

IFC and Cagamas to Drive Green Building Finance and Sustainability in Malaysia

Kuala Lumpur, Malaysia, 17 March 2025 – The International Finance Corporation (IFC), the largest global development institution focused on the private sector in emerging markets and a member of the World Bank Group, has signed a memorandum of understanding with Cagamas Berhad (Cagamas), the National Mortgage Corporation of Malaysia, to advance green building finance in Malaysia, further supporting the country’s sustainable development goals.

The collaboration aims to promote climate-smart investments in the housing and broader building sector and improve the capacity of financial institutions to issue green building finance products aligned with Malaysia’s climate goals, including green bonds, green credit lines, and financing for sustainable cooling technologies. It also aims to help financial institutions to build pipelines of bankable projects and manage environmental, social, and climate risks in the building sector, as well as facilitating dialogue and knowledge exchange on addressing barriers to sustainable housing development between the public sector and banking sector, among other initiatives. The collaboration also seeks to make green housing more affordable and accessible to lower-income groups and women in Malaysia by growing the market for green mortgage products and addressing other housing finance gaps.

Expanding the growing market for green building finance is essential for Malaysia to realise its goal of achieving net-zero emissions by 2050, presenting significant opportunities in this sector.

“We are delighted to collaborate with Cagamas on this engagement, which will play a critical role in supporting not only the increasing need for green housing in Malaysia, but also the country’s inclusivity agenda,” said Judith Green, Country Manager for the World Bank Group in Malaysia. “Together, we aim to improve access to housing and reduce emissions, encouraging climate-smart investment in the building sector, and strengthen the financial sector’s capacity to support Malaysia in achieving its climate commitments under the Paris Agreement.”

“This collaboration marks another milestone in Cagamas’ commitment to driving sustainable development to promote green and affordable housing for all Malaysians, and we are excited to

partner with IFC towards making this a reality,” said Kameel Abdul Halim, President and Chief Executive Officer of Cagamas. “At Cagamas, we understand that the transition to green practices across sectors requires significant financial resources and innovative approaches. Through this partnership, we aim to expand access to green mortgage options and collaborate with financial institutions to create a more inclusive and sustainable housing market that contributes to a greener Malaysia.”

This collaboration is the first engagement in the green building sector in Malaysia for IFC, which established a presence in the country in 2023.

About IFC

IFC — a member of the World Bank Group — is the largest global development institution focused on the private sector in emerging markets. We work in more than 100 countries, using our capital, expertise, and influence to create markets and opportunities in developing countries. In fiscal year 2024, IFC committed a record \$56 billion to private companies and financial institutions in developing countries, leveraging private sector solutions and mobilizing private capital to create a world free of poverty on a livable planet. For more information, visit www.ifc.org.

About Cagamas

Cagamas Berhad (Cagamas), the National Mortgage Corporation of Malaysia, was established in 1986 to promote the broader spread of home ownership and growth of the secondary mortgage market in Malaysia. It issues bonds and sukuk to finance the purchase of housing loans from financial institutions and non-financial institutions. The provision of liquidity to financial institutions at a reasonable cost to the primary lenders of housing loans encourages further expansion of financing for houses at an affordable cost.

The Cagamas model is well regarded by the World Bank as the most successful secondary mortgage liquidity facility. Cagamas is the second largest issuer of debt instruments after the Government of Malaysia and the largest issuer of AAA corporate bonds and sukuk in the market. Since incorporation in 1986, Cagamas Group has cumulatively raised circa RM462 billion worth of corporate bond/sukuk and others.

Cagamas' bonds and sukuk continue to be assigned the highest ratings of AAA/Stable/P1 by RAM Rating Services Berhad and AAA/MARC-1 and AAA_{IS}/MARC-1_{IS} by MARC Ratings Berhad, denoting its strong credit quality. Cagamas is also well regarded internationally and has been assigned local and foreign currency long-term issuer ratings of A3 by Moody's Investors Service Inc. that are in line with Malaysian sovereign ratings.

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