Commodity Murabahah at The Asset Triple A Islamic Awards 2019
 - ❑ Islamic Finance Advocacy Award (Capital Markets) at Global Islamic Finance Awards (GIFA) 2019

Highlights in 2019



Affordable Housing Conference

Highlights in 2019



Inaugural ISMMA Meeting 2019

Highlights in 2019



Memorandum of Understanding with Korea Housing Finance Corporation (KHFC)

Highlights in 2019



Memorandum of Understanding with National Home Mortgage Finance Corporation (NHMFC) of Philippines



Highlights in 2019



The Asset Triple A Islamic Awards 2019

Highlights in 2019



“Makan” session with ASMMA members
Durian & Fish Head Curry



Thank you