



Media Release

RAM Ratings affirms MDV's AA₃/Stable/P1 ratings

RAM Ratings has affirmed Malaysia Debt Ventures Berhad's (MDV) AA₃/Stable/P1 corporate credit ratings and the same ratings of its RM2 bil Conventional and Islamic Commercial Papers/Medium-Term Notes Programmes. The affirmation incorporates an uplift, reflecting our view that MDV will continue to benefit from a "very high" likelihood of government support. This is supported by its strategic policy role in financing technology and innovation-led sectors and full government ownership through the Minister of Finance (Incorporated) and the Federal Lands Commissioner, although its standalone credit profile remains constrained by weak asset quality and modest earnings generation.

Established in 2002, MDV focuses on financing to underserved technology firms, a mandate that has broadened from information and communications technology to include other national priority sectors, notably most recently energy transition. MDV is one of two implementing agencies under the National Energy Transition Facility, part of the broader National Energy Transition Roadmap, and manages up to RM200 mil of allocated grants. The government's track record of support has included partial debt-to-equity conversions, government guarantees and funding cost subsidies for sukuk issuances – supporting our view of continued policy linkage and financial support, if required.

MDV's financial performance improved in FY Dec 2025, with pre-tax profit rising to RM7.3 mil from RM3.4 mil a year earlier, driven by higher financing income and impairment writebacks. However, earnings remain modest and sensitive to financing impairments and fair value movements. The gross impaired financing ratio declined to 23.9% as at end-December 2025 (end-December 2024: 29.9%), partly reflecting strong double-digit financing portfolio growth. Its weak asset quality nonetheless remains a key credit constraint, given MDV's developmental lending role, concentrated exposures and focus on higher-risk financing segments.

Financing growth is expected to be supported by technology and energy transition projects, which may increase MDV's funding requirements over the medium term. Gearing could potentially exceed four times from 3.8 times as at end-December 2025, but should remain comfortable. Its limited liquidity buffers and reliance on wholesale funding, particularly in view of its exposure to volatile credit costs, remain moderating factors.



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