

Cagamas - National Mortgage Corporation of Malaysia

ASMMA Annual Meeting
4 December 2023



LATEST HOUSING FINANCE DEVELOPMENT IN MALAYSIA

- Malaysia's **real estate market recorded a stable performance in the first half of 2023**, as the volume of transactions showed a marginal decrease of 2.1% to 184,140 for 1H 2023 versus 188,002 in the corresponding period last year.
- The residential property segment continued to drive the market with more than 60% of the total transaction volume.



PROPERTY
TRANSACTIONS

MORTGAGES



- Total banking system loan growth still sluggish (4.2% YoY), but retail contributions are strong** particularly hire purchase (9.1% YoY), residential mortgages (7.1% YoY) and unsecured lending (6.3% YoY).
- In terms of segment, growth of residential loans is mainly attributed to homes with price range of >RM500,000-RM1,000,000 (35% YoY) and >RM250,000 to RM500,000 (31%)

- For National Budget 2024, **RM5.8bil (~USD1.2bil) allocated for affordable and social housing programs** such as Program Perumahan Rakyat (People Housing Program), Program Rumah Mesra Rakyat (People Friendly Homes), housing facilities for public servants and repairing and maintenance work for low to medium cost housing.
- An **RM10bil (~USD2.1bil) allocation to expand the Skim Jaminan Kredit Perumahan (Home Financing Credit Guarantee Scheme)**, benefiting 40,000 borrowers.



MADANI
ECONOMY



KEY FINANCIAL HIGHLIGHTS AS OF JUNE 2023

Net Operating Income

RM175 mil
(USD37 mil)

June 2022:
RM163 mil
(USD37 mil)

Profit Before Tax

RM151 mil
(USD32 mil)

June 2022:
RM136 mil
(USD31 mil)

Total Assets

RM51,219 mil
(USD10,756 mil)

Dec 2022:
RM46,104 mil
(USD10,604 mil)

Shareholder Equity

RM4,423 mil
(USD929 mil)

Dec 2022:
RM4,309 mil
(USD991 mil)

Cost-to-Income Ratio

16.60%

Dec 2022:
16.55%

Gross Impaired Loans

0.37%

Dec 2022:
0.42%

Return on Equity (based on PBT)

6.94%

Dec 2022:
7.09%

Total Capital Ratio

34.90%

Dec 2022:
37.01%

1. Please refer to <https://www.cagamas.com.my/investor-relations/financial-results/> for Cagamas' financial statements.
2. Exchange rate – June and Dec 2022: RM1 = USD0.23, June 2023: RM1 = USD0.21



KEY BUSINESS HIGHLIGHTS FOR 2023



INCREASE IN PWR PURCHASE

Purchased **RM14.8 billion (USD3.1 billion) (+59% YoY)** of housing loans, home financings and eligible sustainability assets from local financial institutions.



FIRST PWOR WITH FINANCIAL INSTITUTIONS

Purchased **RM57 million (USD12 million)** of housing loans and home financings from foreign financial institutions.



STABLE FUND RAISING

RM24.1 billion (USD5.1 billion) of total funds raised to date, of which, around 95% was dominated by domestic issuances of bonds and sukuk



FOREIGN CURRENCY ISSUANCES

Concluded 9 foreign currency (FCY) issuances amounting to **RM3.9 billion equivalent or ~USD0.8 billion**, the highest number since the establishment of the EMTN programme



SUSTAINABILITY

Issued **Cagamas inaugural Green Bond/ SRI Sukuk of RM300 million (USD63 million)**, and a total of **RM400 million (USD84 million)** green and sustainability bonds and sukuk issuances



INNOVATIVE SOLUTIONS

Continued to raise awareness on Reverse Mortgage and Islamic Reverse Mortgage through participation in over 14 nationwide roadshows and awareness programs

Note:

1. The amount disclosed is based on the position as of September 2023
2. Exchange rate: RM1 = USD0.21

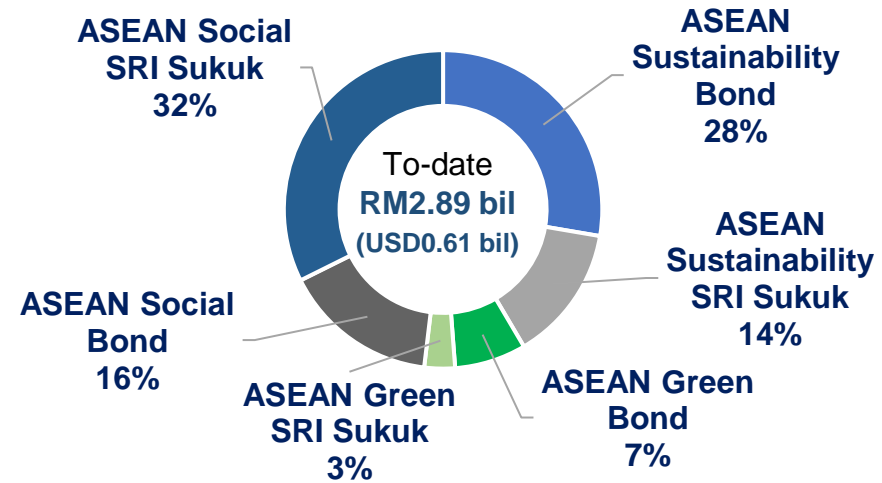
SUPPORTING UN'S SDG GOALS



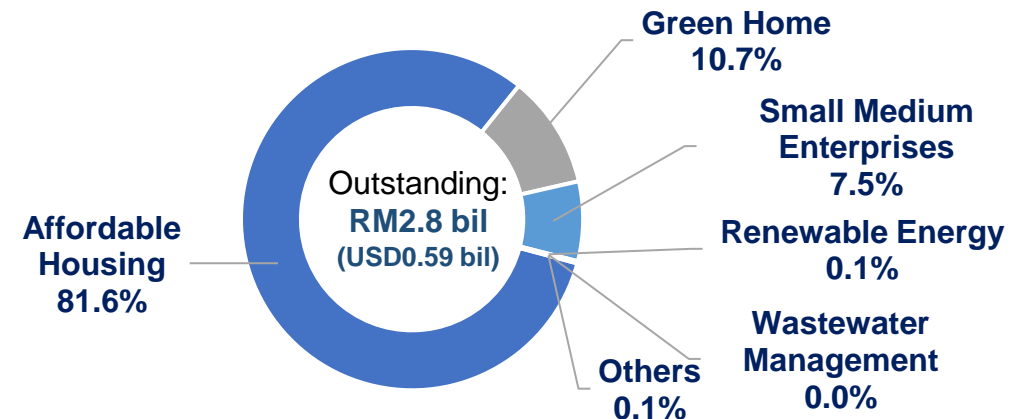
Cagamas Sustainability Bond/Sukuk Issuances



To-date, Cagamas has issued **RM2.89 billion (USD0.61 billion)** of Sustainability Bond and Sukuk in total which comprises of:



82% of the proceeds from the issuances were used for the purchase of loans/financing related to **Affordable Housing**:



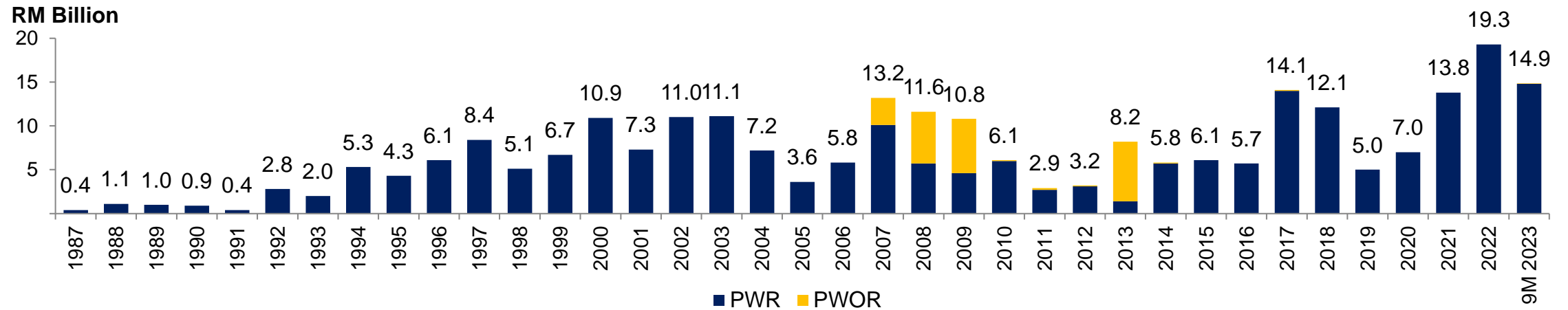
Note: Exchange rate: RM1 = USD0.21



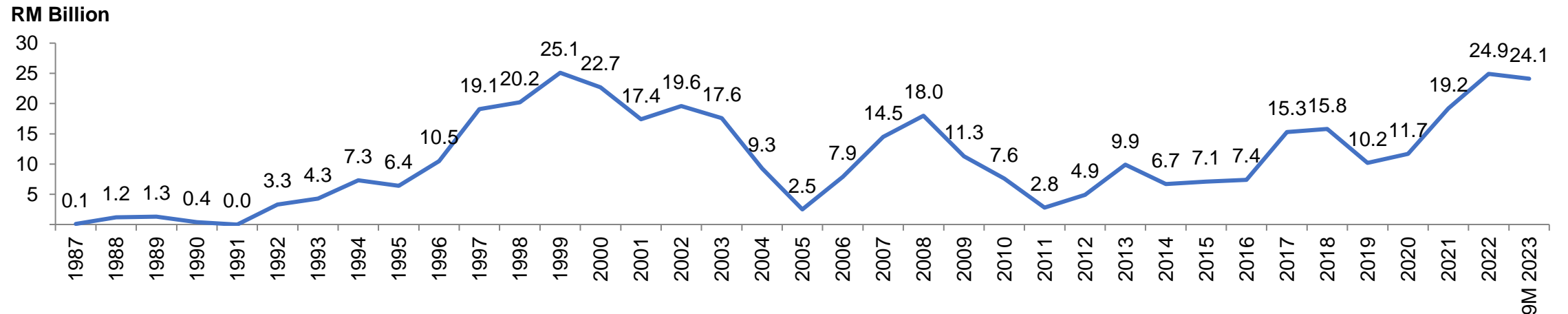
CAGAMAS ANNUAL PURCHASES & FUNDS RAISED

As of September 2023, Cagamas has cumulatively refinanced housing loans in the secondary market equivalent to **RM261.2 billion (USD54.9 billion)** and cumulatively issued bonds, sukuk and raised other funding equivalent to **RM407.6 billion (USD85.6 billion)**.

Cagamas' Annual Purchases 1987- 9M 2023



Cagamas' Annual Funds Raised 1987- 9M 2023



Note: Exchange rate: RM1 = USD0.21

CAGAMAS INNOVATIVE PRODUCTS & SOLUTIONS



Skim Rumah Pertamaku (“SRP”) (or My First Home Scheme)

Mortgage guarantees for housing loans and financing to facilitate first-time home buyers



110,514

Successful applicants under the SRP since 2011



87%

Applicants from the B40 income group



**RM25.7 bil
(USD5.5 bil)**

Total financing value approved under the SRP since 2011



14%

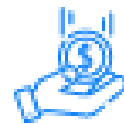
Market share for transactions for property below RM500,000

Skim Saraan Bercagar/ Skim Saraan Bercagar-i (“SSB/ SSB-i”) (or Reverse Mortgage/Islamic Reverse Mortgage)

Introduced reverse mortgage solutions through the launch of **Reverse Mortgage and Islamic Reverse Mortgage**, the first of its kind in the world.

- **Launched in 2021**, this scheme allows senior homeowners to convert their home equity into monthly cash income with no repayments upon the borrower’s demise.
- Cagamas has allocated RM100 million to assist the elderly in financing their retirement.

KEY FEATURES OF SSB



Lifetime tenure

Fixed monthly payouts throughout the lifetime of the borrower(s).



No payment during lifetime

Settlement is only due when the last surviving customer(s) passes away.



Residing in own home

Customer(s) can continue to stay in their home throughout their life.



Non-recourse

Heirs/estate of the customer(s) will not be responsible for settling the outstanding loan and any shortfall of the sale proceeds.

Notes:

1. Data as of 1H2023.
2. SRP has been discontinued effective 1 April 2023.
3. B40 refers to monthly income of RM4,850 (USD1,000) and below.
4. Market share based on 1H22 results.
5. Exchange rate RM1 = USD0.214



THANK YOU

Cagamas Berhad

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