

Headline	TNB plans to sell RM3.7b of sukuk		
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TENAGA Nasional Bhd (TNB), Malaysia's biggest power producer, plans to sell as much as RM3.7 billion of sukuk to part-finance the building of a new plant, according to two people with knowledge of the deal.

The state-owned corporation 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 is seeking to sell the Islamic notes as soon as this month, said one of the people.

Datuk Ir Azman Mohd, the company's CEO, and Datuk Ir Baharin Din, VP of distribution, couldn't be immediately reached for comment by telephone.

The electricity provider is tapping the Shariah-compliant debt market as borrowing costs approach unprecedented levels. The yield on the government's 10-year Islamic bonds climbed 80 basis points, or 0.8 percentage point, this year to 4.41%, and reached a record high of 4.44% on Dec 6, according to a central bank index.

Malaysia is the world's biggest issuer of sukuk, which pay

returns on assets to comply with Islam's ban on interest. TNB has raised funds via the Islamic debt market twice this year. It sold RM1.62 billion of sukuk in May with maturities ranging from four to 23 years, and RM2 billion 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.

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returns on assets to comply with Islam's ban on interest. Sales of corporate Shariah-compliant notes in the country dropped 60% in 2013 to RM37.4 billion, after reaching a record RM95.8 billion last year, according to data compiled by Bloomberg.

The Bloomberg-AIBIM Bursa Malaysia Corporate Index, which tracks the most-traded local-currency notes, gained 2.8% this year to 105.11, the highest level since its inception in February 2012. — Bloomberg