



MARC RATINGS BERHAD

P R E S S A N N O U N C E M E N T

FOR IMMEDIATE RELEASE

MARC RATINGS AFFIRMS RATINGS ON CAGAMAS MBS' ASSET-BACKED SUKUK MUSYARAKAH AND FIXED RATE SERIAL BONDS

MARC Ratings has affirmed its **AAA** and **AAA_S** ratings on Cagamas MBS Berhad's asset-backed fixed rate serial bonds (CMBS 2005-2 and CMBS 2007-2) and Sukuk Musyarakah issuance (CMBS 2007-1-i). The outlook on all ratings is **stable**.

Cagamas MBS was established to undertake the securitisation of government staff housing loans/financings. Repayment of the securitised loans/financings facilitated by monthly salary or pension deductions of government servants supports low default risk.

The affirmed ratings and outlook reflect the fully cash-collateralised positions of CMBS 2005-2, CMBS 2007-2 and CMBS 2007-1-i. All three issuances have strong credit enhancement comprising the securitised assets and accumulated asset cash flows. The credit enhancement coverage stands at 5.1x, 8.2x and 3.1x over the outstanding balance as well as remaining interest/profit obligations of the issuances.

MARC Ratings notes that given the current outstanding balance of the securitised assets backing CMBS 2007-2 and CMBS 2005-2 has met the threshold of below 10% of the original principal amount at the time of issuance, the condition for the optional redemption has been fulfilled. Accordingly, Cagamas MBS will early redeem the issuances on February 24, 2025, and March 12, 2025, respectively. Once redeemed, CMBS 2005-2 and CMBS 2007-2 will cease to be under MARC Ratings' coverage. The rating agency will continue its coverage of CMBS 2007-1-i.

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