

# Cagamas Berhad and other Subsidiary Companies

## MAIN OPERATING SUBSIDIARY

Cagamas Berhad (“Cagamas”), the National Mortgage Corporation of Malaysia, was established in 1986 to promote home ownership 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.

The Cagamas model is well regarded by the World Bank as the most successful secondary mortgage liquidity facility. Cagamas is the 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, Cagamas has cumulatively issued RM358.7 billion (as at 31 December 2021) of bonds and sukuk, 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.

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 AAA<sub>IS</sub>/MARC-1<sub>IS</sub> 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.

## CAGAMAS MBS BERHAD

Cagamas MBS Berhad was incorporated on 8 June 2004 for the purpose of undertaking the purchase of mortgage assets and Islamic mortgage assets from the Government and the issuance of residential mortgage-backed securities and Islamic residential mortgage-backed securities to finance the purchases.

## BNM SUKUK BERHAD

BNM Sukuk Berhad (“BNM Sukuk”) was incorporated on 18 January 2006 for the purpose of undertaking the issuances of Islamic investment securities namely Sukuk BNM Ijarah (“SBI”) and Sukuk BNM Murabahah (“SBM”) based on Shariah principles. The issuance of SBI is to finance the purchase of assets from Bank Negara Malaysia (“BNM”) and thereafter, the assets are leased to BNM for a specified period. The issuance of SBM is to enable BNM to manage liquidity via commodity trading under the principle of Murabahah.

BNM Sukuk has remained dormant since 1 September 2015.

## CAGAMAS SME BERHAD

Cagamas SME Berhad (“CSME”) was incorporated on 17 February 2006 to undertake the purchase of Small and Medium Enterprise loans and structured product transactions via cash or synthetic securitisations or a combination of both, through the issuance of bonds to finance the purchase.

CSME has remained dormant since 10 October 2012.

## CAGAMAS MGP BERHAD

Cagamas MGP Berhad (“CMGP”) was incorporated on 14 April 2008 to develop a mortgage guarantee business. Effective 20 December 2012, CMGP became a wholly owned subsidiary of Cagamas Holdings Berhad (“Company”) and is intended to complement the Company’s other activities and developmental initiatives.

CMGP has remained dormant since 1 January 2014.

## CAGAMAS SRP BERHAD

Cagamas SRP Berhad was incorporated on 7 January 2011 to undertake the guarantee of residential mortgages under the *Skim Rumah Pertamaku – My First Home Scheme* announced by the Government in the 2011 Malaysia Budget and the *Skim Perumahan Belia – Youth Housing Scheme* announced by the Government on 1 October 2015. The provision of guarantee under both schemes is based on the mortgage guarantee programme offered to financial institutions.