

# SUSTAINABILITY REPORT

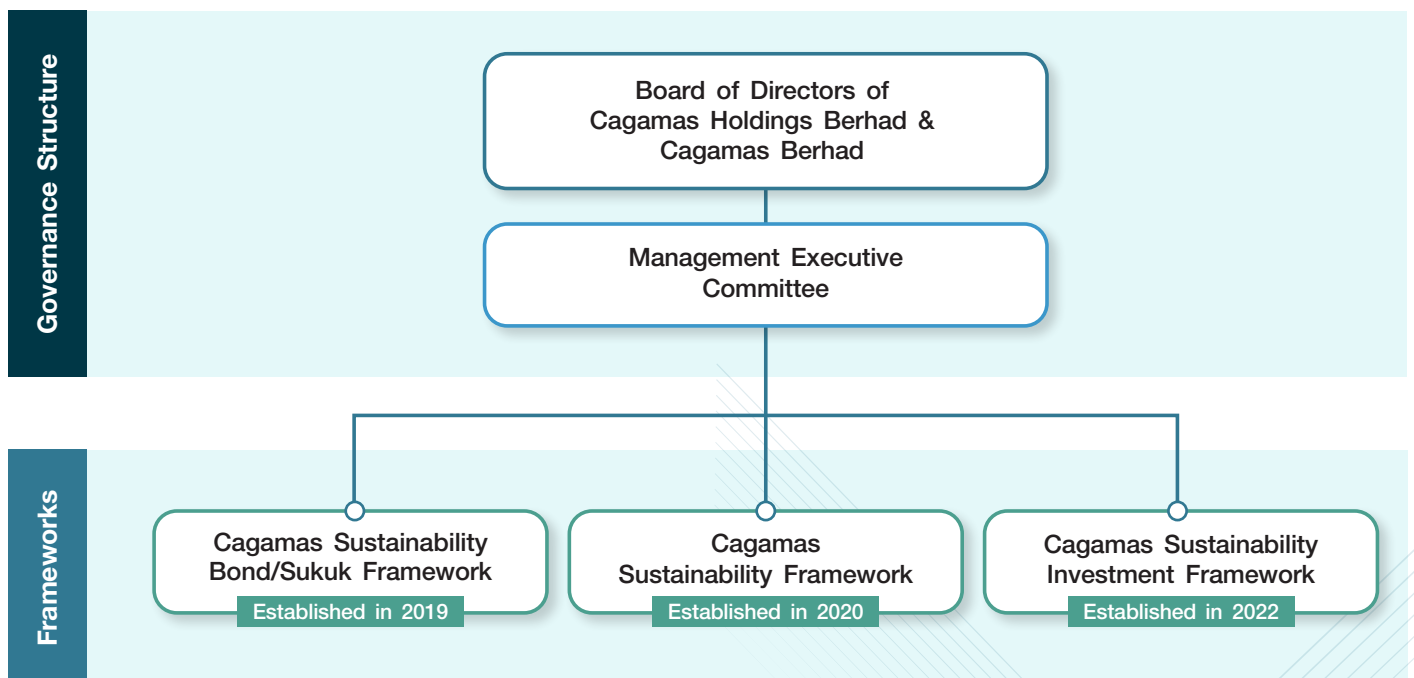
## SECTION 01

### CORPORATE SUSTAINABILITY REPORTING

This Sustainability Report is the seventh report for Cagamas Holdings Berhad and its subsidiaries (collectively referred to as “the Group”), highlighting the Group’s ongoing commitment in advancing our sustainability agenda and covering the financial period from 1 January 2024 to 31 December 2024.

### SUSTAINABILITY GOVERNANCE

Cagamas is dedicated to maintaining the highest standards of sustainability governance and regularly reviews its sustainability governance practices and disclosures.

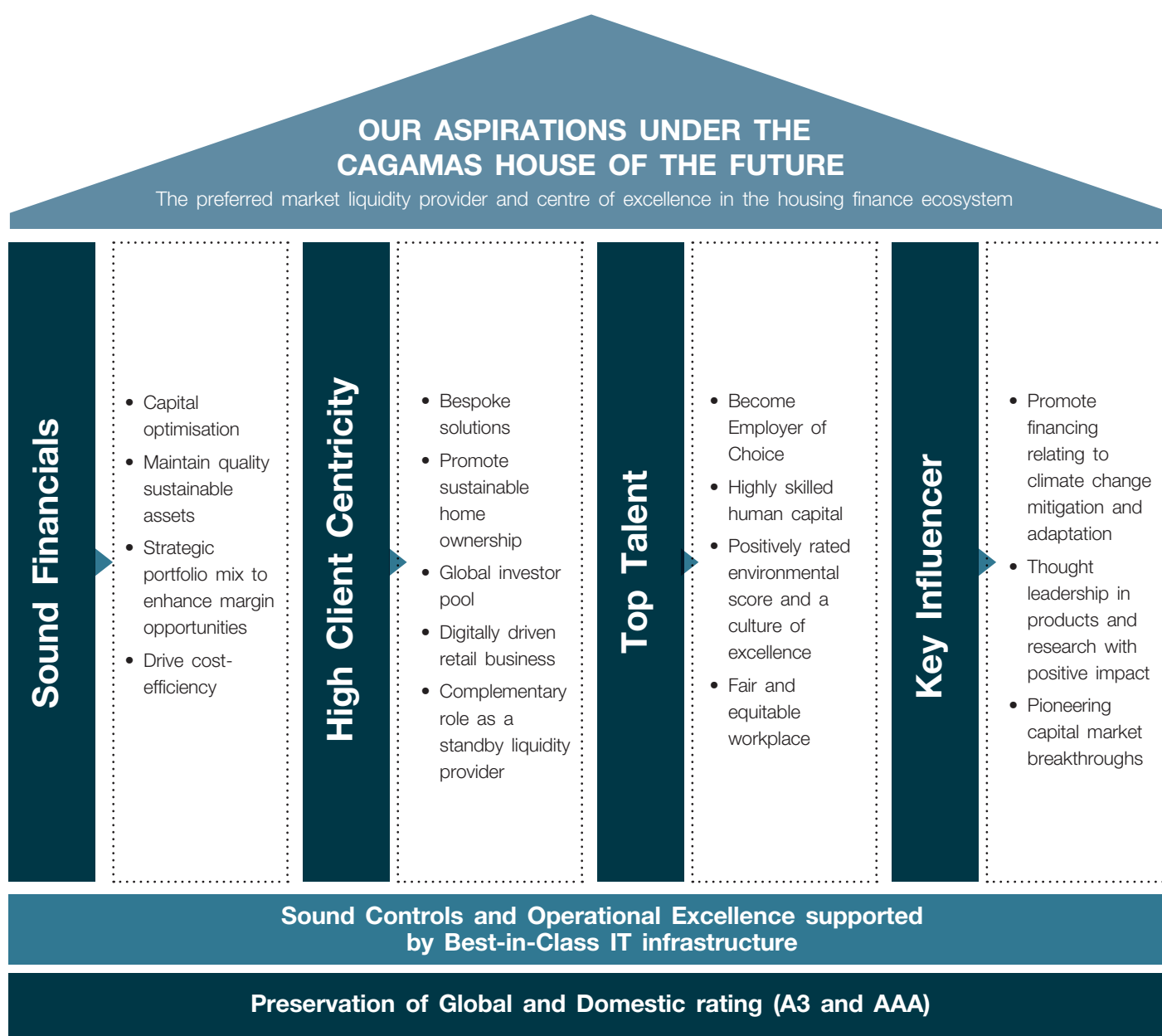


The Board of Directors of both Cagamas Holdings Berhad and Cagamas Berhad provide oversight on the Group’s sustainability journey, execution and development. The Management is responsible for formulating and implementing sustainability strategies as well as practical sustainability governance practices while meeting corporate objectives. In 2020, Cagamas introduced the Cagamas Sustainability Framework to outline its approach to embedding sustainability across its business activities and operations. Cagamas Sustainability Bond/Sukuk Framework was established to guide the use of proceeds from its sustainability issuances to eligible assets. In congruence with the frameworks, Cagamas has established its Sustainability Investment Framework in 2022, which aims to integrate Environmental, Social and Governance (ESG) factors as part of the evaluation and consideration of investing in sustainable assets.

## SUSTAINABILITY REPORT *(continued)*

### SUSTAINABILITY STRATEGY











Cagamas' sustainability strategy focuses on making green and affordable housing finance more mainstream to facilitate home owners and counterparties to mitigate the challenges arising from climate change, support the transition to net zero, as well as reduce the environmental impact of our operations in line with our 5-year strategic plan, "Cagamas House of the Future". Our initiatives are anchored on the expansion of our product lines across the housing value chain to include green and affordable housing finance products and solutions. This provides investors with additional avenues for investment with societal and environmental values, while integrating sustainability elements across internal operations to ensure meaningful contributions to employees and communities. These strategies will help to drive Cagamas in reaffirming its commitment to achieve 10% of total assets to be sustainable and green by 2030.



## SUSTAINABILITY REPORT (continued)

## CONTRIBUTION TO SUSTAINABLE DEVELOPMENT GOALS

The Group contributes to sustainable development through impactful actions under the Cagamas Sustainability Framework ("Sustainability Framework") centred around four (4) thematic pillars namely promoting sustainable home ownership, becoming the employer of choice, and promoting positive societal and environmental impact. Each pillar and its respective focus areas positively contribute to the various sustainability development goals under the United Nations Sustainable Development Goals ("UN SDGs").

Pillar under Sustainability Framework	Objectives	FY2024 Achievements and Progress	Contribution to the UN SDGs
 <b>Pillar 1:</b> Promote Sustainable Home Ownership	Promote sustainable home ownership to all Malaysians by supporting financial institutions' liquidity requirements to grow their mortgage portfolios as well as through mortgage guarantee programs.	<ul style="list-style-type: none"> <li>Cumulatively purchased home financing in the secondary market totalling RM226.3 billion, equivalent to 2.2 million homes, since inception in 1986.</li> <li>Provided mortgage guarantees to more than 100,000 individuals/households to own their first house through First Home Mortgage Guarantee Programme ("FHMGP"), <i>Skim Rumah Pertamaku</i> (My First Home Scheme, "SRP") and <i>Skim Perumahan Belia</i> (Youth Housing Scheme, "SPB") since 2011; of which 91.0% are from the B40 segment.</li> </ul>	
 <b>Pillar 2:</b> Employer of Choice	Our employees are our greatest assets and play an important role in ensuring that we embed sustainable initiatives across the Group. We are committed to creating a conducive work environment and culture, meaningful work, career advancement and personal development opportunities.	<ul style="list-style-type: none"> <li>4,375 hours spent on learning and development, an average of 37 hours per employee.</li> <li>Identified potential successors who are "ready" currently stand at 62%, with RM1.1 million invested in learning and development under various disciplines and programmes.</li> <li>Expanded knowledge exchange by sending the employees to learn best practices from financial institutions and conducted a benchmark study with Cagamas' counterparts in Indonesia and Japan.</li> <li>Five (5) final-year students from universities all over Malaysia were selected for the Cagamas Internship Programme.</li> <li>Refurbishment of Cagamas' office to revitalise the spaces that will become the collaboration and innovation hub for Cagamas' future.</li> </ul>	
 <b>Pillar 3:</b> Positive Societal Impact	We are committed to creating long-term positive societal impact in the communities that we are in through our community engagement initiatives, scholarship programme, zakat distribution and inclusive products and solutions.	<ul style="list-style-type: none"> <li>Impacted the lives of almost 30,000 recipients in 2024 through our Corporate Zakat Wakalah Programme ("ZWP") and Corporate Social Responsibility ("CSR") initiatives.</li> <li>Contributed approximately RM1.5 million for Cagamas Scholarship Programme which benefitted 46 scholars since 2016.</li> <li>Purchased RM150 million of non-carbon emitting industrial hire purchase receivables via Purchase with Recourse ("PWR"), benefitting 511 Small Medium Enterprises ("SMEs").</li> <li>Entered its inaugural Social Repurchase Agreement for SMEs &amp; issued first Islamic Commercial Paper with ASEAN Social Sustainable and Responsible Investment (SRI) Sukuk label.</li> </ul>	
 <b>Pillar 4:</b> Positive Environmental Impact	We aim to promote positive environmental impact by facilitating home owners and counterparties to manage the challenge of climate change through our products and solutions as well as reduce the impact of our operations.	<ul style="list-style-type: none"> <li>As part of Cagamas' Net Zero Initiatives, Cagamas, in partnership with the Asian Development Bank ("ADB") and Ernst &amp; Young (EY) hosted a stakeholder consultation workshop to drive the development and promotion of Green Affordable Housing and Green Mortgages in Malaysia, especially among the B40, M40 and female-headed household.</li> </ul>	  

SUSTAINABILITY REPORT *(continued)*

## PILLAR 1: PROMOTE SUSTAINABLE HOME OWNERSHIP

### HOW CAGAMAS CREATES VALUE



As the National Mortgage Corporation of Malaysia, Cagamas continues to promote sustainable home ownership to all Malaysians by providing competitive funding to financial institutions (FIs) through its PWR and Purchase Without Recourse (PWOR) schemes to expand their capacity for housing loan portfolio growth while enabling borrowers with more affordable and accessible mortgages. Cagamas also facilitates first-time homebuyers, particularly those in the M40 and B40 income groups, to own homes through its mortgage guarantee schemes which provide a financial guarantee of up to the first 10% to 20% of the total loans and financing amount.

Cagamas remains committed to contributing and creating a positive impact through identified opportunities in sustainable home development including the continuous enhancements of its products and solutions including the promotion of green and affordable housing activities.

## 2024 KEY HIGHLIGHTS

### FACILITATING ALL MALAYSIANS TO ACHIEVE SUCCESSFUL HOME OWNERSHIP

Since its inception in 1986, Cagamas has cumulatively purchased financing in the secondary market totalling RM279.9 billion, primarily attributed to home financing, which amounts to RM226.3 billion, equivalent to a total of 2.2 million homes. In 2024, the Group purchased home financing in the secondary market totalling RM12.0 billion, equivalent to a total of 37,212 homes.

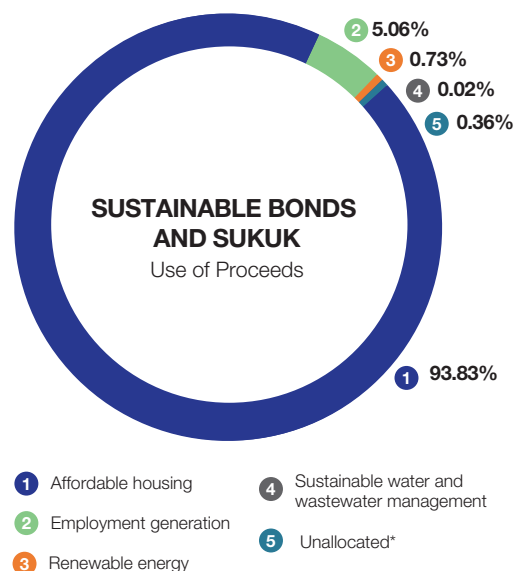
### ENABLING ACCESS TO HOME FINANCING FOR LOW-TO-MIDDLE INCOME GROUPS

The Group also provided mortgage guarantees for housing loans and financing to first-time home buyers through FHMGP, SRP and SPB totalling RM25.4 billion since the inception of the schemes. This has enabled over 100,000 individuals/households to own their first house, of which 91.0% are from the B40 segment.

### SUPPORTING THE GROWTH OF AFFORDABLE HOMES THROUGH SUSTAINABILITY ISSUANCES

Cagamas was among the first main players in the market to drive the sustainability agenda through the issuance of sustainability bonds and sukuk as part of its ongoing efforts to establish an emerging sustainable asset class.

To date, Cagamas has cumulatively issued a total of RM4.9 billion of sustainability bonds and sukuk since 2020 with RM2.9 billion outstanding as of 31 December 2024. The proceeds from the issuances have been primarily allocated to eligible assets in line with the Cagamas' Sustainability Bond and Sukuk Framework, of which, 93.8% of the proceeds were channelled to affordable housing.



\* Loans which do not fulfil eligible criteria and will be replaced with eligible sustainability loans in 2025

SUSTAINABILITY REPORT *(continued)*

## PILLAR 2: EMPLOYER OF CHOICE

### HOW CAGAMAS CREATES VALUE



Opening of a newly redesigned office

At Cagamas, we recognise that our workforce is the heartbeat of our success. Our commitment extends far beyond the ordinary – we strive to create a positive and nurturing environment for our employees. We aspire to provide a workplace that is fair and equitable, where every day presents not just challenges, but opportunities for personal and professional growth.

Our Core Values, encapsulated in C.A.R.E. (Collaboration, Accountability, Resilience and Excellence), represent our guiding principle to steering our ship towards a future where Cagamas is at the forefront of promoting home ownership across the nation.

## 2024 KEY HIGHLIGHTS

### CAGAMAS AS A FAIR AND EQUITABLE WORKPLACE

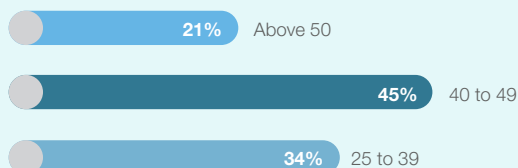
We foster an inclusive environment that values diversity and empowers individuals to contribute their unique perspectives. Our commitment to diversity is about recognising and utilising the collective strength of a diverse workforce to ensure everyone can reach their full potential, creating a truly rich and talented workplace.

### THE TALENTS BEHIND CAGAMAS

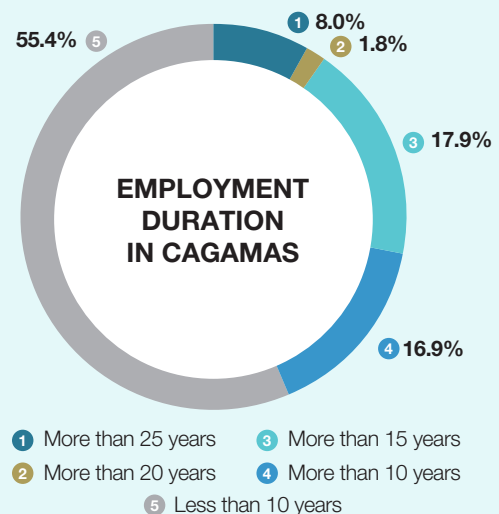
Comprise of the following gender composition, age group and employment duration in Cagamas:



Comprise of the following age group:



Of the total workforce



## SUSTAINABILITY REPORT *(continued)*

### PROFESSIONAL DEVELOPMENT ROUTE FOR HIGHLY SKILLED HUMAN CAPITAL

Our dedication to professional development not only elevates individual career trajectories but also contributes to the overall success and innovation of our company. We remain steadfast in our commitment to providing ongoing opportunities for learning and growth, ensuring that our employees are well-equipped to navigate the ever-evolving landscape of their respective fields.



#### Corporate Learning

We are committed to fostering a culture of continuous learning and development. Our programmes not only enhance employees' technical expertise but also equip them with essential soft skills, enabling personal and professional growth.

The focus area of 2024 was on Sustainability, Cybersecurity and Market & Liquidity Risk.



Training hours = **4,375**



Average training hours per employees = **37**



#### Succession Planning

Continuous effort for succession realisation on the mission-critical position that currently stands at 62% in 2024 (2023: 56%), with RM1.1 million invested for individual career development and advancement.



#### Knowledge Exchange

Our employees were given opportunities for learning assignments from the best practices in the financial industry and the peers in the national mortgage corporation from other countries:

- Four (4) staff members were sent to financial institutions from July to September 2024 to gain knowledge about the best practices in the risk management process, middle office operations, and impairment modelling processes.
- In July 2024, five (5) employees visited PT. Sarana Multigriya Finansial (Persero) ("SMF"), a counterpart of Cagamas in Indonesia, to study Indonesia's mortgage market, SMF's initiatives, and their distinguished Research division.
- Four (4) employees visited the Japan Housing Finance Agency ("JHF") in November 2024 to gain insights into Japan's mortgage market and JHF's initiatives.



#### Cagamas Internship Programme

Five (5) final-year students are chosen from various universities across Malaysia to explore careers in the financial industry. Through this programme, these talented individuals will gain valuable experience, working on real projects and learning from industry experts, enabling them to enhance their skills and knowledge and empowering them to build their careers.

**4**  
Females



**1**  
Male

From the following field of study:

- **Accounting & Finance**
- **Law**
- **Business Administration**
- **Financial Mathematics**

### Refurbishment of Cagamas' Office

Cagamas completed its newly redesigned and renovated office space in December 2024. Cagamas employees navigated a significant transition, adapting to remote work during renovation and utilising temporary office location for discussions or important meetings. With the completion of the revitalised office, Cagamas and its employees now embrace a space that serves as a hub for innovation and collaboration.



SUSTAINABILITY REPORT *(continued)*

### PILLAR 3: POSITIVE SOCIETAL IMPACT

#### HOW CAGAMAS CREATES VALUE



Cagamas is committed to creating long-term positive societal impact through various community engagement initiatives that reflect the Group's commitment to giving back to society and ensuring sustainable communities' growth. Cagamas' social contribution and development initiatives include supporting access to quality education for underprivileged students through scholarship programmes, distribution of funds through zakat and social investments, as well as developing innovative products in our effort to promote a more inclusive and caring society.

## 2024 KEY HIGHLIGHTS

### PROVIDING ACCESS TO QUALITY EDUCATION FOR UNDERPRIVILEGED STUDENTS THROUGH THE SCHOLARSHIP PROGRAMME

Since its establishment in 2016, the Cagamas Scholarship Programme has played a pivotal role in supporting students from low-income households in their pursuit of higher education. As part of its commitment to developing future talent in the financial services industry, Cagamas has invested approximately RM1.5 million in scholarships, benefiting 46 scholars across diverse fields of study.



### EXPANDING CHANNELS IN PROMOTING SKIM SARAAN BERCAGAR TO THE RETIRED HOME OWNERS

In 2024, Cagamas continued to increase awareness of the reverse mortgage products comprising of *Skim Saraan Bercagar* and *Skim Saraan Bercagar Islamik* which offer comprehensive solutions for senior home owners who may be affected by the current economic conditions resulting in insufficient savings, to help them maintain their standard of living.

Cagamas is set to introduce a new scheme under reverse mortgage, enabling home owners to unlock the value of their properties over a specified term while retaining ownership throughout the financing period. To support the launch of this initiative, Cagamas formed a strategic partnership with financial institutions in 2024, aiming to leverage their extensive networks to enhance product visibility and expand market reach.

## SUSTAINABILITY REPORT *(continued)*

### SUPPORTING COMMUNITIES THROUGH CSR PROGRAMMES AND ZAKAT

In 2024, Cagamas' CSR approach is centred on grant-giving for community infrastructure and educational programmes. The outcome benefitted the lives of almost 20,000 recipients with a total allocation of approximately RM198,000.

Total contribution for CSR in 2024:

**RM198,000**

(2023: RM150,000)

providing assistance towards



#### Infrastructure Upgrades for 19,100 Residents:

Community improvements, including repairs and facility upgrades, positively impacted **over 19,100 residents**, particularly vulnerable groups like single mothers and orphans.



#### Social Security for 400 Housewives:

A targeted initiative ensured financial stability and access to essential benefits for **400 low-income housewives** from the B40 group.



#### Food Security for 200 Households:

A community farming project empowered **200 households** by enhancing food security and promoting self-sustainability.

In addition to the CSR programmes, Cagamas supports the communities through its ZWP which plays a pivotal role in enhancing the Company's commitment to CSR by empowering Asnaf and improving their livelihoods across Malaysia. In 2024, Cagamas disbursed RM1,581,590 in zakat funds, positively impacting 9,575 individuals and 106 organisations. This collaborative approach amplifies the program's reach and impact, ensuring that aid reaches those in need through diverse channels.

The programme addressed critical needs, prioritising support for basic living expenses, medical costs, and outstanding utility bills, directly benefiting 2,913 vulnerable families. Recognising the transformative power of education, ZWP supported 2,869 students through sponsorships and "Back to School" expenses, alleviating financial hardship for their families.

During Ramadan and Eid, ZWP provided substantial support by channelling financial aid, essential food packages, and sponsorships to 2,501 beneficiaries. These efforts were conducted in collaboration with local suraus, non-profits, and Tahfiz schools to ensure that zakat distribution addresses immediate needs as well as promoting efficient and meaningful outreach.

In response to unforeseen challenges, ZWP assisted 780 individuals affected by natural disasters through flood relief efforts. To promote long-term economic resilience, ZWP invested in renovations and new business equipment, benefiting 512 individuals, empowering them to expand their businesses, increase their income, and achieve self-sufficiency.

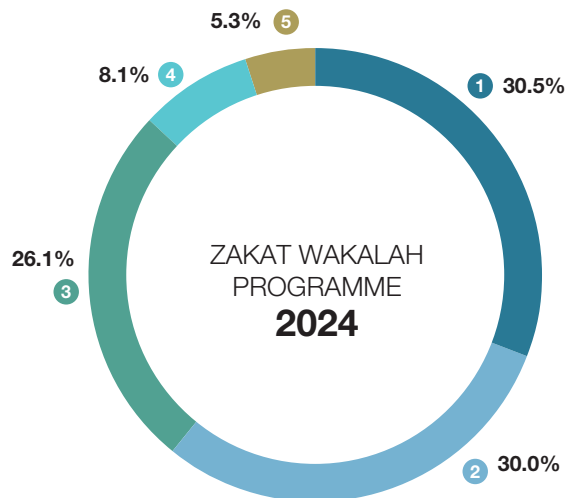
Looking ahead, the programme aspires to expand these efforts further, introducing innovative collaborations and impactful initiatives that foster sustainable business development, ensuring long-term benefits for the Asnaf and broader communities.

Total distribution under ZWP in 2024:

**RM1,581,590**

(2023: RM1,586,188)

benefiting



- 1 Basic living expenses & outstanding debts
- 2 Education
- 3 Ramadhan & Raya relief
- 4 Flood relief
- 5 Project & renovation



SUSTAINABILITY REPORT *(continued)*

## PILLAR 4: POSITIVE ENVIRONMENTAL IMPACT

### HOW CAGAMAS CREATES VALUE



As the National Mortgage Corporation, we aim to promote positive environmental impact by helping home owners and counterparties manage climate challenges through our products and solutions as well as reducing the impact of our operations.

## 2024 KEY HIGHLIGHTS

### CAGAMAS NET ZERO INITIATIVE

As part of our roadmap to reaffirm and deepen Cagamas' core mission in providing affordable housing vis-à-vis sustainable development and our responsibilities towards the environment, Cagamas kickstarted a study that aims to expand the green mortgage market to include B40, M40 and female-headed households in 2023, under the Technical Assistance ("TA") agreement signed in 2022 in collaboration with the ADB and EY.

In 2024, efforts under the TA culminated in a study that identified key challenges and issues, as well as stakeholders and enablers across the green and affordable housing value chain. The work also saw a stakeholder consultation workshop that was held in Kuala Lumpur in December 2024, that was

attended by over 60 participants from a diverse group of stakeholders within the housing ecosystem, including representatives from key financial institutions, regulatory bodies, government agencies, developers, and green building organisations, to develop approaches for advancing green and affordable housing (GAH) strategies. This study is expected to be completed in 2025.



Green Affordable Housing and Green Mortgage Study - Stakeholder Engagement Workshop

## CONCLUSION

In 2024, Cagamas continues to make significant strides in promoting sustainability, empowering individuals, enhancing its internal environment, and contributing to local communities through the development of green and affordable housing. Cagamas is dedicated to advancing its mission by exploring bold initiatives across key areas of its business that benefit Malaysians and positively impact the environment. Moving forward, the Group aims to achieve impactful results that deliver value to all its stakeholders. Sustainability has become an integral part of our strategic vision, enabling Cagamas to create a lasting positive impact on both the communities and the environment.

SUSTAINABILITY REPORT *(continued)*SECTION  
02

## ANNUAL SUSTAINABILITY PROGRESS REPORT

This report provides information on the outstanding Cagamas Sustainability Bond/Sukuk issuances, the use of proceeds and the impact analysis as at 31 December 2024.

## 1. DETAILS OF SUSTAINABILITY BOND/SUKUK ISSUANCES

Facility Code	Facility Description	Stock Code	Issue date	Maturity Date	Original Tenure	Issue Size (RM mil)	Purchase Contract
201900073	Sustainability Cagamas MTN	UG220305	31/10/2022	31/10/2025	3.0	300	228028
201900073	Sustainability Cagamas MTN	UF230192	28/06/2023	30/06/2025	2.0	30	238025
201900073	Sustainability Cagamas MTN	UG230191	28/06/2023	29/06/2026	3.0	40	238025
201900073	Sustainability Cagamas MTN	UF240245	25/07/2024	27/07/2026	2.0	100	248020
201900073	Sustainability Cagamas MTN	UG240399	06/12/2024	06/12/2027	3.0	500	248043
201900074	Sustainability Sukuk Cagamas	VG220130	24/03/2022	24/03/2025	3.0	200	228005
201900074	Sustainability Sukuk Cagamas	VG220235	29/06/2022	30/06/2025	3.0	150	228012
201900074	Sustainability Sukuk Cagamas	VG220401	27/10/2022	27/10/2025	3.0	200	228029
201900074	Sustainability Sukuk Cagamas	VG220400	31/10/2022	31/10/2025	3.0	300	228030
201900074	Sustainability Sukuk Cagamas	VF230164	20/11/2023	20/11/2025	2.0	100	238051
201900074	Sustainability Sukuk Cagamas	VG230460	30/11/2023	30/11/2026	3.0	250	238054
201900074	Sustainability Sukuk Cagamas	VG230493	28/12/2023	28/12/2026	3.0	325	238060
201900074	Sustainability Sukuk Cagamas	VG240386	29/11/2024	29/11/2027	3.0	250	248041
202300013	ICP Sustainability Sukuk Cagamas	SE240124	30/07/2024	31/01/2025	0.5	145	248022
						<b>TOTAL</b>	<b>2,890</b>

SUSTAINABILITY REPORT *(continued)*

## 2. USE OF PROCEEDS

No.	Purpose	RM mil	%
1	Renewable Energy	21.03	0.73%
2	Energy Efficiency	0.00	0.00%
3	Green Buildings	0.00	0.00%
4	Low Carbon and Low Emission Transportation	0.00	0.00%
5	Sustainable Water and Wastewater Management	0.56	0.02%
6	Affordable Housing	2,711.57	93.83%
7	Employment Generation	146.24	5.06%
8	Unallocated*	10.60	0.36%
	<b>TOTAL</b>	<b>2,890.00</b>	<b>100.00%</b>

\* Loans which do not fulfil eligible criteria and will be replaced with eligible sustainability loans in 2025

## 3. DETAILS OF SUSTAINABILITY LOAN/FINANCING

No.	Use of Proceeds	Size (RM mil)	Descriptions	Impact	Impact Indicators
1	Renewable Energy	21.03	Solar PV system for rooftop installation	9,268	Total installed capacity (kwh)
2	Sustainable Water and Wastewater Management	0.56	Effluent water treatment	128	Amount of waste water treated (m <sup>3</sup> /day)
3	Affordable Housing	2,711.57	Affordable housing	18,299	Total affordable homes
4	Employment Generation	146.24	Non-carbon emitting industrial hire purchase receivables for SMEs	721	Number of SMEs
	<b>TOTAL</b>	<b>2,879.40</b>			

RAM Sustainability Sdn Bhd has provided an independent post-issuance annual review report on Cagamas' Sustainability Bond/Sukuk issuances to confirm that the allocation of proceeds was carried out in accordance with Cagamas Sustainability Bond/Sukuk Framework and that the impact information was accurately disclosed.