



PRESS RELEASE

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TNB'S DEBUT RM3 BILLION SUKUK WAKALAH PROGRAMME OVERSUBSCRIBED

- Transaction upsized to RM3 billion from the initial size of RM2 billion (“Initial Size”) due to overwhelming demand
- Pricing of 3-tranche issuance reflects investors’ confidence on TNB’s strong credit and TNB being perceived as a main proxy for AAA rating risk

Tenaga Nasional Berhad’s (“TNB”) debut issuance of RM3 billion Islamic medium term notes (“Offering”) under its recently established Sukuk Wakalah Programme of up to RM10 billion in nominal value received an overwhelming response from both local and regional investors.

The Offering was successfully priced on 29 July 2020, after a 1-day book-building exercise, with robust response from various investors in the capital markets, amidst the challenging global market conditions and the impact of the COVID-19 pandemic.

It was oversubscribed by close to 4 times from the Initial Size, with orders received at the peak of the book-building exercise amounting to an aggregate of RM7.82 billion from over 41 accounts consisting of fund managers, lifers, pension fund, banks and corporates. Due to a successfully executed book-building strategy and robust demand received during the exercise, the transaction was upsized to RM3 billion.

To date, the Offering marks the largest AAA corporate issuance during this Recovery Movement Control Order period amidst the current Covid-19 pandemic. It is also the first longest dated (20-year) paper issued by a corporate this year, reflecting a strong demand from the investors for high quality credit like TNB. The Sukuk Wakalah Programme has been assigned a final rating of AAA by RAM Rating Services Berhad.

Commenting on the successful pricing of the Sukuk offering, Datuk Seri Amir Hamzah Azizan, President and Chief Executive Officer of TNB said, “We are pleased with the investors response to this transaction and the pricing achieved across all the 3 tranches, which is well within and in some tranches tighter than the current secondary trading levels of TNB's other outstanding sukuk. The overwhelming demand from investors is an indication of the confidence the capital market has in TNB and our long-term business sustainability.”

Proceeds from the issuance shall be utilised by TNB for the group’s general corporate purposes including working capital and capital expenditure.

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