

**IMPROVED MARKET SENTIMENTS KICKSTART CAGAMAS' ISSUANCES FOR
2019**

Kuala Lumpur, 16 January 2019 – Cagamas Berhad (“Cagamas” or “the Company”), the National Mortgage Corporation of Malaysia, announced the aggregate issuance of its RM395 million conventional debt instruments comprising RM95 million 1-year Conventional Medium Term Notes (CMTNs) and RM300 million 3-month Conventional Commercial Papers (CCPs). Proceeds from the issuances will be used to fund the purchase of mortgage loans from the financial system.

“The start of the 2019 financial year saw better investor sentiment on the back of growing optimism in trade talks between China and the United States. Strengthening of Ringgit and the release of dovish minutes by the Federal Open Market Committee also contributed to improved momentum in the local bond market. These positive sentiments in the market had allowed for the Company to price its papers at competitive yield,” said President/Chief Executive Officer, Datuk Chung Chee Leong.

“The 1-year CMTNs were competitively priced at 3.90% level, 10 basis points (bps) below its previous level in December 2018. The CMTNs also marked the country’s first AAA issuance in 2019. The 3-month CCPs received overwhelming interest and were competitively priced on par against the onshore benchmark 3-month KLIBOR rate which currently stands at 3.69%. It was last priced at 3.77% on 14 December 2018,” added Datuk Chung.

The papers, which will be redeemed at their full nominal value upon maturity, are unsecured obligations of the Company, ranking pari passu among themselves and with all other existing unsecured obligations of the Company. They will be listed and tradable under the Scripless Securities Trading System.

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 corporate 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 has cumulatively issued circa RM318.0 billion worth of corporate bonds and Sukuk.

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

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