

10 FEB, 2025

Khazanah contributes RM19b dividend to govt since 2004

The Malaysian Reserve, Malaysia



Khazanah contributes RM19b dividend to govt since 2004

The sovereign wealth fund's NAV soars to RM104b in 2024

by GLORIA HARRY BEATTY

KHAZANAH Nasional Bhd's declared a RM1 billion dividend for 2024, bringing its cumulative dividend contributions to the government to RM19.1 billion since 2004.

Its net asset value (NAV) surged by RM18.8 billion (22.17%) last year, to RM103.6 billion, compared to RM84.8 billion in 2023.

This represents one of the most significant single-year NAV increases in recent years, highlighting the sovereign wealth fund's strong portfolio performance, prudent financial strategies and consistent long-term growth.

Khazanah's NAV has grown from RM33 billion in 2004, reflecting a compounded annual growth rate (CAGR) of 5.9%.

The sovereign wealth fund also recorded a profit from operations of RM5.1 billion for 2024, supported by stable dividend income, monetisation strategies and fair value gains from global public equities.

Meanwhile, its realisable asset value (RAV) increased by RM16.3 billion (12.07%) to RM151.3 billion, up from RM135 billion in 2023.

This includes cash and cash equivalents, other current assets, current liabilities and bond assets.

Khazanah's balance sheet remained resilient, with a RAV-over-debt ratio of 3.2 times, demonstrating long-term financial stability.

The majority (93%) of its portfolio is dedicated to investments, while the remainder consists of developmental assets, Dana Impak, and special situations.

The investment portfolio's RAV rose to RM140.9 billion in 2024 from RM126.2 billion in 2023.

Robust Domestic Performance

The sovereign fund MD Datuk Amirul Feisal Wan Zahir credited the fund's strong performance to its Malaysian investments.

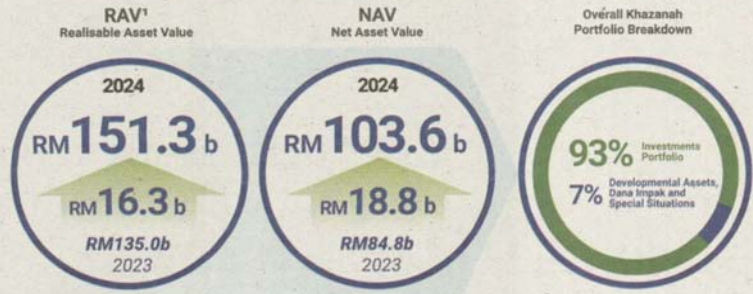
"We achieved a significant growth in our portfolio in 2024, driven by the strong performance of our Malaysian investments, particularly our holdings in the major constituents outperforming the FTSE Bursa Malaysia KLCI (FBM KLCI), on the back of strong domestic market performance, continued growth of public equities in developed markets and the recovery in emerging markets.

"Malaysia's economy also demonstrated strong resilience in 2024, with GDP growth expected to accelerate to between 4.8% and 5.3%."



Amirul Feisal (centre) says Khazanah achieved a significant growth in its portfolio in 2024, driven by the strong performance of its Malaysian investments

Source: Media Mula



¹RAV includes Cash and Cash Equivalents, Other Current Assets, Other Current Liabilities and Bond Assets

The ringgit strengthened by 2.7% against the US dollar, and the FBM KLCI achieved an impressive 12.58% gain.

This robust economic environment, along with Khazanah's disciplined investment approach, contributed to its strong performance for the year, with NAV TWRR reaching 24.6%, a significant increase from 5.7% in 2023, he added.

Looking ahead, Amirul Feisal reaffirmed Khazanah's long-term strategy.

"We aim to maintain the strong momentum from 2024 and to ensure the successful execution of our value creation efforts through our long-term strategy of Advancing Malaysia, anchored on 'A Nation That Creates' approach to progress the country and build a better Malaysia, in line with the Ekonomi MADANI values of

Innovation (Daya Cipta)."

He also noted collaboration with government-linked investment companies, catalytic partnerships and innovation-driven initiatives to strengthen Malaysia's global competitiveness and productivity.

Catalysing Innovation, Economic Growth

As part of its Dana Impak initiative, Khazanah launched Jelawang Capital in October 2024 as the National Fund-of-Funds.

This initiative aims to enhance Malaysia's venture capital ecosystem through the Emerging Fund Managers Programme and the Regional Fund Managers Initiative, designed to attract international investors and fund managers.

Energy Transition Efforts

Khazanah continues to support

Malaysia's transition to sustainable energy.

Tenaga Nasional Bhd (TNB) is investing in grid modernisation to enhance stability and resilience, enabling greater integration of renewable energy sources.

Key initiatives include the development of a 100MW/400MWh grid-scale battery project.

Additionally, UEM Lestra Bhd, Khazanah's green investment platform under UEM Group Bhd, has allocated RM1.5 billion to accelerate industrial decarbonisation and energy transition efforts in Malaysia.

Delivering Socio-Economic Impact

Beyond financial returns, Khazanah remains committed to driving social impact.

The K-Youth Programme, backed

by RM200 million, trained 8,222 youths in 2024, with 76% from the bottom 40% communities.

For its 2024 cohort, the programme aims to secure employment for 75% of participants, focusing on industries such as semiconductors, digital technology and aviation.

Since 2006, Khazanah has allocated RM2.5 billion to various community development initiatives to foster inclusive growth and build vibrant communities across Malaysia.

Enhancing Connectivity, Infrastructure

Khazanah, in partnership with the Employees Provident Fund (EPF), Global Infrastructure Partners (GIP), and the Abu Dhabi Investment Authority (ADIA), established the Gateway Development Alliance (GDA) to privatise Malaysia Airports Holdings Bhd (MAHB).

This strategic move is aimed at upgrading Malaysia's airport infrastructure, improving passenger services and enhancing airline connectivity to attract more international tourists.

The privatisation deal, valued at RM18.4 billion at RM11 per share, is expected to bolster Malaysia's position as a key regional aviation hub.

Challenges in the Private Market

Despite its strong performance, Khazanah acknowledged challenges in its private market investments, citing higher interest rates, financing difficulties and a tough exit environment.

The fund remains committed to its portfolio rebalancing strategy and long-term value creation efforts to strengthen its financial position.

Moving Forward in 2025

Looking ahead, Amirul Feisal reaffirmed Khazanah's commitment to navigating global economic trends and domestic opportunities.

"We are confident that Malaysia will continue to maintain resilient, bolstered by political stability and clear policy direction. The significant influx of investments from both foreign and domestic sources reflects the confidence in our nation's potential for sustained growth.

"Indeed, we look forward to working with all parties — government, firms, NGOs, investors and the rakyat — as we continue in our mission of Advancing Malaysia."

With a strong balance sheet, disciplined investment strategies and a commitment to nation-building, Khazanah is well-positioned to sustain its growth trajectory in 2025 and beyond.