

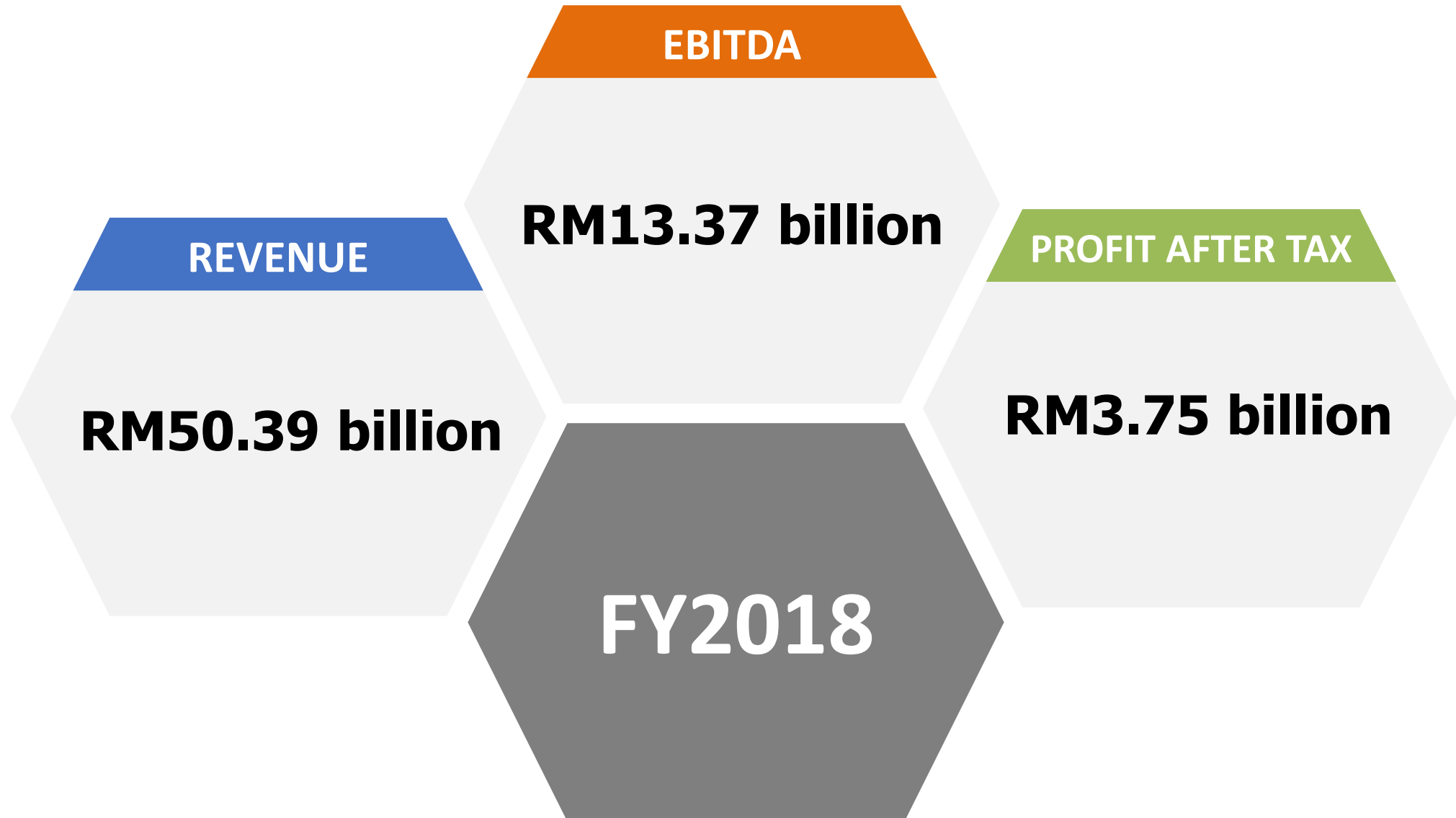


MESYUARAT AGUNG TAHUNAN

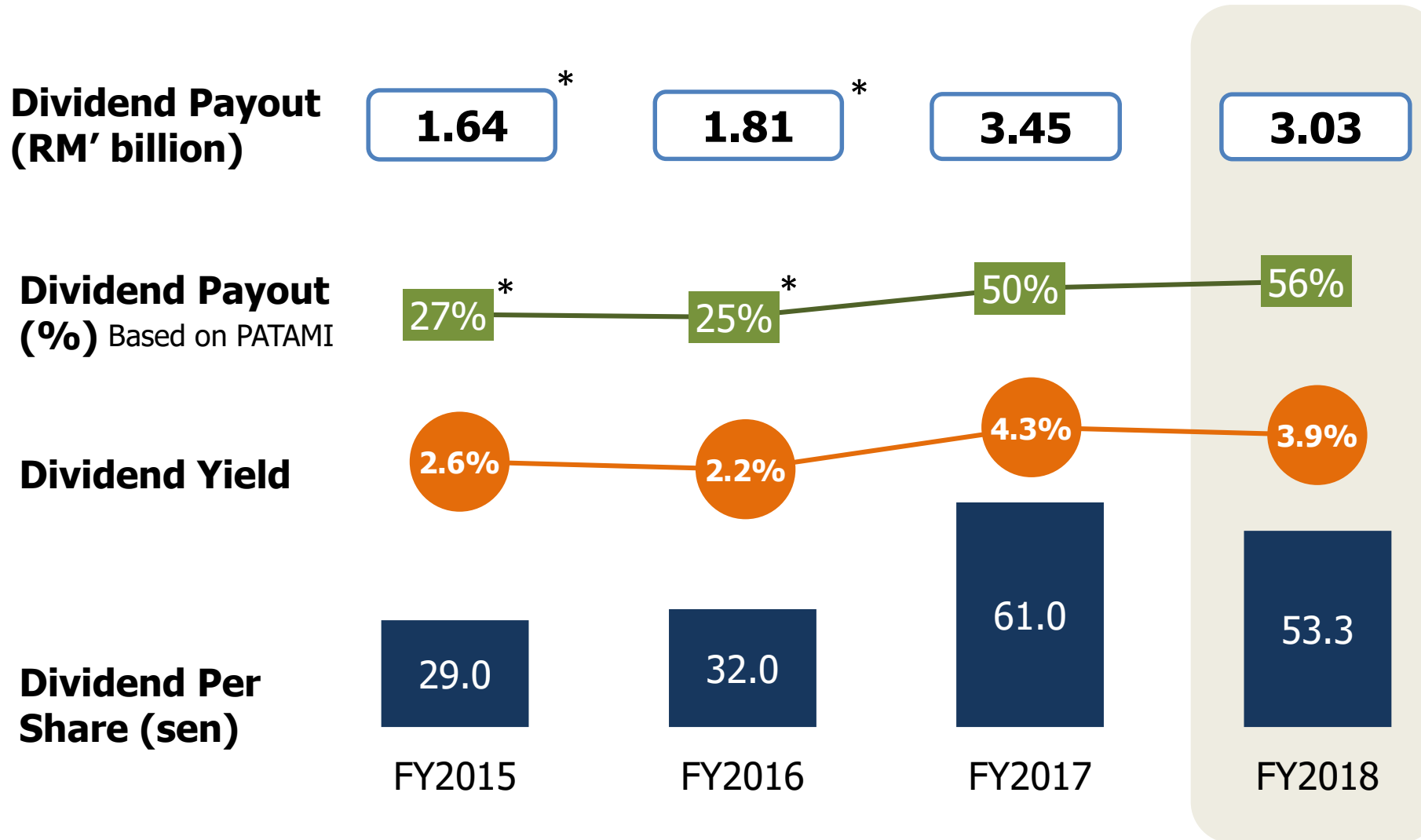
Tenaga Nasional Berhad Ke - 29

14 Mei 2019

Lower Earnings In FY2018 Mainly Due To Impairments & Forex Translation Losses



Preserving Our Commitment To Our Shareholders Through Sustainable Dividend Payouts



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

Under MESI 2.0, TNB Supports Reforms To Deliver 5 Key Objectives



Fair shareholder returns to ensure continued investment in system

Cost efficient tariffs achieved through efficient performance and **service delivery**

Increase energy efficiency

Reduce **carbon intensity** through renewables and new technologies

World class **customer experience**

More products and better services to end consumer with wider range of choices

Value

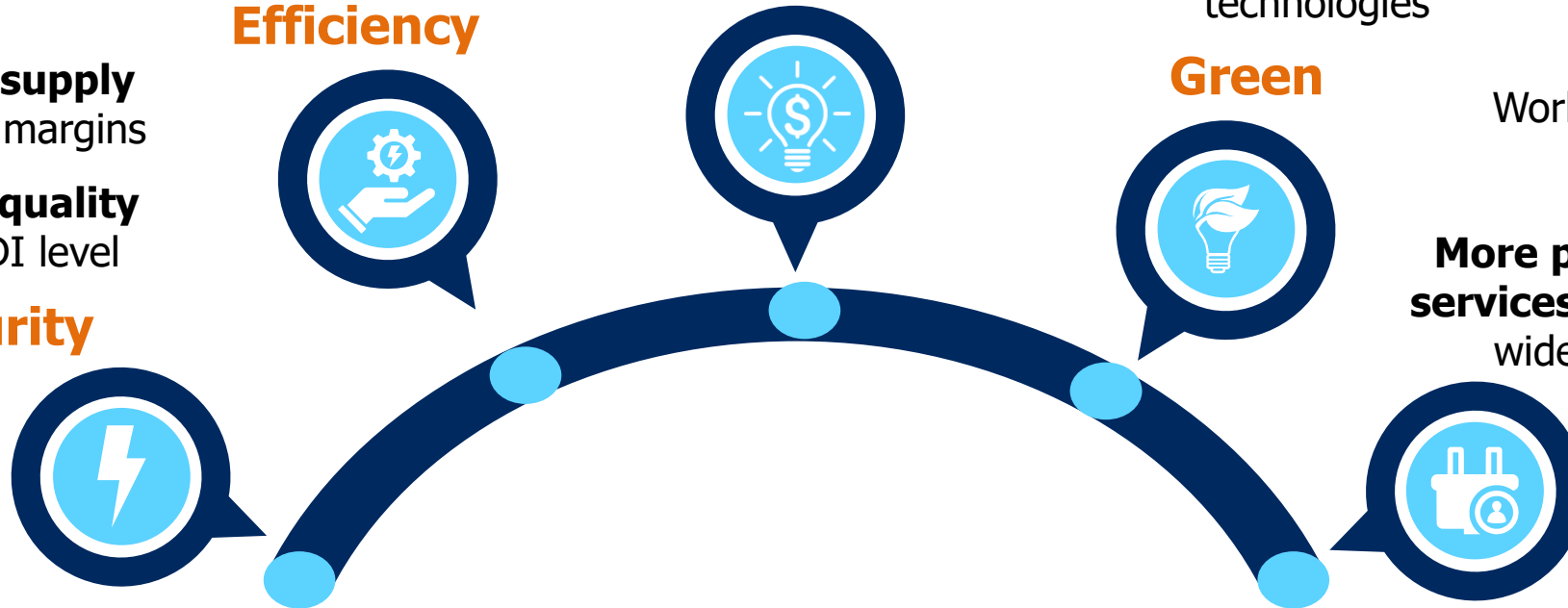
Green

Efficiency

Security

Maintain **security of supply** with sufficient reserve margins

High level of **system quality** with world class SAIDI level



Reimagining TNB To Future Proof Our Business Towards A Sustainable Future



4 STRATEGIC PILLARS



**Future
Generation
Sources**



**Grid of the
Future**



**Winning
the
Customer**



**Future
Proof
Regulations**

Towards Achieving Top 10 Global Utility by 2025



Future
Generation
Sources

Growing Our Energy Portfolio Including Renewable Energy, Both Domestic & International



Renewables Energy (RE)

Recently Commissioned

TNB Sepang (Solar) – **50 MW** (COD: 19th Nov 2018)

TNB Wind Ventures (Wind) – **26 MW** (M&A: 28th Feb 2018)

In the Pipeline

- Bukit Selambau (Solar) – **30 MW** (COD: Dec 2020)
- GMR (Hydro) – **180 MW** (COD: Sep 2019)



Conventional Energy

In the Pipeline

- Jimah East Power Plant (Coal) – **2,000 MW** (COD: Jun & Dec 2019)
- Southern Power Generation (Gas) – **1,440 MW** (COD: Jul 2020)



Participation in LSS 3 & international acquisition to achieve **1,700 MW** renewable target by **2025**



Unlocking Value of generation assets with expired/expiring PPAs through New Enhanced Dispatch Arrangement



Expanding International Portfolio for growth opportunities

Delivering Higher Network Productivity, Efficiency & Reliability Through Smart Grid



Transforming Customers Experience through...

Distribution Automation

Benefits:

- ✓ faster network response resulting from a reduction of 50% in restoration time
- ✓ provide savings in terms of reduction of unserved energy
- ✓ Optimization in operating cost in relation to fault restoration – cost savings up for 2018 is approx. RM4 million

Roll-out plan: Target 28,000 distribution substations to be automated by 2025



Successfully automated 12,000 distribution substations, with 3,600 substations automated in 2018

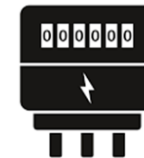
Advanced Metering Infrastructure

Benefits:

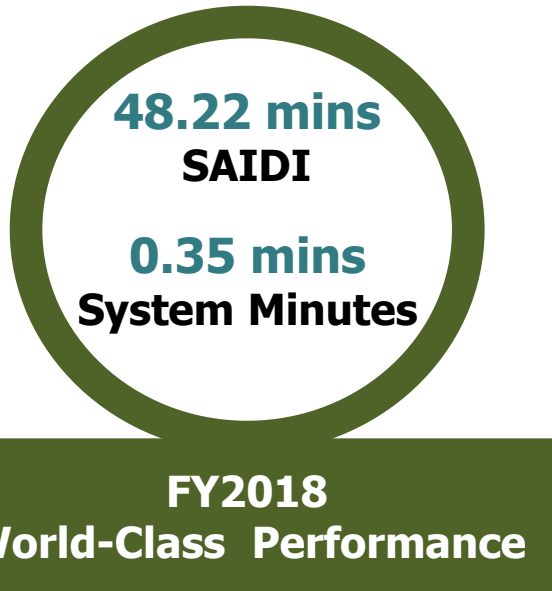
- ✓ Provide detailed and accurate reading on energy consumption
- ✓ Reduction in Non-Technical Losses, every 1% reduction is equivalent to RM450 million additional revenue to Group
- ✓ Optimization in operating cost in relation to meter reading

Roll-out plan:

- ✓ Target of 1.5 million smart meters by 2020



Installed 160,000 smart meters in Melaka, Lembah Klang to start in 2019





Winning
the
Customer

Winning The Customer's Heart & Mind



Enhancing Customers' Experience

- ☐ **Making Electricity Visible (MaeVI)**
 - ✓ Potential Revenue of RM12 million through sales of devices in 2019
 - ✓ Potential growth in the market increasing by 35% CAGR revenue year on year for Malaysia & ASEAN region
- ☐ **Offering bundled services on top of energy services**
 - ✓ Enhancing customer loyalty through value added services e.g. offering electricity along with Broadband services
- ☐ **Explore advance innovative solutions**
 - ✓ Renewing customer experience solutions i.e. customization of customers' needs and values
 - ✓ Services connected through multi-utility billing solution



New Products & Services Offering

- ☐ **National Fiberisation & Connectivity Plan**
 - ✓ Potential Revenue Growth for the Group
 - ✓ Create Value for our Shareholders
 - ✓ In line with National Fiberisation Connectivity Plan
- ☐ **GSPARX (Rooftop Solar)**
 - ✓ Potential revenue contribution is approx. RM55 million from 500MW installation by 2020
- ☐ **Electric Vehicles (EV)**
 - ✓ To promote charging stations and spur growth in EV
 - ✓ Additional 100 charging stations to be built by end of 2019 which could contribute approx. RM10 million through membership fees & higher electricity sales



Retailer of Choice

- ☐ **Improving retail's team productivity and efficiency**



8.1

Customer Satisfaction Index
for the third consecutive year in FY2018



Sustaining TNB Returns Through Incentive Based Regulations



Continuation of ICPT Mechanism, shielding the business from the volatile and uncontrollable global fuel prices

- ✓ **Pass-through of additional costs as surcharges** of **RM0.7 billion** (Jul-Dec 2018) & **RM1.8 billion** (Jan-Jun 2019), mainly due to higher market coal price

Separation of Retail Division, enhancing customer loyalty, developing new products and services and growing the retail energy business

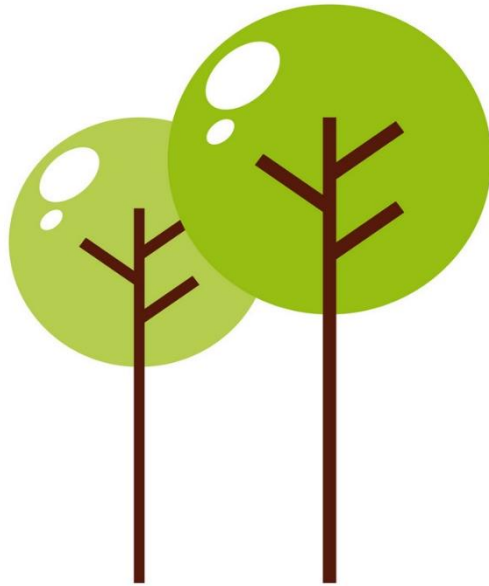
- ✓ Prepare for more liberalised and competitive MESI landscape in the future



Movement From Price To Revenue Cap For Distribution Network, protecting TNB from any demand risk and sustaining TNB's revenue

- ✓ **RM8 billion/year** revenue certainty for Distribution Network for RP2
- ✓ Encourage grid of the future investment i.e. **RM2.7 billion** for RP2

Continuous Commitment In Improving Stakeholders Engagement And Management Of Natural Resources



Environment



Social



Governance



Environmental Stewardship



Special Recognition
Award for 5
Consecutive Years of
CSR Excellence

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



Reduction
in GHG emissions
intensity from
0.55 to **0.54**
tCO₂e/MWh



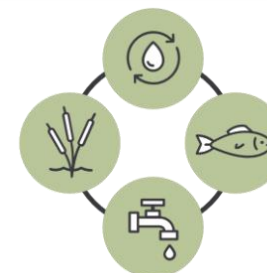
Increase in total GHG
emissions mitigation from
2,359,770 to
5,030,079 tCO₂e
through the used of hydro,
renewable energy and efficient
technology power plant



50MW Large
Scale Solar, **cut**
emissions
by approximately
64,000
tCO₂e/year



30MW Large
Scale Solar to
further
reduce
emissions
after COD in Dec
2020



A total of
RM7.4
million
budgeted for fish
biodiversity
programmes



Embracing Relationship

Our Pledge Towards A Better And Brighter Future For The Communities



Allocated **RM10 million** for **1,000 students** in the fields of Science, Technology, Engineering and Mathematics (STEM)



13,040 underprivileged primary school students benefited through Back-To-School Programme



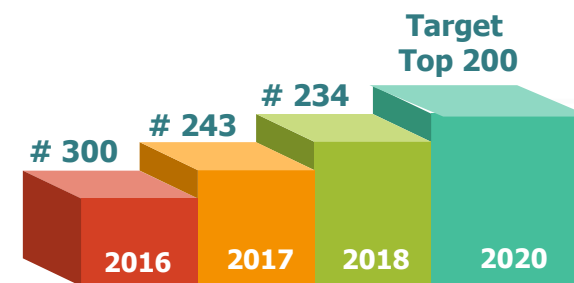
816 students (596 local & 220 abroad universities) awarded YTN scholarship



122 families benefited under Projek Baiti Jannati, total contribution of **RM6.1 million**



Uniten produced **3,145** graduates with **93.7%** employability rate within 6 months



Quacquarelli Symonds Asia University Rankings



Training and development of **RM142 million**



677,960 training hours

Malaysia Best Employer Brand Awards 2018



Spirit of Responsibility



ASIAMONEY
Most Outstanding
Company in
Malaysia – Utilities Sector

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



Leadership & Effectiveness



Accountability



Relations With Shareholders



Statement On Risk Management & Internal Controls



Obtained **ISO**
37001:2016

Anti Bribery Management
System certification



Launched **TNB**
Corporate Integrity
Management System Handbook

Our Heartfelt Appreciation Goes To...



- **The Government of Malaysia;**
- **Ministry of Energy, Science, Technology, Environment and Climate Change;**
- **Other Ministries;**
- **The Energy Commission; and**
- **Other agencies for all the assistance rendered.**



- **Our Valued Shareholders**
- **Customers**



- **TNB Employees**

THANK YOU