

HOUSING THE NATION

# SUSTAINABLE GROWTH



## HOUSING THE NATION

# SUSTAINABLE GROWTH

The Cagamas Group of Companies is committed towards promoting the broader spread of homeownership and growth of the secondary mortgage market in Malaysia. Over the years, we have delivered value with our innovative facilities and efficient service. We will continue to play a proactive role in supporting the Government's affordable homeownership programmes, thus fulfilling our role in Housing the Nation and ensuring sustainable growth for a brighter future.



# CAGAMAS ANNUAL REPORT 2018

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# VISION

To promote homeownership  
and contribute towards nation  
development



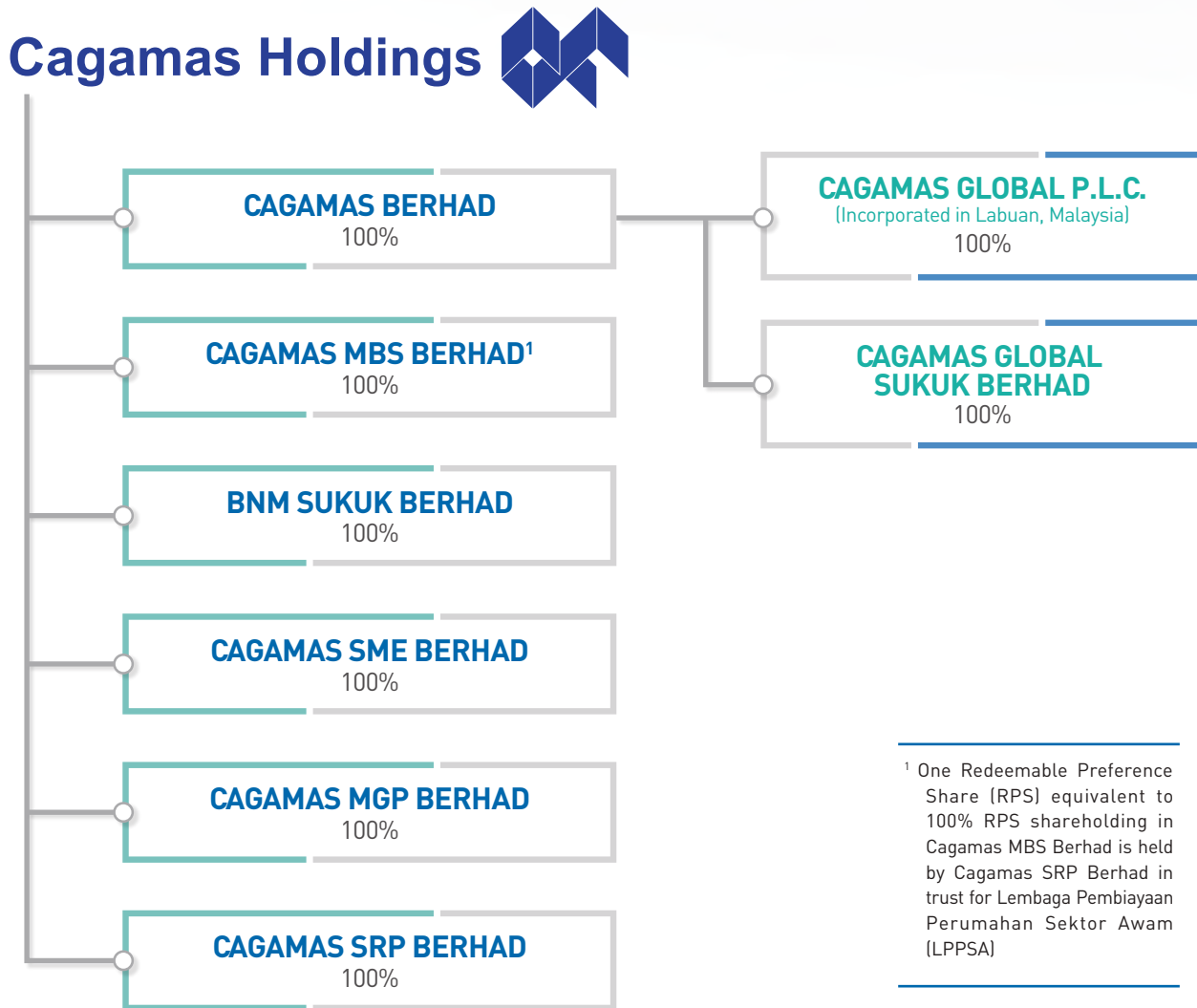


# MISSION

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- 1 Support the Government's initiatives on homeownership
- 2 Provide liquidity to the financial sector as a secondary mortgage corporation
- 3 Contribute towards the growth of the capital markets, Islamic finance and other priority sectors through issuance of innovative instruments
- 4 Offer bespoke risk and capital management solutions in line with the Company's objectives
- 5 Embrace a culture of deploying sustainable initiatives
- 6 Promote professionalism, integrity and good corporate governance





**1 • Registered Office**

Level 32, The Gardens North Tower  
Mid Valley City, Lingkaran Syed Putra  
59200 Kuala Lumpur  
Tel : +603-2262 1800  
Fax : +603-2282 9125

**2 • Company Secretary**

Sarah Abdul Aziz (LS 0008763)

**3 • Auditors**

Messrs. PricewaterhouseCoopers PLT  
Level 10, 1 Sentral, Jalan Travers  
Kuala Lumpur Sentral  
50470 Kuala Lumpur

**4 • Banker**

Malayan Banking Berhad



## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Twelfth (12<sup>th</sup>) Annual General Meeting (AGM) of Cagamas Holdings Berhad (the Company) will be held at Meeting Room 1 & 2, Level 4, Lanai Kijang, Bank Negara Malaysia, No. 2, Jalan Berjasa, 50480 Kuala Lumpur on Friday, 3 May 2019 at 11.00 a.m. for the transaction of the following business:

AS ORDINARY BUSINESS		
1.	To receive the Audited Financial Statements for the financial year ended 31 December 2018, together with the Reports of the Directors and Auditors thereon.	
2.	To approve the following payment of Directors' Fees: (a) Directors' Fees amounting to RM420,000 for the financial year ended 31 December 2018 (b) Directors' Fees from 1 January 2019 to the 13 <sup>th</sup> AGM as stated below, payable in a manner as the Directors may determine: (i) RM100,000 per annum for the Chairman of the Board; (ii) RM70,000 per annum for the Chairman of Board Committees; and (iii) RM70,000 per annum for the Members of the Board.	<b>(Ordinary Resolution 1)</b>  <b>(Ordinary Resolution 2)</b>
3.	To approve the Directors' benefits comprising meeting allowances payable to the Directors from 1 January 2019 to the 13 <sup>th</sup> AGM as follows: (a) RM5,000 per meeting for the Chairman of the Board/Chairman of Board Committees; and (b) RM3,500 per meeting for each Member of the Board/Board Committees.	<b>(Ordinary Resolution 3)</b>
4.	To re-elect the following Directors who are retiring by rotation pursuant to Articles 19.13 and 19.14 of the Company's Constitution and being eligible, offer themselves for re-election: (a) Tan Sri Dato' Sri Tay Ah Lek (b) Datuk Abdul Farid bin Alias	<b>(Ordinary Resolution 4)</b> <b>(Ordinary Resolution 5)</b>
5.	To re-elect the following Directors who are retiring pursuant to Article 19.10 of the Company's Constitution and being eligible, offer themselves for re-election: (a) Dato' Bakarudin bin Ishak (b) Datuk Seri Dr. Nik Norzrul Thani bin N. Hassan Thani	<b>(Ordinary Resolution 6)</b> <b>(Ordinary Resolution 7)</b>
6.	To appoint Messrs. PricewaterhouseCoopers PLT as Auditors of the Company and to authorise the Board of Directors to fix their remuneration.	<b>(Ordinary Resolution 8)</b>
AS SPECIAL BUSINESS		
To consider and, if thought fit, pass the following Resolutions:		
7.	Retention of Independent Director THAT Datuk George Ratilal hereby be retained as an Independent Director of the Company until the conclusion of the next Annual General Meeting.	<b>(Ordinary Resolution 9)</b>
8.	Proposed Amendment to the Constitution of Cagamas Holdings Berhad (Proposed Amendment) THAT the existing Constitution of the Company be altered, modified, added and/or deleted, as the case may be, in the form and manner as set out in Appendix A accompanying the Company's Annual Report 2018.  AND THAT the Directors be and are hereby authorised to do all such acts, deeds and things as are necessary and/or expedient in order to give full effect to the Proposed Amendment with full powers to assent to any conditions, modifications and/or amendments as may be required by any relevant authorities.	<b>(Special Resolution 1)</b>



9.	To transact any other business of which due notice shall have been given in accordance with the Companies Act, 2016 and the Constitution of the Company.	
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By Order of the Board

Sarah Abdul Aziz (LS 0008763)  
Company Secretary  
Kuala Lumpur  
11 April 2019

#### NOTES

1. A member entitled to attend and vote at the Meeting may appoint not more than two (2) proxies to attend and vote on his behalf. Where a member appoints two (2) proxies, the appointment shall be invalid unless the proportion of the shareholdings to be represented by each proxy is specified. A proxy may, but need not be a member of the Company.
2. In the case where a member is a corporation, the Proxy Form must be executed under its common seal or under the hand of its attorney.
3. All Proxy Forms must be duly executed and deposited at the Registered Office of the Company at Level 32, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur not less than 48 hours before the time appointed for holding the Meeting or adjourned meeting as the case may be.

#### Explanatory Notes on Ordinary Business

##### 1. Audited Financial Statements for the Financial Year Ended 31 December 2018

The Audited Financial Statements are laid in accordance with Section 340(1)(a) of the Companies Act 2016 for discussion purposes only. The Audited Financial Statements do not require shareholders' approval and as such, will not be put forward for voting.

##### 2. Ordinary Resolution 1 & 2 – Payment of Directors' Fees

The Board had, at its 46<sup>th</sup> meeting held on 11 December 2018, agreed to recommend for the shareholders' approval, the following proposed fee structure:

No.	Category	Existing Fee* RM/annum	Proposed Fee# (RM/annum)
1.	Chairman of the Board	RM60,000	RM100,000
2.	Chairman of the Board Committee	RM55,000	RM70,000
3.	Member	RM50,000	RM70,000

\* Implemented with effect from 14 July 2011

# To be implemented with effect from 1 January 2019, subject to approval at the 12<sup>th</sup> AGM

##### 3. Ordinary Resolution 3 – Payment of Directors' Benefits

The Board had, at its 46<sup>th</sup> meeting held on 11 December 2018, agreed to recommend for shareholders' approval the proposed revision to the meeting allowance payable to the Directors as follows:

No.	Category	Existing Meeting Allowance* (RM/per meeting)	Proposed Meeting Allowance# (RM/per meeting)
1.	Chairman of the Board	RM4,500	RM5,000
2.	Chairman of the Board Committee	RM4,500	RM5,000
3.	Member	RM3,500	RM3,500

\* Implemented with effect from 14 July 2011

# To be implemented with effect from 1 January 2019, subject to approval at the 12<sup>th</sup> AGM

#### Explanatory Notes on Special Business

##### 4. Ordinary Resolution 9 – Retention of Independent Director

The proposed resolution is to seek the shareholders' approval to retain Datuk George Ratilal as an Independent Non-Executive Director. Datuk George has served the Company as an Independent Non-Executive Director for a cumulative period of over ten (10) years. The Group Board Governance Committee has made the necessary assessment and recommended to the Board that Datuk George be retained as an Independent Director based on his ability to maintain his independence of judgment and to express and maintain unbiased views without any influence.

##### 5. Special Resolution 1 – Proposed Amendment of the Constitution of the Company

This proposed Special Resolution, if passed, will give full effect to the Proposed Amendment as set out in Appendix A accompanying the Company's Annual Report 2018.

The rationale of the Proposed Amendment is to align the Constitution of the Company with the Companies Act, 2016, which came into effect on 31 January 2017.

SUPP



# HOUSING

The Government's Initiatives  
on Homeownership



## PROFILE OF THE BOARD OF DIRECTORS



**MR. NIK MOHD HASYUDEEN BIN YUSOFF**  
Chairman  
Independent Non-Executive



54 years



1 January 2017  
(Appointed as Chairman  
on 1 July 2017)



Malaysian



4/4

### Membership of Board Committee

Member, Group Board Governance Committee

### Qualification

- Fellow, CPA Australia
- Degree in Business, Curtin University of Technology, Perth

### Working Experience/Other Directorships

#### Present

- Founder, Inovastra Capital Sdn. Bhd.
- Director, Bank Islam Malaysia Berhad
- Director, BIMB Holdings Berhad
- Director, BIMB Investment Management Berhad
- Public-Interest Director, Federation of Investment Managers Malaysia (FIMM)
- Director, TH Plantations Berhad
- Board Member of Universiti Utara Malaysia
- Member, Corporate Debt Restructuring Committee (set up by Bank Negara Malaysia)
- Director, Al Hijrah Media Corporation

### Past

- Securities Commission Malaysia
  - Executive Director, Market and Corporate Supervision
  - Executive Chairman, Audit Oversight Board
- Member, Bursa Malaysia Listing Committee
- Operational Review Panel, Malaysia Anti Corruption Commission
- President, Malaysian Institute of Accountants
- Vice President, ASEAN Federation of Accountants
- Executive and Strategy Committee, Confederation of Asian and Pacific Accountants
- Chairman, Committee to Strengthen the Accountancy Profession

### Declaration

The Director has no:

- Family relationship with any director of the Company.
- Conflict of interest with the Company and has never been charged for any offence.



**DATUK SHAIK ABDUL RASHEED BIN ABDUL GHAFFOUR**  
Non-Independent Non-Executive Director



55 years



1 June 2016  
(Resigned as Director  
w.e.f. 1 January 2019)



Malaysian



4/4

### Membership of Board Committee

Chairman, Group Board Governance Committee  
(Resigned as Chairman w.e.f. 1 January 2019)

### Qualification

- Bachelor's degree in Economics (Honours), University of Malaya

### Working Experience/Other Directorships

#### Present

- Chairman, Cagamas Berhad
- Deputy Governor, Bank Negara Malaysia
  - Member, Monetary Policy Committee
  - Member, Financial Stability Executive Committee
  - Member, Management Committee
  - Member, Financial Stability Committee
  - Member, Reserve Management Committee
  - Member, Risk Management Committee

### Past

- Director, Cagamas Holdings Berhad
- Chairman, Cagamas SRP Berhad
- Alternate Executive Director for Malaysia Executive Board, International Monetary Fund, Washington DC
- Assistant Governor, Bank Negara Malaysia

### Declaration

The Director has no:

- Family relationship with any director of the Company.
- Conflict of interest with the Company and has never been charged for any offence.





**TAN SRI DATO' SRI TAY AH LEK**  
Non-Independent Non-Executive Director



#### Membership of Board Committee

Member, Group Board Governance Committee

#### Qualification

- Emeritus Fellow, Malaysian Institute of Management
- Fellow, Chartered Banker of the Asian Institute of Chartered Bankers
- Fellow, CPA Australia
- Fellow, Financial Services Institute of Australasia
- Advanced Management Program, Harvard Business School
- Master's degree, Business Administration from Henley, United Kingdom

#### Working Experience/Other Directorships

##### Present

- Managing Director and CEO, Public Bank Berhad
  - Director, Public Bank Group of Companies
- Director, Ombudsman for Financial Services (formerly known as Financial Mediation Bureau)

- Member, Economic Action Council
- Chairman, Association of Hire Purchase Companies of Malaysia
- Council Member, Association of Banks in Malaysia
- Member, Steering Committee and the Service Provider Consultative Group of the National Payments Advisory Council.

##### Past

- Director, Cagamas Berhad
- Executive Vice President, Public Finance
- Executive Vice President, Public Bank

#### Declaration

The Director has no:

- Family relationship with any director of the Company.
- Conflict of interest with the Company and has never been charged for any offence.



**DATUK GEORGE RATILAL**  
Independent Non-Executive Director



#### Membership of Board Committee

Chairman, Group Board Audit Committee

#### Qualification

- MBA, Aston University, United Kingdom
- BA (Hons) Accountancy, Birmingham City University

#### Working Experience/Other Directorships

##### Present

- Director, Genting Berhad

##### Past

- Executive Vice President and Group Chief Financial Officer, Petroliam Nasional Berhad
- Director, Petroliam Nasional Berhad
- Director, PETRONAS Chemicals Group Berhad
- Director, PETRONAS Gas Berhad
- Director, PETRONAS Dagangan Berhad
- Director, MISC Berhad

- Director, APA Group
- Director, RHB Investment Bank Berhad
- Director, KLCC Property Holdings Berhad
- Worked in local merchant bank for 18 years, concentrating in corporate finance where he was involved in advisory work in mergers and acquisitions and the capital markets

#### Declaration

The Director has no:

- Family relationship with any director of the Company.
- Conflict of interest with the Company and has never been charged for any offence.

Profile of the Board of Directors *(Continued)*

**DATUK ABDUL FARID BIN ALIAS**  
Non-Independent Non-Executive Director



51 years



6 June 2013



Malaysian



3/4

**Membership of Board Committee**

Nil

**Qualification**

- Masters in Business Administration, (Finance), University of Denver, USA
- Bachelor of Science in Accounting, Pennsylvania State University, USA

**Working Experience/Other Directorships****Present**

- Group President and CEO, Malayan Banking Berhad
  - Director, Maybank Group of Companies

**Past**

- Deputy President & Head, Global Banking, Maybank
- Head, International, Maybank
- Schroders (L) Limited
- Malaysian International Merchant Bankers
- JP Morgan Securities
- Khazanah Nasional Berhad

**Declaration**

The Director has no:

- Family relationship with any director of the Company.
- Conflict of interest with the Company and has never been charged for any offence.



**DATUK AZIZAN BIN HAJI ABD RAHMAN**  
Independent Non-Executive Director



63 years

1 June 2015  
(Resigned as Director  
w.e.f. 1 January 2019)

Malaysian



4/4

**Membership of Board Committee**Member, Group Board Audit Committee  
(Resigned as Member w.e.f. 1 January 2019)**Qualification**

- Fellow Member of CPA (Australia)
- Chartered Accountant of Malaysian Institute of Accountants
- Bachelor of Accounting (Honours), University of Malaya
- Master's degree in Business Administration, University of Queensland, Australia

**Working Experience/Other Directorships****Present**

- Director, Cagamas Berhad
- Director, Cagamas SRP Berhad
- Chairman, Malaysian Rating Corporation Berhad
- Chairman, MIDF Amanah Investment Bank Berhad
- Chairman Kensington Trust Malaysia Berhad
- Director, Malaysian Industrial Development Finance Berhad
- Director, OCBC Bank Malaysia Berhad
- Director, OCBC Al-Amin Bank Berhad
- Director, Danum Capital Berhad
- Member, Panel Review Committee, Suruhanjaya Pencegahan Rasuah Malaysia
- Chairman, Kensington Trust Labuan Ltd

- Director, CTOS Holdings Sdn. Bhd.
- Director, CTOS Data Systems Sdn. Bhd.
- Director, City Credit Investment Bank Ltd, Labuan
- Director, MARC Risk Management Solutions Sdn. Bhd.
- Director, MARC Training Sdn. Bhd.

**Past**

- Director, Cagamas Holdings Berhad
- Director, Kumpulan Wang Persaraan (Diperbadankan)
  - Member, Investment Committee
- Director, ERF Sdn. Bhd.
  - Member, Investment Committee
- Advisor to the Malaysian Accounting Standards Board
- Director General, Labuan Financial Services Authority (Labuan FSA)
- Director, Banking Supervision, Bank Negara Malaysia
- Director, Barakah Offshore Petroleum Berhad
- Director, Bank Simpanan Nasional
  - Permodalan BSN Berhad
  - Gibraltar BSN Life Berhad
  - Gibraltar BSN Holding Sdn. Bhd.
  - Metro Money Exchange Sdn. Bhd.

**Declaration**

The Director has no:

- Family relationship with any director of the Company.
- Conflict of interest with the Company and has never been charged for any offence.



**DATO' LEE KOK KWAN**  
Non-Independent Non-Executive Director



#### Membership of Board Committee

Member, Group Board Audit Committee

#### Qualification

- Master of Business Administration, Simon Fraser University of Canada
- BBA Joint Honours (1st Class) degree, Simon Fraser University of Canada

#### Working Experience/Other Directorships

##### Present

- Director, CIMB Group Holdings
- Director, CIMB Bank
- Chairman, BIX Malaysia (Bond & Sukuk Information Platform Sdn. Bhd.)
- Board of Trustees, Capital Market Development Fund
- Adviser, Securities Commission Malaysia
- President, Financial Markets Association of Malaysia

#### Past

- Deputy Group CEO, CIMB
- Treasury Portfolio Manager with a leading Canadian bank and member of its Senior Asset-Liability Management Committee

#### Declaration

The Director has no:

- Family relationship with any director of the Company.
- Conflict of interest with the Company and has never been charged for any offence.



**MS. WAN HANISAH BINTI WAN IBRAHIM**  
Independent Non-Executive Director



#### Membership of Board Committee

Member, Group Board Audit Committee

#### Qualification

- Masters of Economics, University of Malaya
- Bachelor's degree in Economics (Honours), University of Malaya

#### Working Experience/Other Directorships

##### Present

- Director, Cagamas MBS Berhad
- Director, Franklin Templeton GSC Asset Management Sdn. Bhd.

##### Past

- Director, LINK & Regional Offices Department, Bank Negara Malaysia (BNM)
- Chief Representative, BNM's London Office
- Director, International Department, BNM
- Director, Treasury Department, BNM
- Director, Foreign Exchange Department, BNM

#### Declaration

The Director has no:

- Family relationship with any director of the Company.
- Conflict of interest with the Company and has never been charged for any offence.

## Profile of the Board of Directors (Continued)



**DATU' BAKARUDIN BIN ISHAK**  
Independent Non-Executive Director



58 years



1 January 2019



Malaysian



Nil

**Membership of Board Committee**

Chairman, Group Board Governance Committee

**Qualification**

- Bachelor of Economics (Hons), University of Malaya

**Working Experience/Other Directorships****Present**

- Director, Cagamas SRP Berhad
- Director, Affin Islamic Bank Berhad

**Past**

- Assistant Governor, Bank Negara Malaysia
  - Member, BNM Monetary Policy Committee
  - Director, Foreign Exchange Administration Department
  - Director, Islamic Banking and Takaful Department

- Chief Executive Officer, Malaysian Electronic Clearing Corporation Sdn. Bhd. (MyClear)
- Member and Governing Council, International Centre for Education in Islamic Finance (INCEIF)
- Investment Panel, Employees' Provident Fund

**Declaration**

The Director has no:

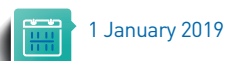
- Family relationship with any director of the Company.
- Conflict of interest with the Company and has never been charged for any offence.



**DATUK SERI DR. NIK NORZRUL THANI BIN N. HASSAN THANI**  
Independent Non-Executive Director



59 years



1 January 2019



Malaysian



Nil

**Membership of Board Committee**

Nil

**Qualification**

- Ph.D in Law, the School of Oriental and African Studies (SOAS), University of London
- Post-Graduate Diploma in Syariah Law and Practice (with distinction), the International Islamic University Malaysia
- LL.M, Queen Mary College, University of London
- Barrister at Law, Lincoln's Inn.
- LL.B (Hons), University of Buckingham

**Working Experience/Other Directorships****Present**

- Chairman and Senior Partner, Zaid Ibrahim & Co. (ZICO)/Advocate & Solicitor
- Chairman, Chin Hin Group Berhad
- Chairman, T7 Global Berhad
- Chairman, Pengurusan Aset Air Berhad
- Director, Amanah Saham Nasional Berhad
- Director, The Asian Institute of Finance (AIF) (a training and educational entity established by Bank Negara Malaysia and Securities Commission Malaysia)
- Chairman, Capital Market Compensation Fund Corporation (set up by the Securities Commission of Malaysia)
- Chairman, Malaysia - Singapore Business Council
- Practising Member, Chartered Institute of Islamic Finance Professionals (CIIF)
- Member, Chartered Institute of Marketing (United Kingdom)
- Fellow member, Financial Services Institute of Australasia (FINSIA)

- Visiting Senior Fellow, Melbourne Law School, University of Melbourne, Australia
- Registered Notary Public

**Past**

- Visiting Fulbright Scholar, Harvard Law School (1996-1997)
- Chevening Visiting Fellow, the Oxford Centre of Islamic Studies, Oxford University (2004-2005)
- Deputy Dean of the Faculty of Laws, International Islamic University Malaysia
- Legal Consultant, State General Reserve Fund (SGRF), the sovereign wealth fund of Sultanate of Oman
- Director, Tabung Haji
- Member of the Islamic Religious Council, Federal Territories of Malaysia (MAIWP) (Appointed by His Majesty Yang Di Pertuan Agong of Malaysia)
- Chairman and Director, Al Rajhi Banking & Investment Corporation (Malaysia) Berhad
- Chairman and Director, Perodua Sales Sdn. Bhd. and Perodua Otomobil Kedua Sdn. Bhd.
- Chairman, UMW Manufacturing & Engineering
- Director, Manulife Holdings Berhad
- Director, Manulife Insurance Berhad
- Director, UMW Holdings Berhad
- Director, Fraser & Neave Holdings Berhad
- Director, MSIG Insurance (Malaysia) Berhad
- Director, Ranhill Holdings Berhad

**Declaration**

The Director has no:

- Family relationship with any director of the Company.
- Conflict of interest with the Company and has never been charged for any offence.



The Board of Directors of Cagamas Holdings Berhad (the Board), comprising senior officers/representatives and chief executives of some financial institutions as well as experienced professionals nominated by the Board, is responsible for the formulation of the Company's general policies.

The Group Board Audit Committee reviews the audit of the Cagamas group of companies (Group) by the external auditors as well as the effectiveness of the financial and internal control procedures.

The Group Board Governance Committee reviews the corporate governance practices of the Group in line with best practices, annually assesses the effectiveness of the Board as a whole, the Board Committees and the contributions of individual Directors, and proposes appointments to the Board and Board Committees.

## BOARD OF DIRECTORS

### Chairman of the Board

- Mr. Nik Mohd Hasyudeen bin Yusoff

### Directors

- Tan Sri Dato' Sri Tay Ah Lek
- Datuk George Ratilal
- Datuk Abdul Farid bin Alias
- Datuk Azizan bin Haji Abd Rahman *(Resigned as Director w.e.f. 1 January 2019)*
- Dato' Lee Kok Kwan
- Ms. Wan Hanisah binti Wan Ibrahim
- Datuk Shaik Abdul Rasheed bin Abdul Ghaffour *(Resigned as Director w.e.f. 1 January 2019)*
- Dato' Bakarudin bin Ishak *(Appointed as Director w.e.f. 1 January 2019)*
- Datuk Seri Dr. Nik Norzrul Thani bin N. Hassan Thani *(Appointed as Director w.e.f. 1 January 2019)*

### Members of the Group Board Audit Committee

- Datuk George Ratilal (Chairman)
- Datuk Azizan bin Haji Abd Rahman *(Resigned as Member w.e.f. 1 January 2019)*
- Dato' Lee Kok Kwan
- Ms. Wan Hanisah binti Wan Ibrahim

### Members of the Group Board Governance Committee

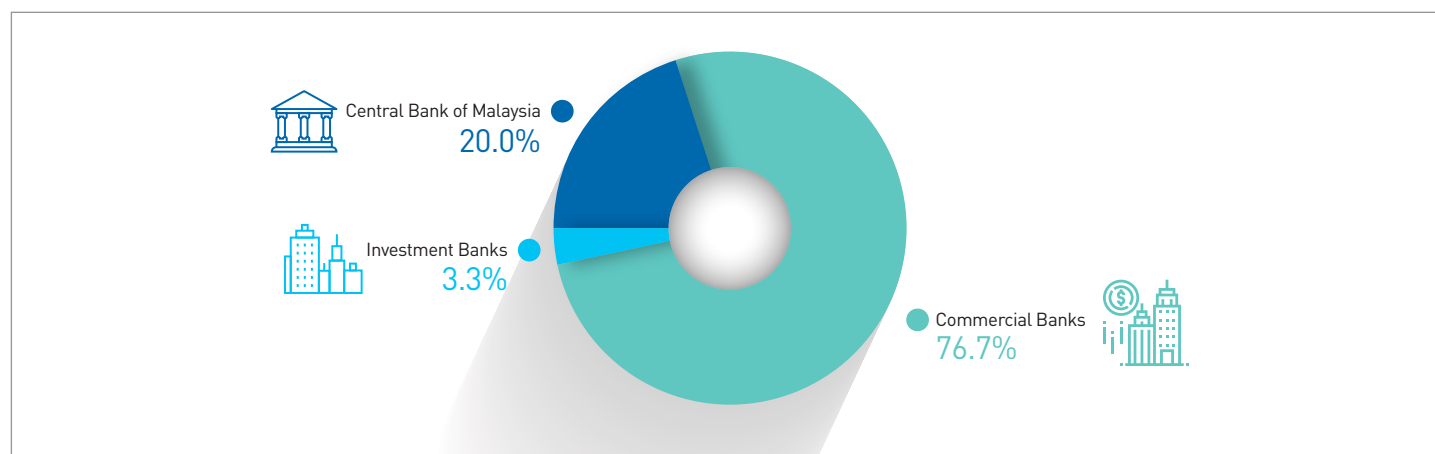
- Datuk Shaik Abdul Rasheed bin Abdul Ghaffour (Chairman) *(Resigned as Chairman w.e.f. 1 January 2019)*
- Tan Sri Dato' Sri Tay Ah Lek
- Mr. Nik Mohd Hasyudeen bin Yusoff
- Dato' Bakarudin bin Ishak *(Appointed as Chairman w.e.f. 1 January 2019)*

## SHAREHOLDERS

### CAGAMAS HOLDINGS BERHAD'S SHARE CAPITAL STRUCTURE AS AT 18 MARCH 2019

Issued and Paid-up Capital : 150 million ordinary shares of RM1 each

#### SHAREHOLDING STRUCTURE AS AT 18 MARCH 2019



Institutions	% Shareholding	No. of Shareholders	Range of % Shareholding
Central Bank of Malaysia	20.0	1	20.0
Commercial Banks	76.7	18	0.2 – 16.5
Investment Banks	3.3	4	0.4 – 1.6
<b>Total</b>	<b>100.0</b>	<b>23</b>	

#### ANALYSIS OF SHAREHOLDINGS AS AT 18 MARCH 2019

Size of Shareholding	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Issued Capital
100,001 to less than 7,500,000 (5% of issued shares)	16	70.0	31,395,000	20.9
7,500,000 (5%) and above	7	30.0	118,605,000	79.1

**SHAREHOLDERS OF CAGAMAS HOLDINGS BERHAD AS AT 18 MARCH 2019**

Shareholders	No. of Shares	% Shareholding
<b>Bank Negara Malaysia</b>	<b>30,000,000</b>	<b>20.0</b>
<b>CIMB Bank Berhad</b>	<b>24,684,000</b>	<b>16.5</b>
<b>Malayan Banking Berhad</b>	<b>21,279,000</b>	<b>14.2</b>
<b>RHB Bank Group</b>	<b>12,932,400</b>	<b>8.6</b>
RHB Bank Berhad	11,732,400	7.8
RHB Investment Bank Berhad	1,200,000	0.8
<b>AmBank (M) Berhad</b>	<b>12,066,000</b>	<b>8.0</b>
<b>Public Bank Group</b>	<b>10,485,600</b>	<b>7.0</b>
Public Bank Berhad	9,885,600	6.6
Public Investment Bank Berhad	600,000	0.4
<b>Hong Leong Bank Berhad</b>	<b>8,958,000</b>	<b>6.0</b>
<b>HSBC Bank Malaysia Berhad</b>	<b>6,201,000</b>	<b>4.1</b>
<b>Alliance Bank Group</b>	<b>5,583,000</b>	<b>3.7</b>
Alliance Bank Malaysia Berhad	3,183,000	2.1
Alliance Investment Bank Berhad	2,400,000	1.6
<b>Standard Chartered Bank Malaysia Berhad</b>	<b>4,590,000</b>	<b>3.1</b>
<b>Affin Bank Group</b>	<b>4,410,000</b>	<b>2.9</b>
Affin Bank Berhad	3,660,000	2.4
Affin Hwang Investment Bank Berhad	750,000	0.5
<b>United Overseas Bank (Malaysia) Berhad</b>	<b>3,330,000</b>	<b>2.2</b>
<b>OCBC Bank (Malaysia) Berhad</b>	<b>2,997,000</b>	<b>2.0</b>
<b>MUFG Bank Malaysia Berhad</b> (formerly known as Bank of Tokyo-Mitsubishi UFJ (Malaysia) Berhad)	<b>738,000</b>	<b>0.5</b>
<b>SIBB Berhad</b>	<b>450,000</b>	<b>0.3</b>
<b>Bangkok Bank Berhad</b>	<b>369,000</b>	<b>0.3</b>
<b>The Bank of Nova Scotia Berhad</b>	<b>327,000</b>	<b>0.2</b>
<b>Deutsche Bank (Malaysia) Berhad</b>	<b>300,000</b>	<b>0.2</b>
<b>Bank of China (Malaysia) Berhad</b>	<b>300,000</b>	<b>0.2</b>
<b>Total</b>	<b>150,000,000</b>	<b>100.0</b>

## CORPORATE HIGHLIGHTS

## JANUARY

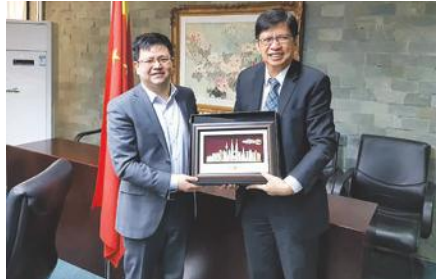
## Cagamas Golf Friendly 2018



Cagamas held its Cagamas Golf Friendly 2018 event at the Kelab Rahman Putra Malaysia, which saw the participation of senior representatives from financial regulatory authorities and the Cagamas group of companies. Everyone had an enjoyable time perfecting their golf skills, renewing acquaintances and refreshing shared values and beliefs.

## FEBRUARY

## Business Meeting in Beijing



President/Chief Executive Officer, Datuk Chung Chee Leong led a delegation from Cagamas for a business meeting with the People's Bank of China led by Mr. Ma Jianyang, Deputy Director-General of the Financial Market Department in Beijing.

## The Euromoney/ECBC Asian Covered Bond Forum 2018



Senior Vice President, Treasury & Capital Markets, Mr. Delvin Chong represented Cagamas as a speaker at the Euromoney/ECBC Asian Covered Bond Forum 2018 organised by Euromoney and the European Covered Bond Council (ECBC) which was held in Singapore. Mr. Chong spoke at the panel session on *The Rebirth of Securitisations: Complement or Alternative to Covered Bonds*.

## Taipei Formosa Sukuk Day and Investors Meeting



President/Chief Executive Officer, Datuk Chung Chee Leong represented Cagamas as a speaker at the Taipei Formosa Sukuk Day organised by Natixis Corporate & Investment Banking, where he spoke on *Cagamas' Business Operations*. Datuk Chung also led a delegation from Cagamas for a series of business meetings with investors in Taipei.

## World Capital Markets Symposium 2018



Cagamas participated as a silver sponsor at the World Capital Markets Symposium 2018 which was organised by the Securities Commission Malaysia in Kuala Lumpur. Cagamas also hosted foreign delegates from Brunei, Indonesia, Thailand, Sweden and Singapore.

## Visit from PT Sarana Multigriya Finansial (PERSERO)



Cagamas received delegates from PT Sarana Multigriya Finansial (PERSERO) of Indonesia for a briefing on *Mortgage - Purchase without Recourse Product Development*.



## FEBRUARY

### Business visit from PetroBangla and Putra Business School



Cagamas welcomed the visit of delegates from PetroBangla Bangladesh, which was organised by the Putra Business School, University Putra Malaysia for a briefing on *Cagamas' Human Resource Policies and Practices*.

### Presentation to Politeknik Nilai



Vice President of Product Development & Management, Islamic Business, Mr. Iqta Farish Shahrir represented Cagamas to speak on *Cagamas' sukuk* at the Faculty of Islamic Business and Finance, Politeknik Nilai Negeri Sembilan.

## MARCH

### National GST Conference 2018



Cagamas participated as a bronze sponsor at the National GST Conference 2018 which was organised by the Royal Malaysian Customs Department and Chartered Tax Institute of Malaysia in Kuala Lumpur.

### Interview with The Wall Street Journal in Partnership with The Business Debate



President/Chief Executive Officer, Datuk Chung Chee Leong was interviewed by The Wall Street Journal in partnership with The Business Debate at The London Stock Exchange, United Kingdom. The interview was on the topic of *The Future Growth of Islamic Finance*.

### Signing of Memorandum of Understanding between Cagamas Berhad and PT Sarana Multigriya Finansial (PERSERO)



Cagamas signed a Memorandum of Understanding (MoU) with PT Sarana Multigriya Finansial (PERSERO) (SMF) of Indonesia which aims to enhance the mutually beneficial development of the secondary mortgage finance market in both countries. President/Chief Executive Officer, Datuk Chung Chee Leong and President Director, Mr. Ananta Wiyogo represented Cagamas and SMF respectively, at a ceremony witnessed by the Directorate General of State Asset Management of Indonesia and representatives from the Ministry of Finance of the Republic of Indonesia and the Ministry of Public Works & Housing Indonesia, as well as senior officials of both organisations.

### Business Meetings with Investors in London



President/Chief Executive Officer, Datuk Chung Chee Leong led a delegation from Cagamas for a series of business meetings with investors in London. They also met with officers from Bank Negara Malaysia's London Representative Office.

## APRIL

### Business Meeting with Lembaga Pembiayaan Perumahan Sektor Awam



President/Chief Executive Officer, Datuk Chung Chee Leong led a delegation from Cagamas for a business meeting which was held with Datuk Kamal Mohd Ali, the Chief Executive Officer of Lembaga Pembiayaan Perumahan Sektor Awam.

### Signing Ceremony between MBSB Bank Berhad and Cagamas SRP Berhad



MBSB Bank Berhad and Cagamas SRP Berhad inked an agreement in relation to the Mortgage Guarantee Programme and participation of MBSB Bank Berhad in the My First Home Scheme. The signing ceremony which took place in Kuala Lumpur was graced by Tan Sri Abdul Halim Ali - Chairman of MBSB Bank Berhad, Mr. Nik Mohd Hasyudeen Yusoff - Chairman of Cagamas Holdings Berhad, Datuk Seri Ahmad Zaini Othman - President/Chief Executive Officer of MBSB Bank Berhad, Datuk Chung Chee Leong - President/Chief Executive Officer of Cagamas Berhad and Director of Cagamas SRP Berhad.

## MAY

### IFN Asia Forum 2018



President/Chief Executive Officer, Datuk Chung Chee Leong represented Cagamas as a panelist and speaker at the IFN Asia Forum 2018, Kuala Lumpur. He spoke at the panel discussion on the topic of *Today's Funding and Capital-Raising Options for Issuers* and participated as a speaker at the IFN Malaysian Corporate Capital Raising Roundtable 2018. Cagamas also participated as a partner sponsor at the event.

### Cagamas-Danajamin Friendly Golf 2018



Cagamas participated in a friendly golf game with Danajamin Nasional Berhad at the Kota Seriemas Golf & Country Club, Nilai, Negeri Sembilan. The game which saw participation by representatives from both organisations, was led by President/Chief Executive Officer, Datuk Chung Chee Leong and Managing Director/Chief Executive Officer of Danajamin, Mr. Mohamed Nazri Omar.

### Cagamas Holdings Berhad Eleventh Annual General Meeting



Cagamas Holdings Berhad held its Eleventh Annual General Meeting in Sasana Kijang, Bank Negara Malaysia.

### Business Meetings in Singapore



President/Chief Executive Officer, Datuk Chung Chee Leong led a delegation from Cagamas for a series of business meetings with investors in Singapore as part of the Standard Chartered Bank's Asia Investor Forum 2018.

## MAY

### Securities Commission Malaysia – World Bank – IOSCO Asia Pacific Hub Conference 2018



President/Chief Executive Officer, Datuk Chung Chee Leong represented Cagamas as a panelist at the Securities Commission Malaysia – World Bank – International Organization of Securities Commissions (IOSCO) Asia Pacific Hub Conference 2018: Harnessing Islamic Finance for a Green Future. Datuk Chung spoke at the session on *Prospects of Islamic Green Finance*.

### Visit by Delegation from China



Cagamas received a delegation from China comprising representatives from the Shenzhen Stock Exchange and HSBC Qianhai Securities Limited.

## JUNE

### 8<sup>th</sup> Global Housing Finance Conference



President/Chief Executive Officer, Datuk Chung Chee Leong represented Cagamas as a panelist at the 8<sup>th</sup> Global Housing Finance Conference organised by World Bank Group in Washington D.C. and spoke at the session on *Capital Market Funding Solutions*.

### Launch of the Global Community for Secondary Mortgage Market Institutions



President/Chief Executive Officer, Datuk Chung Chee Leong attended the launch of the Global Community for Secondary Mortgage Market Institutions at the World Bank in Washington D.C. which saw the formation of the International Secondary Mortgage Market Association (ISMMA). Cagamas was elected as the first Chairman of ISMMA.

### Meeting with Fannie Mae in Washington D.C.



President/Chief Executive Officer, Datuk Chung Chee Leong led a delegation from Cagamas for a business meeting with Fannie Mae in Washington D.C.

### Business Meetings in Hong Kong



President/Chief Executive Officer, Datuk Chung Chee Leong led a delegation from Cagamas for a series of business meetings in Hong Kong. Datuk Chung met with Mr. Raymond Li, JP, Executive Director and Chief Executive Officer and senior officers of the Hong Kong Mortgage Corporation. They also met with Mr. Angus Lau, Associate Director, Reserve Management Department of the Hong Kong Monetary Authority.

### Business Meeting with Investors in Hong Kong



President/Chief Executive Officer, Datuk Chung Chee Leong led a delegation from Cagamas for a series of business meetings in Hong Kong as part of the 2<sup>nd</sup> HSBC Asia Credit Conference. They also met with other investors in Hong Kong.



## JULY

5<sup>th</sup> Asian Fixed Income Summit 2018

President/Chief Executive Officer, Datuk Chung Chee Leong represented Cagamas as a speaker at the 5<sup>th</sup> Asian Fixed Income Summit, hosted by the Mongolian Mortgage Corporation in Ulaanbaatar, Mongolia. Datuk Chung also participated in the panel session on *Housing Finance Solutions*.

## Visit by Delegation from PT Sarana Multigriya Finansial (PERSERO)



Cagamas welcomed the visit of delegates from PT Sarana Multigriya Finansial (PERSERO), led by the President Director, Mr. Ananta Wiyogo, to discuss areas for mutual cooperation.

## Malaysia: Accelerating Growth Issuers and Investors Leaders Dialogue 2018



President/Chief Executive Officer, Datuk Chung Chee Leong represented Cagamas as a panelist at the Malaysia: Issuers and Investors Leaders Dialogue 2018 organised by The Asset Publishing & Research Limited in Kuala Lumpur.

## Asian Secondary Mortgage Market Meeting 2018



The Asian Secondary Mortgage Market Association held its fifth annual meeting in Ulaanbaatar, Mongolia. The meeting saw leaders of secondary mortgage institutions from member countries including Malaysia, Philippines, Indonesia, Japan, Korea, Thailand and Mongolia gather to share knowledge, expertise and product innovation.

## Business Meeting with Investors in Beijing



President/Chief Executive Officer, Datuk Chung Chee Leong led a delegation from Cagamas for a series of business meetings with potential investors in Beijing, China.

## The Asset Triple A Islamic Finance Awards 2018



Cagamas was awarded Islamic Issuer of the Year-Quasi-Sovereign award at The Asset Triple A Islamic Finance Awards 2018. Cagamas was also accorded the Best Quasi-Sovereign Sukuk award for its dual re-opening of three-year 475 million ringgit sukuk and 525 million ringgit sukuk. Datuk Chung Chee Leong, President/Chief Executive Officer accepted the awards on behalf of Cagamas at the ceremony which was held in Kuala Lumpur.

## Government Housing Bank - Housing and Urban Development Seminar

Senior Vice President of Treasury & Capital Markets, Mr. Delvin Chong represented Cagamas as a panelist at the Housing and Urban Development Seminar organised by the Government Housing Bank of Thailand in Bangkok, Thailand. He spoke on the topic of *Successful Housing Finance Innovations in the Region*.

**JULY**

**Yangon Region Housing Finance Market Workshop**



President/Chief Executive Officer, Datuk Chung Chee Leong represented Cagamas as a speaker at the Yangon Region Housing Finance Market Workshop co-hosted by the Yangon Region Government and Asian Development Bank in Yangon, Myanmar. Datuk Chung spoke on *Development of Malaysia's Housing Finance Market*. The workshop was officiated by Mr. U Phyo Min Thein, Chief Minister of Yangon Region Government.

**Structuring Sukuk & Islamic Securitisation Workshop**



Vice President of Product Development & Management, Islamic Business, Mr. Iqta Farish Shahrir represented Cagamas as a panelist at the Structuring Sukuk & Islamic Securitisation Workshop organised by SHAPE Knowledge. He spoke on the topic of *Issuer Experience in the Sukuk Market*.

**AUGUST**

**Memorandum of Cooperation between Secondary Mortgage Corporation Thailand and Cagamas Berhad**



Cagamas signed a Memorandum of Cooperation with the Secondary Mortgage Corporation (SMC) Thailand, aimed at developing mortgage market cooperation in both countries. President/Chief Executive Officer, Datuk Chung Chee Leong and President, Mrs. Wasukarn Visansawatdi represented Cagamas and SMC respectively, at a ceremony witnessed by Mr. Boonchai Charassangsomboon, Chairman of SMC.

**Sustainable Capitalism Forum: Better for Business**



Senior Vice President of Business & Product Development, Mr. Azizi Ali represented Cagamas as a panelist at the Sustainable Capitalism Forum: Better for Business hosted by the Securities Commission Malaysia. He spoke on the topic of *How Do We Fast Track the Growth of Sustainable Investments in Asia?*

**Cagamas Invitational Golf Challenge 2018**



Cagamas held its Invitational Golf Challenge 2018 at the Kota Permai Golf & Country Club, Kota Kemuning, Shah Alam which saw participation from golfers comprising associates from regulatory bodies, financial institutions and corporations from Malaysia.

**Financial Talk in Bangkok, Thailand**



President/Chief Executive Officer, Datuk Chung Chee Leong represented Cagamas as a guest speaker at a financial talk organised by the Secondary Mortgage Corporation (SMC) Thailand in Bangkok. He spoke on the topic of *Cagamas' Journey to Success*. The talk was attended by stakeholders of SMC Thailand.



## AUGUST

## Business Meetings in Thailand



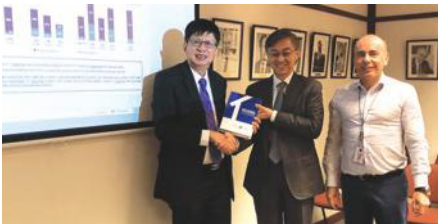
President/Chief Executive Officer, Datuk Chung Chee Leong led a delegation from Cagamas for a series of business meetings with potential investors in Bangkok, Thailand.

## Cagamas Berhad Strategic Retreat



Members of the Board of Directors and senior management attended the Cagamas Strategic Retreat held in Rasa Sayang Resort in Penang, Malaysia.

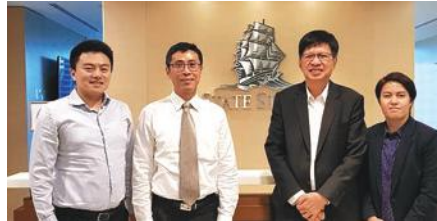
## Knowledge Event at Asian Development Bank in Manila, Philippines



President/Chief Executive Officer, Datuk Chung Chee Leong represented Cagamas as a guest speaker at a knowledge event talk organised by the Economic Research and Regional Cooperation Department and the South Asia Regional Department of the Asian Development Bank in Manila, Philippines. He spoke on *Malaysia's Housing Finance Solutions*.

## SEPTEMBER

## Business Meetings in Singapore



President/Chief Executive Officer, Datuk Chung Chee Leong led a delegation from Cagamas for a series of business meetings with existing and potential investors in Singapore.

## Euromoney Conferences – The Global Borrowers &amp; Investors Forum – Asia Singapore



President/Chief Executive Officer, Datuk Chung Chee Leong represented Cagamas as a speaker at the Euromoney Global Borrowers & Investors Forum - Asia in Singapore. Datuk Chung spoke at the panel session on *Developing Asia's Bond Market: Local Issuers, Global Investors*.

## Visit by the Secretary-General of Islamic Financial Services Board



Cagamas received a courtesy call from Dr. Bello Lawal Danbatta, Secretary-General of the Islamic Financial Services Board, to discuss on issues of mutual cooperation and collaboration.

## Bursa Bull Charge 2018



Cagamas participated in the fifth Bursa Bull Charge organised by Bursa Malaysia Berhad. The beneficiaries of the funds collected were selected charity homes and associations.

## Structured Finance Conference 2018 – Asian Securitisation and Covered Bonds



President/Chief Executive Officer, Datuk Chung Chee Leong represented Cagamas as a speaker at the Structured Finance Conference 2018 organised by the Asia Securities Industry & Financial Markets Association in Singapore. Datuk Chung spoke at the panel session on *Asian Securitisation and Covered Bonds*.



## SEPTEMBER

### Global Islamic Finance Awards 2018



Cagamas was awarded the Islamic Finance Advocacy Award 2018 (Capital Market) at the 8<sup>th</sup> Global Islamic Finance Awards on 29 September 2018. Mr. Azizi Ali, Senior Vice President, Business & Product Development accepted the awards on behalf of Cagamas at the ceremony which was held in Sarajevo, Bosnia and Herzegovina.

### IFN Forum Indonesia 2018



President/Chief Executive Officer, Datuk Chung Chee Leong represented Cagamas as a panelist at the IFN Forum Indonesia 2018 in Jakarta, Indonesia. Datuk Chung spoke at the panel session on *Sukuk, Capital Markets and Ratings in Indonesia*.

### Cagamas Group of Companies Annual Dinner 2018



Cagamas marked its 31<sup>st</sup> anniversary celebrations at its annual dinner held in Kuala Lumpur. The event also saw recipients of the Cagamas Scholarship Programme 2018, a bond-free scholarship awarded to deserving individuals.

## OCTOBER

### Memorandum of Understanding between Mongolian Mortgage Corporation and Cagamas Berhad



Cagamas signed a Memorandum of Understanding with the Mongolian Mortgage Corporation (MIK) which aimed at developing mortgage market cooperation in both countries. President/Chief Executive Officer, Datuk Chung Chee Leong and Chief Executive Officer, Mr. Gantulga Badamkhatan represented Cagamas and MIK respectively, at a ceremony witnessed by Mr. Nik Mohd Hasyudeen Yusoff, Chairman of Cagamas Holdings and Mr. Boldbaatar Dagva from the Bank of Mongolia.

### Global Islamic Finance Forum 2018



Cagamas participated as a silver sponsor at the Global Islamic Finance Forum 2018 in Kuala Lumpur, which was organised by the Association of Islamic Banking Institutions Malaysia. President/Chief Executive Officer, Datuk Chung Chee Leong represented Cagamas as a speaker at the panel session on *Integrating Sustainability and Responsible Financing into the Financial Sector*.

### Bonds, Loans & Sukuk, Emerging Markets Issuers & Investors Forum



President/Chief Executive Officer, Datuk Chung Chee Leong represented Cagamas as a panelist at the Bonds, Loans & Sukuk, Emerging Markets Issuers & Investors Forum held in conjunction with the International Monetary Fund and World Bank Annual Meetings in Bali, Indonesia. Datuk Chung spoke at the panel session on *South and South East Asia: How are Issuers Diversifying Their Capital Structures by Attracting Foreign Investors to Local Currency and USD Debt?*

### Housing Conference 2018 - Housing in Era of Change: A New Direction



President/Chief Executive Officer, Datuk Chung Chee Leong represented Cagamas as a panelist at the Housing Conference 2018 organised by the REHDA Institute in Kuala Lumpur. Datuk Chung spoke at the panel session on *Housing the Millennials*.

## OCTOBER

## Cagamas Berhad Extraordinary General Meeting For Noteholders



Cagamas obtained the consent from its noteholders in relation to the upsizing and extension of tenure for its Medium Term Notes Programme via the Extraordinary General Meeting held in Sasana Kijang, Bank Negara Malaysia.

## Business Meetings in Hong Kong and Japan



President/Chief Executive Officer, Datuk Chung Chee Leong led a delegation from Cagamas for a series of business meetings with existing and potential investors in Hong Kong and Tokyo, Japan.

## Academic Visit from Universiti Kuala Lumpur Business School



Cagamas welcomed students from the Bachelor of Business Administration in Islamic Finance, Universiti Kuala Lumpur Business School. The students were briefed by Mr. Iqta Farish Shahrir, Vice President of Product Development & Management, Islamic Business on the role of Cagamas in Islamic Home Financing.

## Cagamas Sponsors INCEIF Graduation Dinner 2018



Cagamas participated as a sponsor at the International Centre for Education in Islamic Finance's 10<sup>th</sup> Convocation Graduation Dinner 2018.

## NOVEMBER

## Budget 2019 Commentary by REHDA Institute



President/Chief Executive Officer, Datuk Chung Chee Leong represented Cagamas as a panelist at the Budget 2019 Commentary organised by the REHDA Institute in Kuala Lumpur. Datuk Chung spoke at the panel session on *Housing the Nation, Empowering the Buyer*.

The Asset 13<sup>th</sup> Asian Bond Markets Summit 2018

Cagamas participated as a sponsor at The Asset 13<sup>th</sup> Asian Bond Markets Summit 2018 organised by the Asset Publishing and Research Limited. President/Chief Executive Officer, Datuk Chung Chee Leong represented Cagamas as an Opening Keynote speaker while Mr. Delvin Chong, Senior Vice President, Treasury & Capital Markets represented Cagamas as a panelist and spoke at the panel session on *Of Sustainability Bonds and ESG Investing*.



**NOVEMBER**

**Business Meeting in Singapore**



President/Chief Executive Officer, Datuk Chung Chee Leong led a delegation from Cagamas for a business meeting with existing and potential investors in Singapore.

**Leadership Energy Summit Asia 2018**



Cagamas participated as an associate sponsor at the Leadership Energy Summit Asia 2018 which was organised by The ICLIF Leadership & Governance Centre in Kuala Lumpur Convention Centre.

**Danajamin Mighty Run 2018**



Cagamas participated in the Danajamin Mighty Run 2018 organised by Danajamin Nasional Berhad. Funds collected were in aid of the National Autism Society of Malaysia.

**Visit by Delegation from Housing Market Study in Yangon Region**



Cagamas received a delegation from the Yangon Regional Government led by HE Daw Nilar Kyaw, Minister of Electricity, Industry, Transport and Communication. The delegation comprised representatives from the Yangon Regional Government, Ministry of Construction, Ministry of Planning and Finance, Central Bank of Myanmar, Housing and Infrastructure Development Bank as well as representatives from the Asian Development Bank who were on a Housing Market Study visit in Malaysia. Their areas of interest included secondary mortgage financing and in particular, Cagamas' operations.

**Academic Visit from Universiti Teknologi Mara (UiTM) Arau, Perlis**



Cagamas welcomed students from the Bachelor of Business Administration (Hons) Finance, UiTM Arau, Perlis. The students were briefed by Mr. Azizi Ali, Senior Vice President, Business & Product Development and Mr. Iqta Farish Shahrir, Vice President of Product Development & Management, Islamic Business on the role of Cagamas as well as its conventional and Islamic products.

**DECEMBER**

**Finance Accreditation Agency Industry Forum**



Senior Vice President, Finance & Business Process, Ms. Norazilla Md. Tahir represented Cagamas as a speaker at the Finance Accreditation Agency Industry Forum organised by the Finance Accreditation Agency (FAA) in Kuala Lumpur. Ms. Norazilla spoke at the session on *Implications and Strategies for Workforce Planning and Talent Management Going Forward*.

**Asian Secondary Mortgage Market Working Committee Meeting 2018**



The Asian Secondary Mortgage Market Association (ASMMA) held its working committee meeting in Bali, Indonesia. The meeting was chaired by Mr. Ananta Wiyogo from SMF Indonesia and was attended by delegates from member countries comprising Indonesia, Japan, Kazakhstan, Korea, Malaysia, Mongolia, Philippines and Thailand. Cagamas was represented by Mr. Leong See Meng, Senior Vice President, Corporate Strategy & Communications.

## CORPORATE SOCIAL RESPONSIBILITY

As we focus on our role in promoting home ownership and growth of the country's capital market, we continue to apply the principles of social responsibility to our own operations such as ensuring transparency and integrity in governance, promoting equal opportunity, eliminating discrimination, reducing and managing our environmental impact and developing a long-term philanthropic policy and encouraging the social involvement of our employees.

At Cagamas, we believe in giving back to our community and are committed to providing support through sustainable initiatives which promote growth and development. As part of our Corporate Social Responsibility (CSR) efforts, Cagamas continues to provide assistance to the less fortunate through its ongoing CSR and Zakat initiatives.

During the year, the Company continued to support various green measures to create a more environmentally friendly office and to raise employees' awareness of methods of waste reduction and energy conservation.

Through our CSR initiatives, we hope to see deserving Malaysians achieve professional and personal success including the aspiration of homeownership, in line with our mandate of 'Housing the Nation'.





### Iftar Event for Drug Intervention Community Malaysia

Cagamas' Zakat Committee together with the Drug Intervention Community Malaysia organised an Iftar event and distributed "duit raya" for 81 recipients comprising orphans, single mothers, HIV patients and the homeless from Pusat Jagaan Wanita dan Kanak-Kanak Casa Harapan and Pusat Jagaan Kanak-Kanak Femina & Harapan.

### Contribution towards Persatuan Penghuni Rumah Kediaman Polis Diraja Malaysia

Cagamas made a contribution towards the Persatuan Penghuni Rumah Kediaman Polis Diraja Malaysia (PPRKPDRM) to assist five widows and their families in conjunction with the Hari Raya Aidilfitri celebration. Established in 1997, PPRKPDRM was formed by the Polis Diraja Malaysia to provide support for disabled policemen as well as widows and families of deceased officers.



### Corporate Social Responsibility Collaboration with Amanah Ikhtiar Malaysia

Cagamas made a contribution towards the purchase of business equipment based on needs of single mothers (Southern Sarawak Region). The handover ceremony was led by Senior Vice President, Human Capital & Administration, Ms. Mazlina Saidi along with Mr. Khairul Amri Amihamzah, Operations Director, Sarawak Zone of Amanah Ikhtiar Malaysia.







### Teach for Malaysia (TFM): Sponsorship of Fellow

In support of promoting education as a profession of choice, Cagamas participated as a sponsor under the Teach for Malaysia Fellowship programme, which is in line with the Company's sustainable corporate social responsibility efforts.

### Donation to Persatuan Membantu Pesakit Parah Miskin Malaysia

Cagamas made a contribution to the Persatuan Membantu Pesakit Parah Miskin Malaysia (PMPPMM) for the purchase of medical equipment. The PMPPMM was established with the mission to provide medical aid to underprivileged, terminally-ill Malaysians registered under the Social Welfare Department.





## AWARDS AND ACCOLADES



Organisation/Publication	Award - Deal/Category
2018 BPAM Bond Market Awards	(a) Top Bond Issuer Conventional (b) Top Traded Amount - Overall (c) Top Traded Amount - Conventional
The Asset Triple A Islamic Finance Awards 2018	(a) Islamic Issuer of the Year-Quasi-Sovereign (b) Best Quasi-Sovereign Sukuk: Cagamas Deal Reopening of Three-Year 475 million Ringgit Sukuk and 525 million Ringgit Sukuk
Global Islamic Finance Awards 2018	Islamic Finance Advocacy Award 2018 (Capital Market)



### Cagamas announces 24th issuance this year

KUALA LUMPUR: Cagamas Bhd has issued three-month Islamic Commercial Papers (ICPs) amounting to RM305 million to fund the purchase of Islamic home financing from the financial system.

The ICPs represent the national mortgage corporation's 24th issuance exercise for 2018.

In a statement yesterday, Cagamas said the pricing of the ICPs was concluded through private placement prior to the tabling of Budget 2019 on Nov 2.

Its president and chief executive officer Datuk Chung Chee Leong said the latest issuance brings the year-to-date total to an aggregate RM13.4 billion comprising local- and foreign currency-denominated bonds and sukuk.

"Despite heightened global volatility, the ICPs were priced competitively at zero spread against

### MBSB Bank seeks to disburse RM6b affordable housing loans

» PAGE B4



MBSB Bank Bhd president and chief executive officer (CEO) Datuk Seri Ahmad Zaini Othman (left) and Cagamas Bhd president and CEO Datuk Chung Chee Leong signing a Cagamas SRP mortgage guarantee programme agreement in Kuala Lumpur yesterday. With them are MBSB Bank chairman Tan Sri Abdul Halim Ali (second from left) and Cagamas chairman Nik Husayden Mohd Yusoff. Pic: BY HALIM SALLEH

### Cagamas announces RM1.55bil notes issuance

PETALING JAYA: Cagamas Bhd, the National Mortgage Corp of Malaysia, has announced its RM1.55bil issuance comprising RM800ml three-year conventional medium-term notes (CMTNs) and RM750ml three-year Islamic medium-term notes (IMTNs).

Proceeds from the respective issuances will be used to fund the purchase of mortgage loans and Islamic home financing from the financial system.

"We are pleased with the conclusion of this 19th issuance exercise in 2018; a year which has thus far seen consistent monthly issuance.

### Cagamas terbit CMTN RM300 juta

KUALA LUMPUR - Cagamas Bhd (Cagamas) memuktamadkan terbitan Nota Jangka Sederhana Konvensional (CMTN) lima tahun berjumlah sehingga RM300 juta di bawah Program Nota Jangka Sederhana syarikat bernilai RM40 bilion.

Ketua Pegawai Eksekutifnya, Datuk Chung Chee Leong (gambar) berkata, hasil daripada terbitan itu akan digunakan untuk membiayai pembelian pinjaman perumahan



daripada sistem kewangan. "Meskipun Dana Persekutuan Amerika Syarikat telah meningkat sebanyak 25 mata asas pada pertengahan Disember lalu, selain jangkaan pasaran domestik terhadap potensi kenaikan mendadak dalam Kadar lebih tinggi berbanding dalam Kadar lima tahun ini dimilikikan pada kadar kompetitif iaitu 4.25 peratus. "In mewakili 64 mata asas melebihi penanda aras Sekuriti Kerajaan Malaysia selama lima tahun," katan-

ya dalam satu kenyataan baru-baru ini. Chee Leong berkata perbadanan itu telah menerbitkan bagi tah terbitan mata wang bernilai RM300 juta untuk membiayai pembelian pinjaman perumahan. "Jumlah itu ada lebih tinggi berbanding dengan kadar penanda aras Kadar Bank Kuala Lumpur (K) tiga bulan dalam a Presiden/Ketua Pegawai Eksekutifnya, Datuk Chung dalam satu kenyataan, 30 juta itu adalah terbitan syarikat berkenaan ini, yang berjumlah

### Cagamas terbitkan CCP tiga bulan RM500 juta

Cagamas Bhd mengumumkan terbitan Kertas Komersial Konvensional (Conventional Commercial Papers) (CCP) tiga bulan bernilai RM500 juta yang mana hasilnya akan digunakan untuk membiayai pembelian pinjaman perumahan. "Ini adalah terbitan pertama yang diterbitkan oleh Cagamas sejak tahun 2017, yang menunjukkan sokongan berterusan syarikat terhadap pasaran bon mata wang tempatan."



RM1.9 bilion diterbitkan daripada program CMTN/ICP mata wang tempatan RM20 bilion sedia ada. "Terbitan itu menunjukkan sokongan berterusan syarikat berkenaan terhadap pasaran bon mata wang tempatan melalui terbitan nota jangka pendek krediti bagi memenuhi permintaan yang meningkat daripada kumpulan pelbagai pelabur," kata

Chee Leong. Kertas berkenaan, yang akan diterbitkan pada nilai nominal penuh apabila matang, adalah obligasi tidak berjangka syarikat, pada kedudukan berbanding dengan langka yang sama (juga dikenal sebagai sukuk) yang diterbitkan oleh syarikat. Ia akan diterbitkan dan didaftarkan di bawah Sistem Degan Sekuriti Tanpa Skrip. BERNAMA

### Cagamas terbit ICP bernilai RM350 juta

KUALA LUMPUR 22 Nov. - Cagamas Bhd. akan menerbitkan Kertas Komersial Islam (ICP) tiga bulan berjumlah RM350 juta terbitan ke-24 buat perbadanan gadaai janji negara itu bagi 2018.

Presiden dan Ketua Pegawai Eksekutif Cagamas, Datuk Chung Chee Leong berkata, ICP tersebut akan diterbitkan di bawah struktur Komoditi Murabahah.

Katanya, hasil daripada ter-

### Cagamas umum terbitan dua bon mata wang asing

KUALA LUMPUR: Cagamas Bhd mengumumkan terbitan bon dalam dua mata wang, terdiri daripada Nota Jangka Sederhana (MTN) kadar tetap Dolar Hong Kong (HK\$) dua tahun berjumlah HK\$351 juta dan Nota Kadar Terapung (FRN) Dolar AS (AS\$) tiga tahun berjumlah AS\$28 juta. Bon dalam mata wang asing itu diterbitkan menerusi anak syarikat milik penuh Cagamas, Cagamas Global PLC menerusi Program Nota Jangka Sederhana Pelbagai



ment sebelum pembentangan bajet Malaysia 2019 pada 2 November lalu," katanya dalam kenyataan di sini hari ini. Meskipun persekitaran global menyaksikan turun naik, terbitan ICP berharga kompetitif bersandarkan penanda aras kadar rujukan pinjaman Kadar Tawaran Antara Bank Kuala Lumpur (KLIBOR) tiga bulan.



Terbitan bulanan berterusan sehingga Oktober

Chung Chee Leong, Presiden dan Ketua Pegawai Eksekutif Cagamas

### Cagamas terbit bon, sukuk RM1.55 bilion

Cagamas Bhd, menerbitkan bon dan sukuk bernilai RM1.55 bilion untuk mengumpul dana bagi membiayai pembelian pinjaman gadaai janji dan pembiayaan perumahan Islam daripada sistem kewangan. Transaksi terbaru berkenaan, merangkumi Nota Jangka Sederhana Konvensional (CMTN) RM800 juta bagi tempoh tiga tahun dan Nota Jangka Sederhana Islam (IMTN) bernilai RM750 juta juga bagi tiga tahun.

Ia sekali gus menjadikan keseluruhan terbitan syarikat itu setakat ini bagi 2018 bernilai RM12.3 bilion,

menurut Cagamas dalam kenyataan semalam. Presiden dan Ketua Pegawai Eksekutif, Datuk Chung Chee Leong, berkata setakat ini menyaksikan terbitan bulanan berterusan sehingga Oktober, dengan langkah terbitan terbaru ini adalah yang ke-19 bagi 2018.

**Terima bidaan aktif** "Kedua-dua CMTN dan IMTN ini menerima bidaan aktif dan berjaya memperoleh harga purata pasaran yang kompetitif pada 4.09 peratus, mewakili tebaran 49 mata asas ber-

banding Sekuriti Kerajaan Malaysia bertempoh tiga tahun yang sama," katanya. Chee Leong berkata, agregat RM1.55 bilion CMTN dan IMTN bertempoh tiga tahun itu diputuskan melalui proses penetapan harga dengan persetujuan penjual yang mendapat penyertaan daripada pelbagai kumpulan pelabur termasuk dana kekayaan negara dan pengurus aset asing. Setakat ini bagi 2018, Cagamas menerbitkan CMTN bernilai RM4.8 bilion, IMTN bernilai RM3.8 bilion, gabungan kertas konvensional

jangka pendek dan kertas komersial Islam bernilai RM3 bilion serta bon dalam denominasi mata wang asing dengan nilai bersamaan RM650 juta. Cagamas, perbadanan gadaai janji nasional ditubuhkan pada 1986 untuk menggalakkan pemilikan rumah dan pertumbuhan pasaran gadaai janji sektor menengah di Malaysia. Ia menerbitkan bon korporat dan sukuk untuk membiayai pembelian pinjaman perumahan daripada institusi kewangan dan institusi bukan kewangan.

CAGAMAS' RM15.8B BOND ISSUANCES SURPASS TARGET

» PAGE 22

BONDS AND SUKUK

### CAGAMAS ISSUANCES SURPASS TARGET

Total amount of RM15.8b for the year is highest in past decade, says company

KUALA LUMPUR

THE National Mortgage Corp of Malaysia, Cagamas Bhd, yesterday announced a combined issuance of RM1.4 billion bonds and

sukuk, bringing the total issuance for the year to RM15.8 billion, which surpassed its initial target. The latest issuance of RM1.4 billion comprises RM800 million Conventional Medium-Term

Notes (CMTNs), RM400 million Islamic Medium-Term Note (IMTNs), RM100 million Conventional Commercial Papers (CCPs) and RM100 million Islamic Commercial Papers (ICPs). The CMTN and IMTNs will mature in one year while the CPs are ICPs have a tenure of six months. Proceeds from the issuance will be used to fund the purchases of mortgage loans and Islamic home



### Cagamas issues 3-month conventional commercial papers

KUALA LUMPUR: National mortgage corporation Cagamas Bhd has issued three-month conventional commercial papers (CCP) amounting to RM300 million. President and chief executive officer Datuk Chung Chee Leong said the proceeds from the issuance would be used to fund purchase of mortgages from the

mark Klibor rate, which represented a spread of 41 basis points above the corresponding Malaysian Treasury Bills. "Cagamas has continued to supply short-term, high-grade investment instruments every month since February this year within the local market which serves as an alternative invest-







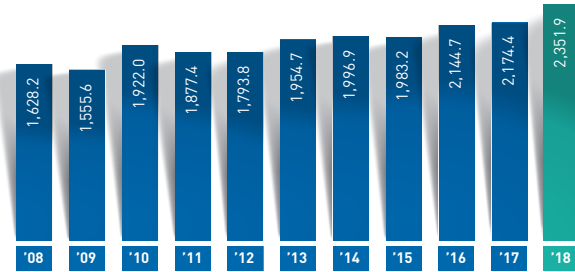
## GROUP FINANCIAL HIGHLIGHTS

	Group										
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>REVENUE (RM million)</b>											
Gross Operating Revenue	1,628.2	1,555.6	1,922.0	1,877.4	1,793.8	1,954.7	1,996.9	1,983.2	2,144.7	2,174.4	2,351.9
Profit Before Tax and Zakat	564.3	559.2	610.5	591.5	551.9	703.2	546.5	558.3	574.2	548.2	544.0
Profit After Tax and Zakat	419.7	414.7	455.7	442.1	413.2	527.6	391.2	436.5	439.4	414.3	416.5
Dividend After Tax	16.7	22.5	22.5	22.5	45.0	22.5	30.0	30.0	30.0	30.0	30.0
<b>STATEMENT OF FINANCIAL POSITION (RM million)</b>											
Amount Due From Counterparties	9,687.7	4,657.5	4,325.1	4,307.0	3,696.1	3,825.7	6,540.2	10,971.0	14,296.2	19,870.4	20,404.9
Islamic Financing Assets	5,643.0	4,578.5	6,854.3	6,879.6	8,076.9	6,107.9	6,541.2	5,581.4	5,307.7	5,544.4	10,030.0
Conventional Mortgage Assets	9,697.5	12,187.3	11,384.6	10,510.8	9,659.4	11,064.3	10,189.8	9,354.3	8,494.0	7,678.1	6,939.3
Islamic Mortgage Assets	6,178.4	7,973.3	7,696.2	7,434.9	7,124.3	10,648.2	10,176.2	9,618.6	9,058.7	8,465.4	7,857.9
Total Assets	34,624.0	32,894.2	32,130.7	32,137.9	31,863.7	36,420.0	37,407.7	40,346.8	42,972.4	46,812.2	50,701.5
Unsecured Bearer Bonds and Notes	13,319.4	11,450.9	10,039.5	9,868.0	9,217.5	11,521.7	13,291.6	17,994.7	20,946.6	25,764.9	26,082.4
Sukuk	8,487.2	9,154.8	10,651.3	10,585.5	11,707.6	13,403.0	13,261.7	11,944.0	11,214.9	11,597.9	14,808.5
Residential Mortgage-Backed Securities	5,220.0	4,902.7	4,135.4	3,842.8	3,195.3	3,195.3	2,464.5	2,143.5	2,143.5	1,270.3	1,270.3
Islamic Residential Mortgage-Backed Securities	3,910.0	3,929.6	3,382.8	3,382.8	2,865.3	2,865.3	2,594.2	2,075.5	2,075.8	1,261.4	1,261.4
Paid-up Capital	150.0	150.0	150.0	150.0	150.0	150.0	150.0	150.0	150.0	150.0	150.0
Reserves	2,472.0	2,897.5	3,329.3	3,741.0	4,111.7	4,614.8	4,983.3	5,414.6	5,799.6	5,914.7	6,222.7
Shareholders' Funds	2,622.0	3,047.5	3,479.3	3,891.0	4,261.7	4,764.8	5,133.3	5,564.6	5,949.6	6,064.7	6,372.7
<b>PER SHARE</b>											
Earnings (sen)*	279.8	276.5	303.8	294.7	275.4	351.7	260.82	291.0	292.9	276.2	277.7
Net Tangible Assets (RM)*	17.4	20.2	23.1	25.9	28.4	31.7	34.2	37.1	39.6	40.3	42.3
Dividend (sen)	11.1	15.0	15.0	15.0	30.0	15.0	20.0	20.0	20.0	20.0	20.0
<b>FINANCIAL RATIOS</b>											
Pre-tax Return on Average Shareholders' Funds (%)	23.0	19.7	18.7	16.1	13.5	15.6	11.0	10.4	10.0	9.1	8.7
After-tax Return on Average Shareholders' Funds (%)	17.1	14.6	14.0	12.0	10.1	11.7	7.9	8.2	7.6	6.9	6.7
Pre-tax Return on Average Total Assets (%)	1.6	1.7	1.9	1.8	1.7	2.1	1.5	1.4	1.4	1.2	1.1
After-tax Return on Average Total Assets (%)	1.2	1.2	1.4	1.4	1.3	1.5	1.1	1.1	1.1	0.9	0.9
Dividend Cover (times)	25.1	18.4	20.3	19.6	9.2	23.4	13.0	14.6	14.6	13.8	13.9
Risk-Weighted Capital Ratio (%)	21.6	21.6	26.8	35.7	39.4	39.1	39.9	37.1	38.0	35.1	45.0

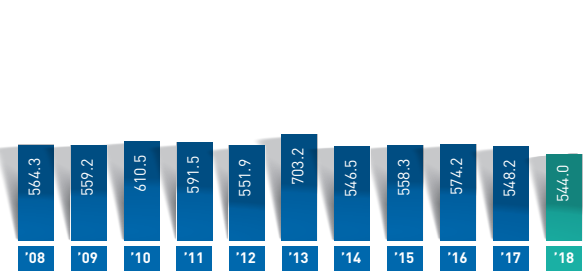
\* Based on 150 million ordinary shares of RM1.00 each.



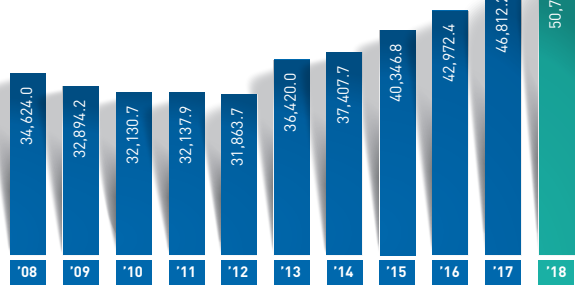
**Gross Operating Revenue**  
(RM million)



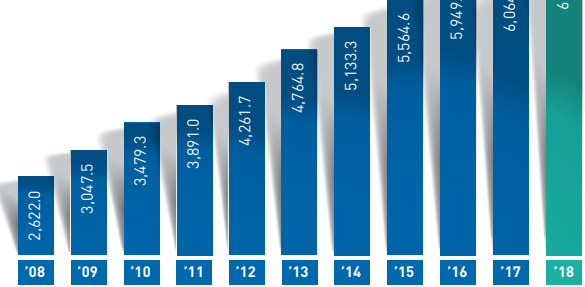
**Profit Before Tax and Zakat**  
(RM million)



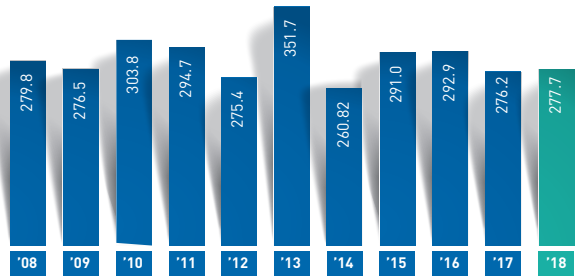
**Total Assets**  
(RM million)



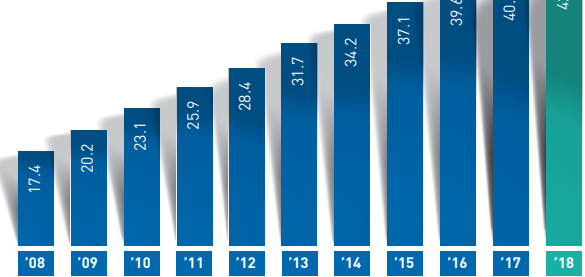
**Shareholders' Funds**  
(RM million)



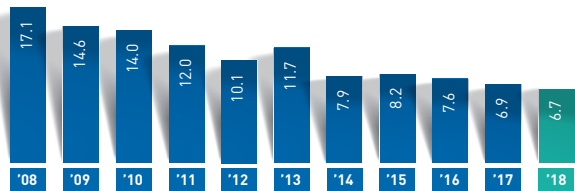
**Earnings Per Share**  
(Sen)



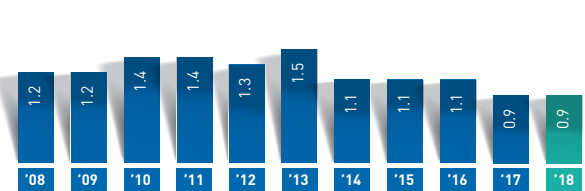
**Net Tangible Assets Per Share**  
(RM)



**After-tax Return On Average Shareholder's Funds**  
(%)



**After-tax Return On Average Total Assets**  
(%)





### CAGAMAS HOLDINGS BERHAD

Cagamas Holdings Berhad (The Group), incorporated in 2007, is the holding company of Cagamas Berhad, Cagamas MBS Berhad, Cagamas SME Berhad, BNM Sukuk Berhad, Cagamas SRP Berhad and Cagamas MGP Berhad. Its wholly-owned main operating subsidiary, Cagamas Berhad (Cagamas/The Company) is Malaysia's National Mortgage Corporation, incorporated in 1986. The role of Cagamas is to promote the broader spread of home ownership and growth of the secondary mortgage market in Malaysia. Cagamas MBS Berhad is a special purpose vehicle set up to facilitate asset-backed securitisation transactions while Cagamas SRP Berhad provides mortgage guarantee to primary lenders.

To fulfil its purpose, Cagamas currently purchases loans and financing under two schemes – Purchase with Recourse (PWR) and Purchase without Recourse (PWOR). Under the PWR scheme, Cagamas provides liquidity and takes on counterparty credit risk of selling institutions secured against the latter's undertaking to replace defaulted loans and financing, whilst under the PWOR scheme, Cagamas absorbs all the credit risks of the loans and financing acquired.

Cagamas taps the capital markets to fund its purchases through the issuance of corporate bonds and sukuk in the form of fixed and floating rate bonds, short-term notes and sukuk. To manage liquidity risk, Cagamas issues corporate bonds and sukuk that are closely matched against the corresponding cashflows and maturity profiles of its portfolio of purchased loans and financing. All corporate bonds and sukuk issued by Cagamas are unsecured, and rank pari passu among themselves.



### OPERATING REVIEW 2018

#### Global and Domestic Economic Environment

The world economy has continued to expand in 2018 with an estimated growth rate of 3.7% (2017: 3.6%), supported mainly by stable growth in the United States (US) as well as in most emerging markets and developing economies. Growth in the Asian region showed signs of a synchronised moderation. Domestic demand in Asian economies moderated, mainly due to waning support from investments and lower external demand. Private consumption growth remained sustained.

The Malaysian economy registered a growth of 4.7% in 2018 (2017: 5.9%), supported by continued expansion in domestic demand and a positive growth in net exports<sup>2</sup>. Private sector expenditure remained the main driver of domestic demand.

#### Interest Rate and Liquidity Environment

In 2018, banking system liquidity remains sufficient with financial institutions continuing to operate with strong capital and liquidity buffers. The Overnight Policy Rate (OPR) was increased to 3.25% in January and left unchanged through the end of the year, while the Statutory Reserve Requirement (SRR) was held steady at 3.50%. The ringgit appreciated marginally in the 4Q 2018 against the US dollar, driven mainly by market expectations for a slower pace of monetary policy normalisation in the US.

#### Property Market

The Malaysian House Price Index (MHPI) increased by 1.1% in 3Q 2018 (3Q 2017: 6.1%), reflecting a moderation in house prices in almost all of the states in Malaysia. Growth in the residential subsector remained weak amid the high number of unsold residential properties. According to data from National Property Information Centre (NAPIC), the number of unsold houses in Malaysia has reached a new high of 30,115 units worth RM19.5 billion as at 3Q 2018. The provision of affordable housing continues to be a major policy concern in Malaysia with emphasis on the Bottom 40% (B40) income group remains a key thrust in the government's housing agenda under the National Housing Policy 2018-2025.

#### Bond Market

In 2018, strong economic growth, wage inflation and a more hawkish Federal Reserve stance contributed to the persistent upward pressure on yields in the US. The four US rate hikes in 2018 pushed the federal funds rate from 1.5% to 2.5%. The yield on the benchmark

<sup>1</sup> IMF World Economic Outlook January 2019

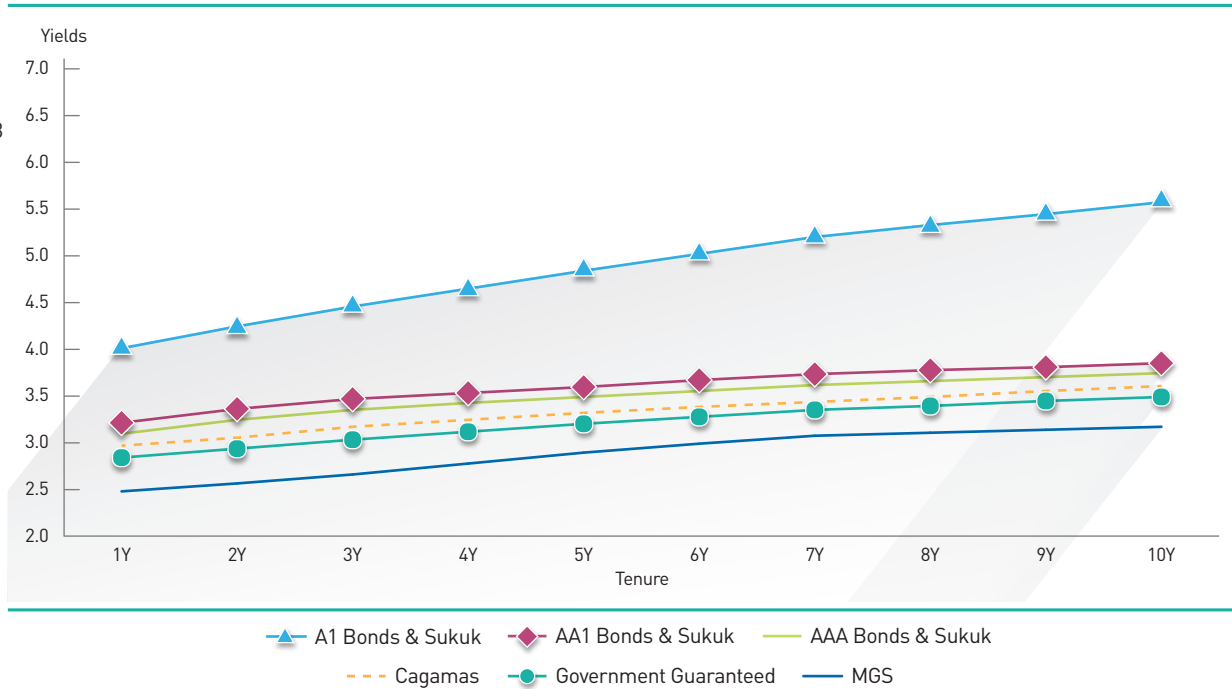
<sup>2</sup> BNM Quarterly Buletin 4Q2018

10-year US Treasury note ranged from a low of 2.40% at the start of 2018 to a peak of 3.24% in early October. Towards the year-end, however, increased risk aversion and volatility amid continued macro uncertainty relating to trade tensions, Brexit and heightened political risk scenario in Italy resulted in the bond yields edging lower. As a result, the 10-year US Treasury (UST) note ended the year at 2.67%, only 27 bps higher than where it began the year.

Locally, Malaysian Government Securities (MGS) yields were higher mainly after the hike in OPR by 25 bps on 25 January 2018 and the historic 14th General Election (GE) in May 2018, which resulted in a new coalition government. 10-year MGS was traded at its year's high of 4.26% on 25 May 2018, post GE. On average, MGS yields increased by 20 bps across tenures.

In the local corporate bond market, the yields for Cagamas, Government Guaranteed (GG) and AAA rated papers were generally on the uptrend in the run up to GE. However, post GE the yields were slowly trending downwards before stabilising in 4Q 2018. This was mainly due to the expected reduction in the supply of corporate bonds and sukuk arising from the smaller total issuance size of corporate bonds and sukuk for the rest of 2018 and possibly 2019 as compared to 2017 amidst the Government's project-rationalisation initiatives. Average yields for both Cagamas and GG papers as at end-December 2018 were relatively unchanged compared to end-December 2017. On the other hand, average yields for AAA-rated papers closed slightly lower as at end-December 2018 as compared to end-December 2017. In terms of credit spread, average credit spread of GG, Cagamas and AAA-rated papers against MGS compressed by 29 bps, 29 bps and 35 bps respectively.

Chart 1  
**BOND YIELD  
 COMPARISON**  
 as at  
 31 December 2018



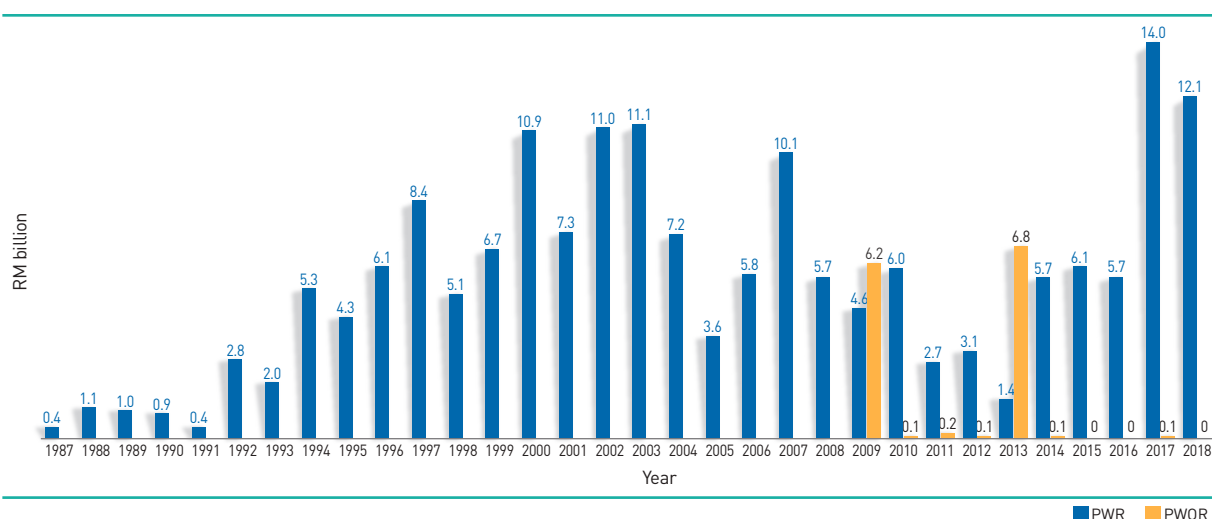
As at the end of December 2018, total foreign holdings of MGS were lower by RM18.3 billion to RM146.1 billion (December 2017: RM164.4 billion) which resulted in foreign holdings of MGS decreasing to 38.4% (December 2017: 45.1%) of total MGS outstanding. The pullout of foreign funds from the MGS market was driven by slower Malaysian GDP growth in 2Q and 3Q 2018, rebound in US Dollar, weakening crude oil prices and rising US Treasury yields. As for

Malaysian Government Investment Issues (MGII), total foreign holdings decreased by RM2.6 billion to RM15.9 billion as at the end of December 2018 (December 2017: RM18.5 billion), resulting in total foreign holdings of total MGII outstanding at 5.2% (December 2017: 6.9%). Overall, total foreign holdings in MGS and MGII decreased in December 2018, with total holdings lower by RM20.9 billion or 8.8% to RM162.0 billion (December 2017: RM182.9 billion).

### PURCHASE OF LOANS AND FINANCING

Cagamas recorded RM12.1 billion asset purchases of loans and financing under PWR scheme (2017: RM14.0 billion). No purchase of loans and financing recorded under PWOR scheme (2017: 100.0 million). Cagamas' net outstanding loans and financing rose by 10.9% to RM41.7 billion (2017: RM37.6 billion). As at the end of 2018, residential mortgage dominated Cagamas' portfolio at 98.7% (2017: 98.8%), followed by hire purchase loans and financing at 1.2% (2017: 0.8%) and personal loans and financing at 0.1% (2017: 0.4%). Cagamas' Islamic asset portfolio against conventional assets increased to a ratio of 38:62 (2017: 32:68), while PWR and PWOR loans and financing portfolios were at 71%<sup>3</sup> and 29%<sup>3</sup> respectively (2017: 65% and 35% respectively). The gross impaired loans and financing under the PWOR scheme stood at 0.85% (2017: 0.72%), while net impaired loans and financing was at 0.43% (2017: 0.23%).

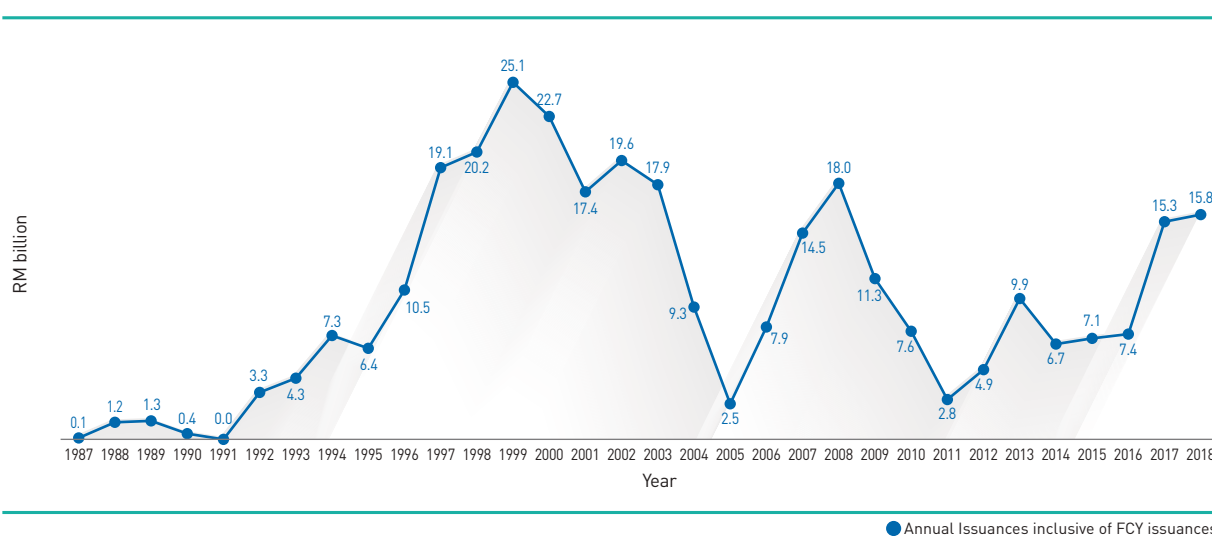
Chart 2  
ANNUAL  
ASSET  
PURCHASES,  
1987-2018



### ISSUANCE OF CAGAMAS BOND AND SUKUK

Since 1987 until end 2018, Cagamas and its subsidiaries had cumulatively issued a total of RM317.6 billion of corporate bonds and sukuk, out of which, RM54.8 billion comprised sukuk and RM9.98 billion<sup>4</sup> equivalent was from foreign currency issuances (FCY).

Chart 3  
ANNUAL  
ISSUANCES,  
1987-2018



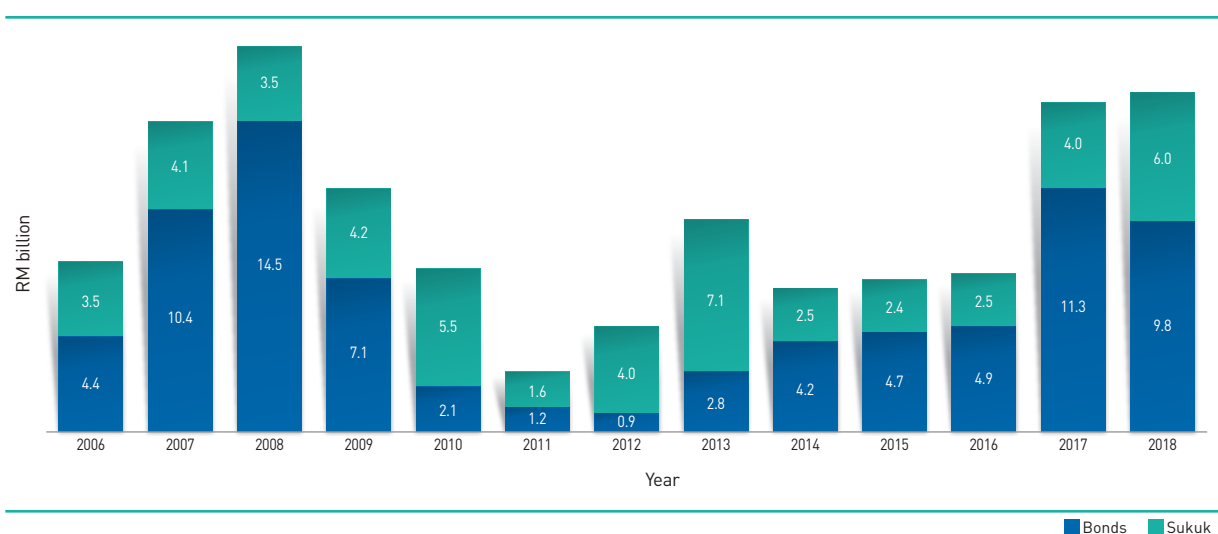
<sup>3</sup> Gross loans and financing before loan loss provision and accretion

<sup>4</sup> Foreign currency issuances of RM9.98 billion valued as at issue dates

As one of the largest issuers of corporate bonds and sukuk in Malaysia, Cagamas continued to diversify its funding sources and investor base to include a wider range of foreign institutional investors. In 2018, the Company issued a total of RM15.8 billion worth of debt securities (inclusive of ringgit equivalent of FCY), the highest issuance amount since 2008, through twenty two (22) new Cagamas debt securities and five (5) new Cagamas foreign currency issuance exercises. From the total issuance, 93% or RM14.6 billion were raised from the domestic market and 7% or RM1.2 billion<sup>5</sup> equivalents were raised from the Company's multicurrency programmes that were established in 2014.

In terms of tenure, 48% amounting to RM7.6 billion of total issuances for the Company in 2018 were for tenures of 1 year and below (2017: 26% or RM3.9 billion) while 42% or RM6.7 billion were for tenures of between 1 year and 3 years (2017: 31% or RM4.7 billion). The balance of 10% amounting to RM1.5 billion of total issuances in 2018 were for tenures of above 3 years (2017: 44% or RM6.7 billion).

Chart 4  
**ANNUAL BONDS  
AND SUKUK  
ISSUANCES,  
2006 – 2018**



In 2018, the Company continued to raise funding at competitive prices in FCY through private placement deals. During the year, 5 FCY issuances with a total value of RM1.2 billion<sup>6</sup> were successfully priced. Cagamas' continued strong engagement with investors has resulted in the inaugural issuance of US Dollar Floating Rate Notes (FRN) in July 2018. The issuance also represented the Company's second foreign currency FRN issued under Cagamas' multicurrency programmes; the first FRN being in Australian Dollar in October 2017. 2 Hong Kong Dollar (HKD) deals were priced in July 2018 which represented the second and third issuances in HKD following the inaugural issuance in 2014. The other 2 FCY issuances were in Singapore Dollar.

Table 1  
**FOREIGN CURRENCY ISSUANCES, 2018**

Issuance Date	Type	Tenure (Year)	Yield (%)	Amount (Mil)
12 July	Conventional	3	3.17	HKD310
26 July	Conventional	2	3.10	HKD351
26 July	Conventional	3	Libor + 0.70%	USD28
3 August	Conventional	2	2.52	SGD65
19 October	Conventional	2	2.79	SGD160

<sup>5</sup> & <sup>6</sup> Foreign currency issuances of RM1.2 billion valued as at issue dates

## Business Review (Continued)

Chart 5  
ISSUANCES BY  
CURRENCY,  
2017 & 2018

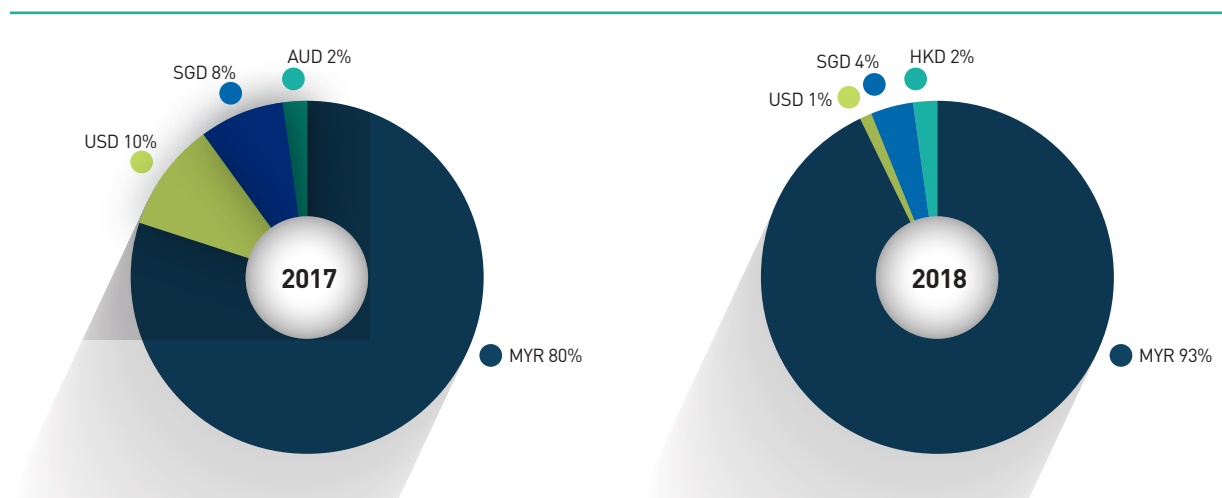
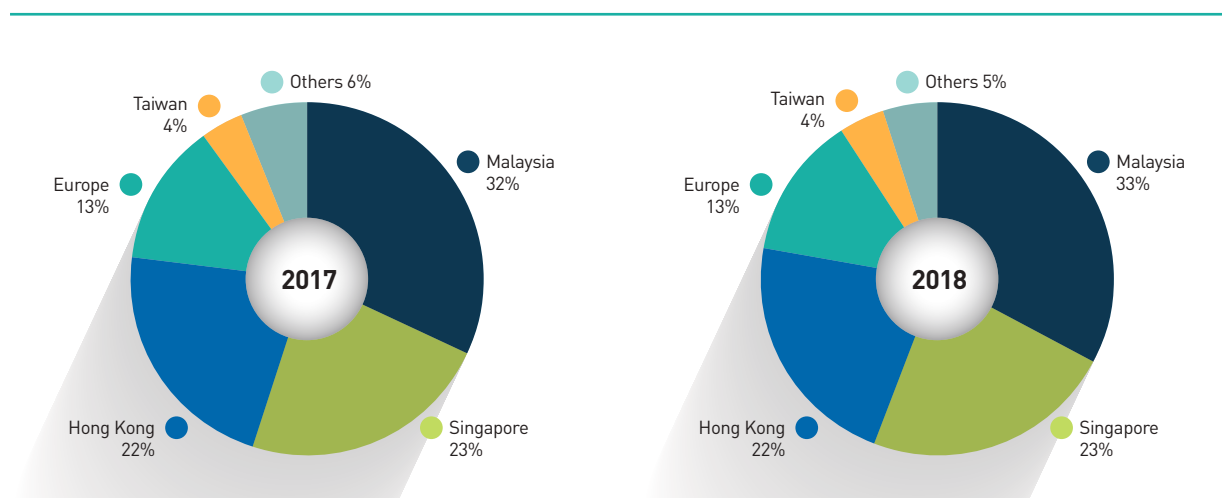


Chart 6  
NUMBER OF  
INVESTORS BY  
COUNTRY,  
2017 & 2018



\* Others inclusive of Middle East, China, Korea, Brunei, Thailand and Offshore USA.

\* Others inclusive of Middle East, China, Korea, Thailand and Offshore USA.

As part of the initiatives to promote secondary market liquidity for the Company's bonds and sukuk, Cagamas has conducted reopening exercises since October 2015 under its RM40 billion Medium Term Notes (MTN) programme. In 2018, Cagamas reopened a total of two tranches in June and August for a combined size of RM1.5 billion.

Table 2  
BONDS AND SUKUK REOPENING, 2018

Month	Initial Issue Size (RM mil)	Reopened Amount (RM mil)	New Size (RM mil)	Type
June	120	700	820	Bonds
August	200	800	1,000	Bonds



Other proactive initiatives taken to further promote secondary market liquidity to local and international investors include actively maintaining Cagamas pricing page in both Bloomberg and Reuters platforms. These platforms were actively utilised since 2016, offering value tracking assistance to investors coupled with the inclusion of Cagamas bonds and sukuk in widely followed global indices. Cagamas recorded total traded volume of RM6.6 billion for local corporate bonds and sukuk in 2018 with a market share of 5.7% and ranked third for the most-traded local corporate bonds and sukuk in 2018. As for conventional corporate bonds, the Company achieved total traded volume of RM4.2 billion with a market share of 19.9% and ranked first for the most traded local conventional corporate bonds in 2018.

As at 31<sup>st</sup> December 2018, outstanding Cagamas debt securities stood at RM40.5 billion, of which RM35.8 billion or 88% were in local currency and RM4.7 billion equivalents or 12% were denominated in foreign currencies. Conventional bonds made up 64% of the total outstanding amount while the remaining 36% were sukuk. Cagamas remained as one of the largest issuers of corporate bonds and sukuk in Malaysia, accounting for 5% of total outstanding corporate bonds and sukuk and 22% of outstanding AAA-rated bonds and sukuk.

## RATINGS

Cagamas' ability to attract investments in its bonds and sukuk has been underpinned by its strong credit rating, track record of strong capitalisation, robust asset quality and stable profitability. For 2018, Moody's Investors Service (Moody's) assigned long-term issuer A3 ratings for both Cagamas' local and foreign currency capital market programmes, which is in line with the Malaysian sovereign ratings. RAM Rating Services Berhad (RAM Ratings) has assigned Cagamas' Global, ASEAN and national-scale corporate credit ratings at *gA2/Stable/gP1*, *seaAAA/Stable/seaP1* and *AAA/Stable/P1*, respectively. In addition, Malaysian Rating Corporation Berhad (MARC) has also assigned Cagamas' bonds and sukuk issues ratings at *AAA/MARC-1* and *AAA<sub>IS</sub>/MARC-1<sub>IS</sub>* respectively.

Table 3

### CAGAMAS RATINGS

	Rating Agency		
	RAM	MARC	Moody's
Cagamas Berhad	<i>gA2/Stable/gP1</i> , <i>seaAAA/Stable/seaP1</i> <i>AAA/Stable/P1</i>	<i>AAA/MARC-1</i> <i>AAA<sub>IS</sub>/MARC-1<sub>IS</sub></i>	A3

## MORTGAGE GUARANTEE

Cagamas SRP Berhad (CSRP) offers mortgage guarantee as a "first loss" protection on residential mortgage portfolio of the Financial Institutions (FIs). The guarantee reduces the credit risk of the FI's housing loans and financing and thus reduces the capital charge. From the house buyer's perspective, the guarantee serves as a useful facility to enable them to obtain up to 110% financing from the FIs to own their first home through Skim Rumah Pertamaku (My First Home Scheme; SRP) and Skim Perumahan Belia (Youth Housing Scheme; SPB).

In line with the Government's priority to promote affordable housing to the nation, CSRP was expanded to include a wider group of the first time home buyers.

Table 4

The criteria of the enhanced SRP home financing are as follows:

Eligibility	<ul style="list-style-type: none"> <li>Malaysia citizen</li> <li>Salaried worker or self-employed</li> <li>Single or joint applicants</li> <li>No record of impaired financing for the past 12 months</li> </ul>
Property Type	Residential properties in primary and secondary market
Property Price ("PP")	Up to RM500,000
Gross Monthly Household Income	RM5,000 and below (Individual) RM10,000 (Joint but any one applicant's salary should be RM5,000 and below)
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"> <li>Mandatory online financial education module provided by AKPK to assist potential borrowers to understand their financial commitments prior to purchasing a home</li> <li>Module can be accessed from AKPK's RumahKu portal at learn.akpk.org.my</li> </ul>
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 buying property priced at RM300,000 and below.

## Business Review (Continued)

As at 31 December 2018, CSRP's guarantee exposure to the SRP and SPB schemes was RM361.1 million, compared with RM201.4 million in 2017. The value and number of new loans and financing approved with guarantee cover for SRP and SPB have increased, mainly due to greater public awareness of the schemes through the participating FIs. Since the launch of SRP and SPB in year 2011 and 2015 respectively, CSRP has provided guarantee for housing loans and financing totalling RM3.7 billion, enabling 17,743 individuals/households to own their first house, of which 29% are from the B40 segment.

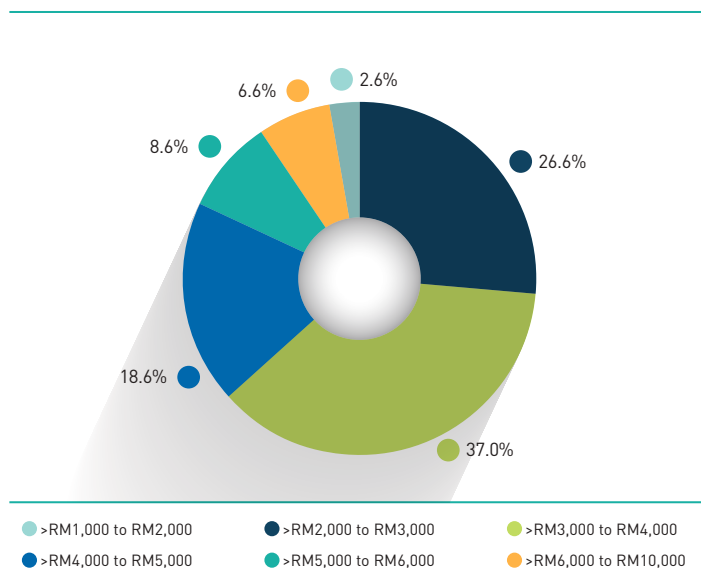
Table 5

**Skim Rumah Pertamaku (SRP) and Skim Perumahan Belia (SPB)**

	2011 – 2017	2011 – 2018	Growth
(RM'mil)			
<b>Guaranteed Exposure</b>	<b>201.4</b>	<b>361.1</b>	<b>+79%</b>
SRP	142.3	251.4	+77%
SPB	59.1	109.7	+86%
(RM'mil)			
<b>Loans and Financing Value</b>	<b>2,058.6</b>	<b>3,695.6</b>	<b>+80%</b>
SRP	1,447.5	2,547.7	+76%
SPB	611.1	1,147.9	+88%
<b>Number of Loans and Financing Approved</b>			
SRP	<b>9,862</b>	<b>17,743</b>	<b>+80%</b>
SPB	7,174	12,478	+74%
	2,688	5,265	+96%

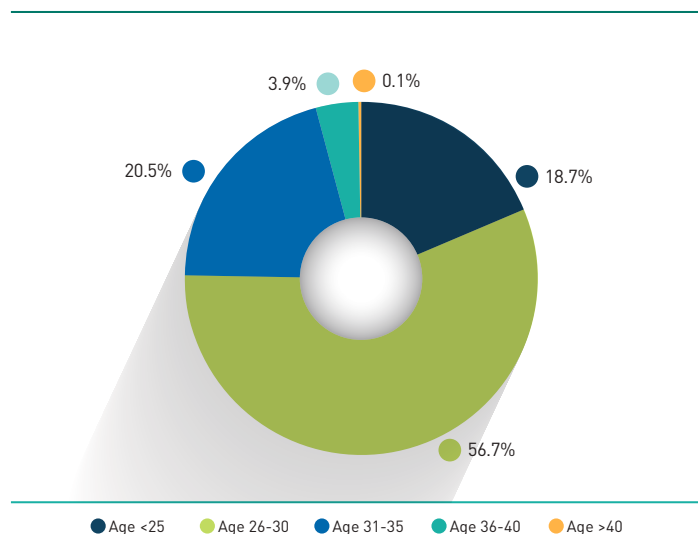
Note: Latest figures may differ with previous reporting due to revisions requested by counterparties

Chart 7

**SRP & SPB : SALARY RANGE BY NUMBER OF LOANS**

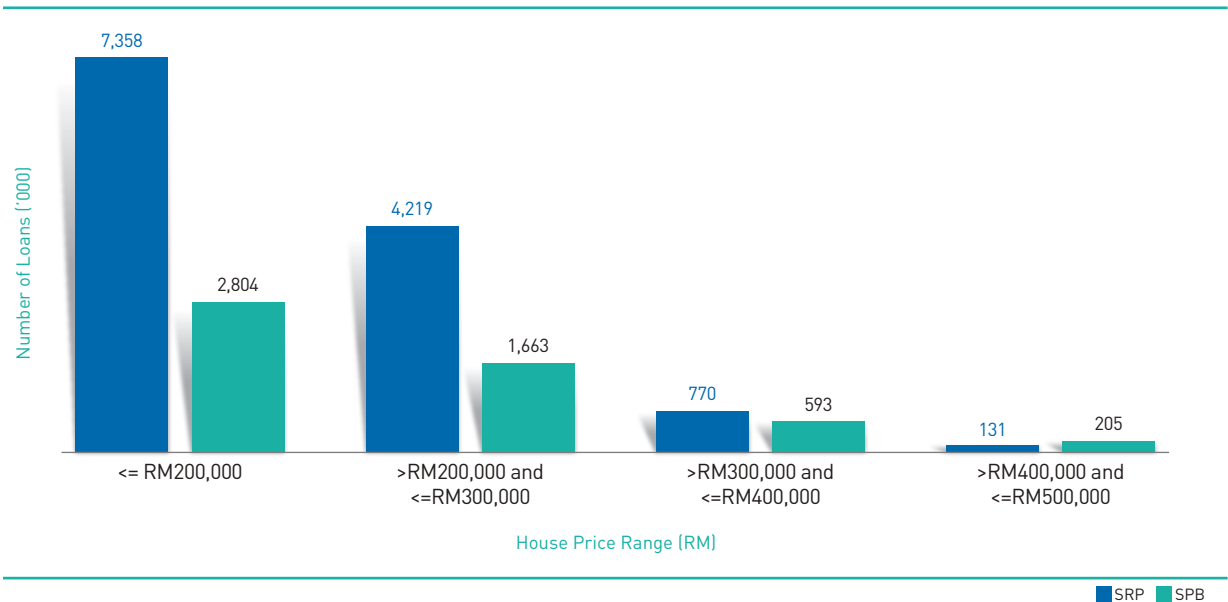
Data as at 31 December 2018

Chart 8

**SRP & SPB : AGE RANGE BY NUMBER OF LOANS**

Data as at 31 December 2018

Chart 9  
SRP & SPB :  
House Price  
Range by Number  
of Loans



Data as at 31 December 2018

## SECURITISATION

As at end-2018, total outstanding CMBS bonds and sukuk stood at RM2.52 billion out of the total issuance of RM10.2 billion. The outstanding CMBS bonds and sukuk are expected to mature in stages and be fully redeemed by August 2027. There was no new securitisation deal during the year.

## FUTURE DEVELOPMENTS IN THE COMPANY'S BUSINESS

Cagamas' business continues to strengthen as it provides liquidity and support to the local FIs through competitive costs of funding supported by a diversified pool of investors subscribing to the Company's capital market programmes. The Company strives to explore opportunities to enhance current programmes and schemes by evaluating the feasibility of new business initiatives with a view to achieve its core missions and social objectives. In addition, the Company will look into opportunities to assist the Government in the area of affordable housing and continue to maintain its prudent funding strategy to ensure its readiness to provide liquidity to the banking sector when needed.

Cagamas aims to develop innovative products focused on Sustainable Investment strategies that seeks both financial return and social good to bring about positive changes. Innovative schemes such as Share Equity Funding, Rent-to-Own (RTO) and alternative funding mechanisms comprising of Affordable Housing Trust (AHT) and crowdfunding will enable the needs of targeted borrowers to be

well matched when purchasing their first homes. In addition, this will enable socially responsible or green investors to include these products into their portfolio, therefore broadening Cagamas' pool of investors to be more inclusive.

The EMTN programmes established in 2014 provides an alternative funding avenue for the Company and diversified its reliance for liquidity away from the domestic fixed income market as a single source. The Company will continue to expand and broaden its investor base across geographies through foreign investor participation in both MYR and FCY issuances. Cagamas intends to explore the feasibility of issuing Sustainability Bonds/Sukuk, subject to the completion of suitable asset purchases as part of the Company's new initiative to ensure the future sustainability and relevance of Cagamas in fulfilling its mandate in the medium and longer term.

Cagamas is exploring new value propositions, such as diversifying its funding sources abroad and targeting cross-border opportunities to support the regional expansion of domestic banks, where Cagamas purchases non-Ringggit assets of the local Malaysian financial institutions operating outside Malaysia and fund them by issuing non-Ringggit debt securities. Nevertheless, this initiative is subject to each respective country's legal and regulatory guidelines as well as their local market conditions. The Company plans to further diversify its current foreign-currency funding channels by looking into new markets and instruments such as the Panda bonds in China, Pro-Bond in Japan and Formosa bonds in Taiwan.

## CAGAMAS' INAUGURAL SUSTAINABILITY STATEMENT

This inaugural sustainability statement aims to inform our stakeholders on our initiative to embark on a journey to adopt a commitment to conduct business in a responsible and sustainable manner.

Since its inception in 1986, Cagamas Berhad (Cagamas/The Company) has become a leading Secondary Mortgage Corporation that is recognised by the World Bank as the largest and most successful liquidity facility provider in the world<sup>1</sup> with our efforts focused on developing the domestic secondary mortgage market to promote home ownership in line with our purpose to fulfil our developmental role in housing the nation.

Cagamas is proud to have contributed to the nation's home ownership through its mandate to provide liquidity at a competitive cost to the primary lenders of mortgages which in turn encourages financing for houses at an affordable cost spurring growth in home ownership for Malaysians. From a maiden purchase of conventional mortgages of RM110 million in October 1987, Cagamas has cumulatively refinanced mortgages in the secondary market equivalent to RM153 billion or approximately 2 million houses by the end of December 2018.

The global business ecology is rapidly evolving to embrace Environment, Social and Governance (ESG) practices in order to promote sustainability and Cagamas is cognisant that the manner in which we conduct our business needs to be aligned with such practices for us to continue building value sustainably for stakeholders in the future.



Relevant Sustainable Development Goals (SDGs) established by the United Nations in September 2015 will be the bedrock for our sustainability framework and this is in addition to the Government's initiatives under the 11th Malaysia Plan namely, the Strategic Thrust 2: "Improving Wellbeing for All" and Strategic Thrust 4: "Pursuing Green Growth for Sustainability and Resilience".

### SUSTAINABLE DEVELOPMENT GOALS BY UNITED NATIONS



<sup>1</sup> Source: The World Bank, 2009, *Housing Finance Policy in Emerging Markets*



## FORMATION OF SUSTAINABILITY COMMITTEE

To begin our journey, a Sustainability Committee (SCo) was formed in June 2018 to oversee the development of a sustainability strategy for Cagamas. The SCo comprises of committee members representing various departments within the organisation and is responsible for developing a sustainability framework along the following principles:



In 2018, two internal workshops were held during the year to inculcate the required knowledge to equip the SCo with the necessary tools, particularly, in the areas of ESG principles. The SCo has begun the process of painting a macro overview of the preliminary scope of our sustainability framework by identifying potential target result areas and surfacing existing initiatives that fits into the ideology.

Our sustainability framework would be shaped through consultative measures across the organisation to ensure that our colleagues understand the commitment and ingrain sustainability initiatives into their daily work routine. Stakeholders' engagement will serve as a steering tool for the SCo to evaluate the resources required against the desired results.

## WHERE WE ARE TODAY

Cagamas is in the early stages of developing a formal sustainability framework to reflect our intent and commitment. As such, our first sustainability statement highlights the Company's efforts during the period of 1 January to 31 December 2018 to lay the foundation for sustainable business activities. We have identified several key areas where we have commenced to pilot efforts that may have a direct or indirect impact on our stakeholders.

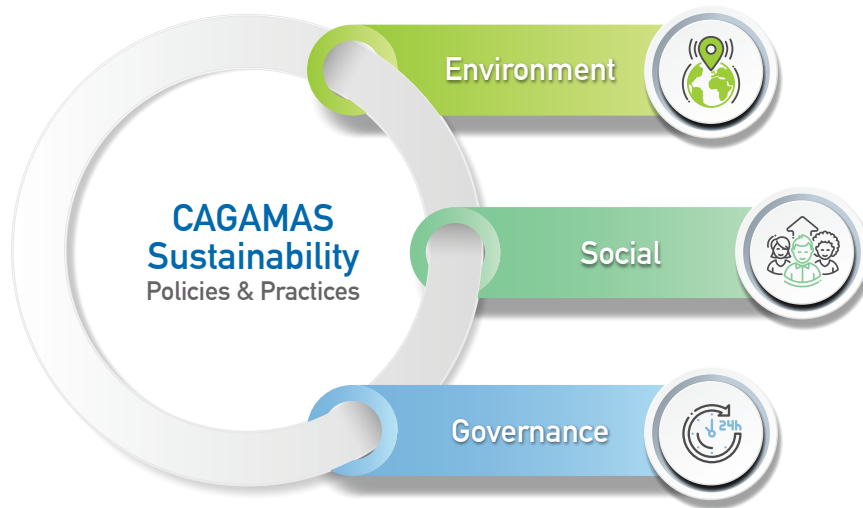
We have always conducted our business with a view to align long-term sustainability practices whilst fulfilling our developmental role to promote homeownership for the nation. We are integrating such considerations into our business activities by developing products and services alongside appropriate measures and internal processes to meet the expectations of our diverse stakeholders.

Our sustainability framework would be formulated along the following thrusts:

1. Identify potential sustainability initiatives
2. Embrace a wholesome quantification of risk to include sustainability risk
3. Create a work environment to nurture morale and talent retention that leads to employee satisfaction
4. Improve on our brand equity through sustainability practices
5. Enhance stakeholder engagement and customer confidence
6. Enter into new markets with a sustainability approach

Cagamas is aware of the importance of having good policies and practices in place as part of our continuous effort to embed sustainability within our organisation. We have been actively assessing and developing relevant policies and guidelines for all practicable aspects of our business.

Our existing key sustainability-related policies and practices are:



#### Environment

- Committed to protecting the environment through efforts such as waste management practice within the organisation and minimising usage of paper for printing

#### Governance

- Board Charter
- Whistleblowing Policy
- Anti Money Laundering Policy
- Employee Personal Data Privacy Policy
- Vendor Code of Conduct

#### Social

- Code of Conduct and Ethics
- Gift and Entertainment Policy
- Communication Policy
- Procurement Policy
- Donation and Zakat Policy
- Health and Safety Policy
- Guidelines on Workplace Sexual Harassment
- Guidelines on Grievance and Compliant
- Guidelines on Misconduct & Staff Disciplinary
- Confidential Guidelines

In 2018, We have piloted some new sustainability initiatives to complement ongoing efforts which can be collectively be articulated as follows:



#### Affordable Housing

As part of our effort to promote affordable housing to the nation, Cagamas through its sister company, Cagamas SRP (CSRP), is actively involved in Skim Rumah Pertamaku (My First Home Scheme, SRP) and Skim Perumahan Belia (Youth Housing Scheme, SPB) which is targeted at the B40s and M40s segments to enable them to own their first home. As at 31 December 2018, CSRP has provided guarantees for housing loans totalling RM3.1 billion for houses priced below RM300,000 thus enabling about 16,044 individuals/ households to own their first home.



#### Economic Impact

Embarking on purchasing loans and financing related to environmental and social impact projects in addition to piloting the issuance of sustainability bonds and sukuk to fund these initiatives. The Board of Directors has approved the establishment of Cagamas Sustainability Bond/Sukuk Framework and the issuance of Sustainability Bond/Sukuk under the Cagamas RM60 Billion Conventional and Islamic Medium-Term Notes Programme.



#### Impacting the society

Established Corporate Social Responsibility (CSR) programme that is governed by our Donation and Zakat Policy. Through this programme, we have provided scholarships to undergraduates, assisted enterprising single mothers and contributed zakat to the underprivileged



#### Saving the environment

Established internal controls to monitor wastage. Cagamas has also adopted the usage of technology amongst the Board of Directors and the Management through the deployment of electronic tablets that are used for disseminating meeting materials and research resources



#### Governance

Developed and adopted Board Charters for the operating subsidiaries namely Cagamas and Cagamas SRP. These Charters were drawn in line with the holding company's Charter and is based on the provisions of Bank Negara Malaysia's Guidelines on Corporate Governance



#### Strengthen Professional Conduct

Invests heavily in talent management, provides adequate opportunities for staff to acquire knowledge through training to enhance their career advancement and job-related competencies to the level required. The Company's human resource aspiration is to promote continuous learning and enhance the competencies of talents within the organisation by cultivating the values of Teamwork, Ownership and Professionalism (TOP) via Employee Engagement activities

**Moving forward**, we aspire to complete our internal assessment and finalise our sustainability framework to obtain the Board of Directors approval for adoption. Upon approval, we will begin the implementation process in accordance with the prescribed milestones to rollout initiatives and measurements for adoption.

Recognising that the effectiveness of our sustainability framework depends largely on the Cagamas team, the SCo plans to conduct familiarisation workshops to embed the sustainability culture within all our colleagues.

Cagamas will be engaging an independent rating agency to conduct a sustainability assessment once its sustainability framework has been fully implemented. While Cagamas is not required to publish a sustainability statement as a non-listed Public entity, we intend to publish our sustainability report and rating in the future to be in line with market best practices to enable our stakeholders to gain insights into our sustainability journey and achievements.

Sustainability is a long-term learning process where we will continuously endeavour to improve our steadfast commitment towards it by becoming wiser through the experience gathered which will enable us to rollout a steady stream of enhancements whilst striving to achieve the sustainability goals effectively.

CONTRI





# BUTING

towards the growth of the capital markets, Islamic finance and other priority sectors through issuance of innovative instruments





## DEAR SHAREHOLDERS,

On behalf of the Board of Directors (the Board), I am pleased to present the Annual Report of Cagamas Holdings Berhad (the Group) for the financial year ended 31 December 2018.

### INTRODUCTION

The global economy continued to expand in 2018 with momentum moderating unevenly across countries, which has resulted in a less synchronised growth experienced globally, translating into an imbalanced expansion among emerging markets and developing economies. This largely arose from the combined influences of weakening crude oil prices, shift in sentiments following escalating trade tensions between the United States of America (USA) and China, and domestic political and policy uncertainty.

The increasingly protectionist rhetoric on trade was a key source of downside risk, raising policy uncertainty and weighing on investment decisions across geographies. This is further compounded by the USA Federal Reserve Bank tightening its monetary policy with four interest rate hikes in the USA during the year, which has resulted in global asset re-allocation away from international financial markets causing greater volatility and financial market adjustments in emerging economies, particularly Argentina and Turkey.

Domestically, while all these external developments have undoubtedly affected the Malaysian economy, growth remained resilient on the back of economic policies that are generally proactive and practical, supported by strong macroeconomic and prudential policy frameworks. Despite global headwinds and a historic transition of power to the new government following the 14th General Election (GE) on 9 May 2018, the Malaysian economy grew 4.7% in 2018 (2017: 5.9%) supported by continued expansion in domestic demand and a positive growth in net exports.

In 2018, the Malaysian banking system remained sound, with financial institutions operating with strong capital and liquidity buffers. The Overnight Policy Rate (OPR) was increased to 3.25% in January and left unchanged throughout the year, while the Statutory Reserve Requirement (SRR) was held steady at 3.50%. The ringgit appreciated marginally against the US dollar during the fourth quarter of 2018, despite cautious investor sentiments in the global financial markets and non-resident portfolio outflows from the domestic bond and equity markets.

The affordable housing agenda remained at the forefront of the new government given that the mismatch between supply and demand continues to exist in the property market. The Government through The National Housing Policy 2018-2025, has outlined five focus areas, 16 strategies and 57 action plans, aimed at resolving the country's housing issues with an emphasis for the Bottom 40% (B40) income group to own homes. The policy will be implemented over three phases in 7 years through 2025, revolving around five core themes, namely quality housing for all; improving accessibility and affordability; cohesive neighbourhood; improving coordination between housing development and transportation; and strengthening institutional capability for the National Housing Policy

“Despite global headwinds and a historic transition of power to the new government following the 14th General Election (GE) on 9 May 2018, the Malaysian economy grew 4.7% in 2018 (2017: 5.9%) supported by continued expansion in domestic demand and a positive growth in net exports.”

Locally, Malaysian Government Securities (MGS) yields were higher, mainly after the hike in OPR by 25 bps on 25 January 2018 and post GE on 9 May 2018. The 10-year MGS was traded at its year's high of 4.26% on 25 May 2018, post the 14th GE. On average, MGS yields increased by 20 bps across tenures. As at the end of December 2018, total foreign holdings of MGS were lower by RM18.3 billion to RM146.1 billion (December 2017: RM164.4 billion), which resulted in the foreign holdings of MGS as a percentage of total MGS outstanding decreasing to 38.4% (December 2017: 45.1%). Foreign outflows from the MGS market were driven mainly by the continued pressure in rate hike in the USA, strengthening of US dollar (USD), weakening crude oil prices and slower Malaysian gross domestic product (GDP) growth in the second and third quarter of 2018. As for Malaysian Government Investment Issues (GII), total foreign holdings decreased by RM2.6 billion to RM15.9 billion as at the end of December 2018 (December 2017: RM18.5 billion), resulting in the total foreign holdings of total GII outstanding amounting to 5.2% (December 2017: 6.9%). Overall, foreign holdings of MGS and MGII decreased in December 2018, with total holdings being collectively lower by RM20.9 billion or 8.8% to RM162.0 billion (December 2017: RM182.9 billion).

Total gross issuances of corporate bonds and Sukuk fell in 2018 and are anticipated to continue to moderate in 2019, mainly due to a slower pace of government-guaranteed issuances amid the government's project-rationalisation exercises. In 2018, total corporate bonds and Sukuk issuances fell 15.4% to RM103.9 billion, from RM122.9 billion in 2017. As for 2019, total issuances are expected to moderate to between RM80.0 billion and RM90.0 billion. The expectations are based on the assumptions of slower growth of public investment, moderating real GDP growth and a slower pace of global investment. Notwithstanding the above, there was an increase in total local bonds and Sukuk issued by the Company in 2018. Total issuance increased by 20% to RM14.6 billion in 2018, from RM12.2 billion in 2017, representing a market share of 9.1% in the total corporate bonds and Sukuk issuances in 2018.

“Being the largest issuer of corporate bonds in the Malaysian capital market, Cagamas won the Top Conventional Bond Issuer and the Top Traded Amount - Overall Category in 2018 by Bond Pricing Agency Malaysia (BPAM).”

### HIGHLIGHTS

As at 31 December 2018, Cagamas has purchased a total of RM12.1 billion assets under the Company's Purchase with Recourse (PWR) scheme and issued a total of RM15.8 billion issuances (inclusive of ringgit equivalent of foreign currency issuances), the highest since 2008, comprising of twenty two (22) new Cagamas debt securities and five (5) new Cagamas foreign currency issuance exercises. From the total issuance, 93% or RM14.6 billion was raised from the domestic market whilst the remaining 7% or RM1.2 billion equivalent was raised from offshore under the Company's multicurrency programmes that were established in 2014.

In July 2018, Cagamas' continued strong engagement with investors resulted in the inaugural issuance of US Dollar floating rate notes (FRNs). The issuance also represented the Company's second foreign-currency FRNs issued under the Cagamas' multicurrency programmes — the first FRNs being in Australian Dollar in October 2017. The two Hong Kong Dollar (HKD) issuances, priced and issued within the same month, represented the second and third issuances in HKD following the inaugural issuance in 2014. The remaining two foreign currency issuances were in Singapore Dollar (SGD) marking the Company's continuous issuances in SGD over four successive years in a row since 2015.

As one of the largest issuer of corporate bonds in the Malaysian capital market, Cagamas won the Top Conventional Bond Issuer and the Top Traded Amount - Overall Category in 2018 by Bond Pricing Agency Malaysia (BPAM). The Company's contribution towards Malaysia's continued global leadership in the Islamic Capital Market was also recognised with the award of Issuer of the Year-Quasi Sovereign and the Best Quasi-Sovereign Sukuk for the dual reopening of 3-year RM475 million ringgit sukuk and RM525 million ringgit Sukuk at The Asset Triple A Islamic Finance Awards 2018. Cagamas also received the Islamic Finance Advocacy Award (Capital Markets) 2018 at the Global Islamic Finance Award (GIFA) 2018.

As a testament to its experience and contributions in housing finance, Cagamas was accorded the honour of being appointed as the inaugural chair of the International Secondary Mortgage Market Association (ISMMA), formed under the auspices of the World Bank in 2018. It brings together secondary mortgage market institutions globally by providing a platform for member countries to exchange ideas and experiences on how to improve access to housing finance for their citizens and ultimately reach the goal of adequate, safe and affordable housing for all, in line with the United Nations' UN-Habitat Sustainable Development Goals.

### FINANCIAL PERFORMANCE

For the financial year ended 31 December 2018, I am pleased to report the financial position of the Group, which included Cagamas, Cagamas MBS Berhad (CMBS) and Cagamas SRP Berhad (CSR). The Group's profit for the year has improved to RM416.5 million, compared with RM414.3 million in 2017. Cagamas and CMBS remained as key contributors to the financial results of the Group.

The Group's Core Capital Ratio (CCR) and Risk Weighted Capital Ratio (RWCR) stood high at 43.4% and 45.0% respectively as at end-2018. Excluding CMBS, for the same period, the Group's CCR and RWCR was 31.3% and 32.9% respectively. Total shareholders' funds for the Group increased to RM6.4 billion from RM6.1 billion, while net tangible asset per share was higher at RM42.33, compared with RM40.32 the year before.



Cagamas recorded profit for the financial year amounting to RM243.7 million in 2018, compared with RM241.7 million in 2017. Earnings per share were 162.49 sen in 2018, compared with 161.14 sen in 2017. Total shareholders' funds grew by 6.3% to RM3.6 billion and consistent with this, the net tangible asset per share stood at RM24.10. Cagamas' CCR and RWCR stood at 28.3% and 29.9% respectively.

During the financial year, CMBS contributed a pre-tax profit of RM215.7 million, compared with RM214.4 million in 2017. The remaining RM2.5 billion worth of Residential Mortgage-Backed Securities/ Islamic Residential Mortgage-Backed Securities (RMBS/ IRMBS) are expected to mature in stages and will be fully redeemed by August 2027.

Cagamas' ability to attract investments in its bonds and Sukuk has been underpinned by its strong credit rating, performance track record, consistent strong capitalisation, robust asset quality and stable profitability. These were reflected in its ability to maintain its international credit rating of A3 by Moody's Investors Service (Moody's) and the domestic ratings of AAA by both Malaysian Rating Corporation Berhad and RAM Rating Services Berhad.

“ CSR has provided guarantees for housing loans/financing totalling RM3.7 billion, enabling about 17,743 individuals/households to own their first home ”

## DIVIDENDS

For the financial year ended 31 December 2018, the Group declared a total dividend of 20 sen per share to ordinary shareholders.

## INITIATIVES IN 2018

In line with the Government's priority to promote affordable housing to the nation, the Group's subsidiary CSR's Skim Rumah Pertamaku (My First Home Scheme, SRP) has enhanced its mortgage guarantee facility to enable eligible applicants to obtain up to 110% house financing from participating financial institutions. As at December 2018, CSR has provided guarantees for housing loans/financing totalling RM3.7 billion, enabling about 17,743 individuals/households to own their first home, of which 29% are from the B40 segment.

As part of Malaysia's aspiration towards an environmentally-driven and sustainable economic growth, Cagamas embarks on purchasing loans and financing related to environmental and social-impact projects, in addition to piloting the issuance of sustainability bonds and Sukuk to fund these initiatives. It is expected that the Company's investor base can be further diversified by expanding into the areas of Environmental, Social and Governance (ESG). The Company is also exploring the possibility of issuing debts in other foreign currencies and in new markets, such as the Panda bonds, ProBonds and Formosa bonds.

Cagamas recognises its responsibilities towards the environment and the nation, as affordable housing in regards to sustainable development has always been the Company's core priority. Hence, Cagamas has established the 'Sustainability Bond and Sukuk Framework' as a step towards reaffirming and deepening Cagamas' mission, and raising awareness among the investment community about the importance of sustainable development. Cagamas' Framework facilitates financing for projects and solutions that are important for a sustainable future, in addition to providing an alternative investment option to Cagamas' investors to meet their sustainable and responsible investment objective.

## Chairman's Statement *(Continued)*

As it strives to expand abroad, Cagamas is working towards enhancing mutual development of the secondary mortgage market in the region, as seen by the Company's collaboration through the signing of Memorandum of Understandings with Indonesia's PT Sarana Multigriya Finansial, Thailand's Secondary Mortgage Corporation and the Mongolian Mortgage Corporation.

Cagamas has also rolled out the Loan Administration System (LAS) project in stages, and the full-fledge system has gone live. This initiative allows Cagamas to enhance operational efficiency as the Company will be able to process data and perform scenario planning and analysis more efficiently and effectively.

In furtherance of the Group's commitment to holding itself to high ethical standards, Board Charters were developed and adopted for the operating subsidiaries, namely Cagamas and CSRP. These Charters were drawn in line with the holding company and are based on the provisions of Bank Negara Malaysia's Guidelines on Corporate Governance.

Following industry's best practice, it is imperative that Cagamas employees are aligned with the company's commitment to be a responsible market participant and place emphasis on good governance. Therefore, the Company invests in talent management and provides adequate opportunities to its staff to acquire and enhance their career-advancing and job-related competencies to the level required. The Company's human resource aspiration is to promote continuous learning and enhance the competencies of talents within the organisation by cultivating the values of Teamwork, Ownership and Professionalism (TOP) via Employee Engagement activities. This will support the Company's vision and shape its culture towards a performance-driven workforce.

“An additional donation of RM226,894 was distributed as at 31 December 2018 under the Corporate Zakat Distributable to the three asnaf, or categories, of fakir, miskin and fisabilillah.”

As part of the Company's Corporate Social Responsibility (CSR) efforts, Cagamas has donated RM122,377 in 2018 to selected organisations in need, including hospitals, welfare homes and orphanages. The Company's CSR in 2018 emphasised on the promotion of sustainability via education and vocation-based programmes towards improving the society overall. An additional donation of RM226,894 was distributed as at 31 December 2018 via Cagamas' Corporate Zakat Distributable to the three asnaf, or categories, of fakir, miskin and fisabilillah.

The Company always believe education is a human capital investment that will impact the nation's growth and development. Echoing this belief is Cagamas' Scholarship Programme which was established in 2016 to aid young deserving Malaysians to pursue higher education. In 2018, Cagamas is proud to continue sponsoring a total of 15 scholars at an allocation of RM360,000 and the Company is delighted that one of its scholars has graduated in August 2018.

## OUTLOOK

The global economy is expected to expand at a more moderate pace across advanced economies and emerging-market economies in 2019. Global gross domestic product (GDP) growth is projected by the International Monetary Fund to slow to 3.5% this year, from an estimated 3.7% expansion in 2018. Growth prospects in advanced economies will continue to be driven by strong labour market conditions, lending support to private consumption amid more moderate investment activity. In Asia, growth is projected to cool, as resilient domestic demand provides support to economies in the region despite a slower expansion in China's economy. Overall, risks to global growth in 2019 tilt to the downside, with an escalation to the trade tensions between US and China remains a key source of risk to the outlook.

The Malaysian economy is expected to remain on a steady growth path in 2019<sup>6</sup> amid potential downside risks stemming from global events fanning further escalation in trade tensions. The Malaysian economy is projected to grow by 4.9% this year from a 4.7% growth in 2018. Private sector expenditure will remain as the key driver of growth following record high consumer and business sentiments. Private consumption expansion will take place on the back of stable labour market conditions.

Moving forward, Cagamas is cautiously optimistic of the economy despite the current wave of volatility and complexities. The Company is well placed to carry through its mandate of helping Malaysians gain access to affordable and competitive home financing given its solid foundation and the opportunities available within its target segment for growth. Cagamas remains committed to support the Government in providing affordable home ownership through the Company's continued participation in Government driven home financing schemes, as well as its continuous efforts to innovate new offerings in tandem with the changing market landscape.

## ACKNOWLEDGEMENTS

On behalf of the Board, I wish to express our appreciation to our shareholders for their continued confidence and support. I also wish to extend our gratitude to the regulatory authorities, the Ministry of Finance Malaysia, Bank Negara Malaysia, the Securities Commission Malaysia, the Companies Commission of Malaysia, Labuan Financial Services Authority and Bursa Malaysia for their guidance and support.

It gives me great pleasure to welcome our new directors to the Group, namely Dato' Bakarudin bin Ishak, Datuk Seri Dr. Nik Norzrul Thani bin N. Hassan Thani and Madam Ho Chai Huey. I would also like to thank Datuk Shaik Abdul Rasheed bin Abdul Ghaffour, Datuk Dr. Roslan bin A. Ghaffar, Mr. Adnan Zaylani bin Mohamad Zahid and Mr. Nazrul Hisyam bin Mohd Noh for their valuable contributions to the Board during their tenure as Directors in the Group.

Finally, the Board wishes to express its deepest appreciation to the Management and staff of the Cagamas Group of Companies for their dedication, commitment and valuable contribution to the Group throughout the year.

**Nik Mohd Hasyudeen Yusoff**  
Chairman

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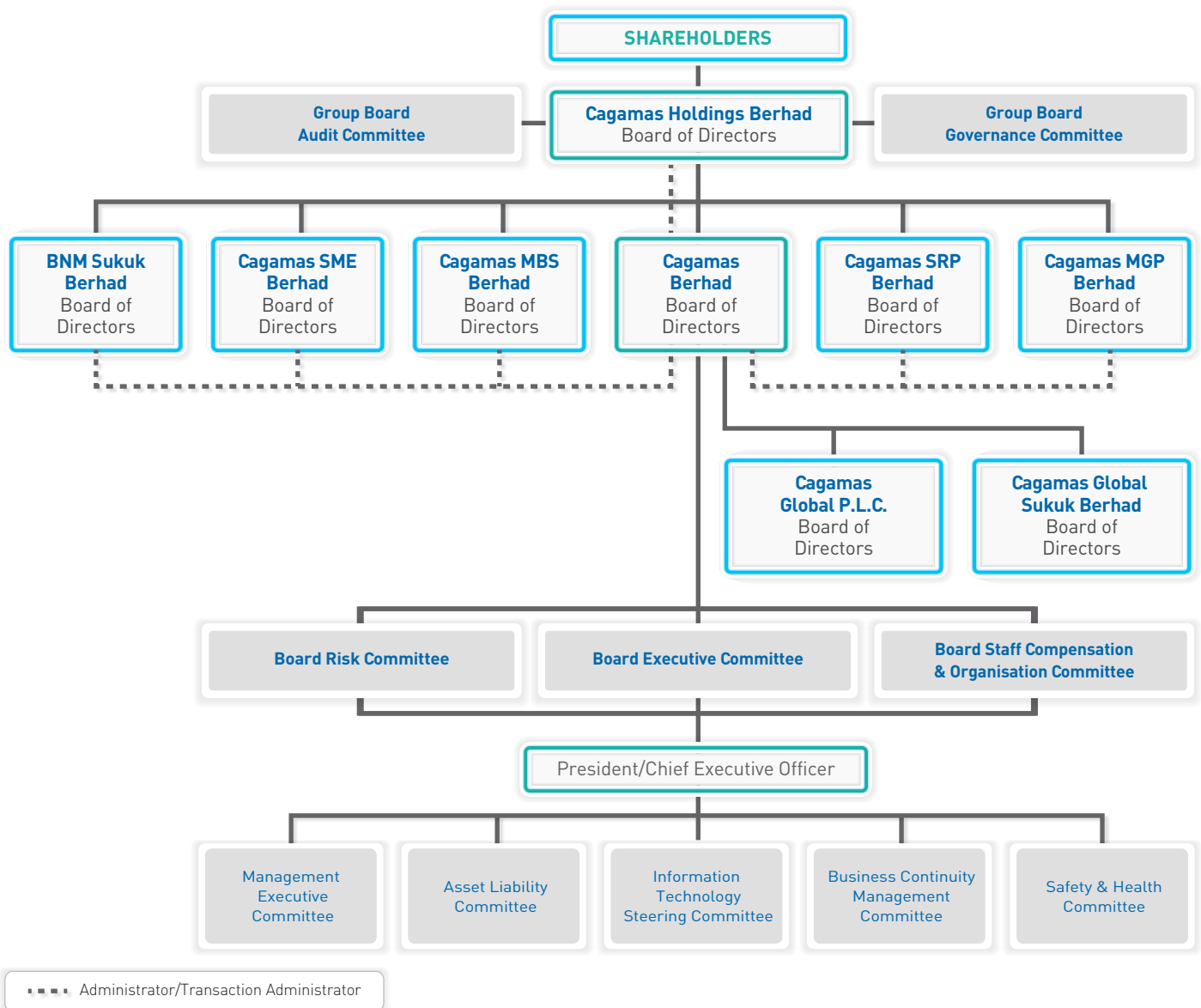
Dreams of Homeownership



## STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors (Board) of Cagamas Holdings Berhad (the Company) is committed to ensuring that the Company and its subsidiaries (the Group), practise the highest standards of corporate governance so that the Group's affairs are conducted with integrity and professionalism to safeguard the financial performance of the Group and enhance long term shareholder value. To this end, the Board has adopted the Bank Negara Malaysia Corporate Governance 2016 (BNMCG) for financial institutions as its guiding principles to ensure that the highest standards of corporate governance are practised throughout the Company and the Group.

### GOVERNANCE FRAMEWORK



## BOARD OF DIRECTORS

### Board Composition

The Board consists of eight Non-Executive Directors, comprising senior officers/representatives and chief executives of some financial institutions as well as experienced professionals nominated by the Board.

Based on the BNMCG criteria, a majority of the Company's Directors are considered independent as they are independent in character and judgment, and free from associations or circumstances that may impair the exercise of their independent judgment. The Directors do not participate in the day-to-day running of the Company's business. The Directors provide objective and independent views for the Board's deliberations.

The Board observes the BNMCG's guidelines that the tenure limit of an Independent Director should generally not exceed nine (9) years, except under exceptional circumstances as may be determined by the Board upon the recommendation of the Group Board Governance Committee (GBGC). In the event the cumulative tenure limit for Independent Directors is extended beyond 9 years, the shareholders' approval will be sought at the Annual General Meeting (AGM).

Currently, there is one Independent Non-Executive Director who has exceeded a cumulative term of nine (9) years and the shareholders' approval will be sought to retain his status as an Independent Director at the AGM.

The GBGC and the Board have upon their annual assessment, concluded that the Independent Non-Executive Directors continue to demonstrate conduct and behaviour that are essential indicators of independence and that each of them continues to fulfil the definition of independence as set out in the BNMCG.

All Directors within the Group, including at the subsidiary level, have wide and in-depth experience in macroeconomics, banking and financial services, capital markets and management of financial institutions. Collectively, the Directors bring to the boards a broad and diverse range of knowledge in banking and finance, capital markets, accounting, law, economics, risk management and information technology.

## Clear Roles and Responsibilities

### *Cagamas Holdings Berhad*

The Board has adopted a charter to provide a reference for Directors in relation to the Board's role, duties and responsibilities and the division of responsibilities between the Board, the Board Committees, the Chairman and the President/Chief Executive Officer (CEO). The Board Charter is subject to review periodically to ensure consistency with the Board's strategic intent and relevant standards of corporate governance.

The direction and control of the Group rests with the Board, and the Board assumes the overall responsibility for corporate governance, strategic direction, risk appetite, formulation of policies and oversight on the operations of the Group and the conduct and performance of the CEO and Senior Management. The Board ensures that an appropriate system is in place to identify the Group's material risks and that appropriate internal controls and mitigation measures are implemented to manage these risks. The Board is also entrusted to ensure adequacy and the integrity of the Group's internal control systems and management information systems, including compliance with applicable laws, regulations, rules, directives and guidelines.

The Board sets the overall risk appetite for the Group's business. The oversight of management of risks within the Group is undertaken by the Board Risk Committee (BRC) of Cagamas Berhad. The BRC oversees the development of risk management strategies, policies, and critical internal processes and systems to assess, measure, manage, monitor and report risk exposures within the Group. The BRC reports directly to the Board of Cagamas Berhad which in turn, updates and where necessary, seeks input from the Board of Cagamas Holdings Berhad on decisions pertaining to risk reviews and other risk related matters. The BRC is supported by the Risk Management Department (RMD) of Cagamas Berhad which is responsible for performing risk reviews and assessments on the operations of Cagamas Berhad and other subsidiaries of the Company. The Chief Risk Officer reports directly to the BRC. The RMD also submits the risk reviews to the respective Board of Directors of the subsidiaries.

The Board oversees the conduct and performance of the Group's business by reviewing and approving the Group's strategic business plan and annual budget. Updates on the key operations of the Group are provided to the Board for review at every Board meeting. In addition, significant matters presented to the boards of the subsidiaries are forwarded to the Board for information or endorsement.

## Statement on Corporate Governance *(Continued)*

The Chairman of the Company leads the Board and ensures it performs and functions effectively in meeting its obligations and responsibilities. Being an investment holding company, Cagamas Holdings Berhad does not have a Chief Executive Officer or any employees.

### **Cagamas Berhad**

The day-to-day operations of the Group are being undertaken by the main operating entity, Cagamas Berhad which is the appointed Administrator for Cagamas Holdings Berhad and Administrator/Transaction Administrator for its sister companies namely Cagamas SME Berhad, Cagamas MBS Berhad, Cagamas SRP Berhad, Cagamas MGP Berhad and BNM Sukuk Berhad. It also acts as Administrator for its two (2) subsidiaries namely, Cagamas Global P.L.C. and Cagamas Global Sukuk Berhad.

At Cagamas Berhad, there is a clear segregation of roles and responsibilities between the Chairman and the CEO. The Chairman provides leadership to the Board and ensures that the Board functions effectively; he leads discussions on overall strategies, policies, risk appetite and oversight on the conduct of Cagamas Berhad's business. The CEO of Cagamas Berhad leads the management of Cagamas Berhad and is responsible for the implementation of the strategies and policies as well as the day-to-day running of Cagamas Berhad's business.

Annual Key Performance Indicators for the CEO and Senior Management of the Company are deliberated and set by the Board.

### **Company Secretary**

The Directors have ready and unrestricted access to the advice and services of the Company Secretary to enable them to discharge their duties effectively. The Board is regularly updated and apprised by the Company Secretary and the Compliance Officer who are experienced and knowledgeable on new statutes and directives issued by regulatory authorities and the resultant implications for the Group and the Directors in relation to their duties and responsibilities. The Company Secretary attends and ensures that all Board meetings are properly convened, and that accurate and proper records of the proceedings and resolutions passed are recorded in the statutory books maintained at the registered office of the Company. The Company Secretary also facilitates timely communication of decisions made and policies set by the Board and the GBGC to the Senior Management for action.

### **Board Meetings**

During the financial year ended 31 December 2018, the Board met four times to deliberate on a wide range of matters, including the Company's business performance, risk profile, business plans and strategic issues that affect the Group's business. Board papers providing updates on operations, financials, risk profile, regulatory issues and corporate developments are sent to the Directors in advance of each meeting.

All Directors have direct access to the advice of the Senior Management of Cagamas Berhad. In furtherance of their duties, the Board is entitled to seek independent professional advice at the Company's expense, as and when deemed necessary.

The Directors' attendance at Board meetings during the financial year ended 31 December 2018 are set out below:

Director	Designation/Independence	Board Meeting Attendance
Mr. Nik Mohd Hasyudeen bin Yusoff	Chairman, Independent	4/4
Datuk Shaik Abdul Rasheed bin Abdul Ghaffour	Non-Independent	4/4
Tan Sri Dato' Sri Tay Ah Lek	Non-Independent	4/4
Datuk George Ratilal	Independent	2/4
Datuk Abdul Farid bin Alias	Non-Independent	3/4
Datuk Azizan bin Haji Abd Rahman	Independent	4/4
Dato' Lee Kok Kwan	Non-Independent	4/4
Ms. Wan Hanisah binti Wan Ibrahim	Independent	4/4



## Board Committees

At present, the Board is assisted by the Group Board Audit Committee (GBAC) and the GBGC which operate within their specified terms of reference (TOR) as approved by the Board.

The GBGC comprises three Non-Executive Directors, namely:

Datuk Shaik Abdul Rasheed Bin Abdul Ghaffour

*(Chairman from July 2017 to December 2018)*

Dato' Bakarudin Ishak *(Chairman – appointed 1 January 2019)*

Tan Sri Dato' Sri Tay Ah Lek

Mr. Nik Mohd Hasyudeen bin Yusoff

The GBGC is responsible for the review of the Group's corporate governance practices and to ensure that the Group's governance practices are in line with best practices. The GBGC is also responsible to annually assess the effectiveness of the Board as a whole, the Board Committees and the contributions of individual Directors, and propose appointments to the Board and Board Committees. With the establishment of the GBGC, a formal procedure is established for the identification, nomination and evaluation of the Board and recommendation for appointment to the Board or Board Committees. The decision as to who shall be nominated is the responsibility of the board of the respective companies after considering the GBGC's inputs and recommendations.

Other committees, namely the Board Executive Committee, Board Staff Compensation and Organisation Committee and Board Risk Committee remain at Cagamas Berhad.

## Appointment and Re-election of Directors

The Directors are nominated by the shareholders or members of the Board. These nominations are reviewed by the GBGC which then presents its recommendations to the Board for approval.

In accordance with the Company's Constitution, at least one-third of the Directors is to retire from office at each AGM of the Company and may offer themselves for re-election. The Constitution also states that any Director appointed by the Board during a particular year shall hold office only until the next following AGM and shall then be eligible for re-election.

## Directors' Remuneration

The Company's policy on Directors' remuneration is to attract and retain Directors of the calibre and experience needed to provide sound and effective oversight of the Group's activities. The GBGC reviews the remuneration of the Non-Executive Directors every three years to ensure that the Directors are appropriately remunerated for their contributions to the Group, taking into account the level of expertise, commitment and responsibilities undertaken.

The Board is continually mindful that competitive remuneration is important to attract, retain and motivate the Directors with the relevant experience and expertise required for the stewardship of the Company. The Directors' remuneration should be commensurate with the Directors' time commitment, expertise, risk and complexity of the business of the respective companies.

The remuneration paid to the Directors as disclosed in the Financial Statements is as follows:

Non-Executive Directors	Directors' Fee (RM)	Meeting Allowance (RM)	Total (RM)
Mr. Nik Mohd Hasyudeen bin Yusoff	60,000	25,000	85,000
Datuk Shaik Abdul Rasheed bin Abdul Ghaffour	55,000	23,000	78,000
Tan Sri Dato' Sri Tay Ah Lek	50,000	21,000	71,000
Datuk George Ratilal	55,000	25,000	80,000
Datuk Abdul Farid bin Alias	50,000	10,500	60,500
Datuk Azizan bin Haji Abd Rahman	50,000	28,000	78,000
Dato' Lee Kok Kwan	50,000	24,500	74,500
Ms. Wan Hanisah binti Wan Ibrahim	50,000	28,000	78,000

## Statement on Corporate Governance *(Continued)*

### Directors' Training

Some of the Directors are also Directors of public-listed companies and have attended the Mandatory Accreditation Programme as required by the Bursa Malaysia Listing Requirements. All Directors of Cagamas Berhad are required to attend the Financial Institutions Directors' Education (FIDE) Core Programme. The annual directors' training programme focuses on the continued enhancement of the Directors' skill sets and updates on recent developments in the financial services sector, including relevant new laws and regulations.

### Management Committees

At the operating entity level, management committees have been established to support the CEO in managing various activities and operations throughout the Group. The management committees include the following:

- Management Executive Committee
- Asset Liability Committee
- Information Technology Steering Committee
- Business Continuity Management Committee
- Safety & Health Committee

### Investor Relations and Shareholders' Communication

The Board recognises the importance of effective and timely communication with all its shareholders and bondholders. The Group's strategies, plans, financial information and new products are communicated to the shareholders and investors through letters, the Annual Report, press statements and announcements, and other financial information providers e.g. Bloomberg, Thomson Reuters, Bursa, Labuan International Financial Exchange and Singapore Exchange Limited. The principal forum for dialogue with shareholders continues to be the AGM. At the AGM, the Chairman highlights the performance of the Group and provides the shareholders every opportunity to raise questions and seek clarification on the business and performance of the Group.

Cagamas Berhad maintains a website, [www.cagamas.com.my](http://www.cagamas.com.my) which provides comprehensive up-to-date information on the Group's products, rates and financial information.

## AUDIT

### Internal Control

The Company's Statement on Internal Control is set out on pages 67 to 68 of this Annual Report.

### Relationship with the Auditors

The Report on the roles and responsibilities of the GBAC in relation to the internal and external auditors are described from pages 63 to 66 of this Annual Report. For the financial year ended 31 December 2018, the external auditors had attended two meetings with the GBAC. The first meeting in February 2018 was to report on the financial statements for the financial year ended 31 December 2017, and the second meeting in August 2018 was to present their findings on the limited review of Cagamas Berhad, the audit plan and the scope of audit for the financial year ended 31 December 2018. At one of the meetings, a session was held between the GBAC and the external auditors without the presence of the Management. The external auditors attend the AGM of the Company and are available to answer shareholders' questions on the conduct of the statutory audit and the preparation and contents of their audit report.

Auditors' remuneration as well as non-audit fees paid are shown on page 167 of this Annual Report.

## REPORT OF THE GROUP BOARD AUDIT COMMITTEE

### 1. MEMBERS

For the year of 2018, the members of the Group Board Audit Committee ("the Committee") are as follows:-

- (a) Datuk George Ratilal (Chairman)
- (b) Datuk Azizan Haji Abd Rahman
- (c) Dato' Lee Kok Kwan
- (d) Ms. Wan Hanisah Wan Ibrahim

Majority of the Committee members comprised of independent Non-Executive Directors based on the broad description of the Malaysian Code on Corporate Governance. The Directors do not participate in the day-to-day running of the Group's business and are independent of Management. The Directors do not hold shares in their personal capacity and are not influenced by any significant shareholder of the Group. There is no one group of Directors or any individual Director who dominates the Committee's discussions or decision-making. The Directors provide independent views for the Committee's deliberations.

### 2. ATTENDANCE AT MEETINGS

The Committee held four meetings during the financial year ended 31 December 2018 with the President/Chief Executive Officer and the Head of Internal Audit in attendance. Other senior officers of Cagamas Berhad attended the meetings by invitation. The record of attendance of meetings by the members is as follows:-

Name of Committee Member	No. of Meetings Attended
Datuk George Ratilal	4/4
Datuk Azizan Haji Abd Rahman	4/4
Dato' Lee Kok Kwan	3/4
Ms. Wan Hanisah Wan Ibrahim	4/4

The Group's External Auditors, Messrs. PricewaterhouseCoopers had attended two meetings during the year to report on the audit for financial year ended 31 December 2017 and to present their audit plan and scope of work for the Group for the year 2018.

### 3. COMPOSITION AND TERMS OF REFERENCE

#### Authority

- (a) The Committee shall have unlimited access to all information and documents relevant to its activities, to the Internal and External Auditors, and to Management of the Companies within the Group.
- (b) The Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise to attend meetings whenever it deems necessary.
- (c) The Committee is authorised by the Board to investigate any activity within its purview and members of the Committee shall direct all employees to co-operate as they may deem necessary.

#### Size and Composition

- (a) The Committee shall be appointed by the Board from amongst the Non-Executive Directors and shall comprise a minimum of three members, a majority of whom shall be Independent Directors.
- (b) If for any reason the number of members is reduced to below three, the Board must fill the vacancies within three months.
- (c) The members of the Committee shall elect a Chairman from amongst their members who shall be an independent Director.
- (d) At least one member of the Committee:-
  - (i) must be a member of the Malaysian Institute of Accountants (MIA); or
  - (ii) if he is not a member of the MIA, he must have at least three years' working experience and:-
    - he must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act, 1967; or
    - he must be a member of one of the association of accountants specified in Part II of the First Schedule of the Accountant Act, 1967; or

## Report of the Group Board Audit Committee (Continued)

- (iii) he must have a degree/masters/doctorate in accounting or finance and at least 3 years post qualification experience in accounting or finance; or
  - (iv) he must have at least 7 years experience being a Chief Financial Officer of a corporation or having function of being primarily responsible for the management of the financial affairs of a corporation.
- (e) No member of the Committee shall have a relationship, which in the opinion of the Board will interfere with the exercise of independent judgment in carrying out the functions of the Committee.

### Meetings

- (a) Meetings will be held once a quarter or at a frequency to be decided by the Chairman and the Committee. Invitation shall be extended to Chief Executive Officer to attend the meeting. The Committee may invite any person to be in attendance to assist in its deliberations.

### Quorum

- (a) A quorum shall consist of two members.

### Secretary

- (a) The Secretary to the Committee shall be the Head of Internal Audit.

### Duties and Responsibilities

#### Financial Reporting

- (a) Review the consolidated annual financial statements of the Group for submission to the Board of Directors for approval, to ensure compliance with the disclosure requirements and the adjustments suggested by the External Auditors. These include:-
- Review of the auditors' report and qualifications (if any) which must be properly discussed and acted upon to address the auditors' concerns in future audits;

- Changes and adjustments in the presentation of financial statements;
- Major changes in accounting policies and principles;
- Compliance with accounting standards and other legal requirements;
- Material fluctuations in statement of balances;
- Significant variants in audit scope; and
- Significant commitment or contingent liabilities.

- (b) Review the half yearly Condensed Interim Financial Statement for Cagamas Berhad and its subsidiaries (the Group) for submission to the Board of Directors for approval, to ensure compliance with disclosure requirements.

#### Internal Audit

- (a) Review the scope and results of Internal Audit procedures including:-
- Compliance with internal auditing standards, the Group's internal controls, policies and other legal requirements;
  - Adequacy of policies and procedures and internal controls established;
  - Co-ordination between the Internal and External Auditors;
  - Exercise independence and professionalism in carrying out internal auditing work;
  - Reporting results of the audit performed;
  - Recommending changes in accounting policies to the Board; and
  - Recommending and ensuring the implementation of appropriate remedial and corrective actions regularly.
- (b) Responsible for establishment of the Internal Audit functions which include:-
- Approval of the Internal Audit Charter;
  - Approval of the Internal Audit Plan;
  - Evaluate the performance and decide on the remuneration package of the Head of Internal Audit in line with the Company's remuneration policy;



- Reviewing the adequacy of the scope, functions and resources of the Internal Audit Department or any restrictions encountered in the course of the audit work;
  - Approval of the appointment or termination of the Head of Internal Audit;
  - Notification of resignation of Internal Audit staff and to provide opportunity for such staff to submit reasons for resigning;
  - Ensuring that the Internal Audit functions have appropriate standing within the Group;
  - Alignment of goals and objectives of the Internal Audit functions with the Group's overall goals; and
  - Place Internal Audit under the direct authority and supervision of the Committee.
- (c) Review the Internal Audit reports before submission to the Board of Directors of the respective Companies within the Cagamas Group and recommend to the Board of Cagamas Holdings for information/endorsement.
- (d) Ensure that appropriate and prompt remedial actions are taken by Management on major control or procedures deficiencies identified.
- (e) Discuss matters arising from the previous year's audit, review with the External Auditors on the scope of their current year's audit plan, their evaluation of the accounts and internal controls systems, including their findings and recommended actions.
- (f) Review changes in statutory requirements and any significant audit problems that can be foreseen as a result of previous year's experience or because of new developments.
- (g) Evaluate and review the role of External Auditors from time to time.
- (h) Approve the provision of non-audit services by the External Auditors and evaluate whether there are any potential conflicts arising from such non-audit services.
- (i) Ensure that proper checks and balances are in place so that the provision of non-audit services does not interfere with the independent judgment of the auditors.
- (j) Meet with the External Auditors at least once a year without the presence of Management to discuss any key concerns and to obtain feedbacks.

#### **External Audit**

- (a) Assess the objectivity, performance and independency of the External Auditors.
- (b) Discuss and review the external audit plan, the findings on the system of internal controls (including Management's actions and the relevant audit reports).
- (c) Review the External Auditors engagement letter and Management's response.
- (d) Recommend to the Board the appointment of External Auditors, the audit fee and any question of resignation or dismissal of the External Auditors.

#### **Related Party Transaction**

- (a) Review any significant related party transaction or conflict of interest situation that may arise within the Group.
- (b) Review any significant transactions, which are not a normal part of the Group's business.

#### **Other Responsibility**

- (a) To review the Management's proposal for payment of dividend prior to submission to the Board for approval.
- (b) Perform any other functions as may be delegated by the Board from time to time.

## Report of the Group Board Audit Committee (Continued)

### 4. SUMMARY OF ACTIVITIES

During the financial year, the Committee carried out its duties in accordance with its terms of reference. A summary of the main activities undertaken by the Committee is as follows:-

#### Internal Audit

- (a) Reviewed and approved the Internal Audit Plan for Financial Year 2019 to ensure adequate scope and coverage of the audit activities of the Group and the resources requirements of the internal audit to carry out its functions;
- (b) Reviewed the internal audit reports, audit recommendations and Management's responses to the audit findings and recommendations;
- (c) Reviewed the status report on Management's efforts to rectify the outstanding audit issues to ensure that appropriate actions have been taken as per the audit recommendations;
- (d) Provided independent evaluation on the performance of the Head of Internal Audit;

#### External Audit

- (a) Reviewed audit plan and scope of work of the External Auditors for the year 2018;
- (b) Recommended the re-appointment of External Auditors and their audit fees to the Board of Directors; and
- (c) Reviewed the results of the audit by the External Auditors and discussed the findings and other concerns of the External Auditors.

#### Financial Reporting

- (a) Reviewed the annual audited financial statements of the Group to ensure that the financial reporting and disclosure requirements are in compliance with accounting standards.

### 5. INTERNAL AUDIT FUNCTION

The Group has an established Internal Audit Department, which reports directly to the Committee and assists the Board in discharging its responsibilities to ensure that the Group maintains a sound and effective system of internal controls. The Internal Audit Department is independent of the activities or operations of other units. This enables the Internal Audit Department to provide the Committee with independent and objective reports on the state of internal controls, risk management and comments on the governance process within the Group.

The Internal Audit Department undertakes the internal audit functions of the Group in accordance with the approved Audit Charter and the Annual Audit Plan approved by the Committee. The Audit Plan is derived from the results of the systematic risk assessment process, whereby the risks are identified, prioritised and linked to the key processes and auditable areas. The risk assessment process also enables the Internal Audit Department to prioritise its resources and areas to be audited.

The audits conducted during the financial year 2018 focused on the independent review of the risk management, operating effectiveness of internal controls, and regulatory requirements across the Group. The audit reports were submitted to the Committee for its consideration. This enables the Committee to execute its overseeing function by forming an opinion on the adequacy of measures undertaken by Management.

The International Standard for the Professional Practices of Internal Auditing (Standards) issued by the Institute of Internal Auditors (IIA) is used where relevant as authoritative guides for internal auditing procedures.

## STATEMENT ON INTERNAL CONTROL

### RESPONSIBILITY OF THE BOARD

The Board of Directors of Cagamas Holdings Berhad (the Board) together with the Board of Directors of the companies within the Group affirms its overall responsibility in ensuring that the Cagamas Group of Companies (the Group) maintains a sound and effective system of internal controls that support the achievement of the Group's objectives. The system on internal controls covers, inter alia, risk management, financial, strategy, organisational, operational and compliance controls. However, the Board recognises that such a system is designed to manage and control the risks to acceptable levels rather than eliminate the risk of not adhering to the Group's policies and achieving business objectives. Therefore, the system provides reasonable, but not absolute assurance, against the occurrence of any material misstatement of financial information.

The role of management is to implement the Board's policies on risk and internal control by identifying and evaluating the risks faced and designing, operating and monitoring a suitable system of internal controls to mitigate and control these risks.

### RISK MANAGEMENT

The Board Risk Committee (BRC) of Cagamas Berhad oversees the management of risks associated with the Group's business and operations. The BRC oversees the development of risk management strategies, policies, key internal processes and systems to assess, measure, manage, monitor and report risk exposures within the Group. The BRC reports directly to the Board of Cagamas Berhad which in turn keeps the Board informed of the decisions pertaining to risk reviews and related risk issues.

The BRC is supported by the Risk Management Department of Cagamas Berhad (RMD) which provides risk management support and performs risk management reviews on the business and operations of Cagamas Berhad, the main operating entity as well as for the other subsidiaries. Result of the risk management review and other findings are reported to the Board as well as the Board of the respective subsidiaries. The Group's risk management principles are generally based on Bank Negara Malaysia guidelines and industry best practices.

### KEY INTERNAL CONTROL PROCESSES

The Group's internal control system encompasses the following key processes:

#### 1. Authority and Responsibility

- a) An organisational structure, job descriptions and Key Results Areas (KRA) which clearly define lines of responsibility and accountability aligned to business and operational requirements.
- b) Clearly defined lines of responsibility and delegation of authority to the Committees of the Board, Management and staff.
- c) Management has also set up the Management Executive Committee, Asset Liability Committee, IT Steering Committee, Safety & Health Committee and Business Continuity Management Committee to ensure effective management and supervision of the areas under the respective Committees' purview.

#### 2. Planning, Monitoring and Reporting

- a) The Annual Business Plan and Budget is developed, presented and approved by the Board before implementation. In addition, actual performances are reviewed against the targeted results on a quarterly basis allowing timely responses and corrective actions to be taken to mitigate risks. The result of such performance review is reported to the Board on a half-yearly basis. Where necessary, Business Plan and Budget are revised, taking into account any changes in business conditions.
- b) Regular reporting to the Board, the Board of Directors of companies within the Group and Board Committees. Reports on the financial position, status of loans and financings purchased, bonds and notes issued and interest rate swap transactions are provided to the Board at least once a quarter. Where necessary, other issues such as legal, accounting and other relevant matters will also be reported to the Board.
- c) Regular and comprehensive information are provided to Management covering financial and operational reports at least on a monthly basis.

## Statement on Internal Control *(Continued)*

### 3. Policies and Procedures

- a) Clear, formalised and documented internal policies and procedures manuals are in place to ensure compliance with internal controls and relevant laws and regulations. Regular reviews are performed to ensure that documentation remains current and relevant.

### 4. Independent Review by Internal Audit Department

- a) The Internal Audit Department provides reasonable assurance to the Board by conducting an independent review on the adequacy, effectiveness and integrity of the system of internal controls. It adopts a risk-based audit approach in accordance with the annual audit plan approved by the Group Board Audit Committee (GBAC). The results of audits are presented to the GBAC, which meets four times during the financial year ended 31 December 2018.
- b) The audit plan and audit reports are also submitted to the Board and the respective Board of Directors of the companies within the Group to inform of any weaknesses in the internal controls system. During the financial year, several weaknesses were highlighted, but none has resulted in material loss, contingencies or uncertainties or impact on reputational risk that would require disclosure in the Annual Report.

### 5. Performance Measurement and Staff Competency

- a) Key Performance Indicators (KPIs), which are based on the Performance Scorecard approach, are used to track and measure staff performance.
- b) There are proper guidelines for the hiring and termination of staff, formal training programs and upskilling certification by Industry Experts for staff, annual performance appraisal and other relevant procedures in place to ensure that staff are competent and adequately trained in carrying out their responsibilities.

### 6. Business Continuity Planning

- a) A Business Continuity Plan (BCP), including a Disaster Recovery Plan is in place to ensure continuity of business operations.

### CONCLUSION

The system of internal controls is in place for the year under review and up to the date of issuance of the annual report and financial statements, is sound and sufficient to safeguard the shareholders' investment, the interests of customers, regulators and employees, and the Group's assets.



The Cagamas Group takes a holistic and enterprise-wide view in managing risk across the subsidiaries with regular evaluation of risks.

### ENTERPRISE RISK MANAGEMENT FRAMEWORK

Enterprise Risk Management (ERM) forms part of Cagamas' culture and is embedded into its business processes and practices. The Board approved ERM Framework details the responsibility and accountability of the Board of Directors (Board), Board Risk Committee (BRC), Management Executive Committee (MEC), Asset Liability Committee (ALCO), Chief Executive Officer (CEO), Senior Vice President, Risk Management Department, Risk Management Department (RMD), Internal Audit Department (IAD) and Cagamas' employees.

The ERM Framework is geared towards achieving Cagamas' objectives, set forth in four categories:



In line with the ERM framework, three lines of defence in managing risks are adopted within the Group. Business units being the first line of defence, have the primary responsibility of identifying, mitigating and managing risks within their lines of business. They also ensure that their day-to-day activities are carried out within the established risk policies, procedures and limits.

An independent RMD plays the role of the second line of defence by providing specialised resources to proactively manage and control risks. This includes the assessment of risk exposures and the coordination of risk management on an enterprise-wide basis. RMD is also responsible for ensuring that risk management policies are implemented accordingly.

The IAD being the third line of defence is responsible for independently reviewing the adequacy and effectiveness of risk management processes, system of internal controls and compliance with risk policies.

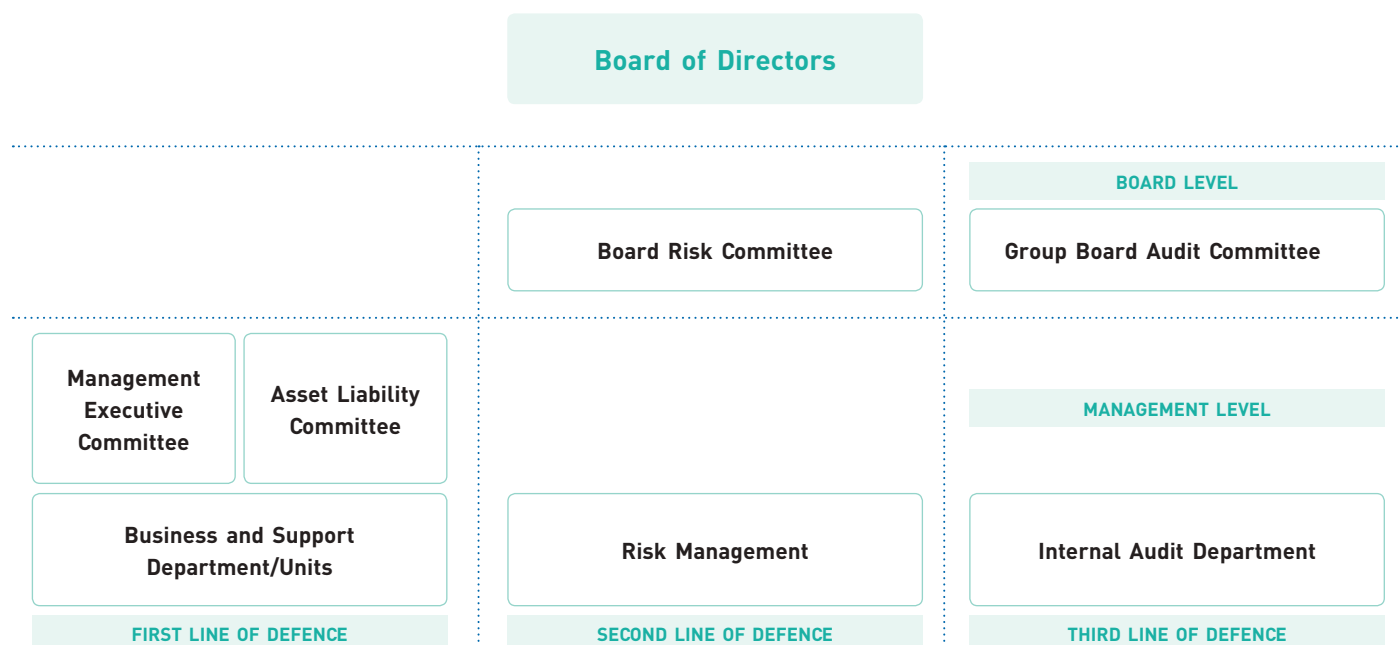
### RISK GOVERNANCE STRUCTURE

The Board sets the overall strategic direction for Cagamas. It provides oversight to ensure that the Management has an appropriate risk management system and practices to manage risks associated with the Company's operations and activities. The Board sets risk appetite and tolerance levels that are consistent with the Company's overall business objectives and desired risk profile. The Board also reviews and approves all significant risk management policies and risk exposures.

The BRC assists the Board in the development of strategies, policies and infrastructure to manage the Company's risks and ensure that there is effective oversight. The BRC is supported by management committees which address the key risks identified.

The MEC and ALCO which comprises of the senior management are chaired by the CEO and undertake the oversight function for overall risk limits and capital allocation, aligning them to the risk appetite set by the Board. Management is responsible for the implementation of policies laid down by the Board and ensuring that there are adequate and effective operational procedures, internal controls and systems to support these policies.

The RMD is responsible for identifying, measuring, analysing, controlling, monitoring and reporting of risk exposures independently and coordinating the management of risks on an enterprise-wide basis. It is independent of other departments involved in risk-taking activities and reports directly to the BRC.



Management has identified and managed the following key risks that could prevent the Group from achieving its objectives:

TYPE OF RISK	DEFINITION AND MANAGEMENT
Strategic Risk	<p>Strategic risk is the risk of not achieving the Group's corporate strategy and goals. This may be caused by internal factors such as deficiency in performance planning, execution and monitoring as well as external factors such as market environment.</p> <p>Strategic risk management is addressed by the Board's involvement in the setting of the Group strategic goals. The Board is regularly updated on matters affecting corporate strategy implementation and corporate transactions.</p>
Credit Risk	<p>Credit risk is defined as the potential financial loss arising from the failure of a borrower or counterparty to fulfil its financial or contractual obligations. Credit risk within the Group arises from Purchase with Recourse (PWR) and Purchase without Recourse (PWOR) business, mortgage guarantee programme, investments and treasury hedging activities.</p> <p>The primary objective of credit risk management is to proactively manage risk and credit limits to ensure that all exposures to credit risks are kept within parameters approved by the Board to withstand potential losses. Investment activities are guided by internal credit policies and guidelines that are approved by the Board. Specific procedures for managing credit risks are determined at business levels based on risk environment and business goals.</p>

TYPE OF RISK	DEFINITION AND MANAGEMENT
Market Risk	<p>Market risk is defined as potential loss arising from movements of market prices and rates. Within the Group, market risk exposure is limited to interest rate risk and foreign exchange risk as the Group does not engage in any equity or commodity trading activities.</p> <p>The Group manages market risks by imposing threshold limits and entering in derivatives contract. The limits are set based on the Group's and the Company's risk appetite and the risk-return relationship. These limits are regularly reviewed and monitored. The Group and the Company have an Asset Liability Management System which provides tools such as duration gap analysis, interest/profit sensitivity analysis and income simulations under different scenarios to monitor the interest/profit rate risk.</p> <p>The Group and the Company also use derivative instruments such as interest rate swaps, profit rate swaps, cross currency swap and Islamic cross currency swap to manage and hedge its market risk exposure against fluctuations in interest rates, profit rates and foreign currency exchange rate.</p>
Liquidity Risk	<p>Liquidity risk arises when the Group does not have sufficient funds to meet its financial obligations when they fall due.</p> <p>The Group manages liquidity risks by adhering to a strict match-funding policy whereby all asset purchases are funded by bonds of closely matched size, duration, and are self-sufficient in terms of cash flow. A forward looking liquidity mechanism is in place to promote efficient and effective cash flow management while avoiding excessive concentrations of funding. The Group plans its cash flow and monitors closely every business transaction to ensure that available funds are sufficient to meet business requirements at all times. Reserve liquidity, which comprises of marketable debt securities, is also set aside to meet any unexpected shortfall in cash flow or adverse economic conditions in the financial market.</p>
Operational Risk	<p>Operational risk is the potential loss resulting from inadequate or failed internal processes, people and systems, or from external events. Each business or support unit undertakes self-assessment of its own risk and control environment to identify, assess and manage its operational risks. The Group has established comprehensive internal controls, systems and procedures which are subject to regular reviews by both internal and external auditors. There are also Business Continuity Plans in place to minimise the impact of any unexpected disruption and the recovery and resumption time of business operations during catastrophic events.</p>
Reputational Risk	<p>The Group's reputation and image as perceived by clients, investors, regulators and the general public is of utmost importance to the continued growth and success of the Group's businesses and operations. Invariably, reputational risk is dependent on the nature/model of business, selection of clients and counterparties and reliability and effectiveness of business processes.</p> <p>Stringent screening of potential clients and design of business in accordance with high standards and regulatory compliance are incorporated to safeguard the Group's business reputation and image.</p>

Risk Management *(Continued)*

TYPE OF RISK	DEFINITION AND MANAGEMENT
Shariah Non-Compliance Risk	<p>Risk of legal or regulatory sanctions, financial loss or non-financial implications including reputational damage, which the Company may suffer arising from the failure to comply with the rulings of the Shariah Advisory Council of regulatory bodies (SACs), standards on Shariah matters issued by the BNM or advice of the Shariah Advisors that are consistent with the rulings of the SACs.</p> <p>The Company consults and obtains endorsements/clearance from an independent Shariah Advisor for all its Islamic products and transactions to ensure compliance with Shariah requirements. In addition, the Company obtains the approval of the Shariah Advisory Councils of BNM and Securities Commission of Malaysia for its Islamic products.</p> <p>Periodic internal audits are performed to verify that Islamic operations conducted by the business units are in compliance with the decisions endorsed by the Shariah Advisor. Any incidences of Shariah non-compliance are reported to the Shariah Advisor, Group Board Audit Committee, BRC and Board.</p>

**KEY HIGHLIGHTS**

Against the increasing challenging operating backdrop, RMD had put in place the following initiatives during the year 2018 to heighten risk management capabilities:

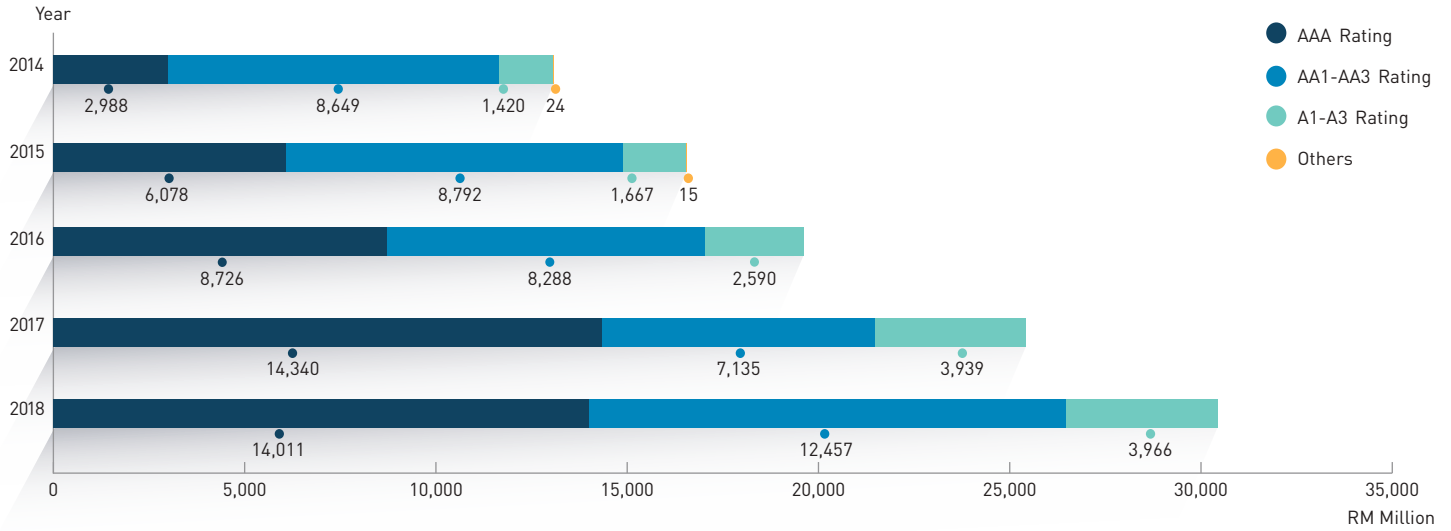
1. Strengthening Risk Culture to reinforce risk framework and governance structure.
  - Cagamas believes that a strong risk culture is an essential building block for effective risk governance. In order to inculcate the right risk culture of employees at all levels of business and activities within the Group, employees are encouraged to undertake continuous learning and communicate issues on a timely basis.
2. Ensuring the Group's portfolios are aligned to the risk appetite and strategies.
  - The risk appetite is a critical component that enables the Board and management to communicate, understand and assess risks that the Group is willing to accept in pursuit of its strategies. The Risk Appetite Statement is reviewed on an annual basis taking into consideration all material risks and future business activities.
3. Enhancing Risk Management Processes and Controls.
  - Risk management methodologies and processes were continuously enhanced to be in line with industry best practices. As part of the continuous enhancement process, an external consultant was engaged during the period to

undertake independent review of policies and processes wherein independent review on ICAAP and Credit Risk were conducted with no material gaps identified.

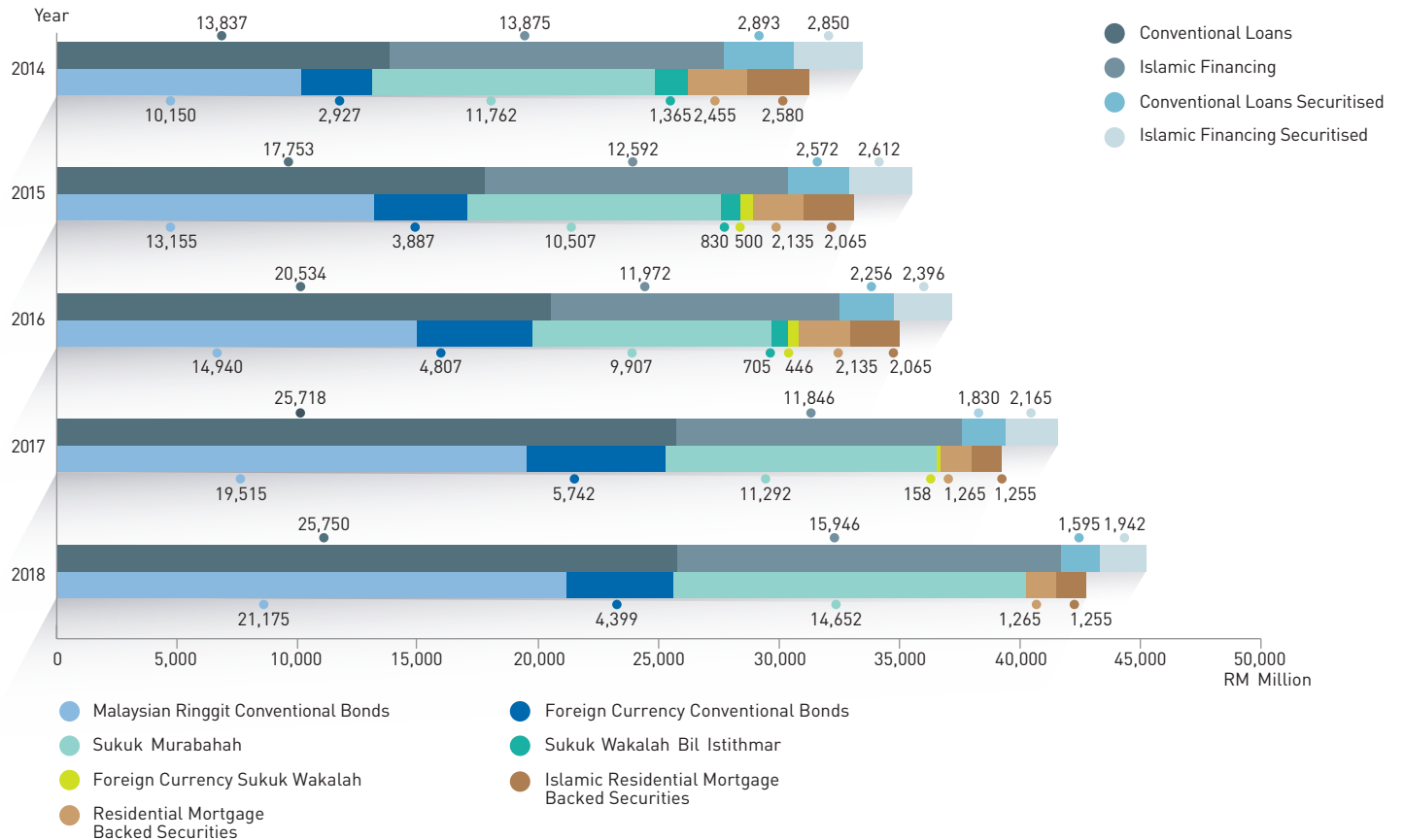
- During the year, the policy and the new guidelines on credit recovery was enhanced and developed respectively. Processes on mitigating liquidity risk were addressed and end-to-end work processes on the recovery of cash flow from the underlying assets were put in place.
- Capital at Risk quantification methodology was approved while the risk based pricing for PWR transactions was reviewed. The existing pricing matrix for PWR transactions was maintained as the current margin transacted exceeds the pricing matrix's minimum indicative pricing.
- Moving forward, the Company will be capitalising on the new Loan Administration System for timely monitoring and reporting. The immediate availability of data for analysis will facilitate timely detection, resulting in the prompt resolution of issues. As such, further training will be conducted to develop analytical skills to increase the bench strength of the relevant staff.
- Technology can vastly accelerate performance but at the same time, it may expose the operations to increasingly severe cyber threats. Hence, Cagamas strives to strengthen its cyber resilience by continuously enhancing its IT security controls. Related policy, guidelines, and reporting have been reviewed and enhanced to strengthen the IT risk governance, management, monitoring and reporting of IT risk.



COUNTERPARTIES EXPOSURE BY RATINGS (PWR)



COMPARISON BETWEEN OUTSTANDING CAGAMAS GROUP DEBT SECURITIES AND LOANS/FINANCING HELD



## Statistical Information (Continued)

## CAGAMAS GROUP DEBT SECURITIES OUTSTANDING AS AT 31 DECEMBER 2018

Date Issued	Tenure (Years)	Coupon Rate (% per annum)	Maturity Date	Remaining Maturity (Years)	Conventional					Islamic			
					Medium Term Notes	Commercial Papers	Residential Mortgage-backed Securities	Secured Credit Linked Notes	Foreign Currency Bonds	Sukuk Murabahah	Sukuk Wakalah Bil Istithmar	Residential Mortgage-backed Securities	Foreign Currency Sukuk
RM MILLION													
<b>2005</b>													
08.08.2005	15	5.270	07.08.2020	1.60								400	
12.12.2005	15	5.650	11.12.2020	1.95			385						
12.12.2005	20	5.920	12.12.2025	6.95			265						
<b>2007</b>													
29.05.2007	12	4.020	29.05.2019	0.41								245	
29.05.2007	15	4.170	27.05.2022	3.41								320	
29.05.2007	20	4.340	28.05.2027	8.41								290	
22.08.2007	12	4.700	22.08.2019	0.64			260						
22.08.2007	15	4.900	22.08.2022	3.64			250						
22.08.2007	20	5.080	20.08.2027	8.64			105						
31.10.2007	12	4.800	31.10.2019	0.83	320								
<b>2008</b>													
08.08.2008	12	6.000	07.08.2020	1.60	65								
08.08.2008	20	6.500	08.08.2028	9.61	90								
08.08.2008	12	6.000	07.08.2020	1.60						235			
08.08.2008	15	6.350	08.08.2023	4.61						305			
08.08.2008	20	6.500	08.08.2028	9.61						370			
10.10.2008	12	5.900	09.10.2020	1.78	105								
10.10.2008	15	6.050	10.10.2023	4.78	140								
10.10.2008	20	6.250	10.10.2028	9.78	340								
10.10.2008	12	5.900	09.10.2020	1.78						25			
10.10.2008	15	6.050	10.10.2023	4.78						30			
10.10.2008	20	6.250	10.10.2028	9.78						35			
<b>2009</b>													
30.03.2009	10	5.270	29.03.2019	0.24	190								
30.03.2009	12	5.370	30.03.2021	2.25	105								
30.03.2009	15	5.460	29.03.2024	5.25	150								
30.03.2009	20	5.690	30.03.2029	10.25	150								
30.03.2009	10	5.270	29.03.2019	0.24						170			
30.03.2009	12	5.370	30.03.2021	2.25						115			
30.03.2009	15	5.460	29.03.2024	5.25						155			
30.03.2009	20	5.690	30.03.2029	10.25						80			
17.07.2009	10	5.280	17.07.2019	0.54	120								
17.07.2009	12	5.380	19.07.2021	2.55	80								
17.07.2009	15	5.520	17.07.2024	5.55	100								

## CAGAMAS GROUP DEBT SECURITIES OUTSTANDING AS AT 31 DECEMBER 2018 (CONTINUED)

Date Issued	Tenure (Years)	Coupon Rate (% per annum)	Maturity Date	Remaining Maturity (Years)	Conventional					Islamic			
					Medium Term Notes	Commercial Papers	Residential Mortgage-backed Securities	Secured Credit Linked Notes	Foreign Currency Bonds	Sukuk Murabahah	Sukuk Wakalah Bil Istithmar	Residential Mortgage-backed Securities	Foreign Currency Sukuk
RM MILLION													
<b>2009</b>													
<b>(continued)</b>													
17.07.2009	20	5.750	17.07.2029	10.55	50								
17.07.2009	10	5.280	17.07.2019	0.54							90		
17.07.2009	12	5.380	19.07.2021	2.55							60		
17.07.2009	15	5.520	17.07.2024	5.55							70		
17.07.2009	20	5.750	17.07.2029	10.55							55		
03.09.2009	10	5.050	03.09.2019	0.67	115								
03.09.2009	12	5.120	03.09.2021	2.68	65								
03.09.2009	15	5.280	03.09.2024	5.68	90								
26.11.2009	10	5.030	26.11.2019	0.90	95								
26.11.2009	12	5.150	26.11.2021	2.91	60								
26.11.2009	15	5.270	26.11.2024	5.91	85								
26.11.2009	20	5.500	26.11.2029	10.91	45								
26.11.2009	10	5.030	26.11.2019	0.90							85		
26.11.2009	12	5.150	26.11.2021	2.91							60		
26.11.2009	15	5.270	26.11.2024	5.91							80		
26.11.2009	20	5.500	26.11.2029	10.91							45		
<b>2010</b>													
03.09.2010	10	4.360	03.09.2020	1.68							10		
03.09.2010	12	4.480	02.09.2022	3.67							5		
03.09.2010	15	4.650	03.09.2025	6.68							5		
03.09.2010	10	4.360	03.09.2020	1.68	15								
03.09.2010	12	4.480	02.09.2022	3.67	10								
03.09.2010	15	4.650	03.09.2025	6.68	5								
<b>2011</b>													
07.04.2011	10	4.650	07.04.2021	2.27							5		
07.04.2011	12	4.760	07.04.2023	4.27							5		
07.04.2011	15	4.920	07.04.2026	7.27							10		
20.12.2011	10	4.150	20.12.2021	2.97	5								
20.12.2011	12	4.250	20.12.2023	4.97	10								
20.12.2011	15	4.410	18.12.2026	7.97	10								
20.12.2011	10	4.150	20.12.2021	2.97							5		
20.12.2011	12	4.250	20.12.2023	4.97							5		
20.12.2011	15	4.410	18.12.2026	7.97							10		

## Statistical Information (Continued)

## CAGAMAS GROUP DEBT SECURITIES OUTSTANDING AS AT 31 DECEMBER 2018 (CONTINUED)

Date Issued	Tenure (Years)	Coupon Rate (% per annum)	Maturity Date	Remaining Maturity (Years)	Conventional					Islamic			
					Medium Term Notes	Commercial Papers	Residential Mortgage-backed Securities	Secured Credit Linked Notes	Foreign Currency Bonds	Sukuk Murabahah	Sukuk Wakalah Bil Istithmar	Residential Mortgage-backed Securities	Foreign Currency Sukuk
RM MILLION													
<b>2012</b>													
<b>(continued)</b>													
31.10.2012	10	3.910	31.10.2022	3.84	450								
31.10.2012	15	4.170	29.10.2027	8.83	20								
04.12.2012	7	3.750	04.12.2019	0.93	5								
04.12.2012	10	3.900	02.12.2022	3.92	5								
04.12.2012	12	4.000	04.12.2024	5.93	5								
04.12.2012	15	4.140	03.12.2027	8.93	5								
04.12.2012	7	3.750	04.12.2019	0.93						20			
04.12.2012	10	3.900	02.12.2022	3.92						20			
04.12.2012	12	4.000	04.12.2024	5.93						10			
04.12.2012	15	4.140	03.12.2027	8.93						15			
<b>2013</b>													
28.10.2013	7	4.150	28.10.2020	1.83								390	
28.10.2013	10	4.300	27.10.2023	4.82								645	
28.10.2013	12	4.550	28.10.2025	6.83								450	
28.10.2013	15	4.750	27.10.2028	9.83								675	
28.10.2013	20	5.000	28.10.2033	14.84								675	
18.11.2013	7	4.100	18.11.2020	1.88	310								
18.11.2013	10	4.300	17.11.2023	4.88	375								
18.11.2013	12	4.550	18.11.2025	6.89	410								
18.11.2013	15	4.750	17.11.2028	9.89	460								
20.12.2013	7	4.350	18.12.2020	1.97								20	
20.12.2013	10	4.600	20.12.2023	4.97								5	
<b>2014</b>													
01.10.2014	5	4.150	01.10.2019	0.75								15	
18.11.2014	5	4.150	18.11.2019	0.88								32	
10.12.2014	5	2.745	10.12.2019	0.94					1,725				

## CAGAMAS GROUP DEBT SECURITIES OUTSTANDING AS AT 31 DECEMBER 2018 (CONTINUED)

Date Issued	Tenure (Years)	Coupon Rate (% per annum)	Maturity Date	Remaining Maturity (Years)	Conventional					Islamic			
					Medium Term Notes	Commercial Papers	Residential Mortgage-backed Securities	Secured Credit Linked Notes	Foreign Currency Bonds	Sukuk Murabahah	Sukuk Wakalah Bil Istithmar	Residential Mortgage-backed Securities	Foreign Currency Sukuk
RM MILLION													
<b>2015</b>													
<b>(continued)</b>													
25.11.2015	5	4.450	25.11.2020	1.90							500		
25.11.2015	5	4.450	25.11.2020	1.90	45								
25.11.2015	7	4.650	25.11.2022	3.90	20								
25.11.2015	10	4.850	25.11.2025	6.91	225								
25.11.2015	12	4.900	25.11.2027	8.91	250								
25.11.2015	20	5.070	26.11.2035	16.92	160								
21.12.2015	7	4.700	21.12.2022	3.98							435		
<b>2016</b>													
03.02.2016	3.15	5.270	29.03.2019	0.24							400		
03.02.2016	3	4.100	04.02.2019	0.10	1,120								
16.02.2016	3	4.050	18.02.2019	0.13	300								
27.05.2016	3	5.280	17.07.2019	0.54							375		
12.08.2016	3	3.650	09.08.2019	0.61	200								
20.10.2016	3	3.750	18.10.2019	0.80	580								
<b>2017</b>													
09.03.2017	5	4.150	09.03.2022	3.19	2,000								
26.04.2017	3	2.530	26.04.2020	1.32					1,544				
28.04.2017	5	4.250	28.04.2022	3.33							500		
28.04.2017	5	4.250	28.04.2022	3.33	225								
20.06.2017	5	4.110	20.06.2022	3.47							350		
06.07.2017	5	4.090	06.07.2022	3.52	1,000								
18.09.2017	3	5.900	09.10.2020	1.78							475		
18.09.2017	3	4.150	28.10.2020	1.83							525		
20.10.2017	3	4.360	03.09.2020	1.68	500								
20.10.2017	3	4.100	18.11.2020	1.88	500								
03.11.2017	3	4.000	03.11.2020	1.84	1,000								
03.11.2017	3	4.020	03.11.2020	1.84							50		
03.11.2017	5	4.230	03.11.2022	3.84							840		
13.12.2017	5	4.250	13.12.2022	3.95	1,500								
15.12.2017	3	4.080	15.12.2020	1.96							90		
29.12.2017	5	4.250	29.12.2022	4.00	300								



## Statistical Information (Continued)

## CAGAMAS GROUP DEBT SECURITIES OUTSTANDING AS AT 31 DECEMBER 2018 (CONTINUED)

Date Issued	Tenure (Years)	Coupon Rate (% per annum)	Maturity Date	Remaining Maturity (Years)	Conventional					Islamic			
					Medium Term Notes	Commercial Papers	Residential Mortgage-backed Securities	Secured Credit Linked Notes	Foreign Currency Bonds	Sukuk Murabahah	Sukuk Wakalah Bil Istithmar	Residential Mortgage-backed Securities	Foreign Currency Sukuk
RM MILLION													
<b>2018</b>													
<b>(continued)</b>													
19.01.2018	1	3.730	22.01.2019	0.06	230								
19.01.2018	2	3.950	20.01.2020	1.05	100								
19.01.2018	3	4.080	19.01.2021	2.05	120								
28.02.2018	1	3.740	01.03.2019	0.16	300								
14.03.2018	2	4.100	16.03.2020	1.21	750								
23.03.2018	3	4.170	23.03.2021	2.23						525			
29.03.2018	3	4.170	29.03.2021	2.24						1,000			
20.04.2018	3	4.220	20.04.2021	2.30	400								
25.05.2018	5	4.500	25.05.2023	4.40						1,500			
06.06.2018	1	5.280	17.07.2019	0.54	700								
12.07.2018	3	3.170	12.07.2021	2.53					160				
26.07.2018	2	3.100	26.07.2020	1.57					182				
26.07.2018	3	3,465	26.07.2021	2.57					114				
03.08.2018	2	2.520	03.08.2020	1.59					194				
08.08.2018	1	3.950	09.08.2019	0.61						25			
08.08.2018	1	3.650	09.08.2019	0.61	800								
07.09.2018	2	3.950	07.09.2020	1.69	50								
07.09.2018	3	4.050	07.09.2021	2.69	550								
08.10.2018	3	4.100	08.10.2021	2.77	800								
09.10.2018	3	4.080	08.10.2021	2.77						750			
19.10.2018	2	2.790	19.10.2020	1.80					481				
22.10.2018	0.25	3.690	22.01.2019	0.06		300							
22.11.2018	0.25	3.690	22.02.2019	0.15						305			
05.12.2018	3	4.120	03.12.2021	2.93						500			
14.12.2018	1	3.840	16.12.2019	0.96	150								
14.12.2018	0.25	3.770	14.03.2019	0.20		350							
20.12.2018	1	4.000	23.12.2019	0.98	800								
20.12.2018	1	4.000	23.12.2019	0.98						400			
20.12.2018	0.50	3.800	20.06.2019	0.47		100							
20.12.2018	0.50	3.800	20.06.2019	0.47						100			
<b>TOTAL</b>					20,425	750	1,265	0	4,399	14,652	0	1,255	0
<b>42,746</b>													

### HOLDERS OF DEBTS SECURITIES ISSUED BY CAGAMAS BERHAD GROUP

	2014		2015		2016		2017		2018	
	RM million	%	RM million	%	RM million	%	RM million	%	RM million	%
Financial Institutions	8,613	32.87	9,333	32.32	10,384	33.71	16,794	45.75	21,451	53.33
Provident and Pension Funds	7,295	27.84	7,758	26.86	7,883	25.59	7,255	19.77	7,730	19.22
Non-Resident Investors	2,666	10.17	4,287	14.84	6,271	20.36	6,017	16.39	4,323	10.75
Insurance Companies	4,089	15.60	4,531	15.69	3,620	11.75	3,670	10.00	3,483	8.66
Asset Management and Trust Funds	2,755	10.51	2,236	7.74	2,080	6.75	2,166	5.90	2,552	6.34
Corporations	421	1.61	420	1.45	230	0.75	364	0.99	199	0.49
Government Linked Companies	365	1.39	314	1.09	337	1.09	441	1.20	487	1.21
<b>Total</b>	<b>26,204</b>	<b>100</b>	<b>28,879</b>	<b>100</b>	<b>30,805</b>	<b>100</b>	<b>36,707</b>	<b>100</b>	<b>40,226</b>	<b>100</b>

### HOLDERS OF DEBTS SECURITIES ISSUED BY CAGAMAS MBS

	2014		2015		2016		2017		2018	
	RM million	%	RM million	%	RM million	%	RM million	%	RM million	%
Insurance Companies	2,775	55.11	2,357	56.12	2,322	55.28	1,535	60.92	1,306	51.84
Financial Institutions	1,109	22.02	995	23.69	1,143	27.22	532	21.11	577	22.90
Provident and Pension Funds	723	14.36	539	12.83	470	11.19	305	12.10	305	12.08
Asset Management and Trust Funds	183	3.63	191	4.55	203	4.83	106	4.20	291	11.54
Corporations	155	3.08	80	1.90	25	0.60	20	0.59	15	0.60
Government Linked Companies	85	1.69	25	0.60	15	0.36	0	0.00	5	0.20
Individuals	0	0.00	5	0.12	15	0.36	15	0.60	15	0.60
Non-Resident Investor	5	0.11	8	0.19	7	0.17	7	0.28	6	0.24
<b>Total</b>	<b>5,035</b>	<b>100</b>	<b>4,200</b>	<b>100</b>	<b>4,200</b>	<b>100</b>	<b>2,520</b>	<b>100</b>	<b>2,520</b>	<b>100</b>

### TOTAL OUTSTANDING DEBT MARKET SECURITIES

Instruments	% of Total Issuance Outstanding				
	2014	2015	2016	2017	2018
Malaysian Government Securities/Government Investment Issues	53.6	53.1	53.4	51.6	51.7
Corporate Bonds and Sukuk	32.4	33.1	31.8	32.0	31.1
Other Quasi-Government	9.2	9.4	10.6	12.4	13.3
Cagamas Group Debt Securities	2.8	2.6	2.6	2.6	2.8
Khazanah Bonds	2.0	1.8	1.6	1.3	1.1
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

PROI





# MOTING

professionalism, integrity and  
good corporate governance

# SUBSIDIARY COMPANIES



Cagamas Berhad (Cagamas), the National Mortgage Corporation of Malaysia, was established in 1986 to promote homeownership and contribute towards nation development. It contributes towards the growth of the capital markets, Islamic finance and other priority sectors through issuance of innovative instruments. The provision of liquidity to financial institutions 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 RM317.6 billion (as at 31 December 2018) of bonds and sukuk, which includes issuances by its wholly-owned subsidiaries, Cagamas Global P.L.C. and Cagamas Global Sukuk Berhad that are guaranteed by Cagamas.

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 local and foreign currency long-term issuer ratings of A3 by Moody's Investors Service Inc. that are in line with Malaysian sovereign ratings.

Cagamas Global P.L.C. was incorporated on 4 April 2014 as a conventional fund raising vehicle incorporated in Labuan to undertake the issuance of bonds and notes in foreign currency, whereas Cagamas Global Sukuk Berhad was incorporated on 5 May 2014 as an Islamic fund raising vehicle to undertake the issuance of sukuk in foreign currency.



## PROFILE OF THE BOARD OF DIRECTORS



**DATUK SHAIK ABDUL RASHEED BIN ABDUL GHAFFOUR**  
Chairman  
Non-Independent Non-Executive



55 years



1 January 2017  
(Appointed as Chairman  
on 1 July 2017)



Malaysian



6/6

### Membership of Board Committee

Chairman, Board Executive Committee  
Member, Board Staff Compensation and Organisation Committee

### Qualification

- Bachelor's degree in Economics (Honours), University of Malaya

### Working Experience/Other Directorships

#### Present

- Deputy Governor, Bank Negara Malaysia
  - Member, Monetary Policy Committee
  - Member, Financial Stability Executive Committee
  - Member, Management Committee
  - Member, Financial Stability Committee
  - Member, Reserve Management Committee
  - Member, Risk Management Committee

### Past

- Director, Cagamas Holdings Berhad
- Chairman, Cagamas SRP Berhad
- Alternate Executive Director for Malaysia Executive Board, International Monetary Fund, Washington DC
- Assistant Governor, Bank Negara Malaysia

### Declaration

The Director has no:

- Family relationship with any director of the Company.
- Conflict of interest with the Company and has never been charged for any offence.



**DATO' HALIPAH BINTI ESA**  
Independent Non-Executive Director



70 years



27 March 2013



Malaysian



6/6

### Membership of Board Committee

Chairman, Board Staff Compensation and Organisation Committee

### Qualification

- Certificate in Economic Management, IMF Institute, Washington
- Certificate in Economic Management, Kiel Institute for World Economics, Germany
- Certificate in Advanced Management Programme, Adam Smith Institute, London
- Master of Economics degree, University of Malaya
- Bachelor of Arts (Honours) degree in Economics, University of Malaya

### Working Experience/Other Directorships

#### Present

- Director, KLCC Property Holdings Berhad
- Director, Malaysia Marine and Heavy Engineering Holdings Berhad
- Director, SP Setia Berhad
- Director, Malaysia Maritime Academy Sdn. Bhd.
- Director, The Securities Industry Dispute Resolution Centre

### Past

- Chairman, Pengurusan Aset Air Berhad
- Chairman, Cagamas SME Berhad
- Director, Petroleum Nasional Berhad
- Director, Employees Provident Fund
- Director, Inland Revenue Board
- Director, FELDA
- Director, UDA Holdings Berhad
- Director, NCB Holdings Berhad
- Director, MISC Berhad
- Director, Malaysia Deposit Insurance Corporation
- Director General, Economic Planning Unit (EPU)
- Deputy Secretary General, Ministry of Finance
- Consultant to the World Bank and United Nations Development Programme

### Declaration

The Director has no:

- Family relationship with any director of the Company.
- Conflict of interest with the Company and has never been charged for any offence.

## Profile of the Board of Directors (Continued)



**DATUK DR. ROSLAN BIN A. GHAFFAR**  
Independent Non-Executive Director



67 years



14 April 2009  
(Resigned w.e.f.  
1 January 2019)



Malaysian



6/6

**Membership of Board Committee**

Member, Board Risk Committee  
(Resigned w.e.f. 1 January 2019)

**Qualification**

- Ph.D in Science, University of Kentucky, Lexington, USA
- Master in Science, University of Kentucky, Lexington, USA
- Bachelor of Science, Louisiana State University, USA

**Working Experience/Other Directorships****Present**

- Chairman, Kuala Lumpur Sentral Sdn. Bhd.
- Chairman, Box-Pak (Malaysia) Berhad
- Chairman, Pricewater International Berhad
- Director, Straits International Education Group Sdn. Bhd. and subsidiary companies
- Director, Permodalan FELCRA Sdn. Bhd.
- Director, SYF Resources Berhad
- Director, MRCB Quill Management Sdn. Bhd.
- Director, FELCRA Properties Sdn. Bhd.
- Director, FELCRA Univille Sdn. Bhd.
- Member, Board of Trustees, Yayasan Guru Tun Hussein Onn
- Chairman, Rating Committee, Malaysian Rating Corporation Berhad

- Deputy Chief Executive Officer, Malaysian Employees Provident Fund
- Visiting Professor, University of Kentucky, Lexington, USA
- Lecturer & Associate Professor, University Putra Malaysia
- Director, Bumiputra Commerce Holdings Berhad
- Director, CIMB Group Berhad
- Commissioner, PT Bank Niaga, TBK, Indonesia

**Declaration**

The Director has no:

- Family relationship with any director of the Company.
- Conflict of interest with the Company and has never been charged for any offence.



**DATO' MD AGIL BIN MOHD NATT**  
Independent Non-Executive Director



68 years



12 August 2011



Malaysian



6/6

**Membership of Board Committee**

Member, Board Executive Committee  
Member, Board Staff Compensation and Organisation Committee

**Qualification**

- Advance Management Program, Harvard Business School, United States
- Master of Science (Finance) degree, Cass Business School, City, University of London
- Bachelor of Science in Economics (Hons), Brunel University, United Kingdom

**Working Experience/Other Directorships****Present**

- Chairman, Manulife Insurance Berhad
- Chairman, Manulife Asset Management Services Berhad
- Chairman, Credit Guarantee Corporation Malaysia Berhad
- Director, Sogo (KL) Sdn. Bhd.
- Director, Sogo (KL) Department Store Sdn. Bhd.
- Member, Investment Panel, Kumpulan Wang Simpanan Pekerja

**Past**

- Sumitomo Mitsui Banking Corporation Malaysia Berhad
- Export-Import Bank of Malaysia Berhad
- President/Chief Executive Officer, The International Centre for Education in Islamic Finance (INCEIF)
- Deputy President/Executive Director, Maybank
- Chief Executive Officer, Aseambankers Berhad (now known as Maybank Investment Bank Berhad)
- Chief Representative, Kleinwort Benson Limited
- Senior General Manager, Island & Peninsular Berhad
- Corporate Finance Manager, Bumiputra Merchant Bankers Berhad

**Declaration**

The Director has no:

- Family relationship with any director of the Company.
- Conflict of interest with the Company and has never been charged for any offence.



**MR. PHILIP TAN PUAY KOON**  
Independent Non-Executive Director



62 years



12 August 2011



Malaysian



6/6

#### Membership of Board Committee

Chairman, Board Risk Committee  
Member, Board Executive Committee

#### Qualification

- Honours degree in Business Studies majoring in Accounting and Finance, North-East London Polytechnic, United Kingdom

#### Working Experience/Other Directorships

##### Present

- Director, Payments Network Malaysia Sdn. Bhd. (Paynet)
- Director, SP Setia Berhad
- Director, Citibank Berhad
- Director, Qinzhou Development (Malaysia) Consortium Sdn. Bhd.
- Director, China-Malaysia Qinzhou Industrial Park (Guangxi) Development Co. Ltd.
- Director, Malaysian Electronic Payment Sdn. Bhd. (MEPS)
- Director, MEPS Currency Management Sdn. Bhd. (MCM)
- Member, Corporate Debt Restructuring Committee, Bank Negara Malaysia

#### Past

- Director, Danajamin Nasional Berhad
- Director, MIDF Amanah Investment Bank Berhad
- Country Treasurer and Financial Markets Head, Citibank Berhad
- Managing Director/Chief Financial Officer, Emerging Market Sales and Trading, Asia-Pacific, Citigroup (Singapore)
- Senior management positions, MUI Group of Companies

#### Declaration

The Director has no:

- Family relationship with any director of the Company.
- Conflict of interest with the Company and has never been charged for any offence.



**DATUK AZIZAN BIN HAJI ABD RAHMAN**  
Independent Non-Executive Director



63 years



1 January 2019



Malaysian



Nil

#### Membership of Board Committee

Member, Board Risk Committee

#### Qualification

- Fellow Member of CPA (Australia)
- Chartered Accountant of Malaysian Institute of Accountants
- Master's degree in Business Administration, University of Queensland, Australia
- Bachelor in Accounting (Honours) degree, University of Malaya

#### Working Experience/Other Directorships

##### Present:

- Director, Cagamas SRP Berhad
- Chairman, Malaysian Rating Corporation Berhad
- Chairman, MIDF Amanah Investment Bank Berhad
- Chairman Kensington Trust Malaysia Berhad
- Director, Malaysian Industrial Development Finance Berhad
- Director, OCBC Bank Malaysia Berhad
- Director, OCBC Al-Amin Bank Berhad
- Director, Danum Capital Berhad
- Member, Panel Review Committee, Suruhanjaya Pencegahan Rasuah Malaysia
- Chairman, Kensington Trust Labuan Ltd.
- Director, CTOS Holdings Sdn. Bhd.
- Director, CTOS Data Systems Sdn. Bhd.

- Director, City Credit Investment Bank Ltd, Labuan
- Director, MARC Risk Management Solutions Sdn. Bhd.
- Director, MARC Training Sdn Bhd

#### Past:

- Director, Cagamas Holdings Berhad
- Director, Kumpulan Wang Persaraan (Diperbadankan)
  - Member, Investment Committee
- Director, ERF Sdn. Bhd.
  - Member, Investment Committee
- Advisor to the Malaysian Accounting Standards Board
- Director General, Labuan Financial Services Authority (Labuan FSA)
- Director, Banking Supervision, Bank Negara Malaysia
- Director, Barakah Offshore Petroleum Berhad
- Director, Bank Simpanan Nasional
  - Permodalan BSN Berhad
  - Gibraltar BSN Life Berhad
  - Gibraltar BSN Holding Sdn. Bhd.
  - Metro Money Exchange Sdn. Bhd.

#### Declaration

The Director has no:

- Family relationship with any director of the Company.
- Conflict of interest with the Company and has never been charged for any offence.

## Profile of the Board of Directors (Continued)



**DATO' WEE YIAW HIN**  
Independent Non-Executive Director



60 years



1 July 2016



Malaysian



6/6

**Membership of Board Committee**

Member, Board Staff Compensation and Organisation Committee

**Qualification**

- Civil Engineer
- Masters of Science Degree, Imperial College, United Kingdom

**Working Experience/Other Directorships****Present**

- Director, ENRA Group Berhad

**Past**

- Director, PETRONAS
  - Executive Vice President and CEO, Upstream Business
  - Member, Executive Committee
  - Chairman and Director of several companies
- Managing Director, Shell Malaysia Exploration and Production Companies
- Vice President, Talisman Energy, Malaysia

**Declaration**

The Director has no:

- Family relationship with any director of the Company.
- Conflict of interest with the Company and has never been charged for any offence.



**MR. NAZRUL HISYAM BIN MOHD NOH**  
Non-Independent Non-Executive Director



45 years



1 January 2017



Malaysian



4/6

**Membership of Board Committee**

Member, Board Risk Committee

**Qualification**

- Masters of Arts, Economics, University of Cambridge
- Bachelor of Arts, Economics, University of Cambridge

**Working Experience/Other Directorships****Present**

- Assistant Governor, Bank Negara Malaysia

**Past**

- Chief of Staff, Bank Negara Malaysia
  - Director, International Department
  - Deputy Director, Monetary Policy Implementation
  - Deputy Director, Investment Operations
  - Deputy Director, Financial Market Department

- Member, Taskforce on ASEAN Banking Integration Framework (ABIF)
- Director, CIMB Agro Ventures
  - Member, Investment Committee

**Declaration**

The Director has no:

- Family relationship with any director of the Company.
- Conflict of interest with the Company and has never been charged for any offence.





**MS. HO CHAI HUEY**  
Independent Non-Executive Director



59 years



1 February 2019



Malaysian



Nil

#### Membership of Board Committee

Member, Board Risk Committee

#### Qualification

- Bachelor of Economics, Honours Class 1 Statistics, University of Malaya

#### Working Experience /Other Directorships

##### Present

- Director, HSBC Amanah Malaysia Berhad
- Senior Consultant, Information Technology and Project, Management Office, STF Resources Sdn. Bhd.

#### Past

- Director, Information Technology Operations, Bank Negara
  - Deputy Director, IT
  - Manager, End-user Computing and System Development including Project Management for financial accounting treasury and financial market systems
  - IT System Analyst

#### Declaration

The Director has no:

- Family relationship with any director of the Company.
- Conflict of interest with the Company and has never been charged for any offence.



**DATUK CHUNG CHEE LEONG**  
Non-Independent Executive Director



59 years



27 March 2013



Malaysian



6/6

#### Membership of Board Committee

Member, Board Executive Committee

#### Qualification

- Summer School Programme, University of Cambridge
- Bachelor of Economics (Honours) degree, majoring in Business Administration, University of Malaya

#### Working Experience/Other Directorships

##### Present

- President/CEO, Cagamas Berhad
- Chairman, Cagamas Global P.L.C.
- Chairman, Cagamas Global Sukuk Berhad
- Director, Cagamas MBS Berhad
- Director, Cagamas SRP Berhad
- Director, BNM Sukuk Berhad
- Director, Cagamas SME Berhad
- Director, Cagamas MGP Berhad
- Chairman, International Secondary Mortgage Market Association
- Member, Bond Market Sub-Committee & Financial Market Committee, Bank Negara Malaysia

#### Past

- Chairman, Asian Secondary Mortgage Market Association
- Director, Risk Management, Bank Negara Malaysia
- Director, Credit Guarantee Corporation Berhad
  - Member, Board Audit Committee
- Member, Small Debt Resolution Committee

#### Declaration

The Director has no:

- Family relationship with any director of the Company.
- Conflict of interest with the Company and has never been charged for any offence.





## TEAM DIVERSITY

The Team has a balanced and diverse range of skills and experience.



**Datuk Chung Chee Leong**  
President/Chief Executive Officer



**Azizi Ali**  
Senior Vice President  
Business & Product Development



**Delvin Chong**  
Senior Vice President  
Treasury & Capital Markets



**Malathi Menon**  
Senior Vice President  
Legal & General Counsel



**Ricky Dang**  
Senior Vice President  
Risk Management



**S. Shanmuganathan**  
 Senior Vice President  
 Operations & Services



**Mazlina Saidi**  
 Senior Vice President  
 Human Capital & Administration



**Norazilla Tahir**  
 Senior Vice President  
 Finance & Business Process



**Leong See Meng**  
 Senior Vice President  
 Corporate Strategy &  
 Communications

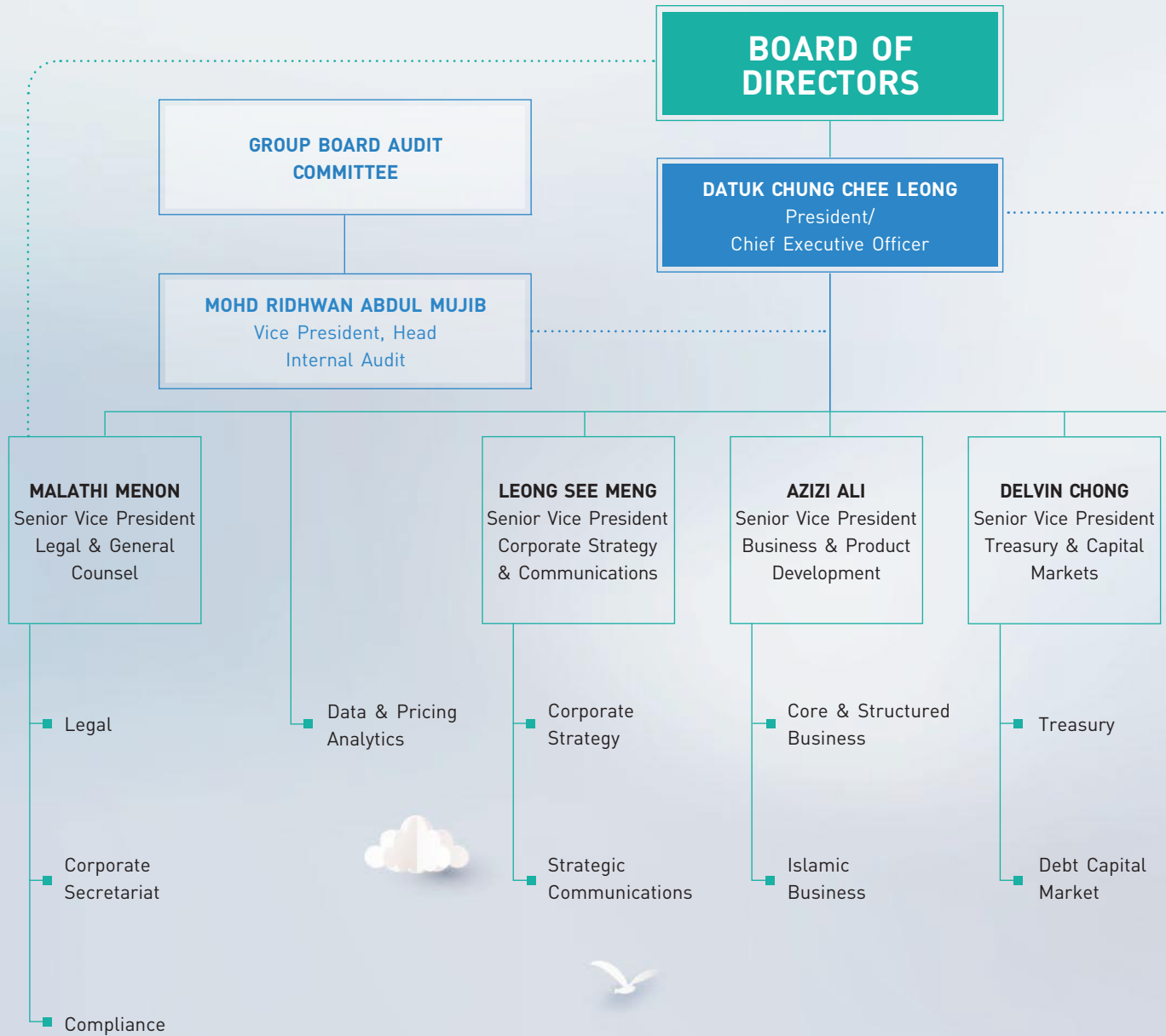


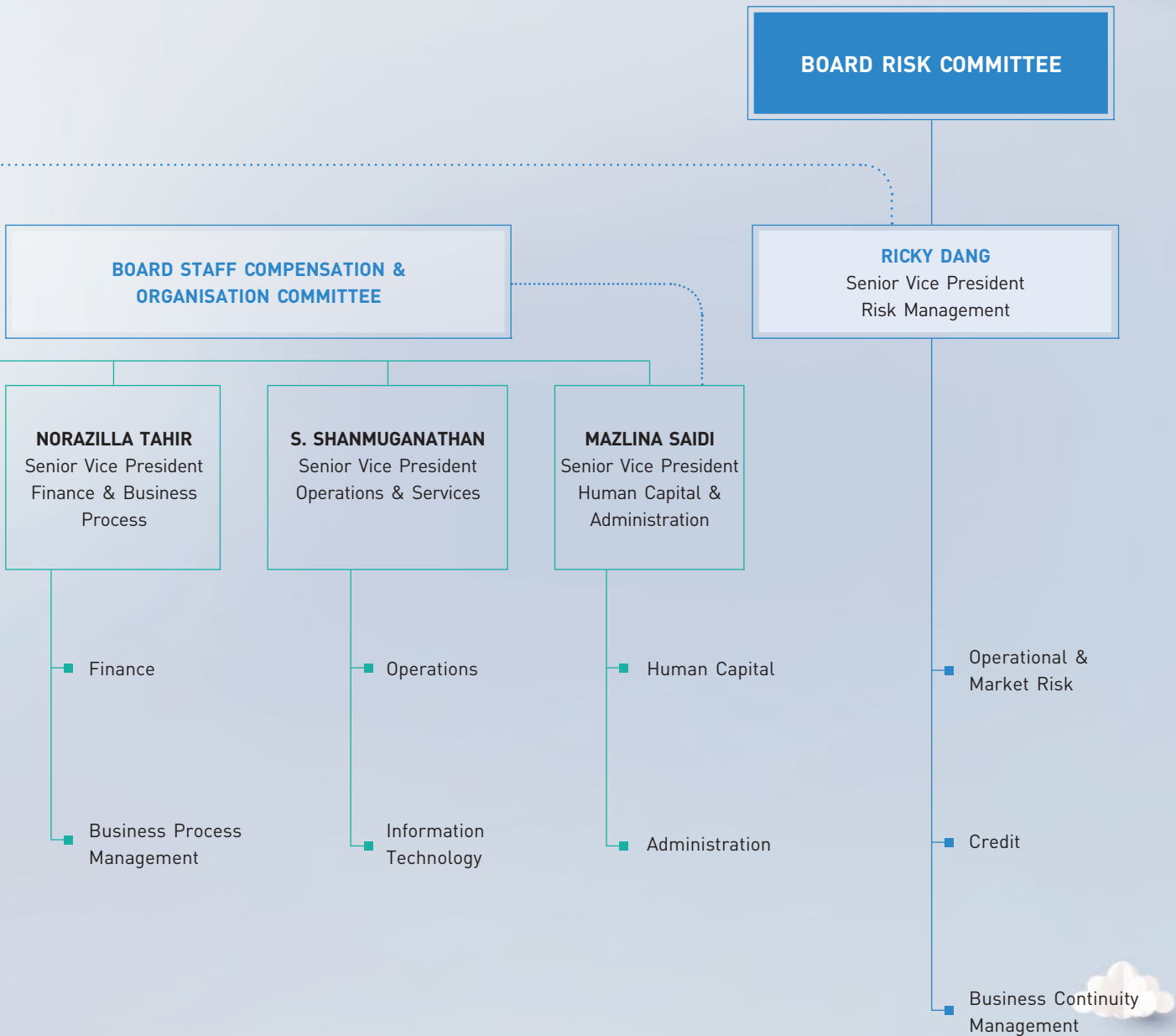
**Sarah Abdul Aziz**  
 Vice President, Head  
 Corporate Secretariat



**Mohd Ridhwan Abdul Mujib**  
 Vice President, Head  
 Internal Audit

**ORGANISATION STRUCTURE**





## OTHER SUBSIDIARY COMPANIES

### 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 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.

The Company has remained dormant since 1 September 2015.

### CAGAMAS SME BERHAD

Cagamas SME Berhad (Cagamas SME) was incorporated on 17 February 2006 to undertake the purchase of Small and Medium Enterprise (SME) loans and/or structured product transactions via cash or synthetic securitisations or combination of both and issuance of bonds to finance the purchase. In addition, Cagamas SME is a credit default swap counterparty and an issuer of fixed-rate credit linked notes in a synthetic securitisation transaction.

The Company has remained dormant since 10 October 2012.

### CAGAMAS MGP BERHAD

Cagamas MGP Berhad (Cagamas MGP) was incorporated on 14 April 2008 to develop mortgage guarantee business. Effective 20 December 2012, Cagamas MGP is a wholly-owned subsidiary of Cagamas Holdings Berhad complementing the Cagamas Group's other activities and developmental initiatives.

Cagamas MGP's Mortgage Guarantee Programme (MGP) provides financial institutions, particularly mortgage originators, a mortgage guarantee facility for their conventional and Islamic mortgage finance portfolio. The MGP offers a portfolio and risk management solution to these institutions to manage the credit risk exposure of their mortgage portfolio, whilst continuing to maintain asset growth and provide affordable mortgage loans to homebuyers. In addition, the MGP assists in strengthening the banking sector by removing systemic risk from the sector.

The Company 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 (SRP) announced by the Government in the 2011 Malaysia Budget and the Skim Perumahan Belia - Youth Housing Scheme (SPB) announced by the Government on 1 October 2015. The provision of guarantee under both schemes is in accordance to the Mortgage Guarantee Programme (MGP) offered to financial institutions.