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Khazanah reopens Malaysia's USD Sukuk and Bond Market with a dual-tranche offering

Khazanah Nasional Berhad ("Khazanah") successfully priced a USD1.5bn dual-tranche senior offering, comprising 5-year USD750 million Sukuk due 2028 and a 10-year USD750 million conventional bond due 2033 (the "Securities").

The issuance marks Khazanah's first USD rated Sukuk and corporate bond out of its newly established USD5.0 billion Multicurrency Sukuk Issuance Programme and USD10.0 billion Euro Medium Term Note Programme (the "Programmes") through its wholly owned special purpose vehicles, Khazanah Global Sukuk Berhad and Khazanah Capital Ltd. (the "Issuers"). Khazanah's last issuance was the unrated Sukuk of USD1.0 billion in 2021.

The Securities were launched at an initial price guidance of 135 basis points ("bps") over the 5-year US Treasury yield and 160bps over the 10-year US Treasury yield for the 5-year Sukuk and 10-year conventional bond respectively. The transaction garnered strong demand attracting over 200 investors across Asia, Europe and the Middle-East, with an oversubscription of more than seven (7) times.

The order book reached a peak of USD12 billion which led Khazanah to revise the price guidance tighter to 93bps and 118bps, issuing the Securities at 4.687% and 4.876% respectively.

The Securities will be listed on Bursa Malaysia Securities Berhad (under an Exempt Regime), Labuan International Financial Exchange Inc. ("LFX") and the Singapore Exchange Securities Trading Limited ("SGX-ST").

Dato' Amirul Feisal Wan Zahir, Khazanah's Managing Director said, "The overwhelming and widespread reception of our first ever rated sukuk and bond, underlines investors' steadfast confidence in our creditworthiness and long-term strategy, amplifying our standing in the global capital markets."

“Investors accept and understand that Khazanah is a strategic investor and an intergenerational fund that can withstand short-term volatility. The issuance, which is carried out amidst volatile market conditions, will be the benchmark for Khazanah’s credit as we continue to rebalance our portfolio and strengthen our balance sheet as part of our strategy in advancing the country.”

Proceeds will be utilised for general investments, refinancing of borrowings, and working capital requirements of Khazanah.

BofA Securities, CIMB, DBS Bank Ltd., J.P. Morgan, Maybank, MUFG, OCBC Bank acted as Joint Lead Managers and Joint Bookrunners.

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About Khazanah Nasional Berhad

Khazanah Nasional Berhad (“Khazanah”) is the sovereign wealth fund of Malaysia entrusted to deliver sustainable value for Malaysians. In line with its long-term strategy of *Advancing Malaysia*, Khazanah aims to deliver its purpose by investing in catalytic sectors, creating value through active stewardship, increasing its global presence, as well as building capacity and vibrant communities for the benefit of Malaysians. For more information on Khazanah, visit www.khazanah.com.my.