

# Bankers picked for sukuk

## Four banks appointed for the sale of Islamic bonds to part finance MRT

**KUALA LUMPUR:** Malaysia appointed Maybank Investment Bank Bhd, CIMB Investment Bank Bhd, RHB Investment Bank Bhd and AmInvestment Bank Bhd to manage a sale of Islamic bonds to partly finance the construction of a mass railway in Kuala Lumpur, three people familiar with the matter said.

Dana Infra Sdn Bhd, a company owned by the finance ministry and created to fund development projects, would sell ringgit-denominated notes as early as the end of this month, said the people, who didn't want to be named because the information is private.

The government had yet to set a

final amount for the sale and agreed to guarantee RM8bil in the initial issuance, which could be as much as RM2bil, two of the people said.

The *syariah*-compliant debt, or sukuk, may be offered to investors and also sold through a private placement, they said. Dana Infra may issue an additional RM30bil of the securities via a 50-year programme, which would be announced later, the two people said.

Datuk Dr Mohd Irwan Serigar Abdullah, deputy secretary-general to the treasury, was not immediately available to comment yesterday.

The planned offering by Dana Infra follows a RM30.6bil record issue of

*syariah*-compliant notes by toll-road operator PLUS Bhd completed in January. Malaysian companies issued RM75.6bil of sukuk last year, an all-time high, with 88% due in less than 10 years, according to data compiled by *Bloomberg*. Sales totalled RM10.5bil in 2012.

Dana Infra's Islamic bonds would probably receive top investment-grade status of AAA from local rating companies due to its sovereign backing, Mass Rapid Transit Corp (MRT) chief executive officer Azhar Abdul Hamid said in an interview on Feb 15.

MRT is managing the 156km Kuala Lumpur railway that may cost

RM48bil including rolling stock to build, according to a government estimate in 2010.

An updated costing would likely be made at the year-end once key contracts have been awarded, Azhar told reporters in February when granting the project's first major construction contracts worth a total RM1.74bil to IJM Corp and Ahmad Zaki Resources Bhd.

The network will ease traffic congestion in the capital and carry two million passengers a day when finished, with the first line scheduled for completion in 2016, the Government said in a 2010 report.

— Bloomberg