
Fitch Upgrades Capital Advisory Services (Thailand) To ‘RSS2(th)’

Fitch Ratings-Bangkok/New York/Tokyo/Singapore – 28 July 2008: Fitch Ratings (Thailand) Limited has upgraded Capital Advisory Services (Thailand) Limited’s (CAS) residential mortgage special servicer rating to ‘RSS2(th)’ from ‘RSS2-(th)’ (RSS2 minus(th)). The rating upgrade reflects CAS’s strengths from its experienced and stable senior and middle management, advanced and efficient computer systems, and strong managerial support and oversight from its parent, Capital Services Holding Corporation (CSHC) and other group companies. Based on these strengths, CAS continues to collect efficiently from its servicing portfolio while improving its internal control structure and servicing system.

Established in Thailand in 2000, CAS is effectively a wholly-owned subsidiary of CSHC, a holding company offering real estate and loan asset management services through its subsidiaries. Since its establishment, CAS has been servicing the Thai investment portfolios of certain investors, particularly Lehman Brothers (LB). Started as a servicing coordinator, CAS became the direct special servicer in LB’s GT Stars II securitisation transaction in 2005, assuming the servicing responsibility from the sub-servicer. The bonds issued by the GT Stars II have since been paid off, earlier than scheduled, and with solid performance.

Meanwhile, CAS has added two servicing portfolios worth THB7.8bn in late 2007, and the company has grown to become one of the major servicing providers in the Thai market. Helped by the company’s stable performance, CAS now has a sizeable share in the market, with the majority of its business coming from LB. At the end of 2007, CAS had serviced over 28,000 residential loans with over THB40bn in unpaid balances. In addition, CAS has disclosed strategic plans to diversify its business by developing new investors and products.

Fitch provides primary, special and master servicer ratings to servicers of commercial and residential mortgage loans and unsecured loans in Thailand on a scale of one through five, with one being the highest rating. In addition, Fitch may attach a plus (+) or minus (-) sign to the rating, indicating a relative position within each rating category. ‘th’ appears in the Thai ratings to reflect their relevance in Thailand’s legal, economic and social context. For further details, please refer to the report titled ‘Thai Servicers Rating Criteria’, dated 27 June 2008 available on Fitch’s websites at ‘www.fitchratings.com’.

The rating report on CAS will be available shortly on Fitch’s websites, or through Fitch Market Services at 1-800-853-4824 in New York or Fitch Thailand Limited at 662-655-4755 in Bangkok.

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