



## **CAGAMAS MBS BHD THIRD RESIDENTIAL MORTGAGE-BACKED SECURITIES ATTRACTS RM11.96 BILLION IN BOOK ORDERS AND 5.8 TIMES OVERSUBSCRIPTION**

Cagamas MBS Berhad ("CMBS"), a single purpose and wholly-owned subsidiary of Malaysia's national mortgage corporation, Cagamas Berhad, chalks up yet another resounding success for its Residential Mortgage-Backed Securities.

This is the third issuance of asset-backed securities by CMBS of RM2.06 billion ("CMBS 2005-2") in nominal value. The transaction involves the acquisition by CMBS of the Government of Malaysia ("GOM")'s staff housing loans on a non-recourse basis. The issue attracted an overwhelming order book size of RM11.96 billion from a diverse group of domestic and offshore investors at closing, giving an over subscription of 5.8 times.

The tremendous response has enabled the issue to be priced competitively at 4.10%, 4.44%, 4.71%, 5.10%, 5.34%, 5.65% and 5.92% for the seven tenures offered namely 3, 5, 7, 10, 12, 15 and 20 years respectively.

The response and demand from investors since the commencement of the book-building exercise on 28 November 2005 was overwhelming with strong bids from financial institutions, asset managers, insurance companies and corporates.

"The first-ever issuance of the 20-year mortgage-backed securities was oversubscribed by 8.4 times. The successful issuance of the 20-year will further broaden, deepen and provide impetus to the already vibrant domestic bond market", said Dato' Mohd Razif Abdul Kadir, the Chairman of Cagamas MBS Berhad.

The CMBS 2005-2 has been accorded the highest ratings of AAA by Malaysian Rating Corporation Berhad and AAA by Rating Agency Malaysia Berhad. The ratings reflect the superior quality of the underlying assets, strong counterparties as well as robustness of the CMBS 2005-2 structure, where the source of repayment for the CMBS 2005-2 will be deducted at source from salary and pension payments of the GOM's staff. The GOM will act as a servicer for the CMBS 2005-2.

Commenting on the issue, Mr. N. Kokularupan, Chief Executive Officer of Cagamas Berhad and a director of CMBS said, "The overwhelming response in terms of book size by investors reflects the market confidence on the strength of the structure and the quality of the underlying assets and Cagamas' proven track record in the administration of its residential mortgage portfolio."

AmMerchant Bank Berhad ("AmMerchant") and Standard Chartered Bank Malaysia Berhad ("SCB") are the Joint Principal Adviser and Joint Lead Arrangers of the transaction. AmMerchant and SCB are also the Joint Lead Managers to market the CMBS 2005-2 to both local and foreign investors. ECM Libra Capital Sdn Bhd is the Lead Financial Adviser of the transaction.

**Cagamas MBS Berhad  
2 December 2005**