



CAGAMAS MBS BERHAD'S SECOND ISLAMIC RESIDENTIAL MORTGAGE-BACKED SECURITIES ATTRACTS APPROXIMATELY RM10.0 BILLION IN BOOK ORDERS AND MORE THAN 4 TIMES SUBSCRIPTION RATE

Kuala Lumpur, May 16, 2007

Cagamas MBS Berhad ("CMBS"), a wholly-owned subsidiary of Malaysia's national mortgage corporation, Cagamas Berhad, has successfully priced its second issuance of Islamic Residential Mortgage-Backed Securities ("CMBS 2007-1-i") of RM2.11 billion in nominal value today, attracting an overwhelming book size of RM10.0 billion from a diverse group of domestic and offshore investors giving a subscription rate of more than 4 times. Strong confidence in the domestic asset-backed securities market was prevalent with strong interest from foreign fixed income investors. About 80 accounts expressed interest in the transaction.

The overwhelming response has enabled the issue to be priced competitively closer towards the lower band of the initial price guidance. The seven tenures offered namely 3, 5, 7, 10, 12, 15 and 20 years were priced at 3.63%, 3.70%, 3.78%, 3.90%, 4.02%, 4.17% and 4.34% respectively. At these yields, the order book remained resilient at approximately RM9.0 billion giving a book size of more than 4 times, of which allocation to offshore accounts was approximately 20%.

This represents the fourth issuance of asset-backed securities by CMBS and the second issuance of Islamic securities backed by a portfolio of the Government of Malaysia ("GOM")'s staff Islamic housing facilities ("Portfolio 2007-1-i"). The transaction involves the issuance of CMBS 2007-1-i by CMBS for the acquisition of the GOM's staff Islamic housing facilities on a non-recourse basis.

Issued under the principle of Musyarakah, CMBS 2007-1-i represents trust certificates issued by CMBS as wakeel (trustee) of investors under a Musyarakah Declaration of Trust. The Musyarakah involves a partnership arrangement between investors to raise capital towards the financing of a business venture, i.e. the acquisition of Portfolio 2007-1-i. Profits in the Musyarakah venture will be shared between the investors based on an agreed ratio while losses are shared on the basis of capital contribution.

"The strong interest in the offering shows the continued confidence of both domestic and offshore investors in Cagamas Berhad and Malaysia," said Cagamas Berhad's chief executive officer Mr Steven Choy.

As with the CMBS 2005-1-i, the response and demand from investors since the commencement of the book-building exercise on 14 May 2007 was overwhelming with strong bids coming from financial institutions, asset managers, insurance companies and corporates. Foreign interest from Hong Kong and Singapore in the CMBS 2007-1-i issuance was favourable.

The CMBS 2007-1-i has been accorded the highest ratings of AAAIS by Malaysian Rating Corporation Berhad and AAA by Rating Agency Malaysia Berhad. The ratings reflect the superior quality of the underlying assets of the Portfolio 2007-1-i, the strength of the transaction counterparties, the proven track record of the Servicer, Transaction Administrator and Administrator as well as robustness of the CMBS 2007-1-i structure, where the source of repayment for the CMBS 2007-1-i will be non-discretionary deductions at source from salary and pension payments of the

GOM's staff. As with the previous three RMBS, the GOM will act as the Servicer and Cagamas Berhad will act as the Transaction Administrator and Administrator for the CMBS 2007-1-i.

The securitisation of the GOM's staff Islamic housing facilities demonstrates the GOM's commitment and continuous and innovative effort to broaden and deepen the domestic Islamic capital market. Through this transaction, a landmark 20-year Islamic Asset-Backed Securities yield is established and can be a reference yield for future transactions of such a nature.

CIMB Investment Bank Berhad ("CIMB") is the Principal Adviser/Financial Adviser and sole Lead Arranger for the CMBS 2007-1-i. The Joint Lead Managers and Joint Bookrunners for the CMBS 2007-1-i are Aseambankers Malaysia Berhad, CIMB and HSBC Bank Malaysia Berhad.

Cagamas Berhad
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