

MEDIA STATEMENT

Kuala Lumpur, 27 April 2023

**Khazanah assigned A3/A- by International Credit Rating Agencies
Moody's and S&P**

Khazanah Nasional Berhad ("Khazanah") has been assigned its inaugural issuer credit rating of A3 and A- from Moody's Investors Service and S&P Global Ratings respectively. The investment grade credit rating affirms Khazanah's strong ability to meet its financial commitments, track record of sound investment and funding policies and important role in growing Malaysia's long-term wealth.

Since 2004, Khazanah has been a regular issuer in the global capital markets and supported Malaysia's aspiration to be the leading hub for Islamic Finance through landmark transactions including the world's first exchangeable Sukuk and the nation's first Sustainable and Responsible Investment Sukuk. As Khazanah does not receive regular capital infusions, it relies on its ability to generate returns and tapping capital markets to fund its investments.

Khazanah has historically enjoyed access to the capital markets, even successfully pricing an unrated sukuk during the peak of the Covid-19 pandemic. The strong investor demand despite a market downtrend reflects confidence in Khazanah's credit and its ability to deliver its mandate as Malaysia's sovereign wealth fund. The international credit rating will further enhance Khazanah's attractiveness as an issuer and expand its global investor base.

Based on Moody's and S&P's analysis, Khazanah's A3/A- rating is supported by its strong linkage to the Government of Malaysia, Khazanah's stakes in strategic Malaysian assets across key sectors, and its role in supporting and implementing the government's socioeconomic objectives. Moody's additionally noted Khazanah's ability to tap external funding, its track record of conservative financial practices and policies, and commitment to operate within publicly articulated target leverage levels.

Khazanah's standalone credit strength is somewhat moderated by the high geographic concentration of its portfolio in Malaysia and exposure to market volatility which causes fluctuations in its portfolio value, as with many other sovereign wealth funds globally. Khazanah is expected to continue rebalancing its portfolio to diversify its investments and reduce concentration risks.

Khazanah's Managing Director, Dato' Amirul Feisal Wan Zahir said, "We are delighted with the rating as it showcases our financial strength and durability. Our focus remains on rebalancing the portfolio and creating value for Malaysia. Completing the portfolio transition and systematically paring down debt is important to strengthen Khazanah's balance sheet enabling us to fulfil our mandate of Advancing Malaysia".

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For further information, please contact Sherliza Zaharudin at Tel: +603 2034 0000 or email sherliza.zaharudin@khazanah.com.my.

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.