TENAGA NASIONAL

Better. Brighter.

INVESTOR PRESENTATION

1949-2019

BRIGHTENING LIVES FOR A BETTER MALAYSIA

WORLD BRANDING AWARDS

BRAND OF THE YEAR

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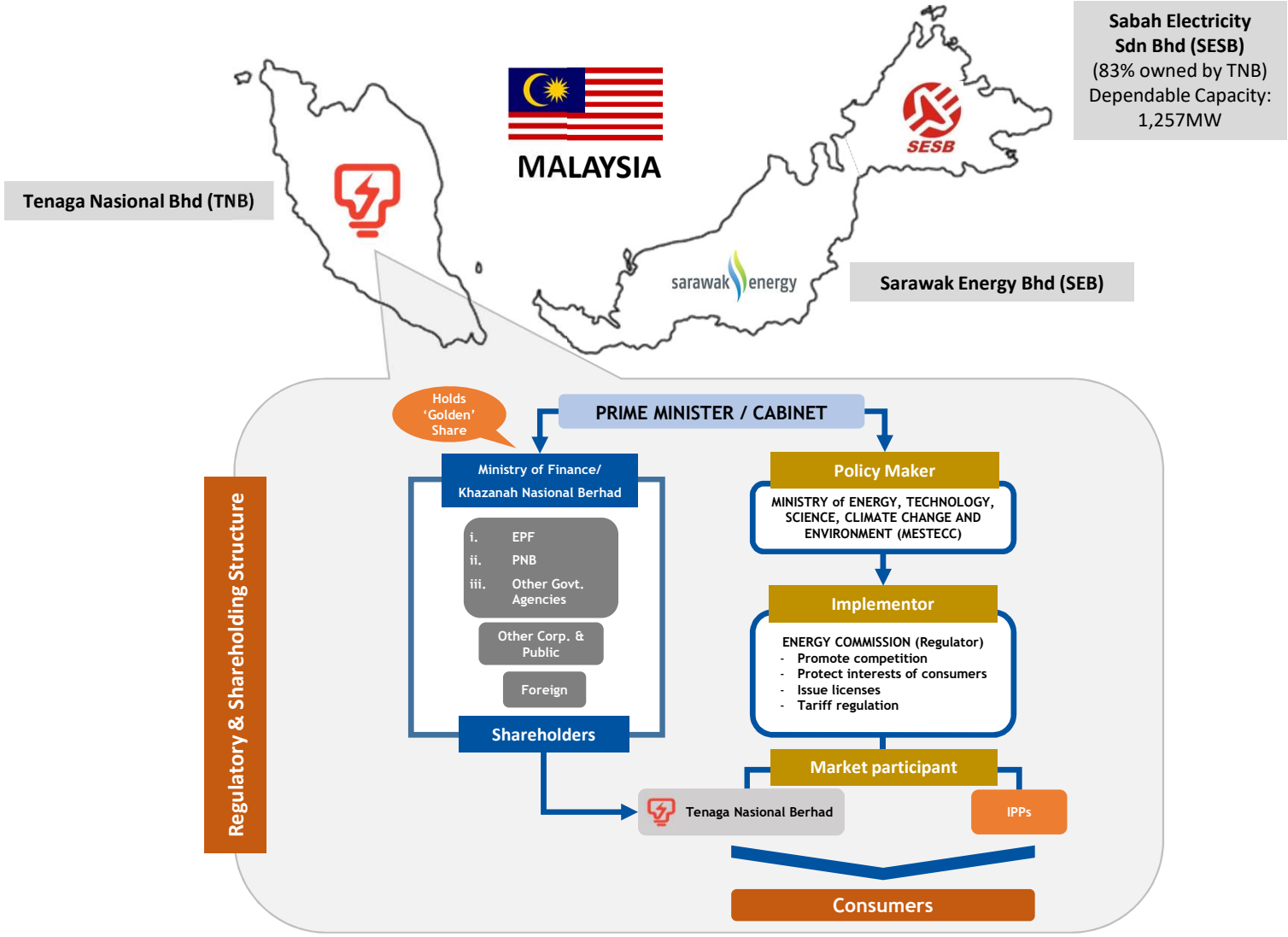
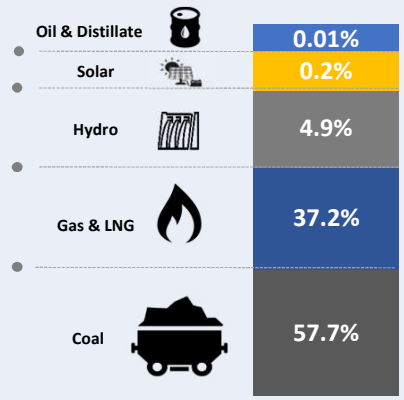


INTRODUCTION TO TENAGA

Core Business

Generation	Grid/Transmission	Distribution Network & Customer Service
Non-Regulated Business	**Regulated Business**	

TNB Generation Mix:



Installed Capacity:
24,196MW
TNB: 13,038MW @ 53.9%
IPP: 11,158MW @ 46.1%

Generation Market Share:
52.8%

Equivalent Availability Factor (EAF):
91.5%

Note: TNB installed capacity & Market Share are based on gross capacity

Transmission Network Length:
23,082KM

Transmission Substations:
443

Transmission System Minutes:
0.12 mins

Distribution Network Length:
660,038KM

Distribution Substations:
81,327

SAIDI:
25.8 mins

Customer Satisfaction Index (CSI):
8.1

Source: TNB Data / Info as at June 2019

Non-Core Business

Main Subsidiaries

Non-Regulated Business

Operation &Maintenance (O&M)

- TNB Repair & Maintenance Sdn. Bhd. (REMACO)

Manufacturing

- Tenaga Switchgear Sdn. Bhd.
- Malaysia Transformer Manufacturing Sdn Bhd.
- Tenaga Cables Industries Sdn. Bhd.

Renewables, Energy Efficiency & Other Services

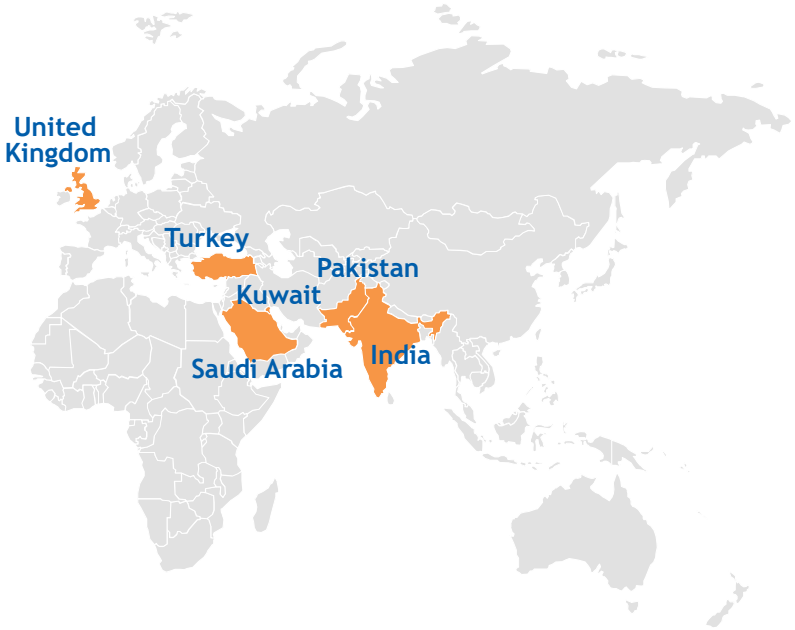
- TNB Renewables Sdn. Bhd.
- GSPARX Sdn. Bhd.
- TNB Energy Services Sdn. Bhd.
- TNB Engineering Corporation Sdn. Bhd.
- Integrax Bhd.
- Allo Technology Sdn. Bhd.

Education & Research

- TNB Integrated Learning Solution Sdn. Bhd. (ILSAS)
- TNB Research
- University Tenaga Nasional (UNITEN)

INTRODUCTION TO TENAGA

Expanding Global Footprint To Achieve Aspiration – TNB is currently present in more than 5 countries



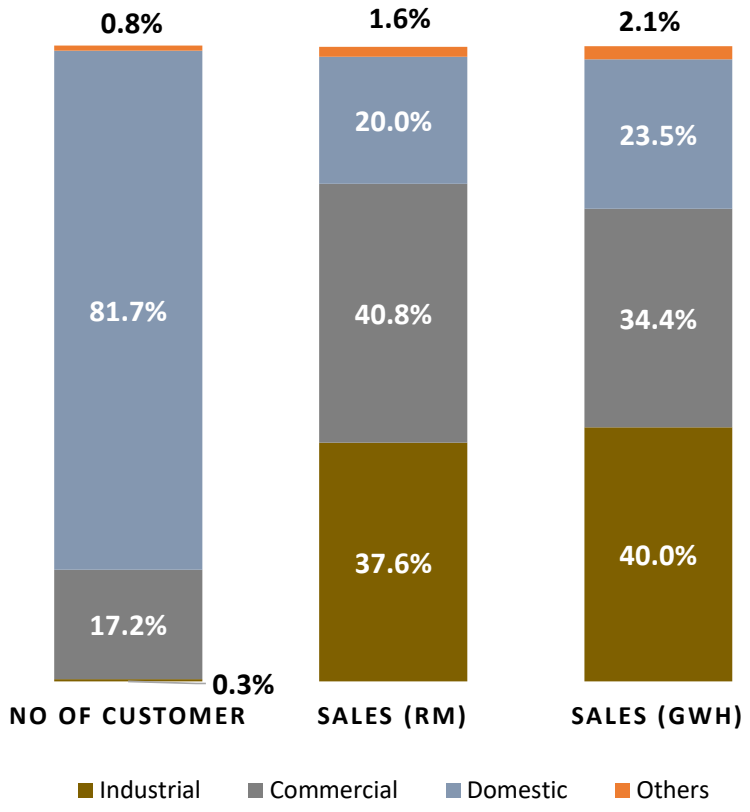
TNB'S FOCUS ON INTERNATIONAL EXPANSION AND INVESTMENT IN THERMAL & RENEWABLE ENERGY

United Kingdom	• 50% equity ownership in Vortex Solar Investments S.à.r.l (May 2017) • 80% equity ownership in Operational Onshore Wind Portfolio in UK (Feb 2018)
Turkey	• 30% equity ownership in GAMA Enerji A.Ş. (Apr 2016)
Saudi Arabia	• 20% equity ownership in a Malaysian Shoaiba Consortium Sdn Bhd (Aug 2005) • REMACO O&M Services for Shuaibah IWPP (Jan 2010)
Kuwait	• REMACO O&M for 225MW Sabiya Power Generation & Water Distillation Plant (July 2014) • REMACO O&M for Shuaiba North Co-Gen 780MW Power; 204,000 m3/day water (Sept 2013) • REMACO O&M for 210MW Doha West Power Generation & Water Distillation Plant (Nov 2016)
Pakistan	• Liberty Power Ltd 235MW (Sept 2001) • REMACO O&M Services - Bong Hydro Plant (May 2011) • REMACO O&M Services - Balloki Power Plan (July 2018)
India	• 30% equity ownership in GMR Energy Ltd (Nov 2016) • Convertible debenture in Bajoli Holi

INTRODUCTION TO TENAGA

Total Unit Sold	61,882 GWH
Total Assets	RM181.1bn
Total Customers	TNB: 9.2mn SESB: 0.6 mn
Total Employees	36,169

TNB Sectoral Sales Analysis*

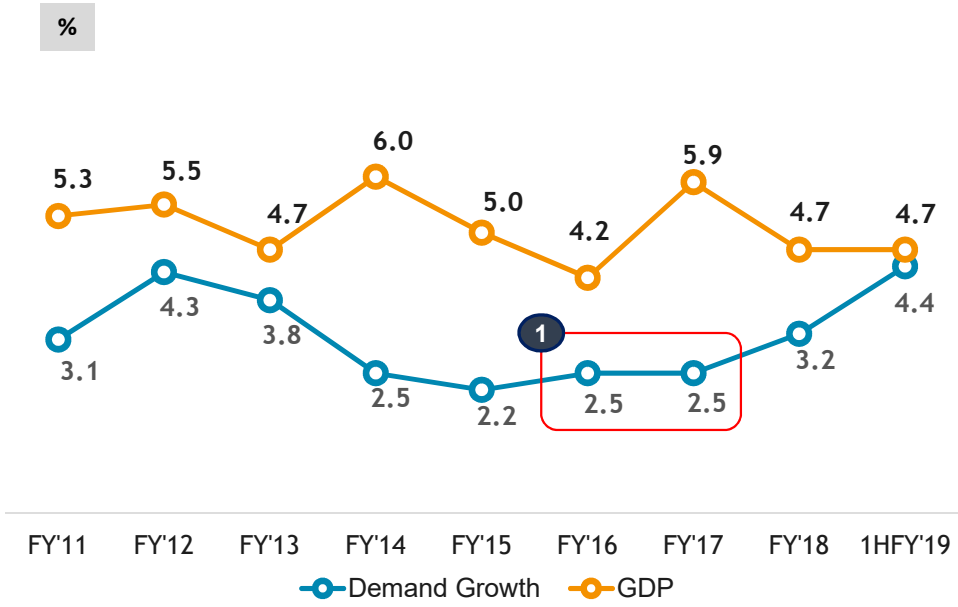


Note: *Data / Info as at 1HFY19 (June 2019)*
** Peninsular Malaysia only (TNB exclude SESB and other subsidiaries)*

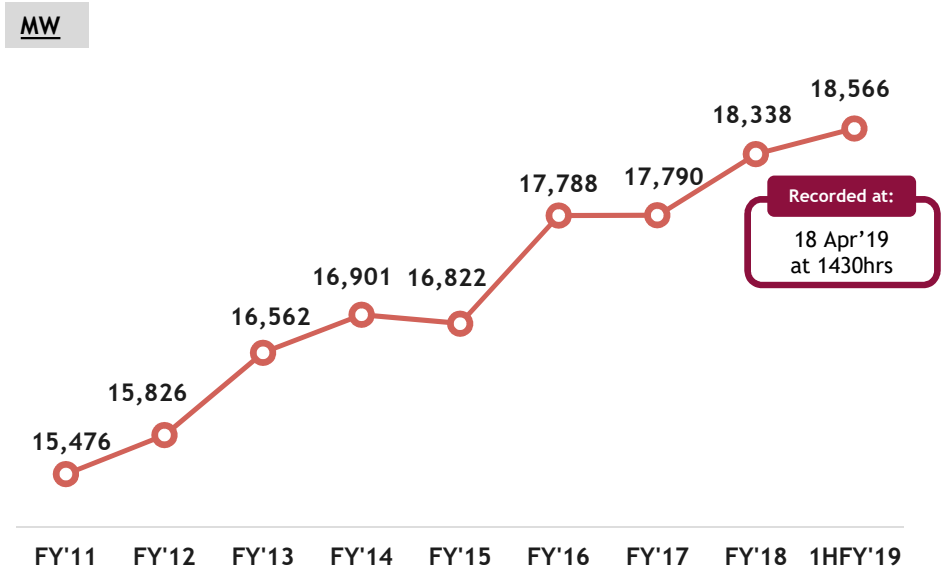
INTRODUCTION TO TENAGA

Strong Demand Growth Supported by New Peak Demand in 2QFY'19

GDP & TNB (Peninsula) Demand Growth by Financial Year



TNB (Peninsula) Yearly Peak Demand



1 Average demand growth for FY2016 & FY2017. This is to eliminate the one-off El-Nino phenomenon during 3QFY'16

Note:

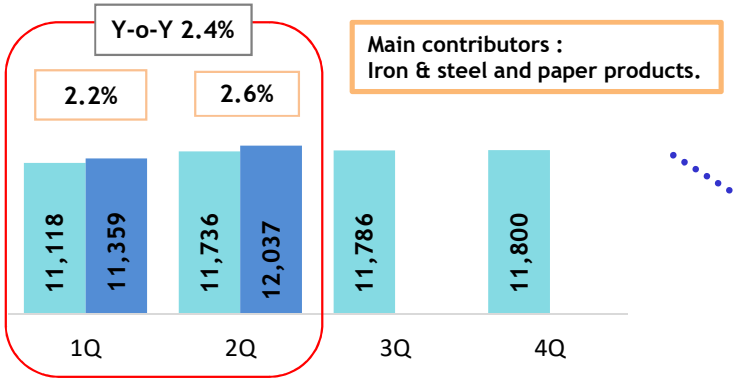
i. Data / Info as at 1HFY19 (June 2019)

ii. Peninsular Malaysia only (TNB exclude SESB and other subsidiaries)

INTRODUCTION TO TENAGA

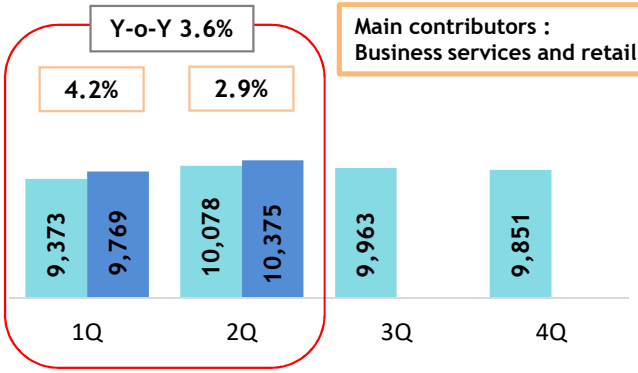
Positive Growth for All Sectors (GWh)*

Industrial



Main contributors :
Iron & steel and paper products.

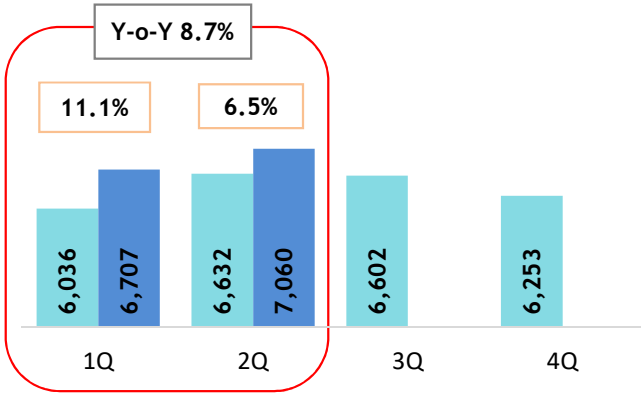
Commercial



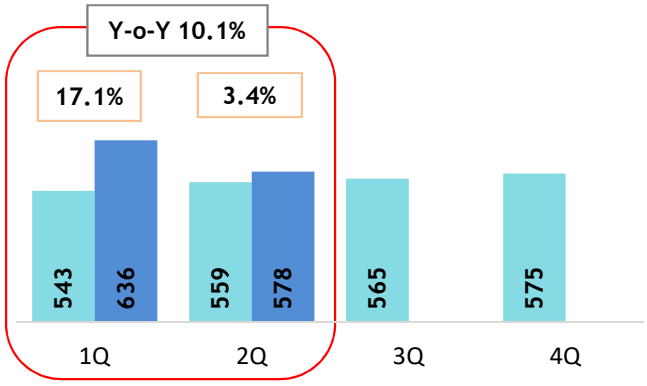
Main contributors :
Business services and retail

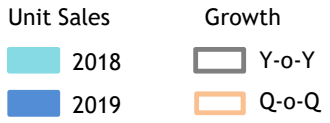
Sectoral Demand Growth

Domestic



Others



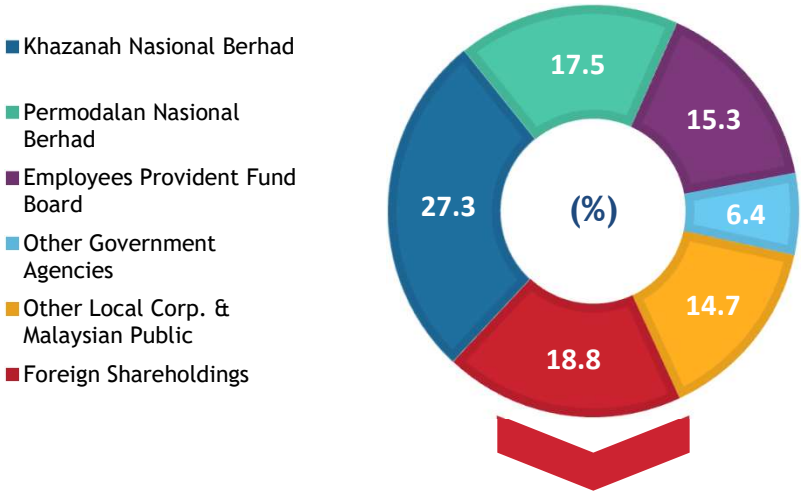


Note: *Data / Info as at 1HFY19 (June 2019)*
** Peninsular Malaysia only (TNB exclude SESB and other subsidiaries)*

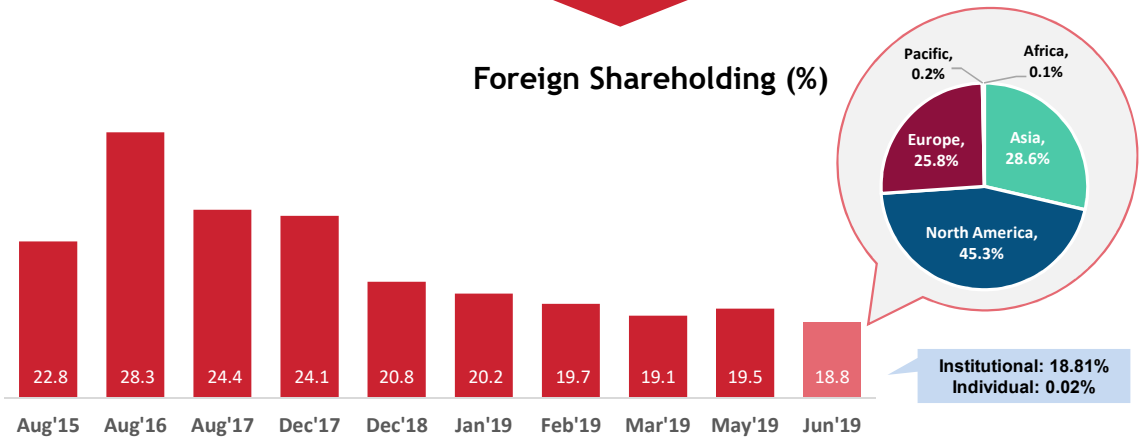
INTRODUCTION TO TENAGA

TNB Shareholding

Shareholding as at Jun'19

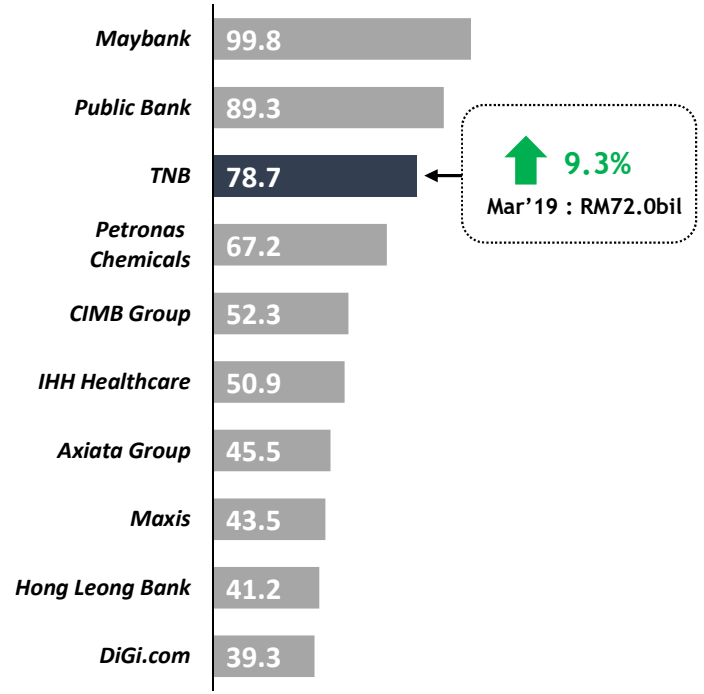


Foreign Shareholding (%)



Institutional: 18.81%
Individual: 0.02%

Top 10 KLCI Stocks by Market Capitalization as at Jun'19



Note:
TNB Latest Market Cap: RM78.1bil (3rd), as at 28th Aug 2019

INTRODUCTION TO TENAGA

Composition of BOD

CHAIRMAN
TAN SRI LEO MOGGIE

EXECUTIVE DIRECTOR / CEO
DATUK SERI AMIR HAMZAH BIN AZIZAN

Independent Non-Executive Directors (Total = 5)

NORAINI BINTI CHE DAN

Expertise: Audit & Finance

GEE SIEW YOONG

Expertise: Audit & Finance

ONG AI LIN

Expertise: Audit & Finance

GOPALA KRISHNAN A/L K.SUNDARAM

Expertise: Law

JUNIWATI BINTI RAHMAT HUSSIN

Expertise: Project Management, Corporate Planning and Human Resource

Non-Independent Non-Executive Directors (Total =3)

DATUK AHMAD BADRI BIN MOHD ZAHIR
(MoF)

AMRAN HAFIZ BIN AFFIFUDIN
(Khazanah)

DATO' ROSLINA BINTI ZAINAL

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INCENTIVE BASED REGULATION (IBR)

A Mechanisms For Tariff Setting With Incentives To Improve Efficiency & Greater Transparency

Regulatory Environment:

1. Clear and Transparent Regulatory Framework

Clear and transparent regulatory framework governed by the Energy Commission provides investors with confidence in TNB's cash flow visibility

2. Consistent and Clear Returns

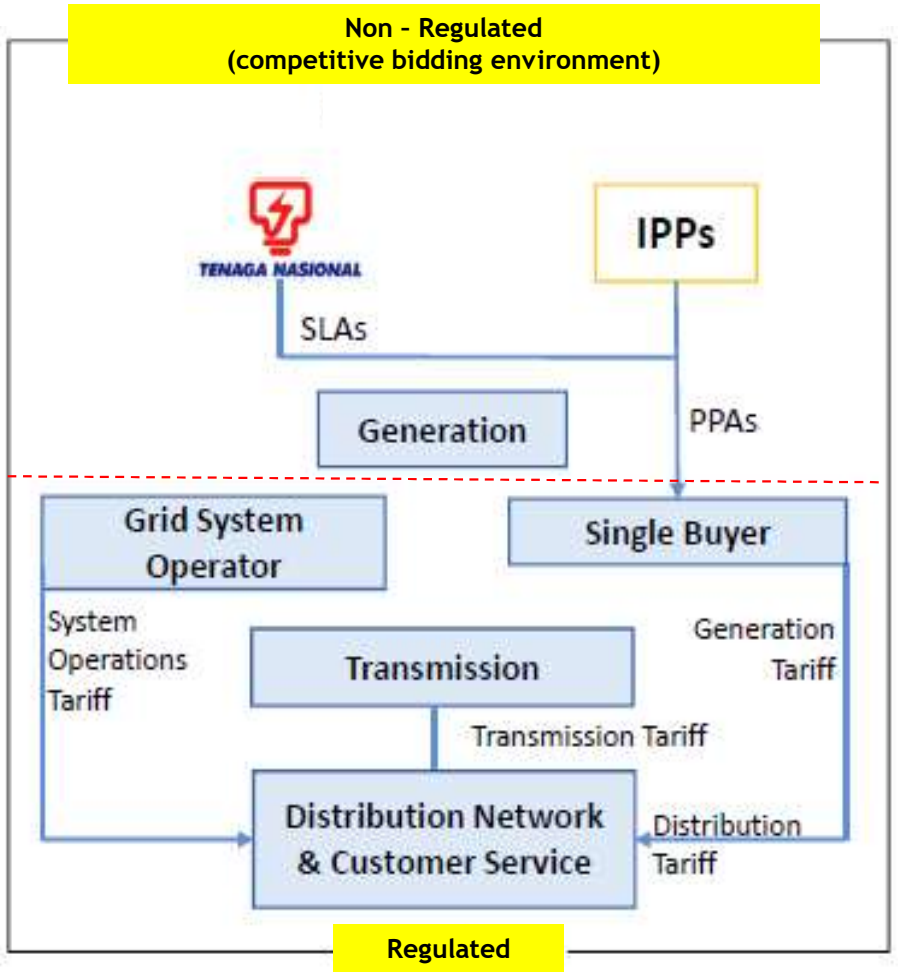
Regulatory WACC of 7.3% provides consistent and clear return to debt and equity holders

3. Shield against Uncontrollable Swings

Imbalance Cost Pass-Through mechanism shields Tenaga against uncontrollable swings in input costs, with a review every 6 months

4. Incentives for Operational Efficiencies

Incentive / Penalty mechanism provides clear incentives for TNB to achieve operational efficiencies



Source: *Energy Commission (EC)*

REGULATORY

INCENTIVE BASED REGULATION (IBR)

Imbalance Cost Pass-Through (ICPT) Mechanisms Ensures TNB Remain Neutral

Base Tariff under IBR framework comprises of:

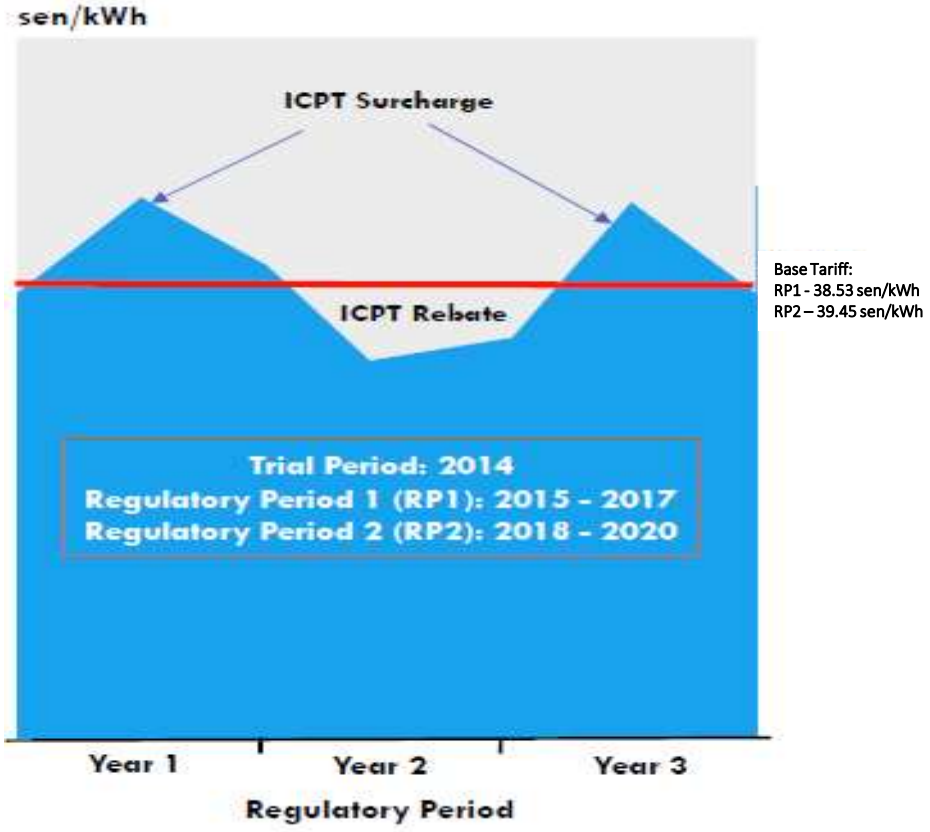
a) Opex, Depreciation of Regulated Assets & Tax Expenses of Business Entities
   - transmission, grid system operation, Single Buyer operation, distribution network and customer services

b) Power purchase cost charged by generators to the Single Buyer (based on fuel forecast base price)

c) Return on regulated assets (rate base) of Business Entities
   - Reviewed every 3 years

Imbalance Cost Pass-Through (ICPT):

a) ICPT is 6-monthly pass-through of variations in uncontrollable fuel costs and other generation specific costs (imbalance cost) incurred by utility for the preceding 6-month period
   - Reviewed every 6 months



Principle for ICPT Calculation

Cost components comprise of

- The ICPT is calculated based on an estimated actual fuel cost and generation specific costs for a particular six (6) months period against the corresponding baseline costs in the Base Tariff.

Source: *Energy Commission (EC)*

REGULATORY

INCENTIVE BASED REGULATION (IBR)

Imbalance Cost Pass-Through (ICPT) Comprises Two Components

Imbalance Cost Pass-through (ICPT)

Fuel Cost Pass Through (FCPT)

Changes in Gas/LNG and Coal Costs

PPAs	Power Purchase Agreements
SLAs	Service Level Agreements
CSTA	Coal Supply and Transportation Agreement
CPC	Coal Purchase Contract
GFA	Gas Framework Agreement
GSA	Gas Supply Agreement

Generation Specific Cost Adjustment (GSCPT)

Changes in:

- Other fuel costs such as distillate and oil
- All costs incurred by SB under the power procurement agreements (PPAs, SLAs and etc.) and fuel procurement agreements (CSTA, CPC,
- Renewable energy FiT displaced cost

RP2

ICPT	Announcement	Surcharge	Period
Jan – Jun'18	RM698.19mn	1.35sen/kWh	Jul – Dec'18
Jul – Dec'18	RM948.00mn	2.15sen/kWh	Jan – Jun'19
Jan – Jun'19	RM1,592mn	2.55sen/kWh	Jul – Dec'19

Source: Energy Commission, company presentations, company fillings

REGULATORY

INCENTIVE BASED REGULATION (IBR)

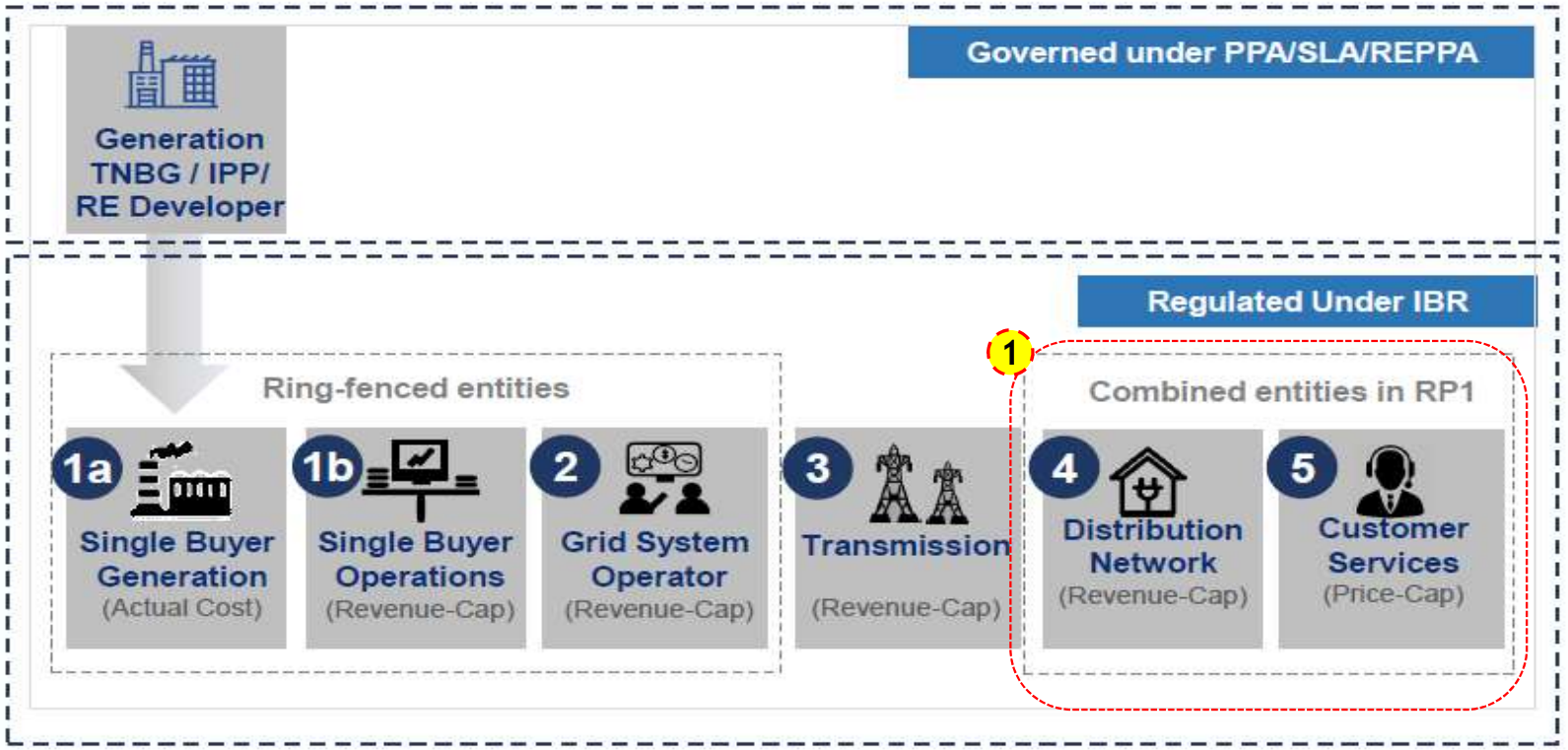
New Features in Electricity Tariff Review for RP2 (2018-2020)

More efficient and reliable electricity supply	Support Government's initiatives and aspirations	New addition in Key Performance Indicators	Separation of Distribution Networks and Customer Services
• Efficient and reliable electricity supply at the lowest efficient cost; • Enhancement in safety and reliability with smart grid capabilities.	• Supporting Government's initiatives in green energy and sustainability for example AMI, Distribution Automation, Group Relamping of streetlight, etc. • Continue the gas price subsidy rationalization by gradual removal of gas price subsidy;	• New performance indicators on each business entity that are in line with Government's policies; • Enhancement on KPI mechanisms and principles (symmetric and asymmetric).	• Separation of these business entities will enhance the system reliability and consumer experience; • This will increase the productivity and consumer satisfaction.

Source: *Energy Commission (EC)*

REGULATORY
INCENTIVE BASED REGULATION (IBR)

IBR Entities

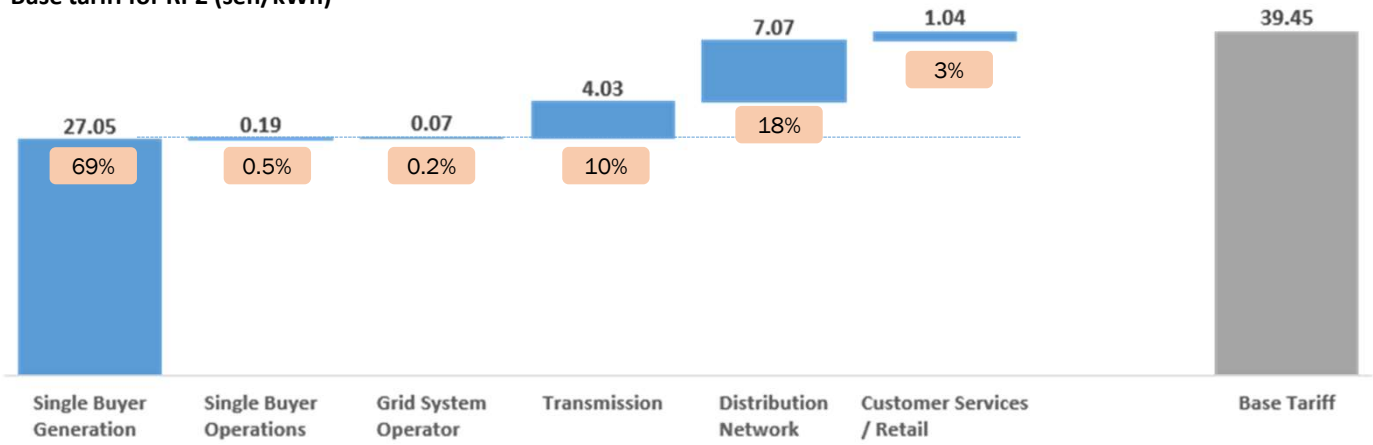


1 In RP1, these 2 entity are grouped as Price -Cap entity

Source: *Energy Commission (EC)*

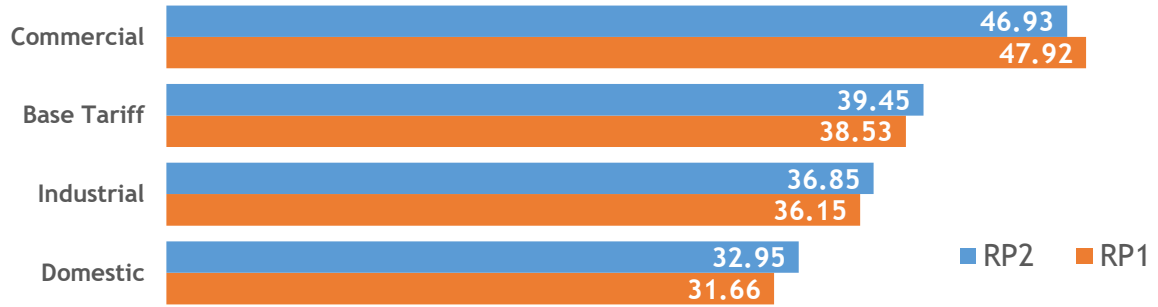
REGULATORY
INCENTIVE BASED REGULATION (IBR)
New Base Tariff Under IBR Mechanism RP2

Average Tariff by Entities (sen/kwh)



Entities		RP1 (sen/kWh)	Variance (RP2 v. RP1) (sen/kWh)
Single Buyer	Generation	26.76	+0.29
	Operation	0.19	-
Grid System Operator		0.05	+0.02
Transmission		3.66	+0.37
Distribution Network		6.77	+0.3
Customer Services		1.10	-0.06
Base Tariff		38.53	+0.92

Average Tariff by Sectors (sen/kwh)



Source: *Energy Commission (EC)*

REGULATORY
INCENTIVE BASED REGULATION (IBR)
RP2 Parameters

WACC

7.3%
RP1: 7.5%

Avg. Regulated Asset Based (RAB)

RM54.8bn
(Avg. RAB in 2020)
RP1: RM43.6bn
(Closing RAB)

TARIFF

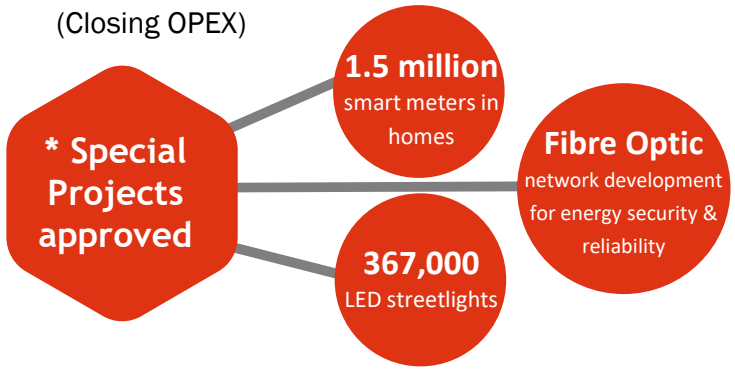
39.45 sen/kwh
RP1: 38.53 sen/kwh

OPEX

RM18.2bn
(Approved OPEX)
RP1: RM16.9bn
(Closing OPEX)

CAPEX

RM18.8bn*
(Approved CAPEX)
RP1: RM15.7bn
(Closing CAPEX)



Fuel Parameters

Coal

USD75/MT
(RM14.47/mmbtu @ RM4.212/USD)
RP1: USD87.5/MT @ RM3.100/USD

LNG

RM35/mmbtu
RP1: RM41.68/mmbtu

Regulated Gas
@1,000mmscfd

RM24.20/mmbtu (Jan'18 - Jun'18)
RM25.70/mmbtu (Jul'18 - Dec'18)
RM27.20/mmbtu (Jan'19 - Jun'19)
RM28.70/mmbtu (Jul'19 - Dec'19)

RP1: RM15.20/mmbtu – RM22.70/mmbtu

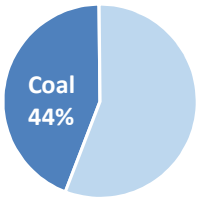
RP2 Forecasted Gas Utilization: 840 mmscfd

Source: *Energy Commission (EC)*

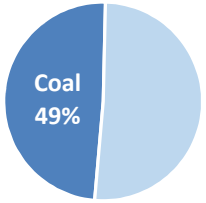
REGULATORY
INCENTIVE BASED REGULATION (IBR)
Generation and Customer Mix

Generation Mix RP1 vs RP2

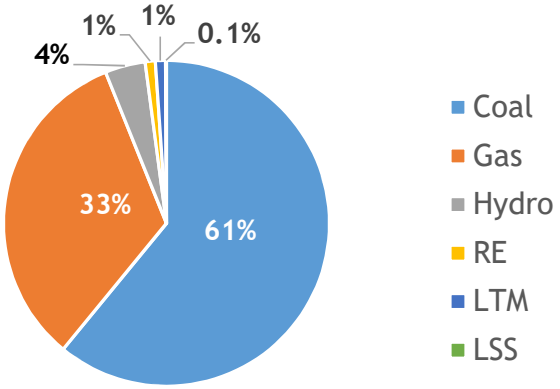
RP1 Base



RP1 Actual

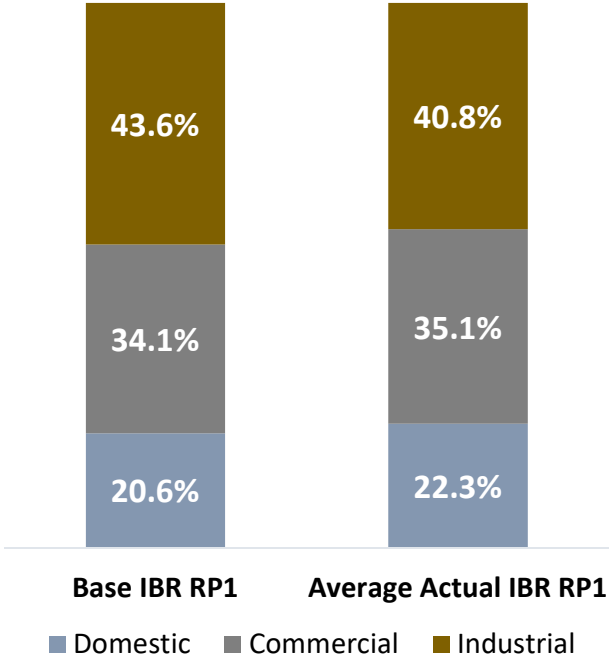


RP2



Made possible by improved coal plants performance and additional commissioning of coal plants.

Changes in Customer Mix (%) in RP1 (2015-2017)



RP2 Forecasted Demand Growth: 1.8 – 2.0%

Note:
LTM – Laos, Thailand & Malaysia Interconnection; **LSS** – Large Scale Solar

Source: *Energy Commission (EC)*

REGULATORY

MESI 2.0

5 Key Initiatives of MESI Reform 2.0

FUEL

Allow generators to source own fuel (coal and gas) to optimise cost

- Encourage IPPs to source cheaper fuels
- Any cost-savings will be shared between end-users and the generators (ratio and exact mechanisms has yet to be finalised)

HYBRID PPA & NEDA+

a) Move from PPA regime to capacity and energy market
   - Future PPAs will comprise capacity payments while excluding locked-in energy payments
   - Future PPAs will have shorter tenure (as opposed to the 21-25 year tenure practised previously)

b) Generators with excess capacity or with expired PPAs can utilise the improved New NEDA+ to sell energy via spot contract to SB

THIRD PARTY ACCESS (TPA)

Establish TPA framework and network charges for grid to allow third party using the infrastructures

- To allow trading of green energy
- To pave a way for the future export of electricity under ASEAN Power Grid
- To open up for non-renewable power producers
- Buyer to acquire a minimum of 20MW directly from the RE supplier and TNB will be paid a certain network charge for renting out its grid

RETAIL

Facilitate choice in retail

SINGLE BUYER (SB) & GRID SYSTEM OPERATOR (GSO)

Increase transparency and reduce conflict of interest in SB and GSO

Source: *The Edge Financial Daily article: Govt. to Liberalise Power Industry, 17th September 2019*

REGULATORY

MESI 2.0

MESI Reform 2.0 Key Initiatives Timelines

		KEY INITIATIVES	TIMELINES
			2019: 1Q 2Q 3Q 4Q · 2020: 1Q 2Q 3Q 4Q · 2021: 1Q 2Q 3Q 4Q · 2022: 1Q 2Q 3Q 4Q · 2023: 1Q 2Q 3Q 4Q · 2029
FUEL		MyPower to come up with draft on rules, incentive mechanisms, and amendments to regulatory control	
		Energy Commission (EC) expected to approved and published these rules	
		Pilot project	
		Full roll-out	
HYBRID PPA & NEDA+	HYBRID PPA	MyPower to come up with the energy and capacity markets' design and rules	
		EC to approve the design and rules	
		EC will hold the first auction for the capacity market (hybrid PPA)	
		The entry of the capacity market which will mark the beginning of the hybrid market till 2045, when the last batch of the current PPA ends - 2029	
	NEDA+	EC will roll out an improved NEDA+ to incentivise more power producers with excess capacity or expired PPAs	
TPA		EC and TNB to determine interim network charges based on RP2 to allow green energy power producers to ride on the grid	
		Once interim network charges are decided, third party 100MW green contract will be piloted to last till the end of the 3 year RP3	
		MyPower and EC to develop the rules / guidelines for the TPA with regards to market participation.	
		EC is expected to approve and submit RP3 to the government for endorsement, including network charges	
		EC to seek legal opinion on existing legislation TPA and other reform initiatives by end-2019. The new legislation (if necessary depending on legal opinion) will be tabled by end of 2022	
RETAIL		EC and TNB will announce grid's green rider initiative	
		MyPower will detail and complete a retail regulatory framework to be approved by EC by 4Q202	
		1) Itemised billing based on RP3 will be rolled-out together with new tariff design and approved network charges 2) Electricity time of use (which details different prices for the use of electricity at different times of the day) will be piloted	
		Pilot of opening up of retail to take place after the roll out of retail regulatory framework	
		The industry is expected to get ready for gradual price-based retail	
SB & GSO		EC will make first disclosure of the government's Power Planning Plan	
		MyPower will present a report on enhanced governance of SB and GSO	
		The enhanced ring-fenced governance to start in 1Q2021	

Source: *The Edge Financial Daily article: Govt. to Liberalise Power Industry, 17th September 2019*

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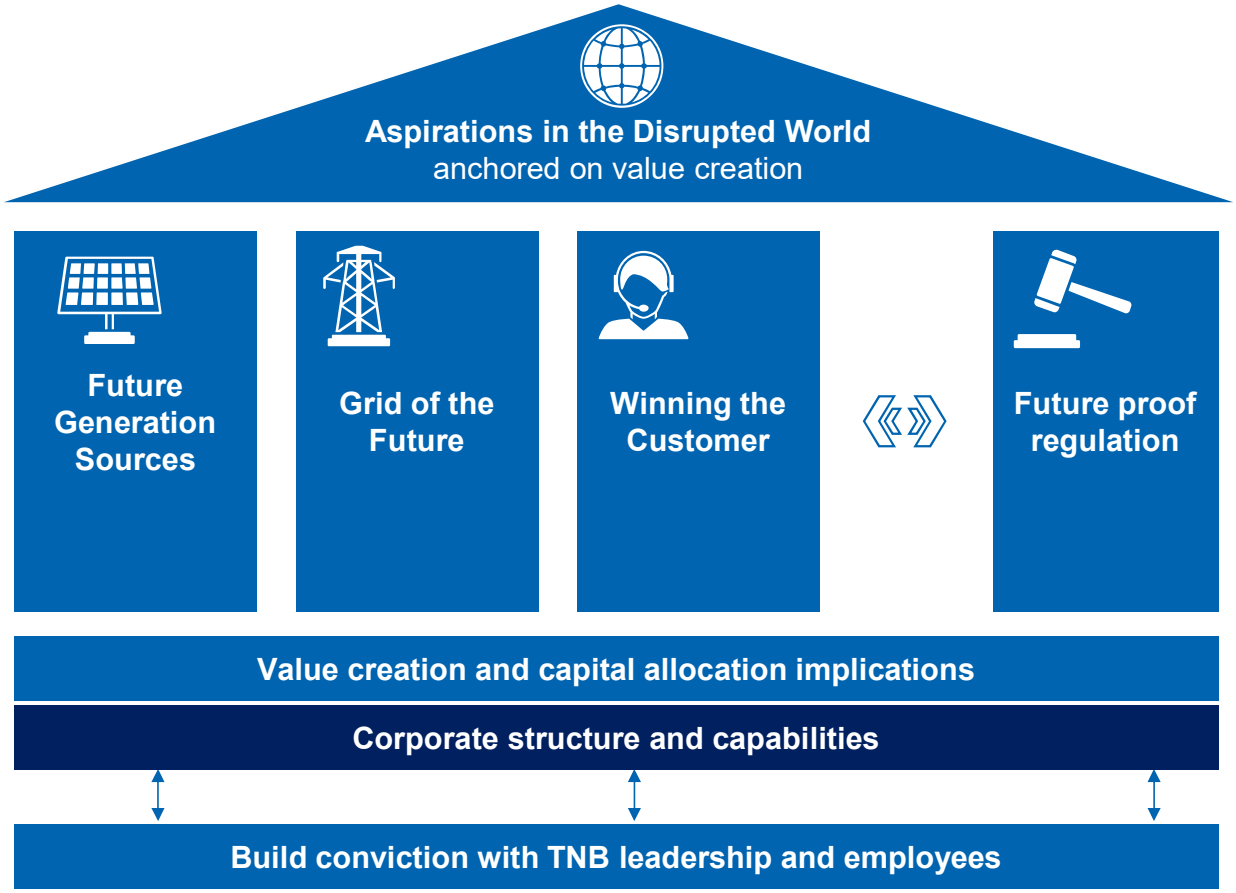
Reimagining TNB is TNB's strategic aspiration – a key enabler is the corporate structure



BUSINESS STRATEGY & DIRECTION

International Acquisition - Four International Acquisitions to Support Aspiration

GAMA ENERJİ A.Ş.

30%

Equity interest of GAMA Enerji A.S.

Assets include a 840MW natural gas-fired plant and 117.5MW wind plants

GMR

30%

Equity interest of GMR Energy Limited.

Assets include 2,298MW coal, gas and solar plants.

Vortex Solar UK

50%

Equity interest of Vortex Solar Investments S.a.r.l.

Assets include 24 operational solar PV Farm across England and Wales with net installed capacity of about 365MW

Tenaga Wind Ventures

80%

Equity interest of GVO Wind Limited & Blumerang Capital Limited

Assets include 53 operational onshore medium wind turbines with a total combined capacity of 26.1MW

BUSINESS STRATEGY & DIRECTION

Conventional Generation Projects

Coal

Jimah East Power

2,000 MW

COD:
U1: 22nd Aug 2019 (Completed)
U2: 15th Dec 2019
Physical Progress: 99%
(Planned: 99%)

Gas

Southern Power Generation

1,440 MW

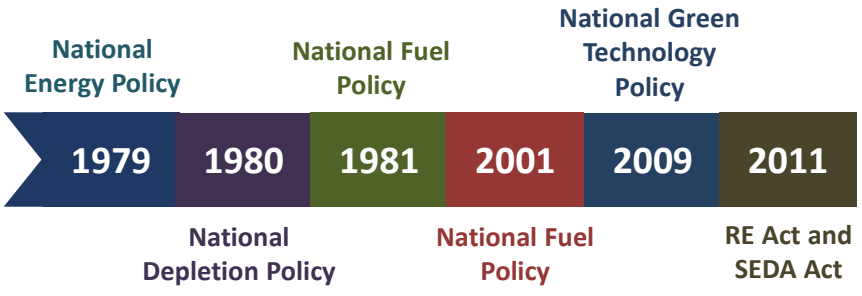
COD:
1st July 2020
Physical Progress: 88%
(Planned: 88%)

Note: Data as at June 2019

BUSINESS STRATEGY & DIRECTION

Renewable Generation - Government Green Policy & Initiatives

Evolution on National Energy Policies



- Minimise negative impacts on the environment
- Promote efficient utilisation of energy

→

- Green Technology as the driver to accelerate the national economy
- Promote Sustainable Development

Government Green Development Plan

8th Malaysia Plan (2001-2005)

- RE as the fifth fuel
- Target: 5% RE in energy mix

9th Malaysia Plan (2006-2010)

- RE Grid-connectivity
- Target:
  - Peninsula 300 MW
  - Sabah 50 MW

10th Malaysia Plan (2011-2015)

- RE installed capacity
- Target: 985 MW of RE by 2015

11th Malaysia Plan (2016-2020)

Reduction up to 45% in GHGs emission intensity of GDP compared to 2005 level	Formulation of a comprehensive demand side management (DSM) master plan	Renewable energy installed capacity of 8,885MW by 2020
2014 : 26.8%	2017: Completed DSM Preliminary Study	2017: 7,260MW*

NEW RE TARGET SET BY MESTECC

20% of Total Installed Capacity by 2025

MESTECC = Minister of Energy, Science, Technology, Environment and Climate Change

* The increase in the total installed capacity of RE is based on the adoption of the ASEAN definition of RE by Malaysia in 2016 which takes into account all types of hydro energy in the calculation without limiting their capacities.

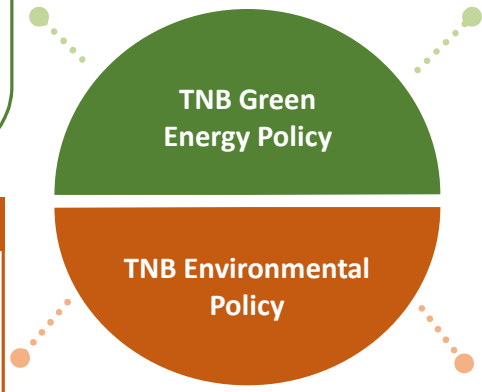
BUSINESS STRATEGY & DIRECTION

Green Projects

- **Clean coal plant** – Ultra-Supercritical technology
- **District Cooling System** - Significant cost savings in air-conditioning expenses and environmentally-friendly technology (i.e. KLIA2, IJN, UiTM Seremban 3, BMC Abu Dhabi)
- **Demand Side Management** - Promote efficiency, increase system reliability and reduce peak electricity demand

Biodiversity Management

- **Preserving animal habitat** such as Kelah sanctuary and Lampan Sungai fish breeding
- **TNB Youth Environmental Education & Awareness Programme** focusing on National Elephant Conservation Center at Sungai Deka, Hulu Terengganu.



Commissioned

Renewable Generation

Domestic (79MW)

- TNB Sepang Solar – 50MW
- Biomass (10 MW) JV with Felda @ Felda Jengka, Pahang
- Biogas (3.2 MW) JV with Sime Darby Plantations, @ Layang-layang, Johor and Bagan Datuk, Perak
- Mini Hydro – 10MW
- GSPARX Rooftop Solar – 6.0MW
- Floating solar in Sg Labu WTP in Sepang - 108kWp

International (284MW)

- TNB Vortex Solar, UK - Solar (182.5MW)
- TNB Wind Ventures, UK - Wind (20.9MW)
- GAMA, Turkey - Wind (33.8MW), Hydro (39.4MW)
- GMR, India – Solar (7.8MW)

In the pipeline

Renewable Generation

Domestic

- Bukit Selambau – 30MW
- GSPARX Rooftop Solar – Target 500MW by 2020

International

- GMR Bajoli Holi, India – Hydro (Gross 180MW)

Environment Management

- **Strategic partner with Department of Environment (DOE)** to promote **Guided Self Regulation (GSR) for environmental management** within Malaysia.
- GSR is an initiative to **transform regulation enforcement** and **build a culture of better environmental awareness and management.**

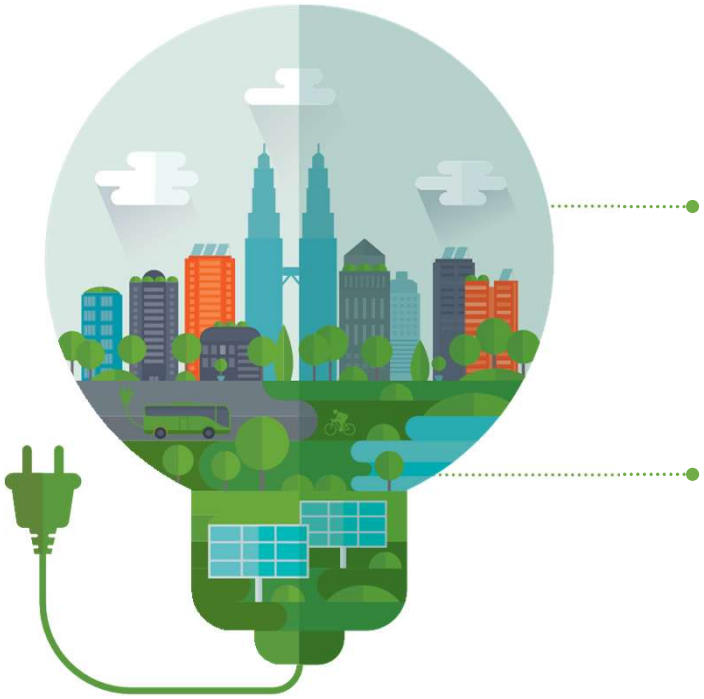
BUSINESS STRATEGY & DIRECTION

Building Renewable Energy Portfolio for Greener Future

TNB RE Targets by 2025

1,700MW

As at June 2019:
Total: 363MW
- International - 284MW
- Domestic - 79MW



Large Scale Solar (LSS)

TNB Sepang Solar

50 MW

COD: 19th Nov 2018
(Completed)

TNB Bukit Selambau

30 MW

COD: 31st Dec 2020

Physical Progress: 41%
(Planned: 35%)

Note:
i. PPA Tenure - 21 years
ii. Data as at June 2019

BUSINESS STRATEGY & DIRECTION

Environmental, Social & Governance (ESG) – FY2018

Environmental (E)

Strives To Conserve The Environment As Our Commitment Towards Continuous Environmental Improvement

50MW Large Scale Solar (LSS), **cut emissions** by approx. **64,000** tCO2e/year, additional 30MW LSS to **further reduce emissions** after COD in Dec 2020

The latest coal generation plants using **ultra-supercritical technology** consume less **fuel per MWh electricity** produced in comparison to conventional coal power plant further contributing to **lower carbon emissions.**

Reduction in GHG emissions intensity from **0.55** to **0.54** tCO2e/MWh *(Data as at FY2017)*

Increase in total GHG emissions mitigation from **2,359,770** to **5,030,079** tCO2e through the used of hydro, renewable energy and efficient technology power plant. *(Data as at FY2017)*

Social (S)

Our Pledge Towards A Better And Brighter Future For The Communities

- Allocated **RM10 million** for **1,000 students** from low-income families in the fields of Science, Technology, Engineering and Mathematics (STEM)
- **816 students** (596 local & 220 abroad universities) awarded Yayasan Tenaga Nasional (YTN) scholarship
- UNITEN produced **3,145 graduates with 93.7% employability rate** within 6 months
- **880 trainees** under **Government's PROTÉGÉ initiative,** compared to 500 trainees in FY2017
- **54 students** receive **RM1,500/year** (2018-2020) & are fully-sponsored to attend value-added self-development programmes
- TNB's contribution of **RM6 million** included sponsorships to the Malaysian Hockey Confederation

Governance (G)

Cultivate Ethical Conduct To Reinforce Sound Business Decisions & Forward-Looking Culture

- Leadership & Effectiveness
- Statement on Risk Management & Internal Controls
- Accountability
- Relations With Shareholders

Obtained **ISO 37001:2016** Anti Bribery Management System certification

Source: TNB Annual Integrated Report 2018

BUSINESS STRATEGY & DIRECTION

Green Energy Development

❑ UNITEN's Smart UniverCity

✓ To create a sustainable ecosystem which provide competitive advantage for TNB in moving into smart city environment.

❑ Green House Gas Emission Management System (GEMS)

✓ To develop an online system to record and analyse raw emission data from TNB assets

❑ Introduction of Electric Buses for UNITEN

✓ The project aims to develop a feasible business model for the operation of electric buses within the campus, such as vehicle leasing between the Fleet Management and UNITEN.

❑ Expansion of Electric Vehicle Charging Network

✓ To expand the existing charging station infra (around 250 stations) under the ChargEV programme (managed by MGTC).

❑ Maverick - Showcase of Net Zero Energy of Net Zero Energy Home

✓ To generate own electricity through Net Zero Energy Home Living at Cyberjaya

❑ Smart Street Light Showcase Project at UNITEN Putrajaya Campus

✓ This project enables TNB to demonstrate its commitment towards Green Technology.

❑ TNB Centre of Excellence (CoE) for Solar Energy at the Large Scale Solar (LSS) site in Sepang

✓ The CoE will become a training centre for solar energy development and technology, catering for TNB employees and external participants from public and private sectors

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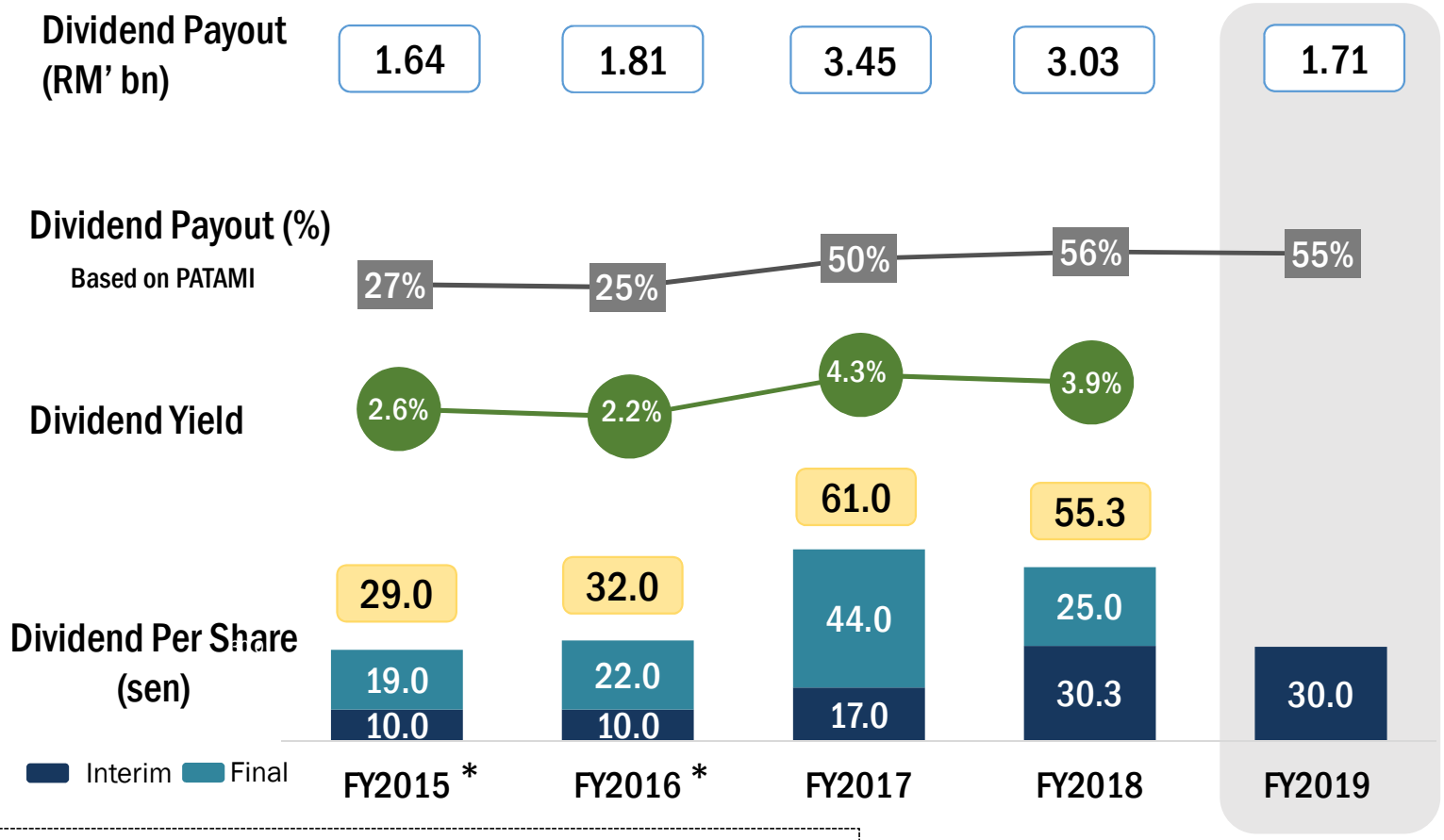
CAPITAL MANAGEMENT

Highest Dividend Payout at 56% of Adjusted PATAMI



DIVIDEND POLICY

30% - 60% dividend payout ratio of Group PATAMI, excluding Extraordinary, Non-Recurring items

* Dividend paid based on the previous dividend policy of 40% - 60% of Company's Annual Free Cashflow from Operations less Normalised Capex and Interest Servicing

CAPITAL MANAGEMENT

Lower Gearing Level due to Repayment of Mizuho Loan

Note:
Debt consists of Principal + Accrued Interest + Accounting Treatment (FRS139)

Statistics	30th Jun'19	31st Dec'18
Total Debt (RM' bil)	46.8	47.8
Net Debt (RM' bil)*	31.0	29.6
Gearing (%)	43.9	44.8
Net Gearing (%)	29.1	27.7
Fixed : Floating	98:2	*95:5*
Final Exposure	*98:2*	*95:5*
Weighted Average Cost of Borrowing	5.03	4.98
Final Exposure **	*5.04*	*4.99*

* Net Debt excludes deposits, bank and cash balances & investment in UTF
** Inclusive of interest rate swap

Cash Position (RM bil)	30th Jun'19	31st Dec'18
Company	9.7	11.0
Group	15.8	18.2

Closing FOREX	30th Jun'19	31st Dec'18
USD/RM	4.14	4.14
100YEN/RM	3.84	3.75
GBP/RM	5.24	5.27
USD/YEN	107.62	110.28

1. Lower mainly due to repayment of Mizuho Loan (USD300mil) amounting of RM1.2bil
2. Increase due to repayment of Mizuho Loan with lower interest rate

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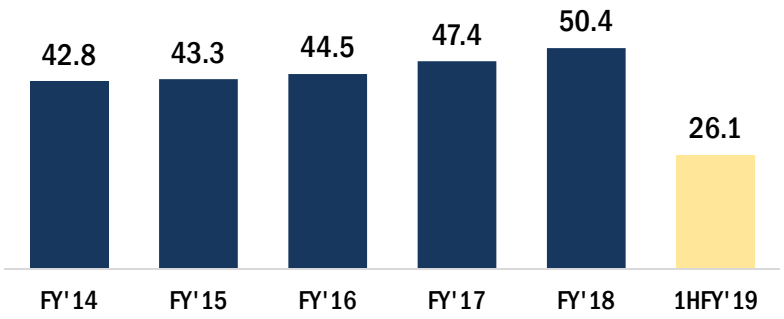
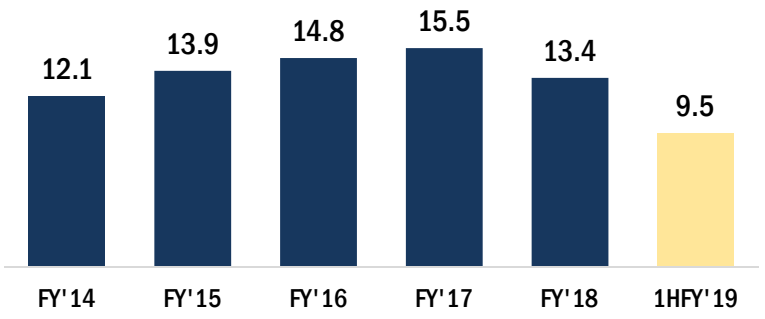
FINANCIAL & TECHNICAL HIGHLIGHTS

Steady Financial Results Continued into 1HFY'19

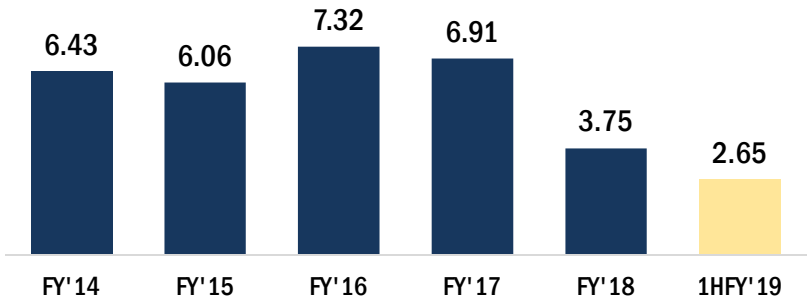
Revenue (RM bil)



EBITDA (RM bil)



PAT (RM bil)

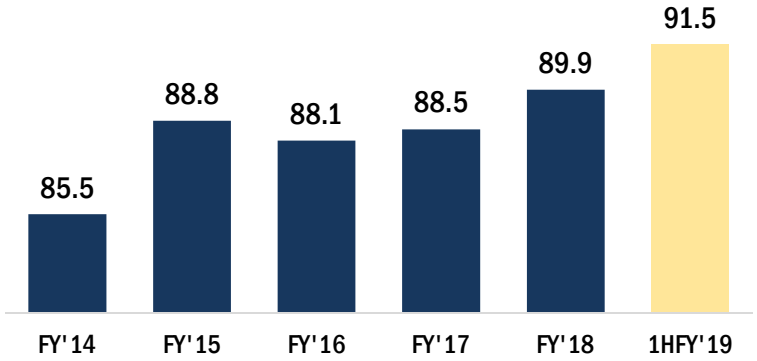


Note: FY2019 is after MFRS16 implementation

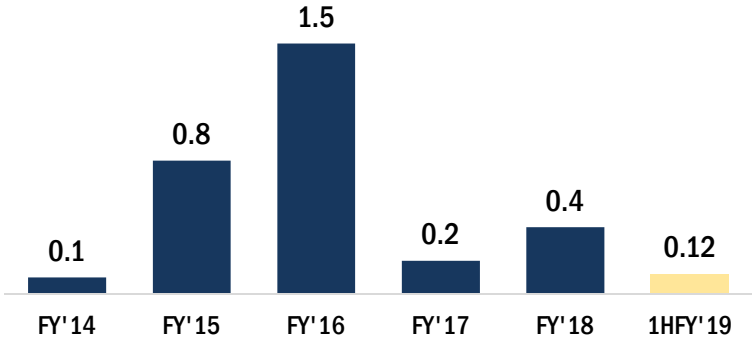
FINANCIAL & TECHNICAL HIGHLIGHTS

Consistent Technical Performances

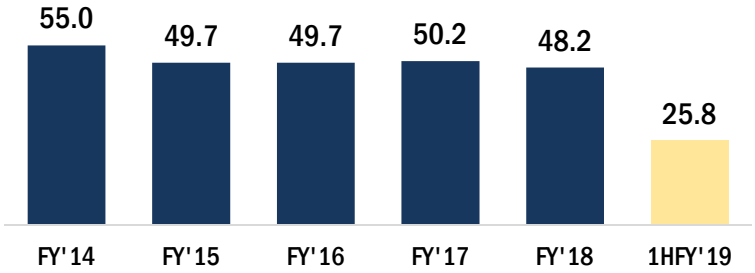
EAF (%)



Transmission System Minute (mins)



Distribution SAIDI (mins)



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THANK YOU

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