

CAGAMAS BERHAD
Company No. 198601008739 (157931-A)
AND ITS SUBSIDIARY COMPANIES
(Incorporated in Malaysia)

CONDENSED INTERIM FINANCIAL STATEMENTS
30 JUNE 2024

Domiciled in Malaysia.
Registered Office:
Level 32, The Gardens North Tower,
Mid Valley City, Lingkaran Syed Putra,
59200 Kuala Lumpur.

Registration No.

198601008739 (157931 A)

CAGAMAS BERHAD
(Incorporated in Malaysia)

CONDENSED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2024

	Note	Group		Company	
		30 Jun 2024 RM'000	31 Dec 2023 RM'000	30 Jun 2024 RM'000	31 Dec 2023 RM'000
ASSETS					
Cash and cash equivalents	1	390,758	180,359	390,725	180,332
Deposits and placements with financial institutions	2	298,906	86,947	298,906	86,947
Financial assets at fair value through other comprehensive income ("FVOCI")	3	3,222,285	2,690,061	3,222,285	2,690,061
Financial assets at amortised cost	4	2,286,429	2,286,680	2,286,429	2,286,680
Derivative financial assets	5	49,103	207,659	49,103	207,659
Amount due from counterparties	6	17,874,468	19,987,790	17,874,468	19,987,790
Islamic financing assets	7	21,747,672	21,426,861	21,747,672	21,426,861
Mortgage assets					
- Conventional	8	2,804,806	3,021,850	2,804,806	3,021,850
- Islamic	9	3,686,960	3,881,528	3,686,960	3,881,528
Islamic hire purchase assets	10	58	55	58	55
Reverse mortgage		3,306	2,147	3,306	2,147
Amount due from					
- Related company		531	586	531	586
- Subsidiaries		-	-	4,142	4,127
Other assets	11	15,331	20,476	15,319	20,463
Investment in subsidiaries		-*	-*	-*	-*
Property and equipment		2,827	1,947	2,827	1,947
Intangible assets		15,069	16,804	15,069	16,804
Right-of-use asset	12	6,072	7,176	6,072	7,176
TOTAL ASSETS		52,404,581	53,818,926	52,408,678	53,823,013
LIABILITIES					
Short-term borrowings		868,309	648,790	868,309	648,790
Derivative financial liabilities	5	12,937	15,161	12,937	15,161
Other liabilities	13	117,008	150,411	116,880	150,341
Lease liability	14	8,533	9,308	8,533	9,308
Provision for taxation		28,192	10,205	28,192	10,205
Deferred taxation		196,883	198,371	196,883	198,371
Loans from subsidiary	15	-	-	2,974,000	5,473,654
Unsecured bearer bonds and notes	16	22,004,393	24,954,908	19,030,367	19,481,343
Sukuk	17	24,532,915	23,278,139	24,532,915	23,278,139
TOTAL LIABILITIES		47,769,170	49,265,293	47,769,016	49,265,312
Share capital		150,000	150,000	150,000	150,000
Reserves		4,485,411	4,403,633	4,489,662	4,407,701
SHAREHOLDER'S FUNDS		4,635,411	4,553,633	4,639,662	4,557,701
TOTAL LIABILITIES AND SHAREHOLDER'S FUNDS		52,404,581	53,818,926	52,408,678	53,823,013
NET TANGIBLE ASSETS PER SHARE (RM)		30.80	30.25	30.83	30.27

* denotes USD1 in Cagamas Global P.L.C ("CGP") and RM2 in Cagamas Global Sukuk Berhad ("CGS").

The condensed interim financial statements should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 December 2023 and the accompanying explanatory notes on pages 8 to 67 attached to the condensed interim financial statements.

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CAGAMAS BERHAD
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CONDENSED INCOME STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

	Note	Group		Company	
		6 Months to 30 Jun 2024 RM'000	6 Months to 30 Jun 2023 RM'000	6 Months to 30 Jun 2024 RM'000	6 Months to 30 Jun 2023 RM'000
Interest income	18	549,463	503,999	549,463	503,999
Interest expense	19	(474,846)	(434,056)	(474,730)	(432,748)
Income from Islamic operations		99,836	88,275	99,836	88,275
Non-interest income	20	5,744	17,040	5,744	17,040
NET OPERATING INCOME		<u>180,197</u>	<u>175,258</u>	<u>180,313</u>	<u>176,566</u>
Personnel costs		(15,878)	(16,227)	(15,878)	(16,227)
Administration and general expenses		(15,845)	(12,832)	(15,778)	(12,741)
OPERATING PROFIT		<u>148,474</u>	<u>146,199</u>	<u>148,657</u>	<u>147,598</u>
Reversal of impairment losses, net		3,169	4,872	3,169	4,872
PROFIT BEFORE TAXATION		<u>151,643</u>	<u>151,071</u>	<u>151,826</u>	<u>152,470</u>
Taxation		(42,622)	(36,593)	(42,622)	(36,593)
PROFIT FOR THE FINANCIAL PERIOD		<u><u>109,021</u></u>	<u><u>114,478</u></u>	<u><u>109,204</u></u>	<u><u>115,877</u></u>
EARNINGS PER SHARE (SEN)		<u><u>72.68</u></u>	<u><u>76.32</u></u>	<u><u>72.80</u></u>	<u><u>77.25</u></u>
DIVIDEND PER SHARE (SEN)		<u><u>15.00</u></u>	<u><u>15.00</u></u>	<u><u>15.00</u></u>	<u><u>15.00</u></u>

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CAGAMAS BERHAD
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**CONDENSED STATEMENTS OF OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD
ENDED 30 JUNE 2024**

	Group		Company	
	6 Months to 30 Jun 2024	6 Months to 30 Jun 2023	6 Months to 30 Jun 2024	6 Months to 30 Jun 2023
	RM'000	RM'000	RM'000	RM'000
Profit for the financial period	109,021	114,478	109,204	115,877
Other comprehensive income/(loss):				
Items that may be subsequently reclassified to profit or loss				
Financial assets at FVOCI				
- Net gain on fair value changes before taxation	3,833	34,950	3,833	34,950
- FVOCI ECL	(32)	148	(32)	148
- Deferred taxation	(920)	(8,388)	(920)	(8,388)
Cash flow hedge				
- Net loss on cash flow hedge	(10,031)	(6,158)	(10,031)	(6,158)
- Deferred taxation	2,407	1,478	2,407	1,478
Other comprehensive (loss)/income for the financial period, net of taxation	(4,743)	22,030	(4,743)	22,030
Total comprehensive income for the financial period	104,278	136,508	104,461	137,907

The condensed interim financial statements should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 December 2023 and the accompanying explanatory notes on pages 8 to 67 attached to the condensed interim financial statements.

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CAGAMAS BERHAD
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CONDENSED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

<u>Group</u>	Issued and fully paid ordinary shares of RM1 each Share capital RM'000	Non-distributable			Distributable	Total equity RM'000
		Financial asset at FVOCI reserves RM'000	Cash flow hedge reserves RM'000	Regulatory reserves RM'000	Retained profits RM'000	
Balance as at 1 January 2024	150,000	(2,152)	10,847	47,919	4,347,019	4,553,633
Profit for the financial period	-	-	-	-	109,021	109,021
Other comprehensive income/(loss)	-	2,881	(7,624)	-	-	(4,743)
Total comprehensive income for the financial period	-	2,881	(7,624)	-	109,021	104,278
Transfer from retained profits	-	-	-	204	(204)	-
Dividend paid	-	-	-	-	(22,500)	(22,500)
Balance as at 30 June 2024	<u>150,000</u>	<u>729</u>	<u>3,223</u>	<u>48,123</u>	<u>4,433,336</u>	<u>4,635,411</u>
Balance as at 1 January 2023	150,000	(37,188)	(2,381)	79,440	4,119,150	4,309,021
Profit for the financial period	-	-	-	-	114,478	114,478
Other comprehensive income/(loss)	-	26,710	(4,680)	-	-	22,030
Total comprehensive income for the financial period	-	26,710	(4,680)	-	114,478	136,508
Transfer to retained profits	-	-	-	(4,633)	4,633	-
Dividend paid	-	-	-	-	(22,500)	(22,500)
Balance as at 30 June 2023	<u>150,000</u>	<u>(10,478)</u>	<u>(7,061)</u>	<u>74,807</u>	<u>4,215,761</u>	<u>4,423,029</u>

The condensed interim financial statements should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 December 2023 and the accompanying explanatory notes on pages 8 to 67 attached to the condensed interim financial statements.

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CAGAMAS BERHAD
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CONDENSED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024 (CONTINUED)

<u>Company</u>	Issued and fully paid ordinary shares of RM1 each Share capital RM'000	Non-distributable			Distributable	Total equity RM'000
		Financial asset at FVOCI reserves RM'000	Cash flow hedge reserves RM'000	Regulatory reserves RM'000	Retained profits RM'000	
Balance as at 1 January 2024	150,000	(2,152)	10,847	47,919	4,351,087	4,557,701
Profit for the financial period	-	-	-	-	109,204	109,204
Other comprehensive income/(loss)	-	2,881	(7,624)	-	-	(4,743)
Total comprehensive income for the financial period	-	2,881	(7,624)	-	109,204	104,461
Transfer from retained profits	-	-	-	204	(204)	-
Dividend paid	-	-	-	-	(22,500)	(22,500)
Balance as at 30 June 2024	<u>150,000</u>	<u>729</u>	<u>3,223</u>	<u>48,123</u>	<u>4,437,587</u>	<u>4,639,662</u>
Balance as at 1 January 2023	150,000	(37,188)	(2,381)	79,440	4,120,269	4,310,140
Profit for the financial period	-	-	-	-	115,877	115,877
Other comprehensive income/(loss)	-	26,710	(4,680)	-	-	22,030
Total comprehensive income for the financial period	-	26,710	(4,680)	-	115,877	137,907
Transfer to retained profits	-	-	-	(4,633)	4,633	-
Dividend paid	-	-	-	-	(22,500)	(22,500)
Balance as at 30 June 2023	<u>150,000</u>	<u>(10,478)</u>	<u>(7,061)</u>	<u>74,807</u>	<u>4,218,279</u>	<u>4,425,547</u>

The condensed interim financial statements should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 December 2023 and the accompanying explanatory notes on pages 8 to 67 attached to the condensed interim financial statements.

CAGAMAS BERHAD
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CONDENSED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

	<u>Group</u>		<u>Company</u>	
	<u>6 Months to 30 Jun 2024 RM'000</u>	<u>6 Months to 30 Jun 2023 RM'000</u>	<u>6 Months to 30 Jun 2024 RM'000</u>	<u>6 Months to 30 Jun 2023 RM'000</u>
OPERATING ACTIVITIES				
Profit before taxation	151,643	151,071	151,826	152,470
Adjustments for non-cash items	(184,350)	(165,819)	(184,466)	(165,818)
Operating loss before working capital changes	(32,707)	(14,748)	(32,640)	(13,348)
Net changes in operating assets and liabilities	3,422,835	(4,402,124)	3,422,762	(4,403,519)
Zakat paid	(2,534)	(2,828)	(2,534)	(2,828)
Tax paid	(24,635)	(14,652)	(24,635)	(14,652)
Net cash flows from/(used in) operating activities	<u>3,362,959</u>	<u>(4,434,352)</u>	<u>3,362,953</u>	<u>(4,434,347)</u>
INVESTING ACTIVITIES				
Net (purchase)/redemption of financial assets at FVOCI	(526,033)	69,074	(526,033)	69,074
Purchase of:				
- Property and equipment	(1,393)	(383)	(1,393)	(383)
- Intangible assets	(1,153)	(1,884)	(1,153)	(1,884)
Income received from:				
- Financial assets at FVOCI	53,671	61,036	53,671	61,036
Net cash flows (used in)/from investing activities	<u>(474,908)</u>	<u>127,843</u>	<u>(474,908)</u>	<u>127,843</u>
FINANCING ACTIVITIES				
Dividends paid to holding company	(22,500)	(22,500)	(22,500)	(22,500)
Proceeds from issuance:				
- Unsecured bearer bonds and notes	2,833,798	8,007,049	2,590,000	5,125,000
- Sukuk	4,020,000	3,690,000	4,020,000	3,690,000
Proceeds from loans from subsidiary	-	-	243,798	2,882,049
Redemption of:				
- Unsecured bearer bonds and notes	(5,790,225)	(3,225,000)	(3,040,000)	(3,225,000)
- Sukuk	(2,765,000)	(3,195,000)	(2,765,000)	(3,195,000)
Repayment of loans from subsidiary	-	-	(2,750,225)	-
Interest paid	(502,360)	(281,462)	(502,360)	(281,462)
Profit paid to Sukuk holders	(450,454)	(392,611)	(450,454)	(392,611)
Lease rental paid	(911)	(1,025)	(911)	(1,025)
Net cash flows (used in)/from financing activities	<u>(2,677,652)</u>	<u>4,579,451</u>	<u>(2,677,652)</u>	<u>4,579,451</u>

The condensed interim financial statements should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 December 2023 and the accompanying explanatory notes on pages 8 to 67 attached to the condensed interim financial statements.

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**CONDENSED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024
(CONTINUED)**

	<u>Group</u>		<u>Company</u>	
	<u>6 Months to 30 Jun 2024</u>	<u>6 Months to 30 Jun 2023</u>	<u>6 Months to 30 Jun 2024</u>	<u>6 Months to 30 Jun 2023</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Net change in cash and cash equivalents	210,399	272,942	210,393	272,947
Cash and cash equivalents as at 1 January	180,359	159,765	180,332	159,722
Cash and cash equivalents as at 30 June	<u>390,758</u>	<u>432,707</u>	<u>390,725</u>	<u>432,669</u>

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CAGAMAS BERHAD
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Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2024

A1 General information

The principal activities of Cagamas Berhad (“the Company”) consist of the purchases of mortgage loans, personal loans and hire purchase and leasing debts from primary lenders approved by the Company and the issuance of bonds and notes to finance these purchases. The Company also purchases Islamic financing facilities such as home financing, personal financing and hire purchase financing and funded by issuance of Sukuk. The ultimate holding company is Cagamas Holdings Berhad, a company incorporated in Malaysia. Subsidiary companies of the Company are Cagamas Global PLC (“CGP”) and Cagamas Global Sukuk Berhad (“CGS”):

- CGP is a conventional fund raising vehicle incorporated in Labuan. Its main principal activity is to undertake the issuance of bonds and notes in foreign currency; and
- CGS is an Islamic fund raising vehicle. Its main principal activity is to undertake the issuance of Sukuk in foreign currency.

There were no significant changes in the nature of these activities of the Company and its subsidiaries (“the Group”) during the financial period.

The condensed interim financial statements of the Group and the Company were approved for issue by the Board of Directors on 28 August 2024.

A2 Basis of preparation

The unaudited condensed interim financial statements for the financial period ended 30 June 2024 have been prepared under the historical cost convention except for the following assets and liabilities which are stated at fair values: financial assets at fair value through other comprehensive income (“FVOCI”) and derivative financial instruments.

The unaudited condensed interim financial statements of the Group and the Company for the financial period 30 June 2024 have been prepared in accordance with the Malaysian Financial Reporting Standard 134: Interim Financial Reporting (“MFRS 134”) issued by the Malaysian Accounting Standards Board (“MASB”) and International Financial Reporting Standard 34: Interim Financial Reporting (“IAS 34”) issued by International Accounting Standards Board (“IASB”). The unaudited condensed interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the audited financial statements of the Group and the Company for the financial year ended 31 December 2023. The explanatory notes attached in the unaudited condensed interim financial statements provide an explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Group and the Company since financial year ended 31 December 2023. The Group’s and the Company’s unaudited condensed interim financial statements include the financial statements of the Company and its subsidiaries.

All material accounting policy information and methods of computation applied in the unaudited condensed interim financial statements are consistent with those adopted in the most recent audited annual financial statements for the year ended 31 December 2023.

CAGAMAS BERHAD
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Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2024 (Continued)

A3 Economic entities in the Group

Subsidiaries

The Group's financial statements consolidate the financial statements of the Company and its subsidiaries. Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are de-consolidated from the date that control ceases.

Intragroup transactions, balances and unrealised gains in transactions between group of companies are eliminated. Unrealised losses are also eliminated but considered an impairment indicator of the assets transferred. Accounting policies of subsidiaries are changed where necessary to ensure consistency with the policies adopted by the Group.

The gain or loss on disposal of a subsidiary is the difference between net disposal proceeds and the Group's share of its net assets as of the date of disposal including the cumulative amount of any exchange differences that relate to the subsidiary, and is recognised in the consolidated income statements.

A4 Amount due from counterparties and Islamic financing assets

Note A1 describes the principal activities of the Group and the Company, which are inter alia, the purchases of mortgage loans, personal loans and hire purchase and leasing debts. These activities are also set out in the object clauses of the Memorandum of Association of the Company.

As at the statements of financial position date, amount due from counterparties/Islamic financing assets in respect of mortgage loans, personal loans and hire purchase and leasing debts are stated at their unpaid principal balances due to the Group and the Company. Interest income from these financial assets is included in the income statements using the effective interest rate ("EIR") method.

A5 Mortgage assets and hire purchase assets/Islamic mortgage assets and Islamic hire purchase assets

Mortgage assets and hire purchase assets/Islamic mortgage assets and Islamic hire purchase assets are acquired by the Group and the Company from the originators at fair values. The originator acts as a servicer and remits the principal and interest/profit income from the assets to the Group and the Company at specified intervals as agreed by both parties.

As at the statements of financial position date, mortgage assets and hire purchase assets/Islamic mortgage assets and Islamic hire purchase assets acquired are stated at their unpaid principal balances due to the Group and the Company and adjusted for unaccreted discount. Interest income from these financial assets is included in the income statements using the EIR method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

A6 Investment in subsidiaries

Investment in subsidiaries is shown at cost. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. Note A10 describes the Group's and the Company's accounting policy on impairment of assets.

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Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2024 (Continued)

A7 Property and equipment and depreciation

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight line basis to write-off the cost of the assets over their estimated useful lives, with the exception of work-in-progress which is not depreciated. Depreciation rates for each category of property and equipment are summarised as follows:

Office equipment – mobile devices	100%
Office equipment – others	20% – 25%
Furniture and fittings	10%
Motor vehicles	20%

Subsequent costs are included in the asset's carrying amount or recognised as separate assets, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statements during the financial period/year in which they are incurred.

At each statement of financial position date, the Group and the Company assess whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write-down is made if the carrying amount exceeds the recoverable amount. See accounting policy on impairment of non-financial assets in Note A10.2.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are included in the income statements.

A8 Financial assets

(a) Classification

The Group and the Company classify their financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
- Those to be measured at amortised cost.

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group and the Company commit to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group and the Company have transferred substantially all the risks and rewards of ownership.

CAGAMAS BERHAD
(Incorporated in Malaysia)**Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2024 (Continued)****A8 Financial assets (continued)**

(c) Measurement

At initial recognition, the Group and the Company measure financial assets at its fair value plus, in the case of financial assets not at fair value through profit or loss (“FVTPL”), transaction costs that are directly attributable to the acquisition of the financial assets. Transaction costs of financial assets carried at FVTPL are expensed in income statements.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest (“SPPI”).

Debt instruments

Subsequent measurement of debt instruments depends on the Group’s and the Company’s business model for managing the asset and the cash flow characteristics of the asset. The Group and the Company reclassify debt investments when and only when its business model for managing those assets changes.

There are three measurement categories into which the Group and the Company classify their debt instruments:

(i) Amortised cost (“AC”)

Cash and short-term funds, financial assets at amortised cost, amount due from counterparties, Islamic financing debt, mortgage assets/Islamic mortgage assets and Islamic hire purchase assets, other assets, amount due to related companies and amount due to subsidiaries that are held for collection of contractual cash flows where those cash flows represent SPPI are measured at amortised cost. Interest/profit income from these financial assets is included in the income statements using the EIR method. Any gain or loss arising from derecognition is recognised directly in income statements and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the income statements.

(ii) Fair value through other comprehensive income (“FVOCI”)

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets’ cash flows represent SPPI, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in income statements. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to income statements and recognised in non-interest income/(expense).

Interest income from these financial assets is included in interest income using the EIR method. Foreign exchange gains and losses are presented within the non-interest expense in Note 20 and allowance/(reversal) of impairment losses are presented as separate line item in the income statements.

(iii) Fair value through profit or loss (“FVTPL”)

Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. The Group and the Company may also irrevocably designate financial assets at FVTPL if doing so significantly reduces or eliminates a mismatch created by assets and liabilities being measured on different bases. Fair value changes are recognised in income statements and presented net within non-interest expense in Note 20 in the period which it arises.

CAGAMAS BERHAD
(Incorporated in Malaysia)**Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2024 (Continued)****A8 Financial assets (continued)**

(c) Measurement (continued)

Equity instruments

The Group and the Company subsequently measure all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to income statements following the derecognition of the investment. Dividends from such investments continue to be recognised in income statements as other income when the Group's or the Company's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in other gains/losses in the income statements.

A9 Financial liabilities

Financial liabilities are measured at amortised cost, except for trading liabilities designated at fair value, which are held at fair value through profit or loss. Financial liabilities are initially recognised at fair value plus transaction costs for all financial liabilities not carried at fair value through profit or loss. Financial liabilities at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in income statements. Financial liabilities are derecognised when extinguished.

(a) Financial liabilities at fair value through profit or loss

This category comprises two sub-categories: financial liabilities as held-for-trading, and financial liabilities designated at fair value through profit or loss upon initial recognition. A financial liability is classified as held-for-trading if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term or if it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking. Derivatives are categorised as held-for-trading unless they are designated as hedges. Refer to Note A18 for accounting policy on hedge accounting.

(b) Borrowings measured at amortised cost

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost, any difference between initial recognised amount and the redemption value is recognised in income statements over the period of the borrowings using the EIR method. All other borrowing costs are recognised in income statements in the period in which they are incurred.

Borrowings measured at amortised cost are unsecured bearer bonds and notes and Sukuk.

(c) Other financial liabilities measured at amortised cost

Other financial liabilities are initially recognised at fair value plus transaction costs. Subsequently, other financial liabilities are re-measured at amortised cost using the EIR. Other financial liabilities measured at amortised cost are deferred guarantee fee income, deferred Wakalah fee income and other liabilities.

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Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2024 (Continued)

A10 Impairment of assets

A10.1 Financial assets

The Group and the Company have the following financial assets that are subject to the expected credit losses (“ECL”) model:

- Amount due from counterparties and Islamic financing assets;
- Mortgage assets and hire purchase assets/Islamic mortgage assets and Islamic hire purchase assets;
- Financial assets at FVOCI;
- Financial assets at amortised cost; and
- Money market instruments

Under MFRS 9, impairment model requires the recognition of ECL for all financial assets, except for financial assets classified or designated as FVTPL and equity securities classified under FVOCI, which are not subject to impairment assessment.

General approach

ECL will be assessed using an approach which classifies financial assets into three stages which reflects the changes in credit quality of the financial assets since initial recognition:

- **Stage 1: 12-month ECL – not credit impaired**
For credit exposures where there has not been a significant increase in credit risk (“SICR”) since initial recognition or which has low credit risk at reporting date and that are not credit impaired upon origination, the ECL associated with the probability of default events occurring within the next 12 months will be recognised.
- **Stage 2: Lifetime ECL – not credit impaired**
For credit exposures where there has been a SICR since initial recognition but are not credit impaired, the ECL associated with the probability of default events occurring within the lifetime ECL will be recognised. Unless identified at an earlier stage, all financial assets are deemed to have suffered a SICR when 30 days past due.
- **Stage 3: Lifetime ECL – credit impaired**
Financial assets are assessed as credit impaired when one or more objective evidence of defaults that have a detrimental impact on the estimated future cash flows of that asset have occurred. A lifetime ECL will be recognised for financial assets that have become credit impaired. Generally, all financial assets that are 90 days past due or more are classified under Stage 3.

Simplified approach

For all other financial instruments, a loss allowance at an amount equal to lifetime ECL is required.

Significant increase in credit risk (“SICR”)

The Group and the Company consider the probability of default upon initial recognition of asset and whether there has been a SICR on an ongoing basis throughout each reporting period. To assess whether there is a SICR, the Group and the Company compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. They consider available, reasonable and supportable forward-looking information.

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Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2024 (Continued)

A10 Impairment of assets (continued)

A10.1 Financial assets (continued)

Significant increase in credit risk ("SICR") (continued)

The following indicators are incorporated:

- internal credit rating;
- external credit rating (as far as available);
- actual or expected significant adverse changes in business, financial or economic conditions; that are expected to cause a significant change to the counterparties' ability to meet its obligations;
- actual or expected significant changes in the operating results of the counterparties;
- significant increases in credit risk on other financial instruments of the same counterparty; and
- significant changes in the expected performance and behaviour of the counterparty, including changes in the payment status of counterparty in the group and changes in the operating results of the counterparty

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model.

Regardless of the analysis above, a SICR is presumed if a debtor is more than 30 days past due in making a contractual payment.

Definition of default and credit impaired financial assets

The Group and the Company define a financial instrument as default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

Quantitative criteria:

The Group and the Company define a financial instrument as default, when the counterparty fails to make contractual payment within 90 days of when they fall due.

Qualitative criteria:

The debtor meets unlikelihood to pay criteria, which indicates the debtor is in significant financial difficulty. The Group and the Company consider the following instances:

- the debtor is in breach of financial covenants;
- concessions have been made by the lender relating to the debtor's financial difficulty;
- it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation; and
- the debtor is insolvent.

Financial instruments that are credit-impaired are assessed on individual basis.

Mortgage assets/Islamic mortgage assets and Islamic hire purchase assets have been grouped based on shared credit risk characteristics and the days past due for the purpose of ECL measurement. Mortgage assets/Islamic mortgage assets and Islamic hire purchase assets have substantially the same risk characteristics and the Group and the Company have therefore concluded that these assets to be assessed on a collective basis. Financial assets at FVOCI and financial instruments that are credit impaired are assessed on individual basis.

Amount due from counterparties, Islamic financing assets and debt instruments which are in default or credit impaired are assessed individually.

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(Incorporated in Malaysia)**Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2024 (Continued)****A10 Impairment of assets (continued)**

A10.2 Non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. The impairment loss is charged to the income statements, unless it reverses a previous revaluation in which it is charged to the revaluation surplus. Any subsequent increase in recoverable amount is recognised in the income statements.

A11 Write-off

The Group and the Company write-off financial assets, in whole or in part, when they have exhausted all practicable recovery efforts and have concluded that there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount. Impairment losses are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off will result in impairment gains which is credited against the same line item.

A12 Income recognition on mortgage assets and hire purchase assets/Islamic mortgage assets and Islamic hire purchase assets

Interest income for conventional assets and profit income on Islamic assets are recognised using the EIR/effective profit rate ("EPR") method. Accretion of discount is recognised using the effective yield method.

A13 Premium and discount on unsecured bearer bonds, notes and Sukuk

Premium on unsecured bearer bonds and notes/Sukuk represents the excess of the issue price over the redemption value of the bonds and notes/Sukuk are accreted to the income statements over the life of the bonds and notes/Sukuk on an effective yield basis. Where the redemption value exceeds the issue price of the bonds and notes/Sukuk, the difference, being the discount is amortised to the income statements over the life of the bonds and notes/Sukuk on an effective yield basis.

A14 Current and deferred tax

Current tax expense represents taxation at the current rate based on taxable profit earned during the financial period.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences or unused tax losses can be utilised.

Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantially enacted by the statements of financial position date and are expected to apply when the related deferred tax asset is realised or deferred tax liability is settled.

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Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2024 (Continued)

A15 Cash and cash equivalents

For the purpose of statements of cash flows, cash and cash equivalents comprise cash and bank balances and deposits that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

A16 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statements of financial position when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy.

A17 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision maker. The chief operating decision maker is the person or group that allocated resources and assesses the performance of the operating segments of the Group and the Company. The Group and the Company have determined the Chief Executive Officer of the Company to be the chief operating decision maker.

A18 Derivative financial instruments and hedge accounting

Derivative financial instruments consist of interest rate swaps ("IRSs"), Islamic profit rate swaps ("IPRSs"), cross currency swaps ("CCSs") and Islamic cross currency swaps ("ICCSs"). Derivative financial instruments are used by the Group and the Company to hedge the issuance of their bond/Sukuk from potential movements in interest rates, profit rates or foreign currency exchange rates.

Fair value of derivative financial instruments is recognised at inception on the statements of financial position, and subsequent changes in fair value as a result of fluctuation in market interest rates, profit rates or foreign currency exchange rates are recorded as derivative assets (favourable) or derivative liabilities (unfavourable).

For derivatives that are not designated as hedging instruments, losses and gains from the changes in fair value are taken to the income statements.

For derivatives that are designated as hedging instruments, the method of recognising fair value gain or loss depends on the type of hedge.

The Group's and Company's documents at the inception of the hedge relationship, the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Group and the Company document their risk management objective and strategy for its hedge transactions. The Group and the Company also document their assessment, both at hedge inception and on an ongoing basis, on whether the derivative is highly effective in offsetting changes in the fair value or cash flows of the hedged items.

Cash flow hedge

The effective portion of changes in the fair value of a derivative designated and qualifying as a hedge of future cash flows is recognised directly in the cash flow hedge reserve, and taken to the income statements in the periods when the hedged item affects gain or loss. The ineffective portion of the gain or loss is recognised immediately in the income statements under "Non-interest income".

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(Incorporated in Malaysia)**Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2024 (Continued)****A18 Derivative financial instruments and hedge accounting (continued)**

Amounts accumulated in equity are reclassified to income statements in the periods when the hedged item affects profit or loss. The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised in income statements within the line item "Non-interest income" at the same time as the interest expense on the hedged borrowings.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, the accounting of any cumulative deferred gain or loss and deferred cost of hedging included in equity depends on the nature of the underlying hedged transaction. For cash flow hedge which resulted in the recognition of a non-financial asset, the cumulative amount in equity shall be included in the initial cost of the asset. For other cash flow hedges, the cumulative amount in equity is reclassified to income statements in the same period that the hedged cash flows affect income statements. When hedged future cash flows or forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred cost of hedging that was reported in equity is immediately reclassified to income statements under "Non-interest income".

A19 Provisions

Provisions are recognised when the Group and the Company have a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Where the Group and the Company expect a provision to be reimbursed (for example, under an insurance contract) the reimbursement is recognised as separate asset but only when the reimbursement is virtually certain. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured as the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessment of the time value of money and the risk specific to obligation. The increase in the provision due to passage of time is recognised as interest expense.

A20 Employee benefits**(a) Short-term employee benefits**

Wages, salaries, paid annual leave, bonuses and non-monetary benefits are accrued in the financial period in which the associated services are rendered by the employees of the Group and the Company.

(b) Defined contributions plans

The Group and the Company contribute to the Employees' Provident Fund ("EPF"), the national defined contribution plan. The contributions to EPF are charged to the income statements in the financial period to which they relate to. Once the contributions have been paid, the Group and the Company have no further payment obligations in the future. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

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Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2024 (Continued)

A21 Intangible assets

(a) Computer software

Acquired computer software and computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs associated with developing or maintaining computer software programmes are recognised when the costs are incurred. Costs that are directly associated with identifiable and unique software products controlled by the Group and the Company, which will generate probable economic benefits exceeding costs beyond one year, are recognised as intangible assets. Costs include employee costs incurred as a result of developing software and an appropriate portion of relevant overheads.

The computer software and computer software licenses are amortised over their estimated useful lives of three to ten years.

(b) Service rights to transaction administrator and administrator fees

Service rights to transaction administrator and administrator fees ("Service Rights") represents secured rights to receive expected future economic benefits by way of transaction administrator and administrator fees for Residential Mortgage-Backed Securities ("RMBS") and Islamic Residential Mortgage-Backed Securities ("IRMBS") issuances.

Service rights are recognised as intangible assets at cost and amortised using the straight line method over the tenure of RMBS and IRMBS.

A22 Share capital

(a) Classification

Ordinary shares are classified as equity. Other shares are classified as equity and/or liability according to the economic substance of the particular instrument.

Distributions to holders of a financial instrument classified as an equity instrument are charged directly to equity.

(b) Dividends to the shareholder of the Company

Dividends on ordinary shares are recognised as liabilities when declared before the statements of financial position date. A dividend proposed or declared after the statements of financial position date, but before the financial statements are authorised for issue, is not recognised as a liability at the statements of financial position date. Upon the dividend becoming payable, it will be accounted for as a liability.

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Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2024 (Continued)

A23 Currency translations

(a) Functional and presentation currency

Items included in the financial statements of the Group and the Company are measured using the currency of the primary economic environment in which the entity operates (the "functional currency").

The financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

(b) Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statements, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

A24 Contingent liabilities and contingent assets

The Group and the Company do not recognise a contingent liability but disclose its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group and the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare case where there is a liability that cannot be recognised because it cannot be measured reliably.

The Group and the Company do not recognise contingent assets but disclose its existence where inflows of economic benefits are probable, but not virtually certain. A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group and the Company.

A25 Deferred financing fees

Deferred financing fees consist of expenses incurred in relation to the unsecured bonds and notes/Sukuk issuance. Upon unsecured bonds and notes/Sukuk issuance, deferred financing fees will be deducted from the carrying amount of the unsecured bonds and notes/Sukuk and amortised using the EIR/EPR method.

A26 Leases

Leases are recognised as right-of-use ("ROU") asset and a corresponding lease liability at the date on which the leased asset is available for use by the Group and the Company (i.e. the commencement date).

Contracts may contain both lease and non-lease components. The Group and the Company allocate the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of properties for which the Group and the Company are a lessee, they have elected the practical expedient provided in MFRS 16: Leases not to separate lease and non-lease components. Both components are accounted for as a single lease component and payments for both components are included in the measurement of lease liability.

CAGAMAS BERHAD
(Incorporated in Malaysia)**Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2024 (Continued)****A26 Leases (continued)**Lease term

In determining the lease term, the Group and the Company consider all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not to be terminated).

The Group and the Company reassess the lease term upon the occurrence of a significant event or change in circumstances that is within the control of the Group and the Company and affect whether the Group and the Company are reasonably certain to exercise an option not previously included in the determination of lease term, or not to exercise an option previously included in the determination of lease term. A revision in lease term results in remeasurement of the lease liability.

ROU asset

ROU asset is initially measured at cost comprising the followings:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentive received;
- Any initial direct costs; and
- Decommissioning or restoration costs.

ROU asset that is not investment properties is subsequently measured at cost, less accumulated depreciation and impairment loss (if any). The ROU asset is generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group and the Company are reasonably certain to exercise a purchase option, the ROU asset is depreciated over the underlying asset's useful life. In addition, the ROU asset is adjusted for certain remeasurement of the lease liability. ROU asset is presented as a separate line item in the statements of financial position.

Lease liability

Lease liability is initially measured at the present value of the lease payments that are not paid at that date. The lease payments include the following:

- Fixed payments (including in-substance fixed payments), less any lease incentive receivable;
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable by the Group and the Company under residual value guarantees;
- The exercise price of a purchase and extension options if the Group and the Company are reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the Group and the Company exercising that option.

Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group and the Company, the lessee's incremental borrowing is used. This is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the ROU in a similar economic environment with similar term, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to income statements over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

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Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2024 (Continued)

A26 Leases (continued)

Lease liability (continued)

Variable lease payments that depend on sales are recognised in the income statements in the period in which the condition that triggers those payments occurs.

The Group and the Company present the lease liability as a separate line item in the statements of financial position. Interest expense on the lease liability is presented within the non-interest expense in Note 20 to the income statements.

Reassessment of lease liability

The Group and the Company are also exposed to potential future increases in variable lease payments that depend on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is remeasured and adjusted against the ROU assets.

Short-term leases and leases of low value assets

Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture. Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line bases as an expense in income statements.

A27 Auditors' report on preceding Annual Financial Statements

The auditors' report on the audited financial statements for the financial year ended 31 December 2023 was not subject to any qualification.

A28 Seasonality or Cyclical factors

The business operations of the Group and the Company are not subject to material seasonal or cyclical fluctuations.

A29 Unusual items due to their nature, size or incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group and the Company for the financial period ended 30 June 2024.

A30 Changes in estimates

There were no changes in estimates of amounts reported in prior financial years that have a material effect on the financial results and position of the Group and the Company for the financial period 30 June 2024.

A31 Dividend

A single tier final dividend of 15 sen per ordinary share on 150,000,000 ordinary shares amounting to RM22,500,000 in respect of the financial year ended 31 December 2023 was paid on 8 May 2024.

Registration No.

198601008739 (157931 A)

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Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2024 (Continued)

A32 Subsequent events

There were no material events subsequent to the end of the reporting date that require disclosure or adjustments to the interim financial statements.

A33 Changes in the composition of the Group

There were no material changes in the composition of the Group during the financial period ended 30 June 2024.

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Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2024 (Continued)

1. CASH AND CASH EQUIVALENTS

	<u>Group</u>		<u>Company</u>	
	30 Jun 2024 RM'000	31 Dec 2023 RM'000	30 Jun 2024 RM'000	31 Dec 2023 RM'000
Cash and balances with banks and other financial institutions	837	559	804	532
Money at call and deposits and placements maturing with original maturity less than three months	233,561	115,110	233,561	115,110
Mudharabah money at call and deposits and placements maturing with original maturity less than three months	156,363	64,690	156,363	64,690
	<u>390,761</u>	<u>180,359</u>	<u>390,728</u>	<u>180,332</u>
Less:				
Allowance for impairment losses	(3)	-	(3)	-
	<u><u>390,758</u></u>	<u><u>180,359</u></u>	<u><u>390,725</u></u>	<u><u>180,332</u></u>

The gross carrying value of cash and cash equivalents and the impairment allowance are within Stage 1. Movement in impairment allowance that reflects the ECL model on impairment are as follows:

	<u>Group and Company</u>	
	30 Jun 2024 RM'000	31 Dec 2023 RM'000
<u>Stage 1</u>		
At 1 January	-	1
Allowance during the period/year on new assets purchased	3	-
Financial assets derecognised during the period/year due to maturity of assets	-	(1)
At 30 June/ 31 December	<u><u>3</u></u>	<u><u>-</u></u>

2. DEPOSITS AND PLACEMENTS WITH FINANCIAL INSTITUTIONS

	<u>Group and Company</u>	
	30 Jun 2024 RM'000	31 Dec 2023 RM'000
Licensed Banks	<u><u>298,906</u></u>	<u><u>86,947</u></u>

The gross carrying value of deposits and placements with financial institutions are within Stage 1. There is no ECL made for this category as at 30 June 2024 (31 December 2023: Nil).

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Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2024 (Continued)

3. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (“FVOCI”)

	<u>Group and Company</u>	
	30 Jun 2024	31 Dec 2023
	RM'000	RM'000
<i>Debt instruments:</i>		
Malaysian Government securities	750,221	497,806
Corporate bonds	315,814	318,729
Government investment issues	993,332	847,398
Corporate Sukuk	993,201	856,244
Quasi Government Sukuk	169,717	169,884
	<u>3,222,285</u>	<u>2,690,061</u>

The maturity structure of financial assets at FVOCI are as follows:

Maturing within one year	356,789	148,606
One to three years	559,627	498,549
Three to five years	500,074	611,018
More than five years	1,805,795	1,431,888
	<u>3,222,285</u>	<u>2,690,061</u>

The carrying amount of debt instruments at FVOCI is equivalent to their fair value. The ECL is recognised in other comprehensive income and does not reduce the carrying amount in the statements of financial position.

The gross carrying value of financial assets at FVOCI by stage are as follows:

	<u>Gross carrying value</u>	<u>Impairment allowance</u>
	RM'000	RM'000
<u>30 June 2024</u>		
Stage 1 (12-month ECL; non-credit impaired)	<u>3,222,285</u>	<u>338</u>
<u>31 December 2023</u>		
Stage 1 (12-month ECL; non-credit impaired)	<u>2,690,061</u>	<u>370</u>

Movement in impairment allowance that reflect the ECL model on impairment are as follows:

	<u>Group and Company</u>	
	30 Jun 2024	31 Dec 2023
	RM'000	RM'000
<u>Stage 1</u>		
At 1 January	370	365
Allowance during the period/year on new assets purchased	10	255
Financial assets derecognised during the period/year due to maturity of assets	(3)	(152)
Reversal during the period/year due to changes in credit risk	(39)	(98)
At 30 June/ 31 December	<u>338</u>	<u>370</u>

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Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2024 (Continued)

4. FINANCIAL ASSETS AT AMORTISED COST

	<u>Group and Company</u>	
	30 Jun 2024 RM'000	31 Dec 2023 RM'000
Corporate bonds	1,604,581	1,604,687
Corporate Sukuk	681,848	681,993
	<u>2,286,429</u>	<u>2,286,680</u>

The maturity structure of financial assets at amortised cost are as follows:

More than five years	2,290,197	2,290,448
Less: Allowance for impairment losses	(3,768)	(3,768)
	<u>2,286,429</u>	<u>2,286,680</u>

The gross carrying value of financial assets at amortised cost by stage are as follows:

	<u>Gross carrying value</u> RM'000	<u>Impairment allowance</u> RM'000
<u>30 June 2024</u>		
Stage 1 (12-month ECL; non-credit impaired)	<u>2,290,197</u>	<u>3,768</u>
<u>31 December 2023</u>		
Stage 1 (12-month ECL; non-credit impaired)	<u>2,290,448</u>	<u>3,768</u>

Movement in impairment allowance that reflect the ECL model on impairment are as follows:

	<u>Group and Company</u>	
	30 Jun 2024 RM'000	31 Dec 2023 RM'000
<u>Stage 1</u>		
At 1 January	3,768	3,135
Allowance during the period/year on new assets purchased	-	1,154
Reversal during the period/year due to changes in credit risk	-	(521)
	<u>3,768</u>	<u>3,768</u>
At 30 June/ 31 December	<u>3,768</u>	<u>3,768</u>

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Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2024 (Continued)

5. DERIVATIVE FINANCIAL ASSETS/LIABILITIES

Derivative financial assets/liabilities measured at their fair values together with their corresponding contract/notional amounts are as follows:

	Group and Company					
	30 Jun 2024			31 Dec 2023		
	Contract/ Notional amount RM'000	Assets RM'000	Liabilities RM'000	Contract/ Notional amount RM'000	Assets RM'000	Liabilities RM'000
Derivatives designated as cash flow hedges						
<u>IRS/IPRS</u>						
Maturing within one year	445,000	240	(187)	1,000,000	720	(3,924)
One to three years	890,000	-	(2,752)	1,335,000	446	(4,937)
Three to five years	90,000	-	(52)	90,000	-	(142)
More than five years	260,000	13,919	-	160,000	12,922	-
	<u>1,685,000</u>	<u>14,159</u>	<u>(2,991)</u>	<u>2,585,000</u>	<u>14,088</u>	<u>(9,003)</u>
<u>CCS/ICCS</u>						
Maturing within one year	2,112,812	13,790	(9,946)	4,139,796	151,553	(6,158)
One to three years	813,220	21,154	-	1,112,470	42,018	-
	<u>2,926,032</u>	<u>34,944</u>	<u>(9,946)</u>	<u>5,252,266</u>	<u>193,571</u>	<u>(6,158)</u>
	<u><u>4,611,032</u></u>	<u><u>49,103</u></u>	<u><u>(12,937)</u></u>	<u><u>7,837,266</u></u>	<u><u>207,659</u></u>	<u><u>(15,161)</u></u>

6. AMOUNT DUE FROM COUNTERPARTIES

	Group and Company	
	30 Jun 2024 RM'000	31 Dec 2023 RM'000
Relating to:		
Mortgage loans	17,534,985	19,641,205
Hire purchase and leasing debts	339,483	346,585
	<u>17,874,468</u>	<u>19,987,790</u>

The maturity structure of amount due from counterparties are as follows:

Maturing within one year	5,023,077	6,475,796
One to three years	7,427,041	8,861,989
Three to five years	4,287,787	4,288,658
More than five years	1,136,585	361,372
	<u>17,874,490</u>	<u>19,987,815</u>
Less: Allowance for impairment losses	(22)	(25)
	<u><u>17,874,468</u></u>	<u><u>19,987,790</u></u>

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Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2024 (Continued)

6. AMOUNT DUE FROM COUNTERPARTIES (CONTINUED)

The gross carrying value of amount due from counterparties and the impairment allowance are within Stage 1 (12-month ECL). Movement in impairment allowance that reflects the ECL model on impairment are as follows:

	<u>Group and Company</u>	
	30 Jun 2024 RM'000	31 Dec 2023 RM'000
<u>Stage 1</u>		
At 1 January	25	16
Allowance during the period/year on new assets purchased	2	21
Financial assets derecognised during the period/year due to maturity of assets	(1)	(9)
Reversal during the period/year due to changes in credit risk	(4)	(3)
At 30 June/ 31 December	<u>22</u>	<u>25</u>

7. ISLAMIC FINANCING ASSETS

	<u>Group and Company</u>	
	30 Jun 2024 RM'000	31 Dec 2023 RM'000
Relating to:		
Islamic house financing	19,113,495	18,696,839
Islamic personal financing	2,129,566	2,225,410
Islamic hire purchase	504,611	504,612
	<u>21,747,672</u>	<u>21,426,861</u>

The maturity structure of Islamic financing assets are as follows:

Maturing within one year	9,472,521	7,301,922
One to three years	6,736,257	9,385,918
Three to five years	4,738,688	4,739,117
More than five years	800,275	-
	<u>21,747,741</u>	<u>21,426,957</u>
Less: Allowance for impairment losses	(69)	(96)
	<u>21,747,672</u>	<u>21,426,861</u>

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7. ISLAMIC FINANCING ASSETS (CONTINUED)

The gross carrying value of Islamic financing assets and the impairment allowance are within Stage 1 (12-month ECL). Movement in impairment allowance that reflects the ECL model on impairment are as follows:

	<u>Group and Company</u>	
	30 Jun 2024 RM'000	31 Dec 2023 RM'000
<u>Stage 1</u>		
At 1 January	96	93
Allowance during the period/year on new assets purchased	3	24
Loans derecognised during the period/year due to maturity of assets	(1)	(11)
Reversal during the period/year due to changes in credit risk	(29)	(10)
	<u>69</u>	<u>96</u>
At 30 June/ 31 Dec	<u>69</u>	<u>96</u>

8. MORTGAGE ASSETS – CONVENTIONAL

	<u>Group and Company</u>	
	30 Jun 2024 RM'000	31 Dec 2023 RM'000
Purchase without Recourse ("PWOR")	<u>2,804,806</u>	<u>3,021,850</u>

The maturity structure of mortgage assets - conventional are as follows:

Maturing within one year	456,271	642,965
One to three years	724,080	741,844
Three to five years	601,517	634,252
More than five years	1,033,267	1,014,207
	<u>2,815,135</u>	<u>3,033,268</u>
Less: Allowance for impairment losses	(10,329)	(11,418)
	<u>2,804,806</u>	<u>3,021,850</u>

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Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2024 (Continued)

8. MORTGAGE ASSETS – CONVENTIONAL (CONTINUED)

The gross carrying value of mortgage assets by stage are as follows:

	<u>Gross carrying value</u> RM'000	<u>Impairment allowance</u> RM'000
By stage:		
<u>June 2024</u>		
Stage 1 (12-month ECL; non credit impaired)	2,805,835	8,008
Stage 2 (Lifetime ECL; non credit impaired)	793	109
Stage 3 (Lifetime ECL; credit impaired)	8,507	2,212
At 30 June	<u>2,815,135</u>	<u>10,329</u>
Impairment allowance over gross carrying value (%)		<u>0.37</u>
<u>December 2023</u>		
Stage 1 (12-month ECL; non credit impaired)	3,021,332	8,496
Stage 2 (Lifetime ECL; non credit impaired)	1,447	195
Stage 3 (Lifetime ECL; credit impaired)	10,489	2,727
At 31 December	<u>3,033,268</u>	<u>11,418</u>
Impairment allowance over gross carrying value (%)		<u>0.38</u>

9. MORTGAGE ASSETS – ISLAMIC

	<u>Group and Company</u>	
	30 Jun 2024 RM'000	31 Dec 2023 RM'000
PWOR	<u>3,686,960</u>	<u>3,881,528</u>
The maturity structure of mortgage assets - Islamic are as follows:		
Maturing within one year	444,917	601,511
One to three years	762,024	782,955
Three to five years	660,416	689,809
More than five years	1,830,628	1,818,964
	<u>3,697,985</u>	<u>3,893,239</u>
Less: Allowance for impairment losses	(11,025)	(11,711)
	<u>3,686,960</u>	<u>3,881,528</u>

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Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2024 (Continued)

9. MORTGAGE ASSETS – ISLAMIC (CONTINUED)

The gross carrying value of Islamic mortgage assets by stage are as follows:

	<u>Gross carrying value</u> RM'000	<u>Impairment allowance</u> RM'000
By stage:		
<u>June 2024</u>		
Stage 1 (12-month ECL; non credit impaired)	3,683,390	7,413
Stage 2 (Lifetime ECL; non credit impaired)	1,327	162
Stage 3 (Lifetime ECL; credit impaired)	13,268	3,450
At 30 June	<u>3,697,985</u>	<u>11,025</u>
Impairment allowance over gross carrying value (%)		<u>0.30</u>
<u>December 2023</u>		
Stage 1 (12-month ECL; non credit impaired)	3,876,935	7,846
Stage 2 (Lifetime ECL; non credit impaired)	2,401	250
Stage 3 (Lifetime ECL; credit impaired)	13,903	3,615
At 31 December	<u>3,893,239</u>	<u>11,711</u>
Impairment allowance over gross carrying value (%)		<u>0.30</u>

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Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2024 (Continued)

10. ISLAMIC HIRE PURCHASE ASSETS

	<u>Group and Company</u>	
	30 Jun 2024 RM'000	31 Dec 2023 RM'000
PWOR	58	55
	<u>58</u>	<u>55</u>

The maturity structure of hire purchase assets - Islamic are as follows:

Maturing within one year	64	61
Less: Allowance for impairment losses	(6)	(6)
	<u>58</u>	<u>55</u>

The gross carrying value of Islamic hire purchase assets by stage are as follows:

	<u>Gross carrying value</u> RM'000	<u>Impairment allowance</u> RM'000
By stage:		
<u>June 2024</u>		
Stage 1 (12-month ECL; non-credit impaired)	39	-
Stage 3 (Lifetime ECL; credit impaired)	25	6
At 30 June	<u>64</u>	<u>6</u>
Impairment allowance over gross carrying value (%)		<u>9.38</u>
<u>December 2023</u>		
Stage 1 (12-month ECL; non-credit impaired)	36	-
Stage 3 (Lifetime ECL; credit impaired)	25	6
At 31 December	<u>61</u>	<u>6</u>
Impairment allowance over gross carrying value (%)		<u>9.84</u>

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11. OTHER ASSETS

	Group		Company	
	30 Jun 2024 RM'000	31 Dec 2023 RM'000	30 Jun 2024 RM'000	31 Dec 2023 RM'000
Compensation receivable from originator on mortgage assets	28	33	28	33
Deposits	937	923	936	922
Collateral receivable	7,994	13,716	7,994	13,716
Staff loans and financing	2,264	2,311	2,264	2,311
Management fee receivable	719	610	719	610
Prepayments	3,347	2,849	3,336	2,837
Other receivables	42	34	42	34
	15,331	20,476	15,319	20,463

12. RIGHT-OF-USE ASSET

Right-of-use asset comprises of rental of office building and is being amortised over the tenure of rental period.

	Group and Company	
	30 Jun 2024 RM'000	31 Dec 2023 RM'000
<u>Cost</u>		
At 1 January	15,461	15,461
At 30 June/ 31 December	15,461	15,461
<u>Accumulated amortisation</u>		
At 1 January	(8,285)	(6,077)
Charge for the period/year	(1,104)	(2,208)
At 30 June/ 31 December	(9,389)	(8,285)
<u>Net book value</u>		
At 30 June/ 31 December	6,072	7,176

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Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2024 (Continued)

13. OTHER LIABILITIES

	<u>Group</u>		<u>Company</u>	
	30 Jun 2024 RM'000	31 Dec 2023 RM'000	30 Jun 2024 RM'000	31 Dec 2023 RM'000
Amount due to GOM*	98,655	127,023	98,655	127,023
Provision for zakat	-	2,534	-	2,534
Accruals	17,666	19,370	17,538	19,307
Other payables	687	1,484	687	1,477
	<u>117,008</u>	<u>150,411</u>	<u>116,880</u>	<u>150,341</u>

* Refers to fund provided by the Government for Mortgage Guarantee Programme under Cagamas SRP Berhad

14. LEASE LIABILITY

	<u>Group and Company</u>	
	30 Jun 2024 RM'000	31 Dec 2023 RM'000
At 1 January	9,308	11,384
Lease obligation interest expense	136	316
Lease obligation repayment	(911)	(2,392)
At 30 June/ 31 December	<u>8,533</u>	<u>9,308</u>

The maturity structure of lease liability are as follows:

Due in one year or less	3,467	2,436
Due in two to five years	5,066	6,872
Total present value of minimum lease payments	<u>8,533</u>	<u>9,308</u>

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Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2024 (Continued)

15. LOANS FROM SUBSIDIARY

Loans from subsidiary outstanding at financial period that are not in the functional currency of the Group are as follows:

	<u>Company</u>	
	<u>30 Jun 2024</u>	<u>31 Dec 2023</u>
	RM'000	RM'000
HKD	-	489,906
SGD	2,974,000	4,983,748
	<u>2,974,000</u>	<u>5,473,654</u>

Loans from subsidiary are unsecured and subject to interest rates ranging from 3.57% to 4.25% per annum (2023: 1.99% to 5.00% per annum). The maturity structure of loans from subsidiary are as follows:

	<u>Company</u>	
	<u>30 Jun 2024</u>	<u>31 Dec 2023</u>
	RM'000	RM'000
Maturing within one year	2,139,133	4,326,371
One to three years	834,867	1,147,283
	<u>2,974,000</u>	<u>5,473,654</u>

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16. UNSECURED BEARER BONDS AND NOTES

	Year of maturity	30 Jun 2024		Group 31 Dec 2023	
		Amount outstanding RM'000	Effective interest rate %	Amount outstanding RM'000	Effective interest rate %
(a) Commercial papers	2024	275,000	3.540-3.550	1,005,000	3.660-3.830
Add: Interest payable		842		2,783	
		<u>275,842</u>		<u>1,007,783</u>	
(b) Conventional medium-term notes	2024	4,650,376	2.670-5.520	9,005,013	1.990-5.520
	2025	5,578,370	3.620-4.850	4,374,387	3.620-4.850
	2026	3,338,076	3.570-3.940	3,137,895	3.570-3.940
	2027	5,815,000	3.750-4.900	5,725,000	3.780-4.900
	2028	890,000	3.970-4.280	890,000	3.970-4.280
	2029	155,000	3.860-5.750	245,000	5.500-5.750
	2031	670,000	4.030	-	-
	2033	200,000	4.200	200,000	4.200
	2034	100,000	4.040	-	-
	2035	160,000	5.070	160,000	5.070
		<u>21,556,822</u>		<u>23,737,295</u>	
Add: Interest payable		172,506		211,286	
Less:					
Deferred financing fees		(777)		(1,456)	
		<u>21,728,551</u>		<u>23,947,125</u>	
Total		<u><u>22,004,393</u></u>		<u><u>24,954,908</u></u>	

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Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2024 (Continued)

16. UNSECURED BEARER BONDS AND NOTES (CONTINUED)

	Year of maturity	Amount outstanding RM'000	30 Jun 2024	Company	
			Effective interest rate %	31 Dec 2023	Effective interest rate %
(a) Commercial papers	2024	275,000	3.540-3.550	1,005,000	3.660-3.830
Add: Interest payable		842		2,783	
		<u>275,842</u>		<u>1,007,783</u>	
(b) Conventional medium-term notes	2024	3,085,000	2.670-5.520	4,735,000	2.380-5.520
	2025	4,500,000	3.620-4.850	3,540,000	3.720-4.850
	2026	3,025,000	3.700-3.940	2,825,000	3.820-3.940
	2027	5,815,000	3.750-4.900	5,725,000	3.780-4.900
	2028	890,000	3.970-4.280	890,000	3.970-4.280
	2029	155,000	3.860-5.750	245,000	5.500-5.750
	2031	670,000	4.030	-	-
	2033	200,000	4.200	200,000	4.200
	2034	100,000	4.040	-	-
	2035	160,000	5.070	160,000	5.070
		<u>18,600,000</u>		<u>18,320,000</u>	
Add: Interest payable		155,302		154,965	
Less:					
Deferred financing fees		(777)		(1,405)	
		<u>18,754,525</u>		<u>18,473,560</u>	
Total		<u><u>19,030,367</u></u>		<u><u>19,481,343</u></u>	

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Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2024 (Continued)

16. UNSECURED BEARER BONDS AND NOTES (CONTINUED)

The maturity structure of unsecured bearer bonds and notes are as follows:

	<u>Group</u>		<u>Company</u>	
	<u>30 Jun 2024</u>	<u>31 Dec 2023</u>	<u>30 Jun 2024</u>	<u>31 Dec 2023</u>
	RM'000	RM'000	RM'000	RM'000
Maturing within one year	7,944,959	10,223,248	5,805,800	5,896,966
One to three years	7,159,434	7,512,067	6,324,567	6,364,784
Three to five years	5,675,000	6,614,593	5,675,000	6,614,593
More than five years	1,225,000	605,000	1,225,000	605,000
	<u>22,004,393</u>	<u>24,954,908</u>	<u>19,030,367</u>	<u>19,481,343</u>

Cagamas issues debt securities, inclusive of sustainability, green and social bonds to finance the purchase of mortgages and other consumer receivables for conventional loans.

(a) Floating Rate Notes ("FRNs")

FRNs are Ringgit denominated CMTNs with tenures of more than one year with floating rate pegged to a reference rate, e.g. Kuala Lumpur Interbank Offered Rate (KLIBOR). Interest distributions of the FRNs are normally made on quarterly or half-yearly basis. The redemption of the relevant FRNs are at face value together with the interest due upon maturity.

(b) Commercial Papers ("CPs")

CP are Ringgit denominated short-term instruments with maturities ranging from one to twelve months, issued with or without coupon, either at a discount from the face value where the relevant CPs are redeemable at their nominal value upon maturity or at par with interest paid on a semi-annual basis or on such other periodic basis as determined by Cagamas.

(c) Fixed Rate Conventional Medium-term Notes ("CMTNs")

CMTNs are Ringgit denominated bonds with fixed coupon rate with tenures of more than one year and are issued either at a premium, par or at a discount, with or without a coupon rate. Interest distributions of the CMTNs are normally made on half-yearly basis. The redemption of the CMTNs are at nominal value together with the interest due upon maturity.

Apart from Ringgit FRNs and CMTNs, Cagamas also issued FRNs and CMTNs in foreign currency ("EMTNs"). Under the USD2.5 billion Multicurrency Medium Term Notes Programme, CGP may from time to time issue EMTNs in any currency (other than Ringgit Malaysia) which are unconditionally and irrevocably guaranteed by Cagamas.

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16. UNSECURED BEARER BONDS AND NOTES (CONTINUED)

The unsecured bearer bonds and notes outstanding at the end of financial period/year which are not in the functional currency of the Group are as follows:

	<u>Group and Company</u>	
	30 Jun 2024 RM'000	31 Dec 2023 RM'000
HKD	-	489,906
SGD	2,974,026	4,983,658
	<u>2,974,026</u>	<u>5,473,564</u>

17. SUKUK

	Year of maturity	Amount outstanding RM'000	<u>Group and Company</u>		
			30 Jun 2024 Effective profit rate %	31 Dec 2023 Amount outstanding RM'000 Effective profit rate %	
(a) Islamic commercial papers	2024	1,390,000	3.500-3.560	640,000	3.610-3.750
Add: Profit payable		4,962		1,797	
		<u>1,394,962</u>		<u>641,797</u>	
(b) Islamic medium-term notes	2024	5,690,000	2.670-5.520	6,745,000	2.670-5.520
	2025	6,050,000	3.100-4.650	5,290,000	3.100-4.650
	2026	3,670,000	3.150-4.920	3,670,000	3.150-4.920
	2027	1,955,000	4.140-4.620	1,955,000	4.140-4.620
	2028	3,665,000	3.970-4.260	3,665,000	3.970-4.260
	2029	180,000	3.860-5.750	180,000	5.500-5.750
	2030	465,000	4.230	465,000	4.230
	2033	500,000	4.310	500,000	4.310
	2034	800,000	4.000	-	-
		<u>22,975,000</u>		<u>22,470,000</u>	
Add: Profit payable		162,953		166,342	
		<u>23,137,953</u>		<u>22,636,342</u>	
		<u>24,532,915</u>		<u>23,278,139</u>	

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17. SUKUK (CONTINUED)

The maturity structure of Sukuk are as follows:

	Group and Company	
	30 Jun 2024 RM'000	31 Dec 2023 RM'000
Maturing within one year	10,262,915	7,553,139
One to three years	6,705,000	8,960,000
Three to five years	5,700,000	5,620,000
More than five years	1,865,000	1,145,000
	24,532,915	23,278,139

Cagamas issues debt securities, inclusive of sustainability, green and social Sukuk, to finance the purchase of mortgages and other consumer receivables for Islamic financing.

(a) Islamic Commercial Papers (“ICPs”)

ICPs are Ringgit denominated short-term Islamic instruments with maturities ranging from one to twelve months, issued with or without profit paid, at either a discount from the face value where the relevant ICPs are redeemable at their nominal value upon maturity or at par with profit is paid on a semi-annual basis or on such other periodic basis as determined by Cagamas.

(b) Fixed Profit Rate Islamic Medium-term Notes (“IMTNs”)

IMTNs are Ringgit denominated Sukuk with fixed profit rate with tenures of more than one year and are issued either at a premium, par or at a discount, with or without a profit rate. Profit distribution of the IMTNs are normally made on half-yearly basis. The redemption of the relevant IMTNs are at nominal value together with the profit due upon maturity.

(c) Variable Profit Rate Notes (“VRNs”)

VRNs are Ringgit denominated IMTNs with tenures of more than one year with variable profit rate pegged to a reference rate, e.g. KLIBOR. Profit distributions of the VRNs are normally made on quarterly or half-yearly basis. At maturity, the face value of the relevant VRNs are redeemed with any outstanding profit amounts due on maturity.

(d) Multicurrency Sukuk

Under the Multicurrency Sukuk Programme, foreign currency Sukuk (“Islamic EMTN”) is currently issued based on Shariah principle of Wakalah. The Islamic EMTN issuance is on a fully-paid basis and at a par issue price and the method of calculating the profit rate may vary between the issue date and the maturity date of the relevant series of Islamic EMTNs issued. There is no Islamic EMTN outstanding at the end of financial period which is not in the functional currency of the Group.

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18. INTEREST INCOME

	<u>Group and Company</u>	
	30 Jun 2024 RM'000	30 Jun 2023 RM'000
Amount due from counterparties	382,251	323,328
Mortgage assets	60,085	69,775
Compensation from mortgage assets	1	2
Financial assets at amortised cost	33,880	31,839
Reverse mortgage	87	29
Financial assets at FVOCI	43,468	42,697
Deposits and placements with financial institutions	2,551	3,644
	<u>522,323</u>	<u>471,314</u>
Accretion of discount less amortisation of premium (net)	27,140	32,685
	<u>549,463</u>	<u>503,999</u>

19. INTEREST EXPENSE

	<u>Group</u>		<u>Company</u>	
	30 Jun 2024 RM'000	30 Jun 2023 RM'000	30 Jun 2024 RM'000	30 Jun 2023 RM'000
Floating rate notes	-	13,891	-	13,891
Medium-term notes	451,843	405,079	368,017	330,381
Commercial papers	9,500	5,641	9,500	5,641
Loans from subsidiary	-	-	83,761	74,711
Deposits and placements of financial institutions	12,629	7,466	12,629	7,466
Lease liability	135	166	135	166
Deferred financing and guarantee fees	739	1,813	688	492
	<u>474,846</u>	<u>434,056</u>	<u>474,730</u>	<u>432,748</u>

20. NON-INTEREST INCOME

	<u>Group and Company</u>	
	30 Jun 2024 RM'000	30 Jun 2023 RM'000
Net gain arising from derivatives	12,235	12,563
Gain on disposal of:		
- Financial assets at FVOCI	124	4,403
- Property and equipment	1	3
Net amount reclassified into profit or loss – cash flow hedge	(45,994)	(228,176)
Unrealised gain on foreign exchange	45,069	226,362
Income from repo collateral	69	127
Other non-interest (expense)/income	(5,760)	1,758
	<u>5,744</u>	<u>17,040</u>

CAGAMAS BERHAD
(Incorporated in Malaysia)**Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2024 (Continued)**

21. FAIR VALUE OF FINANCIAL INSTRUMENTS

21.1 Fair value of financial instruments carried at fair value

Financial instruments comprise financial assets, financial liabilities and off statement of financial position financial instruments. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The information presented herein represents the estimates of fair values as at the date of the statement of financial position.

The face value of financial assets (less any estimated credit adjustments) and financial liabilities with a maturity period of less than one year is assumed to approximate their fair values.

Where available, quoted and observable market prices are used as the measure of fair values. Where such quoted and observable market prices are not available, fair values are estimated based on a number of methodologies and assumptions regarding risk characteristics of various financial instruments, discount rates, estimates of future cash flows and other factors. Changes in the assumptions could materially affect these estimates and the corresponding fair values.

The derivatives financial instruments become favourable (assets) or unfavourable (liabilities) as a result of fluctuations in market interest/profit rates relative to their terms. The extent to which instruments are favourable or unfavourable and the aggregate fair values of derivative financial assets and liabilities can fluctuate significantly from time to time.

The fair value of the financial assets at FVTPL and FVOCI is derived from market indicative quotes or observable market prices at the date of the statement of financial position.

The estimated fair value of the IRS, IPRS and CCS are based on the estimated cash flows discounted using the market interest/profit rate, taking into account the effect of the entity's net exposure to the credit risk of the counterparty at the statement of financial position date.

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2024 (Continued)

21. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

21.1 Fair value of financial instruments carried at fair value (continued)

	Group and Company			
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<u>30 June 2024</u>				
<u>Assets</u>				
Financial assets at FVOCI	-	3,222,285	-	3,222,285
Derivative financial assets	-	49,103	-	49,103
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>Liabilities</u>				
Derivative financial liabilities	-	12,937	-	12,937
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>31 December 2023</u>				
<u>Assets</u>				
Financial assets at FVOCI	-	2,690,061	-	2,690,061
Derivative financial assets	-	207,659	-	207,659
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>Liabilities</u>				
Derivative financial liabilities	-	15,161	-	15,161
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

21.2 Fair value of financial instruments carried other than fair value

The following methods and assumptions were used to estimate the fair value of financial instruments as at the statement of financial position date:

(a) Cash and cash equivalents and deposits and placements with financial institutions

The carrying amount of cash and cash equivalents and deposits and placements with financial institutions are used as reasonable estimate of fair values as the maturity is less than or equal to one year.

(b) Other financial assets

Other financial assets include other assets. The fair value of other financial assets is estimated at their carrying amount due to short tenure of less than one year.

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Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2024 (Continued)

21. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

21.2 Fair value of financial instruments carried other than fair value (continued)

(c) Amount due from related company and subsidiaries

The fair value of amount due from related company is estimated at their carrying amount due to short tenure of less than one year.

(d) Other financial liabilities

Other financial liabilities include creditors and accruals. The fair value of other financial liabilities is estimated at their carrying amount due to short tenure of less than one year.

The estimated fair values of the Group's and the Company's financial instruments approximated their carrying values in the statement of financial position except for the following:

	30 June 2024		31 December 2023	
	Carrying value RM'000	Fair value RM'000	Carrying value RM'000	Fair value RM'000
<u>Group</u>				
<u>Financial assets</u>				
Financial assets at amortised cost	2,286,429	2,328,820	2,286,680	2,312,107
Amount due from counterparties	17,874,468	18,167,022	19,987,790	20,210,096
Islamic financing assets	21,747,672	21,956,366	21,426,861	21,635,189
Mortgage assets:				
- Conventional	2,804,806	3,115,639	3,021,850	3,232,627
- Islamic	3,686,960	4,056,856	3,881,528	4,189,621
Islamic hire purchase assets	58	61	55	62
	<u>48,400,393</u>	<u>49,624,764</u>	<u>50,604,764</u>	<u>51,579,702</u>
<u>Financial liabilities</u>				
Short-term borrowings	868,309	868,309	648,790	648,790
Unsecured bearer bonds and notes	22,004,393	22,185,158	24,954,908	25,154,014
Sukuk	24,532,915	24,684,331	23,278,139	23,431,049
	<u>47,405,617</u>	<u>47,737,798</u>	<u>48,881,837</u>	<u>49,233,853</u>

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Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2024 (Continued)

21. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

21.2 Fair value of financial instruments carried other than fair value (continued)

The estimated fair values of the Group's and the Company's financial instruments approximated their carrying values in the statement of financial position except for the following (continued):

	30 June 2024		31 December 2023	
	Carrying value RM'000	Fair value RM'000	Carrying value RM'000	Fair value RM'000
<u>Company</u>				
<u>Financial assets</u>				
Financial assets at amortised cost	2,286,429	2,328,820	2,286,680	2,312,107
Amount due from counterparties	17,874,468	18,167,022	19,987,790	20,210,096
Islamic financing assets	21,747,672	21,956,366	21,426,861	21,635,189
Mortgage assets:				
- Conventional	2,804,806	3,115,639	3,021,850	3,232,627
- Islamic	3,686,960	4,056,856	3,881,528	4,189,621
Islamic hire purchase assets	58	61	55	62
	<u>48,400,393</u>	<u>49,624,764</u>	<u>50,604,764</u>	<u>51,579,702</u>
<u>Financial liabilities</u>				
Short-term borrowings	868,309	868,309	648,790	648,790
Loans/financing from subsidiaries	2,974,000	2,994,947	5,473,654	5,530,677
Unsecured bearer bonds and notes	19,030,367	19,211,132	19,481,343	19,680,398
Sukuk	24,532,915	24,684,331	23,278,139	23,431,049
	<u>47,405,591</u>	<u>47,758,719</u>	<u>48,881,926</u>	<u>49,290,914</u>

The fair value of financial assets at amortised cost is based on observable market prices and is therefore within Level 2 of the fair value hierarchy.

The fair value of the fixed rate assets portfolio of amount due from counterparties is based on the present value of estimated future cash flows discounted at the prevailing market rates of loans with similar credit risk and maturities at the statement of financial position date and is therefore within Level 3 of the fair value hierarchy. The fair value of the floating rate assets portfolio of amount due from counterparties is based on their carrying amount as the repricing date of the floating rate assets portfolio is not greater than 6 months.

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Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2024 (Continued)

21. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

21.2 Fair value of financial instruments carried other than fair value (continued)

The fair value of the Islamic financing assets is based on the present value of estimated future cash flows discounted at the prevailing market rates of financing with similar credit risk and maturities at the statement of financial position date and is therefore within Level 3 of the fair value hierarchy.

The fair value of the mortgage assets and hire purchase assets/Islamic mortgage assets and Islamic hire purchase assets are derived at using the present value of future cash flows discounted based on the mortgage assets and hire purchase assets/Islamic mortgage assets and Islamic hire purchase assets yield to maturity at the statement of financial position date and is therefore within Level 3 of the fair value hierarchy.

The fair value of the short-term borrowing is estimated at their carrying amount due to short tenure of less than one year.

The fair value of the unsecured bearer bonds and notes and Sukuk are derived based on observable market prices and is therefore within Level 2 of the fair value hierarchy.

22. SEGMENT REPORTING

The Chief Executive Officer (“the chief operating decision maker”) of the Company makes strategic decisions and allocation of resources on behalf of the Group and the Company. The Group and the Company have determined the following operating segments based on reports reviewed by the chief operating decision maker in making its strategic decisions:

(a) PWR

Under the PWR scheme, the Group and the Company purchase the mortgage loans, personal loans, hire purchase and leasing debts and Islamic financing facilities such as home financing, hire purchase financing and personal financing from the primary lenders approved by the Group and the Company. The loans and financings are acquired with recourse to the primary lenders should the loans and financings fail to comply with agreed prudential eligibility criteria.

(b) PWOR

Under the PWOR scheme, the Group and the Company purchase the mortgage assets and hire purchase assets from counterparties on an outright basis for the remaining tenure of the respective assets purchased. The purchases are made without recourse to counterparties, other than certain warranties to be provided by the seller pertaining to the quality of the assets.

(c) Treasury

Under Treasury, the Group and the Company manage and invest surplus cashflow in approved treasury-related activities. The income consists of interest/profit and gains on the appreciation in the value of investment.

There were no changes in the reportable segments during the financial period.

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Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2024 (Continued)

22. SEGMENT REPORTING (CONTINUED)

<u>30 JUNE 2024</u>	PWR RM'000	PWOR RM'000	Treasury RM'000	Others RM'000	Group Total RM'000
External revenue	808,389	194,926	60,154	50,321	1,113,790
External interest/ profit expense	(778,082)	(102,448)	(745)	(52,318)	(933,593)
Segment result (Net operating income)	30,307	92,478	59,409	(1,997)	180,197
Personnel costs Administration and general expenses					(15,878)
					(15,845)
Operating profit					148,474
Reversal of impairment losses, net					3,169
Profit before taxation					151,643
Taxation					(42,622)
Profit after taxation					109,021
Segment assets	39,622,140	6,491,824	3,911,949	2,378,668	52,404,581
Segment liabilities	39,722,308	4,550,000	868,309	2,628,553	47,769,170
<u>Other information</u>					
Capital expenditure	2,438	400	241	146	3,225
Depreciation and amortisation	3,407	558	336	205	4,506

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Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2024 (Continued)

22. SEGMENT REPORTING (CONTINUED)

<u>30 June 2023</u>	PWR RM'000	PWOR RM'000	Treasury RM'000	Others RM'000	Group Total RM'000
External revenue	672,638	224,517	77,989	42,419	1,017,563
External interest/ profit expense	(642,045)	(163,550)	(72)	(36,638)	(842,305)
Segment result (Net operating income)	30,593	60,967	77,917	5,781	175,258
Personnel costs Administration and general expenses					(16,227)
Operating profit					(12,832)
Reversal of impairment losses, net					146,199
Profit before taxation					4,872
Taxation					151,071
Profit after taxation					(36,593)
Segment assets	37,199,488	7,280,520	4,230,256	2,508,968	51,219,232
Segment liabilities	37,604,289	6,546,919	188,297	2,456,698	46,796,203
<u>Other information</u>					
Capital expenditure	1,446	283	164	97	1,990
Depreciation and amortisation	2,396	469	272	162	3,299

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Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2024 (Continued)

22. SEGMENT REPORTING (CONTINUED)

30 JUNE 2024	Company				
	PWR RM'000	PWOR RM'000	Treasury RM'000	Others RM'000	Total RM'000
External revenue	808,389	194,926	60,154	50,321	1,113,790
Internal interest/ profit expense	(83,761)	-	-	-	(83,761)
External interest/ profit expense	(694,205)	(102,448)	(745)	(52,318)	(849,716)
Total interest/ profit expense	(777,966)	(102,448)	(745)	(52,318)	(933,477)
Segment result (Net operating income)	30,423	92,478	59,409	(1,997)	180,313
Personnel costs					(15,878)
Administration and general expenses					(15,778)
Operating profit					148,657
Reversal of impairment losses, net					3,169
Profit before taxation					151,826
Taxation					(42,622)
Profit after taxation					109,204
Segment assets	39,622,140	6,491,824	3,911,917	2,382,797	52,408,678
Segment liabilities	39,722,282	4,550,000	868,309	2,628,425	47,769,016
<u>Other information</u>					
Capital expenditure	2,438	399	241	147	3,225
Depreciation and amortisation	3,407	558	336	205	4,506

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Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2024 (Continued)

22. SEGMENT REPORTING (CONTINUED)

30 June 2023	Company				
	PWR RM'000	PWOR RM'000	Treasury RM'000	Others RM'000	Total RM'000
External revenue	672,638	224,517	77,989	42,419	1,017,563
Internal interest/ profit expense	(74,711)	-	-	-	(74,711)
External interest/ profit expense	(566,027)	(163,550)	(72)	(36,637)	(766,286)
Total interest/ profit expense	(640,738)	(163,550)	(72)	(36,637)	(840,997)
Segment result (Net operating income)	31,900	60,967	77,917	5,782	176,566
Personnel costs					(16,227)
Administration and general expenses					(12,741)
Operating profit					147,598
Reversal of impairment losses, net					4,872
Profit before taxation					152,470
Taxation					(36,593)
Profit after taxation					115,877
Segment assets	37,199,488	7,280,520	4,230,218	2,512,955	51,223,181
Segment liabilities	37,605,925	6,546,919	188,297	2,456,493	46,797,634
<u>Other information</u>					
Capital expenditure	1,446	283	164	97	1,990
Depreciation and amortisation	2,396	469	272	162	3,299

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Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2024 (Continued)

23. CAPITAL ADEQUACY

Common equity tier 1 (“CET1”) and Tier 1 capital ratios refer to the ratio of total Tier 1 capital to risk-weighted assets. Risk-weighted capital ratio (“RWCR”) is the ratio of total capital to risk-weighted assets.

	<u>Group</u>		<u>Company</u>	
	30 Jun 2024 %	31 Dec 2023* %	30 Jun 2024 %	31 Dec 2023* %
CET 1 capital ratio	33.7	31.6	33.7	31.6
Tier 1 capital ratio	33.7	31.6	33.7	31.6
Total capital ratio	34.1	32.0	34.1	32.1
	RM'000	RM'000	RM'000	RM'000
The capital adequacy ratios are as follows:				
CET 1/Tier 1 capital:				
Issued capital	150,000	150,000	150,000	150,000
Retained profits	4,481,459	4,394,938	4,485,712	4,399,006
	4,631,459	4,544,938	4,635,712	4,549,006
Financial assets at FVOCI reserves	325	(2,152)	325	(2,152)
Deferred tax assets	(13,648)	(13,501)	(13,648)	(13,501)
Less: Regulatory reserves	(48,123)	(47,919)	(48,123)	(47,919)
Total Tier 1 capital	4,570,013	4,481,366	4,574,266	4,485,434
Tier 2 capital:				
Allowance for impairment losses	15,790	17,287	15,790	17,287
Add: Regulatory reserves	48,123	47,919	48,123	47,919
Total Tier 2 capital	63,913	65,206	63,913	65,206
Total capital	4,633,926	4,546,572	4,638,179	4,550,640
The breakdown of risk-weighted assets by each major risk category are as follows:				
Credit risk	12,918,860	13,543,083	12,922,984	13,547,193
Operational risk	660,465	645,292	660,465	645,292
Total risk-weighted assets	13,579,325	14,188,375	13,583,449	14,192,485

The Group and the Company are not subject to the BNM Guidelines on the Capital Adequacy Guidelines. However, disclosure of the capital adequacy ratios is made on a voluntary basis for information purposes.

* The 31 December 2023 capital adequacy ratios have been restated to align with current period computation.

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Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2024 (Continued)

24. ISLAMIC OPERATIONS

CONDENSED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2024

	Note	Group		Company	
		30 Jun 2024 RM'000	31 Dec 2023 RM'000	30 Jun 2024 RM'000	31 Dec 2023 RM'000
ASSETS					
Cash and cash equivalents	(a)	156,693	64,849	156,682	64,837
Financial assets at fair value through other comprehensive income (FVOCI)	(b)	810,154	623,072	810,154	623,072
Financial assets at amortised cost	(c)	681,848	681,993	681,848	681,993
Derivative financial assets		-	720	-	720
Financing assets	(d)	21,747,672	21,426,861	21,747,672	21,426,861
Mortgage assets	(e)	3,685,770	3,880,225	3,685,770	3,880,225
Hire purchase assets	(f)	53	49	53	49
Reverse mortgage assets		406	225	406	225
Other assets and prepayments		289,148	289,126	291,835	291,813
TOTAL ASSETS		27,371,744	26,967,120	27,374,420	26,969,795
LIABILITIES					
Short-term borrowings*		893,112	1,823,287	893,112	1,823,287
Derivative financial liabilities		1,416	2,529	1,416	2,529
Other liabilities	(g)	1,975	5,394	539	4,022
Provision for taxation		56,276	36,407	56,276	36,407
Deferred taxation		106,790	106,429	106,790	106,429
Sukuk	(h)	24,532,915	23,278,139	24,532,915	23,278,139
TOTAL LIABILITIES		25,592,484	25,252,185	25,591,048	25,250,813
ISLAMIC OPERATIONS' FUNDS		1,779,260	1,714,935	1,783,372	1,718,982
TOTAL LIABILITIES AND ISLAMIC OPERATIONS' FUNDS		27,371,744	26,967,120	27,374,420	26,969,795

* Included in short-term borrowings is Wakalah placement from the conventional operations amounting to RM0.9 billion (2023: RM1.8 billion). This inter-operations charge is eliminated at the Company level.

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Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2024 (Continued)

24. ISLAMIC OPERATIONS (CONTINUED)

CONDENSED INCOME STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

	Note	Group		Company	
		6 months to 30 Jun 2024 RM'000	6 months to 30 Jun 2023 RM'000	6 months to 30 Jun 2024 RM'000	6 months to 30 Jun 2023 RM'000
Total income attributable		551,023	493,109	551,023	493,109
Income attributable to the Sukuk holders	(i)	(450,113)	(406,784)	(450,113)	(406,784)
Non-profit expense*		(18,797)	(16,580)	(18,797)	(16,580)
Total net income attributable	(j)	82,113	69,745	82,113	69,745
Administration and general expenses		(917)	(1,181)	(852)	(1,112)
Reversal of impairment losses, net		1,523	2,284	1,523	2,284
PROFIT BEFORE TAXATION		82,719	70,848	82,784	70,917
Taxation		(19,868)	(21,467)	(19,868)	(21,467)
PROFIT FOR THE FINANCIAL PERIOD		62,851	49,381	62,916	49,450

* Included in non-profit expense during the year is Wakalah placement profit expenses paid to the conventional operations amounting to RM17.7 million (2023: RM18.5 million). This inter-operations charge is eliminated at the Company level.

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Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2024 (Continued)

24. ISLAMIC OPERATIONS (CONTINUED)

CONDENSED STATEMENTS OF OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

	<u>Group</u>		<u>Company</u>	
	<u>6 months to 30 Jun 2024 RM'000</u>	<u>6 months to 30 Jun 2023 RM'000</u>	<u>6 months to 30 Jun 2024 RM'000</u>	<u>6 months to 30 Jun 2023 RM'000</u>
Profit for the financial period	62,851	49,381	62,916	49,450
Other comprehensive income/(loss):				
Items that may be subsequently reclassified to profit or loss				
Financial investment at FVOCI				
- Net gain on fair value changes before taxation	930	8,975	930	8,975
- FVOCI ECL	(9)	108	(9)	108
- Deferred taxation	(223)	(2,154)	(223)	(2,154)
Cash flow hedge				
- Net gain/(loss) on cash flow hedge before taxation	575	(3,617)	575	(3,617)
- Deferred taxation	(138)	868	(138)	868
Other comprehensive income for the financial period, net of taxation	1,135	4,180	1,135	4,180
Total comprehensive income for the financial period	63,986	53,561	64,051	53,630

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Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2024 (Continued)

24. ISLAMIC OPERATIONS (CONTINUED)

CONDENSED STATEMENTS OF CHANGES IN ISLAMIC OPERATIONS' FUNDS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

Group	Allocated capital funds RM'000	Financial asset at FVOCI reserve RM'000	Non-distributable		Distributable	Total RM'000
			Cash flow hedge reserves RM'000	Regulatory reserves RM'000	Retained profits RM'000	
Balance as at 1 January 2024	294,409	2,818	(1,469)	28,331	1,390,846	1,714,935
Profit for the financial period	-	-	-	-	62,851	62,851
Other comprehensive income	-	698	437	-	-	1,135
Total comprehensive income for the financial period	-	698	437	-	62,851	63,986
Transfer to retained profits	-	-	-	(61)	61	-
Transfer to Islamic operations	339	-	-	-	-	339
Balance as at 30 June 2024	<u>294,748</u>	<u>3,516</u>	<u>(1,032)</u>	<u>28,270</u>	<u>1,453,758</u>	<u>1,779,260</u>
Balance as at 1 January 2023	294,159	(6,532)	4,338	44,250	1,269,979	1,606,194
Profit for the financial period	-	-	-	-	49,381	49,381
Other comprehensive income/(loss)	-	6,929	(2,749)	-	-	4,180
Total comprehensive income for the financial period	-	6,929	(2,749)	-	49,381	53,561
Transfer to retained profits	-	-	-	(2,181)	2,181	-
Balance as at 30 June 2023	<u>294,159</u>	<u>397</u>	<u>1,589</u>	<u>42,069</u>	<u>1,321,541</u>	<u>1,659,755</u>

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Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2024 (Continued)

24. ISLAMIC OPERATIONS (CONTINUED)

CONDENSED STATEMENTS OF CHANGES IN ISLAMIC OPERATIONS' FUNDS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

Company	Allocated capital funds RM'000	Financial asset at FVOCI reserve RM'000	Non-distributable		Distributable	Total RM'000
			Cash flow hedge reserves RM'000	Regulatory reserves RM'000	Retained profits RM'000	
Balance as at 1 January 2024	294,409	2,818	(1,469)	28,552	1,394,672	1,718,982
Profit for the financial period	-	-	-	-	62,916	62,916
Other comprehensive income	-	698	437	-	-	1,135
Total comprehensive income for the financial period	-	698	437	-	62,916	64,051
Transfer to retained profits	-	-	-	(61)	61	-
Transfer to Islamic operations	339	-	-	-	-	339
Balance as at 30 June 2024	<u>294,748</u>	<u>3,516</u>	<u>(1,032)</u>	<u>28,491</u>	<u>1,457,649</u>	<u>1,783,372</u>
Balance as at 1 January 2023	294,159	(6,532)	4,338	44,471	1,273,656	1,610,092
Profit for the financial period	-	-	-	-	49,450	49,450
Other comprehensive income/(loss)	-	6,929	(2,749)	-	-	4,180
Total comprehensive income for the financial period	-	6,929	(2,749)	-	49,450	53,630
Transfer to retained profits	-	-	-	(2,181)	2,181	-
Balance as at 30 June 2023	<u>294,159</u>	<u>397</u>	<u>1,589</u>	<u>42,290</u>	<u>1,325,287</u>	<u>1,663,722</u>

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24. ISLAMIC OPERATIONS (CONTINUED)

CONDENSED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

	<u>Group</u>		<u>Company</u>	
	<u>6 months to 30 Jun 2024</u>	<u>6 months to 30 Jun 2023</u>	<u>6 months to 30 Jun 2024</u>	<u>6 months to 30 Jun 2023</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
OPERATING ACTIVITIES				
Profit before taxation	82,719	70,848	82,784	70,917
Adjustment for non-cash items	(101,685)	(82,871)	(101,685)	(82,871)
Operating loss before working capital changes	(18,966)	(12,023)	(18,901)	(11,954)
Change in operating assets and liabilities	(519,879)	(198,136)	(519,943)	(198,205)
Zakat paid	(2,534)	(2,828)	(2,534)	(2,828)
Net cash flows used in operating activities	(541,379)	(212,987)	(541,378)	(212,987)
INVESTING ACTIVITIES				
Net (purchase)/redemption of financial assets at FVOCI	(184,399)	78,728	(184,399)	78,728
Income received from - Financial assets at FVOCI	13,076	17,785	13,076	17,785
Net cash flows (used in)/from investing activities	(171,323)	96,513	(171,323)	96,513

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24. ISLAMIC OPERATIONS (CONTINUED)

CONDENSED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024 (CONTINUED)

	<u>Group</u>		<u>Company</u>	
	<u>6 months to 30 Jun 2024</u>	<u>6 months to 30 Jun 2023</u>	<u>6 months to 30 Jun 2024</u>	<u>6 months to 30 Jun 2023</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
FINANCING ACTIVITIES				
Proceeds from issuance of Sukuk	4,020,000	3,690,000	4,020,000	3,690,000
Redemption of Sukuk	(2,765,000)	(3,195,000)	(2,765,000)	(3,195,000)
Profit paid to Sukuk holders	(450,454)	(392,611)	(450,454)	(392,611)
Net cash flows from financing activities	<u>804,546</u>	<u>102,389</u>	<u>804,546</u>	<u>102,389</u>
Net change in cash and cash equivalents	91,844	(14,085)	91,845	(14,085)
Cash and cash equivalents as at 1 January	<u>64,849</u>	<u>79,951</u>	<u>64,837</u>	<u>79,939</u>
Cash and cash equivalents as at 30 June	<u><u>156,693</u></u>	<u><u>65,866</u></u>	<u><u>156,682</u></u>	<u><u>65,854</u></u>

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24. ISLAMIC OPERATIONS (CONTINUED)

(a) *Cash and cash equivalents*

	Group		Company	
	30 Jun 2024	31 Dec 2023	30 Jun 2024	31 Dec 2023
	RM'000	RM'000	RM'000	RM'000
Cash and bank balances with banks and other financial institutions	331	159	320	147
Mudharabah money at call and deposits and placements maturing with original maturity less than three months	156,363	64,690	156,363	64,690
	156,694	64,849	156,683	64,837
Less:				
Allowance for impairment losses	(1)	-	(1)	-
	156,693	64,849	156,682	64,837

The gross carrying value of cash and cash equivalents and the impairment allowance are within Stage 1 allocation (12-month ECL). Movement in impairment allowance that reflect the ECL model on impairment are as follows:

	Group and Company	
	30 Jun 2024	31 Dec 2023
	RM'000	RM'000
<u>Stage 1</u>		
As at 1 January	-	1
Allowance during the period/year on new investments	1	-
Financial assets derecognised during the period/year due to maturity of assets	-	(1)
As at 31 December	1	-

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24. ISLAMIC OPERATIONS (CONTINUED)

(b) *Financial assets at FVOCI*

	<u>Group and Company</u>	
	<u>30 Jun 2024</u>	<u>31 Dec 2023</u>
	RM'000	RM'000
<i>At fair value:</i>		
Corporate Sukuk	504,687	369,060
Government investment issues	284,172	232,758
Quasi Government Sukuk	21,295	21,254
	<u>810,154</u>	<u>623,072</u>

The maturity structure of financial assets at FVOCI are as follows:

Maturing within one year	141,377	35,919
One to three years	171,993	130,690
Three to five years	81,524	82,045
More than five years	415,260	374,418
	<u>810,154</u>	<u>623,072</u>

The carrying amount of debt instruments at FVOCI is equivalent to their fair value. The ECL is recognised in other comprehensive income and does not reduce the carrying amount in the statements of financial position.

The gross carrying value of financial assets at FVOCI by stage are as follows:

	<u>Gross carrying value</u>	<u>Impairment allowance</u>
	RM'000	RM'000
By stage:		
<u>30 June 2024</u>		
Stage 1 (12-month ECL; non-credit impaired)	<u>810,154</u>	<u>179</u>
<u>31 December 2023</u>		
Stage 1 (12-month ECL; non-credit impaired)	<u>623,072</u>	<u>188</u>

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24. ISLAMIC OPERATIONS (CONTINUED)

(b) *Financial assets at FVOCI (continued)*

Movement in impairment allowance that reflects the ECL model on impairment are as follows:

	<u>Group and Company</u>	
	30 Jun 2024 RM'000	31 Dec 2023 RM'000
<u>Stage 1</u>		
As at 1 January	188	115
Allowance during the period/year on new assets purchased	5	174
Financial assets derecognised during the period/year due to maturity of assets	-	(98)
Reversal during the period/year due to changes in credit risk	(14)	(3)
As at 31 December	<u>179</u>	<u>188</u>

(c) *Financial assets at amortised cost*

Corporate Sukuk	<u>681,848</u>	<u>681,993</u>
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The maturity structure of financial assets at amortised cost are as follows:

Maturing more than five years	684,028	684,173
Less: Allowance for impairment losses	(2,180)	(2,180)
	<u>681,848</u>	<u>681,993</u>

The gross carrying value by stage are as follows:

	<u>Gross carrying value</u> RM'000	<u>Impairment allowance</u> RM'000
By stage:		
<u>30 June 2024</u>		
Stage 1 (12-month ECL; non-credit impaired)	<u>684,028</u>	<u>2,180</u>
<u>31 December 2023</u>		
Stage 1 (12-month ECL; non-credit impaired)	<u>684,173</u>	<u>2,180</u>

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24. ISLAMIC OPERATIONS (CONTINUED)

(c) *Financial assets at amortised cost (continued)*

Movement in impairment allowance that reflects the ECL model on impairment are as follows:

	<u>Group and Company</u>	
	30 Jun 2024	31 Dec 2023
	RM'000	RM'000
<u>Stage 1</u>		
As at 1 January	2,180	1,113
Allowance during the year on new investments	-	1,095
Reversal during the year due to changes in credit risk	-	(28)
	<u>2,180</u>	<u>2,180</u>

(d) *Financing assets*

	<u>Group and Company</u>	
	30 Jun 2024	31 Dec 2023
	RM'000	RM'000
House financing	19,113,495	18,696,839
Personal financing	2,129,566	2,225,410
Hire purchase	504,611	504,612
	<u>21,747,672</u>	<u>21,426,861</u>

The maturity structure of financing assets are as follows:

Maturing within one year	9,472,521	7,301,922
One to three years	6,736,257	9,385,918
Three to five years	4,738,688	4,739,117
More than five years	800,275	-
	<u>21,747,741</u>	<u>21,426,957</u>
Less:		
Allowance for impairment losses	(69)	(96)
	<u>21,747,672</u>	<u>21,426,861</u>

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24. ISLAMIC OPERATIONS (CONTINUED)

(d) *Financing assets (continued)*

The gross carrying value of financing assets and the impairment allowance are within Stage 1 (12-month ECL). Movement in impairment allowance that reflects the ECL model on impairment are as follows:

	<u>Group and Company</u>	
	<u>30 Jun 2024</u>	<u>31 Dec 2023</u>
	RM'000	RM'000
<u>Stage 1</u>		
As at 1 January	96	93
Allowance during the period/year on new assets purchased	3	24
Financial assets derecognised during the period/year due to maturity of assets	(1)	(11)
Reversal during the period/year due to changes in credit risk	(29)	(10)
	<u>69</u>	<u>96</u>
As at 30 June/ 31 December	<u>69</u>	<u>96</u>

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24. ISLAMIC OPERATIONS (CONTINUED)

(e) *Mortgage assets*

	<u>Group and Company</u>	
	30 Jun 2024 RM'000	31 Dec 2023 RM'000
PWOR	3,685,770	3,880,225
The maturity structure of mortgage assets are as follows:		
Maturing within one year	444,439	600,996
One to three years	761,588	782,496
Three to five years	660,308	689,649
More than five years	1,830,458	1,818,792
	<u>3,696,793</u>	<u>3,891,933</u>
Less: Allowance for impairment losses	(11,023)	(11,708)
	<u>3,685,770</u>	<u>3,880,225</u>

The gross carrying value of mortgage assets by stage are as follows;

	<u>Gross carrying value</u> RM'000	<u>Impairment allowance</u> RM'000
By stage:		
<u>June 2024</u>		
Stage 1 (12-month ECL; non credit impaired)	3,682,198	7,411
Stage 2 (Lifetime ECL; non credit impaired)	1,327	162
Stage 3 (Lifetime ECL; credit impaired)	13,268	3,450
As at 30 June	<u>3,696,793</u>	<u>11,023</u>
Impairment allowance over gross carrying value (%)		<u>0.30</u>
<u>December 2023</u>		
Stage 1 (12-month ECL; non credit impaired)	3,875,629	7,843
Stage 2 (Lifetime ECL; non credit impaired)	2,401	250
Stage 3 (Lifetime ECL; credit impaired)	13,903	3,615
As at 31 December	<u>3,891,933</u>	<u>11,708</u>
Impairment allowance over gross carrying value (%)		<u>0.30</u>

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24. ISLAMIC OPERATIONS (CONTINUED)

(f) *Hire purchase assets*

	<u>Group and Company</u>	
	30 Jun 2024 RM'000	31 Dec 2023 RM'000
PWOR	53	49
	<u>53</u>	<u>49</u>

The maturity structure of hire purchase assets are as follows:

Maturing within one year	59	55
Less: Allowance for impairment losses	(6)	(6)
	<u>53</u>	<u>49</u>

The gross carrying value of hire purchase assets by stage are as follows:

	<u>Gross carrying value</u> RM'000	<u>Impairment allowance</u> RM'000
By stage:		
<u>June 2024</u>		
Stage 1 (12-month ECL; non credit impaired)	34	-
Stage 3 (Lifetime ECL; credit impaired)	25	6
	<u>59</u>	<u>6</u>
As at 30 June	<u>59</u>	<u>6</u>
Impairment allowance over gross carrying value (%)		<u>10.17</u>

December 2023

Stage 1 (12-month ECL; non credit impaired)	30	-
Stage 3 (Lifetime ECL; credit impaired)	25	6
	<u>55</u>	<u>6</u>
As at 31 December	<u>55</u>	<u>6</u>
Impairment allowance over gross carrying value (%)		<u>10.91</u>

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24. ISLAMIC OPERATIONS (CONTINUED)

(g) *Other liabilities*

	<u>Group</u>		<u>Company</u>	
	30 Jun 2024 RM'000	31 Dec 2023 RM'000	30 Jun 2024 RM'000	31 Dec 2023 RM'000
Zakat	-	2,534	-	2,534
Other payables	1,975	2,860	539	1,488
	<u>1,975</u>	<u>5,394</u>	<u>539</u>	<u>4,022</u>

(h) *Sukuk*

	<u>Group and Company</u>	
	30 Jun 2024 RM'000	31 Dec 2023 RM'000
Commercial papers	1,394,962	641,797
Medium-term notes	23,137,953	22,636,342
	<u>24,532,915</u>	<u>23,278,139</u>

The maturity structure of Sukuk are as follows:

Maturing within one year	10,262,915	7,553,139
One to three years	6,705,000	8,960,000
Three to five years	5,700,000	5,620,000
More than five years	1,865,000	1,145,000
	<u>24,532,915</u>	<u>23,278,139</u>

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24. ISLAMIC OPERATIONS (CONTINUED)

(i) *Income attributable to the Sukuk holders*

	<u>Group and Company</u>	
	30 Jun 2024	30 Jun 2023
	RM'000	RM'000
Mortgage assets	57,941	95,081
Hire purchase assets	31	38
Financing assets	392,141	311,593
Short-term borrowings	-	72
	<u>450,113</u>	<u>406,784</u>

Income attributable to the Sukuk holders by concept is as follows:

Bai Al-Dayn	<u>450,113</u>	<u>406,784</u>
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(j) *Total income attributable*

Income from:		
Mortgage assets	47,379	25,040
Hire purchase assets	(31)	(38)
Financing assets	37,160	32,216
Financial assets at FVOCI	14,830	23,846
Deposit and placements with financial institutions	1,572	5,261
Non-profit expense	(18,797)	(16,580)
	<u>82,113</u>	<u>69,745</u>

Total net income analysed by concept are as follows:

Bai Al-Dayn	65,699	40,638
Murabahah	10,403	8,036
Ijarah	-	1,280
Mudharabah	1,739	7,327
Musarakah	558	3,189
Wakalah	2,141	4,014
Tawarruq	1,056	4,939
Qard Al-Hasan	517	322
	<u>82,113</u>	<u>69,745</u>

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24. ISLAMIC OPERATIONS (CONTINUED)

(k) *Capital adequacy*

	Group		Company	
	30 Jun 2024 RM'000	31 Dec 2023* RM'000 %	30 Jun 2024 RM'000 %	31 Dec 2023* RM'000 %
CET 1 capital ratio	21.6	20.7	21.7	20.7
Tier 1 capital ratio	21.6	20.7	21.7	20.7
Total capital ratio	22.1	21.1	22.1	21.2

The capital adequacy ratios are as follows:

CET 1/Tier 1 capital:				
Allocated capital funds	294,159	294,159	294,159	294,159
Retained profits	1,482,016	1,419,177	1,486,128	1,423,225
	1,776,175	1,713,336	1,780,287	1,717,384
Financial assets at FVOCI reserve	1,582	1,268	1,582	1,268
Deferred tax assets	(3,578)	(3,822)	(3,578)	(3,822)
Less: Regulatory reserves	(28,268)	(28,329)	(28,268)	(28,329)
Total CET 1/Tier 1 capital	1,745,911	1,682,453	1,750,023	1,686,501
Tier 2 capital:				
Add: Regulatory reserves	28,268	28,329	28,268	28,329
Allowance for impairment losses	9,008	9,676	9,008	9,676
Total Tier 2 capital	37,276	38,005	37,276	38,005
Total capital	1,783,187	1,720,458	1,787,299	1,724,506

The breakdown of risk-weighted assets by each major risk category is as follows:

Credit risk	7,783,620	7,877,209	7,786,305	7,879,893
Operational risk	290,427	267,106	290,427	267,106
Total risk-weighted assets	8,074,047	8,144,315	8,076,732	8,146,999

The Group and the Company are not subject to the BNM Guidelines on the Capital Adequacy Guidelines. However, disclosure of the capital adequacy ratios is made on a voluntary basis for information purposes.

* The 31 December 2023 capital adequacy ratios have been restated to align with current period computation.

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25. BUSINESS REVIEW

Market Environment

The International Monetary Fund (“IMF”) predicts the global economy will grow at 3.2% in 2024, at the same pace as in 2023. Tight monetary conditions, fiscal support withdrawal, low productivity growth and geopolitical developments continue to suppress global growth below historical standards. The Malaysian economy has remained resilient with Gross Domestic Product (“GDP”) growing higher than expected at 4.2% in 1Q 2024 (4Q2023: 2.9%). Private consumptions, recovery in exports and return of inbound tourists supported growth during the quarter. The official projection for Malaysian economic growth is retained at 4%- 5% for 2024 (2023: 3.6%).

Heightened volatility was observed across global capital and exchange rate markets. Year-to-date as of June 2024, the Ringgit has depreciated against the US dollar by 2.8% amid extended US dollar strength. However, this was better than other major regional currencies such as the Indonesian rupiah and the Thai baht which depreciated by 6.5% and 6.9% against the dollar respectively. Meanwhile, the FBM KLCI rose by 9.3% year-to-date, due to purchases by local institutional investors. Year-to-date as of June 2024, foreign investors are net sellers of Malaysian equities with MYR 1 billion outflows.

The 10-year Malaysian Government Securities had increased by 12 basis points (“bps”) year-to-date due to expectations for later and fewer U.S. policy interest rate reductions. The U.S. Treasury's inverted yield curve has persisted as the U.S. Federal Reserve Board holds back from cutting interest rates until consumer prices move closer to their 2.0% inflation target. However, recent signals from the U.S. Federal Reserve Board suggest that rate cuts could take place as early as September 2024. The market is pricing in 50 bps of Federal Reserve rate cuts by year-end.

Inflation remained moderate in 1Q 2024 at 1.7% (4Q 2023: 1.6%) and is expected to remain modest through 2024, subject to domestic policies and global commodity prices. At its third meeting in May 2024, the Monetary Policy Committee (“MPC”) of Bank Negara Malaysia (“BNM”) left the overnight policy rate (“OPR”) unchanged at 3.00% . BNM is expected to keep the OPR at the current level for 2024 to maintain growth while balancing potential inflationary pressures.

Malaysian banking system continues to maintain sufficient liquidity. This is reflected by the loan-to-deposit and the liquidity coverage ratio which were 86.6% and 149.7% respectively as of May 2024. The funding profile was well-diversified with May 2024's loan-to-fund ratio and loan-to-fund-and-equity ratio at 82.2% and 71.5% respectively. The banking system also remains well-capitalised with the total capital ratio at 18.0% as of May 2024.

Cagamas, driven by its five-year strategic plan called "Cagamas House of the Future", aims to position Cagamas as a centre of excellence in the home financing ecosystem. Cagamas is committed to meeting the liquidity requirements of financial institutions while closely monitoring the risks associated with global and domestic market fluctuations. Additionally, Cagamas is dedicated to supporting the nation's goal of increasing home ownership and fulfilling its developmental role in the housing sector by leveraging its expertise in the housing market. To promote the industry's transition to a low-carbon economy, Cagamas intends to expand green residential mortgages and promote energy-efficient homes by establishing a standardised approach for green housing and green home improvement financing. These efforts highlight Cagamas' role as a national mortgage corporation that promotes home ownership through sustainable housing finance and as a preferred liquidity provider in the market.

¹ IMF World Economic Outlook, Steady but Slow: Resilience amid Divergence, July 2024

² BNM Quarterly Bulletin 1Q 2024

³ BNM Quarterly Bulletin 1Q 2024

⁴ BNM Exchange Rates

⁵ CEIC Data, Bursa Malaysia

⁶ BNM Quarterly Bulletin 1Q 2024

⁷ BNM, Monetary Policy, OPR decisions

⁸ BNM Monthly Highlights & Statistics in May 2024

⁹ BNM Monthly Highlights & Statistics in May 2024

¹⁰ BNM Monthly Highlights & Statistics in May 2024

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25. BUSINESS REVIEW (CONTINUED)

Purchase of Loans and Financing

Cagamas recorded RM4.5 billion of purchases of PWR loans and financing in the 1H 2024 (1H 2023: RM9.9 billion). As at 1H 2024, residential mortgage continued to dominate Cagamas' portfolio at 93.6% (1H 2023: 93.3%), personal loans at 4.6% (1H 2023: 5.1%) and hire purchase loans and financing at 1.8% (1H 2023: 1.6%).

Issuance of Bonds and Sukuk

For the financial period ended 30 June 2024, Cagamas has raised a total of RM8.2 billion of which RM6.9 billion was raised via issuance of bonds and Sukuk through 26 issuance exercises and the remaining RM1.3 billion was from other funding sources. From the total funding, 35% or RM2.9 billion were raised via conventional funding, 49% or RM4.0 billion were raised via Sukuk funding and 16% or RM1.3 billion from other funding sources.

Cagamas also continued to raise funding at a competitive price in foreign currency issuance through private placement exercises. During the 1H 2024, Cagamas printed debt securities in Singapore Dollar ("SGD") with a total value of RM245 million equivalent which were successfully priced under the Company's Multicurrency EMTN programmes.

Cagamas' local and foreign currency capital programmes have been assigned long term issuer rating of A3 by Moody's Investors Service ("Moody's") which is in line with Malaysian sovereign ratings. RAM Rating Services Berhad ("RAM Ratings") assigned. In addition, MARC Ratings Berhad ("MARC Ratings") assigned Cagamas' bonds and Sukuk issues ratings at AAA/MARC-1 and AAAIS/MARC-1IS, respectively. Reaffirmation of these ratings reflects Cagamas' ability to attract investment in its bonds and Sukuk, underpinned by its strong credit rating, track record of strong capitalisation, robust asset quality and stable profitability.

Financial Performance

The Group registered a pre-tax profit of RM151.6 million for the period ended 30 June 2024 as compared to RM151.1 million in the previous corresponding period.

The total assets of the Group as at 30 June 2024 stood at RM52.4 billion, a decrease of 2.6% since 31 December 2023.

Capital Management

The Group's core capital ratio as at 30 June 2024 decreased to 33.7% mainly due to purchases of PWR assets as compared to 31.6% as at 31 December 2023. As at the reporting date, TCR remains stable at 34.1%, above the minimum ratio of 20% as stipulated in the Guidelines on Capital Adequacy Ratio, computed in accordance with the Basel II Capital Adequacy Framework.

Total shareholder's funds for the Group stands at RM4.6 billion arising from profits generated during the period, while net tangible assets per share increased by 1.8% to RM30.80 per share as at 30 June 2024.

Registration No.

198601008739 (157931 A)

CAGAMAS BERHAD
(Incorporated in Malaysia)

Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2024 (Continued)

25. BUSINESS REVIEW (CONTINUED)

Information About Company Employees, Social and Community Issues Including the Impact of the Company's Business on the Environment

Cagamas is dedicated to creating a safe and inspiring workplace where every employee feels acknowledged, valued, and treated with utmost respect. In 2024, we are not just continuing high-demand activities like the Staff Festival Luncheon and Divisional Off-Site Meetings, we are taking it up a notch with an exciting workplace renovation. This initiative is designed to transform our environment, boosting employee satisfaction, productivity, and collaboration, while also presenting a vibrant and professional image to our clients and visitors. Aligned with our Core Values of Collaboration, Accountability, Resilience, and Excellence (C.A.R.E.), these efforts underscore our commitment to fostering a dynamic and supportive work culture.

In line with this commitment, Cagamas has always regarded its employees as the key pillar to the overall success of the organisation. As part of our ongoing dedication to excellence, Cagamas has embarked on the 5-Year Strategic Plan, "House of the Future" journey this year. To ensure the successful implementation of this plan, we have executed an extensive talent development programme aimed at elevating employees' competencies and skills. For 2024, three (3) main areas have been identified for training: ESG, Cyber Security, and Market Liquidity Risk, which employees are being trained on these areas. These initiatives further highlight our dedication to enhancing our workforce's capabilities and achieving our strategic goals.

As of 30 June 2024, Cagamas Group has distributed RM580,857 in zakat funds through its Cagamas Zakat Wakalah Programme (CZWP). During Ramadan and Eid this year, 2,051 asnaf have benefited from this programme, including direct financial aid, care packages containing food supplies, and food sponsorships to various programmes organised by local suraus, non-profit organizations, and tahfiz schools. Besides sponsoring activities, CZWP has also assisted four eligible asnaf in sustaining their livelihoods by purchasing boat equipment. In addition, CZWP also provided financial assistance to six refurbishment and renovation projects, which involved mosques, schools, and universities, enabling better public access to these essential facilities.

The Cagamas Scholarship Programme (CSP) continues to support deserving Malaysians who need financial aid to pursue their education. As of July 2024, the programme has sponsored a total of 41 scholars, with 22 of them having successfully graduated.

Our commitment goes beyond financial assistance, we also offer mentorship, internships, and career guidance to ensure the holistic development of our scholars. Additionally, we are leveraging the scholarship pool to build a sustainable talent pipeline, ensuring that we nurture and retain skilled professionals who can contribute to the growth and success of our company and the nation.

Moving forward, we plan to introduce new initiatives to further enhance the support provided to our scholars, ensuring they have the resources and opportunities needed to succeed both academically and professionally.