

SUKUK WAKALAH BIL-KHADAMAT: STRUCTURE & APPLICATION

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CIMB Islamic Bank Berhad

CIMB Islamic Bank Berhad | 2026

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Table of Contents

SLIDE

NEWS HIGHLIGHTS

03 GOM sukuk news highlights

SUKUK MANAF AE

04 Transaction parties

05 Structure diagram

06 Service rights structure

07 Structure and cash flow

08 Key features

SUKUK MANAF AE (CONTINUED)

09 Purchase undertaking & redemption

10 Tangibility ratio & certificateholders' rights

11 Shariah references & considerations

AAOIFI SHARIAH STANDARD NO. 62

12 Other challenges

13 General challenges

OTHER HIGHLIGHTS

14–17 CIMB tokenised sukuk settlement

18 Tokenised retail savings sukuk

News Highlights on GOM Sukuk:

Malaysia's Global Sukuk 4.7 Times Oversubscribed, Priced at Record-Low Spreads

<https://www.mof.gov.my/portal/en/news/press-release/malaysia-global-sukuk-240726>

CIMB Supports Successful Execution Of Malaysia's Sovereign US Dollar Sukuk Issuance As Joint Lead Manager And Bookrunner

<https://www.cimb.com/en/newsroom/2026/cimb-supports-successful-execution-of-malaysias-sovereign-us-dollar-sukuk-issuance-as-joint-lead-manager-and-bookrunner.html>

Malaysia Sovereign Sukuk Bhd. Sukuk Assigned Preliminary 'A-' Rating

<https://www.spglobal.com/ratings/en/regulatory/article/-/view/sourcelid/101693304>

Strong Demand for Malaysia's US\$1.5 Bln Sukuk Signals Investor Confidence – BNM Governor

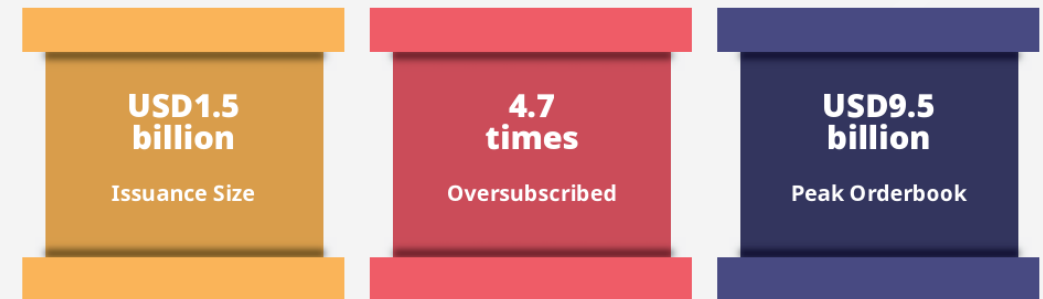
<https://bernamabiz.com/news.php?id=2586854>

Highlights of the 2026 Government of Malaysia's Sovereign US Dollar Global Sukuk Issuance

Introduction

The Government of Malaysia achieved a historic milestone by successfully pricing a USD1.5 billion dual-tranche global sukuk offering in July 2026, marking a triumphant return to the international sovereign sukuk market after five years. This issuance achieved a record-breaking low spread, with 4.7 times oversubscription and a combined orderbook peaking at over USD9.5 billion from top-tier institutional accounts worldwide, as shown in Figure 1. Anchored by solid sovereign credit ratings of A3 from Moody's and A- from S&P Global Ratings, the overwhelming reception signified deep investors' confidence in Malaysia's credit standing, reflecting strong macroeconomic fundamentals, continuous commitment in fiscal discipline and ongoing structural reforms.

FIGURE 1. Transaction Highlights

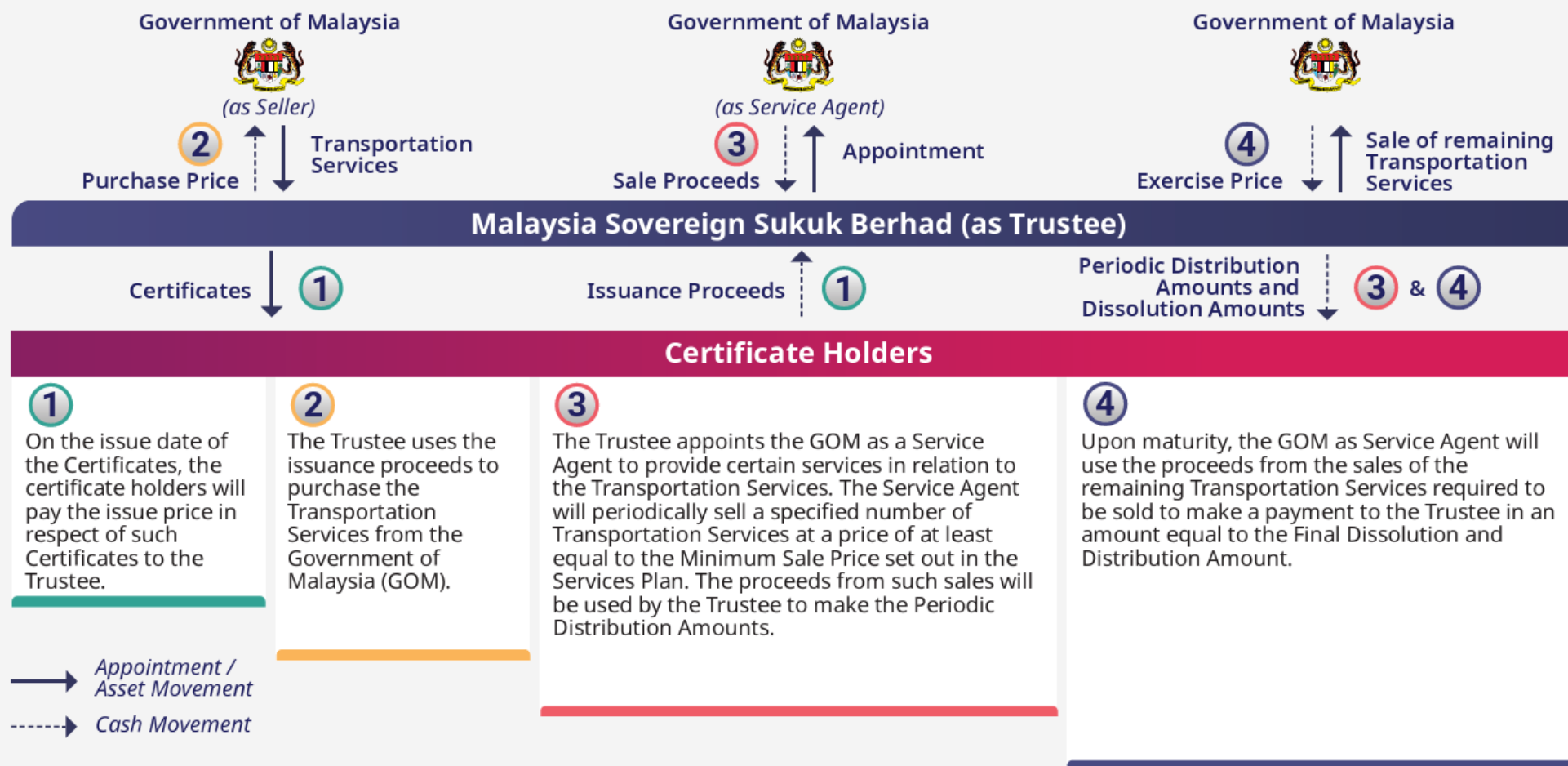


SUKUK MANAFAE: TRANSACTION PARTIES

Issuer	Malaysia Sovereign Sukuk Berhad (“MSSB”) A wholly-owned Special Purpose Vehicle (SPV) of the Government of Malaysia serving as the issuance conduit and Trustee on behalf of investors.
Government of Malaysia (“GOM”)	Acts as the Obligor and agent to manage the underlying Wakala Manafae asset portfolio.
Sukuk	Issuance of Trust Certificates (“Sukuk Manafae”)
Joint Lead Managers & Bookrunners	▪ CIMB ▪ HSBC ▪ J.P. Morgan ▪ Standard Chartered Bank
Joint Shariah Coordinators	▪ Board Shariah Committee of CIMB Islamic Bank Berhad ▪ HSBC Global Shariah Supervisory Committee ▪ Standard Chartered Bank Global Shariah Supervisory Committee ▪ J.P. Morgan Shariah Committee
Investors/Certificateholders	The sukuk certificate holders who hold beneficial ownership in the Trust Certificates

SUKUK MANAFAE: STRUCTURE DIAGRAM

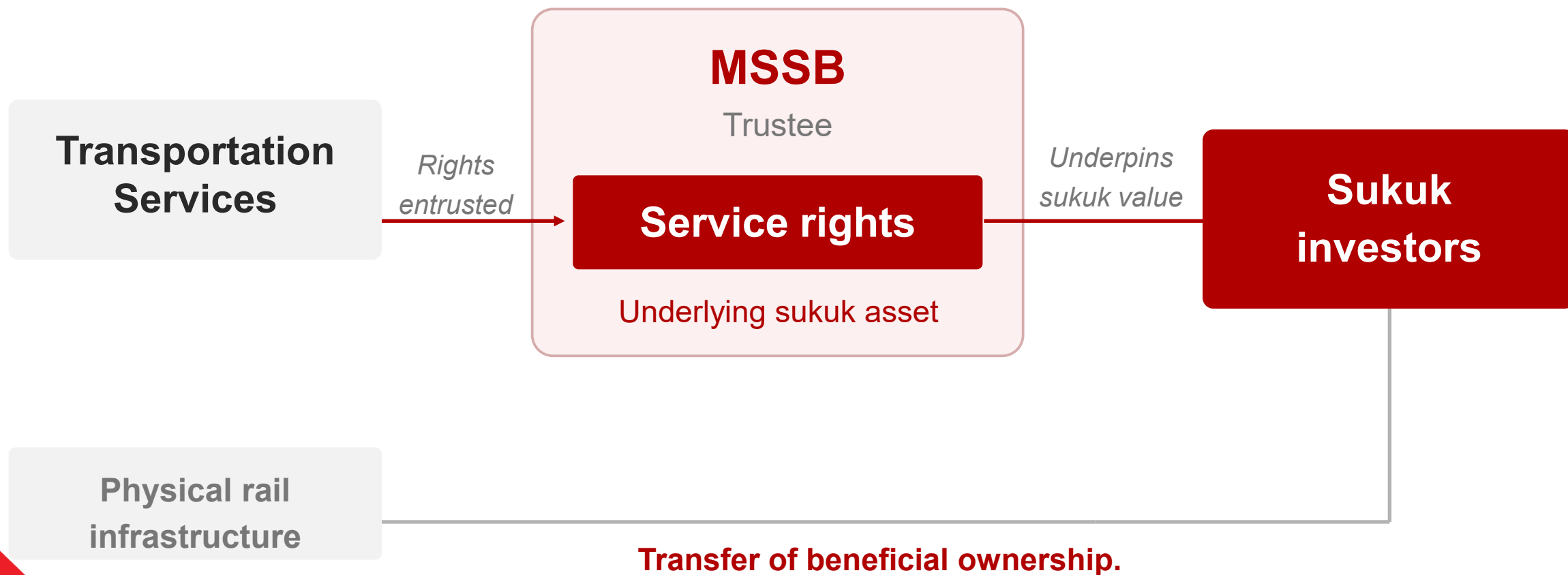
FIGURE 4. *Sukuk Transaction Structure*



Source: Ministry of Finance, Malaysia

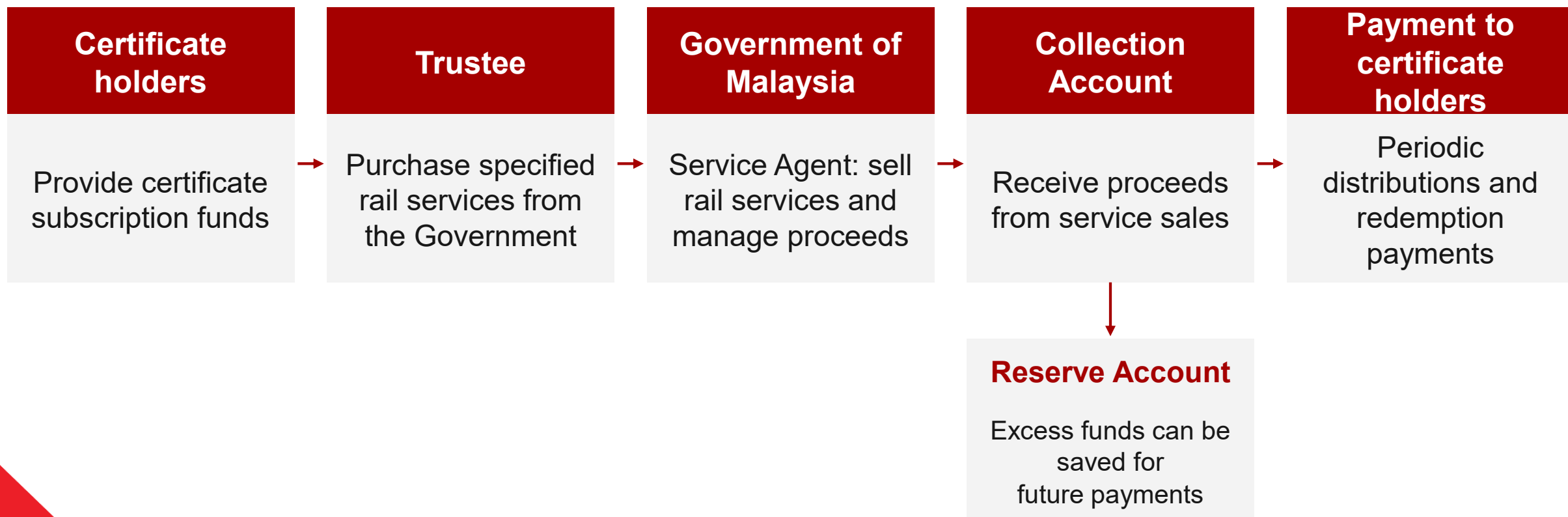
SUKUK MANAFAE: SERVICE RIGHTS STRUCTURE

Manafae structure in compliance with AAOIFI standards



SUKUK MANAFAE: STRUCTURE AND CASH FLOW

✓ *Shariah Concept: rights and benefits of Malaysian rail transport services*



SUKUK MANAFAE: KEY FEATURES

Shariah Basis & Trust Assets

- Rights and benefits of rail transportation services
- Trust assets: service and document rights, Transaction Account funds and proceeds

Funding and Use of Proceeds

- Trustee uses certificateholders' funds to buy Government transportation services
- Net proceeds to fund/finance approved projects, including infrastructure

Key Transaction Documents

- Purchase of Services Agreement
- Service Agency Agreement
- Purchase Undertaking
- Sale Undertaking

SUKUK MANAFAE

Service Agent And Cash Flow

- Government sells services and manages proceeds for distributions and redemption
- Collection Account receives sales proceeds. Excess may enter Reserve Account

Payment Shortfall Support

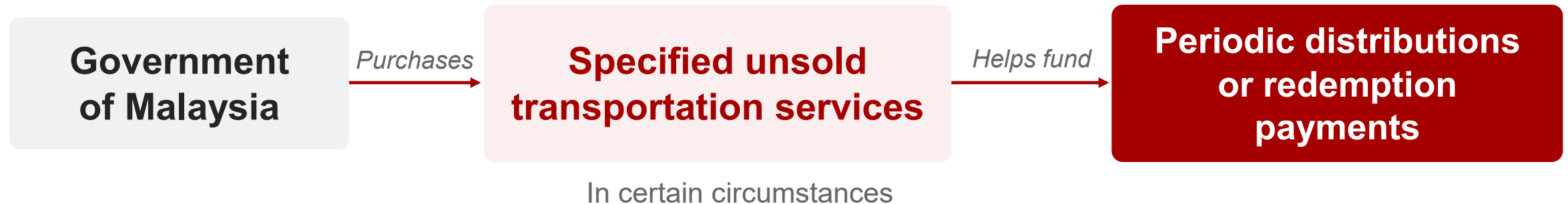
- Indemnity payments and reserve funds
- Shariah-compliant liquidity facilities and Government purchase undertakings

Tangibility Ratio Below 33%

- Special trading restrictions and delisting provisions may apply
- Certificateholders may gain redemption rights

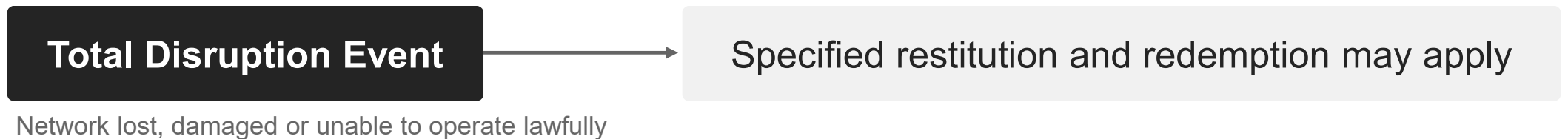
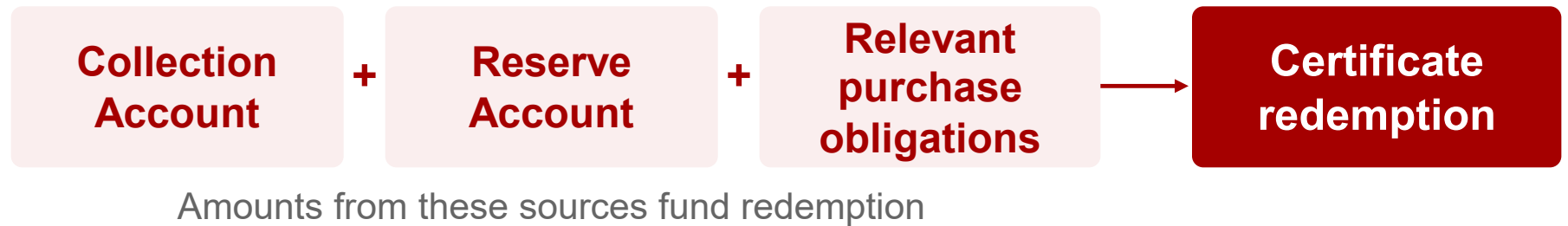
SUKUK MANAFAE: PURCHASE UNDERTAKING & REDEMPTION

PURCHASE UNDERTAKING

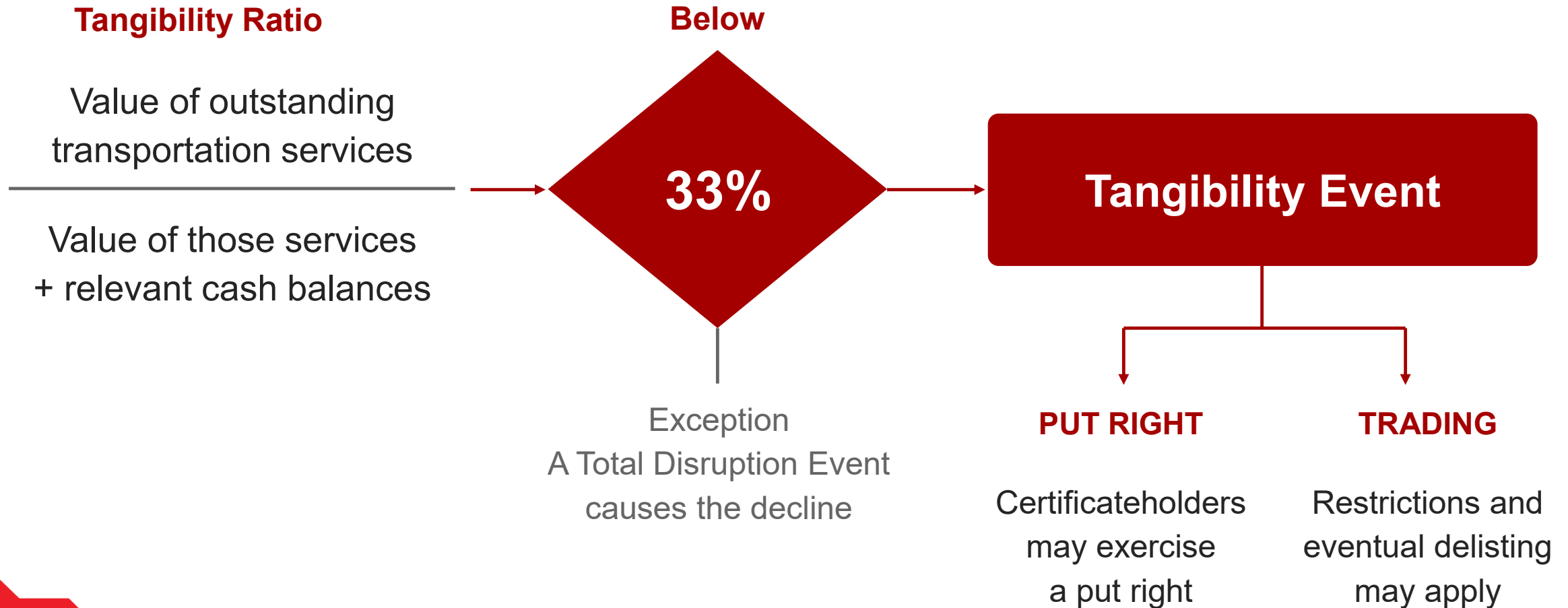


DISSOLUTION

Scheduled dissolution or specified events



SUKUK MANAFAE: TANGIBILITY RATIO & CERTIFICATEHOLDERS' RIGHTS



**Trading restrictions follow Shariah debt-trading principles in accordance with AAOIFI standards*

SUKUK MANAFAE: SHARIAH REFERENCES & CONSIDERATIONS:

1. Shari'ah Standard No. (17) on Investment Sukuk

- Certificates of ownership of services of a specified party

2. Exposure DRAFT of Shari'ah Standard No. (62) on Sukuk

- Sukuk of acquiring and selling specific (identified) services rendered by a party

Reserve account

- Hedging via Reserve Account
- Covering the shortfall in the reserve account

Underlying assets

- Special Provisions to Agency Sukuks for Selling the Underlying Assets
- Undertaking to Purchase the Underlying Assets of Sukuk
- Special Provisions to Agency Sukuks for Selling the Underlying Assets

Trading

- General Provisions of Trading the certificates of Sukuk

AAOIFI SHARIAH STANDARD NO. 62: OTHER CHALLENGES

Service Agency Agreement: requirement on hedging and impact on sukuk rating

Situation		Agent action / obligation		Purpose / consequence
○ Requirement to procure hedging	→	Service agent to procure or arrange hedging within a certain period.	→	To cover any wakalah cashflow shortfalls for periodic distributions and any decline in asset-value affecting redemption.
○ Failure to procure hedging ○ Notify Trustee	→	Service agent to notify trustee of failure to procure hedging.	→	The notification constitutes a dissolution event under the agreement.
○ Failure to procure hedging ○ No notification to Trustee	→	Deemed as contractual breach: the service agent must cover the shortfall.	→	- Investors face issuer / obligor credit risk. - The breach may trigger sukuk dissolution and a rating downgrade.

AAOIFI SHARIAH STANDARD NO. 62: GENERAL CHALLENGES

Legal title transfer

True sale to the SPV requires legal ownership. Local laws can restrict public asset transfers.

Capital guarantees

Genuine risk-sharing removes purchase undertakings that guarantee principal repayment at par.

Asset-backed structures

Investors take more direct asset risk, making sukuk pricing and trading more complex.

SS62

Core challenges

Costs & documentation

Asset registration, title perfection and cross-border restructuring increase issuance costs and complexity.

Ratings & balance sheets

Asset-backed structures may change balance-sheet metrics, lower ratings or prove unratable under existing criteria.

Uneven adoption

Different national approaches to SS62 risk market fragmentation. Malaysia retains its own Shariah standards.

Other Highlights

CIMB SUCCESSFULLY COMPLETES ITS PILOT OF MALAYSIA'S FIRST TOKENISED DEPOSIT SETTLEMENT OF TOKENISED SUKUK

27 August 2026

Kuala Lumpur : CIMB Group, through CIMB Islamic Bank Berhad (collectively "CIMB"), has completed a pilot to test the settlement of tokenised sukuk using tokenised deposits in a controlled environment.

The pilot was conducted in relation to a RM1.68 billion issuance under CIMB Islamic Bank Berhad's existing RM10 billion Senior Sukuk Wakalah Programme, with tenors ranging from five to 15 years. Of the total issuance, RM1.38 billion was represented in tokenised form and subscribed by 12 institutional investors, while the remaining RM300 million was issued as traditional sukuk.

In simple terms, tokenisation allows a conventional financial asset such as a sukuk to be represented digitally using distributed ledger technology. When paired with tokenised deposits, which represent commercial bank money digitally, it has the potential to enable greater automation and more integrated settlement of financial transactions. This could ultimately reduce settlement delays, improve liquidity management and make the movement of funds more efficient.

The pilot was undertaken as part of CIMB's participation in Bank Negara Malaysia's ("BNM") Digital Asset Innovation Hub ("DAIH"), which provides a controlled environment for financial institutions to test new digital asset applications. CIMB has also been engaging with the Securities Commission Malaysia ("SC") on the development of tokenised capital market products. The tokenisation layer does not alter the underlying economic or Shariah structure of the sukuk.

<https://www.cimbislamic.com/en/newsroom/2026/cimb-successfully-completes-its-pilot-of-malaysias-first-tokenised-deposit-settlement-of-tokenised-sukuk.html>

Other Highlights

CIMB completes Malaysia's first pilot settling tokenised sukuk with tokenised deposits

KUALA LUMPUR (Aug 27): CIMB Group Holdings Bhd (KL:[CIMB](#)) has completed a pilot to test the settlement of tokenised sukuk using tokenised deposits in a controlled environment, paving the way for broader use cases enabled by blockchain technology.

These use cases include instant or atomic settlement for cross-border transactions, and the democratisation of investment assets — such as allowing bonds to be sold in amounts retail investors can easily afford. The pilot project was conducted through CIMB Islamic Bank Bhd in relation to a RM1.68 billion issuance under CIMB Islamic's existing RM10 billion senior sukuk wakalah programme, with tenors of five, seven, 10 and 15 years.

Of the total issuance, RM1.38 billion was represented in tokenised form and subscribed by 12 institutional investors, while the remaining RM300 million was issued as traditional sukuk. The order book was 1.73 times covered. The pricing date was Aug 19 and the settlement date Aug 27, according to Sylvia Wong, regional head of tokenisation at CIMB Group Wholesale Banking.

The difference between CIMB's pilot and the earlier pilot by Khazanah Nasional Bhd is that the former involved the settlement of tokenised sukuk and tokenised deposits, which means the financial asset and the cash were both settled on-chain, or on the blockchain — though the tokens mirror legal records that remain in the traditional system. A tokenised deposit is a bank deposit recorded as a digital token on a blockchain. Put simply, it represents commercial bank money digitally.

<https://theedgemalaysia.com/node/815931>

Other Highlights

CIMB Tests RM1.38 Billion Tokenised Sukuk Settlement Through BNM Hub

[CIMB](#) has completed a pilot using tokenised deposits to settle RM1.38 billion in tokenised sukuk. The pilot was linked to a RM1.68 billion issuance under CIMB Islamic Bank's RM10 billion Senior Sukuk Wakalah Programme, with tenors ranging from five to 15 years. Twelve institutional investors subscribed to the tokenised portion, while the remaining RM300 million was issued as traditional sukuk.

Tokenisation uses distributed ledger technology to represent financial assets digitally. [CIMB undertook the pilot as part of its participation in Bank Negara Malaysia's Digital Asset Innovation Hub](#), which provides a controlled environment for testing digital asset applications.

The bank has also engaged the Securities Commission Malaysia on developing tokenised capital market products. The tokenisation layer did not change the sukuk's underlying economic or Shariah structure.

<https://fintechnews.my/60571/blockchain/cimb-tokenised-sukuk-settlement/>

Other Highlights

CIMB tests tokenised sukuk for faster settlement

KUALA LUMPUR: CIMB Group Holdings Bhd's pilot to test the settlement of tokenised sukuk using tokenised deposits could lay the groundwork for a faster and more efficient institutional capital-market settlement.

CIMB Group Islamic banking chief executive officer Ahmad Shahrman Mohd Shariff said the pilot revolved around three main things – inclusivity, transparency and speed. He explained this will allow settlements to take place at a rapid pace in a safe environment.

"All this will help Malaysia move forward in terms of our relevance in the capital market space. More importantly, the introduction of digital assets gives Islamic finance the ability to access a fast-growing area globally," he told reporters at Malaysia's First Tokenised Deposit Settlement of Tokenised Sukuk launch here yesterday.

CIMB group wholesale banking treasury and markets head, Sylvia Wong said the aim of the pilot was to explore tokenisation across issuance and its operational workflows.

The pilot was conducted in relation to a RM1.68bil issuance under CIMB Islamic Bank Bhd's existing RM10bil Senior Sukuk Wakalah Programme. Out of the total issuance, RM1.38bil is via a tokenised sukuk and subscribed by 12 institutional investors, while the remaining RM300mil was issued as a traditional sukuk.

<https://www.bixmalaysia.com/learning-center/articles-tutorials/cimb-tests-tokenised-sukuk-for-faster-settlement>

Other Highlights

Malaysia to open up government sukuk to public via blockchain

KUALA LUMPUR (Oct 9): Malaysia plans to open up investment in government sukuk to retail investors through a tokenised retail savings sukuk initiative, Prime Minister Datuk Seri Anwar Ibrahim said on Friday.

The initiative will use blockchain technology to enable ordinary Malaysians to invest in government sukuk and choose which national priorities they wish to support.

“Through blockchain technology, ordinary people will be able to invest in government sukuk and choose whether the funds raised are channelled towards education, healthcare or social protection for the poor,” Anwar said during the tabling of Budget 2027.

“This means that the people will also be involved in financing the national priorities they wish to support,” he added. Primary issuance of government sukuk is restricted to institutional investors. Retail investors are able to access government sukuk via the secondary market, via exchange-traded or over-the-counter markets.

With the new measure under Budget 2027, the government is providing an alternative avenue for retail investors to participate in the government sukuk market.

<https://theedgemalaysia.com/node/821203>

THANK YOU

