PRESS RELEASE
MINISTRY OF FINANCE

MALAYSIA'S GLOBAL SUKUK 4.7 TIMES OVERSUBSCRIBED, PRICED AT RECORD-LOW SPREADS

The Government of Malaysia has successfully priced a US$1.5 billion Global Sukuk offering that was 4.7 times oversubscribed, with peak orderbook exceeding US$9.5 billion. The offering comprised US$850 million of 5.75-year Trust Certificates and US$650 million of 10-year Trust Certificates, and strong demand allowed the Government to tighten final pricing by 30 basis points (bps) from the Initial Price Guidance (IPG), to T+15 bps on the 5.75-year tranche and by 30 bps to T+25 bps on the 10-year tranche, achieving the tightest ever spreads for Malaysia's global sukuk issuances.

The issuance reaffirms Malaysia's presence in the international financial market by maintaining the sovereign benchmark curve. It would serve as an important pricing reference for Malaysian issuers including government-linked entities and corporates, while supporting continued engagement with a broad and diversified global investor base. The strong demand reflects continued investor confidence in Malaysia's fiscal and economic reform agenda. The Sukuk is based on assets comprising rights to services within Malaysia's urban public rail transportation network, structured under the *Manafae* concept, in accordance with the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) guidelines. This highlighted Malaysia's leadership in Islamic finance and reinforces the country's position as the world's leading Sukuk market.

"The Malaysia economic policy is guided by the prescriptions of the Ekonomi MADANI framework, has steered the country in the right direction. We have strengthened our public finances, sustained economic growth and laid firm foundations for Malaysia's long-term resilience," said Finance Minister II YB Senator Datuk Seri Amir Hamzah.

"The strong oversubscription with the tightest ever spreads, reflects global investors' continued confidence in Malaysia's economic prospects and policy credibility, demonstrating that our reform agenda, prudent debt management strategy, and commitment to sustainable growth continue to resonate with high-quality investors despite a challenging global environment," he added.

The overwhelming reception comes three years after the launch of the Ekonomi MADANI framework on 27 July 2023, a strategic narrative designed to Raise the Ceiling of Malaysia's economic potential, Raise the Floor of Malaysians' living standards, and strengthen governance and public institutions. The fiscal deficit has narrowed to 3.7% of GDP in 2025 from 6.4% in 2021. Similarly, annual borrowing growth has significantly slowed to 9% of GDP, down from 13.6% over the same period, reflecting the Government's continued commitment to fiscal discipline under the Public Finance and Fiscal Responsibility Act 2023.

This strengthened fiscal position has been achieved alongside sustained economic growth, with Malaysia expanding by 5.2% in both 2024 and 2025. Malaysia's resilient economic fundamentals continue to be supported by strong domestic demand and private investment, with approved investments reaching a record RM431.1 billion in 2025, while total trade surpassed the RM3 trillion milestone for the first time to reach RM3.06 trillion. This momentum continued into 2026, with 5.4% growth in Q1 and advance estimates indicating a 5.8% in Q2, a trajectory that could potentially push the nation's full-year performance ahead of the initial forecasts.

Both tranches were assigned ratings of A3 by Moody's Investors Service and A− by S&P Global Ratings, consistent with Malaysia's sovereign credit ratings and stable outlook. The 5.75-year Trust Certificates were priced at a profit rate of 4.612% per annum, equivalent to a spread of 15 bps over the corresponding US Treasury yield. The 10-year Trust Certificates were priced at a profit rate of 4.949% per annum, equivalent to a spread of 25 bps over the corresponding US Treasury yield.

The roadshow, attracted a diverse base of over 140 high-quality international investors, including sovereign wealth funds, official institutions, asset managers, financial institutions, insurance companies, and pension funds.

By geography, the 5.75-year tranche was subscribed by investors from Asia (76%), Europe, Middle-East and Africa (EMEA) (19%) and the US (5%). The 10-year tranche was allocated to Asia (63%), EMEA (18%) and the US (19%).

By investor type, the 5.75-year tranches were distributed to banks and financial institutions (43%), asset and fund managers (27%), central banks, corporate and private banks (15%), official institutions and sovereign wealth fund (8%) and insurance and pension fund (7%) while 10-year tranche was allocated to asset and fund managers (59%), banks and financial institutions (30%), corporate and private banks (7%) and central banks (4%).

The offering was conducted pursuant to Regulation S and Rule 144A of the United States Securities Act of 1933. The Trust Certificates will be listed on the Hong Kong Stock Exchange, the Labuan International Financial Exchange and Bursa Malaysia under the Exempt Regime.

Proceeds from the issuance will be utilised for the Government's general Shariah-compliant purposes, including the financing of development expenditure and/or the refinancing of existing obligations.

CIMB, HSBC, J.P. Morgan and Standard Chartered Bank acted as the Joint Lead Managers and Joint Bookrunners on this offering. The Sukuk's Shariah structure has been approved by the Board Shariah Committee of CIMB Islamic Bank Berhad, the

HSBC Global Shariah Supervisory Committee, the Standard Chartered Bank Global Shariah Supervisory Committee and the J.P. Morgan Shariah Committee.

Ministry of Finance
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