

# MESSAGE FROM THE CHAIRMAN

## Dear Shareholders,

In 2024, the Cagamas Group of Companies (“the Group”) successfully navigated a dynamic economic landscape shaped by global monetary policy adjustments, inflationary pressures, and geopolitical uncertainties. The Group remained focused on ensuring stability in its financial performance, supporting market liquidity, and advancing our role as a key enabler of sustainable home financing.

The Group’s performance in 2024 reflects the early fruition of the House of the Future (“HOF”) 5-year strategic plan, demonstrating our discipline in liquidity management, strategic pricing, and proactive market condition management. Pre-tax profits grew to RM477.7 million, continuing our positive financial trajectory since 2021 and posting improvements across most major financial indicators. This success was supported by contributions from Cagamas Berhad, Cagamas MBS Berhad, and Cagamas SRP Berhad. Total Capital Ratio (TCR) remained robust, increasing to 50.5% from 43.1% in 2023, demonstrating enhanced capital adequacy and solid credit strength.

The Group continued to provide liquidity support to financial institutions (“FIs”) through RM13.0 billion in total acquisitions under the Purchase with Recourse (“PWR”) business, ensuring FIs have access to stable funding channels while maintaining strong relationships with market participants. Additionally, we acquired RM3.5 billion in sustainable PWR assets to date, which aligns with our aim to ensure that 10% of our total assets are sustainable and green by 2030, advancing our commitment to Environmental, Social, and Governance (“ESG”) integration. This supports the growth of our long-term business strategy, underpinned by a robust Internal Capital Adequacy Assessment Process (ICAAP) framework that ensures a sustainable approach to balancing asset growth while maintaining adequate reserves and risk parameters.

Cagamas’ funding strategy remained aligned with investor demand and capital market trends. We successfully raised RM21.3 billion through the issuance of bonds, sukuk, and money market instruments, reinforcing our

market position as a leading corporate issuer in 2024. Key initiatives included the RM50 million Social Repo Agreement, which provided critical financing to Small and Medium Enterprises (“SMEs”), and RM290 million in short-term Islamic debt securities carrying a social label. Internally, we began observing issuances on specific calendar dates, allowing us to analyse market dynamics and assess the impact on our cash flow before transitioning to a pre-announced issuance calendar by 2026. These efforts illustrate our ability to navigate the capital markets effectively while reinforcing our role as a key funding intermediary for the housing sector.

The positive momentum from HOF lays the foundation for sustained growth, driven by a clear focus on strengthening profitability, expanding product offerings, and enhancing market reach. The Group remains committed to solidify its financial strength and continues to institutionalise risk management capabilities to optimise portfolio performance and drive value creation for stakeholders.

### Advancing ESG in Housing Finance: Expanding Impact

ESG is now a core part of the Group’s business strategy, ensuring financial sustainability while aligning to Malaysia’s climate goals and broader global commitments. Through its sustainability framework, Cagamas actively integrates key Sustainable Development Goals (SDGs) into its operations which supports national sustainability objectives and strengthens the Group’s ability to deliver ESG-aligned financing.

In 2024, Cagamas advanced its leadership in sustainable finance by issuing RM1.2 billion in green and sustainability-linked bonds and

sukuk, demonstrating strong investor demand. The Group aims for 10% of its total assets to be sustainable and green or ESG-linked by 2030, embedding ESG into its financial products, risk management, and capital market activities while broadening access to green and affordable housing solutions.

The Group is expanding its commitments by enhancing its liquidity products and guarantee services to support sustainable lending and affordable green home financing. Planned innovations include reverse mortgage offerings, SME funding options, guarantee programmes for energy-efficient retrofitting and fixed-rate financing programmes. The Group also aims to develop green housing standards in collaboration with industry stakeholders, which will help accelerate ESG adoption, improve risk management, and attract ESG investors.

The Group will also focus towards strengthening its global and regional partnerships in sustainable finance through partnerships with regulators, financial institutions, developers, supranational organisations and secondary mortgage market associations. These collaborations provide a platform for Cagamas to collaborate with housing finance peers as well as advocate for the growth of the housing finance industry in Malaysia and beyond.

As the Group moves forward, it remains focused on maintaining its financial strength, expanding ESG adoption, and ensuring its continued leadership in Malaysia’s housing finance ecosystem.

I extend my appreciation to our stakeholders, investors, and business partners for their continued confidence in the Group. As we move into this new phase, we remain committed to leading with clarity, action, and purpose, ensuring that sustainable home financing becomes the industry standard.



**Dato' Bakarudin Ishak**  
Chairman