

# Message from the Chairman

**Dear Shareholders,**  
**The Cagamas Group of Companies (“The Group”) business activities remained commendable in 2021 amid a challenging business environment. The Board of Directors undertook a strategic review of its business direction so that it is well-positioned to continue delivering value to our stakeholders and contributing to the development of the industry.**

## SUSTAINED VALUE CREATION

The Group, which includes Cagamas Berhad (“Cagamas”), Cagamas MBS Berhad (“CMBS”) and Cagamas SRP Berhad (“CSR”), recorded a respectable profit before tax for 2021 at RM427.9 million, compared with RM512.2 million in 2020. Both Cagamas and CMBS continued to be the main contributors to the Group’s financial results. Cagamas purchased RM13.8 billion of assets under the Purchase With Recourse (“PWR”) scheme, which represents the largest purchase since 2017. This purchase volume reflects pre-pandemic business momentum and underscores Cagamas’ established role as a liquidity provider in assisting the financial institutions (“FIs”) in their liquidity management.

Cagamas 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, whereby 13% or RM2.6 billion of the total amount were foreign currency issuances via its subsidiary, Cagamas Global P.L.C. In addition, Cagamas successfully concluded the issuances of the ASEAN Sustainability Bonds and ASEAN Sustainability SRI Sukuk amounting to a total of RM700.0 million to finance the purchase of eligible sustainable assets. In 2021, Cagamas also participated in the subscription of subordinated debt issuances amounting to RM475.0 million

that were issued by the FIs. A notable milestone in 2021 was the introduction of the Skim Saraan Bercagar (“SSB”, reverse mortgage) in the Klang Valley, with an initial fund allocation of RM100.0 million. SSB aims to provide senior citizens with a competitive financial retirement solution to supplement their income needs. Since the launch, Cagamas has received applications from potential borrowers, which are currently being processed. SSB is targeted to be made available nationwide and at the same time, we are working towards introduction of a shariah-compliant SSB in the near future.

The Mortgage Guarantee Programme for Skim Rumah Pertamaku (“SRP”, My First Home Scheme) and Skim Perumahan Belia (“SPB”, Youth Housing Scheme) administered by CSR, have thus far helped 72,475 Malaysian households with a total loans/financings amount worth RM16.0 billion as at 31 December 2021. About 89% of these households, which own their first homes, represent the B40 group.

## STRENGTHENING CAPABILITIES

Guided by the Cagamas Cyber Security Roadmap, the Group channelled substantial resources into its Information Technology (“IT”) infrastructure to support future business activities. The first phase of the three-year roadmap in 2021 included the upgrading and replacing of critical IT hardware and software to accommodate the organisation’s digital platform initiatives. We also focused on raising our cyber security posture by implementing Data Loss Prevention, strengthening IT governance control and procuring cyber insurance. In addition, the Group concentrated on improving the methodology, governance and efficiency of our internal processes in alignment with the industry’s best practices.

Cagamas has enriched its talent development programme to raise skillsets and strengthened core competencies to cater to its future needs. Focus committees were established to design, administer and measure the effectiveness of the intended outcomes of these programmes. In addition to that, Cagamas has refreshed its core values emphasising on collaboration, accountability, resilience and excellence in its organisation culture.

## SHARED VALUE

In cognisance of a concerted global move towards a greener economy, the Group will allocate more resources to embed the elements of Environment, Social and Governance (ESG) further in our corporate strategy. This includes supporting FIs to catalyse the growth of ESG assets through liquidity from Cagamas. Furthermore, the Group is looking at developing a green financing methodology for financing of green housing and home improvement, as an ongoing initiative towards nation building and societal support, in addition to facilitating access to home ownership in Malaysia.

On behalf of the Board, I wish to extend our appreciation to all shareholders and stakeholders for their support as we continue to deliver on our mandate. I also wish to express our sincere gratitude to the management and employees of Cagamas for their dedication throughout the year. The achievements that Cagamas enjoys today is the culmination of the solid foundation built with our various stakeholders over the years, and we will continue to strengthen these relationships as we celebrate our 35<sup>th</sup> year anniversary in 2022.



**Dato' Bakarudin Ishak**  
Chairman