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PRESS RELEASE
MINISTRY OF FINANCE MALAYSIA

THE GOVERNMENT OF MALAYSIA SUCCESSFULLY PRICES ITS ¥200 BILLION (RM7.3 BILLION) SAMURAI BOND AT THE FULL COST OF 0.63% P.A. FOR A TENURE OF 10 YEARS

On 8 March 2019, the Government of Malaysia (“GOM”) successfully priced its ¥200 Billion (RM7.3 Billion) 10-year Japan Bank for International Cooperation (JBIC) Guaranteed Samurai Bond at the full cost of 0.63% p.a. to GOM. This marks the Government’s return to the Japanese Yen Bond market after a 30-year absence. This will be the largest JBIC-guaranteed sovereign bond issuance in the market.

As part of a government-to-government arrangement, the issuance is guaranteed by JBIC under its “Guarantee and Acquisition toward Tokyo market Enhancement (GATE)” programme, the first JBIC guarantee undertaken by Malaysia. The guarantee is part of the effort by both Prime Minister Tun Dr Mahathir Mohamad and Prime Minister Shinzo Abe to foster closer economic and cultural ties between Malaysia and Japan. Proceeds from the offering will be used by the Government for its general purposes, financing development expenditures that among others include building schools, hospitals, public roads and utilities.

The issuance process commenced with a 2-day investor roadshow in Tokyo on the 7th and 8th of February 2019, which was led by the Finance Minister of Malaysia, YB Lim Guan Eng. This was followed by an official marketing exercise from the 4th until the 7th of March 2019. During the engagement period, investors expressed strong interest towards the issuance and this reflected their confidence towards Malaysia’s stable macroeconomic fundamentals, governance and structural reforms.

As a result, the issuance has been received extremely well across the investor spectrum and picked up by quality Japanese investors. These investors are specialized banks (37.9%), city banks (35%), life insurance companies (13.9%), regional banks (6.5%), shinkin banks (3.8%) and others (2.9%).

The opportunity offered by the Japanese Government for GOM to tap into the Samurai bond market further enhances Malaysia's position as a leading investment hub within the region, while diversifying its stable funding base.

Mizuho Bank, HSBC Malaysia and Daiwa Securities in collaboration with Affin Hwang Investment Bank acted as Joint Lead Arrangers and Bookrunners for this issuance.

The Ministry of Finance wishes to thank the Japanese Government and the Japanese ambassador to Malaysia for facilitating the Samurai bond issuance to its successful completion.

Sayangi Malaysiaku!

Ministry of Finance Malaysia
Putrajaya
8 March 2019