

Headline	TNB plans to sell US\$1.2b sukuk		
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KUALA LUMPUR: Tenaga Nasional Bhd (TNB) plans to sell as much as RM3.8 billion (US\$1.2 billion) of sukuk to part-finance the building of a new plant, according to sources.

The utility company hired BNP Paribas SA and CIMB Group Holdings Bhd to manage the deal. TNB is seeking to sell the Islamic notes as soon as this month, said one of the sources.

TNB chief executive officer Datuk Azman Mohd and distribution vice-president Datuk Baharin Din could not be immediately reached for comment by telephone.

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 RM1.62 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 Bursa Malaysia 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 pays returns on assets. — *Bloomberg*