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TNB proposes RM10 bln sukuk programme with tenure of 50 years

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KUALA LUMPUR: Tenaga Nasional Bhd (TNB) has lodged an Islamic medium term notes (sukuk wakalah) programme of up to RM10 billion in nominal value with the Securities Commission Malaysia (SC).

The electricity utility company said the programme will have a tenure of 50 years from the date of the first issuance, with individual sukuk issued under the programme having a tenure of one year to 50 years.

"The programme provides TNB with the flexibility to issue sukuk from time to time, including those that comply with sustainability and sustainability-

linked guidelines or frameworks.

"The sukuk wakalah programme has been assigned a final rating of AAA by RAM Rating Services Bhd," it said in a Bursa Malaysia filing today.

TNB said proceeds from the issuance of the sukuk will be utilised to finance shariah-compliant capital expenditure, investments, general corporate purposes, and working capital requirements, as well as to refinance existing conventional borrowings and Islamic financing facilities.

"Proceeds raised from sustainability sukuk issuances will also be utilised to finance

and refinance projects that meet the criteria set out in TNB's Transition Finance Framework.

"The programme will also allow TNB to undertake sustainability and sustainability-linked sukuk issuances in support of its sustainability pathway, with an aspiration to achieve net zero emissions by 2050," it said.

TNB said the programme is expected to provide the company and its subsidiaries with flexibility in timing its fund-raising exercises and access to a diversified pool of investors in the domestic capital market.
— Bernama