

Headline	TNB may sell RM3.7bil sukuk soon		
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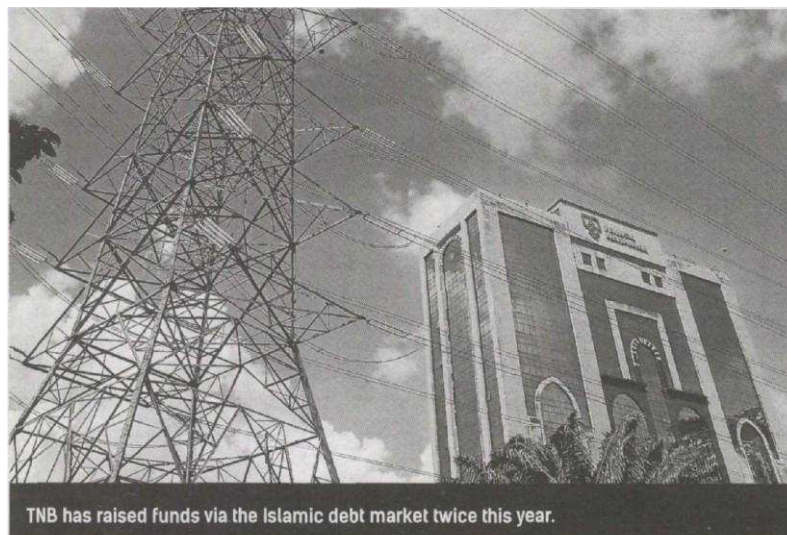
KUALA LUMPUR: Tenaga Nasional Bhd (TNB) plans to sell as much as RM3.7bil of sukuk to part-finance the building of a new plant, according to two people with knowledge of the deal.

The company hired BNP Paribas SA and CIMB Group Holdings Bhd to manage the offering, said the people who asked not to be named as the information is private. TNB was seeking to sell the Islamic notes as soon as this month, said one of the people.

The electricity provider is tapping the syariah-compliant debt market as borrowing costs approach unprecedented levels. The yield on the government's 10-year Islamic bonds climbed 80 basis points, or 0.80 percentage point, this year to 4.41%, and reached a record high of 4.44% on Dec 6, according to a central bank index.

TNB has raised funds via the Islamic debt market twice this year. It sold RM1.62bil of sukuk in May with maturities ranging from four to 23 years, and RM2bil in July due in one to 13 years, according to stock exchange filings. The 4.03% 2023 notes issued in May yielded 4.34% when they were last traded on Oct 23, data compiled by *Bloomberg* show.

Malaysia is the world's biggest issuer of sukuk, which pay returns on assets to comply with Islam's ban on interest. Sales of corporate syariah-compliant notes in the country dropped 60% in 2013 to RM37.4bil after reaching a record RM95.8bil last year, according to data compiled by *Bloomberg*. — *Bloomberg*



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