



CAGAMAS MBS BERHAD'S LARGEST EVER ISSUANCE OF RESIDENTIAL MORTGAGE-BACKED SECURITIES ATTRACTS APPROXIMATELY RM9.10 BILLION IN BOOK ORDERS AND CLOSE TO 4 TIMES SUBSCRIPTION RATE

Kuala Lumpur, August 9

Cagamas MBS Berhad ("CMBS"), a wholly-owned subsidiary of Malaysia's national mortgage corporation, Cagamas Berhad, has successfully priced its fifth and to date, its largest issuance of Residential Mortgage-Backed Securities of RM2.41 billion in nominal value (CMBS 2007-2), attracting a book size of RM9.10 billion from a diverse group of domestic and offshore investors giving a subscription rate of close to 4 times. Approximately 51.9% of the bids came from financial institution investors with the remaining from Government agencies 22.6%, asset management companies 13.9%, insurance companies 11.0% and corporates 0.6%.

Investor confidence in the domestic asset-backed securities market was prevalent from both local and foreign fixed income investors despite market jitters in the United States sub-prime debt market.

The seven tenures offered namely 3, 5, 7, 10, 12, 15 and 20 years were priced at 4.00%, 4.10%, 4.28%, 4.52%, 4.70%, 4.90% and 5.08% respectively. At these yields, the order book remained resilient at RM7.79 billion giving a book size of more than 3 times, of which allocation to offshore accounts was approximately 20%.

This represents the fifth issuance of asset-backed securities by CMBS backed by a portfolio of approximately RM3.0 billion of the Government of Malaysia ("GOM")'s housing facilities.

The CMBS 2007-2 has been accorded the highest indicative ratings of AAA by Malaysian Rating Corporation Berhad (MARC) and RAM Ratings Services Berhad (RAM). The ratings reflect the superior quality of the underlying assets of Portfolio 2007-2, the strength of the transaction counterparties, the proven track record of the Servicer, Transaction Administrator and Administrator as well as the robustness of the CMBS 2007-2 structure, where the source of repayment for the CMBS 2007-2 will be non-discretionary deductions at source from salary and pension payments of GOM's staff and pensioners respectively.

AmInvestment Bank Berhad (formerly known as AmMerchant Bank Berhad) and CIMB Investment Bank Berhad (formerly known as Commerce International Merchant Bankers Berhad) acted as the Joint Principal Advisers, Joint Lead Arrangers and Joint Lead Managers for CMBS 2007-2.

**Cagamas Berhad
9 August 2007**