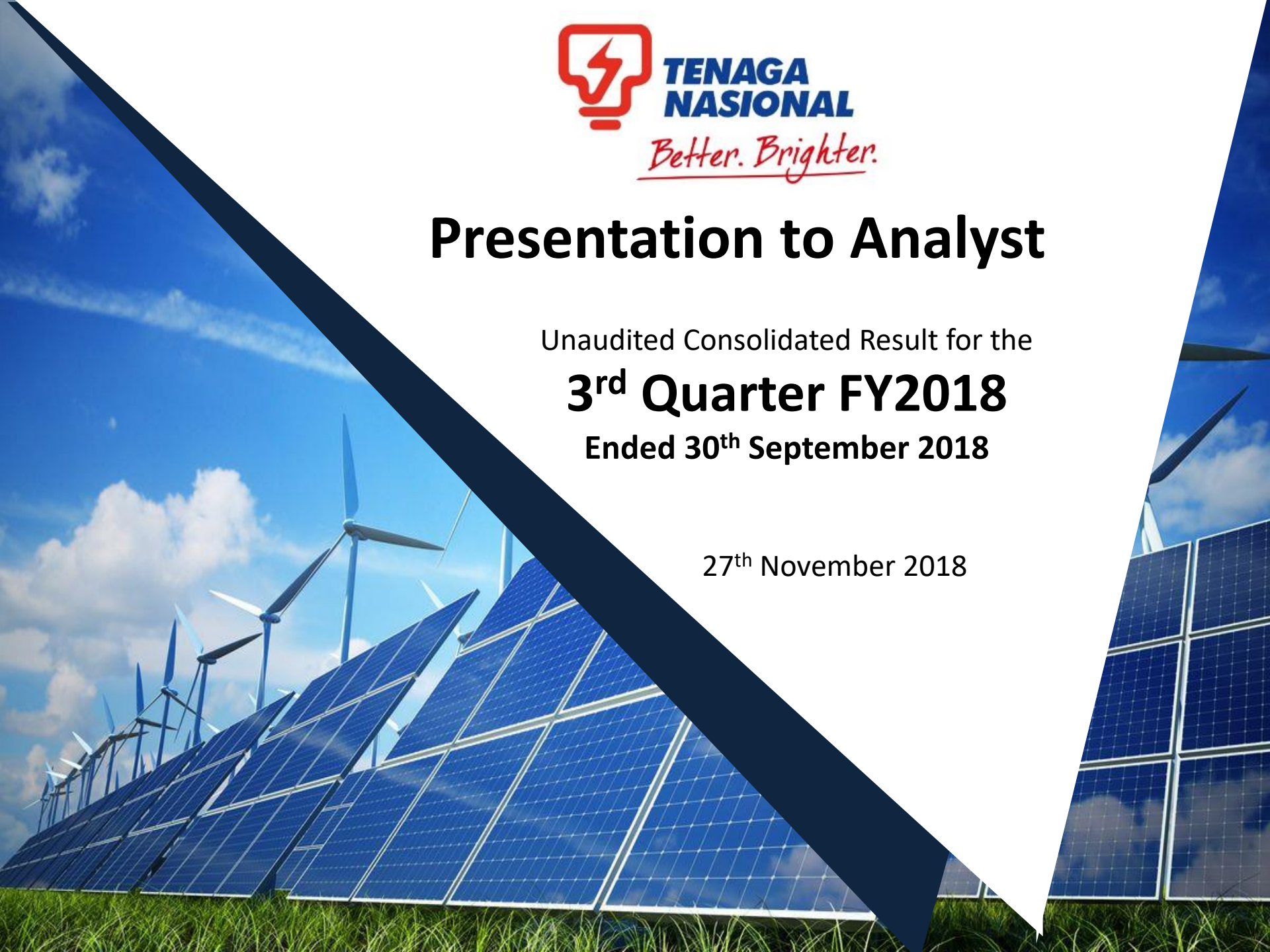




Presentation to Analyst

Unaudited Consolidated Result for the
3rd Quarter FY2018
Ended 30th September 2018

27th November 2018



Financial Performance Overview for 9MFY'18



KEY HIGHLIGHTS

INTERNATIONAL INVESTMENTS

FINANCIAL DETAILS



EBITDA
RM10.89bn

EBITDA MARGIN
28.8%



NORMALIZED PAT
RM4.00bn

REVENUE
RM37.85bn



PROFIT AFTER TAX
RM3.90bn



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Financial Performance Overview for 9MFY'18



KEY HIGHLIGHTS

INTERNATIONAL INVESTMENTS

FINANCIAL DETAILS

	9MFY'18 (RM bn) (Jan'18-Sept'18)	9MFY'17 (RM bn) (Sept'16-May'17)		YoY
Revenue	37.85	34.95		8.3%
EBITDA	10.89	11.58		(6.0%)
EBITDA Margin	28.8%	33.1%		(4.3 b.p.)
PAT	3.90	5.18		(24.7%)
Normalized PAT	4.00*	4.42*		(9.5%)

Note :

* Normalized PAT is after the adjustment of :

- Forex Translation
- Reinvestment allowance
- Impairment



Equivalent Plant Availability Factor (EAF)



91.3%*
9MFY'17 86.5%*

Transmission System Minutes



0.33 mins
9MFY'17 : 0.19 mins

Distribution SAIDI



35.31 mins
9MFY'17 : 35.50 mins

Note :

*The figure is for all TNB plants

Previously, the EAF figure disclosed only include SLA plants and JMIG : 91.4% as at 9MFY'18 / 89.1% as at 9MFY'17

Substantial Investment in Project Capex



KEY HIGHLIGHTS

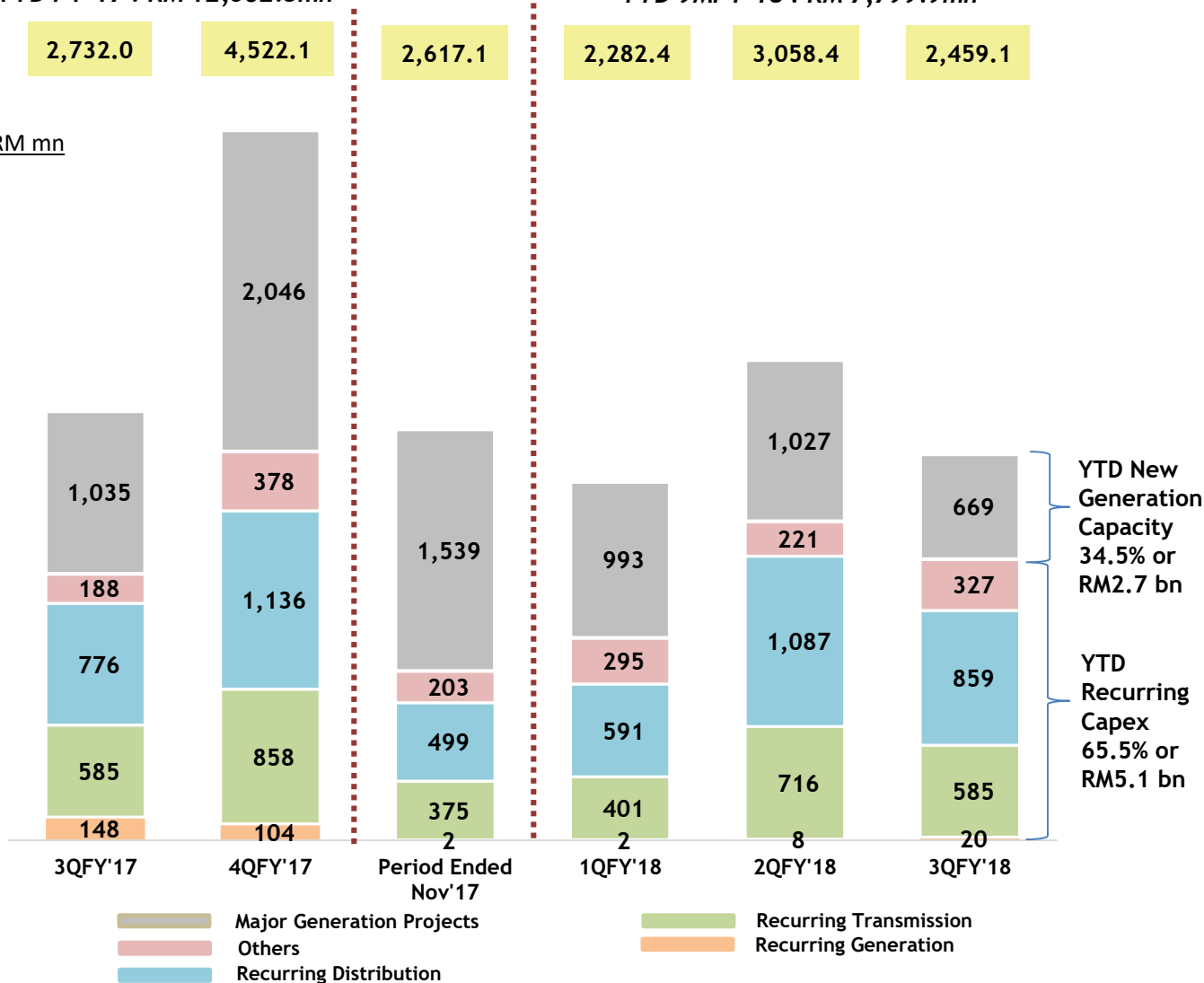
INTERNATIONAL INVESTMENTS

FINANCIAL DETAILS

YTD FY'17 : RM 12,062.5mn

YTD 9MFY'18 : RM 7,799.9mn

RM mn



Major Generation Projects

TNB Sepang Solar

COMPLETED



50MW

COD:
19th Nov 2018

Jimah East Power

Physical Progress

Planned 97%, Actual 95%



2,000MW

COD:
U1: 15th Jun 2019
U2: 15th Dec 2019

Southern Power Generation (SPG)

Physical Progress

Planned 54%, Actual 59%



1,440MW

COD:
1st July 2020

Stable Foreign Shareholding



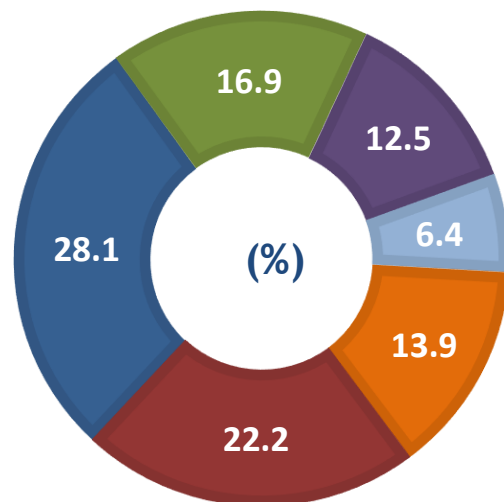
KEY HIGHLIGHTS

INTERNATIONAL INVESTMENTS

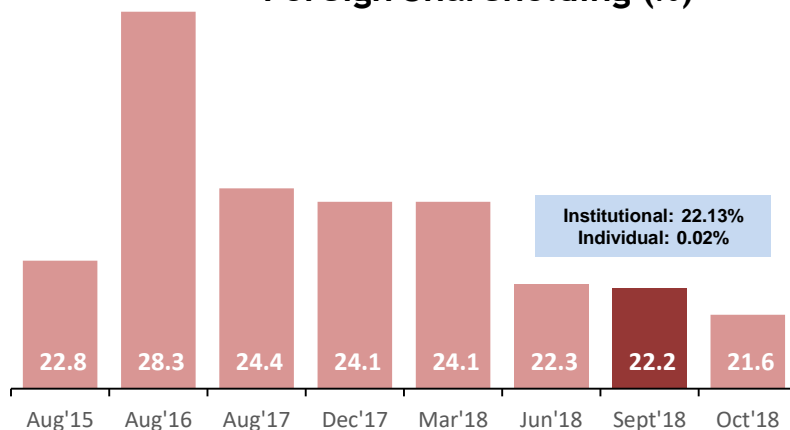
FINANCIAL DETAILS

Shareholding as at Sep'18

- Khazanah Nasional Berhad
- Permodalan Nasional Bhd
- Employees Provident Fund Board
- Other Government Agencies
- Other Corp. & Malaysian Public
- Foreign

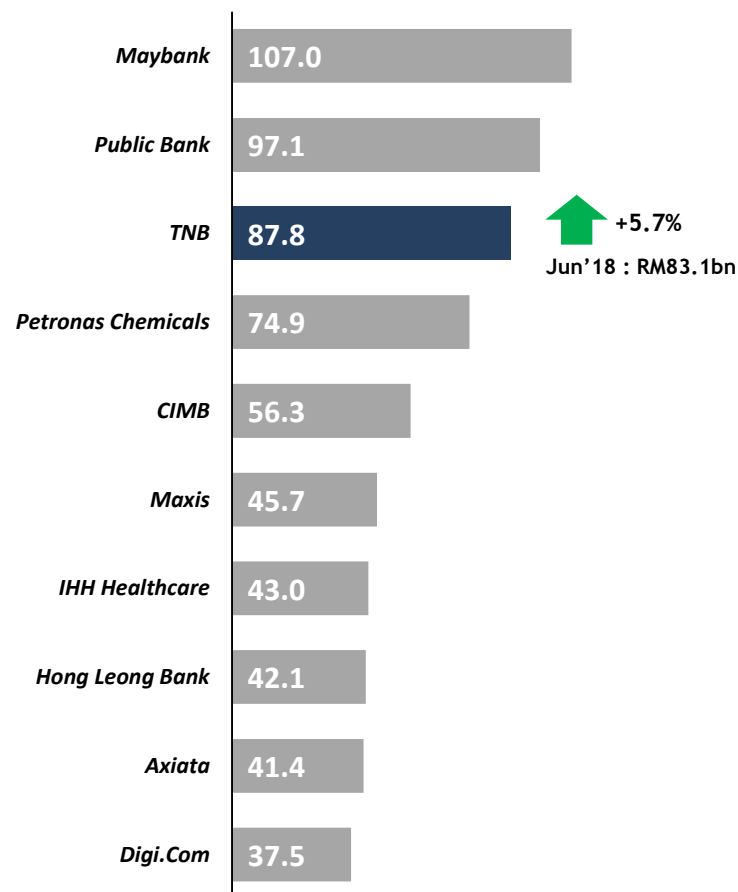


Foreign Shareholding (%)



Top 10 KLCI Stocks by Market Capitalization as at Sep'18

(RM bn)



Note:

1) TNB Latest Market Cap: RM85.2bn (3rd), as at 12th Nov 2018

Vortex Solar Investment SARL (“VSI”)



KEY HIGHLIGHTS

INTERNATIONAL INVESTMENTS

FINANCIAL DETAILS

General & Investment Overview

Date of Acquisition	May 2017
Plant Type	Solar (365MW)
Principal activities	Own and operate solar PV projects in the United Kingdom consisting of 24 solar farms with a combined net installed capacity of about 365MW.
Shareholding	50%

Performance

Technical Performance	Portfolio YTD availability maintains high at 96%.								
Financial Performance (as at Jun'18)	<ul style="list-style-type: none"> YTD EBITDA of RM78.56mn So far, VSI has repatriated back to TNB a total of c.GBP14.5mn or c.RM81.2mn consisting of refinancing surplus and capital repayment. No further repatriation is expected for remaining of FY'18. VSI stronger months are between April to September (summer season). 								
Financial Performance Trending	EBITDA Positive for two quarters since acquisition <table border="1"> <thead> <tr> <th></th><th>EBITDA (RM)</th></tr> </thead> <tbody> <tr> <td>2QFY'18</td><td>62.47mn</td></tr> <tr> <td>1QFY'18</td><td>16.09mn</td></tr> <tr> <td>4QFY'17</td><td>16.18mn</td></tr> </tbody> </table>		EBITDA (RM)	2QFY'18	62.47mn	1QFY'18	16.09mn	4QFY'17	16.18mn
	EBITDA (RM)								
2QFY'18	62.47mn								
1QFY'18	16.09mn								
4QFY'17	16.18mn								
Financial Impact to TNB's 2Q result	Higher EBITDA in 2Q due to the season changes from winter to summer, VSI is considered earnings positive to TNB.								

Key Highlights

Key Issues/Challenges

Geo-Political Factors

BREXIT negotiations are still influencing market uncertainty and outlook, but is not expected to impact VSI as there's no cross-border implication.

Merchant Market Dynamics

Portfolio will not be much affected by the volatility of the wholesale price since c.95% of revenue is under Renewable Obligation Certificates (ROCs) scheme for 20 years.

Currency Movement

Minimal exposure to forex losses due to the fact it has no exposure to foreign currency loan.

Mitigation Plan

Due to stable operating environment and industry-friendly government policies, VSI is expected to continue business as usual (BAU).

To minimize the forex loss, the income for this asset will be kept in the original currency for use in future international projects and transactions.

Outlook (Investment Horizon)

- The portfolio is projected to deliver steady and stable cash yield going forward.
- Performance is linked to the seasonal availability of solar irradiation in the UK. For the upcoming quarter, the revenue is expected to decrease as per budget due to seasonality effect as colder months are approaching.

Tenaga Wind Ventures UK Ltd (“TWV”)



KEY HIGHLIGHTS

INTERNATIONAL INVESTMENTS

FINANCIAL DETAILS

General & Investment Overview

Date of Acquisition	February 2018
Plant Type	Wind (26.1MW)
Principal activities	Own and operate wind turbines projects in the United Kingdom consisting of 53 onshore wind turbines with a combined net installed capacity of about 26.1MW
Shareholding	80%

Performance

Technical Performance	Portfolio maintains a high YTD availability of 98%.	
Financial Performance (as at Sep'18)	YTD EBITDA of RM32.8mn. TWV stronger months are between October to March (winter season)	
Financial Performance Trending	EBITDA positive since acquisition	
		EBITDA (RM)
	3QFY'18	12.05mn
	2QFY'18 *	15.14mn
Financial Impact to TNB's 3Q result	Refinancing surplus of c.GBP25.6mn or c.RM140mn was repatriated back to TNB in Oct'18 in the form of repayment of shareholder loan, to be reflected in 4QFY'18 results.	

Key Highlights

Key Issues/Challenges	Geo-Political Factors BREXIT negotiations are still influencing market uncertainty and outlook, but is not expected to impact TWV as there's no cross-border implication.
	Merchant Market Dynamics Portfolio will not be much affected by the volatility of the wholesale price since c.97% of revenue is under feed-in tariff (FiT) scheme for 20 years.
	Currency Movement Minimal exposure to forex losses due to the fact it has no exposure to foreign currency loan.
Mitigation Plan	Due to stable operating environment and industry-friendly government policies, TWV is expected to continue business as usual (BAU).
	The forex loss will be minimal due to income for this asset will be kept in the original currency.
Outlook (Investment Horizon)	<ul style="list-style-type: none"> The portfolio is projected to deliver steady and stable cash yield going forward. Performance is linked to the seasonal availability of wind in the UK.

*The 2QFY'18 EBITDA accumulated since acquisition (March) until June



General & Investment Overview

Date of Incorporation	26 August 2005
Commercial Operation Date	SWEC (2010) 97% SEPCO (2009) 3%
Plant type	Heavy fuel oil thermal plant (900MW) Water desalination (375.94mcm p.a.)
Principal activities	Holding investment in power and water desalination assets in Kingdom of Saudi Arabia ("KSA").
Shareholdings	20%

Performance

Technical Performance	92% availability since January 2018
Financial Performance (as at Sep'18)	Positive YTD EBITDA at Project Level i.e SWEC and SEPCO of c.RM0.9bn
Financial Performance Trending	<ul style="list-style-type: none"> EBITDA Positive for last five quarters. So far, MSCSB has repatriated back to TNB a total of c.RM119.0mn in the form of dividends. Expected additional dividend for 1H2018 of RM3.5mn to be distributed before year end
Financial Impact to TNB's 2Q result	SWEC and SEPCO are considered earnings positive to TNB.

Key Highlight

Key Issues/Challenges	<p>Geo-Political Factors KSA has several on-going geo-political issues that need to be monitored namely the role of the Crown Prince on KSA's domestic and international policies.</p> <p>Market Dynamics KSA changed its inflation factor and the new KSA Customer Price Index (CPI) is approximately 15% lower than the previous index, which has negatively affected Shoaiba's revenues since beginning of 2014 and has directly impacted the tariff.</p> <p>Currency Risks No foreseeable currency risk as SAR is pegged to USD.</p>
Mitigation Plan	<p>Market Dynamics Shuaibah Water Electricity Company (SWEC) to continue to follow up with Water and Electricity Company (WEC) on the decision of index adjustment mechanism</p>
Outlook (Investment Horizon)	<ul style="list-style-type: none"> The investment entity is forecasted to continue distributing stable dividends to its shareholders. Current EIRR is positive deviation from initial projection. Portfolio is expected to remain stable at current earnings.



General & Investment Overview

Date of Acquisition	April 2016
Plant Type	Gas (853MW), Hydro (131.3MW) and Wind (117.5MW) and a water conveyance plant (100 mcm p.a.) in Jordan
Principal activities	Project development, securing of project finance, construction, operation & maintenance, asset management of power plants and water supply and conveyance project in Turkey and abroad besides commercial sales of electricity
Shareholding	30%

Performance

Technical Performance	Portfolio's plants availability was more than 95% in 2017. YTD availability maintains high at 97%												
Financial Performance (as at June'18)	YTD EBITDA of RM240.0mn												
Financial Performance Trending	EBITDA Positive for last five rolling quarters.												
	<table> <tr> <th></th><th>EBITDA (USD)</th></tr> <tr> <td>2QFY'18</td><td>30.6mn</td></tr> <tr> <td>1QFY'18</td><td>29.5mn</td></tr> <tr> <td>4QFY'17</td><td>31.6mn</td></tr> <tr> <td>3QFY'17</td><td>39.1mn</td></tr> <tr> <td>2QFY'17</td><td>36.4mn</td></tr> </table>		EBITDA (USD)	2QFY'18	30.6mn	1QFY'18	29.5mn	4QFY'17	31.6mn	3QFY'17	39.1mn	2QFY'17	36.4mn
	EBITDA (USD)												
2QFY'18	30.6mn												
1QFY'18	29.5mn												
4QFY'17	31.6mn												
3QFY'17	39.1mn												
2QFY'17	36.4mn												
Financial Impact to TNB's 3Q result	Additional impairment of RM291.5mn for accounting adjustment due to further weakening of Lira which led to higher forex translation loss.												

Key Highlights

Key issues/Challenges	<p>Geo-Political Factors Coup in Jul 16 and current US-Turkey political issues are driving foreign exchange volatility affecting all companies operating in Turkey; beyond TNB's control.</p> <p>Merchant Market Dynamics New gas pricing regime by gas authority with a lagging positive effect in electricity market prices i.e natural gas price hike of 49.5% by Turkey's Petroleum Pipeline Corporation (BOTAS) in August 2018 is expected to result in electricity market price increase in coming months.</p> <p>Currency Movement Given the current volatility in the Lira, the portfolio is currently exposed to forex risk due to USD loan by an entity within the group.</p>
Mitigation Plan	<p>Merchant Market Dynamics In the short term, negotiation is on-going with private supplier for cheaper gas price. Moving forward, the higher electricity market price is expected to be positive to GEAS.</p> <p>Currency Movement To carryout debt rescheduling and refinancing under the restructuring options.</p> <p>To plan for loan refinancing with longer tenure and mixed currency denomination (USD and TRY) to reduce foreign currency exchange exposure</p>
Outlook (Investment Horizon)	<ul style="list-style-type: none"> Electricity prices are expected to increase on the back of decreasing reserve margin, increasing gas prices and consumption growth outperforming new capacity additions. The market outlook is expected to steadily improve with a positive impact on the Portfolio by 2021.



General & Investment Overview

Date of Acquisition	November 2016
Plant Type	Coal (1,650MW), Gas (623MW) and Solar (26MW)
Principal activities	Generates electricity from its six operational power assets.
Shareholding	30%

Performance

Technical Performance	YTD availability factor of coal plants are 86%. Solar plant performance is largely inline with the target.	
Financial Performance (as at June'18)	YTD EBITDA of RM343.1mn	
Financial Performance Trending	EBITDA Positive for past five quarters since acquisition.	
	EBITDA (USD)	
	2QFY'18	25.4mn
	1QFY'18	61.7mn
	4QFY'17	4.7mn
	3QFY'17	17.7mn
	2QFY'17	17.6mn

Key Highlights

Key Issues/Challenges	Geo-Political Factors India is not expected to experience any contagion or spillover effect over the US-Turkey geo-political issue.
	Merchant Market Dynamics Ongoing constraints in coal and gas supply is still affecting all energy players in India despite short term policy measures for temporary relief.
Mitigation Plan	Currency Movement Minimal exposure to forex losses due to the fact it has no exposure to foreign currency loan.
	Merchant Market Dynamics a) GMR has been given approval from Ministry of Petroleum & Natural Gas of India for short term diversion of 0.6 Million Metric Standard Cubic Meter Per Day (“MMSCMD”) of Administrative Price Mechanism (“APM”). b) Procured e-auction coal to supplement shortfalls, if any.
Outlook (Investment Horizon)	<ul style="list-style-type: none"> India's energy sector continues to be a market with favorable long-term prospects and opportunities. Our original rationale for entering India still hold true - a key emerging economy, a large and growing population, proven energy demand and growth and a gateway to the energy markets of South Asia. The portfolio operating profit expected to improve in FY2019 due to the full effect of new coal linkage and favorable court order for coal and cost pass through. The market outlook is expected to steadily improve with a positive impact on the Portfolio by 2021.

Resilient Group Revenue

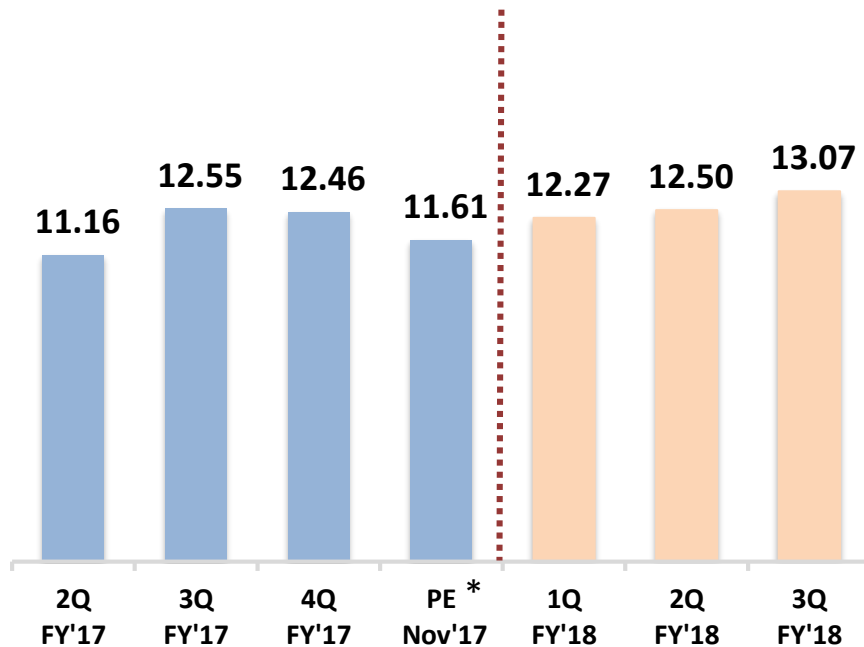


KEY HIGHLIGHTS

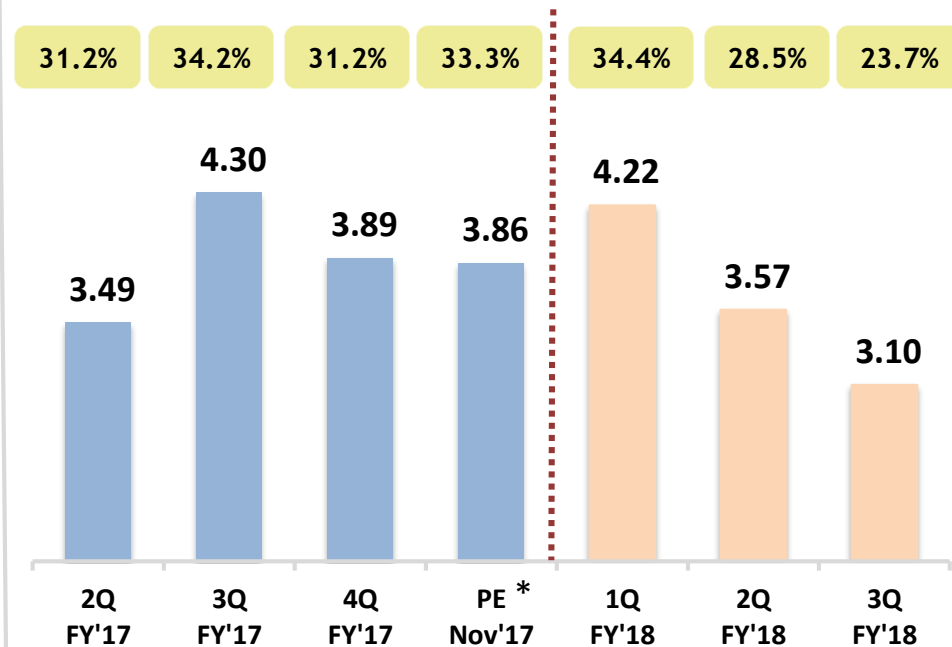
INTERNATIONAL INVESTMENTS

FINANCIAL DETAILS

Revenue (RM bn)



EBITDA (RM bn)



As per reported in FY2017
As per reported in FY2018 (Calendar year)

*Period Sept-Nov 2017

Resilient Group Revenue



KEY HIGHLIGHTS

INTERNATIONAL INVESTMENTS

FINANCIAL DETAILS

	3QFY'18		2QFY'18		1QFY'18		Variance 3Q vs 2Q
UNITS SOLD	GWh		GWh		GWh		GWh
- TNB	28,916.5		29,005.0		27,069.5		(88.5)
- EGAT (Export)	-		(1.4)		5.2		1.4
- SESB	1,360.1		1,369.7		1,264.0		(9.6)
- UK WIND (TNBI)	16.2		15.3		8.4		0.9
- LPL	570.7		-		-		570.7
Total Units Sold (GWh)	30,863.5		30,388.6		28,347.1		474.9
REVENUE	RM mn	Sen/KWh	RM mn	Sen/KWh	RM mn	Sen/KWh	(RM mn)
Sales of Electricity							
- TNB *	11,512.8	39.8	11,531.0	39.8	10,712.5	39.6	(18.20)
- EGAT (Export)	-	-	0.4	-	1.3	-	(0.40)
- SESB	466.6	34.3	469.8	34.3	431.7	34.2	(3.20)
- UK WIND (TNBI)	19.2	124.6	20.2	128.7	10.3	122.6	(1.00)
- LPL	161.6	28.3	81.9	58.5	13.8		79.70
Sales of Electricity	12,160.2	39.4	12,103.3	39.8	11,169.6	39.4	56.9
LPL Operating Lease (MFRS117)	9.3		12.0		6.6		(2.7)
Unbilled Revenue	90.0		(191.2)		144.2		281.2
Recognition of Customers' Contribution **	1.3		1.0		0.4		0.3
Imbalance Cost Pass-Through	479.6		245.2		634.1		234.4
SESB Tariff Support Subsidy ***	120.9		119.2		111.8		1.7
Total Sales of Electricity	12,861.30		12,289.50		12,066.70		571.8
Goods & Services	112.8		125.4		124.9		(12.6)
Released Deferred Income	99.7		83.0		82.4		16.7
Total Revenue	13,073.80		12,497.90		12,274.00		575.9

* Without ICPT

** Amortisation of customers contribution over 20 years. Customers' Contribution is defined as contributions received from customers consists mainly of upfront capital contributions for the construction of asset, used to connect the customers to a network or to provide them with the service.

*** Subsidy by government due to delay in IBR implementation in Sabah & Federal Territory of Labuan

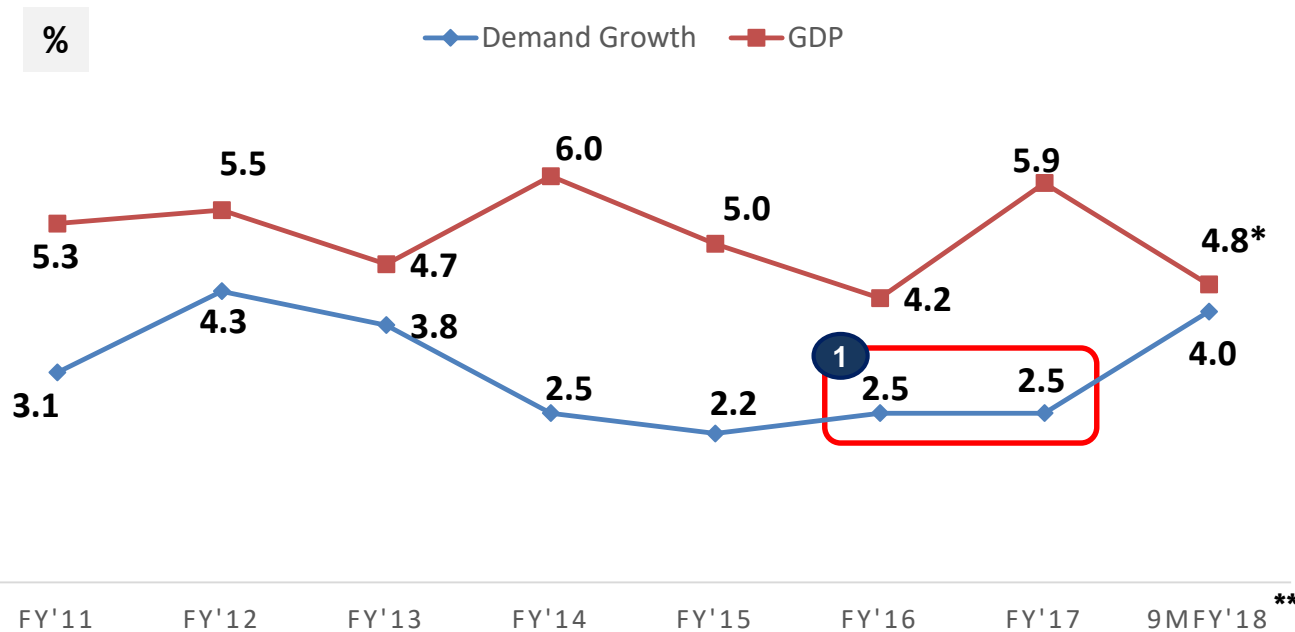
Steady Sales Growth



KEY HIGHLIGHTS

INTERNATIONAL INVESTMENTS

FINANCIAL DETAILS



By Calendar Year	Growth (%)
JAN'16-SEPT'16	5.0
JAN'17- SEPT'17	(0.5)
JAN'18-SEPT'18	2.7

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

* Actual 9M 2018 GDP

** Against 9MFY'17

Positive Growth for Industrial, Commercial & Domestic Sector



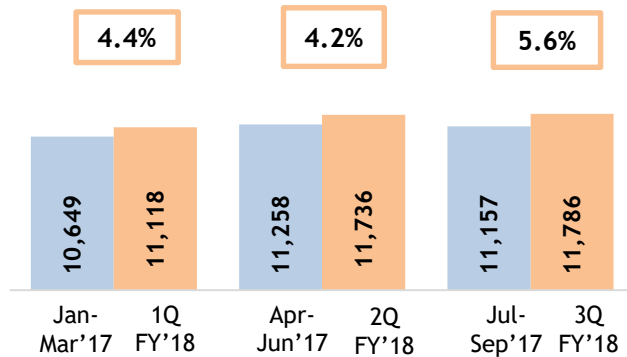
KEY HIGHLIGHTS

INTERNATIONAL INVESTMENTS

FINANCIAL DETAILS

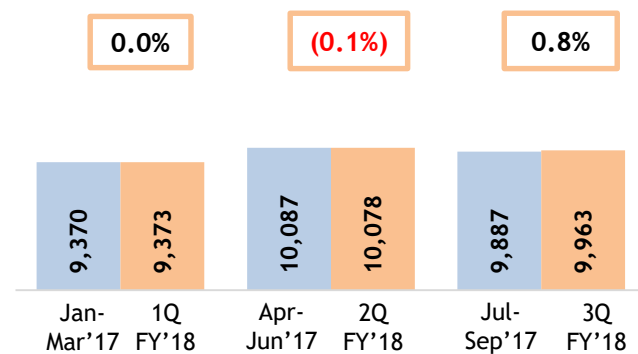
Industrial

Gwh



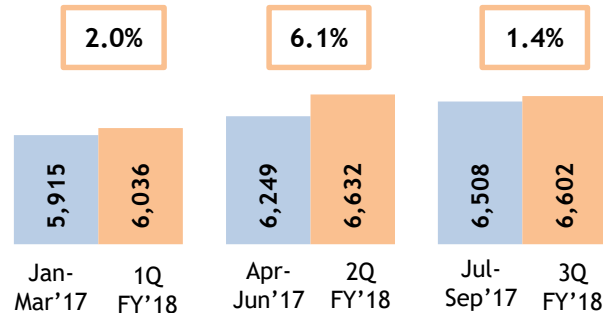
Commercial

Gwh



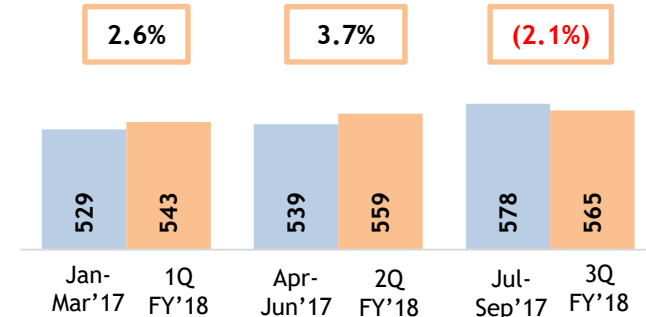
Domestic

Gwh




Others

Gwh



 /  Unit Sales in 2017 / 2018

 Growth in 2018 (Calendar Year)

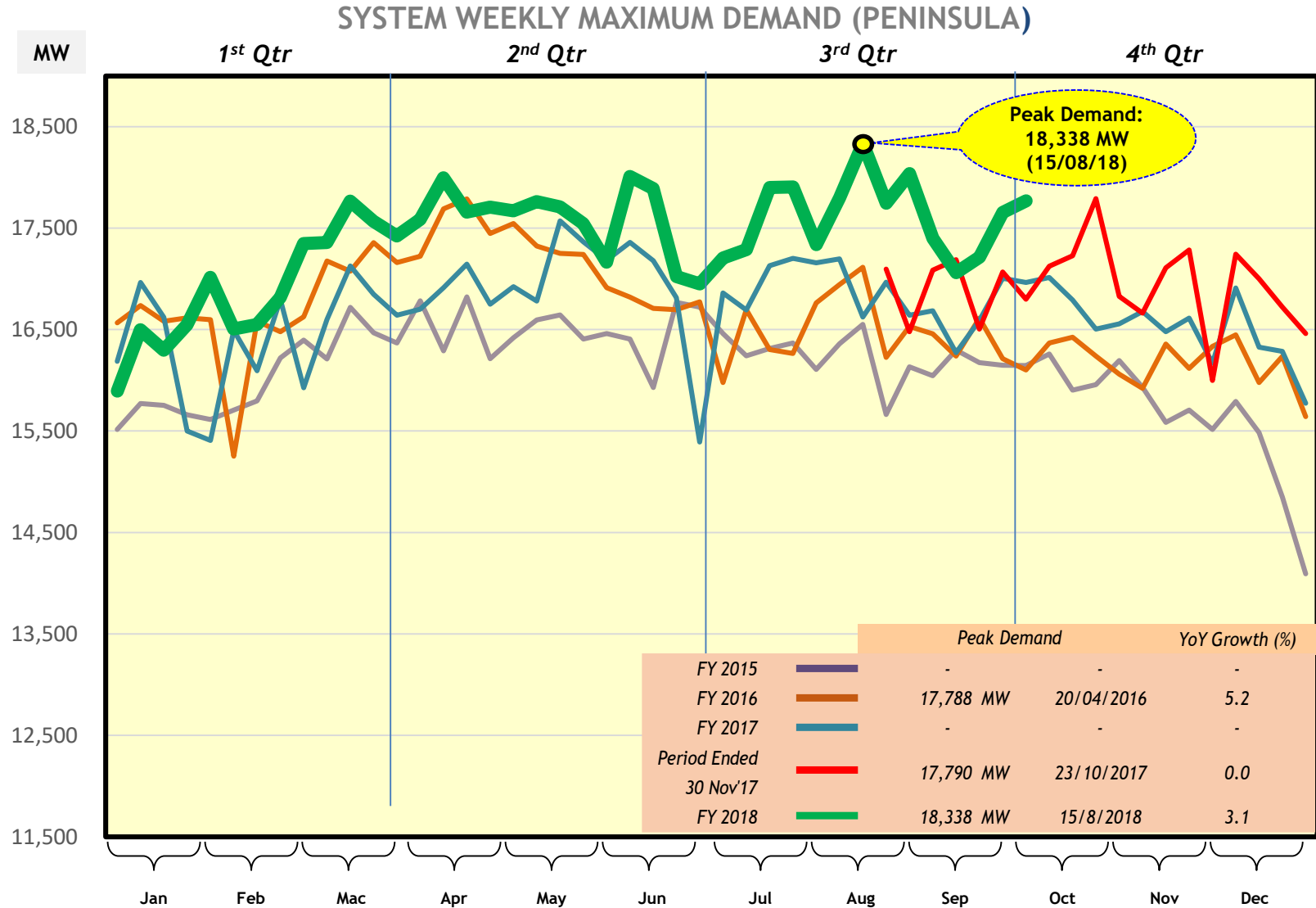
New Peak Demand in 3QFY'18



KEY HIGHLIGHTS

INTERNATIONAL INVESTMENTS

FINANCIAL DETAILS



*The quarter arrangement is base on the new Financial Year (Jan - Dec)

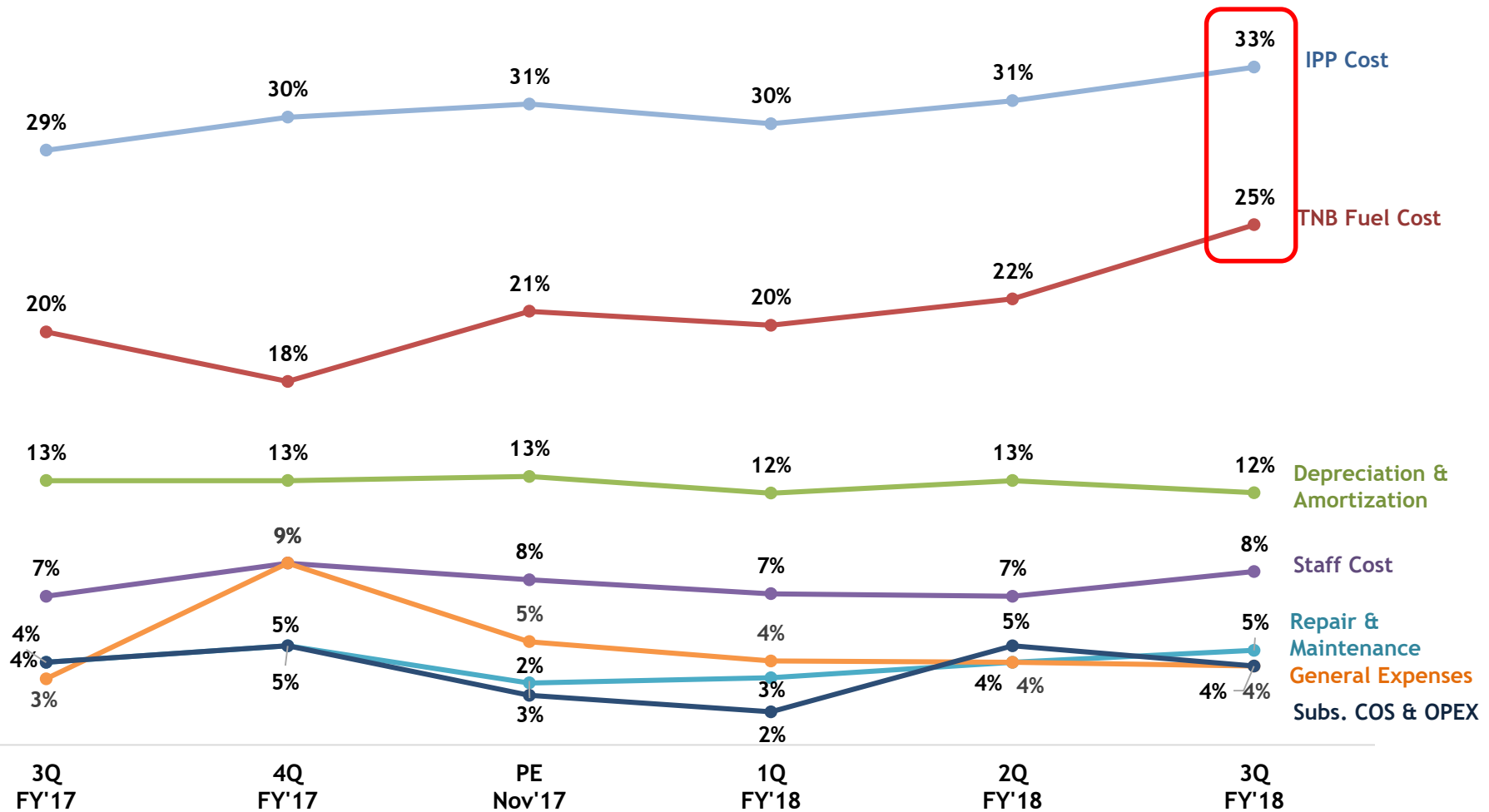
Continuous Uptrend in Generation Cost in 3QFY'18



KEY HIGHLIGHTS

INTERNATIONAL INVESTMENTS

FINANCIAL DETAILS



Notes: All cost are against Group Revenue

Generation Costs Constitute 64% of the Group Operating Expenses



KEY HIGHLIGHTS

INTERNATIONAL INVESTMENTS

FINANCIAL DETAILS

RM mn	3QFY'18	2QFY'18	1QFY'18	Variance 3Q vs 2Q	
				RM'mn	%
Non-TNB IPPs Costs	4,255.2	3,889.6	3,664.6	365.6	9.4
Capacity Payment	1,039.1	981.2	1,009.1	57.9	5.9
Energy Payment	3,216.1	2,908.4	2,655.5	307.7	10.6
Fuel Costs	3,275.3	2,736.2	2,482.3	539.1	19.7
Total Cost of Generation	7,530.5	6,625.8	6,146.9	904.7	13.7
Depreciation & Amortisation	1,621.7	1,553.0	1,532.0	68.7	4.4
Staff Costs	1,084.5	875.7	939.1	208.8	23.8
Repair & Maintenance	566.8	466.1	433.3	100.7	21.6
TNB General Expenses	508.4	548.4	469.9	(40.0)	(7.3)
Subs. Cost of Sales & Opex □	479.0	614.4	245.6	(135.4)	(22.0)
Total Non-Generation Costs	4,260.4	4,057.6	3,619.9	202.8	5.0
Total Operating Expenses	11,790.9	10,683.4	9,766.8	1,107.5	10.4

Generation Costs (Peninsula)



KEY HIGHLIGHTS

INTERNATIONAL INVESTMENTS

FINANCIAL DETAILS

Fuel Costs (RM mn)					
Fuel Type	3QFY'18	2QFY'18	1QFY'18	Variance 3Q vs 2Q	
				RM mn	%
Gas	2,649.0	2,409.4	2,115.3	239.6	9.9
LNG	60.7	19.6	17.0	41.1	>100.0
Coal	3,225.6	2,905.9	2,454.1	319.7	11.0
Dist.	0.7	23.2	11.8	(22.5)	(97.0)
Oil	0.7	6.9	7.3	(6.2)	(89.9)
Total	5,936.7	5,365.0	4,605.5	571.7	10.7

Unit Generated (Gwh)					
Fuel Type	3QFY'18	2QFY'18	1QFY'18	Variance 3Q vs 2Q	
				RM mn	(%)
Gas & LNG	13,760.3	12,352.1	12,444.6	1,408.2	11.4
Coal	17,669.7	18,460.9	16,242.2	(791.2)	(4.3)
Dist.	0.0	21.5	4.8	(21.5)	>(100.0)
Oil	1.7	22.3	14.0	(20.6)	(92.4)
Hydro	1,080.3	1,096.9	1,493.9	(16.6)	(1.5)
Total	32,512.0	31,953.7	30,199.5	558.3	1.7

Q-o-Q	3QFY'18	2QFY'18	1QFY'18
Daily Average Gas Volume (mmscfd)	1,016	923	949
Average LNG Price (RM/mmbtu)	31.63	30.98	30.05
Average Piped Gas Price (RM/mmbtu)	25.70	24.20	24.20
Average Coal Price Delivered (USD/MT)(CIF)	102.5	91.1	92.1
Average Coal Price Delivered (RM/MT)(CIF)	422.60	361.4	361.7
Coal Consumption (mn MT)	7.7	8.0	7.1

Average Coal Price Delivered (USD/MT)					
	3QFY'18	2QFY'18	1QFY'18	Variance 3Q vs 2Q	
				USD	%
FOB	94.3	83.5	84.8	10.8	12.9
Freight	7.7	7.4	6.8	0.3	4.1
Others	0.5	0.2	0.5	0.3	>100.0
CIF	102.5	91.1	92.1	11.4	17.0

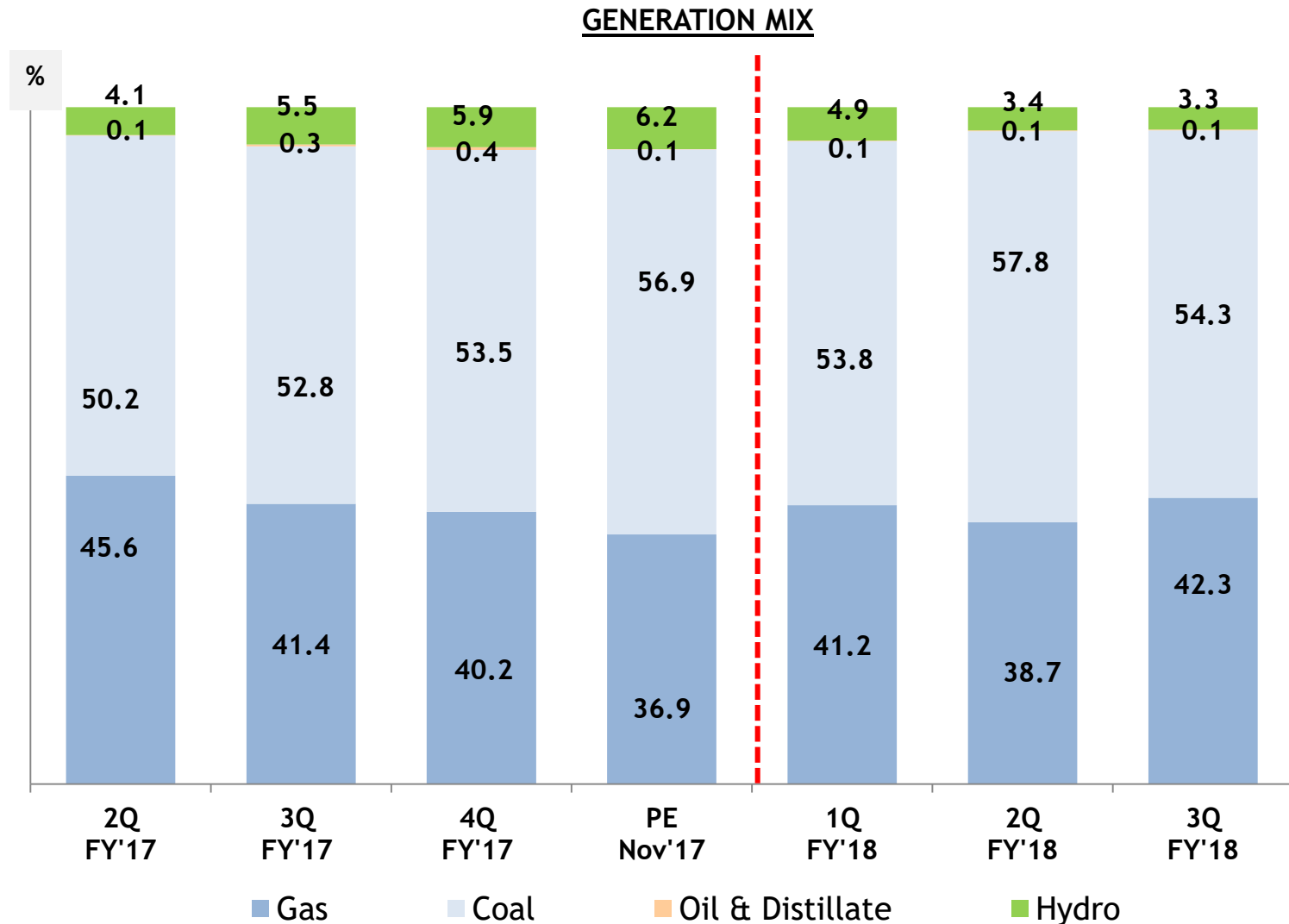
Shift of Generation Mix from Coal to Gas



KEY HIGHLIGHTS

INTERNATIONAL INVESTMENTS

FINANCIAL DETAILS



Fuel Costs (TNB & IPPs - Peninsula)

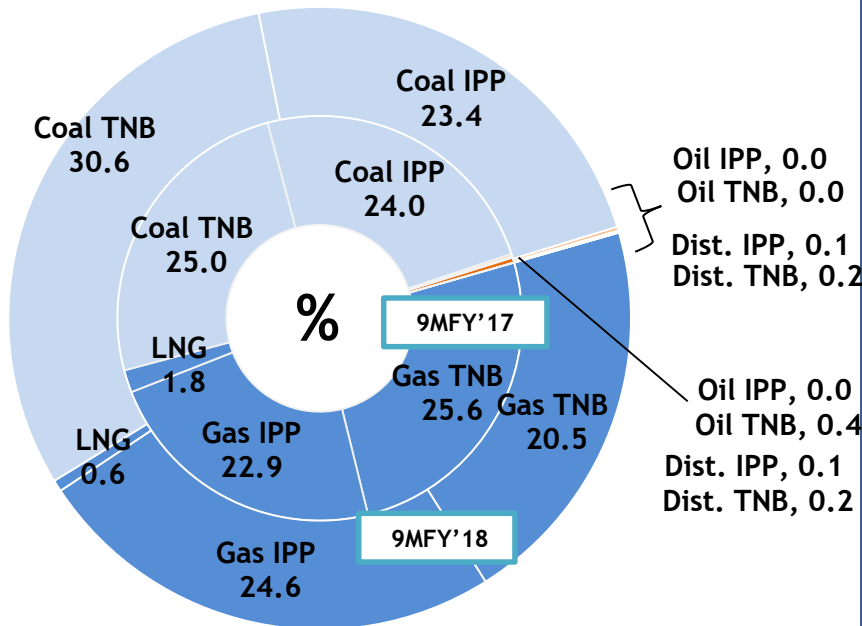


KEY HIGHLIGHTS

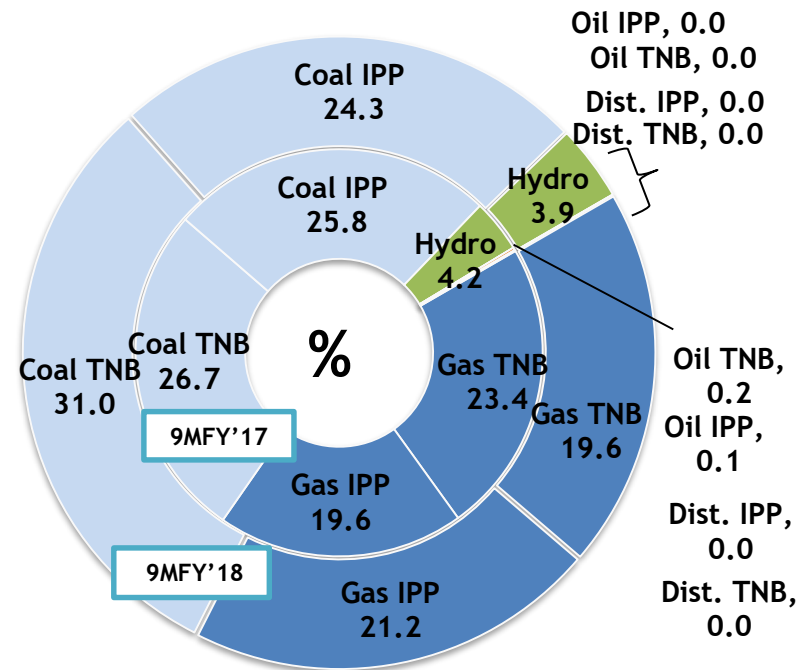
INTERNATIONAL INVESTMENTS

FINANCIAL DETAILS

Fuel Costs



Units Generated



% indicates generation market share

Higher Coal Requirement Expected for 2018

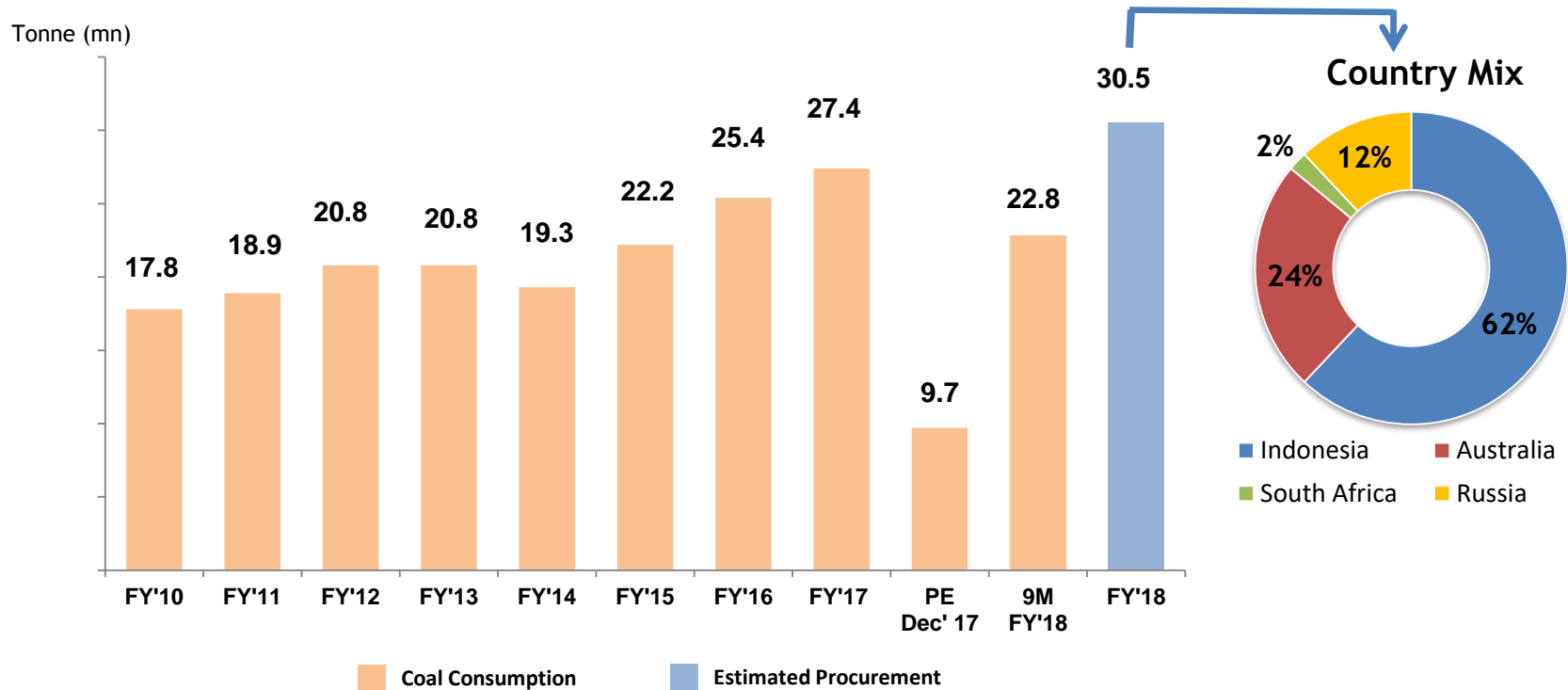


KEY HIGHLIGHTS

INTERNATIONAL INVESTMENTS

FINANCIAL DETAILS

Average Coal Price (CIF)	FY'10	FY'11	FY'12	FY'13	FY'14	FY'15	FY'16	FY'17	9MFY'18
USD/metric tonne	88.2	106.9	103.6	83.6	75.4	66.0	55.7	72.7	94.8
RM/metric tonne	293.8	325.9	321.9	259.5	244.6	236.0	231.1	314.7	378.1



Financial Performance Overview for 3QFY'18

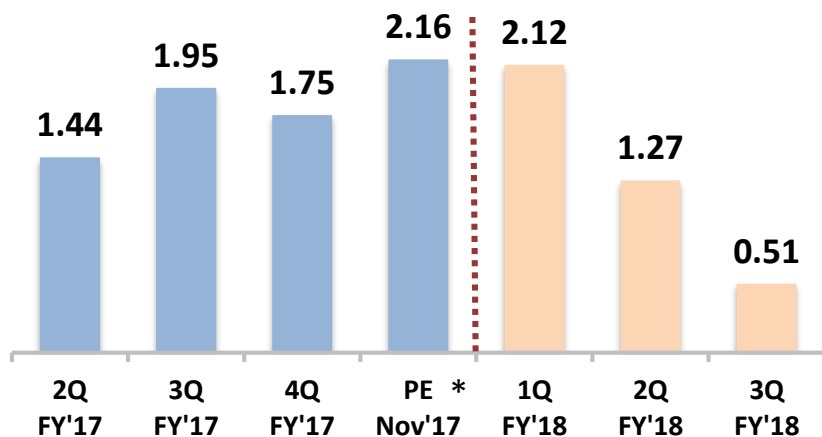


KEY HIGHLIGHTS

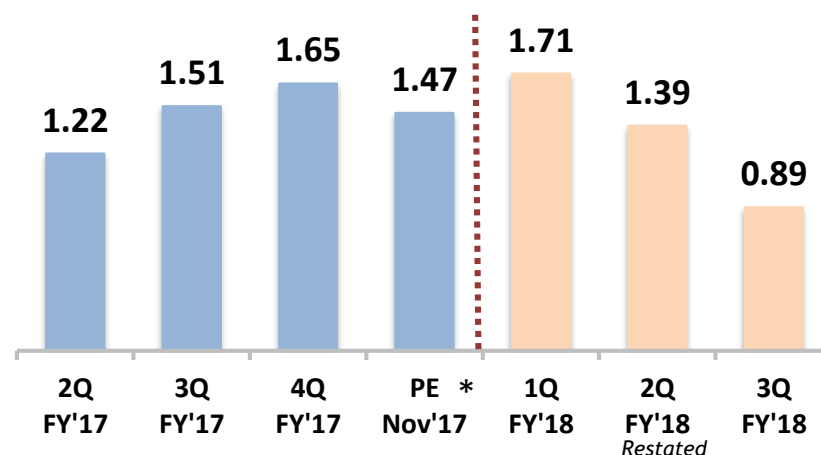
INTERNATIONAL INVESTMENTS

FINANCIAL DETAILS

PAT (RM bn)



Normalized PAT (RM bn)



As per reported in FY2017
As per reported in FY2018 (Calendar year)

*Period Sept-Nov 2017

RM bn	YTD FY'17	1Q FY'18	2Q FY'18	3Q FY'18
Forex Translation (Gain)/ Loss	0.01	(0.09)	0.17	0.17
Reinvestment Allowance	(0.85)	(0.32)	(0.24)	(0.08)
Impairment	-	-	0.20	0.29

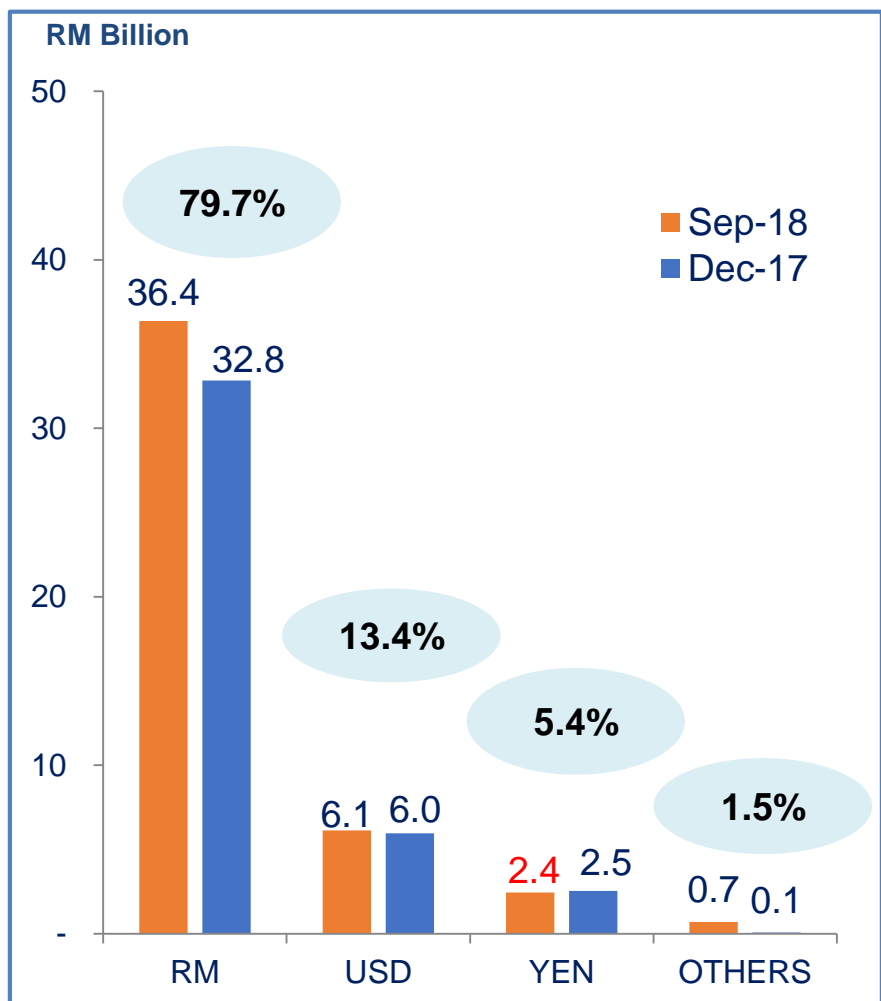
Gearing Level Registered at 43.6%



KEY HIGHLIGHTS

INTERNATIONAL INVESTMENTS

FINANCIAL DETAILS



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

Statistics	30 th Sept'18
Total Debt (RM' Bil)	45.5
Net Debt (RM' Bil) *	27.1
Gearing (%)	43.6
Net Gearing (%)	25.9
Fixed : Floating	95:5
Weighted Average Cost of Borrowing	4.98
Final Exposure **	4.98

* Net Debt excludes deposits, bank and cash balances & investment in UTF

** Inclusive of interest rate swap

Closing FOREX	30 th Sept'18
USD/RM	4.14
100YEN/RM	3.65
GBP/RM	5.41
USD/YEN	113.41

Guidance on MFRS



KEY HIGHLIGHTS

INTERNATIONAL INVESTMENTS

FINANCIAL DETAILS

	Items	Pre Adoption	Post Adoption	Potential Impact Post Adoption		
					P&L	Balance Sheet
MFRS 15 Revenue from Contracts with Customers Adoption date : 1 Jan 2018	(a) Sales of electricity	Revenue recognised as and when customer is billed	No changes	No Changes	/	
	(b) Recognition of Customers' Contributions	Full recognition of revenue in P/L	Revenue is amortised over 20 years	Overall P&L impact- Significant reduction in revenue	/	

Guidance on MFRS



KEY HIGHLIGHTS

INTERNATIONAL INVESTMENTS

FINANCIAL DETAILS

	Items	Pre Adoption	Post Adoption	Potential Impact Post Adoption		
					P&L	Bal Sheet
MFRS 9 Financial Instruments Adoption date : 1 Jan 2018	(a) Classification of Financial Assets	3 classes of financial assets: (1) Fair value through P/L (FVTPL) (2) Loans and Receivables (L&R) (3) Available for Sale (AFS)	3 classes of financial assets: (1) Fair value through P/L (FVTPL) (2) Amortised Cost (AC) (3) Fair value through Other Comprehensive Income (FVOCI)	Estimated no financial impact	-	-
	(b) Impairment on financial instruments	An impairment loss is incurred only if there is objective evidence of impairment (incurred loss model)	An impairment loss is based on expected credit losses which incorporates forward-looking elements (expected credit loss model).	<ul style="list-style-type: none"> First time changes in provisions of doubtful debts taken to Retained Earnings Recognise provisions of doubtful debt in GOE on quarterly basis (as is treatment) 	/	/



	Items	Pre Adoption	Post Adoption	Potential Impact Post Adoption		
					P&L	Balance Sheet
MFRS 16 Leases Adoption date : 1 Jan 2019	TNB as Lessee	2 classes of leases:	Single lease model:	(a) Increase in asset (ROU) and liability (lease liability) at initial recognition		/
		(1) Finance lease (on balance sheet)	(a) recognise a lease liability			
		(2) Operating lease (off balance sheet)	(b) recognise a 'right-of-use' ('ROU') asset	(b) PAT Impact:		
			(c) ROU asset is depreciated	i. Decrease in operating expenses (due to elimination of capacity payment)	/	
			(d) lease liability is accreted over time with interest expense recognised in P/L	ii. Increase in depreciation iii. Increase in finance cost	/	
				Overall P&L impact- Insignificant reduction in PAT		

Question & Answer

This award is a testament to the dedication and commitment of **35,000** employees who work hard in building and growing TNB brand.



Disclaimer

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THANK YOU

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